

RIFLE CITY COUNCIL MEETING

Wednesday, April 15, 2015

REGULAR MEETING

7:00 p.m. * Council Chambers

A regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Randy Winkler.

PRESENT AT ROLL CALL: Councilors Rich Carter, Barb Clifton, Joe Elliott, Jay Miller, Dirk Myers, and Mayor Randy Winkler.

Councilor Elliott moved to excuse Councilor Jonathan Rice from tonight's meeting; seconded by Councilor Carter. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler

OTHERS PRESENT: City Manager Matt Sturgeon; City Clerk Lisa Hamilton; City Attorney Jim Neu; Rifle Community Television Manager Michael Churchill; Utilities Director Dick Deussen; Information Technology Director Buzz Kehoe; Planning Director Nathan Lindquist; Police Detective Sergeant Mike Tyler; Davis Farrar; Ryan Hoffman; Heather McGregor; Carl Stephens; and Cecil Waldron.

CONSENT AGENDA - APPROVE THE FOLLOWING ITEMS:

- A. Minutes from the April 1, 2015 Regular Meeting
- B. Minutes from the April 8, 2015 Special Meeting
- C. Annexation of Graham Mesa Water Tank Property - Ordinance No. 5, Series of 2015 – 2nd reading
- D. 2015 Mosquito Control Intergovernmental Agreement
- E. Appoint member of Planning & Zoning Commission
- F. Appoint member of Downtown Development Authority
- G. Lease for 2015 Powdered Activated Carbon Equipment
- H. Financial Report
- I. Accounts Payable

Councilor Carter moved to approve Consent Agenda Items A, B, C, D, E, F, G, H, and I; seconded by Councilor Clifton. Roll Call: Yes – Elliott (abstaining as to Item B), Carter, Clifton, Miller, Myers, Winkler

CITIZEN COMMENTS

Ryan Hoffman, Editor, Citizen Telegram, introduced himself.

There were no other citizen comments.

RECEIVE UPDATE FROM GARFIELD CLEAN ENERGY

Heather McGregor, Administrative Manager / Technical Writer, Garfield Clean Energy (GCE), presented an update on GCE's activities.

(ACTING AS WATER ENTERPRISE) CONSIDER EMERGENCY ORDINANCE TO AMEND ORDINANCE NO. 4, SERIES OF 2015, REGARDING WATER TANK FINANCING – ORDINANCE NO. 6, SERIES OF 2015; CONSIDER EMERGENCY ORDINANCE TO ENACT A WATER TANK SURCHARGE – ORDINANCE NO. 7, SERIES OF 2015

AN ORDINANCE AMENDING ORDINANCE NO. 4, SERIES OF 2015, WHICH AUTHORIZED THE FINANCING OF REPAIRS AND IMPROVEMENTS TO THE CITY’S WATER SYSTEM THROUGH THE EXECUTION AND DELIVERY OF A SITE LEASE BETWEEN THE CITY AS LESSOR AND A LESSEE TO BE IDENTIFIED AND A LEASE PURCHASE AGREEMENT BETWEEN THE CITY, AS LESSEE, AND A LESSOR TO BE IDENTIFIED; PROVIDING FOR RELATED MATTERS AND DECLARING AN EMERGENCY

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, AMENDING APPENDIX A TO THE RIFLE MUNICIPAL CODE TO ENACT A WATER TANK SURCHARGE AND DECLARING AN EMERGENCY

City Manager Matt Sturgeon and City Attorney Jim Neu explained that by Ordinance No. 4, Series of 2015, the City Council authorized the parameters of financing agreements to fund a new water tank and the rehabilitation of the Graham Mesa water tank. Staff solicited proposals and has selected an investor, but the agreeable terms to the financing differ from the parameters of Section 6(c) of Ordinance No. 4 which restricted prepayment and termination in whole or in part with or without a prepayment premium to not exceed 2.0% of the principal amount thereof. Proposed Ordinance No. 6 would amend that restriction to match the terms of the final financing agreement, which staff supports. The final prepayment and termination provision is a “make whole” provision where the City must make a payment to the investor if it terminates the agreement and interest rates are less than the investor was making with the City’s agreement. With a historic low interest rate of 3.13% it is very unlikely that rates could go any lower for the City to have to pay this “penalty” in the event it wants to prepay and terminate the agreement; however, with those variables unknown (when the termination occurs and how much interest rates are at that time), this restriction needs to be amended. Proposed Ordinance No. 6 is an emergency ordinance. This is necessary to meet the deadlines to sign the financing agreements with the secured interest rate. In addition, the City has a true emergency on its hands with the state of the current water tank and the need to commence construction immediately.

The City has received proposals from financial institutions and is moving forward with an agreement with NBH Bank N.A. for \$5,000,000 to be paid over 20 years with an interest rate of 3.13%, which are very favorable terms for the City. One condition of the financing is that the City enacts a water tank surcharge that will generate the requisite revenue to pay the annual amounts due. Proposed Ordinance No. 7, Series of 2015 would amend Appendix A to the Rifle Municipal Code to meet this requirement. To mitigate the financial burden on the City’s water customers, Ordinance No. 7 delays the effective date of the water tank surcharge until October 1, 2015 with a phased increase effective January 1, 2015 and authorizes the use of Water Fund reserves to satisfy any deficiency for financing payments required in 2015. Due to the risk of higher interest rates to the City if the pertinent agreements cannot be executed and delivered promptly in response to the proposal of the investor, there exists an emergency with respect to enacting the water tank surcharge. Therefore, Ordinance No. 7 is being presented as an emergency ordinance.

