



MINUTES
LOVELAND CITY COUNCIL MEETING
Tuesday, August 1, 2017 CITY COUNCIL CHAMBERS 6:00 PM

COUNCIL PRESENT:

Mayor Gutierrez

Councilors:

Fogle, Ball, Overcash, Clark, Johnson, and Olson. Krenning arrived at 6:15 p.m. Shaffer arrived at 6:30 p.m.

COUNCIL ABSENT:

None

1. INTRODUCTION

1.1. CALL TO ORDER

1.2. PLEDGE OF ALLEGIANCE

1.3. ROLL CALL

1.4. PRESENTATIONS

1.4.1. ROCKY MOUNTAIN NATIONAL PARK

Kyle Patterson, Public Affairs Officer and Darla Sidles, Superintendent of RMNP, presented the update of the Rocky Mountain National Park to Council.

CONSENT AGENDA

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. Comments will be limited to no more than three minutes, the City Clerk will start the timer once an introduction is made and a buzzer will sound when the three minutes have expired.

Item 2.5 pulled by Gary Lindquist and Items 2.2, 2.7, 2.8, and 2.9 pulled by Larry Sarner, both Loveland residents.

Motion to approve the Consent Agenda, with the exception of Items 2.2, 2.5, 2.7, 2.8, and 2.9

Moved by Councilor Fogle, seconded by Councilor Johnson

CARRIED UNANIMOUSLY.

**2.1. CITY CLERK
APPROVAL OF MINUTES**

Approval of the City Council minutes for the June 27, 2017 Special Meeting and July 5, 2017 Regular Meeting.

A Motion to Approve the City Council minutes for the June 27, 2017 Special Meeting and July 5, 2017 Regular Meeting.

CARRIED.

**2.2. PUBLIC WORKS
NORTH I25 WIDENING AND LOCAL COMPANION PROJECTS AGREEMENTS AND FUNDING**

This item was considered on the Regular Agenda, Item 5.1.1.

**2.3. COMMUNITY PARTNERSHIP OFFICE
COMMUNITY DEVELOPMENT BLOCK GRANT FUND APPROPRIATION 2017-2018**

The City of Loveland receives an annual entitlement grant of Community Development Block Grant funds from the U.S. Department of Housing and Urban Development (HUD). For the 2017-2018 grant year, that amount is \$316,186. This item was presented to City Council at their Regular meeting held on July 18, 2017 where it was adopted unanimously, on first reading, with a 9-0 Vote.

A Motion To Adopt, On Second Reading, Ordinance No. 6128 Enacting A Supplemental Appropriation To The 2017 City Of Loveland Budget For 2017-2018 Community Development Block Grant (CDBG) Appropriation

CARRIED.

**2.4. CITY CLERK
NOVEMBER 7, 2017 COORDINATED ELECTION WITH LARIMER COUNTY**

The proposed Ordinance is needed to allow the City of Loveland to conduct a regular election on November 7, 2017 as a coordinated election with the Larimer County Clerk and Recorder and governed by the Colorado Uniform Election Code. This item was adopted unanimously at the July 18, 2017 City Council Regular meeting with a 9-0 Vote.

A Motion To Adopt, On Second Reading, Ordinance No. 6129 Providing That The City Of Loveland's Regular Election To Be Held November 7, 2017, And Conducted As A Coordinated Election With The Larimer County Clerk And Recorder, Shall Be Governed By The Colorado Uniform Election Code Of 1992 To The Extent Necessary To Conduct That Election As A Coordinated Election

CARRIED.

2.5. DEVELOPMENT SERVICES

THE BRANDS AND THE BRANDS WEST FLEXIBLE ZONING OVERLAY

This item was considered on the Regular Agenda, Item 5.1.2.

2.6. PARKS AND RECREATION

LONG VIEW CORRIDOR TRAIL CONNECTIVITY

The Intergovernmental Agreement (IGA) between The City of Loveland and Larimer County addresses the responsibilities of the City and Larimer County for the construction of the Long View Trail, a multi-use ADA accessible concrete trail that connects the Cities of Fort Collins and Loveland. Grant money from Colorado Department of Transportation (CDOT) and Great Outdoors Colorado (GOCO), along with contributions from Larimer County and the Cities of Loveland and Fort Collins, are funding the project. The total estimated construction cost is \$4,161,889, and construction administration cost is \$420,780. Based on the engineer's estimate, Loveland's share for construction and construction management of the project is \$1,283,147, with the city being reimbursed \$559,874 in grant funding. Therefore the total budget impact to the City of Loveland is \$723,273. The funding has been appropriated for the year 2017 through Conservation Trust Funds and Larimer County Open Space Tax Fund. This item was presented to the Parks and Recreation Commission and the Open Lands Advisory Committee. No action was necessary; however, both Commissions were supportive of presenting this project to City Council.

