TOWN OF WELLINGTON

BOARD OF TRUSTEES REGULAR MEETING
July 14, 2020 – 6:30 p.m.
Zoom Meeting

MINUTES

A. CALL TO ORDER

Mayor Hammon called the regular meeting of the Board of Trustees to order at 6:35 p.m.

1. Pledge of Allegiance
Mayor Hammon asked that all rise for the pledge of allegiance.

2. Roll Call
Mayor Troy Hammon
Trustee Jon Gaiter
Trustee John Jerome
Trustee Rebekka Kinney
Trustee Wyatt Knutson
Trustee Ashley Macdonald
Trustee Tim Whitehouse

Also Present:
Kelly Houghteling, Interim Town Administrator
Tyler Sexton, Interim Finance Director
Cody Bird, Director of Planning
Bob Gowing, Director of Public Works
Krystal Eucker, Town Clerk

3. Amendments to Agenda
Mayor Hammon asked if there were any amendments to the agenda to which there was none.

4. Conflict of Interest
Mayor Hammon asked if there were any conflicts of interest on this evening's agenda to which there was none.

B. COMMUNITY PARTICIPATION

1. Public Comment
Mayor Hammon asked if there was anyone wishing to make a public comment to which there was none.

2. Presentation
a. Utility Rate - Update
- Staff presentation: Tyler Sexton, Interim Finance Director

Mr. Sexton presented the utility rate update. The Board requested additional information after receiving a presentation at the Work Session on June 16, 2020 which included a 4th quarter rate increase; for every $5.00 increase in the 4th quarter results in a $1.58 decrease in the 2021 rates. The three different scenarios will all have a large increase the first year and a possible increase in the second year.

Scenario 1, which would maintain the current rate structure, would require a 297% base rate increase in 2021 resulting in a base rate of $74.94.

Pros

- Maintains current pay structure for 2020
- After initial 297% increase users can expect decrease in rates going forward
- Maintains fund balance policy

Cons

- 297% increase in 2021
- Largest base rate increases of all scenarios

Scenario 2 would increase rates in the 4th quarter of 2020 by 86% along with a 100% base rate increase in 2021. The 2021 base rate would be $69.83

Pros

- Step like structure
- Users max base rate will be least of all scenarios. The $70.68 base rate is $4.26 less than Scenario 1
- Maintains fund balance policy

Cons

- Users will experience three years of rate increases
- Two of the rate increases will be 100% increases

Scenario 3 would increase rates in the 4th quarter by 218% along with a 3% base rate increase in 2021. The 2021 base rated would be $61.93.

Pros

- Staff believes this is the best option.
- After initial increase, less dramatic increases. 2021 increase is 3% and then 2022 increase is 18%
- User less impacted by second required rate increase of 3%
- Maintains fund balance policy

Cons

- 2nd largest base rate increase of all scenarios

Scenario 4 is a step approach and does not comply with the Board's fund balance policy.

The communication timeline for the utility rates are as follows:

- August 1st – Utility billing insert with survey link
  - Communication survey sent via social media and utility billing link
  - Survey available at Town Hall, Annex, and Post Office.
- August 24th – Survey closes
- September 8th – Staff shares results of community outreach efforts
- September 22nd – Board approves utility rates
- October 1st – New utility rates go into effect

Trustee Gaiter inquired as to what will happen if the rates don't increase.

Mr. Sexton stated if the rates remain, there will be a significant amount of funding that will be lost and the reserve balance fund will go in the negative.

Trustee Gaiter inquired about money being lost in the water fund due to the price of raw water; is there other areas where money is being lost.

Mr. Sexton stated the two factors that have fluctuated the fund are capital expenditures which turn into a depreciation item and there have been administrative costs added to this fund with new staff.

Mayor Hammon inquired as to the contributors to this rate increase.

Mr. Sexton stated the contributors are the loan for the water treatment plant as well as the purchase price of the water.

Trustee Whitehouse asked for a brief explanation of the fund balance policy.

Mr. Sexton stated the Fund Balance Reserve Policy is a policy that was established by the Board to maintain a certain fund balance in order to ensure longevity of the fund. Currently, the Fund Balance Policy is 25% of revenue, two years of debt service and two years of capital improvement plans. When that is all added up, it come to approximately $4 million a year.

The enterprise fund is like a business, the funds are for profit to ensure longevity and they cannot be subsidized.

