



MINUTES
LOVELAND CITY COUNCIL MEETING
Tuesday, May 1, 2018 CITY COUNCIL CHAMBERS 6:00 PM

COUNCIL PRESENT: Mayor Marsh
Councilors:
Overcash, Fogle, Ball, Clark, Olson, Jersvig, and Wright.

COUNCIL ABSENT: Johnson

1. INTRODUCTION

1.1 CALL TO ORDER

1.2 PLEDGE OF ALLEGIANCE

1.3 ROLL CALL

1.4 PROCLAMATIONS

1.4.1 PROCLAMATION

DECLARING MAY 2018 AS MOTORCYCLE SAFETY AWARENESS MONTH

Councilor Olson presented the proclamation to Kristy McNeil with Leather and Lace Motorcycle Club.

1.4.2 PROCLAMATION

DECLARING MAY 6-12, 2018 AS MUNICIPAL CLERKS WEEK

Councilor Ball presented the proclamation to City Clerk, Patti Garcia, Beverly Walker, Jeannie Weaver, Kirsten Gjelde-Bennett, Lynn Valdez, and Sarah Jacobsen

1.4.3 PROCLAMATION

DECLARING MAY 6-12, 2018 AS LOVELAND TRAVEL AND TOURISM WEEK

Councilor Overcash presented the proclamation to Economic Development Director, Kelly Jones, Cindy Mackin, Gary Light, and Chris Bierdeman

1.5 PRESENTATION

1.5.1 HABITAT FOR HUMANITY, WE BUILD

Presentation by Vince Deely, Habitat for Humanity.

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 end 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.

**2.1 CITY CLERK'S OFFICE
APPROVAL OF MINUTES**

Approval of the City Council minutes for the April 10, 2018 Special Meeting and Study Session.

A Motion to Approve the City Council Minutes for the April 10, 2018 Special Meeting and Study Session

CARRIED.

**2.2 CITY CLERK'S OFFICE
MEMBER APPOINTMENTS TO BOARDS AND COMMISSIONS**

This is an item appointing a member to the Planning Commission.

A Motion To Appoint Milo Hovland To The Planning Commission For A Term Effective Until December 31, 2020

CARRIED.

**2.3 CITY CLERK'S OFFICE
CALL FOR A SPECIAL MEETING TO BE HELD ON MAY 8, 2018**

This item was pulled from the Consent Agenda to be considered at the end of the Regular Agenda, but due to time constraints was not heard at this meeting.

Call For A Special Meeting On May 8, 2018 For The Purposes Of:

1) Presiding Judge Joneson Quarterly Performance Review With Possible Executive Session

2) Receive Update On The Foundry Project From Brinkman Partners Followed By A Motion To Recess Into Executive Session To Receive Legal Advice Related To The Development Reimbursement Agreement (DRA)

**2.4 PARKS AND RECREATION
PUBLIC COMMENT**

SUPPLEMENTAL APPROPRIATION FOR THE REIMBURSEMENT OF FUNDS TO THE THOMPSON R2J SCHOOL DISTRICT FOR THE CONSTRUCTION OF THE HIGH PLAINS SCHOOL PUBLIC PARK IMPROVEMENTS

In January 2014, the City of Loveland, Lakes at Centerra Metropolitan District No.1, (Lakes at Centerra) and Thompson R2J School District (District) entered into an Intergovernmental Agreement (IGA) to jointly construct public park improvements at the High Plains Environmental Center and the High Plains public school located at 4255 Buffalo Mountain Drive in east Loveland (attachment 5 for Location Map). The obligation of the agreement placed development and construction of the park improvements with the Lakes at Centerra and the Thompson School District and placed the obligation for reimbursement on the City to repay both parties once all construction was completed and the conditions of the IGA were met. Now that construction of the park and school facility improvements have been completed, the final reimbursement to the school district needs to be completed by the City. The funding ordinance will appropriate \$800,000 from the Parks CEF Fund for the park improvements constructed by the District. The City reimbursed the Lakes at Centerra for park improvements near the High Plains Environmental Center in June 2015. This item was presented to City Council on January 7, 2014, where the agreement was reviewed and adopted by resolution with a unanimous vote of 9 to 0. This item was also presented to City Council on January 6, 2015 where the agreement was amended to grant the school district a time extension due to weather delays for the school construction. This item was presented to City Council on April 17, 2018 where the ordinance was adopted unanimously, on first reading, with a 7 to 0 Vote.

