

February 3, 2015

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 Kevin Lindell  
Councilmember Damon Mussman  
Councilmember Lisa Northrup  
Councilmember Joe Segura Jr.  
Councilmember Ronald Shaver

Absent: Councilmember Christine Castoe (excused)

The meeting was also attended by City Manager Jeff Wells, Police Chief Darin Sagel, City Treasurer Jean Kinney, Water Resources/Utilities Director Brent Nation, Engineering/Public Works Director Brad Curtis, Community Services Director Josh Miller, Assistant City Attorney Jason Meyers, Management Intern Chelsea Gondeck, Fire Chief Erik Christensen, Museum Curator Brian Mack, Light & Power Superintendent Doug Linton and City Clerk/PIO John Brennan.

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### **PUBLIC HEARING ON A RESOLUTION TO INCREASE ELECTRIC RATES**

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Mayor Terry McAlister outlined the format to be followed during the public hearing, and City Clerk/PIO John Brennan confirmed that notice of the hearing had been mailed directly to all city utility customers at least 30 days before the hearing. Water Resources/Utilities Director Brent Nation introduced John Krajewski, the city's utility rate consultant, who reviewed the findings of the rate study he had presented to the council on Dec. 16, 2014, in which the recommendation for the rate increase was made. The proposed changes would affect the customer charge and the energy charge for all classes of electric customers, Krajewski said. Council and staff discussion followed about the factors that made the rate increases necessary, and Krajewski said the average residential customer would see an increase of about \$7.47 per month on their electric bill. He added that Fort Morgan's rates would continue to be very competitive with other municipal electric systems, many of which were planning rate increases soon.

McAlister then asked for public comment. Mike Otto of the Western Sugar Cooperative said the rate adjustment would amount to an increase of about \$66,000 per year for his plant, and said the cost of power in Fort Morgan was higher than in the cooperative's other plants in neighboring states like Nebraska and Wyoming.

Kay Coffin of Fort Morgan said her home had all electric heat, and was built during a moratorium in the city on building homes with gas heat. Coffin said she understood the city in the past had raised electric rates to take some burden off gas customers when gas costs rose, and asked if something like that could be done in this case.

John Young of Fort Morgan said the city's electric utility had been started to benefit the citizens, and residential customers would be hit hardest by this increase. He said the largest share of the burden of rising costs should go to large industrial power customers and residents should get a break.

In answer to a council question, City Manager Jeff Wells noted that the city's electric utility set its rates to cover costs and did not make a profit, and the costs of wholesale power and

operation of the electric system had to be passed straight through to customers. Wells also said the funds of separate utility enterprises like the gas fund and the electric fund could not be intermingled.

Several council members commented that the rate increase was necessary and the council did not like having to impose it, but council members had to make difficult decisions like this to ensure the stability and viability of the city's utilities into the future.

Councilmember Damon Mussman made a motion to close the public hearing, which was seconded by Councilmember Ron Shaver and approved on a unanimous vote of 6-0, with Councilmember Christine Castoe absent.

Wells then advised the council that the specifics of the rate increase were detailed in rate sheets attached to the resolution, and the council could vote either for or against the measure in the best interest of the city. Councilmember Lisa Northrup offered a resolution to approve the Resolution adjusting the electric rate for the Electric Department and System Enterprise for the City of Fort Morgan, which was seconded by Shaver and approved unanimously (6-0, Castoe absent).

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### **PRESENTATION OF THE FORT MORGAN VOLUNTEER FIRE DEPARTMENT ANNUAL REPORT**

Fire Chief Erik Christensen reviewed the report that had been provided to the council in its meeting packets. It showed the number and types of calls the department received in 2014, as well as the number of responders and equipment used for the calls. The report also included the numbers of firefighters in the department and the hours of training, auxiliary work and call response logged during the year. The fire marshal's section detailed the number of fire inspections and public education presentations performed.

Several council members commented on the tremendous amount of time and effort put forth by the volunteers as well as the sacrifices made by their families and their employers, and how fortunate the city was to have such a dedicated and effective volunteer department.

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### **RESOLUTION AUTHORIZING THE MAYOR TO SIGN AN INTERGOVERNMENTAL AGREEMENT WITH THE COLORADO STATEWIDE INTERNET PORTAL AUTHORITY**

Community Services Director Josh Miller introduced Museum Curator Brian Mack, who said this agreement was needed to allow the city to get a grant of approximately \$6,500 that would be used to continue a project to create digital archives of the Fort Morgan Times newspaper. The grant required no matching funds from the city, Mack said.

