

**RECORD OF PROCEEDINGS
FORT LUPTON CITY COUNCIL/ENTERPRISE BOARDS
JANUARY 23, 2012**

The City Council of the City of Fort Lupton met in regular session at the City Complex, 130 South McKinley Avenue, the regular meeting place of the City Council, on Monday, January 23, 2012. Mayor Holton called the meeting to order at 7:00 p.m. Mayor Holton invited everyone to join him in the Pledge of Allegiance.

ROLL CALL

| | | | |
|----------------|---------|-------------------|---------|
| Chris Cross | Present | S. David Norcross | Present |
| Tommy Holton | Present | Shannon Rhoda | Present |
| Zo Hubbard | Present | Debora Yates | Present |
| Bob McWilliams | Present | | |

The record is to reflect there was a quorum.

Others present were: City Administrator and Finance Director– Claud Hanes
City Clerk – Barbara Rodgers
City Attorney – Bill Wallace
Chief of Police – Ken Poncelow
Chief Accountant – Leann Perino

APPROVAL OF AGENDA

Add Item 10 C AM 2012-015 Approving Resolution No. 2012-007 Ratifying the Mayor's Appointment of Zachary Martinez to the Public Safety Advisory Committee for a Term Beginning January 23, 2012 and Ending December 31, 2013, was added to the Consent Agenda.

It was moved by David Norcross and seconded by Bob McWilliams to approve the agenda as amended.

Motion carried on voice vote.

APPROVAL OF PAYABLES

The record is to reflect that Council reviewed the payables to January 23, 2012.

CONSENT AGENDA

It was moved by Zo Hubbard and seconded by Chris Cross to approve the following consent agenda items:

- Approval of the minutes of the January 9, 2012 City Council/Enterprise Boards meeting.

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- AM 2012-014 Approving Resolution No. 2012-006 Ratifying the Mayor's Appointment of India Holton to the Public Safety Advisory Committee for a Term Beginning January 23, 2012 and Ending December 31, 2013.

- AM 2012-015 Approving Resolution No. 2012-007 Ratifying the Mayor's Appointment of Zachary Martinez to the Public Safety Advisory Committee for a Term Beginning January 23, 2012 and Ending December 31, 2013

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|----------------|-----|-------------------|-----|
| Chris Cross | Yes | S. David Norcross | Yes |
| Tommy Holton | Yes | Shannon Rhoda | Yes |
| Zo Hubbard | Yes | Debora Yates | Yes |
| Bob McWilliams | Yes | | |

Motion carried on roll call vote.

ACTION MEMORANDA (REQUIRES COUNCIL ACTION)

PUBLIC HEARING #1 FOR THE PURPOSE TO CONSIDER AMENDING THE SEWER RATES FOR ALL COUNTS EFFECTIVE JANUARY 1, 2012

Mayor Tommy Holton opened the Public Hearing to consider amending the sewer rates for all accounts effective January 1, 2012, at 7:03 P.M.

Chief Account Leann Perino stated the notice for all public hearings was published. The Utility Advisory Committee met in August and September 2011 to review current water and sewer rates. An analysis of revenues and expenditures showed a loss with the sewer operations. The Committee recommended a sewer base rate increase of \$6.00 and 5.5% increase on the base usage rate.

Councilmember Rhoda inquired about where the increases will be allocated to the expenditures, Councilmember Rhoda stating she is not opposed to the increase if this is what is needed. Director of Finance and Administration Claud Hanes indicated the advisory committee reviewed the revenues for both the water and sewer rates. It was determined by the committee that the sewer revenues weren't covering operations and maintenance expenditures and recommended an increase in the rates. The increase is for capital costs operations and maintenance expenditures. In the 2012 budget money was allocated for sewer line replacement

Councilmember David Norcross inquired about the \$6.00 monthly base rate increase; how much additional revenue would these revenues generate? Director of Finance and Administration Claud Hanes indicated the base rate

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increase would produce an additional \$8,000 annually. The 5.5% increase would generate an additional \$38,300, annually. These increases would bring the sewer accounts in line with the proposed expenditures.

Councilmember Zo Hubbard inquired about a large customer tying into the sewer line; how would this customer rates be calculated? The rates will be charged based on the actually usage and if a usage history has not been established the usage will be estimated.

Councilmember Bob McWilliams asked what type of shortfall would there be if Council doesn't approve the increase? The shortfall would be approximately \$40,000+/- . TABOR regulations define what utility fund reserve is needed, to that reserved is covered. There is also debt service in the sewer fund; there needs to be 120% of the debt service amount also in reserve. Some of the debt service will be paid in 2013 and then in 2025 and 2035, so the required reserve will be reduced.