A Motion To Adopt, On Second Reading, Ordinance No. 6199 Enacting A Supplemental Budget And Appropriation To The 2018 City of Loveland Budget For Reimbursement To Thompson Valley School District For High Plains Park Public Park Improvements

CARRIED.

**2.5 DEVELOPMENT SERVICES
PUBLIC HEARING**

NORTH BOYD LAKE 1ST SUB SUBDIVISION VACATION

The City is reviewing a site plan for a commercial development on North Boyd Lake Avenue, adjacent to the airport and Union Pacific Railroad, (attachment 1). The property is approximately 16.83 acres and is proposed as a mini storage and outdoor storage facility. There are access and utility easements along the center of the property, which were established to provide public and emergency access and a utility corridor to the property.

Based on the design of the commercial development, these easements totaling approximately 3.54 acres are no longer necessary, as they plan to reestablish all necessary easements through separate instruments (attachment 2). The applicant is requesting that the old easements be vacated within the property boundaries. This item was presented to the Planning Commission on April 23, 2018 where it received unanimous approval.

A Motion To Adopt, On First Reading, An Ordinance Vacating Emergency Access, Public Access And Utility Easements Located On, Over And Across A Portion Of North Boyd Lake Avenue 1st Addition 1st Subdivision, City Of Loveland, County Of Larimer, State Of Colorado

CARRIED.

2.6 DEVELOPMENT SERVICES SET PUBLIC HEARING DATE FOR BIGHORN ANNEXATION

This is an item to set a public hearing date of June 5, 2018 for consideration of the annexation of 5.02 acres to be known as the Bighorn Addition (attachment 1). The subject property, which is currently vacant, is located northwest of the intersection of N. Garfield Avenue and W. 57th Street (attachment 3). The applicant is Bighorn Loveland, LLC/Ted Fouts and Dan Guggenheim. A neighborhood meeting was held on March 29, 2018 with 10 people in attendance along with the applicant's consultants and staff. Questions and discussion at the meeting centered on transportation matters and the recreational vehicle storage business proposed to be developed in the future on the property. The annexation and zoning request is scheduled for a Planning Commission public hearing on May 14, 2018.

A Motion To Adopt Resolution #R-37-2018 Finding A Certain Petition For Annexation Known As Bighorn 1st Addition, Filed March 6, 2018, To Be Substantial Compliance With Section 30 Of Article II Of The Colorado Constitution And With The Requirements Of Section 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

CARRIED.

2.7 FISCAL ADVISOR MARCH 2018 INVESTMENT REPORT

The budget projection for investment earnings for 2018 is \$2,527,729. On the portfolio's 2018 beginning balance, this equates to an annual interest rate of 1.13%. Based on the March 2018 monthly report, the estimated yield on fixed income securities (market value) held by US Bank was at 1.66%; for total assets, the yield was 1.59%. For the month, accounting staff posted net total earnings of \$254,311 to various 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 2017, and then trended downward. 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. For the last seven and a half months, rates all along the interest rate curve have moved generally upwards. The Federal Reserve Board increased the Federal Funds rate again on March 21, 2018. Additional rate increases are expected in June, September, and perhaps in December. The estimated market value at the end of March 2018 is \$233.1 million. Unspent proceeds from the lease financing for the downtown parking facility are included in the total. For the month of March, shifts in the bond market interest rates resulted in the holdings in the portfolio to increase in value by \$306,546, decreasing the unrealized loss in the portfolio to \$3.94 million. The investment program strives to earn competitive returns within state law and City investment policy guidelines which emphasizes safety first, liquidity second, and then yield.

