



MINUTES
LOVELAND CITY COUNCIL MEETING
Tuesday, October 3, 2017 CITY COUNCIL CHAMBERS 6:00 PM

COUNCIL PRESENT:

Mayor Gutierrez

Councilors:

Fogle, Krenning, Ball, Shaffer, Overcash, Clark, Johnson, Olson.

COUNCIL ABSENT:

None

1. INTRODUCTION

1.1. CALL TO ORDER

1.2. PLEDGE OF ALLEGIANCE

1.3. ROLL CALL

1.4. PRESENTATIONS AND PROCLAMATIONS

1.4.1. FLAG RETIREMENT RECOGNITION

Councilor Olson presented the Flag Retirement proclamation to Terry Willard, past Commandant, who introduced other members of the Loveland Marine Corps League; Robin Morgan, Bill Garcia, Chuck Hall, Terry Wright, and Steve Olson all of the Loveland Marine CORPS League - Detachment 1250, Willard then presented plaques of appreciation to the Loveland Fire Rescue Authority representative Rick Davis, and to Colorado Precast Concrete.

1.4.2. DISABILITY EMPLOYMENT AWARENESS MONTH

Councilor Ball presented the proclamation to Cari Brown, Brad Willenbrock, and Taylor Summer with the ARC of Larimer County.

1.4.3. ANNUAL WATERWAY CLEAN-UP EVENT

Mayor Gutierrez presented the proclamation to Joe Chaplin with the Water and Power Department.

2. 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.

Moved by Councilor Shaffer seconded by Councilor Fogle.

A Motion to approve the Consent Agenda, Items 2.1 - 2.4.

CARRIED UNANIMOUSLY, 9 - 0.

**2.1. CITY CLERK
APPROVAL OF MINUTES**

Approval of the City Council minutes for the September 12, 2017 Study Session and Special Meeting and the September 19, 2017 Regular Meeting.

A Motion to Approve the Minutes For The September 12, 2017 Study Session And Special Meeting And The September 19, 2017 Regular Meeting.

CARRIED.

**2.2. CITY CLERK
APPOINTMENTS TO THE LOVELAND UTILITIES COMMISSION**

This is an item re-appointing members to the Loveland Utilities Commission under the newly, adopted Resolution (attachment 1) stating that "Interviews shall not be required when the only applicants are current members seeking reappointment for a new term and there are no other applicants for the vacancy. Private interviews for a vacant

position shall be required for new applicants or where there are more applicants than there are vacancies, except that interviews shall not be required for members of the Youth Advisory Commission who have successfully completed a term of office and desire to be reappointed to a new term. Interviews shall occur within a reasonable time following the closing date for receipt of applications and shall be scheduled by the staff liaison. Except as otherwise provided by a formal action of the City Council, the interview committee shall consist of the following persons: the City Council liaison; the staff liaison; and the chairperson."

1) A Motion To Reappoint Eugene Packer To The Loveland Utilities Commission For A Term Effective Until June 30, 2020

2) A Motion To Reappoint Larry Roos To The Loveland Utilities Commission For A Term Effective Until June 30, 2020

3) A Motion To Reappoint Sean Cronin To The Loveland Utilities Commission For A Term Effective Until June 30, 2020

4) A Motion To Reappoint Stephanie Fancher-English As An Alternate Member To The Loveland Utilities Commission For A Term Effective Until June 30, 2020

CARRIED.

2.3. CITY CLERK

CALL FOR A SPECIAL MEETING ON OCTOBER 10, 2017 AT 5:30 PM WITH POSSIBLE EXECUTIVE SESSION

This action is for City Council to approve the call for a Special Meeting on October 10, 2017 at 5:30 PM for the purpose of taking action on several items including the City Manager's quarterly performance meeting with a possible executive session; the supplemental appropriation for hiring a Timberlane Farm Consultant; and for LPR business assistance and purchase of a Larimer County building.

A Motion Calling For A Special Meeting On October 10, 2017 At 5:30 PM For The Purpose Of Conducting The City Manager's Quarterly Performance Meeting; And Beginning At 6:30 PM For Items To Be Noticed On The Agenda To Be Published And Served At Least Twenty-Four Hours Before The Meeting

CARRIED.