Trustee Macdonald inquired as to what the community outreach will look like.

Mr. Sexton stated the survey will be going out to gather community input as well as communication efforts to illustrate how the Town has got to this point. There has also been discussion to do a town hall type meeting to review rate information that has been discussed over the last few months.

Trustee Whitehouse commented that there is some historical water information in the June 16, 2020 meeting packet.

Trustee Jerome commented that water rate comparisons between municipalities may not be a good comparison as municipalities have different circumstances that relate to water; raw water rates, reservoirs, water shares, etc.

Mayor Hammon commented that the Board of Trustees has a committee of three individuals that have been monitoring and following up on different approaches to the water situation in Wellington. The Trustees have been working with Town staff as well as engineers. The Town was working with engineers for the water treatment plant which went way over what the Town had forecasted for the plant. The Town then started working with a different engineering firm to oversee the work that had previously been done. The water treatment plant is going to be a different design with the new engineering firm with costs and the need that is more in line with what Wellington is needing.

Trustee Whitehouse inquired as to why staff feels scenario 3 is the best option.

Mr. Sexton stated the increase for 2021 is a 3% increase instead of an 86% or 100% increase in 2021, it seems to be the less severe of the options available.

Mayor Hammon opened the meeting for public comment and that the intention is to gather questions and concerns and include those answers in the presentations and roll out.

Shirrell Tietz, 4525 Ingalls Drive – When was the last time rates were increased and what is the average usage per household in Wellington? How is growth going to impact water in the next few years? Has the Town considered the impact of COVID on the families as it relates to increased water bills? Does the Town plan to stifle building until the water issues are addressed? When was the last time the Town purchased water shares and what was the cost of those? With the water treatment expansion, how many people will that serve and is there a prediction of surpassing how many it can serve?

Amanda McGuinn, 8979 Raging Bull Lane – Have we had someone look over our water contact to see if there is a way to renegotiate it?

Mike Sullivan, 4173 Hayes Circle – Is there going to be an increase in the tiering structure percentages from tier one to tier two?

Theresa Keeney, 9040 Painted Horse Lane – This shows it is based on 7,000 gallons, what if our usage is 14,000 what would the bill be?

Stephanie Owens-Stiner, 9050 Trailhead Lane - What have the developers been paying per house for water/sewer the last few years? Have we not been charging enough to help with increase infrastructure? Will the survey allow residents to "vote" on which scenario will be best for us?

Jody Goodman, 19680 Rawhide Flats Rd - What is the new projected date for the opening of the water treatment plant? What other options will the town pursue to handle the water issues with the increased development and growth? For example, zero-scaping incentives for new construction as well as existing residents. It seems likely to assume that all the new construction/growth would account for the recent increased annual growth and wouldn't COVID account for the May 2020 spike?

Lowrey Moyer, 3814 Harrison Avenue - There are municipalities that require that the developer bring in the shares of water that they need. Milliken requires 1 share per lot and the use would be significantly lower than that. If we had a policy like that, we could use the overage to help sustain our town and fill those needs.

Jason Meadows 18445 Bandana Lane - It is hard to listen to your justification for high water consumption which is most definitely going to NEW construction when existing residents whos only source of water is shut off. Does Fort Collins know you are sending your residents there?

Mayor Hammon commented that these questions were not addressed this evening to allow staff time to give written accurate answers.

b. Wellington Fire Protection District - Structure Fire Update
Chief Nathe informed the Board of the structure fire that happened over the weekend. All the responders from Wellington were on another call up north fighting a grass fire that had homes and structures threatened. The call on the grass fire was just wrapping up when the structure fire call came in. There is an agreement with Poudre Fire Authority, and they were able to respond to the structure fire and assist.

C. CONSENT AGENDA

1. <u>Resolution 27-2020 - Extending Approval of the Conditional Annexation for Country Lane Acres</u>

Trustee Gaiter asked if Mr. Bird could give a brief overview on that situation for members of the Board who were not present for this.

Mr. Bird commented that in order to discuss an item on the consent agenda, it would need to be removed from the consent agenda.