A Motion To Adopt Resolution #R-62-2017 Approving An Intergovernmental Agreement With Larimer County For The Long View Trail Connecting The Cities Of Fort Collins and Loveland.

CARRIED.

2.7. HUMAN RESOURCES

CALL FOR A SPECIAL MEETING ON AUGUST 8, 2017 FOR MUNICIPAL COURT JUDGE'S PERFORMANCE REVIEW WITH POSSIBLE EXECUTIVE SESSION

This item was considered on the Regular Agenda, Item 5.1.3.

2.8. HUMAN RESOURCES

COMPENSATION OF THE CITY MANAGER

This item was considered on the Regular Agenda, Item 5.1.4.

2.9. MUNICIPAL COURT

**REAPPOINTMENT AND COMPENSATION OF THE DEPUTY MUNICIPAL
JUDGE, MARCO SCALISE**

This item was considered on the Regular Agenda, Item 5.1.5.

**2.10. FISCAL ADVISOR
JUNE 2017 INVESTMENT REPORT**

The budget projection for investment earnings for 2017 is \$2,167,387. On the portfolio's 2017 beginning balance, this equates to an annual interest rate of 0.98%. Based on the June monthly report, the estimated yield on fixed income securities held by US Bank was at 1.40%; for total assets the yield was 1.34%. For June, accounting staff posted total earnings of \$266,738 to City fund accounts. U.S. short-term Treasury interest rates had moved sharply higher from the second week of November 2016 to a peak in March, but since then they have trended down. In June after the Federal Open Market Committee raised the federal funds rate by 0.25%, interest rates on short term investments (3 years and shorter) moved higher while longer term rates moved lower. The estimated market value at the end of June is \$234.9 million. Proceeds from the lease for the downtown parking facility are included in the total. The portfolio decreased in value by \$396,999 in June, increasing the unrealized loss in the portfolio to \$1,266,230. The City's combined fund balances now exceed \$230 million and the investment program strives to earn competitive returns within state law and City investment policy guidelines.

Information Only

CARRIED.

**2.11. FINANCE
JUNE 2017 FINANCIAL REPORT**

The Snapshot Report is submitted for Council review and includes the reporting of the City's revenue and expenditures, including detailed reports on tax revenue and health claims, as of June 30, 2017. Citywide Revenue of \$166.2 million is 46.3% of total annual budget. Sales Tax collections June YTD are 6.4% above June 2016 YTD, and 51.2% of the total annual budget. Building Material Use Tax collections for June are 14.3% below June 2016 YTD , and 47.7% of the total annual budget. Sales and Use Tax collections combined are 50.8% of total annual budget. Citywide total expenditures of \$145.4 million are 49.4% of the total annual budget.

Information Only

CARRIED.

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.

Christine Better, Loveland resident, expressed concern for dogs at the 4th of July event.
Barbara Shannon, Loveland resident, spoke in opposition of roosters in the City limits.
Larry Sarner, Loveland resident, expressed concern with Council's decision-making.

REGULAR AGENDA

PROCEDURAL INFORMATION

Anyone in the audience will be given time to speak to any action 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.

5.1. CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

5.1.1. PUBLIC WORKS

NORTH I25 WIDENING AND LOCAL COMPANION PROJECTS AGREEMENTS AND FUNDING

Dave Klockeman, Senior Civil Engineer, presented this item to Council. At the January 10, 2017 City Council Study Session, CDOT representatives provided an update on the North I25 Widening Project including possible local coordinating interchange projects at US34 and SH402. At the January 17, 2017 City Council Meeting, Council adopted a Resolution affirming the City's support for the local coordinating projects being included in the base configuration of CDOT's North I25 design-build bid package. At the March 7, 2017 City Council Meeting, Council adopted a Resolution setting the funding amount to a maximum of \$6 million. (Note: This is in addition to the previously committed \$2 million for the widening project.) The inclusion of the two local interchange projects creates the potential for significant efficiencies and economies of scale. CDOT's financial framework makes these two local interchange projects, estimated at a total cost of \$54 million, possible with a local cash funding contribution totaling approximately \$14 million. CDOT has provided information to a variety of potential local funding partners. The City of Loveland, Town of Johnstown, Larimer County and Weld County have expressed an interest in contributing toward the realization of these local interchange projects. The City of Loveland's share of the required \$14 million will not exceed \$6 million contributed over three years. In order to keep the process moving, CDOT has set the deadline of August 1, 2017 for approval of the agreements with local agencies. The funding amount of \$2.5 million in 2017 (\$500,000 for N I25 Widening and \$2 million for N I25 Companion Projects) is included in the supplement requests tonight. The remaining up to \$5.5 million funding of the City's share will be included in Fiscal Year 2018 and 2019 Proposed Budgets, subject to funding availability and City Council review and approval. This item was presented to City Council, on first reading, at the July 18, 2017 Regular Meeting where it was adopted unanimously with a 9-0 Vote.