2.4. CITY CLERK

CALL FOR A SPECIAL MEETING ON OCTOBER 24, 2017 AT 5:30 PM

This request is for three City Council members to join the Mayor in his request for a Special Meeting on October 24, 2017. If three Council members join the Mayor in the request, the City Clerk shall call a meeting on October 24, 2017 at 5:30 PM for items to be noticed at least twenty-four hours in advance. The items currently anticipated are the following: Finley Block URA Amendment and The Supplemental Appropriation For A Backstage Rialto Theater Donation For The Cinema Program. The Special Meeting is in addition to the scheduled Study Session.

A Motion For Three Council Members To Join The Mayor To Direct The City Clerk To Call A Special Meeting On October 24, 2017

CARRIED.

3. PUBLIC COMMENT

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

Bruce Coussant, Loveland resident, thanked Councilors for their service and expressed concern regarding the need for public transportation.

**4. 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.

4.1. CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

**4.2 FINANCE
PUBLIC HEARING
2018 BUDGET FOR THE CITY OF LOVELAND**

Theresa Wilson, Budget Manager and Matthew Elliott, Senior Budget Analyst, presented this item to Council. Joe Bernosky, Water and

Power Director, presented the Water and Power fees. Jeff Bailey, Public Works Engineer and Kevin Gingery, Stormwater Engineer, presented information on the stormwater fees. Julia Holland, Human Resources Director, presented information on the employee benefits fund. Bob Ticer, Police Chief, presented information on staffing officers for the downtown area. Brent Worthington, Finance Director, presented information on TABOR excess contributions. Leah Browder, Public Works Director, answered questions regarding HIP Streets Infrastructure Assessment. The purpose of this item is to establish rates, charges, and fees associated with the 2018 City of Loveland Budget. To establish the City's Mill Levy for 2017 (for property taxes collected in 2018), which remains unchanged over 2016. This purpose of this item is also to enact the 2018 City of Loveland Budget. The recommended 2018 total appropriations amount for City of Loveland Budget is \$350,028,367. This includes \$32,029,298 in interfund transfers. These appropriations will provide for the continuation of existing services levels and reasonable growth in critical service areas. The City ended 2016 with total assets of \$1,081,949,163 and total liabilities of \$74,246,287, ending the year with total net assets of \$1,007,702,876. Within the Governmental Fund types, revenues totaled \$129,385,461 and operating expenses totaled \$122,856,658, for a net operating revenue excess of \$6,528,803 (excluding transfers). The 2018 Budget was presented to City Council at Regular meetings and Study Sessions throughout 2017. The 2018 Budget was also presented at Citizens' Finance Advisory Commission meetings throughout 2017. In-depth details are provided in the AIR under Council or Board/Commission Review. The Citizens' Finance Advisory Commission voted unanimously to endorse the 2018 Budget Process at their September 13, 2017 meeting.

Stormwater's financial plan is available on the City's website; it includes operation and maintenance of the projects.

Councilors expressed concern regarding the TABOR reserve fund and staff agreed to set up a separate reserve account fund in 2017. Staff will update the Financial Master Plan, which has some errors in it. Councilors discussed expenditures, performance measures, benefits plan, decision packages, goals, prioritizing, and other budgetary issues. Councilor Olson provided a spreadsheet he created to discuss concerns he had with the budget and the Comprehensive Annual Financial Report (CAFR).

Staff will address Council's concerns and questions in a memo prior to the second reading of the budget on October 17, 2017.

Public Comment: Joyce Kilmer, Loveland resident, expressed concern regarding utility and water rate fees. Gary Lindquist, Loveland resident, expressed concern regarding utility fee increases and property taxes.

Moved by Councilor Shaffer, seconded by Councilor Fogle

1) A Motion To Adopt Resolution #R-83-2017 Adopting The 2018 Schedule Of Rates, Charges, And Fees For Services Provided By The City Of Loveland, Other Than Services Provided By The Water And Power Department And The Stormwater Enterprise, And Superseding All Prior Resolutions Establishing Such Rates, Charges, And Fees

CARRIED 5 - 4, No Votes: Overcash, Krenning, Clark and Olson.