Trustee Macdonald moved to remove Resolution No. 27-2020 from the consent agenda for discussion and placed in action item; Trustee Whitehouse seconded the motion. Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Macdonald, Whitehouse, Hammon

Nays – Kinney, Knutson
Motion carried

D. ACTION ITEMS

1. <u>Resolution 27-2020 - Extending Approval of the Conditional Annexation for Country Lane Acres</u>
Mr. Bird informed the Board that Ordinance 1-2020 was adopted conditionally annexing Country Lane Acres into the Town, conditioned upon entering into an annexation agreement. As a result of COVID-19 and other factors, additional time is needed to reach agreement and record the annexation agreement. The Town's annexation procedures require a conceptual master plan for the property; the conceptual master plan for this annexation included 44 single-family low-density dwellings on the southeast part of Wellington. There are no negative impacts to the Town with approval of Resolution 27-2020.

Trustee Macdonald inquired as to when this project originally submitted to the Town.
Mr. Bird stated when this project originally began it was before Mr. Brid was with the Town. At one point this project went through public hearings and was approved but due to a technical error in the legal description, that prevented it from being completed. At that point the process began again. It has been several years that this project has been in the works.

Trustee Gaiter inquired if there would also need to be a development agreement before any building could begin.
Mr. Bird stated that is correct.

Mayor Hammon opened the meeting up to the public.

Larry Moyer commented that there are several municipalities that require a developer to bring in the shares of water that they need. Milliken requires one share per lot and the use would be scientifically lower than that. If Wellington had a policy like that, we could use the overage to help sustain Wellington and fill our needs.
Mr. March stated the Town does require water shares at the time of development.

Trustee Gaiter moved to approve the extension Resolution No. 27-2020 to Extend Approval of the Conditional Annexation for Country Lane Acres; Trustee Kinney seconded the motion. Roll call on the vote resulted as follows:
Yeas – Gaiter, Kinney, Knutson, Macdonald, Whitehouse, Hammon
Nays – Jerome
Motion carried

2. <u>2020 Old Town Street Repair</u>
Mr. Gowing informed the Board that the bid documents and the engineering plans that were prepared for this project were prepared inhouse by Vince Gentry. This is a project that would have been sent to a consultant at a cost of about $40,000-$50,000.

Mr. Gentry stated Town Staff has reviewed the proposals and contacted various references. Staff recommends the Town Board authorize Staff to execute the following professionals selected to complete the 2020 Old Town street repair project.
- Lightfield Enterprises Inc. for the 2020 Town of Wellington Road Concrete repair project
- Connell Resources Inc. for the 2020 Town of Wellington Road Asphalt repair project
- Coyote Ridge Construction, LLC. for the 2020 Town of Wellington Fire hydrant replacement project
- Terracon Consultants Inc. for the 2020 Town of Wellington Street repair project

The Town of Wellington requested proposals from many qualified professional firms to acquire services to aid in the repair of failing street infrastructure within the Town of Wellington. The main services requested in these contracts are outlined as follows:

Asphalt replacement project
- Traffic control
- Placement of asphalt patching adjacent to new concrete edge
- Removal of asphalt in designated areas and placement of asphalt patches to repair pavement failures
- Edge and butt milling the existing asphalt surface, placing an asphalt
- Placement of asphalt leveling courses to smooth road for final paving
- Placement of the top lift asphalt course and Project Cleanup

Concrete replacement project
- Traffic control
- The removal and replacement of concrete curbs, gutters, sidewalks, crosspans, aprons, drive approaches, inlets, and pedestrian access ramps
- Placement of granular base patching adjacent to new concrete edge
- Project Cleanup

Fire hydrant replacement project
- Traffic control
- The removal and replacement of fire hydrant assembly's that are in the immediate work area of the Old Town street repair project
- Identify locations within the old town area that require fire hydrant replacement / addition to improve the Town's water system

The streets that these projects will be completed on are as follows:
- Ruffian Way and Mammoth Circle (1 intersection)
- Viewpointe Drive and Adams Drive (1 intersection)
- 3rd Street (Wilson to Henderson) (1 block, 1 FH)
- 4th Street (Cleveland to Harrison) (1 block)
- 4th Street (Grant to Wilson) (2 blocks)
- 5th Street (Hays to Grant) (1 block)
- 6th Street (Harrison to Grant) (3 blocks)
- Adams Court and Kit Fox Drive (1 intersection) (add alternate)
- Harrison Avenue and 3rd Street (1 block) (add alternate)
- Franklin Avenue (2 FH)
- Boxelder Court (1 FH)

Trustee Whitehouse inquired about Connell for asphalt and explain why they were chosen.

