

SEPTEMBER 8, 2015

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MEETING MINUTES**

7:00 P.M.

The City Council Regular Session meeting was called to order at 7:00 P.M., by Mayor Hagan, with Councilors Drexel, Morrison and Schwartz present along with City Manager Coleman, City Clerk Davidson, Acting City Manager/Public Works Director Bradford, Finance Director Cowan, Community Development Director Westbay, many citizens and the press. Councilor Ferguson and City Attorney Fogo were absent. A Council quorum was present.

SEPTEMBER 8, 2015

PUBLIC HEARING

7:00 P.M.

Receive Public Input on Ordinance No. 4, Series 2015; Re: Revising a Program for Residential and Commercial Electric Customers Who Install Photovoltaic or Wind Systems and Establishing a Rate for the Electrical Energy Consumed by Such Customers; and Ordinance No. 8, Series 2015; Re: Amending an Optional Residential Time-of-Day Electrical Rate for the City of Gunnison Electrical Department.

Mayor Hagan called the Public Hearing to order and stated it is 7:00 P.M., on Tuesday, September 8, 2015, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison Colorado. Present at the Public Hearing are myself, Mayor Richard Hagan, City Councilors Robert Drexel, Leia Morrison and Matt Schwartz, City Manager Ken Coleman, City Clerk Gail Davidson, Public Works Director Tex Bradford, Finance Director Ben Cowan and WSCU Liaison Amy Davis.

The purpose of this Public Hearing is to receive input on Ordinance No. 4, Series 2015; Re: Revising a Program for Residential and Commercial Electric Customers Who Install Photovoltaic or Wind Systems and Establishing a Rate for the Electrical Energy Consumed by Such Customers; and Ordinance No. 8, Series 2015; Re: Amending an Optional Residential Time-of-Day Electrical Rate for the City of Gunnison Electrical Department.

Mayor Hagan called for proof of publication. City Clerk Davidson stated a copy of the Affidavit of Publication was included in their packets as well as a copy of the Notice of Public Hearing that was mailed to all City electric utility customers at least 30 days prior to the Public Hearing date. The Mayor entered the Notice of Publication into the record.

Mayor Hagan called for City Staff Comments, and Recommendations. Public Works Director Bradford addressed Council. Director Bradford stated the existing Time-of-Day Program is currently available for residential customers only. The City has received requests to include commercial customers in the program. The program is voluntary and is not mandatory for all electric utility customers. The Photo-Voltaic/Wind (PV-W) program has been in place since the late 1990's. It too is only available to residential customers, with 3 to 4 customers participating at this time. The pilot program allows for up to 50 residential customers to participate. There is a 10 kilowatt (kW) limit on those systems at this time. After review of the program and having received a request from a potential program customer, the City is proposing increasing the maximum limit to 25kW capacity and to include commercial customers. The City will net meter all electric energy produced the PC-W system and will payback excess energy at the applicable residential or commercial rate. The customer will pay for the net metering equipment and will pay a monthly administration fee. Existing program customers will continue to operate under the existing conditions of the program unless they choose to increase the kW size of their systems. They will then fall under the requirements of the revised program. Mayor Hagan thanked Director Bradford and asked that his comments be entered into the record.

Mayor Hagan called for public comment and asked that anyone wishing to give input for the record on the Ordinances to please step up to the microphone, state their name, and sign the sign-in sheet. He asked comments be kept to addressing the provisions of Ordinances No. 4 and 8.

Brandon McNamara, City resident, asked if the price comes down in the future, will the payback violate the WAPA Power Generation Agreements. Director Bradford stated no, it will not. The generation of a 25kW system will not exceed the WAPA Contracts. If a large scale commercial production were to take place in the future, it could impact the Power Contracts with the Municipal Energy Agency of Nebraska (MEAN) that exist today. The MEAN contract ends in 2042.

