

DECEMBER 7, 2021

CITY OF GUNNISON COUNCIL
REGULAR SESSION

5:00 P.M.

The Gunnison City Council Regular Session meeting was called to order at 5:00 p.m. by Mayor Jim Gelwicks with Councilor Boe Freeburn, Mayor Pro Tem Miles, Councilor Diego Plata, and Councilor Mallory Logan present in Council Chambers, located at 201 W. Virginia Avenue. The meeting was also conducted remotely. Present in Chambers were City Manager Russ Forrest, City Clerk Erica Boucher, Finance Director Ben Cowan, Community Development Director Anton Sinkewich and Western Liaison KC Wenzel. City Attorney Kathy Fogo attended the meeting online. Water and Sewer Superintendent Mike Rogers and Public Works Director David Gardner entered Council Chambers after the meeting started. A few interested residents attended the meeting, both in Chambers and online. A Council quorum was present. The press arrived at 5:15 p.m.

Citizen Input. Mayor Gelwicks asked if there was anyone who wanted to speak to Council for three minutes. No one came forward.

Council Action Items

Approval of the November 9, 2021, Regular Session meeting minutes. Councilor Logan moved and Councilor Freeburn seconded the motion to approve the November 9, 2021, Regular Session meeting minutes.

Roll call, yes: Freeburn, Gelwicks, Logan, and Plata. So carried.

Roll call, no: None.

Roll call, abstain: Miles.

Approval of the November 15, 2021, Regular Session meeting minutes. Councilor Logan moved and Councilor Freeburn seconded the motion to approve the November 15, 2021, Regular Session meeting minutes.

Roll call, yes: Gelwicks, Logan, and Freeburn. So carried.

Roll call, no: None.

Roll call, abstain: Miles and Plata.

Excuse Councilor Miles from the November 9 and November 15, 2021, Regular Session meetings. Councilor Plata moved and Councilor Logan seconded the motion to excuse Councilor Miles from the November 9 and November 15, 2021, Regular Session meetings.

Roll call, yes: Gelwicks, Logan, and Freeburn. So carried.

Roll call, no: None.

Roll call, abstain: Miles and Plata.

Excuse Councilor Plata from the November 15, 2021, Regular Session meeting. Councilor Logan moved and Councilor Freeburn seconded the motion to excuse Councilor Plata from the November 15, 2021, Regular Session meeting.

Roll call, yes: Logan, Freeburn, and Gelwicks. So carried.

Roll call, no: None.

Roll call, abstain: Miles and Plata.

Oaths of Office for Gunnison City Councilors. City Clerk Erica Boucher administered the Oath of Office to Boe Freeburn, Jim Gelwicks, and Jim Miles.

Selection of Mayor. Mayor Gelwicks summarized the voting process by written ballot as stated in the Charter and opened the agenda item up for discussion. Councilor Logan read a prepared written statement in support of Councilor Plata for mayor. She mentioned the commendable qualities that he possesses and his connection to the LatinX residents. She stated her respect for everyone on Council and the work they have done. Councilor Freeburn thanked everyone for the guidance and mentorship. He has thought carefully about who he will vote for to be mayor. Councilor Plata thanked Councilor Logan for the nomination and agreed with her that the City's process of electing amongst themselves, and not by a vote of the people, is an odd process. He thanked the councilors for the work they have done and looks forward to making more progress in the future.

Councilor Miles agreed with Councilor Plata that the current process for electing mayor is not the most efficient, as those interested in being mayor had to participate in one-on-one conversations with their colleagues. Mayor Gelwicks reminded Council that one of Council's most important future tasks will be securing funding for roads infrastructure and for a new fire station. The next mayor and council will need to be fully involved. Mayor Gelwicks asked for Council to make their selection for mayor by written ballot. City Clerk Boucher collected the votes and read them aloud. Councilor Plata received three votes, the majority, for mayor, and Councilor Miles received two votes. Diego Plata was elected mayor.

Selection of Mayor Pro Tem. Councilor Mallory Logan stated that she would like to serve as Mayor Pro Tem. Mayor Plata stated his support for her as she resonates with the community as an entrepreneur, mother, and a community leader. Gelwicks called for the vote for Mayor Pro Tem. City Clerk Boucher collected the votes and read them aloud. Council unanimously elected Mallory Logan as Mayor Pro Tem. Mayor Plata led the rest of the meeting.

