



## MEETING OF THE CITY COUNCIL

City Council Chambers  
448 East 1<sup>st</sup> Street, Room 190  
City of Salida, Colorado

Tuesday, November 21, 2017 6:00 p.m.

*The City Council may take action on any of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.*

### I. REGULAR MEETING CALLED TO ORDER –

The meeting was called to order by Mayor Jim LiVecchi. Council members Brown-Kovacic, Eileen Rogers, Hal Brown, Mike Bowers, Melodee Hallett and Rusty Granzella were present.

### II. PLEDGE OF ALLEGIANCE – Led by Mayor James LiVecchi.

Mayor LiVecchi announced he had met with Mayor Elect P.T. Wood, City Administrator Larry Lorentzen and Deputy City Clerk Lynda Travis for the purpose of submitting a Transition Memo. He then submitted the memo for the record.

He explained Item III. of the Agenda and said the outgoing officials would exit their seats and the newly elected would take their places.

### III. SWEAR IN NEWLY ELECTED OFFICIALS & APPRECIATION FOR OUTGOING OFFICIALS

City Clerk, Betty Schwitzer, presented plaques to outgoing Council members Melodee Hallett, Eileen Rogers, Hal Brown and Mayor Jim LiVecchi.

Mayor LiVecchi then thanked the City and citizens. He stated that he was very grateful for the time spent on council and he felt that much had been accomplished during his tenure.

The following incoming council members and mayor were then sworn in by City Clerk, Betty Schwitzer:

Dan Shore(Ward I)  
Justin Critelli(Ward II)  
Harald Kasper(Ward III)  
P.T. Wood (Mayor at Large)

Council members Hallett, Rogers, Brown and Mayor LiVecchi exited the meeting.

The meeting reconvened with Brown-Kovacic, Critell, Shore, Mayor Wood, Bowers, Granzella and Kasper.

IV. **ROLL CALL**-Roll call was led by Mayor P.T. Wood with Critelli, Kaspar, Shore, Brown-Kovacic, Bowers, Granzella all present.

V. **PRESENTATION**

a. Solar Garden (Oak Leaf)

Community Development Director, Glen Van Nimwegen introduced Mike McCabe from Oakleaf Energy Partners. McCabe provided background information regarding the Solar Energy firm and their subscription model. The purpose of the meeting was to offer the City the opportunity to participate in their subscription service which involves credits being paid to the City by Xcel energy and a portion of the credits being forwarded to Oak Leaf.

Granzella put forth the following questions:

1)Are 10 participants considered one solar garden?

McCabe confirmed that 10 participants are one solar garden.

2)Do Xcel credits fluctuate and if so, how often?

McCabe stated bill credits do fluctuate at a rate of 3.1% annually and information is provided to potential subscribers so they can understand how the bill credits might act. He said bill credits can affect economic benefits.

3)What liability does the City have if they choose to participate?

McCabe stated that the City would only need to be pay a portion of the bill credit they receive from Xcel energy.

4)Can the Oak Leaf project tie into current solar projects of the City?

McCabe said state law requires Xcel to interconnect directly into their distribution grid so they would not be able to join existing solar programs. He stated Oak Leaf could assist with the economic improvement of the other programs however.

5)How does the project tie into the power?

McCabe stated the project would tie into a distribution line that is E-W along County Road 140.

Brown-Kovacic put forth the following questions:

1)What is the life span of the solar panels?

McCabe stated the panels are warranted for 25 years and empirically last 35-40 years.

McCabe said the panels should outlast the program.

2)What happens to the solar panels after the 20 years?

McCabe stated if there was a new program the City would have the option to opt in or to end the contract at that time. If the contract ended, all the power would then be sold to Xcel and the City would not be obligated to participate beyond the 20-year time frame.

3)What kind of guarantees does the City have that the program will play out as described?

Brown-Kovacic provided background information regarding other solar programs the City is currently involved in with Xcel and stated her question stems from wanting to understand how the proposed program might interface with other currently operating solar programs.

McCabe addressed the risk by stating the bill credit goes down over 20 years. He further

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stated bill credits are comprised of energy costs and fixed costs and that the spreadsheet he provided to Council is for seeing how those costs might look.

He went on to explain the differences between the City's current Solar project and the one he was presenting. He said the City's current project only offsets the energy component whereas the one he was presenting offsets the labor component. He concluded by stating that the program presented would be separate from any current solar Xcel programs and would not affect them.

4) Would the energy from the program supplement current solar programs of the City? McCabe said the program would be more of a virtual or financial transaction and confirmed Brown-Kovacic's statement that it would be an investment in a program. He further stated that the program would not lower energy costs or affect the bill but would go to Xcel who might then resell it to the City.