Public Comment: Larry Sarner, Loveland resident, expressed concern regarding funding and toll lanes.

Moved by Councilor Fogle, seconded by Councilor Clark

1) A Motion To Adopt, On First Reading, An Ordinance Enacting A Supplemental Budget and Appropriation To The 2017 City Of Loveland Budget For The North I-25 Widening Project Local Match

CARRIED UNANIMOUSLY.

Moved by Councilor Fogle, seconded by Councilor Clark

2) A Motion To Adopt, On First Reading, An Ordinance Enacting A Supplemental Budget And Appropriation To The 2017 City Of Loveland Budget For The North I-25 Widening Companion Projects

CARRIED UNANIMOUSLY.

5.1.2. DEVELOPMENT SERVICES

THE BRANDS AND THE BRANDS WEST FLEXIBLE ZONING OVERLAY

Brett Limbaugh, Development Services Director, presented this item to Council. This is the second reading of the ordinance to consider a flexible zoning overlay district for a 201-acre mixed-use development called The Brands and The Brands West. The project includes two separate land areas on the east and west sides of I-25, north of Crossroads Boulevard. The Brands, located south of the Larimer County Fairgrounds, is envisioned as a 1,267,520 square foot high-end life-style center with an urban core that includes a large pedestrian plaza, entertainment uses, restaurants, apartments, offices, retail and hotels. The Brands West, located adjacent to the Fort Collins-Loveland Airport, is envisioned as a 939,100 square foot in-line and pad site development that would be developed into retail, restaurants, hotels, offices and light industrial uses. City Council approved a Business Assistance Agreement for the project that set forth economic incentives including a limited waiver of City building permit fees, a limited City use tax credit, and additional economic incentives in the form of sharing the City sales tax or credit of the City sales tax. This item was presented to the Planning Commission at their meeting on June 26, 2017 where it was approved unanimously with a vote of 8-0. This item was presented to City Council at their Regular Meeting held on July 18, 2017 where it was adopted unanimously with a 9-0 Vote.

Public Comment: Gary Lindquist, Loveland resident, expressed concern regarding funding of projects. Larry Sarnar, Loveland resident, expressed opposition and concern regarding the developer profiting.

Moved by Councilor Fogle, seconded by Councilor Krenning

A Motion To Adopt, On Second Reading, Ordinance No. 6130 Establishing a Flexible Zoning Overlay District and Flexible Zoning Overlay District Plan for The Brands and The Brands West located, in part, within the East Loveland Industrial Seventeenth,

Eighteenth, Nineteenth and Twentieth Subdivisions, City of Loveland, Larimer County, Colorado

CARRIED UNANIMOUSLY.

5.1.3. HUMAN RESOURCES

CALL FOR A SPECIAL MEETING ON AUGUST 8, 2017 FOR MUNICIPAL COURT JUDGE'S PERFORMANCE REVIEW WITH POSSIBLE EXECUTIVE SESSION

Karen Rees, Human Resources Manager, presented this item to Council. This action is for Council to conduct the Municipal Judge's quarterly performance review meeting on August 8, 2017 at 5:30 PM, which may include an executive session to discuss personnel matters.

Public Comment: Larry Sarner, Loveland resident, expressed opposition to holding an executive session for an evaluation without public record of performance.

Moved by Councilor Fogle, seconded by Councilor Shaffer

A Motion Calling For A Special Meeting To Be Held On August 8, 2017, At 5:30 PM, For The Purpose Of Conducting An Employee Performance Evaluation Meeting And Discussion Of Personnel Matters For The Presiding Municipal Judge, Geri Joneson, With A Possible Executive Session

CARRIED UNANIMOUSLY.

5.1.4. HUMAN RESOURCES

COMPENSATION OF THE CITY MANAGER

Karen Rees, Human Resources Manager, presented this item to Council. At the July 11, 2017, Special Meeting to conduct the City Manager's annual performance review, City Council made a motion to provide the City Manager a 3.5% merit increase with the option for bonuses in the future based on performance. The proposed resolution formalizes the motion and unanimous decision. The salary increase of 3.5% would result in an annual salary of \$191,491.56, effective July 1, 2017.

