

**AGENDA**  
**LOVELAND CITY COUNCIL MEETING**  
**TUESDAY, AUGUST 20, 2013**  
**CITY COUNCIL CHAMBERS**  
**500 EAST THIRD STREET**  
**LOVELAND, COLORADO**

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act. For more information, please contact the City's ADA Coordinator at [bettie.greenberg@cityofloveland.org](mailto:bettie.greenberg@cityofloveland.org) or 970-962-3319.

**5:30 P.M.                      DINNER - City Manager's Conference Room**  
**6:30 P.M.                      REGULAR MEETING - City Council Chambers**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

*Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Council acts upon it.*

*Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items.*

*Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit your comments to no more than three minutes.*

**CONSENT AGENDA**

1. **CITY CLERK** (presenter: Terry Andrews)  
**APPROVAL OF CITY COUNCIL REGULAR MEETING MINUTES**  
A motion to approve the Council Minutes from the August 6, 2013 Regular Meeting.  
This is an administrative action to approve the August 6, 2013 regular meeting minutes.
2. **CITY MANAGER** (presenter: Rod Wensing)  
**BOARDS & COMMISSION APPOINTMENTS**  
A motion Appointing Recommended Members to the Affordable Housing Commission  
This is an administrative action recommending appointment of members.
  - **Motion to appoint Vendia Berg to the Affordable Housing Commission**

for a partial term effective until June 30, 2014.

- **Motion to appoint Will Gresham, Barbara Irelan, and Diann Rice to the Affordable Housing Commission, each for a term effective until June 30, 2016.**

**3. WATER & POWER (presenter: Steve Adams)**  
**WHEELING AGREEMENT AMONG CITY, PSCo, & PLATTE RIVER POWER AUTHORITY**

**A motion to adopt on second reading a Resolution #R-58-2013 Approving a Wheeling Agreement Among the City of Loveland, Public Service Company of Colorado, and Platte River Power Authority**

This is an administrative action to approve on second reading a Wheeling Agreement between the City, Public Service Company of Colorado (PSCo), and Platte River Power Authority (Platte River). The Wheeling Agreement will replace the existing agreement between the parties dated June 20, 2005. Both PSCo and Platte River have approved and signed the Wheeling Agreement. The Power Enterprise will benefit from this approval of the Wheeling Agreement by updating the rates and fees charged to PSCo for the use of our equipment and services. Pursuant to City Code, all utility rates, charges, and fees must be approved by City Council upon two readings of the resolution. City Council unanimously adopted the resolution on first reading at the August 6, 2013 regular meeting.

**4. CITY ATTORNEY (presenter: John Duval)**  
**ACTIONS RELATING TO AMENDMENT 64 MARIJUANA ESTABLISHMENTS**

**A motion to approve and order published on second reading an Ordinance to Add a New Chapter 7.65 to the Loveland Municipal Code to Prohibit Marijuana Establishments from Being Licensed, Located and Operated Within the City of Loveland**

This is a legislative action to adopt on second reading an ordinance adding a new Chapter 7.65 to the Loveland Municipal Code to prohibit marijuana establishments from being licensed, located, and operated within the City. City Council unanimously adopted the ordinance on first reading at the August 6, 2013 regular meeting.

**5. PUBLIC WORKS (presenter: Ken Cooper)**  
**SUPPLEMENTAL APPROPRIATION FOR THE SERVICE CENTER PHASE III EXPANSION PROJECT AND AWARD CONTRACT TO GOLDEN TRIANGLE**

**1. A motion to approve and order published on second reading an Ordinance To Enact a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for the Service Center Phase III Expansion Project in the Amount Of \$3,894,520**

This is an administrative matter to appropriate funding of \$3,894,520 to complete the funding of the Service Center Phase III Expansion Project at the amount of bid price. The funding for the project is from reserves of \$3,499,520 from the General Government CEF Fund and \$395,000 from the Solid Waste Enterprise Fund which reduces the flexibility to complete other projects. City Council unanimously adopted the ordinance on first reading at the August 6, 2013 regular meeting.

**2. A motion to Award a Contract to Golden Triangle Construction to Expand and Remodel the Loveland Service Center in the Amount of \$12,723,060 and to Authorize the City Manager to Execute the Contract on Behalf of the City**

This is an administrative matter to authorize and execute a contract with Golden Triangle Construction to expand and remodel the Loveland Service Center, located at 200 North

Wilson Avenue, Loveland.

6. **PUBLIC WORKS** (presenter: Jason Licon)  
**PUBLIC HEARING**  
**SUPPLEMENTAL APPROPRIATION FOR THE AIRPORT FOR RUNWAY IMPROVEMENTS**  
**A motion to approve and order published on first reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2013 Fort Collins – Loveland Municipal Airport Budget for Runway Improvements**  
 This is an administrative action. The ordinance appropriates \$738,320 of an available 95% federal grant and 5% local match to complete the Airport Improvement Project. The ordinance appropriates grant funds. No local funds are required.
  
7. **CITY CLERK** (presenter: Terry Andrews)  
**IGA BETWEEN THE CITY AND LARIMER COUNTY CLERK & RECORDER FOR THE COORDINATED ELECTION**  
**A motion to adopt a Resolution #R-62-2013 Approving and Authorizing the Execution of an Intergovernmental Agreement Between the City of Loveland and the Larimer County Clerk and Recorder Concerning the Coordinated Mail Ballot Election to be Held on November 5, 2013**  
 This is an administrative action. This resolution will authorize the execution of an intergovernmental agreement between the City of Loveland and the Larimer County Clerk and Recorder concerning the coordinated election to be held on November 5, 2013.

## **END OF CONSENT AGENDA**

### **CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA**

#### **CITY COUNCIL**

- a. **Citizens' Report** *Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.*  
**TedX Informational Presentation** (presenters: Paul Mueller & Ben Price)
- b. **Business from Council** *This is an opportunity for Council Members to report on recent activities or introduce new business for discussion at this time or on a future City Council agenda.*
- c. **City Manager Report**
- d. **City Attorney Report**

#### **PROCEDURAL INFORMATION**

*Anyone who wishes to address the Council on any item on this part of the agenda may do so when the Mayor calls for public comment. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council quorum present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.*

## **REGULAR AGENDA**

### **CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA**

8. **ECONOMIC DEVELOPMENT** (presenter: Betsey Hale)  
**ECONOMIC DEVELOPMENT DEPARTMENT YEAR TWO IN REVIEW**  
 This is an information only item. The City established the Economic Development

Department in August of 2011. This presentation will summarize the accomplishments of the department in year two.

9. **CITY ATTORNEY** (presenter: John Duval)  
**PUBLIC HEARING**  
**CITIZEN INITIATIVE PETITION FOR A TWO-YEAR MORATORIUM ON HYDRAULIC FRACTURING**  
**1. A motion to approve and order published on first reading an Ordinance of the Loveland City Council Placing a Two-Year Moratorium on the Use of Hydraulic Fracturing Within the City to Extract Oil, Gas or Other Hydrocarbons and on the Storage and Disposal of Its Waste Products in Order to Fully Study the Impacts of Hydraulic Fracturing on Property Values and Human Health**  
 This is a legislative action. The City Clerk's Office received an initiative petition on July 8, 2013. On July 23, 2013 the City Clerk issued a statement of sufficiency. C.R.S 31-11-104 provides that City Council may adopt the initiated ordinance as submitted or refer the matter to the voters. This ordinance would adopt the language that was contained within the Citizen Initiative Petition on first reading and remove the requirement to refer the matter to the voters.  
**2. A motion to approve a Resolution #R-63-2013 of the Loveland City Council Submitting a Citizen Initiated Ordinance to a Vote of the City's Registered Electors at the City's Regular Election on November 5, 2013**  
 This is an administrative action. This resolution fixes a ballot title for the ordinance proposed in the Citizen Initiative as well as referring the ordinance to the voters at the November 5, 2013 Regular election, which will be conducted as a mail ballot election in coordination with Larimer County Clerk and Recorder.
10. **FINANCE** (presenter: John Hartman)  
**JUNE 2013 FINANCIAL REPORT**  
 This is an information only item. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending June 30, 2013.
11. **FINANCE** (presenter: Alan Krcmarik)  
**INVESTMENT REPORT FOR JUNE 2013**  
 This is an informational only item. The budget estimate for investment earnings for 2013 is \$2,760,420. Through June, the amount posted to the investment account is \$634,352 including realized gains. Actual year-to-date earnings are much lower than the budget projection. In May, several very high interest rate corporate bonds matured, so future yields will be lower. The estimated annualized yield on market value for securities held by US Bank increased to 1.06% at the end of June, higher than the 0.88% yield reported at the end of May. The yield is still well under the annual target rate of 1.20% for 2013. Reinvestment rates have risen recently after being at near record low levels. Current reinvestment rates are now higher than the budget projection target.
12. **CITY MANAGER & CITY ATTORNEY**  
**Proposed Executive Session to discuss legal and other issues related to HUD's findings concerning Mirasol**

**ADJOURN**



**MINUTES  
LOVELAND CITY COUNCIL MEETING  
TUESDAY, AUGUST 6, 2013  
CITY COUNCIL CHAMBERS  
500 EAST THIRD STREET  
LOVELAND, COLORADO**

**6:30 P.M.                      REGULAR MEETING - City Council Chambers**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

Roll was called and the following responded: Councilors Farley, Klassen, Shaffer, Fogle, Taylor, Clark, Trenary, McKean and Mayor Gutierrez.

**Consensus of Council was to remove items #18, 19 and 20 at the request of City Manager Bill Cahill.**

**PROCLAMATION DECLARING THE SECOND WEEKEND IN AUGUST AS “LOVELAND ART WEEKEND”.** Councilor Shaffer read the proclamation for the record which was accepted by representatives from Loveland Sculpture Invitational, Sculpture in the Park, and Art in the Park.

Mayor Gutierrez made the following procedural announcement:

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**CONSENT AGENDA**

Mayor Gutierrez asked if anyone in the audience, Council or staff wished to remove any of the items or public hearings listed on the Consent Agenda. Councilor Fogle asked that Item #13 be removed from the Consent Agenda. **Councilor Shaffer moved to approve the Consent Agenda with the exception of Item #13. Councilor Farley seconded the motion, which was carried with all councilors voting in favor thereof.**

**1.        CITY MANAGER**

**(presenter: Bill Cahill)**

## **BOARDS & COMMISSION APPOINTMENTS**

A motion appointing recommended members to the Community Marketing Commission, Construction Advisory Board, Golf Advisory Board, Transportation Advisory Board, Visual Arts Commission and Volunteer Firefighters' Pension Board of Trustees

This is an administrative action recommending appointment of members.

- **Motion to appoint Ben Price and Peggy Ziglin and to reappoint Brad Shannon to the Community Marketing Commission, each for a full term effective until June 30, 2016.**
- **Motion to appoint Miki Roth to the Community Marketing Commission for a partial term effective until June 30, 2014.**
- **Motion to appoint Christine Forster as an Alternate member of the Community Marketing Commission for a term effective until June 30, 2014.**
- **Motion to reappoint Keith Benner, David Stamps and Christopher Rosenberger to the Construction Advisory Board, each for a term effective until June 30, 2016.**
- **Motion to appoint Jerry Weitzel to the Golf Advisory Board for a partial term effective until December 31, 2013.**
- **Motion to reappoint Bruce Croissant and Daniel Hill to the Transportation Advisory Board, each for a full term effective until June 30, 2016.**
- **Motion to appoint Charlie Jackson to the Visual Arts Commission for a partial term effective until December 31, 2013.**
- **Motion to reappoint Mike Alexander and Arthur Erickson as City Council Appointed members of the Volunteer Firefighters' Pension Board of Trustees, each for a full term effective until June 30, 2017.**

### **2. DEVELOPMENT SERVICES (presenter: Noreen Smyth) GATEWAY PLANNED UNIT DEVELOPMENT GENERAL DEVELOPMENT PLAN AMENDMENT**

**A motion to approve and order published on second reading Ordinance # 5792 Amending the Gateway Planned Unit Development General Development Plan, City of Loveland**

This is a quasi-judicial action to adopt an ordinance on second reading amending the Gateway General Development Plan (GDP). This will allow an increase in maximum density on Gateway Parcel A-1 from 16 units/acre to 22 units/acre and will increase the overall maximum number of multifamily residential units allowed in the GDP from 500 to 586. City Council unanimously approved the ordinance on first reading at the July 16, 2013 regular meeting.

### **3. DEVELOPMENT SERVICES (presenter: Kerri Burchett) DAKOTA GLEN PUD - FIRST AMENDMENT (#P-98)**

**A motion to approve and order published on second reading Ordinance # 5793 Amending Section 18.04.040 of the Loveland Municipal Code, the Same Relating to Zoning Regulations for "Dakota Glen PUD - First Amendment (#P-98)", Approving the First Amendment to the Preliminary Development Plan for the Dakota Glen PUD**

This is a quasi-judicial action to amend the Dakota Glen PUD Preliminary Development Plan. The amendment would allow the construction of an above ground public utility facility and natural gas pipeline within the PUD boundaries. The property is located

north of and adjacent to 14th Street SW and west of South Wilson Avenue. The applicant is Public Service Company of Colorado. City Council unanimously adopted the ordinance on first reading on July 16, 2013.

4. **DEVELOPMENT SERVICES** (presenter: Troy Bliss)  
**AIRPARK NORTH ADDITION AMENDMENT**  
**A motion to approve and order published on second reading Ordinance #5794 Amending Ordinances 3380 and 3381 to Modify a Condition Set Forth Therein Pertaining to the Annexation and Zoning of the Airpark North Addition to the City of Loveland, Larimer County, Colorado**  
 This is a legislative action to adopt an ordinance on second reading modifying a condition on the annexation and zoning of the Airpark North Addition. City Council unanimously adopted the ordinance on first reading at the July 16, 2013 regular meeting.
  
5. **DEVELOPMENT SERVICES** (presenter: Bethany Clark)  
**SUPPLEMENTAL APPROPRIATION FOR CONSULTING SERVICES FOR HIGHWAY 287 BUSINESS DEVELOPMENT CORRIDOR**  
**A motion to approve and order published on second reading Ordinance # 5795 Enacting a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for Consulting Services to Develop the Highway 287 Business Development Corridor Plan**  
 This is an administrative action to appropriate \$150,000 for consulting services to assist in developing a Highway 287 Business Development Corridor Plan. In January of 2012, City Council held their annual Council Advance to set the priorities for the year. One of the goals the Council set as a priority was to "Develop a Highway 287 Business Development Plan" to guide its development and improve the quality of development along the corridor. This goal was carried through as a priority in the 2013 annual Council Advance. As one of the main corridors into Loveland's downtown, the Highway 287 corridor has great potential for redevelopment and becoming a gateway to Downtown Loveland. The plan will serve as a guide for residents, property owners, developers, City staff, and elected officials in making good land use, design, and development decisions in the corridor. Funding is from reserves, which reduces the flexibility for funding other potential needs. The ordinance was unanimously passed on first reading by City Council on July 16, 2013.
  
6. **PUBLIC WORKS** (presenter: Ken Cooper)  
**SUPPLEMENTAL APPROPRIATION FOR PRELIMINARY PROGRAMMING AND DESIGN OF THE PUBLIC SAFETY TRAINING CAMPUS**  
**A motion to approve and order published on second reading Ordinance # 5796 Enacting a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for Preliminary Programming and Design of the Public Safety Training Campus**  
 This is an administrative action to appropriate \$310,000. The ordinance appropriates funding from reserve funds for preliminary program and design of the Police Training Facility. Full design and construction of the facility are programmed in 2016-2019 in three phases in the 2014 Capital Program. The project is funded with reserves in the Police Capital Expansion Fee Fund that reduce the flexibility for use on other projects. City Council unanimously approved this ordinance on first reading at the July 16, 2013 regular meeting.
  
7. **PUBLIC WORKS** (presenter: Dave Klockeman)

**SUPPLEMENTAL APPROPRIATION FOR SIGN AND SIGNAL MAINTENANCE**

**A motion to approve and order published on second reading Ordinance # 5797 Enacting a Supplemental Budget And Appropriation to the 2013 City of Loveland Budget for Sign and Signal Maintenance on State Highways**

This is an administrative action. The ordinance appropriates \$36,720 of additional revenue from a contract increase with the Colorado Department of Transportation (CDOT) for traffic sign, traffic signal, and pavement marking maintenance on State Highways within the City. The ordinance was approved unanimously on first reading by City Council at the July 16, 2013 meeting.

8. **CITY MANAGER** (presenter: Rod Wensing)  
**SPECIAL MEETING REQUEST FOR AUGUST 13, 2013**  
**A motion Setting a Special Meeting for August 13, 2013 of City Council, for the Purpose of Holding an Executive Session in Order to Receive a Report from the City Attorney and Outside Legal Counsel Regarding the City's Franchise Agreement with Comcast and to Instruct City Negotiators Going Forward**  
 This is an administrative action. The motion will set a special Council meeting and waive the required notice in the City Charter 4.2(b).
  
9. **DEVELOPMENT SERVICES** (presenter: Alison Hade)  
**PUBLIC HEARING**  
**HUD ANNUAL ACTION PLAN**  
**A motion to adopt a Resolution #R-55-2013 of the City Council of the City of Loveland, Colorado Approving a Community Development Block Grant Annual Action Plan and Grant Application for 2013 – 2014**  
 This is an administrative action. The resolution approves the 2013-2014 Community Development Block Grant (CDBG) Annual Action Plan. Adoption of the plan will allow the City to receive and distribute CDBG funds.
  
10. **LOVELAND FIRE RESCUE AUTHORITY** (presenter: Randy Mirowski)  
**INTERGOVERNMENTAL AUTOMATIC MUTUAL AID AGREEMENT- ESTES VALLEY**  
**A motion to adopt a Resolution #R-56-2013 Approving an Intergovernmental Automatic Mutual Aid Agreement Between the Loveland Fire Rescue Authority and the Estes Valley Fire Protection District**  
 This is an administrative action. The resolution approves an intergovernmental automatic mutual aid agreement between the Loveland Fire Rescue Authority (LFRA) and the Estes Valley Fire Protection District. The agreement was approved by the LFRA Board on July 11, 2013. The intergovernmental agreement that established the LFRA requires that auto and mutual aid agreements be approved by the City.
  
11. **LOVELAND FIRE RESCUE AUTHORITY** (presenter: Randy Mirowski)  
**INTERGOVERNMENTAL AUTOMATIC MUTUAL AID AGREEMENT- JOHNSTOWN**  
**A motion to adopt a Resolution #R-57-2013 Approving an Intergovernmental Automatic Mutual Aid Agreement Between the Loveland Fire Rescue Authority and the Johnstown Fire Protection District**  
 This is an administrative action. The resolution would approve an intergovernmental automatic mutual aid agreement between the Loveland Fire Rescue Authority (LFRA) and the Johnstown Fire Protection District. The agreement was approved by the LFRA Board on July 11, 2013. The intergovernmental agreement that established the LFRA requires that auto and mutual aid agreements be approved by the City.

**12. PARKS & RECREATION (presenter: Janet-Meisel-Burns)  
AMENDMENTS TO SERVICE CONTRACT FOR MEHAFFEY PARK PROJECT**

- 1. A motion to Amend the Services Contract with Logan Simpson Design, Inc., to Increase the Fees for Mehaffey Park Design and Engineering Services from a “not to Exceed Amount of \$714,000” to a “not to Exceed Amount of \$769,623” and to Authorize the City Manager to Execute the Contract Amendment on Behalf of the City**

This is an administrative action. Logan Simpson Design, Inc. has completed the Mehaffey Park Design & Master Plan and had to re-design and modify plan outside of their original scope. The amended contract will address the fee increases and set aside an allowance for construction administration during the yearlong construction process. These fees are typical for similar park construction projects. Staff feels additional administrative fees will be needed to complete the construction of the park. These fees will be billed on a time and materials basis.

- 2. A motion to Authorize the City Manager to Amend the Contract with ECI, Site Construction Management, Inc. as the Construction Manager/General Contractor (CM/GC) for the Guaranteed Maximum Price (GMP #1) of \$2.9 Million for Site Work and to Initiate Construction of the Mehaffey Park Project**

This is an administrative action. Environmental Concerns, Inc., Site Construction Management, Inc. has completed the competitive bidding process to determine the Guaranteed Maximum Price for the construction of Mehaffey Park. The recommended action includes initiating construction of site work including: over lot grading, erosion control, primary and partial electric, all wet utilities and mobilization. This will be GMP #1 with a second GMP to be considered upon completion of an additional bid review.

No supplemental funding is required for the design fee increases or GMP #1 Award Construction. The Mehaffey Park Project has a current budget of \$7,669,500 sufficient for both administrative actions.

**13. CITY CLERK (presenter: Terry Andrews)  
EMERGENCY ORDINANCE AMENDING CHAPTER 12.30 TEMPORARY VENDORS  
LICENSING**

This item was removed from the Consent Agenda.

**14. WATER & POWER (presenter: Russel Jentges)  
WHEELING AGREEMENT AMONG CITY, PSCo, & PLATTE RIVER POWER  
AUTHORITY**

**A motion to adopt a Resolution #R-58-2013 Approving a Wheeling Agreement Among the City of Loveland, Public Service Company of Colorado, and Platte River Power Authority**

This is an administrative action. The resolution would approve a new Wheeling Agreement among the City, Public Service Company of Colorado (PSCo), and Platte River Power Authority (Platte River). This Wheeling Agreement will replace the existing agreement among the parties dated June 20, 2005. Both PSCo and Platte River have approved and signed the Wheeling Agreement. The Power Enterprise will benefit from this approval of the wheeling agreement by updating the rates and fees charged to PSCo for the use of our equipment and services. Pursuant to City Code, all utility rates, charges, and fees must be approved by City Council upon two readings of the resolution. Because the Wheeling Agreement sets an electric rate for PSCo, this resolution is being presented to City Council for two readings.

15. **PUBLIC WORKS** (presenter: Ken Cooper)  
**PUBLIC HEARING**

**SUPPLEMENTAL APPROPRIATION FOR THE SERVICE CENTER PHASE III EXPANSION PROJECT**

**A motion to approve and order published on first reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for the Service Center Phase III Expansion Project**

This is an administrative action. The ordinance appropriates funds to complete the project at the amount of bid price. Total project cost is expected to be \$14,912,060. City Council previously appropriated project funding of \$11,017,540, so an additional \$3,894,520 is now required to complete the project. Public Works enterprise funds and general government capital expansion fees may be used for this additional appropriation request. The funding for the project is from reserves of \$3,499,520 from the General Government CEF Fund and \$395,000 from the Solid Waste Enterprise Fund and reduces the flexibility to complete other projects.

**END OF CONSENT AGENDA**

**CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA**

**CITY COUNCIL**

- a. **Citizens' Report** *Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.*

Mark Malone, 5626 Lakeview, expressed appreciation to Council for the release of the building permits for Lakeview Development.

Commandant of the Marine Corps League, Thomas Buchanan, 910 W 8<sup>th</sup> announced 500 flags had been honorably retired with the help of the Loveland Fire Department and the US Army 409th Engineers Division.

- b. **Business from Council** *This is an opportunity for Council Members to report on recent activities or introduce new business for discussion at this time or on a future City Council agenda.*

Fogle: Announced the Duck Race on August 24, 2013 at the Corn Roast Festival.

Taylor: Announced the 4H Jr. Livestock Sale, Wednesday, August 7, 2013, 4:30-10pm at the Ranch, Larimer County Fair.

Shaffer: Commented on the Metropolitan Planning Organization (MPO) Meeting regarding Impact 64; Thanked Dave Klockman of the Technical Advisory Committee.; Announced CDOT Meeting on August 22, 2013 held at the Weld County Service Center regarding economic development around I-25; Loveland Housing Authority (HACOL) is seeking Board Member applicants; Promoted "Night on the Town".

Trenary: Announced Boards & Commissions still have openings.

Clark: Chamber of Commerce (COC) is hosting the Corn Roast Festival on August 23-24, 2013; Pro Cycling Challenge Tour through Loveland on August 24, 2013; Loveland Center of Business Development quarterly report discussion.

Klassen: Attended a ribbon cutting for Baskin Robbins at their new location; Attended ribbon cutting for Dairy Queen celebrating 50 years.

Farley: Announced Sculpture Weekend; Dedication for 3D Printers on August 15, 2013 at the Library; Sculpture installation models on display at the

museum; Proceeds of the Duck Race will provide for every 3<sup>rd</sup> grader in the Thompson School District to receive a new dictionary; Tharp Cabinets to offer a job fair.

Mayor Gutierrez:

Mentioned 4H Chair Board, Gil Barena for great work and Savannah Martinez as 2013 Fair Queen; Recycle Bank asking for residents to sign up; Announced August 12, 2013 Crime Lab Ribbon Cutting as a regional collaboration effort; Platte River Power Authority Retreat; Water & Power Director, Steve Adams received a grant award of 1.08 million for Wastewater Treatment Plant Improvements by the State of Colorado.

**c. City Manager Report**

Announced Fire Chief, Randy Mirowski will be recognized by peers at the International Fire Chief Conference Meeting in Chicago.

**d. City Attorney Report**

None.

**PROCEDURAL INFORMATION**

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**REGULAR AGENDA**

**CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA**

**13. CITY CLERK (presenter: Terry Andrews)**

**PUBLIC HEARING**

**EMERGENCY ORDINANCE AMENDING CHAPTER 12.30 TEMPORARY VENDORS LICENSING**

This is a legislative action. City Manager, Bill Cahill introduced this item to Council. The ordinance will authorize the City Clerk to issue to ice cream truck operators a temporary license to sell their products from the City's streets. The licensees will not be allowed to sell product within City parks or on roads adjacent to City parks. Licensees will be subject to all other restrictions in Code Chapter 12.30 for vendors, as well as, additional restrictions in the ordinance. Mayor Gutierrez opened the public hearing at 7:27 p.m. and with no further public comment, the hearing was closed at 7:27 p.m. Police Chief, Luke Hecker spoke about law enforcement's role regarding this issue. Discussion ensued. **Councilor Shaffer moved to approve and order published on first and only reading an Emergency Ordinance of the City Council of the City of Loveland Authorizing the City Clerk to Issue Temporary Vendors Licenses Under Code Chapter 12.30 to Persons Operating Ice Cream Trucks. Councilor Farley seconded the motion, which carried with all councilors voting in favor thereof.**

**16. CITY CLERK (presenter: Terry Andrews)**

**APPROVAL OF CITY COUNCIL MEETING MINUTES**

**1. Council Minutes from the July 9, 2013 Study Session.**

This is an administrative action to approve the July 9, 2013 Study Session Minutes.

Councilor Fogle was absent. **Councilor Shaffer moved to approve the July 9, 2013 Study Session meeting minutes. Councilor Trenary seconded the motion, which carried with all councilors present voting in favor thereof and Councilor Fogle abstaining.**

**2. Council Minutes from the July 16, 2013 Regular Meeting.**

This is an administrative action to approve the July 16, 2013 Regular Meeting Minutes. Councilor McKean was absent. **Councilor Shaffer moved to approve the July 16, 2013 meeting minutes. Councilor Farley seconded the motion, which carried with all councilors present voting in favor thereof and Councilor McKean abstaining.**

**17. ECONOMIC DEVELOPMENT (presenter: Marcie Erion)  
INCENTIVE AGREEMENT FOR SCHLOSSER SIGNS, INC.**

This is an administrative action. Business Development Specialist, Marcie Erion, Schlosser Signs, Inc., Owner, Carla Schlosser and Water & Power Director, Steve Adams were present to answer questions. Erion introduced this item to Council. Schlosser Signs is requesting an incentive not to exceed \$15,000 to upgrade electrical service at their new branch location, 418 E. 3rd Street. This includes a new transformer bank, frame, new pole, and installation of a new secondary cable. These expenditures will arise as part of their company expansion downtown. According to City Council Economic Incentive Policy, agreements that do not exceed \$20,000 may be presented to Council without a prior informational meeting. The City of Loveland will fund no more than \$15,000 from the Economic Development Incentive Fund contingent upon the purchase of the new facility. **Councilor Shaffer moved to approve Resolution #R-59-2013 Approving an Incentive Agreement for Schlosser Signs, Inc. Councilor Klassen seconded the motion, which carried with all councilors voting in favor thereof.**

**18. DEVELOPMENT SERVICES (presenter: Greg George)  
OIL & GAS FILING FEES**

**Resolution #R-60-2013 Amending Resolution #R-68-2012 and the 2013 Schedule of Rates, Charges and Fees for City Services, Other than Services Provided by the Water and Power Department and the Stormwater Enterprise**  
This item was removed from the agenda at the request of the City Manager.

**19. DEVELOPMENT SERVICES (presenter: Greg George)  
OIL & GAS CAPITAL EXPANSION FEES**

**Resolution #R-61-2013 Amending Resolution #R-81-2012 Adopting the 2013 Schedule of Capital Expansion Fees for Fire and Rescue, Law Enforcement and General Government and Resolution #R-97-2012 Adopting the 2013 Schedule of Street Capital Expansion Fees to Include New Capital Expansion Fees for Oil and Gas Facilities Pursuant to Section Chapter 16.38 of the Loveland Municipal Code**  
This item was removed from the agenda at the request of the City Manager.