Regular Session/Public Hearing Minutes
September 8, 2015
Page Two

Steve Schechter, soon to be City resident on North Boulevard Street, testified that he is currently building a net zero energy house. He has requested the increase from 10kW to 25kW systems. The ordinance is a good one. He is on the board of the Gunnison County Electric Association. Mr. Schechter thanked Council for considering this change to the programs.

Phillip Wickey, City resident, stated he is a new resident in Gunnison. He asked if he put solar on a home would the program be an incentive to do so. Director Bradford stated that the capital investment in the PV-W system may not be an incentive to install it. The city has the lowest residential electric rates in Colorado making the purchase of electricity not a big factor in the payback of the installation. The payback depends on the use and cost of the initial investment. There are some Federal rebates available. It could cost 6 cents to produce electric but the payback is not at a higher rate.

Sam Kozel, Crested Butte resident, asked if the City would consider exceptions to the 25kW cap for some uses, such as the University. Director Bradford stated the program can always come back to Council for reconsideration in the future. The University operates under a separate energy contract. Any changes to that contract would have to be approved by MEAN especially if they were to generate more power than they consume. If agreed upon by MEAN, the contract could be amended in the future.

TL Livermore, City resident and business owner, stated he has a commercial solar system. He supports including the commercial systems into the program. He is not sure why he was allowed to install a system if it currently is not allowed. His system has more than paid for itself and he feels it is more viable on commercial over residential uses. He is an advocate for net metering. Mr. Livermore asked about the meter charge. Director Bradford stated there is the additional component of determining the power generated and billing or paying it out at a different rate than the other customers. Two different rates have to be tracked.

Mayor Hagan thanked all of the participants for their comments. Mayor Hagan then asked if any letters, emails, or other forms of comments had been received on the Ordinances to be entered into the record. City Clerk Davidson responded no other comments were received.

Mayor Hagan called for any further comments to be entered into the record? Hearing none, the Mayor closed the public hearing at 7:22 P.M. and returned to the Regular Session meeting.

Consideration of Minutes of August 25, 2015, Regular Session Meeting.

Councilor Drexel moved and Councilor Ferguson seconded the motion to approve the Regular Session meeting minutes of August 11, 2015, as presented.

Roll call vote, yes: Drexel, Hagan, Morrison. Motion carried.

Roll call vote, no: None.

Roll call vote, abstain: Schwartz. He was absent from the meeting.

Consideration of Minutes of September 1, 2015, Special Session Meeting.

Councilor Schwartz moved and Councilor Morrison seconded the motion to approve the September 1, 2015, Special Session meeting minutes as presented.

Roll call vote, yes: Hagan, Morrison, Schwartz. Motion carried.

Roll call vote, no: None.

Roll call vote, abstain: Drexel. He was absent from the meeting.

Pre-Scheduled Citizens:

Ethan Mueller and John Sale; CBMR Teocali Expansion Letter of Support. Mr. Sale gave a PowerPoint presentation to Council depicting the proposed Teocali Drainage expansion on the southeast side of Crested Butte Mountain. Items discussed included the following: the USFS has accepted the proposal to start the Environmental Impact/NEPA process on the project; many studies will be conducted and it is a long process; this winter the scoping notice will be completed; public comments will be received; it is approximately a 2-year process; one new 16000' high-speed quad lift will be constructed outside of the current boundaries in the Teocali drainage and it is hoped that construction will take place in approximately three years; the permit boundary is

approximately 3000 acres with 1500 existing skiable acres; the new expansion would add approximately 100-200 skiable acres; CBMR hopes to extend the visitors length of stay by increasing available skiable terrain; approximately 15 miles of mountain bike trails will be added for non-winter use; additional snowmaking will be added to the front side; CBMR has been looking at this for over 5 years; and the response from the public has been pretty positive.

City Manager Coleman informed Council he has drafted a letter of support from Council for Crested Butte Mountain Resort's proposed Teocali Drainage Expansion Project.

