

November 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 Clint Anderson  
Councilmember Christine Castoe  
Councilmember Kevin Lindell  
Councilmember Lisa Northrup  
Councilmember Joe Segura Jr.  
Councilmember Ronald Shaver

The meeting was also attended by City Manager Jeff Wells, Police Chief Darin Sagel, City Treasurer Jean Kinney, Community Services Director Josh Miller, Water Resources/Utilities Director Brent Nation, Human Resources/Risk Management Director Michael Boyer, City Attorney Jason Meyers, Management Intern Chelsea Gondeck, Water Treatment Plant Superintendent Eleazar O'canas and City Clerk/PIO John Brennan.

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#### **APPROVAL OF MINUTES - OCTOBER 20, 2015 CITY COUNCIL REGULAR MEETING**

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Councilmember Ron Shaver offered a resolution to approve the minutes of the Oct 20, 2015 City Council regular meeting as presented, which was seconded by Councilmember Christine Castoe and approved unanimously.

Mayor McAlister then announced that the order of the agenda would be changed, moving up a presentation by the city's investment advisor.

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#### **PRESENTATION ON CITY INVESTMENT PLAN AND PERFORMANCE**

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City Manager Jeff Wells thanked the members of the city's investment committee, which had met with the investment advisor that afternoon. Wells introduced Chris Blackwood of PFM Asset Management, who made a presentation with a broad overview of economic factors and a review of the city's investments and their performance. He said the city's portfolio had grown by about 1 percent since retaining PFM about 18 months earlier, which he said was probably 10 times more than it would have been under the city's previous investment strategy and in line with industry benchmarks.

Wells pointed out that the city was being very conservative at this time due to market uncertainty and would be exploring alternative investment scenarios over the next year, with the ultimate decisions on implementing these strategies to be made by the council. No action was taken.

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#### **APPLICATION FOR HISTORIC LANDMARK DESIGNATION FOR A PROPERTY AT 212-214 MAIN STREET**

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Councilmember Castoe announced that she would recuse herself from this agenda item due to personal involvement with the building in question, and left the room.

Community Services Director Josh Miller reviewed the application for the Hill Building/Club Tap, and the history of this building that dated back to 1933. He said the building met three of the required criteria for historic designation, and actually encompassed two properties with separate owners who had both approved the application for designation. Miller noted that the city's Historic Preservation Board had recommended approval of the designation.

Some discussion followed about the impact and value of these historic landmark designations, and the possibility of grants to improve the facades of old downtown buildings. Lyn Deal of 615 E. Beaver Ave., a member of the Historic Preservation Board, said the board was considering placing plaques on the designated buildings and preparing a brochure to guide people to them, but wanted to complete as many designations as possible first.

Councilmember Lisa Northrup offered a resolution to approve the historic landmark designation for the property at 212-214 Main Street, which was seconded by Councilmember Joe Segura Jr. and approved on a vote of 6-0, with Castoe having stepped down.

Castoe then returned to the meeting.

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### **BIDS FOR REPLACEMENT OF FLOCCULATION EQUIPMENT AT THE WATER TREATMENT PLANT**

Water Treatment Plant Superintendent Eleazar O'canas described the need for this equipment, which would replace the existing equipment with stainless steel and alleviate the need for the labor-intensive and time-consuming process of removing the equipment every few years for sandblasting, cleaning and painting. O'canas reviewed the bid process for the new equipment, for which seven bids were received, with the lowest being about \$23,000 over the budgeted amount of \$175,000. O'canas said the city's water engineering consultant was familiar with the low bidder and recommended the company, and staff was asking for approval to accept that bid. Some council and staff discussion followed about the large difference in the bid amounts and the reasons the budgeted amount was less than the lowest bid. O'canas said the additional funding needed could come from the line item for purchase of water.

Shaver offered a resolution to accept the bid from Genesee Builders Inc. in the amount of \$198,300 for replacement of the flocculation equipment at the Water Treatment Plant, which was seconded by Northrup and approved unanimously.

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

Water Resources/Utilities Director Brent Nation explained that this contract allowed the city to share Western's electric substation on the west side of the city. Western had notified the city about a month earlier that the contract had expired this year and needed to be extended, he said. Nation said there was no cost associated with the contract and this resolution would allow the mayor to sign the extension.

Northrup offered a resolution to approve the Resolution accepting and authorizing the mayor to execute an amendment to Contract Number 95-LAO-856 between the City of Fort Morgan and the Department of Energy Western Area Power Administration. That resolution was seconded by Castoe and approved unanimously.

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### **PRESENTATION ON THE HEALTH CARE 'CADILLAC TAX'**

Human Resources/Risk Management Director Michael Boyer explained the 40 percent excise tax on "Cadillac" health insurance plans that was likely to impact the city's plan in the next few years under the federal Affordable Care Act. He reviewed several scenarios for the potential cost to the city and said the city must take steps now to try and avoid this tax. Boyer outlined

several possible ways to do this, and said city staff would be exploring these and other ways to maintain a good benefit plan for employees while taking steps to reduce the cost to the city. No formal action was taken.