**20. DEVELOPMENT SERVICES (presenter: Greg George)  
PUBLIC HEARING**

**OIL & GAS OVERLAY ZONES AMENDMENT**

**An Ordinance of the City Council of the City of Loveland Making Technical Amendments to Code Chapter 18.77 Relating to the Regulation of Oil and Gas Operations and Repealing and Reenacting Code Chapter 18.78 to Establish Overlay Zoning Districts for Development Setbacks from Existing Oil and Gas Facilities**



This item was removed from the agenda by the request of the City Manager.

21. **CITY MANAGER** (presenter: Bill Cahill)  
**CITIZEN REQUEST: LETTER TO GOVERNOR HICKENLOOPER REGARDING  
 HB 13-1224 & HB 13-1229**

**A motion to approve the Written Request from Local Businesses for Council to Send a Letter to the Governor's Office Urging a Stay of Enforcement Regarding HB 13-1224 and HB 13-1229**

This is an administrative action. City Manager, Bill Cahill introduced this item to Council. Council is asked to consider the attached letter from several concerned local shooting-sports businesses regarding the implementation of HB 13-1224 and HB 13-1229. Council previously approved a related letter on HB 13-1224. The requesting local businesses ask that the effects of both laws be considered together.

If the Council desires to send a letter, two options are attached:

Option A is drafted by staff and uses the Tall Guns material as an attachment.

Option B was submitted by Councilor McKean. Council McKean requested Council consider Option A, submitted by the City Manager.

Tall Guns, LLC Owner, Buddy Meyers gave a presentation on the economic impacts of the two laws on business owners within the City of Loveland. Police Chief, Luke Hecker spoke and Larimer County Sheriff, Justin Smith spoke on the impacts to law enforcement agencies of the two laws. The following speakers encouraged Council to forward the letter to Governor Hickenlooper requesting the stay on enforcement of the two new laws: Residents: Jeremy Batman, Nicholas Allan Batman, age 10, Carol Dowding, 3214 Ivory Court, Dallas Benton, 501 Sunny Slope, Justin Lople and Jonathan Rosenberg of 908 S. Edinburg; and City of Loveland business owners Ed and Steve Klen, Front Range Club; John Bund, Jensen Arms; Ed Shultz, 2<sup>nd</sup> Amendment, 418 8<sup>th</sup> Street. And County Resident Jim Parina, 27660 Hopi Trail. **Councilor Shaffer moved to approve the letter known as Option A with the insertion of a paragraph outlining the concerns expressed by Chief Hecker. Councilor McKean seconded the motion. Councilor Farley moved to approve an amendment to the motion to add an additional paragraph describing the economic impact with reflected data given at the meeting by the business owners. Councilor McKean seconded the motion, which carried with all councilors voting in favor. Council considered the original motion as amended which passed with all councilors present voting in favor.**

22. **CITY ATTORNEY** (presenter: John Duval)  
**ACTIONS RELATING TO AMENDMENT 64 MARIJUANA ESTABLISHMENTS**

City Attorney, John Duval introduced this item to Council. This is a legislative action to adopt on first reading an ordinance adding a new Chapter 7.65 to the Loveland Municipal Code to prohibit marijuana establishments from being licensed, located and operated within the City. Police Chief, Luke Hecker spoke regarding the issue. Mayor Gutierrez opened up the public hearing at 10:39 p.m. With no further public comment, Mayor Gutierrez closed the public hearing at 10:39 p.m. **Councilor Shaffer moved to approve and order published on first reading an Ordinance to Add a New Chapter 7.65 to the Loveland Municipal Code to Prohibit Marijuana Establishments from Being Licensed, Located and Operated within the City of Loveland. Councilor McKean seconded the motion, which carried with all councilors voting in favor thereof.**

## **ADJOURNMENT**

Having no further business to come before Council, the August 6, 2013 Regular Meeting was adjourned at 10:49 pm.

Respectfully Submitted,

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Teresa G. Andrews, City Clerk

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Cecil A. Gutierrez, Mayor

**CITY OF LOVELAND**  
**CITY MANAGER'S OFFICE**

Civic Center • 500 East Third • Loveland, Colorado 80537  
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

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**AGENDA ITEM:** 2  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** City Manager's Office  
**PRESENTER:** Rod Wensing, Assistant City Manager

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**TITLE:**

Appointment of Members to the Affordable Housing Commission

**RECOMMENDED CITY COUNCIL ACTION:**

Motion to appoint Vendia Berg to the Affordable Housing Commission for a partial term effective until June 30, 2014.

Motion to appoint Will Gresham, Barbara Irelan, and Diann Rice to the Affordable Housing Commission, each for a term effective until June 30, 2016.

**OPTIONS:**

1. Adopt the action as recommended
  2. Deny the action
- 

**SUMMARY:**

This is an administrative action recommending the appointment of members to the Affordable Housing Commission.

**BUDGET IMPACT:**

- ☐ Positive  
☐ Negative  
☒ Neutral or negligible
- 

**BACKGROUND:**

The **Affordable Housing Commission (AHC)** had three term vacancies and one vacancy due to a resignation during the Spring recruiting cycle. Four applications were received. All candidates were interviewed. The committee recommends the appointment of Vendia Berg to the commission for a partial term effective until June 30, 2014. Also recommended for appointment to full terms on AHC are: Will Gresham, Barbara Irelan, and Diann Rice. These three individuals, if approved, will serve terms effective until June 30, 2016.

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**REVIEWED BY CITY MANAGER:**

*William D. Cahill*

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**LIST OF ATTACHMENTS:**

None



**CITY OF LOVELAND**  
WATER & POWER DEPARTMENT  
200 North Wilson • Loveland, Colorado 80537  
(970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

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**AGENDA ITEM:** 3  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Steve Adams, Water & Power Department  
**PRESENTER:** Steve Adams, Water & Power Director

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**TITLE:**

A Resolution Approving a Wheeling Agreement between the City of Loveland, Public Service Company of Colorado, and Platte River Power Authority

**RECOMMENDED CITY COUNCIL ACTION:**

Adopt the resolution on second reading.

**OPTIONS:**

1. Adopt the action as recommended
  2. Deny the action
  3. Adopt a modified action (specify in the motion)
  4. Refer back to staff for further development and consideration
  5. Adopt a motion continuing the item to a future Council meeting
- 

**SUMMARY:**

This is an administrative action. The resolution will approve a new Wheeling Agreement between the City, Public Service Company of Colorado (PSCo), and Platte River Power Authority (Platte River). This Wheeling Agreement will replace the existing agreement between the parties dated June 20, 2005. Both PSCo and Platte River have approved and signed the Wheeling Agreement. The City Council unanimously adopted the resolution on the first reading at the regular meeting on August 6, 2013.

**BUDGET IMPACT:**

- ☒ Positive  
☐ Negative  
☐ Neutral or negligible

The Power Enterprise will benefit from this approval of the Wheeling Agreement by updating the rates and fees charged to PSCo for the use of our equipment and services.

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**BACKGROUND:**

For decades, the City, PSCo, and Platte River have been parties to an agreement whereby the City delivers power and energy to PSCo from certain delivery points on the City's distribution system so that PSCo can serve its customers located near to but outside of the City of Loveland. The current wheeling agreement was entered into on June 20, 2005. The Wheeling Agreement would replace the 2005 agreement and make the following major changes: (i) update the service points and load required at each point; (ii) update the rates; and (ii) change the conditions related to the provision of service under emergency conditions. The Loveland Utilities Commission considered this item on June 19, 2013 and unanimously recommended that City Council approve the Wheeling Agreement.

Pursuant to City Code, all utility rates, charges, and fees must be approved by City Council upon two readings of the resolution. Because the Wheeling Agreement sets an electric rate for PSCo, this resolution is being presented to City Council for two readings.

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**REVIEWED BY CITY MANAGER:**

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**LIST OF ATTACHMENTS:**

1. Resolution
2. Wheeling Agreement (Exhibit A to the Resolution)

**FIRST READING** August 6, 2013

**SECOND READING** August 20, 2013

**RESOLUTION #R-58-2013**

**A RESOLUTION APPROVING A WHEELING AGREEMENT AMONG  
THE CITY OF LOVELAND, COLORADO, PUBLIC SERVICE  
COMPANY OF COLORADO, AND PLATTE RIVER POWER  
AUTHORITY**

**WHEREAS**, the City of Loveland, Colorado (“City”), Public Service Company of Colorado (“PSCo”), and Platte River Power Authority desire to contract with one another to provide for delivery of power and energy by the City to PSCo at 12.47 from certain delivery points on the City’s distribution system subject to the terms and conditions set forth in the Wheeling Agreement attached hereto as Exhibit A and incorporated herein by reference (“Wheeling Agreement”); and

**WHEREAS**, the Wheeling Agreement establishes a rate to be paid by PSCo for use of the City’s distribution system thereunder; and

**WHEREAS**, governmental entities are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

**WHEREAS**, the City Council desires to approve the Wheeling Agreement on behalf of the City; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:**

**Section 1.** That the Wheeling Agreement is hereby approved.

**Section 2.** That the City Manager is hereby authorized, following consultation with the City Attorney, to modify the Wheeling Agreement in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

**Section 3.** That the City Manager and the City Clerk are hereby authorized and directed to execute the Wheeling Agreement on behalf of the City.

**Section 4.** That this Resolution shall be effective as of the date of its adoption on second reading.

ADOPTED this 20<sup>th</sup> day of August, 2013.

---

Cecil A. Gutierrez, Mayor

ATTEST:

---

City Clerk

APPROVED AS TO FORM:

  
Assistant City Attorney



## WHEELING AGREEMENT

**THIS WHEELING AGREEMENT** (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2013, by and among the **City of Loveland, Colorado** (“City”), **Public Service Company of Colorado** (“PSCo”), and **Platte River Power Authority** (“Platte River”) (collectively, the “Parties”). This Agreement generally provides for the delivery of power and energy by the City to PSCo at 12.47 kV from certain delivery points on the City’s distribution system. The City simultaneously receives such power and energy from Platte River’s 115 kV system. Transmission wheeling arrangements between Platte River and PSCo are set forth in the Network Integration Transmission Service Agreement effective April 12, 2007. This Agreement replaces in its entirety the Wheeling Agreement between the Parties dated June 20, 2005.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### 1. Delivery Points:

- a. Delivery Points from the City to PSCo shall be designated and maintained by the Parties as set forth on **Exhibit A**, attached hereto and incorporated herein by reference.
- b. Delivery Points may be removed or added, and the maximum kW levels may be modified by PSCo and the City upon written agreement. For the purposes of this Section, written agreement shall mean execution by PSCo and the City of a revised Exhibit A. PSCo shall provide the City with a list of all proposed changes to Exhibit A on or before March 1 of each year, and PSCo and the City shall meet within thirty (30) days following such submission to review the proposed changes. Notwithstanding the foregoing, PSCo and the City may approve changes to Exhibit A at any time by written agreement. The City expressly delegates authority to its Director of Water and Power to approve any such changes on behalf of the City.

### 2. Services and Facilities Provided by PSCo:

- a. PSCo owns and shall operate and maintain, at no expense to the City, all of the necessary facilities (including, but not limited to, voltage regulators, switches, protective devices, metering equipment, telemetry systems, and its own distribution lines) to establish the Delivery Points and from the Delivery Points to PSCo’s customers. PSCo’s equipment shall be capable of converting a nominal 7200/12470 grounded wye voltage to PSCo’s utilization voltage. PSCo shall own, operate, and maintain the billing meters that measure the power and energy delivered by the City to the Delivery Points.
- b. Metering equipment shall be suitable for remote reading via a telemetry and Supervisory Control and Data Acquisition (“SCADA”) system that meets the

approval of the City and Platte River. The installed cost of the metering equipment and SCADA system shall be borne by PSCo.

- c. PSCo shall be solely responsible for delivering power of the proper voltage, phase, and quality to its customers.
- d. PSCo shall be responsible for maintaining a power factor greater than 0.95 lagging or leading at each Delivery Point, as measured by PSCo's meters. During the months of July and August of each year, power registering at PSCo's meters at a power factor of less than 0.95 lagging or leading will be billed as outlined in **Exhibit B**, attached hereto and incorporated herein by reference.
- e. PSCo shall be responsible for balancing its customer load between phases at all Delivery Points. Current balance shall be calculated by dividing the maximum deviation between phases by the average of the three phases. The current balance shall not exceed twenty percent (20%). Current balance shall be measured monthly by the City's meters. The City may elect to measure current balance at other Delivery Points. If the City does measure current balance at other Delivery Points, PSCo shall be responsible for maintaining a current balance that does not exceed Twenty percent (20%) as measured in accord with this paragraph.

### **3. Services and Facilities Provided By the City:**

- a. The City grants to PSCo a license for the term of this Agreement for the joint use of the City's electric distribution line right-of-way and poles for PSCo's SCADA/telemetry circuits.
- b. The City grants to PSCo a license for the term of this Agreement for the joint use of the City's electric distribution right-of-way and 22 kV distribution line poles for the underbuild of a 13.2 kV three phase circuit from the West Delivery Point to the west side of Namaqua Road complete with placement of delivery tap structures and equipment within the first 100 feet west of the West Substation fence. The City further grants to PSCo a license for the term of this Agreement to construct, install, and maintain PSCo facilities on City property necessary to serve the PSCo customers that are accessed from the Delivery Points on Exhibit A, subject to the maximum kW for each Delivery Point on Exhibit A.
- c. The City grants to PSCo a license for the term of this Agreement to operate and maintain PSCo's existing telecommunication facilities in the City's substations. PSCo's crews or contractors will only be allowed access to the substations with prior City approval.
- d. The City shall deliver to PSCo power and energy of the same phase and frequency supplied to the City by Platte River at the Delivery Points as set forth in Exhibit A. The City will provide service at its nominal voltage, plus or minus three

percent (3%), provided that PSCo complies with the current balance requirements in Paragraph 2.e.

- e. The City shall continue to furnish, install, operate, and maintain its distribution facilities so that it can reliably deliver to PSCo at the Delivery Points firm power and energy at the maximum monthly kW levels set forth on Exhibit A. The sum of the maximum monthly kW demands of all Delivery Points will not exceed the total of the amounts set forth on Exhibit A. The maximum kW for each Delivery Point is considered to be firm capacity at that Delivery Point. Firm capacity shall mean that the City will reserve capacity in its distribution system to serve PSCo's maximum demand under normal operating conditions. It does not include abnormal operating conditions such as system disturbances, natural disasters, or other emergencies. All Delivery Points are subject to underfrequency load shedding schemes, which shall apply on a non-discriminatory basis across the City's distribution system, such that PSCo's customers are treated in the same manner as the City's customers under the City's underfrequency load shedding scheme.
- f. The Parties acknowledge and agree that the City and PSCo facilities at each Delivery Point are capable of delivering the maximum amount of kW listed for each Delivery Point on Exhibit A. However, these facilities may not be able to accommodate substantial demands above the maximum KW amounts set forth on Exhibit A. The City may take immediate remedial action and notify PSCo of such action in the event any delivery point exceeds 500 kW over the capacity set forth in Exhibit A for that specific delivery point.
- g. If PSCo requires increases in the maximum kW at any Delivery Point, PSCo shall notify the City of its increased needs in accordance with Paragraph 1. If such increases are approved by the City, the City shall use good faith efforts to provide for increased deliveries within a reasonable period of time. PSCo shall be responsible for its pro rata share of the cost of any City facility upgrades necessary to accommodate increased deliveries above the maximum kW levels set forth on Exhibit A.

**4. Services Provided By Platte River:**

- a. Platte River shall coordinate with the City and PSCo to ensure that billing metering and telemetering equipment are compatible and meet the needs of all Parties.
- b. Platte River shall read or cause to be read the billing meters at the end of each month. The readings shall be provided to the City and PSCo.
- c. Platte River shall account for the billing of all deliveries of power and energy to the Delivery Points specified herein. The accounting shall be done in such a

manner so that the City is not charged for the power and energy delivered to PSCo.

- d. Upon thirty (30) business days written notice, Platte River shall afford PSCo and the City, or their respective representatives, reasonable access to the records utilized in calculating any charge or credit hereunder and Platte River's books of account for the prior twenty-four (24) month period.

**5. Rates and Billing:**

- a. For service during the months of July and August of each year, PSCo agrees to pay the City for the Total Reserved Demand. Total Reserved Demand means the sum of the maximum kW load figures set forth in Exhibit A. For all other months of the year, PSCo agrees to pay the City for PSCo's actual maximum kW load metered at each Delivery Point. The rate per kW is set forth on line a. of Exhibit B. PSCo further agrees to pay the City an additional charge per kW as set forth on line b. of Exhibit B for all kW that exceed the maximum kW amount at a specific Delivery Point as set forth on Exhibit A. During the months of July and August only, PSCo also agrees to pay a charge for power factors that are less than .95 lagging or leading as set forth by the formula on line c. of Exhibit B. All payments shall be due within thirty (30) calendar days following receipt by PSCo of the City's invoice.
- b. The City may adjust the rates set forth on Exhibit B as provided in Article 13 of the Loveland Charter. The City will notify PSCo of the proposed adjustment as soon as practical. Said rate adjustments shall be deemed amendments to Exhibit B of this Agreement.

**6. Emergency Conditions:**

- a. It is mutually understood that this Agreement only covers normal operating conditions as indicated in Paragraph 3.e. of this Agreement. PSCo is not paying for reserved backup capacity under emergency conditions, and the City is not required to provide backup capacity.
- b. When restoring the system to normal after an outage, the City shall give restoration of service to the Delivery Points the same priority as restoring its own load.
- c. Underfrequency load shedding may be automatically initiated to maintain system integrity. Such load shedding schemes will include PSCo's Delivery Points on a non-discriminatory basis with the shedding of City load.
- d. If the failure of a protective device on PSCo's facilities causes a failure or operation of a City protective device, PSCo agrees to pay for all expenses,

including, but not limited to, labor, equipment, and administrative costs, incurred by the City for restoration of service to its customers.

- e. In the event that, during planned or emergency conditions at the City's West or Horseshoe Substations, the City requests PSCo to take an outage, the City will allow PSCo to serve the combined West and Northwest Delivery Points loads from either West or Northwest Delivery Point. Under these conditions, PSCo will not be charged the higher rate set forth in line b of Exhibit B due to demand being in excess of the capacity set forth in Exhibit A for that specific delivery point.

**7. Metering:**

- a. Meters used for measurement of power and energy deliveries hereunder shall be sealed, and the seals shall be broken only when the meters are to be inspected, tested, or adjusted. Authorized representatives of each Party shall be afforded a minimum ten (10) business days advance notice to be present upon these occasions.
- b. Metering equipment shall be inspected and tested at least once each year by the Party that provides the equipment and at any reasonable time upon request by any Party. Upon request, copies of completed test reports shall be provided to any Party within thirty (30) calendar days of the completion of the test. Any metering equipment found to be defective or inaccurate shall be repaired, adjusted, or replaced by the providing Party.
- c. Should any meter fail to register, the power and energy delivered during such period of failure shall be estimated for billing purposes by the authorized representatives of the Parties using the best information available.
- d. If any test or inspection reveals an error of two percent (2%) or greater, a correction will be made in the billing for the time period in error not to exceed six (6) months. All such corrections shall be made on the next monthly billing. This procedure shall constitute adjustment of the claims of any Party arising out of the inaccuracy of the metering equipment.

**8. Uncontrollable Forces:**

A Party to this Agreement shall not be considered to be in default in the performance of any obligation hereunder if failure of performance shall be due to uncontrollable forces. The term "uncontrollable forces," as used herein, means any cause beyond the control of the Party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, labor disturbance or strike, sabotage, and restraint by court or public authority which, by the exercise of due diligence, it shall be unable to overcome. However, no Party shall be relieved of liability for failure of performance if such failure is due to causes arising out of its own

negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time.

**9. Term of Contract and Termination:**

- a. Except as provided in Paragraph 9.b., this Agreement shall become effective on the date of its execution and shall remain in effect until midnight December 31, 2020; provided that this Agreement shall remain in effect from year-to-year thereafter until it is terminated by any Party by giving written notice to the other Parties at least two (2) years prior to the date of intended termination. In the event that this Agreement has not been terminated by any party prior to December 31, 2025, it shall automatically terminate at midnight on said date.
- b. PSCo may terminate this Agreement, upon two (2) years notice to the City, whenever the City makes an adjustment to the rates under Paragraph 5.b. that is not acceptable to PSCo.
- c. Upon termination of this Agreement, the Parties shall be individually responsible for removal of their own equipment. Equipment shall be dismantled and removed from the site within ninety (90) calendar days of the termination of this Agreement.
- d. In the event that the City continues to provide power to PSCo's Delivery Points beyond the term or termination of this Agreement, PSCo shall continue to pay the City as set forth in Paragraph 5., above.

**10. Miscellaneous:**

- a. This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado. In addition, the Parties recognize the legal constraints imposed upon them by the constitutions, statutes, and regulations of the State of Colorado and of the United States, and imposed upon the City by its Charter and Municipal Code and, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision in this Agreement to the contrary, in no event shall any of the Parties hereto exercise any power or take any action which shall be prohibited by applicable law.
- b. No Party shall assign its rights or obligations under this Agreement without the other Parties' prior written consent, which consent shall not be unreasonably withheld.
- c. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

- d. This Agreement, together with the Network Integration Transmission Service Agreement effective April 12, 2007 between PSCo and Platte River, contain the entire agreement of the Parties relating to the subject matter hereof and may not be modified or amended except by written agreement of the Parties.
- e. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement. In such event, the Parties agree to use their best efforts to replace the invalid or unenforceable provision with a valid and enforceable provision to the extent possible to preserve the intended bargain negotiated under this Agreement.
- f. Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.
- g. The authorized representatives of the Parties will meet once each calendar year during the term of this Agreement, or at other times as requested by any Party, to discuss any matter set forth in this Agreement.
- h. Written notices required under this Agreement and all other correspondence between the Parties shall be directed to the authorized representatives of the Parties. All notices shall be delivered by email and by either hand-delivery or by certified mail and shall be deemed received when hand-delivered or three (3) calendar days after being sent by certified mail, return receipt requested. The initial authorized representatives of the Parties are set forth below. Any Party may change its authorized representative by providing written notice to the other Parties.

Authorized Representatives:

For the City:           Steve Adams  
                               Director of Water & Power  
                               City of Loveland  
                               200 North Wilson Avenue  
                               Loveland, CO 80537  
                               Email: Steve.Adams@cityofloveland.org

With a copy to:       John Duval  
                               City Attorney  
                               500 East Third Street  
                               Loveland, CO 80537  
                               Email: John.Duval@cityofloveland.org

For PSCo:             Lynn Worrell  
                               1123 W. 3<sup>rd</sup> Ave.

Denver, CO 80223  
Email: Lynn.Worrell@xcelenergy.com

For Platte River: Jackie Sargent  
General Manager  
2000 East Horsetooth  
Fort Collins, CO 80525  
Email: sargentj@prpa.org

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first above written.

**CITY OF LOVELAND, COLORADO**

By: \_\_\_\_\_  
William D. Cahill, City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney

(Additional signatures on following pages.)



**PUBLIC SERVICE COMPANY OF COLORADO**

By: XCEL ENERGY SERVICES, INC.,  
as Agent for Public Service Company of Colorado

By:   
Director, Market Operations

(Additional signature on following page.)

**PLATTE RIVER POWER AUTHORITY**

By: Jackie A. Sargent  
Jackie A. Sargent, General Manager

APPROVED AS TO FORM:

BW 7/1/13  
General Counsel

*CP*

**EXHIBIT A****Delivery Points and Reserved Demand**

<b>Delivery Point</b>	<b>Substation</b>	<b>Location</b>	<b>Maximum kW</b>
West	West	West Substation	2500
WAPA	Airport/Crossroads	City vault near the intersection of County Road 7 and County Road 26	1000
Northwest	Horseshoe	Horseshoe Substation, east side of railroad tracks and 550 feet north of 57 <sup>th</sup> Street	5000
Madison	East #2	West side of Madison Avenue, approximately 350 feet south of the intersection of 11 <sup>th</sup> Street and Madison Avenue	500

Total Reserved Demand: 9,000 kW

Accepted and agreed to this \_\_\_\_ day of \_\_\_\_\_, 2013.

**Public Service Company of Colorado**

**City of Loveland, Colorado**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**

**City of Loveland Rates as of \_\_\_\_\_, 2013**

<b>a.</b>	Charge per kW per month	\$ 4.07
<b>b.</b>	Charge per kW for exceeding amount set forth in Exhibit A for a specific delivery point	\$ 5.34
<b>c.</b>	Charge for power factor below .95	For the months of July and August only: the metered kW shall be multiplied by .95 and then divided by the metered power factor. Subtract from this quotient the metered kW. The difference shall be added to the metered kW and charged at the rate set forth in a. above.

**CITY OF LOVELAND****DEVELOPMENT SERVICES DEPARTMENT**

Civic Center • 500 East 3<sup>rd</sup> Street • Loveland, Colorado 80537  
(970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

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**AGENDA ITEM:** 4  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Bill Cahill, City Manager, and John Duval, City Attorney  
**PRESENTERS:** Bill Cahill and John Duval

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**TITLE:**

An Ordinance to Add a New Chapter 7.65 to the Loveland Municipal Code to Prohibit Marijuana Establishments from Being Licensed, Located and Operated Within the City of Loveland

**RECOMMENDED CITY COUNCIL ACTION:**

Approve the ordinance on second reading.

**OPTIONS:**

1. Follow the recommended action
  2. Deny the action
  3. Adopt a modified action (specify in the motion), such as:
    - a. Direct staff to return to Council with an ordinance to allow marijuana establishments to be licensed, located and operated within the City, or
    - b. Direct staff to return to Council with an ordinance imposing a moratorium for the establishment of marijuana establishments within the City pending the voter's consideration of a referred ballot question at the November 2, 2014, statewide election to decide whether or not to allow marijuana establishments to be licensed, located and operated within the City
  4. Refer back to staff for further development and consideration
  5. Adopt a motion continuing the item to a future Council meeting
- 

**SUMMARY:**

This is a legislative action to adopt on second reading an ordinance adding a new Chapter 7.65 to the Loveland Municipal Code to prohibit marijuana establishments from being licensed, located, and operated within the City. City Council unanimously adopted the ordinance on first reading at the August 6, 2013 regular meeting.

**BUDGET IMPACT:**

- ☐ Positive  
☐ Negative  
☐ Neutral or negligible

Future budget impact of “opting-in” is expected to be negative. “Opting-out” is projected as a neutral budget impact.

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#### **DESCRIPTION:**

On November 6, 2012, Colorado voters approved “Amendment 64,” which added Article XVIII, Section 16 to the Colorado Constitution (Amendment 64). Amendment 64 has legalized under Colorado law the cultivation and production of marijuana and marijuana products for retail sale to persons twenty-one (21) years of age or older, through laws and regulations to be adopted by the State of Colorado and its local government to license, regulate, and tax “marijuana establishments,” as this term is defined in Amendment 64. “Marijuana establishments” include marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores.

The expressly stated purposes of Amendment 64 include the regulation of marijuana in a manner similar to alcohol and that such regulations shall be a matter of statewide concern, thereby limiting the power of home rule municipalities, such as Loveland, to regulate marijuana. However, Section 16(5)(f) of Amendment 64 specifically authorizes the City Council to adopt an ordinance to license and regulate marijuana establishments so long as it does so in a manner not in conflict with Amendment 64 and other state laws enacted pursuant to Amendment 64. Alternatively, Section 16(5)(f) authorizes the Council to adopt at any time an ordinance to prohibit the licensing and operation of marijuana establishments within the City or to refer this decision to the voters through a ballot measure which can be presented to the voters no sooner than at the November 2, 2014, statewide election. In response to Amendment 64, the Colorado General Assembly adopted House Bill 13-1317 enacting “The Colorado Retail Marijuana Code.” The Colorado Retail Marijuana Code also expressly authorizes the Council to either adopt an ordinance to license and regulate marijuana establishment within the City or to adopt an ordinance to prohibit their licensing and operation within the City.

Amendment 64 does not change, preempt or affect in any way the enforceability of the existing federal criminal and civil laws relating to marijuana, including the Federal Control Substances Act which continues to make it a federal crime for any person to grow, possess, use or sell any form of marijuana.

City staff is recommending that the Council adopt the proposed Ordinance to opt-out of the local licensing and regulation of marijuana establishments by affirmatively prohibiting their licensing, location and operation within the City.

The reasons for the recommendation to opt-out include:

1. Increased presence of marijuana in the community can create significant problems for police, due to the conflicts between federal and state law. Operational policy issues arise if the police come into possession of marijuana, which is still a controlled Schedule 1 substance under federal law.

2. There would be an increased burden upon the City in drafting and implementing licensing and regulation of marijuana establishments. This would particularly fall upon the City Attorney and the City Clerk. Added licensing responsibilities would be borne by the City Clerk's Office, causing a need for increased staff and expense.
3. Since this is a new function of unknown size, fees and charges are difficult to determine and it is very possible that the budgetary impact upon the City would be negative.
4. Amendment 64 legalizing marijuana was narrowly passed by Loveland voters, but a previous November 2010 measure to close Loveland medical marijuana dispensaries was passed by the voters decisively. Since Amendment 64 was statewide in scope and contains provisions unrelated to local establishments, it's not clear that Loveland voters specifically intended for there to be marijuana businesses in Loveland. The November 2010 vote, however, was a clear indication opposing local medical marijuana outlets.
5. Opting-out does not prevent Loveland residents from possessing marijuana in legal quantities. It simply prevents establishment of local retail marijuana stores and other marijuana establishments. Residents may still obtain marijuana from other jurisdictions which have opted-in.

