

AGENDA
LOVELAND CITY COUNCIL MEETING
TUESDAY, SEPTEMBER 17, 2013
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act. For more information, please contact the City's ADA Coordinator at bettie.greenberg@cityofloveland.org or 970-962-3319.

5:30 P.M. **DINNER - City Manager's Conference Room**
6:30 P.M. **REGULAR MEETING - City Council Chambers**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

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

1. **CITY CLERK** **(presenter: Terry Andrews)**
 APPROVAL OF MINUTES
 A motion to approve the September 3, 2013 Regular Meeting minutes.
 This is an administrative action to approve the September 3, 2013 Regular Meeting Minutes.

2. **HUMAN RESOURCES** **(presenter: Julia Holland)**
 SETTING SPECIAL MEETING DATE FOR APPOINTED POSITION EVALUATIONS
 A motion Setting Special Meeting Date and Time for Appointed Position Evaluations
 This is an administrative action to consider a motion to set a Special Meeting on October 8, 2013 at 5:00 p.m. The purpose of the Special Meeting is to conduct an Executive

Session to evaluate performance of Council appointed staff and discussion of two information only items. Budget may be impacted if possible merit increases are granted based on the outcome of the performance evaluations.

3. **HUMAN RESOURCES** (presenter: Julia Holland)
RETIREE MEDICAL PLAN
A motion to approve the continuance of the City's Retiree Medical Plan with an amendment to add a Public Safety component, while still maintaining the "rule of 80" (minimum years of service and age to equal 80)
 This is an administrative action. The approval would renew the plan under a five year window, with the option to review the plan each budget year. Approval of this item would continue the Retiree Medical Plan that provides a high deductible plan for eligible employees. The City would be required to conduct another actuarial study after the five year period for Council to renew. Due to Health Care Reform and the option of State Exchanges it may be practical for Council to discontinue the plan prior to the five year window. Staff will continue to monitor effects of State Exchanges and make necessary recommendations for Council. If Council determines it is in the best interest of the City to close/discontinue the plan, it would be recommended to grandfather current participants and discontinue the eligibility for new participants to enroll in the plan.
4. **DEVELOPMENT SERVICES** (presenter: Alison Hade)
AFFORDABLE HOUSING DESIGNATION - THE EDGE
A motion to adopt a Resolution #R-69-2013 Approving an Affordable Housing Designation and Associated Reduction in Development Fees for a Multifamily Development Containing 70 Dwelling Units on Lot 1, Block 1, Waterfall Sixth Subdivision, City of Loveland, Colorado
 An administrative action to adopt a resolution designating The Edge, a proposed 70-unit apartment complex by the Housing Authority of the City of Loveland, as an affordable housing development. Qualifying a development as affordable will not result in a reduction of fees. Fees will be reduced if building does not begin in the same year in which the qualification occurs. The Edge project will begin as soon as HACOL receives tax credits.
5. **DEVELOPMENT SERVICES** (presenter: Troy Bliss)
PUBLIC HEARING
ASPEN KNOLLS PUBLIC HEARING CONTINUANCE
A motion to Open the Public Hearing and Continue it to October 1, 2013 at 6:30 p.m., followed by consideration of:
 1. An Ordinance Vacating All Public Rights-of-Way Located in the Aspen Knolls First and Second Subdivisions, City of Loveland, Larimer County, Colorado
 This is a legislative action for adoption of an ordinance on first reading to vacate all public rights-of-way within the Aspen Knolls First and Second Subdivisions.
 2. An Ordinance Amending Section 18.04.040 of the Loveland Municipal Code, the Same Relating to Zoning Regulations for "P-50 - Aspen Knolls" to the City of Loveland
 This is a quasi-judicial action for adoption of an ordinance on first reading to rezone the property from P-50 – Aspen Knolls Planned Unit Development (PUD) to DR – Developing Resource.
6. **LIBRARY** (presenter: Marcia Lewis)
ADDITION OF LIBRARY FEES FOR NEW SERVICES
A motion to approve a Resolution #R-70-2013 Amending Resolution #R-63-2012

Regarding the 2013 Schedule of Rates, Charges and Fees for City Services, other than Services Provided by the Water and Power Department and the Stormwater Enterprise

This is an administrative action to consider a resolution amending the 2013 Schedule of City Rates, Charges, and Fees (other than Water and Power or the Stormwater Enterprises) previously adopted to add fees for new Library services. New charges for these services will create additional 2013 revenues.

7. PUBLIC WORKS (presenter: Ken Cooper)

PUBLIC HEARING

SALE OF NORTH TAFT PROPERTIES

A motion to approve and order published on first reading an Ordinance Authorizing the Sale of 905, 915, 925, 933, and 935 North Taft Avenue Pursuant Section 4-7 of the City of Loveland Municipal Charter

This is an administrative matter approving the sale of approximately 5.2 acres of City-owned property located at 905, 915, 925, 933, and 935 North Taft Avenue, which were parcels acquired for the Taft Avenue widening project.

8. PUBLIC WORKS (presenter: Keith Reester)

PUBLIC HEARING

SUPPLEMENTAL APPROPRIATION FOR EMERGENCY MOSQUITO SPRAYING

A motion to approve and order published on first reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for Contractual Costs of Emergency Sprayings Due to the West Nile Virus

This is an administrative item. The ordinance appropriates available fund balance in the Mosquito Control Division (part of the Solid Waste Enterprise Fund) to cover four West Nile Virus mosquito sprayings required to safeguard the community. The mosquito control function is funded by a separate fee. The balance used is not from Refuse or Recycling Rate revenue. The appropriation is from the Mosquito Control Division balance which reduces the flexibility to fund other items within the Solid Waste Enterprise Fund.

9. POLICE (presenter: Luke Hecker)

POLICE TEN YEAR STAFF AND RESOURCE PLAN

A motion to approve a Resolution #R-71-2013 Adopting the Loveland Police Department Ten Year Public Safety Staff and Resource Plan

This is an administrative action. This resolution endorses and adopts the Loveland Police Department Ten Year Staff and Resource Plan. The strategic staffing and resource plan is the product of a comprehensive two year, four-phase study that was conducted by the Police Department. Council's adoption of the resolution creates a touchstone during the next ten year budget cycle for the application of available financial resources to fund the Police Department Staff and Resource Plan as a budget priority. Budget impact will be year-to-year, based upon available financial resources and the tier level deployed for hiring Police Department staff.

END OF CONSENT AGENDA

CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA

CITY COUNCIL

- a. Citizens' Report** *Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.*

- b. **Business from Council** *This is an opportunity for Council Members to report on recent activities or introduce new business for discussion at this time or on a future City Council agenda.*
- c. **City Manager Report**
- d. **City Attorney Report**

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 quorum 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

10. **CITY CLERK** (presenter: Terry Andrews)
APPROVAL OF MINUTES
A motion to approve the August 27, 2013 Study Session Meeting minutes.
 This is an administrative action to approve the August 27, 2013 Study Session minutes. Councilor Farley was absent.

11. **PUBLIC WORKS** (presenter: David Klockemen & Kevin Gingery)
REVISIONS TO SYSTEM INVESTMENT FEES AND STORMWATER UTILITY FEES
A motion to approve a Resolution #R-66-2013 Concerning Revisions to the Stormwater Rates for System Investment Fees (SIF's) and the Stormwater Utility Fee for 2014 and Beyond
 This is an administrative action to adopt a resolution on first reading that provides funding for the Stormwater Enterprise through a series of rate increases for System Investment Fees (SIF's) and the Stormwater Utility Fee. The presentation and discussion will include existing rates and the potential adjustment to rates going forward; on-going needs, and City Council direction from the December 11, 2012 Study Session. The SIF's (Stormwater's version of Capital Expansion Fees) are collected with each new development to provide regional stormwater facilities the ability to protect the existing downstream property owners. The last adjustment to these fees appeared in 2005. The Stormwater Utility Fee is based on the costs to upgrade the existing Stormwater system that was in place prior to 1987, as well as, maintain all of the public Stormwater facilities across the City. The last adjustment to these fees was in 2002. The proposed rates to the SIF's would balance the costs across the anticipated development within the City's Growth Management Area (GMA), allowing for the anticipated regional improvements to be funded. The proposed rate for the Stormwater Utility Fee would expedite the completion of Master Plan Projects within the area of the City that existed prior to 1986, which current rates would never allow for completion. The Stormwater Utility will be positively affected by additional funding for capital projects.

12. **PUBLIC WORKS** (presenter: Keith Reester)
PURCHASE AND CONTRACT AWARD FOR SIX SOLID WASTE TRUCKS
A motion to Award a Contract to Transwest Freightliner, LLC in the Amount of \$1,477,866 for the Acquisition of Six Solid Waste Truck Chassis with a Hydraulic Hybrid System for Delivery in 2014 and to Authorize the City Manager to Execute the Contract on Behalf of the City

This is an administrative action. The motion allows Public Works/Solid Waste permission to generate, and the City Manager authorization to execute a purchase order for \$1,477,866.00 to purchase (6) Autocar chassis from Transwest, equipped with Parker/Hannifin hybrid drive propulsion drive transmissions. Fuel cost savings: Average Solid Waste truck fuel usage per year is 4,581 gallons (\$14,124). Parker system will yield 30% or greater savings in fuel usage 1375 gallons (30%) (\$4,237) across 6 trucks, \$25,420 in fuel cost savings per year. The funds are available within the Solid Waste Enterprise fund and have been planned in the capital expenditures of the fund, so the impacts are neutral. Funding is included in the 2013 Budget and will be rolled over to 2014.

13. HUMAN RESOURCES (presenter: Julia Holland)

Healthstat Employee Clinic Update

This is an information only item to update Council on the City's Employee Clinic.

14. PARKS AND RECREATION (presenter: Janet Meisel-Burns)

PUBLIC HEARING

SUPPLEMENTAL APPROPRIATION FOR FULL BUILD OUT CONSTRUCTION AND AMENDMENT TO THE CONTRACT FOR MEHAFFEY PARK

1. A motion to approve and order published on first reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for the Full Build Out and Construction of Mehaffey Park in the amount of \$2,800,000

This is an administrative action. This ordinance will approve a supplemental appropriation for the construction of Mehaffey Park project with an additional \$2,800,000 from the following funds: \$1,300,000 from Parks CEF fund, \$ 1,000,000 from the Conservation Trust Fund (Lottery) and \$500,000 from the Recreation CEF Fund, all parks and recreation dedicated funding sources.

2. A motion to Authorize the City Manager to Amend the Contract with ECI, Site Construction Management, Inc., as the Construction Manager/General Contractor (CM/GC) for the Guaranteed Maximum Price (GMP #2) of not to Exceed \$7,500,000 for Completion of Construction and Full Build Out of Mehaffey Park; Subject to the Express Condition that this Amendment Shall Not be Completed Unless and Until the Supplemental Appropriation Ordinance for an Additional \$2,800,000 is Passed on Second Reading and Becomes Effective

This is an administrative action. ECI, Site Construction Management, Inc., Logan Simpson Design, Inc. and staff have concluded additional analysis of the competitive bid submittals and have determined a recommended Guaranteed Maximum Price of not to exceed \$ 7,500,000 for GMP #2 for the balance of construction of Mehaffey Park. On August 6, 2013 Council authorized GMP #1 for site work, which is underway. GMP # 2 is the recommended action as approved by the Parks and Recreation Commission and our project team. Supplemental funding in the amount of \$2,800,000 is required for the construction costs to complete GMP #2. The Mehaffey Park Project has a current budget of \$7,669,500. This additional \$2,800,000 appropriation will take the total construction cost to \$10,669,500. Sufficient funding is currently available in the fund balances to provide funding for this request. It is anticipated that the only short term project impacted would be the extension of 1 year to fund the Phase 2, Loveland Sports Park development. This schedule is in the current 5 and 10 year capital projects funding plan.

ADJOURN

unanimously approved this ordinance on first reading, at the regular meeting on August 20, 2013.

2. **FINANCE** (presenter: John Hartman)
ESTABLISHING PUBLIC HEARING DATE FOR 2014 RECOMMENDED BUDGET
A motion to approve a Resolution #R-64-2013 Establishing a Date, Time, and Place for a Public Hearing on the 2014 Recommended Budget for the City of Loveland, Colorado was approved.

This is an administrative action. The resolution sets the date for the public hearing for October 1, 2013.

3. **DEVELOPMENT SERVICES** (presenter: Troy Bliss)
KING OF GLORY ADDITION ANNEXATION ESTABLISHING HEARING DATE
A motion to approve a Resolution #R-65-2013 Finding a Certain Petition for Annexation Known as King of Glory Addition, Filed on June 10, 2013, to be in Substantial Compliance with Section 30 of Article II of the Colorado Constitution and With the Requirements of §31-12-107(1), C.R.S.; and Establishing a Date, Time, and Place for a Hearing to Determine Whether the Proposed Annexation Complies with the Applicable Requirements of Sections 31-12-104 and 31-12-105, C.R.S., and is Eligible for Annexation to the City of Loveland, Colorado was approved.

This is a legislative action to consider a resolution setting a public hearing date of October 15, 2013 for City Council to consider a petition to annex approximately 4.2 acres to be known as King of Glory Addition. The applicant is King of Glory Lutheran Church. The property is generally located at the northwest corner of W. 29th Street and N. Wilson Avenue and is occupied by King of Glory Lutheran Church, which includes two attached structures with a combined floor area of approximately 18,000 square feet.

END OF CONSENT AGENDA

CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA

CITY COUNCIL

- a. **Citizens' Report** *Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.*
None.
- b. **Business from Council** *This is an opportunity for Council Members to report on recent activities or introduce new business for discussion at this time or on a future City Council agenda.*

Fogle: Announced the Corn Roast Festival was a success; \$32,000 was given to Thompson R2J from the proceeds of the Rotary Club Duck Race; Setback area of map could be allowed on the website.

Taylor: Announced Habitat for Humanity Build-a-Thon on October 8-10, encouraged citizens to form a team and enter.

Shaffer: Attended the Corn Roast; Announced "Eggstraordinary" Event on September 6, 2013.

Trenary: Attended the Corn Roast/US Pro Challenge and thanked the volunteers and City Staff; Attended the Mehaffey Park Ground breaking on August 27, 2013; Announced the Ground breaking of the Service Center on September 4, 2013; Announced the Business Appreciation Breakfast on September 5, 2013.

Clark: Attended the Corn Roast; Expressed appreciation to Mindy McCloughen,

Chamber of Commerce President for all of her hard work for the Corn Roast Festival. The Chamber will be conducting a survey for opinions regarding holding the with Corn Roast downtown vs. the Old Fairgrounds property; Councilor Clark’s father, Willard Clark passed away- councilor Clark thanked the citizens for their outpouring of support.

Klassen: Attended the Group Publishing –Community Service Awards ceremony last week- grants totaling \$61,000 were awarded, with first place being awarded to Loveland not-for-profit “Amy’s House” in the amount of \$25,000.

McKean: Attended the Corn Roast; Congratulated Grand Marshalls, Annie Hall and Bill and Elizabeth Markham.

Farley: Reminded the Councilors to “talk into the microphones during the meetings”.

Gutierrez: Announced the Cravin’ Cajun Ball Community Event on September 20, 2013 from 6-10 p.m.

c. City Manager Report:

Recognized Four key city departments for their contribution to the US Pro Challenge and the Corn Roast: Police, Fire, Economic Development, and Public Works; Special Recognition was given to Sean Keller and Sgt. James Gardener for their many hours of work on the US Pro Challenge. Council requested staff give a briefing of how the US Pro Challenge/Corn Roast went before the next event; Mayor Gutierrez recognized Cindy Makin from Economic Development and the Northern Colorado Organizing committee.

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 quorum 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

Consensus of Council was to remove Items 8 and 9 from the Agenda.

4. CITY CLERK

(presenter: Terry Andrews)

APPROVAL OF MINUTES

1. City Clerk, Terry Andrews introduced this item to Council. This is an administrative action to approve the August 13, 2013 Special Meeting & Study Session Meeting Minutes. Councilors Shaffer and McKean were not present. **Councilor Shaffer moved to approve the August 13, 2013 Special Meeting & Study Session Meeting Minutes. Councilor Klassen seconded the motion which carried with all councilors present voting in favor thereof. Councilors McKean and Shaffer abstained.**
2. City Clerk, Terry Andrews introduced this item to Council. This is an administrative action to approve the August 20, 2013 Regular Meeting Minutes. Councilor Farley

was not present. **Councilor Shaffer moved to approve the August 20, 2013 Regular Meeting Minutes. Councilor Klassen seconded the motion which carried with all councilors present voting in favor thereof. Councilor Farley abstained.**

5. **CITY ATTORNEY** (presenter: John Duval)
CITIZEN INITIATIVE PETITION FOR A TWO-YEAR MORATORIUM ON HYDRAULIC FRACTURING

City Attorney, John Duval introduced this item to Council. The proposed ordinance is a legislative action for the Council to adopt on its own authority the ordinance proposed in the citizen initiative for a two-year moratorium on hydraulic fracturing. The resolutions are both administrative actions. The first resolution refers to the voters and fixes a ballot title for the citizen-initiated ordinance "A Resolution of the Loveland City Council Submitting Pursuant to C.R.S. Section 31-11-104(1) A Citizen-Initiated Ordinance to a Vote of the City's Registered Electors at the City's Regular Election on November 5, 2013" and the second does the same with amended language that provides the City Council is not exercising their independent referral authority. It also clarifies the results of the election are subject to the outcome of the appeal process provided by State Statute. City Attorney asked Council to make a motion to allow him to accept service on behalf of the City Council of the summons and complaint between the City of Loveland, the City Clerk and City Council by Larry Sarner. **Councilor Shaffer moved to allow City Attorney, John Duval to accept service on behalf of the City Council of the summons and complaint between the City of Loveland, the City Clerk and City Council by Larry Sarner. The motion was seconded by Councilor Fogle and carried with all councilors voting in favor thereof.**

City Attorney, John Duval made mention of the four options for Council:

1. Consider the Ordinance
2. Consider the Resolution #R-67-2013
3. Consider the Resolution #R-68-2013
4. City Council Authority to direct an item to the voters

Mayor Gutierrez opened the public hearing at 7:30 p.m.

The following citizens showed their support: Dick Mullot, in support of referring the matter to the voters; Kay Fisenger; in support of referring the matter to the voters; Evelyn Bingham on W. 11th; in support of referring the matter to the voters; Alexi Grewal on 5531 W 1st; in support of referring the matter to the voters; Kathy Hartman at 945 E 6th Street; in support of referring the matter to the voters; Mary Batrus Mayer at 444 Logan; in support of referring the matter to the voters; Linda McCaula; in support of referring the matter to the voters; Sharon Amhorn on Garfield, in support of referring the matter to the voters; Kim Orr, in support of referring the matter to the voters; Leo Hatherly at 3305 N. Franklin; in support of referring the matter to the voters ; David Hallet, in support of referring the matter to the voters; Frederick Moose; in support of referring the matter to the voters; Evie Buckner, in support of referring the matter to the voters; Bonnie Cuphill, in support of referring the matter to the voters; Weldon Theese Filbert, in support of referring the matter to the voters; Sal Valdiva, in support of referring the matter to the voters; Susan Lewis, in support of referring the matter to the voters; Bruce Welling at 411 W 11th; in support of referring the matter to the voters; Karen Blair, in support of referring the matter to the voters; Fred at 1732 W 29th, in support of referring the matter to the voters; and Jan Rosetta Shockner, in support of referring the matter to the voters. The following were in support of "doing nothing" at this time; Nick Petersen, in support of "doing nothing" at this time; Alan at 1714 Sockhill, in support of "doing nothing" at this time; Larry Sarner at 711 W, in support of "doing nothing" at this time; Andy Peterson at

2154 W Eisenhower, in support of “doing nothing ”at this time; Jack Kantley, in support of “doing nothing” at this time; and Troy Krenning at 2908 Bent Drive, in support of “doing nothing” at this time. With no further public comment the Mayor closed the public hearing at 8:52 p.m.

Councilor Shaffer moved to approve Resolution#R-67-2013, “A Resolution of the Loveland City Council Submitting Pursuant to C.R.S. Section 31-11-104(1) A Citizen-Initiated Ordinance to a Vote of the City’s Registered Electors at the City’s Regular Election on November 5, 2013.” Councilor Trenary seconded the motion which failed with four councilors voting in favor and Councilors Klassen, McKean, Fogle, Clark and Taylor voting against.

Councilor Shaffer moved to “take no action on the citizen initiative petition and to allow the appeal to go forward”. Councilor Farley seconded the motion and the motion passed with five councilors voting in favor and Councilors Shaffer, Trenary, Gutierrez and Farley voting against.

6. PUBLIC WORKS (presenter: David Klockeman)

**CDOT’S FUTURE OPTIONS FOR NORTH I-25
North I-25 from 120th Avenue to State Highway (SH) 14 (Mulberry Avenue) –
Options and Input for Future**

City Engineer, David Klockeman introduced this item. Staff is looking for Council direction. CDOT representatives provided information related to the future options of North I-25, from 120th Avenue to SH 14 (Mulberry). This effort is associated with CDOT’s Responsible Acceleration of Maintenance and Partnerships (RAMP) Program, currently under consideration, which includes possible funding for North I-25. Johnny Olson, Aaron Grecko, and Rich Chuster, James Lohr, Ina Cisman asked for a letter of support. Other parties involved- Erie, Dacono, Firestone, Frederick, Mead, Weld County and Broomfield. **Consensus of Council was to direct Staff to create a letter for the Mayor’s signature in support of continued discussion on CDOT Regent 4 application for RAMP Funding.**

7. PUBLIC WORKS (presenter: David Klockeman and Kevin Gingery)

REVISIONS TO SYSTEM INVESTMENT FEES AND STORMWATER UTILITY FEES

This item was postponed until the next regular meeting on September 17, 2013.

8. FINANCE (presenter: Brent Worthington)

JULY 2013 FINANCIAL REPORT

This item was removed from the agenda.

9. CITY MANAGER (presenter: Alan Krcmarik)

INVESTMENT REPORT FOR JULY 2013

This item was removed from the agenda.

ADJOURNMENT

Having no further business to come before Council, the September 3, 2013 Regular Meeting was adjourned at 12:01 a.m., September 4, 2013.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor



CITY OF LOVELAND
HUMAN RESOURCES DEPARTMENT
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2371 • FAX (970) 962-2919 • TDD (970) 962-2620

AGENDA ITEM: 2
MEETING DATE: 9/17/2013
TO: City Council
FROM: Julia Holland, Director of Human Resources
PRESENTER: Julia Holland

TITLE:

Setting Special Meeting Date and Time for Appointed Position Evaluations

RECOMMENDED CITY COUNCIL ACTION:

Adopt the motion.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action to consider a motion to set a Special Meeting on October 8, 2013 at 5:00 p.m. The purpose of the Special Meeting is to conduct an Executive Session to evaluate performance of Council appointed staff and discussion of two information only items.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Budget may be impacted if possible merit increases are granted based on the outcome of performance evaluations.

BACKGROUND:

Consideration of a motion calling a Special Meeting for October 8th, to be located in the City Manager Conference Room, 500 E. Third St, Loveland, CO for the purpose of reviewing performance and conducting evaluations with Council appointed staff.

REVIEWED BY CITY MANAGER:

William A. Cahill

LIST OF ATTACHMENTS:

None



CITY OF LOVELAND
HUMAN RESOURCES DEPARTMENT
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2371 • FAX (970) 962-2919 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 9/17/2013
TO: City Council
FROM: Julia Holland, Director of Human Resources
PRESENTER: Julia Holland

TITLE:
 Retiree Medical Plan

RECOMMENDED CITY COUNCIL ACTION:
 Adopt the action as recommended.

- OPTIONS:**
1. Adopt the action as recommended
 2. Deny the action
 3. Adopt a modified action (specify in the motion)
 4. Refer back to staff for further development and consideration
 5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action to consider a motion to approve the continuance of the City's Retiree Medical Plan with an amendment to add a Public Safety component, while still maintaining the "rule of 80" (minimum years of service and age to equal 80). The approval would renew the plan under a five year window, with the option to review the plan each budget year. Approval of this item would continue the Retiree Medical Plan that provides a high deductible plan for eligible employees.

The City would be required to conduct another actuarial study after the five year period for Council to renew. Due to Health Care Reform and the option of State Exchanges it may be practical for Council to discontinue the plan prior to the five year window. Staff will continue to monitor effects of State Exchanges and make necessary recommendations for Council. If Council determines it is in the best interest of the City to close/discontinue the plan, it would be recommended to grandfather current participants and discontinue the eligibility for new participants to enroll in the plan.

BUDGET IMPACT:

- Positive
 Negative

Neutral or negligible

Benefit budget may be impacted depending on retiree claims experience.

BACKGROUND:

The retiree medical plan is designed to provide an affordable option of medical coverage for eligible City employees who retire from employment with the City. All eligible retirees can only be covered under the plan until age 65. The plan will be available for the next five years, unless Council discontinues during a budget cycle, for employees who may qualify under the following circumstances:

- Employees with a minimum service requirement of 20 years and age 60.
- Sworn Police and Fire personnel with a minimum service requirement of 25 years and a minimum retirement age of age 55.

The Police Retirement Board has discussed the continuance of the program with the addition of the Public Safety component. The Board discussion has been in support of the recommended action.

Retirees will be responsible for 100% of the premium and claims paid by the plan will be pooled with the current employee health claims costs. Since the inception of the plan in 2009 the net expense to the City has been \$16,500.00.

Although there are several employees that may become eligible under the plan, the plan design and premium structure does not entice eligible retirees to join the plan. There have historically been a number of retirees eligible that have not elected the plan and we expect this trend to continue. The City currently has two participants enrolled in the plan.

The actuarial study and presentation demonstrates potential liability as required and calculated per GASB standards. The liability amounts represented are extremely conservative and demonstrate a higher liability than expected, per the City's actual claims experience.

REVIEWED BY CITY MANAGER:

William D. Cabell

LIST OF ATTACHMENTS:

1. 2014 Retiree Medical Plan PowerPoint
2. 2014 Retiree Medical Plan Information Packet

RETIREE MEDICAL PLAN RECOMMENDATION



- **CONTINUE CURRENT - “RULE OF 80” –**
MINIMUM AGE 60 WITH AT LEAST 20 YEARS OF
SERVICE
- **ADD - PUBLIC SAFETY-RULE OF 80 –** MINIMUM
AGE 55 WITH AT LEAST 25 YEARS OF SERVICE
- **RENEW - 5 YEAR WINDOW OF ELIGIBILITY; REVIEW**
ANNUALLY WITH BUDGET
- **CONTINUE - BRIDGE PLAN TO AGE 65**

Current Retiree Plan Statistics



- CURRENT PLAN PARTICIPATION: 2
- CURRENT ANNUAL CLAIMS AVERAGE \$11,571
(AVERAGE OF 3.5 YEARS-AND UNUSUALLY LOW)
- ACTUAL ENROLLMENT TREND: 2 OF 7 ELIGIBLE
ENROLLED (28%)

RETIREE MEDICAL PLAN DESIGN



- HIGH DEDUCTIBLE PLAN - \$2500 ANNUAL DEDUCTIBLE
- 80/20 COINSURANCE
- ONE TIME ENROLLMENT OPTION AT TIME OF SEPARATION OF SERVICE
- SPOUSES ELIGIBLE WITH SOME LIMITATION
- CLAIMS POOLED WITH ACTIVE EMPLOYEE PLAN

FINANCIAL INFORMATION



- RETIREE PAYS 100% OF THE PREMIUM
- INDIVIDUAL MONTHLY PREMIUM OF \$450 - \$500
- GASB LIABILITY*:
 - END CURRENT PLAN 12/2013: \$274,961
 - CONTINUE CURRENT PLAN TO 12/2018: \$617,518
 - CONTINUE CURRENT AND ADD PUBLIC SAFETY: \$648,262

**INCLUDES ENROLLEE'S COVERAGE TO AGE 65*

**City of Loveland
Retiree Medical Plan Information Packet
September 10, 2013**

Submitted by:
**Human Resources Department
September 10, 2013**

Inclusions

Plan Summary and Definitions. page 3

Medical Plan Scenarios. page 5

Base Plan Design. page 6

Regional Comparison Information. Section A

Leif & Associates
GASB 45 Valuation and Alternative Scenarios. Section B

City of Loveland Recommended Retiree Medical Plan Summary

The City of Loveland Retiree Medical Plan is designed to provide career employees with access to affordable health insurance during the gap between retirement and Medicare eligibility. The plan is also designed to minimize potential financial liability to the City. The current Retiree Health Plan has been in place since January 1, 2009. The Retiree Medical Plan allows eligible employees and their eligible dependents the opportunity to elect coverage through a retiree high deductible health plan requiring participants pay 100% of the total premium. The Plan is funded through the City's employee benefits fund. Since its implementation the City has experienced fairly low participation and low claim expenses. Although, the participation has historically been low, it is of significant value to those tenured employees that have elected to participate.

The staff recommendation to Council is to continue the current plan through December 31, 2018, with the option to allow earlier enrollment for Sworn Police and Fire personnel. If the continuation of the plan is adopted by Council either as is, or modified as provided herein, Council has an opportunity, if necessary, to revoke new enrollment into the Plan prior to December 31, 2018, through the annual budget approval process.

Recommended Eligibility and Commencement of Participation

An employee is eligible to enroll in the City of Loveland Retiree Medical Plan if he or she has worked in a benefit eligible position, is enrolled in the City's Health Plan, has worked with the City for at least 20 years and retires from the City between the ages of 60 and 65. Sworn Police and Fire personnel are eligible beginning at age 55 if he or she has worked in a benefit eligible position, is enrolled in the City's Health Plan and has 25 years of service with the City. The recommendation is that this plan is only offered to employees who meet the service and age criteria and retire from the City between January 1, 2014 and December 31, 2018. No other employees will be allowed on this plan unless the City Council reauthorizes the Plan beyond December 31, 2018. The Retiree shall become an eligible participant the first of the month following the date of separation from the City.

ELIGIBILITY OPTIONS

- 1) *RULE OF 80* Employees are eligible with a minimum service requirement of 20 years and age 60.
- 2) *RULE of 80 as listed above AND add RULE OF 80 for Sworn Police and Fire personnel* are eligible with a minimum service requirement of 25 years and a minimum retirement age of age 55.

Eligible Dependents

Eligible dependents will be defined by our current active employee medical Summary Plan Descriptions (SPD). The current definition includes a participant's lawful spouse, common law and civil union, children up to the age of 26, and children who are primarily supported by the participant and incapable of self-sustaining employment by

reason of substantiated mental/physical handicap and eligible to be reported on Income Tax returns.

Termination of Participation

A Retiree electing to be on the Plan shall cease to be a participant in the Plan on the earliest of the following:

- 1) The date the Retiree dies or
- 2) The date the Retiree turns 65 or
- 3) The date the Plan is terminated.

A Dependent shall cease to be eligible for the Plan on the earliest of the following:

- 1) The date on which the Retiree ceases to be eligible under this Plan unless due to death of Retiree or
- 2) Five years following the date the Retiree dies or
- 3) The date the Plan is terminated.

Closing Enrollment, Plan Termination and Amendment

The City reserves the right to close enrollment or amend the Plan at any time. New participants will not be accepted into this Plan as of December 31, 2018, unless the plan enrollment is reauthorized by the City Council. In the event the City's Medical Plan terminates, this Plan would also terminate.

Plan Reauthorization

The City Council and Staff will review the status of the Retiree Medical Plan prior to the Plan's enrollment termination date of December 31, 2018, for the purpose of determining whether or not to reauthorize the Plan beyond December 31, 2018.

**City of Loveland Retiree Medical Plan Scenarios
Five-Year Enrollment Window (Enrollment close 12/31/2018)**

SCENARIO 1 (current plan):

<i>Eligibility:</i>	Rule of 80 (age 60 to 65)
<i>Medical Plan:</i>	High Deductible Plan
<i>Retiree Contribution:</i>	Same as HRA Plan
<i>Enrollment Eligibility Ends:</i>	12/2013

<i>Current Number of Employees Enrolled:</i>	2
<i>Total Eligible Employees as of 12/2013:</i>	42
<i>Original Number Eligible at the beginning of the plan:</i>	79
<i>Eligible at termination that declined:</i>	15
<i>Accrued Actuarial Liability</i>	\$274,961

SCENARIO 2 (continue current plan):

<i>Eligibility:</i>	Rule of 80 (age 60 to 65)
<i>Medical Plan:</i>	High Deductible Plan
<i>Retiree Contribution:</i>	Same as HRA Plan
<i>Enrollment Eligibility Ends:</i>	12/2018

<i>Total Eligible Employees:</i>	96
<i>Accrued Actuarial Liability</i>	\$617,518

SCENARIOS 3 (amend and continue plan):

<i>Eligibility:</i>	Rule of 80 (age 55 to 65 for Sworn Police/Fire) Rule of 80 (age 60 to 65 for non-Sworn)
<i>Medical Plan:</i>	High Deductible Plan
<i>Retiree Contribution:</i>	Same as HRA Plan
<i>Enrollment Eligibility End:</i>	12/2018

<i>Total Eligible Employees:</i>	105
<i>Accrued Actuarial Liability</i>	\$648,262

Actuarial provided by Leif Associates, August 2013

City of Loveland Retiree Medical Plan
Base Plan Design *effective 1/1/2014*

Benefit	Retiree Medical PPO Plan Design	
	In-Network	Non-Network
Deductible	\$2,500 Individual \$5,000 Family	
Maximum Out-of-Pocket (includes deductible)	\$6,350 Individual \$12,700 Family	\$12,500 Individual \$25,000 Family
Lifetime Maximum	Unlimited	
Routine Office Visits	80% covered after deductible	60% covered after deductible
Physician Services Other Than Office Visits	100% covered	60% covered after deductible
Child Preventive	100% covered	60% covered, not subject to deductible
Adult Preventive	100% covered	60% covered, not subject to deductible
Routine Screening ¹	100% covered	100% covered
Maternity – Prenatal/Delivery	80%/80% covered after deductible	60%/50% covered after deductible
Inpatient Hospital	80% covered after deductible	50% covered after deductible
Outpatient Hospital	80% covered after deductible	50% covered after deductible
Routine Laboratory	80% covered after deductible	50% covered after deductible
Routine X-Ray	80% covered after deductible	50% covered after deductible
MRI/PET/CT Scans	80% covered after deductible	50% covered after deductible
Urgent Care	80% covered after deductible	
Emergency	80% covered after deductible	
Ambulance	80% covered after deductible	
Mental Health – in-network	Inpatient: 80% covered after deductible. Outpatient: 80% covered,	Inpatient: 50% covered after deductible. Outpatient: 60% covered.
Alcohol and Substance Abuse Rehab	Inpatient: 80% covered after deductible. Outpatient: 80% covered.	Inpatient: 50% covered after deductible. Outpatient: 60% covered.
Physical, Occupational, and Speech Therapy	80% covered after deductible	50% covered after deductible
Durable Medical Equipment, Prosthetics & Orthotics	80% covered after deductible	50% covered after deductible
Home Health Care	80% covered after deductible	50% covered after deductible
Hospice Services	80% covered after deductible	50% covered after deductible
Skilled Nursing Facility	80% covered after deductible	50% covered after deductible
Prescription Drug Benefit (Separate Riders)	Generic: 10% of cost (max of \$10) Formulary Brand: 20% of cost (max of \$60) Non-Formulary Brand: 40% of cost (max of \$100)	

¹ Mammogram, pap smear, prostate screening, immunizations.

Northern Colorado Comparison Data

Section A

Northern Colorado Retiree Health Plans Comparison

8/6/2013

Entity	City of Loveland	Town of Estes	City of Fort Collins	City of Greeley	Larimer County	City of Longmont
Retiree Plan	Yes	Yes	No	Yes	No	Yes
Eligibility Rules	20 years of service & age 60	15 years of service & age 60		10 years of service & age 55		25 years of service & age 55 (hired prior to 2012); 20 years of service & age 60 (hired after 1/1/2012)
Coverage until age:	65	65		65		65
% of premium by Retiree	100%	10%		100%		100%
% of premium by Entity	0%	90%		0%		0%
Additional comments:	enrollment eligibility ends 12/31/2013	if spouse enrolled, Retiree pays 100% of spouse coverage	Plan closed in 2009	Access to options available to current employees		

Leif & Associates
GASB 45 Valuation & Alternative Scenarios
Section B



LEIF ASSOCIATES, INC.

1515 Arapahoe Street
 Tower 1, Suite 530
 Denver, Colorado 80202
 Phone 303.294.0994
 Fax 303.294.0979
 Email ejleif@leif.net

July 30, 2013

Rita M. Chandler, PHR
 Benefits Administrator
 City of Loveland, Human Resources
 500 East Third Street, Suite 220
 Loveland, CO 80537

Re: City of Loveland GASB 45 Valuation – Alternative Scenarios – Updated August 5th

Dear Rita:

The City of Loveland retiree medical program currently allows an employee to elect retiree medical coverage if he/she meets the Rule of 80 (age plus years of services greater than or equal to 80) and is at least age 60 years old. Those who meet the requirement between January 1, 2009 and December 31, 2013 are eligible under this current program.

The City is considering two alternative scenarios: (1) extending the program through December 31, 2018 with the same eligibility requirements (Rule of 80, minimum age 60), and (2) the same date extension (through December 31, 2018) but, in addition, police and fire employees would be eligible at age 55 with a minimum of 25 years of service.

We have calculated the liabilities associated with the current program as well as the two alternatives for the 2012 and 2013 plan years. The valuation date is at the beginning of the year so all counts and liabilities are as of the valuation date of January 1, 2012. A summary of the eligible population's demographics, the GASB 45 liabilities, and the assumptions we used are shown below.

Demographics

The City provided census data including active employees and retirees currently covered under the medical plan as of April 2013. Below are the statistics of the population currently eligible as well as for those who would qualify if the plan were extended. This information was update August 5th to reflect a status change for two sworn employees previously categorized as fire and police who would not be eligible under the age 55/25 scenario. The subsequent liabilities were also updated to reflect this change.

As of 1/1/2012	Program Ends 12/31/2013	Program Ends 12/31/2018
Active Employees	651	651
Retirees with Coverage	2	2
Eligible for Retiree Medical Rule of 80	47	105
Eligible for Retiree Medical 55/25 (incl. in above)	N/A	9
Average Age	61.1	58.4
Average Years of Service	27.5	24.7

Note that three employees under the fire and police category are currently eligible under the Rule of 80 eligibility requirement. Six additional employees become eligible if the program is extended.

The liabilities under the program will continue to decrease as "eligible" employees terminate, retire, or age out of the program. In review of the census data as of June 2013, we observed that the following has occurred in the limited "eligible through 2013" population since the prior valuation. Note, in comparison to the final valuation results for fiscal year 2012, one employee retired after the 1/1/2012 valuation data so is shown as active in the final FY 2012 report.

Change of Status	Count
Retired/terminated and did not elect coverage	5
Retired and elected medical coverage	3
Dropped retiree medical coverage	2

By December 31, 2013, an additional 15 (of 47 currently eligible) will be age 65 or older and, therefore, will no longer be eligible for the retiree medical program.

If the program were extended through 2018, 16 of 58 newly eligible employees and all of the currently eligible will have aged out of the program by the program end date of 12/31/2018.

Summary of Liabilities

Under the current program, the liabilities are decreasing each year as people who are eligible for the program terminate or retire, most not taking medical coverage (3 out of 7 terminations elected coverage in 2012 and 2013 year to date).

Below is a summary of the increase in the accrued liability: (1) if the plan were extended to 2018, and (2) if the plan were extended to 2018 and the eligibility for the fire/police employees was changed from age 60 and 20 years of service to age 55 with 25 years of service. Note, as the plan is not funded the Accrued Liability equals the Unfunded Liability. The FY 2013 reflect a projection of the 2013 results based on the census as of April 2013.

	<u>FY 2012</u>	<u>FY 2013</u>
Accrued liability current program	\$274,961	\$233,632
Additional liability if extended to 12/31/2018	<u>\$342,557</u>	<u>\$352,283</u>
Total	\$617,518	\$585,915
Additional liability for 55/25 eligible	<u>\$ 30,744</u>	<u>\$ 20,005</u>
Total	\$648,262	\$605,920

Retiree Medical Plans and the Future

As has been widely publicized, employers have been revisiting and/or terminating their retiree medical coverage due to the increasing cost and financial reporting requirements. These liabilities are to be reported in the annual financial statements as an unfunded liability. There is much speculation as to the types of coverage and rates to be offered on the new health care exchanges in 2014. Some larger employers have announced they will discontinue offering retiree medical as the pre-65 retirees will be able to purchase coverage through the exchange; however, many are holding off until the types of plans, levels of coverage and premium amounts are known. From a review of various surveys, the respondents who offer pre-65 retiree medical are revisiting the issue in light of health care reform and waiting to make changes. The focus typically is on the years between now and 2018 as various provisions are implemented (i.e. excise tax in 2018).

Looking at preliminary rate filings for the Colorado exchange, an age 62 year old premium would exceed the current City of Loveland's premium (\$433 per month) in almost all cases. Again, preliminary filings show that a Bronze level (coverage of at or around 60% of total cost) through Kaiser would be less than the \$433 City retiree cost. A plan covering 80% of costs (Gold level) would be about 40% higher through Kaiser and then 110% for the next lowest cost plan. Again, these initial filings are preliminary and may change by the October 1 implementation date.

GASB 45 Reporting

GASB 45 requires certain liability measurements to be reported on the financial statements. The next table shows the various calculations required to be reported in the footnote section of the City's Comprehensive Annual Financial Report (CAFR) each year. Definitions of each term follow the table.

Development of the Annual Other Post-Employment Benefits (OPEB) Cost and Net OPEB Obligation

Results for fiscal year 2012	Current Rule of 80	Extended Rule of 80	Extended 80 & 55/25
Present Value of Future Benefits			
1. Actives	\$251,837	\$613,025	\$680,300
2. Retirees	\$28,182	\$28,182	\$28,182
3. Total PVFB (1 + 2)	\$280,019	\$641,207	\$708,482
Actuarial Accrued Liability and Funded Status			
1. Actives	\$246,779	\$589,336	\$620,080
2. Retirees	\$28,182	\$28,182	\$28,182
3. Total AAL (1 + 2)	\$274,961	\$617,518	\$648,262
4. Actuarial Value of Assets	\$0	\$0	\$0
5. Unfunded Actuarial Accrued Liability (3 – 4)	\$274,961	\$617,518	\$648,262
Annual Required Contribution			
1. Unfunded Actuarial Accrued Liability	\$274,961	\$617,518	\$648,262
2. Amortization Factor at Current Discount Rate	18.16614	18.16614	18.16614
3. Amortization of Unfunded AAL (1 ÷ 2)	\$15,136	\$33,993	\$35,685
4. Normal Cost	\$3,743	\$9,120	\$17,482
5. Interest on 3 and 4. (1/2 year to midpoint)	\$366	\$835	\$1,029
6. Annual Required Contribution (3 + 4 + 5)	\$19,245	\$43,948	\$54,196
7. Discount Rate	3.91%	3.91%	3.91%
Annual OPEB Cost			
1. Annual Required Contribution	\$19,245	\$43,948	\$54,196
2. Interest on Prior FYE Net OPEB Obligation	\$5,575	\$5,575	\$5,575
3. Amortization Adjustment	\$8,001	\$8,001	\$8,001
4. Annual OPEB Cost (1 + 2 – 3)	\$16,819	\$41,522	\$51,770
Net OPEB Obligation			
1. Net OPEB Obligation Beginning of Fiscal Year	\$142,580	\$142,580	\$142,580
2. Annual OPEB Cost	\$16,819	\$41,522	\$51,770
3. Employer Contribution (actual)	\$13,403	\$13,403	\$13,403
4. Net OPEB Obligation End of Fiscal Year (1 + 2 – 3)	\$145,996	\$170,699	\$180,947

Terminology

GASB 45 requires certain liability measurements to be reported on the financial statements. Below are definitions of these measures.

Present Value of Future Benefits

This is the present value of projected benefits (projected retiree claims less projected retiree contributions) discounted back to the valuation date at the valuation discount rate.

Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability

This is the total liability accrued for your plan as of the disclosure valuation date. This value includes the present value of all expected future benefits for current retirees. It also includes the portion of the present value of expected post-retirement benefits for active employees accrued for all past years of service through the valuation date. As there are no assets in an irrevocable OPEB trust to fund the retiree medical liability, the unfunded actuarial accrued liability is equal to the accrued liability. You will note that the Actuarial Accrued Liability (AAL) is close to the Present Value of Future Benefits (PVFB) as most of the employees are eligible to retire and elect coverage as of the valuation date (January 1, 2012).

Annual Required Contribution

This represents the post-retirement benefit cost attributable to the current fiscal year (normal cost), interest on the prior year's obligation, and amortization of the unfunded liability. The normal cost is low as this represents the portion of the benefit accruing during the year. The accrual is for those few employees who have not met the full eligibility requirement as of the valuation date.

Annual OPEB Cost

This amount is recognized in the City's financial statement as the cost of the Other Post-Employment Benefits (OPEB). The annual OPEB cost is equal to the Annual Required Contribution plus accounting adjustments required by GASB which include an interest adjustment and an amortization adjustment.

Net OPEB Obligation

This is the difference between the Annual OPEB Cost and the actual amount paid by the City for the current fiscal year. The actual amount paid by the City includes retiree claims and administrative costs offset by the retiree contributions (premiums). The difference is the remaining accrual to be paid in future years. The Net OPEB Obligation accumulates over time as the sum of the differences over the years plus interest.

Methodology and Assumptions

Many assumptions were made in determining the liabilities shown in the table above. The assumptions shown below are the same as those used in the past with the exception of the discount rate. This rate is the Moody's Aa bond rate as of the valuation date.

Plan Participation:	35% of eligible employees are assumed to enroll in the medical plan upon retirement.
Spouse Coverage:	35% electing coverage are assumed to cover a spouse. 80% of those retiring are assumed to be married.
Spouse Age:	Males are assumed to be one year older than their spouse.

Retirement Rates:

Age	Male	Female
45 – 49	10%	10%
50 – 54	15%	15%
55 – 59	20%	21%
60 – 61	20%	17%
62 – 64	25%	22%
65	100%	100%

Heath Cost Trends:

Year	Medical	Rx
1	11%	8%
2	10%	7%
3	9%	6%
4	8%	5%
5	7%	5%
6	6%	5%
7+	5%	5%

Discount Rate: 3.91%

Administrative Trend: 5.00%

Retiree Contribution: 100% of the premium (2012 = \$433.50 per person)

Caveat

Please note, the amounts shown are for GASB 45 purposes only and are not to be used for completing government reporting forms, disclosing the funded status of your plan to your employees, or calculating plan premiums. Cost determinations for these other purposes may be quite different from those shown in this report.

Please feel free contact us if you have any questions about this report.

Sincerely,



Elizabeth J. Leif, FSA MAAA
Consulting Actuary



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 4
MEETING DATE: 9/17/2013
TO: City Council
FROM: Greg George, Development Services
PRESENTER: Alison Hade, Community Partnership Office

TITLE:

A Resolution Approving an Affordable Housing Designation and Associated Reduction in Development Fees for a Multifamily Development Containing 70 Dwelling Units on Lot 1, Block 1, Waterfall Sixth Subdivision, City of Loveland, Colorado

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

An administrative action to adopt a resolution designating The Edge, a proposed 70-unit apartment complex by the Housing Authority of the City of Loveland, as an affordable housing development.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Qualifying a development as affordable will not result in a reduction of fees. Fees will be reduced if building does not begin in the same year in which the qualification occurs. The Edge project will begin as soon as HACOL receives tax credits.

BACKGROUND:

The Housing Authority of the City of Loveland is requesting that The Edge development (formerly referred to as Water Fall Park), a 70-unit affordable housing project located one mile east of Interstate 25, on Boyd Lake Avenue and 15th Street, be qualified as “affordable”. The project will provide 60-units of affordable work force housing for families and individuals who work in or around the retail sector of the east side of Loveland. It will also provide 10 units of housing for veterans, which will further be supported with Project Based Section 8 Vouchers. 100% of the units will provide housing to residents living at or below 60% of the Area Median Income.

The Loveland Municipal Code permits City Council to approve a development as “affordable”, thereby ensuring that any capital expansion, water rights requirements and fees, and any other fees, (be calculated as of the date the City Council adopts a resolution) designating the development as “affordable”. According to the Municipal Code, the fees are locked in for five years from the date the resolution is adopted. After five years, the fee levels are adjusted forward in one year increments until the tenth year is reached and the affordable housing designation expires, unless an extension is granted by the City Council.

