

MINUTES
LOVELAND CITY COUNCIL MEETING
THE WATER ENTERPRISE BOARD
TUESDAY, AUGUST 5, 2014
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

6:30 P.M. REGULAR MEETING - City Council Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Fogle, Gutierrez, Shaffer, Taylor, Clark, Farley, McKean, Trenary and Krenning responded.

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. Members of the public 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 comments to no more than three minutes.

CONSENT AGENDA

Mayor Gutierrez asked if anyone in the audience, Council or Staff wished to remove any of the items or public hearings listed on the Consent Agenda. Councilor Krenning asked to move Item #9 to the Regular Agenda. Councilor Shaffer moved to approve the Consent Agenda with the exception of Item #9. Councilor Trenary seconded the motion which carried with all councilors present voting in favor thereof.

- 1.****CITY CLERK** **(presenter: Terry Andrews)**
APPROVAL OF MEETING MINUTES
- 1. A Motion to Approve the Council Study Session Minutes for the June 24, 2014 Study Session was approved.**
This is an administrative action to approve the City Council Study Session minutes for the June 24, 2014 Study Session.
- 2. A Motion to Approve the Council Meeting Minutes for the July 1, 2014 Regular Meeting was approved.**
This is an administrative action to approve the City Council meeting minutes for the July 1, 2014 regular meeting.
- 3. A Motion to Approve the Council Meeting Minutes for the July 15, 2014 Regular Meeting was approved.**

This is an administrative action to approve the City Council meeting minutes for the July 15, 2014 regular meeting.

2. **CITY MANAGER** (presenter: Bill Cahill)
BOARDS & COMMISSIONS APPOINTMENTS
Appointment of Members to the Citizens' Finance Advisory Board, Human Services Commission, Loveland Utilities Commission, Senior Advisory Board, and Transportation Advisory Board
1. A motion to appoint Victor Palomares to the Citizens' Finance Advisory Board for a partial term effective until December 31, 2014 was approved.
 2. A motion to appoint Sonnette Greenidge to the Human Services Commission for a term effective until June 30, 2017 was approved.
 3. A motion to reappoint April Lewis to the Human Services Commission for a term effective until June 30, 2017 was approved.
 4. A motion to appoint Jo Anne Warner to the Human Services Commission for a term effective until June 30, 2017 was approved.
 5. A motion to appoint Rebecca Paulson as an alternate member on the Human Services Commission for a term effective until June 30, 2015 was approved.
 6. A motion to appoint Marcy Yoder as an alternate member on the Human Services Commission for a term effective until June 30, 2015 was approved.
 7. A motion to appoint Jennifer Gramling to the Loveland Utilities Commission for a full term effective until June 30, 2017 was approved.
 8. A motion to reappoint Phoebe Hawley as the McKee Medical Center Seasons Club representative on the Senior Advisory Board for a term effective until August 5, 2016 was approved.
 9. A motion to reappoint Irene Fortune to the Transportation Advisory Board for a term effective until June 30, 2017 was approved.
 10. A motion to reappoint Dave Martinez to the Transportation Advisory Board for a term effective until June 30, 2017 was approved.
 11. A motion to reappoint Bob Massaro to the Transportation Advisory Board for a term effective until June 30, 2017 was approved.
- These are administrative actions recommending the appointment of members to the Citizens' Finance Advisory Board, the Human Services Commission, the Loveland Utilities Commission, the Senior Advisory Board, and the Transportation Advisory Board.
3. **DEVELOPMENT SERVICES** (presenter: Bethany Clark)
HISTORIC LANDMARK DESIGNATION FOR THE SCOTT HOUSE
A Motion to Approve and Order Published on Second Reading Ordinance #5870 Designating as a Historic Landmark the Scott House Located at 719 East 5th Street in Loveland, Colorado was approved.
This is a legislative action. The owner of a Craftsman-style home on East 5th Street is requesting Loveland Historic Landmark designation to recognize the building's architecture and cultural significance in Loveland. The Historic Preservation Commission acknowledges the building's significance and recommends that City Council designate the building to the Loveland Historic Register. This ordinance was approved unanimously on first reading by Council at the July 15, 2014 regular meeting.
4. **PARKS & RECREATION** (presenter: Janet Meisel-Burns)
SUPPLEMENTAL APPROPRIATION FOR MOREY/MARIANA RIVERWORK AND VIESTENZ-SMITH MOUNTAIN PARK
A Motion to Approve and Order Published on Second Reading Ordinance #5871 Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland

Budget for Engineering Work to Develop River Modeling Along the River Reaches of the Morey Wildlife Reserve/Mariana Butte Golf Course, River's Edge Natural Area and Viestenz-Smith Mountain Park was approved.