If the Council decides that it wishes to take an action other than as proposed in the Ordinance, the Council has the following options:

1. Direct staff to return to Council with an ordinance to authorize within Loveland the licensing, location and operation of marijuana establishments; or
2. Direct staff to return to Council with an ordinance to impose a moratorium on the licensing, location and operation of marijuana establishments within the City pending the voters' consideration of a ballot question at the November 2, 2014, election as to whether or not to allow marijuana establishments to be licensed, located and operated within Loveland.

A link to the City website for first reading attachments to this item is provided below:

<http://www.cityofloveland.org/index.aspx?page=20&recordid=49818>

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**REVIEWED BY CITY MANAGER:** 

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**LIST OF ATTACHMENTS:**

1. Ordinance

**FIRST READING: August 6, 2013**

**SECOND READING: August 20, 2013**

**ORDINANCE #5800**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOVELAND TO ADD A NEW CHAPTER 7.65 TO THE LOVELAND MUNICIPAL CODE TO PROHIBIT MARIJUANA ESTABLISHMENTS FROM BEING LICENSED, LOCATED AND OPERATED WITHIN THE CITY OF LOVELAND**

**WHEREAS**, on November 6, 2012, Colorado voters approved adoption of “Amendment 64” to add Article XVIII, Section 16 to the Colorado Constitution (“Amendment 64”); and

**WHEREAS**, in certain circumstances, Amendment 64 has legalized under Colorado law the personal possession and use of marijuana by persons twenty-one (21) years of age or older; and

**WHEREAS**, Amendment 64 has also authorized under Colorado law the cultivation and production of marijuana and marijuana products for retail sale to persons twenty-one (21) years of age or older through laws and regulations to be adopted by the State of Colorado and its local governments to license, regulate and tax “marijuana establishments,” as this term is defined in Amendment 64; and

**WHEREAS**, the expressly stated purposes of Amendment 64 include the regulation of marijuana in a manner similar to alcohol and that such regulation shall be a matter of statewide concern, thereby limiting the powers of Colorado home rule municipalities to regulate marijuana to only as specifically allowed in Amendment 64 and by state law; and

**WHEREAS**, Section 16(5)(f) of Amendment 64 authorizes the City Council to adopt an ordinance to license and regulate marijuana establishments within Loveland so long as it does so in a manner not in conflict with Amendment 64 or other state laws enacted pursuant to Amendment 64; and

**WHEREAS**, Section 16(5)(f) expressly authorizes the City Council to alternatively adopt at any time an ordinance to prohibit the licensing and operation of marijuana establishments within the City or to refer this decision to the voters through an initiated or referred ballot measure which can be presented to the voters no sooner than at the November 2, 2014, statewide election; and

**WHEREAS**, in response to Amendment 64, the Colorado General Assembly adopted House Bill 13-1317 enacting the “Colorado Retail Marijuana Code” in Article 43.4 of Title 12 of the Colorado Revised Statutes (“Colorado Retail Marijuana Code”); and



**WHEREAS**, C.R.S. § 12-43.4-104(3) of the Colorado Retail Marijuana Code also expressly authorizes the City Council to either adopt an ordinance to license and regulate marijuana establishments within the City or to adopt an ordinance prohibiting their licensing and operation within the City; and

**WHEREAS**, Amendment 64 does not change, preempt or affect in any the enforceability of the existing federal criminal and civil laws related to marijuana, including the Federal Controlled Substances Act which continues to make it a federal crime for any person to grow, possess, use or sell any form of marijuana; and

**WHEREAS**, the City Council has carefully considered the provisions of Amendment 64 and the potential adverse effects that marijuana establishment would have on the health, safety and welfare of the City's inhabitants, and has therefore determined, in the exercise of its legal authority under Section 16(5)(f) of Amendment 64, under C.R.S. § 12-43.4-104(3), under its local land use authority, and in accordance with its other general police powers for the protection of the public's health, safety and welfare, that marijuana establishments should not be licensed, located and operated within the City's corporate limits.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO, as follows:**

**Section 1.** That the City Council hereby finds and determines that its authority to enact this Ordinance is granted to it and the City in: Article XVIII, Section 16(5)(f) of the Colorado Constitution; C.R.S. § 12-43.4-104(3); Article XX of the Colorado Constitution; the City's Home Rule Charter; the Local Government Land Use Control and Enabling Act of 1974 in Article 20 of Title 29 of the Colorado Revised Statutes; Part 3 of Article 23 of Title 31 of the Colorado Revised Statutes; and C.R.S. §§31-15-103, 31-15-401 and 31-15-501.

**Section 2.** That the recitals of this Ordinance are hereby adopted by the City Council as findings and the Council further finds, determines and declares: that this Ordinance is enacted under the City's general police and land use powers and as specifically authorized by the Colorado Constitution and state law; that it is enacted for the public's health, safety and welfare; and that its enactment is necessary for the preservation of the public's health, safety and welfare.

**Section 3.** That a new Chapter 7.65 is hereby added to the Loveland Municipal Code to read in full as follows:

## **Chapter 7.65**

### **Marijuana Establishments Prohibited**

#### **Section 7.65.010 Definitions**

As used in this chapter, the following words, terms and phrases shall have the following meanings:

- A. *Amendment 64* shall mean Article XVIII, Section 16 of the Colorado Constitution added to the Colorado Constitution by a statewide voter initiative adopted on November 6, 2012, as amended.
- B. *Colorado Retail Marijuana Code* shall mean Article 43.4 of Title 12 of the Colorado Revised Statutes, C.R.S. § 12-43.4-101, *et seq.*, as amended.
- C. *Consumer* shall mean a person twenty-one (21) years of age or older who purchases marijuana or marijuana products for personal use by persons twenty-one (21) years of age or older, but not for resale to others.
- D. *Industrial hemp* shall mean the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed three-tenths percent (.3%) on a dry weight basis.
- E. *“Marijuana” or “marihuana”* shall mean all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marihuana concentrate. *“Marijuana” or “marihuana”* does not include industrial hemp, nor does it include fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.
- F. *Marijuana cultivation facility* shall mean an entity or person required to be licensed under Amendment 64 or the Colorado Retail Marijuana Code in order to cultivate, prepare, and package marijuana and sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.
- G. *Marijuana establishment* shall mean a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store.
- H. *Marijuana product manufacturing facility* shall mean an entity or person required to be licensed under Amendment 64 or the Colorado Retail Marijuana Code in order to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.
- I. *Marijuana products* shall mean concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.
- J. *Marijuana testing facility* shall mean an entity or person required to be

licensed under Amendment 64 or the Colorado Retail Marijuana Code in order to analyze and certify the safety and potency of marijuana.

- K. *Person* shall mean a natural person, trust, estate, partnership (general and limited), association, company, corporation, limited liability company, or any other organization or legal entity, or a manager, agent, owner, director, servant, officer, fiduciary, trustee, personal representative, or employee thereof.
- L. *Retail marijuana store* shall mean an entity or person required to be licensed under Amendment 64 or the Colorado Retail Marijuana Code in order to purchase marijuana from marijuana cultivation facilities and marijuana and marijuana products from marijuana product manufacturing facilities and to sell marijuana and marijuana products to consumers.

#### **Section 7.60.020      Marijuana Establishments Prohibited**

- A. The operation of marijuana establishments, marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores within the city's boundary is hereby prohibited as authorized and provided in Article XVIII, Section 16(5)(f) of the Colorado Constitution and in C.R.S. § 12-43.3-104(3).
- B. It shall be unlawful and a violation of this section for any person to establish, locate, operate, continue to operate, cause to be operated, or permit to be operated within the city any facility, business or other operation requiring a license under Amendment 64 or the Colorado Retail Marijuana Code to operate as a medical marijuana establishment, marijuana cultivation facility, marijuana product manufacturing facility, marijuana testing facility, or retail marijuana store.

#### **Section 7.65.030      Penalties**

A violation of any provision of this chapter 7.65 shall constitute a misdemeanor offense punishable by a fine not exceeding one thousand dollars (\$1,000) or imprisonment for a term not exceeding one (1) year, or both such fine and imprisonment. A person committing any such offense shall be guilty of a separate offense for each and every day, or any portion thereof, during which the offense is committed or continued to be permitted by such person, and shall be punished accordingly.

**Section 4.** That if for any reason the Colorado Department of Revenue ceases or fails to process and issue licenses for marijuana establishment as authorized and required in Amendment 64, the City Clerk's Office is hereby appointed as the City's designated entity for processing any applications filed with the City for a license to operate a marijuana establishment in the City, this being the designation required by Article XVIII, Section 16(5)(e) of the Colorado Constitution. Upon the receipt of any such application, the City Clerk's Office shall notify the applicant in

writing that City Code Chapter 7.65 prohibits the licensing and operation of marijuana establishments in the City and that the applicant's application is therefore deemed denied.

**Section 5.** That nothing in this Ordinance is intended, nor shall it be deemed, to amend in any way any of the provisions of Code Chapter 7.60 which prohibits medical marijuana businesses from being operated within the City.

**Section 6.** That as provided in City Charter Section 4-9(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading, in which case this Ordinance shall be published in full or the amendment shall be published in full. This Ordinance shall be in full force and effect ten (10) days after its final publication, as provided in City Charter Section 4-8(b).


Dated this 20th day of August, 2013.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney



**CITY OF LOVELAND**  
PUBLIC WORKS DEPARTMENT

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537  
(970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

**AGENDA ITEM:** 5  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Ken Cooper, Public Works - Facilities Management  
**PRESENTER:** Ken Cooper

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**TITLE:**

1. An Ordinance to Enact a Supplemental Budget and Appropriation to the 2013 City of Loveland Budget for the Service Center Phase III Expansion Project in the Amount of \$3,894,520
2. Motion to Award a Contract to Golden Triangle Construction to Expand and Remodel the Loveland Service Center in the Amount of \$12,723,060 and to Authorize the City Manager to Execute the Contract on Behalf of the City

**RECOMMENDED CITY COUNCIL ACTION:**

1. Adopt the ordinance on second reading.
2. Adopt the motion.

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

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**SUMMARY:**

1. This is an administrative matter to appropriate funding of \$3,894,520 to complete the funding of the Service Center Phase III Expansion Project at the amount of bid price. City Council unanimously adopted the ordinance on first reading at the August 6, 2013 regular meeting.
2. This is an administrative matter to authorize and execute a contract with Golden Triangle Construction to expand and remodel the Loveland Service Center, located at 200 North Wilson Avenue, Loveland.

**BUDGET IMPACT:**

- ☐ Positive  
☒ Negative  
☐ Neutral or negligible

The funding for the project is from reserves of \$3,499,520 from the General Government CEF Fund and \$395,000 from the Solid Waste Enterprise Fund which reduces the flexibility to complete other projects.

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**BACKGROUND:**

The City received four bids from general contractors on July 11, 2013, and Golden Triangle Construction was the winning bidder. With approval on second reading of the appropriation to fund the entire project, the \$12,723,060 construction contract is also ready to award.

At an anticipated total project cost of \$14,912,060, the project will primarily provide crew, office, and support space for the Public Works Department. Features of the project include:

- A large stormwater channel through the Service Center Campus to meet requirements of a 100-year flood event
- Increased capacity for personnel, heavy equipment, and general storage
  - Expanded office space
  - Welcoming office main entrance, with security for City personnel and property
  - A large 100-person multi-purpose training space
  - New vehicle wash
  - New and upgraded storage facilities
  - An opportunity to improve existing layout and workflow in the yard areas
- Space flexibility
- Blending the expansion with the built environment (existing buildings and neighborhood campus)
- Technological capacity/flexibility – includes a fiber loop to provide data redundancy to the entire Service Center campus
- Environmental responsibility – the project is still expected to achieve LEED certification

City staff recommends that Golden Triangle Construction is awarded the construction contract for this project. Please see the table below to compare the winning total bid package from Golden Triangle with the other contractors involved:

Dohn Construction	\$13,165,500
FCI Constructors	\$13,327,000
GH Phipps Construction	\$13,326,000
Golden Triangle Construction	\$12,723,060

Once approved, project construction will begin as soon as possible. City staff expects about 12 months of construction, with a completion date in the latter part of 2014.

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**REVIEWED BY CITY MANAGER:**



William D. Cahill

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**LIST OF ATTACHMENTS:**

1. Ordinance

**FIRST READING**                      August 6, 2013

**SECOND READING**                      August 20, 2013

**ORDINANCE NO. 5799**

**AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND  
APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET FOR  
THE SERVICE CENTER PHASE III EXPANSION PROJECT**

**WHEREAS**, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2013; and

**WHEREAS**, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2013, as authorized by Section 11-6(a) of the Loveland City Charter.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE  
CITY OF LOVELAND, COLORADO:**

**Section 1.** That reserves in the amount of \$3,499,520 from fund balance in the General Government Capital Expansion Fee Fund 268 and \$395,000 from fund balance in the Solid Waste Enterprise Fund are available for appropriation. Revenues in the total amount of \$3,894,520 are hereby appropriated for Service Center Phase III Expansion Project. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:



**Supplemental Budget  
Capital Projects Fund 120**

**Revenues**

120-00-0000-37268-GF1107	Transfer from General Government CEF	3,499,520
120-00-0000-37361-GF1107	Transfer from Solid Waste	395,000
<b>Total Revenue</b>		<b>3,894,520</b>

**Appropriations**

120-23-250-1799-48247-GF1107	Furniture and Equipment	720,000
120-23-250-1799-47205-GF1107	Transfer to Art in Public Places Fund	124,000
120-23-250-1799-49355-GF1107	Engineering	1,315,000
120-23-250-1799-49360-GF1107	Construction	1,735,520

<b>Total Appropriations</b>		<b>3,894,520</b>
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**Supplemental Budget  
General Government CEF Fund 268**

**Revenues**

Fund balance	3,499,520
<b>Total Revenue</b>	<b>3,499,520</b>

**Appropriations**

268-91-902-0000-47120-GF1107	Transfer to Capital Projects Fund	3,499,520
<b>Total Appropriations</b>		<b>3,499,520</b>

**Supplemental Budget  
Solid Waste Enterprise Fund**

**Revenues**

Fund balance	395,000
<b>Total Revenue</b>	<b>395,000</b>

**Appropriations**

360-23-270-0000-47120-GF1107	Transfer to Capital Projects Fund	395,000
<b>Total Appropriations</b>		<b>395,000</b>

**Section 2.** That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this 20<sup>th</sup> day of August, 2013.

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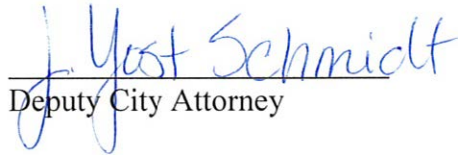
Cecil A. Gutierrez, Mayor

ATTEST:

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City Clerk

APPROVED AS TO FORM:

  
Deputy City Attorney

**CITY OF LOVELAND**  
**MUNICIPAL AIRPORT**

4900 Earhart Road • Loveland, Colorado 80538  
(970) 962-2852 • FAX (970) 962-2855 • TDD (970) 962-2620

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**AGENDA ITEM:** 6  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Keith Reester, Public Works Department  
**PRESENTER:** Jason Licon, Airport Director

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**TITLE:**

An Ordinance Enacting a Supplemental Budget and Appropriation to the 2013 Fort Collins – Loveland Municipal Airport Budget for Runway Improvements

**RECOMMENDED CITY COUNCIL ACTION:**

Conduct a public hearing and approve the ordinance on first reading.

**OPTIONS:**

1. Adopt the action as recommended
  2. Deny the action
  3. Adopt a modified action (specify in the motion)
  4. Refer back to staff for further development and consideration
  5. Adopt a motion continuing the item to a future Council meeting
- 

**SUMMARY:**

This is an administrative action. The ordinance appropriates \$738,320 of an available 95% federal grant and 5% local match to complete the Airport Improvement Project.

**BUDGET IMPACT:**

- ☒ Positive  
☐ Negative  
☐ Neutral or negligible

The ordinance appropriates grant funds. No local funds are required.

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**BACKGROUND:**

This recommendation is to approve the Federal Aviation Administration (FAA) grant funding that was budgeted in 2012 but not used. Each year the Airport receives a \$1 million grant entitlement funding from the FAA, of which less than half was used in 2012 for airport improvement projects. This leftover funding combined with other Federal and State grants will be used to complete the Airport's Apron Rehabilitation Project with a total cost of \$2,725,011.97.

This project has been approved and will replace pavements used by aircraft that were last installed in 1977.

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**REVIEWED BY CITY MANAGER:**



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**LIST OF ATTACHMENTS:**

1. Ordinance

FIRST READING August 20, 2013

SECOND READING \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND  
APPROPRIATION TO THE 2013 FORT COLLINS-LOVELAND  
MUNICIPAL AIRPORT BUDGET FOR RUNWAY IMPROVEMENTS**

**WHEREAS**, the Airport has received funds not anticipated or appropriated at the time of the adoption of the City and Airport budgets for 2013; and

**WHEREAS**, the City Council desires to authorize expenditure of these funds by enacting a supplemental budget and appropriation to the 2013 Airport Budget, as authorized by Section 11-6(a) of the Loveland City Charter.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:**

**Section 1.** That revenues in the amount of \$558,010 from Federal Aviation Agency grants and \$180,310 from fund balance in the Airport Fund are available for appropriation. Revenues in the total amount of \$738,320 are hereby appropriated for runway improvements. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget  
Airport Fund 600**

**Revenues**

Fund Balance	180,310
600-00-000-0000-38616-AP1204    Contribution FAA	558,010

<b>Total Revenue</b>	<b>738,320</b>
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**Appropriations**

600-23-290-0000-49360-AP1204    Construction	738,320
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<b>Total Appropriations</b>	<b>738,320</b>
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**Section 2.** That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the

amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

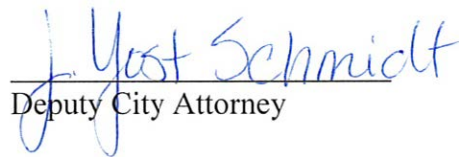
ADOPTED this \_\_\_\_ day of September, 2013.

\_\_\_\_\_  
Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
Deputy City Attorney

**CITY OF LOVELAND****CITY CLERKS OFFICE**

Civic Center • 500 East Third • Loveland, Colorado 80537  
(970) 962-2322 • FAX (970) 962-2901 • TDD (970) 962-2620

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**AGENDA ITEM:** 7  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Terry Andrews, City Clerk  
**PRESENTER:** Terry Andrews

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**TITLE:**

A Resolution Approving and Authorizing the Execution of an Intergovernmental Agreement Between the City of Loveland and the Larimer County Clerk and Recorder Concerning the Coordinated Mail Ballot Election to be Held on November 5, 2013

**RECOMMENDED CITY COUNCIL ACTION:**

Approve the resolution.

**OPTIONS:**

1. Adopt the action as recommended
  2. Deny the action
  3. Adopt a modified action (specify in the motion)
- 

**SUMMARY:**

This is an administrative action. This resolution will authorize the execution of an intergovernmental agreement between the City of Loveland and the Larimer County Clerk and Recorder concerning the coordinated election to be held on November 5, 2013.

**BUDGET IMPACT:**

- ☐ Positive  
☐ Negative  
☒ Neutral or negligible
- 

**BACKGROUND:**

On July 2, 2013, the City Council adopted Resolution #R-50-2013 authorizing the City Clerk to notify the Larimer County Clerk and Recorder ("County Clerk") of the City's intention to participate in the November 5, 2013 election and to coordinate the City's participation in that election with the County Clerk. CRS Section 1-7-116(2) provides that when the County Clerk is conducting a coordinated election with a municipality, the County Clerk is required to enter into an agreement with that municipality concerning the conduct of the election. The County Clerk has presented the City with an "Intergovernmental Agreement for Coordinated Election" dated

July 29, 2013, a copy of which is attached as Exhibit "A" to the proposed Resolution ("the Election Agreement"). Therefore, in order for the City to participate in a coordinated election with the County Clerk on November 5, 2013, it is necessary for the City to enter into the Election Agreement. The proposed Resolution approves the Election Agreement and authorizes the Mayor to enter into it on the City's behalf.

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**REVIEWED BY CITY MANAGER:**

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**LIST OF ATTACHMENTS:**

1. Resolution
2. Intergovernmental Agreement



**RESOLUTION #R-62-2013****A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF LOVELAND AND THE LARIMER COUNTY CLERK AND RECORDER CONCERNING THE COORDINATED MAIL BALLOT ELECTION TO BE HELD ON NOVEMBER 5, 2013**

**WHEREAS**, on July 2, 2013, the Loveland City Council adopted Resolution #R-50-2013 authorizing the Loveland City Clerk (“City Clerk”) to notify the Larimer County Clerk and Recorder (“County Clerk”) of the City of Loveland’s intention to participate in the November 5, 2013, election and to coordinate the City’s participation in that election with the County Clerk; and

**WHEREAS**, on July 16, 2013, the City Council adopted on second reading Ordinance No. 5789 authorizing that the City’s November 5, 2013, regular municipal election be governed by the Colorado Uniform Election Code of 1992 to the extent necessary in order to conduct the election as a coordinated election with the County Clerk on November 5, 2013; and

**WHEREAS**, C.R.S. §1-7-116(2) of the Uniform Election Code provides that when the County Clerk is conducting a coordinated election with a municipality, the County Clerk is required to enter into an agreement with that municipality concerning the conduct of that election; and

**WHEREAS**, the County Clerk has presented to the City an “Intergovernmental Agreement For Coordinated Election,” dated July 29, 2013, a copy of which is attached as **Exhibit “A”** and incorporated by reference (“the Election Agreement”); and

**WHEREAS**, in order for the City to participate in the coordinated election with the County Clerk, it is therefore necessary for the City to enter into the Election Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO, that:**

Section 1. The Election Agreement is hereby approved and the Mayor is authorized to enter into it on behalf of the City.

Section 2. The City Clerk shall comply with the provisions of the Election Agreement and shall act as the City’s designated local election official in all matters related to the November 5, 2013, regular municipal election. The City Clerk shall also comply with the applicable provisions of the City Charter, of the Municipal Election Code of 1965 and, to the extent required by Ordinance No. 5789, with the applicable

provisions of the Uniform Election Code of 1992 in conducting the November 5, 2013, regular municipal election as a coordinated mail ballot election with the County Clerk.

Section 3. This Resolution shall go into effect as of the date of its adoption.

SIGNED this 20th day of August, 2013.

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Mayor

ATTEST:

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City Clerk

APPROVED AS TO FORM:



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City Attorney

## INTERGOVERNMENTAL AGREEMENT FOR COORDINATED ELECTION

This Intergovernmental Agreement ("Agreement") is entered into by and between the Larimer County Clerk and Recorder ("County Clerk") and City of Loveland ("Entity"). This Agreement is made effective July 29, 2013.

### WITNESSETH

**WHEREAS**, pursuant to C.R.S. §1-7-116(2), as amended, the County Clerk and the Entity shall enter into an agreement for the administration of their respective duties concerning the conduct of the coordinated election to be held on November 5, 2013 ("Election"); and

**WHEREAS**, the County Clerk and the Entity are authorized to conduct elections as provided by law;

**WHEREAS**, the County Clerk will conduct the Election as a "Mail ballot election" as such term is defined in the Uniform Election Code of 1992, C.R.S. Title 1, as amended ("Code") and the current Colorado Secretary of State Election Rules, as amended ("Rules");

**WHEREAS**, the Entity has certain ballot race(s), ballot issue(s) and/or ballot question(s) to present to its eligible electors and shall participate in this Election; and

**NOW, THEREFORE**, for and in consideration of the promises herein contained, the sufficiency of which is hereby acknowledged, the County Clerk and the Entity agree as follows:

### ARTICLE I PURPOSE AND GENERAL MATTERS

#### A. Goal.

The purpose of this Agreement is to set forth the respective tasks in order to conduct the Election and to allocate the cost thereof.

#### B. Coordinated Election Official.

The County Clerk shall act as the "Coordinated Election Official" ("CEO") in accordance with the Code and Rules and shall conduct the Election for the Entity.

The County Clerk designates Doreen Bellfy, whose telephone number is 970.498.7941, as the "Contact Officer", to act as the primary liaison between the County Clerk and the Entity. The Contact Officer shall act under the authority of the County Clerk and shall have primary responsibility for the coordination of the Election with the Entity.

#### C. Designated Election Official.

The Entity designates Teresa G. Andrews as its "Designated Election Official" ("DEO"), whose phone is 970-962-2717, cell is 303-6511057 and fax is 970-962-2901, to act as primary liaison between the Entity and the Contact Officer. The DEO shall have primary responsibility for Election procedures to be handled by the Entity. The DEO shall act as the "designated election official" in accordance with the Code and Rules. The DEO shall be readily available and accessible during regular business hours, and at other times when notified by the Contact Officer in advance, for the purposes of consultation and decision-making on behalf of the Entity.

In addition, the DEO is responsible for receiving and timely responding to inquiries made by its voters or others interested in the Entity's election.

**D. Jurisdictional Limitation.**

The Entity encompasses territory within Larimer County, Colorado. This Agreement shall be construed to apply only to that area of the Entity situated within Larimer County.

**E. Term.**

The term of this Agreement shall be from the date set forth above through December 31, 2013 and shall apply only to the Election.

**ARTICLE II  
DUTIES OF THE COUNTY CLERK**


**A. Voter Registration.**

Supervise, administer and provide necessary facilities and forms for all regular voter registration sites.

**B. Ballot Preparation.**

1. Layout the text of the ballot in a format that complies with Code and Rules. To avoid ballot space issues, the County Clerk requests each ballot issue and ballot question be not more than 250 words.
2. The County Clerk will assign the letter and/or number of the Entity's ballot issue(s) or ballot question(s) which will appear on the ballot, and provide this assignment to the Entity.

Sign on the line provided below to indicate acknowledgement.

  
Signature



3. Provide ballot printing layouts and text for the Entity's review and signature. If the Entity fails to provide approval by the required deadline, the content is to be considered approved.
4. Certify the ballot content to the printer(s).
5. Contract for ballots.

**C. Voter Lists.**

Upon request of the Entity, create and certify a list of registered voters containing the names and addresses of each elector registered to vote in the Entity.

**D. Election Judges.**

Appoint and compensate a sufficient number of election judges.

**E. Mail Ballot and Voter service and polling center sites.**

1. Provide that mail ballot packets be mailed to every active registered elector and that the Election be conducted in accordance with C.R.S. Title 1, Article 7.5.
2. Conduct mail, accessible, and emergency voting. Coordinate the location of voter service and polling center sites.
3. Obtain and provide all ballots and supplies necessary for mail, accessible and emergency voting together with replacement ballots and affidavits and ballots for property owners who live in another Colorado county.
4. Provide all necessary equipment, forms and supplies to conduct the Election, including electronic voting equipment.

**F. Voting Jurisdiction.**

Provide the Entity a street locator file, which lists the street addresses located in the Entity within the statewide voter registration system. In order for the County Clerk to provide correct ballots to the electors, it is critical that the information contained in the Entity's locator file be accurate.

**G. Election Day Preparation.**

1. Provide, no later than twenty days before the Election, notice by publication of a mail ballot election in accordance with C.R.S. §1-7.5-107(2.5). Such notice shall satisfy the publication requirement for all entities participating in the election pursuant to C.R.S. §1-5-205(1.4).
2. Prepare and run pre-election logic and accuracy testing and required post-election tests and audits of the voting system in accordance with C.R.S. §1-7-509 and Rules.
3. Provide necessary electronic voting equipment together with personnel and related computer equipment for pre-election logic and accuracy testing and Election day needs.
4. Conduct post-election audit of voting equipment and vote-counting equipment in accordance with C.R.S. §1-7-509 and Rules.

**H. TABOR Notice.**

1. If the County Clerk is responsible for preparing a TABOR notice, the County Clerk shall do so in compliance with Article X Section 20 of the Colorado Constitution and any pertinent Code and Rules.
2. Charge the Entity for all expenses for the preparation, printing, labeling and postage for the TABOR notice. Said expenses shall be prorated among all Entities participating in the TABOR notice. Such pro-ration shall be based, in part, upon the number of addresses where one or more active registered voters of the Entity reside.
3. Coordinate and mail the TABOR notice not less than thirty days prior to the election in compliance with Article X Section 20 of the Colorado Constitution and any applicable Code and Rules. The County Clerk shall determine the least cost

method for mailing the TABOR notice and address the TABOR notice to "All Registered Voters" at each address in Larimer County where one or more active registered voters of the Entity reside. Nothing herein shall preclude the County Clerk from sending the TABOR Notice of the Entity to persons other than electors of the Entity if such sending arises from the County Clerk's efforts to mail the TABOR Notice at least cost.

**I. Counting Ballots.**

1. Conduct and oversee the ballot counting process and report the results by Entity.
2. Establish backup procedures and backup sites for ballot counting should counting equipment and/or building facilities fail. In such event, counting procedures will be moved to a predetermined site.
3. If it is determined that counting must be moved to an established backup site, all related costs shall be paid by the Entities.

