

October 4, 2011

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 7:00 p.m.

The Pledge of Allegiance was given.

Roll Call: Present: Honorable Mayor Terry L. McAlister  
Councilmember Scott Bryan  
Councilmember Sharol Lyn Deal  
Councilmember Debra J. Forstedt  
Councilmember Brent M. Nation  
Councilmember James A. Powers  
Councilmember Ronald Shaver

The meeting was also attended by Acting City Manager/City Attorney Jeffrey Wells, Police Chief Keith Kuretich, Director of Water Resources Gary Dreessen, Municipal Engineer Brad Curtis, Community Development Director David Callahan, Community Services Director Patti Evans, Library and Museum Services Director Andrew Dunehoo, Assistant Library and Museum Services Director Cathy Bosley, Fire Chief Brad Parker, Network Administrator Nelson McCoy, Human Resources/Risk Management Director Michael Boyer, Interim City Treasurer Chris Bostron and City Clerk John Brennan.

**RECOGNITION OF VOLUNTEER FIREFIGHTERS AND THE LOCAL BUSINESSES AND AGENCIES THAT SUPPORT THEIR SERVICE**

Fire Chief Brad Parker thanked the council for taking the time to recognize the employers of the volunteers who allow the firefighters to leave work to respond to fire calls, saying that without this support a volunteer fire department wouldn't be possible. He said the fire department had hosted an open house for the employers before the council meeting and thanked the council members who attended to thank those employers.

Acting City Manager/City Attorney Jeffrey Wells asked Parker how much money these employers allow the city to save by having a volunteer department, and Parker said a modest estimate would be a couple of million dollars a year to employ firefighters. Mayor Terry McAlister said the fire department volunteers and the employers who support them all deserve a hand, which was followed by applause.

**READING OF A PROCLAMATION DECLARING OCTOBER TO BE NATIONAL DOMESTIC VIOLENCE AWARENESS MONTH**

McAlister read the proclamation and presented a copy of the signed document to Jan Schilling of SHARE Inc., who noted that the local domestic violence organization would be hosting a 30<sup>th</sup> birthday celebration later in the month.

**READING OF A PROCLAMATION DECLARING OCT. 2-8, 2011, TO BE CITY OF FORT MORGAN UTILITIES WEEK**

McAlister read this proclamation, and noted the Utility Week free community barbecue and open house the following day.

**DISCUSSION WITH MCFADDEN CONSULTING REGARDING ELECTRIC AND GAS RATES AND POSSIBLE ACTION ON PREPARING AN ORDINANCE AND SETTING A PUBLIC HEARING**

Wells said this item had been in the works for the past year, and Mike McFadden was present to review the issues with the council. McFadden went through his PowerPoint presentation, telling the council that he was proposing changes to city gas and electric rates as well as the way the rates are structured, in an effort to flatten the cost changes to customers resulting from market price swings and also smooth out the flow of revenue into the gas and electric funds. Councilmember James Powers asked if the proposal would ensure essentially the same revenue to the city's general fund, and McFadden said that it would. Instead of price swings changing the city's revenues, the revenues would be affected by trends in customer usage, he said.

McFadden said the city had not adjusted its gas and electric rates for three years, since October 2008, and gas prices peaked at about the same time and then began dropping and staying substantially lower. As a result, he said, the city has over-recovered in the gas fund, so he recommended a substantial rate reduction for gas. The scenario was the same for the electric fund, he said, suggesting that the city should manage its rates more closely. He recommended making these proposed rate adjustments and revisiting them next year.

Wells said the city staff was recommending that the council accept McFadden's proposal for rate restructuring and adjustment, and set a public hearing on the matter for Nov. 15 to consider ordinances restructuring the rates and adopting the proposed rates. He said the adjusted rates would be made effective Nov. 1, subject to approval of the second reading of the required ordinances on Nov. 15, which was an acceptable process because no one can be expected to object to a rate decrease.

Powers made a motion to accept McFadden's report, set a public hearing date for Nov. 15 and instruct the acting city manager to prepare the appropriate ordinances. That motion was seconded by Councilmember Debra Forstedt and approved unanimously.

**PRESENTATION AND POSSIBLE ACTION ON MODIFICATIONS TO FILTER MEDIA REPLACEMENT AT THE WATER TREATMENT PLANT**

Water Resources Director Gary Dreessen said the council had asked for more information on this item at its previous meeting. Dreessen said he had verified with the city finance department that none of the \$341,500 in the 2011 budget for filter media replacement had been spent, and \$350,000 in the 2012 budget for painting the finished water storage tanks was expected to remain in that budget, so those funds combined could cover the estimated \$685,000 cost of replacing the existing Siemens water filtration system with a Leopold underdrain block system. Dreessen noted a memo from McLaughlin Water Engineers outlining numerous other municipalities who had installed the Leopold system, and said Water Treatment Plant Superintendent John Turner had called several plants and found good recommendations for the Leopold system. Councilmember Ron Shaver offered a resolution to follow Turner's recommendation to combine the funding from both sources and install the Leopold system. That motion was seconded by Councilmember Scott Bryan and approved unanimously.