Public Comment: Larry Sarner, Loveland resident, spoke in opposition to the merit increase without public acknowledgement of the reasons.

Moved by Councilor Fogle, seconded by Councilor Shaffer

A Motion To Adopt Resolution #R-63-2017, A Resolution Of The Loveland City Council Regarding The Compensation Of The City Manager

CARRIED 8-1, No Vote: Krenning

5.1.5. MUNICIPAL COURT

REAPPOINTMENT AND COMPENSATION OF THE DEPUTY MUNICIPAL JUDGE, MARCO SCALISE

Geri Joneson, Municipal Court Judge, presented this item to Council. Marco Scalise was appointed by City Council as the Deputy Municipal Judge on July 7, 2015, for a specified

term of not less than two years. Presiding Municipal Judge, Geri Joneson, is recommending the reappointment of Marco Scalise for another two year term.
Public Comment: Larry Sarner, Loveland resident, spoke regarding not knowing who Judge Scalise was and that his other questions were addressed by the Council questions.

Moved by Councilor Fogle, seconded by Councilor Shaffer

A Motion To Adopt Resolution #R-64-2017 Appointing Marco Joseph Scalise As A Deputy Municipal Judge

CARRIED UNANIMOUSLY.

**5.2. CITY MANAGER
PUBLIC COMMENT
BROADBAND MARKET STUDY**

Briana Reed-Harmel, Project Manager, and Jill Mosteller, consultant with Insights2Use, presented this item to Council. The purpose of this item is for Council to review, discuss, and offer feedback on the broadband market survey being conducted on behalf of the City of Loveland by Jill Mosteller, Ph.D. with Insights2Use, LLC. On June 27, 2017 City Council received a broadband update presentation from City Staff and our broadband consults. This presentation included information on a second City of Loveland Internet Service Take-Rate Study being performed by Jill Mosteller, Ph.D. with Instights2Use LLC. This item has been presented and discussed in-depth at City Council Workshops, Study Sessions, Joint Meetings, and Special Meetings. To view detailed information regarding each presentation, please see the Council or Board/Commission Review section of the AIR document attached.

Public Comment: Marshall Smith, Vi Wickham, Jamie Lieban, Roger Ison, Loveland residents, spoke in favor of the survey.

Larry Sarner, Loveland resident, spoke in opposition of the survey and expressed concern regarding security.

Roger Wiedelman and John Keil, Loveland residents, spoke in opposition.

Moved by Councilor Fogle, seconded by Councilor Johnson

A Motion Directing Staff To Proceed With The Broadband Market Study

CARRIED 8-1 Olson abstained, No Vote: Krenning.

**5.3. ECONOMIC DEVELOPMENT
PUBLIC COMMENT
WINTER WONDERLIGHTS EVENT SUPPLEMENTAL APPROPRIATION**

Cindy Mackin, Visitor Services Manager, presented this item to Council. This Winter Wonderlights Event ordinance requests \$150,000 from the lodging tax fund to support a

winter/holiday lighting event as part of the CDBG DR grant from the state of Colorado, of which \$100,000 would be refunded by the state upon proof of receipt. The purpose of the event located in Chapungu Sculpture Park in Centerra is to encourage visitors to take the Loveland exit 257 and SHOP, EAT, PLAY, STAY in Loveland during the colder season and while US 34, along the Big Thompson Canyon, will once again be closed. The source of funding for this item is from the Lodging Tax Fund and A CDBG-DR Tourism Marketing Grant with the City Matching the \$50,000 from the Lodging Tax Fund Balance. This item was presented to City Council at their July 5, 2017 Regular meeting where it was adopted unanimously with an 8-0 Vote.

Public Comment: Jackie Marsh, Sharon Sheets, Larry Sarner, Penn Street, and Al Herrera Loveland residents and business owners, spoke in opposition to the event.

Christine Sanyo, Clay Caldwell, Vy Wickham, Nicole Yost, Jeff Law, Roger Weidelman, and Mike Knollman Loveland residents and business owners, spoke in support of the event.

Moved by Councilor Fogle, seconded by Councilor Johnson

1) A Motion To Adopt, On Second Reading, Ordinance No. 6132 Enacting A Supplemental Budget And Appropriation To The 2017 City Of Loveland Budget For The Winter Wonderlights Event

CARRIED UNANIMOUSLY.