There was an inquiry about future rate increase; with new regulations and possible additional debt, there could be increases. The Utility Advisory Committee will meet every year and evaluate the situation every year.

Thomas Hoskens, Utility Advisory Committee member was present and stated he was in favor of the proposed increases.

Mayor Tommy Holton asked if there were any questions from Council and from the public; there being none Mayor Holton closed the public hearing at 7:14 P.M.

UAM 2012-001 RESOLUTION NO. 2012-001 INCREASING SEWER RATES EFFECTIVE JANUARY 1, 2012

Background

Leann Perino, Chief Account indicated staff implemented a review and recommendation process for the increase of City utility rates. Part of the process was with the annual budget hearing and financial plan. At the budget workshop staff presented to Council the proposed sewer rate increase of 5.5 % and a \$6 per month base fee increase for 2012. With these increases the City can meet the sewer operations and maintenance expenses, capital costs and debt service reserve requirements. A household using 12,000 gallons of potable water a month wouldn't see an increase in their water charges each month, however, their monthly sewer charges would increase \$3.00 for usage and \$6.00 for base fee, making the total affect of \$9.00 per month.

The proposed Resolution 2012-001 increases the per 1,000 gallon usage fee by 5.5% for sewer and a \$6 per month increase flat rate fee

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It was moved by Zo Hubbard and seconded by David Norcross to table UAM 2012-001, until January 30, 2012.

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|----------------|-----|-------------------|-----|
| Chris Cross | Yes | S. David Norcross | Yes |
| Tommy Holton | Yes | Shannon Rhoda | Yes |
| Zo Hubbard | Yes | Debora Yates | Yes |
| Bob McWilliams | No | | |

Motion was carried with a roll call vote.

AM 2012-003 APPROVING 3.2 BEER RETAIL LICENSE (OFF PREMISES) RENEWAL APPLICATION SUBMITTED BY GRAY OIL COMPANY, INC. dba TJ'S EXPRESS AT 804 DENVER AVENUE

Background

The 3.2 Beer Retail License for TJ's Express expires March 22, 2012. The renewal application was submitted in a timely manner to meet the 45 days required by Colorado State Statutes. At the January 9, 2012 Council meeting this agenda item was presented to Council with information from the State Liquor Enforcement Division. A compliance check was held on January 7, 2012; the alleged violation was for sale of alcohol to a Division underage operative. At the January 9th meeting Council requested this agenda item be moved to the January 23, 2012, meeting and the applicant be present.

Linda Raines, representative of TJ's Express stated the establishment did sell alcohol to a Division operative. Ms. Raines indicated the business does have mechanisms in place to make sure employees check identifications and that all employees attend TIPS training. The employee who served the operative is currently under suspension.

City Clerk Barbara Rodgers indicated TJ's Express currently has days-in-abeyance from a previous violation. The State Liquor Enforcement Division will be handling this violation as well as the previous violation. Ms. Rodgers also stated the City of Fort Lupton will be offering liquor licensing training in February, to help liquor licenses understand their roles and responsibilities

Chief Poncelow has been in communication with Ms. Raines and will work on items that will help with this situation.

It was moved by David Norcross and seconded by Bob McWilliams Chris Cross to approve AM 2012-003, approving 3.2 Beer Retail License (off premises) renewal application submitted by Gray Oil Company, Inc. dba TJ's Express at 804 Denver Avenue

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| | | | |
|----------------|-----|-------------------|-----|
| Chris Cross | Yes | S. David Norcross | Yes |
| Tommy Holton | Yes | Shannon Rhoda | Yes |
| Zo Hubbard | Yes | Debora Yates | Yes |
| Bob McWilliams | Yes | | |

Motion was carried with a roll call vote.

AM 2012-011 (revised) ACCEPTING BID FROM LAWSON CONSTRUCTION TO RECONSTRUCT COUNTY ROAD 8 FOR AN AMOUNT OF \$1,327,864.50 INCLUDING REALIGNMENT OF THE CR 8 AND 27 INTERSECTIONS AND INSTALLATION OF TRAFFIC DEVICE AT THE INTERSECTION

Background

This request will full fill the expectations of Halliburton's project. A bid request was distributed to five firms to reconstruct County Road 8, by providing proper road surface for all of the truck traffic that will be utilizing the collector road. All of the bids were very competitive and all of the firms were pre-qualified prior to bidding on this specific project. The apparent low bidder is from Lawson Construction in the amount of \$1,327,864.50. The bid includes a concrete surface, re-alignment to the intersection of County Road 8 and 27 and the installation of a traffic signal at the intersection. The project also includes armed railroad crossing signals, which the City is working with Union Pacific to pay for the signal.