**PRESENTATION AND POSSIBLE ACTION ON BIDS FOR COMPUTERS AND RELATED EQUIPMENT FOR THE LIBRARY**

Library and Museum Services Director Andrew Dunehoo reviewed the history of this item, which was brought to the council on Sept. 20 and deferred until this meeting because of new

information from city Network Administrator Nelson McCoy, who said he could obtain the computers and equipment through existing city vendor contracts for less than the lowest bid obtained. Based on McCoy's cost estimates, Dunehoo said staff was recommending that the equipment be purchased in that way.

Powers offered a resolution to allow the city network administrator to purchase the proposed equipment as needed for the price of \$15,660.44. The resolution was seconded by Councilmember Brent Nation and approved unanimously.

**COUNCIL ACTING AS THE LOCAL LICENSING AUTHORITY – PRESENTATION AND POSSIBLE ACTION ON AN APPLICATION FOR RENEWAL OF A TAVERN LIQUOR LICENSE–MALT, VINOUS AND SPIRITUOUS LIQUORS, FOR THE QUEEN LOUNGE AT 112 W. KIOWA AVE. WITH A PREVIOUS VIOLATION AND LICENSE SUSPENSION**

Police Chief Keith Kuretich reviewed the history of this renewal application and his department's investigation that revealed a prior violation and license suspension by the state as well as several other instances in which the liquor licensee had failed to report incidents of disorderly conduct on the premises. Several meetings were held between city staff and the licensee, and a proposed agreement was reached that included stipulations by the licensee and conditions of renewal of the license to ensure that violations of this kind did not occur in the future. Those stipulations will be included in a formal agreement that will be brought for the mayor's signature in the near future, Kuretich said. Kuretich said the staff recommendation was to approve the renewal on a probationary basis, with a fine of \$1,200 and \$800 of that fine held in abeyance pending further violations.

Wells noted that one of the reasons staff was recommending approval was that Queen Lounge owner Keith Lehman was very responsive to all of the issues raised by the police department, and was cooperative and committed to doing everything necessary to bring all of his operations into compliance. Well said the plan was to have council approve the renewal application now and get that sent in to the state, and finalize the agreement with Lehman in the near future and have it signed by both parties.

Lehman then spoke to the council, saying he had been in business in Fort Morgan for 45 years, 31 of those with the Queen Lounge, which he opened in 1980. He said the Queen is the only establishment in the city that offers live music and dancing every weekend, providing a place for young people and keeping them and their spending in town. He said he has put on extra staff to handle the crowds and now has 10 people on his payroll. He acknowledged that the main incident of concern to the police department was the result of him as the licensee not giving an employee the proper training. He said he is focused on doing the right thing with the right employees and has been a good business partner with the city for many years and wanted to continue to be.

Powers then offered a motion to approve the application for renewal of the tavern liquor license for the Queen Lounge on a probationary basis for the remainder of the renewal period subject to the conditions stipulated in the agreement that will be brought forth for the mayor to sign. That motion was seconded by Forstedt and approved unanimously.

**PUBLIC HEARING AND CONSIDERATION OF A REQUEST FOR A SPECIAL USE PERMIT FROM MARVIN AND ROSALIE JEFFERSON**

Mayor McAlister reviewed the process and procedure for the public hearing, and Community Development Director David Callahan introduced the applicants and presented the application and the staff analysis of it. He noted that no concerns had been raised by adjacent property owners or city staff about the application, which requested a special use permit to allow a home business in the Mixed Use Business (B-1) zoning district at 801 Main St. The Jeffersons have

owned and operated Advantage Realty at this location for several years, and due to the sale of their own property wish to move into the lower floor of the building, Callahan said. The planning commission unanimously recommended approval, and Callahan said staff recommends approval for the use to run in perpetuity with the property, and for the council to also acknowledge its previous approval of a variance in the parking space requirements for this property and make that a part of this approval.

Forstedt then made a motion to close the public hearing, which was seconded by Bryan and approved unanimously.

Wells advised the council that it had heard the facts and testimony of the case and could approve the application, approve it with conditions or deny it.

Forstedt then offered a resolution to approve the application as recommended by staff and with the conditions proposed, which was seconded by Bryan and approved unanimously.

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### **PRESENTATION AND POSSIBLE ACTION ON A PROPOSAL FOR A NEW LANDLINE PHONE SYSTEM**

Wells noted that there was a question raised when this item was presented at the previous meeting about how it might affect city phone numbers being listed in telephone books, and McCoy had determined that it would have no impact and city numbers would continue to be listed as in the past. He said staff therefore was renewing its request to enter into an agreement with MicroTech-Tel for the service without going through a formal bidding process, because no other vendor could be found that was able to provide the desired services in the city.

