

April 21, 2009

The City Council of the City of Fort Morgan, Colorado, met this day in the Council Chambers of City Hall. The Honorable Mayor Jack L. Darnell called the regular meeting to order at 7:00 p.m.

The Pledge of Allegiance was given.

Roll Call: Present: Honorable Mayor Jack L. Darnell
Councilmember Sharol Lyn Deal
Councilmember Terry McAlister
Councilmember James A. Powers
Councilmember Terri P. Schafer
Councilmember Ron Shaver
Councilmember Alberta M. Simmons

The meeting was also attended by City Manager Pat Merrill, City Attorney Jeffrey Wells, Police Chief Keith Kuretich, Municipal Engineer Brad Curtis, Director of Water Resources/Wastewater Treatment Gary Dreessen, Community Development Director David Callahan, Community Services Director Don Shedd and City Clerk Andrea Strand.

FIRST READING OF AN ORDINANCE ENTITLED, "AN ORDINANCE GRANTING CERTAIN ECONOMIC INCENTIVES FOR BUSINESS RELOCATION AND EXPANSION TO EHRlich TOYOTA EAST BY THE CITY OF FORT MORGAN, COLORADO"

Manager Merrill stated that Attorney Wells had spent time revising the original request by the business, Ehrlich Toyota East, for Economic Incentives from the City of Fort Morgan. This was necessary to comply with State law and the City's Economic Incentive Policy.

Attorney Wells referred to the application in the packet and stated that there had been a few modifications to the original request the Council approved in September 2008 for \$112,736. He stated that the Road and Bridge split between the City and the County was no longer included as a benefit and he identified the refund of sales tax, general property tax and personal property taxes. We will be providing these but at different levels and not to exceed the approved \$112,736 total package.

Kari Linker, Executive Director of Morgan County Economic Development Corporation, added that the Ehrlich Toyota East Project came to \$2.5 million in capital improvements, which allowed 80 percent of a real property tax refund through the City's Economic Incentive Policy. She then stated that the package had been adjusted to comply with City Council's approved amount of \$112,000. Proposed was a 14-year time period for refund of real property tax, ten-year period at 50 percent, for a personal property tax refund as regulated by the Enterprise Zone Administration, a sales tax refund up to \$17,500 if items are purchased through the City of Fort Morgan, a refund of building permit fees of \$3,235 and an infrastructure credit that includes gas of \$1,000 and electric of \$10,000. The total package totaled \$114,708, excluding the estimated \$17,500 sales tax refund. She stated that all of these numbers were best estimates. She also updated the impact analysis which reflected the ten-year economic benefit as \$9.3 million to the City of Fort Morgan. She also calculated the direct payroll dollars for ten years would be \$11.9 million; direct payroll from the facility annually would be \$1.9 million. The payback period would be .22 years for the return on the investment by the City.

Councilmember Powers asked for clarification on the refund of general property tax. Attorney Wells stated that the refund would be on the increased assessed value of the property after construction improvement, are completed.

Scott Ehrlich and his attorney, Tom Grant, were present to answer any questions.

Attorney Wells presented for Council consideration on first reading an Ordinance entitled "AN ORDINANCE GRANTING CERTAIN ECONOMIC INCENTIVES FOR BUSINESS RELOCATION AND EXPANSION TO EHRLICH TOYOTA EAST BY THE CITY OF FORT MORGAN, COLORADO," said Ordinance being in words, letters and figures as follows, to wit:

ORDINANCE NO. _____

AN ORDINANCE GRANTING CERTAIN ECONOMIC INCENTIVES FOR BUSINESS RELOCATION AND EXPANSION TO EHRLICH TOYOTA EAST BY THE CITY OF FORT MORGAN, COLORADO.