This is an administrative action. The ordinance on second reading appropriates funding for engineering costs to determine the scope for 4 park and recreation projects that require hydraulic modeling and river scour analysis prior to the full restoration of the sites. The total appropriation is \$500,000. Depending on the final determination from FEMA, some of these costs may be eligible for reimbursement and other grant opportunities that may arise. In particular the costs for Mariana Butte Golf Course's share will likely not be reimbursed but the Viestenz-Smith Mountain Park costs may be covered under the reimbursement from FEMA if the project is selected for the Alternative Pilot Program. This ordinance was approved unanimously on first reading by Council at the July 15, 2014 regular meeting.

5. **ECONOMIC DEVELOPMENT** (presenter: Betsey Hale)
SUPPLEMENTAL APPROPRIATION FOR LEGAL COSTS ASSOCIATED WITH NEW DOWNTOWN ORGANIZATION

A Motion to Approve and Order Published on Second Reading Ordinance #5872 Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Legal Costs to Assist in the Formation of a New Downtown Organization was approved.

This is an administrative action requesting a supplemental budget and appropriation of \$50,000 for the purpose of hiring legal counsel to assist with the formation of a downtown leadership organization. The ordinance is funded by fund balance in the General Fund that reduces the flexibility to fund other projects. The ordinance was approved unanimously on first reading by Council at the July 15, 2014 regular meeting.

6. **ECONOMIC DEVELOPMENT** (presenter: Marcie Erion)
SUPPLEMENTAL APPROPRIATION AND FEE WAIVER AGREEMENT FOR THARP CABINET CORPORATION

A Motion to Approve and Order Published on Second Reading Ordinance #5873 Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Incentives to Tharp Cabinet Corporation for the Expansion of its Current Facility was approved.

This is an administrative action. The incentive request on behalf of Tharp Cabinet Corporation will waive City of Loveland fees and taxes associated with an expansion of their current facility. The City of Loveland is being asked to waive up to but not to exceed \$100,000 of fees and taxes based on final fee calculations provided at time of building permit issuance. The funds to backfill the Capital Expansion Fees and System Impact Fees will come out of the Economic Development Incentive Fund contingent upon City Council approval. Based on the current fee estimate, the fee waivers amount to \$40,000 with the backfill of Capital Expansion Fees and System Impact Fees in the amount of \$60,000. These figures may change based on final building plan submittal. The ordinance was approved unanimously on first reading by Council at the July 15, 2014 regular meeting.

7. **ECONOMIC DEVELOPMENT** (presenter: Mike Scholl)
SUPPLEMENTAL APPROPRIATION FOR SOUTH CATALYST PROJECT

A Motion to Approve and Order Published on Second Reading Ordinance #5874 Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for the Purchase of Property for the South Catalyst Project was approved.

This is an administrative action. The ordinance on second reading appropriates \$6.25 million to fund the acquisition of Downtown property in support of the South Catalyst

redevelopment project. The proposed project, a partnership with the Michaels Development Company and Larimer County, is expected to result in a vertically dense mixed-use project that would include office, residential and retail. The total investment is expected to generate between \$50 to \$70 million. The project was originally conceived in the 2010 Downtown Vision book as the South Catalyst project. The Vision book also conceived the recently completed North Catalyst project, the Gallery Flats apartment buildings. Staff identified the Michaels Development Company as a private sector development partner for the project and Council approved a six month exclusive right to negotiate in February of 2014. The negotiations are moving forward with Michaels and we expect an update to Council by August 5, 2014. The ordinance is funded by General Fund Reserves (\$2,250,000) and Council Capital Reserve (\$4,000,000) that reduces the flexibility to fund other projects. The current balance in the General Fund Reserves is \$13,393,673. The new balance, pending approval of this supplemental appropriation request, will be \$11,143,673. The Council Capital Reserve balance is \$4,063,570 and pending approval of this supplemental appropriation request the new balance will be \$63,570. This ordinance was approved unanimously by Council at the July 15, 2014 regular meeting.