Discussion and Action on Amended Contract for Lazy K Housing Project. City Manager Forrest stated that the Lazy K Housing Project is going well. The City is responsible for the infrastructure. The developer, John Stock of High Mountain Concepts (HMC), would like to move faster. The contract with HMC is divided into smaller batches and once a deed-restricted batch is complete then the City releases a free-market lot for development. The developer has invested around \$730,000 in the first phase. The next phase will involve an investment of several million dollars in financial security. Another issue related to financial security involves ownership of the land. The land is transferred to the developer when building begins. Staff proposed a simple amendment to the contract, which would create the option of the providing financial security or the City would retain ownership of the property. These options have some risk factors, but this developer has a strong track record of performance in the valley. Staff thinks that this developer has a low risk factor since he receives monthly construction evaluations from an independent contractor who could then submit monthly reports to the City. Under this amendment, work could begin on the commercial building. City Attorney Fogo further explained that construction could occur faster because this amendment would allow for two batches of construction to be combined into one, which would be the commercial building and Lot 3. Furthermore, the developer hasn't had success with bonding for vertical construction. The amendment includes an addition to Section 21.E, which would allow the developer to decide if he wants to keep the property until the work is completed or have the City retain possession until the work is done. The next steps of the contract would remain the same in working with the Gunnison Valley Regional Housing Authority. Staff also added to Paragraph 24, the default provision. Under that addition, if the developer defaults, the City could make him re-convey a lot and stop construction immediately. The City would keep control of the project until the issues are resolved. Attorney Fogo reminded Council that there is a specific timeframe attached to all of the 80% AMI units. Attorney Fogo has worked through this amendment with the developer and his attorney. They have no objections. The last two parts of the amendment have already been advised of and approved by Council. They are the use tax reimbursements. If the developer does pay use tax, it goes back into the project for the deed-restricted units. For the free-market units, he could use a different entity that he controls, owns, or has an interest in to convey them outright. There have been no concerns with the quality of the developer's work according to the City's Building Inspector.

Councilor Gelwicks moved and Councilor Freeburn seconded the motion to authorize the City Manager to sign an amended contract for the Lazy K Housing project.

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

Roll call, no: None.

Council Committee and Board Assignments. Council had a discussion about which committees and boards they would like to continue to serve on. Mayor Pro Tem Logan suggested that it may be helpful for a staff or Planning and Zoning board member to also attend the Gunnison Valley Regional Housing Authority (GVRHA) meetings. Future discussion needs to occur with all participating jurisdictions regarding the IGA with GVRHA and the future of the Board. Councilor Freeburn mentioned that he would have a time conflict in the spring if the Chamber Advisory Board continues to meet on Thursday mornings once a month. The Director of the Chamber who was attending the meeting online said that the meeting time and day of the 2022 Board meetings will be determined at the January meeting. Councilor Gelwicks shared that the Valley Housing Fund is in a transitional time and that he has had to remove himself from decisions regarding land outside of the City Limits which is going through the annexation process. Overall, Council wanted

to continue to serve on the committees and boards that they are currently on. City Clerk Boucher read the committee and board assignments into the record.

<u>Boards/Committees</u>	<u>Representative</u>
Gunnison Valley Regional Housing Authority	Logan
Sustainable Tourism & Outdoor Recreation	Logan
Rural Transportation Authority Board	Freeburn & Miles
One Valley Leadership Council	Miles
Gunnison Valley Housing Fund	Gelwicks
Region 10 Board Meetings	Gelwicks
Gunnison Chamber Advisory Committee	Freeburn
Colorado Municipal League Policy Board	Gelwicks
Gunnison Valley Observatory	Logan
Colorado Association of Ski Towns	Plata
Gunnison Memorial Scholarship Committee	Plata
Firemen's Pension Board	Miles & Plata
City Investment Policy Board	Gelwicks
Downtown Vibrancy Initiative	All
Municipal Court Liaison	Miles & Freeburn

Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to approve the committee and board assignments as discussed and read into the record by the City Clerk.

