

MINUTES
EVANS CITY COUNCIL
October 6, 2015

CALL TO ORDER

Mayor Morris called the meeting to order at 7:30 p.m.

PLEDGE

ROLL CALL

Present: Mayor Morris, Mayor Pro-Tem Schaffer, Council Members Brown, Clark, Finn, Homann, and Rudy

AUDIENCE PARTICIPATION

APPROVAL OF AGENDA

Mayor Pro-Tem Schaffer, made the motion, seconded by Council Member Rudy, to approve the Agenda. The motion passed with all voting in favor thereof.

CONSENT AGENDA

- A. Approval of Minutes of the Regular Meeting of September 15, 2015**
- B. Ordinance No. 630-15 – Amending Title 2 and Title 15 of the Evans Municipal Code Regarding Emergency Response and Fire Protection (2nd Reading)**
- C. Ordinance No. 631-15 – Amending Title 16 of the Evans Municipal Code Concerning Flood Damage Prevention (2nd Reading)**

Mayor Pro-Tem Schaffer, made the motion, seconded by Council Member Rudy, to approve the Consent Agenda. The motion passed with all voting in favor thereof. Council Member Clark abstained from voting.

NEW BUSINESS

- A. Public Hearing – 2016 Operating and Capital Budget**
 - i. Resolution No. 26-2015 – Adoption of the 2016 Budget**
 - ii. Ordinance No. 632-15 – 2016 Budget Appropriations (1st Reading)**

Mayor Morris opened the public hearing at 7:35 p.m.

Jessica Gonifas, Deputy City Manager & City Treasurer, presented a summary of the 2016 Budget and distributed the budget document to the City Council Members. She explained that City Council is considering both Resolution No. 26-2015 and Ordinance No. 632-15 for the adoption of the 2016 budget. She summarized the

budget process during 2015, talked about the work by the Finance Committee and the Budget Process Teams, which both provided oversight and recommendations to the budget process. She discussed the importance of including staff in the budget process for long range planning in order to create a higher level of awareness and accountability. She explained that Process Teams were developed for revenues, payroll, supplies and services, asset management, and capital programs. These teams worked with the departments to review and prepare the budgets.

Ms. Gonifas provided a summary on the following budget details:

- budget timeline & calendar;
- revenue;
- payroll;
- supplies & services;
- the City Asset Management Plan (AMP);
- the City Capital Improvements Plan (CIP);
- City enterprise funds; and
- current and future budget planning.

In summary the estimated revenues and transfers in for 2016 for each fund are shown in the table below.

General Fund	\$13,481,360
Cemetery Perpetual Care	2,700
Fire Impact	2,740
Street Impact	4,389
Parks Impact	12,118
Conservation Trust	189,203
Refuse Collection	661,612
Capital Projects-Streets	2,200,283
Capital Projects-Parks	1,655,148
Waterworks	4,901,014
Waste Water	2,290,161
Storm Drainage	501,824
Cemetery Endowment	6,000
Total	\$25,908,552

In summary the estimated expenditures and transfers out for 2016 for each fund are shown in the table below.

General Fund	\$13,747,893
Street Impact	250,000
Conservation Trust	95,000
Refuse 654,654	Collection
Capital Projects-Streets	3,185,500
Capital Projects-Parks	1,689,073
Waterworks	4,788,624
Waste Water	1,861,753
Storm Drainage	239,031
Cemetery Endowment	6,000
Total	\$26,517,528

Mayor Pro-Tem Schaffer asked for a summary of the budget and if the City was running a deficit.

Ms. Gonifas explained that expenses were more than revenues for the 2016 due to larger projects from the City Street Impact Fund.

According to Ms. Gonifas, the fund balance for the Street Impact Fund accumulated over the past three years and larger projects in 2016 have been scheduled to spend these funds.

Mayor Morris agreed with Ms. Gonifas explaining that the expenses were actually less than the anticipated revenue for the 2016 budget, with the Street Impact Fund notwithstanding.

Ms. Gonifas also explained that the operating revenues should not exceed operating expenditures in the General Fund during 2016.

Council Member Homann referred to the 13 percent increase for health insurance and medical benefits and asked if this was an increase to the City or employees.

Ms. Gonifas explained that these costs are shared by City and by employees.

Council Member Homann asked how much each employee will have to incur.

Ms. Gonifas explained that she believed the increase to employees would be 13 percent.

Mayor Morris asked about projects in 2015 that received grant revenue and how the revenue and expenses for grant-funded projects will carry over.

Ms. Gonifas confirmed that grant revenue from grant-funded projects will carry

over into the 2016 budget.

Mayor Morris referred to page 46 of the budget document concerning supplies and services and asked about the drop in public safety in the City's Long-range plan.