8. **INFORMATION TECHNOLOGY** (presenter: Bill Westbrook)
SUPPLEMENTAL APPROPRIATION FOR FIBER OPTIC CABLE INSTALL
A Public Hearing was held and a Motion to Approve and Order Published on First Reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for the Installation of Fiber Optic Cable on 29th Street from Taft Avenue to Wilson Avenue was approved.
This is an administrative action. The appropriation funds a project to bury, install, and terminate a fiber optic cable on 29th Street to provide connection to the new fire station 2, the Olde Course and the Cattail Creek Golf Courses. Revenues in the total amount of \$112,910 are hereby requested for appropriation and transfer to the Capital Projects for installation of fiber optic cable. Fund balance is used for the Golf Enterprise's share and reduces the flexibility to fund other projects in the Enterprise.
9. **DEVELOPMENT SERVICES** (presenter: Alison Hade)
ANNUAL ACTION PLAN AND GRANT APPLICATION FOR CBDG
This item was moved to the Regular Agenda.
10. **WATER & POWER** (presenter: Gretchen Stanford)
IGA FOR DEMAND SIDE MANAGEMENT PROGRAM PARTNERSHIP
A Motion to Adopt Resolution #R-50-2014 Approving an Intergovernmental Agreement Among the Town of Estes Park, the City of Fort Collins, the City of Longmont, the City of Loveland, and Platte River Power Authority for Demand Side Management Program Partnership was approved.
This is an administrative action to approve an agreement under which Platte River Power Authority will contract for Demand Side Management (DSM) programs to be offered to Loveland's water and power customers. These programs are designed to reduce our customers' water and electric consumption, which will benefit the utilities, its customers, and the community as a whole. DSM programs are currently budgeted for in the Water and Power budget. The IGA does not necessarily increase DSM program costs, but it does provide a mechanism for increasing DSM programming (thereby increasing costs). No DSM programs would be contracted for in excess of funds appropriated and budgeted in the Water and Power Budget.
11. **FINANCE** (presenter: Brent Worthington)
FINANCIAL REPORT JUNE 2014

This is an information only item. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending June 30, 2014.

12. CITY MANAGER (presenter: Alan Krcmarik)

INVESTMENT REPORT JUNE 2014

This is an information only item. The 2014 budget projection for investment earnings for 2014 is \$2,025,920 which equates to an annual interest rate of 0.94%. For June, the amount posted to the investment account is \$219,024. For the year-to-date, the amount posted is \$982,941. Actual earnings are now below the year-to-date budget projection by \$56,758. Based on the monthly statement, the estimated annualized yield in June on the securities held by US Bank was 0.99%, 0.03% lower than May. Due to the demands for draws from the fund balances to pay for the cost of flood response and project repair, the portfolio has a significantly lower fund balance than it would otherwise.

END OF CONSENT AGENDA

CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA

PUBLIC COMMENT *Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.*

- 1) *John Meadors, Loveland resident expressed concern regarding radio frequency meters at his home.*

PROCEDURAL INFORMATION

Anyone in the audience will be given time to speak to any item on the Regular Agenda before the Council acts upon it. The Mayor will call for public comment following the staff report. 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

9. DEVELOPMENT SERVICES (Presenter: Alison Hade)

ANNUAL ACTION PLAN AND GRANT APPLICATION FOR CBDG

Community Partnership Administrator, Alison Hade, introduced this item to Council. This is an administrative action. Each year, the Community Partnership Office submits a report to the U.S. Department of Housing and Urban Development (HUD) called the Annual Action Plan which identifies the housing and public services projects that will be funded with a Community Development Block Grant (CDBG) during the next grant year. This resolution approves the Action Plan and grant application for 2014-2015 so they can be submitted to HUD. CDBG funding for 2014-2015 is expected to be \$301,648. **Councilor Shaffer moved to Adopt Resolution #R-49-2014 of the City Council of the City of Loveland, Colorado Approving a Community Development Block Grant Annual Action Plan and Grant Application for 2014-2015. The motion seconded by Councilor Trenary, carried with eight Councilors voting in favor and Councilor Krenning voting against.**