On July 11, 2013, the Affordable Housing Commission recommended that City Council approve a resolution qualifying The Edge development as “affordable”.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. Resolution
2. The Edge/Affordable Housing Development Application (Exhibit A)
3. Map of Subject Property
4. Staff Memo
5. The Edge Development Plan

RESOLUTION #R-69-2013

A RESOLUTION APPROVING AN AFFORDABLE HOUSING DESIGNATION AND ASSOCIATED REDUCTION IN DEVELOPMENT FEES FOR A MULTIFAMILY DEVELOPMENT CONTAINING 70 DWELLING UNITS ON LOT 1, BLOCK 1, WATERFALL SIXTH SUBDIVISION, CITY OF LOVELAND, COLORADO

WHEREAS, the Housing Authority of the City of Loveland (“HACOL”) owns that real property (the “Property”) legally described as **Lot 1, Block 1, Waterfall Sixth Subdivision, City of Loveland, County of Larimer, State of Colorado**; and

WHEREAS, HACOL would like to develop the Property as seventy (70) unit multi-family affordable housing project (the “Project”); and

WHEREAS, in accordance with Loveland Municipal Code Section 16.43.035, HACOL submitted an application, a copy of which is attached hereto as Exhibit A and incorporated herein by reference (the “Application”), to the City’s Affordable Housing Commission requesting that the Project be designated as an affordable housing development; and

WHEREAS, on July 11, 2013, the Affordable Housing Commission considered the Application and unanimously voted to recommend that the City Council approve HACOL’s request to designate the Project as an affordable housing development; and

WHEREAS, the City Council has reviewed the Application and the Affordable Housing Commission’s recommendation and finds that, for good cause shown, the Project qualifies for designation as an affordable housing development and is therefore eligible to receive the associated reduction in development fees to the extent set forth in Code Section 16.38.085 on the terms and conditions set forth below.

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

Section 1. That HACOL’s Application to designate the Project as an affordable housing development under Code Section 16.43.035 is hereby approved, and the Project, consisting of not more than seventy (70) dwelling units, shall be eligible for the associated reduction in capital expansion fees, water rights requirements and fees, and other fees imposed by the City on new development (referred to hereinabove as “development fees”) to the extent set forth in Code Section 16.38.085; provided, however, that one hundred percent (100%) of the dwelling units constructed within the Project shall be at or below sixty percent (60%) of area median income (“AMI”), with AMI being that established by the U.S. Department of Housing and Urban Development.

Section 2. That the reduction in development fees set forth in Section 1 hereof shall be conditioned upon the City, through its City Manager, and HACOL entering into a

development agreement, which shall provide that one hundred percent (100%) of the dwelling units constructed within the Project shall be at or below sixty percent (60%) of AMI, as well as such other conditions as the City Manager deems necessary.

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


ADOPTED this 17th day of September, 2013.

Cecil A. Gutierrez, Mayor

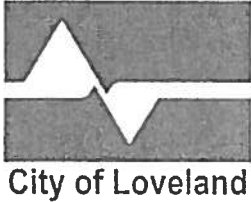
ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney



COMMUNITY PARTNERSHIP OFFICE
 Civic Center • 500 East Third Street • Loveland, Colorado 80537
 (970) 962-2517 • FAX (970) 962-2903 • TDD (970) 962-2620
www.cityofloveland.org

**CITY OF LOVELAND
 APPLICATION FOR QUALIFICATION
 AFFORDABLE HOUSING DESIGNATION**

The City of Loveland has established a program for the development and construction of housing affordable to low and moderate income citizens in Loveland. Qualified developments are eligible for all incentives outline in the Loveland Municipal Code. To be considered, proposals must meet the criteria described in the Loveland Municipal Code.

Applicant Name: Loveland Housing Authority
 Rich Ekwall

Contact Person: rekwa@lovelandhsg.org 970-635-5925

Email Address: 375 W 37th. Street Loveland, CO 80538

Address: _____

1. Description of Proposed Development (include site map with application):

The proposed project will consist of 60 units of work force family affordable housing and 10 units of homeless veterans housing plus a 2500 square foot clubhouse, sports court, and tot lot. The project name will become "The Edge" and will be located at 15th. and Boyd Lake Ave on the site of the old Water Park.

2. What percent of the land area in the proposed development is dedicated to residential units?

100% of the land area will be for the affordable development

3. What percent of the residential units will be affordable as defined in the City of Loveland Municipal Code?

100% of the units will be at or below 60% of the AMI

4. At a minimum, how many units will fall into each category?

For Sale Units		Rental Units	
% Area Median Income	# of units	% Area Median Income	# of units
Below 40% of A.M.I.		Below 30% of A.M.I.	9
40% - 50% of A.M.I.		30% - 40% of A.M.I.	20
50% - 60% of A.M.I.		40% - 50% of A.M.I.	23
60% - 70% of A.M.I.		50% - 60% of A.M.I.	18
70% - 80% of A.M.I.		Market Rate units	0
Market Rate units			
Total # of for-sale units		Total # of rental units	70

Applicant:

The Applicant acknowledges that if the proposal is qualified as an affordable housing project, the Applicant's project will receive fast-track development review processing, early calculation of capital expansion fees, and will be considered for development standards modifications, and the Applicant, or Builder if appropriate, must apply separately for possible fee waivers and the use tax credit for each housing unit eligible as an affordable unit. The Applicant must comply with any and all conditions, regulations or ordinances required by the City of Loveland appropriate for land use and development, including those regarding affordable housing. By executing this Application, the Applicant agrees to all terms listed in application and agrees to repay any credit issued by the City in the event the applicant fails to achieve and maintain compliance with the requirements of the City of Loveland regarding affordable housing development proposals.

Applicant's Signature: *[Signature]* Date: 6-3-2013

The foregoing instrument was acknowledged before me this 3rd day of June, 2013.

WITNESS my hand and official seal.

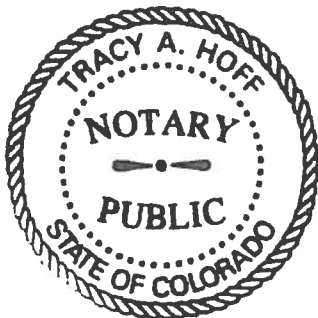
My Commission expires 10/10/2015

Notary Public

[Signature]

(S E A L)

For Office Use Only:		
Project Qualified _____	Date Issued _____	Signed: _____
Community Partnership Administrator		



CONTEXT PLAN



Google earth

OZ ARCHITECTURE

Water Fall Park Concept Design for CHFA Submittal 05.23.2013



OZ
 ARCHITECTURE
 3003 LARKMER ST
 DENVER, CO 80205
 PHONE 303.881.5704

DIMONISH
 ARCHITECTURAL
 1400 W. 10TH AVE
 DENVER, CO 80202
 PHONE 303.881.5232

**Water Fall Park
 Loveland, Colorado**

PROJECT NO: XXXXXXXXX
 DESIGN: MAB
 CHECKED: NK
 APPROVED: GD
 DATE: May 23, 2013
 REVISIONS

Water Fall Park
 Affordable Housing
 DESIGN FOR
 Design Development
 SHEET TITLE
 CONTEXT PLAN
 SCALE
 SHEET NUMBER



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

MEMORANDUM

TO: City Council

FROM: Alison Hade, Community Partnership Office

DATE: September 4, 2013

RE: Affordable Housing Designation for “The Edge”

FINDINGS

This memo accompanies the Cover Sheet for The Edge development, a proposed 70-unit affordable housing complex located on 15th Street near Boyd Lake. The memo addresses the relevant findings for your consideration.

Section 16.43.035 of the Loveland Municipal Code requires that an application qualifying a development as affordable first be submitted to the Affordable Housing Commission for review and recommendation to City Council. On July 11, 2013, the Affordable Housing Commission recommended that City Council approve a Resolution qualifying “The Edge”, a 70-unit housing project, as affordable.

Section 16.43.035 of the Loveland Municipal Code states that:

All applications for designation of a housing development as affordable shall be submitted to the affordable housing commission for review and recommendation to the city council. The city council shall review such applications and make the final determination to approve, approve with conditions, or deny such applications by resolution. (Ord. 5619 § 3, 2011)

Section 16.38.085 of the Loveland Municipal Code further states that:

A. ... The development fees calculated under this section shall be valid for five years thereafter. At the end of the five-year period, the development fees shall be calculated each year thereafter on the basis of those development fees in effect five years prior. This adjustment shall continue each year until the last affordable housing unit within the affordable housing development receives a building permit, or the housing development loses its affordable designation in accordance with subparagraph B. below.

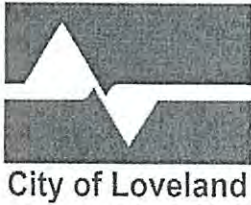
B. Ten years after the designation date, the housing development shall lose its affordable designation unless at least one affordable housing unit within the housing development has received a certificate of occupancy, in which case the development fees shall continue to be



CITY OF LOVELAND
DEVELOPMENT SERVICES DEPARTMENT
Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
(970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

calculated as set forth in subparagraph A. above. Notwithstanding the foregoing, any developer that has not obtained a certificate of occupancy at the end of the ten-year period may request that the affordable housing commission consider and make a recommendation to the city council to extend the housing development's affordable designation and the fee reduction provided for herein for good cause shown. Any such extension shall be set forth in a development agreement approved by resolution of the city council.

The Housing Authority of the City of Loveland submitted an application to the Colorado Housing and Finance Authority for tax credits and will begin working on the project as soon as the tax credits have been received. Once this has occurred, building is expected to begin within six to eight months.



COMMUNITY PARTNERSHIP OFFICE
 Civic Center • 500 East Third Street • Loveland, Colorado 80537
 (970) 962-2517 • FAX (970) 962-2903 • TDD (970) 962-2620
www.cityofloveland.org

**CITY OF LOVELAND
 APPLICATION FOR QUALIFICATION
 AFFORDABLE HOUSING DESIGNATION**

The City of Loveland has established a program for the development and construction of housing affordable to low and moderate income citizens in Loveland. Qualified developments are eligible for all incentives outline in the Loveland Municipal Code. To be considered, proposals must meet the criteria described in the Loveland Municipal Code.

Applicant Name: Loveland Housing Authority
Rich Ekwall

Contact Person: _____

Email Address: rekwa@lovelandhsg.org 970-635-5925

Address: 375 W 37th. Street Loveland, CO 80538

1. Description of Proposed Development (include site map with application):

The proposed project will consist of 60 units of work force family affordable housing and 10 units of homeless veterans housing plus a 2500 square foot clubhouse, sports court, and tot lot. The project name will become "The Edge" and will be located at 15th. and Boyd Lake Ave on the site of the old Water Park.

2. What percent of the land area in the proposed development is dedicated to residential units?

100% of the land area will be for the affordable development

3. What percent of the residential units will be affordable as defined in the City of Loveland Municipal Code?

100% of the units will be at or below 60% of the AMI

4. At a minimum, how many units will fall into each category?

For Sale Units		Rental Units	
% Area Median Income	# of units	% Area Median Income	# of units
Below 40% of A.M.I.		Below 30% of A.M.I.	9
40% - 50% of A.M.I.		30% - 40% of A.M.I.	20
50% - 60% of A.M.I.		40% - 50% of A.M.I.	23
60% - 70% of A.M.I.		50% - 60% of A.M.I.	18
70% - 80% of A.M.I.		Market Rate units	0
Market Rate units			
Total # of for-sale units		Total # of rental units	70

Applicant:

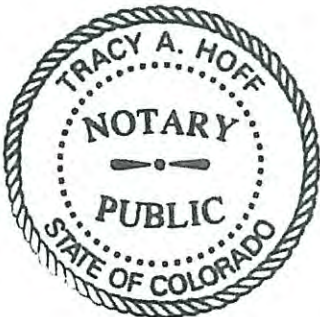
The Applicant acknowledges that if the proposal is qualified as an affordable housing project, the Applicant's project will receive fast-track development review processing, early calculation of capital expansion fees, and will be considered for development standards modifications, and the Applicant, or Builder if appropriate, must apply separately for possible fee waivers and the use tax credit for each housing unit eligible as an affordable unit. The Applicant must comply with any and all conditions, regulations or ordinances required by the City of Loveland appropriate for land use and development, including those regarding affordable housing. By executing this Application, the Applicant agrees to all terms listed in application and agrees to repay any credit issued by the City in the event the applicant fails to achieve and maintain compliance with the requirements of the City of Loveland regarding affordable housing development proposals.

Applicant's Signature: [Signature] Date: 6-3-2013

The foregoing instrument was acknowledged before me this 3rd day of June, 2013.

WITNESS my hand and official seal.
My Commission expires 10/01/2015
(S E A L)
Notary Public [Signature]

For Office Use Only:			Signed:
Project Qualified	_____	Date Issued	_____
			Community Partnership Administrator



The Edge
LOVELAND, COLORADO
WATER FALL PARK - UNIT MIX PROJECTION
5.28.2013

A	B	C	D	E
# UNITS W/ VETS	# UNITS W/O VETS	Desc	Restr	SF
2	6	1 Bd 1 Ba	60%	650
13	13	2 Bd 2 Ba	60%	800
3	3	3 Bd 2 Ba	60%	950
4	8	1 Bd 1 Ba	50%	650
16	16	2 Bd 2 Ba	50%	800
3	3	3 Bd 2 Ba	50%	950
10	4	1 Bd 1 Ba	40%	650
8	8	2 Bd 2 Ba	40%	800
2	2	3 Bd 2 Ba	40%	950
4	2	1 Bd 1 Ba	30%	650
4	4	2 Bd 2 Ba	30%	800
1	1	3 Bd 2 Ba	30%	950
70	70			



WATER FALL PARK

Water Fall Park Concept Design for CHFA Submittal 05.23.2013

CONTEXT PLAN



ARCHITECTURE
3003 LARIMER ST.
DENVER, CO 80205
PHONE 303.861.5704



LANDSCAPE ARCHITECTURE
LAND PLANNING
URBAN DESIGN
1390 Lawrence Street, Suite 100
Denver, CO 80204 | 303.892.5566

Water Fall Park
Loveland, Colorado

PROJ. NO. XXXXXXXXX
DRAWN: MAB
CHECKED: NK
APPROVED: GB
DATE: May 23, 2013
REVISIONS

© OZ ARCHITECTURE

Water Fall Park
Affordable Housing
ISSUED FOR:
Design Development

SHEET TITLE:
CONTEXT PLAN

SCALE:
SHEET NUMBER

SITE PLAN



PROJECT TABULATION		
BLDG	UNITS	
1	12	
2	12	
3	12	
4	10	VETS
5		CLUBHOUSE
6	12	
7	12	
TOTAL	70 UNITS	
Lot Area 4.411 Acres		
PARKING		
UNIT	140	
GUEST	5	
TOTAL	145 SPACES	

OZ ARCHITECTURE
 3003 LARIMER ST.
 DENVER, CO 80205
 PHONE 303.861.5704

DHM DESIGN
 LANDSCAPE ARCHITECTURE
 LAND PLANNING
 URBAN DESIGN
 1390 Lawrence Street, Suite 100
 Denver, CO 80204 | 303.892.5566

Water Fall Park Loveland, Colorado

PROJ. NO. XXXXXXXXX
 DRAWN: MAB
 CHECKED: NK
 APPROVED: GB
 DATE: May 23, 2013
 REVISIONS
 © OZ ARCHITECTURE

Water Fall Park
 Affordable Housing
 ISSUED FOR:
 Design Development
 SHEET TITLE:
 RENDERED SITE PLAN
 SCALE: 1"=30'-0"
 SHEET NUMBER



PROJECT MATRIX

WATER FALL PARK																				
Unit Description			Unit Calculations				Total Areas			BUILDING NUMBER										
Unit type	Description	Unit Count	Average Unit NRA	Average Unit NLA	Average Balc. Area	Total Balc. Area	NRA	NLA	GLA	1	2	3	4	5	6	7			TOTAL	
Building Units																				
UNIT 1.1 (VET)	One Bedroom, One Bath	10	620	660	66	660	6,200	6,600	7,260				10						10	
UNIT 1.2	One Bedroom, One Bath	11	680	730	66	726	7,480	8,030	8,756			5			6				11	
UNIT 2.1	Two Bedroom, 1.75 Bath	40	880	950	66	2,640	35,200	38,000	40,640	9		7	9			6	9		40	
UNIT 3.1	Three Bedroom, 1.75 Bath	9	1,020	1,100	66	594	9,180	9,900	10,494	3			3				3		9	
Building Subtotals										Building Subtotals										
Sub-total units		70				4,620	58,060	62,530	67,150	12	12	12	10	0	12	12			70	

Building NRA	3,060	3,400	3,060	6,200															15,720
Building NLA	3,300	3,650	3,300	6,600															16,850
Building Balconies	792	792	792	660	0	792	792												4,620
Amenity Space					2,200														2,200
Vet Club Space				1,320															1,320
Building Common SF - stairs/landings/water entry	360	360	360	360		360	360			360	360								2,160
GBA SUBTOTAL	4,452	4,802	4,452	8,940	2,200	1,152	1,152												27,150

RESIDENTIAL SUMMARY	
TOTAL UNITS	70
TOTAL BEDROOMS	128

UNIT TYPE DISTRIBUTION			
10	One Bedroom, One Bath - Vet		14%
11	One Bedroom, One Bath		16%
40	Two Bedroom, 1.75 Bath		57%
9	Three Bedroom, 1.75 Bath		13%
TOTAL:			100%

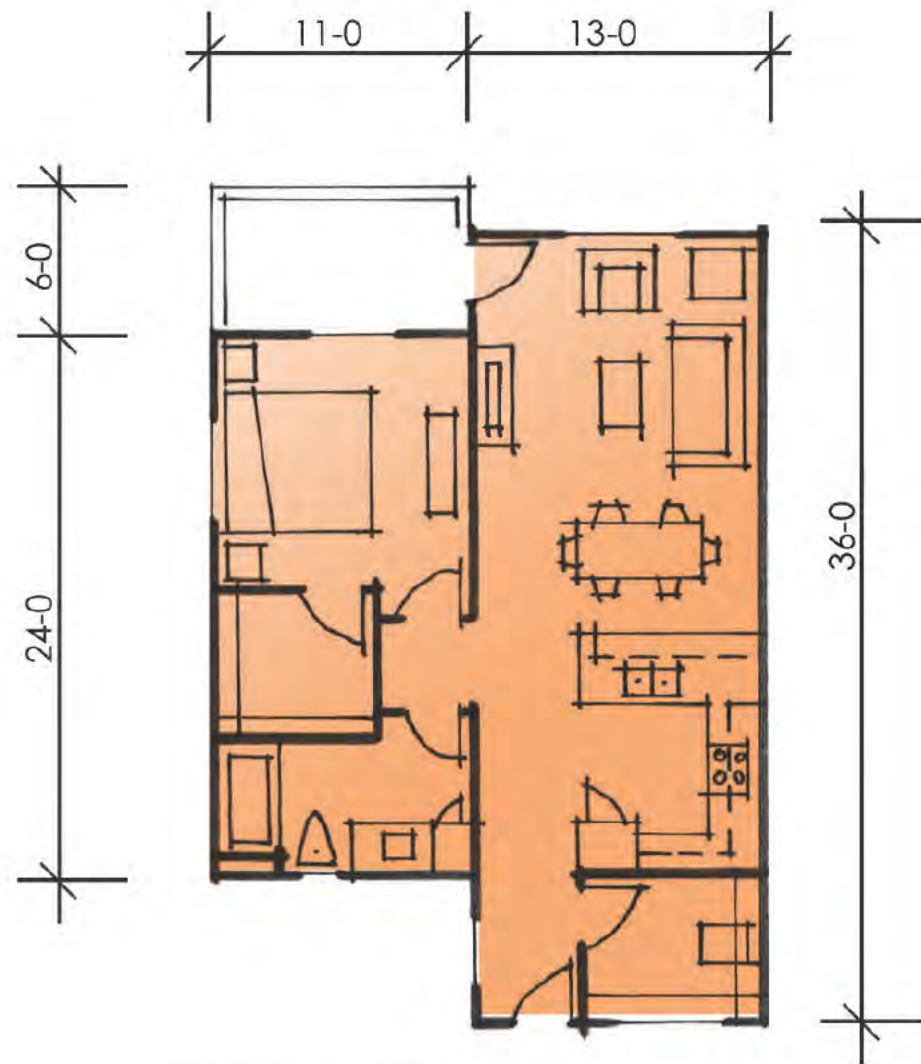
SQUARE FOOTAGE SUMMARY	
GLA	67,150
NLA	62,530
Circ/Support	2,160
SUBTOTAL (RESIDENTIAL GROSS- BALCONIES EXCLUDED)	64,690
BLDG EFFICIENCY	97%
TOTAL BALC. AREA	4,620
Amenity/Club	3,520
GBA	72,830

BUILDING SUMMARY		
COVERED PARKING	0 Cars	
ON-SITE PARKING	140 Cars	2 spaces/unit
GUEST PARKING	5 Cars	
TOTAL PARKING PROVIDED	145 Cars	
LAND AREA (acres)	191,664 SF	4.40
UNIT DENSITY (DU/Acre)	15.91 units / acre	
F.A.R.		0.34

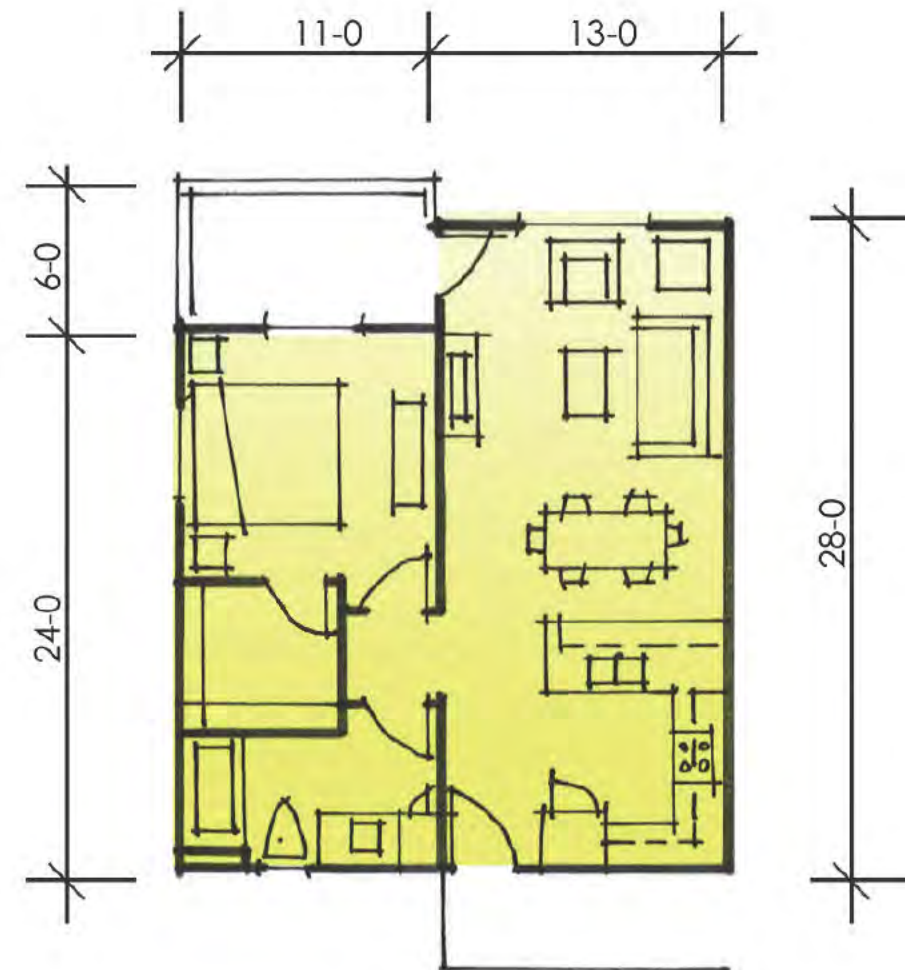
DEFINITIONS	
NRA-	NET RENTABLE- The area of a living unit is measured from the inside faces of the corridor and exterior walls and from the inside faces of the partitions separating the living unit from other living or commercial areas (I.E. PAINT TO PAINT). Includes heated area only
NLA-	NET LEASABLE= Outside face of exterior/ Centerline of Units/ Corridor side of Units.
GBA-	GROSS BUILDING AREA
GLA-	GROSS LEASABLE= NLA+ BALCONIES

PROJECT PARKING TOTALS		
Total Spaces Provided	Total Unit Count	Overall Parking (Spaces/Units)
145	70	2.07

UNIT PLANS

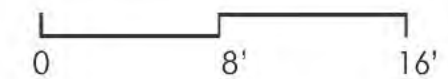


(11) 1 BED/ 1BATH
730 S.F.

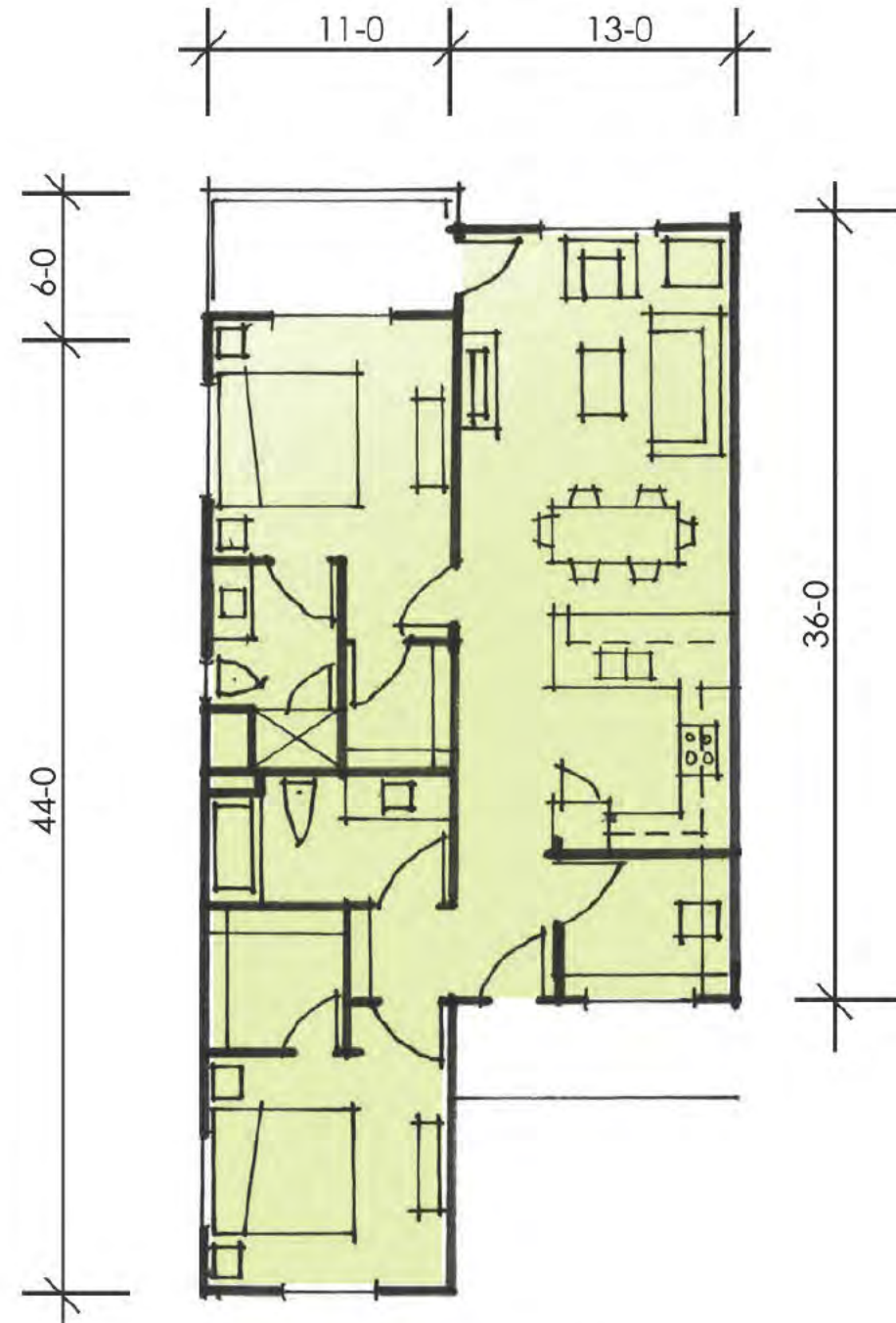


VET
(10) 1 BED/ 1 BATH
660 S.F.

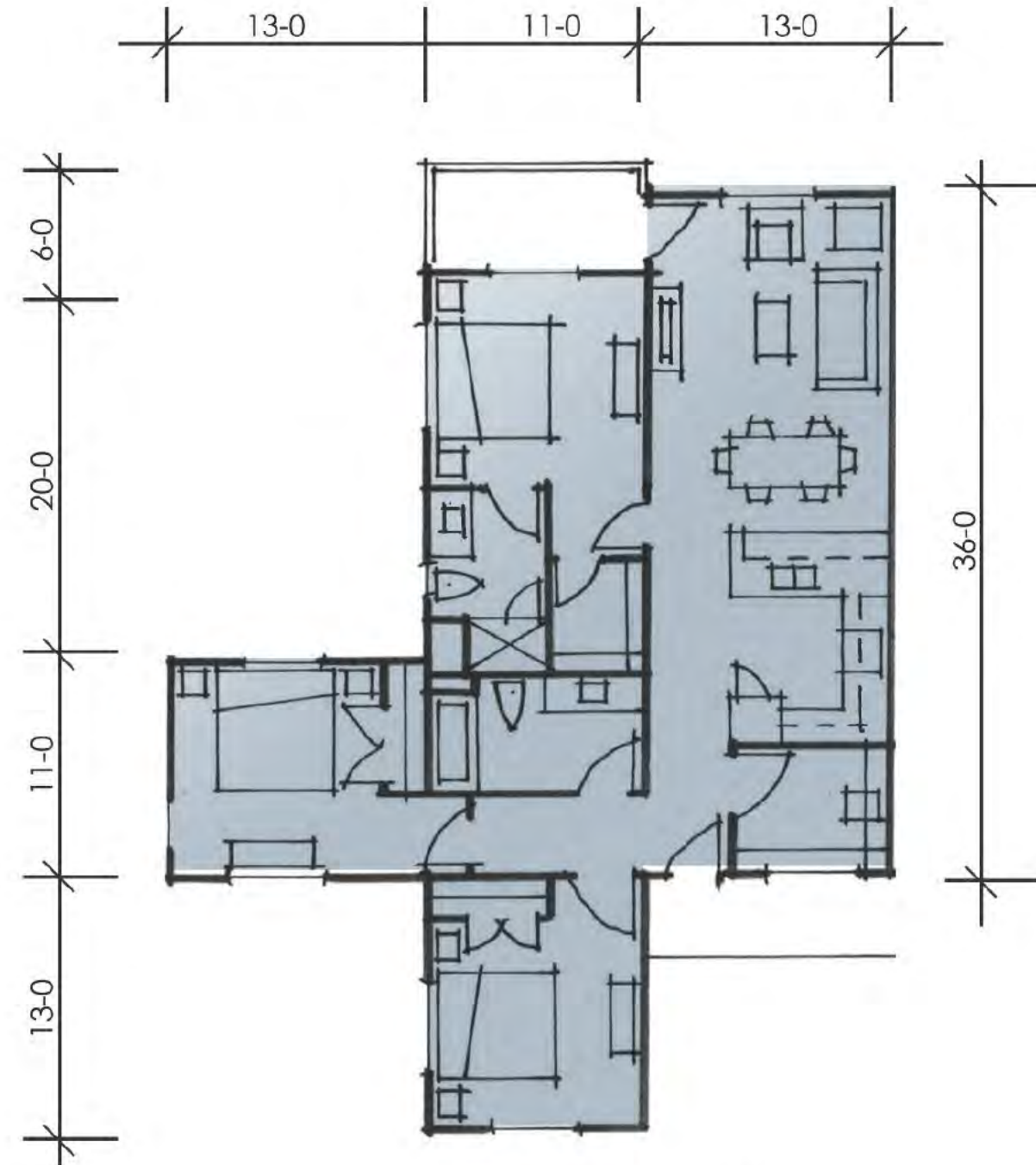
WATER FALL PARK



UNIT PLANS

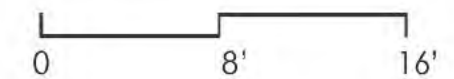


(40) 2 BED/ 1.75 BATH
950 S.F.

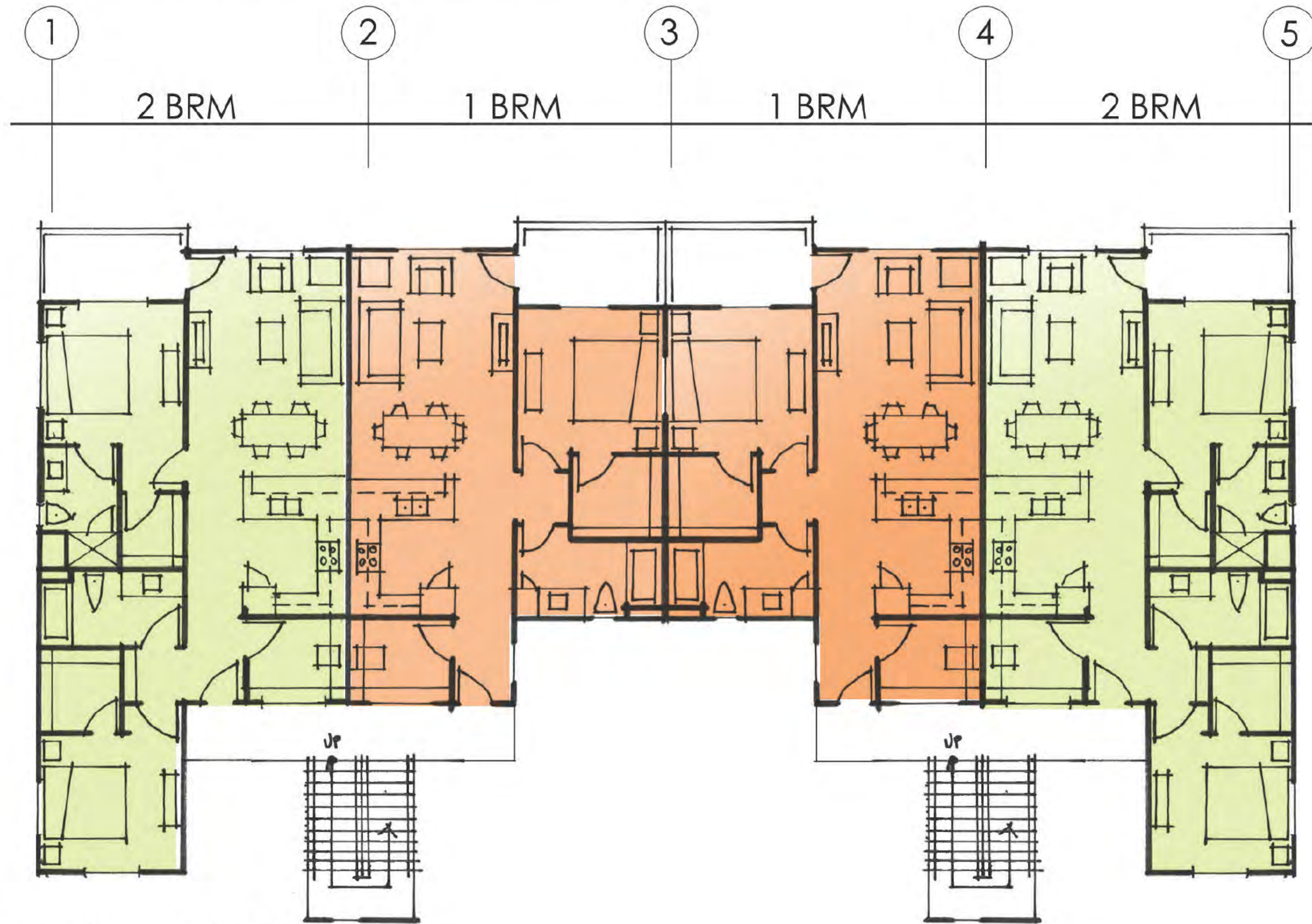


(9) 3 BED/ 1.75 BATH
1100 S.F.

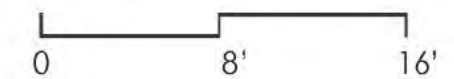
WATER FALL PARK



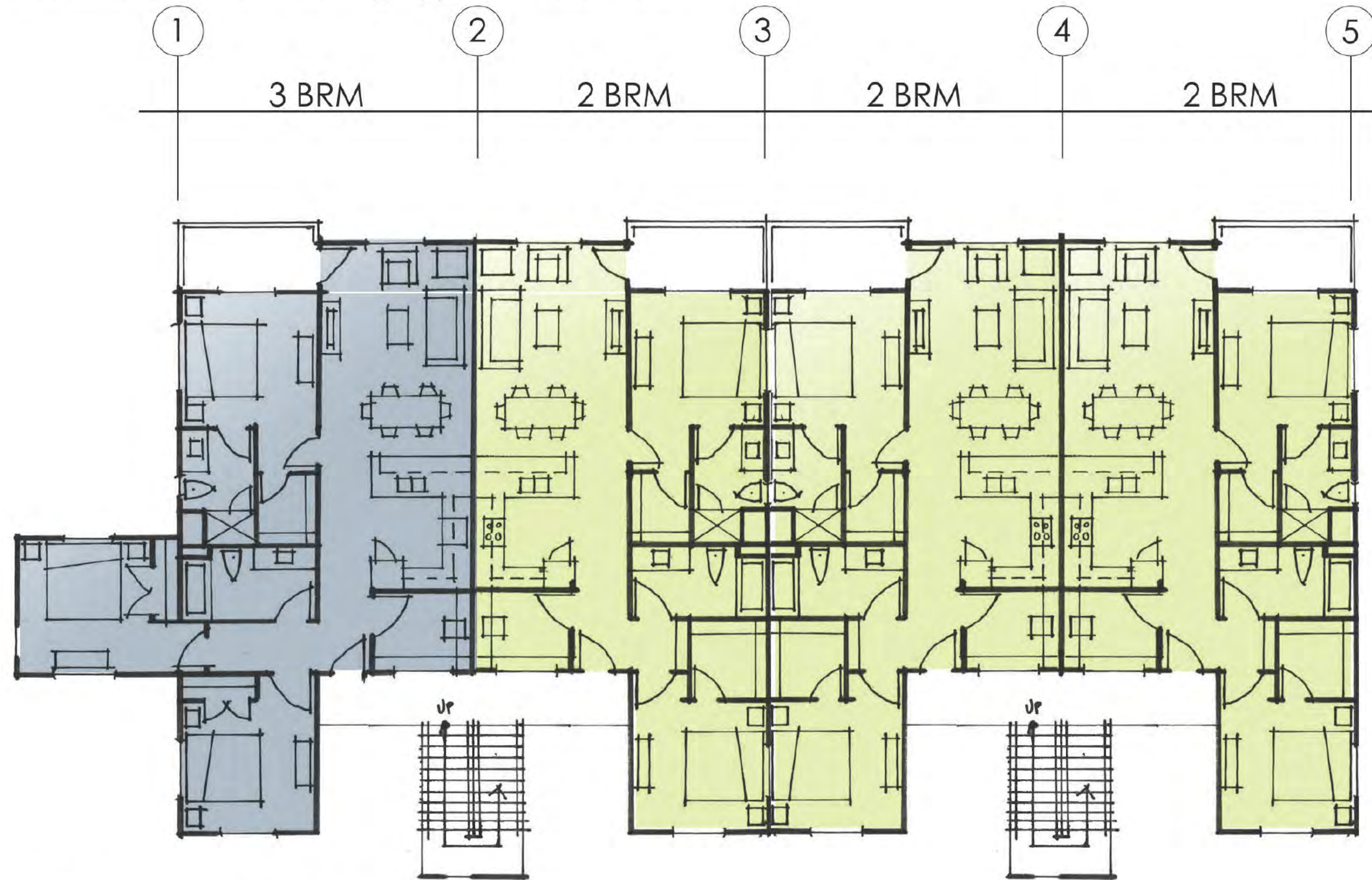
12-Plex Residential Building Type A Floor Plan



WATER FALL PARK BUILDING FLOOR PLAN

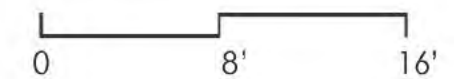


12-Plex Residential Building Type B Floor Plan

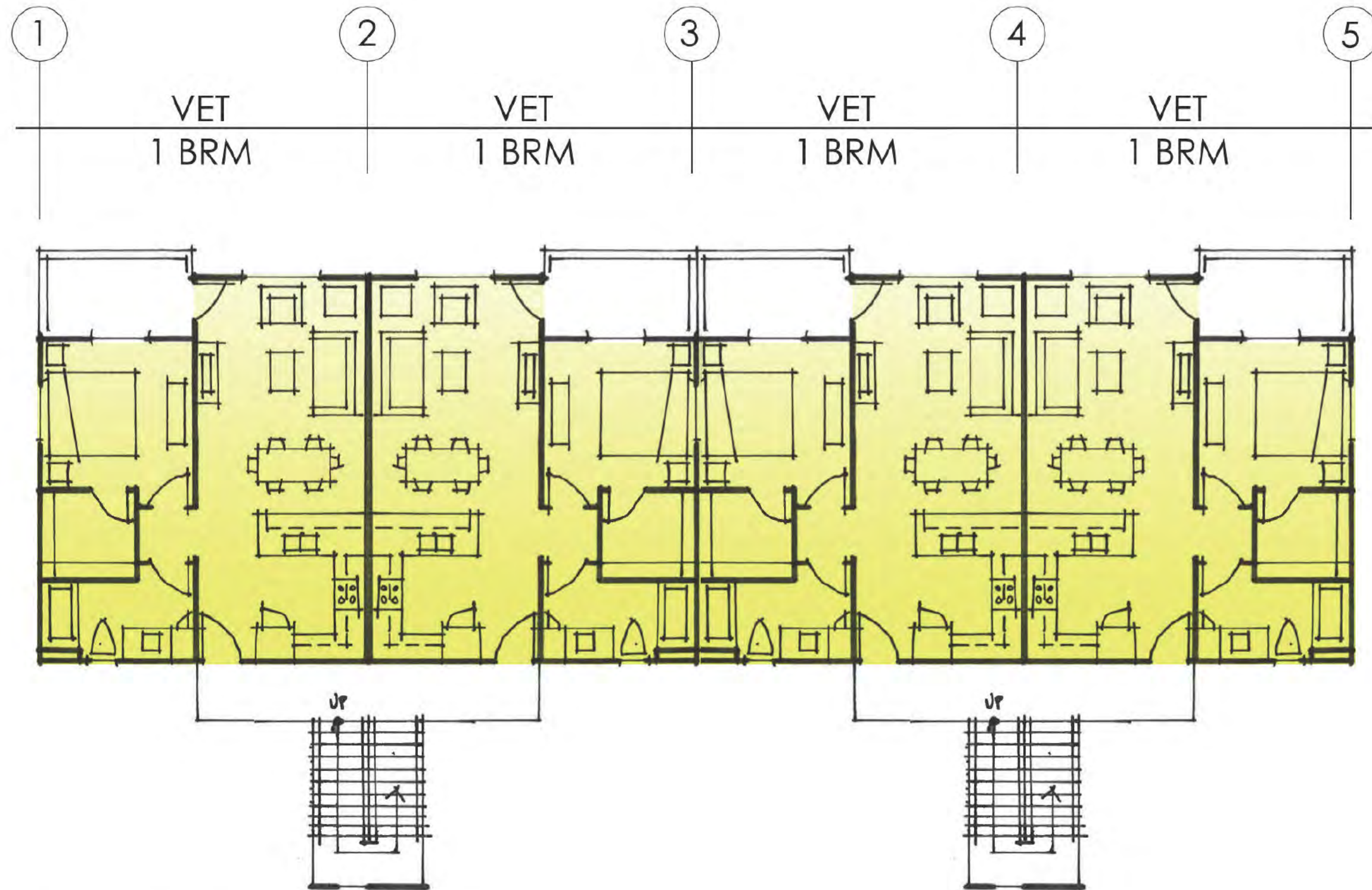


WATER FALL PARK

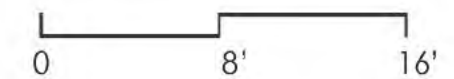
BUILDING FLOOR PLAN



10-Plex Residential Building Floor Plan

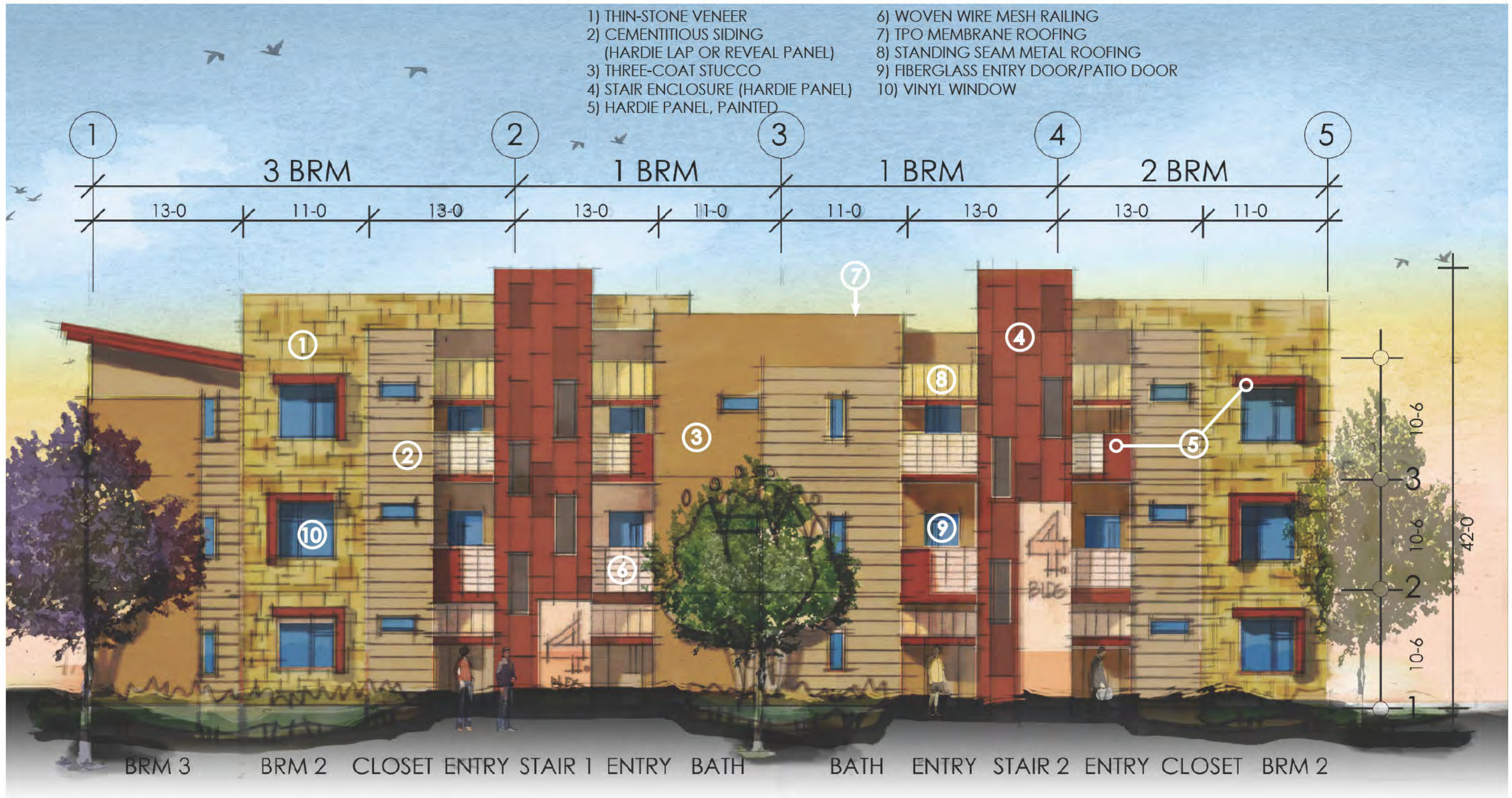


WATER FALL PARK BUILDING FLOOR PLAN (VET BUILDING)

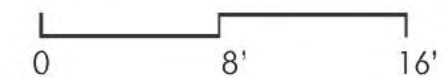


12-plex Front Elevation

- 1) THIN-STONE VENEER
- 2) CEMENTITIOUS SIDING (HARDIE LAP OR REVEAL PANEL)
- 3) THREE-COAT STUCCO
- 4) STAIR ENCLOSURE (HARDIE PANEL)
- 5) HARDIE PANEL, PAINTED
- 6) WOVEN WIRE MESH RAILING
- 7) TPO MEMBRANE ROOFING
- 8) STANDING SEAM METAL ROOFING
- 9) FIBERGLASS ENTRY DOOR/PATIO DOOR
- 10) VINYL WINDOW