Ms. Gonifas explained that there were more recent one-time expenses for public safety that are difficult to anticipate for long-range planning

Mayor Morris asked about the long-range decrease for supplies & services.

Ms. Gonifas explained there were one-time expenses in 2014 and 2015 as well as a shift from contract costs for legal counsel to payroll costs for in-house legal staff in 2016.

Mayor Morris asked about the long-range plan for the City's AMP, which shows a long-term decrease.

Ms. Gonifas explained why the long range planning can be difficult for City assets, but explained that staff will review the long-range numbers.

Aden Hogan, City Manager, spoke about the pros and cons of attempting to have long-range budget planning and the challenge of determining the life-span of equipment used by the City for asset management.

Mayor Morris referred to page 52 of the Budget Book, concerning the street improvement projects under the City's CIP.

Ms. Gonifas explained that the City expects to receive future grant funds for street projects in 2016, but they cannot be included in the budget until they have been received.

Council Member Homann asked about the funding for a new employee for the Parks Department in 2016.

Ms. Gonifas referred Council Member Homann to page 45 of the budget document.

Council Member Homann asked why the same number is estimated for 2015 and 2016.

Ms. Gonifas said she would look into why the estimates were the same.

Council Member Homann asked about the reason for the 27 percent increase for medical expenses.

Mr. Hogan explained that 2015 insurance claims have driven up the City's insurance cost.

Ms. Gonifas clarified with staff that the total increase was 13 percent, which is shared by the City and the employee—with the employee incurring a 6.5 percent increase.

Mayor Morris wanted to take a second to compliment Julie Roeder, Human Resources & Risk Management Director, for her hard work to keep past insurance costs low for City employees.

Mayor Morris asked for testimony from any supporters or opponents of the 2016 budget—there was none.

Mayor Morris closed the public hearing at 8:28 p.m.

Council Member Clark discussed the major projects proposed under the 2016 budget and voiced his support for the 2016 budget.

Mayor Morris agreed and discussed his support for the 2016 budget.

Council Member Clark made the motion, seconded by Council Member Brown to move to adopt Resolution No. 26-2015 and approve Ordinance No. 632-15 on first reading. The motion passed with all voting in favor thereof.

B. Ordinance No. 633-15 – Authorizing the Issuance and Sale of Water Enterprise Revenue Bonds, Series 2015, Providing for the Sources of Payment of Such Bonds, and Providing Other Details Concerning the Bonds and the City’s Water System (1st Reading)

Ms. Gonifas and Jim Minier from Butler Snow, LLP, presented Ordinance No. 633-15 for the issuance and sale of water enterprise revenue bonds. According to Ms. Gonifas, the Ordinance allows the City to issue revenue bonds for the Water Enterprise Fund in the amount not to exceed \$6,350,000. The amount of the debt issuance would include the approximate amounts: \$5,194,800 to pay the City of Greeley for the five shares of the Windy Gap Firming Project, \$395,000 for the design of the Windy Gap Firming Project, and up to \$750,000 for a dedicated debt service reserve fund, and other transaction costs.

Mr. Minier discussed the assistance that the City can expect from Butler Snow, LLP, which is a public finance legal firm. He introduced his other associates who will also be assisting City staff in the bond issuance process. Mr. Minier explained that the pending action before Council was a preliminary statement for bond issuance before the final price is set for final approval. According to Mr. Minier, the Ordinance establishes parameters to allow City staff to proceed with the debt issuance and he provided a full timeline of the process. Lastly, Mr. Minier explained the rates and terms of the bond issuance to City Council.

Mayor Morris asked about the early payout option for 10 years.

Mr. Minier, confirmed that the debt could be paid off at the end of the 10th year, but the City would be locked out for the first 10 years.

Council Member Clark asked about the purchase of the Windy Gap shares and the options for the City of Evans if the shares are not purchased from the City of Greely.

Ms. Gonifas explained that the City has a year to decide on the bond issuance and would not encumber the debt obligation if the shares are not purchased.

Mayor Morris asked for testimony from any supporters or opponents of Ordinance 633-15—there was none.

Council Member Clark made the motion, seconded by Council Member Homann, to approve Ordinance No. 633-15 on first reading.
The motion passed with all voting in favor thereof.

C. Ordinance No. 634-15 – Amendment to Agreement with ARB Midstream Concerning Drainage Impact Fee

Zach Ratkai, Flood Recovery, Building and Neighborhood Services Manager, explained that the Ordinance addressed an amendment to the annexation agreement with ARB Niobrara Connector. The initial phase of construction for the crude oil transload facility proposed will occur on 60 acres, with the entire site being 215 acres. Mr. Ratkai reminded City Council about the planned development previously approved by the City Council. According to Mr. Ratkai, the applicant was requesting the amendment to distribute the entire drainage fee to the City in phases, instead of the total of \$694,000 at the beginning of the project.