13. CITY MANAGER (presenter: Bill Cahill)

APPOINTMENT OF A NOMINATED MEMBER TO THE SENIOR ADVISORY BOARD

City Manager, Bill Cahill introduced this item to Council. This is administrative action

recommending the appointment of a Senior Advisory Board nominated member. Councilor Fogle recused himself due to the personal relationship with his wife, Donita Fogle. **Councilor Shaffer moved to Reappoint Donita Fogle as the Housing Authority of the City of Loveland Representative on the Senior Advisory Board for a Term Effective Until August 5, 2016. The motion which was seconded by Councilor Farley carried with all councilors present voting in favor thereof.**

14. **WATER AND POWER** (presenter: Chris Matkins)
SUPPLEMENTAL APPROPRIATION FOR WATER TREATMENT PLANT EXPANSION AND WATERLINE REPAIRS

This is an administrative action. Because of construction bids coming in higher than expected for the WTP expansion project and because of uncertainty regarding when the Water Utility will be reimbursed by FEMA and the State for costs associated with the Flood of 2013, there is a need to appropriate more funding in order to award the contracts for construction and services during construction for the WTP expansion project. Staff is proposing to add to the \$9.865 million fund balance included in the 2014 budget by appropriating additional revenue from three sources: a) the available balance on the previously authorized \$10 million loan from Wells Fargo (approximately \$9.9 million); b) an internal loan from the Raw Water Utility in the amount of \$13 million; and c) a new external borrowing sufficient to provide net loan proceeds that range from zero to \$3 million. Part of this supplemental appropriation is simply to move expenditures forward from 2015 and 2016 into 2014 in order to award the construction and services during construction contracts for the water treatment plant (WTP) expansion project. The supplemental appropriation addresses an increase in the cost of this project and the need to acquire additional funds while the City awaits funding from FEMA. This ordinance was approved with a vote of 8-1 on first reading by Council at the July 15, 2014 regular meeting. **Councilor Shaffer moved to Approve and Order Published on Second Reading Ordinance #5875 enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for the Water Treatment Plant Expansion Project and Repair of Water Lines Damaged in the 2013 Flood. The motion which was seconded by Councilor Farley, carried with eight councilors voting in favor and Mayor Pro tem Clark voting against.**

CITY COUNCIL ADJOURNED AND CONVENED AS THE WATER ENTERPRISE BOARD AT 7:28 P.M.

15. **WATER AND POWER** (presenter: Chris Matkins)
PUBLIC HEARING
EMERGENCY ORDINANCE FOR PHASE 2 OF WATER TREATMENT PLANT CONSTRUCTION CONTRACT AWARD

Water Utilities Manager, Chris Matkins introduced this item to Council. This is an administrative item to adopt an Emergency Ordinance awarding a construction contract to Moltz Construction, Inc. for the Chasteen Grove (Phase 2) Water Treatment Plant Expansion Project. The Water Enterprise will authorize and execute the contract because it is a multi-year fiscal contract. The contract is for \$24,374,213, including the Soda Ash Alternate and will have a concurrently executed deductive change order for approximately \$400,000 in staff recommended value engineering Contract changes. The Contractor is obligated to hold his bid for 60 days after the bid opening (June 12, 2014). The Emergency Ordinance on first and only reading requires an affirmative vote of 2/3 of the entire Council (6 votes) under Charter Section 4-10. **Councilor Shaffer moved to Approve and Order Published on First and Only Reading Emergency Ordinance #5876 of the Loveland City Council by and through the Water Enterprise Board Approving and Authorizing the Execution of a Multi-Fiscal Year Contract with**

Moltz Construction, Inc. for Phase 2 of the Water Treatment Plant Expansion Project. The motion which was seconded by Councilor Farley, carried with eight councilors voting in favor and Mayor Pro tem voting against.

THE WATER ENTERPRISE BOARD ADJOURNED AND RECONVENED AS CITY COUNCIL AT 7:32 P.M.