Whereas, Ehrlich Toyota East (hereinafter "Ehrlich") has applied for certain tax and economic incentives for construction of an automobile dealership and vehicle service/repair garage, at an anticipated cost of \$ 2,500,000.00, upon Lot 1 of the Minor Subdivision Plat of the "Ehrlich Minor Subdivision" (hereinafter the "Project") in the City of Fort Morgan, Colorado (hereinafter "City");and,

Whereas, the real property upon which the Project will be located is within an enterprise zone and Ehrlich, in accordance with the provisions of the Urban and Rural Enterprise Zone Act, C.R.S. § 39-30-101, et seq., (hereinafter the "Act"), has requested the Council of the City of Fort Morgan, Colorado, to provide certain tax and economic incentives upon or for the benefit of the taxable property of Ehrlich Toyota East resulting from such relocation and expansion; and,

Whereas, Ehrlich represents that it will qualify for a credit or refund on taxes in accordance with the requirements of C.R.S. § 39-30-105, and has presented certification from the Zone Administrator of the Northeast Colorado Enterprise Zone that the Project would constitute a "new business facility" in an enterprise zone as defined by C.R.S. § 39-30-105(7)(e); and,

Whereas, the Council finds that among the purposes of the Act is the encouragement, development and expansion of opportunities for employment in the private sector; to provide incentives for private enterprise to expand and for new businesses to locate in economically depressed areas; to provide more job opportunities for residents of such areas; and to establish tax incentives and other assistance for such private enterprises; and,

Whereas, the Council finds that the Project proposed by Ehrlich would be of benefit to the City by providing new employment opportunities and rehabilitating blighted property; and,

Whereas, the Council finds that the general welfare of the residents of the City would be promoted by granting or approving the tax incentive payments, as hereinafter set forth.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT MORGAN, COLORADO, THAT:

1. Refund of Sales Taxes levied by the City. Ehrlich shall be entitled to apply for and receive a refund of up to Seventeen Thousand Five Hundred (\$17,500.00) Dollars of all sales taxes levied by and paid to the City of Fort Morgan for the local purchase of equipment, machinery, machine tools, or supplies used in the construction of or incorporated into the improvements of the Project in the Northeast Colorado Enterprise Zone. Such refund shall be payable by the City Treasurer upon presentation of Receipts by Ehrlich upon completion of the Project for all such sales taxes paid and verification by the City Treasurer that such sales taxes have, in fact, been levied and paid to the City. Said refund will also be subject to certification by Ehrlich, through a legal opinion from its attorney's, that its business arrangement conforms to Colorado law.

Statutory Reference: C.R.S. § 39-30-107.5 (2)2. Refund of General Property Taxes. Commencing with Tax Year 2010 (taxes payable in 2011) and continuing for Tax Years 2011 through 2025, Ehrlich shall be entitled to an annual incentive payment in the form of a refund equal to eighty percent (80%) of the increase in assessed value for general property taxes paid to the City upon the improvements and improvement fixtures constructed as the automobile dealership and vehicle maintenance garage. This refund shall be for improvements and improvement fixtures and the Land upon which the improvements and improvement fixtures are located and that portion of general property taxes attributable to Land. Within sixty (60) days after receipt of proof of payment of the current year's taxes (starting with Tax Year 2009) provided to the City Treasurer by Ehrlich, the City shall make an annual incentive payment to Ehrlich as set forth above, excluding interest and penalty, if any. The term of this agreement as to real property taxes shall not exceed fourteen (14) tax years.

Statutory Reference. C.R.S. § 39-30-107.5

3. Refund of Personal Property Taxes. Commencing with Tax Year 2010 (taxes payable in 2011) and continuing through Tax Year 2020, Ehrlich shall be entitled to an annual incentive payment in the form of a refund equal to fifty percent (50%) of the amount of taxes levied by the City upon the increase in assessed value of taxable personal property located at or within this new business facility and used in connection with the operation of such new business facility, reduced by depreciation of ten (10%) percent from the base amount for each succeeding Tax Year. The term of this agreement as to personal property taxes shall not exceed ten (10) tax years. Within sixty (60) days after receipt of proof of payment of the current year's personal property taxes (starting with Tax Year 2010) provided to the City Treasurer by Ehrlich, the City shall make an annual incentive payment to Ehrlich as set forth above, excluding interest and penalty, if any.