Moved by Councilor Fogle, seconded by Councilor Shaffer

2) A Motion To Adopt Resolution #R-65-2017 Approving A Grant Agreement Between The City Of Loveland And The State Of Colorado Office Of Economic Development And International Trade Business Assistance For The Winter Wonderlights Event

CARRIED UNANIMOUSLY.

**5.4. ECONOMIC DEVELOPMENT
PUBLIC COMMENT**

**DEPARTMENT OF LOCAL AFFAIRS (DOLA) GRANT FOR THE PULLIAM
COMMUNITY BUILDING RENOVATION PROJECT**

This item was postponed to a future meeting due to time constraints.

*Moved by Councilor Fogle, seconded by Councilor Johnson
A Motion to Extend the Meeting to 11:30 p.m.*

FAILED 3-6, No Votes: Overcash, Krenning, Clark, Olson, Ball and Shaffer

Discussion regarding the rules and procedures resolution to only extend by half hour increments.

Moved by Councilor Fogle, seconded by Mayor Gutierrez

A Motion to Extend the Meeting to 11:00 p.m.

CARRIED 8-1, No Vote: Krenning

5.5. CITY CLERK

PUBLIC COMMENT

DDA ELECTION ON NOVEMBER 7, 2017

Jacque Wedding-Scott, Executive Director Loveland Downtown Partnership and Downtown Development Authority (DDA), presented this item to Council. Approval of the ordinance will direct the City Clerk and other staff to conduct an election on November 7, 2017 for the DDA and submit a ballot question, regarding the authorization of debt, to the qualified electors within the DDA boundaries. The ballot language can be found in Section 1 of the attached City of Loveland ordinance. If approved, this ordinance submits a ballot question to the qualified electors within the DDA boundaries on November 7, 2017. The ballot question is seeking approval, without raising taxes, to increase debt by \$61,000,000 to finance DDA projects, including without limitation, parking, utilities, streets, sidewalks, alleyways and beautification, and applicable provisions of Colorado law from sales and property tax increment monies, and allowing the City to keep tax revenue above certain state law limits for the financing of future projects within the DDA. DDA bonds are only issued when it can be demonstrated they can be paid back from tax increment monies.

Clay Douglas, City Attorney, proposed a change to the ordinance in Section 2 to state:

SHALL CITY OF LOVELAND DEBT BE INCREASED BY UP TO \$61,000,000, WITH A REPAYMENT COST OF NO MORE THAN \$135,000,000, WITHOUT RAISING TAXES, ~~WITHOUT RAISING TAXES,~~ AUTHORIZATION FOR THE CITY TO INCUR DEBT OF UP TO \$61,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF DEVELOPMENT PROJECTS TO BE UNDERTAKEN BY OR ON BEHALF OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY PURSUANT TO THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY PLAN OF DEVELOPMENT, WITH SUCH DEBT PAYABLE FROM AND SECURED BY A PLEDGE OF THE SPECIAL FUND OF THE CITY WHICH SHALL CONTAIN TAX INCREMENT REVENUES LEVIED AND COLLECTED WITHIN THE BOUNDARIES OF THE AUTHORITY

Public Comment: Larry Sarnier, Loveland resident, expressed concern regarding TABOR Districts and opposed to the ballot question. John Keil, Loveland resident, spoke in opposition to the ballot question.

Moved by Councilor Fogle, seconded by Councilor Johnson

A Motion To Adopt, On First Reading, An Ordinance Approving A Downtown Development Authority Election To Be Held November 7, 2017, To Authorize Debt And Revenue Retention

CARRIED 8-1, No Vote: Krenning.

5.6. FINANCE

PUBLIC COMMENT

BUDGET DE-APPROPRIATION TO THE 2017 CITY OF LOVELAND BUDGET

This item was postponed to a future meeting due to time constraints.

- 5.7. **WATER & POWER**
WASTEWATER TREATMENT PLANT EXPANSION CONTRACT AWARD
This item was postponed to a future meeting due to time constraints.

6. **REPORTS**

- 6.1. **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.

Moved by Councilor Fogle, seconded by Councilor Olson

A Motion to Appoint Councilor Johnson to the CML Policy Committee

CARRIED UNANIMOUSLY.

- 6.2. **CITY MANAGER REPORT**
6.3. **CITY ATTORNEY REPORT**

7. **ADJOURN**
Mayor Gutierrez adjourned the August 1, 2017 regular Council meeting at 10:55 p.m.

Respectfully Submitted,




Beverly A. Walker, Acting City
Clerk


Cecil A. Gutierrez, Mayor