Information Only.

**2.8 FINANCE
MARCH 2018 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 March 31, 2018. Citywide Revenue of \$76.1 million is 20.2% of total annual budget. Sales Tax collections March YTD are 1.7% above March 2017 YTD, and 24.7% of the total annual budget. Building Material Use Tax collections for March are 8.3% above March 2017 YTD, and 16.3% of the total annual budget. Sales and Use Tax collections combined are 23.9% of total annual budget. Citywide total expenditures of \$72.4 million are 25.8% of the total annual budget.

Information Only.

3. CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA

4. MOTION TO ADOPT THE CONSENT AGENDA

Moved by Councilor Jersvig, seconded by Councilor Johnson

A Motion To Adopt The Consent Agenda, Items 2.1 to 2.8, with the exception of Item(s) 2.3 pulled by Larry Sarner, Loveland resident.

CARRIED UNANIMOUSLY, 8 – 0.

5. PUBLIC COMMENT

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

John Bradley, Loveland resident, expressed appreciation for the service he received from the Parks and Recreation, Water and Power, and Public Works Departments, as well as all of Council especially Councilor Ball as liaison on the Parks and Recreation Commission. Larry Sarner, Loveland resident, expressed concern regarding the issuance of bonds for the DDA and spoke of filing a lawsuit.

**6. REGULAR AGENDA
PROCEDURAL INFORMATION**

Council will give anyone in the audience time to speak to any PUBLIC COMMENT or PUBLIC HEARING item on the Regular Agenda before acting upon it. The Mayor will call for public comment following any staff report. Council conducts public hearings according to its Rules of Procedure and legal requirements. Loveland's Charter only requires that a majority of the quorum present vote in favor to adopt an ordinance first reading. However, adopting an ordinance on second or final reading requires that at least five of the nine Council members vote in favor.

City Manager, Steve Adams, asked to pull Item 6.8 due to the timing of the Legislative Session

Moved by Councilor Jersvig, seconded by Councilor Fogle

A Motion To Pull Item 6.8 From The Agenda.

CARRIED UNANIMOUSLY, 8 - 0.

**6.1 ECONOMIC DEVELOPMENT
PUBLIC HEARING**

**APPROPRIATION TO FUND LOVELAND STRATEGIC PARTNERSHIP'S #LIVE
LOVELAND CAMPAIGN**

Kelly Jones, Economic Development Director, introduced the program and the board members, who spoke about each of the groups they have been engaging with; Doug Rutledge, Workforce Sector; Jay Dokter, Youth Sector; Dan Mills, Arts Sector; Pastor Jonathan Wiggins, Faith and Nonprofit Sector; and Mindy McCloughan, Chamber of Commerce, Alumni Sector; presented this item which was a request for \$100,000 in funding for the #Live Loveland campaign. This initiative grew out of the Loveland Strategic Partnership (LSP), a non-profit made up of many different segments of the community from government to non-profit, education and small business owners to the faith community. #Live Loveland was created specifically to engage citizens in their community and highlight community pride through a variety of tactics. The LSP estimates their current year budget to be between \$200,000 and \$225,000. To date, they have raised \$100,000 and have additional fundraisers planned for the remainder of 2018. There are three sources of funding listed below by fund:

1. Economic Incentives Fund (\$47,500)
2. Council Special Projects Fund (\$47,500)
3. Lodging Tax Fund (\$5,000)

This item was presented to City Council at a Study Session held on February 27, 2018. This item was also presented to the Community Marketing Commission on March 21, 2018 where they unanimously approved a motion to recommend to City Council the appropriation of \$5,000 for the Live Loveland Campaign.

Public Comment: Gary Lundquist and Larry Sarner, Loveland residents, spoke in opposition of this item.

Allison Seadeck, Loveland resident, spoke in support of this item.

Ms. McCloughan, responded to the opposition comments, stating that everyone needs to get together to make it work. Mr. Dokter, also responded and spoke of the collaboration that has been effective in reducing redundancy.

