

May 19, 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, Engineering/Public Works Director Brad Curtis, Water Resources/Utilities Director Brent Nation, Customer Accounts Manager Connie Musgrave, Assistant City Attorney Jason Meyers, Payroll Technician Laurie Whitney, General Accountant Chris Bostron, Museum Curator Brian Mack, Interim Library & Museum Director Chandra McCoy, Human Resources/Risk Management Director Michael Boyer, Recreation Superintendent Jay Cochran and City Clerk/PIO John Brennan.

PRESENTATION RECOGNIZING MUSEUM CURATOR BRIAN MACK AS CITY EMPLOYEE OF THE QUARTER

Interim Library & Museum Services Director Chandra McCoy described the reasons for Brian Mack's nomination for the Employee of the Quarter recognition and reviewed the many things he had accomplished since taking over as curator. City Manager Jeff Wells read from the nomination and presented Mack with a certificate, a copy of the photo that would hang in the City Hall lobby and a \$100 gift card. Mack thanked everyone for the recognition, and said his relatives who had been a part of the history of Fort Morgan would be proud and it was an honor for him to serve the city.

PRESENTATION OF THE DRAFT 2014 FINANCIAL AUDIT

City Treasurer Jean Kinney introduced Tyra Litzau of Anton Collins Mitchell LLP, the firm that conducted the city's audit. Litzau reviewed the draft audit documents, which she said would result in a clean opinion of the city's financial statements, and answered council and staff questions. She said the company would conduct its own internal quality control review of the audit over the next couple of weeks, after which the final audit would be accepted and adopted by the council.

Wells said this audit was presented much earlier than in recent years, and thanked the Finance Department for its work. He said the positive financial position of the city demonstrated how seriously staff and the council take the taxpayers' money, and said the city continued to build reserves.

COUNCIL ACTING AS THE BOARD OF DIRECTORS OF THE CITY OF FORT MORGAN, COLORADO, WATER WORKS AND DISTRIBUTION ENTERPRISE – FIRST READING OF AN ORDINANCE AUTHORIZING AND OUTLINING DETAILS FOR THE REFINANCING OF WATER BONDS

Wells introduced Ryan Jardine, the city's bond counsel, who described the process of refinancing the water bonds through an ordinance, and Wes Bradish, the broker who had put together the refinancing package. The reason for doing this was to refinance 25-year debt to 15 years, whereby the city would save an estimated \$9.682 million in debt repayment.

Discussion followed about whether to lock in the available interest rate of 3.15 percent at that time or take the chance of the rate going either up or down during the following week. Council direction was to lock in the rate at 3.15.

Councilmember Lisa Northrup then offered a resolution approving the first reading of an Ordinance authorizing the issuance by the City of Fort Morgan, Colorado, acting by and through its Water Works and Distribution Enterprise, of City of Fort Morgan, Colorado, Water Works and Distribution Enterprise Water Revenue Refunding Bonds, Series 2015, in an aggregate principal amount of not to exceed \$15,000,000 for the purpose of refunding, paying and discharging certain of its outstanding water revenue obligations; approving an escrow agreement and other documents in connection with the bonds, and providing other details; and scheduling a public hearing on the ordinance for June 2, 2015. That resolution was seconded by Councilmember Joe Segura Jr. and approved on a unanimous vote of 6-0, with Councilmember Christine Castoe absent.

PUBLIC HEARING ON AN APPLICATION FOR A MINOR SUBDIVISION FROM CTAP

Mayor Terry McAlister reviewed the format to be followed during the public hearing, and City Clerk/PIO John Brennan confirmed that proper legal notice of the hearing had been published. Engineering/Public Works Director Brad Curtis described the application, which sought to divide the former Williams Farm property to separate the site of the existing house so it could be sold. Terry Herbst of CTAP said he had no comments but was available if there were questions. No public comments were received, either at the hearing or in advance, and no council comments were offered.

Councilmember Ron Shaver made a motion to close the public hearing, which was seconded by Northrup and approved unanimously (6-0, Castoe absent).

Wells told the council members they had heard evidence in support of the application and should make their decision based on that evidence and the best interests of the city. Northrup offered a resolution to approve the minor subdivision as described, which was seconded by Shaver and approved unanimously (6-0, Castoe absent).

PUBLIC HEARING ON AN APPLICATION FOR A MINOR SUBDIVISION FROM FAMILY DOLLAR

McAlister reviewed the format for the hearing and Brennan confirmed proper legal notice had been published. Curtis outlined the application, which would widen the public alley from 20 feet to 30 feet as this was a primary access to the business. Some discussion followed about the orientation of this building on the site, and Curtis explained the rationale for this and said it was in compliance with city codes. He also said a primary access from Main Street was not possible under Colorado Department of Transportation regulations.

The applicant was not present. No public comment was received, at the hearing or in advance, and no council comments were offered. Councilmember Damon Mussman made a motion to

close the public hearing, which was seconded by Shaver and approved unanimously (6-0, Castoe absent).

Wells said the same standards applied as in the previous public hearing. Northrup offered a resolution to approve the minor subdivision for Family Dollar as presented, which was seconded by Segura and approved unanimously (6-0, Castoe absent).

SECOND READING AND PUBLIC HEARING ON AN ORDINANCE AMENDING THE MUNICIPAL CODE TO ADJUST THE MAXIMUM PENALTY FOR JUVENILES IN MUNICIPAL COURT

Mayor McAlister outlined the format to be followed for this public hearing, and Brennan confirmed proper legal notice had been published. Assistant City Attorney Jason Meyers said the ordinance was unchanged from first reading, and would bring the city code into harmony with state statutes and the state constitution, ensuring that juveniles would not be jailed for violation of municipal codes.