Northrup offered a resolution to approve the Resolution authorizing the mayor to sign an intergovernmental agreement with the Colorado Statewide Internet Portal Authority, which was seconded by Shaver and approved unanimously (6-0, Castoe absent).

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### **RESOLUTION AUTHORIZING THE MAYOR TO SIGN A CONTRACT WITH THE WESTERN AREA POWER ADMINISTRATION**

Nation said this contract would extend the city's existing agreement with Western until 2054, noting that the cost of electric power from Western was substantially lower than the cost from the city's other wholesale power supplier, the Municipal Energy Agency of Nebraska. Although the current contract was not due to expire until 2024, Nation said Western preferred to renew its contracts long in advance of their expiration, and doing so would be of great benefit to the city. Shaver offered a resolution to approve the Resolution authorizing the mayor to sign a contract with the Western Area Power Administration for firm electric service through September 2054, which was seconded by Northrup and approved unanimously (6-0, Castoe absent).

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**PRESENTATION AND POSSIBLE ACTION ON ADDITIONAL EXPENDITURES FOR THE OUTPOST SEWER LIFT STATION CONVERSION PROJECT (DOLA EIAF 07494)**

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Engineering/Public Works Director Brad Curtis explained that bids for this project were over the budgeted amount, and the state Department of Local Affairs had indicated that supplemental funds may be available to help with the cost overrun. Curtis said staff was asking for approval to seek this supplemental grant money from DOLA, which had already provided a grant covering nearly half of the originally budgeted cost, and authorization to spend up to \$70,000 in additional city funds if necessary to complete the project.

Northrup offered a resolution authorizing staff to negotiate with DOLA for supplemental funding to the current DOLA EIAF 07494 grant, and based on those negotiations authorize expenditures up to an additional \$70,000 to match the DOLA supplementary contributions. That resolution was seconded by Shaver and approved unanimously (6-0, Castoe absent).

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**RESOLUTION INCREASING WATER PLANT INVESTMENT FEES**

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Nation reminded the council that these fees had been discussed in December during review of a number of utility rate studies, and the studies had recommended increasing these fees. Nation explained that a plant investment fee is a one-time capital charge for new customers to reduce the burden to existing customers for financing new growth, and would not affect existing water customers in any way.

Northrup offered a resolution to approve the Resolution increasing the water plant investment fees for the City of Fort Morgan, which was seconded by Shaver and approved unanimously (6-0, Castoe absent).

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**RESOLUTION INCREASING WASTEWATER TREATMENT PLANT INVESTMENT FEES**

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Nation said these fees were identical in purpose to those approved in the previous agenda item except that they affected new customers of the city's sewer system. Northrup offered a resolution to approve the Resolution increasing the wastewater treatment plant investment fees of the City of Fort Morgan, which was seconded by Mussman and approved unanimously (6-0, Castoe absent).

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**RESOLUTION ADJUSTING THE 2015 SCHEDULE OF FEES**

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Wells said this measure was needed because of changes in state fees and other factors that had come into play since the annual approval of the fee schedule the preceding November. He noted that the changes affected state liquor licensing fees and a few city Recreation Department fees, and the portions pertaining to the building department and cemetery were not actually changes in fees but clarifications of policy.

Northrup offered a resolution to approve the Resolution amending the 2015 Schedule of Fees, which was seconded by Shaver and approved unanimously (6-0, Castoe absent).

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**PRESENTATION OF STATE WATER PLAN**

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Nation reviewed some background on the ongoing process of developing long-range water plans for each of the state's nine river basins, which would ultimately become part of Colorado's Water Plan, which was being developed in response to a directive from the governor. Nation then showed a short video describing the process, and said he just wanted to the council and the public to be aware of the status of the project. He also said he could answer questions about

the process, and if anyone had any comments on the plans he could ensure they were taken into consideration because he served on the South Platte Basin Roundtable which was working on the South Platte Basin Implementation Plan. No action was taken.

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## **PRESENTATION OF MANAGEMENT PLAN FOR EXCEPTIONAL CUSTOMER SERVICE**

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Wells said one of the council directives during the visioning process for the 2015 budget was finding ways to make the city's customer service better. He said all of the managers in the city organization had met and developed a plan for the city, which outlined things the city does well and things the city could do better in terms of customer service. Wells said the plan was being presented to the council for input. He added that each city department had created its own plan for improving customer service. No action was taken.