Statutory Reference: C.R.S. § 31-15-903

4. Other Tax and Fee Incentives. The City will provide an electric infrastructure credit up to Ten Thousand (\$10,000.00) Dollars, for the installation of electrical service to the meter, including any required transformer. The City will provide a gas infrastructure credit of up to One Thousand (\$1,000.00) Dollars, for the installation of a gas tap and line to Ehrlich from the City's gas main.

5. Limitations. The incentive payments provided in Paragraphs 1, 2, 3 and 4 above shall be subject to the following limitations:

(a) In the aggregate the total of all sales tax refunds, annual tax incentive payments and other incentives due hereunder shall not exceed One-Hundred-Twelve-Thousand-Seven-Hundred-Thirty-Six (\$112,736.00) Dollars.

(b) The annual tax incentive payments shall apply only to the construction and equipping of that portion of the Project, which is completed, used and/or occupied by December 31, 2009.

(c) The annual incentive payments shall be made only if all taxes and assessments levied and assessed by the City during each and every year that a payment is made are paid on time and in full.

(d) Payments shall not be made if a Court of competent jurisdiction declares any material section of the Act or this Ordinance or any Resolution setting policy for incentive payments to be invalid, unconstitutional, or in violation of any statute.

(e) Payments shall only be made to the extent revenues are available and appropriated in each of the tax years specified above. The Council has no obligation to appropriate funds to make the annual incentive payments.

(f) Payment of any incentives stated above shall only be made if Ehrlich qualifies for a credit or refund on taxes in accordance with the requirements of C.R.S. § 39-30-105, and the Project must qualify as a "new business facility" in an enterprise zone as defined by C.R.S. § 39-30-105(7)(e). These qualifications must be demonstrated annually to the City's satisfaction through submission of a Certification of Qualified Enterprise Zone Business from the Administrator of the Northeast Colorado Enterprise Zone for each tax year in which Ehrlich requests an incentive payment.

(g) Payments shall only be made if the City continues to be in a designated enterprise zone.

(h) Payments shall only be made if Ehrlich presents a request for payment annually and provides the necessary documentation and information as required by the City Manager and as set forth herein.

6. Binding Effect. By its acceptance and approval of this Ordinance, Ehrlich agrees to be bound by the terms and provisions hereof. This Ordinance shall become effective upon its final publication and its acceptance by Ehrlich through its authorized officer and shall thereupon become a binding agreement between the City and Ehrlich. This agreement shall not be assignable without the written consent of the non-assigning party.

INTRODUCED, READ AND PASSED UPON FIRST READING this 21st day of April, 2009, for publication once in a newspaper of the City of Fort Morgan, Colorado, at least ten days before its final passage.

[SEAL]

THE CITY COUNCIL OF THE CITY OF
FORT MORGAN, COLORADO

BY: /s/ Jack L. Darnell
Mayor

ATTEST:

/s/ Andrea J. Strand
City Clerk

Councilmember Powers offered the following Resolution and moved for its adoption. His motion being seconded by Councilmember Shaver; said Resolution being in words, letters and figures as follows, to wit:

RESOLUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT MORGAN, COLORADO, that the foregoing Ordinance entitled above; and the same is hereby ordered published in the City of Fort Morgan, Colorado, not less than ten days before further consideration; and that said Ordinance again be presented to this council at the expiration of said period of publication for final action thereof.

PASSED, APPROVED AND ADOPTED this 21st day of April, 2009, the vote upon roll call being as follows: Ayes: Mayor Darnell; Councilmembers Deal, McAlister, Powers, Schafer, Shaver and Simmons. Nays: none.

REQUEST FOR CITY CONTRIBUTIONS BY THE AIRPORT ADVISORY BOARD FOR THE GLENN MILLER FLY-IN ON JUNE 27, 2009

Director Callahan presented a request from the Airport Advisory Board asking the City to contribute \$500 for aviation fuel and \$300 for portable restrooms, tables and chairs for the Glenn Miller Fly-In.