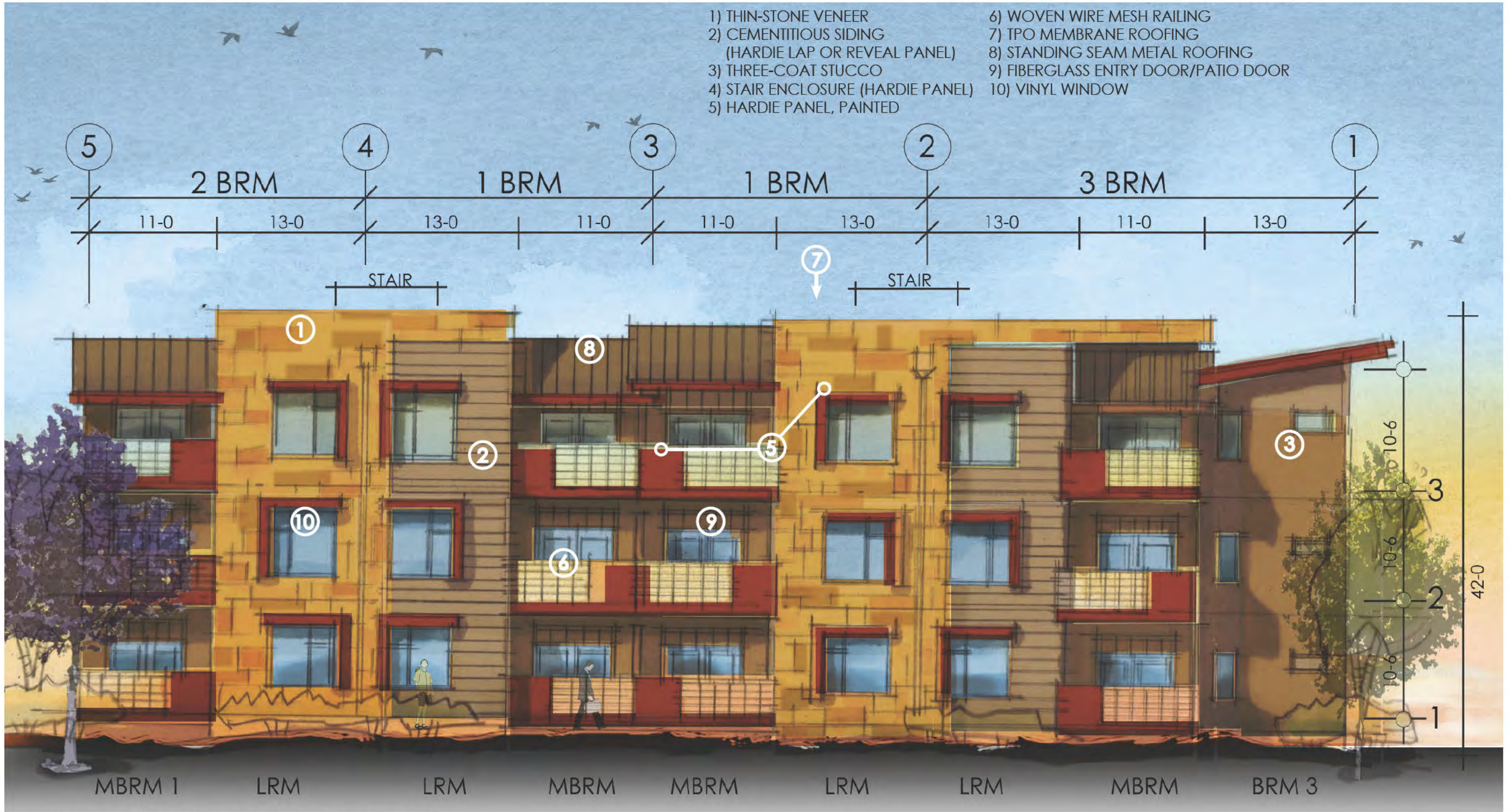


WATER FALL PARK FRONT ELEVATION



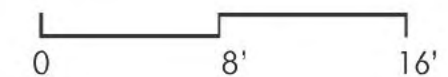
12-plex Rear Elevation

- 1) THIN-STONE VENER
- 2) CEMENTITIOUS SIDING (HARDIE LAP OR REVEAL PANEL)
- 3) THREE-COAT STUCCO
- 4) STAIR ENCLOSURE (HARDIE PANEL)
- 5) HARDIE PANEL, PAINTED
- 6) WOVEN WIRE MESH RAILING
- 7) TPO MEMBRANE ROOFING
- 8) STANDING SEAM METAL ROOFING
- 9) FIBERGLASS ENTRY DOOR/PATIO DOOR
- 10) VINYL WINDOW

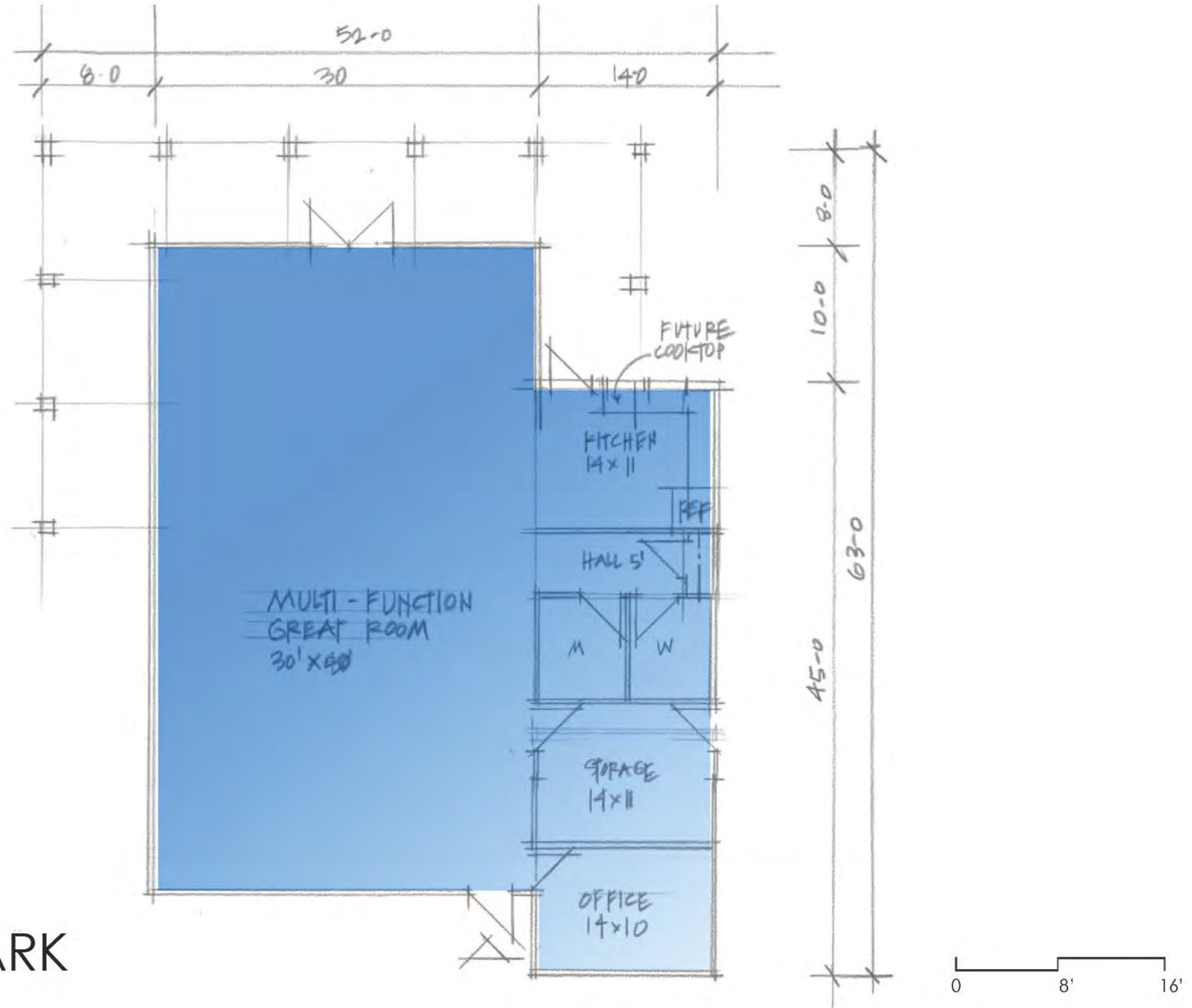


WATER FALL PARK

REAR ELEVATION



CLUBHOUSE FLOOR PLAN



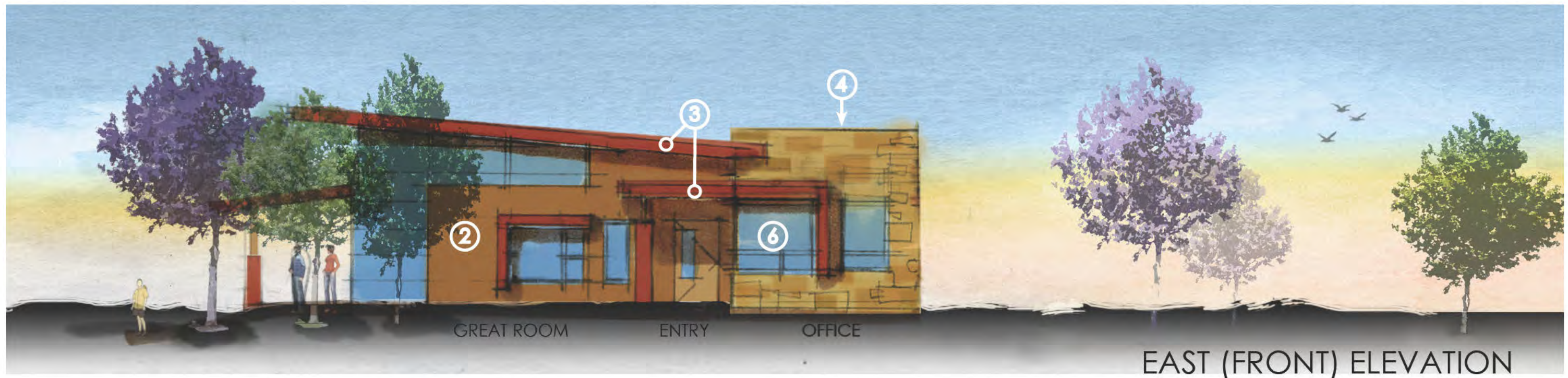
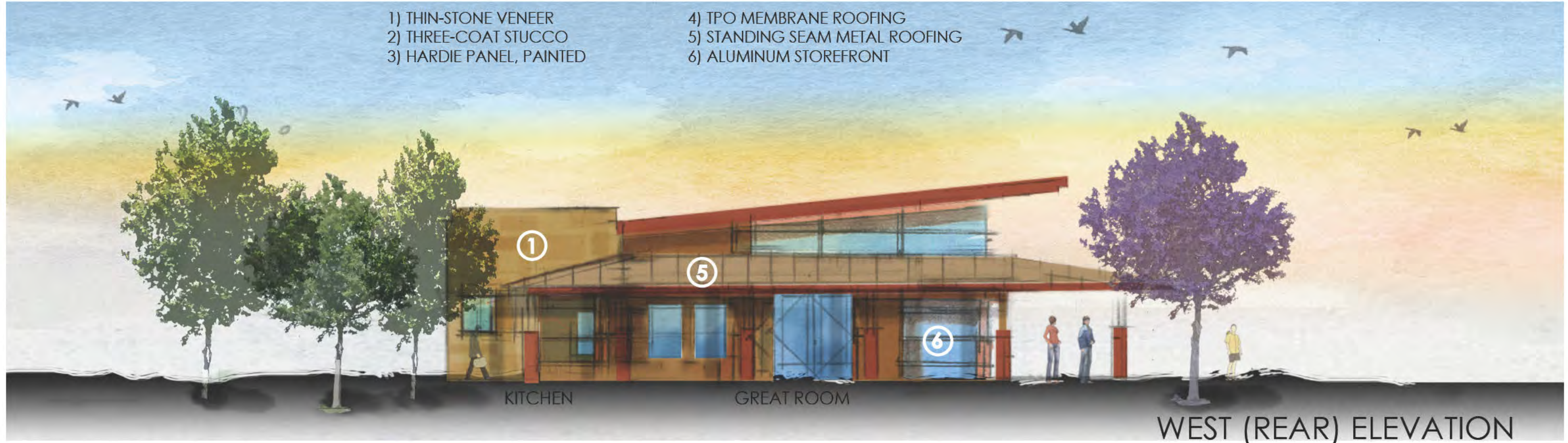
WATER FALL PARK

CLUBHOUSE BUILDING

CLUBHOUSE ELEVATION

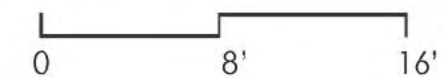
- 1) THIN-STONE VENEER
- 2) THREE-COAT STUCCO
- 3) HARDIE PANEL, PAINTED

- 4) TPO MEMBRANE ROOFING
- 5) STANDING SEAM METAL ROOFING
- 6) ALUMINUM STOREFRONT



WATER FALL PARK

CLUBHOUSE BUILDING





CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 5
MEETING DATE: 9/17/2013
TO: City Council
FROM: Bob Paulsen, Current Planning Manager
PRESENTER: Troy Bliss

TITLE:

1. An Ordinance Vacating All Public Rights-of-Way Located in the Aspen Knolls First and Second Subdivisions, City of Loveland, Larimer County, Colorado
2. An Ordinance Amending Section 18.04.040 of the Loveland Municipal Code, the Same Relating to Zoning Regulations for "P-50 - Aspen Knolls " to the City of Loveland

RECOMMENDED CITY COUNCIL ACTION:

Open the public hearing and continue it to October 1, 2013 at 6:30 p.m. in the City Council Chambers at 500 East Third Street, Loveland, Colorado

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

Development Services and Water Resources staff request that the public hearing be opened and this item be continued to the next scheduled City Council meeting on October 1, 2013 for consideration of the following:

1. A legislative action for adoption of an ordinance on first reading to vacate all public rights-of-way within the Aspen Knolls First and Second Subdivisions.
2. A quasi-judicial action for adoption of an ordinance on first reading to rezone the property from P-50 – Aspen Knolls Planned Unit Development (PUD) to DR – Developing Resource.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

This matter pertains to two applications regarding the 120-acre Aspen Knolls property filed by the owner, McWhinney. The property owner has no intent to develop the property at this time and has filed applications requesting that it be rezoned (from PUD to DR) and that all public rights of way be vacated. In addition, the property owner is requesting, in negotiation with the Water Resources Division, that water bank credits be issued for the raw water rights provided in connection with the property, which credits could be used for development elsewhere in the City.

The purpose of the continuance is to allow the Loveland Utilities Commission (LUC), at its September 18, 2013 meeting, to consider the property owner's request to issue water bank credits for the 120-acre Aspen Knolls property. The LUC will provide a recommendation on this request for the City Council's consideration on October 1st. While the associated right-of-way vacation and rezoning requests have been reviewed by staff and a recommendation has been forwarded by the Planning Commission, because the possibility of issuing water bank credits is related to these two associated applications, staff recommends that the City Council consider the request to issue water bank credits, at the same meeting the vacation of right-of-way and rezoning issues are reviewed.

Public notification for the September 17, 2013 meeting occurred well in advance of this meeting date; consequently, it is recommended that the scheduled public hearing be continued to a date certain, therefore averting the need for a full re-notification. The applicant is aware of both the need for LUC review and the recommendation for continuance on September 17th. Measures have been taken to notify all parties-in-interest of this change. A full packet of information will be provided to the City Council in advance of the October 1st meeting.

REVIEWED BY CITY MANAGER:

William D. Cabell

LIST OF ATTACHMENTS:

1. Vicinity Map for Aspen Knolls

ASPEN KNOLLS

Loveland, Colorado

SITE CONTEXT



McWHINNEY

ATTACHMENT 3



CITY OF LOVELAND
LOVELAND PUBLIC LIBRARY

Civic Center • 300 North Adams • Loveland, Colorado 80537
(970) 962-2665 • FAX (970) 962-2905 • TDD (970) 962-2620

AGENDA ITEM: 6
MEETING DATE: 9/17/2013
TO: City Council
FROM: Marcia Lewis, Library,
PRESENTER: Marcia Lewis

TITLE:

A Resolution Amending Resolution #R-63-2012 Regarding the 2013 Schedule of Rates, Charges and Fees for City Services, other than Services Provided by the Water and Power Department and the Stormwater Enterprise

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action to consider a resolution amending the 2013 Schedule of City Rates, Charges, and Fees (other than Water and Power or the Stormwater Enterprises) previously adopted to add fees for new Library services.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

New charges for these services will create additional 2013 revenues.

BACKGROUND:

The Library has two new services with the addition of a 3D printer and 14 Nook eReaders that will be available for public use. The fee for objects created on 3-D printer, per 10 grams or portion thereof is \$1.00. Fees associated with the circulation of eReaders are as follows:
 Replacement for Nook eReader - \$160

Replacement for lost eReader cord - \$10
Replacement for eReader instruction booklet - \$5
Replacement for eReader case - \$30
Fine for returning Nook eReader in the book return - \$5

The purpose of the proposed resolution is to amend the 2013 Resolution setting City-wide rates, charges and fees to include fees for these new services.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Resolution

RESOLUTION # R-70-2013

A RESOLUTION AMENDING RESOLUTION #R-63-2012 REGARDING THE 2013 SCHEDULE OF RATES, CHARGES AND FEES FOR CITY SERVICES, OTHER THAN SERVICES PROVIDED BY THE WATER AND POWER DEPARTMENT AND THE STORMWATER ENTERPRISE

WHEREAS, on October 2, 2012, City Council adopted Resolution #R-63-2012 setting the rates, charges and fees for services provided by the City of Loveland (the “City”), other than fees imposed for services of the Water and Power Department and Storm Water Enterprise, for calendar year 2013; and

WHEREAS, after adoption of Resolution #R-63-2012 setting the rates, charges and fees for City service, the Library expanded the services it offers to include 3-dimensional printing and personal electronic reading devices; and

WHEREAS, this Resolution is intended amend Resolution #R-63-2012 to add rates, charges, and fees related to the new Library services.

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

Section 1. That the 2013 schedule of rates, charges and fees for City services, other than services of the Water and Power Department and the Storm Water Enterprise, adopted by Resolution #R-63-2012 is hereby amended by the addition of the new rates, charges and fees as shown below:

LOVELAND PUBLIC LIBRARY

<u>Description</u>	<u>2013 Fee</u>
Objects created on 3-D printer, per 10 grams or portion thereof	\$1.00
Replacement for Nook eReader	\$160.00
Replacement for lost eReader cord	\$10.00
Replacement for eReader instruction booklet	\$5.00
Replacement for eReader case	\$30.00
Fine for returning Nook eReader in the book return	\$5.00

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

ADOPTED this ____ of September, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



CITY OF LOVELAND
PUBLIC WORKS DEPARTMENT

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
(970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

AGENDA ITEM: 7
MEETING DATE: 9/17/2013
TO: City Council
FROM: Ken Cooper, Public Works - Facilities Management
PRESENTER: Ken Cooper

TITLE:

An Ordinance Authorizing the Sale of 905, 915, 925, 933, and 935 North Taft Avenue Pursuant Section 4-7 of the City of Loveland Municipal Charter

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative matter approving the sale of approximately 5.2 acres of City-owned property located at 905, 915, 925, 933, and 935 North Taft Avenue, which were parcels acquired for the Taft Avenue widening project.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

Between 2003 and 2004, the City purchased five parcels along the west side of North Taft Avenue to allow the expansion of Taft just north of 8th Street. The road expansion project was completed in late 2005 and the City later marketed the properties by owner, but with almost no interest from the public.

Late in 2009, City Council approved the sale of the 5.2 acres to a local developer, Joe Shrader, for \$473,846. That offer had stipulations related to development and density. Following extensions by the City, Mr. Shrader failed to close on the property and the contract expired in 2012.

The City hired Loveland Commercial LLC, to market the property. An asking price of \$300,000 helped generate mild public interest. In March of 2013, City Council again approved the sale of the property to Joe Shrader for a cash offer of \$275,000. Mr. Shrader again failed to close and \$5,000 of earnest money was kept by the City. Another buyer, 208 Old County Road LLC, was approved by Council in June of 2013, for the very same cash deal of \$275,000 and \$5,000 of earnest money. That buyer also failed to close on the property.

A new buyer, Insignia Homes Ltd., led by Fred Cooke, has now offered \$285,000 and earnest money of \$10,000. The purchase price still includes credits for 5 residential water taps, though the water rights fees still due to the City basically negate those credits.

If approved by Council, the deal is expected to close quickly and the monies collected from the real estate sale will be used to reimburse Public Works Capital Expansion Fees originally used to purchase the properties for the Taft Avenue widening project.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

1. Ordinance
2. Exhibit A – Legal Description of Property
3. Exhibit B – Contract
4. Exhibit C – Map of Property

FIRST READING September 17, 2013

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE SALE OF 905, 915, 925, 933, AND 935 NORTH TAFT AVENUE PURSUANT SECTION 4-7 OF THE CITY OF LOVELAND MUNICIPAL CHARTER

WHEREAS, the City is the owner of certain real property legally described as set forth in Exhibit A, attached hereto and incorporated herein by reference, also known by the mailing addresses of 905, 915, 925, 933, and 935 North Taft Avenue, Loveland, CO 80537 (together, the “Property”); and

WHEREAS, the City acquired the Property as part of the Taft Avenue widening project, which was completed in late 2005; and

WHEREAS, the Property is not used for parks purposes and is not needed for any governmental purpose, and has been on the real estate market since 2008; and

WHEREAS, on March 5, 2013 by Ordinance No. 5751, the City Council authorized the sale of the Property to Loveland Investments, LLC for Two Hundred Seventy-five Thousand Dollars (\$275,000); and

WHEREAS, Loveland Investments, LLC failed to close on sale of the Property, the contract was terminated, and the Property was placed back on the market; and

WHEREAS, on July 2, 2013 by Ordinance No. 5785, the City Council authorized the sale of the Property to 208 Old County Road, LLC for Two Hundred Seventy-five Thousand Dollars (\$275,000); and

WHEREAS, 208 Old County Road, LLC failed to close on sale of the Property, the contract was terminated, and the Property was placed back on the market; and

WHEREAS, Insignia Homes, Ltd. has offered to purchase the Property from the City for Two Hundred Eighty-five Thousand Dollars (\$285,000); and

WHEREAS, the City desires to sell the Property to Insignia Homes, Ltd. for Two Hundred Eighty-five Thousand Dollars (\$285,000) on the terms and conditions set forth in the “Contract to Buy and Sell Real Estate,” attached hereto as Exhibit B and incorporated herein by reference (“Contract”); and

WHEREAS, pursuant to Section 4-7 of the City of Loveland Municipal Charter, the City Council must act by ordinance to approve the transfer of fee ownership in real property owned by the City.

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

Section 1. That the City Council hereby finds and determines that the Property is not needed for any governmental purpose, and that the sale of the Property is in the best interest of the City of Loveland.

Section 2. That the City Manager is authorized to enter into the Contract and to execute all documents, the form of which shall be approved by the City Attorney, necessary to consummate the sale of the Property for the purchase price of Two Hundred Eighty-five Thousand Dollars (\$285,000) and to transfer the City’s interest in the Property to Insignia Homes, Ltd.

Section 3. That the City Manager is authorized, following consultation with the City Attorney, to approve changes to the form or substance of the Contract as deemed necessary to effectuate the purposes of this Ordinance or to protect the interests of the City.

Section 4. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect ten days after its final publication, as provided in City Charter Section 4-8(b).

ADOPTED this ___ day of October, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Shawn L. Altus
Assistant City Attorney

EXHIBIT A

Description:

A portion of the Northeast 1/4 of Section 15, Township 5 North, Range 69 West of the 6th Principal Meridian, Larimer County, Colorado being more particularly described as follows:

Considering the East line of the Northeast 1/4 of Section 15, Township 5 North, Range 69 West of the 6th Principal Meridian, Larimer County, Colorado as bearing N 00°56'37" W with all bearing contained herein relative thereto.

COMMENCE at the Southeast Corner of the Northeast 1/4 of Section 15, Township 5 North, Range 69 West of the 6th Principal Meridian, Larimer County, Colorado; thence N 00°56'37" W, on the East line of the Northeast 1/4 of Section 15, a distance of 371.19 feet;

thence S 89°03'23" W a distance of 103.91 feet to the POINT OF BEGINNING, said point being on the West right-of-way of North Taft Avenue and on the South line of that parcel described at Reception No. 2004-0050232, Larimer County, Colorado;

thence S 89°02'13" W, on said South line, a distance of 556.09 feet to the East line of Romar Addition, City of Loveland, Colorado;

thence on said East line of Romar Addition the following two (2) courses and distances:

1.) thence N 00°57'22" W a distance of 132.00 feet;

2.) thence N 00°54'57" W a distance of 336.10 feet to the South

right-of-way line of the Atkins Branch of the Colorado and Southern Railroad;

thence S 78°39'32" E, on said South right-of-way line, a distance of 565.06 feet to the aforesaid West right-of-way of North Taft Avenue;

thence S 01°34'28" E, on said West right-of-way, a distance of 347.71 feet to the Point of Beginning.

Containing 5.19 acres, more or less, and being subject to all easements and rights of way of record.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83



Loveland Commercial, LLC
1043 Eagle Drive Loveland, CO 80537
Nathan Klein Partner/Broker Associate
Ph: 970-667-7000 Fax: 970-635-2514

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CBS3-9-12) (Mandatory 1-13)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

**CONTRACT TO BUY AND SELL REAL ESTATE
(COMMERCIAL)**

Property with No Residences)
 Property with Residences-Residential Addendum Attached)

Date: 8/28/2013

AGREEMENT

1. **AGREEMENT.** Buyer, identified in § 2.1, agrees to buy, and Seller, identified in § 2.3, agrees to sell, the Property described below on the terms and conditions set forth in this contract (Contract).

2. **PARTIES AND PROPERTY.**

2.1 **Buyer.** Buyer, *Insignia Homes, Ltd.*, will take title to the Property described below as Joint Tenants Tenants In Common Other Corporation

2.2 **Assignability and Inurement.** This Contract Shall Shall Not be assignable by Buyer without Seller's prior written consent. Except as so restricted, this Contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties.

2.3 **Seller.** Seller, *City of Loveland, a Municipal Corporation*, is the current owner of the Property described below.

2.4 **Property.** The Property is the following legally described real estate in the County of Larimer, Colorado:
BEG 40 FT W & 371 FT N OF SE COR OF NE 1/4 15-5-69, LOV, TH W 620 FT, N 66 FT, E 620 FT, S 66 FT TO BEG, EX ERLY 10 FT
&
BEG 40 FT W & 437 FT N OF SE COR OF NE 1/4 15-5-69, LOV, TH W 620 FT, N 66 FT, E 620 FT, S 66 FT TO BEG, EX ERLY 10 FT
&
BEG 40 FT W & 504.62 FT N OF SE COR OF NE 15-5-69, LOV, W 620 FT, N 163.68 FT, SERLY 634 FT TO PT 129.62 FT N OF POB, S 129.62 FT TO BEG; LESS RD DESC IN 1832-729
&
PT NE 1/4 15-5-69 DESC: LOV, COM AT E 1/4 COR SD SEC, TH N 634.24 FT, W 40 FT, N 85 50'9" W 15.04 FT TPOB, TH N 24.06 FT, N 85 50'9" W 123.56 FT, N 65.72 FT TO PT ON S ROW LN C & S RR, TH ALG SD S ROW N 77 43'27" W 493.25 FT TO NE COR LOT 10, BLK 1 ROMAR ADD, LOV, TH ALG E LN SD ROMAR ADD S 0 1'17" E 159.56 FT, S 85 50'9" E 606.75 FT TPOB (SPLIT FROM 95151-00-005)
&
PAR IN NE 1/4 15-5-69: BEG AT E 1/4 COR, TH ALG E LN NE 1/4 N 634.24 FT, W 40 FT, N 85 50'9" W 15.04 FT, N 24.06 FT TPOB, N 47.88 FT TO PT ON S ROW ARKINS BRANCH C & S RR, TH ALG SD S ROW LN N 77 43'27" W 126.12 FT, S 65.72 FT, S 85 50'9" E 123.56 FT TPOB
known as No. **905-935 N Taft Avenue Loveland CO 80537**,
together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5 **Inclusions.** The Purchase Price includes the following items (Inclusions):
2.5.1 **Fixtures.** If attached to the Property on the date of this Contract, the following items are included unless excluded under Exclusions (§ 2.6): lighting, heating, plumbing, ventilating and air conditioning fixtures, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, floor coverings, intercom systems, sprinkler systems and controls, garage door openers including n/a remote controls.
Other Fixtures: _____
If any fixtures are attached to the Property after the date of this Contract, such additional fixtures are also included in the Purchase Price.

Buyer(s) Initials Seller(s) Initials

165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247

6	§ 8.2	Off-Record Title Objection Deadline	30 days from MEC	
7	§ 8.3	Title Resolution Deadline	35 days from MEC	
8	§ 7.6	Association Documents Deadline	N/A	
9	§ 7.6	Association Documents Objection Deadline	N/A	
10	§ 8.5	Right of First Refusal Deadline	N/A	
Seller's Property Disclosure				
11	§ 10.1	Seller's Property Disclosure Deadline	N/A	
Loan and Credit				
12	§ 5.1	Loan Application Deadline	N/A	
13	§ 5.2	Loan Objection Deadline	N/A	
14	§ 5.3	Buyer's Credit Information Deadline	N/A	
15	§ 5.3	Disapproval of Buyer's Credit Information Deadline	N/A	
16	§ 5.4	Existing Loan Documents Deadline	N/A	
17	§ 5.4	Existing Loan Documents Objection Deadline	N/A	
18	§ 5.4	Loan Transfer Approval Deadline	N/A	
Appraisal				
19	§ 6.2	Appraisal Deadline	N/A	
20	§ 6.2	Appraisal Objection Deadline	N/A	
Survey				
21	§ 9.1	Current Survey Deadline	7 days from MEC	
22	§ 9.2	Current Survey Objection Deadline	30 days from MEC	
Inspection and Due Diligence				
23	§ 10.2	Inspection Objection Deadline	30 days from MEC	
24	§ 10.3	Inspection Resolution Deadline	35 days from MEC	
25	§ 10.5	Property Insurance Objection Deadline	N/A	
26	§ 10.6	Due Diligence Documents Delivery Deadline	7 days from MEC	
27	§ 10.7	Due Diligence Documents Objection Deadline	30 days from MEC	
28	§ 10.8	Environmental Inspection Objection Deadline	30 days from MEC	
29	§ 10.8	ADA Evaluation Objection Deadline	N/A	
30	§ 11.1	Tenant Estoppel Statements Deadline	N/A	
31	§ 11.2	Tenant Estoppel Statements Objection Deadline	N/A	
Closing and Possession				
32	§ 12.3	Closing Date	see Sect. 30.1	
33	§ 17	Possession Date	Upon Closing and Delivery of Deed.	
34	§ 17	Possession Time	Upon Closing and Delivery of Deed.	
35	§ 28	Acceptance Deadline Date	8/30/2013	Friday
36	§ 28	Acceptance Deadline Time	3:00 P.M.	
37	n/a	n/a	n/a	
38	n/a	n/a	n/a	

Note: Applicability of Terms.
Any box, blank or line in this Contract left blank or completed with the abbreviation "N/A", or the word "Deleted" means such provision in Dates and Deadlines (§ 3), including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have signed this Contract.

4. PURCHASE PRICE AND TERMS.
4.1. Price and Terms. The Purchase Price set forth below shall be payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1	Purchase Price	\$285,000.00	
2	§ 4.3	Earnest Money		\$10,000.00
3	§ 4.5	New Loan		\$0.00
4	§ 4.6	Assumption Balance		\$0.00

Buyer(s) Initials  Seller(s) Initials 

248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331

5	§ 4.7	Seller or Private Financing		\$0.00
6	n/a	n/a	\$0.00	\$0.00
7	n/a	n/a	\$0.00	\$0.00
8	§ 4.4	Cash at Closing		\$275,000.00
9		TOTAL	\$285,000.00	\$285,000.00

4.2. **Seller Concession.** Seller, at Closing, shall credit, as directed by Buyer, an amount of **\$ 0.00** to assist with any or all of the following: Buyer's closing costs (Seller Concession). Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract. Seller Concession will be reduced to the extent it exceeds the aggregate of what is allowed by Buyer's lender as set forth in the Closing Statement at Closing.

4.3. **Earnest Money.** The Earnest Money set forth in this section, in the form of **check**, shall be payable to and held by **Seller (see 30.2)** (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit shall be tendered, by Buyer, with this Contract unless the parties mutually agree to an **Alternative Earnest Money Deadline** (§ 3) for its payment. The parties authorize delivery of the Earnest Money deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest Money Holder in this transaction shall be transferred to such fund.

4.3.1. **Alternative Earnest Money Deadline.** The deadline for delivering the Earnest Money, if other than at the time of tender of this Contract is as set forth as the **Alternative Earnest Money Deadline** (§ 3).

4.3.2. **Return of Earnest Money.** If Buyer has a Right to Terminate and timely terminates, Buyer shall be entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 25 and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions, i.e., Earnest Money Release form, within three days of Seller's receipt of such form.

4.4. **Form of Funds; Time of Payment; Funds Available.**

4.4.1. **Good Funds.** All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing and closing costs, shall be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).

4.4.2. **Available Funds.** All funds required to be paid at Closing or as otherwise agreed in writing between the parties shall be timely paid to allow disbursement by Closing Company at Closing **OR SUCH PARTY SHALL BE IN DEFAULT.** Buyer represents that Buyer, as of the date of this Contract, Does Does Not have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. **New Loan.** (Omitted as inapplicable)

4.6. **Assumption.** (Omitted as inapplicable)

4.7. **Seller or Private Financing.** (Omitted as inapplicable)

TRANSACTION PROVISIONS

5. **FINANCING CONDITIONS AND OBLIGATIONS.** (Omitted as inapplicable)

5.3. **Credit Information and Buyer's New Senior Loan.** (Omitted as inapplicable)

5.4. **Existing Loan Review.** (Omitted as inapplicable)

6. **APPRAISAL PROVISIONS.**

6.1. **Lender Property Requirements.** If the lender imposes any requirements or repairs (Requirements) to be made to the Property (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract, Seller has the Right to Terminate under § 25.1, (notwithstanding § 10 of this Contract), on or before three days following Seller's receipt of the Requirements, based on any unsatisfactory Requirements, in Seller's sole subjective discretion. Seller's Right to Terminate in this § 6.1 shall not apply if, on or before any termination by Seller pursuant to this § 6.1: (1) the parties enter into a written agreement regarding the Requirements; or (2) the Requirements have been completed; or (3) the satisfaction of the Requirements is waived in writing by Buyer.

Buyer(s) Initials



Seller(s) Initials



332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415

6.2. Appraisal Condition. The applicable Appraisal provision set forth below shall apply to the respective loan type set forth in § 4.5.3, or if a cash transaction, i.e. no financing, § 6.2.1 shall apply.

6.2.1. Conventional/Other. Buyer has the sole option and election to terminate this Contract if the Property's valuation, determined by an appraiser engaged on behalf of N/A is less than the Purchase Price. The appraisal shall be received by Buyer or Buyer's lender on or before **Appraisal Deadline** (§ 3). Buyer has the Right to Terminate under § 25.1, on or before **Appraisal Objection Deadline** (§ 3), if the Property's valuation is less than the Purchase Price and Seller's receipt of either a copy of such appraisal or written notice from lender that confirms the Property's valuation is less than the Purchase Price. This § 6.2.1 is for the sole benefit of Buyer.

6.3. Cost of Appraisal. Cost of any appraisal to be obtained after the date of this Contract shall be timely paid by Buyer Seller. The cost of the appraisal may include any and all fees paid to the appraiser, appraisal management company, lender's agent or all three.

7. EVIDENCE OF TITLE AND ASSOCIATION DOCUMENTS.

7.1. Seller Selects Title Insurance Company. If this box is checked, Seller shall select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline** (§ 3), Seller shall furnish to Buyer a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked an Abstract of title certified to a current date. Seller shall cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing.

7.2. Buyer Selects Title Insurance Company. If this box is checked, Buyer shall select the title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline** (§ 3), Buyer shall furnish to Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price. If neither box in § 7.1 or § 7.2 is checked, § 7.1 applies.

7.3. Owner's Extended Coverage (OEC). The Title Commitment **Shall** **Shall Not** commit to delete or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (effective date of commitment to date deed is recorded), and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing (OEC).

Note: The title insurance company may not agree to delete or insure over any or all of the standard exceptions.

7.3.1. Premium for OEC. If the title insurance company agrees to provide an endorsement for OEC, any additional premium expense to obtain an endorsement for OEC shall be paid by Buyer Seller **One-Half by Buyer and One-Half by Seller** **Other** n/a.

7.4. Buyer's Right to Review Title Commitment and Title Documents. Buyer has the right to review the Title Commitment, its provisions and Title Documents (defined in § 7.5), and if not satisfactory to Buyer, Buyer may exercise Buyer's rights pursuant to § 8.1.

7.5. Copies of Exceptions. Unless the box in § 7.2 is checked (Buyer Selects Title Insurance Company) on or before **Record Title Deadline** (§ 3), Seller, at Seller's expense, shall furnish to Buyer and Broker, (1) copies of any plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) if a Title Commitment is required to be furnished, and if this box is checked **Copies of any Other Documents** (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions). Even if the box is not checked, Seller shall have the obligation to furnish these documents pursuant to this section if requested by Buyer any time on or before **Exceptions Request Deadline** (§ 3). This requirement shall pertain only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The Abstract or Title Commitment, together with any copies or summaries of such documents furnished pursuant to this section, constitute the title documents (collectively, Title Documents).

7.5.1. Existing Abstracts of Title. Seller shall deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract) in Seller's possession on or before **Record Title Deadline** (§ 3).


7.6. Homeowners' Association Documents. Homeowners' Association Documents (Association Documents) consist of the following:


7.6.1. All Homeowners' Association declarations, bylaws, operating agreements, rules and regulations, party wall agreements;

7.6.2. Minutes of most recent annual owners' meeting;

7.6.3. Minutes of any directors' or managers' meetings during the six-month period immediately preceding the date of this Contract, if none of the preceding minutes exist, then the most recent minutes, if any (§§ 7.6.1, 7.6.2 and 7.6.3, collectively, Governing Documents).

7.6.4. The most recent financial documents which consist of: (1) annual and most recent balance sheet, (2) annual and most recent income and expenditures statement, (3) annual budget, and (4) reserve study, if any (collectively, Financial Documents).

Buyer(s) Initials 

Seller(s) Initials 

416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499

7.6.5. Common Interest Community Disclosure. THE PROPERTY IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR SUCH COMMUNITY. THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNER'S ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.

7.6.6. Association Documents to Buyer.

7.6.6.1. Seller to Provide Association Documents. Seller shall cause the Association Documents to be provided to Buyer, at Seller's expense, on or before **Association Documents Deadline** (§ 3).

7.6.6.2. Seller Authorizes Association. Seller authorizes the Association to provide the Association Documents to Buyer, at Seller's expense.

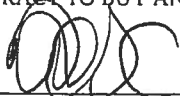
7.6.6.3. Seller's Obligation. Seller's obligation to provide the Association Documents shall be fulfilled upon Buyer's receipt of the Association Documents, regardless of who provides such documents. **Note:** If neither box in this § 7.6.6 is checked, the provisions of § 7.6.6.1 shall apply.


7.6.7. Conditional on Buyer's Review. Buyer has the right to review the Association Documents. Buyer has the Right to Terminate under § 25.1, on or before **Association Documents Objection Deadline** (§ 3), based on any unsatisfactory provision in any of the Association Documents, in Buyer's sole subjective discretion. Should Buyer receive the Association Documents after **Association Documents Deadline** (§ 3), Buyer, at Buyer's option, has the Right to Terminate under § 25.1 by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date** (§ 3), Buyer's Notice to Terminate shall be received by Seller on or before **Closing** (§ 12.3). If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory, and Buyer waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.5.

8. RECORD TITLE AND OFF—RECORD TITLE.

8.1. Record Title. Buyer has the right to review and object to any of the Title Documents (Right to Object to Title, Resolution), as set forth in § 8.3. Buyer's objection may be based on any unsatisfactory form or content of Title Commitment, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If Buyer objects to any of the Title Documents, Buyer shall cause Seller to receive Buyer's Notice to Terminate or Notice of Title Objection on or before **Record Title Objection Deadline** (§ 3). If Title Documents are not received by Buyer, on or before the **Record Title Deadline** (§ 3), or if there is an endorsement to the Title Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment shall be delivered to Buyer. Buyer shall cause Seller to receive Buyer's Notice to Terminate or Notice of Title Objection on or before ten days after receipt by Buyer of the following documents: (1) any required Title Document not timely received by Buyer, (2) any change to the Title Documents, or (3) endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection, pursuant to this § 8.1 (Record Title), any title objection by Buyer and this Contract shall be governed by the provisions set forth in § 8.3 (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.

8.2. Off—Record Title. Seller shall deliver to Buyer, on or before **Off—Record Title Deadline** (§ 3), true copies of all existing surveys in Seller's possession pertaining to the Property and shall disclose to Buyer all easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or other title matters (including, without limitation, rights of first refusal and options) not shown by public records, of which Seller has actual knowledge (Off-Record Matters). Buyer has the right to inspect the Property to investigate if any third party has any right in the Property not shown by public records (such as an unrecorded easement, unrecorded lease, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 13), in Buyer's sole subjective discretion, shall be received by Seller on or before **Off—Record Title Objection Deadline** (§ 3). If Seller receives Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.2 (Off—Record Title), any title objection by Buyer and this Contract shall be governed by the provisions set forth in § 8.3 (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to

Buyer(s) Initials 

Seller(s) Initials 

500 Terminate or Notice of Title Objection on or before **Off—Record Title Objection Deadline** (§ 3), Buyer accepts
501 title subject to such rights, if any, of third parties of which Buyer has actual knowledge. Unless disclosed in
502 writing, Seller represents and warrants that there are no Off-Record Matters.

503 **8.3. Right to Object to Title, Resolution.** Buyer's Right to Object to Title shall include, but not be
504 limited to those matters set forth in §§ 8.1 (Record Title), 8.2 (Off—Record Title) and 13 (Transfer of Title), in
505 Buyer's sole subjective discretion (collectively, Right to Object to Title). If Buyer objects to any title matter, on or
506 before the applicable deadline, Buyer has the option to either (1) object to the condition of title, or (2) terminate
507 this Contract.

508 **8.3.1. Title Resolution.** If Seller receives Buyer's Notice of Title Objection, as provided in § 8.1
509 (Record Title) or § 8.2 (Off—Record Title), on or before the applicable deadline, and if Buyer and Seller have not
510 agreed to a written settlement thereof on or before **Title Resolution Deadline** (§ 3), this Contract shall terminate
511 on the expiration of **Title Resolution Deadline** (§ 3), unless Seller receives Buyer's written withdrawal of Buyer's
512 Notice of Title Objection, (i.e., Buyer's written notice to waive objection to such items and waives the Right to
513 Terminate for that reason), on or before expiration of **Title Resolution Deadline** (§ 3).

514 **8.3.2. Right to Terminate — Title Objection.** Buyer has the Right to Terminate under § 25.1, on
515 or before the applicable deadline, based on any unsatisfactory title matter, in Buyer's sole subjective discretion.

516 **8.4. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL**
517 **OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON**
518 **THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE**
519 **PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT**
520 **WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE**
521 **SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE**
522 **THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY**
523 **TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY, AND BY**
524 **OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY**
525 **CLERK AND RECORDER, OR THE COUNTY ASSESSOR.**

526 Buyer has the Right to Terminate under § 25.1, on or before **Off—Record Title Objection Deadline** (§ 3),
527 based on any unsatisfactory effect of the Property being located within a special taxing district, in Buyer's sole
528 subjective discretion.

529 **8.5. Right of First Refusal or Contract Approval.** If there is a right of first refusal on the Property, or a
530 right to approve this Contract, Seller shall promptly submit this Contract according to the terms and conditions of
531 such right. If the holder of the right of first refusal exercises such right or the holder of a right to approve
532 disapproves this Contract, this Contract shall terminate. If the right of first refusal is waived explicitly or expires, or
533 the Contract is approved, this Contract shall remain in full force and effect. Seller shall promptly notify Buyer in
534 writing of the foregoing. If expiration or waiver of the right of first refusal or Contract approval has not occurred on or
535 before **Right of First Refusal Deadline** (§ 3), this Contract shall then terminate.

536 **8.6. Title Advisory.** The Title Documents affect the title, ownership and use of the Property and should be
537 reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership
538 and use of the Property, including, without limitation, boundary lines and encroachments, area, zoning, unrecorded
539 easements and claims of easements, leases and other unrecorded agreements, and various laws and
540 governmental regulations concerning land use, development and environmental matters. **The surface estate may**
541 **be owned separately from the underlying mineral estate, and transfer of the surface estate does not**
542 **necessarily include transfer of the mineral rights or water rights. Third parties may hold interests in oil,**
543 **gas, other minerals, geothermal energy or water on or under the Property, which interests may give**
544 **them rights to enter and use the Property.** Such matters may be excluded from or not covered by the title
545 insurance policy. Buyer is advised to timely consult legal counsel with respect to all such matters as there are
546 strict time limits provided in this Contract [e.g., **Record Title Objection Deadline** (§ 3) and **Off—Record**
547 **Objection Deadline** (§ 3)].

548 **9. CURRENT SURVEY REVIEW.**

549 **9.1. Current Survey Conditions.** If the box in § 9.1.1 or § 9.1.2 is checked, Buyer, the issuer of the Title
550 Commitment or the provider of the opinion of title if an Abstract, and **Broker**
551 shall receive a Current Survey, i.e., Improvement Location Certificate, Improvement Survey Plat or other form of
552 survey set forth in § 9.1.2 (collectively, Current Survey), on or before **Current Survey Deadline** (§ 3). The Current
553 Survey shall be certified by the surveyor to all those who are to receive the Current Survey.

554 **9.1.1. Improvement Location Certificate.** If the box in this § 9.1.1 is checked, Seller Buyer
555 shall order or provide, and pay, on or before Closing, the cost of an Improvement Location Certificate.

556 **9.1.2. Other Survey.** If the box in this § 9.1.2 is checked, a Current Survey, other than an
557 Improvement Location Certificate, shall be an Improvement Survey Plat . The
558 parties agree that payment of the cost of the Current Survey and obligation to order or provide the Current Survey
559 **Seller shall provide Buyer with a copy of the Improvement Location Certificate**
560 **dated April 4, 2013 by Intermill Land Survey prior to the Due Diligence**
561 **Documents Delivery Deadline. Any further surveys required by Buyer or the**
562
563

Buyer(s) Initials

Seller(s) Initials

584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665

Title Company to provide Owner's Extended Coverage title insurance shall be the sole responsibility of Buyer.

9.2. Current Survey Objection. Buyer has the right to review and object to the Current Survey. Buyer has the Right to Terminate under § 25.1, on or before the **Current Survey Objection Deadline** (§ 3), if the Current Survey is not timely received by Buyer or based on any unsatisfactory matter with the Current Survey, notwithstanding § 8.2 or § 13.

DISCLOSURE, INSPECTION AND DUE DILIGENCE

10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY AND DUE DILIGENCE.

10.1. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline** (§ 3), Seller agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by Seller to Seller's actual knowledge, current as of the date of this Contract.

10.2. Inspection Objection. Unless otherwise provided in this Contract, Buyer acknowledges that Seller is conveying the Property to Buyer in an "as is" condition, "where is" and "with all faults". Seller shall disclose to Buyer, in writing, any latent defects actually known by Seller. Buyer, acting in good faith, has the right to have inspections (by one or more third parties, personally or both) of the Property and Inclusions (Inspection), at Buyer's expense. If (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions, (3) service to the Property (including utilities and communication services), systems and components of the Property, e.g. heating and plumbing, (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's sole subjective discretion, Buyer shall, on or before **Inspection Objection Deadline** (§ 3):

10.2.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or

10.2.2. Inspection Objection. Deliver to Seller a written description of any unsatisfactory physical condition that Buyer requires Seller to correct.

Buyer has the Right to Terminate under § 25.1, on or before **Inspection Objection Deadline** (§ 3) if the Property or Inclusions are unsatisfactory, in Buyer's sole subjective discretion.

10.3. Inspection Resolution. If an Inspection Objection is received by Seller, on or before **Inspection Objection Deadline** (§ 3), and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline** (§ 3), this Contract shall terminate on **Inspection Resolution Deadline** (§ 3) unless Seller receives Buyer's written withdrawal of the Inspection Objection before such termination, i.e., on or before expiration of **Inspection Resolution Deadline** (§ 3).

10.4. Damage, Liens and Indemnity. Buyer, except as otherwise provided in this Contract or other written agreement between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at Buyer's request (Work) and shall pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer shall not permit claims or liens of any kind against the Property for Work performed on the Property at Buyer's request. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any such liability, damage, cost or expense, or to enforce this section, including Seller's reasonable attorney fees, legal fees and expenses. The provisions of this section shall survive the termination of this Contract. This § 10.4 does not apply to items performed pursuant to an Inspection Resolution.

10.5. Insurability. Buyer has the right to review and object to the availability, terms and conditions of and premium for property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on or before **Property Insurance Objection Deadline** (§ 3), based on any unsatisfactory provision of the Property Insurance, in Buyer's sole subjective discretion.