He summarized the types of impact fees that the City charges for street, drainage, and fire. Mr. Ratkai discussed the impact fee for drainage and the request from the applicant to reduce the fee.

Mr. Ratkai explained why the fee should be reduced by the agreement amendment and collected in future phases if the applicant expands their facility.

Mayor Pro-Tem Schaffer asked about the original amount assessed for the drainage impact.

Mr. Ratkai stated that the total amount was approximately \$694,000 for the full 215 acres, but the amendment would reduce the amount to approximately \$183,000 for the first 60 acres of the project.

Mayor Pro-Tem Schaffer asked if it is standard to approve requests to reduce these types of fees.

Mayor Morris clarified that the City was not reducing the fee, but the applicant is requesting to pay the fee in phases.

Mr. Ratkai, deferred to legal counsel to discuss the project may be assessed based on the phases of the project.

Scott Krob, City Attorney, talked about how the drainage impact fee is assessed. According to Mr. Krob, the impact fee cannot be waived, but the City would only be applying the cost of Phase I in this case. Lastly, he discussed the challenge of assessing a full amount for the entire project at this time.

Council Member Clark made the motion, seconded by Council Member Brown, to approve Ordinance No. 634-15 on first reading.
The motion passed with all voting in favor thereof.

D. Change Order for the 2015 Asphalt Patch Service Contract

Dawn Anderson, City Engineer, presented a request for a change order to the City's annual 2015 Asphalt Patch Service Contract. She provided some history about the project, explaining that this year's annual patch maintenance contract was awarded to Martin Marietta Materials, Inc. for an amount not to exceed \$75,000. This amount was significantly less than the bid amount due to the needs within the city.

According to Ms. Anderson, the 2015 service contract with Martin Marietta for asphalt overlay will total \$300,000, which leaves \$25,000 available for additional areas. She was recommending that the \$25,000 would best be transferred for additional asphalt patch services to increase the contract to an amount not to exceed \$100,000.

Council Member Clark clarified that Council was not approving an increase or spending more funds that have already been approved.

Ms. Anderson clarified that the \$25,000 would best be transferred from the contract with Martin Marietta to the 2015 Asphalt Patch Service Contract with Martin Marietta for additional asphalt patch services. The 2015 Capital Improvement Program (CIP) Budget includes the funds for asphalt patching of streets within the community as well as street maintenance such as overlays. The areas identified for maintenance under this program are recommended by the City's pavement management program and street maintenance personnel.

Council Member Homann clarified that the amount for the 2015 Asphalt Patch

Service Contract with Martin Marietta would not exceed \$100,000.

Ms. Anderson confirmed that the amount would not exceed \$100,000.

Council Member Homann asked what other areas would be patched.

Ms. Anderson explained that the increase would allow the contractor to complete an additional \$25,000 of asphalt patching, but she was not able to speak to which street would be included and which would not.

Mayor Morris discussed his support for transferring \$25,000 for additional asphalt patch work. Mayor Morris asked for a motion.

Council Member Clark made the motion, seconded by Council Member Rudy, to approve the contractual change order to the 2015 Asphalt Patch Service Contract to Martin Marietta Materials, Inc. in the amount not to exceed \$100,000. The motion passed with all voting in favor thereof.

REPORTS

A. City Manager

Mr. Hogan referred Council Members to the Monitoring Report, and commended David Burns, City Emergency Preparedness Director, for his work on the Title 7 and adoption of the City Emergency Operations Plan. Mr. Hogan also commended work by the City employees on the annual budget, and talked about the budget process to include input from employee budget teams, management teams, residents, and City Council to get the 2016 budget adopted.

B. City Attorney

Scott Krob, City Attorney, provided an update about the annual Conference for City Attorneys, hosted by the Colorado Municipal League. He provided an update concerning a recent decision from the Colorado Supreme Court concerning the model sign code. Mr. Krob stated he would reserve the remainder of his comments for the executive session.

AUDIENCE PARTICIPATION

There was no audience participation.

EXECUTIVE SESSION

A. For the discussion of matters subject to negotiations, pursuant to C.R.S. 24-6-402(4)(e)

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Brown, to go into Executive Session for the discussion of matters subject to negotiations, pursuant to C.R.S. 24-6-402(4)(e).
The motion passed with all voting in favor thereof.

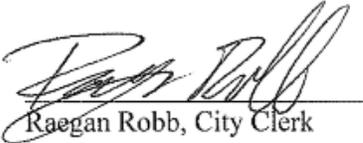
The City Council adjourned into executive session at 9:03 p.m.

The executive session convened at 9:43 p.m.

Mr. Krob, entered into the record that the reason for the executive session was satisfied according to the referenced state law and also covered under attorney-client privilege.

ADJOURNMENT

The regular meeting adjourned at 9:49 p.m.


Raegan Robb, City Clerk