No public comments were received, and no council comments were offered. Shaver made a motion to close the public hearing, which was seconded by Segura and approved unanimously. Wells explained that this was a legislative matter and the council members should vote in the best interest of the city. Northrup offered a resolution to approve the second and final reading of Ordinance No. 1174, amending Section 10 of Chapter 1 Article 4 of the Fort Morgan Municipal Code, and authorize publication by title only. That resolution was seconded by Shaver and approved unanimously (6-0, Castoe absent).

PROPOSAL FOR COLLATERAL ASSIGNMENT OF GROUND LEASE AT THE FORT MORGAN MUNICIPAL AIRPORT

Curtis said the owner of Scott Aviation was applying for a loan using hangars he owned at the airport as collateral. Because these hangars stand on city-owned property leased to the hangar owner, the city must approve this, Curtis said. In the event of a default on the loan, the ground lease would transfer to the bank, which would be responsible for paying the lease payments. Shaver offered a resolution authorizing the mayor to sign the assignment of lease in this matter, which was seconded by Northrup and approved unanimously (6-0, Castoe absent).

PROPOSAL TO GRANT AN EASEMENT FOR WATER SERVICE AT THE AIRPORT

Curtis said this project was budgeted as a water upfit at the airport, explaining that the airport's fixed-base operator currently obtained its water from a tap owned by Scott Aviation, which served as the FBO but also operated as private business. Water pressure and supply were issues using the current water tap, which was along Highway 52, and this was an opportunity to move the tap closer to the airport facilities and also allow the city to obtain its own water tap from the Morgan County Quality Water District. The council would need to approve an easement for a new water line from MCQWD, and also authorize the expenditure of funds for the city's share of costs including a new Quality Water tap, Curtis said.

Shaver offered a resolution to grant the required easement for the Quality Water line and authorize expenditures not to exceed \$40,000 for the city's portion of the project. That resolution was seconded by Northrup and approved unanimously (6-0, Castoe absent).

PRESENTATION ON IMPACTS OF LEGALIZED MARIJUANA ON LOCAL YOUTHS

Wells explained that he had been receiving a number of questions from council members and the public about the impacts caused for Fort Morgan by the opening of recreational marijuana

shops in neighboring Log Lane Village. He noted a sharp increase in the number of Municipal Court cases for possession of marijuana, and a significant drop in the average age of the offenders.

Wells said a major part of the concern was the presence of marijuana in Fort Morgan schools, where youngsters had been caught with marijuana labeled for sale by the Log Lane Village shops. Wells noted that Fort Morgan officials had expressed concerns about this type of impact to Log Lane officials before that town board voted to allow the sale of marijuana. He said the city staff was exploring the possibility of grants to help communities like Fort Morgan with impacts caused by legal marijuana sales in neighboring communities, and also working with the municipal court staff on programs for treatment of the affected youths and possibly requiring parents to attend these treatment programs with the young offenders.

Police Chief Darin Sagel said the legalization of marijuana had caused a lot of work and required additional training for his officers. He said he had seen a rise in driving under the influence of drugs, which required new training for officers to enforce because the drug affected drivers much differently than alcohol. He also referred to an increase in landlord/tenant issues, where property owners did not want renters smoking marijuana in their properties.

Wells emphasized that the legalization of marijuana was a state constitutional amendment, and what was legal elsewhere was legal in Fort Morgan. What Fort Morgan had prohibited by ordinance was the sale of marijuana, he explained, and public consumption was illegal everywhere.

Wells said he wanted to bring these issues and concerns to the council's attention, and staff would be working to find ways to deal with these impacts and may bring the issue back before the council as courses of action were developed. Several council members expressed appreciation for the information and asked that staff keep the council informed as the issue evolved. No action was taken.

2016 BUDGET CALENDAR – REVIEW AND DISCUSSION OF REVENUES AND SCHEDULE OF FEES

Wells reviewed staff projections of revenues for the 2016 budget, and asked if the council had any concerns with the forecasts. No concerns were expressed, so Wells said these projections would be used as the budget was developed.

Recreation Superintendent Jay Cochran told the council she was proposing the addition of language to the Schedule of Fees which would explain that program fees would be based on costs and participation. This would allow staff more flexibility in adding programs or adjusting fees, and would avoid having to set specific costs for programs far in advance. The council's direction was to revise the Schedule of Fees using this approach. No formal action was taken.

CONSENT AGENDA BY RESOLUTION

City Clerk/PIO John Brennan presented the Consent Agenda for Council consideration as follows:

CONSENT AGENDA

- A. Approval of the disbursements and payroll for April
- B. Approval of the minutes of the May 5, 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 Segura and approved unanimously (6-0, Castoe absent).

PUBLIC COMMENT / AUDIENCE PARTICIPATION

None.

REPORTS BY OFFICIALS AND STAFF

Wells noted that his monthly written report was in the council meeting packets. He provided a report on the previous week's heavy rainstorms and the accompanying flooding and other impacts to which city staff and workers had to respond. He praised the city staff for its efforts, and also applauded the response of Morgan County, which was heavily impacted by the flood and opened an emergency operations center for several days to coordinate efforts. Water Resources/Utilities Director Brent Nation said the South Platte River was expected to remain at very high levels for weeks.

BIDS, MEETINGS AND ANNOUNCEMENTS

Brennan announced current bids and upcoming meetings.

Mayor McAlister adjourned the May 19, 2015 regular meeting at 8:24 p.m.

/s/ Terry McAlister
Mayor

/s/ John Brennan
City Clerk