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

Roll call, no: None.

Investment Advisory Board Appointment. Finance Director Ben Cowan recommended the reappointment of Debbie Dunbar and Tom Stoeber as the community representatives. Mrs. Dunbar is the elected Gunnison County treasurer and she possesses similar goals as the Finance Director. Mr. Stoeber also understands governmental accounting as he is the accountant for the Gunnison Fire Protection District. Both candidates have been productive members of the Board. Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to reappoint Debbie Dunbar and Tom Stoeber as community representatives to the Investment Advisory Board through December 2023.

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

Roll call, no: None.

Ordinance No. 10, Series 2021, Second Reading: *An Ordinance of the City Council of the City of Gunnison, Colorado Amending Chapter 9 of the Gunnison Municipal Code by the Addition of Section 9.80 Events.*

Councilor Gelwicks introduced Ordinance No. 10, Series 2021, and read it aloud by title only. Councilor Gelwicks moved and Mayor Pro Tem Logan seconded the motion to adopt Ordinance No. 10, Series 2021, on second reading.

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

Roll call, no: None.

Ordinance No. 11, Series 2021, Second Reading: *An Ordinance of the City Council of the City of Gunnison, Colorado, Amending Title 5, Chapter 5.10, Section 5.10.220 of the Gunnison Municipal Code.*

Councilor Freeburn introduced Ordinance No. 11, Series 2021, and read it aloud by title only. Councilor Freeburn moved and Councilor Miles seconded the motion to adopt Ordinance No. 11, Series 2021, on second reading. This ordinance allows for public and private groups to publicly consume alcohol in limited spaces at Jorgensen or Legion Parks with a public consumption permit.

Roll call, yes: Freeburn, Miles, Logan, and Plata. Motion carried.

Roll call, no: Gelwicks.

Ordinance No. 12, Series 2021, Second Reading: *An Ordinance of the City Council of the City of Gunnison, Colorado, Adopting an Additional Appropriation for the Fiscal Year Ending December 31, 2021.*

Mayor Pro Tem Logan introduced Ordinance No. 12, Series 2021, and read it aloud by title only. Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to adopt Ordinance No. 12, Series 2021, on second reading. Finance Director Cowan highlighted that after the first reading

of Ordinance No. 12, Series 2021, staff added \$2,000 to the Conservation Trust Fund from lottery funds through the Met Rec District to help cover janitorial costs at the community center.

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

Roll call, no: None.

Ordinance No. 13, Series 2021, Second Reading: *An Ordinance of the City Council of the City of Gunnison, Colorado, Setting a Tax Levy for the City of Gunnison, Colorado.*

Councilor Gelwicks introduced Ordinance No. 13, Series 2021, and read it aloud by title only. Councilor Gelwicks moved and Mayor Pro Tem Logan seconded the motion to adopt Ordinance No. 13, Series 2021, on second reading. The City's budget is based off the preliminary assessed valuation from the assessor's office. The Assessor's Office is required to provide the final valuation by December 10. The actual amount has already been received; therefore the adjustment has been made. The adjustment resulted in a reduction of \$5,804 net revenue for the City of Gunnison.

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

Roll call, no: None.

Ordinance No. 14, Series 2021, Second Reading: *An Ordinance of the City Council of the City of Gunnison, Colorado, Adopting and Appropriating an Annual Budget.*

Mayor Pro Tem Logan introduced Ordinance No. 14, Series 2021, and read it aloud by title only. Mayor Pro Tem Logan moved and Councilor Freeburn seconded the motion to adopt Ordinance No. 14, Series 2021, on second reading. Finance Director Cowan explained that the only adjustments to the budget since first reading were related to health insurance for new employees. The professional services line item for Parks and Rec umpires was moved to personnel in order to pay them through payroll, and an FTE was added to include them in payroll. Council's strategic reserve is \$471,786.

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

Roll call, no: None.

