

April 10, 2018

CITY OF GUNNISON COUNCIL
REGULAR SESSION MEETING MINUTES

5:30 P.M.

The City Council Regular Session was called to order at 5:30 P.M., by Mayor James Gelwicks with Councilors Mallory Logan, Jim Miles, Robert Drexel, Leia Morrison, Western Liaison Lozen Miller present along with City Manager Russ Forrest, City Attorney Kathy Fogo, and City Clerk Erica Boucher. Public Works Director David Gardner, Electric Superintendent Will Dowis, Dorene Elam and Braylen Unser of the City's Finance Department were present along with Community Development Director Steve Westbay and Parks and Recreation Director Dan Ampietro. The press and a handful of citizens were also present. A Council quorum was present.

Public Hearing:

Mayor Gelwicks called the public hearing on the proposed electric rates to order at 5:31 P.M. First, he announced the Councilors and City Staff who were present and stated that the purpose of the public hearing was to receive public input on the proposed electrical rates increase by the City of Gunnison's Electrical Department. The City Clerk confirmed proof of publication in the *Gunnison Country Times* on February 15, and 22, 2018. Public Works Director, David Gardner and Electric Superintendent, Will Dowis approached Council.

Mr. Gardner stated that the City of Gunnison is and will remain to be one of the most affordable electrical utilities in the state of Colorado, even if/when the proposed overall 7.1% electrical rate increase is passed. If the increased electrical rates are passed, residential bills will increase by \$2.62/month to \$69.27 and commercial business rates will increase \$20/month to \$184/month. It was noted that Gunnison's residential and commercial electrical rates will continue to be lower than Gunnison County's Electric Association rates (GCEA). Gunnison's Electric Department is run as an enterprise fund and the revenue generated from electric bills is separate from other City funds. The sole purpose of the revenue generated by utility billing is to support the operations of the Electric Department and Gunnison's electric customers. The City continues to purchase power from Municipal Electric Agency of Nebraska (MEAN) and Western Area Power Administration (WAPA).

In 2017, the Electric Department hired MEAN to conduct a Cost of Services study to evaluate the City's overall electrical infrastructure and operations. MEAN recommended new rates in order to cover the costs of the City's purchased power and annual operating costs as well as to establish a financial reserve of 2.2 million dollars. The rate increase will also allow the City to save for a substation power transformer which is scheduled for purchase in 2021. This necessary equipment will support the maintenance and rebuilding of aging infrastructure. Through the Cost of Services study, MEAN also emphasized that the new rates will help the City to achieve its objective of consistently providing clean, efficient electrical services to its customers. City Staff further informed the public that current rates aren't providing enough revenue for the City to recoup its expenses and that there is a need to bring more equity to the customers. For example, residential customers have been subsidizing commercial customers. Discussion ensued. There were no direct comments to Council from the public, but John Gregory, residing in Crawford, CO noted that Gunnison's electrical rates have consistency been lower than similar size municipalities. Chris Nutgrass asked if the City was concerned about rate increase fatigue. Mr. Gardner stated that he is aware of this concern, but also wanted to be sensitive to the customers' financial resources and didn't want to do a large rate increase all at once. It was clarified that the City will be proposing a 7.1% electrical rate increase annually through 2021. The City Manager explained that more examinations, like the Electric Department's Cost of Services study, will be occurring in other Public Works department so baseline costs, equipment, and infrastructure can be identified to developed responsible capital equipment replacement plans and to provide efficient services as possible.

The Clerks Office and the City Manager confirmed that City has not receive any formal comments from the public in writing. Mayor Gelwicks stated that earlier in the year, he received some comments during Citizen Input regarding a possible need to upgrade power load and transformers on Main Street.

With no other comments, Mayor Gelwicks closed the public hearing at 5:58 P.M. and opened Regular Session meeting at 5:59 P.M.

Citizen Input:

Mayor Gelwicks called for any citizens to give input on any items not being considered on the agenda. Celeste Helminski, Director of the Gunnison County Chamber of Commerce, came forward to thank Council for their support of Spring Greenbacks. Spring Greenbacks have been collected at 30 different local businesses.