At the January 9, 2012 meeting, Council requested additional information about the monies being allocated to the Street Sales Tax Fund and what expenditures are appropriate for this fund.

Director of Finance and Administration Claud Hanes indicated the City has collected a 2% street impact fee from Halliburton for their site construction, in the amount of \$600,000 to date, with an additional \$140,000 owed. Weld County has tentatively committed \$250,000 towards the project. County Road 8 improvements will draw other industries, which the City will collect their 2% impact fees for this project. Any current shortfall will be funded from the Street Sales Tax Fund which future impact fees will bring additional funds into the Street Sales Tax Fund. All money received through impact fees (\$700,000 so far from Halliburton) are deposited into the Street Sales Tax Fund, coupled with the \$250,000 that Weld County has committed will be sufficient to cover the expenses of this AM as well as AM 2012-012 (\$70,000). This obligation will not affect the planned street improvements budgeted for 2012.

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It was moved by Zo Hubbard and seconded by Bob McWilliams to approve AM 2012-011 (Revised) Accepting bid from Lawson Construction to reconstruct County Road 8 for an amount of \$1,327,864.50 including re-alignment of the County Road 8 and 27 intersections and installation of traffic device at the intersection.

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|----------------|-----|-------------------|-----|
| Chris Cross | Yes | S. David Norcross | Yes |
| Tommy Holton | Yes | Shannon Rhoda | Yes |
| Zo Hubbard | Yes | Debora Yates | Yes |
| Bob McWilliams | Yes | | |

Motion was carried with a roll call vote.

AM 2012-012(Revised) ENGAGE J & T CONSULTING, INC FOR ENGINEERING AND CONSTRUCTION MANAGEMENT OF IMPROVEMENTS TO ROAD 8 FOR AN AMOUNT NOT TO EXCEED \$70,000 AND AUTHORIZING EXECUTION OF THE PROFESSIONAL SERVICES AGREEMENT

Background

This AM is coupled with AM 2012-011 (revised), so funding is from the same source as the previous AM. Since the Halliburton Campus is underway and funds have been designated from the permit process for the reconstruction of County 8, and the agreement with J & T Consulting acting as the construction management engineer to oversee the construction of County Road 8 to its completion. J.C. York, J & T Consulting attended the meeting and was available for questions.

It was moved by Debora Yates and seconded by Zo Hubbard to approve AM 2012-012 (revised), Engage J & T Consulting, Inc. for engineering and construction management of improvements to County Road 8 for an amount not to exceed \$70,000 and authorizing execution of the Professional Services Agreement.

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|----------------|-----|-------------------|-----|
| Chris Cross | Yes | S. David Norcross | Yes |
| Tommy Holton | Yes | Shannon Rhoda | Yes |
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| Bob McWilliams | Yes | | |

Motion was carried with a roll call vote.

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COMMUNICATIONS

DIRECTOR OF FINANCE AND ADMINISTRATION

Claud Hanes provided information about the Golf Committee and Finance Committee. The Finance Committee will be working on two Franchise Agreements. Information was given about the Chamber of Commerce dinner; Chief Ken Poncelow will now be on the Chamber of Commerce Board.

CHIEF ACCOUNTANT

Leann Perino indicated the City has implemented the new PayChex payroll system and is also working on the implementation of utility payments online.

CHIEF OF POLICE

Ken Poncelow indicated there is great progress with the City's Job Fair, which is scheduled for March 17, 2012. So far a company from Wyoming is scheduled to attend, along with Halliburton. Also at the January 9, 2012 meeting, Council requested information about the cost of the weapons training range; the cost was provided to Council and this item will be before Council at their January 30, 2012 meeting.

COUNCIL REPORTS

SHANNON RHODA

She inquired about how a large net in the back yard of a home at the Golf Course could be allowed. The property owner indicated authorization came from the Golf Committee. Additional information will be provided.

DAVID NORCROSS

The Museum and History Advisory Committee is coming together. Councilmember David Norcross stated the water project was \$25 million dollars and the forty acres purchased was for future water storage. Councilmember Norcross indicated he was not opposed to the weapons training range, but was opposed to using ten acres of the water storage property for this project.

FUTURE CITY EVENTS

- January 25, 2012 Town Hall Meeting 6:00 Pm – 7:00 PM
- January 30, 2012 City Council Meeting 7:00 PM

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ADJOURNMENT

It was moved by Zo Hubbard and seconded by Chris Cross to adjourn the January 23, 2012 Regular City Council/Enterprise Boards meeting.

Motion carried on voice vote.

The meeting was adjourned at 7:35 PM

Tommy Holton, Mayor

Barbara Rodgers, City Clerk

Prepared by: Nanette Fornof
Deputy City Clerk