10.6. Due Diligence Documents. Seller agrees to deliver copies of the following documents and information pertaining to the Property (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery Deadline** (§ 3):

10.6.1. All contracts relating to the operation, maintenance and management of the Property;

10.6.2. Property tax bills for the last n/a years;

10.6.3. As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical, and structural systems; engineering reports; and permanent Certificates of Occupancy, to the extent now available;

10.6.4. A list of all Inclusions to be conveyed to Buyer;

10.6.5. Operating statements for the past n/a years;

10.6.6. A rent roll accurate and correct to the date of this Contract;

10.6.7. All current leases, including any amendments or other occupancy agreements, pertaining to the Property (Leases);

Buyer(s) Initials 

Seller(s) Initials 

666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747

10.6.8. A schedule of any tenant improvement work Seller is obligated to complete but has not yet completed and capital improvement work either scheduled or in process on the date of this Contract;
10.6.9. All insurance policies pertaining to the Property and copies of any claims which have been made for the past n/a years;
10.6.10. Soils reports, Surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.2);
10.6.11. Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories, and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic hazardous or contaminated substances, and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;
10.6.12. Any *Americans with Disabilities Act* reports, studies or surveys concerning the compliance of the Property with said Act;
10.6.13. All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violations of any such permits, licenses or use authorizations, if any; and
10.6.14. Other Documents:

n/a

10.7. Due Diligence Documents Conditions. Buyer has the right to review and object to Due Diligence Documents, zoning and any use restrictions imposed by any governmental agency with jurisdiction over the Property (Zoning), in Buyer's sole subjective discretion, and has the right to object if Seller fails to deliver to Buyer all Due Diligence Documents. Buyer shall also have the unilateral right to waive any condition herein.

10.7.1. Due Diligence Documents Objection. Buyer has the Right to Terminate under § 25.1, on or before **Due Diligence Documents Objection Deadline** (§ 3), based on any unsatisfactory matter with the Due Diligence Documents, in Buyer's sole subjective discretion. If all Due Diligence Documents under § 10.6 are not received by Buyer on or before **Due Diligence Documents Delivery Deadline** (§ 3), then Buyer has the Right to Terminate under § 25.1 on or before the earlier of ten days after **Due Diligence Documents Objection Deadline** (§ 3) or Closing.

10.7.2. Zoning. Buyer has the Right to Terminate under § 25.1, on or before **Due Diligence Documents Objection Deadline** (§ 3), based on any unsatisfactory zoning, in Buyer's sole subjective discretion.

10.8. Due Diligence – Environmental, ADA. Buyer has the right to obtain environmental inspections of the Property including Phase I and Phase II Environmental Site Assessments, as applicable. Seller Buyer shall order or provide **Phase I Environmental Site Assessment** **Phase II Environmental Site Assessment** (compliant with ASTM E1527-05 standard practices for Environmental Site Assessments) and/or n/a at the expense of Seller Buyer (Environmental Inspection). In addition, Buyer may also conduct an evaluation whether the Property complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations shall be conducted at such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the Property, if any.

If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the **Environmental Inspection Objection Deadline** (§ 3) shall be extended by **30** days (Extended Environmental Inspection Objection Deadline) and if such Extended Environmental Inspection Objection Deadline extends beyond the **Closing Date** (§ 3), the **Closing Date** (§ 3) shall be extended a like period of time.

Buyer shall have the Right to Terminate under § 25.1, on or before **Environmental Inspection Objection Deadline** (§ 3), or if applicable the Extended Environmental Inspection Objection Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.

Buyer shall have the Right to Terminate under § 25.1, on or before **ADA Evaluation Objection Deadline** (§ 3), based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

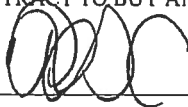
10.9. Existing Leases; Modification of Existing Leases; New Leases. Seller states that none of the Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions or rent abatements except as disclosed in the Lease or other writing received by Buyer. Seller shall not amend, alter, modify, extend or cancel any of the Leases nor shall Seller enter into any new leases affecting the Property without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.


11. TENANT ESTOPPEL STATEMENTS.

11.1. Tenant Estoppel Statements Conditions. Buyer has the right to review and object to any Estoppel Statements. Seller shall obtain and deliver to Buyer on or before **Tenant Estoppel Statements Deadline** (§ 3), statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant at the Property (Estoppel Statement) attached to a copy of such occupant's or tenant's lease and any amendments (Lease) stating:

11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;

11.1.2. That said Lease is in full force and effect and that there have been no subsequent

Buyer(s) Initials 

Seller(s) Initials 

748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829

modifications or amendments;

11.1.3. The amount of any advance rentals paid, rent concessions given, and deposits paid to Seller;

11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;

11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and

11.1.6. That the Lease to which the Estoppel is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. **Tenant Estoppel Statements Objection** Buyer has the Right to Terminate under § 25.1, on or before **Tenant Estoppel Statements Objection Deadline** (§ 3), based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion or if Seller fails to deliver the Estoppel Statements on or before **Tenant Estoppel Statements Deadline** (§ 3). Buyer shall also have the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

12.1. **Closing Documents and Closing Information.** Seller and Buyer shall cooperate with the Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a new loan to purchase the Property, Buyer acknowledges Buyer's lender shall be required to provide the Closing Company, in a timely manner, all required loan documents and financial information concerning Buyer's new loan. Buyer and Seller will furnish any additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and Seller shall sign and complete all customary or reasonably required documents at or before Closing.

12.2. **Closing Instructions.** Colorado Real Estate Commission's Closing Instructions Are Are Not executed with this Contract.

12.3. **Closing.** Delivery of deed from Seller to Buyer shall be at closing (Closing). Closing shall be on the date specified as the **Closing Date** (§ 3) or by mutual agreement at an earlier date. The hour and place of Closing shall be as designated by Seller.

12.4. **Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

13. **TRANSFER OF TITLE.** Subject to tender of payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller shall execute and deliver a good and sufficient Special Warranty deed to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title shall be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not. Title shall be conveyed subject to:

13.1. Those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with **Record Title** (§ 8.1),

13.2. Distribution utility easements (including cable TV),

13.3. Those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with **Off-Record Title** (§ 8.2) and **Current Survey Review** (§ 9),

13.4. Inclusion of the Property within any special taxing district, and

13.5. Other n/a.

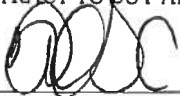
14. **PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid shall be paid at or before Closing from the proceeds of this transaction or from any other source.

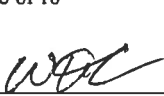
15. CLOSING COSTS, CLOSING FEE, ASSOCIATION FEES AND TAXES.

15.1. **Closing Costs.** Buyer and Seller shall pay, in Good Funds, their respective closing costs and all other items required to be paid at Closing, except as otherwise provided herein.

15.2. **Closing Services Fee.** The fee for real estate closing services shall be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller Other n/a.

15.3. **Status Letter and Record Change Fees.** Any fees incident to the issuance of Association's statement of assessments (Status Letter) shall be paid by Buyer Seller One-Half by Buyer and One-Half by Seller None. Any record change fee assessed by the Association including, but not limited to, ownership record transfer fees regardless of name or title of such fee (Association's Record Change Fee) shall be

Buyer(s) Initials 

Seller(s) Initials 

830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913

paid by Buyer Seller One-Half by Buyer and One-Half by Seller None.

15.4. Local Transfer Tax. The Local Transfer Tax of n/a % of the Purchase Price shall be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None.

15.5. Private Transfer Fee. Private transfer fees and other fees due to a transfer of the Property, payable at Closing, such as community association fees, developer fees and foundation fees, shall be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None. The Private Transfer fee, whether one or more, is for the following association(s): n/a in the total amount of % of the Purchase Price or \$ n/a.

15.6. Water Transfer Fees. The Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed: \$ n/a for Water Stock/ Certificates Water District \$ for Augmentation Membership Small Domestic Water Company n/a and must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None.

15.7. Sales and Use Tax. Any sales and use tax that may accrue because of this transaction shall be paid when due by Buyer Seller One-Half by Buyer and One-Half by Seller None.

16. PRORATIONS. The following shall be prorated to Closing Date (§ 3), except as otherwise provided:

16.1. Taxes. Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy and Most Recent Assessed Valuation, or Other Seller is a tax-exempt entity, no tax prorations shall occur.

16.2. Rents. Rents based on Rents Actually Received Accrued. At Closing, Seller shall transfer or credit to Buyer the security deposits for all Leases assigned, or any remainder after lawful deductions, and notify all tenants in writing of such transfer and of the transferee's name and address. Seller shall assign to Buyer all Leases in effect at Closing and Buyer shall assume Seller's obligations under such Leases.

16.3. Association Assessments. Current regular Association assessments and dues (Association Assessments) paid in advance shall be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association shall not be credited to Seller except as may be otherwise provided by the Governing Documents. Buyer acknowledges that Buyer may be obligated to pay the Association, at Closing, an amount for reserves or working capital. Any special assessment assessed prior to Closing Date (§ 3) by the Association shall be the obligation of Buyer Seller. Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, shall be the obligation of Seller. Seller represents that the Association Assessments are currently payable at \$ n/a per n/a and that there are no unpaid regular or special assessments against the Property except the current regular assessments and see 30.3. Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the Association to deliver to Buyer before Closing Date (§ 3) a current Status Letter.

16.4. Other Prorations. Water and sewer charges, propane, interest on continuing loan, and n/a.

16.5. Final Settlement. Unless otherwise agreed in writing, these prorations shall be final.

17. POSSESSION. Possession of the Property shall be delivered to Buyer on Possession Date (§ 3) at Possession Time (§ 3), subject to the following Leases or tenancies: Seller acknowledges that there are no Leases associated with the Property. If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of \$ 100 per day (or any part of a day notwithstanding § 18.1) from Possession Date (§ 3) and Possession Time (§ 3) until possession is delivered.

GENERAL PROVISIONS

18. DAY; COMPUTATION OF PERIOD OF DAYS, DEADLINE.

18.1. Day. As used in this Contract, the term "day" shall mean the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings as applicable).

18.2. Computation of Period of Days, Deadline. In computing a period of days, when the ending date is not specified, the first day is excluded and the last day is included, e.g., three days after MEC. If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline Shall Shall Not be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline shall not be extended.

19. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION;

Buyer(s) Initials  Seller(s) Initials 

914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997

AND WALK—THROUGH. Except as otherwise provided in this Contract, the Property, Inclusions or both shall be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

19.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing in an amount of not more than ten percent of the total Purchase Price (Property Damage), Seller shall be obligated to repair the same before **Closing Date** (§ 3). Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** (§ 3), if the Property Damage is not repaired before **Closing Date** (§ 3) or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer shall be entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from such damage to the Property and Inclusions, plus the amount of any deductible provided for in such insurance policy. Such credit will not exceed the Purchase Price. In the event Seller has not received such insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** (§ 3) or, at the option of Buyer, Seller shall assign such proceeds at Closing, plus credit Buyer the amount of any deductible provided for in such insurance policy, but not to exceed the total Purchase Price.

19.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service), e.g., heating or plumbing, fail or be damaged between the date of this Contract and Closing or possession, whichever shall be earlier, then Seller shall be liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any Insurance proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before Closing or possession, whichever shall be earlier, Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** (§ 3), or, at the option of Buyer, Buyer will be entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit shall not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, shall survive Closing. Seller and Buyer are aware of the existence of pre-owned home warranty programs that may be purchased and may cover the repair or replacement of such Inclusions.

19.3. Condemnation. In the event Seller receives actual notice prior to Closing that a pending condemnation action may result in a taking of all or part of the Property or Inclusions, Seller shall promptly notify Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** (§ 3), based on such condemnation action, in Buyer's sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and Inclusions, Buyer shall be entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value of the Property or Inclusions but such credit shall not include relocation benefits or expenses, or exceed the Purchase Price.

19.4. Walk—Through and Verification of Condition. Buyer, upon reasonable notice, has the right to walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract.

20. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this Contract, Buyer and Seller acknowledge that the respective broker has advised that this Contract has important legal consequences and has recommended the examination of title and consultation with legal and tax or other counsel before signing this Contract.

21. TIME OF ESSENCE, DEFAULT AND REMEDIES. Time is of the essence hereof. If any note or check received as Earnest Money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any obligation hereunder is not performed or waived as herein provided, the non-defaulting party has the following remedies:

21.1. If Buyer is in Default:

21.1.1. Specific Performance. Seller may elect to treat this Contract as canceled, in which case all Earnest Money (whether or not paid by Buyer) shall be paid to Seller and retained by Seller; and Seller may recover such damages as may be proper; or Seller may elect to treat this Contract as being in full force and effect and Seller has the right to specific performance or damages, or both.

21.1.2. Liquidated Damages, Applicable. This § 21.1.2 shall apply unless the box in § 21.1.1. is checked. All Earnest Money (whether or not paid by Buyer) shall be paid to Seller, and retained by Seller. Both parties shall thereafter be released from all obligations hereunder. It is agreed that the Earnest Money specified in § 4.1 is LIQUIDATED DAMAGES, and not a penalty, which amount the parties agree is fair and reasonable and (except as provided in §§ 10.4, 22, 23 and 24), said payment of Earnest Money shall be SELLER'S ONLY REMEDY for Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and additional damages.

21.2. If Seller is in Default: Buyer may elect to treat this Contract as canceled, in which case all Earnest Money received hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific performance or damages, or both.

Buyer(s) Initials

Seller(s) Initials

998
999
1000
1001
1002
1003
1004
1005
1006
1007
1008
1009
1010
1011
1012
1013
1014
1015
1016
1017
1018
1019
1020
1021
1022
1023
1024
1025
1026
1027
1028
1029
1030
1031
1032
1033
1034
1035
1036
1037
1038
1039
1040
1041
1042
1043
1044
1045
1046
1047
1048
1049
1050
1051
1052
1053
1054
1055
1056
1057
1058
1059
1060
1061
1062
1063
1064
1065
1066
1067
1068
1069
1070
1071
1072
1073
1074
1075
1076
1077
1078
1079
1080
1081

22. LEGAL FEES, COST AND EXPENSES. Anything to the contrary herein notwithstanding, in the event of any arbitration or litigation relating to this Contract, prior to or after Closing Date (§ 3), the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and expenses.

23. MEDIATION. If a dispute arises relating to this Contract, prior to or after Closing, and is not resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree, in writing, before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at the party's last known address. This section shall not alter any date in this Contract, unless otherwise agreed.

24. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder shall release the Earnest Money as directed by written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money (notwithstanding any termination of this Contract), Earnest Money Holder shall not be required to take any action. Earnest Money Holder, at its sole subjective discretion, has several options: (1) await any proceeding, (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction and shall recover court costs and reasonable attorney and legal fees, or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder shall be authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit, and has not interplead the monies at the time of any Order, Earnest Money Holder shall disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of Mediation (§ 23).

25. TERMINATION.

25.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination shall be effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate shall have accepted the specified matter, document or condition as satisfactory and waived the Right to Terminate under such provision.

25.2. Effect of Termination. In the event this Contract is terminated, all Earnest Money received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to §§ 10.4, 22, 23 and 24.

26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract shall be valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing shall survive the same.

27. NOTICE, DELIVERY, AND CHOICE OF LAW.


27.1. Physical Delivery. All notices must be in writing, except as provided in § 27.2. Any document, including a signed document or notice, from or on behalf of Seller, and delivered to Buyer shall be effective when physically received by Buyer, any signatory on behalf of Buyer, any named individual of Buyer, any representative of Buyer, or Brokerage Firm of Broker working with Buyer (except for delivery, after Closing, of the notice requesting mediation described in § 23) and except as provided in § 27.2. Any document, including a signed document or notice, from or on behalf of Buyer, and delivered to Seller shall be effective when physically received by Seller, any signatory on behalf of Seller, any named individual of Seller, any representative of Seller, or Brokerage Firm of Broker working with Seller (except for delivery, after Closing, of the notice requesting mediation described in § 23) and except as provided in § 27.2.

27.2. Electronic Delivery. As an alternative to physical delivery, any document, including any signed document or written notice, may be delivered in electronic form only by the following indicated methods:

Facsimile E-mail Internet No Electronic Delivery. If the box "No Electronic Delivery" is checked, this § 27.2 shall not be applicable and § 27.1 shall govern notice and delivery. Documents with original signatures shall be provided upon request of any party.

27.3. Choice of Law. This Contract and all disputes arising hereunder shall be governed by and construed in accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in Colorado for property located in Colorado.

Buyer(s) Initials 

Seller(s) Initials 

1082
1083
1084
1085
1086
1087
1088
1089
1090
1091
1092
1093
1094
1095
1096
1097
1098
1099
1100
1101
1102
1103
1104
1105
1106
1107
1108
1109
1110
1111
1112
1113
1114
1115
1116
1117
1118
1119
1120
1121
1122
1123
1124
1125
1126
1127
1128
1129
1130
1131
1132
1133
1134
1135
1136
1137
1138
1139
1140
1141
1142
1143
1144
1145
1146
1147
1148
1149
1150
1151
1152
1153
1154
1155
1156
1157
1158
1159
1160
1161
1162
1163

28. NOTICE OF ACCEPTANCE, COUNTERPARTS. This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of such acceptance pursuant to § 27 on or before **Acceptance Deadline Date** (§ 3) and **Acceptance Deadline Time** (§ 3). If accepted, this document shall become a contract between Seller and Buyer. A copy of this Contract may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

29. GOOD FAITH. Buyer and Seller acknowledge that each party has an obligation to act in good faith, including but not limited to exercising the rights and obligations set forth in the provisions of **Financing Conditions and Obligations** (§ 5), **Record Title and Off-Record Title** (§ 8), **Current Survey Review** (§ 9) and **Property Disclosure, Inspection, Indemnity, Insurability, Due Diligence** (§ 10).

ADDITIONAL PROVISIONS AND ATTACHMENTS

30. ADDITIONAL PROVISIONS. (The following additional provisions have not been approved by the Colorado Real Estate Commission.)

30.1 Closing Date. *Closing Date shall be 60 days from MEC or 10 days following City Council approval (see 30.4), whichever occurs later.*

30.2 Earnest Money. *Earnest Money shall be held by the Seller without interest and shall be applied to the Purchase Price at Closing. In the event of Buyer's default, Seller shall be automatically entitled to retain such Earnest Money without further written agreement. In the event Buyer terminates the Contract within the confines of the Contract, Seller agrees to the return of the Earnest Money within seventy two (72) hours following receipt of such valid termination notice.*

30.3 Association Assessments. *Buyer acknowledges that no Homeowner's Association exists on the Property and therefore there are no Association Documents to be received from Seller.*

30.4 City Council Approval. *This Contract is expressly contingent upon the Loveland City Council adopting an ordinance authorizing this sale of the Property under this Contract and that ordinance becoming law as provided in the City Charter prior to Closing. In the event the City Council does not adopt that ordinance or the ordinance does not become law before Closing, this Contract shall automatically terminate and the Earnest Money shall be returned to Buyer, and neither party shall have any further obligations to one another thereafter under this Contract except as expressly provided herein.*

30.5 Concept Review. *Buyer shall submit within 15 days of MEC, a request for Concept Review Team meeting from the City of Loveland and shall have the right to object to the results of the meeting as a part of its Due Diligence Documents Objection Deadline.*

30.6 Right-of-Way Dedication. *Buyer acknowledges that Buyer shall be responsible for dedicating the Right-of-Way for Taft Avenue as part of the Closing on the Property. A copy of the proposed Deed of Dedication shall be provided to Buyer prior to the Due Diligence Documents Delivery Deadline for Buyer's review and approval.*

30.7 One or more members of Insignia Homes, Ltd. is a real estate agent licensed in the State of Colorado, and acting upon their own behalf.

31. ATTACHMENTS.

31.1. The following attachments are a part of this Contract: *n/a*

31.2. The following disclosure forms are attached but are not a part of this Contract: *n/a*

SIGNATURES

Buyer:  Date: 8/28/13
Insignia Homes, Ltd.
By Fred Cooke, President

Address: **310 E 5th Street Loveland CO 80537**
Phone: **970-667-1292** Fax: **970-667-1302**

Buyer(s) Initials  Seller(s) Initials 

Electronic Address:

[NOTE: If this offer is being countered or rejected, do not sign this document. Refer to § 32]

Seller: William Cahill Date: August 29, 2013
City of Loveland, a Municipal Corporation
By William Cahill, City Manager
 Address: 500 E 3rd Street Loveland CO 80537
 Phone: _____ Fax: _____
 Electronic Address: _____

APPROVED AS TO FORM
 BY: [Signature]
ASSISTANT CITY ATTORNEY

32. COUNTER; REJECTION. This offer is Countered Rejected.
 Initials only of party (Buyer or Seller) who countered or rejected offer

END OF CONTRACT TO BUY AND SELL REAL ESTATE

33. **BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.**
 (To be completed by Broker working with Buyer)

Broker Does Does Not acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder shall release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money shall be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a Buyer's Agent Seller's Agent Transaction-Broker in this transaction. This is a Change of Status.

Brokerage Firm's compensation or commission is to be paid by Listing Brokerage Firm
 Buyer Other Seller

Brokerage Firm's Name: Loveland Commercial, LLC

Broker's Name: _____ Date: _____

Nathan Klein

Address: 1043 Eagle Drive Loveland, CO 80537

Ph: 970-667-7000 Fax: 970-635-2514 Email: nklein@lovelandcommercial.com

34. **BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.**
 (To be completed by Broker working with Seller)

Broker Does Does Not acknowledge receipt of Earnest Money deposit specified in § 4.1 and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder shall release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money shall be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with the Seller as a Seller's Agent Buyer's Agent Transaction-Broker in this transaction. This is a Change of Status.

Buyer(s) Initials [Signature]

Seller(s) Initials [Signature]

Brokerage Firm's compensation or commission is to be paid by Seller Buyer Other

Brokerage Firm's Name: **Loveland Commercial, LLC**

Broker _____ Date: _____

Nathan Klein

Address: **1043 Eagle Drive Loveland, CO 80537**

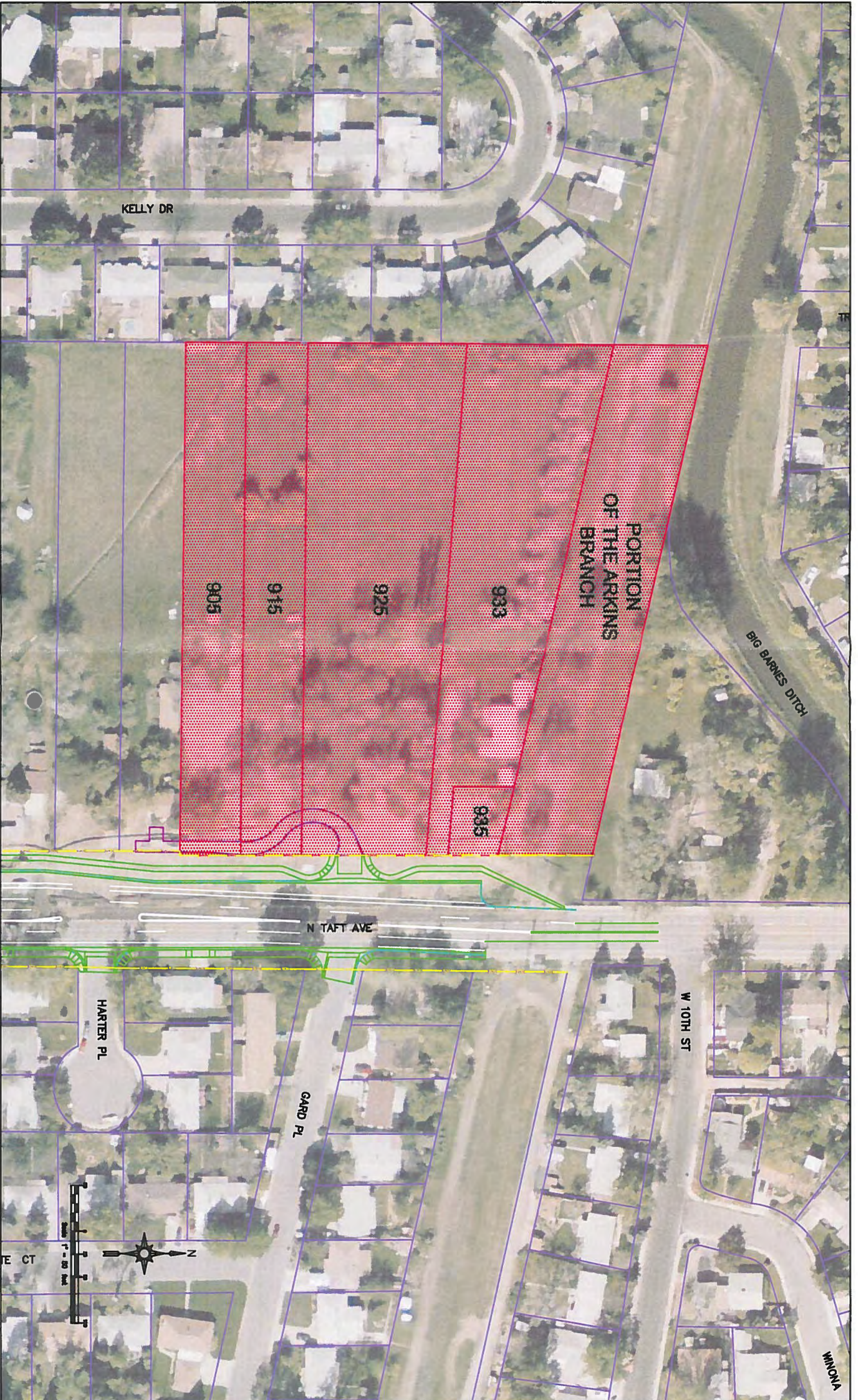
Ph: 970-667-7000 Fax: 970-635-2514 Email: nklein@lovelandcommercial.com


CBS3-9-12. CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

CTM eContracts - ©2012 CTM Software Corp.

Buyer(s) Initials _____

Seller(s) Initials _____



Computer File Information		Sheet Revisions			PUBLIC WORKS ENGINEERING 410 East Fifth Street Loveland, Colorado 80537 Phone: (970) 962-2627 FAX: (970) 962-2908 www.lovelandcolorado.gov/publicworks/finance/WilliamDoughlin	As Constructed		TAFT AVENUE & W 8TH STREET 905-935 N. Taft Ave PROPERTY EXHIBIT		Project No./Code EN0104	
Creation Date:	04/18/08	Initials:	SRA			No Revisions:		Sheet Subject:	Sheet Number:	Sheet Number:	1
Last Modification Date:		Initials:		Reviewed:		Subject Sheets:					
Full Path:	V:\Public Works\Civil Engineering\CDP\EN0104 Taft (Big Thompson River to Gard Pl)\R-O\W\en_Copper-Calks\CDL-Owned.dwg										
Drawing File Name:	COL-Owned										
Acad Ver:	AutoCAD 2008	Scale:	1" = 50'	Units:	ENGLISH						





CITY OF LOVELAND
PUBLIC WORKS DEPARTMENT

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
(970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

AGENDA ITEM: 8
MEETING DATE: 9/17/2013
TO: City Council
FROM: Keith Reester, Public Works Department
PRESENTER: Keith Reester

TITLE:

An Ordinance on First Reading Enacting a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for Contractual Costs of Emergency Sprayings Due to the West Nile Virus

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative item. The ordinance appropriates available fund balance in the Mosquito Control Division (part of the Solid Waste Enterprise Fund) to cover four West Nile Virus mosquito sprayings required to safeguard the community. The mosquito control function is funded by a separate fee. The balance used is not from Refuse or Recycling Rate revenue.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The appropriation is from the Mosquito Control Division balance which reduces the flexibility to fund other items within the Solid Waste Enterprise Fund.

BACKGROUND:

Upon the recommendation of Larimer County Public Health Director, Dr. Adrienne LeBailey, the Public Works Department directed contractor, Colorado Mosquito Control, to conduct four separate emergency mosquito sprayings to mitigate a rapidly rising threat of West Nile Virus. The Northwest Quadrant of Loveland was sprayed on July 25th and again on July 28th at the contract bid price of \$68 per linear mile for emergency spraying. The cost was \$9,411.20 for the 138.4 linear miles sprayed. The entire city was sprayed on August 11th and again on August 14th at a cost of \$51,122.40 for the 751.8 linear miles sprayed. While some emergency money was budgeted in the 2013 Mosquito Control Budget, a shortfall still remains in the amount of \$24,460, thus this supplemental request.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. Ordinance

FIRST READING September 17, 2013

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET FOR CONTRACTUAL COSTS OF EMERGENCY MOSQUITO SPRAYING DUE TO THE WEST NILE VIRUS

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2013; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2013, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That reserves in the amount of \$24,460 from fund balance in the Solid Waste Enterprise Fund are available for appropriation. Revenues in the total amount of \$24,460 are hereby appropriated for contractual costs for emergency mosquito spraying due to the West Nile Virus. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Solid Waste Enterprise Fund 360**

Revenues		
Fund Balance		24,460
Total Revenue		24,460
Appropriations		
360-23-278-0000-43899	Other Services	24,460
Total Appropriations		24,460

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the

amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

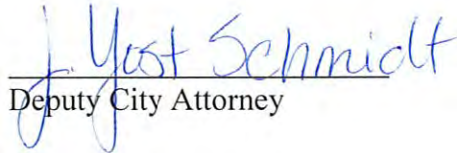
ADOPTED this ____ day of October, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney



CITY OF LOVELAND
POLICE DEPARTMENT

810 East 10th Street • Loveland, Colorado 80537
(970) 667-2151 • FAX (970) 962-2917 • TDD (970) 962-2620

AGENDA ITEM: 9
MEETING DATE: 9/17/2012
TO: City Council
FROM: Luke Hecker, Police Chief
PRESENTER: Luke Hecker

TITLE:

A Resolution Adopting the Loveland Police Department Ten Year Public Safety Staff and Resource Plan

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action. This resolution endorses and adopts the Loveland Police Department Ten Year Staff and Resource Plan. The strategic staffing and resource plan is the product of a comprehensive two year, four-phase study that was conducted by the Police Department. Council's adoption of the resolution creates a touchstone during the next ten year budget cycle for the application of available financial resources to fund the Police Department Staff and Resource Plan as a budget priority.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Budget impact will be year-to-year, based upon available financial resources and the tier level deployed for hiring Police Department staff.

BACKGROUND:

Phase I: **Assessment of current situation, Completed May 2012:**

A description of how current Police Department staff is deployed in the mission of public safety in Loveland, and an analysis of existing work load.

Phase II: **Determine and compare to goals or standards, December 11th 2012:**

A benchmarking evaluation of current, accepted public safety standards and norms in the Northern Colorado region, and an assessment of the vision for future police services in Loveland.

Phase III: **Define Options or alternatives needed to reach the goals or standards, from the present situation, Completed April 9th, 2013:**

Analyze the findings of phase one and two, and develop recommendations for a ten year hiring and staffing and resource plan in the Police Department. Give consideration to staffing options and differential means of achieving long range public safety goals.

Phase IV: **Action Plan, August 27th, 2013:**

Develop a 10 year hiring and staff allocation plan which is consistent with the available and/or feasible resources of the City of Loveland.

The direction of City Council at the August 27, 2013 Study Session was to bring this item to Council for consideration.

REVIEWED BY CITY MANAGER:

William D. Cabell

LIST OF ATTACHMENTS:

- 1. Resolution
- 2. Police Staff and Resource Study Plan as Exhibit A

RESOLUTION #R-71-2013**A RESOLUTION ADOPTING
THE LOVELAND POLICE DEPARTMENT
TEN YEAR PUBLIC SAFETY STAFF AND RESOURCE PLAN**

WHEREAS, the mission of the Police Department is to preserve and enhance the quality of life for inhabitants of Loveland by procuring and sustaining the necessary public safety resources to defend human life, protect property, and safeguard the rights guaranteed to all people by the United States Constitution; and

WHEREAS, the Police Department recognizes the importance of planning for the future and has drafted a comprehensive plan for staffing and capital and resource improvements to be implemented over the next 10 years, an 8 page summary of which is entitled “Loveland Police Department Staffing and Resource Study” and attached as **Exhibit "A,** (“the Plan”) that addresses the community's past, present and future public safety needs, describes the Police Department's current systems, capabilities and limitations, and establishes an operations model for the Police Department to address the future growth of the community so that it can meet the community's future public safety needs; and

WHEREAS, the Plan is designed to be an evolving document adaptable to economic, geographical, social and policy changes that may occur over the next eight to ten years; and

WHEREAS, the Police Department will continue to deploy data driven growth strategies that focus on optimal staffing formulas, the effective use of technology, organizational strategies to reduce crime, and community outreach programs designed to enhance the public trust; and

WHEREAS, the Police Department and City Council desire to generate a ten year financial and operational strategy for the deployment of police staff and resources according to the Plan; and

WHEREAS, on January 26, 2013, City Council set 2013 goals and priorities that included Council adopting the staffing portion of the Plan by November 2013 and placing the public safety training campus (firing range and training facility) and records management system replacement in the 10-year Capital Improvement Plan for adoption as part of the 2014 Budget; and

WHEREAS, City Council wishes to adopt a ten-year public safety staff and resource plan that supports the mission of the agency and is consistent with the available and/or feasible resources of the City of Loveland; and,

WHEREAS, The City Council should be able to make use of any excess revenues that are not heretofore obligated within the City for this public safety staff and resource plan; and

WHEREAS, City Council finds that it is in the best interests of the City of Loveland and

necessary for the health, safety and welfare of the citizens of Loveland to adopt the Plan.

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

Section 1. That the Plan is hereby adopted as the Police Department Ten-Year Public Safety Staff and Resource Plan.

Section 2. That the Loveland City Council resolves to finance on a year-to year basis the Plan with respect to Loveland Police Department staffing at the tier level appropriate given the General Fund revenues then available.

Section 3. That this Resolution shall go into effect as of the date and time of its adoption.

ADOPTED this 17th day of September, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

Approved as to form:



Teresa Ablao
Assistant City Attorney

Loveland Police Department Staffing & Resources Study



August 2013

Department Mission:

Preserve and enhance the quality of life for inhabitants of Loveland by procuring and sustaining the necessary public safety resources to defend human life, protect property, and safeguard the rights guaranteed to all people by the United States Constitution.

Staffing and Resource Plan Objectives:

Generate a ten year financial and operational strategy for the deployment of police resources to protect the safety of employees and the community.

The agency's plan focuses on three critical areas of growth. They include:

1. Adequate Staffing and Resources
2. Capital Development of Training Facilities
3. The Implementation of the next Generation Police Records Management System.

The Process:



Situation Statement

A situational analysis of the Loveland Police Department. The study provided a comprehensive overview of the current workload and public safety obligations of the agency. Phase I was completed in May of 2012.



Comparisons

A benchmarking exercise in which the agency studied the staff and resource allocation strategies of five Northern Colorado law enforcement agencies, as well as those of a number of CALEA accredited police agencies in the United States. The Colorado agencies were of similar size to the Loveland Police Department and shared a similar demographic to the Loveland community. Phase II was completed in December 2012.



Options

Applying the findings of Phase I and II, Administrative staff from the Loveland Police Department crafted two long range (ten year) staff and resources strategies for the Loveland Police Department. The strategies are titled – Option 1 and Option 2. Phase III was complete April 2013.



Action Plan

Refine Option 1 and 2 of the staff and resources strategies to develop a ten year financial plan Option 1 and 2 within three tiered of General Fund revenues that could be available over the ten year period. Phase IV was complete August 2013.

Phase I - Situation Statement

Phase II - Comparison to Regional & CALEA Departments

Current Situation

- CALEA Accredited Agency (Commission for Accreditation of Law Enforcement Agencies)
- Accredited Center of Excellence (ACE) for Emergency Medical Dispatching
- 2011 Citizen Satisfaction Survey: 93% satisfaction with police services in the community
- Operations Budget of \$17.9 million
- 135.8 Full Time Equivalent Employees
 - ◊ 93.0 Sworn
 - ◊ 42.8 Civilian

Standards Not Subject to Compromise

- Maintain Excellent Customer Service
- Maintain Excellent Competence
- Comply with Regulatory Changes
- Address Changing Priorities in the Community (i.e., drugs, gangs, cybercrime, school safety)

Phase I Findings

- Strong history as an effective full service police agency
- Good public relations, public trust, and public support
- Workforce reduction in 2009 without a reduction in work load
- Shift from proactive to reactive service delivery
- Growth in the community outpaced the growth of the Dept.
- Staff is working at full capacity, many beyond full capacity

Phase II Findings: Technology

- New technology to reduce redundant data entry critical
- Mobile technology commonly used to increase efficiency
- Internet Protocol is deployed in phone systems, mapping, records systems, and communications centers
- Social media deployed frequently

Phase II Findings: Staffing

- Optimize the use of civilians to support sworn
- Front Counter staffed
- Quartermaster duties centralized to manage equip. inventory
- Dedicated technology staff
- Staff dedicated to managing social media
- Volunteers commonly used in non-critical positions
- Staffing and operational strategies often limited by budget

Phase II Findings: Other Organizational Strategies

- Agencies using civilians for traffic accidents, parking enforcement, and code enforcement
- Regional IGA's used commonly to share resources and contain costs
- Specialization is common due to complexities of investigations
- Street crime, gang, or community impact units are used to target specific crime
- Recorded phone tree messages are being used to reduce time on the phone
- A fee based contracted service is more common for requesting police reports
- Records systems are being upgraded to allow for electronic dissemination of reports within days of the incident

Phase II Findings: Community Outreach

- Crime Prevention Officers are used to reach out to elementary age students, since School Resources Officers (SRO) are only available for middle and high schools
- SRO's are used to conduct classes for students
- Outreach programs must be proactive to reduce crime
- Community outreach programs deemed important by all agencies

Phase III - Options

Phase IV - Action Plan

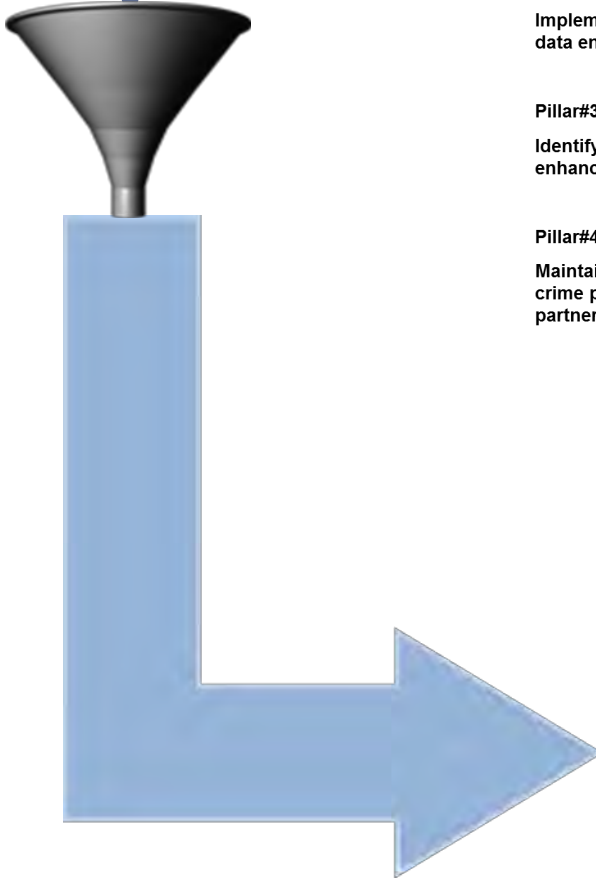
Loveland Police Department Staffing and Resource Study Timeline and Outcomes

Option 1:

47 FTEs,
\$6.9 million
over 10 Years

Option 2:

37.5 FTEs,
\$5.4 million
over 10 Years



FOUR STRATEGIC PILLARS FOR THE DEVELOPMENT OF THE LOVELAND POLICE DEPARTMENT:

Pillar#1 – Staffing:

Optimize the use of civilian staff to support sworn officers. Make strategic hiring decisions to enhance public safety.

Pillar#2 – Technology:

Implement technology that minimizes redundant data entry and optimizes employee efficiency.

Pillar#3 – Organizational Strategies

Identify and deploy public safety strategies that enhance the overall safety of the community.

Pillar#4 – Community Outreach

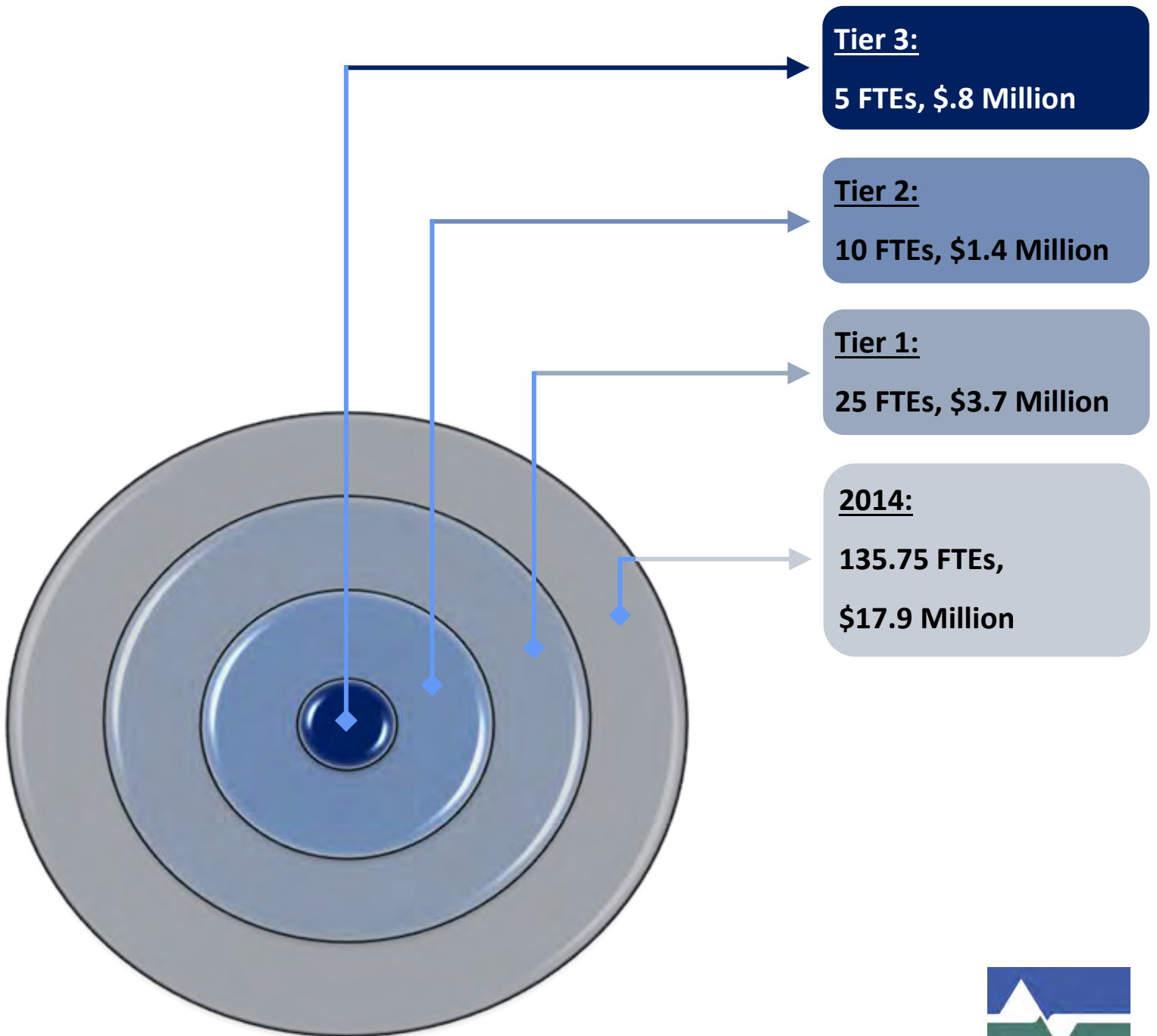
Maintain and bolster the public trust through crime prevention programs and community partnerships.

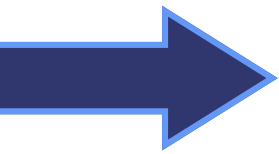


**Three Tiered Action Plan
Based on General Fund
Revenue Availability**



Police Operations Expansion Options: Driven by the General Fund Revenue Expectations: An Additional 40 FTEs, \$5.9 million over ten years



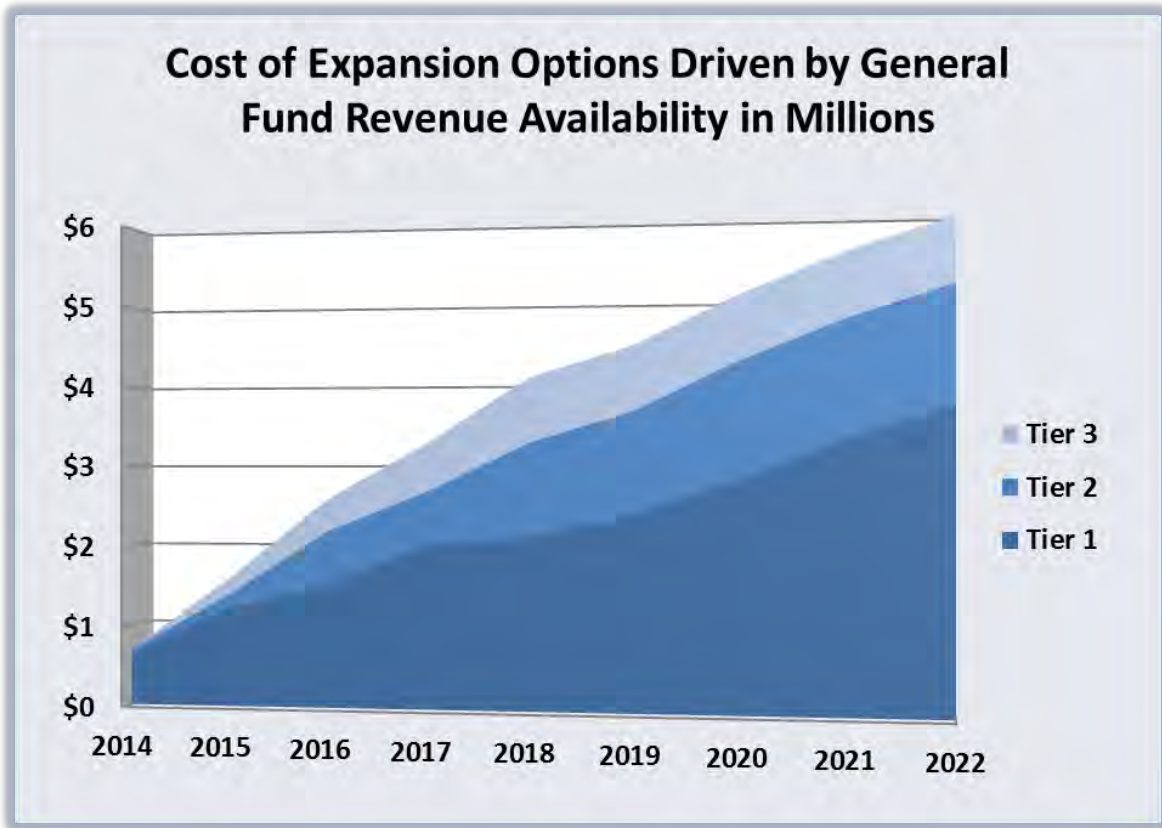


Police Operations Expansion Options Continued...

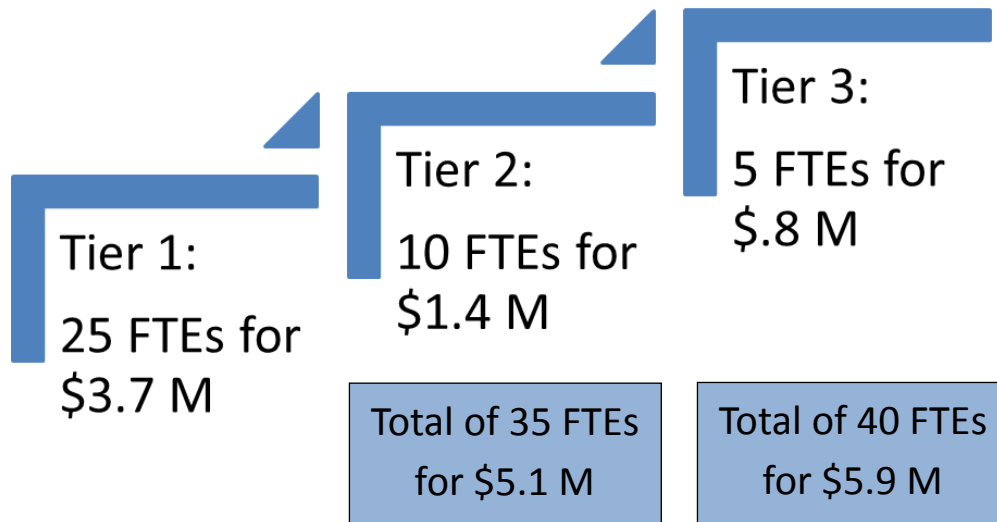
Tier	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Total Add'l Need	5 FTEs, \$0.6M	7 FTEs, \$0.9M	6 FTEs, \$1.0M	4 FTEs, \$0.7M	6 FTEs, \$0.8M	3 FTEs, \$0.4M	4 FTEs, \$0.6M	3 FTEs, \$0.5M	2 FTEs, \$0.4M	40 FTEs, \$5.9M
Tier 3		2 FTEs, \$0.2M	1 FTE, \$0.2M	1 FTE, \$0.2M	1 FTE, \$0.2M					5 FTEs, \$0.8M
Tier 2	1 FTE, \$0.06M	1 FTE, \$0.1M	3 FTEs, \$0.5M		3 FTEs, \$0.5M	1 FTE, \$0.08M	1 FTE, \$0.2M			10 FTEs, \$1.4M
Tier 1	4 FTEs, \$0.6M	4 FTEs, \$0.6M	2 FTEs, \$0.3M	3 FTEs, \$0.5M	2 FTEs, \$0.1M	2 FTEs, \$0.3M	3 FTEs, \$0.4M	3 FTEs, \$0.5M	2 FTEs, \$0.4M	25 FTEs, \$3.7M
Current + 3.5%	135.75 FTEs, \$17.9M	135.8 FTEs, \$18.6M	135.8 FTEs, \$19.2M	135.8 FTEs, \$19.9M	135.8 FTEs, \$20.5M	135.8 FTEs, \$21.3M	135.8 FTEs, \$22.0M	135.8 FTEs, \$22.8M	135.8 FTEs, \$23.6M	135.8 FTEs, \$23.6M



Loveland Police Department Operations and Capital Plan



Cumulative Impact of Tiered Approach



Police Capital Investment: Records Management & Training Facilities



The Records Management System (RMS) is where all critical data is processed, disseminated and stored. The current RMS is 13 years old. While it has been reliable the vendor has not grown the product to meet the needs of the police department. The city uses a newer Windows software version than the current Records System and an upgrade is not planned for the system. As the City moves forward with new Windows software the disparity issues will become even greater. Interfaces with stand-alone databases have been built to work with the current

RMS resulting in multiple redundancies for data entry. Reports, summonses, evidence, custody sheets, mug photos are examples of data that need to be entered separately every time. The objective of the new RMS is to maximize staff efficiency and effectiveness by significantly reducing data entry redundancies, enhance data sharing and interoperability with other law enforcement agencies, and allow for growth in the system as it become necessary.