Bowers put forth the following questions:

1) Are you affiliated with the solar project going towards Alamosa off Hwy 17 and how does the presented project compare to that one?

McCabe confirmed he was a part of the project off Hwy 17 and provided background information.

2) Who uses the power from the above stated solar project?

McCabe stated the power was sold directly to Xcel energy and was used as a part of their energy mix.

3) How many houses are powered by the above stated solar project off Hwy 17?

Bowers stated he heard the project currently provided energy for 40,000 houses and asked if that was correct. McCabe answered that the figure sounded high but that he would have to do the math to confirm his opinion.

4) How many houses would be powered by the proposed project?

McCabe estimated that 400 houses could be powered by the proposed project.

Shore put forth the following questions:

1) How might the proposed program impact the energy bills of economically challenged families and is the 5% put forth predicated upon the 40% subscription rate?

McCabe stated the 5% would be allocated to the community that was a 40% subscriber and that his company prefers to keep the 5% with the large subscribers. He then stated he works with Energy Outreach Colorado to identify low income families with the goal of lowering their energy bills by half.

## **VI. CITIZEN PARTICIPATION** – *Citizen participation is for items not on the agenda and for agenda items that are not scheduled public hearings.*

Ron Mazzeo, of Salida, requested a work session between the City and the NRCDC. He also stated he is the President and he would like to have the work session in the near future. He listed several topics he would like to be discussed: title, land dry up legal issue that was initiated by the City, opening an illegally blocked street right of way, possible reversal or nullification of divesture, indemnity demands and threats from the City. He further stated two land sales are

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scheduled to close in January and they are very important as they will pay off the bank debt. He added they will help return the balance of the land and all assets back to the City. He then stated there are a lot of ideas of what can be done with the land and listed some examples. He stated the value of the balance of the land is more now than the 2.2M originally invested for all the land. He reiterated his desire to have a work session and congratulated all the new council members on their new roles.

Louise Fish, of Salida, welcomed all former and new council members. She discussed the scope of work of the mayor pro tem and said it should have been written by a Human Resource person rather than by a city attorney. She then asked council to review all scopes of work including the one for City Administrator which she stated is unnecessary, annoying and doesn't give the authority needed to perform his/her tasks.

## VII. SCHEDULED ITEMS

### 1. Consent Agenda (Lynda Travis)

- a. Approval of Agenda
- b. Approval of Minutes – November 7, 2017
- c. Resolution 2017-65-Renaming of the Scout Hut (Theresa Casey)
- d. DOLA Grant for Multi-Use Facility (Terry Clark)

**Granzella recused himself from voting on the Consent Agenda because he is on the Board for the Local Rotary Club. He then excused himself from the dais.**

**Bowers made a motion to approve the Consent Agenda as written. Brown-Kovacic seconded the motion. With all in favor, THE MOTION CARRIED.**

### 2. Planning Commission Appointments (Glen Van Nimwegen)

Nimwegen provided background information regarding the current vacancies on the planning commission. He added that two high profile zoning cases and code amendments are currently being worked on and he sought council's direction on how to fill the current vacancies. He explained how previous appointments had been filled including the advertisement and selection process and asked council how to proceed. He stated there are two candidates, Joe Judd and Francie Bomer, who were previously and still are interested in the position. He questioned whether they could be appointed by resolution or whether council preferred the position be re-advertised. He concluded by stating that he was also open to any other process the council deemed best.

Critelli suggested appointing Judd and Bomer since the application process had just recently ended.

**Kaspar made a motion to invite Mr. Judd and Ms. Bomer to the next official meeting to discuss making them official members. Shore seconded the motion. In a 5-1 voice vote, THE MOTION CARRIED. Bowers had the dissenting vote.**

### 3. Public Hearing for 2018 Budget

Mayor Wood opened the Public Hearing and noted that a work session had not yet occurred with the new Council. Lorentzen provided some background information. He summarized the Budget Memorandum and told Council the version before them was third iteration.

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Wood stated another work session would be held after tonight's public hearing and invited the public to come forth regarding the budget. No one came forth to speak but a written objection was submitted by Monika Griensenbeck.

Bowers asked to leave the public hearing open until the next regular meeting. Mayor Wood agreed and requested the next regular meeting include a Public Hearing to discuss the budget. Lorentzen then informed council the budget would be scheduled to be adopted during the December 19, 2017 meeting.

Granzella put forth the following questions regarding the 2018 draft budget:

1) Is the \$3.329M in the General Fund restricted or unrestricted funds?

Lorentzen replied the unrestricted balance is at the bottom of page 61 in the packet and is \$700,904. The fund balances outside of the restricted fund balance are \$3,331,221. He stated the City has implemented a reserve policy by resolution which requires 10% of overall revenue in unassigned reserves and said that is where the \$700,904 comes from.