**16. CITY ATTORNEY (presenter: Judy Schmidt)
MODIFICATION TO THE CONSOLIDATED SERVICE PLAN-CENTERRA METRO DISTRICTS 1-4**

Acting City Attorney, Judy Schmidt introduced this item to Council. Centerra Metro-District Attorney, Alan Pogue gave Council details. This is an administrative matter. The Internal Revenue Service ("IRS") recently announced a policy change that requires political subdivisions, including metropolitan districts, to include residential property in their boundaries in order to be considered a good issuer of tax-exempt debt. As a result, Centerra Metropolitan District No. 1 (the "District") desires to include property into its boundaries that will have future residents in order for it to be considered a good issuer of tax-exempt debt. This is a time-sensitive issue, as the District desires to complete its next financing this summer so that it may complete the infrastructure for Parcel 505, which includes, among other uses, the Bass Pro Outdoor World store. This item has no impact on the City's budget. The Mayor opened the public hearing at 8:54 p.m. and hearing no comment, closed the public hearing at 8:54p.m. **Councilor Shaffer moved to Adopt Resolution #R-51-2014 Approving a Material Modification to the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1 through 4 Permitting the Inclusion of Additional Real Property into Centerra Metropolitan District No. 1. The motion which was seconded by Councilor Farley, carried with eight councilors voting in favor and Councilor Krenning voting against.**

**17. CITY ATTORNEY (presenter: Judy Schmidt)
PROPOSED EAGLE CROSSING-LOVELAND METROPOLITAN DISTRICTS NOS. 1-4**

Acting City Attorney, Judy Schmidt introduced this item to Council. The Development was represented by Attorney, Bill Ankele. This is an information only item. Eagle Crossing Development, Inc., as Developer, is proposing to create four new metropolitan districts to provide all or part of the activities necessary for the development of Eagle Crossing, which consists of approximately 56 acres located at the southeast intersection of Fairgrounds Avenue and Crossroads Avenue. The Developer has requested an opportunity to present information regarding metropolitan districts generally, and the need for these four metropolitan districts in particular, to City Council prior to bringing forward the Service Plan to City Council for approval.

BUSINESS FROM CITY 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.*

- Trenary: Will be attending the Governor's Award ceremony in September for Downtown Excellence in Fort Collins.
- Farley: Announced the Sculpture Events this weekend in Loveland; Asked for an update from the Citizen's Finance Committee with resident, George Cornileus, regarding the City's investment practices.
- Krenning: Discussed a "mini-bond" process in Denver, which raised \$12 million in 1 hour, and requested that Staff look into the process and report back to Council if that type of investment structure would be feasible in the City of Loveland.
- McKean: Addressed the July 19, 2014 meeting going until 2am. Requested Council review their meeting management; Requested Council revisit prior commitments

when considering "new" spending of reserves. Council McKean asked Staff to help in that endeavor, whenever possible.

Clark: Asked Staff to provide educational materials to Council and the public, regarding issuance of water meters, which was addressed by Mr. Meadors this evening in public comment. Staff will provide the education materials that they send to the public.

Shaffer Announced there would be no North Front Range Metropolitan Planning Organization (NFRMPO) meeting this month; Announced there would not be an I-25 mtg; Announced that the Upper Front Range meeting Colorado Department of Transportation (CDOT) indicated they would have funds available in the rural communities Region 4 in CDOT to coordinate projects, but would not give any allowance to set aside to contribute to I-25.

Fogle The Rotary Club will be hosting their annual Ducks in the River Race at the Old Fashioned Corn Roast Festival on August 23, 2014. There will be a booth at the "Art in the Park" event this weekend, for people to purchase the ducks.

Gutierrez Thanked Rich Harris, Rialto Theater Manager, who oversaw the Foote Lagoon Concerts this year and Kaiser Permanente for their sponsorship of the event; Updated Council on the Fire Chief Hiring process.

CITY MANAGER REPORT

- 1) **Pulliam Building Grant Opportunity and Update.** City Manager Bill Cahill, told Council that Staff discovered there is another grant cycle for April 2015. Mr. Cahill indicated the Pulliam building would need to have Historical Designation to qualify for the funding. Staff is preparing documents for the quiet title process. This item will be back in front of Council at a later date.

CITY ATTORNEY REPORT

None.

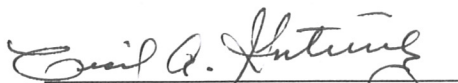
ADJOURNMENT

Having no further business to come before Council, the August 5, 2014, Regular Meeting was adjourned at 9:54 p.m.

Respectfully Submitted,


Teresa G. Andrews, City Clerk




Cecil A. Gutierrez, Mayor