Firearms training is performed primarily at the Police Shooting Range, an outdoor facility located on the campus of the City of Loveland Water Treatment Plant. The gun range is located inside the fenced area of the Plant at the base of a rim rock mountain and adjacent to the dam face of the Green Glade Reservoir. The environment generates an amphitheater effect so when firearms' training occurs, the sound of the gunfire amplifies. The objectives for constructing a new gun



range are to move firearms training indoors, on a site owned by the City of Loveland, that creates opportunities for financial lease agreements with other law enforcement agencies in Northern Colorado. Police vehicle driver training is performed primarily on a small asphalt platform located at the Loveland Fire Rescue Authority's Fire Training Campus. At that location driving training consists mostly of navigating around temporarily staged traffic cones. The objective for constructing an Emergency Vehicle Operation Center (EVOC) is to create a realistic training environment that allows police officers to train at appropriate speeds and in urban driving conditions. Like the gun range, the EVOC will be owned by the City of Loveland and made available for use by other law enforcement agencies in Northern Colorado through financial lease agreements.

At both facilities, funds obtained from leasing the facilities will be applied to ongoing operations and maintenance costs.





Study Committee Members

- Bruce Boroski
- Tim Brown
- Gerardo Cortina
- Cynthia Crouse
- Luke Hecker
- Conny Hilgenfeld
- Jennifer Hines
- Chuck Hofkamp
- Lauri Holstad
- Stephanie Jackson
- Kristopher Jakobsson
- Becky Kamoske
- Bob Klinger
- Teri Kuhlman
- Vickie Lehmkuhl
- Mary Marchio
- Elizabeth Markham
- Rob McDaniel
- Phil Metzler
- Ray Miller
- James Mines
- David Murphy
- Patrick Musselman
- Brent Newbanks
- Kim Pals
- Rob Pride
- Bob Rabson
- Nathan Schadewald
- Mike Scofield
- Karla Sprague
- John Spreitzer
- Sue Sauter

The work presented in this study is a tremendous tribute to the men and women that serve the Loveland Community in the Police Department. This committee invested significant time and extraordinary talent into planning for the future the department.

MINUTES
LOVELAND CITY COUNCIL
STUDY SESSION
TUESDAY, AUGUST 27, 2013
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

STUDY SESSION AGENDA

6:30 P.M. STUDY SESSION - City Council Chambers

CALL TO ORDER

Mayor Gutierrez called the Study Session of the Loveland City Council to order on the above date at 6:30 PM.

ROLL CALL

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

1. WATER & POWER (presenters: Jim Lees & Mark Beauchamp, 60 min)
Power Cost-of-Service Rate Study

Utility Accounting Manager, Jim Lees introduced President of Utility Financial Solutions, Mark Beauchamp to present the proposed updates to the Power rates for 2014 and will discuss two new proposed rate classes for 2014. These proposed rates will help to generate the revenue necessary to meet the operating and rehabilitation capital needs of the Power Utility. Discussion ensued. City Manager, Bill Cahill clarified that this item was informational in nature, however, these rates will be brought forward for formal discussion and adoption in the 2014 Budget process in October.

2. POLICE (presenter: Luke Hecker, 45 min)
Phase IV Police Staff and Resource Study

Chief Luke Hecker reviewed the history of the study for Council. This Four-Phase Plan formalizes the long range staff and resource allocation strategy of the Loveland Police Department. Council expressed overwhelming support for the Department and all the hard work involved in bringing this plan forward. Staff will present the plan for formal consideration of adoption at a regular meeting in September.

ADJOURNMENT

Having no further business to come before Council, the August 27, 2013 Study Session was adjourned at 9:42 pm.

Respectfully Submitted,

 Jeannie M. Weaver, Deputy City Clerk

 Cecil A. Gutierrez, Mayor



CITY OF LOVELAND
PUBLIC WORKS DEPARTMENT

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
(970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

AGENDA ITEM: 11
MEETING DATE: 9/17/2013
TO: City Council
FROM: Keith Reester, Director, Public Works Department
PRESENTER: David Klockeman, City Engineer
 Kevin Gingery, Senior Civil Engineer, Stormwater Engineering

TITLE:

A Resolution Concerning Revisions to the Stormwater Rates for System Investment Fees (SIF's) and the Stormwater Utility Fee for 2014 and Beyond

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action to adopt a resolution on first reading that provides funding for the Stormwater Enterprise through a series of rate increases for System Investment Fees (SIF's) and the Stormwater Utility Fee. The presentation and discussion will include existing rates and the potential adjustment to rates going forward; on-going needs, and City Council direction from the December 11, 2012 Study Session.

The SIF's (Stormwater's version of Capital Expansion Fees) are collected with each new development to provide regional stormwater facilities the ability to protect the existing downstream property owners. The last adjustment to these fees appeared in 2005. The Stormwater Utility Fee is based on the costs to upgrade the existing Stormwater system that was in place prior to 1987, as well as, maintain all of the public Stormwater facilities across the City. The last adjustment to these fees was in 2002.

The proposed rates to the SIF's would balance the costs across the anticipated development within the City's Growth Management Area (GMA), allowing for the anticipated regional improvements to be funded. The proposed rate for the Stormwater Utility Fee would expedite

the completion of Master Plan Projects within the area of the City that existed prior to 1986, which current rates would never allow for completion.

BUDGET IMPACT:

- Positive
- Negative
- Neutral or negligible

The Stormwater Utility will be positively affected by additional funding for capital projects.

BACKGROUND:

Staff presented information at three City Council Study Sessions in 2012, first to present an overview of the services provided by the Stormwater Utility and then to discuss alternatives for revisions to the System Investment Fees (SIF's) and the Stormwater Utility Fee. At the December 11, 2012 Study Session, Staff was directed to return to Council with an overview of the increases to total utility costs for Loveland's residents and business customers for all rates. In addition, Staff was directed to proceed with Scenario B related to the Stormwater Utility Fee.

The recommended Stormwater Utility Fee changes (Scenario B) are as follows (monthly fee as part of City Utility Bill):

Year	Residential Fee (per unit)*	Multi-Family Fee (per unit)**	Commercial Fee (per acre)	% Increase
2013 (Existing)	\$ 8.30	\$ 4.61	\$ 62.97	0.00
2014	\$ 9.10	\$ 5.05	\$ 69.02	9.60
2015	\$ 9.97	\$ 5.54	\$ 75.64	9.60
2016	\$ 10.93	\$ 6.07	\$ 82.90	9.60
2017	\$ 11.98	\$ 6.65	\$ 90.86	9.60
2018	\$ 12.98	\$ 7.21	\$ 98.45	8.35
2019	\$ 14.06	\$ 7.81	\$ 106.67	8.35
2020	\$ 14.53	\$ 8.07	\$ 110.21	3.32
2021	\$ 14.79	\$ 8.22	\$ 112.24	1.84
2022	\$ 15.07	\$ 8.37	\$ 114.30	1.84
2023	\$ 15.34	\$ 8.52	\$ 116.41	1.84
2024	\$ 15.63	\$ 8.68	\$ 118.55	1.84
2025	\$ 15.76	\$ 8.75	\$ 119.57	0.86
2026	\$ 15.90	\$ 8.83	\$ 120.60	0.86
2027	\$ 16.03	\$ 8.90	\$ 121.63	0.86
2028	\$ 16.17	\$ 8.98	\$ 122.68	0.86
2029	\$ 16.31	\$ 9.06	\$ 123.73	0.86
2030	\$ 16.45	\$ 9.14	\$ 124.80	0.86
2031	\$ 16.59	\$ 9.21	\$ 125.87	0.86

* For typical residential lot size of 6000 to 7999 square feet (SF). There are a total of five (5) categories for residential (less than 3999 SF; 4000–5999 SF; 6000-7999 SF; 8000-9999 SF; and Greater than 9999 SF).

** For Multi-Family density greater than 10.8 units per acre (lowest residential rate)

Note: Other categories are Industrial (existing fee of \$52.66 per acre increases to \$105.26 by 2031) and Institutional (existing fee of \$24.80 per acre increases to \$49.57 by 2031).
 The recommended SIF changes are as follows (one-time fee for new development):
 (Note: The fee can be changed in one step or two. The total % change is shown in the right column.)

Class	Existing Fee (per acre)	1 st Year	2 nd Year	% Increase
High Density*	\$ 3,000	\$ 3,700	\$ 4,400	46.7
Medium Density**	\$ 2,740	\$ 3,020	\$ 3,300	20.4
Low Density***	\$ 2,480	\$ 2,620	\$ 2,750	10.9
Estate****	\$ 537	\$ 1,100	\$ 1,650	307.3
Commercial	\$ 4,920	\$ 4,660	\$ 4,400	(-10.6)
Industrial	\$ 4,630	\$ 4,800	\$ 4,950	6.9
Institutional	\$ 2,170	\$ 2,460	\$ 2,750	26.7

* High Density = More than 11 dwelling units per acre

As an example, the recent Van De Water Apartments multi-family development has a net density of 17 dwelling units per acre, resulting in a fee of \$258.82 per unit under the proposed changes, an increase of \$76.35 over the existing fee of \$176.47 per unit.

** Medium Density = More than 6 and up to 11 dwelling units per acre

*** Low Density = More than 1 and up to 6 dwelling units per acre

**** Estate = up to 1 dwelling unit per acre

This resolution is intended to be the guiding document for funding the needs of the Stormwater Utility through 2031. The attached Stormwater Rates Status Report and PowerPoint presentation explain the specific components of the resolution and provide some additional background information.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Resolution
2. Stormwater Rates Status Report – August 2013
3. Stormwater Rates PowerPoint Presentation

FIRST READING

September 17, 2013

SECOND READING

RESOLUTION #R-66-2013

A RESOLUTION TO SECURE ADEQUATE FUNDING FOR THE STORMWATER UTILITY BY INCREASING THE STORMWATER UTILITY FEE AND STORMWATER SYSTEM INVESTMENT FEE

WHEREAS, since 1986, the City of Loveland’s Stormwater Utility has provided stormwater planning, design, construction, operations, and maintenance services to the citizens of Loveland; and

WHEREAS, the Stormwater Utility is facing significant financial challenges due to the escalating costs of construction and maintenance; and

WHEREAS, to meet these challenges and provide for the City’s future economic growth and development, the Stormwater Utility must undertake a more timely approach to addressing pre-1986 stormwater infrastructure needs; and

WHEREAS, the City Council desires to secure adequate funding for the Stormwater Utility to meet these needs through stormwater rate increases designed to equitably distribute the financial impacts between current and future Stormwater Utility customers and future developers who will benefit from the City’s future economic growth and development; and

WHEREAS, Section 13.18.060 provides that the amount of the Stormwater Utility fee shall be set by the City Council by resolution adopted after two readings; and

WHEREAS, Section 13.18.080 provides that the amount of the stormwater system investment fee (“SIF”) shall be set by the City Council by resolution adopted after two readings.

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

Section 1. That the City Council hereby adopts the following rate increases in the Stormwater Utility fee for each of the next eighteen years as listed below, said rate increases to take effect beginning with billings mailed on or after January 1 of the then-current year:

Year	Residential Fee				
	Lot Size Less than 3999 SF (per unit)*	Lot Size 4000-5999 SF (per unit)	Lot Size 6000-7999 SF (per unit)**	Lot Size 8000-9999 SF (per unit)	Lot Size Greater than 9999 SF (per unit)
2014	\$ 5.05	\$ 6.30	\$ 9.10	\$ 11.39	\$ 12.64
2015	\$ 5.54	\$ 6.91	\$ 9.97	\$ 12.48	\$ 13.85
2016	\$ 6.07	\$ 7.57	\$ 10.93	\$ 13.68	\$ 15.18
2017	\$ 6.65	\$ 8.30	\$ 11.98	\$ 14.99	\$ 16.64
2018	\$ 7.21	\$ 8.99	\$ 12.98	\$ 16.24	\$ 18.03
2019	\$ 7.81	\$ 9.74	\$ 14.06	\$ 17.60	\$ 19.53
2020	\$ 8.07	\$ 10.06	\$ 14.53	\$ 18.18	\$ 20.18
2021	\$ 8.22	\$ 10.25	\$ 14.79	\$ 18.52	\$ 20.55
2022	\$ 8.37	\$ 10.44	\$ 15.07	\$ 18.86	\$ 20.93
2023	\$ 8.52	\$ 10.63	\$ 15.34	\$ 19.21	\$ 21.31
2024	\$ 8.68	\$ 10.82	\$ 15.63	\$ 19.56	\$ 21.71
2025	\$ 8.75	\$ 10.92	\$ 15.76	\$ 19.73	\$ 21.89
2026	\$ 8.83	\$ 11.01	\$ 15.90	\$ 19.90	\$ 22.08
2027	\$ 8.90	\$ 11.11	\$ 16.03	\$ 20.07	\$ 22.27
2028	\$ 8.98	\$ 11.20	\$ 16.17	\$ 20.24	\$ 22.46
2029	\$ 9.06	\$ 11.30	\$ 16.31	\$ 20.42	\$ 22.66
2030	\$ 9.14	\$ 11.40	\$ 16.45	\$ 20.59	\$ 22.85
2031	\$ 9.21	\$ 11.49	\$ 16.59	\$ 20.77	\$ 23.05

*Residential lot less than 3999 square feet (“SF”) is equivalent to Multi-Family density greater than 10.8 units per acre.

**Used in examples as “typical residential lot.”

Year	Commercial Fee (per acre)	Industrial Fee (per acre)	Institutional Fee (per acre)
2014	\$ 69.02	\$ 57.72	\$ 27.18
2015	\$ 75.64	\$ 63.26	\$ 29.79
2016	\$ 82.90	\$ 69.33	\$ 32.65
2017	\$ 90.86	\$ 75.98	\$ 35.78
2018	\$ 98.45	\$ 82.33	\$ 38.77
2019	\$ 106.67	\$ 89.20	\$ 42.01
2020	\$ 110.21	\$ 92.16	\$ 43.40
2021	\$ 112.24	\$ 93.86	\$ 44.20
2022	\$ 114.30	\$ 95.59	\$ 45.02
2023	\$ 116.41	\$ 97.35	\$ 45.84
2024	\$ 118.55	\$ 99.14	\$ 46.69
2025	\$ 119.57	\$ 99.99	\$ 47.09
2026	\$ 120.60	\$ 100.85	\$ 47.49
2027	\$ 121.63	\$ 101.72	\$ 47.90

Year	Commercial Fee (per acre)	Industrial Fee (per acre)	Commercial Fee (per acre)
2028	\$ 122.68	\$ 102.59	\$ 48.32
2029	\$ 123.73	\$ 103.47	\$ 48.73
2030	\$ 124.80	\$ 104.36	\$ 49.15
2031	\$ 125.87	\$ 105.26	\$ 49.57

The rate increases adopted herein shall be in addition to, and not in lieu of, any other rate increases for stormwater service that may hereafter be adopted by the City Council to more accurately reflect the cost of providing stormwater service to the Stormwater Utility’s customers.

Section 2. That the City Council hereby adopts the following rate increases in the stormwater SIF for each of the next two years as listed below, said rate increases to take effect on or after January 1 of the then-current year:

Class	2014	2015
High Density	\$ 3,700	\$ 4,400
Medium Density	\$ 3,020	\$ 3,300
Low Density	\$ 2,620	\$ 2,750
Estate	\$ 1,100	\$ 1,650
Commercial	\$ 4,660	\$ 4,400
Industrial	\$ 4,800	\$ 4,950
Institutional	\$ 2,460	\$ 2,750

Section 3. That this Resolution shall be effective as of the date of its adoption on second reading as provided in the Loveland Municipal Code.

ADOPTED this ____ day of October, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Assistant City Attorney

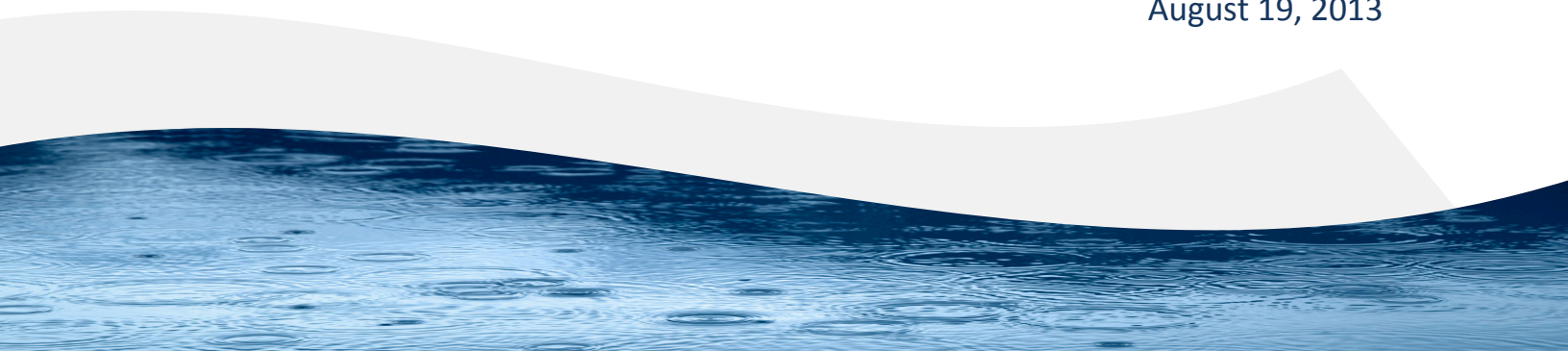


STORMWATER RATES – Final Report

PUBLIC WORKS DEPARTMENT

STORMWATER DIVISION

August 19, 2013



In 2012, Public Works Staff brought forward information to City Council related Stormwater on the history and current status (Stormwater 101) on February 28, 2012 and the Stormwater Fees structure (existing and proposed) on March 13, 2012. As a result of the discussion and direction from those presentations, Staff went back and looked at additional information and additional scenarios. Staff returned to City Council on December 11, 2012 with revised recommendations and was given further direction.

Direction from December 11, 2012 Study Session

- System Investment Fee (SIF)
 - General support for proposal
 - Needed information related to breakdown for Multi-Family rates

- Stormwater Utility Fee
 - Majority preferred Scenario B
 - Wanted comparison to show all rates (Water Rate discussion was in progress)

For Consideration at September 3, 2013 City Council Meeting

- System Investment Fee (SIF)
 - Adoption of new SIF rates (no change from initial presentation on March 13, 2012)

The recommended SIF changes are as follows (one-time fee for new development):
 (Note: The fee can be changed in one step or two. The total % change is shown in the right column.) All fees are per acre.

Class (per ordinance)	Existing Fee	1st Year	2nd Year (or single step)	% Increase
High Density*	\$ 3,000	\$ 3,700	\$ 4,400	46.7
Medium Density**	\$ 2,740	\$ 3,020	\$ 3,300	20.4
Low Density***	\$ 2,480	\$ 2,620	\$ 2,750	10.9
Estate****	\$ 537	\$ 1,100	\$ 1,650	307.3
Commercial	\$ 4,920	\$ 4,660	\$ 4,400	(-10.6)
Industrial	\$ 4,630	\$ 4,800	\$ 4,950	6.9
Institutional	\$ 2,170	\$ 2,460	\$ 2,750	26.7

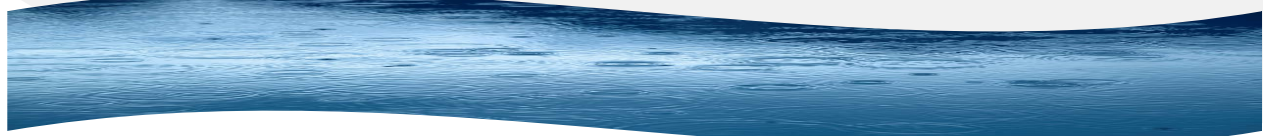
* High Density = More than 11 dwelling units per acre

As an example, the recent Van De Water Apartments multi-family development has a net density of 17 dwelling units per acre, resulting in a fee of \$258.82 per unit under the proposed changes, an increase of \$76.35 over the existing fee of \$176.47 per unit.

** Medium Density = More than 6 and up to 11 dwelling units per acre

*** Low Density = More than 1 and up to 6 dwelling units per acre

**** Estate = up to 1 dwelling unit per acre



- Stormwater Utility Fee
 - Adoption of new Stormwater Utility Fees
 - The recommended Stormwater Utility Fee changes (Scenario B) are as follows (monthly fee as part of City Utility Bill):

Year	Residential Fee (per unit)*	Multi-Family Fee (per unit)**	Commercial Fee (per acre)	% Increase
2013 (Existing)	\$ 8.30	\$ 4.61	\$ 62.97	0.00
2014	\$ 9.10	\$ 5.05	\$ 69.02	9.60
2015	\$ 9.97	\$ 5.54	\$ 75.64	9.60
2016	\$ 10.93	\$ 6.07	\$ 82.90	9.60
2017	\$ 11.98	\$ 6.65	\$ 90.86	9.60
2018	\$ 12.98	\$ 7.21	\$ 98.45	8.35
2019	\$ 14.06	\$ 7.81	\$ 106.67	8.35
2020	\$ 14.53	\$ 8.07	\$ 110.21	3.32
2021	\$ 14.79	\$ 8.22	\$ 112.24	1.84
2022	\$ 15.07	\$ 8.37	\$ 114.30	1.84
2023	\$ 15.34	\$ 8.52	\$ 116.41	1.84
2024	\$ 15.63	\$ 8.68	\$ 118.55	1.84
2025	\$ 15.76	\$ 8.75	\$ 119.57	0.86
2026	\$ 15.90	\$ 8.83	\$ 120.60	0.86
2027	\$ 16.03	\$ 8.90	\$ 121.63	0.86
2028	\$ 16.17	\$ 8.98	\$ 122.68	0.86
2029	\$ 16.31	\$ 9.06	\$ 123.73	0.86
2030	\$ 16.45	\$ 9.14	\$ 124.80	0.86
2031	\$ 16.59	\$ 9.21	\$ 125.87	0.86

* For typical residential lot size of 6000 to 7999 square feet (SF). There are a total of five (5) categories for residential (less than 3999 SF; 4000–5999 SF; 6000-7999 SF; 8000-9999 SF; and Greater than 9999 SF).

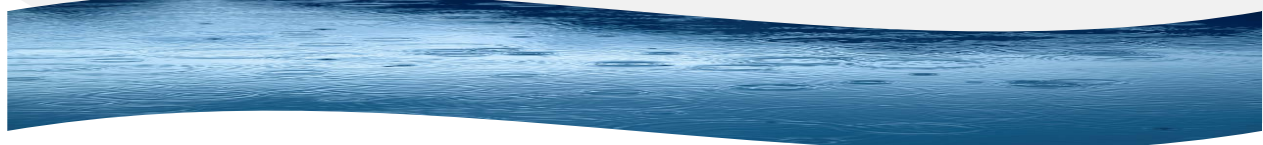
** For Multi-Family density greater than 10.8 units per acre (lowest residential rate)

Note: Other categories are Industrial (existing fee of \$52.66 per acre increases to \$105.26 by 2031) and Institutional (existing fee of \$24.80 per acre increases to \$49.57 by 2031).

BACKGROUND

Summary of Presentation at December 11, 2012 Study Session

- System Investment Fee (SIF)
 - Background:
 - A one-time charge on newly developed land to recover the City’s costs of design and construction for the master planned stormwater improvements needed to protect



- the existing downstream property owners.
 - Last updated in 2005
 - Fees were recalculated in early 2012 to re-balance the impact of the necessary improvements as they relate to the proposed land uses within the City’s growth management area.
- Staff recommendation – SIF’s:
 - Increases were proposed for all categories, except commercial (see below for specifics)
 - The information was the same as presented at the March 13, 2012 Study Session.



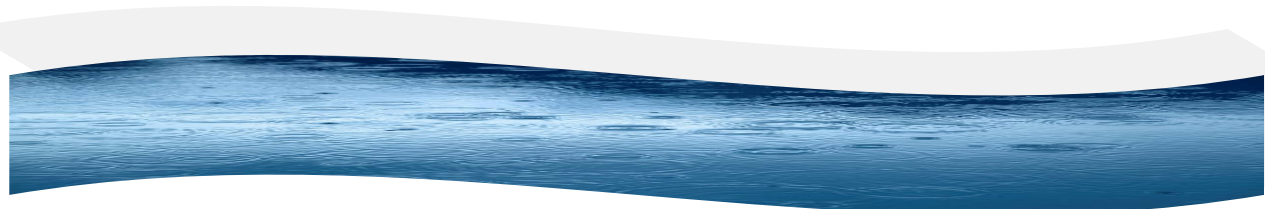
Due to the proposed changes, an option for implementation in 2 steps was included in the presentation.

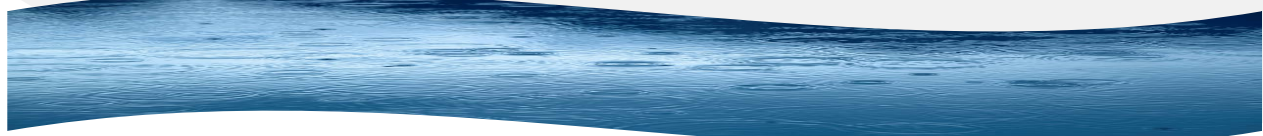
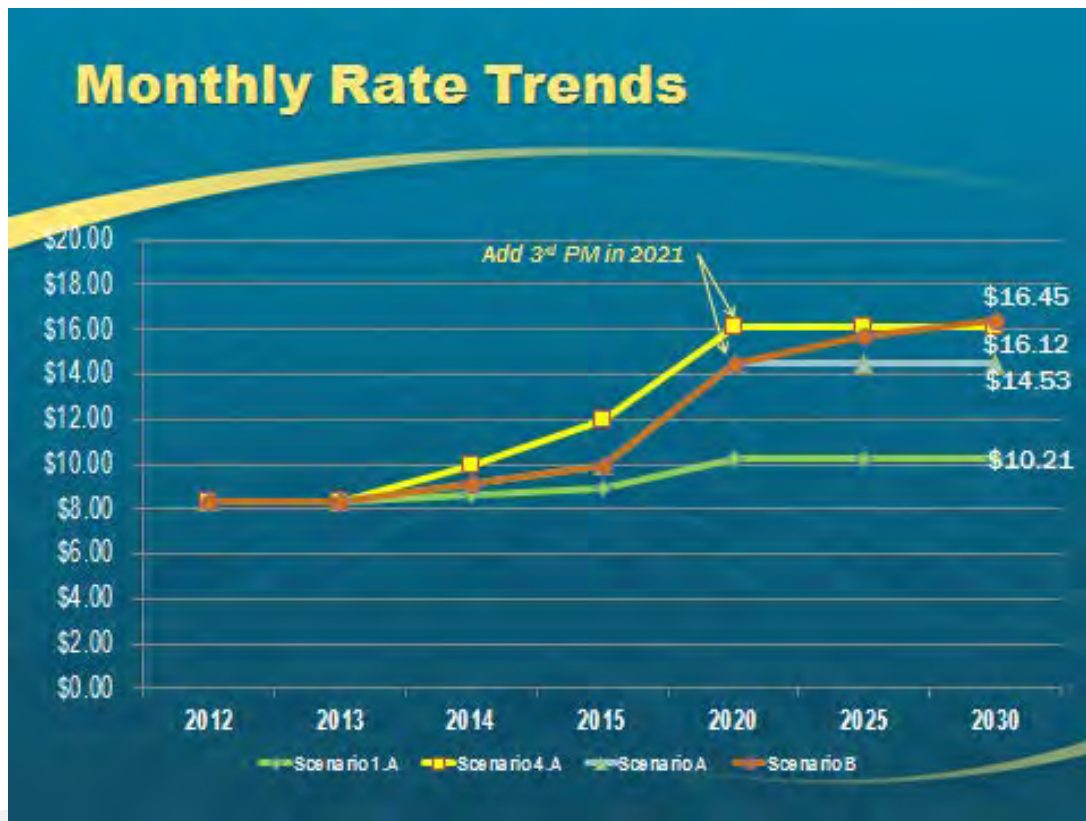
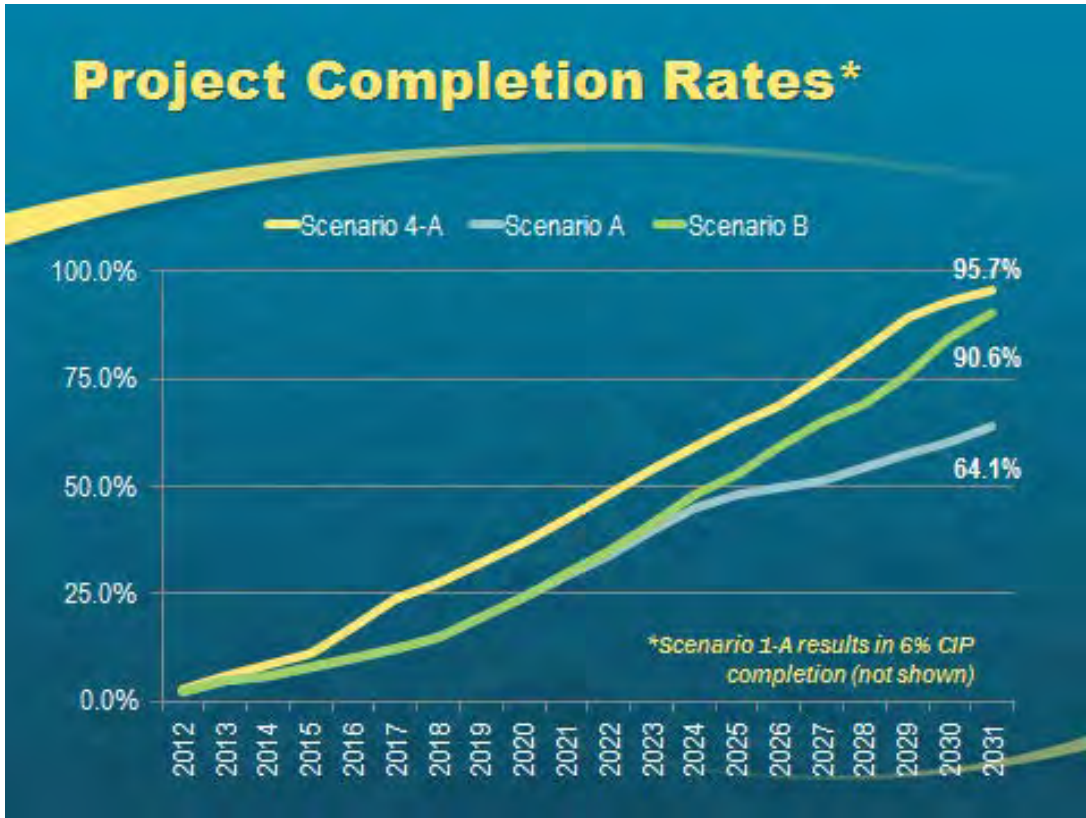
Implementation in 2-Steps

Class	Existing Fee	1st Year	2nd Year	% Increase
High Density	\$3,000	\$3,700	\$4,400	46.7
Medium Density	2,740	3,020	3,300	20.4
Low Density	2,480	2,620	2,750	10.9
Estate	537	1,100	1,650	307.3
Commercial	4,920	4,660	4,400	(-10.6)
Industrial	4,630	4,800	4,950	6.9
Institutional	2,170	2,460	2,750	26.7

Stormwater Utility Fee

- Background:
 - Monthly fees billed for residents and businesses for: operations and maintenance, including street sweeping, of the existing stormwater infrastructure; and capital construction needs related to the stormwater master planned non-growth improvements, including street sweeping
 - Last adjusted in 2002
 - Why change the Fees?
 - Revenues at existing rates are insufficient to meet the rising costs of operations and maintenance
 - More revenue will be needed for the City to complete the stormwater improvements identified in the master plan and required by the three irrigation company agreements
 - Based on current rates, it is financially impossible to complete the improvements identified in 1986 Mater Plans
- Adjustments from March presentation:
 - Pay as you go (PAYGO) scenarios only considered
 - Potential external or internal borrowing options were previously studied
 - Projects order was revised
 - spread some larger projects out
 - resulted in more gradual rate increases
 - allowed for expedited overall project completion without any borrowing
 - Adding a 3rd Project Manager earlier was considered to speed up project delivery
 - Dismissed as any scenario that included this was offset by the need to increase rates faster
 - Rate increases were adjusted to begin in 2014
- New Scenarios presented:
 - 1.A. – O&M (Operations & Maintenance) Only (revision of previous scenario 1 with delay of rate increase to 2014)
 - 4.A. – 3 Project Managers with old CIP Schedule (revision of previous scenario 4 with delay of rate increase to 2014)
 - A – 2 Project Managers with smoothed CIP (new scenario)
 - B – 3 Project Managers with Smoothed CIP (new scenario)





Rate Increase Percentages

Scenario	2014-2019	2020-2031			
Scenario 1-A	3.5%	0.0%			

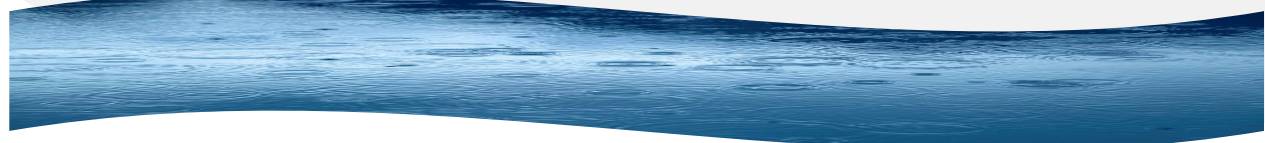
Scenario	2014-2016	2017	2018-2031		
Scenario 4-A	20.2%	11.8%	0.0%		

Scenario	2014-2017	2018-2019	2020	2021-2024	2025-2031
Scenario A	9.6%	8.4%	3.3%	0.0%	0.0%
Scenario B	9.6%	8.4%	3.3%	1.8%	0.9%

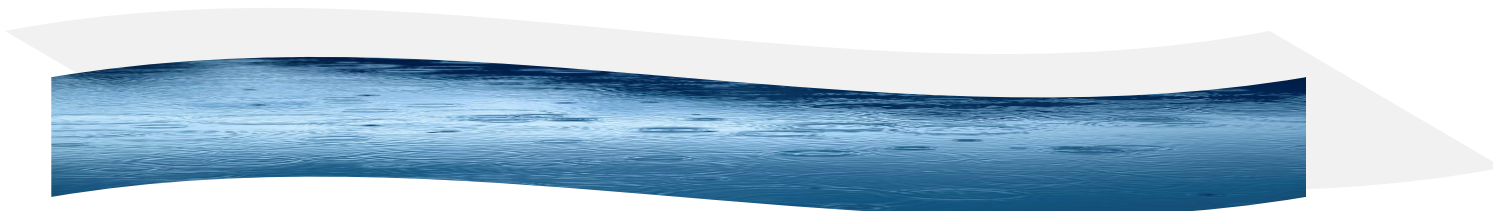
Residential Bill Detail

Year	Scenario 1.A (O&M Only)	Scenario 4.A (3 PM's not smoothed)	Scenario A (2 PM's smoothed)	Scenario B (3 PM's smoothed)
2012	\$8.30	\$8.30	\$8.30	\$8.30
2013	\$8.30	\$8.30	\$8.30	\$8.30
2014	\$8.59	\$9.98	\$9.10	\$9.10
2015	\$8.89	\$11.99	\$9.97	\$9.97
2020	\$10.21	\$16.12	\$14.53	\$14.53
2025	\$10.21	\$16.12	\$14.53	\$15.76
2030	\$10.21	\$16.12	\$14.53	\$16.45

Note: The current Residential Rate is \$8.30 per month for a lot size of 6000 – 7999 SF.



- Staff recommendation – Stormwater Utility Fee:
 - Staff recommended Scenario B
 - Future 3rd PM with project smoothing
 - Flattens rates by revising project order
 - Matches available funding
 - Consistent utilization of available Staff
 - 2 PM's through 2020
 - 3 PM's 2021 and forward
 - Delivers 90.6% of projects originally identified with 1986 Stormwater Master Plan by 2031
 - Benefits Summary:
 - No debt or borrowing required
 - Reasonable rate increases
 - Flexible project planning
 - Faster completion of master planned projects



REVIEW (from “Stormwater 101”):

STORMWATER UTILITY OVERVIEW

The City of Loveland’s Stormwater Utility is responsible for the planning, design, construction, operations and maintenance of the facilities that address the quantity and quality of drainage runoff across the City. These drainage facilities are necessary to preserve and promote the general health, safety, welfare, and economic well-being of the City and the region. Often referred to as a “stormwater management system”, the City is required to look at drainage from its start as a drop of precipitation to how it travels through a series of facilities to its ultimate destination (i.e. an irrigation canal or reservoir, creek or river), including the “quality” (cleanliness) of the delivered product.

Why is this necessary? As an area develops, even though the amount of precipitation is the same, there is more “hard surface”, resulting in less absorption. With buildings and other improvements installed, the drainage then flows around the structures in more concentrated patterns, and faster than across an open field. This concentrated runoff needs to be collected and diverted to a larger system before it gets deep enough to damage the adjacent structures.

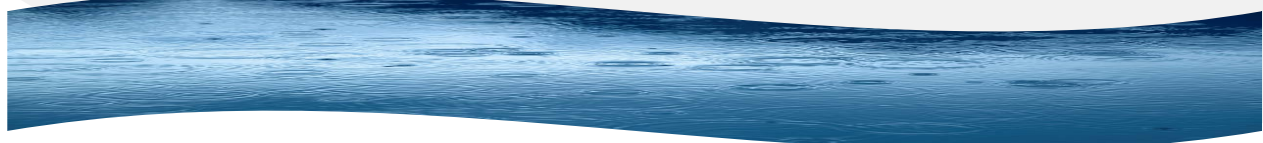
Determining how that drop of precipitation will get to its ultimate destination and how it will be successfully combined with all of the other drops of precipitation requires planning and coordination. It starts within a localized area (typically addressed in a “drainage study”), that fits within the bigger area (called a “Drainage Basin”) which includes regional facilities, which are included in the overall large basins (part of “Drainage Master Plans”), and finally rolled into the City-wide Stormwater Master Plan, which includes the existing City and anticipated future development areas.

The City’s stormwater management system includes extensive coordination with local irrigation companies, the Colorado Department of Transportation, developers, and citizens. The City also must comply with and manage all aspects of our Municipal Separate Storm Sewer System (MS4) Stormwater Quality Permit through the Colorado Department of Public Health & Environment (CDPHE).

The Stormwater Utility is an enterprise fund. The funding comes from the Stormwater Utility Fee collected monthly on City utility bills and from System Investment Fees (SIF’s) collected from new development.

In order to address all of these areas, the Stormwater Utility is divided into two areas:

- 1) Engineering
 - a) Capital Improvement Program
 - b) Maintenance Improvement Program
 - c) Master Plan Updates



- d) Floodplain Administration
- e) Stormwater Quality
- f) Development Review

- 2) Operations & Maintenance (of Existing Stormwater Facilities)
 - a) Street Sweeping
 - b) Flood Event Preparations
 - c) Flood Emergency Management

The current infrastructure requiring maintenance includes: 2,565 catch basins, 97 miles of storm sewer, 39 water quality vaults and 13 public detention ponds that cover a total of 19 acres.

STORMWATER BACKGROUND – The Need for Change

Until the 1980's, Stormwater was a small program that was funded by the General Fund. Emergency response to stormwater issues was the Operations & Maintenance (O&M) Program. Stormwater construction projects only occurred as a result of flooding damage or significant citizen complaints. Long-term stormwater planning was nonexistent. As the City doubled in size during the 1970's from approximately 15,000 people to over 30,000, stormwater problems increased in frequency and intensity. The existing stormwater systems were inadequate, irrigation companies had major concerns, and the City had little financing capability for improvements.

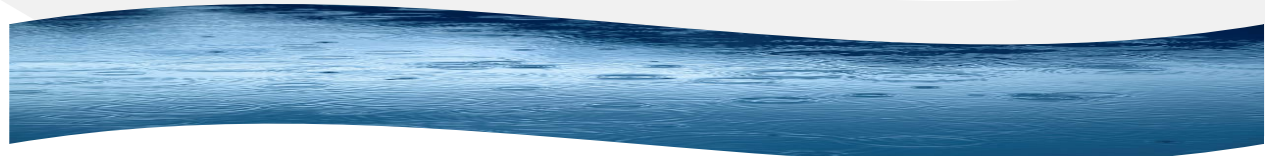
INADEQUATE STORMWATER SYSTEMS

The stormwater systems within the older part of Loveland consist mainly of small inlets and pipes. Many existing storm pipes outlet into irrigation ditches that flow through the city. The older stormwater systems are only capable of handling water from small afternoon showers. At some locations, storm drain inlets are connected to underground irrigation pipes. In the absence of a comprehensive stormwater system plan, new developments were allowed to connect into existing systems with no regard for cumulative impacts. Stormwater was allowed to discharge into irrigation storage reservoirs without evaluation of spillway capacity and dam safety. The stormwater system O&M program was unreliable due to inadequate and inconsistent funding.



IRRIGATION COMPANIES – Changing Role

Several irrigation companies own and operate ditches and reservoirs throughout Loveland. In years past



irrigation companies were happy to supplement their water supplies by receiving stormwater into their systems. Loveland was smaller then, and the stormwater volumes and peak flows caused few problems. As the City began to grow rapidly in the 1970's, irrigation companies became exposed to increasing liability issues due to overflowing caused by stormwater contributions. As a result, the irrigation companies began to monitor stormwater impacts from new developments much more closely. In fact, there were occasions when an irrigation company refused to accept stormwater any longer, thereby slowing and even stopping development. City officials viewed this as a severely negative impact on economic development for the community, and changes needed to be made.

EARLY FUNDING

It became apparent that the City had to do something to improve the stormwater systems throughout the community. During a period between 1978 and 1986, several stormwater studies were completed. Growth slowed tremendously during that same time period resulting in greater pressure on the City's General Fund. The future for stormwater improvement funding was in severe jeopardy of ending. Funding became more of a political issue than an economic decision.

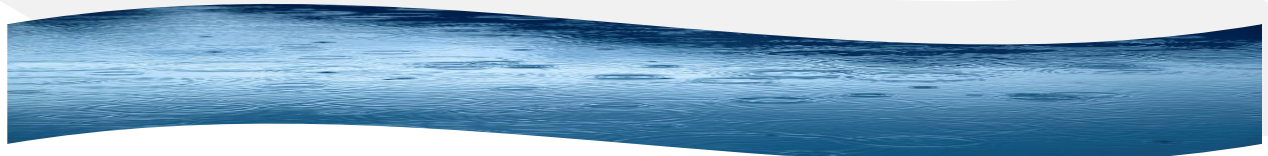
THE TRANSITION PHASE – The Creation of Drainage Criteria and Stormwater Master Plans

A Drainage Basin Delineation Study was completed in 1979. Defining the drainage basins was the first step in breaking down the City into manageable pieces that some years later allowed the City to develop larger, regional strategies and plans (Drainage Master Plans). The adoption of the Drainage Criteria Manual in 1979 allowed the City to require more in-depth drainage studies from Developers. With



criteria in place, the City was able for the first time to collect "drainage fees" which were designated for addressing existing stormwater problems.

In 1982, agreements were reached with three key irrigation companies (Greeley and Loveland Irrigation Company, Seven Lakes Reservoir Company, and Loudon Irrigating Canal and Reservoir Company) which allowed the City to continue to use their facilities for stormwater outlets as long as a Stormwater Master Plan was completed and implemented.



The City enacted a Service Cost Recovery System in 1984, which required new growth to pay its own way, and included Capital Expansion Fees that were paid to the City at the time of development to cover the costs for parks, libraries, police and fire services, museum, streets, general government and stormwater.

By 1986, a Stormwater Master Plan was completed. This plan looked at the entire City, including future growth areas, and developed a list of projects necessary to address deficiencies in the older part of town as well as key stormwater infrastructure for future undeveloped outlying areas. The Stormwater Master Plan



included conceptual designs and cost estimates for improvements within the community. The Stormwater Master Plan was adopted by City Council in 1986 and still serves as the guiding document for all future stormwater improvements within the community. An updated Storm Drainage Criteria Manual was also completed in 1986, which further addressed requirements for new development.

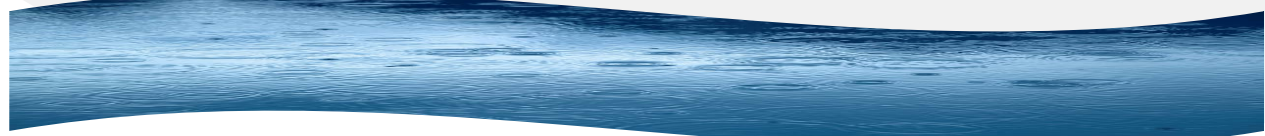
STORMWATER UTILITY FORMATION

Once the Stormwater Master Plan improvements were identified, it was necessary to implement the plan. A Citizen's Financial Advisory Committee was formed to study funding options and make recommendations to City Council. The Financial Advisory Committee and City Council evaluated several funding options including: sales tax, property tax, special improvement districts, utility fees, and state or federal funding. Several public meetings were held, public information programs were conducted, and much public input was received.

The result of these efforts by the community, Committee, City Council, and City staff was the enactment of an ordinance establishing a Stormwater Utility and a subsequent resolution setting various monthly Stormwater Utility fees. The monthly Stormwater Utility fees fund Stormwater Master Plan improvements within the pre-1987 community boundary. Future regional Stormwater Master Plan improvements are funded through the drainage fee portion of the City Capital Expansion Fees referred to as System Investment Fees (SIF's).

ENTERPRISE FUNDING

The Stormwater Utility is an enterprise fund. Revenue for the Stormwater Utility comes from the Stormwater Utility Fee collected monthly on City utility bills and from System Investment Fees (SIF's) collected from new development.



Stormwater Utility Fee

The Stormwater Utility Fee is based on the costs to upgrade the existing Stormwater system that was in place prior to 1987 as well as maintain all of the public Stormwater facilities across the City. The last adjustment to these fees was in 2002. The anticipated revenue for 2013 as shown in the adopted budget is \$4,130,470. The current fee structure per month is as follows:

Residential Lot Size (square feet)	
Less than 3999	\$4.61
4000-5999	\$5.75
6000-7999	\$8.30
8000-9999	\$10.39
Greater than 9999	\$11.53
Non-Residential Per Acre	
Commercial	\$62.97
Industrial	\$52.66
Institutional	\$24.80
<i>*no categories have exceptions at this time</i>	

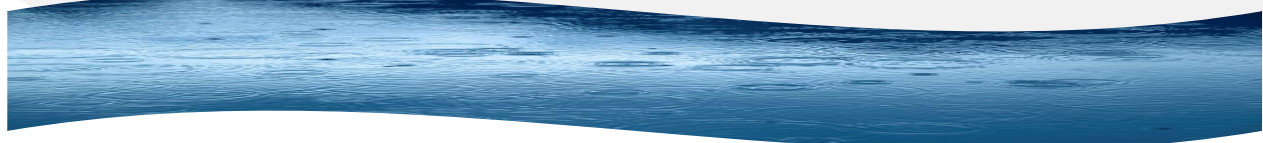
Without additional increase to the rates, based on the current funding, it is anticipated that it is financially impossible to complete the projects that were identified in the 1986 Master Drainage Plan.