Councilor Morrison moved and Councilor Schwartz seconded the motion to approve the Letter of Support for CBMR's proposed Teocali Drainage Expansion project and for all of Council to sign said letter.

Roll call vote, yes: Morrison, Schwartz, Drexel, Hagan. Motion carried.

Roll call vote, no: None.

Unfinished Business:

Continued Discussion on Chamber of Commerce Visitors Center Funding. City Manager Coleman reviewed the memo he included in Council's packets. He stated that Staff's primary concern is that all businesses within the City do not have an equal means for marketing exposure at this point of contact with visitors. The three funding options are the staff-preferred option of reduction in the sales tax vendor fee retained by business, the increase in the annual sales tax license fee, or to continue with an annual Contract for Service basis in the annual budget. Other entities should be involved in the funding of the Visitor Center since they too, receive benefit from the operations. Staff is looking for Council's direction on how to proceed with the request for the City to fund the Chamber Visitors Center. The City Manager informed Council the Finance Department is willing to send out a survey or questionnaire to all sales tax paying businesses to get their input of the three funding proposals or to get additional alternatives for funding. Discussion on the proposed mailing ensued.

Councilor Drexel moved and Councilor Schwartz seconded the motion to direct Staff to conduct further outreach to all sales tax paying businesses in Gunnison to gather additional input on how the Visitor Center should be funded.

Roll call vote, yes: Schwartz, Drexel, Hagan, Morrison. Motion carried.

Roll call vote, no: None.

New Business:

Excuse Councilor Ferguson from Meeting.

Councilor Schwartz moved and Councilor Morrison seconded the motion to excuse Councilor Ferguson from this evening's Regular Session meeting.

Roll call vote yes: Drexel, Hagan, Morrison, Schwartz. Motion carried.

Roll call vote, no: None.

The Western State Colorado University students in attendance left the meeting. Council thanked them for coming to the meeting.

Action to Award Bid for Trails/Highway Underpass Work for Ridges to Rivers Project to Schmalz Construction in an Amount Not to Exceed \$220,000. Public Works Director Bradford reviewed the Tenderfoot-to-Signal Peak Trail portions of the Ridges-to-Rivers Project, which includes improvements to the crossing of the existing box culvert going under Hwy. 50, at last week's Work Session meeting. The project was advertised per the City Purchasing Policy. Three bids from local contractors were received and opened on Wednesday September 2, 2015. The low qualified bid was submitted by Schmalz Construction.

Councilor Schwartz moved and Councilor Drexel seconded the motion to award the Tenderfoot-to-Signal Peak trail segment and highway underpass work of the Ridges-to-Rivers Project to Schmalz Construction in an amount not to exceed \$220,000.

Roll call vote, yes: Hagan, Morrison, Schwartz, Drexel. Motion carried.

Roll call vote, no: None.

Regular Session Minutes
September 8, 2015
Page Four

Authorize Expenditure of Funds in the Amount Not to Exceed \$54,443.22 for Lazy-K Property Planning Process. City Manager Coleman outlined and discussed the proposed property ownership and planning projects for the Lazy-K Property at last week's Work Session meeting.

Councilor Schwartz moved and Councilor Drexel seconded the motion to authorize the expenditure of up to \$54, 443.22 from the budgeted 2015 funds for the Lazy-K Property ownership and planning projects.

Roll call vote, yes: Morrison, Schwartz, Drexel, Hagan. Motion carried.

Roll call vote, no: None.

Ordinance and Resolutions:

Ordinance No. 4, Series 2015, Re: Installation of Residential and Commercial Photovoltaic or Wind systems and Establishing Associated Rate; 2nd Reading. Councilor Drexel introduced Ordinance No. 4, Series 2015, and it was read by title only by the City Manager.