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## **2016 BUDGET CALENDAR – SECOND READING AND PUBLIC HEARING ON THE 2016 BUDGET ORDINANCE**

Mayor McAlister outlined the format to be followed for the public hearing, and City Clerk/PIO John Brennan confirmed that proper legal notice of the hearing had been published.

Wells reviewed several changes that had been made to the budget since the approval on first reading on Oct. 20, and said the budget was still balanced even with those modifications. The additions to expenses included \$40,000 in the Capital Improvement Fund for an air compressor for the Fire Department, \$108,574 to the Firemen's Pension Fund and \$3,000 for credit card charges in the Municipal Court budget.

No public comments were received either during the hearing or in advance, and no council comments were offered. Castoe made a motion to close the public hearing, which was seconded by Shaver and approved unanimously.

City Attorney Jason Meyers explained the council's options for action on the ordinance. Northrup offered a resolution approving the second and final reading of Ordinance No. 1179, levying a tax upon the taxable property in the City of Fort Morgan, Colorado, and appropriating monies to the several funds of said city, as amended. That resolution was seconded by Castoe and approved unanimously.

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## **PUBLIC COMMENT / AUDIENCE PARTICIPATION**

None.

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## **REPORTS BY OFFICIALS AND STAFF**

Management Intern Chelsea Gondeck provided an update on the process of rewriting the city's Comprehensive Plan, and said the consultant team from Logan Simpson would come to a council meeting in December to brief the council on progress.

Miller said the new automated checkout equipment was installed and operational at the library and was receiving very positive feedback from patrons. Wells noted that the city had received another award from the Colorado Chapter of the American Public Works Association for the ball field restoration project at Riverside Park, and also a Super Hero Award from Kids At Their Best for support of that organization's youth programs. Northrup said the city received a lot of positive recognition at the KATB event, and Fort Morgan Police Department Officer Paul Mendoza also received a Super Hero Award for his individual efforts in conjunction with the youth programs.

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## **BIDS, MEETINGS AND ANNOUNCEMENTS**

Brennan announced current bids and upcoming meetings. McAlister said the state VFW organization had held its annual meeting in Fort Morgan the previous week and the delegates were very appreciative of the city's hospitality and impressed with the city and its employees.

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## **EXECUTIVE SESSION**

The regular portion of the meeting ended at 7:18 p.m., and Mayor McAlister said the next item on the agenda was the first of three scheduled executive sessions. Castoe made a motion to

convene the first scheduled executive session, which was seconded by Lindell and approved unanimously.

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: Non-interruptible Transmission Service agreement with Western Area Power Administration.

The executive session began at 7:44 p.m. and concluded at 8:04 p.m., and was attended by the mayor and council along with City Manager Jeff Wells, City Attorney Jason Meyers and Water Resources/Utilities Director Brent Nation. At the end of the executive session the council returned to the regular open meeting, where Castoe reported that the council had met in executive session for the purpose stated on the agenda. Castoe made a motion directing the city manager and staff to negotiate an agreement with the Municipal Energy Agency of Nebraska to address the suspension of the Non-interruptible Transmission Service agreement with the Western Area Power Administration. That motion was seconded by Lindell and approved unanimously.

Northrup then made a motion to convene the second scheduled executive session, which was seconded by Lindell and approved unanimously.

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: Economic incentives.

This executive session began at 8:10 p.m. and concluded at 8:20 p.m., and was attended by the mayor and council along with Wells, Meyers, Nation, Community Services Director Josh Miller and Management Intern Chelsea Gondeck. At the end of the executive session the council returned to the regular open meeting, where Castoe reported that the council had met in executive session for the purpose stated on the agenda. Castoe made a motion directing the city manager and staff to move forward with incentives as discussed in the executive session, which was seconded by Lindell and approved unanimously.

Northrup then made a motion to convene the third scheduled executive session, which was seconded by Lindell and approved unanimously.

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: Legion Field.

This executive session began at 8:23 p.m. and concluded at 9:13 p.m., and was attended by the mayor and council along with Wells, Meyers and Miller. At the end of the executive session the council returned to the regular open meeting, where Castoe reported that the council had met in executive session for the purpose stated on the agenda. Castoe made a motion directing staff to move forward with Morgan County and the American Legion to finalize a petition for trust

dissolution to be completed by January, and to allow the school district use of the field as currently constituted. That motion was seconded by Northrup and approved unanimously.

Mayor McAlister adjourned the Nov. 3, 2015, City Council regular meeting at 9:14 p.m.

/s/ Terry McAlister  
Mayor

/s/ John Brennan  
City Clerk