System Investment Fee (SIF)

The System Investment Fees (Stormwater’s version of Capital Expansion Fees) are collected with each new development in order to provide regional facilities which protect the existing downstream property owners. The last adjustment to these fees was in 2005. The anticipated revenue for 2013 as shown in the adopted budget is \$182,360. The current fee structure is as follows:

High Density – more than 11 units per acre	\$3,000.00
Medium Density – more than 6 and up to 11 dwellings per acre	\$2,740.00
Low Density – more than 1 and up to 6 dwelling units per acre	\$2,480.00
Estate – up to 1 dwelling unit per acre	\$537.00
Commercial, per acre	\$4,920.00
Industrial, per acre	\$4,630.00
Institution, per acre	\$2,170.00

Since this funding is related to development, there is no timeframe associated with the improvements included in this item. Adjustments to the rates need to be indexed for construction cost changes based upon an appropriate scale.





City of Loveland Stormwater Rate Study

For the Loveland City Council
September 3, 2013

Agenda

- Brief History
- System Investment Fees
 - Direction from December 11, 2012 Study Session
 - Proceed with recommended changes
 - Provide additional information on Multi-Family Rates
- Stormwater User Charges
 - Includes Stormwater Utility Fee
 - Direction from December 11, 2012 Study Session
 - Proceed with Scenario B

Brief History

- Prior to late 70's
 - Irrigation Companies had been accepting additional stormwater runoff from new development
- Late 70's to early 80's
 - Rapid growth occurred
 - Overwhelmed irrigation facilities
 - Irrigation companies started to refuse to accept additional runoff
- 1982 – Agreements reached with irrigation companies
 - City would develop a stormwater master plan and construct improvements to accommodate additional runoff
- 1986 – Stormwater Master Plans completed
- 1987 - Stormwater Utility formed with fee structure
 - System Investment Fees (impact fees for post 1987 improvements)
 - Stormwater Utility Fees (to address deficiencies within pre-1987 community boundary)

System Investment Fee (SIF)

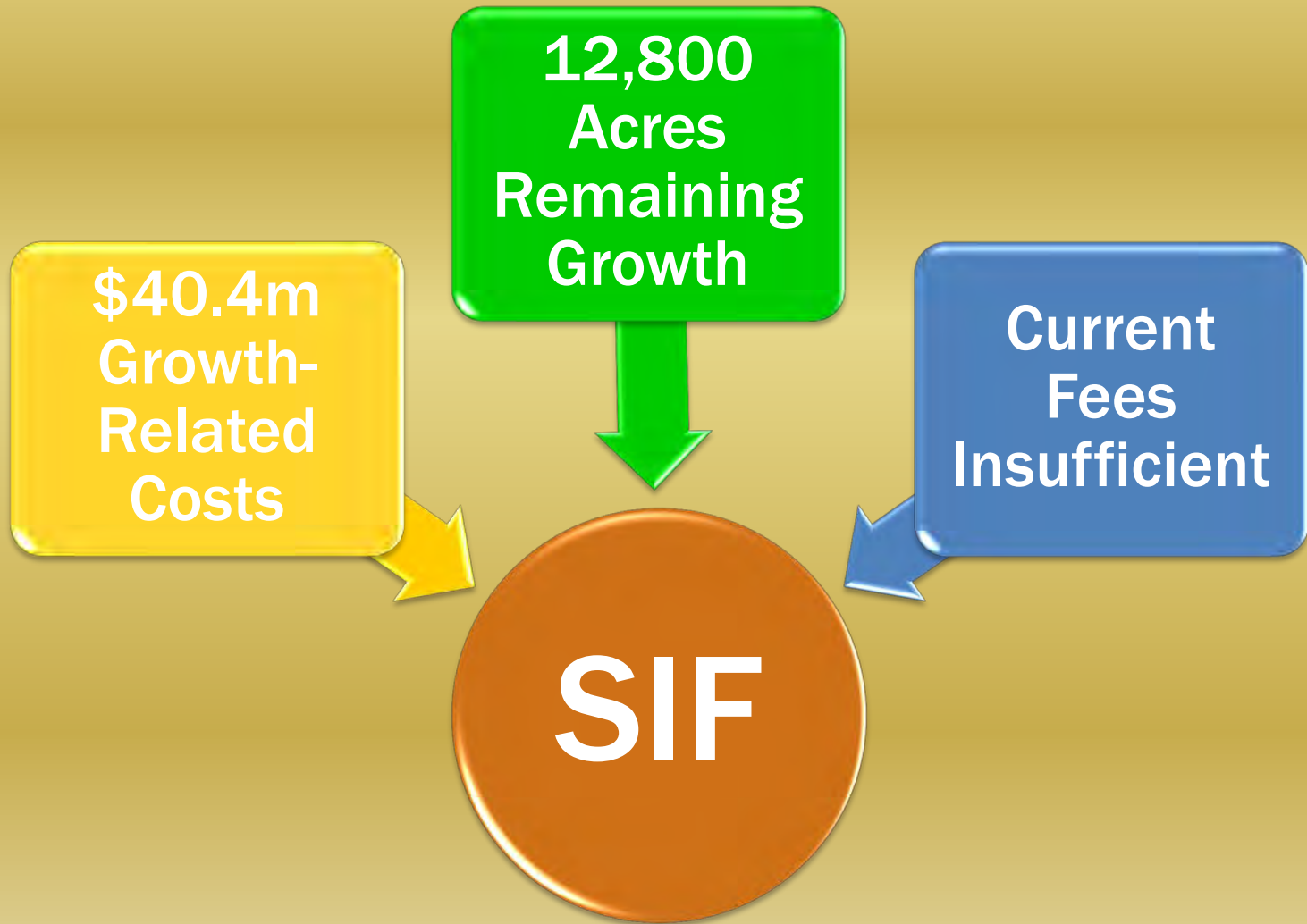
- A one-time charge on newly developed land to recover the City's costs of design and construction for the master planned stormwater improvements needed to protect the existing downstream property owners.
- Fees calculated based on proportionate share of total costs for improvements related to anticipated future land use categories (buy-in approach)
- Last updated in 2005

Sample SIF Projects

- Buck 1st Subdivision -
 - Regional detention pond \$ 200,000
- Mirasol Development -
 - Storm sewer improvements \$ 206,000
- Cattail Reservoir -
 - Regional detention pond \$ 402,000
- Long's 3rd Subdivision -
 - Canal spill structure \$ 186,000
- East I-25 Basin at Hwy. 34 -
 - Culvert improvements \$ 144,000

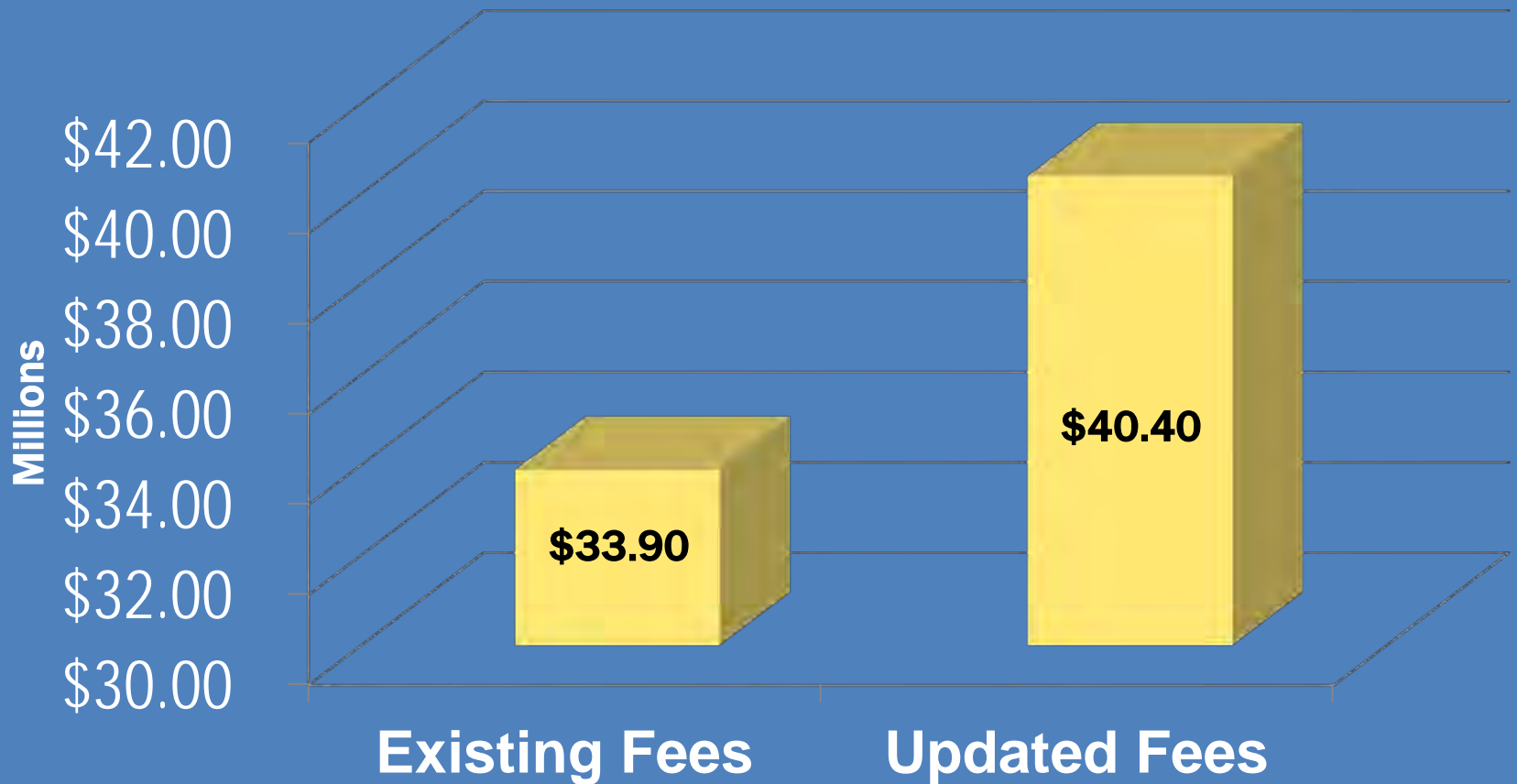
Why Change the SIF?

6



SIF Revenue Shortfall

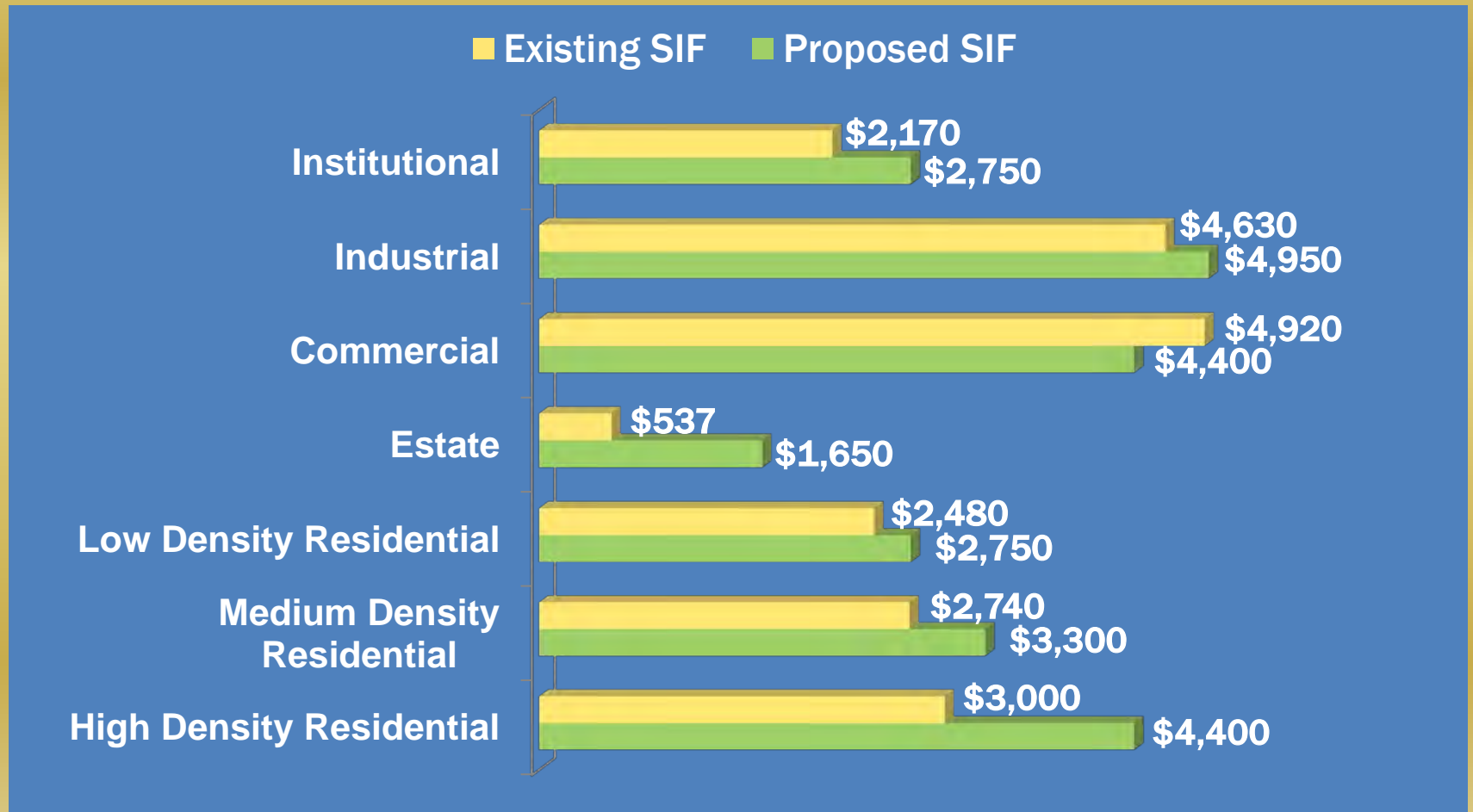
System Investment Fee Total Costs



Changes since Last SIF Rate Adjustments

- Updates in land use assumptions
- Updates to project cost estimates
- Reallocation of updated costs to updated land uses

How Much You Need for 2014?



Implementation in 1 or 2-Steps

10

Class	Existing Fee	1st Year	2nd Year (or Single Step)	% Increase
High Density	\$3,000	\$3,700	\$4,400	46.7
Medium Density	2,740	3,020	3,300	20.4
Low Density	2,480	2,620	2,750	10.9
Estate	537	1,100	1,650	307.3
Commercial	4,920	4,660	4,400	(-10.6)
Industrial	4,630	4,800	4,950	6.9
Institutional	2,170	2,460	2,750	26.7

Residential SIF's

- High Density = More than 11 dwelling units per acre
 - Recent Example: Van De Water Apartments (south of Kohl's)
 - Net density of 17 dwelling units per acre
 - SIF of \$258.82 per unit under proposed changes
 - Increase of \$76.35 over the existing fee of \$176.47 per unit
- Medium Density = More than 6 and up to 11 dwelling units per acre
- Low Density = More than 1 and up to 6 dwelling units per acre
- Estate = up to 1 dwelling unit per acre

Recommendations

- Tonight:
 - Adopt proposed changes
 - No change from previous presentations
- Future:
 - Index going forward to account for inflation in growth-related capital improvements
 - Periodically review growth-related capital improvements and SIF assumptions

Stormwater Utility Fee

- Monthly fees billed to residents and businesses for:
 - Operations and maintenance, including street sweeping, of the existing stormwater infrastructure
 - Capital construction needs related to the stormwater master planned non-growth improvements
- Last adjusted in 2003

What Did Utility Fees Pay For in 2012?

Operations and Maintenance Costs

- **\$2.62 million**

Non-Growth Capital Costs

- **\$2.66 million**

What the Fees Need to Pay For

O&M

Operations & Maintenance

- Same levels as before including street sweeping costs
- Possible addition of +1 project management staff

Capital

Non-Growth-Related Capital Funding

- 14 major master planned non-growth projects totaling \$34 million
- 9 minor master planned non-growth projects totaling \$9 million

Why Change the Fees?

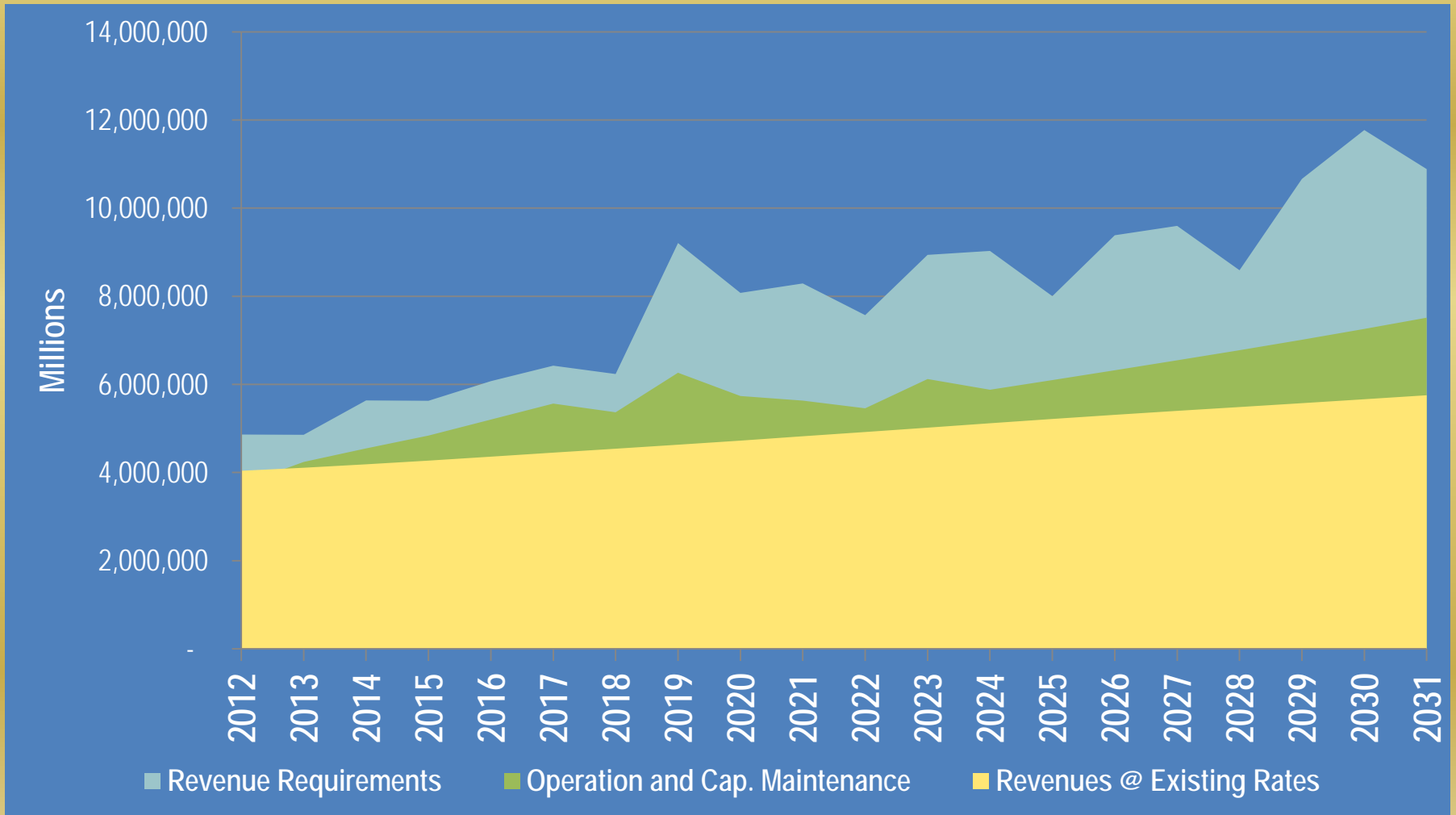
A large, 3D, metallic-style number '1' with a gradient from light to dark, set against a white square background.

Revenues at existing stormwater rates are insufficient to meet costs of operation and maintenance

A large, 3D, metallic-style number '2' with a gradient from light to dark, set against a white square background.

More revenue will be needed for the City to complete the stormwater improvements identified in the master plan and required by the three irrigation company agreements

Revenue Shortfalls



Options Previously Studied

- Are there other ways to accomplish the objective?
 - Without external borrowing
 - “Pay as you go” (PAYGO) scenarios only
 - Limited internal borrowing
 - By smoothing out the project schedule
 - changing the order of some large projects
- Can we add a 3rd PM earlier to speed up the project delivery?
 - Any scenario that included adding a 3rd PM earlier was offset by the need to increase the rates faster

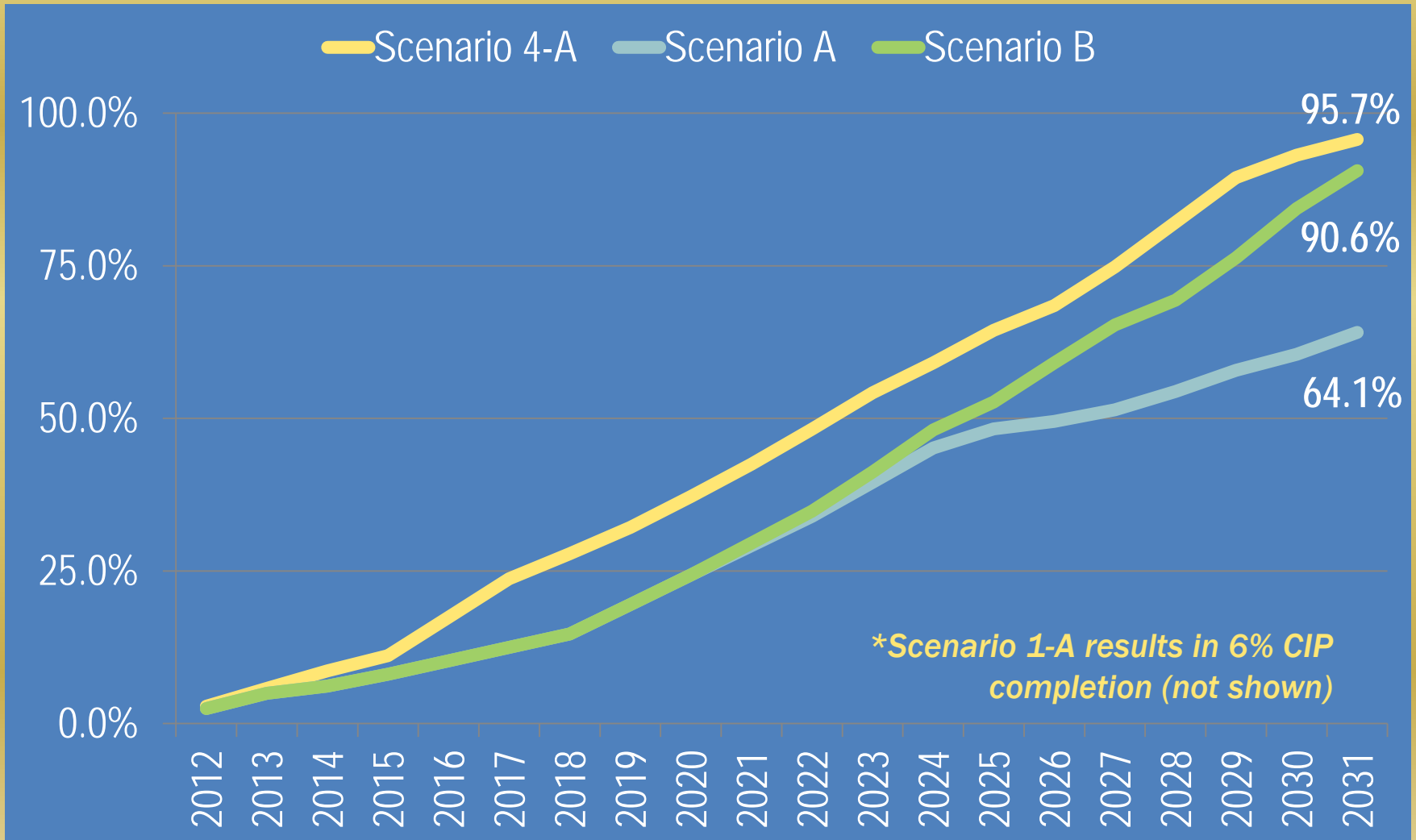
New Directions Determined

- PAYGO scenarios only
 - External borrowing not preferred
 - Internal borrowing not necessary (project smoothing)
- Smooth CIP
 - Revised project order to smooth spending
 - Revised project order also reflects project manager availability
- Rate Increases start in 2014
 - Based on timing of results
 - Water Rates were higher priority

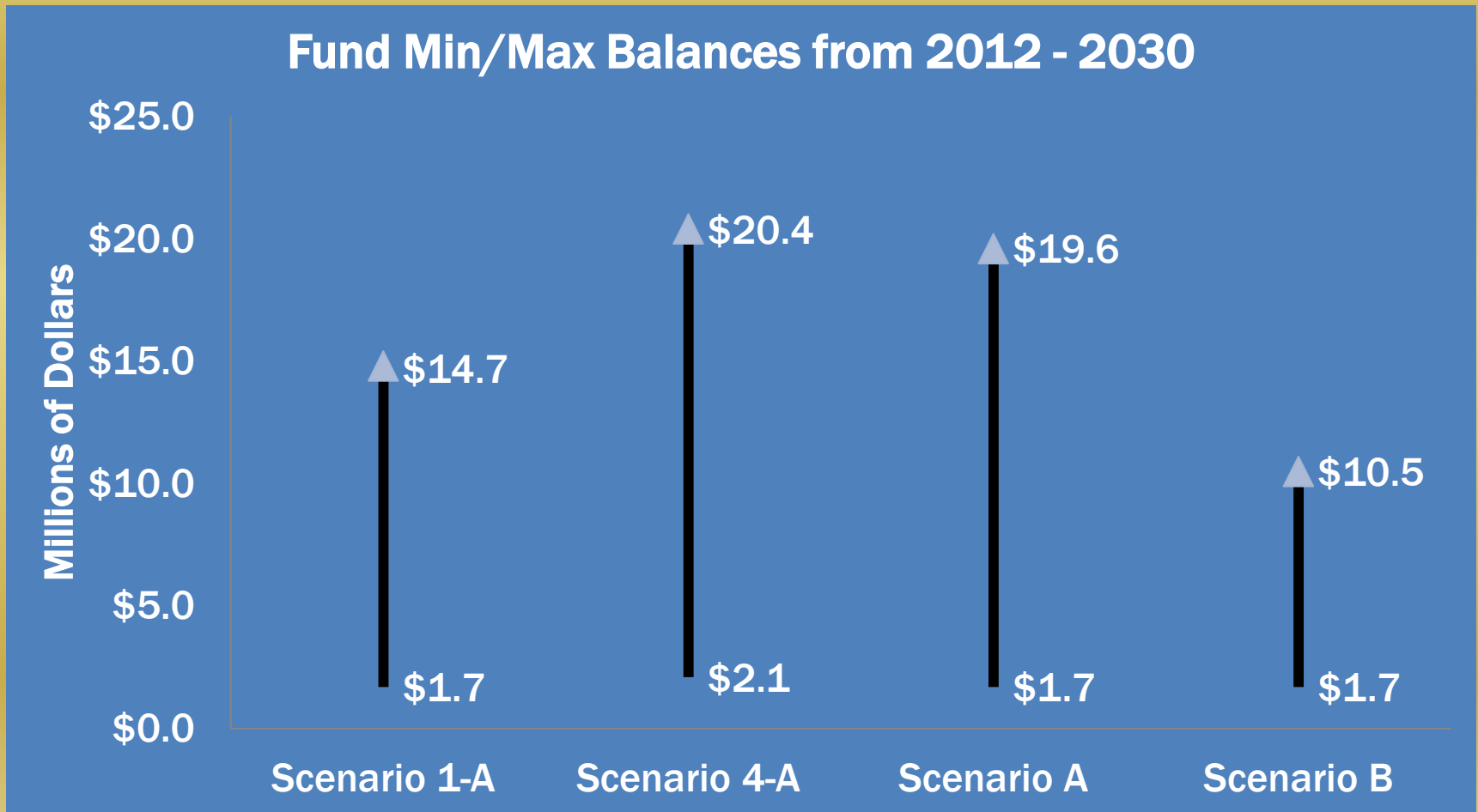
Scenarios Presented at December 11, 2012 Study Session

- 1.A – O&M only
 - Previous Scenario 1 updated to delay any rate increase to 2014
- 4.A – 3 Project Managers old CIP schedule
 - Previous Scenario 4 updated to delay any rate increase to 2014
- A – 2 Project Managers with Smooth CIP
- B – 3 Project Managers with Smooth CIP

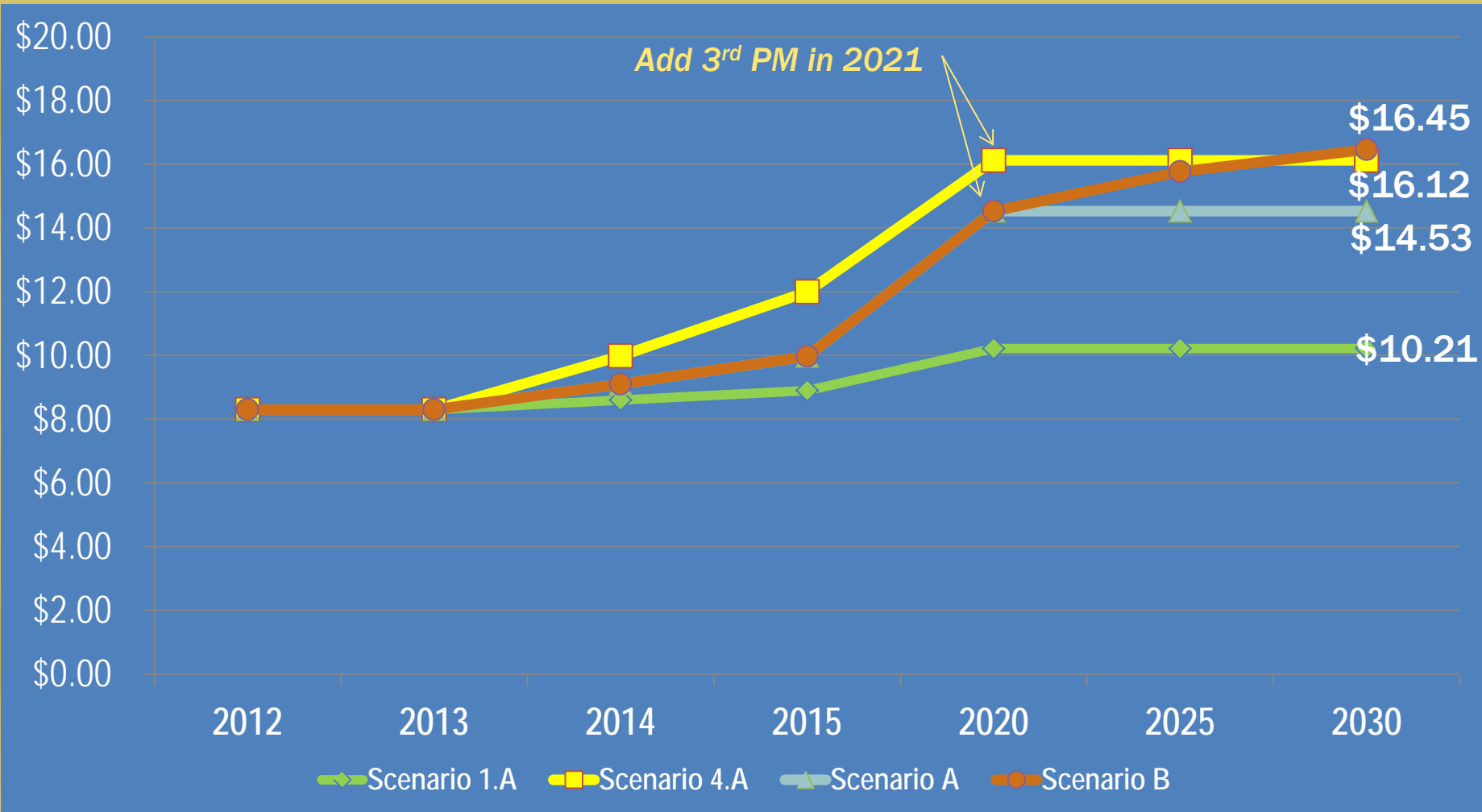
Project Completion Rates*



Stormwater Fund Balances



Monthly Rate Trends



Rate Increase Percentages

Scenario	2014-2019	2020-2031			
Scenario 1-A	3.5%	0.0%			

Scenario	2014-2016	2017	2018-2031		
Scenario 4-A	20.2%	11.8%	0.0%		

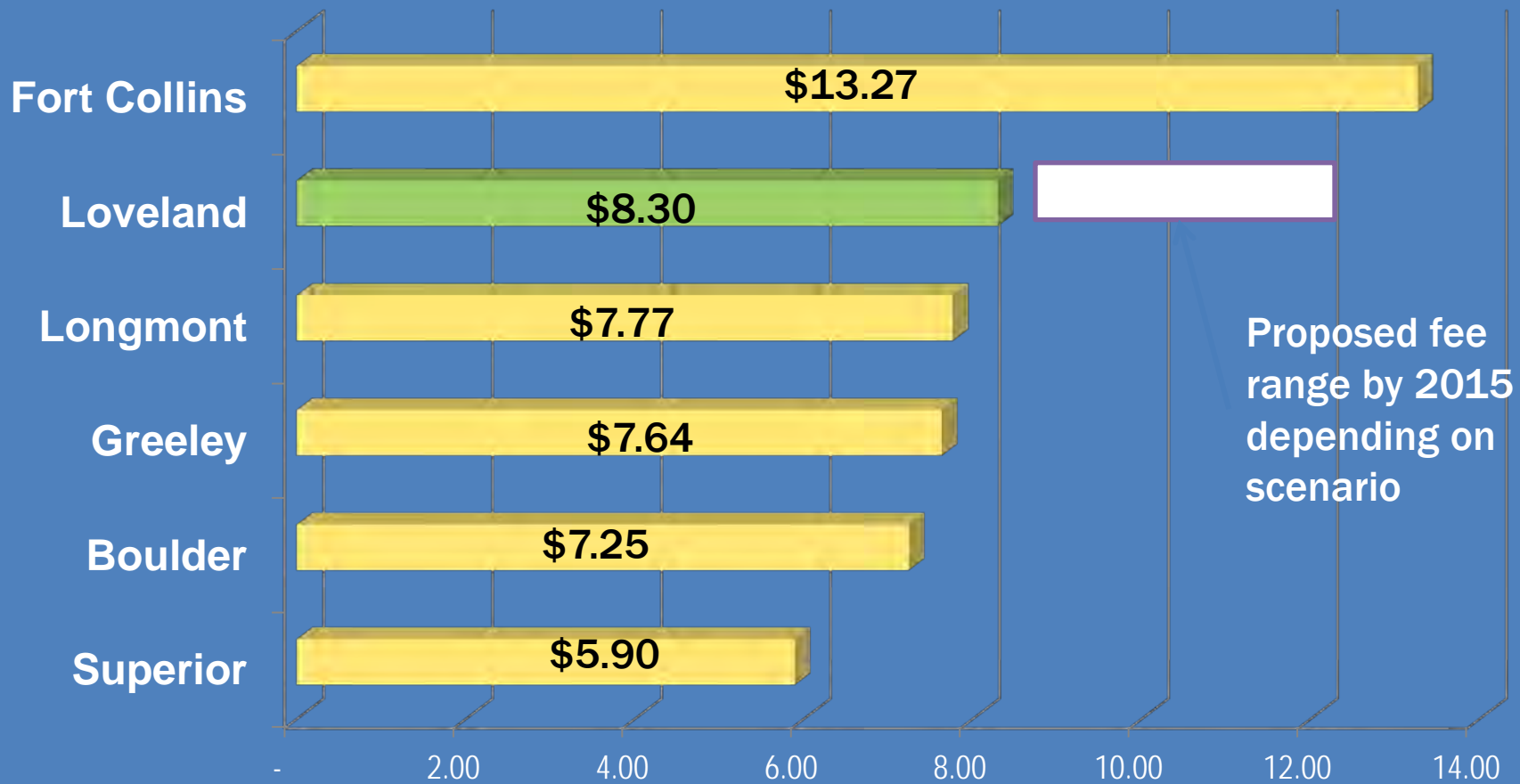
Scenario	2014-2017	2018-2019	2020	2021-2024	2025-2031
Scenario A	9.6%	8.4%	3.3%	0.0%	0.0%
Scenario B	9.6%	8.4%	3.3%	1.8%	0.9%

Residential Bill Detail

Year	Scenario 1.A (O&M Only)	Scenario 4.A (3 PM's not smoothed)	Scenario A (2 PM's smoothed)	Scenario B (3 PM's smoothed)
2012	\$8.30	\$8.30	\$8.30	\$8.30
2013	\$8.30	\$8.30	\$8.30	\$8.30
2014	\$8.59	\$9.98	\$9.10	\$9.10
2015	\$8.89	\$11.99	\$9.97	\$9.97
2020	\$10.21	\$16.12	\$14.53	\$14.53
2025	\$10.21	\$16.12	\$14.53	\$15.76
2030	\$10.21	\$16.12	\$14.53	\$16.45

Current Rates from our Neighbors

Average Monthly Residential Bill



Projection of Customer's Total Monthly Utility Bill 2012-2022

Multi-Family Inside City

(From "Water Utility Financing Proposal" – March 5, 2013 Council Meeting)

Utility Total Monthly Bill Per Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water	\$52.84	\$55.90	\$63.17	\$68.86	\$75.05	\$81.80	\$89.16	\$97.19	\$104.96	\$113.36	\$122.43
Wastewater	\$12.65	\$11.22	\$12.46	\$13.83	\$15.36	\$17.05	\$18.92	\$20.25	\$21.66	\$23.17	\$24.80
Electric	\$351.99	\$372.43	\$384.50	\$384.50	\$389.80	\$389.80	\$389.80	\$389.80	\$389.80	\$389.80	\$389.80
Storm Drainage	\$4.61	\$4.61	\$5.05	\$5.53	\$6.06	\$6.64	\$7.20	\$7.80	\$8.06	\$8.21	\$8.36
Street Maintenance	\$1.67	\$1.87	\$1.92	\$1.97	\$2.03	\$2.09	\$2.15	\$2.21	\$2.27	\$2.33	\$2.40
Solid Waste Management	\$64.13	\$64.13	\$64.13	\$67.34	\$67.34	\$67.34	\$68.52	\$68.52	\$68.52	\$69.68	\$69.68
Mosquito Control	\$4.66	\$4.66	\$4.66	\$4.66	\$4.66	\$4.66	\$4.95	\$4.95	\$4.95	\$4.95	\$4.95
Total Multi-Family Inside City	\$492.55	\$514.82	\$535.89	\$546.69	\$560.30	\$569.38	\$580.70	\$590.72	\$600.22	\$611.50	\$622.42
% Inc/(Dec) to Prior Year		4.52%	4.09%	2.02%	2.49%	1.62%	1.99%	1.73%	1.61%	1.88%	1.79%

***Based on an average sized Multi-Family complex of 5.83 dwelling units**

Council Direction - (followed Staff Recommendation)

- Scenario B
 - Future 3rd PM with project smoothing
 - Flattens rates by revising project order
 - Matches available funding and
 - Consistent utilization of available Staff
 - 2 PM's through 2020
 - 3 PM's 2021 and forward
 - Delivers 90.6% of projects originally identified with 1986 Stormwater Master Plan by 2031

Scenario B Benefits

- No debt or borrowing required
- Reasonable rate increases
- Flexible project planning
- Faster completion of master planned projects

Next Steps

- Tonight:
 - Adoption of Stormwater Financial Plan
 - Updates System Investment Fees to reflect buy-in of current costs related to anticipated land use
 - Updates Stormwater Utility Fees to expedite completion of projects in pre-1987 city boundary and addresses operations and maintenance (O&M) needs for all stormwater improvements going forward



Thank you for your time



Questions?
Comments?



CITY OF LOVELAND
PUBLIC WORKS DEPARTMENT

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
(970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

AGENDA ITEM: 12
MEETING DATE: 9/17/2013
TO: City Council
FROM: Keith Reester, Public Works Department
PRESENTER: Keith Reester

TITLE:

A Motion to Award a Contract to Transwest Freightliner, LLC in the Amount of \$1,477,866 for the Acquisition of Six Solid Waste Truck Chassis with a Hydraulic Hybrid System for Delivery in 2014 and to Authorize the City Manager to Execute the Contract on Behalf of the City

RECOMMENDED CITY COUNCIL ACTION:

Approve the motion.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action. The motion allows Public Works/Solid Waste permission to generate, and the City Manager authorization to execute a purchase order for \$1,477,866.00 to purchase (6) Autocar chassis from Transwest, equipped with Parker/Hannifin hybrid drive propulsion drive transmissions.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Fuel cost savings: Average Solid Waste truck fuel usage per year is 4,581 gallons (\$14,124). Parker system will yield 30% or greater savings in fuel usage 1375 gallons (30%) (\$4,237) across 6 trucks, \$25,420 in fuel cost savings per year.

The funds are available within the Solid Waste Enterprise fund and have been planned in the capital expenditures of the fund, so the impacts are neutral. Funding is included in the 2013 Budget and will be rolled over to 2014.

BACKGROUND:

This motion allows the City to purchase (6) Autocar chassis from Transwest, equipped with Parker/Hannifin hybrid drive propulsion drive transmissions for \$1,477,866.00. Delivery of the six units would not occur until second quarter of 2014. Due to the product specifications the order-to-delivery time is approximately 6-8 months.

The manufacturer (Autocar) and Parker, in an attempt to get vehicles into the mid-west sooner, offered the City an additional \$26,000 discount per truck (\$156,000 total) if all (6) vehicles were purchased on one order. Parker also stated they would pay for \$30,000 of complete vehicle wraps advertising the environmental benefit of this technology (not reflected in the \$156k savings).

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. Sole Source Approval Letter
2. Contract and Vehicle Specifications



CITY OF LOVELAND

PUBLIC WORKS

ADMINISTRATION

Memorandum

To: Bill Cahill

Thru: Keith Reester *[Signature]*

From: Mick Mercer, Streets and Solid Waste Manager *[Signature]*
 Steve Kibler, Fleet Manager *[Signature]*

Date: August 19, 2013

Re: Permission to Standardize Solid Waste Truck Chassis

RECEIVED

AUG 22 2013

CITY MANAGER

Request

In December 2012, Solid Waste submitted a purchase request (which you approved) justifying the purchase of a more expensive Autocar chassis instead of the competing bid offers from Mack or Peterbilt. A thorough life-cycle cost analysis clearly indicates the Autocar chassis will offer the best value at the lowest cost for our typical truck duty cycles. Accordingly, as we begin replacing 16 collection trucks over time, we would like permission to standardize the Solid Waste fleet on the Autocar chassis.

Furthermore, we would like to add the proven Parker RunWise Hydraulic Hybrid System to each new Autocar chassis due to the overwhelming lifecycle cost savings this new technology provides. Briefly, the Parker hydraulic hybrid system captures a truck's braking energy hydraulically and then uses it to launch the truck to the next stop. The stop-and-go nature of residential waste/recycling collections is the perfect application for this new technology. Fuel savings average 45-50%, brake replacements are extended up to 8 times longer, carbon emissions are reduced by 38 tons per year, and the truck actually operates more quickly and smoothly, which increases daily productivity. The total cost savings over the life of each truck is substantial, as summarized in the chart below.

History

You may recall that the Solid Waste Division field-tested an Autocar truck equipped with the Parker Runwise Hybrid propulsion system for one week in April 2013. The success of this test confirmed the benefits and savings promised by the Parker team. After careful consideration, we believe it is in the

best interests of the City to begin transitioning to this Autocar/Parker Hybrid chassis as our standard chassis configuration for the Solid Waste collection fleet.

Incentive

Parker RunWise is quite anxious to introduce their product into the multi-state Rocky Mountain region, so the company has offered the City of Loveland a 26% discount if we order six (6) truck chassis on one purchase order (we currently have three truck appropriations in 2013 and three budgeted for 2014). This savings = \$26,000 per truck X 6 = \$156,000. In addition, if we can formally lock this sale in by August 30th, Parker will pay for the cost of a graphic wrap on each truck at an approximate cost of \$4,000/ea. X 6 = \$24,000. That's \$180K if we can meet that deadline but still \$156K savings if we can't. Parker has six build slots on-hold with Autocar and must confirm those orders by August 30th. If we cannot meet this deadline, they will not pay for the graphic wraps and we would lose \$24,000 in savings. Even though the funds are already appropriated and/or budgeted in Solid Waste capital expense, City Council may need to approve this purchase.

- Total cost including the incentive above is \$2,220,000.
- Total cost without the graphic incentive is \$2,245,000.

Fleet Management Division Assessment:

I (SK) have performed extensive research on this technology. There are multiple companies working on implementing this technology into vehicles. There are currently only three companies marketing this technology to the fleet industry: Parker/Hannifin, Eaton Corp, Lightning Hybrids. Lightning has formally told us that they are not ready to enter the class 8 heavy duty market. Eaton's system is very basic and currently not integrated into the OEM manufacturer's body computer whereas Parker's is, so the Parker/Hannifin system is currently the leader in this technology.

Fleet's Detailed Savings Estimate

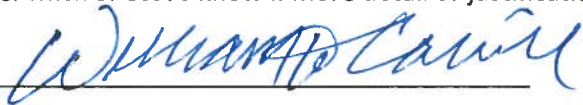
Parker currently has about 300 units throughout the country. After deploying several units for the past three years, Miami-Dade County Solid Waste fleet has now decided to standardize on the Autocar/Parker chassis specification. Their sustained fuel consumption is approximately 50% lower than before purchasing the Parker Runwise technology. Our one-week test showed a 43% reduction. We feel after a typical operator learning curve, our savings will likewise reach 50%.

Our own cost analysis shows these potential savings:

Annual Truck Expenses (NOTE: see details below)	Currently @ \$/Truck	% Savings w/ Parker RunWise	Annual Savings	Savings over 10 Years
Fuel [4,563 gal @ \$3.52]	\$16,060	50%	\$8,030	\$80,300
Brake job	\$4,000	75%	\$3,000	\$30,000
Transmission replacement [1x/10 yrs]	\$17,000	100%	\$1,700	\$17,000
Normal scheduled PM	\$2,400	50%	\$1,200	\$12,000
10-Year Gross Cost Savings per Truck			\$13,930	\$139,300
- Less the Cost of Parker RunWise Unit				(\$84,000)
10-Year Net Cost Savings per Truck				\$55,300
10-Year Net Cost Savings for 16 Trucks				\$884,800

- Initial cost of RunWise system (@ offered discount): \$84,000 each
- Annual cost savings per truck: \$13,930 each truck
- Return On Investment: 6.0 years per truck

Please let either Mick or Steve know if more detail or justification is required. Thank you.

Approved:  Date: 8-26-13

Denied: _____ Date: _____

CC: Cindy Scymanski

More Detailed Explanation behind Cost Savings Chart above:

- Average fuel consumption per truck, per year: 4,563 gal. X .50 = 2,281 X \$3.52/gal= \$8,030/year. If we apply this savings to a 10-year life cycle, the savings would be \$80,300 per truck. Apply this to 16 trucks and it would save \$1.3M in fuel costs.
- Each truck currently requires one complete brake job per year at an average of \$4,000 each. A 10-year life cycle cost for brakes is \$40K. Parker Runwise reduces brake wear by 75% so \$40K X .75 = \$30K savings per truck, per life cycle. Apply this to 16 trucks and it would save \$480K. The indirect savings is 1,248 hours of labor avoided doing brake jobs. This equals .6 of a technician for this maintenance on Solid Waste trucks. This extends the year which another Fleet technician would need to be added.
- Over a 10-year life cycle, a typical truck requires an automatic transmission replacement which costs about \$17,000 per truck. The Parker system eliminates this expected wear and tear/ failure due to the RunWise system doing 75% of the work usually performed by the engine and transmission. \$17K X 16 = \$272,000 savings.
- Normal scheduled PM maintenance can be halved which saves approximately \$1,200/year, per truck. \$1,200 X 16 trucks X 10 years = \$192K savings.