Councilor Drexel moved and Councilor Morrison seconded the motion that Ordinance No. 4, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON REVISING A PROGRAM FOR RESIDENTIAL AND COMMERCIAL ELECTRIC CUSTOMERS WHO INSTALL PHOTOVOLTAIC OR WIND SYSTEMS, AND ESTABLISHING A RATE FOR THE ELECTRICAL ENERGY CONSUMED BY SUCH CUSTOMERS,** be introduced, read, passed and adopted on second and final reading this 8th day of September, 2015.

Roll call vote, yes: Schwartz, Drexel, Hagan, Morrison. Motion carried.

Roll call vote, no: None.

Ordinance No. 8, Series 2015; Re: Amending An Optional Residential Time-of-Day Rate for the City Electrical Department; 2nd Reading. Councilor Schwartz introduced Ordinance No. 8, Series 2015, and it was read by title only by the City Manager.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Ordinance No. 8, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO AMENDING AN OPTIONAL RESIDENTIAL TIME-OF-DAY ELECTRICAL RATE FOR THE CITY OF GUNNISON ELECTRICAL DEPARTMENT,** be introduced, read, passed and adopted on second and final reading this 8th day of September, 2015.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz. Motion carried.

Roll call vote, no: None.

Ordinance No. 10, Series 2015; Re: Vacating a Utility Easement Within Boundary Line Adjustment – Salmon Property, Tract B and D, West Gunnison Amended; 2nd Reading. Councilor Morrison introduced Ordinance No. 10, Series 2015, and it was read by title only by the City Manager.

Councilor Morrison moved and Councilor Schwartz seconded the motion that Ordinance No. 10, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, VACATING A UTILITY EASEMENT WITHIN BOUNDARY LINE ADJUSTMENT – SALMON PROPERTY, TRACT B AND D, WEST GUNNISON AMENDED, RECEPTION #631561, CITY OF GUNNISON, STATE OF COLORADO,** be introduced, read, passed and adopted on second and final reading this 8th day of September, 2015.

Roll call vote, yes: Hagan, Morrison, Schwartz, Drexel. Motion carried.

Roll call vote, no: None.

Ordinance No. 11, Series 2015; Re: Mid-Year 2015 Additional Appropriations for the Fiscal Year Ending December 31, 2015; 2nd Reading. Councilor Drexel introduced Ordinance No. 11, Series 2015, and it was read by title along with Sections 1 and 2, by the City Manager.

Regular Session Minutes
September 8, 2015
Page Five

Councilor Drexel moved and Councilor Schwartz seconded the motion that Ordinance No. 11, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ADOPTING AN ADDITIONAL APPROPRIATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015**, be introduced, read, passed and adopted on second and final reading this 8th day of September, 2015.

Roll call vote, yes: Morrison, Schwartz, Drexel, Hagan. Motion carried.

Roll call vote, no: None.

Ordinance No. 12, Series 2015; Re: Refinancing the City Park and Recreation Fund Sales and Use Tax Revenue Bonds, Series 2007; 1st Reading. Councilor Schwartz introduced Ordinance No. 12, Series 2015, and it was read by title only by the City Manager.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Ordinance No. 12, Series 2015, **AN ORDINANCE OF THE CITY OF GUNNISON, COLORADO, AUTHORIZING A BOND, EVIDENCED BY THE ISSUANCE OF A SALES AND USE TAX REVENUE REFUNDING BOND, FOR THE PURPOSE OF REFUNDING SERIES 2007 BONDS OF THE CITY AT A LOWER INTEREST RATE; PROVIDING FOR THE FORM AND DELIVERY OF THE BOND AND BOND REPAYMENT; AND MAKING COVENANTS AND APPROVING DOCUMENTS RELATING TO THE BOND**, be introduced, read, passed and ordered published on first reading this 8th day of September, 2015.

Roll call vote, yes: Schwartz, Drexel, Hagan, Morrison. Motion carried.

Roll call vote, no: None.

Resolution No. 15, Series 2015; Re: Canceling Regular Session Meeting of September 22, 2015. Councilor Schwartz introduced Resolution No. 15, Series 2015, and it was read by title only by the City Clerk.