Moved by Councilor Johnson, seconded by Councilor Shaffer

A Motion to Call the Question. Needing a 2/3 vote.

FAILED 5 - 4, No Votes: Olson, Overcash, Krenning, and Clark

Moved by Councilor Shaffer, seconded by Councilor Fogle

2) A Motion To Adopt Resolution #R-84-2017 Adopting The 2018 Schedule Of Rates, Charges, And Fees For Services Provided By The Stormwater Enterprise Of The City Of Loveland, Colorado And Superseding All Prior Resolutions Establishing Such Rates, Charges, And Fees

CARRIED 6 - 3, No Votes: Overcash, Krenning, and Olson.

Moved by Councilor Shaffer, seconded by Councilor Johnson

3) A Motion To Adopt Resolution #R-85-2017 Adopting The 2018 Schedule Of Rates, Charges, And Fees For Services Provided By The Water And Power Department Of The City Of Loveland And Superseding All Prior Resolutions Establishing Such Rates, Charges, And Fees

CARRIED 6 - 3, No Votes: Overcash, Krenning, and Olson.

Moved by Councilor Shaffer, seconded by Councilor Johnson

4) A Motion To Adopt, On First Reading, An Ordinance Adopting The 2017 Mill Levy For The General Fund Of The City Of Loveland, Colorado

CARRIED 6 - 3, No Votes: Overcash, Krenning, and Olson.

Moved by Councilor Shaffer, seconded by Councilor Johnson

5) A Motion To Adopt, On First Reading, An Ordinance Adopting The 2018 Budget For The City Of Loveland, Colorado

CARRIED 5 - 4, No Votes: Krenning, Clark, Olson, and Overcash.

Moved by Councilor Shaffer, seconded by Councilor Johnson

6) A Motion To Adopt, On First Reading, An Ordinance Making An Appropriation For The Fiscal Year Beginning January 1, 2018 And Ending December 31, 2018 For The City Of Loveland, Colorado

CARRIED 5 - 4, No Votes: Krenning, Clark, Olson, and Overcash.

**4.3. NORTHERN COLORADO REGIONAL AIRPORT
PUBLIC HEARING**

2018 BUDGET FOR THE NORTHERN COLORADO REGIONAL AIRPORT

Jason Licon, Airport Director, presented this item to Council. The City of Loveland provides support to the Airport through the Intergovernmental Agreement (IGA) with the City of Fort Collins, Colorado. As a part of this function, the City Council approves and appropriates the Airport budget, which includes the City's contribution to the 2018 Airport Budget. On July 20, 2017, the Northern Colorado Regional Airport Commission reviewed and recommended, for approval, the proposed 2018 Airport Budget to the Loveland City Council and the Fort Collins City Council. The 2018 appropriation for the Northern Colorado Regional Airport is \$1,576,500, which is \$1,015,832 or 39.2% less than the 2017 Adopted Budget amount of \$2,592,332. The key driver of this decrease is: 2017 had a \$993,774 increase in anticipated grant funding from the Federal Aviation Administration (FAA) and the State of Colorado Department of Transportation for capital projects. Operations expenses of \$1,211,500 include funding for the Airport staff and day to day operating costs, funded through Airport generated revenues and contributions from the two cities. This amount is \$112,470 or 10.2% higher than the 2017 Adopted Budget amount of \$1,099,030. The capital program with recommended appropriations of \$365,000 to continue airport improvements is funded by grants from the FAA and the State of Colorado and Airport generated revenues, is \$1,128,302 or 75.6% lower than the 2017 Adopted Budget amount of \$1,493,302. This decrease is due to no anticipated FAA and State of Colorado grant funding availability for 2018. The City of Loveland's contribution is matched by the City of Fort Collins through an intergovernmental agreement between the Cities. The 2018 contribution amount from the City of Loveland for Airport operations is \$242,500, which is a \$17,500 or 6.7%

reduction from the 2017 contribution amount. The remainder of the Airport's funding is generated through Airport revenues and grant funding. This item was presented at a City Council Study Session held on September 12, 2017.

Discussion ensued regarding concern over attracting air carriers with subsidizing flights, collaborating with other airports, and other incentives.