**J. Certifying Results.**

1. Appoint, instruct and oversee the board of canvassers.
2. Certify the results of the Entity's Election within the time required by law and provide the Entity with a copy of all Election statements and certificates required under Code.
3. If a recount is called for, conduct a recount in accordance with Code.

**K. Recordkeeping.**

1. Pursuant to C.R.S. §1-7-802, store all Election records as required.
2. Keep an accurate account of all Election costs.

**L. No Expansion of Duties.**

Nothing contained in this Agreement is intended to expand the duties of the County Clerk beyond those set forth in Code or Rules.

### **ARTICLE III DUTIES OF THE ENTITY**

**A. Authority.**

Provide the County Clerk with a copy of the ordinance or resolution stating that the Entity will participate in the Election in accordance with the terms and conditions of this Agreement. The ordinance or resolution shall further authorize the presiding officer of the Entity or other designated person to execute this Agreement.

**B. Call and Notice.**

1. Publish all notices relative to the Election which Entity is required to give pursuant to Code, Rules, the Entity's Charter and any other statute, rule or regulation.



2. Entities shall be responsible for mailing the required ballot issue notice to each address of one or more active registered electors who do not reside within Larimer County or counties where the Entity is located in accordance with C.R.S. §1-7-906(2) .

**C. Voting Jurisdiction.**

1. Review the information contained in the street locator file and certify its accuracy, as well as any changes, additions or deletions to the file. It is the Entity's responsibility to ensure that the information contained in the locator file is an accurate representation of the Entity's street indexes contained within the Entity's legal boundaries. The certification of the street locator file shall be made to the County Clerk no later than August 16, 2013 at 5:00 p.m. If the certification is not provided by the date specified herein, the Entity may not participate in the Election.
2. Any proposed Entity not already identified by a tax authority code in the County Assessor's records, shall provide the County Clerk with a certified legal description, map and locator, identifying all "high/low" ranges for street addresses within the proposed Entity, no later than August 9, 2013 at 5:00 p.m. Once the information has been entered in the statewide voter registration system, the DEO shall review the information contained in the street locator file and shall certify to the County Clerk its accuracy, as well as any changes, additions or deletions to the file no later than August 16, 2013 at 5:00 p.m. If the certification is not provided by the required deadline specified herein, the Entity may not participate in the Election.

**D. Petitions, Preparation and Verification.**

Perform all responsibilities required to certify any candidate or initiative petition to the ballot.

**E. Ballot Preparation.**

1. Be solely responsible for determining whether a ballot race, ballot issue, or ballot question is properly placed before the voters.

Each ballot issue or ballot question submitted shall be followed by the words "yes" and "no".

Sign on the line provided below to indicate acknowledgement.

*Luisa A. Andrews*

Signature



2. Pursuant to C.R.S. §1-5-203(3)(a), provide a certified copy of the ballot content (race(s), issue(s) and question(s)) to the County Clerk as an email attachment to [elections@co.larimer.co.us](mailto:elections@co.larimer.co.us) or on compact disc (650 MB or higher), at the earliest possible time and in any event no later than sixty days before the election, September 6, 2013 at 5:00 p.m., The ballot content must be certified exactly in the order in which it is to be printed on the ballot pages and sample ballots in the following format:

Microsoft Word '97 or a version of Microsoft Word able to be converted to Microsoft Word '97

Font Type: Arial

Font Size: 8 point

Justification: Left  
All Margins: 0.5 inches

3. The certified list of ballot race(s), ballot issue(s) and/or ballot question(s) submitted by the Entity shall be final.
4. Proofread and approve the Entity's ballot content for printing within one business day of receipt from the County Clerk. The Entity shall provide a fax number and designate a person to be available for proofing and approving ballot content for printing. Due to time constraints, the Entity must provide contact information for someone who is available from 8:00 a.m. to 10:00 p.m. from September 9, 2013 until September 16, 2013, or until final approval of printing of ballots has been reached. The County Clerk agrees to keep all contact personnel informed of ballot printing status. The Entity has designated Teresa G. Andrews, whose phone is 970-962-2717, cell is 303-6511057 and fax is 970-962-2901.
5. Once approval has been received, the County Clerk will not make any changes to the ballot content. If the Entity fails to provide approval by the required deadline, the content will be considered approved.
6. Provide audio recording of the proper pronunciation of any candidate name certified to the County Clerk. Please see Exhibit B.
7. The Entity shall defend and resolve at its sole expense all challenges relative to the ballot race(s), ballot issue(s) and/or ballot question(s) as certified to the County Clerk for inclusion in the Election.

**F. Election Participation.**

If requested by the County Clerk, provide person(s) to participate and assist in the Election process. The person(s) provided by the Entity must be registered to vote in Larimer County.

**G. Property Owners.**

1. Notify and provide information and materials to property owners the location(s) at which an eligible elector may vote at any voter service and polling center site or make application for a mail-in ballot specific to your Special District. Mail-in ballot applications must be filed with the County Clerk. C.R.S. §32-1-806, C.R.S. §1-7-104, C.R.S. §1-8-104(3)
2. The Entity shall be responsible for obtaining its property owner list(s) from the County Assessor's office in accordance with C.R.S. §1-5-304. The Entity shall provide a list of voters who are registered to vote in Colorado and own property within the Entity to the County Clerk no later than October 18, 2013. The list will be provided in either a .txt or .xls file format.
3. Electors who own property within the Entity in Larimer County but who reside and are registered to vote in another Colorado county may vote in person or may request a mail-in ballot from the County Clerk.



**H. TABOR Notice.**

1. If the Entity is responsible for preparing a TABOR notice for any ballot issue(s), the Entity shall do so in compliance with Article X Section 20 of the Colorado Constitution and any pertinent Code and Rules.
2. The Entity shall be solely responsible for calculating and providing to the County Clerk any fiscal information necessary to comply with TABOR. The County Clerk shall in no way be responsible for the Entity's compliance with TABOR or the accuracy of the fiscal information.
3. The process of receiving written comments relating to ballot issue(s) and summarizing such comments, as required by TABOR, is the sole responsibility of the Entity.
4. The Entity shall be solely responsible for its preparation, accuracy and the language contained therein, and shall submit such notice, including pro and con summaries and fiscal information, to the County Clerk no later than September 24, 2013 at 5:00 p.m., pursuant to C.R.S. §1-7-904. Such notice shall be provided to the County Clerk as an email attachment to elections@co.larimer.co.us or on compact disc (650 MB or higher) in the following format:

Microsoft Word '97 or a version of Microsoft Word able to be converted to Microsoft Word '97

Font Type: Arial

Font Size: 8 point

Justification: Left

All Margins: 0.5 inches

5. The certified text, summary of comments and fiscal information submitted by the Entity shall be final.
6. Proofread and approve the Entity's TABOR content for printing. The Entity shall provide a fax number and designate a person to be available for proofing and approving TABOR content for printing. Due to time constraints, the Entity must provide contact information for someone who is available from 8:00 a.m. to 10:00 p.m. from September 25, 2013 until October 4, 2013, or until the TABOR notice is mailed. The County Clerk agrees to keep all contact personnel informed of TABOR printing status. The Entity has designated Teresa G. Andrews, whose phone is 970-962-2717, cell is 303-6511057 and fax is 970-962-2901.
7. Once approval has been received, the County Clerk will not make any changes to the TABOR content. If the Entity fails to provide approval by the required deadline, the content will be considered approved.
8. Pursuant to C.R.S. §1-7-906(2), the Entity shall be responsible for mailing the TABOR notice to each address of one or more active registered electors who do not reside within Larimer County.

## **I. Cancellation of Election by the Entity.**

If the Entity resolves not to participate in the Election, the Entity shall immediately deliver to the Contact Officer written notice that it is withdrawing one or more ballot issues or ballot questions; provided, however that the Entity may not cancel after the 25<sup>th</sup> day prior to the Election, October 11, 2013, pursuant to C.R.S. §1-5-208(2). The Entity shall reimburse the County Clerk for the actual expenses incurred in preparing for the Election. If cancellation occurs after the certification deadline, full election costs may be incurred. The Entity shall provide notice by publication, as defined in Code, of cancellation of the Election and a copy of such notice shall be posted at each voter service and polling center, in the office of the Entity, in the office of the County Clerk, in the office of the DEO, and, if the Entity is a special district, in the office of the Division of Local Government.

## **ARTICLE IV COSTS**

### **A. Election Costs.**

The minimum fee for election services is \$650.00.

1. The Entity's proportional share of costs shall be based on County expenditures relative to the Election and the number of electors per Entity. Costs include, but are not limited to, supplies, printing, postage, legal notices, temporary labor, rentals, and other expenses attributable to the County Clerk's administration of the Election for the Entity. The Entity shall be charged its pro-rated share of election costs for any software programs used to count voted ballots as well as pre-election and post-election maintenance and on-site technical support.
2. The Entity affirms that it has sufficient funds available in its approved budget to pay its prorated Election expenses.
3. If it is determined that counting must be moved to an established backup site, the Entity shall be charged its pro-rated share.
4. The cost of any recount(s) will be charged to the Entity, or if more than one Entity is involved in the recount, the cost will be prorated among the Entities participating in the recount.
5. Upon receipt of the invoice, pay to the County Clerk within thirty days costs in an amount determined in accordance with the formula set forth on Exhibit A. If Exhibit A cannot be completed at the time of the mailing of this Agreement, it will be provided as soon as possible.
6. The Entity shall pay any additional or unique election costs resulting from Entity delays and/or special preparations or cancellations relating to the Entity's participation in the Election.

### **B. TABOR Costs.**

The minimum fee for TABOR services is \$350.00.

The Entity shall pay a pro-rated amount for the costs to produce and mail the TABOR notice. Such pro-ration to be based, in part, on addresses where one or more active registered electors of the Entity reside.

**C. Invoice.**

The County Clerk shall submit to the Entity an itemized invoice for all costs incurred under this Agreement and the Entity shall remit to the County Clerk the total due upon receipt. Any amount not paid within 30 days after receipt will be subject to an interest charge at the lesser of 1 ½% per month or the highest rate permitted under law.

## **ARTICLE V MISCELLANEOUS**

**A. Entire Agreement.**

This Agreement and its Exhibits constitute the entire agreement between the parties as to the subject matter hereof and supersede all prior or current agreements, proposals, negotiations, understandings, representations and all other communications, both oral and written.

**B. Indemnification.**

To the extent permitted by law, each party agrees to indemnify and hold harmless the other party, its officials, officers, employees and agents from and against any and all losses, costs (including attorneys' fees), demands or actions arising out of or related to any negligent actions, errors or omissions of the indemnifying party in connection with the transactions contemplated by this Agreement.

In the event a court of competent jurisdiction finds the Election for the Entity was void or otherwise fatally defective as a result of the sole breach or failure of the County Clerk to perform in accordance with this Agreement or laws applicable to the Election, the Entity shall be entitled to recover expenses or losses caused by such breach or failure up to the maximum amount paid by the Entity to the County Clerk. The County Clerk shall in no event be liable for any expenses, damages or losses in excess of the amounts paid under this Agreement. This remedy shall be the sole and exclusive remedy for the breach available to the Entity.

No term or condition in this agreement shall constitute a waiver of any provisions of the Colorado Government Immunity Act.

**C. Conflict of Agreement with Law, Impairment.**

Should any provision of this Agreement be determined by a court of competent jurisdiction to be unconstitutional or otherwise null and void, it is the intent of the parties hereto that the remaining provisions of this Agreement shall be of full force and effect.

**D. Time of Essence.**

Time is of the essence in the performance of this Agreement. The time requirements of Code and Rules shall apply to completion of required tasks.

**E. No Third Party Beneficiaries.**

Enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement shall be strictly reserved to the parties, and nothing contained herein shall give or allow any such claim or right of action by any other person or Entity.

**F. Governing Law; Jurisdiction & Venue.**

This Agreement, the interpretation thereof, and the rights of the parties under it will be governed by, and construed in accordance with, the laws of the State of Colorado. The courts of the State of Colorado shall have sole and exclusive jurisdiction of any disputes or litigation arising under this Agreement. Venue for any and all legal actions arising shall lie in the District Court in and for the County of Larimer, State of Colorado.

**G. Headings.**

The section headings in this Agreement are for reference only and shall not effect the interpretation or meaning of any provision of this Agreement.

**H. Severability.**

If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, void or unenforceable, such provision shall be deemed to be severable, and all other provisions of this Agreement shall remain fully enforceable, and this Agreement shall be interpreted in all respects as if such provision were omitted.



**LARIMER COUNTY**  
**NOVEMBER 5, 2013 COORDINATED ELECTION**  
**COST PRORATION ESTIMATED COSTS**  
**EXHIBIT A - IGA June 4, 2013**

PARTICIPATING ENTITY	ELECTION	TABOR	ESTIMATED COSTS OF TABOR				ESTIMATED ELECTION BILLING COSTS				TOTAL
			NUMBER OF HOUSEHOLDS MAILED	COST SUBJECT TO MINIMUM CHARGE \$350	% OF TOTAL HOUSEHOLDS FOR GENERAL COST PRORATION	BALANCE OF COSTS X % OF HOUSEHOLDS INCL. MIN	ACTUAL NUMBER OF REG ACTIVE VOTERS	COST SUBJECT TO MINIMUM CHARGE \$650	% OF TOTAL REGISTERED VOTERS FOR GENERAL COST PRORATION	BALANCE OF COSTS X % OF REG VOTERS INCL. MIN & SOS	TOTAL ELECTION COST PER PARTICIPANT
State of Colorado (Active voters @ .80 ea)	YES	NA	NA	NA		NA	206,767	NA	NA	\$165,413.60	\$165,413.60
Larimer County	YES	YES	115,613	NA	62.32574%	\$17,014.93	206,767	NA	37.25075%	\$53,878.15	\$70,893.07
City of Loveland	YES	YES	25,461	NA	13.72575%	\$3,747.13	45,076	NA	8.12081%	\$11,745.64	\$15,492.77
City of Fort Collins	YES	NO	0	\$0.00	0.00000%	\$0.00	96,986	NA	17.47281%	\$25,272.05	\$25,272.05
Town of Wellington	YES	NO	0	\$0.00	0.00000%	\$0.00	3,772	\$650	0.00000%	\$650.00	\$650.00
Poudre School District R-1	YES	NO	0	\$0.00	0.00000%	\$0.00	125,907	NA	22.68317%	\$32,808.12	\$32,808.12
Thompson School District R-2J	YES	YES	39,552	NA	21.32206%	\$5,820.92	72,179	NA	13.00363%	\$18,807.99	\$24,628.91
Park School District R-3	YES	YES	4,872	NA	2.62644%	\$717.02	8,153	NA	1.46883%	\$2,124.46	\$2,841.48
Clydesdale Park PID No. 50	YES	YES	188	\$350.00	0.00000%	\$350.00	368	\$650	0.00000%	\$650.00	\$1,000.00
Clydesdale Estates PID No. 51	YES	YES	23	\$350.00	0.00000%	\$350.00	42	\$650	0.00000%	\$650.00	\$1,000.00
<b>TOTAL</b>			185,709	\$700.00	100%	\$28,000.00	559,250	\$1,950	100.00000 %	\$312,000.00	\$340,000.00

Cost subject to minimum charge (\$28,000) less the total of all minimum charges to entities (\$700) X percentage of total households for general cost proration for your district.

Cost subject to minimum charge (\$312,000) less the total balance of cost subject to minimum charge (\$1,950) less the total elections costs of State of Colorado (\$165,413.60) X percentage of total registered voters for general costs proration for your district

**EXHIBIT B**  
**AUDIO FOR ACCUVOTE TSX UNIT**

In accordance with Secretary of State Rule 10.5, all candidates shall provide an audio recording to the County Clerk no later than the last day upon which the Entity certifies the ballot content, pursuant to C.R.S. §1-5-203(3)(a). The audio recording of the candidate's name shall be recorded exactly as it is certified to the County Clerk.

To be in compliance with the above Code and Rule, the Larimer County Clerk and Recorder's office has set up a voice mailbox at 970.498.7946 that candidates will need to call to provide the correct pronunciation of their name. Upon calling the voice mailbox, they will receive instructions on recording their information, as well as, options for listening, deleting, re-recording and saving their message. Please inform candidates within your district of the necessity of recording the correct pronunciation of their name.

The Larimer County Clerk and Recorder's office will contact the Entity if pronunciation guidelines on any ballot race(s), ballot issue(s) and/or ballot question(s) are needed.

Please contact our office at 970.498.7820 if you have any questions or need additional information.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective upon the date first above written.

Date: \_\_\_\_\_

\_\_\_\_\_  
ANGELA MYERS  
LARIMER COUNTY, COLORADO  
CLERK AND RECORDER

**ENTITY:**

NAME OF ENTITY:

Date: \_\_\_\_\_

\_\_\_\_\_  
*City of Loveland*

By: \_\_\_\_\_

\_\_\_\_\_  
*970-962-2000*  
Entity phone number

\_\_\_\_\_  
*Mayor*  
Title of Authorized Representative  
signing on behalf of Entity

Template approved as to form

DATE: 7.1.13

\_\_\_\_\_  
*[Signature]*  
DEPUTY COUNTY ATTORNEY





**CITY OF LOVELAND**  
ECONOMIC DEVELOPMENT OFFICE  
Civic Center • 500 East Third • Loveland, Colorado 80537  
(970) 962-2304 • FAX (970) 962-2900 • TDD (970) 962-2620

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**AGENDA ITEM:** 8  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Betsey Hale, Economic Development Director  
**PRESENTER:** Betsey Hale

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**TITLE:**  
Economic Development Department Year Two in Review

**RECOMMENDED CITY COUNCIL ACTION:**  
Information only item. No action required.

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**SUMMARY:**  
This is an information only item. The City established the Economic Development Department in August of 2011. This presentation will summarize the accomplishments of the department in year two.

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**BACKGROUND:**  
The mission of the department is to grow employment and business opportunities to sustain the economic health of Loveland and the Northern Colorado Region. Year One activities focused on building the foundation with the adoption of the Economic Development and Destination Loveland strategic plans and the Incentive Policy. This item will review the activities of the department in Year Two including primary employment recruitment and retention, downtown redevelopment, retail recruitment and retention, the Office for Creative Sector Development and Destination Loveland.

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**REVIEWED BY CITY MANAGER:**

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**LIST OF ATTACHMENTS:**  
1. Presentation Slides



# Economic Development

## Year Two Update

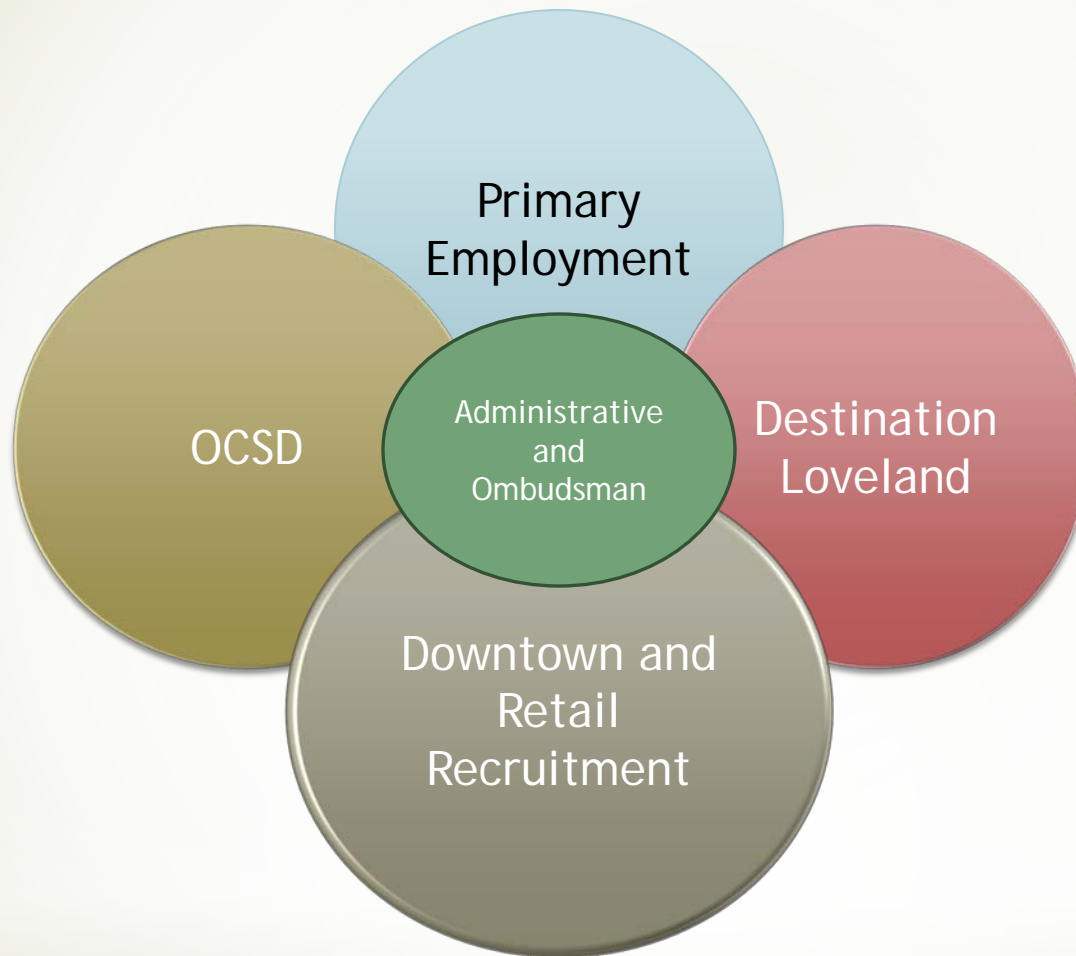
August 20, 2013

The Department started on August 17<sup>th</sup>, 2011

Year 1: Foundation

Year 2: Organization

Year 3 and Beyond: Implementation



An example of companies involved in all facets of the department are KL&A Engineering and Numerica.

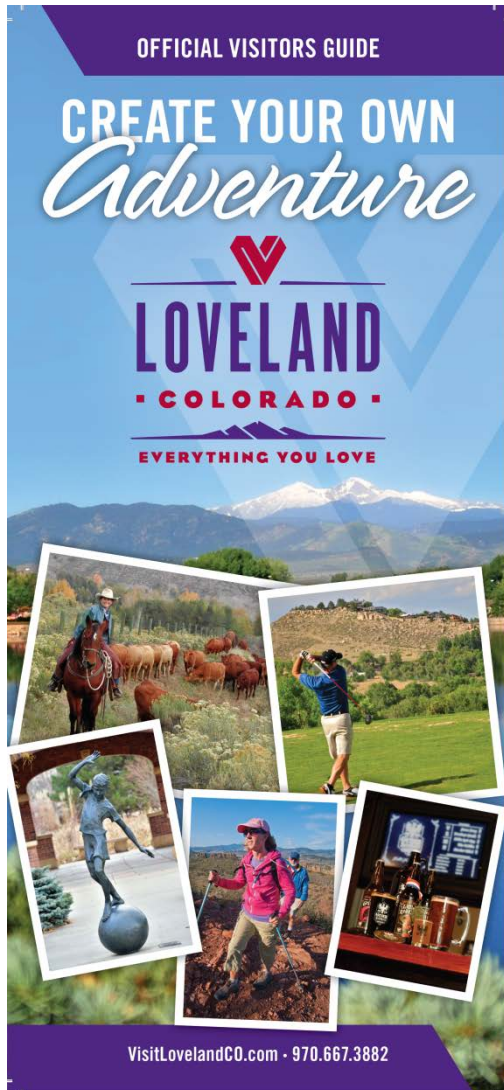
\* A Multifaceted  
Synergistic Approach



**Downtown  
Redevelopment  
requires public,  
non-profit and  
private partners**



[www.visitlovelandco.org](http://www.visitlovelandco.org)



**Market, Market, Market and  
have Destination Events!**





People and Partnerships

# Creative Sector




Loveland: Where Art and Science Meet

**THE ARTISTS' COLLECTIVE**  
a gathering of Visual, Performing and Literary Artists

is on the move to...

Rosetta Sculpture/Mel Schockner  
Photography Studios



This meeting will be Fun, Interesting and Informative!  
Mel and Jan (Rosetta) will open their studios to share with others how their individual environments and set-ups work for them, solicit input from the visiting creatives as to how they can better serve the needs of the community and answer any questions about how things work in their worlds.

Appetizers & non-alcoholic beverages will be served

If it's good weather and a high turnout...we will be drifting in and out of the building so everyone has a chance to view the studio.


**FREE TO ATTEND - NO MEMBERSHIP or DUES - ALL ARE WELCOME!**

Monday, April 23rd 6:30 - 8:30 p.m.

**THE ARTISTS' COLLECTIVE**  
a gathering of Visual, Performing and Literary Artists

Rosetta Sculpture/Mel Schockner  
Photography Studios 405 8th St. SE, #15  
(in the same building as Shupper's Supply)

www.facebook.com/TheArtistsCollective LovelandArtists






RoadNarrows  
Meets NASA  
.....Twice....



INNOVATIONEWS

# Tech Transfer SBIR “R OF I”

- Dr. Mark Lake conducted 1 Small Business Innovation Research Grant Workshop
- City paid \$3800
- Private companies added \$30,000
- 11 proposals were submitted
- 6 Phase one awards were received for \$900K in 2013
- It is expected that 3 Phase two awards will be distributed in 2014 for \$1 million each.



# Retail ....Only the beginning



Roughing It  
In Style



We are now using Co-Star real time market data to respond to prospects.



# Concierge Services...a few...



**CENTER FOR INNOVATION & TECHNOLOGY**

**MM Solutions**



**CHATA  
Bio-Systems**

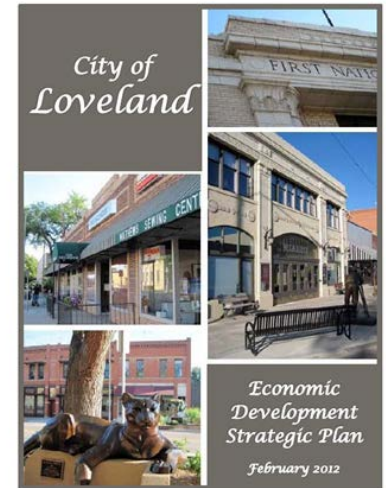
**Stepping Stones  
Adult Day Program**

**Sunrise Community  
Health Clinic**



# Administrative

- ED Website and Social Media
- Business Resource Guide
- Process, Process, Process Development
- Council Outreach Activities (6-8)
- Boards and Commissions Support (3)
- LCBD, CCEC, RMII, LBAN meetings
- Public outreach over 30 presentations
- Budget and Staff Management
- Training



# Primary Employment

## Tech Transfer Year Two



# What's Ahead in 2014?

# Reminder: Business Appreciation Breakfast



- September 5<sup>th</sup>, 2013
- Embassy Suites, 7:30 am
- “Bring it on Home to Loveland”
- Andy Wirth, CEO Squaw Valley Ski Area







**CITY OF LOVELAND**  
CITY CLERKS OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537  
(970) 962-2322 • FAX (970) 962-2901 • TDD (970) 962-2620

**AGENDA ITEM:** 9  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** John Duval, City Attorney  
**PRESENTER:** John Duval

**TITLE:**

1. An Ordinance of the Loveland City Council Placing a Two-Year Moratorium on the Use of Hydraulic Fracturing Within the City to Extract Oil, Gas or Other Hydrocarbons and on the Storage and Disposal of Its Waste Products in Order to Fully Study the Impacts of Hydraulic Fracturing on Property Values and Human Health
2. A Resolution of the Loveland City Council Submitting a Citizen-Initiated Ordinance to a Vote of the City's Registered Electors at the City's Regular Election on November 5, 2013

**RECOMMENDED CITY COUNCIL ACTION:**

Staff has no recommendation on which option it should adopt. But, if Council decides to consider the Ordinance on first reading, a public hearing must be held. If Council does not consider the Ordinance or otherwise does not approve it on first reading, the Council should adopt the Resolution. If the Ordinance is adopted, the Resolution should not be considered or adopted.

**OPTIONS:**

1. Adopt the Ordinance on First Reading; or
2. Adopt the Resolution referring this question to the voters.

**SUMMARY:**

1. This is a legislative action. The City Clerk's Office received an initiative petition on July 8, 2013. On July 23, 2013 the City Clerk issued a statement of sufficiency. C.R.S 31-11-104 provides that City Council may adopt the initiated ordinance as submitted or refer the matter to the voters. This ordinance would adopt the language that was contained within the Citizen Initiative Petition on first reading and remove the requirement to refer the matter to the voters.
2. This is an administrative action. This resolution fixes a ballot title for the ordinance proposed in the Citizen Initiative as well as referring the ordinance to the voters at the November 5, 2013 Regular election, which will be conducted as a mail ballot election in coordination with Larimer County Clerk and Recorder.