Nation offered a resolution to enter into the agreement without a bidding process, which was seconded by Shaver and approved unanimously.

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### **PRESENTATION AND POSSIBLE ACTION ON BIDS FOR SAFE ROUTES TO SCHOOL CONSTRUCTION**

Municipal Engineer Brad Curtis reviewed the history of this project, which has been in the works for several years and has finally received the necessary approvals from the Colorado Department of Transportation and BNSF Railway. The project is grant-funded, with \$147,849 remaining in the capital improvement fund from the original grant. The low bidder was Noraa Concrete Construction of Keenesburg at \$149,875, and an additional \$25,000 will need to be spent from city funds for work at the BNSF railroad crossing in the project area, Curtis said. He noted that about \$42,500 remains in the Capital Improvement budget from street rebuilds, which would more than cover the \$27,026 the city would have to pay for the total project. He asked for approval of the bid from Noraa and the use of the remaining street rebuild funds not to exceed \$175,000.

Forstedt offered a resolution to approve the acceptance of the bid and spend the \$27,026 in city funds above the grant funding to complete the project. That resolution was seconded by Councilmember Lyn Deal and approved unanimously.

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### **CONSENT AGENDA BY RESOLUTION**

City Clerk John Brennan presented the Consent Agenda for Council consideration, said Consent Agenda being in words, letters and figures as follows, to wit:

#### **CONSENT AGENDA**

- A. Second reading and final action on Ordinance No. 1117, Consolidating City Community Services Departments
- B. Approval of the minutes of the Sept. 20 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.

Councilmember Nation offered a resolution to approve the Consent Agenda as presented, which was seconded by Powers and approved unanimously.

PASSED, APPROVED AND ADOPTED this 4th day of October 2011, the vote upon roll call being as follows: Ayes: Mayor McAlister, Councilmembers Bryan, Deal, Forstedt, Nation, Powers and Shaver. Nays: none.

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## **PUBLIC COMMENT / AUDIENCE PARTICIPATION**

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Melissa Paulson of 828 State St. spoke to the council about her frustration with incorrect utility bills that she had been unable to resolve despite numerous phone calls and visits to the city utility billing department. Wells said he had been made aware of Paulson's issues just that day, and would resolve the problems within the next few days.

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## **REPORTS BY OFFICIALS AND STAFF**

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Wells reported on positive progress in resolving other issues within the utility billing department that had been caused by the switch to a new billing software, He said city staff was continuing work on the 2012 budget and the remaining preliminary budgets would be presented to the council at a retreat on Oct. 11.

Deal reported that a gentleman had been calling her for several months with his concern about his desire to paint a flagpole that had been donated by a group of people to the golf course. He had purchased the paint but could not paint the pole because it was too high, and the city had still not painted the pole. Because Wells had left the room to obtain contact information from Melissa Paulson, McAlister asked Curtis to look into the problem and handle it.

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## **BIDS, MEETINGS AND ANNOUNCEMENTS**

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Brennan announced upcoming bids and meetings, and announced the city's annual Utility Week free community barbecue the following day. McAlister noted the recent Denver Broncos pep rally event at City Park and showed the banner given to the city, which reads "Fort Morgan is Broncos Country." He said the council would decide where to place the banner, and said the event as very successful in the new location and drew more than 1,000 people. He thanked executive assistant Yolanda Eurich for her work in organizing the event for the city, as McAlister was unable to attend due to a Colorado Municipal League meeting the same day.

Bryan then asked McAlister to mention the lofty position to which the mayor had been appointed at that CML meeting, and McAlister announced that he had been nominated and elected as president of the CML District 1 board for Northeast Colorado.

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## **EXECUTIVE SESSION**

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The regular meeting concluded at 9:07 p.m., and Powers then made a motion to convene a scheduled executive session. That motion was seconded by Forstedt 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: Issues at airport.

The executive session convened at 9:19 p.m. and concluded at 9:43 p.m., and was attended by the council members and mayor along with Wells and Callahan. After returning to the open meeting, Mayor McAlister asked Councilmember Forstedt to report on the executive session, which she did as follows:

“The City Council met in executive session to instruct negotiators on matters subject to negotiations at the Fort Morgan Airport. The issues at the airport relate to obstructions placed at the end of the runways that are considered by pilots as hazardous to the safety of those using the airport. The obstructions were initially placed upon the City’s property. After the City removed the obstructions the obstructions were replaced on adjoining property. The City has been working with adjoining property owners to resolve whatever issues lead them to believe they need to place hazards in the flight path of those using the airport. I make a motion that the City staff negotiate a resolution of the issues with adjoining landowners to the airport according to the discussion held in executive session.”

Forstedt’s motion was seconded by Councilmember Nation and approved unanimously.

Mayor McAlister adjourned the October 4, 2011 regular meeting at 9:48 p.m.

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Mayor

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City Clerk