

July 2, 2013

The City Council of the City of Fort Morgan, Colorado, met this day in the Council Chambers of City Hall. The Honorable Mayor Terry L. McAlister called the regular meeting to order at 6:00 p.m.

The Pledge of Allegiance was given.

Roll Call: Present: Honorable Mayor Terry L. McAlister
Councilmember Scott Bryan
Councilmember Christine Castoe
Councilmember Debra J. Forstedt
Councilmember Lisa Northrup
Councilmember Joe Segura Jr.
Councilmember Ronald Shaver

The meeting was also attended by City Manager Jeff Wells, Police Chief Keith Kuretich, Municipal Engineer Brad Curtis, Community Development Director David Callahan, City Treasurer Jean Kinney, Human Resources/Risk Management Director Michael Boyer, Water Resources/Utilities Director Brent Nation, Wastewater Treatment Plant Superintendent Mike Hecker, Light & Power Superintendent Doug Linton, Gas Superintendent Tony Behrends, Sanitation Superintendent Bob Evins, Utility Billing Manager Connie Musgrave, Network Administrator Nelson McCoy, Assistant City Attorney Jason Meyers, Recreation Superintendent Josh Miller, Inventory Control Superintendent Doug Hofman, Parks Superintendent Doak Duke, FMPD Lt. Darin Sagel, Sgt. Doug Schossow, Sgt. Brian Cantin, Officers Ted Thyne, Timothy Nye, Anthony Gagliano, Trevor Greenwood and City Clerk/PIO John Brennan.

SWEARING-IN OF NEW FORT MORGAN POLICE DEPARTMENT OFFICERS

Police Chief Keith Kuretich reviewed some brief biographical information on newly hired FMPD officers Shane Tyslan and Jonathon Renteria, and Mayor Terry McAlister administered the oath of office to the new officers. Family members of the new officers pinned their badges to their uniforms.

APPROVAL OF THE MINUTES OF THE JUNE 18, 2013 CITY COUNCIL MEETING

Councilmember Scott Bryan offered a resolution to approve the minutes as presented, which was seconded by Councilmember Lisa Northrup and approved unanimously.

DISCUSSION REGARDING DONATION OF STATUE

City Manager Jeff Wells said the council was being asked to consider acceptance of a donated statue from the Fort Morgan Heritage Foundation, which had received the veterans' memorial monument from the local military history museum that was closing. Heritage Foundation President Don Ostwald said the foundation had accepted the statue with the intent to give it to the city, and it was the desire of the donor and the foundation to place it on the north end of the city cemetery near the flagpole where Memorial Day ceremonies are held.

Discussion followed about the cost of moving and site preparation, and whether this could be done in-house by city workers.

Councilmember Debra Forstedt offered a resolution to accept the donation of the statue on behalf of the city and have the city pay for moving and other related expenses not to exceed

\$1,000. That resolution was seconded by Councilmember Ron Shaver and approved unanimously.

RESOLUTION AUTHORIZING THE MAYOR TO SIGN A GREAT OUTDOORS COLORADO GRANT AGREEMENT AS FISCAL AGENT FOR THE MORGAN COUNTY RE-3 SCHOOL DISTRICT

Wells explained that this was a cooperative effort for a GOCO grant the school district had successfully obtained, and city staff had prepared an amendment to the original Intergovernmental Agreement for joint use of facilities between the city and the school district to cover the specifics of the project for which the grant would be used. Wells said some communication with the school district would be necessary regarding logistics, timing and other issues of this arrangement, but this action was simply authorizing the mayor to execute the agreement so the city could accept the grant and pass it through to the district. Wells clarified that the city did not budget funding for this project and would act only as a pass-through agent for the funding.

Shaver offered a resolution authorizing the mayor to execute the Great Outdoors Colorado grant agreement for the Columbine Elementary School Play Yard Project, which was seconded by Northrup and approved unanimously.

APPROVAL OF FEES FOR REGULATION 85 TESTING AT THE WASTEWATER TREATMENT PLANT

Wastewater Superintendent Mike Hecker said the city was doing its own water testing for compliance with new state regulations, and several other entities wanted the city to do testing for them in its lab. Hecker was requesting that a fee of \$85 per Regulation 85 test and \$25 for total phosphorous testing be added to the city's schedule of fees. Wells noted that several other area officials had expressed their appreciation for the use of the city's lab and the savings it afforded them over more distant testing facilities.

Shaver offered a resolution to set the new fees and add them to the city schedule of fees as presented. That resolution was seconded by Forstedt and approved unanimously.

BIDS FOR A POSITIVE DISPLACEMENT DIGESTER BLOWER AT THE WASTEWATER TREATMENT PLANT

Hecker said the current blower was failing and could no longer be repaired, and the department had budgeted \$19,000 to replace it this year. Hecker reviewed the bid process and requested approval to accept the lower of two bids.

Shaver offered a resolution to accept the bid from Fluid Technology not to exceed \$11,153, which was seconded by Councilmember Christine Castoe and approved unanimously.

RESOLUTION INCREASING ELECTRIC RATES

The council convened in its capacity as the Board of Directors of the Electric Department and System Enterprise for this agenda item.

Wells explained that this rate increase of approximately 8 percent was being proposed to offset increases in the cost of power to the city, noting that staff had worked with its consultant and expected this increase to offset increased power supply costs for the next 24 months.

Some discussion followed about the city's power suppliers and the fact that Fort Morgan continued to have the lowest residential electric rates in the state despite this increase, with several council members noting that utilities everywhere were facing rising costs.

Northrup offered a resolution adjusting the electric rates as presented, with the increase to be effective retroactively to July 1. That resolution was seconded by Shaver and approved unanimously.