Councilors expressed appreciation for the vision and communication strategy, the collaboration, the alliances, and the focus on children. They suggested including Meals On Wheels on the website.

Moved by Councilor Jersvig, seconded by Councilor Olson

A Motion To Adopt, On First Reading, An Ordinance Enacting A Supplemental Budget And Appropriation To The 2018 City of Loveland Budget For #Live Loveland

CARRIED UNANIMOUSLY, 8 - 0.

6.2 ECONOMIC DEVELOPMENT

SUPPLEMENTAL REQUEST LODGING TAX RESERVES FOR MARKETING EVENT FUNDING AND VISITORS CENTER INVENTORY

Cindy Mackin, Marketing and Tourism Manager, presented this item to Council. The purpose of this item is to request a supplemental appropriation from Lodging Tax reserves for a 2018-2019 Winter Wonderlights event and for cost of goods sold at the Loveland Visitors Center. Staff applied for and won a marketing grant in 2017 to have the Winter Wonderlights at a Chapungu Sculpture Park event during December 2017 and January 2018 when lodging collections are often lowest. Staff did not know if the event would be successful during the budgeting process last year, but due to the successful media coverage, PR and attendance at the event, staff is seeking a supplemental appropriation to once again have Winter Wonderlights during the winter of 2018-2019. When a product is sold at the Visitors Center, the cost of those goods are charged against a certain account. In 2017, staff did not forecast the Visitors Center sales to increase and therefore did not budget enough for the cost of goods sold in that particular account. Staff brought this item to the Community Marketing Commission on March 21, 2018. After discussion, a motion was made for a supplemental appropriation of lodging tax reserves for \$105,000 to support producing and sponsoring the 2018-2019 Winter Wonderlights event at Chapungu Sculpture Park and \$10,000 for the Visitors Center. The motioned was approved unanimously.

Tom Dwyer, Chair of the Community Marketing Commission, addressed Council at their request, to share his experience with the Winter Wonderlights event and stated that Loveland has been ranked number one in hotel occupancy for the state for a number of years.

Public Comment: Larry Sarner, Loveland resident, expressed concern regarding the metrics of the survey, the lodging tax and the return on investment.

Roger Weidelman, Loveland resident, spoke in support of the item and expressed concern regarding the division of Downtown versus Centerra.

Councilors expressed appreciation for the event, the marketing team, and the benefit to the community. Mayor Marsh expressed concern about the timing of the event during the holidays and potential draw of shoppers out of the downtown area.

Call for the question Moved by Councilor Ball, seconded by Councilor Fogle.

CARRIED 7 - 1, No Vote: Marsh.

Moved by Councilor Jersvig, seconded by Councilor Overcash

A Motion To Adopt, On First Reading, An Ordinance For A Supplemental Request Lodging Tax Reserves For Marketing Event Funding And Visitors Center Inventory

CARRIED 7 to 1, No Vote: Marsh.

6.3 CITY MANAGER'S OFFICE PARKSIDE METRO DISTRICT APPROVAL OF SERVICE PLAN

Alan Krcmarik, Executive Fiscal Advisor, introduced this item and the attorneys representing the applicant who presented this item. Ken Mitchell, Owner Representative, and Attorney David Greer, with Collins, Cockrel and Coe P.C. addressed Council to describe the service plan. Boedecker Lake Partners, LLC, (the "Proponent") is the owner of approximately 22.914 acres (the "Initial District") of land near Boedecker Reservoir (also known as Boedecker Lake). The Proponent has hired land development services and legal services creating a team (the "Developer") to form the Parkside Metropolitan District. The Developer has indicated that the development within the district will be primarily residential. The proposed Service Plan for Parkside Metropolitan District also includes 44.5 acres of adjacent land (the "Inclusion Area") that is not owned by the Proponent. The Service Plan presents the need for the metropolitan district and enumerates the types of services that it may provide, including sanitation and storm drainage, water, streets, traffic and safety controls, parks and recreation, transportation, television relay and translator, mosquito and pest control, security, covenant enforcement, legal powers, limited ability to amend the plan, the ability to contract for public improvements with other entities, and other implied powers to exercise the powers expressly authorized by the Service Plan. Use of condemnation power, additional subdivision of the land within the District, and the formation of a special assessment district would require separate City Council approval. The Proponent is seeking City Council's approval of the Service Plan for the district.