Councilmember Simmons submitted a memo identifying the balance left to contribute and the respective line items that could be used to fund the request.

Councilmember Deal offered a motion to approve \$800 from the Council's budget line item of \$3,000 for economic development marketing. Her motion was seconded by Councilmember Shaver and carried unanimously.

**COUNCIL ACTING AS THE LOCAL LIQUOR LICENSING AUTHORITY
PRESENTATION OF AN APPLICATION FOR A SPECIAL EVENTS PERMIT BY MORGAN
COMMUNITY COLLEGE FOUNDATION AND REQUEST TO POST THE PROPERTY**

City Clerk Andrea Strand presented an application for a Special Events Permit requested by Morgan Community College Foundation located at 920 Barlow Road to sell malt, vinous and spirituous liquor on May 29, 2009. She explained a requirement of the permit is to post the event to provide the public an opportunity to object. She also requested it be placed on the May 5, 2009, agenda to hear any objections from the public and to issue the permit. The appropriate fees had been submitted for the permit.

Councilmember Powers offered a motion to approve the posting of the property at 920 Barlow Road concerning the application by Morgan Community College Foundation for a Special Events Permit to sell malt, vinous and spirituous liquor on May 20, 2009 and to schedule the issuance of a Special Events Permit for the next Regular Council Meeting on May 5, 2009. His motion was seconded by Councilmember McAlister and carried unanimously.

DISCUSSION AND/OR ACTION CONCERNING THE MUNICIPAL ENERGY ASSOCIATION OF NEBRASKA (MEAN) CONTRACT CONVERSION

Manager Merrill stated that he was submitting information concerning the cost of a financial analysis for the various schedules which would be \$10,000 or less. He also provided information from MEAN which explained that Schedule S is a negotiable schedule and information would need to be discussed specifically with them.

Mayor Darnell stated that he felt the options before Council were to convert the present contract to Schedule M before July 1 or stay with the current Schedule K until 2013; or hire a financial consultant for \$10,000 to review all of the schedules. He encouraged discussion on the matter.

Councilmember Powers asked if the Schedule M contract submitted was a complete document. Attorney Wells stated that it was and if a Schedule M was adopted by City Council, a Resolution would need to authorize the City to continue with the Schedule and would be presented to the Board of Directors of MEAN.

Councilmember Schafer expressed concern over entering into a contract for 30 years, what were the penalties if we wanted to get out of it and felt that the rebate on Schedule M may not be substantial enough to warrant the approval of the Schedule M over the Schedule J or Schedule K.

Attorney Wells stated it was very difficult to get out of the contract. Litigation for breach of contract would be expected.

Councilmember McAlister also expressed concern over the 30-year contract, but also felt it is the lowest rate and no risk for 30 years. He liked the other Schedule's flexibility to add other sources of energy such as wind or coal generation. He felt we could benefit from investing the money we have and use it to rebate as energy savings to the citizens. Councilmember Powers agreed, but added that Schedule M does allow us to generate power, but it would be added to the pool.

Councilmember Simmons added that she felt Schedule M is the best for our City.

Mayor Darnell asked how much money was necessary to be in the reserves since the City is at \$15 million in the Electric Fund. Councilmember Schafer stated the reserves also reflect the equity in our infrastructure. His question again was the economic benefit to the City of each Schedule.

Director Callahan stated that his memo presented today contained an error on the second page, and identified that Schedule J was based on market-based electricity, where Schedule M is cost-based, which is the lowest possible rate available. Manager Merrill stated that Schedule M provided the total coverage of power generation where the other Schedules would not allow additional power as our Western Area Power Administration's allocation reduced.

Councilmember Shaver added that the City had hired a consultant to investigate options in 2003. They looked at building a coal or gas-fired plant and looked at going in with Tri-State to buy into a power plant, which was not feasible. The transmission lines were too expensive. He also added that two substation transformers were damaged in one year at a significant cost.