RESOLUTION DECREASING GAS RATES

The council convened in its capacity as the Board of Directors of the Gas Department and System Enterprise for this agenda item.

Wells said the city was proposing a reduction in its gas commodity charge of about 12 percent, based on over-recovery of revenue in the gas fund. Like the electric fund, the gas department had gone through the process of evaluating its rates, revenues and costs and determined an adjustment was needed. Gas Superintendent Tony Behrends said part of the reason for the “roller coaster” effect in rates was that the city had forecast gas prices too high.

Northrup offered a resolution to decrease the gas rates as presented, to be effective July 1, which was seconded by Shaver and approved unanimously.

RESOLUTION ADJUSTING THE CITY’S RATE FOR COLORADO-BIG THOMPSON WATER SHARES

Water Resources/Utilities Director Brent Nation reminded the council that in February it had raised the rate the city charges to developers who request that the city purchase C-BT water units on their behalf to \$10,500 per share. Since then, Nation said, the water market had risen sharply and water shares were now in the range of \$18,000 to \$19,000 a share. The city needed to adjust its rate for developers to avoid losing money on such transactions, he said, and staff had determined that a rate of \$17,000 per unit was a reasonable rate for the time being.

Shaver offered a resolution to set the city C-BT price at \$17,000 per share as presented, which was seconded by Forstedt and approved unanimously.

FIRST READING OF AN ORDINANCE AMENDING CHAPTER 2, “ADMINISTRATION,” OF THE FORT MORGAN MUNICIPAL CODE (2010)

Wells noted that two policy issues discussed by the council when this revision of Chapter 2 was first proposed had been resolved and revised in the ordinance. One would keep the emergency spending authority of the mayor at \$50,000, and the other would allow the municipal judge to have discretion in allowing defendants to “buy out” useful public service penalties by making monetary donations to local nonprofit agencies in lieu of performing work for those agencies. The level of these buy-out payments would be set and adjusted by the council from time to time as part of the city’s schedule of fees.

Northrup offered a resolution to approve the first reading of an Ordinance amending Chapter 2, “Administration,” of the *Fort Morgan Municipal Code (2010)* and set a public hearing on the ordinance for the July 16, 2013 city council meeting. That resolution was seconded by Shaver and approved unanimously.

2014 BUDGET CALENDAR – PRESENTATION OF 2014 BUDGET AND CAPITAL IMPROVEMENT EXPENDITURES FOR THE ELECTRIC FUND, GAS FUND AND SANITATION FUND

Wells, City Treasurer Jean Kinney and the superintendents and directors of the various departments under these funds reviewed the draft budgets and capital expenditure requests for these funds and departments, and answered council questions. Kinney noted that some of the

figures were preliminary and would be firmed up as the budget process proceeded, and Wells said the council would have several more opportunities during the next few months to see these budgets as they were further developed.

DISCUSSION AND DIRECTION REGARDING EMPLOYEE COMPENSATION IN THE 2014 BUDGET

Wells said he had a few recommendations regarding employee pay and benefits as part of the budget discussion for this meeting.

Regarding health care costs and a projected shortfall in the self-insurance fund, Wells proposed covering that partly with fund reserves and partly with budget charges to the various departments. He said he did not want to require employees to contribute to health insurance premiums for the 2014 budget, and proposed instead a focus on wellness and looking into contracting with physicians and pharmacy services as ways to reduce costs and see if the city could turn around the trend in rising costs.

Regarding employee pay, Wells reviewed the city's ongoing effort to bring the employee salary scale in line with market pay rates, and proposed using about \$207,000 from reserves to complete this process in 2014 instead of budgeting for this over the next two years as originally planned. This would honor the commitment made to city employees and get the process finished, he said. Wells also discussed several options for cost-of-living and performance pay increases for employees in 2014, and proposed budgeting about 3 percent of total salary cost for this purpose.

Council discussion followed about the salary and wage survey, total compensation including benefits like health care, and the need to fulfill promises made to employees when the market equity effort began.

No action was taken, but the council consensus was for Wells to proceed with the proposals he presented and see how they fit with the overall budget.

PUBLIC COMMENT / AUDIENCE PARTICIPATION

None.

REPORTS BY OFFICIALS AND STAFF

Nation reported that the city was still under its own well pumping restrictions and some residents had expressed concern about parks and other areas appearing distressed by the drought conditions. He asked for patience through the coming summer and reminded residents that there were no restrictions on water use from home taps.

Police Chief Keith Kuretech reminded residents of the regulations on fireworks in the city, including the time period during which fireworks could be used, and the need for safety.

BIDS, MEETINGS AND ANNOUNCEMENTS

Brennan announced current bids and upcoming meetings.

EXECUTIVE SESSION

The regular portion of the meeting ended at 8:26 p.m., and Mayor McAlister said the next item on the agenda was a scheduled executive session. Councilmember Forstedt made a motion to proceed to this executive session, which was seconded by Shaver and approved unanimously. The executive session had been published as follows:

EXECUTIVE SESSION for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e); AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION PURPOSES: Legion Field.

The executive session began at 8:36 p.m. and concluded at 9:26 p.m., and was attended by the mayor and council members along with City Manager Jeff Wells, Assistant City Attorney Jason Meyers, Municipal Engineer Brad Curtis, Parks Superintendent Doak Duke, Recreation Superintendent Josh Miller and Ed Swisher.

At the conclusion of the executive session the council returned to the open meeting, where councilmember Forstedt reported that the council met in executive session and discussed issues related to Legion Field, and at this time there did not appear to be any reason or purpose to continue with negotiations. No motion was made.

Mayor McAlister adjourned the July 2, 2013 regular meeting at 9:27 p.m.

/s/ Terry L. McAlister
Mayor

/s/ John J. Brennan
City Clerk