Council Action Items:**Consent Agenda:**

Approval of the March 27, 2018 Regular Session Minutes as submitted and to excuse Councilor Drexel from the March 27, 2018, Regular Session meeting. Councilor Morrison moved and Councilor Logan seconded the Consent Agenda.

Roll call, yes: Logan, Miles, Gelwicks, and Morrison. So carried

Roll call, abstained: Drexel.

Roll call, no: None.

Ordinance No. 3, Series 2018 RE: Utilities. Councilor Logan introduced Ordinance No. 3, Series 2018 and asked the City Attorney to read the Ordinance by title only. Councilor Logan moved and Morrison seconded a motion to approve on first reading and order publication of Ordinance No. 1, Series 2018: **Ordinance No. 3, Series 2018 Re: Amending the rates to be charged by the City of Gunnison Electric Department for electricity consumed.**

Roll call, yes: Miles, Gelwicks, Drexel, Morrison, Logan. So carried.

Roll call, no: None.

Minor Subdivision, Final Plat SB17-1: Gregory Subdivision. Developers John and Mary Gregory came before Council along with Community Development Director Steve Westbay. The Gregory's requested approval to divide a 1.69-acre parcel into six lots, with the intent to develop six single family dwelling units. Westbay summarized the three waivers that are included in the proposal, which are a waiver for a sub-local street, a 50-foot-wide private access road and utility easement, versus the standard 70-foot-wide easement, and no sidewalks. The Planning and Zoning Commission reviewed these waivers and approved them. The six single-family homes that the Gregory's intend to build would complement the current homes already established in the Meadow Vista South subdivision and would strive to be considered affordable housing and environmentally efficient. The Gregory's described their intentions to make the homes solar adaptable if the purchasers desires that feature, in order to keep the base price more affordable as defined by the market. Council mentioned that they are aware of a need for more housing that is ADA compatible and single-family homes, which these homes intend to be. The intention is to build the homes one at a time.

Councilor Morrison moved to approve Final Plat SB17-1 for subdivision that includes three waivers and is based on the condition that the Subdivision Improvements Agreement and final security have been received, reviewed and approved by the City Attorney and the Community Development Director and Councilor Drexel seconded.

Roll call, yes: Gelwicks, Drexel, Morrison, Logan, Miles. So carried.

Roll call, no: None.

Minor Subdivision, Final Plat, SB: 17-7: Higgins Subdivision. Darin Higgins joined Community Development Director before Council. Mr. Higgins' request included dividing a 15,620 square foot parcel into two lots at 321 South Iowa Street and 112 East San Juan Avenue. Mr. Higgins was granted a variance in 2017 by the Zoning Board of Adjustment and Appeals (ZBOAA) to have a minimum lot size of 6,625 square foot lot. The ZBOAA asked that Mr. Higgins bring his request before Council in order for the variance to be accepted. Mr. Higgins desires to renovate these two non-conforming properties to create affordable housing, increase the quality of housing on these lots, and to get the homes and lots in compliance. Discussion ensued. Darin Higgins request was approved by the Zoning Board of Adjustments and Appeals as well as the Planning and Zoning Commission.

Councilor Drexel moved approval of Minor Subdivision SB:17-7 based on the review standards for Darin Higgins' Subdivision and Councilor Morrison seconded.

Roll call, yes: Drexel, Morrison, Logan, Miles, Gelwicks. So carried.

Roll call, no: None.

Council returned from recess at 6:33 P.M.

Ordinance No. 4. Series 2018 RE: Administration and Operations. Councilor Drexel introduced Ordinance No. 4, Series 2018 and asked that it be read by title only by the City Manager. The City Manager read the Ordinance by title only. Councilor Drexel moved for approval of Ordinance No. 4, Series and Councilor Logan seconded. The City Attorney stated that the body of the Ordinance is correct, but that the title of Ordinance No. 4, Series 2018 was not correct as written because it doesn't reference Title 2, Chapter 2.70, Section 2.70.010 appropriately. The City Attorney called for its correction before the next meeting and asked that the motion to approve Ordinance No. 4, Series 2018 be with the corrected title.