**BUDGET IMPACT:**

☐ Positive

- ☐ Negative  
☒ Neutral or negligible
- 

**BACKGROUND:**

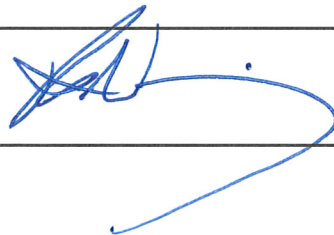
The City Clerk's Office received an initiative petition on July 8, 2013. The purpose of the citizen-initiative petition is to propose an ordinance for the imposition of a two-year moratorium on the use of hydraulic fracturing within the City to extract oil, gas or other hydrocarbons and on the storage and disposal of its waste in order to fully study the impacts of hydraulic fracturing on property values and human health has been submitted to the City Clerk, to the voters.

On July 23, 2013 the City Clerk issued a statement pursuant to C.R.S. Section 31-11-109(2), that petitions circulated by citizens for the adoption of an ordinance to place a two-year moratorium on hydraulic fracturing within the City of Loveland contained a sufficient number of valid signatures to qualify the placement of the proposed ordinance in the Citizen Initiative on the ballot of an upcoming City regular or special election.

C.R.S 31-11-104 provides that City Council has the option to either adopt the ordinance proposed in the Citizen Initiative, without alteration, or to refer the proposed ordinance, in the form petitioned for, to the City's registered electors at an upcoming regular or special City election.

If Council approves the ordinance, the resolution would not need to be considered. If Council decides to refer the matter to the voters, the ordinance need not be considered.

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**REVIEWED BY CITY MANAGER:**

Acting CM

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**LIST OF ATTACHMENTS:**

1. Ordinance
2. Resolution



FIRST READING August 20, 2013

SECOND READING \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE LOVELAND CITY COUNCIL PLACING A TWO-YEAR MORATORIUM ON THE USE OF HYDRAULIC FRACTURING WITHIN THE CITY TO EXTRACT OIL, GAS OR OTHER HYDROCARBONS AND ON THE STORAGE AND DISPOSAL OF ITS WASTE PRODUCTS IN ORDER TO FULLY STUDY THE IMPACTS OF HYDRAULIC FRACTURING ON PROPERTY VALUES AND HUMAN HEALTH**

**WHEREAS**, on July 23, 2013, the Loveland City Clerk issued here statement pursuant to C.R.S. Section 31-11-109(2) that petitions circulated by citizens for the adoption of an ordinance to place a two-year moratorium on hydraulic fracturing within the City of Loveland (the “Citizen Initiative”) contained a sufficient number of valid signatures to qualify the placement of the proposed ordinance in the Citizen Initiative on the ballot of an upcoming City regular or special election; and

**WHEREAS**, pursuant to C.R.S. § 31-11-104, the City Council has the option to either adopt itself the ordinance proposed in the Citizen Initiative, without alteration, or to refer the proposed ordinance, in the form petitioned for, to the City’s registered electors at an upcoming regular or special City election; and

**WHEREAS**, the City Council, by the adoption of this Ordinance, has chosen the option to adopt itself the ordinance proposed in the Citizen Initiative.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:**

**Section 1.** Purpose. To protect property, property values, public health, safety and welfare by placing a moratorium on the use of hydraulic fracturing to extract oil, gas, or other hydrocarbons within the City of Loveland in order to study the impacts of the process on the citizens of the City of Loveland.

**Section 2.** Findings. The City Council hereby makes the following findings with respect to the process of hydraulic fracturing within the City of Loveland:

- The Colorado Constitution confers on all individuals in the state, including the citizens of Loveland, certain inalienable rights, including “the right of enjoying and defending their lives and liberties; of acquiring, possessing and protecting property; and of seeking and obtaining their safety and happiness,” Colo. Const. Art. II, Sec. 3;

- The Colorado Oil and Gas Act requires oil and gas resources to be extracted in a “manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources,” Colo. Rev. Stat. § 34-60-102;
- The well stimulation process known as hydraulic fracturing is used to extract deposits of oil, gas, and other hydrocarbons through the underground injection of large quantities of water, gels, acids or gases; sands or other proppants; and chemical additives, many of which are known to be toxic;
- The City Council seeks to protect the people of Loveland from the harms associated with hydraulic fracturing, including threats to public health and safety, property damage and diminished property values, poor air quality, destruction of landscape, and pollution of drinking and surface water;
- Representatives from the State of Colorado have publicly stated that they will be conducting a health impact assessment to assess the risks posed by hydraulic fracturing and unconventional oil and gas development.

**Section 3.** Moratorium. Therefore, the City Council has determined that the best way to safeguard our inalienable rights provided under the Colorado Constitution, and to ensure the “protection of public health, safety, and welfare, including protection of the environment and wildlife resources” as provided under the Colorado Oil and Gas Act, is to place a moratorium on hydraulic fracturing and the storage and disposal of its waste products within the City of Loveland for a period of two years in order to fully study the impacts of this process on property values and human health. The moratorium can be lifted upon a ballot measure approved by the people of the City of Loveland.

**Section 4.** Retroactive Application. The provisions of this Ordinance shall apply retroactively to the date the Citizen Initiative was found to have qualified for placement on the ballot of a regular or special City election.

**Section 5.** Publication and Effective Date. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this \_\_\_\_ day of August, 2013.

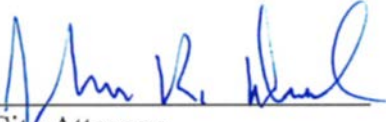
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Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

**RESOLUTION #R-63-2013****A RESOLUTION OF THE LOVELAND CITY COUNCIL  
SUBMITTING A CITIZEN-INITIATED ORDINANCE TO A VOTE  
OF THE CITY'S REGISTERED ELECTORS AT THE CITY'S  
REGULAR ELECTION ON NOVEMBER 5, 2013**

**WHEREAS**, under Section 7-1(a) of the Loveland Charter, the registered electors of the City have the power to propose an ordinance, pursuant to the initiative power reserved by Article V, Section 1(9) of the Colorado Constitution, which ordinance must be initiated pursuant to the Colorado statutes which establish the procedure for municipal initiatives, except as otherwise provided by the City Charter; and

**WHEREAS**, a citizen-initiative petition proposing an ordinance for the imposition of a two-year moratorium on the use of hydraulic fracturing within the City to extract oil, gas or other hydrocarbons and on the storage and disposal of its waste in order to fully study the impacts of hydraulic fracturing on property values and human health has been submitted to the City Clerk (the "Citizen Initiative"); and

**WHEREAS**, on July 23, 2013, the City Clerk certified, pursuant to C.R.S. Section 31-11-109(2), that said petitions contained a sufficient number of valid signatures for the referral and submission of the proposed ordinance in the Citizen Initiative to a vote of the people at a regular or special City election; and

**WHEREAS**, C.R.S. Section 31-11-104 provides that the City Council may either adopt without alteration the initiated ordinance or publish the proposed ordinance as other ordinances are published and refer the proposed ordinance, in the form petitioned for, to the City's registered electors at a regular or special election held not less than sixty (60) days and not more than one hundred fifty (150) days after the "final determination of petition sufficiency," unless otherwise required by the Colorado Constitution; and

**WHEREAS**, pursuant to C.R.S. Section 31-11-103(2) the date for the "final determination of petition sufficiency" occurred on August 16, 2013; and

**WHEREAS**, the City Council has decided not to adopt the initiated ordinance as proposed in the Citizen Initiative and, therefore, by this Resolution is referring and submitting to Loveland's registered electors the initiated ordinance at the City's regular election on November 5, 2013; and

**WHEREAS**, the City's regular election on November 5, 2013, will be conducted as a coordinated mail-ballot election with the Larimer County Clerk and Recorder; and

**WHEREAS**, pursuant to C.R.S. Section 31-11-111, the City Council is also required to fix a ballot title for the ordinance proposed in the Citizen Initiative.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND as follows:**

**Section 1.** That there is hereby referred and submitted to the registered electors of the City of Loveland at the City’s regular election to be held on Tuesday, November 5, 2013, as a coordinated mail-ballot election with the Larimer County Clerk and Recorder, the following proposed citizen-initiated ordinance:

**CITIZEN-INITIATED ORDINANCE No. 1, 2013**

**LOVELAND PUBLIC HEALTH, SAFETY AND WELLNESS ACT**

**Section 1. Purpose.** To protect property, property values, public health, safety and welfare by placing a moratorium on the use of hydraulic fracturing to extract oil, gas, or other hydrocarbons within the City of Loveland in order to study the impacts of the process on the citizens of the City of Loveland.

**Section 2. Findings.** The people of Loveland hereby make the following findings with respect to the process of hydraulic fracturing within the City of Loveland:

- The Colorado Constitution confers on all individuals in the state, including the citizens of Loveland, certain inalienable rights, including “the right of enjoying and defending their lives and liberties; of acquiring, possessing and protecting property; and of seeking and obtaining their safety and happiness,” Colo. Const. Art. II, Sec. 3;
- The Colorado Oil and Gas Act requires oil and gas resources to be extracted in a “manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources,” Colo. Rev. Stat. § 34-60-102;
- The well stimulation process known as hydraulic fracturing is used to extract deposits of oil, gas, and other hydrocarbons through the underground injection of large quantities of water, gels, acids or gases; sands or other proppants; and chemical additives, many of which are known to be toxic;
- The people of Loveland seek to protect themselves from the harms associated with hydraulic fracturing, including threats to public health and safety, property damage and diminished property values, poor air quality, destruction of landscape, and pollution of drinking and surface water;
- Representatives from the State of Colorado have publicly stated that they will be conducting a health impact assessment to assess the risks posed by hydraulic fracturing and unconventional oil and gas development.

Section 3. Moratorium. Therefore, the people of Loveland have determined that the best way to safeguard our inalienable rights provided under the Colorado Constitution, and to ensure the “protection of public health, safety, and welfare, including protection of the environment and wildlife resources” as provided under the Colorado Oil and Gas Act, is to place a moratorium on hydraulic fracturing and the storage and disposal of its waste products within the City of Loveland for a period of two years in order to fully study the impacts of this process on property values and human health. The moratorium can be lifted upon a ballot measure approved by the people of the City of Loveland.

Section 4. Retroactive Application. In the event this measure is adopted by the voters, its provisions shall apply retroactively as of the date the measure was found to have qualified for placement on the ballot.

Section 2. That pursuant to C.R.S. Section 31-11-104(1), the City Clerk is hereby directed to publish the proposed ordinance in Section 1 as other ordinances are required to be published under the City’s Charter.

Section 3. That the ballot title for the proposed ordinance in the Citizen Initiative shall be as follows:

QUESTION NO. \_\_\_\_: CITIZEN-INITIATED ORDINANCE TO PLACE  
A TWO-YEAR MORATORIUM ON THE USE OF HYDRAULIC  
FRACTURING WITHIN THE CITY OF LOVELAND TO FULLY  
STUDY THE IMPACTS OF HYDRAULIC FRACTURING ON  
PROPERTY VALUES AND HUMAN HEALTH

SHALL AN ORDINANCE BE ADOPTED THAT PLACES A TWO-  
YEAR MORATORIUM ON THE USE OF HYDRAULIC  
FRACTURING WITHIN THE CITY OF LOVELAND TO EXTRACT  
OIL, GAS OR OTHER HYDROCARBONS AND ON THE STORAGE  
AND DISPOSAL OF ITS WASTE PRODUCTS IN ORDER TO FULLY  
STUDY THE IMPACTS OF HYDRAULIC FRACTURING ON  
PROPERTY VALUES AND HUMAN HEALTH?

Yes \_\_\_\_\_

No \_\_\_\_\_

(To be endorsed on back of ballot)

OFFICIAL BALLOT FOR THE REGULAR MUNICIPAL ELECTION  
HELD IN THE CITY OF LOVELAND, COLORADO, ON TUESDAY,  
NOVEMBER 5, 2013.

\_\_\_\_\_  
Teresa G. Andrews, City Clerk

**Section 4.** The City Clerk is hereby directed to certify no later than September 6, 2013, to the Larimer County Clerk and Recorder the ballot title above to be presented to the City's registered electors as part of the Larimer County Clerk's coordinated mail ballot election to be held on November 5, 2013.

**Section 5.** That this Resolution shall be effective as of the date and time of its adoption.


Signed this 20<sup>th</sup> day of August, 2013.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

**CITY OF LOVELAND****FINANCE DEPARTMENT**

Civic Center • 500 East Third • Loveland, Colorado 80537  
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

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**AGENDA ITEM:** 10  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Brent Worthington, Finance  
**PRESENTER:** John Hartman, Budget Officer

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**TITLE:**

June 2013 Financial Report

**RECOMMENDED CITY COUNCIL ACTION:**

This is an information only item. No action is required.

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**SUMMARY:**

The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending June 30, 2013.

**BUDGET IMPACT:**

- ☐ Positive
  - ☐ Negative
  - ☒ Neutral or negligible
- 

**BACKGROUND:**

The Snapshot Report is submitted for Council review and includes the reporting of the City's revenue and expenditures, including detailed reports on tax revenue and health claims as of June 30, 2013. Citywide Revenue (excluding internal transfers) of \$113,906,418 is 93.4% of year to date (YTD) budget or \$8,077,581 under the budget. Sales Tax collections are 102.3% of the YTD budget or \$407,701 over budget. Building Material Use Tax is 147.3% of YTD budget, or \$307,305 over budget. Sales and Use Tax collections combined were 105.3% of YTD budget or \$1,020,046 over budget. When the combined sales and use tax for the current year are compared to 2012 for the same period last year, they are higher by 8.0% or \$1,493,604.

Citywide total expenditures of \$98,888,738 (excluding internal transfers) are 73.8% of the YTD budget or \$35,087,833 under the budget.

This Snapshot contains the Statement of Results of Financial Operations for the Rialto Theater Center, as of the end of the second quarter. Cultural Services Director, Susan Ison, has prepared a memo to Council updating the status of Theater staffing, and describing the process

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of selecting a consultant to provide support and assistance in creating the Business Plan for the Theater Center.

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**REVIEWED BY CITY MANAGER:**



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**LIST OF ATTACHMENTS:**

1. Snapshot Report for June 2013
2. Presentation
3. Memo from Cultural Services Director

# SnapShot

## Monthly Financial Report

### June 2013

#### A Snapshot In Time

- ◇ Citywide Revenue, excluding transfers between funds, \$113.9 million (6.6% below budget projections)
- ◇ Sales & Use Tax Collection, \$20.1 million (5.3% above budget projections)
- ◇ Citywide Expenditures, excluding transfers between funds, \$98.9 million (26.2% below budget projections)
- ◇ Citywide Year-To-Date Revenues exceed Year-To-Date Expenditures by \$15.0 million
- ◇ General Fund Revenue, excluding transfers between funds, \$38.9 million (7.9% above budget projections)
- ◇ General Fund Expenditures, excluding transfers between funds, \$26.9 million, (9.6 % below budget projections)
- ◇ General Fund Revenues exceed Expenditures by \$9.3 million

Citywide  
Revenues &  
Expenditures 2-3

General Fund  
Revenues &  
Expenditures 4-5

Capital  
Projects 5

Tax Totals &  
Comparison 6-9

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Sales Tax SIC 10-12

Health Care  
Claims 13

Activity  
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Rialto Theater  
Center Report 15

#### The Sales / Use Tax Basics

June 2013	Sales Tax	Motor Vehicle Use Tax	Building Materials Use Tax	Combined
Budget 2013	\$ 17,508,610	\$ 940,340	\$ 649,050	\$ 19,098,000
Actual 2013	17,916,311	1,245,380	956,354	20,118,045
% of Budget	102.3%	132.4%	147.3%	105.3%
Actual 2012	\$ 16,759,061	\$ 1,199,034	\$ 666,347	\$ 18,624,442
Change from prior year	6.9%	3.9%	43.5%	8.0%

#### Financial Sustainability

The City remains in a strong financial position because of a tradition of conservative fiscal management. To uphold this tradition, the City ensures that operations are paid for by current-year revenues, fund balances are positive and reserves are sufficient to overcome financial challenges, and debt is considered extraordinary and avoided in favor of a pay-as-we-go system. This sound fiscal policy allows the City to achieve Council goals and priorities and to meet challenges as they arise.

In 2011, the City embarked upon a community-wide financial sustainability effort to ensure that shortfalls projected in its General Fund 10-year financial plan were addressed using a balanced plan consisting of 81% expenditure cuts and 19% revenue increases. The Financial Sustainability Strategy, adopted by the City Council on June 7, 2011, includes ongoing processes designed to ensure that the City retains a healthy financial outlook.

Although sales and use tax revenue is greater in 2013 than in 2007 year-to-date, inflation adjustment of the revenue shows that collections in 2013 have not significantly grown above 2007 levels when inflation is taken into account, emphasizing the importance of continuing the strategy implementation.

# Citywide Revenues & Expenditures

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Combined Statement of Revenues and Expenditures June 2013				
REVENUE	Current Month	YTD Actual	YTD Revised Budget	% of Budget
<b>General Governmental</b>				
1 General Fund	\$ 6,120,999	\$ 38,866,170	\$ 36,033,060	107.9%
2 Special Revenue	489,115	3,599,748	5,245,130	68.6% <sup>1</sup>
3 Other Entities	2,071,283	14,562,137	18,523,312	78.6% <sup>2</sup>
4 Internal Service	1,440,261	8,451,148	8,282,800	102.0%
5 <i>Subtotal General Govt Operations</i>	\$ 10,121,657	\$ 65,479,203	\$ 68,084,302	96.2%
6 Capital Projects	670,245	4,827,842	3,353,118	144.0%
<b>Enterprise Fund</b>				
7 Water & Power	6,372,267	36,888,430	43,484,150	84.8% <sup>3</sup>
8 Stormwater	374,113	2,190,873	2,167,940	101.1%
9 Golf	520,909	1,628,150	1,822,310	89.3% <sup>4</sup>
10 Solid Waste	515,296	2,891,921	3,072,179	94.1% <sup>5</sup>
11 <i>Subtotal Enterprise</i>	\$ 7,782,585	\$ 43,599,374	\$ 50,546,579	86.3%
12 <b>Total Revenue</b>	<b>\$ 18,574,487</b>	<b>\$ 113,906,418</b>	<b>\$ 121,983,999</b>	<b>93.4%</b>
<i>Prior Year External Revenue</i>		105,640,524		
<i>Increase From Prior Year</i>		7.8%		
13 Internal Transfers	703,601	3,265,425	14,137,910	23.1%
14 <b>Grand Total Revenues</b>	<b>\$ 19,278,088</b>	<b>\$ 117,171,844</b>	<b>\$ 136,121,909</b>	<b>86.1%</b>
<b>EXPENDITURES</b>				
<b>General Governmental</b>				
15 General Fund	\$ 4,622,201	\$ 26,422,087	\$ 28,890,417	91.5%
16 Special Revenue	1,452,598	4,847,558	4,570,159	106.1% <sup>6</sup>
17 Other Entities	1,867,632	13,257,094	19,620,098	67.6%
18 Internal Services	1,466,311	7,446,836	8,722,806	85.4%
19 <i>Subtotal General Gov't Operations</i>	\$ 9,408,741	\$ 51,973,576	\$ 61,803,480	84.1%
20 Capital	2,901,277	12,366,014	35,339,547	35.0%
<b>Enterprise Fund</b>				
21 Water & Power	5,806,182	29,868,683	31,880,210	93.7%
22 Stormwater	216,587	1,207,631	1,082,959	111.5% <sup>7</sup>
23 Golf	278,046	1,275,071	1,463,509	87.1%
24 Solid Waste	457,889	2,197,762	2,406,866	91.3%
25 <i>Subtotal Enterprise</i>	\$ 6,758,704	\$ 34,549,148	\$ 36,833,544	93.8%
26 <b>Total Expenditures</b>	<b>\$ 19,068,722</b>	<b>\$ 98,888,738</b>	<b>\$ 133,976,571</b>	<b>73.8%</b>
<i>Prior Year External Expenditures</i>		93,236,004		
<i>Increase (-Decrease) From Prior Year</i>		6.1%		
27 Internal Transfers	703,601	3,265,425	14,137,910	23.1%
28 <b>Grand Total Expenditures</b>	<b>\$ 19,772,323</b>	<b>\$ 102,154,163</b>	<b>\$ 148,114,481</b>	<b>69.0%</b>

<sup>1</sup> Lower than anticipated Transportation intergovernmental revenue due to the timing of grant drawdowns, lower than anticipated State Revenue Sharing from HUTF and motor vehicle fees, and Transportation Utility Fees coming in lower than anticipated.

<sup>2</sup> Timing of the cash transactions implementing the loan from the Recreation, Library and General Government CEF funds to Urban Renewal Authority of \$1.5 million, timing of property tax payments to the county, and timing of the drawdown of Federal grants to the Airport related to capital projects.

<sup>3</sup> Timing of the receipt of a bond funds in the Water Enterprise.

<sup>4</sup> Lower golf fee revenue due to inclement weather through the spring period.

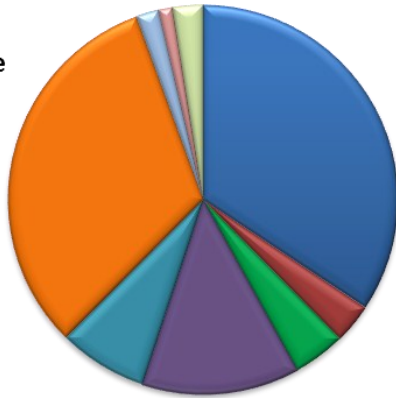
<sup>5</sup> Timing of sale of used equipment and lower than anticipated interest income.

<sup>6</sup> Repairs and Maintenance budgeted for as capital construction; offset by savings in capital accounts in line 20.

<sup>7</sup> Budgeted Stormwater repair and maintenance work was able to begin sooner than originally planned.

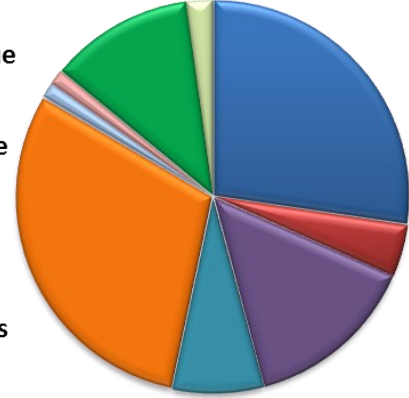
## YTD Operating Revenues of \$113.9 Million

- General Fund
- Special Revenue
- Capital Projects
- Other Entities
- Internal Service
- Utilities
- Stormwater
- Golf
- Solid Waste



## YTD Operating Expenditures of \$98.9 Million

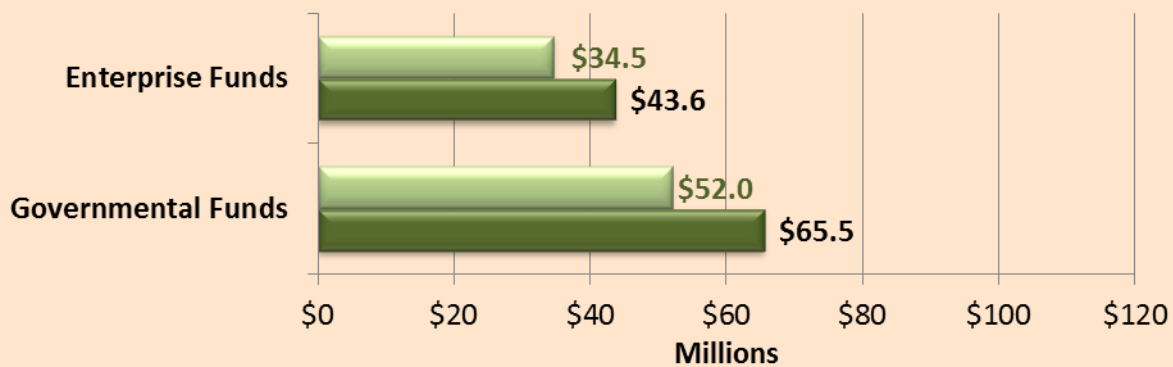
- General Fund
- Special Revenue
- Other Entities
- Internal Service
- Utilities
- Stormwater
- Golf
- Capital Projects
- Solid Waste



## By Comparison, Excluding Transfers

Expenditure Actual

Revenue Actual



- ◆ General Fund Revenue, excluding transfers between funds, \$38.9 million (7.9% above budget projections)  
\* 8.2% above 2012 YTD
- ◆ General Fund Expenditures, excluding capital and transfers between funds, \$26.4 million (8.5% below budget projections)  
\* 6.9% below 2012 YTD
- ◆ Water & Power Revenue, excluding transfers between funds, \$36.9 million (15.2% below budget projections)  
\* 7.6% above 2012 YTD
- ◆ Water & Power Expenditures, excluding transfers between funds, \$29.9 million (6.3% below budget projections)  
\* 11.0% above 2012 YTD
- ◆ Other Entities Fund Revenue, excluding transfers between funds, \$14.6 million (21.4% below budget projections)  
\* 1.8% above 2012 YTD
- ◆ Other Entities Expenditures, excluding capital and transfers between funds, \$13.3 million (32.4% below budget projections)  
\* 4.0% below 2012 YTD

# General Fund Revenues & Expenditures

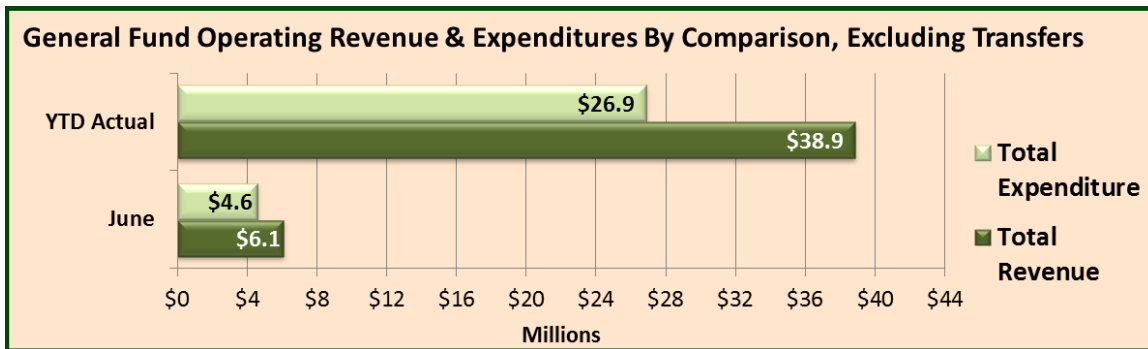
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General Fund Revenue & Expenditures June 2013				
REVENUES	Current Month	YTD Actual	YTD Revised Budget	% of Budget
1 Taxes				
2 Property tax	\$ 879,929	\$ 5,492,381	\$ 5,037,420	109.0%
3 Sales tax	2,835,171	17,916,310	17,508,610	102.3%
4 Building use tax	218,722	956,355	649,050	147.3%
5 Auto use tax	230,915	1,245,380	940,340	132.4%
6 Other taxes	212,488	1,720,322	1,405,490	122.4%
7 Intergovernmental	62,062	146,048	119,070	122.7%
8 License & permits				
9 Building permits	110,969	869,970	661,250	131.6%
10 Other permits	(41,174)	114,012	116,322	98.0%
11 Charges for services	1,034,890	6,285,830	5,873,486	107.0%
12 Fines & forfeitures	77,895	410,765	535,020	76.8% <sup>1</sup>
13 Interest income	13,415	108,828	170,060	64.0%
14 Miscellaneous	485,716	3,599,966	3,016,942	119.3%
15 Subtotal	\$ 6,120,999	\$ 38,866,168	\$ 36,033,060	107.9%
16 Interfund transfers	6,560	89,400	89,400	100.0%
17 Total Revenue	\$ 6,127,559	\$ 38,955,568	\$ 36,122,460	107.8%
<b>EXPENDITURES</b>				
Operating Expenditures				
18 Legislative	\$ 9,667	\$ 57,734	\$ 67,384	85.7%
19 Executive & Legal	206,998	1,172,254	1,275,370	91.9%
20 Economic Development	82,104	496,171	877,932	56.5%
21 Cultural Services	181,934	808,032	886,936	91.1%
22 Development Services	234,314	1,302,481	1,481,073	87.9%
23 Finance	357,934	1,851,276	2,074,606	89.2%
24 Fire & Rescue	382	5,357	11,390	0.0%
25 Human Resources	73,557	437,535	501,382	87.3%
26 Information Technology	223,318	1,612,077	2,059,121	78.3%
27 Library	204,795	1,280,734	1,362,193	94.0%
28 Parks & Recreation	749,432	4,029,661	4,759,868	84.7%
29 Police	1,316,249	7,964,217	8,170,216	97.5%
30 Public Works	427,504	2,249,587	2,349,396	95.8%
31 Non-Departmental	557,629	3,622,270	3,853,790	94.0%
32 Subtotal Operating	\$ 4,625,816	\$ 26,889,389	\$ 29,730,657	90.4%
33 Internal Transfers	302,355	2,744,602	5,958,160	46.1%
34 Total Expenditures	\$ 4,928,170	\$ 29,633,991	\$ 35,688,817	83.0%

<sup>1</sup> Lower than projected revenue from traffic fines, parking fines, and fines for municipal ordinance violations.