Councilmember Deal added it would benefit the City to be a part of Schedule M to stay current with technology advantages of being in a group of municipalities.

Mayor Darnell stated he would vote against the Schedule M as he felt too rushed to make a decision and needed more information such as a cost-based analysis be done on all of the Schedules presented.

Councilmember Powers offered a motion to convert to a Schedule M contract with Municipal Energy Association of Nebraska. His motion was seconded by Councilmember Simmons. Councilmember McAlister asked about the cost analysis. Mayor Darnell stated that it could be motioned if the original motion died. The motion carried, the vote upon roll call was as follows:

**Ayes: Councilmembers Deal, Powers, Shaver and Simmons
Nays: Mayor Darnell; Councilmembers McAlister and Schafer**

DISCUSSION AND/OR ACTION CONCERNING A BID AWARD AND AGREEMENT WITH ELAINE'S PLACE FOR THE GOLF COURSE FOOD AND BEVERAGE OPERATIONS

Director Shedd stated that he had met with the owners of Elaine's Place in reference to the Golf Course Food and Beverage bid and stated that they had received a copy of the agreement supplied by City Attorney Jeff Wells. Director Shedd had discussed the issue of the historical information and Audubon information presently displayed on the walls in the dining area of the club house. It is his understanding that they have no intention of removing anything out of the dining area and will keep the dining area open anytime the clubhouse or snack bar is open. Danette Garlis, the owner, was present and stated she was waiting for Morgan County to adopt a Resolution to allow for an optional premise, in reference to the liquor license which would include the entire golf course. She stated she had questions on the changes to the contract and would like to set up a meeting with Manager Merrill and Attorney Wells. The Mayor indicated that the contract would be approved at this meeting so she should identify her concerns. Her concerns were that in the original bid documentation the performance bond was set at \$2,000 and was presently set at \$10,000. Council discussed this and agreed to change the contract to \$2,000 for the performance bond. The second item was identified in Item Q of the agreement. Council agreed to remove portions a. and b. of Item Q, but would keep item c. which would allow her to cater. She also questioned Item X concerning the Cancellation of this Agreement with 30-days' notice with cause. Mayor Darnell stated this was for her protection as well as the City's if the agreement was not working out. It was agreed to keep this in the agreement. The parties agreed the contract would be effective once signed by all parties.

Attorney Wells clarified the changes to the contract and stated that Item I. concerning the equitable percentage split of square footage for utilities would need to be addressed.

Councilmember Schafer offered a motion to accept the contract for the concessions at the golf course snack bar with the amendments addressed in the agreement. Her motion was seconded by Councilmember McAlister and carried unanimously.

AUTHORIZE THE MAYOR TO SIGN A RESOLUTION TO AMEND FUNDING FOR THE OLD HIRE POLICE PENSION PLAN IN 2008 AND 2009

Councilmember Powers offered the following Resolution and moved for its adoption. His motion was seconded by Councilmember Simmons; said Resolution being in words, letters and figures as follows, to-wit:

RESOLUTION NO. 09 04 01

**AMENDED FUNDING FOR OLD HIRE POLICE PENSION PLAN
IN 2008 AND 2009**

Whereas, Sec. 2-5, Policemen's pensions; source of funds, *Fort Morgan Municipal Code* (1994) provides:

"The City, in compliance with the provisions of state statutes, does hereby authorize and direct the monthly payment to the policemen's pension fund an amount equal to that required from time to time by the State Policemen's and Firemen's Pension Reform Law and the Fire and Police Pension Association in administering said Law; provided, however, that the members of such Police Department shall, from their respective monthly salaries, contribute into the City's policemen's pension fund identical percentages monthly of their respective monthly salaries so that the contribution of the Police Department as a whole shall match the contribution for the City's general fund."

and,

Whereas, Sec. 2-8(c), *Fort Morgan Municipal Code* (1994), provides:

"(c) In addition to the base pension, a retiree shall be entitled to receive the full amount of any *cost of living* adjustment or increase in the amount of the monthly pension to which the retiree is entitled by the terms of a resolution adopted by the City Council for such purpose. The combined amount of the base pension and any applicable adjustment or increase thereto shall be referred to as the *aggregate pension*."

and,

Whereas, the City received in May 2008 the *Actuarial Valuation as of January 1, 2008* prepared by Gabriel Roeder Smith & Company for the Fire and Police Pension Association and the City of Fort Morgan Old Hire Pension Plan which sets forth the payments necessary to fund the Plan and maintain its actuarial soundness; and,

Whereas, In August of 2008 the City Council authorized " t[]he monthly retirement benefit paid to all current retired members and beneficiaries shall be increased by 3.5% for inflation, effective January 1, 2008, and by 3.5 % increase for inflation to all current and future retired members and beneficiaries, effective January 1, 2009; and,

Whereas, Resolution 08 08 01 failed to appropriate the authorized 3.5% increase along with the standard employer contribution required to maintain the retirement fund.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT MORGAN, COLORADO:

1. The monthly retirement benefit paid to all current retired members and beneficiaries shall

be increased by 3.5% for inflation, effective January 1, 2008, and by 3.5 % increase for inflation to all current and future retired members and beneficiaries, effective January 1, 2009; recognizing the fact that this additional benefit will result in an increased cost to the City to maintain an actuarially sound pension fund, it is the intention of the City to appropriate any necessary additional funds from the general fund revenues of the City to fund such increase.

2. For 2008, from the funds previously budgeted and appropriated for such purpose, General Fund Account No. 001-421-3 3112, the City Manager is hereby authorized to pay, and make the necessary budget amendments for the authorized 3.5% cost of living adjustment in the amount not to exceed \$17,505.

3. For 2009, from the funds previously budgeted and appropriated for such purpose, General Fund Account No. 001-421-3 3112, the City Manager is hereby authorized to pay, and make the necessary budget amendments for the authorized 3.5% cost of living adjustment in the amount not to exceed \$17,505.

4. The City Manager is directed to notify FPPA of this resolution and provide any additional information for the payment of the cost of living adjustment authorized and appropriated herein.

5. Nothing in this resolution repeals the authority and appropriations established in Resolution 08 08 01, but is an amendment to that resolution to appropriate the monies for the cost of living adjustment.

INTRODUCED, PASSED, APPROVED AND ADOPTED this 21st day of April, 2009, the vote upon roll call being as follows:

Ayes: Mayor Darnell; Councilmembers Deal, McAlister, Powers, Schafer, Shaver and Simmons

Nays: None

Absent /Abstain: None.

THE CITY COUNCIL OF THE CITY OF FORT MORGAN, COLORADO

[SEAL]

BY: /s/ Jack L. Darnell
Mayor

ATTEST:

/s/ Andrea J. Strand
City Clerk

STATE OF COLORADO)
COUNTY OF MORGAN)
CITY OF FORT MORGAN)

ss.

CERTIFICATE

I, ANDREA J. STRAND, City Clerk for the City of Fort Morgan, Colorado, do hereby certify and attest that the foregoing Resolution is a true, perfect and complete copy of the Resolution adopted by the Council of Fort Morgan, Colorado, and is identical to the original

thereof appearing in the official records of the City of Fort Morgan, Colorado, and that the same has not been, since its adoption, in any respect, rescinded or amended.

IN TESTIMONY WHEREOF, I have hereunto set my hand and have affixed the seal of the City of Fort Morgan this 22nd day of April, 2009.