Under Title 32 of the Colorado Revised Statutes, metropolitan districts serve as a financing mechanism for the provision of public improvements determined to be needed to support development. The cost of the public improvements anticipated for the Initial District is estimated to be \$4,251,319. The cost for public improvements in the Inclusion Area is estimated to be \$6,779,861. The combined total is \$11,031,180. For the Initial District improvements, the debt limit for the improvements is set at \$5,800,000 (exclusive of refundings (refinancing) at a lower interest rate; for the Inclusion Area the debt limit is \$10,200,000. The total of the two areas is \$16,000,000.

Jim Manire, Hilltop Securities, addressed Council to explain the mill levy and the debt levels. Jonathan Hebrew, with Piper Jaffray, addressed Council to briefly explain the financial plan.

Public Comment: Ed Koch, Loveland resident, expressed concern regarding traffic on 1st Street and the public access to Boedecker Lake.

Michael Smiley, Loveland resident, spoke in support of maintaining the public access of the lake.

Roger Wiedelman, Loveland resident, expressed concern regarding the establishment of an additional metro district.

Larry Sarner, Loveland resident, expressed concern regarding property taxes and the debt. Council expressed concern regarding: the eminent domain provision, the additional cost to the homeowners, and the inclusion area. Council did express appreciation for the park and trail access to the public.

Moved by Councilor Jersvig, seconded by Councilor Wright

A Motion To Approve Resolution #R-40-2018 Of The Loveland City Council Approving The Service Plan For The Parkside Metropolitan District

CARRIED 7 to 1, No Vote: Marsh

Moved by Councilor Fogle, seconded by Councilor Olson

A Motion To Amend The Resolution Subject To Modification Of Section 6 To Read In Full As Follows: That The City Council Hereby Approves The Service Plan To The District As Submitted Subject To Modification Of The Service Plan To Require City Council Approval For the Inclusion Area Into The Parkside Metropolitan District Service Plan.

Discussion ensued between Council and the applicant's representatives to explain the inclusion area and how that area would be annexed and what would work to get to an agreement between the City and the applicant.

FAILED 3 - 5, No Votes: Clark, Ball, Wright, Overcash, Jersvig.

Moved by Councilor Fogle, seconded by Councilor Olson

A Motion To Extend The Meeting To 11:00 PM.

CARRIED UNANIMOUSLY, 8 - 0.

Moved by Councilor Fogle, seconded by Councilor Olson

A Motion To Amend The Resolution Subject To Modification Of Section 6 To Read In Full As Follows:

That the City Council hereby approves the Service Plan for the District as submitted, subject to modification of the Service Plan to require the owner of Inclusion Area to provide greenbelt, including public access in like fashion as exists in the Initial

District Boundaries along the edge of Boedecker Reservoir as a condition of inclusion into the District.

CARRIED UNANIMOUSLY, 8 - 0.

**6.4 LOVELAND FIRE RESCUE AUTHORITY
PUBLIC HEARING
TRANSFER OF FIRE CAPITAL EXPANSION FEES FUNDS**

Mark Miller, Fire Chief, presented this item to Council. In November 2017, City Council approved an Intergovernmental Agreement (IGA) and subsequently adopted a resolution regarding the collection of impact fees for Loveland Fire Rescue Authority (LFRA) in lieu of Capital Expansion Fees (CEF's). The purpose of this ordinance is to transfer the balance of the existing Fire CEF funds (previous to January 1, 2018) to the Fire Authority impact fee account, to be used under the same premise as CEF's (capital, growth related projects). As a matter of note, LFRA now has IGA's with all three of the entities within their jurisdiction (City of Loveland, Larimer County, and Town of Johnstown), regarding the implementation of impact fees. There is not an impact on unassigned fund balance. This request if approved would move the unassigned fund balance within the Fire CEF Fund to the New Fire Impact Fee Fund.