# Monthly Financial Report

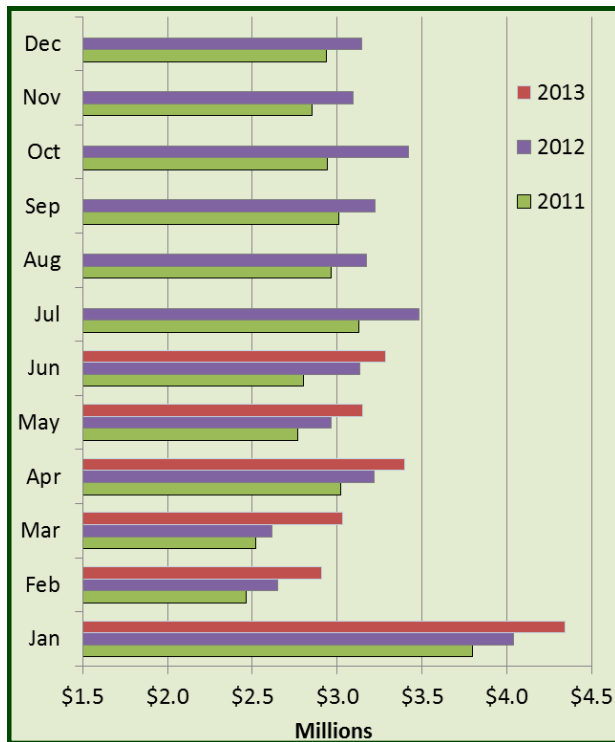
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## Capital Projects \$500,000+

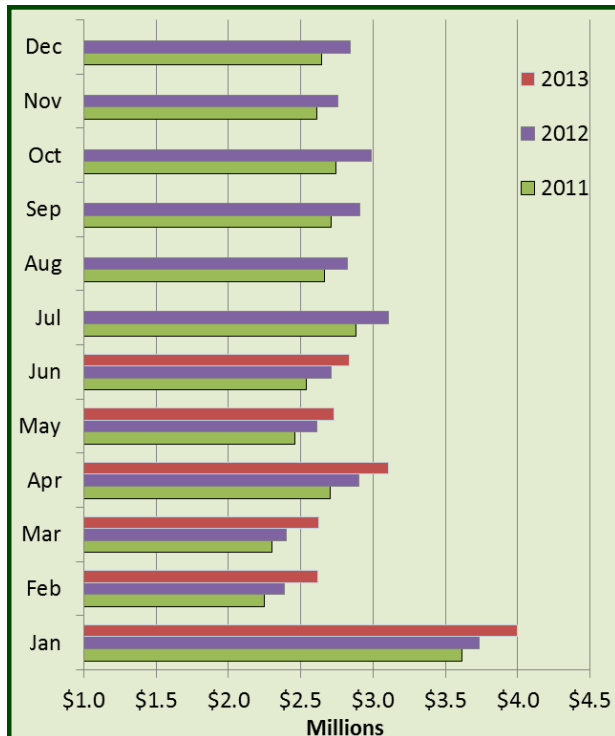
Project Title	2013 Budget	2013 Expenditures	Remaining 2013 Budget	% of 2013 Budget (Exp/Bud)
<b>Water Capital</b>				
Water Treatment Plant Phase II Expansion (38 MGD)	\$ 2,423,200	\$ 268,888	\$ 2,154,312	11.10%
Filter Plant No. 2 Pipe Gallery Improvements	943,110	941,553	1,557	99.83%
W 29th St. & W 1st St. Water Line Replacement	725,910	13,863	712,048	1.91%
Morning Drive Alternate Waterline 30"	1,109,100	910,588	198,512	82.10%
2013 Small Diameter Waterline Replacement	845,320	16,203	829,117	1.92%
<b>Raw Water Capital</b>				
Windy Gap Firming Project	1,218,000	-	1,218,000	0.00%
Purchase of Colorado-Big Thompson Project (CBT)	820,090	-	820,090	0.00%
<b>Wastewater Utility Capital</b>				
Digester Mixing System	1,200,000	-	1,200,000	0.00%
Digester Building Code Compliance	900,000	-	900,000	0.00%
South Horseshoe Lift Station Submersible	1,361,690	35,173	1,326,517	2.58%
<b>Power Capital</b>				
East Sub to Crossroads Sub on Railroad	1,379,732	938,073	441,659	67.99%
Horseshoe Sub along Hwy 287 to 29th St.	1,338,299	656	1,337,643	0.05%
Airport Sub North to Crossroads and South to Kendall Pkwy	683,260	452,880	230,380	66.28%
Callisto (vault 2716) East along 5th, North on Boyd Lake to railroad xing	570,000	-	570,000	0.00%
SW219 on old railroad North on VanBuren, East on 22nd to SW126	670,250	6,393	663,857	0.95%
Crossroads Substation - purchase new transformer	600,000	-	600,000	0.00%
Crossroads Substation - new switgear & transformer install	512,900	-	512,900	0.00%
<b>Stormwater Capital</b>				
29th and Monroe Outfall (Dry Creek)	1,000,000	-	1,000,000	0.00%
MeHaffey Park Regional Detention Pond	556,343	65,072	491,271	11.70%
<b>Streets Transportation Program</b>				
2013 Street Rehabilitation	4,441,840	885,759	3,556,081	19.94%
Fiber Optic Network to Signals and Other Facilities	1,071,130	31,003	1,040,127	2.89%
Boise & 37th Intersection Improvements	540,060	24,616	515,444	4.56%
<b>All Other</b>				
Facilities Maintenance Capital Projects	500,000	81,821	418,179	16.36%
Open Lands Acquisition	2,520,800	831,507	1,689,293	32.99%
Fire Station 2 Relocation	3,566,480	313,719	3,252,761	8.80%
Service Center Phase III	9,417,540	491,752	8,925,788	5.22%
Vehicle Wash	1,600,000	-	1,600,000	0.00%
Mehaffey Park	8,110,560	166,254	7,944,306	2.05%
River's Edge Natural Area	\$ 1,808,840	\$ 744,724	\$ 1,064,116	41.17%





## Sales & Use Tax

	2011	2012	2013	2013 Budget	+ / - Budget
Jan	\$ 3,799,760	\$ 4,039,678	\$ 4,345,836	\$ 4,136,490	5.1%
Feb	2,465,447	2,649,229	2,906,780	2,528,010	15.0%
Mar	2,517,162	2,618,052	3,033,347	3,028,120	0.2%
Apr	3,022,770	3,215,437	3,397,074	3,286,040	3.4%
May	2,769,526	2,966,032	3,150,202	2,991,970	5.3%
Jun	2,800,184	3,136,014	3,284,808	3,127,370	5.0%
Jul	3,129,254	3,480,123		3,495,310	
Aug	2,961,686	3,171,055		3,154,400	
Sep	3,008,637	3,225,155		3,211,640	
Oct	2,944,433	3,421,098		3,327,150	
Nov	2,853,360	3,092,095		3,091,770	
Dec	2,933,671	3,142,793		3,141,380	
	\$35,205,889	\$38,156,762	\$20,118,046	\$38,519,650	
YTD	\$17,374,849	\$18,624,442	\$20,118,046	\$19,098,000	5.3%

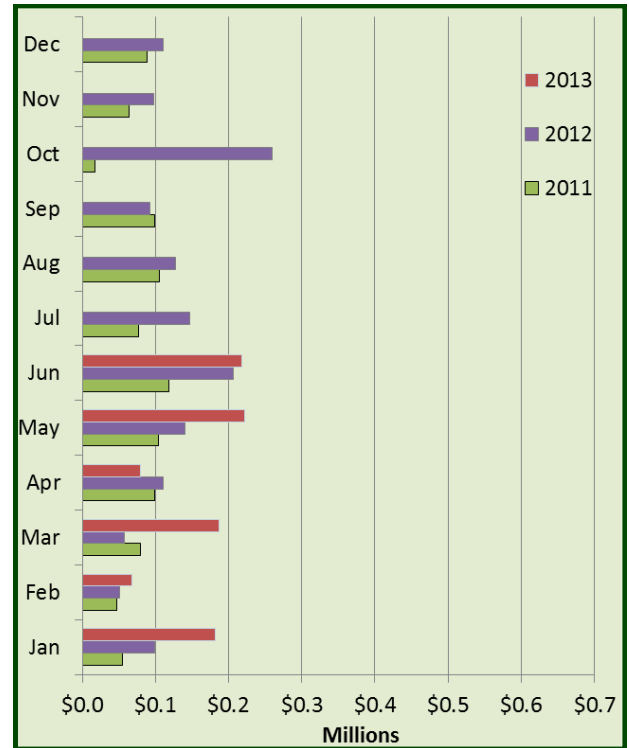


## Retail Sales Tax

	2011	2012	2013	2013 Budget	+ / - Budget
Jan	\$ 3,613,881	\$ 3,733,309	3,995,194	\$ 3,909,960	2.2%
Feb	2,249,749	2,390,409	2,619,453	2,285,380	14.6%
Mar	2,299,237	2,403,380	2,622,808	2,715,660	-3.4%
Apr	2,702,024	2,905,558	3,109,701	3,008,620	3.4%
May	2,462,213	2,614,500	2,733,983	2,710,640	0.9%
Jun	2,536,541	2,711,906	2,835,171	2,878,350	-1.5%
Jul	2,882,075	3,105,564		3,210,310	
Aug	2,667,674	2,823,319		2,866,890	
Sep	2,710,738	2,909,008		2,909,990	
Oct	2,746,866	2,991,033		3,035,070	
Nov	2,610,980	2,757,932		2,824,870	
Dec	2,647,162	2,841,959		2,863,910	
	\$32,129,139	\$34,187,876	\$17,916,311	\$35,219,650	
YTD	\$15,863,645	\$16,759,061	\$17,916,311	\$17,508,610	2.3%

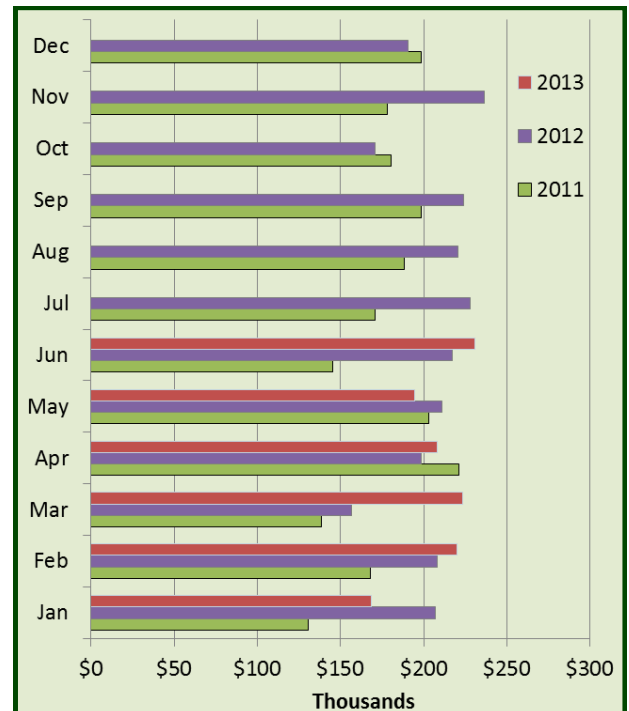
## Building Materials Use Tax

	2011	2012	2013	2013 Budget	+ / - Budget
Jan	\$ 55,542	\$ 99,108	\$181,907	\$ 85,270	113.3%
Feb	47,621	50,703	67,440	83,620	-19.3%
Mar	79,590	57,845	187,222	164,570	13.8%
Apr	99,569	111,197	79,229	110,120	-28.1%
May	104,373	140,470	221,834	104,700	111.9%
Jun	118,318	207,024	218,722	100,770	117.1%
Jul	76,488	146,570		108,080	
Aug	105,871	127,261		104,580	
Sep	99,544	92,415		117,480	
Oct	17,021	259,279		96,490	
Nov	64,211	97,778		100,250	
Dec	88,033	110,414		124,070	
	\$956,181	\$1,500,063	\$956,354	\$1,300,000	
YTD	\$505,013	\$ 666,347	\$956,354	\$ 649,050	47.3%



## Motor Vehicle Use Tax

	2011	2012	2013	2013 Budget	+ / - Budget
Jan	\$ 130,337	\$ 207,261	\$ 168,734	\$ 141,260	19.4%
Feb	168,077	208,117	219,886	159,010	38.3%
Mar	138,335	156,828	223,317	147,890	51.0%
Apr	221,177	198,682	208,144	167,300	24.4%
May	202,940	211,062	194,384	176,630	10.1%
Jun	145,325	217,084	230,915	148,250	55.8%
Jul	170,691	227,989		176,920	
Aug	188,141	220,475		182,930	
Sep	198,355	223,732		184,170	
Oct	180,546	170,786		195,590	
Nov	178,169	236,385		166,650	
Dec	198,476	190,420		153,400	
	\$2,120,569	\$2,468,822	\$1,245,380	\$2,000,000	
YTD	\$1,006,191	\$1,199,034	\$1,245,380	\$ 940,340	32.4%



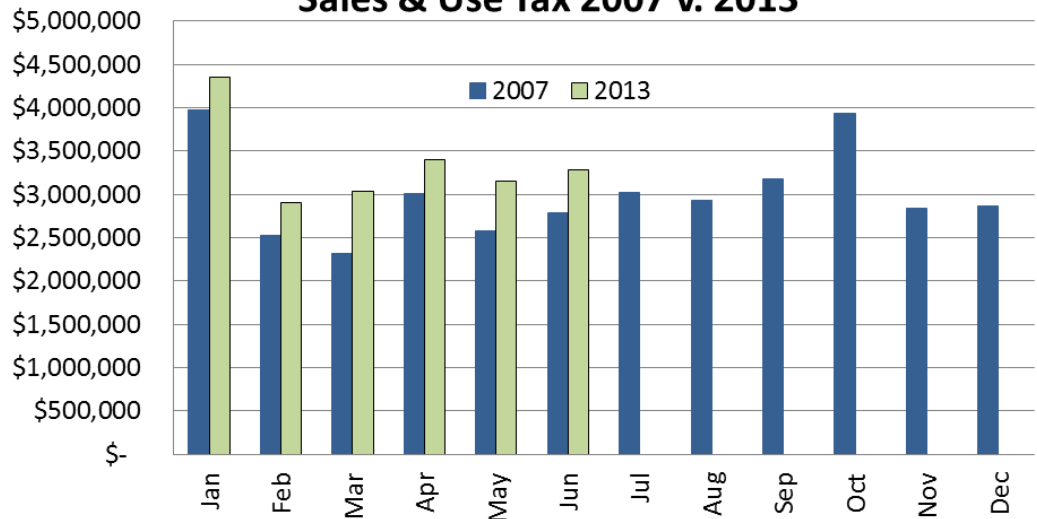


# 2007 vs 2013 Tax Comparisons

P. 101

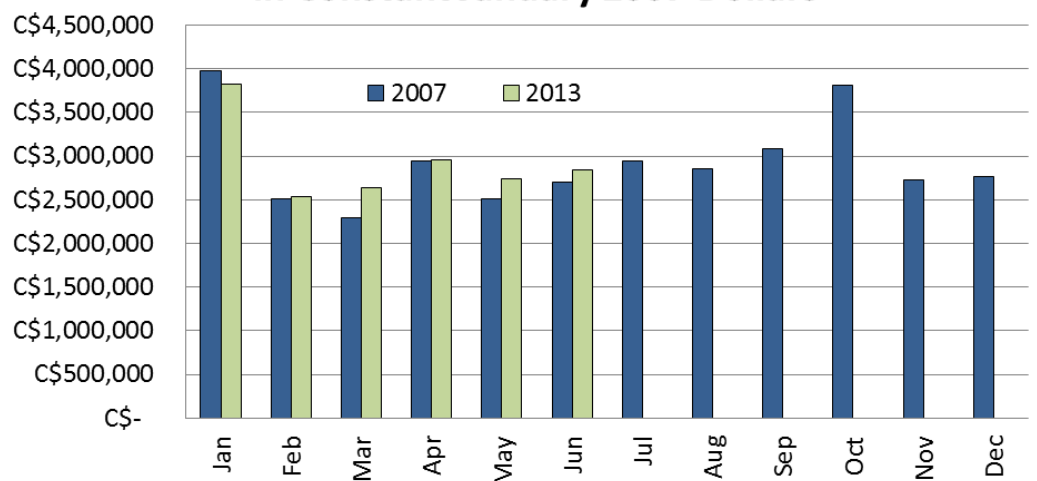
	2007	2013
Jan	\$ 3,972,513	\$ 4,345,836
Feb	2,520,486	2,906,780
Mar	2,319,579	3,033,347
Apr	3,003,780	3,397,074
May	2,581,830	3,150,202
Jun	2,781,786	3,284,808
Jul	3,022,815	
Aug	2,931,667	
Sep	3,176,883	
Oct	3,936,330	
Nov	2,835,420	
Dec	2,869,916	
	\$35,953,006	\$20,118,046

## Sales & Use Tax 2007 v. 2013



	2007	2013
Jan	\$ 3,972,513	\$ 3,819,987
Feb	2,507,072	2,534,302
Mar	2,286,415	2,637,754
Apr	2,941,724	2,957,121
May	2,513,134	2,737,347
Jun	2,702,532	2,847,479
Jul	2,937,441	
Aug	2,854,102	
Sep	3,084,330	
Oct	3,813,494	
Nov	2,730,719	
Dec	2,765,797	
	\$35,109,275	\$17,533,990

## Sales & Use Tax 2007 v. 2013 in Constant January 2007 Dollars

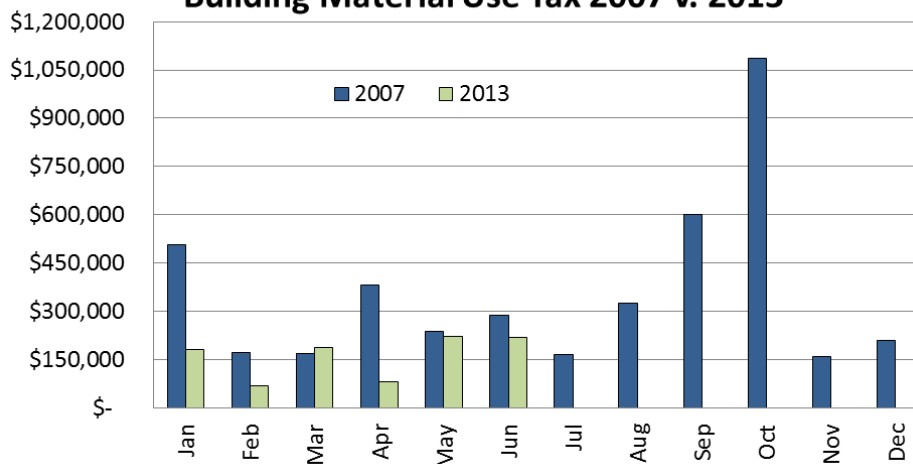


## Retail Sales Tax 2007 v. 2013



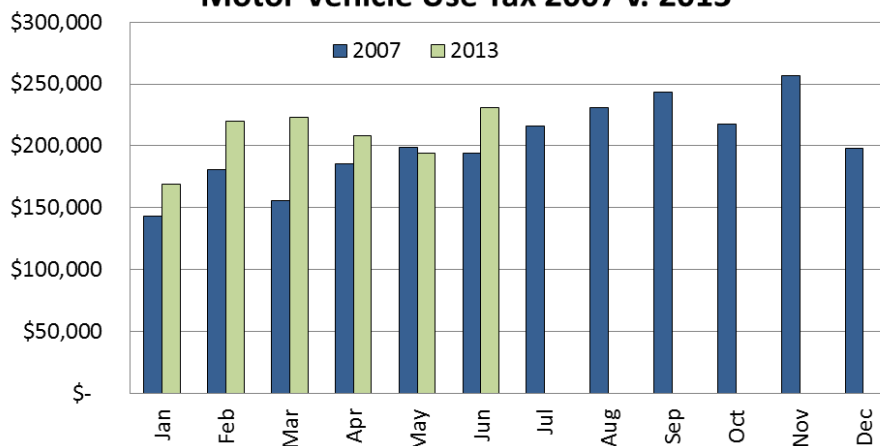
	2007	2013
Jan	\$ 3,324,067	\$ 3,995,194
Feb	2,167,873	2,619,453
Mar	1,994,635	2,622,808
Apr	2,437,958	3,109,701
May	2,146,685	2,733,983
Jun	2,300,533	2,835,171
Jul	2,640,223	
Aug	2,376,534	
Sep	2,332,844	
Oct	2,632,667	
Nov	2,419,051	
Dec	2,464,559	
	\$29,237,629	\$17,916,311

## Building Material Use Tax 2007 v. 2013



	2007	2013
Jan	\$ 505,441	\$ 181,907
Feb	171,835	67,440
Mar	169,579	187,222
Apr	380,285	79,229
May	236,140	221,834
Jun	287,300	218,722
Jul	166,446	
Aug	324,125	
Sep	600,704	
Oct	1,086,325	
Nov	159,382	
Dec	207,723	
	\$4,295,285	\$ 956,355

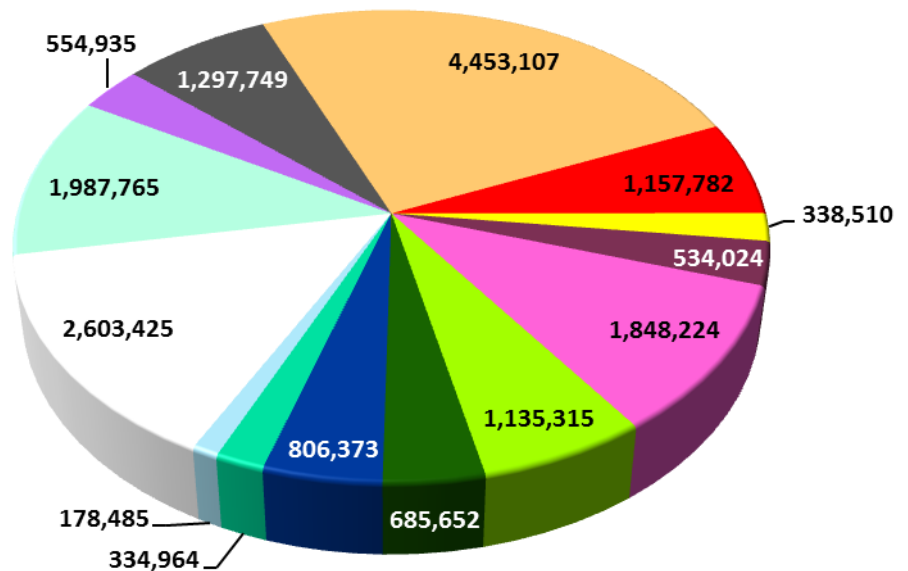
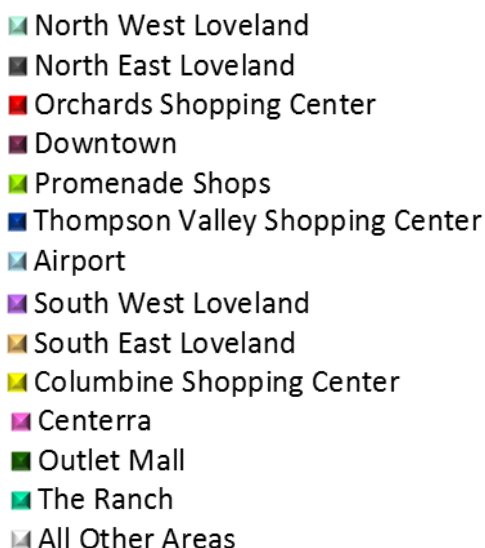
## Motor Vehicle Use Tax 2007 v. 2013



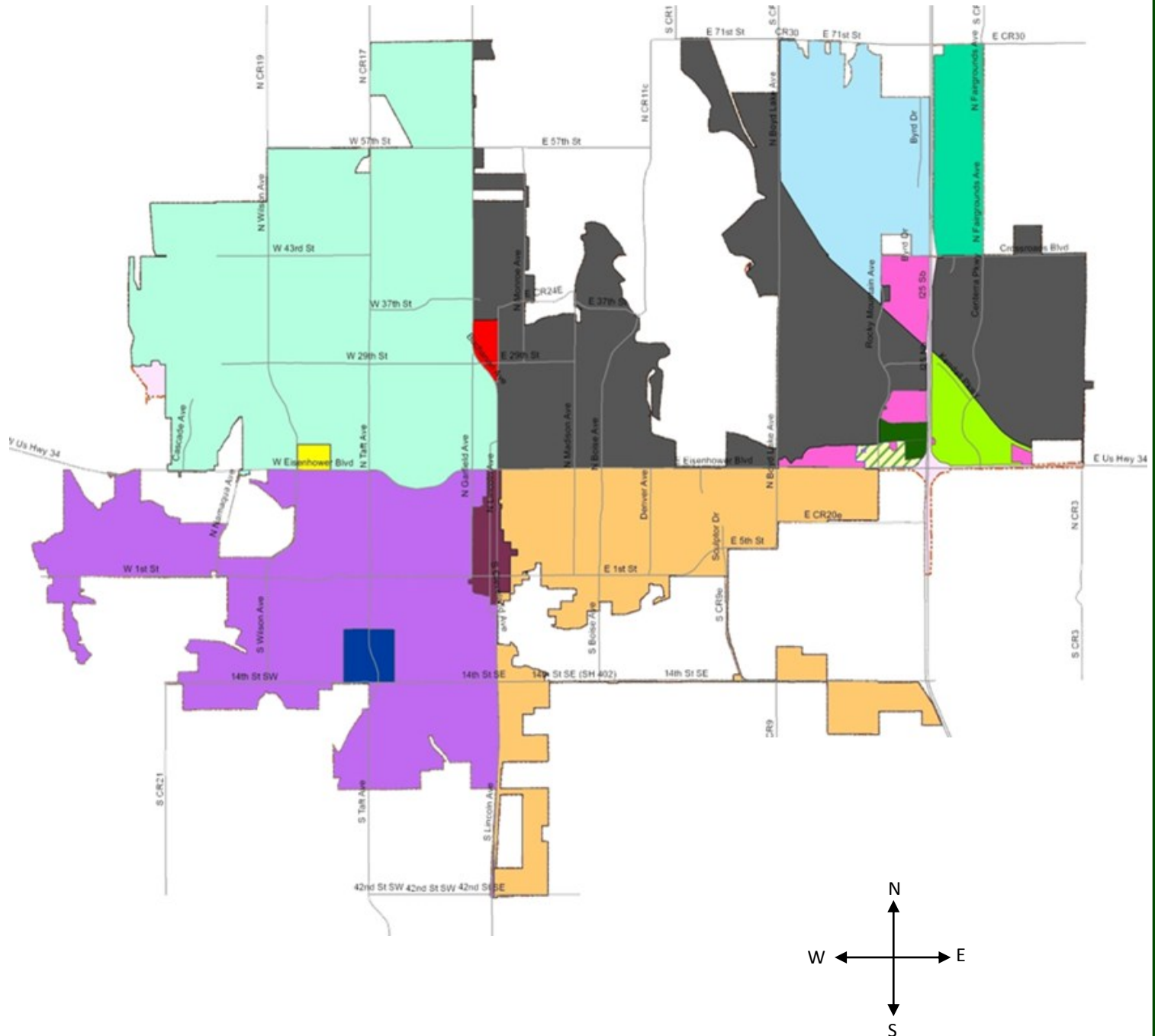
	2007	2013
Jan	\$ 143,005	\$ 168,734
Feb	180,778	219,886
Mar	155,365	223,317
Apr	185,537	208,144
May	199,005	194,384
Jun	193,953	230,915
Jul	216,146	
Aug	231,008	
Sep	243,336	
Oct	217,338	
Nov	256,987	
Dec	197,634	
	\$2,420,092	\$ 1,245,381

Geographical Area		YTD 2013	YTD 2012	Change
South East Loveland		4,453,107	4,134,171	7.7%
North West Loveland		1,987,765	1,898,401	4.7%
Centerra		1,848,224	1,607,161	15.0%
North East Loveland		1,297,749	1,191,836	8.9%
Orchards Shopping Center		1,157,782	1,080,628	7.1%
Promenade Shops (1)		1,135,315	1,167,523	-2.8%
Thompson Valley Shopping Center (2)		806,373	853,643	-5.5%
Outlet Mall		685,652	650,968	5.3%
South West Loveland		554,935	520,336	6.6%
Downtown (3)		534,024	484,008	10.3%
Columbine Shopping Center		338,510	319,295	6.0%
The Ranch		334,964	307,063	9.1%
Airport		178,485	178,687	-0.1%
All Other Areas (4)		2,603,425	2,365,906	10.0%
<b>Total</b>		<b>\$17,916,310</b>	<b>\$16,759,626</b>	<b>6.9%</b>

- (1) Sales at this retail center are affected by the decline in Electronics and Appliances (noted on page 10). Factoring out this sector, overall sales are up nearly 1%.
- (2) Sales at this retail center were negatively affected by the failure of an electronic payment. The problem has been corrected and payment was received after the close of this reporting period.
- (3) There has been an increase in tax licenses issued in the Downtown area, and established retailers' sales are trending up.
- (4) Refers to sales tax remitted by vendors who are located outside of the City but make sales to customers within Loveland.