Councilor Schwartz moved and Councilor Drexel seconded the motion that Resolution No. 15, Series 2015, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, CANCELING THE REGULAR SESSION MEETING THAT WAS SCHEDULED FOR SEPTEMBER 22, 2015**, be introduced, read, passed and adopted this 8th day of September, 2015.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz. Motion carried.

Roll call vote, no: None.

City Attorney Kathleen Fogo: was absent.

City Manager: Ken Coleman reported on the following: the Gunnison Triathlon will take place on Saturday; the Safe Streets meeting held last Thursday was well attended and the consultants compiled a lot of good information; the consultants will develop a preferred options list and will present that to Council and then the CDOT permits can be applied for once the priorities are established; the 2016 budget development is underway; and he attended a senior transportation meeting where the participants discussed if the RTA ballot issue passes then no further funding will be requested. However, if the ballot issue fails, the RTA will be requesting the same amount of funding as this year.

Acting City Manager: Public Works Director Tex Bradford: reported there was a power outage last Sunday due to a cable short near the Shavano condos. Will Dowis was short staffed but Tex helped out, as well as Joe Doherty from the Water Department, and got the power back on. The incident made it clear the staffing issues in the Electric Department and these will be brought up at budget time.

City Clerk: Gail Davidson informed Council since the Regular Session on September 22nd was cancelled in order to hold the Strategic Planning work session meeting, a Special Session meeting of Council will need to be called in order to pass Ordinance 12, the Bond Refinancing Ordinance, in a timely manner to get the interest rates locked in. She will get with the Mayor to have him call that meeting.

Regular Session Minutes
 September 8, 2015
 Page Six

Western State Colorado University Student Liaison Amy Davis: reported on the following: the SGA had a presentation from Molly Mugglestone on the 5A Ballot Issue regarding the RTA tax increase; WSCU Homecoming starts this week and the parade will take place at 6pm on Friday night along with the lighting of the W and the bonfire; and the election for the unfilled SGA Senate Seats is taking place.

Non-Scheduled Citizens: None.

City Council Discussion, Meeting Reports, Items for Work Session:

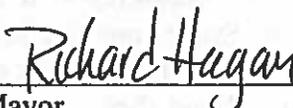
Councilor Schwartz: reported he attended the Safe Street meeting and like how everyone got involved. There was good information and ideas generated by the attendees. He also attended the Safe Routes to Schools meeting last night and the Bike Train to School Event will take place tomorrow morning starting from 5 locations around town.

Councilor Morrison: reported she took a tour of the Lazy-K property with the City Manager. Getting a grant to start the planning process for the property would be a good idea. She too will be participating in the Safe Routes to School Bike Train Event tomorrow morning. She also participated in a WSCU Environmental Management and Sustainability Class and discussed policy development. The students asked good questions.

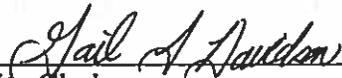
Mayor Pro Tem Drexel: informed Council he attended a Region 10 meeting two weeks ago. He is happy to report there will be no dues increase in 2016. Over \$470,000 was loaned out the last fiscal year to businesses in the Region 10 area and a local Gunnison business received a \$50,000 loan from the Business Loan Fund.

Mayor Hagan: reported he attended the Mayors'/Managers' meeting at the Library. There will be changes forthcoming to the Library's Marmot System. They will be digitizing archives for the next few years. He attended the Safe Street Planning Session and felt it was well facilitated. More good information was generated in 2 hours than he ever saw. There was a good cross section of people attending. He too will be helping with the Safe Routes to Schools event tomorrow morning. Mayor Hagan then brought up the 2016 calendar and asked if a Council quorum would be present during the schools' spring break. Three of the five Councilors stated they would be out of town, so the meeting will be cancelled.

Adjournment: Mayor Hagan called for any further discussion from Council, staff or the public, and hearing none, adjourned the meeting at 8:53 P.M.



 Mayor



 City Clerk