CITY OF LOVELAND, COLORADO

SOLE SOURCE PURCHASE DOCUMENTS

FOR

**SIX (6) ACX64 CLASS 8 SOLID WASTE TRUCK CHASSIS WITH A RUNWISE
HYDRAULIC HYBRID SYSTEM**

INSTRUCTIONS TO CONTRACTOR

Instructions to Contractor1

1.0 GENERAL1

 1.1 SOLE SOURCE PURCHASE DOCUMENTS1

 1.2 CONTRACTOR’S UNDERSTANDING1

2.0 purchase1

3.0 TIME OF COMPLETION1

4.0 INTERPRETATION OF contract documents1

5.0 SUBCONTRACTS2

6.0 AWARD OF CONTRACT2

7.0 CONFIDENTIAL INFORMATION2

CONTRACT AND BOND

CONTRACT4

COMMISSION EXPIRATION DATE

GENERAL CONDITIONS

GENERAL CONDITIONS8

1.0 CONTRACT DOCUMENTS8

2.0 DEFINITIONS8

3.0 EXECUTION OF CONTRACT9

4.0 LEGAL ADDRESSES9

5.0 SCOPE AND INTENT OF CONTRACT DOCUMENTS9

6.0 INDEPENDENT CONTRACTOR9

7.0 ASSIGNMENT AND SUBCONTRACTING9

8.0 ORAL STATEMENTS10

9.0 REFERENCE STANDARDS10

10.0 OWNER’S DRAWINGS AND SPECIFICATIONS10

11.0 CONTRACTOR TO CHECK DRAWINGS AND LISTS10

12.0 PROJECT MANAGEMENT10

13.0 NO WAIVER OF RIGHTS10

14.0 OBSERVATIONS11

15.0 RECORDS11

16.0 RELATIONS WITH SUBCONTRACTORS11

17.0 OPERATIONS11

18.0 FORCE MAJEURE11

19.0 CHARACTER OF WORKERS11

20.0 INDEMNITY12

21.0 RELEASE OF LIABILITY12

22.0 CLAIMS FOR LABOR AND MATERIALS12

23.0 RIGHT OF CITY TO TERMINATE CONTRACT12

24.0 BEGINNING, PROGRESS, AND COMPLETION OF THE WORK13

25.0 UNFAVORABLE CONDITIONS13

26.0 HINDRANCES AND DELAYS13

27.0 EXTENSIONS OF TIME13

28.0 REJECTED WORK AND MATERIALS13

29.0 SECURITY14

30.0 TESTING14

31.0 MODIFICATIONS14

 31.1 Change of Contract Price14

 31.2 Changes in the Work15

 31.3 No Modification Without Appropriation15

31.4 Reimbursement for Additional Directed Work.....15
32.0 LAWS AND REGULATIONS.....15
33.0 TAXES, PERMITS, AND LICENSES.....15
34.0 PATENTS16
35.0 MATERIALS AND EQUIPMENT16
36.0 Facilities16
37.0 RECEIVING, HANDLING, AND STORAGE16
38.0 GUARANTEE16
39.0 FINAL INSPECTION.....17
40.0 CONTRACTOR’S PRICE BREAKDOWN.....17
41.0 ESTIMATES AND PAYMENTS17
42.0 APPROPRIATION17
43.0 GOVERNMENTAL IMMUNITY ACT.....17

SPECIAL CONDITIONS

SPECIAL CONDITIONS.....19
1.0 PROJECT DESCRIPTION.....19
2.0 PROJECT MANAGER.....19
3.0 TIME OF COMPLETION AND LIQUIDATED DAMAGES19
4.0 INSURANCE LIMITS19

TECHNICAL SPECIFICATIONS

(FOR SPECIFICATIONS, PLEASE SEE AUTOCAR ATTACHMENT)

INSTRUCTIONS TO CONTRACTOR

INSTRUCTIONS TO CONTRACTOR

1.0 GENERAL

These instructions apply to the purchase of supplies and work for the City of Loveland, Colorado ("City") from a sole source Contractor.

1.1 SOLE SOURCE PURCHASE DOCUMENTS

The following documents constitute the sole source purchase documents for this project. Contractor certifies and represents that it has been furnished with all of the Sole Source Purchase documents, is familiar with them, and intends to be bound by them.

Furnished with Packet:

Instructions to Sole Source Contractor	Special Conditions
Contract	Technical Specifications
General Conditions	

1.2 CONTRACTOR'S UNDERSTANDING

The Contractor is responsible to be informed of, and the Contractor awarded the contract shall comply with, all federal, state, and local laws, statutes, and ordinances relative to the execution of the work. This requirement includes, without limitation, applicable regulations concerning minimum wage rates, nondiscrimination in the employment of labor, protection of public and employee safety and health, permits, fees, and similar subjects.

2.0 PURCHASE

This project is on a unit price basis, the estimate of work to be done and units provided is approximate only, and assumed solely for the basis of calculation upon which the contract award shall be made. Payment shall be made on the measurement of the units provided and work actually performed as specified in the contract documents. The City reserves the right to increase or diminish the amount of units or any class of work as may be deemed necessary.

3.0 TIME OF COMPLETION

The time of completion of the work is a primary consideration of the contract. The purchase shall be based upon completion of all work within the time set forth in the special conditions. The Contractor must satisfy the City of the Contractor's ability to complete the work within this time. The general conditions contain provisions relative to delays and extensions of time. The Contractor shall dedicate all necessary labor, material, and equipment for a continuous operation, weather permitting, to assure completion of the project within the allowed time. Any deviation from this condition shall require the City's prior written approval.

4.0 INTERPRETATION OF CONTRACT DOCUMENTS

If the Contractor is in doubt as to the true meaning of any part of the contract documents, the Contractor may submit a written request to the City for an interpretation. The Contractor shall be responsible for its prompt delivery. The Contractor shall be responsible for informing the City before executing the Contract of any conflicting requirements, real or apparent, or missing information requiring clarification. In the event any of the sole source purchase documents are in conflict, the documents shall control in the following order: Instruction to Contractors, Special Conditions, General Conditions and Technical Specifications.

5.0 SUBCONTRACTS

Upon the City's request, the Contractor shall supply the City with a list of all subcontractors the Contractor plans to employ to complete the project. The City reserves the right to disapprove the use of any or all subcontractors that, in the City's judgment, are not reasonably capable of performing the work required.

6.0 AWARD OF CONTRACT

Upon awarding the contract to Contractor, the City will furnish the contract for execution. The Contractor shall execute the contract and furnish the performance bond and any required certificates of insurance within ten (10) days from the date the City furnishes the contract to the Contractor for execution.

7.0 CONFIDENTIAL INFORMATION

Pursuant to the Colorado Open Records Act, C.R.S. §§ 24-72-201 *et seq.* ("Act"), all information contained in any the contract documents is subject to public disclosure unless it meets one of the exceptions set forth in the Act. To avoid disclosure of trade secrets, privileged information, or confidential commercial, financial, geological, or geophysical data ("Confidential Information"), the Contractor must clearly mark all Confidential Information as such and provide a written, detailed justification with the executed Contract of the protected nature of the Confidential Information under Colorado law. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the Confidential Information to the Contractor, and any safeguards the Contractor uses to protect the Confidential Information from disclosure.

By executing the Contract, the Contractor agrees to hold the City harmless from any claim arising from the release of Confidential Information not clearly marked as such by the Contractor or lacking written, detailed justification supported by Colorado law.

CONTRACT AND BOND

CONTRACT

THIS CONTRACT is made and entered into this ____ day of _____, 2013, by and between the CITY OF LOVELAND, COLORADO, a home rule municipality ("City"), and Transwest Freightliner LLC, a Colorado limited liability company doing business as Transwest Trucks and located at 7626 Brighton Road, Commerce City, CO 80022 with a mailing address of P.O. Box 16086, Denver, CO 80216-0082("Contractor").

The Contractor, in consideration of the sum to be paid to the Contractor by the City and of the covenants and agreements contained herein and in the contract documents, identified in the general conditions at section 1.0 and incorporated herein by reference, hereby agrees at the Contractor's own proper cost and expense to do all the work and furnish all the materials, tools, labor, and all appliances, machinery, and appurtenances for **six (6) ACX64 Class 8 Solid Waste Truck Chassis with a RunWise Hydraulic Hybrid System** in full compliance with the contract documents.

In consideration of the performance of the work as set forth in the contract documents, the City agrees to pay the Contractor a sum not to exceed One Million Four Hundred Seventy Seven Thousand and Eight Hundred Sixty Six Dollars (\$ 1,477,866.00), as adjusted in accordance with the contract documents or as otherwise herein provided, and to make such payments in the manner and at the times provided in the contract documents.

Time is the essence of this contract. The Contractor agrees to complete the work and deliver the equipment within the time set forth in the contract documents and to accept as full payment hereunder the quantities computed as determined by the contract documents.

IN WITNESS WHEREOF, the parties have executed this contract as of the date first above written.

CITY OF LOVELAND, COLORADO

By: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Assistant City Attorney

CONTRACTOR:

By: _____

Title: _____

ATTEST: (if corporation)

Corporate Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by _____.
(Insert name of individual signing on behalf of the Contractor)

Notary's official signature

SEAL

Commission expiration date

GENERAL CONDITIONS

GENERAL CONDITIONS

1.0 CONTRACT DOCUMENTS

It is understood and agreed that the sole source purchase documents, the Contractor's proposal, any addenda and change orders issued by the City, and all drawings, construction plans, specifications, and engineering data furnished by the Contractor and accepted by the City are included in the contract, and the Contractor warrants that the work will strictly conform to the requirements therewith.

2.0 DEFINITIONS

Words, phrases, or other expressions used in these Contract Documents shall have meanings as follows:

"Contract" shall mean the contract, which incorporates all of the contract documents by reference therein.

"Contract documents" shall mean those documents set forth in paragraph 1.0.

"City" shall mean the City of Loveland, Colorado and its duly authorized agents. All notices, letters, and other communication directed to the City shall be addressed and delivered to the City as specified in the Special Conditions.

"Contractor" shall mean the corporation, company, partnership, firm, other legal business entity or individual so named and designated in the contract and its or their duly authorized representatives.

"Subcontractor" shall mean and refer only to a corporation, partnership, other legal business entity or individual having a direct contract with the Contractor for performing work.

"Day" or "days" shall mean a calendar day.

"Work" shall mean the equipment, supplies, materials, labor, and services to be furnished under the Contract and the carrying out of all obligations imposed by the contract documents.

"Drawings" and "plans" shall include all of the following: (a) drawings furnished by the City as a basis for the project; (b) supplementary drawings furnished by the City to clarify and to define in greater detail the intent of the contract drawings and specifications; (c) drawings submitted by the Contractor with its proposal, provided such drawings are acceptable to the City; (d) drawings furnished by the City to the Contractor during the progress of the work; and (e) engineering data and drawings submitted by the Contractor during the progress of the work provided such drawings are acceptable to the City.

"Inspector," "representative," "construction observer," "observer," "engineer," and similar terms mean the person or persons designated by the City to monitor the progress of the work on behalf of the City.

Wherever in the contract documents the words "as ordered," "as directed," "as required," "as permitted," "as allowed," or words or phrases of like effect and import are used, it shall be understood that the order, direction, requirement, permission, or allowance of the City is intended only to the extent of judging compliance with the terms of the contract; none of these terms shall imply that the City has authority or responsibility for supervision of the Contractor's forces or business operations, such supervision and the sole responsibility therefore being strictly reserved for the Contractor.

Similarly, the words "approved," "reasonable," "suitable," "acceptable," "proper," "satisfactory," or words of like effect and import, unless otherwise particularly specified herein, shall mean approved, reasonable, suitable, acceptable, proper, or satisfactory in the sole judgment of the City.

Wherever in the contract documents the expression “it is understood and agreed” or an expression of like import is used, such expression shall mean the mutual understanding and agreement of the parties executing the contract.

“Official acceptance” shall mean the City’s written acceptance of all work performed under the contract based on final inspection and issuance of a final payment.

3.0 EXECUTION OF CONTRACT

Two (2) copies of the contract and the performance bonds will be prepared by the City. If required by the bonding agency in writing, a third copy of the contract and the performance and payment bonds will be prepared by the City. The copies will be submitted to the Contractor, who shall execute the Contract, insert executed copies of the required performance and payment bonds, power of attorney, and insurance certificates and submit all copies to the City. The date of contract on the contract and performance and payment bonds shall be left blank for filling in by the City. The certification date on the power of attorney shall also be left blank for filling in by the City. The City will execute all copies, insert the date of contract on the contract, performance and payment bonds, and power of attorney, retain one (1) copy, and distribute the remaining copy/copies to the Contractor.

4.0 LEGAL ADDRESSES

All notices, letters, and other communication to the Contractor shall be mailed or delivered to either the Contractor’s business address listed in the Contract or the Contractor’s office in the vicinity of the work, with delivery to either of these addresses being deemed as delivery to the Contractor. The address of the City is hereby designated as the place to which all notices, letters, and other communication to the City shall be mailed or delivered as identified in the special conditions.

5.0 SCOPE AND INTENT OF CONTRACT DOCUMENTS

Any specifications and drawings are intended to supplement but not necessarily duplicate each other. Any work exhibited in the one and not in the other shall be executed as if it had been set forth in both so that the work will be constructed according to the complete design as determined by the City.

Should anything necessary for a clear understanding of the work be omitted from any specifications and drawings, or should the requirements appear to be in conflict, the Contractor shall secure written instructions from the City before proceeding with the work affected thereby. Any detail that appears on one page of the drawings shall be as if it appears on all sections within the set of drawings. It is understood and agreed that the work shall be performed according to the true intent of the contract documents.

6.0 INDEPENDENT CONTRACTOR

The City hereby retains the Contractor for the Project to perform the services on the terms and conditions specified in the Contract Documents, and the Contractor agrees so to serve. The parties agree that the Contractor shall be an independent contractor and shall not be an employee of the City. The Contractor, as an independent contractor, is not entitled to workers’ compensation benefits and unemployment insurance benefits, and the Contractor is obligated to pay federal and state income tax on any monies earned pursuant to the contract relationship.

7.0 ASSIGNMENT AND SUBCONTRACTING

The Contractor shall not assign by power of attorney or otherwise any of the money payable under this Contract unless prior written consent of the City has been obtained. No right under this Contract, nor claim for any money due or to become due hereunder, shall be asserted against the City or persons acting for the City by reason of any so-called assignment of the Contract, or any part thereof, unless such assignment has been authorized by the prior written consent of the City. In case the Contractor is

permitted to assign monies due or to become due under this Contract, the instrument of assignment shall contain a clause subordinating the claim of the assignee to all prior liens for services rendered or materials supplied for the performance of the work.

The City reserves the right to disapprove the use of any or all subcontractors, which, in the City's opinion, are not reasonably capable of performing the work required.

Should any subcontractor fail to perform in a satisfactory manner the work undertaken, the subcontractor shall be immediately terminated by the Contractor upon notice from the City. The Contractor shall be as fully responsible and accountable to the City for the acts and omissions of subcontractors and of persons either directly or indirectly employed by the Contractor. Nothing contained in the Contract shall create any contractual relationship between any subcontractor and the City.

8.0 ORAL STATEMENTS

It is understood and agreed that the written terms and provisions of this Contract shall supersede all oral statements of representatives of the City, and oral statements shall not be effective or construed as being a part of this Contract.

9.0 REFERENCE STANDARDS

Reference to the standards of any technical society, organization, or association or to codes of local or state authorities shall mean the latest standard, code, specification, or tentative standard adopted and published at the date of the execution of the Contract unless specifically stated otherwise.

10.0 OWNER'S DRAWINGS AND SPECIFICATIONS

Upon request, the Contractor will furnish up to two (2) sets of any Project drawings, including revisions thereto, and up to two (5) copies of any Project specifications without charge.

11.0 CONTRACTOR TO CHECK DRAWINGS AND LISTS

The Contractor shall confirm the specifications, dimensions, equipment and quantities indicated on any Project drawings and notify the City of any discrepancy, error or omission in the drawings. The Contractor shall not be allowed to take advantage of any discrepancy, error or omission in the drawings or Contract Documents. Full instructions shall be furnished by the City upon discovery of any discrepancy, error or omission, and the Contractor shall carry out such instructions as if originally specified.

12.0 PROJECT MANAGEMENT

The Contractor shall be responsible for coordinating work between various subcontractors and resolving any conflicts between subcontractors regarding scheduling or coordination.

The time of completion is of the essence of the Contract, and the Contractor shall be responsible for performing the work in accordance with the specified work and delivery schedule. If at any time the Contractor's work is behind schedule, the Contractor shall increase forces, work overtime, or otherwise accelerate operations to comply with the schedule and shall put into effect definite procedures for getting the work back on schedule. The proposed procedures shall be subject to the City's approval or modification. The procedures adopted shall be put into effect immediately. The Contractor will not be allowed extra compensation for costs incurred because of additional regular or premium time or of additional mobilization of equipment required to keep its work on schedule.

13.0 NO WAIVER OF RIGHTS

Neither the inspection by the City or any of its officials, employees, or agents, nor any order by the City for payment of money, or any payment for, or acceptance of, the whole or any part of the work by the City, nor any extension of time, nor any possession taken by the City or its employees shall operate as a

waiver of any provision of the Contract, or of any power herein reserved to the City, or any right to damages herein provided, nor shall any waiver of any breach in the Contract be held to be a waiver of any other or subsequent breach.

14.0 OBSERVATIONS

The City may appoint such inspectors as the City deems proper to observe the materials furnished and the work performed for compliance with the drawings and specifications. The Contractor shall furnish all reasonable assistance required by the inspectors for the proper observation of the work. Should the Contractor object to any order given by any inspector, the Contractor may make written appeal to the City for a decision.

Inspectors shall have the authority to reject work that is unsatisfactory, faulty, defective, or does not conform to the requirements of any drawings and specifications. Observation shall not relieve the Contractor from any obligation to construct the work strictly in accordance with any drawings and specifications. Work not so constructed shall be removed and replaced by the Contractor at its own expense.

15.0 RECORDS

The Contractor shall maintain at the site office current copies of all drawings, specifications, and other Contract Documents and supplementary data, complete with latest revisions thereto. In addition, the Contractor shall maintain a continuous record of all Contract changes and, at the conclusion of work, shall incorporate all such changes on any drawings and other engineering data, and shall submit the required number of copies thereof to the City.

16.0 RELATIONS WITH SUBCONTRACTORS

If any part of the Contractor's work is dependent upon the quality and completeness of work performed by a subcontractor, the Contractor shall inspect the subcontractor's work and reject defects therein which render such work unsuitable for the proper execution of the work under this Contract.

17.0 OPERATIONS

The Contractor shall comply with all applicable requirements of federal, state, and local codes and of all other authorities having jurisdiction over its work. The Contractor shall be solely and completely responsible for conditions related to Contractor's work including safety of all persons and property during performance of the work. This requirement will apply continuously and not be limited to normal working hours.

18.0 FORCE MAJEURE

Notwithstanding anything contained herein to the contrary, in the event and to the extent that fire, flood, earthquake, natural catastrophe, explosion, accident, riot, terrorist attack, war, illegality, or any other cause beyond the control of the parties hereto prevents or delays performance by either party, such party shall be relieved of the consequences thereof without liability, so long as and to the extent that performance is prevented by such cause; provided, however, that such party shall exercise due diligence in its efforts to resume performance as soon as practicable.

19.0 CHARACTER OF WORKERS

The Contractor shall employ only workers who are competent to perform the work assigned to them and, in the case of skilled labor, who are adequately trained and experienced in their respective trades and who do satisfactory work.

20.0 INDEMNITY

The Contractor hereby covenants and agrees to indemnify, defend, save, and hold harmless the City from any and all liability, loss, costs, charges, penalties, obligations, expenses, attorney's fees, litigation, judgments, damages, claims, and demands of any kind whatsoever in connection with, arising out of, or by any reason of any violation of the Contract or of any law, ordinance, or regulation by the Contractor, the Contractor's agents, employees, servants, subcontractors, or business invitees, or by reason of any injury or damage however occurring to any person or persons whomever (including the Contractor, the Contractor's agents, employees, servants, subcontractors, or business invitees) or to property of any kind whatsoever and to whomever belonging (including the Contractor, the Contractor's agents, employees, servants, subcontractor, or business invitees), or from any cause or causes whatsoever while in, upon, about, or in any way connected with the Project or any portion thereof during the term of the Contract.

The Contractor hereby assumes all risk and damage to property or injury to persons in, upon, or about the Project arising from any cause, and the Contractor hereby waives all claims in respect thereof against the City.

21.0 RELEASE OF LIABILITY

Acceptance by the Contractor of the last payment shall be a release to the City and every officer and agent thereof from all claims and liability hereunder for anything done or furnished for or relating to the work or for any act or neglect of the City or of any person relating to or affecting the work.

22.0 CLAIMS FOR LABOR AND MATERIALS

The Contractor shall indemnify, defend, save, and hold harmless the City from all claims for labor and materials furnished under the Contract. When requested by the City, the Contractor shall submit satisfactory evidence that all persons, firms, or corporations who have done work or furnished materials under the Contract for which the City may become legally liable have been fully paid or satisfactorily secured. In case such evidence is not furnished or is not satisfactory, an amount will be retained from money due the Contractor that in addition to any other sums which may be retained will be sufficient in the opinion of the City to liquidate all such claims. Such amount will be retained until the claims as aforesaid are fully settled or satisfactorily secured.

Before final acceptance of the work by the City, the Contractor may be required to submit to the City a notarized and sworn affidavit stating that all subcontractors, Contractors, persons, or firms who have furnished labor or materials for the work have been fully paid and that all taxes have been paid.

23.0 RIGHT OF CITY TO TERMINATE CONTRACT

If the Project and related work to be done under the Contract is abandoned by the Contractor, or if the Contract is assigned without the written consent of the City, or if the Contractor is named in proceedings in bankruptcy or for reorganization, or if a general assignment of assets is made for the benefit of creditors, or if a receiver is appointed for the Contractor or any of the Contractor's property, or if at any time the City certifies that the performance of the work under the Contract is being unnecessarily delayed, the Contractor is violating any of the conditions of the Contract, or the Contractor is executing the same in bad faith or otherwise not in accordance with the terms of said Contract, or if, in the judgment of the City, the work will not be or cannot be completed within the time named for its completion or within the time to which such completion date may be extended, then the City may serve written notice upon the Contractor and the Contractor's surety of the City's intention to terminate this Contract. Unless within five (5) days after the serving of such notice a satisfactory arrangement is made for continuance, this Contract shall terminate at 12:01 a.m. on the sixth calendar day following service of said notice. In the event of such termination and if such work can be completed by the surety within the time named for its completion, the surety shall have the right to take over and complete the work provided that the surety

within ten (10) days affirm in writing its intention to take over and complete the work. Otherwise the City may make a claim on the surety bond and the surety and Contractor shall be liable to the City for all costs sustained by the City by reason of such default.

24.0 BEGINNING, PROGRESS, AND COMPLETION OF THE WORK

The time of completion is of the essence of the Contract. The work shall be prosecuted to completion in accordance with the schedule stipulated in the Contract subject to adjustment as provided in the Contract Documents.

A work and delivery schedule shall be prepared by the Contractor and submitted to the City for approval before performing the work. The work schedule shall contain the various activities required to perform the work and the dates the activities will be started and completed in order to complete the work in accordance with the specified schedule requirements. The Contractor is responsible for determining the sequence and time estimates of the work activities. Upon acceptance by the City of the Contractor's work and delivery schedules, the Contractor shall be responsible for maintaining such schedules.

If at any time the Contractor's work is behind schedule, the Contractor shall immediately put into effect definite procedures for getting the work back on schedule. The procedures shall be subject to review and modification by the City. The Contractor shall not be allowed extra compensation for costs incurred because of accelerated operations required to maintain the schedule.

25.0 UNFAVORABLE CONDITIONS

No portion of the work shall be performed under conditions that would affect adversely the quality or efficiency thereof unless special means or precautions are taken by the Contractor to perform the work in a proper and satisfactory manner.

26.0 HINDRANCES AND DELAYS

The Contractor expressly agrees that the delivery schedule stated in the Contract includes allowance for all hindrances and delays incident to the work. The Contractor further agrees that no claims shall be made for hindrances and delays from any cause during the performance of the work except as specifically provided for in the Sections entitled "SUSPENSION OF WORK," and "EXTENSIONS OF TIME," below.

27.0 EXTENSIONS OF TIME

Should the Contractor be delayed in the final completion of the work by any act or neglect of the City or by strike, fire, or other cause outside of the control of the Contractor and which could have been neither anticipated nor avoided, then an extension of time sufficient to compensate for the delay will be granted by the City provided that the Contractor gives the City prompt notice in writing of the cause of delay in each case and demonstrates that it has used all reasonable means to minimize the delay. No damages shall be payable for any delay not due to an act or neglect of the City or an employee of the City.

Unless approved in writing by the City, extensions of time will not be granted for delays caused by inadequate staffing or the failure of the Contractor to place orders for equipment or materials sufficiently in advance to ensure delivery when needed.

28.0 REJECTED WORK AND MATERIALS

The Contractor, upon written notice from the City, shall repair or replace work and materials rejected as defective, unsound, improper, or in any way failing to conform to the requirements of the Contract Documents at Contractor's sole expense.

If the Contractor does not repair or replace rejected work and materials within twenty (20) days after written notice, the City may remove and replace such work and materials at the expense of the Contractor. If the City prefers to accept work that is not in accordance with the requirements of the Contract Documents, the City may do so instead of requiring its removal and correction, in which case the Contract amount will be reduced as appropriate and equitable. Non-conforming work shall be deemed rejected, unless written acceptance of such work is provided by the City.

29.0 SECURITY

The Contractor shall be responsible for the protection of the work and all materials and equipment in the Contractor's custody until final acceptance of the Project by the City. Security methods shall be employed by the Contractor as required to ensure the protection of all materials, equipment, and construction work from theft, vandalism, fire, and all other damage and loss. In the event of damage or loss to the work prior to acceptance by and delivery to the City of the Project, the Contractor shall have no claim against the City and shall be responsible for the complete restoration of work to its original condition complying with contract document specifications and drawings. All restoration work shall be acceptable to the City.

30.0 TESTING

The City may require testing to satisfy itself of compliance with the Contract. This testing may be performed by an independent testing laboratory acceptable to the City. All initial test costs shall be paid by the City unless otherwise stated in the Contract. All re-tests on account of failed tests shall be paid by the Contractor.

31.0 MODIFICATIONS

The Contractor shall modify the work whenever so ordered by the City, and such modifications shall not affect the validity of the Contract. Modifications may involve increases or decreases in the amount of the work for which appropriate contract price adjustment shall be made

Except for minor changes that involve no contract price adjustment, all modifications shall be made under the authority of duly executed change orders issued and signed by the City and accepted and signed by the Contractor.

31.1 Change of Contract Price

The contract price constitutes the total compensation payable to the Contractor for performing the work. All duties, responsibilities, and obligations assigned to or undertaken by the Contractor shall be at Contractor's expense without change in the contract price.

The contract price may be changed only by a change order. If the Contractor is entitled by the Contract Documents to make a claim for an increase in the contract price, the claim shall be made in writing and delivered to the city within ten (10) days of the occurrence of the event giving rise to the claim. Any change in the contract price resulting from any such claim shall be incorporated in a change order.

The value of any work covered by a change order or any claim for an increase or decrease in the contract price shall be determined in one of the following ways: (a) by mutual acceptance of a lump-sum; or if no agreement is reached, then (b) by cost plus fifteen percent (15%) for overhead and profit. In such case, the Contractor shall submit, in a form prescribed by the City, an itemized cost breakdown together with supporting data.

The amount of credit to be allowed by the Contractor to the City for any such change that results in a net decrease in cost will be the amount of the actual net decrease as determined by the City. When both

additions and credits are involved in any one change, the combined overhead and profit shall be figured on the basis of the net increase, if any.

31.2 Changes in the Work

Without invalidating the Contract, the City may at any time or from time-to-time order additions, deletions, or revisions in the work, which additions, deletions, or revisions shall be authorized by change orders. Upon receipt of a change order, the Contractor shall proceed with the work involved. All such work shall be executed under the applicable conditions of the Contract Documents. If any change order causes an increase or decrease in the contract price or an extension or shortening of the contract time, a corresponding adjustment shall be made.

Additional work performed by the Contractor without authorization of a change order shall not entitle the Contractor to an increase in the contract price or an extension of the contract time, except in the case of an emergency as deemed warranted by the City.

It is the Contractor's responsibility to notify the surety of any changes affecting the general scope of the work or change in the contract price, and the amount of the applicable bonds shall be adjusted accordingly. The Contractor shall furnish proof of such adjustments to the City.

31.3 No Modification Without Appropriation

No Change Order or other form of order or directive by the City requiring additional compensable work to be performed, which order or directive causes the aggregate amount payable under the Contract to exceed the amount appropriated or to be appropriated, in the case of payments to be made in more than one calendar year, for the original contract, shall be issued unless the Contractor is given written assurance that lawful appropriations have been made or will be made to cover the costs of the additional work.

31.4 Reimbursement for Additional Directed Work

For any Change Order or other form of order or directive by the City requiring additional compensable work to be performed, the City shall reimburse the Contractor upon acceptance by and delivery to the City of the Project.

32.0 LAWS AND REGULATIONS

The Contractor shall observe and comply with all federal, state, and local ordinances, laws, codes, and regulations and all other applicable requirements of authorities having jurisdiction over the work and shall protect and indemnify the City and the City's officers and agents, including its engineers, against any claim or liability arising from or based upon any failure or alleged failure of the Contractor to comply with the same.

33.0 TAXES, PERMITS, AND LICENSES

All sales to the City in its governmental capacity only shall be exempt from Colorado sales and use tax pursuant to C.R.S. § 39-26-704. The Contractor may apply with the Department of Revenue, Sales Tax for an exemption certificate pursuant to and purchase the materials for incorporation in this Project tax-free pursuant to C.R.S. § 39-26-708. The Contractor shall use all reasonable efforts to exempt the Project from sales and use tax under the state law where Contractor perform any work that is subject to such taxation.

It shall be the responsibility of the Contractor to obtain all licenses, permits, and inspections required for the work. The City shall pay for such licenses and permits separate and apart from the Contract.

34.0 PATENTS

Royalties and fees for patents covering materials, articles, apparatus, devices, equipment, or processes used in the work shall be included in the Contract price. The Contractor shall satisfy all demands that may be made at any time for such royalties or fees and shall be liable for any damages or claims for patent infringements. The Contractor shall, at the Contractor's own cost and expense, defend all suits or proceedings that may be instituted against the City for alleged infringement of any patents involved in the work and, in case of an award of damages, the Contractor shall pay such award regardless of the amount or nature of such award. Final payment to the Contractor by the City shall not be made while any such suit or claim remains unsettled.

35.0 MATERIALS AND EQUIPMENT

Unless specifically provided otherwise in each case, all materials and equipment furnished for permanent installation in the work shall conform to applicable standard specifications and shall be new, unused, and undamaged when installed or otherwise incorporated in the work. No such material or equipment shall be used by the Contractor for any purpose other than that intended or specified unless such use is specifically authorized by the City in each case.

Unless stated otherwise in the Contract Documents, all required tests in connection with acceptance of source of materials or other specification compliance shall be made at the Contractor's expense by a properly-equipped laboratory of established reputation whose work and testing facilities are acceptable to the City. Any change in origin or method of preparation or manufacture of a material being routinely tested will require new tests. Reports of all tests shall be furnished to the City in as many copies as required.

36.0 FACILITIES

The Contractor shall furnish all facilities, materials, equipment, and supplies required for prosecution of the work but that will not be incorporated in the completed work.

37.0 RECEIVING, HANDLING, AND STORAGE

The Contractor shall receive (from carriers or subcontractors), check, unload, handle, and store all materials and equipment to be incorporated in the Project under these specifications. The Contractor shall be responsible for the prompt unloading of materials and equipment and shall pay any demurrage. The Contractor shall provide all storage facilities.

38.0 GUARANTEE

The Contractor shall guarantee the equipment, equipment design, materials, and workmanship furnished under the Contract to be as specified and to be free from defects for the period designated in the Manufacturer's Warranty.

Upon notification, the Contractor shall promptly make all adjustments, repairs, or replacements which, in the opinion of the City, arose out of defects and became necessary during the guarantee period.

The cost of all materials, parts, labor, transportation, supervision, special tools, and supplies required for replacement or repair of parts and for correction of defects shall be paid by the Contractor or the surety.

The Contractor's guarantee shall not be construed as a waiver by the City of the relevant statute of limitations and statute of repose periods.

If within ten (10) days after the City has notified the Contractor of a defect, failure, or abnormality in the work the Contractor has not started to make the necessary repairs or adjustments, the City is hereby

authorized to make the repairs or adjustments or to order the work to be done by a third party, with the cost of such work to be paid by the Contractor or the surety.

In the event of an emergency where, in the sole judgment of the City, delay would cause serious loss or damage, repairs or adjustments may be made by the City or a third party chosen by the City without advance notice to the Contractor, with the cost of such work to be paid by the Contractor or the surety.

39.0 FINAL INSPECTION

When the Project has been completed and at a time mutually agreeable to the City and Contractor, the City shall make an inspection of the Project. If, based upon such inspection, the City determines that the Project is complete, it shall accept the Project, and the running of time for completion shall stop.

40.0 CONTRACTOR'S PRICE BREAKDOWN

For lump-sum projects, the Contractor shall prepare and submit to the City for review a breakdown of the contract price according to the system of accounts provided by the City. The Contractor's price breakdown shall be reviewed and accepted by the City before any payments are made under the Contract. Each invoice submitted for payment shall be prepared in accordance with the price breakdown accepted by the City. An unbalanced breakdown estimate providing for overpayment of the Contractor on items of work which would be performed first will not be acceptable.

41.0 ESTIMATES AND PAYMENTS

Not later than the first day of each month, the contractor shall make an estimate of the value of the work completed and of unused materials stored on the site. The estimated cost of repairing, replacing, or rebuilding any part of the work or replacing materials that do not conform to the drawings and specifications will be deducted from the estimated value.

42.0 APPROPRIATION

To the extent the Contract constitutes a multiple fiscal year debt or financial obligation of the City, it shall be subject to annual appropriation pursuant to the City of Loveland Municipal Charter Section 11-6 and Article X, Section 20 of the Colorado Constitution. The City shall have no obligation to continue the Contract in any fiscal year in which no such appropriation is made.

43.0 GOVERNMENTAL IMMUNITY ACT

No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the notices, requirements, immunities, rights, benefits, protections, limitations of liability, and other provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 *et seq.* and under any other applicable law.

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation or gender. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act.

SPECIAL CONDITIONS

SPECIAL CONDITIONS

1.0 PROJECT DESCRIPTION

Six (6) ACX64 Class 8 Solid Waste Truck Chassis with a RunWise Hydraulic Hybrid System.

2.0 PROJECT MANAGER

The Project Manager for this project is Steve Kibler who can be reached at (970) 962-3343. All notices, letters, submittals, and other communications directed to the City shall be addressed and mailed or delivered to:

Steve Kibler, Fleet Manager
 City of Loveland
 200 North Wilson Ave
 Loveland, CO 80537

3.0 TIME OF COMPLETION AND LIQUIDATED DAMAGES

The time of completion for this Project is Not Applicable (n/a) days from Contractor's receipt of a purchase order. The rate for liquidated damages is Zero Dollars (\$0.00) per day until completion.

4.0 INSURANCE LIMITS

The insurance limits for this Project are as follows:

Form of Insurance	Combined Single Limit
Comprehensive General Liability	\$Not Applicable
Comprehensive Automobile Liability	\$Not Applicable
Worker's Compensation and Employer's Liability	Statutory/\$Not Applicable
Excess Umbrella Liability	\$Not Applicable
Garage Keepers Liability	\$Not Applicable

5.0 PAYMENT UPON DELIVER

Payment for each unit shall be due within thirty (30) days after inspection and official acceptance of the unit by the City or the City's authorized agent and upon delivery of the unit in satisfactory condition to the City or the City's authorized agent. The six (6) units shall be delivered in 2014.

TECHNICAL SPECIFICATIONS**(FOR SPECIFICATIONS, PLEASE SEE AUTOCAR ATTACHMENT)**

Steve,

Attached is the final specifications and pricing for the (6) Autocar ACX64 with the Parker Run Wise drive system.

The \$ 26,000 per unit quantity discount is not reflected in the quote attachment. The Autocar software does not allow for it.

Sale Price for the Chassis	\$ 272,311.00
Quantity Discount from Parker	<u>26,000.00</u>

Final Price \$ 246,311.00 Each X (6) = \$1,477,866.00

We appreciate the opportunity.

Please feel free to call me with any questions or concerns.

Thanks,

Will Schafer
Government/Fleet Manager



303-301-7509 Direct
303-907-1357 Cell
303-288-2310 Fax

whschafer@transwest.com



ACX64 Class 8

Transwest Trucks
NA

Prepared By : WILL SCHAFER
whschafer@transwest.com

Prepared For : STEVE KIBLER
CITY OF LOVELAND

Wednesday, August 28, 2013 12:56:39 PM EST

Vehicle Specification

		Description	Front Weight	Rear Weight	Price	
AUTOCAR TRUCKS						
O	ENG0001	ENGINEERING GROUP IDENTIFIER	AUTOCAR ENGINEERING	0	0	0
S	0040002	MODELS	ACX64	10,293	6,139	158,995
O	5000002	CAB SHELL	SINGLE RIGHT HAND DRIVE CAB	0	0	600
O	100U001	CUSTOMER TYPE	MUNICIPAL	0	0	0
SOLUTION						
O	C04006	BODY COMPANY	LABRIE	0	0	0
O	C010013	APPLICATION	REFUSE - E3	0	0	0
O	C02004	BODY TYPE	AUTOMATED SIDE LOADER	0	0	0
O	C03002	TERRITORY	WEST COAST	0	0	0
O	C06502	BODY STYLE	LABRIE AUTOMIZER	0	0	0
O	C05031	TOTAL BODY CAPACITY - BODY/HOPPER	31 YARD	0	0	0
O	C070001	FUEL SYSTEM TYPE	DIESEL	0	0	0
O	C080001	REAR SUSPENSION TYPE	STD/BEAM TYPE REAR SUSPENSION	0	0	0
O	C090003	AXLE QUANTITY	3 AXLE	0	0	0
O	D010200	FRONT GAWR	20000 LBS	0	0	0
O	D020460	REAR GAWR	46000 LBS	0	0	0
O	D100660	GVWR	66000 LBS	0	0	0
VEHICLE ADAPTATION						
S	114010	COUNTRY OF USE	UNITED STATES STD MARKET ADAPTATION	0	0	0
ENGINE						
S	1580001	ENGINE VOCATION	COMMERCIAL - DOMESTIC (DOT)	0	0	0
O	1010044	ENGINE ASSY	XXXX ISL '10, 380HP @ 2100/1300 FT-LBS, CUMMINS	0	0	4,400
S	4460001	FUEL TYPE	ULTRA-LOW SULPHUR DIESEL FUEL REQUIRED	0	0	0
S	972A001	SPECIAL EMISSION CERTIFICATION LABELS	50 STATE - CALIFORNIA CLEAN IDLE CERTIFIED (DIESEL)	0	0	0
ENGINE EQUIP						
S	128071	ENGINE CONTROL SPECIFICATIONS	DEFAULT SPECS	0	0	0

Prepared By WILL SCHAFER
 Quote Id : E3 ASL revised
 Quote Number : Q0018362

Prepared For STEVE KIBLER
 CITY OF LOVELAND

S	1290001	ENGINE ELECTRONICS	CUMMINS DIESEL, W/PARKED MANUAL REGEN INITIATE SWITCH	0	0	0
O	1310006	BRAKE-ENGINE	CUMMINS VGT EXHAUST BRAKE	1	0	250
S	132034	ENGINE PROTECT SYSTEM/WARNINGS	AUDIBLE/VISUAL ALARM/LOP, HT, LWL	0	0	0
O	4380004	FILTER-FUEL, CHASSIS MOUNTED	FLEETGUARD FS 1003 F/W SEPARATOR W/HEATER, PROBE & DASH LIGHT	0	0	110
S	1700001	FILTER-FUEL, ENGINE MOUNTED	SECONDARY SPIN-ON FILTER, REMOTE MTD.	0	0	0
S	1750001	ENGINE OIL	STANDARD ENGINE OIL	0	0	0
O	180024	ENGINE BLOCK HEATER	PHILLIPS 120V 1000 WATT	5	0	150
O	1810004	HEATER RECEPTICAL LOCATION-ENGINE	RECEPTACLE LOCATED AT CAB STEPS, LH SIDE	1	0	15
S	2000004	RADIATOR	1300 SQ. IN., 2-ROW HIGH CAPACITY ALUMINUM	0	0	0
S	2080001	FAN & DRIVE-ENGINE	2-SPEED FAN	0	0	0
S	2090001	RADIATOR COOLANT	EXTENDED LIFE COOLANT	0	0	0
S	2120001	RADIATOR SURGE TANK	SURGE TANK WITH REMOTE FILL	0	0	0
O	2200002	AIR CLEANER	15" ONE STAGE EPG CLEANER W/SAFETY ELEMENT DONALDSON	3	0	50
S	226001	AIR INTAKE RAIN CAP	BLACK, HOOD TYPE	0	0	0
O	2300007	MUFFLER SYSTEM	HORZ DPF W/ LH VERTICAL SCR	10	0	215
S	2310003	EXHAUST SHIELDS	DPF & SCR SHIELDS	0	0	0
S	2320003	EXHAUST STACKS	VERTICAL DIFFUSER, SINGLE STAINLESS STEEL	0	0	0
O	2390001	UREA DELIVERY SYSTEM	OVER-FENDER MTD., RH SIDE, 10 GAL. CAPACITY	0	0	125
S	5300001	ENGINE/EXHAUST COVER	ALUM TURBO/EXHAUST PIPE DEBRIS SHIELD	0	0	0
S	700026	AIR COMPRESSOR	CUMMINS WABCO 18.7 CFM COMPRESSOR	0	0	0
S	8200002	STARTING MOTOR	DELCO REMY 12V 39 MT	0	0	0
O	8020005	ALTERNATOR	DELCO REMY 180 AMP, 28SI PAD MTD.	5	0	63
S	P010065	VEHICLE GOVERENED SPEED LIMIT	SPEED LIMIT 65MPH	0	0	0
O	P020015	ENGINE IDLE SHUT DOWN	ENGINE IDLE SHUTDOWN ENABLED (15 MINUTES)	0	0	0
S	P030001	CRUISE CONTROL PARAMETER	CRUISE CONTROL ENABLED	0	0	0
S	P641200	RPM PTO MODE	1200 RPM MAX IN PTO	0	0	0
S	P701200	PTO SET SWITCH	PTO SET SWITCH = 1200 RPM	0	0	0

Prepared By WILL SCHAFFER
 Quote Id : E3 ASL revised
 Quote Number : Q0018362

Prepared For STEVE KIBLER
 CITY OF LOVELAND

S	P711000	PTO RESUME SWITCH	PTO RESUME SWITCH = 1000 RPM	0	0	0
---	---------	-------------------	------------------------------	---	---	---

TRANSMISSION

O	2690002	CONTROL MODULE (ELECT)	PARKER RUNWISE PROGRAMMING	0	0	0
O	27G0001	TRANSMISSION GENERATION LEVEL	XXXX PARKER RUNWISE - GEN 2	0	0	0
O	26A0002	TRANSMISSION SHIFT SCHEDULE	XXXX LBSS - S1	0	0	0
O	2700019	TRANSMISSION	PARKER RUNWISE DRIVE SYSTEM	0	0	0
O	2840003	TRANSMISSION CONTROLS	PARKER RUNWISE CONTROL MODULE	0	0	0
O	2860001	COOLER-TRANSMISSION OIL	XXXX PARKER RUNWISE HYDRAULIC OIL COOLER	0	0	0
S	292004	TRANSMISSION LUBRICANT	TRANSYND SYNTHETIC AUTO TRANS FLUID	0	0	0
O	3000001	DRIVESHAFT-MAIN	1710 / 1760 FOR RUNWISE DRIVE SYSTEM	0	0	0

FRONT AXLE

S	3700002	FRONT AXLE	MERITOR MFS-20 STEER AXLE, 20000# CAPACITY	0	0	0
S	3690005	FRONT AXLE POSITION	52.5 INCHES	0	0	0
S	371135	FRONT SUSPENSION	9500 LOW CAMBER FLATLEAF 20,800 GR CAP	0	0	0
S	371T98	SUSPENSION, FRONT AUX	NO AUX LOAD CUSHION PROVIDED	0	0	0
S	373002	SHOCK ABSORBERS-FRONT	DOUBLE ACTING SINGLE - HEAVY DUTY	0	0	0
S	904011	HUBS-FRONT	STEEL HUB PILOTED,285MM BOLT CIRCLE	0	0	0
S	9400001	WHEEL OIL SEALS-FRONT	SCOTSEAL PLUS XL	0	0	0
S	9210001	HUB CAPS - FRONT AXLE	CR ZYTEL HUBCAP	0	0	0
S	374001	FRONT AXLE LUBRICANT	STANDARD	0	0	0
S	7510003	BRAKES-FOUNDATION, FRONT AXLE	MERITOR 16.5X6 QP	0	0	0
S	754009	BRAKE SLACK ADJUSTERS -FRONT AXLE	MERITOR AUTOMATIC	0	0	0
S	755001	DUST SHIELDS - FRT BRAKES	DUST SHIELDS - FRONT BRAKES	0	0	0
S	901001	BRAKE DRUM-FRONT	CAST IRON	0	0	0
S	387003	POWER STEERING RESERVOIR	FOUR QUART REMOTE MOUNTED	0	0	0

REAR AXLE

O	3300006	REAR DRIVE AXLE-SINGLE & TANDEM	DANA SPICER D46-170H 46K CAPACITY TANDEM	0	463	7,300
---	---------	---------------------------------	--	---	-----	-------

Prepared By WILL SCHAFFER
 Quote Id : E3 ASL revised
 Quote Number : Q0018362

Prepared For STEVE KIBLER
 CITY OF LOVELAND

O	330U001	REAR AXLE LUBE PUMP	DIFFERENTIAL PUMP - MERITOR	0	30	260
O	331430	REAR DRIVE AXLE RATIO	4.30	0	0	0
O	3500004	REAR SUSPENSION	HENDRICKSON HMX-460 SUSP @ 54" AS	0	0	715
S	351013	REAR SUSPENSION BEAMS	54 INCH STEEL RUBBER BUSHED	0	0	0
S	358005	TORQUE RODS	LONGITUDINAL & TRANSVERSE - RUBBER BUSHED	0	0	0
O	359001	SHOCK ABSORBERS-REAR	4 SHOCK ABSORBERS HENDRICKSON SUSPENSION	0	31	202
S	9130001	HUBS-REAR	IRON HUB, HP 10 STUD	0	0	0
S	3400001	REAR AXLE BREATHER	STANDARD AXLE BREATHER	0	0	0
S	9410001	WHEEL OIL SEALS-REAR	SCOTSEAL PLUS XL	0	0	0
S	339001	REAR AXLE LUBRICANT	STANDARD	0	0	0
S	7610003	BRAKES-FOUNDATION, REAR AXLE	ARVIN MERITOR 16.5X7 Q PLUS	0	0	0
S	764013	BRAKE SLACK ADJUSTERS -REAR AXLE	ARVIN MERITOR AUTOMATIC,TANDEM AXLE	0	0	0
S	765001	DUST SHIELDS - REAR BRAKES	DUST SHIELDS - REAR BRAKES	0	0	0
S	781012	BRAKE CHAMBERS- PARKING, TYPE/VENDOR	CAM TYPE MGM STOPGARD (4)	0	0	0
S	910001	BRAKE DRUM-REAR	CAST IRON	0	0	0

BRAKES

S	729002	AIR LINES-PARKING BRAKE, CHASSIS	AIR LINES CHASSIS PARK BRAKE	0	0	0
S	741047	BRAKE CONTROL SYSTEM	BENDIX ABS	0	0	0

CHASSIS

S	400210	WHEELBASE	210 INCHES	0	0	0
S	402104	FRAME-REAR OVERHANG	104"	0	0	0
S	403012	FRAME RAILS	3/8" VARIABLE DROP STEEL, EXT B	0	0	0
O	4090001	FRAME CROSSMEMBER- CENTER	7-PIECE STEEL W/ ALUM BOC X-MEMBER	22	118	0
O	411012	FRAME CROSSMEMBER- END CLOSING	STEEL CHANNEL MEMBER- IF REQUIRED	0	0	0
S	4120002	FRAME BOLTS	HUCKSPIN RR SUSP & CROSSMEMBERS	0	0	0
O	460002	BUMPER-FRONT	CHROMED STEEL	0	0	250
S	480002	TOWING DEVICE-FRONT	TWO REMOVABLE TOW PINS	0	0	0
O	892014	BACKUP ALARM	ECCO SMART ALARM SA917	0	1	155
O	430102	FUEL TANK-LEFT	60 GAL. 22" DIA.UNPAINTED ALUMINUM	-7	-3	-5