Public Comment was not given.

Moved by Councilor Jersvig, seconded by Councilor Fogle

A Motion To Adopt, On First Reading, An Ordinance Enacting A Supplemental Budget And Appropriation To The 2018 City Of Loveland Budget For The Transfer Of Fire Capital Expansion Fee (CEF) Funds To The Loveland Fire Rescue Authority (LFRA) Emergency Services Impact Fee Fund

CARRIED UNANIMOUSLY, 8 - 0.

**6.5 INFORMATION TECHNOLOGIES
CUSTOMER INFORMATION SYSTEM VENDOR CONTRACT AWARD**

Bill Westbrook, IT Director, presented this item to Council. 1) This item approves the award of a master contract, software license contract, implementation services contract, and a support and maintenance contract for the replacement of the present Customer Information System (CIS/Utility Billing) to Advanced Utility Systems in the amount of \$3,445,900 and authorizes the City Manager to execute the contract. This item also authorizes the City Manager to sign an amendment for \$956,742 to an existing contract with AAC Utility Partners for CIS Selection and Project Implementation Leadership Services.2) This project's funding of \$6,601,220 was approved as part of the 2018 City of Loveland Budget within the capital projects fund. The remaining balance of \$2,198,578 (\$6,601,220 less \$3,445,900 for AUS and \$956,742 for AAC) is allocated for hardware, first year of annual support and maintenance at go-live, office space, backfilling of positions, non-AUS 3rd party interfaces, and contingency.

Public Comment: Bruce Croissant, Loveland resident, expressed concern regarding the system.

Larry Sarner, Loveland resident, expressed concern regarding the funding of the project and TABOR limitations.

Moved Councilor Overcash, seconded by Olson

A Motion to continue this item and postpone Items 6.6 and 6.7 to March 8, 2018 special meeting.

CARRIED UNANIMOUSLY, 8 - 0.

Moved by Councilor Jersvig, seconded by Councilor Clark
Withdrawn

1) A Motion to Adopt Resolution #R-38-2018 Authorizing A Notice of Award for the Customer Information System (CIS) Replacement Bid to Advanced Utility Systems (AUS) of Toronto, Ontario, Canada And Authorizing the City Manager to Execute the Contracts

No Vote.

2) A Motion To Adopt Resolution #R-39-2018 Approving A Contract Amendment To The Services Contract With AAC Utility Partners For The CIS Selection And Project Implementation Leadership Services Project, And Authorizing The City Manager To Execute The Contract Amendment

**6.6 WATER & POWER
WASTEWATER TREATMENT PLANT PACKAGE THREE**

This item was postponed to March 8, 2018.

**6.7 CITY MANAGER'S OFFICE
CITY COUNCIL APPOINTMENTS FOR LOVELAND COMMUNICATIONS ADVISORY BOARD (LCAB)**

This item was postponed to March 8, 2018.

**6.8 LOVELAND FIRE RESCUE AUTHORITY
APPROVAL TO AUTHORIZE THE MAYOR TO SIGN A LETTER OF SUPPORT TO SUSPEND THE GALLAGHER AMENDMENT**

This Item was pulled by the City Manager.

6.9 CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

Item 2.3 pulled from the Consent Agenda was not heard due to time constraints.

7. REPORTS

7.1 Reports were not given due to time constraints.

8. **ADJOURN**

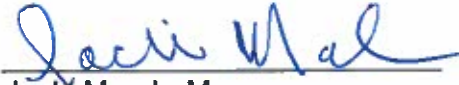
Mayor Marsh adjourned the May 1, 2018 Regular Council Meeting at 11:00 p.m.

Respectfully Submitted,





Patti Garcia, City Clerk



Jack Marsh, Mayor