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## **CONSENT AGENDA BY RESOLUTION**

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Brennan presented the Consent Agenda for Council consideration as follows:

### **CONSENT AGENDA**

- A. Second reading and possible final approval of Ordinance No. 1163, annexing to the City of Fort Morgan the property known as the Fort Morgan Middle School Annexation, and authorization to publish by title only
- B. Second reading and possible final approval of Ordinance No. 1164, establishing zoning for the property known as the Fort Morgan Middle School Annexation, and authorization to publish by title only
- C. Second reading and possible final approval of Ordinance No. 1165, annexing to the City of Fort Morgan the property known as the Fort Morgan Farms III Annexation, and authorization to publish by title only
- D. Second reading and possible final approval of Ordinance No. 1166, establishing zoning for the property known as the Fort Morgan Farms III Annexation, and authorization to publish by title only
- E. Approval of the minutes of the Jan. 20, 2015 City Council regular meeting.

All matters listed under the Consent Agenda are considered to be routine business by the Council and will be enacted with a single motion and a single vote by roll call. There will be no separate discussion of these items. If discussion is deemed necessary, that item should be removed from the Consent Agenda and considered separately.

Shaver offered a resolution to approve the Consent Agenda as presented, which was seconded by Councilmember Kevin Lindell and approved unanimously (6-0, Castoe absent).

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## **PUBLIC COMMENT / AUDIENCE PARTICIPATION**

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Dan Haack of Great Copier Service in Fort Morgan told the council he had received an e-mail just before the start of this meeting containing a letter from Wells, which said the city was withdrawing its offer to lease copiers from his company. Haack said he believed the grounds for rescinding the offer were wrong and asked that it be remanded.

Haack described his interpretation of the events that had unfolded since the council had voted to award his company the bid for copiers in September 2014. McAlister then asked Wells to comment, and after pointing out that this matter was not on the agenda and the council therefore could not take any action on the issue, Wells provided his own interpretation of the same events and the basis of his decision. No council action was taken.

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**REPORTS BY OFFICIALS AND STAFF**

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Mussman asked how the city's new dog park was being received, and Miler said there was no formal tracking of usage but the parks staff was refilling the waste bag dispensers regularly and people seemed to be using and enjoying the park with their pets.

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**BIDS, MEETINGS AND ANNOUNCEMENTS**

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Brennan announced current bids and upcoming meetings, and reviewed highlights of a number of recent news releases including the installation of left-turn arrows on Main Street at the intersection with Riverview Avenue; the completion of a new pedestrian bridge leading to Riverside Park; and a new emergency alert system that was now open for enrollment and registration through Morgan County.

Wells also mentioned that the city had just received word that it had been awarded grants totaling \$250,000 from the Colorado Department of Transportation for installation of ADA-accessible sidewalks in several locations around the city. Wells credited Curtis for obtaining these grants, and McAlister thanked Curtis for continuing to pursue the left-turn signals on Main Street with CDOT.

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**EXECUTIVE SESSIONS**

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The regular portion of the meeting ended at 7:48 p.m., and Mayor McAlister announced that the next item on the agenda was the first of two scheduled executive sessions. Shaver made a motion to convene the first scheduled executive session, which was seconded by Lindell and approved unanimously (6-0, Castoe absent). This session had been published as follows:

**EXECUTIVE SESSION** for a conference with the City Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b); AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION PURPOSES: Cable franchise.

The first executive session began at 8:12 p.m. and ended at 9:10 p.m., and was attended by the mayor and five council members (Castoe absent) along with Wells, Assistant City Attorney Jason Meyers and Ken Fellman. On the advice of the city attorney, the recording of the session was turned off at 8:15 p.m. because the matters being discussed constituted a privileged attorney-client communication. The recording was turned back on at 9:09 p.m.

At the end of the executive session the council returned to the regular open meeting, where Councilmember Northrup reported that the council had met in executive session for the purpose stated on the agenda. Northrup then made a motion stating that the council acknowledged and agreed with the legal advice received in the executive session, which was seconded by Mussman and approved unanimously (6-0, Castoe absent).

Northrup then made a motion to proceed to the second scheduled executive session, which was seconded by Mussman and approved unanimously (6-0, Castoe absent). This 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: Airport property.

This executive session began at 9:13 p.m. and concluded at 9:20 p.m., and was attended by the mayor and five council members (Castoe absent) along with Wells, Meyers and Engineering/Public Works Director Brad Curtis.

At the conclusion of the executive session, the council returned to the regular open meeting, where Northrup reported that the council had met in executive session for the purpose stated on the agenda. Northrup made a motion directing staff to proceed with negotiations as discussed in executive session, which was seconded by Councilmember Lindell and approved unanimously (6-0, Castoe absent).

Mayor McAlister adjourned the Feb. 3, 2015 regular meeting at 9:21 p.m.

/s/ Terry McAlister  
Mayor

/s/ John Brennan  
City Clerk