Mr. Gentry stated one of the requirements of the firms was to give references and the references gave very good reviews of Connell and adequate responses for All Pro. Also, taking some of the prior experience the Town has had with All Pro did factor into the decision.

Trustee Gaiter inquired about the asphalt bids coming in over the estimate.

Mr. Gentry stated asphalt has a lot more moving parts so there are not accurate adjustment numbers for the asphalt bit. The spread of the concrete bids from the low to the next highest were firms that are farther south.

Mayor Hammon opened the meeting up to public comment to which there was none.

Trustee Gaiter moved to approve the Contracts for the 2020 Old Town Streets Project pending review from the Town Attorney and Town Administrator to address the indemnity clauses; Trustee Macdonald seconded the motion. Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Kinney, Knutson, Macdonald, Whitehouse, Hammon
Nays – None
Motion carried

3. Resolution 25-2020 - A Resolution of the Board of Trustees Appointing a Town Clerk
Mr. March stated the purpose of this resolution is to formally appoint Krystal Eucker as the Town Clerk.

Mayor Hammon opened the meeting for public comment to which there was none.

Trustee Whitehouse moved to approve Resolution 25-2020; Trustee Kinney seconded the motion. Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Kinney, Knutson, Macdonald, Whitehouse, Hammon
Nays – None
Motion carried

4. Resolution 26-2020 - A Resolution Amending Hours of Outdoor Watering
Mr. March stated that at the last meeting the Board requested the Resolution that set outdoor watering requirements be amended to include what can be watered in addition to seed and sod, a change in hours and to have the ability to issue a warning instead of a summons at the discretion of the Code Enforcement Officer.

Amendments to the watering restrictions include:

- Prior to the issuance of any summons, a warning must be issued to either the property owner or occupant by posting on the property.
- Hours will be allowed from 7:00 p.m. to 8:00 a.m.
- Watering of plants and gardens be done by hand

Trustee Whitehouse feels the accommodations are reasonable.

Mayor Hammon opened the meeting up for public comment to which there was none.

Trustee Macdonald inquired as to how long the watering restrictions will be in place.
Mayor Hammon stated it they will be in place until October 1, 2020.

Trustee Gaiter moved to approve Resolution 26-2020 amending the hours of Outdoor Watering; Trustee Kinney seconded the motion. Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Kinney, Knutson, Macdonald, Whitehouse, Hammon
Nays – None
Motion carried

Mayor Hammon closed the regular meeting at 8:37 and opened the Liquor License Review Board.

E. OTHER BOARDS

1. Liquor License Review Board

Roll Call
Mayor Troy Hammon
Trustee Jon Gaiter
Trustee John Jerome

Trustee Rebekka Kinney
Trustee Wyatt Knutson
Trustee Ashley Macdonald
Trustee Tim Whitehouse

El Mezcal, Inc, d/b/a Sol de Jalisco Mexican Restaurant
Mr. March stated Sol de Jalisco is requesting a temporary modification to allow for additional outside seating. This is a quasi-judicial matter and not a legislative matter, therefore needs to be handled in an open meeting. The premise was posted although the matter needs to be postponed to an in person open meeting on July 15, 2020 at 4:00 p.m.

Trustee Gaiter moved to postpone the Temporary Modification for Sol de Jalisco to July 15, 2020 at 4:00 p.m.; Trustee Kinney seconded the motion. Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Kinney, Knutson, Macdonald, Whitehouse, Hammon
Nays – None
Motion carried

Mayor Hammon closed the Liquor License Review Board.

F. REPORTS

1. Town Attorney
None

2. Town Administrator
 a. Executive Search Firm for Town Administrator
 Ms. Houghteling informed the Board that the Town received nine different firms that submitted for the Town Administrator search. The Board also created a ranking system and the top ranked firm was Peckham and McKinney.
 The consensus of the Board is to move forward with Peckham and McKinney.

3. Staff Communications
 a. Bulk Water Station Update
 Mr. Gowing commented that there may some folks that are unsure as to why the station is down right now. The bulk water station is broken and there is one company in Canada that makes the replacement part to get the station operational again. The part was ordered weeks ago, and it should be arriving this week.

 b. Larimer County Sheriff's Office Monthly Report - May, 2020

4. Board
Trustee Gaiter thanked the Public Works team for all their work recently.

G. ADJOURN
Upon a motion duly made, the meeting is adjourned at 9:57.

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Krystal Eucker, Town Clerk