Moved by Councilor Shaffer, seconded by Councilor Fogle

1) A Motion To Adopt Resolution #R-86-2017 Adopting The 2018 Schedule Of Rates, Charges, And Fees For The Northern Colorado Regional Airport And Superseding All Prior Resolutions Establishing Such Rates, Charges And Fees, Effective January 1, 2018

CARRIED UNANIMOUSLY, 9 - 0.

Moved by Councilor Shaffer, seconded by Councilor Fogle

2) A Motion To Adopt, On First Reading, An Ordinance Adopting The 2018 Budget For The Northern Colorado Regional Airport

CARRIED UNANIMOUSLY, 9 - 0.

**4.4. LOVELAND FIRE RESCUE AUTHORITY
2018 LOVELAND FIRE RESCUE AUTHORITY BUDGET AND FEES**

Mark Miller, LFRA Chief, presented this item to Council. The resolution provides for City Council approval of the LFRA schedule of rates, charges, and fees and 2018 Budget for 2018. The resolution provides approval of the LFRA schedule of rates, charges, and fees and 2018 Budget for 2018. There are no changes to LFRA's rates, charges, and fees for 2018. LFRA's total recommended 2018 appropriation is \$14,985,146. The City of Loveland's contribution of \$12,049,817 is included in the City's recommended 2018 Budget – this contribution amount is a 6.1% increase over 2017. The LFRA 2018 Budget was presented to the LFRA Sub-Committee on July 11, 2017 where the sub-committee expressed concerns over a few items in the budget. See attachment 3 for details. As a result of this meeting, Chairman Swanty, City Manager Steve Adams, and Chief Miller met on August 4, 2017 to discuss the increase in cost allocation. As such, LFRA was able to reduce the allocation by approximately \$60,000. The 2018 Budget was presented at the LFRA Board meeting held on August 30, 2017 where the Board approved the budget and fee schedule. This 2018 Budget was presented at the Loveland Rural Fire Protection District meeting on September 6, 2017 where the District approved the budget and fee

schedule. Last, this item was presented at the September 27, 2017 LFRA Board meeting where the Resolution was adopted unanimously. **Public Comments were not given.**

Moved by Councilor Shaffer, seconded by Councilor Fogle

A Motion To Adopt Resolution #R-87-2017 Approving The Loveland Fire Rescue Authority 2018 Schedule Of Rates, Charges, And Fees For Services And The 2018 Budget

CARRIED UNANIMOUSLY, 9 - 0.

ADJOURN AS CITY COUNCIL AND CONVENE AS THE BOARD OF DIRECTORS OF THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 (SID)

**4.5. FINANCE
PUBLIC HEARING
2018 BUDGET FOR THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1**

Theresa Wilson, Budget Manager, presented this item to Council. The City serves as the sponsoring agency for the Special Improvement District #1, and City Council acts as its ex officio Board of Directors. By State law, all special districts with a connection to the City must adopt a budget. The Board of Directors is responsible for adopting the annual budget for the District. These materials are needed for the adoption of the 2018 Budget for the District. The recommended 2018 appropriation of \$490,000 remains unchanged for 2018 compared to 2017. This continued appropriation level will promote continuation of existing services (infrastructure improvements) within the District. This item was presented at a City Council Study Session held on September 12, 2017. **Public Comments were not given.**

Moved by Councilor Shaffer, seconded by Councilor Fogle

A Motion To Adopt, On First Reading, An Ordinance Adopting The 2018 Budget For The Loveland Special Improvement District #1

CARRIED UNANIMOUSLY, 9 - 0.