/s/ Andrea J. Strand, City Clerk

CONSENT AGENDA

Clerk Strand presented the Consent Agenda for Council consideration. Councilmember Simmons offered a Resolution to approve the Consent Agenda as presented and moved for its adoption. Her motion was seconded by Councilmember Shaver; said Consent Agenda being in words, letters and figures as follows, to wit:

- A. Approve the minutes from the April 7, 2009, regular meeting.
- B. Approve the disbursements and payroll for March 2009.
- C. Authorize the bid to Ransom Boone Excavating of Fort Morgan, Colorado, in the amount of \$78,452 for the 2009 On-Call Excavating Services.
- D. Authorize the bid to Noraa Concrete Construction Corp., of Keenesburg, Colorado, in the amount of \$143,965 for the 2009 On-Call Concrete Installation Services.
- E. Authorize the Mayor to sign the Application for Renewal and Change of Corporate Officers for the 3.2% Beer License for the Fort Morgan Municipal Golf Course.
- F. Authorize the Mayor to sign a Quitclaim Deed for Lot C in Riverview Commons between the City of Fort Morgan and the State of Colorado, Department of Transportation.
- G. Authorize the Mayor to sign a Grant Agreement for the Colorado Department of Transportation, Colorado Aeronautical Board, concerning Vendor ID 2000024, Fund Number 160, with the local or matching amount not to exceed \$17,895.
- H. Authorize the Mayor to sign the Proclamation for Arbor Day.
- I. Authorize a Water Advisory Board Mission Statement.
- J. Authorize the reappointments of Nicholas Ng and John Young to the Planning Commission for terms ending April 1, 2015.

All matters listed under Item 9, 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.

PASSED, APPROVED AND ADOPTED this 21st day of April, 2009, the vote upon roll call being as follows: Ayes: Mayor Darnell; Councilmembers Deal, McAlister, Powers, Schafer, Shaver and Simmons. Nays: None.

PROCLAMATION

Director Shedd presented a plaque the City received for being a 10 Year Tree City Recipient and Mayor Darnell read the Proclamation for Arbor Day.

ARBOR DAY PROCLAMATION

Whereas, In 1872, J. Sterling Morton proposes to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

Whereas, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

Whereas, Arbor Day is now observed throughout the nation and the world, and

Whereas, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide wildlife habitat, and

Whereas, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and

Whereas, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

Whereas, trees, wherever they are planted, are a source of joy and spiritual renewal,

NOW, THEREFORE, I, Jack L. Darnell, Mayor of the City of Fort Morgan, do hereby proclaim
April 24, 2009 as

ARBOR DAY

In the City of Fort Morgan, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

Further, I urge all citizens to plant trees to gladden the heart and well being of this and future generations.

Dated: this 21st day of April, 2009

[SEAL]

By: /s/ Jack L. Darnell
Mayor

ATTEST:

/s/ Andrea J. Strand
City Clerk

PUBLIC COMMENT / AUDIENCE PARTICIPATION

Jim Boone from Ransom Boone was present and stated he was representing several contractors in the area concerning the Main Street Project. He stated concern over the process the City was using to prequalify contracts and felt it limited local contractors and appeared the City was limiting it to Denver area contractors by the \$3 million bond they required. He

suggested the bid be broken into smaller jobs to allow them to qualify. Manager Merrill explained that City could not be the general contractor and the prequalification documents encouraged local contractors to be used. Engineer Curtis added that the City is on a very tight time schedule and it is impossible to bid out each individual job. The time schedule was City Council's directive and encouraged by the downtown businesses. Engineer Curtis and Manager Merrill offered to stay after the meeting to meet with the concerned contractors to answer questions.

Eric Johnson, a local contractor, stated his company would not be able to meet the performance bond requirement of \$3 million.

REPORTS

The following Directors provided written reports to Council:

City Manager Merrill – he thanked all of the Administrative Professionals.
Police Chief Kuretich
Engineer Curtis
Water Resources/Wastewater Treatment Director Dreessen
Community Service Director Shedd
Community Development Director Callahan
Human Resources and Risk Management Director Prentice
City Clerk
Fort Morgan Fire Department

BIDS, MEETINGS AND ANNOUNCEMENTS

Clerk Strand announced bids that were currently posted and the upcoming meetings.

Mayor Darnell adjourned the April 21, 2009, regular meeting at 8:45 p.m.

/s/ Jack L. Darnell, Mayor

/s/ Andrea J. Strand, City Clerk