Roll call, yes: Morrison, Logan, Miles, Gelwicks, Drexel. So carried with correction.

Roll call, no: None.

Comprehensive Plan Request for Qualifications (RFQ). Community Development Director Steve Westbay highlighted to Council that the Staff's RFQ for a Comprehensive Plan is an information gathering exercise at this time and is not requiring any commitment by Council. If Council decided to proceed, then Staff will develop a RFP for a Comprehensive Plan to finalize the scope of work and schedule the project into the 2019 budget. Mr. Westbay reviewed the timeline for this project. The City Manager asked if the RFQ is missing any outcomes that Council desired to see included. Council confirmed that the RFQ was complete. The City Manager also reminded Council that Staff is looking for consultants who are qualified for this work, but is also seeking a firm who would be creative in all aspects of this project and has the skills and knowledge to move the plan along efficiently. Discussion ensued. The Planning and Zoning Commission will take the lead on the Comprehensive Plan and would like to meet with Council in the next six months.

IOOF Park RFP Consideration and Approval. Parks and Recreation Director Dan Ampietro joined the Community Development Director Steve Westbay before Council. Mr. Ampietro announced that the City received two bids for the IOOF Park RFP. Staff incorporated the ideas of the Gunnison Vibrancy Initiative into the IOOF Park RFP. Option 1 focused on just the west end of IOOF and Option 2 included Option 1 as well a plan for improvement into Virginia Avenue. Staff recommended the proposal submitted by Sprouts Studio in conjunction with SGM. The City has worked with Sprouts Studio in the past and found them to be receptive to ideas and engagement with stakeholders. Discussion ensued about more specifics of the proposal. Councilor Logan moved to direct the City Manager to authorize a contract with Sprouts Studio to perform Option 1 and Option 2 as outlined in the RFP and Councilor Miles seconded.

Roll call, yes: Logan, Miles, Gelwicks, Drexel, Morrison. So carried.

Roll call, no: None.

Jorgenson Ice Rink Lights. Parks and Recreation Director Dan Ampietro stated the City received five bids to replace the indoor and outdoor lights at Jorgenson Ice Rink. After reviewing all of the bids, it was determined that the lowest bid, which was \$20,000 lower than the next lowest bid, did not meet the lighting requirements of the City's RFP. Therefore, the City recommended that it proceeds with hiring Corey Electric, LLC whose proposal met all of the specifications required by the City. They will be installing energy-efficient lighting, saving the City up to \$1000/month. Councilor Drexel moved for the City Manager to execute a contract with Corey Electric, LLC to replace the outdoor and indoor lights at Jorgenson Ice Rink at an amount not to exceed \$64,060 and Councilor Morrison seconded.

Roll call, yes: Gelwicks, Drexel, Morrison, Logan, Miles. So carried.

Roll call, no: None.

Water Taps at Jorgenson and Legion Parks. At the request of Council, the City Manager asked the Public Works Water Department to research the cost of recreational vehicles and commercial truckers filling up their water tanks at Jorgenson and/or Legion Parks to help decide how the Council should address the issue of people using this resource for free. Currently, the water taps at the parks are used by Staff and ball field participants as well as RVs and a few commercial trucks. The City Manager presented four different options to Council to address this citizen-initiated issue. The four options were to 1) install a meter station at the cost of approximately \$4,700; 2) install a paid water station for \$25,000-\$30,000 and charge users to recoup the cost; 3) place a sign next to the water filling stations asking large-quantity users to

contact the Water Department, but do not charge for the water; 4) do nothing different. It was noted that guests to the Valley, primarily recreationalists ask about where they can get water to filled their RVs or water bottles. Discussion ensued and Council recommended having the City place a sign by the water tap asking large-quality users to contact the Water Department. Council favored allowing visitors and residents to use the water tap for free as a courtesy to the community. At this time, it doesn't seem that residents are abusing the use of free water.

Adjourn Regular Session Meeting and move into Discussion Session.

With no further business for the Regular Session Mayor Gelwicks adjourned the Regular Session Meeting and Council went into the discussion/work session at 7:01 P.M.



Jim Gelwicks

Mayor

[Signature]

City Clerk