Discussion on Resolution No. 26, Series 2021: *A Resolution of the City Council of the City of Gunnison, Colorado, Adopting Fees.*

Finance Director Cowan started the discussion pointing out to Council that their memo included the detailed fee schedule with changes highlighted in red. One significant change was to the utility investment fee based on the cost of service study that recommended a 260% increase. These fees have not been adjusted for many years. Acknowledging the change in rates, staff wants to advertise them well, especially to the building community to make sure they know that the higher fees will need to be incorporated in for free-market construction. Fees for deed-restricted units will remain the same as they are now. Staff also wants more time to make sure that the City has a solid definition of a deed-restricted unit to protect the City. By not increasing tap fees for sewer and water for deed-restricted units, the City is trying to encourage the creation of deed-restricted units. More discussion and consideration for what constitutes an "in-progress" project must occur. There currently is an "in-progress" definition in the *Land Development Code*, but a few current developments, the Lazy K Housing project and Gunnison Rising, show that more clarification must be developed. Discussion occurred about when the new fees would be implemented. Staff wants to return to Council as soon as possible recommending approval of the new rates, but requires more time to work through some of the details and to communicate with customers. At the next meeting, Council could expect to see and ask to approve all new fees, except for the utility investment fees pertaining to water and sewer for the non-deed-restricted units. The Finance Director reminded Council that these fees support system capacity and infrastructure. He also mentioned that the City is proposing no increase on sewer rates for residents and a 9.7% increase on water. Without tap fees, there would be a larger impact on utility fees for the average residential customer. These rate increases are data-driven from the Water Master Plan study.

More discussion occurred about what will need to be considered to develop the definition of deed-restricted, but nothing was finalized. Once the date is decided upon to start the new rates, Community Development will likely experience a large influx of applications for permits. Public Works Director Gardner approached Council to suggest that projects approved prior to the rate change date could be grandfathered in to help discourage a permit rush. There will be an increase to County sewer users because they have been undercharged for many years. An increase to their

sewer rate is proposed to make more equitable rates across the board, as everyone uses the same wastewater system and process.

For community center fees, there will be an increase to both room rental rates and membership rates. Typically, these rates are staggered but membership rates haven't been increased for three years as of now. The City did not want to increase rates during the pandemic. The rates, even with the increases, are still competitive to similar size community centers with similar amenities. There is also a simplification of Community Development process fees and a 5% increase to refuse fees. A few specialized fees were added to the landfill fees. If staff asks Council to approve fees at the next meeting, some of the new fees will be accompanied by an asterisk with a later effective date. They will go into effect once decisions are made and equipment is operational.

Approval to Purchase Trash Truck. Public Works Director Gardner recommended to Council that staff proceed with a two-part order of a trash truck for the City. The first part of the purchase is a Western Star Model 4200 truck for \$137,854.00. The second half of the purchase is the Labrie body for the truck that includes the collection arms. The department requested that the purchase include three different extended warranties. The total price of the truck, the Labrie body, and warranties is \$365,154.00. The amount of \$375,000.00 was already approved in the 2022 budget for this purchase. It is important to order the equipment as soon as possible because the delivery date will not be until 2023 and currently there is no back-up trash truck. This truck can pick up cans on both sides and can pick up the few bear-proof cans. The City does not have to pay for the equipment until it is delivered to the City, fully-functioning, but this action will preserve the funding. Councilor Gelwicks acknowledged the work of Public Works on Friday night, December 3, the Night of Lights.

Councilor Gelwicks moved and Mayor Pro Tem Logan seconded the motion to approve the purchase of the 2023 Western Star truck with a Labrie trash body in the amount not to exceed \$365,154.00.

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

Roll call, no: None.

Staff gave brief reports. The City Manager gave an update on Western Colorado University's new housing project. This project is planning for 120 short-term rentals (STR), similar to a hotel, and 120 long-term rentals (LTR). These units will be deed-restricted and are intended for student and faculty use. The STRs will help generate revenue to support the LTR units. The project is moving along quickly and does not require City approval. However, the City will ask for Western to complete a character extension and wants to confirm that there is enough utility capacity to support this project, currently called Signal Peak Ranch. Discussion occurred about traffic flow, density, and parking.

Council gave brief reports.

With no further business before Council, the Mayor adjourned the Regular Session at 7:40 p.m.

Attest:


City Clerk




Mayor Pro Tem