



**MINUTES**  
**LOVELAND CITY COUNCIL STUDY SESSION Meeting**  
**Tuesday, August 30, 2016 CITY COUNCIL CHAMBERS 6:30 PM**

**COUNCIL PRESENT:** Gutierrez, Fogle, Johnson, Ball, Overcash, Clark, and Shaffer

**COUNCIL ABSENT:** Krenning and McKean

**1. STUDY SESSION ITEMS**

**1.1. WATER AND POWER**

**2016 POWER COST-OF-SERVICE RATE STUDY RESULTS**

Jim Lees, Utility Accounting Manager, presented this item to Council. Staff has been working on a cost-of-service rate study for the Power Utility since February. Staff really appreciated the attendance and participation of LUC Chair Gene Packer and Board Members Dave Schneider and Larry Roos at the Kickoff Meeting. In addition, information has been presented to the whole LUC at their June, July and August meetings. Dan Kasbohm, Rate Analyst for Utility Financial Solutions (UFS), Power rate consultant, presented the results of the 2016 Power Cost-of-Service Rate Study. Staff sought direction from City Council on four key study topics:

1. 2017 proposed rates
2. A proposed rate track for 2017-2021
3. A proposed change in how Residential Self-Generating customers are billed
4. A proposed change in calculating the Targeted Minimum Cash Reserve for the Power Utility

**1.2. HUMAN RESOURCES**

**PRESENTATION OF THE 2017 BENEFIT FUND BUDGET RECOMMENDATIONS**

Julia Holland, Human Resources Director and Matthew Elliott, Senior Budget Analyst, presented this item which is an annual review of the benefit program costs and contributions to determine necessary changes for the upcoming year. The City has worked diligently to mitigate rising costs as much as possible. However, due to the continuing impact of rising health care expenses, recent high claims experience and minimal premiums

adjustments, we are proposing a considerable increase to our premiums for 2017 through the annual budget process. The total increase for medical expenses is estimated to be \$4.2 million. This recommendation would result in an annual increase for medical costs of \$3,835,497 for the city and an annual increase of \$447,719 for employees. Council asked staff to prepare comparison charts in contributions, employer impact and rate increase projections.

1.3. Loveland Fire Rescue Authority  
**OVERVIEW OF THE MITIGATION MASTER PLAN**

Pat Mialy, Fire Captain and Emergency Manager; Jeremy Hall, Logan Simpson Design; Mike Gardner, Michael Baker International Inc; presented the draft of the Mitigation Master Plan (MMP). The intent of a MMP is to document all of the current mitigation projects, develop or update local mitigation strategies that result in greater disaster resiliency, identify future mitigation projects that support those strategies, identify potential funding sources, and to construct implementation plans for those projects collaboratively. Michael Baker International Inc was contracted to facilitate the production of the plan for the City, funded with a Community Development Block Grant – Disaster Recovery (CDBG-DR) federal planning grant recently awarded to the City of Loveland by the State of Colorado for \$95,066. The objective of the study session was to familiarize the City Council with what a Mitigation Master Plan accomplishes for the City and to highlight the reasons that the identified mitigation projects should be planned for implementation.

2. **ADJOURN**

Hearing no further business come before Council, Mayor Gutierrez adjourned the August 30, 2016 Study Session at 10:11 p.m.

Respectfully submitted,



  
Teresa G. Andrews, City Clerk

  
Cecil A. Gutierrez, Mayor