Prepared By WILL SCHAFFER
Quote Id : E3 ASL revised
Quote Number : Q0018362

Prepared For STEVE KIBLER
CITY OF LOVELAND

O	4470009	LH FUEL TANK SPACERS	LH FUEL TANK SPACED 6", DROPPED 0" - E3	10	8	165
S	4280001	DRILLING FUEL TK SUPT- LEFT	FUEL TANK MTD FWD LHS - STANDARD (IF PROVIDED)	0	0	0
O	433008	FUEL TANK SCREENS	FILL SCREEN/ANTI-SIPHON INSERT SINGLE TANK	1	0	22
S	436001	FUEL LINES	SAE J844 NYLON TUBING	0	0	0
O	8120003	BATTERY BOX	RH MTD PARALLEL TO FRAME, 3 BATT CAPACITY	10	20	279
X	8160002	BATTERY BOX SPACERS	BATTERY BOX SPACED 2", DROPPED 0"	5	1	48
S	8090001	BATTERY BOX DRILLING	BOX LOCATED AS FAR FORWARD AS POSSIBLE	0	0	0
S	810089	BATTERY	3 JOHNSON CONTROL 31ECL 12V 2250CCA	0	0	0
O	8140003	BATTERY SHUT-OFF SWITCH	SHUTOFF W/ LOCKOUT & EMERGENCY JUMPER STUDS	5	2	124
S	7110001	AIR TANK-BRAKE	STEEL AIR TANKS	0	0	0
O	7090001	AIR TANK DRILLING	AS MANY TANKS IN RAIL AS POSSIBLE	0	0	0
O	715009	WET TANK DRAIN	BENDIX DV-2 AUTOMATIC WITH HEATER	1	1	45
O	715T002	AIR RESERVOIR DRAIN SYSTEM	PULL CORDS, ALL TANKS	0	3	35
X	7130002	AIR DRYER	WABCO TWIN AIR DRYER	6	4	534
O	7100004	AIR DRYER DRILLING	AIR DRYER MTD OUTSIDE RAIL, RHS	0	0	0
S	724001	AIR LINES-CAB	SAE J844 NYLON TUBING	0	0	0
S	728001	AIR LINES-MAIN, CHASSIS	SAE J844 NYLON TUBING	0	0	0
CAB EXTERIOR						
S	4510001	STEP-CAB ACCESS, CAB MOUNTED	DUAL SELF CLEANING CAB ENTRANCE STEPS	0	0	0
S	462004	MUD FLAPS-FRONT WHEEL	FRONT FLAPS	0	0	0
S	502001	CAB DOORS	STEEL	0	0	0
O	502T02	DOOR CHECK STRAPS	L.H. DOOR CHECK STRAP	1	0	125
O	5120001	POWER WINDOWS	DUAL INTERNAL REGULATOR POWER WINDOWS	4	0	750
O	6220019	MIRRORS-DUAL WEST COAST	MIRROR, CHROME, HTD, REMOTE, W/ LWR HTD CONVEX	0	0	690
S	6190002	MIRROR ARMS	RETRACTABLE ARMS, STAINLESS STEEL	0	0	0
O	6180002	DOWN VIEW MIRRORS	SINGLE DOWN VIEW MIRROR, LH SIDE	0	0	0
S	6240001	GRAB HANDLES-ENTRY	BRUSHED SS GRAB HANDLES	0	0	0

O	630014	HORN-AIR	CHROME RECT WIDE SPACED W/COVER, DUAL	8	0	149
O	631002	HORN-ELECTRIC	DUAL	1	0	20
O	661002	CAB TILT MECHANISM- C.O.E.	HYDRAULIC TILT WITH AIR ASSIST	20	0	198
O	6720004	GRILLE	CHROMED AUTOCAR GRILLE	0	0	251
S	675001	BUG SCREENS	BUG SCREEN MOUNTED BEHIND GRILLE	0	0	0
S	6910001	FENDER EXTENSIONS- FRONT	IMPACT RESISTANT POLY FENDER	0	0	0
O	693002	UNDERCOAT	CAB CORROSION INHIBITOR	0	0	665

CAB INTERIOR

O	380003	STEERING WHEEL	18 INCH DIAMETER	2	0	5
X	3810001	STEERING COLUMN	ADJUSTABLE TILT STEERING COLUMN	0	0	0
O	5200001	SEAT-DRIVER	BOSTROM 910 HIGH BACK, AIR RIDE	4	0	100
O	5210001	SEAT-PASSENGER	BOSTROM 910 HIGH BACK, AIR RIDE	42	0	425
O	5220002	SEAT BELTS-DRIVER	THREE POINT RETRACTABLE, BRIGHT ORANGE COLOR	0	0	15
O	5230002	SEAT BELTS-PASSENGER	THREE POINT RETRACTABLE, BRIGHT ORANGE COLOR	0	0	15
O	5260001	SEAT INSERT	GREY CORDURA	0	0	15
S	538001	CARPET & MAT	MAT WITH FOAM BACK	0	0	0
S	5390001	CAB INTERIOR	AUTOTUFF INTERIOR UPHOLSTERY	0	0	0
S	5500001	CENTER CONSOLE	CENTER CONSOLE	0	0	0
S	5510001	REAR CONSOLE	REAR CONSOLE	0	0	0
S	5930001	ASH TRAY	ASHTRAY MTD IN CONSOLE	0	0	0
O	8750001	ADDITIONAL ELEC. SWITCHES	2 DASH SWITCHES, WIRED TO POWER	1	0	55

CAB CLIMATE CONTROL

O	060001	CAB TEMPERATURE SYSTEM	AIR COND INTEGRAL WITH HEATER/DEFROSTER	138	-27	1,025
---	--------	---------------------------	--	-----	-----	-------

GAUGES & INSTRUMENTATION

S	0570002	INSTRUMENTS SALES PKG	STANDARD GAUGES	0	0	0
S	1430001	TRUCK ELECTRICAL CONTROL MODULE	VEHICLE CONTROL UNIT	0	0	0
S	1360001	TACHOMETER/RPM TACHOGRAPH	ELECTRONIC TACHOMETER WITH HOURMETER	0	0	0
O	2250001	AIR INTAKE RESTRICTION INDICATOR	AIR INTAKE RESTRICTION GAUGE IN CAB	0	0	70

Prepared By WILL SCHAFFER
 Quote Id : E3 ASL revised
 Quote Number : Q0018362

Prepared For STEVE KIBLER
 CITY OF LOVELAND

O	2880002	MONITORING - TRANSMISSION OIL TEMP	XXXX RUNWISE TEMPERATURE GAUGE PACKAGE	0	0	0
S	4390001	GAUGE-FUEL LEVEL	ELECTRONIC FUEL LEVEL	0	0	0

LIGHTING

S	836005	LAMPS-HEAD	SINGLE ROUND HALOGEN	0	0	0
S	8410002	LAMPS-TURN SIGNAL - FRONT	LED FRONT TURN SIGNALS	0	0	0
S	8440003	SWITCH-TURN SIGNAL & FLASHER	SELF-CANCELING TURN SIGNALS	0	0	0
S	8510002	LAMPS-MARKER	AMBER LED ROOF MARKERS	0	0	0
S	859001	LAMPS-RUNNING	DAYTIME	0	0	0
S	8700001	CIRCUIT PROTECTION DEVICE	AUTO CIRCUIT BREAKERS	0	0	0

RADIO/MISC

O	5090001	KEY & LOCK SETS- IGN/DOORS	2 ADDITIONAL KEYS PER TRUCK (4 TOTAL)	1	0	20
O	5900005	RADIO	RADIO PREP IN OVERHEAD CONSOLE	3	0	145
O	5910002	ANTENNA/POWER SUPPLY	ANTENNA - ROOF MOUNTED	0	0	0
O	596005	RADIO SPEAKERS	2 DUAL CONE SPEAKERS	0	0	0

FRONT TIRES / WHEELS

S	9050015	WHEELS-DISC FRONT	22.5x9.0 STEEL HP, 5.25" INSET, 5HH	0	0	0
S	905T98	SPARE WHEELS FRONT	NO SPARE FRONT WHEELS	0	0	0
S	930469	TIRE SIZE & LOAD RANGE - FRONT	315/80R22.5L	0	0	0
O	9310046	TIRE MANUFACTURER & TREAD - FRONT	MICHELIN XZU-S 2 (RATED TO 10K) XXXX	26	0	472
S	931T98	SPARE FRONT TIRE	NO SPARE FRONT TIRES	0	0	0

REAR TIRES / WHEELS

O	9140016	WHEELS-DISC REAR	22.5X9.0 HD STEEL, HP, 5HH	0	240	800
S	914T98	SPARE WHEELS REAR	NO SPARE REAR WHEELS	0	0	0
O	933469	TIRE SIZE & LOAD RANGE - REAR	315/80R22.5L	0	0	0
A	9340005	TIRE MANUFACTURER & TREAD - REAR	MICHELIN XDY-3	0	0	2,994
S	934T98	SPARE REAR TIRE	NO SPARE REAR TIRES	0	0	0

PAINT

S	950001	CAB PAINT SCHEME	SINGLE COLOR PAINT	0	0	0
S	9550001	CAB PAINT TYPE	STANDARD WHITE	0	0	0
S	9801002	CAB COLOR-FIRST	APPROVED -- DPSS-N0007EX -- STANDARD WHITE N0007	0	0	0

Prepared By WILL SCHAFFER
 Quote Id : E3 ASL revised
 Quote Number : Q0018362

Prepared For STEVE KIBLER
 CITY OF LOVELAND

S	9861U1	CHASSIS COLOR	BLACK P3036	0	0	0
S	987949	BUMPER COLOR	SAME AS CHASSIS,UNPAINTED ALUM OR CHROME	0	0	0
S	988401	DISC WHEEL OR RIM COLOR	STEEL, E-COAT WHITE / ALUM-UNPAINTED	0	0	0

ADDITIONAL OPTIONS

S	899002	CHASSIS WARRANTY	STANDARD WARRANTY	0	0	0
O	899A004	TRANSMISSION WARRANTY	PARKER RUNWISE STD WARRANTY	0	0	0
O	899B020	ENGINE WARRANTY	2010 ISL TOTAL CONFIDENCE 5YRS / 150K MILES WARRANTY, PROG. RTM	0	0	2,200
S	978015	FLOOR PLAN	15 DAYS FLOORING	0	0	0
A	969V002	ADDITIONAL PRICE ADJUSTMENT	TEMPORARY INFLATION ADJUSTMENT	0	0	203
O	969B001	HYBRID DRIVE SYSTEM SURCHARGE	PARKER RUNWISE SYSTEM	2,236	1,414	99,500

OTHERS

S	R010999	READY TRUCK SPEC	NO READY SPEC	0	0	0
---	---------	------------------	---------------	---	---	---

SUB TOTALS

BASE WEIGHT/PRICE	10,293	6,139	158,995
FACTORY OPTION WEIGHT/PRICE	2,565	2,306	127,014
DISTRIBUTOR OPTION WEIGHT/PRICE	0	0	0

TOTALS

TOTAL PRICE (\$)			286,009
TOTAL WEIGHT (LB)	12,858	8,445	21,303

08/28/2013

Quote Summary

Values are in U.S. Dollar

EQUIPMENT	EACH	TOTAL
ACX64 Class 8	\$168,458.00	\$168,458.00
SINGLE RIGHT HAND DRIVE CAB		
QUANTITY	1	
ADDITIONAL PURCHASED COVERAGES	\$2,200.00	\$2,200.00
EPA SURCHARGE	\$0.00	\$0.00
ADDITIONAL PRICE ADJUSTMENT	\$203.00	\$203.00
HYBRID DRIVE SYSTEM SURCHARGE	\$99,500.00	\$99,500.00
FACTORY CONTRACT MODIFICATION	\$0.00	\$0.00
OUTSIDE CONTRACT FREIGHT	\$0.00	\$0.00
MISC/ORDER CHANGE FEES	\$0.00	\$0.00
ADDITIONAL SURCHARGE	\$0.00	\$0.00
NORTH AMERICAN FREIGHT	\$1,950.00	\$1,950.00
TOTAL EQUIPMENT PRICE	\$272,311.00	\$272,311.00

OTHER CHARGES	EACH	TOTAL
FET AMOUNT TOTAL	\$0.00	\$0.00
STATE TAX/OTHER FEES	\$0.00	\$0.00
TRADE-IN	\$0.00	\$0.00
TOTAL QUOTE	\$272,311.00	\$272,311.00

 Distributor Signature

 Customer Signature

 Date

 Date

- By signing the Quote Summary, Customer approves the information contained in the Quote, subject to final approval by Autocar. Autocar endeavors to provide but does not guarantee error-free Quotes. All price quotations are for informational purposes only, and prices are subject to change without notice. Final prices will be reflected on the invoice for the Autocar chassis or on a document expressly evidencing Autocar's intent to be bound. Autocar may substitute comparable components for those listed on any quote. Estimates of unloaded weight distribution are provided for informational purposes only, are not guaranteed by Autocar and do not take into account vehicle application, body type or other modifications. Autocar is not responsible for modifications to the Autocar chassis after shipment from the Autocar assembly plant. Modifications by body builders and other upfitters or converters may void the Autocar limited warranty in whole or in part.



Autocar, LLC

LIMITED WARRANTY CERTIFICATE

(This warranty certificate is applicable only to vehicles manufactured 01 January 2007 and later. For vehicles built prior to the above-stated date, refer to document: AC-WA-000-0210-P3-R001).

Autocar, LLC (Autocar), warrants the chassis of each new Autocar vehicle operated exclusively in the United States and Canada and placed in service after December 2006, specifically excluding the body installed on the chassis (Autocar Chassis), to be free from material defects in materials and workmanship upon the conditions, as limited and as otherwise set forth below (Limited Warranty).

1. Warranty Periods (subject to Exclusions below)

- All warranty periods begin on the date and at the mileage when the Autocar Chassis is placed in service.
- **BASIC WARRANTY TERM:** 12 months or 100,000 miles/161,000 kilometers, whichever occurs first. No mileage limitation on sealed air conditioning systems (12-month term only applies).
- **ENGINE WARRANTY TERM:** Engine not covered by this Limited Warranty (see Exclusions below).
- **DRIVELINE (CARRIER BEARINGS, HANGERS AND SHAFTS) AND REAR AXLE (DIFFERENTIAL CARRIER ASSEMBLY AND AXLE HOUSING) WARRANTY TERM:** 36 months or 300,000 miles/483,000 kilometers, whichever occurs first. Automatic transmission not covered by this Limited Warranty; it is covered by Allison Transmission's warranty terms (see Exclusions below).
- **CAB CORROSION WARRANTY TERM:** The cab structural warranty period is 60 months or 500,000 miles/805,000 kilometers, whichever occurs first. The cab corrosion warranty period is for 36 months or 300,000 miles/483,000 kilometers, whichever occurs first. Coverage by the cab corrosion warranty is limited to metal perforation; surface corrosion is not covered (see Exclusions below).
- **FRAME, CROSS MEMBERS AND FRAME BRACKETS FOR ENGINE/SUSPENSION MOUNTING WARRANTY TERM:** 60 months or 500,000 miles/805,000 kilometers, whichever occurs first.

2. Autocar's Obligations and Discretion

- Autocar's obligations are limited to, at its sole option, the repair or replacement of parts or components of the Autocar Chassis which are determined by Autocar in its sole discretion to be defective. At Autocar's obligation, parts or components may be replaced with factory rebuilds. Replaced parts or components are the property of Autocar.
- Warranty repairs and replacements performed by an authorized Autocar dealer in accordance with the terms of this Limited Warranty are free of charge to the owner of the Autocar Chassis.

3. Limitations

- This Limited Warranty is not extended for any time out of service for warranty repairs.
- This Limited Warranty covers only defects which are brought to the attention of an authorized Autocar dealer immediately upon discovery.
- THIS LIMITED WARRANTY IS THE ONLY EXPRESS WARRANTY PROVIDED BY AUTOCAR FOR YOUR AUTOCAR CHASSIS. AUTOCAR ASSUMES NO OTHER OBLIGATION OR LIABILITY IN CONNECTION WITH YOUR AUTOCAR CHASSIS OR YOUR VEHICLE. AUTOCAR DOES NOT AUTHORIZE YOUR SELLING DEALER, YOUR BODY MANUFACTURER OR ANY OTHER PERSON OR ENTITY TO ALTER, AMEND OR OTHERWISE CHANGE THIS LIMITED WARRANTY IN ANY MANNER.
- AUTOCAR IS NOT RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR EXPENSES YOU MAY CLAIM AS A RESULT OF YOUR USE OF YOUR AUTOCAR CHASSIS, INCLUDING BUT NOT LIMITED TO LOSS OF INCOME, DOWNTIME EXPENSES AND ANY OTHER COMMERCIAL LOSSES.

- YOU MAY HAVE SOME IMPLIED WARRANTIES ON YOUR AUTOCAR CHASSIS, SUCH AS AN IMPLIED WARRANTY OF MERCHANTABILITY OR AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. THESE IMPLIED WARRANTIES ARE LIMITED, TO THE EXTENT ALLOWED BY LAW, TO THE TIME PERIOD COVERED BY THIS LIMITED WARRANTY.

4. Exclusions (NOT covered by this Limited Warranty)

- **DAMAGE:** Damage due to accidents, misuse, negligence, improper operation, storage or transport, operation at excessive speeds, loading beyond the factory rated load capacity and improper or insufficient maintenance services.
- **APPLICATION:** Problems with vehicle application, including but not limited to incorrect axle or transmission gear ratios, failures caused by vehicle operation in excess of factory rated load capacities or failures caused by vehicle use for a purpose for which it was not intended.
- **ENVIRONMENTAL DAMAGE:** Damage to parts made out of cloth, leather, wood, rubber, synthetics, paint or chrome which have been exposed to the elements or chemicals, including but not limited to road salts, industrial fall-out or the improper cleaners, polishes or waxes.
- **GLASS:** Glass breakage and scratches (unless proof of material defect is established to Autocar's reasonable satisfaction).
- **SEVERE SERVICE:** Failure due to severe service of suspension parts, including but not limited to rubber bushings, torque rod bushings, spring pins and bushings.
- **ALTERATIONS:** Any Autocar Chassis repaired, maintained or altered in any manner inconsistent with Autocar service policies and procedures or by a third party other than an authorized Autocar dealer.
- **OPTIONAL EQUIPMENT:** Failure caused by improper conversion or installation of bodies or equipment by third party manufacturers, body builders, converters or suppliers.
- **ROUTINE MAINTENANCE:** Routine maintenance, including but not limited to replacement of oil filters, adjustments of the engine, injection pump, transmission, brakes and linkages, and all adjustments, diagnoses and tests. Parts normally consumed or worn out during a vehicle's normal service life and customarily replaced during routine maintenance, including but not limited to bulbs, brake and clutch linings, bushings, belts and wiper blades, are not covered after the first 30 days from the date in service as listed on the warranty registration form.
- **ALIGNMENT:** Alignment of axles and balancing of tires, including but not limited to changing of axle camber, caster, toe and thrust angle settings.
- **NON-GENUINE PARTS:** Any Autocar Chassis repaired by use of parts, accessories assemblies and exchange units which are not genuine Autocar replacement parts.
- **CAB STRUCTURE AND CORROSION:** Structural defects or corrosion that occur in areas of the cab that have been previously damaged, repaired, altered or modified.
- **TIRES, ENGINE AND AUTOMATIC TRANSMISSION:** The tires, engine and automatic transmission are not covered by this Limited Warranty and are warranted by their respective manufacturers.
- **ALTERED ODOMETER READING:** Any Autocar Chassis on which the odometer has been disconnected or the mileage reading has been altered.
- **CERTAIN LABOR:** Premium for overtime labor and shift differential and additional labor for an otherwise warrantable repair due to conversion or installation of bodies or equipment by third party manufacturers, body builders, converters or suppliers.
- **MISCELLANEOUS EXPENSE:** Road service, towing, meals, lodging, telephone calls, travel time, loss of cargo, downtime, shop supplies, lube oil, lubricants, sealers, anti-freeze, filter elements and labor performed by parties other than an authorized Autocar dealer.
- **ADDITIONAL COMPONENTS:** Components or parts that are not installed by an authorized Autocar dealer.

Cummins Protection Plan I for Refuse Applications

Coverage

This Extended Coverage Plan (Plan) is available to be purchased for all eligible Cummins Engines used in refuse applications marketed for use in the United States* and Canada under the trademark "Cummins" or "Cummins ReCon®". This Plan covers failures of the following Engine components which result, under normal use and service, from defects in Cummins material or factory workmanship (Covered Failure):

Cylinder Head Assembly	Front Gear Cover Assembly
Cylinder Head Capscrews	Front Crankshaft Seal and Wear Sleeve
Cylinder Head Gasket	Gear Housing
Valve Cover and Gasket	Gear Cover and Housing Gasket
Valve Collet	Turbocharger
Valve Crosshead	Injectors
Valve Guide	
Valve Guide Seal	
Valve Rotator	
Valve Spring	
Valve Spring Retainer	
Exhaust Valve	
Exhaust Valve Seat	
Intake Valve	
Intake Valve Seat	

This Plan begins at the expiration of the Base Engine Warranty period applicable to the Engine. Coverage ends at the time, miles (kilometers) or hours specified on the accompanying Certificate, whichever occurs first, AS MEASURED FROM THE CUMMINS BASE ENGINE WARRANTY START DATE.

Cummins Responsibilities

Cummins will pay for all parts and labor needed to repair the damage to the Engine resulting from a Covered Failure.

Cummins will pay for the lubricating oil, antifreeze, diesel exhaust fluid, filter elements and other maintenance items that are not reusable due to a Covered Failure.

Cummins will pay reasonable labor costs for Engine removal and reinstallation when necessary to repair a Covered Failure.

Owner Responsibilities

Owner is responsible for the operation and maintenance of the Engine as specified in the applicable Cummins Operation and Maintenance Manual. Owner is also responsible for providing proof that all recommended maintenance has been performed.

Before the expiration of this Plan, Owner must notify a Cummins distributor, authorized dealer or other repair location approved by Cummins, of any Covered Failure and make the Engine available for repair by such facility. Owner is also responsible for delivering the Engine to the repair facility.

Service locations are listed on the Cummins Worldwide Service Locator at cummins.com.

Owner is responsible for all towing and/or travel expenses incurred as a result of a Covered Failure.

Owner is responsible for the cost of lubrication oil, antifreeze, filter elements, belts, hoses and other maintenance items provided during covered repairs unless such items are not reusable due to the Covered Failure.

Owner is responsible for the communication expenses, meals, lodging and similar costs incurred as a result of a Covered Failure.

Owner is responsible for non-Engine repairs, "downtime" expenses, cargo damage, fines, all applicable taxes, all business costs and other losses resulting from a Covered Failure.

Owner is responsible for the cost to investigate complaints, unless the failure is caused by a defect in Cummins material or factory workmanship.

Limitations

Cummins is not responsible for failures or damage resulting from what Cummins determines to be abuse or neglect, including but not limited to: operation without adequate coolants or lubricants; overfueling; overspeeding; lack of maintenance of lubricating, cooling or intake systems; improper storage, starting, warm-up, run-in or shutdown practices; unauthorized modifications to the Engine.

Cummins is also not responsible for failures caused by incorrect oil or fuel, or by water or diesel exhaust fluid, dirt or other contaminants in the fuel or oil or diesel exhaust fluid.

This Plan does not apply to accessories supplied by Cummins which bear the name of another company. Such non-warranted accessories include, but are not limited to: alternators, starters, fans, air conditioning compressors, clutches, filters, transmissions, torque converters, steering pumps, non-Cummins fan drives, engine compression brakes, exhaust brakes and air compressors.

Cummins branded alternators and starters are not covered by this Plan.

Aftertreatment component failures are not covered by this Plan.

Failures resulting in excessive oil consumption are not covered by this Plan.

Parts used to repair a Covered Failure may be new Cummins parts, Cummins approved rebuilt parts or repaired parts. Cummins is not responsible for failures resulting from the use of parts not approved by Cummins.

A new Cummins or Cummins approved rebuilt part used to repair a Covered Failure under this Plan assumes the identity of the part it replaced and is entitled to the remaining Coverage hereunder. This Plan is transferable to subsequent Owners of the Engine by notifying a Cummins Distributor within 90 days of the transfer of ownership.

This Plan does not duplicate other coverages applicable to the Engine.

Fees paid for this Plan are not refundable.

Coverage purchase must be documented on a Cummins assurance Plan certificate. The certificate must be signed and dated by the customer.

CUMMINS DOES NOT COVER WEAR OR WEAROUT OF COVERED PARTS.

CUMMINS IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

EXCEPT FOR THE PUBLISHED CUMMINS WARRANTIES, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, OR OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

* Includes American Samoa, Commonwealth of Northern Mariana Islands, Guam, Puerto Rico and U.S. Virgin Islands.

COVERAGE ID: RTM



Cummins Inc.
Box 3005
Columbus, IN 47202-3005
U.S.A.

Bulletin 3381442 Printed in U.S.A. 02/10 ©2006 Cummins Inc.

Parker Hybrid Drive Systems Division Limited Warranty Policy for the Parker Runwise System

Parker will provide the warranty and for repairs or replacement, at its option, during the warranty period specified herein of each new RunWise Advanced Series Hybrid Drive (hereinafter "RunWise") that is installed in a Class 8 refuse vehicle with a body type in accordance with the following terms, conditions, and limitations.

Warranty: Parker warrants that each new RunWise transmission will be free from defects in material and workmanship for the period set forth herein. THIS WARRANTY COMPRISES THE SOLE AND ENTIRE WARRANTY PERTAINING TO PRODUCTS PROVIDED HEREUNDER. SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED, IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Warranty Term: The Warranty will be effective on the date of delivery to the first retail purchaser, as evidence by completion and return of the signed end user Warranty Registration Document and shall continue for a period of twenty-four (24) months.

Demonstration Service: The retail purchaser will be entitled to a full warranty term if the RunWise system in a new Class 8 refuse vehicle with a body type is demonstrated for a total of 5,000 miles or less. If the vehicle is within this limit when sold to a retail purchaser, the retail purchaser may return the Warranty Registration Document for the full warranty term. If the vehicle is sold to a retail purchaser after this limit is reached, the warranty period will begin on the date the vehicle was first placed into demonstration service and the retail purchaser will be entitled to the remaining portion of the warranty.

Obtaining Repairs: Upon notification in accordance with this Limited Warranty Policy, your Parker representative will direct you to the nearest Parker RunWise Distributor or authorized Repair Center. Needed repairs or replacements will be performed using the method Parker determines most appropriate under the circumstances.

Towing: Towing is covered to the nearest Parker Distributor or authorized Repair Center only when necessary to prevent further damage to the RunWise System. Proper towing procedures are set forth in the Operators Manual. Failure to adhere to these procedures will negate the coverage for towing, and may affect your warranty coverage.

Payment Terms: Warranty repairs for the RunWise system, including parts and labor, will be covered under this policy; provided the RunWise system has been maintained in accordance with the Parker Operator's Manual and no alteration of the general purpose of the system of Class 8 refuse vehicle has been made.

RunWise cradle removal and replacement: Labor cost and reinstallation of the RunWise system when necessary to make a RunWise warranty repair is covered by this warranty.

HDS-FCD-0029; Rev1



ENGINEERING YOUR SUCCESS.

Denied Coverage: Warranty Coverage will be denied for any of the following, Damage due to Accident, Misuse, or Alteration including:

- Flood, collision, fire, theft, freezing, vandalism, riot, explosion, or objects striking the vehicle or the RunWise system.
- Misuse of the vehicle
- Installation into unapproved applications and installations
- Alterations or modification of the RunWise system
- Damage resulting from improper storage
- Anything other than defects in RunWise system material workmanship

NOTE: This warranty is void on RunWise Advanced Series Hydraulic Hybrid in vehicles currently or previously titled as salvaged, scrapped, junked, or totaled.

Chassis, Body, and Components: The Chassis and Body Company (assemblers) and other component and equipment manufacturers are solely responsible for warranties on the chassis, body, components, and equipment they provide. Any RunWise repair caused by an alteration made to the RunWise system or the vehicle which allows the RunWise system to be installed and operated outside of the limits defined in the appropriate RunWise Installation Guideline is solely the responsibility of the entity making the alteration.

Damage Caused by Lack of Maintenance or by the USE OF TRANSMISSION FLUID NOT RECOMMENDED in the OPERATOR'S MANUAL.

Defects and damage caused by any of the following are not covered:

- Failure to follow the recommendations of the maintenance schedule intervals applicable to the transmission
- Failure to use transmission fluids or maintain transmission fluid levels recommended in the Operator's Manual.

Maintenance: Normal Maintenance (such as replacement filters, screens, and transmission fluids) is not covered and is owner's responsibility.

Repairs by Unauthorized Dealers: Repairs performed by or Defects and Damage caused by an unauthorized Distributor/Dealer are not covered.

Use of other than Genuine Parker Parts: Defects and Damage caused by other than Genuine Parker Parts are not covered.

Limitation of Remedy: IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND OR NATURE WHAT SO EVER, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOSS OF VEHICLE USE, INCONVENIENCE, STORAGE FEES, LOST WAGES, VEHICLE RENTAL COSTS AND TRAVEL COSTS, ARISING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ITEMS SOLD HEREUNDER, WHETHER ALLEGED TO ARISE FROM BREACH OF CONTRACT, EXPRESS OR IMPLIED WARRANTY, OR IN TORT, INCLUDING WITHOUT LIMITATION, NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY.

HDS-FCD-0029; Rev1



ENGINEERING YOUR SUCCESS.

Parker Hannifin Corporation Hybrid Drive Systems Division Limited Major Component Protection Plan for the Parker RunWise System

Parker will provide the Major Component Protection Plan and for repairs or replacement, at its option, during the coverage period specified herein of each new RunWise Advanced Series Hybrid Drive Major Components as listed herein Low Pressure Reservoir (LPR), Power Drive Unit (PDU), C24 Gear Pumps – Primary and both Secondary C24 Pumps, High Pressure Block, All Sensors, Electronic Control Units (ECU) – Primary and Secondary ECU's, Cooler Assembly, Cooler Fan, Fan Hydraulic Motor, Four Stage Gear Pump (hereinafter "RunWise") that is installed in a Class 8 refuse vehicle with a body type in accordance with the following terms, conditions, and limitations.

Warranty: Parker warrants that each new RunWise transmission will be free from defects in material and workmanship for the period set forth herein. THIS WARRANTY COMPRISES THE SOLE AND ENTIRE WARRANTY PERTAINING TO PRODUCTS PROVIDED HEREUNDER. SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED, IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Items not covered include Maintenance as recommended in the RunWise Maintenance Guide, filter replacement and replacement or repair of Hoses.

Term: The Major Component Protection Plan will be effective on the date of delivery to the first retail purchaser, as evidence by completion and return of the signed end user Warranty Registration Document and shall continue for a period of sixty (60) months, unlimited miles.

Demonstration Service: The retail purchaser will be entitled to a full warranty term if the RunWise system in a new Class 8 refuse vehicle with a body type is demonstrated for a total of 5,000 miles or less. If the vehicle is within this limit when sold to a retail purchaser, the retail purchaser may return the Warranty Registration Document for the full warranty term. If the vehicle is sold to a retail purchaser after this limit is reached, the warranty period will begin on the date the vehicle was first placed into demonstration service and the retail purchaser will be entitled to the remaining portion of the warranty.

Obtaining Repairs: Upon notification in accordance with this Limited Warranty Policy, your Parker representative will direct you to the nearest Parker RunWise Distributor or authorized Repair Center. Needed repairs or replacements will be performed using the method Parker determines most appropriate under the circumstances.

Towing: Towing is not covered. Should towing be required proper towing procedures are set forth in the Operators Manual. Failure to adhere to these procedures will negate the Major Component warranty coverage.



ENGINEERING YOUR SUCCESS.

Payment Terms: Major Component Repairs for the RunWise system, including parts and labor, will be covered under this policy; provided the RunWise system has been maintained in accordance with the Parker Operator's Manual and no alteration of the general purpose of the system of Class 8 refuse vehicle has been made. RunWise cradle removal and replacement: Labor cost and reinstallation of the RunWise system when necessary to make a RunWise warranty repair is covered by this warranty.

Denied Coverage: Warranty Coverage will be denied for any of the following, Damage due to Accident, Misuse, or Alteration including:

- Flood, collision, fire, theft, freezing, vandalism, riot, explosion, or objects striking the vehicle or the RunWise system.
- Misuse of the vehicle
- Installation into unapproved applications and installations
- Alterations or modification of the RunWise system
- Damage resulting from improper storage
- Anything other than defects in RunWise system material workmanship

NOTE: This Major Component Protection Plan is void on RunWise Advanced Series Hydraulic Hybrid in vehicles currently or previously titled as salvaged, scrapped, junked, or totaled.

Chassis, Body, and Components: The Chassis and Body Company (assemblers) and other component and equipment manufacturers are solely responsible for warranties on the chassis, body, components, and equipment they provide. Any RunWise repair caused by an alteration made to the RunWise system or the vehicle which allows the RunWise system to be installed and operated outside of the limits defined in the appropriate RunWise Installation Guideline is solely the responsibility of the entity making the alteration.

Damage Caused by Lack of Maintenance or by the USE OF TRANSMISSION FLUID NOT RECOMMENDED in the OPERATOR'S MANUAL.

Defects and damage caused by any of the following are not covered:

- Failure to follow the recommendations of the maintenance schedule intervals applicable to the transmission
- Failure to use transmission fluids or maintain transmission fluid levels recommended in the Operator's Manual.

Maintenance: Normal Maintenance (such as replacement filters, screens, and transmission fluids) is not covered and is owner's responsibility.

Repairs by Unauthorized Dealers: Repairs performed by or Defects and Damage caused by an unauthorized Distributor/Dealer are not covered.

Use of other than Genuine Parker Parts: Defects and Damage caused by other than Genuine Parker Parts are not covered.



ENGINEERING YOUR SUCCESS.

Limitation of Remedy: IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND OR NATURE WHAT SO EVER, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOSS OF VEHICLE USE, INCONVENIENCE, STORAGE FEES, LOST WAGES, VEHICLE RENTAL COSTS AND TRAVEL COSTS, ARISING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ITEMS SOLD HEREUNDER, WHETHER ALLEGED TO ARISE FROM BREACH OF CONTRACT, EXPRESS OR IMPLIED WARRANTY, OR IN TORT, INCLUDING WITHOUT LIMITATION, NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY.



ENGINEERING YOUR SUCCESS.



CITY OF LOVELAND
HUMAN RESOURCES DEPARTMENT
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2371 • FAX (970) 962-2919 • TDD (970) 962-2620

AGENDA ITEM: 13
MEETING DATE: 9/17/2013
TO: City Council
FROM: Julia Holland, Director of Human Resources
PRESENTER: Julia Holland

TITLE:

Healthstat Employee Clinic Update

RECOMMENDED CITY COUNCIL ACTION:

Information only item. No action is required.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an information only item to update Council on the City's Employee Clinic.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

The Employee Clinic, Healthstat, has been open to employees and dependents on the medical plan, since April 2011. The Clinic was initially projected to achieve a full return on investment within five years of implementation and to start providing cost savings within three years. Although there is insufficient data at this time to determine a full return on investment, this report is intended to update Council on the progress of the Clinic.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

1. Employee Clinic Update Presentation

Healthstat Employee Clinic

Impact Analysis

Clinic Overview

- Implemented in April 2011
- Operates 30 hours per week, staffed by Physician's Assistant and Office Assistant
- Provides preventive care, acute care, laboratory services, generic prescriptions, and wellness services
- Service is provided for medical plan participants and their dependents ages 2 and up
- No cost, fees, or copays for clinic services for participants
- Participants (employees and spouses) are required to complete a Health Risk Assessment in order to utilize clinic services

Clinic Objectives

- Reduce the cost of medical care through controlled costs for office visits, prescriptions, and laboratory services
- Reduce healthcare inflation/trend to help mitigate rising cost of healthcare
- Improve employee health through health risk and disease management programs
- Increase productivity by reducing time employees spend away from work for medical care

Clinic Analysis

- **Estimated Claims Savings**
 - Measures actual claims versus projected claims and cost of clinic
- **Clinic Utilization**
 - Examines participation (employee/dependent) versus total eligible
- **Estimated Cost Diversion Savings**
 - Compares cost of a clinic visit versus the cost of a typical Physician Office Visit
 - Considers the differences in the length of time employees spend away from work for a clinic visit versus Physician visit.
- **Health & Wellness Impact**
 - Examines the improvement of Risk Factors for those participants who have at least two Health Risk Assessment measurements.

Estimated Claims Costs/Savings

- Assumes without Clinic the City would have a 7% increase in claim cost annually due to trend/medical inflation
- Reduces claims savings by total clinic expenses

Year	Projected Claims (Cost)/Savings	Actual Claims (Cost)/Savings
2011	(\$158,184)	(\$199,370)
2012	(\$40,883)	\$1,570,876
2013	\$178,824	\$500,990 (projected)
2014	\$608,470	\$705,222 (projected)
2015	\$1,050,209	\$919,606 (projected)

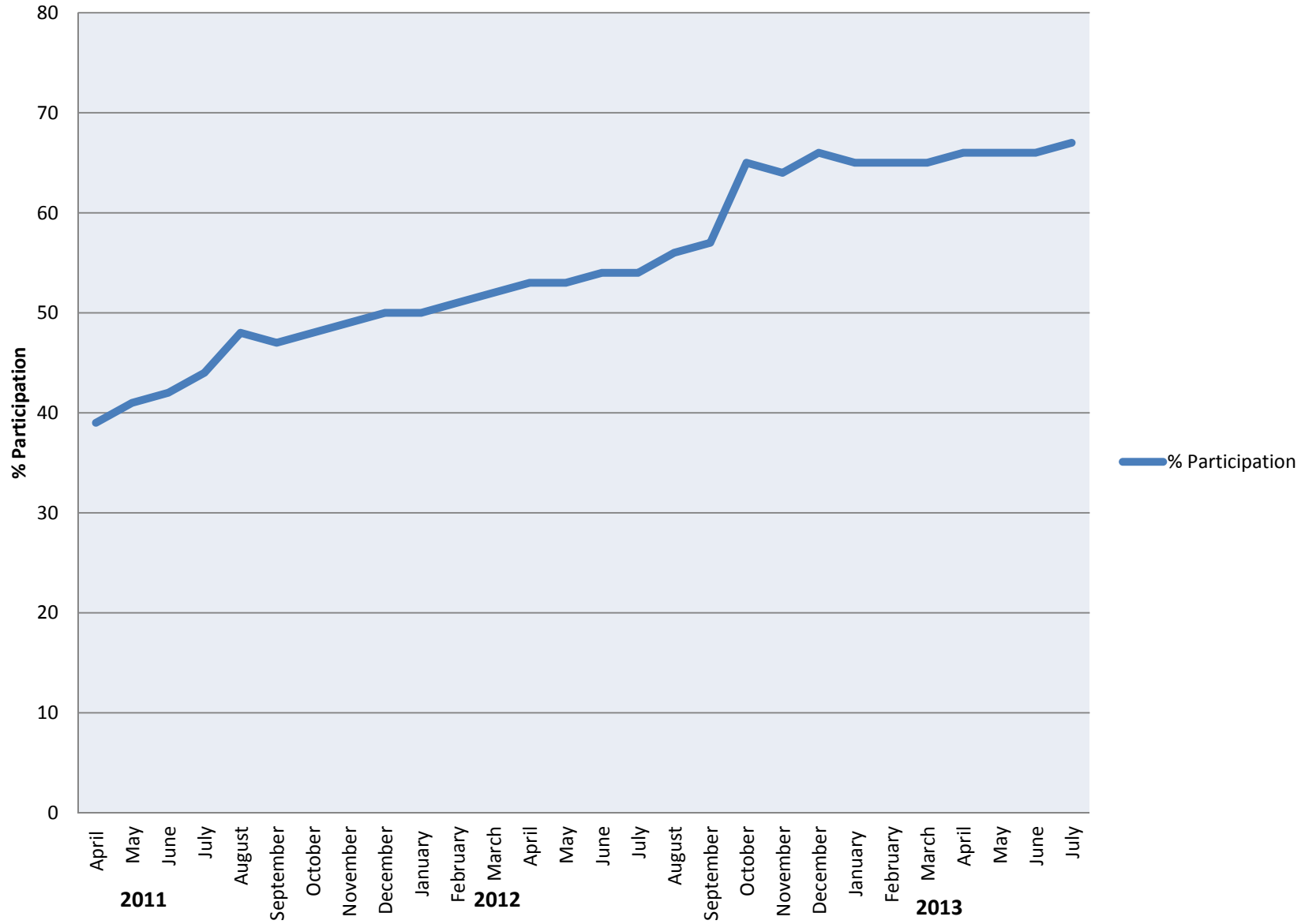
Clinic Utilization

- In 2013 averaging 279 visits per month and seeing an average of 200 patients per month
- In 2013 averaging 2.33 visits per hour (maximum utilization is considered 3 visits per hour)
- Overall clinic participation is 65%, which is considered very high for a clinic that does not have a mandatory compliance program

Year	Projected Participation	Actual Participation
2011	31%	45%
2012	36%	56%
2013	41%	66%
2014	46%	71% (projected)
2015	46%	76% (projected)

Clinic participation includes employee/dependent usage versus total eligible

Clinic Utilization April 2011- July 2013



Cost Diversion Analysis (2012)

- Physician Visits
 - Estimated average cost of a regular physician office visit \$120*
 - Estimated average cost of a clinic visit \$115
 - Equals a total savings of \$14,355
- Lost Time Savings
 - Average physician office visit takes 3 hours
 - Clinic office visit takes 45 minutes
 - Estimated lost time work savings of 2.25 hours per visit
 - Per 2,871 visits, estimated work hours saved equals 6,459.75 hours

**Per historical claims data from 2011 & 2012*

Health & Wellness Impact

CHANGE IN RISKS	Total Cholesterol	LDL Cholesterol	HDL Cholesterol	Systolic BP	Diastolic BP	Triglycerides	Glucose
Goals	< 200	< 130	> 40	< 140	< 90	< 150	< 100
TOP 20%	n=76	n=74	n=76	n=92	n=92	n=76	n=77
First HRA Average	239	155	34	144	91	260	115
Most Recent Average	218	138	39	134	86	219	109
% Difference	-9%	-11%	16%	-7%	-6%	-16%	-5%

Illustrates significant improvement in 7 important risk categories within top 20% of high risk patients/participants.

Summary

- Cost reduction/control on target
 - A true return on investment is difficult to determine until there are at least 3 full years of experience to analyze
 - After 5 years of experience the return on investment analysis is considered to be fully credible
 - After 5 years it is expected the city will have significant cost savings, equal to 50% of trend
- Employee satisfaction
 - Satisfaction survey
 - Significant impact in several situations for employee health and well-being

QUESTIONS OR COMMENTS?



CITY OF LOVELAND
PARKS & RECREATION DEPARTMENT
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2303 • FAX (970) 962-2903 • TDD (970) 962-2620

AGENDA ITEM: 14
MEETING DATE: 9/17/2013
TO: City Council
FROM: Gary Havener, Parks and Recreation Department
PRESENTER: Janet Meisel-Burns, Project Manager

TITLE:

1. An Ordinance Enacting a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for the Full Build Out and Construction of Mehaffey Park in the amount of \$2,800,000
2. Motion to Authorize the City Manager to Amend the Contract with ECI, Site Construction Management, Inc., as the Construction Manager/General Contractor (CM/GC) for the Guaranteed Maximum Price (GMP #2) of not to Exceed \$ 7,500,000 for Completion of Construction and Full Build Out of Mehaffey Park; Subject to the Express Condition that this Amendment Shall Not be Completed Unless and Until the Supplemental Appropriation Ordinance for an Additional \$2,800,000 is Passed on Second Reading and Becomes Effective

RECOMMENDED CITY COUNCIL ACTION:

1. Conduct a public hearing and approve the ordinance on first reading.
2. Approve the motion.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (as outlined below)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

1. This is an administrative action. This ordinance will approve a supplemental appropriation for the construction of Mehaffey Park project with an additional \$2,800,000 from the following funds: \$1,300,000 from Parks CEF fund, \$ 1,000,000 from the Conservation Trust Fund (Lottery) and \$500,000 from the Recreation CEF Fund, all parks and recreation dedicated funding sources.
2. This is an administrative action. ECI, Site Construction Management, Inc., Logan Simpson Design, Inc. and staff have concluded additional analysis of the competitive bid submittals and have determined a recommended Guaranteed Maximum Price of not to exceed \$ 7,500,000 for GMP #2 for the balance of construction of Mehaffey Park. On

August 6, 2013 Council authorized GMP #1 for site work, which is underway. GMP # 2 is the recommended action as approved by the Parks and Recreation Commission and our project team.

BUDGET IMPACT:

- Positive
- Negative
- Neutral or negligible

Supplemental funding in the amount of \$2,800,000 is required for the construction costs to complete GMP #2. The Mehaffey Park Project has a current budget of \$7,669,500. This additional \$2,800,000 appropriation will take the total construction cost to \$10,669,500. Sufficient funding is currently available in the fund balances to provide funding for this request. It is anticipated that the only short term project impacted would be the extension of 1 year to fund the Phase 2, Loveland Sports Park development. This schedule is in the current 5 and 10 year capital projects funding plan.

BACKGROUND:

On August 6, 2013, Council approved GMP #1 in the amount of \$2,900,000 which included over lot grading, site work and utility installation. With additional research and analysis of bids and alternates, the project team is requesting the additional appropriation for the full build out of the master plan for the park.

Several factors contribute to the supplemental funding request for the full build out approach and additional costs for the project above the current budget which include: 1) Acquisition of additional 9.36 acres to expand the park to 69.36 acres. The land and associated water costs was \$775,000. 2) Original budget was to develop 40 acres of the park and phase the balance of the development over years. The Parks and Recreation Commission, as well as the community input process, have expressed overwhelming support for full build out of 64.36 acres, an estimated 35% acreage increase at about \$1,000,000 additional cost, in lieu of multi-year phasing. 3) Based on community input, the citizens have asked for more facilities such as 8 tennis courts instead of 4, a larger skate park facility, dog park area and an expanded playground. 4) The bidding climate has changed over the past 5 years easily adding to more than a 10% increase in construction costs with fewer smaller contractors available and higher materials costs. There is currently a large amount of construction projects in progress in Northern Colorado for the larger companies.

As a comparison, Fairgrounds Park, was constructed in 2006-07 at \$198,000 per acre with many specialized features. Loveland Sports Park was constructed in 2004 at \$139,000 per acre during a very favorable bidding climate. Mehaffey Park with full build out will be at \$164,000 per acre construction costs.

An alternative to not approving the additional appropriation of \$2,800,000 would be to phase the construction, delaying the northern section of the park which would remove the tennis/pickle ball court complex, skate park, northern restroom, shelter, landscaping and a portion of the parking area. This option takes into consideration the design, constructability, and overall function and use of the remainder of the park, as well as the most efficient use of current construction funds.

REVIEWED BY CITY MANAGER:

William D. Cavill

LIST OF ATTACHMENTS:

1. Ordinance
2. Maps A & B

FIRST READING September 17, 2013

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET FOR THE FULL BUILD OUT AND CONSTRUCTION OF MEHAFFEY PARK

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2013; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2013, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That reserves in the amount of \$1,300,000 from the Park Capital Expansion Fee Fund, \$500,000 from the Recreation Capital Expansion Fee Fund, and \$1,000,000 from the Conservation Trust Fund are available for appropriation. Revenues in the total amount of \$2,800,000 are hereby appropriated for full build out and construction of Mehaffey Park. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Capital Projects Fund 120**

Revenues		
120-00-000-0000-37260-PK0802	Transfer from Park Capital Expansion Fee Fund	1,300,000
120-00-000-0000-37261-PK0802	Transfer form Recreation CEF Fund	500,000
Total Revenue		1,800,000
Appropriations		
120-51-562-0000-49360-PK0802	Construction	1,800,000
Total Appropriations		1,800,000

**Supplemental Budget
Conservation Trust Fund 201**

Revenues		
Fund Balance		1,000,000
Total Revenue		1,000,000
Appropriations		
201-51-562-0000-49399-PK0802	Other Capital	1,000,000
Total Appropriations		1,000,000

**Supplemental Budget
Parks Capital Expansion Fee Fund 260**

Revenues		
Fund Balance		1,300,000
Total Revenue		1,300,000
Appropriations		
260-51-562-0000-47120-PK0802	Transfer to Capital Projects Fund	1,300,000
Total Appropriations		1,300,000

**Supplemental Budget
Recreation Capital Expansion Fee Fund 26**

Revenues		
Fund Balance		500,000
Total Revenue		500,000
Appropriations		
261-51-536-0000-47120-PK0802	Transfer to Capital Projects Fund	500,000
Total Appropriations		500,000

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

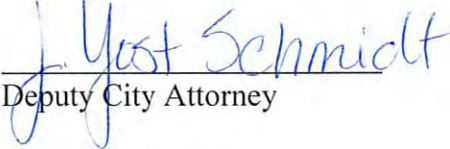
ADOPTED this ___ day of October, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

MEHAFFEY PARK

Full Build Out

\$10.4M

Includes:

- 7 – Tennis & 1 Pickleball Courts + Shelter
- 3 - Multi-purpose Fields
- 1 Basketball Court
- 15K SF Skate Park + Shelter
- Dog Park + Shelter
- Picnic Knoll
- 2 - Group Picnic Shelters
- 2 – Restrooms & Maintenance Bldg.
- Adventure Playground + Shelter
- Bridge and Overlook
- Arboretum
- Irrigation/Detention Pond
- 29th & 22nd Street Access
- Parking



EXHIBIT A

MEHAFFEY PARK

\$7.669 M

Alternate Option

Current Budget

Includes:

- 2 - Multi-purpose Fields
- Dog Park + Shelter
- Picnic Knoll
- 1 - Group Picnic Shelters
- 1- Restrooms & Maintenance Bldg.
- Adventure Playground + Shelter
- Arboretum – reduced landscape and irrigation
- Irrigation/Detention Pond
- 29th & 22nd Street Access
- Parking – reduced in North Lot



EXHIBIT B

Mehaffey Park Master Plan
09/05/2012