Map →

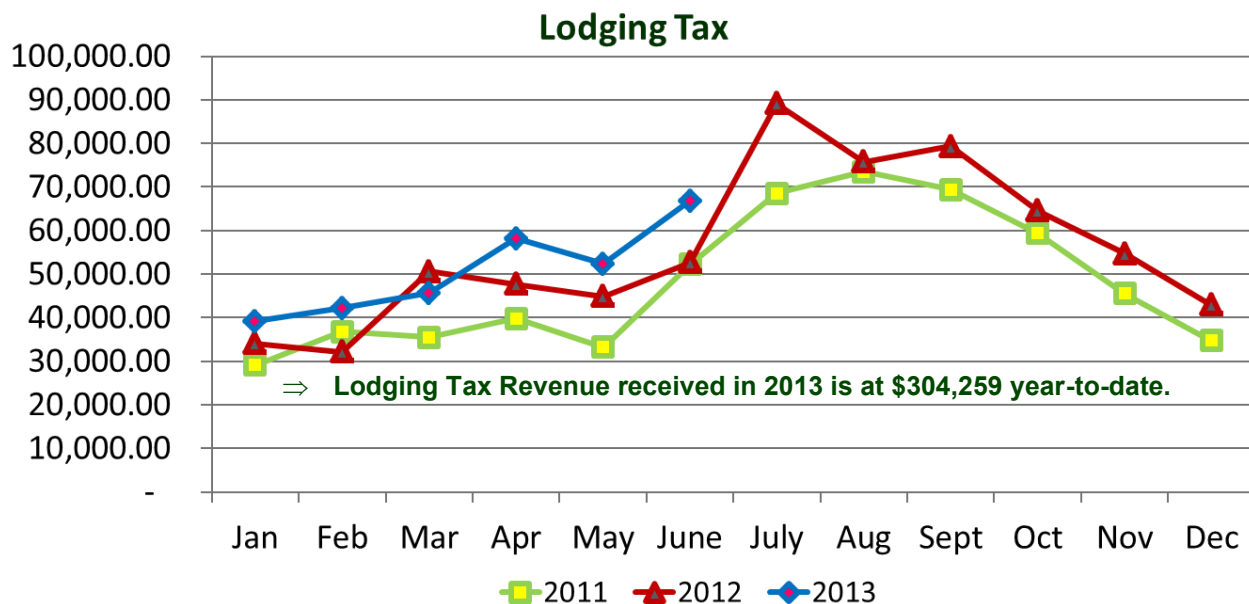


Description	YTD 2013	YTD 2012	\$ Change	% Change	% of Total	Total %
Department Stores & General Merchandise	\$ 3,976,968	\$ 3,833,367	\$ 143,601	3.7%	22.2%	22.2%
Restaurants & Bars	2,277,707	2,093,522	184,185	8.8%	12.7%	34.9%
Grocery Stores & Specialty Foods (1)	1,678,107	1,726,700	(48,593)	-2.8%	9.4%	44.3%
Clothing & Clothing Accessories Stores	1,290,090	1,207,546	82,544	6.8%	7.2%	51.5%
Motor Vehicle Dealers, Auto Parts & Leasing	1,207,457	1,026,434	181,023	17.6%	6.7%	58.2%
Building Material & Lawn & Garden Supplies	1,196,915	1,076,770	120,145	11.2%	6.7%	64.9%
Sporting Goods, Hobby, Book & Music Stores	1,050,801	834,607	216,194	25.9%	5.9%	70.8%
Utilities	1,010,544	947,669	62,875	6.6%	5.6%	76.4%
Broadcasting & Telecommunications (2)	658,090	664,591	(6,501)	-1.0%	3.7%	80.1%
Used Merchandise Stores	573,915	513,642	60,273	11.7%	3.2%	83.3%
Beer, Wine & Liquor Stores	420,705	385,671	35,034	9.1%	2.3%	85.6%
Consumer Goods & Commercial Equipment Rental	364,637	301,040	63,597	21.1%	2.0%	87.7%
Hotels, Motels & Other Accommodations	356,695	320,138	36,557	11.4%	2.0%	89.7%
Health & Personal Care Stores	310,757	291,652	19,105	6.6%	1.7%	91.4%
Electronic Shopping & Mail-Order Houses	255,565	245,044	10,521	4.3%	1.4%	92.8%
Furniture & Home Furnishing Stores	231,754	219,479	12,275	5.6%	1.3%	94.1%
Electronics & Appliance Stores (3)	198,705	265,505	(66,800)	-25.2%	1.1%	95.2%
Office Supplies, Stationery & Gift Stores	166,874	161,599	5,275	3.3%	0.9%	96.1%
Gasoline Stations with Convenience Stores	132,962	121,040	11,922	9.8%	0.7%	96.9%
All Other Categories	557,062	523,046	34,016	6.5%	3.1%	100.0%
<b>Total</b>	<b>\$ 17,916,310</b>	<b>\$ 16,759,062</b>	<b>\$ 1,157,248</b>	<b>6.9%</b>	<b>100.0%</b>	

(1) Sales for this category were negatively affected by the failure of an electronic payment. The problem has been corrected and payment was received after the close of this reporting period.

(2) Appears to be driven by the major wireless carriers, showing a decline through June.

(3) This sector shows a significant decline through June; staff will continue to monitor this trend.



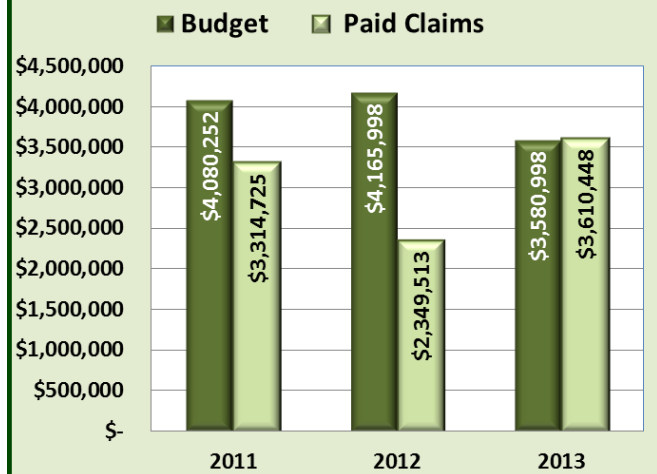
## Claims Incurred

		OAP	HRA	Total
2013	June	485,613	121,053	606,666
	YTD	3,293,564	884,523	4,178,087
2012	June	383,874	192,431	576,305
	YTD	2,767,717	625,338	3,393,055
Change	June	101,739	(71,378)	30,361
	% June	26.5%	-37.1%	5.3%
	YTD	525,847	259,185	785,032
	% YTD	19.0%	41.4%	23.1%

⇒ HRA—Health Reimbursement Arrangement

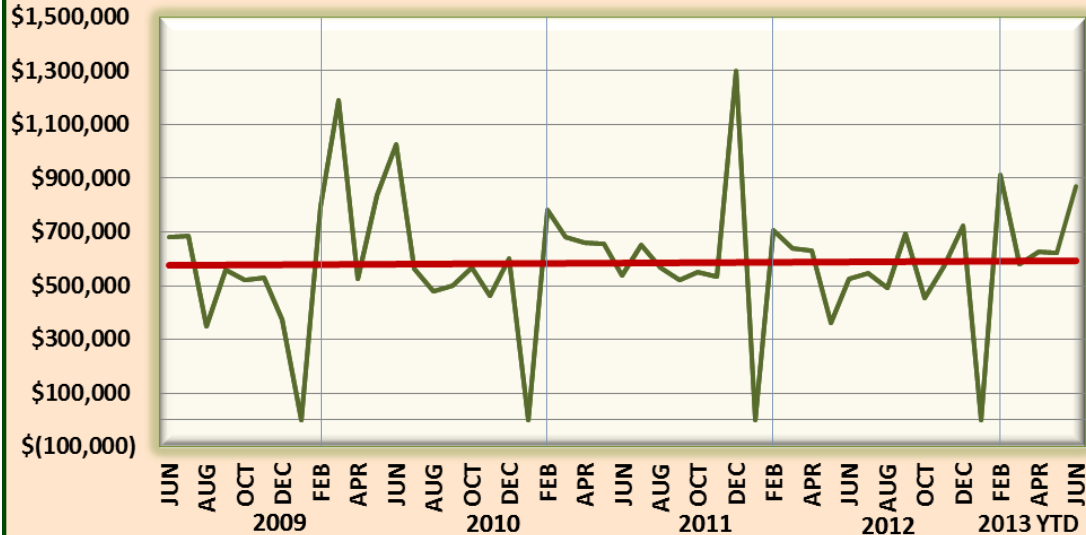
⇒ OAP—Open Access Plan

## YTD Paid Claims vs Budget



Incurred claims are total expenses the City is obligated to pay for claims, including claims paid and unpaid. Paid claims are those claims that have been paid and reconciled through the bank to-date, which may not reflect Stop Loss reimbursements or other refunds.

## Monthly Health Claims Paid (4 Year Rolling)



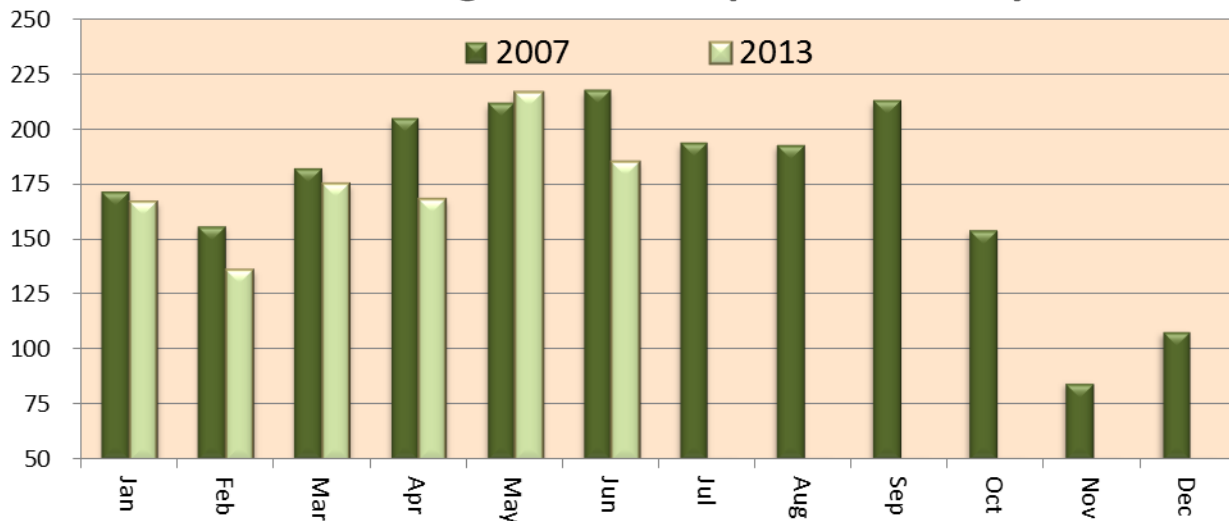
## Comparison of YTD Claims Over \$25k

June	2010	2011	2012	2013
# of claims	22	25	28	32
YTD Cost of high claims	\$2,180,197	\$1,413,548	\$1,302,666	\$1,703,735

⇒ 2013 # of StopLoss claims: 2

(claims over \$150k paid by StopLoss Carrier)

## Building Permit Comparison History



Measures	June 2011	June 2012	June 2013	2011 YTD	2012 YTD	2013 YTD
# of Building Permits	200	218	185	897	1,079	1,048
Building Permit Valuations	\$10,124,647	\$14,333,103	\$21,028,764	\$ 47,162,168	\$ 63,852,213	\$ 86,590,772
# of Certified Occupancies	17	27	35	107	148	173
Net # of Sales Tax Licenses	42	10	15	101	(132)	(334)
New Residential Electric Meter Sets	11	29	35	181	98	149
# of Utility Bills Sent	35,560	36,079	36,550	212,836	216,036	218,972
Rounds of Golf	19,553	18,012	18,791	52,507	54,836	46,266
\$ Average Health Claim Costs/Emp.	\$ 1,037.25	\$ 904.72	\$ 927.62	\$ 1,043.89	\$ 892.75	\$ 1,071.62
KWH Demand (kH)	126,402	148,086	144,090	582,969	609,473	614,731
KWH Purchased (kwh)	59,616,059	70,054,508	66,689,675	342,933,527	358,880,527	358,120,984
Gallons of Water Sold	363,968,226	535,849,380	435,609,839	1,193,606,224	1,546,010,613	1,151,167,430
# of Workers' Comp Claims 2013	8	5	11	53	52	49
\$ of Workers' Comp Claims Paid 2013	\$ 45,056.00	\$ 21,076.00	\$ 23,228.00	\$ 70,337.00	\$ 284,051.85	\$ 138,135.95
# of Total Open Claims	13	14	15	Not Cumulative		
\$ of Total Open Claims	45,467	81,708	290,602	Not Cumulative		
\$ of Lodging Tax Collected	\$ 52,196.00	\$ 52,645.28	\$ 66,770.82	\$ 226,667.10	\$ 262,059.25	\$ 304,259.32

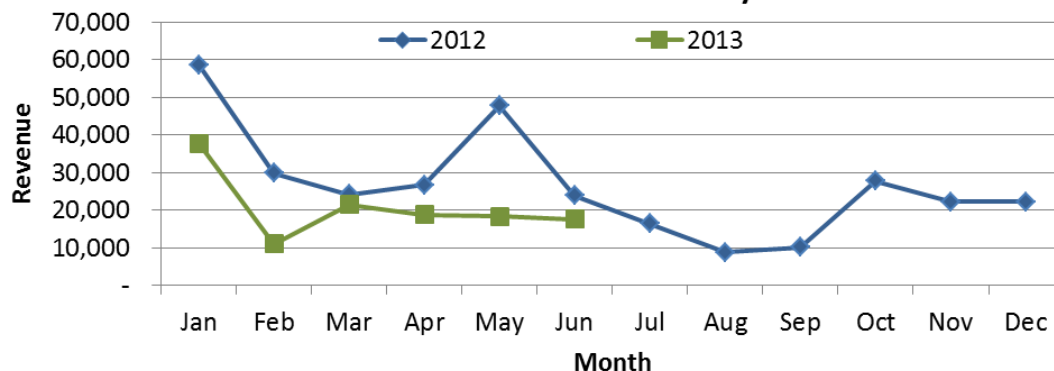


**City of Loveland**  
**Statement of Results of Operations for Rialto Theatre Center**  
For Quarter Ending 06/30/2013

	YTD Amount	YTD Budget	% of Budget	2012 YTD	Change from Prior Year
<b>Rialto Theatre</b>					
<b>Rialto Theatre Revenues</b>					
Revenues from Operations	\$ 88,073	\$ 145,990	60.33%	\$ 105,114	-16.21%
Gifts/Donations	-	18,000	0.00%	17,635	-100.00%
Transfers from Lodging Tax Fund	25,000	25,000	100.00%	-	0.00%
<b>Total Rialto Theatre Revenues</b>	<b>113,073</b>	<b>188,990</b>	<b>59.83%</b>	<b>122,749</b>	<b>-7.88%</b>
<b>Rialto Theatre Expenses</b>					
Personnel Costs	110,933	123,460	89.85%	127,613	-13.07%
Supplies	14,612	25,510	57.28%	25,229	-42.08%
Purchased Services	53,361	63,703	83.77%	90,525	-41.05%
Capital Outlay	-	(8,880)	0.00%	33,995	-100.00%
<b>Total Direct Costs</b>	<b>178,907</b>	<b>203,793</b>	<b>87.79%</b>	<b>277,362</b>	<b>-35.50%</b>
Administrative Allocations	74,650	87,971	84.86%	-	-
<b>Total Rialto Theatre Expenses</b>	<b>253,557</b>	<b>291,764</b>	<b>86.90%</b>	<b>277,362</b>	<b>-8.58%</b>
<b>Rialto Theatre Net Income (Loss)</b>	<b>\$ (140,484)</b>	<b>\$ (102,774)</b>	<b>136.69%</b>	<b>\$ (154,612)</b>	<b>-9.14%</b>
<b>Rialto Event Center</b>					
<b>Rialto Event Center Revenues</b>					
Revenues from Operations	12,038	21,000	57.32%	3,512	242.77%
Gifts/Donations	-	-	0.00%	85,060	-100.00%
<b>Total Event Center Revenues</b>	<b>12,038</b>	<b>21,000</b>	<b>57.32%</b>	<b>88,572</b>	<b>-86.41%</b>
<b>Rialto Event Center Expenses</b>					
Personal Services	44,940	39,700	113.20%	18,195	147.00%
Supplies	4,558	2,000	227.88%	-	0.00%
Purchased Services	19,786	6,500	304.41%	225	0.00%
Capital Outlay	-	20,320	0.00%	51,825	-100.00%
<b>Total Rialto Event Center Expenses</b>	<b>69,284</b>	<b>68,520</b>	<b>101.12%</b>	<b>70,245</b>	<b>-1.37%</b>
<b>Rialto Event Center Net Income (Loss)</b>	<b>\$ (57,246)</b>	<b>\$ (47,520)</b>	<b>120.47%</b>	<b>\$ 18,327<sup>1</sup></b>	<b>-412.36%</b>
<b>Grand Total Rialto Theatre Center Revenues</b>	<b>125,111</b>	<b>209,990</b>	<b>59.58%</b>	<b>211,321</b>	<b>-40.80%</b>
<b>Grand Total Rialto Theatre Center Expenses</b>	<b>322,841</b>	<b>360,284</b>	<b>89.61%</b>	<b>347,606</b>	<b>-7.12%</b>
<b>Rialto Theatre Center Net Income (Loss)</b>	<b>\$ (197,730)</b>	<b>\$ (150,294)</b>	<b>131.56%</b>	<b>\$ (136,285)</b>	<b>45.09%</b>

<sup>1</sup>Rialto Event Center 2012 Net Income/(Loss), NET OF \$85,000 donation = (66,673)

## Rialto Theater Center Revenue by Month





**For more information regarding this report contact:**

**Brent Worthington, Finance Director**

**970.962.2300 or**

**[brent.worthington@cityofloveland.org](mailto:brent.worthington@cityofloveland.org)**

**Financial Sustainability  
Strategies Can Be  
Found At:  
[CityofLoveland.org](http://CityofLoveland.org)**

**⇒ Departments  
⇒ Finance  
⇒ Administration  
⇒ Financial Reports  
⇒ Financial  
Sustainability  
Strategies**

*The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation or gender. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act. For more information, please contact the City's ADA Coordinator at [bettye.greenberg@cityofloveland.org](mailto:bettye.greenberg@cityofloveland.org) or 970-962-3319*





# Snapshot

June  
2013

**Brent Worthington**  
Finance Director

**Presented**  
August 20, 2013

# June 2013 Snapshot

- Citywide Revenue
  - \$113.9 million, excluding transfers
  - 6.6% below budget projections
  
- Citywide Expenditures
  - \$98.9 million, excluding transfers
  - 26.2% below budget projections
  
- Citywide revenues exceed expenditures by \$15.0 million.

# June 2013 Snapshot

- General Fund Revenue
  - \$38.9 million YTD, excluding transfers
  - 7.9% above YTD Budget
  - 8.2% above same period last year
- Sales and Use Tax Revenue
  - \$20.1 million YTD
  - 5.3% above budget projections
  - 8.0% above same period as last year
- Sales Tax only
  - \$17.9 million YTD
  - 2.3% above budget projections
  - 6.9% above same period last year

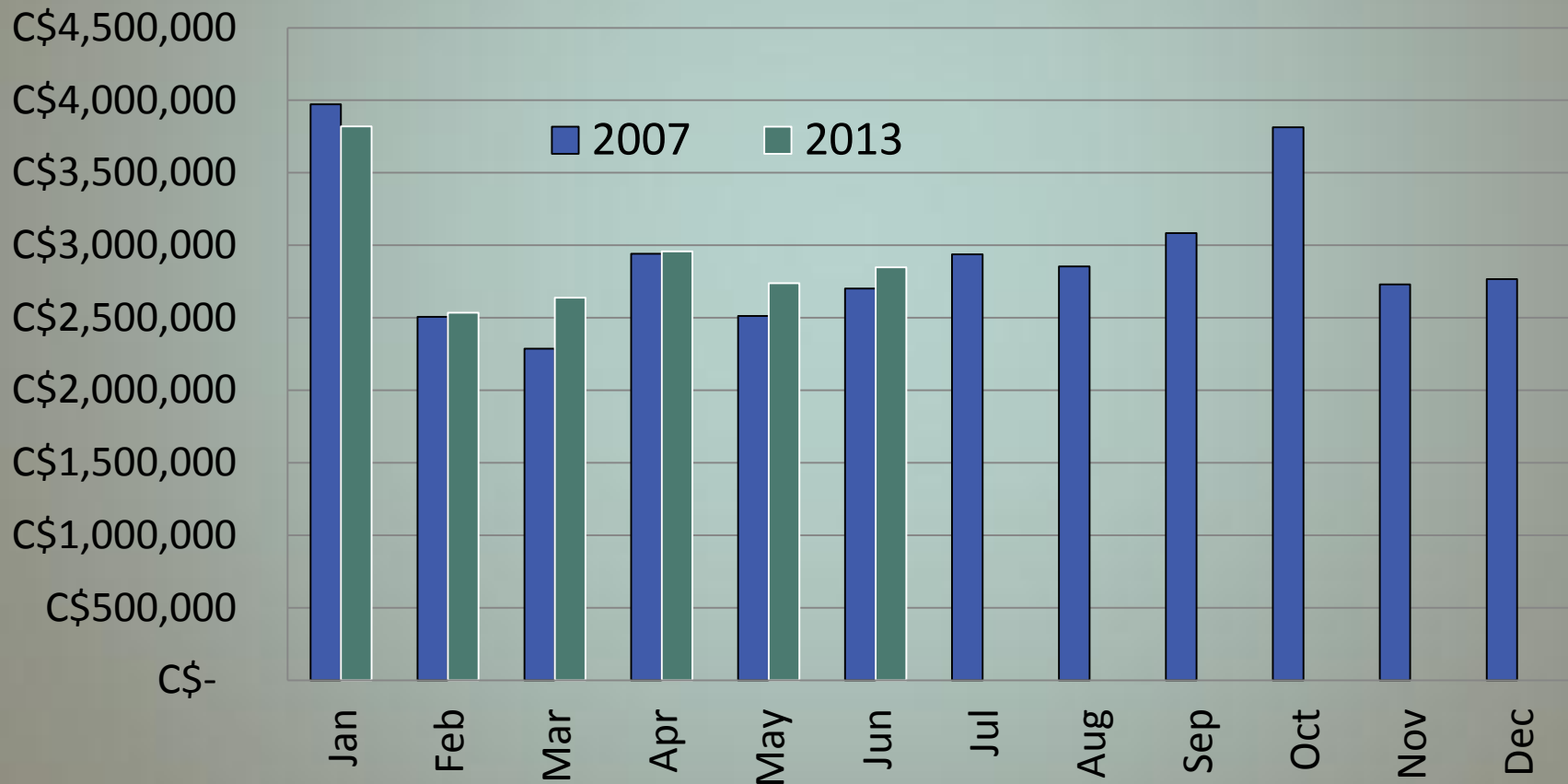
# June 2013 Snapshot

## Sales & Use Tax 2007 v. 2013



# June 2013 Snapshot

## Sales & Use Tax 2007 v. 2013 in Constant January 2007 Dollars



# June 2013 Snapshot

- General Fund Expenditures
  - \$26.9 million YTD, excluding transfers
  - 9.6% below budget projections
  
- General Fund Revenues Exceed Expenditures by \$9.3 million
  
- Health Claims
  - June Claims \$606,666
  - 2013 YTD increased from \$3.4 mil to \$4.2 mil from same time as last year (23.1%)

# June 2013 Snapshot

## ➤ June “All Other Areas” on Geo Map

OCO Total	\$185,914.13	Out of Colorado
CNL Total	\$152,889.74	Colorado Not Loveland
OCL Total	\$ 7,556.76	Out of City Limits
INT Total	\$ 3,473.20	Internet
PEN Total	\$ 0.00	Pending (Application filed on-line for new account)
INN Total	\$ 197.27	Innoprise Conversion
<b>Grand Total</b>	<b>\$350,031.10</b>	

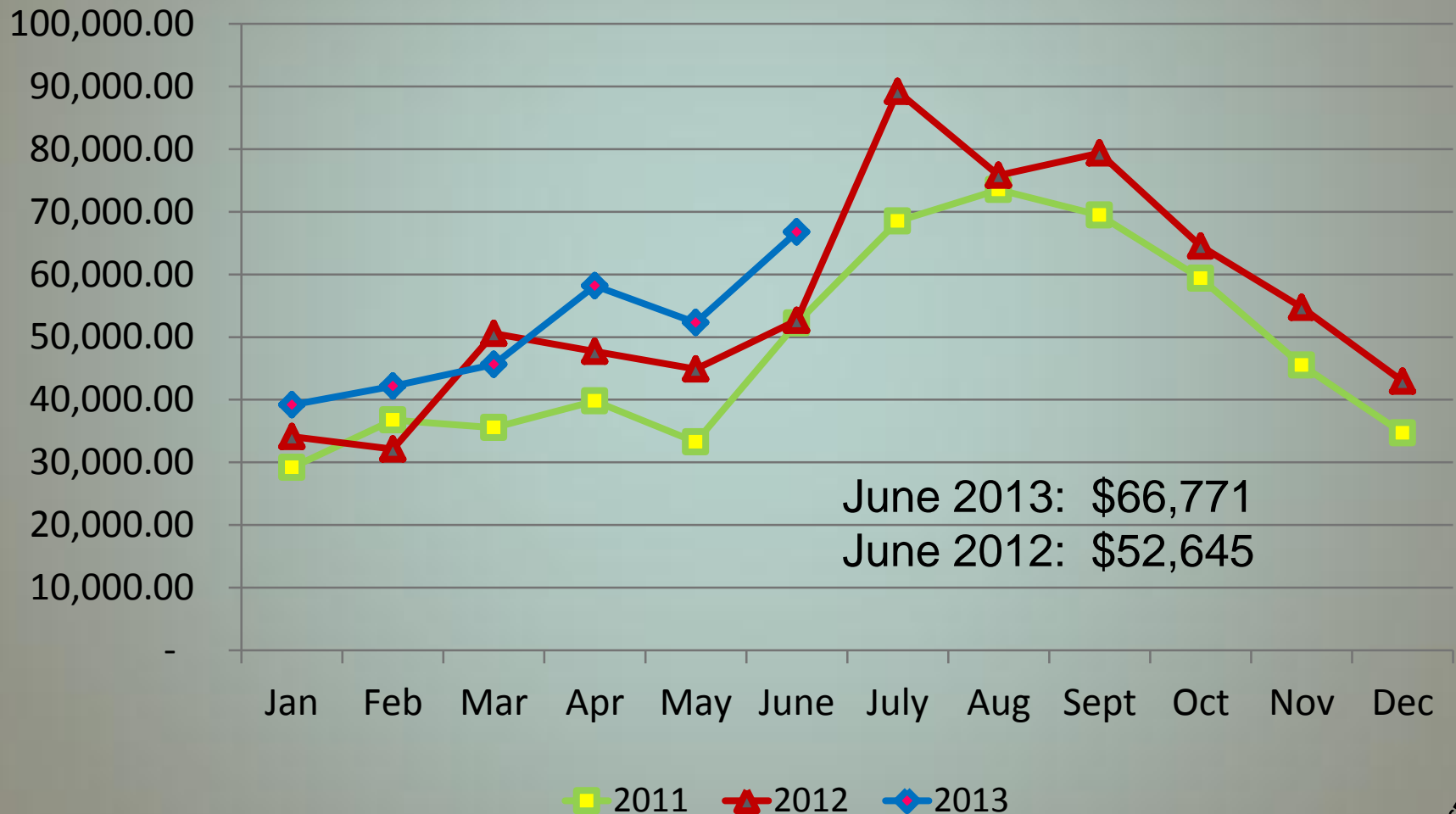
## ➤ Other highlights

- Lodging tax YTD is \$304,259 (16.1% higher than 2012 YTD).