ADJOURN AS THE BOARD OF DIRECTORS OF THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 (SID) AND CONVENE AS THE BOARD OF COMMISSIONERS FOR THE LOVELAND URBAN RENEWAL AUTHORITY (LURA)

4.6. FINANCE

PUBLIC HEARING

2018 BUDGET FOR THE LOVELAND URBAN RENEWAL AUTHORITY

City Council serves as the Board of Commissioners for the Loveland Urban Renewal Authority (LURA). By State budget law, the Authority must adopt a budget. The Board of Commissioners is responsible for adopting the annual budget for the Authority. These materials are needed for the adoption of the 2018 Budget for the Authority. The recommended 2018 appropriation of \$13,214,410 is an increase of 1.2% compared to 2017. This appropriation level will promote continuation of existing services (redevelopment and infrastructure improvements) within the Authority. The 2018 recommended appropriation for the Authority is \$13,214,410, which is a 1.2% increase over 2017. The appropriation is for redevelopment and infrastructure improvements within the boundaries of the Authority. Within the Downtown Project Area, \$10,000 is appropriated for developer reimbursements based on existing agreements. Within the Expanded Finley Project Area, \$80,000 is appropriated for payment of interest expenses for internal loans between LURA, Capital Expansion Fee (CEF) Funds, and the General Fund. Within the US 34/Crossroads Project area, the Master Financing Agreement Section 3.1.1.3 states \$40,000 is appropriated for City administrative costs, \$983,000 is appropriated to be paid to Thompson Valley Schools for building new schools, and \$12,051,410 is appropriated for the transfer of revenue collected within the US 34 Crossroads Project Area to the Centerra Metropolitan District #1 to meet contractual obligations between the Authority and the Centerra Metro District #1 – related to this, \$50,000 is appropriated to be paid to the General Fund for associated administrative charges. This item was presented at the City Council Study Session on September 12, 2017. Public Comments were not given.

Moved by Councilor Shaffer, seconded by Councilor Fogle

A Motion To Adopt, On First Reading, An Ordinance Adopting the 2018 Budget For The Loveland Urban Renewal Authority

CARRIED UNANIMOUSLY, 9 - 0.

ADJOURN AS THE BOARD OF COMMISSIONERS FOR THE LOVELAND URBAN RENEWAL AUTHORITY (LURA) AND CONVENE AS THE BOARD OF DIRECTORS FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT #1 (GID)

4.7. FINANCE

PUBLIC HEARING

**2018 BUDGET FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT
#1**

Theresa Wilson, Budget Manager, presented this item to Council. City Council serves as the ex officio Board of Directors for the General Improvement District #1. The Board of Directors is responsible for adopting the annual budget for the District. These materials are needed for the adoption of the 2018 Budget for the District. The recommended 2018 appropriation of \$22,500 and associated property tax mill levy (2.684 mills) remain unchanged for 2018 compared to 2017. This continued appropriation level will promote continuation of existing services (parking lot repair and maintenance and landscape maintenance) within the District. The 2018 recommended appropriation for the District is \$22,500, which is unchanged over 2017. This funding is for parking lot repair and maintenance and landscape maintenance within the District. The 2017 Mill Levy applied to the 2017 Assessed Valuation determines the 2017 Property taxes. The 2017 property taxes are due and payable in 2018. This property tax revenue funds the 2018 Budget. This item was presented at the City Council Study Session held on September 12, 2017.

Public Comments were not given.

Moved by Councilor Shaffer, seconded by Councilor Fogle

1) A Motion To Adopt, On First Reading, An Ordinance Setting The Mill Levy For The Loveland General Improvement District #1

CARRIED UNANIMOUSLY, 9 - 0.

Moved by Councilor Shaffer, seconded by Councilor Fogle

2) A Motion To Adopt, On First Reading, An Ordinance Adopting the 2018 Budget For The Loveland General Improvement District #1

CARRIED UNANIMOUSLY, 9 - 0.

**ADJOURN AS THE BOARD OF DIRECTORS FOR THE GENERAL
IMPROVEMENT DISTRICT #1 (GID) AND RECONVENE AS CITY COUNCIL**

5. REPORTS

5.1. 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.

Reports from Councilors:

Clark has met with the Citizens' Finance Advisory Commission and shared that CFAC members want to be more involved in the budget process.

Fogle met with Agrium and shared their appreciation of the partnership with the City.

City Manager Report:

Steve has sent out surveys to CFAC and will attend their meeting on October 10, 2017 to discuss the results of the survey.

City Attorney Report:

None

6. ADJOURN

Mayor Gutierrez adjourned the October 3, 2017 Regular Council Meeting at 10:07 p.m.

Respectfully Submitted,




Beverly A. Walker, Acting City
Clerk


Cecil A. Gutierrez, Mayor