Councilor Carter moved to approve Ordinance No. 6, Series of 2015, as an emergency ordinance, as presented, and to order it to be published as required by Charter; seconded by Councilor Elliott. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler.

Councilor Carter moved to approve Ordinance No. 7, Series of 2015, as an emergency ordinance, as presented, and to order it to be published as required by Charter; seconded by Councilor Miller. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler.

PUBLIC HEARING - GARFIELD COUNTY COMMUNICATION AUTHORITY ANNEXATION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, CONCERNING THE GARFIELD COUNTY EMERGENCY COMMUNICATIONS AUTHORITY ANNEXATION TO THE CITY OF RIFLE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, APPROVING AN ANNEXATION PLAN FOR THE GARFIELD COUNTY EMERGENCY COMMUNICATIONS AUTHORITY ANNEXATION AS REQUIRED UNDER THE MUNICIPAL ANNEXATION ACT OF 1965, AS AMENDED

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO ANNEXING TO THE CITY OF RIFLE, COLORADO CERTAIN REAL PROPERTY KNOWN AS THE GARFIELD COUNTY EMERGENCY COMMUNICATIONS AUTHORITY ANNEXATION

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO ZONING CERTAIN REAL PROPERTY KNOWN AS THE GARFIELD COUNTY EMERGENCY COMMUNICATIONS AUTHORITY ANNEXATION PUBLIC (PZ) ZONE DISTRICT AND REDEVELOPING MEDIUM DENSITY RESIDENTIAL (MDR-X) ZONE DISTRICT

Mayor Winkler opened the public hearing. Davis Farrar, representing the Garfield County Emergency Communications Authority, and Carl Stephens, Authority Director, explained that the Authority purchased 1.8 acres of property adjacent to its existing facility for future expansion. The Authority's existing facility is in the City's jurisdiction. The Property comprises two parcels, one vacant and another with a single family residence, both of which are in unincorporated Garfield County. The Authority desires to annex the Property into the City and process a Lot Line Adjustment Plat to maximize the vacant portion for its future expansion and separate the single family residence on its own parcel. Planning Director Nathan Lindquist recommended that Council approve the annexation with 2 conditions. First, the nonconforming 10' fence will be permitted to remain if the applicant constructs the new facility. If the facility is not constructed within 3 years, the applicant shall either remove the fence or apply for a variance from the Board of Adjustment. Second, street pavement and water line extensions will be constructed by the applicant at time of development per the standards of the City of Rifle Public Works Manual. Proposed Resolution No. 10, Series of 2015 makes the required findings of fact for the annexation of the Property, and proposed Resolution No. 11, Series of 2015 sets forth the annexation plan required by statute. Proposed Ordinance No. 8, Series of 2015 annexes the Property, and proposed Ordinance No. 9, Series of 2015 zones the Property Public (PZ) Zone District for the vacant parcel and Redeveloping Medium Density Residential (MDR-X) Zone District for the parcel with the residence.

Councilor Miller moved to approve Resolution Nos. 10 and 11, Series of 2015, and Ordinance Nos. 8 and 9, Series of 2015, on first reading as presented, and to order the ordinances to be published as required by Charter; seconded by Councilor Clifton. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler

CONSIDER THIRD AMENDMENT TO ANNEXATION AGREEMENT FOR THE FARM

Mr. Lindquist reminded Council that staff presented a plan for the construction of a soft trail through Morrow Draw at a workshop at its last regular meeting. The Morrow Draw Property is owned by the developer of The Farm located on Graham Mesa. The parties have always contemplated the dedication of this property with a resulting credit to parkland dedication obligations of The Farm annexation. The proposed Third Amendment to

The Farm Annexation Agreement provides evidence of the conveyance of the Morrow Draw Property to the City and the credit to The Farm's dedication requirement. The City will receive a title policy as part of the conveyance to ensure there are no obstructing encumbrances.

Councilor Clifton moved to approve the Third Amendment to The Farm Annexation Agreement; seconded by Councilor Myers. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler

CONSIDER PURCHASE OF NETWORK EQUIPMENT

Councilor Miller moved to award the City Hall Data Center Switch Upgrade project to Venture Technologies in an amount not to exceed \$34,537.83, as recommended by Information Technology Director Buzz Kehoe; seconded by Councilor Elliott. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler

ADMINISTRATIVE REPORTS

Mr. Sturgeon informed Council that Keith Lambert had stepped down as Alternate Representative to the GCE Board. Councilor Elliott volunteered to serve as Alternate Representative.

Councilor Clifton moved to appoint Councilor Elliott as Alternate Representative to the GCE Board; seconded by Councilor Carter. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler

Mr. Sturgeon reported on the following issues: community survey; wind damage to City property; and grant awards from Garfield County Federal Mineral Lease District.

Mr. Neu informed Council of the transfer of a watershed permit.

COMMENTS FROM MAYOR AND COUNCIL

Councilor Clifton invited the public to attend the Strut Your Mutt fundraiser.

Councilor Myers reminded citizens of Spring Cleanup.

Councilor Miller noted that the Colorado Municipal League Policy Committee would not meet in May; its next meeting will be in October. Rio Blanco County will lead a challenge to potential restrictions on development resulting from a non-native plant.

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)

Councilor Clifton moved to go into executive session to discuss negotiations; seconded by Councilor Miller. Roll Call: Yes – Carter, Clifton, Elliott, Miller, Myers, Winkler

Upon return to open session following conclusion of the executive session, meeting adjourned at 9:36 p.m.

Lisa K. Hamilton
City Clerk

Randy Winkler
Mayor