# Lodging Tax Comparison

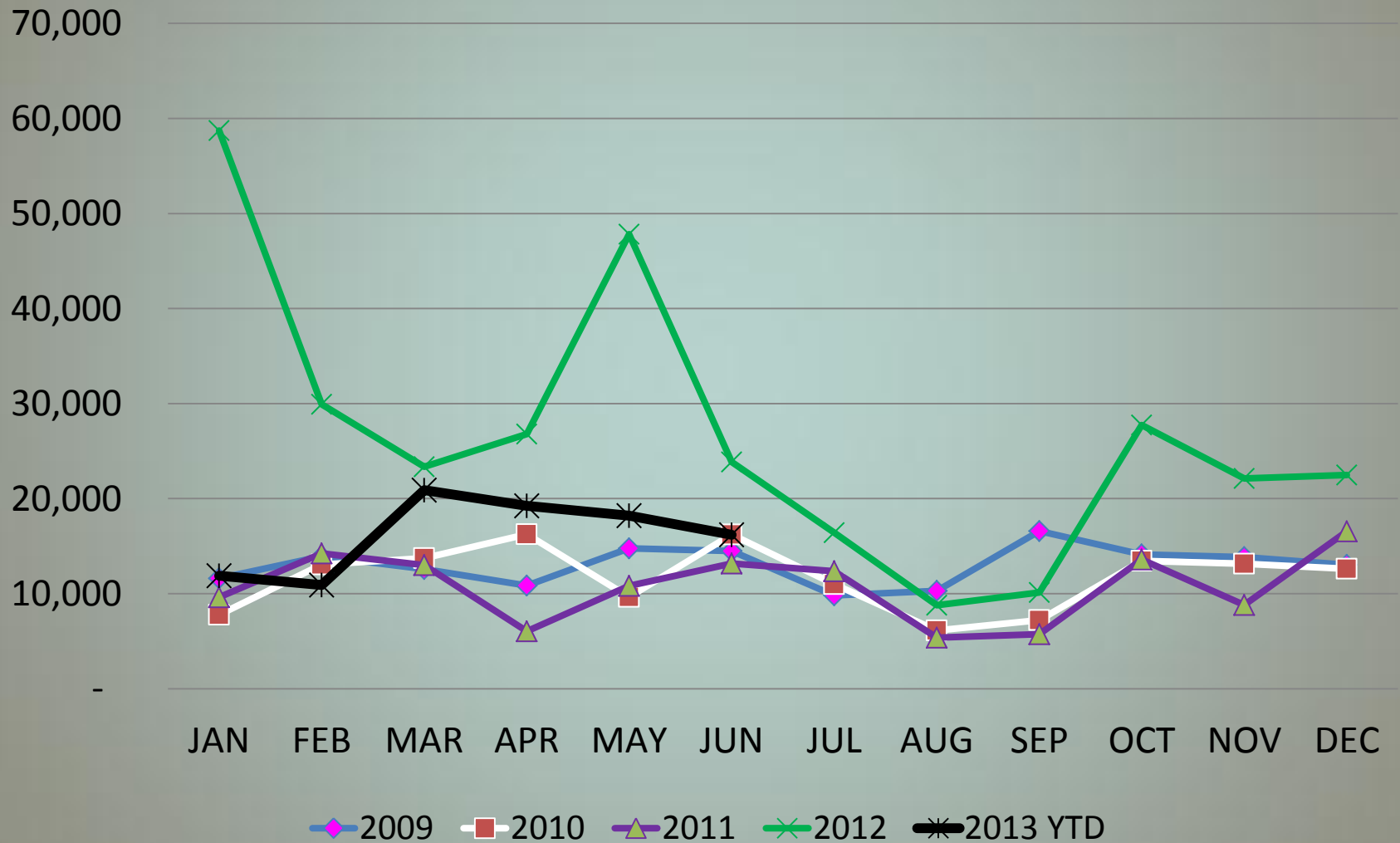
## Lodging Tax



# Rialto Theater Center

- Theater Revenue
  - \$113,073 YTD
  - \$122,749 YTD (previous year)
  
- Event Center Revenue
  - \$12,038 YTD
  - \$88,572 YTD (previous year)
  
- Theater Expense
  - \$253,557 YTD
  - \$277,362 YTD (previous year)
  
- Event Center Expense
  - \$69,284 YTD
  - \$70,245 YTD (previous year)

# Rialto Theater Center Revenue





# June 2013 Snapshot

## Questions?

**Brent Worthington**  
Finance Director

**Presented**  
August 20, 2013

August 6, 2013

TO: Mayor and City Council

FROM: Susan Ison, Cultural Services Director

RE: Rialto Theater Center Quarterly Report

A committee comprised of John Hartman, Susan Ison, Brittany Koonce, Jan Sawyer, Mike Scholl, Rod Wensing and Brent Worthington was formed to discuss and implement Council's directives from the May 7, 2013, City Council meeting.

In the interim, staff took on a major effort to better track cost allocations by reviewing ledger reports dating back to April 1, 2012, in order to split expenditures and revenues between the theater-side and the event-side, including allocation of employee time between the two sides. This includes: Theater Manager, Technical Coordinator, Technical Assistant, Marketing Coordinator, Desktop Publishing Specialist and Cultural Services Director. This history will provide a baseline for comparison.

The focus of the Council meeting was on the event-side cost recovery, with acknowledgement that the theater-side was producing steady improvement. There is a clear expectation to see similar steady improvement on the event-side. A Marketing Plan was included in the May 7 City Council packet. With the implementation of the Marketing Plan, an increase in rentals on the event-side is anticipated.

With this information, the committee then discussed the benefits and the clear need of engaging an outside firm with experience in developing business plans for event centers and historic theaters to assist staff in finalizing the long-term strategy for maximizing the performance of the Rialto Theater Center. There was consensus on the committee to proceed with a search for a consultant.

Subsequently an RFP was written for a "Business and Marketing Plan" for the Rialto Theater Center. It was posted on the Rocky Mountain E-Purchasing System on August 2. Proposals are due by August 22. Estimated cost for this effort is \$15,000-\$20,000 with the funding coming from existing budget allocations.

#### Staffing Changes

On July 26, Jan Sawyer, Rialto Theater Manager, submitted her resignation, effective August 23. The position opening was posted on the City's web site with applications due by 5:00 P.M., August 9.

On August 6, Brittany Koonce, Scheduling Coordinator, informed me that she is resigning. Her last day of work has not yet been determined.

Due to these resignations, the operational structure of the Rialto Theater Center will be reviewed with consideration given to a reconfiguration of staffing, especially in regard to financial issues. Continuing the smooth operation of the facility and providing quality customer service to our users and patrons is the first order of business during this transition.



**CITY OF LOVELAND**  
CITY MANAGER'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537  
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

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**AGENDA ITEM:** 11  
**MEETING DATE:** 8/20/2013  
**TO:** City Council  
**FROM:** Alan Krcmarik, Executive Fiscal Advisor  
**PRESENTER:** Alan Krcmarik

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**TITLE:**

Investment Report for June 2013

**RECOMMENDED CITY COUNCIL ACTION:**

This is an information only item. No Council action is required.

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**SUMMARY:**

The budget estimate for investment earnings for 2013 is \$2,760,420. Through June, the amount posted to the investment account is \$634,352 including realized gains. Actual year-to-date earnings are much lower than the budget projection. In May, several very high interest rate corporate bonds matured, so future yields will be lower. The estimated annualized yield on market value for securities held by US Bank increased to 1.06% at the end of June, higher than the 0.88% yield reported at the end of May. The yield is still well under the annual target rate of 1.20% for 2013. Reinvestment rates have risen recently after being at near record low levels. Current reinvestment rates are now higher than the budget projection target.

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**BACKGROUND:**

At the end of June, the City's portfolio had an estimated market value of \$218.8 million, about \$1.9 million less than a month ago. The lower market value is attributable to the significant interest rate shift in treasury rates. Of this amount, US Bank held (including accrued interest) \$183.4 million in trust accounts; other funds are held in local government investment pools, in operating accounts at Wells Fargo Bank, and a few miscellaneous accounts. Interest rates trended significantly lower in 2012 and despite an upward move upward in the last few weeks; they are projected to remain relatively low for years. Investments are in US Treasury Notes, high-rated US Agency Bonds, high-rated corporate bonds, money market accounts, and local government investment pools. The City's investment strategy emphasizes safety of principal, then sufficient liquidity to meet cash needs, and finally, return on investment. Each percent of earnings on the portfolio equates to about \$2.2 million annually.

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**REVIEWED BY CITY MANAGER**



William D. Cahill

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**LIST OF ATTACHMENTS:**

1. Investment Focus June 2013





# Investment Focus

## Monthly Investment Report

June 2013

### What's in here?

<b>Focal Points</b>	<b>1</b>
<b>Gain / Loss</b>	
<b>Rate Trends</b>	<b>2</b>
<b>Cash Statement</b>	<b>3</b>
<b>Portfolio size</b>	<b>4</b>
<b>Investment types</b>	
<b>Transactions /</b>	<b>5</b>
<b>Maturity</b>	
<b>Future Scan</b>	<b>6</b>

### Focal Points

- \* **2013 targets for the City's portfolio:** 1) the interest rate target is **1.2%**; 2) the earnings goal = **\$2,760,420**.
- \* **City investments are in high quality, low risk securities, in compliance with state law and the adopted investment policy.**
- \* **Revenue posted to accounts = \$634,352-46% of the ytd target. So far this year, the portfolio has \$50,650 in realized gains.**
- \* **Each 1% of the total portfolio amounts to about \$2.2 million.**
- \* **The month end market value shows the unrealized loss was lower, estimated to be **\$3,787,125** at the end of June.**

### Vital Signs Chart:

#### Household Incomes Languish

Four years into recovery, parts of the economy have strengthened but real median household income remains below prerecession levels. The Household Income Index came in at 92.2 in May, below the 97 of June 2009, when the recession ended.

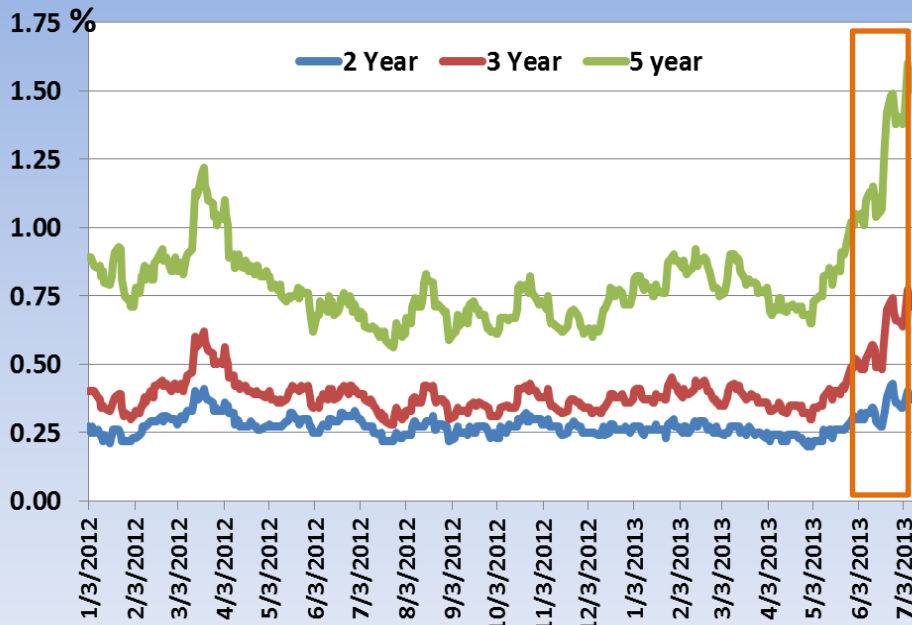
(continued on page 2)

(Source: Brenda Cronin in **THE WALL STREET JOURNAL**, July 1, 2013.)

Type of Investment	Purchase Price	Market Value	Unrealized Gain or Loss
Checking Accounts	\$ 7,884,115	\$7,884,115	--
Investment Pools	27,588,189	27,588,189	--
Money Markets	<u>8,359,087</u>	<u>8,359,087</u>	--
Subtotal	\$ 43,831,391	\$ 43,831,391	--
Notes and Bonds	<u>178,804,584</u>	<u>175,017,459</u>	<b>\$ (3,787,125)</b>
Total Portfolio	<b>\$ 222,635,975</b>	<b>\$ 218,848,850</b>	<b>\$ (3,787,125)</b>
Data Sources	(Morgan Stanley)	(US Bank)	

Due to rounding, column and row totals may not add exactly.

## Treasury rate trends / Household income flat

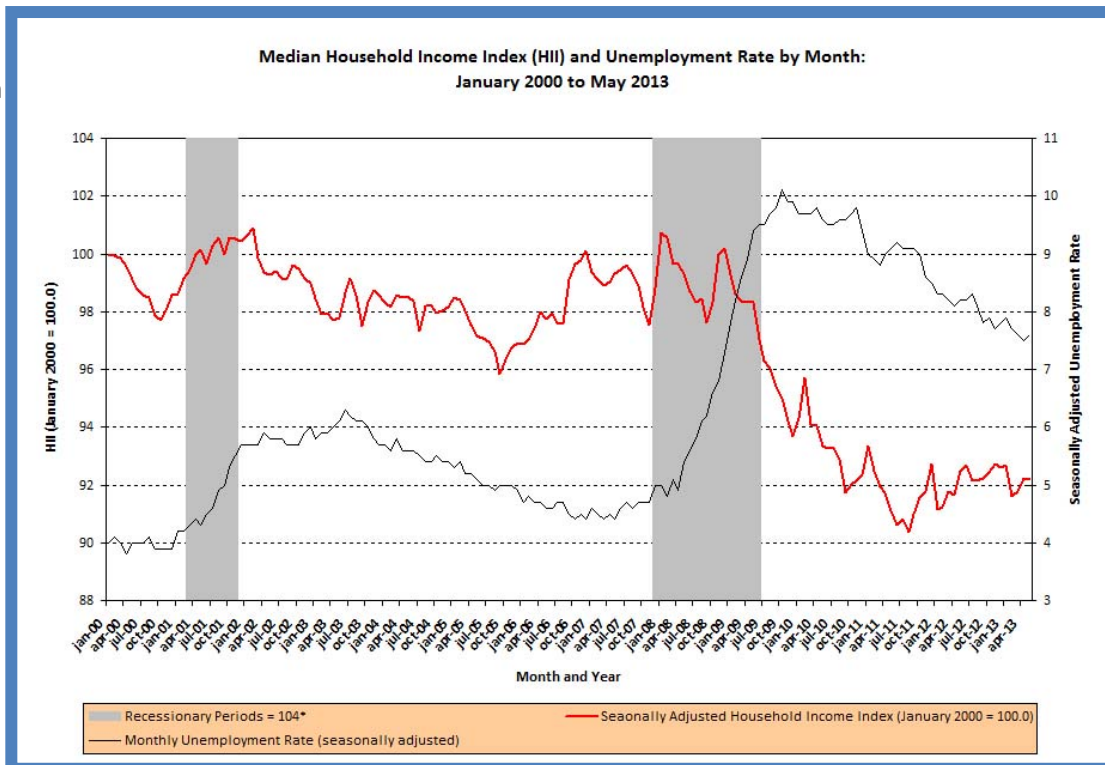


Interest rates on U.S. Treasuries rose during June. The 2-year was 6 basis points higher, the 3-year up 14 basis points, and the 5-year up 36 basis points when compared to the end of May. This rate shift decreased the value of securities in the portfolio.

It is also lower than the 98.8 reading seen in December 2007, when the recession began. In May, real median annual household income was \$51,500.

The chart at the right shows both the Household Income Index and the Unemployment Rate.

Although fewer people are unemployed, household income still has not risen much.



# Cash Position Summary

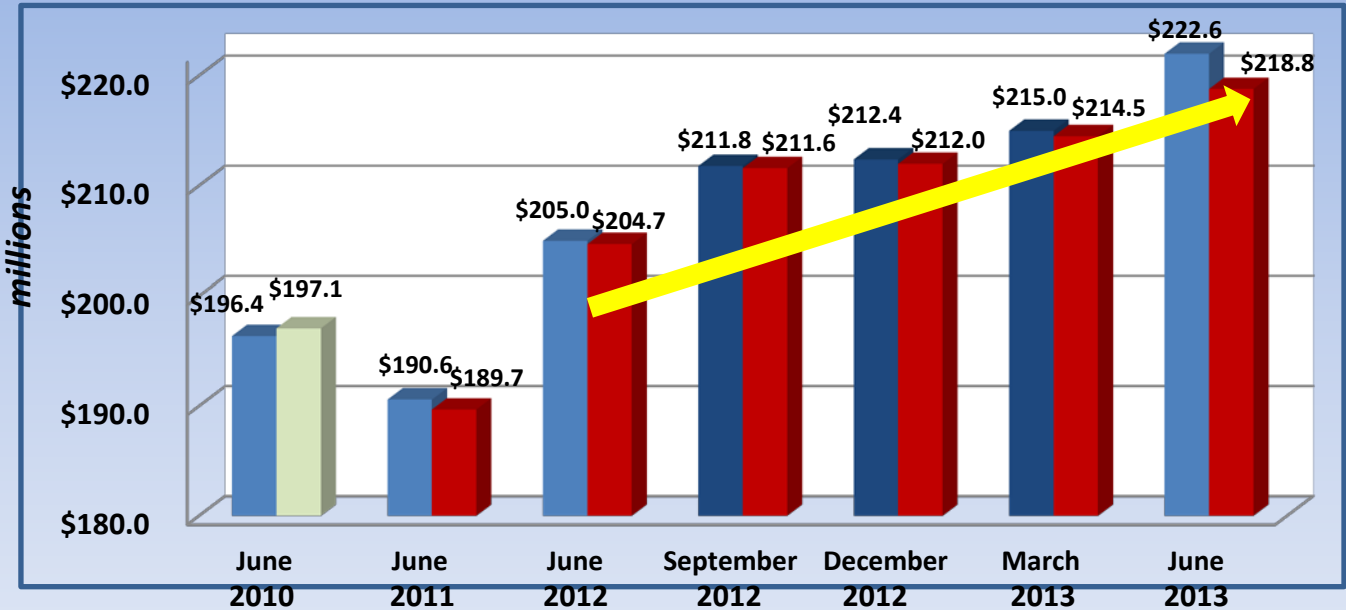
## Cash & Reserves (unaudited)

		2013 Beginning	YTD Activity	Month End Total
<b>Restricted Reserves</b>		Due to rounding, column and row totals may not add exactly.		
1	Capital Expansion Fees	\$ 35,226,830	\$ 3,284,798	\$ 38,511,629
2	Water System Impact Fees	8,945,821	(221,181)	8,724,640
3	Raw Water Revenue – Windy Gap	20,940,043	1,127,868	22,067,911
4	Wastewater System Imp. Fees	5,131,782	565,580	5,697,361
5	Storm Drain System Imp. Fees	1,469,674	99,422	1,569,096
6	Power Plant Investment Fees	8,211,002	1,096,855	9,307,858
7	Cemetery Perpetual Care	2,629,094	43,443	2,672,537
8	Other Restricted	30,489,353	1,363,364	31,852,717
9	<b>Total Restricted</b>	<b>\$ 113,043,599</b>	<b>\$ 7,360,150</b>	<b>\$ 120,403,749</b>
<b>Committed/ Assigned</b>				
10	General Fund	\$ 11,224,908	\$ 780	\$ 11,225,688
11	Enterprise Funds	4,998,736	(614,082)	4,384,654
12	Internal Service Funds	19,553,388	699,832	20,253,220
13	<b>Total Reserves</b>	<b>\$ 35,777,032</b>	<b>\$ 86,530</b>	<b>\$ 35,863,562</b>
14	<b>Total Restricted and Reserved</b>	<b>\$ 148,820,632</b>	<b>\$ 7,446,680</b>	<b>\$ 156,267,311</b>
<b>Unassigned Balance</b>				
15	General Fund	\$ 23,685,948	\$ 6,990,968	\$ 30,676,916
16	Airport	1,384,130	(64,427)	1,319,703
17	Internal Service – Vehicle Maint	245,629	(88,517)	157,112
18	Enterprise Funds	37,097,373	(3,139,545)	33,957,828
19	<b>Total Unrestricted</b>	<b>\$ 62,413,080</b>	<b>\$ 3,698,478</b>	<b>\$ 66,111,559</b>
20	<b>TOTAL CASH</b>	<b>\$ 211,233,712</b>	<b>\$ 11,145,158</b>	<b>\$ 222,378,870</b>

# Monthly Investment Report

## Portfolio Size / Types of Investments

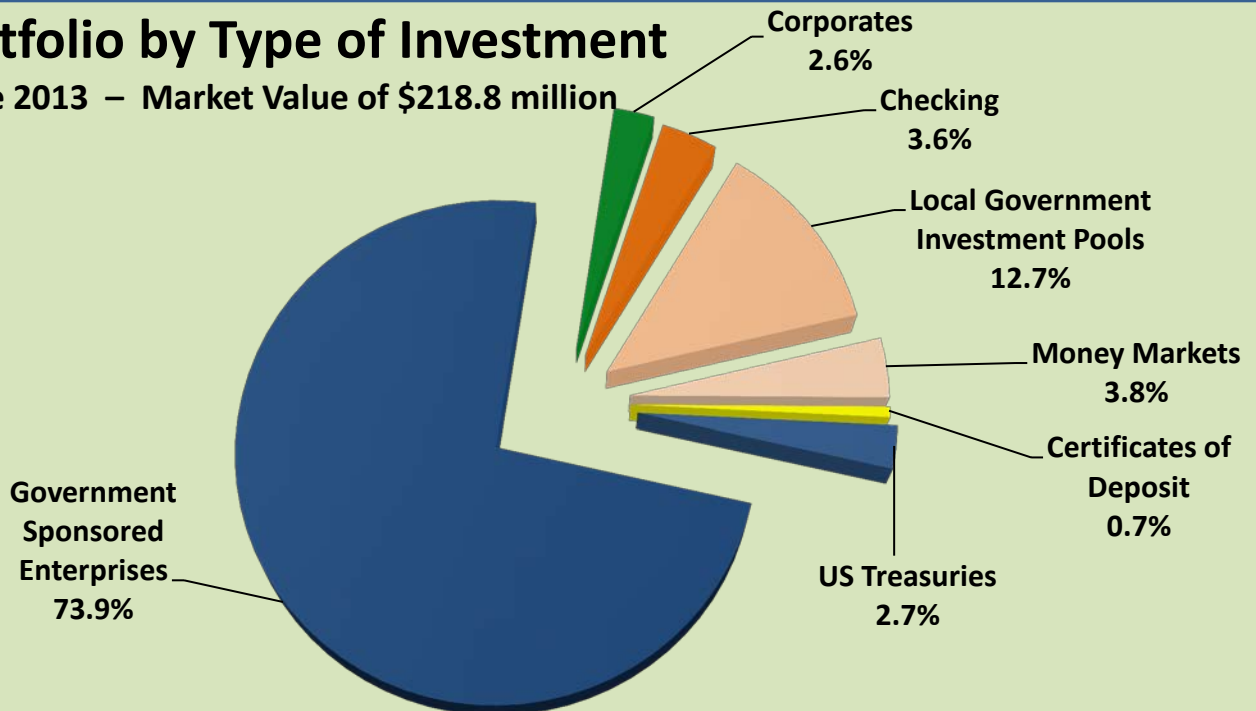
### Portfolio Size since June 2010



Blue bars show Purchase value; red and green bars show Market value (red = loss and green = gain).

### Portfolio by Type of Investment

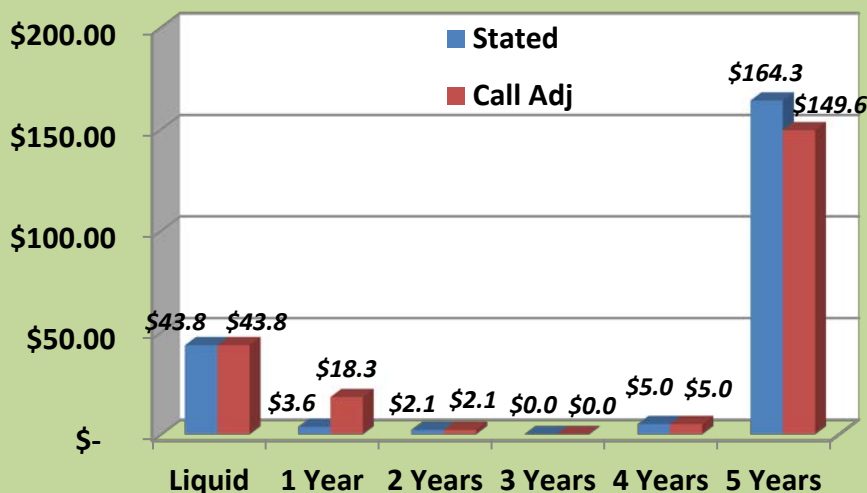
June 2013 – Market Value of \$218.8 million



# Transactions / Portfolio by Maturity

	Maturity Date	Face Value	Purchase \$	Stated Rate
<b><u>Purchases</u></b>				
Federal Home Loan Bank	06/05/2018	\$ 5,000,000	\$5,000,000.00	1.300%
Federal Home Loan Bank	06/19/2018	5,000,000	5,000,000.00	1.625%
Fed. Home Loan Mort. Corp.	06/12/2018	5,000,000	5,000,000.00	1.200%
Fed. Home Loan Mort. Corp.	06/27/2018	5,000,000	5,000,000.00	1.250%
Fed. Home Loan Mort. Corp.	06/26/2018	5,000,000	5,000,000.00	1.400%
GE Capital Bank CD	06/28/2018	<u>250,000</u>	<u>250,000.00</u>	1.500%
		\$ 25,250,000	\$ 25,250,000.00	
<b><u>Matured</u></b>				
<b><u>Called</u></b>				
Fed. Nat'l Mortgage Assn.	06/28/2017	\$ 5,000,000	<u>Call Value \$</u> \$ 5,000,000.00	0.750%
<b><u>Sales</u></b>				
none this month			<u>Gain \$</u>	

**Portfolio by Estimated Maturity Term**  
(in millions - Total = \$218.8 at the end of June)



The target rate for 2013 is 1.2%. Rates are now up slightly ahead of near record lows. For the year-to-date, the portfolio proceeds are below the earnings target level for 2013.

To support earnings, or to reposition the portfolio, bonds may be sold. So far this year, gains of \$50,650 have been realized through sales.

The blue bars show the stated term; red bars show the calls. Just a few of the five year bonds will be called early.





## Future Scan: Turnaround in Fed policy a long way off

- ❖ Ben S. Bernanke, Chairman of the **Federal Open Market Committee** (“FOMC” or “Committee” or “Fed”) testified for two days before Congress. Excerpts are provided below:
  1. **“The Fed is unlikely to begin tapering its policy of quantitative easing before December.”** “[T]he Fed won’t change course until it gets confirmation that economic growth is picking up. That won’t come until October 30th, at the earliest, when the advance estimate of the third-quarter G.D.P. is released.”
  2. **“The big decisions will fall to Bernanke’s successor.”** Originally appointed by former President George W. Bush in 2006, Bernanke is expected to leave the lead position in January 2014. The most likely successor is his deputy Janet Yellen. She headed up the White House Council of Economic Advisors during the later years of the Clinton Administration.
  3. **“We still don’t know whether the U.S. economy is approaching “escape velocity”** the point at which it no longer needs extensive support from the Fed. “[H]e also issued some notes of caution, particularly about the possibility of a slowdown in global growth, which would impact the United States adversely, and about the future of the housing market
  4. **“The federal-funds rates, and the short-term interest rates that are tied to it, won’t be going up anytime soon.”** The Fed’s numerical targets are “thresholds, not triggers,” Bernanke said, suggesting that the Fed could well keep interest rates close to zero after the unemployment rate falls below 6.5 per cent, unless more people who are currently outside the labor market start looking for jobs, raising the “participation rate” from its current lows.
  5. **“For now, the Fed remains Wall Street’s friend.”** “[T]he markets have been enjoying a historic boom fueled by cheap money, and Fed guarantees that current policies will remain in place.”
  6. **“The Fed’s central policy dilemma remains unresolved.”** “Under Bernanke’s leadership, the Fed’s actions have helped to avert another Great Depression and support an economic recovery that is modest by historical standards but strong compared to the outcomes in other advanced countries. That admirable record will stay with him, but current policies aren’t sustainable indefinitely.” (Source: *The New Yorker* online, *Rational Irrationality*, John Cassidy, July 18, 2013.)
- ❖ **Morgan Stanley Investment Backdrop: “What We’ve Got Here Is Failure to Communicate”**
  - “The Fed clearly has a ‘communication problem’ with the money and bond markets. While it appears as if QE tapering is on schedule to begin in September, the broader market is linking such action to an earlier-than-expected first rate hike. We look for the Fed to continue their efforts to push back and attempt to de-link these distinct policy actions throughout the summer.”
  - “We did believe the UST 10-yr yield would move in a sawtooth pattern to higher yields. Admittedly, while we did envision an elevated rate setting, it was our bear case that has since played out, not our base case. Just as a reminder, the top of our operating trading range had been 2.25%, with the 2.40% level representing a more ‘formidable top.’ Following the June FOMC meeting, our ‘tops’ had been breached, and as a result, we increased our operating range by 50bp for the UST 10-yr to 2%-2.75%. Thus, our bear case level of 2.75% now represents the new top of our trading range.”
 (Source: Morgan Stanley **Basis Points** Fixed Income Strategy, Kevin Flanagan & Jon Mackay, July 9, 2013.)
- ❖ The June Colorado Employment Situation was released on July 19, 2013. Using non-seasonally adjusted data, **Colorado’s unemployment rate** for June was estimated to be 7.6% compared to the national unemployment rate of 7.8%. Data for counties and cities show higher unemployment and are included in the attached table.
- ❖ **Recession Outlook:** The Economic Cycle Research Institute completed a study of consumer purchasing power ...the Fed’s QE has been distorting many financial indicators. ECRI continues to see economic weakness ahead. (Source: *Economic Cycle Research Institute*, July 19, 2013.)

For more information regarding this report, please contact:

**Alan Krcmarik, Executive Fiscal Advisor** 970.962.2625 or [Alan.Krcmarik@cityofloveland.org](mailto:Alan.Krcmarik@cityofloveland.org)

## Updated Colorado Labor Data

- ❑ Loveland's employed workforce *contracted* in **June**, down 293 jobs from May.
- ❑ Compared to June 2012, there are 384 **more** jobs.

### Unemployment Rates

Data not adjusted for seasonality