2) Does the Council's request to go from 5% anticipated sales tax to 4% cause a decrease of about 350K?

Lorentzen stated it resulted in ~\$50K decrease which equates to ~1% decrease in revenues and explained that this was due to other small changes, including but not limited to, moving \$350K from capital projects.

Granzella then asked some clarification questions regarding some fund balances that had been moved. Lorentzen clarified said questions.

Kaspar then asked if the City was projected to spend \$1.5M more than it expected to take in. Lorentzen confirmed that was correct.

Brown-Kovacic expressed concern over spending \$1.5M above expected revenues from the General Fund and said the amount should be decreased. She further stated the unassigned fund balance of \$700,904 was not a sufficient amount. She then reminded Council that over the past few years the City has spent more than it has taken in and she hoped that a more fiscally sound process could be followed in the future.

Brown-Kovacic then asked if the inconsistencies in health insurance, FICA, retirement and utilities had been corrected. Lorentzen explained the reasons for the inconsistencies, including but not limited to allocation issues, had been corrected.

#### **4. Setting Budget Work Session(s)**

Budget work session date was scheduled for Tuesday, November 28, 2017 at 6 p.m.

#### **5. Discussion regarding Clerk/Treasurer Vacancies (Larry Lorentzen)**

Lorentzen provided some background information. He stated Council has the authority to appoint someone within 60 days and if that was not accomplished then an election would need to be called. He asked Council for direction on how to proceed.

Mayor Wood requested an announcement for the position be released.

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**6. Appointment of Mayor Pro Tem**

**Shore moved to NOMINATE Council Member Brown-Kovacic to Mayor Pro Tem. Granzella seconded the motion. With all in favor, THE MOTION CARRIED.**

**7. Tobacco Ordinance 2017-23, 1<sup>st</sup> Reading (Larry Lorentzen)**

Ordinance 2017-23 an ordinance of the City of Salida, Colorado amending Article XI, Chapter 10-Smoking in Public Places, of the Salida Municipal Code.

**Brown-Kovacic moved to adopt Ordinance 2017-23 an ordinance amending Chapter 10 Article XI, smoking in public places of the Salida Municipal Code on first reading and setting a public hearing for December 5, 2017. Bowers seconded the motion. With all in favor, THE MOTION CARRIED.**

**8. Administrator/Deputy City Clerk**

- City Administrator Report – Larry Lorentzen  
Lorentzen welcomed new council members and invited them to contact him with any questions or concerns. He also introduced the new Finance Director Jodi McClurkin.  
He confirmed January 30, 2017 as the next date for the quarterly Intergovernmental meeting (which includes Chaffee County, Poncha Springs and Buena Vista).  
Regarding 2018 draft budget, he noted there were no proposed increases for revenue in the water and sewer fund and in the water and sewer rates. He further noted a 2015 rate study was done and made recommendations for annual increases of ~5% per year over a 5-year period. He believed there was a 2% increase in rates in 2016 and none in 2017 and suggested council review the study and consider its findings for future rates.
- Deputy City Clerk Report – Lynda Travis  
provided training dates with Tammi Tenoi with CIRSA: March 5 and March 19, 2018.
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**9. Elected Official Reports**

- City Clerk – Betty Schwitzer
- City Treasurer – Theresa Cortese
- City Council- Michael Bowers, Cheryl Brown-Kovacic, Rusty Granzella, Justin Critelli, Dan Shore and Harald Kasper.  
All Council welcomed new members and thanked the outgoing for their service. New members added they were thankful for the opportunity to serve.
- Mayor – P.T. Wood  
Mayor Wood thanked outgoing council members and Mayor LiVecchi for their service and thanked the public for their trust and faith.  
He requested Council give him approval to invite a Parliamentarian for training on correct meeting procedures and made some suggestions regarding what changes he would like to implement.  
He reminded the public and Council that minutes are action minutes and not verbatim. He concluded by stating the Council has difficult challenges to face but he is confident they will be able to solve said challenges.

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**VIII. NEW BUSINESS**

Mayor said an attorney would be brought in to assist with the transitional period of the City and with the City's ongoing legal issues.

Council members expressed interest in meeting with NRCDC. Lorentzen stated Council should consider meeting in executive session regarding the matter before setting a work session.

**IX. OLD BUSINESS**

Brown-Kovacic requested the solar rates and Tabor liability be included in the upcoming work session on the 2018 budget.

Next Airport board meeting was confirmed to be November 29, 2017 at 9 a.m. at the Harriett Alexander Airport and Granzella reminded Council that appointments needed to be made.

Brown-Kovacic recommended Shore serve on the Upper Arkansas Area Council on governments. All council members agreed and Shore accepted the position.

**X. ADJOURN- 7:17 p.m.**



Deputy City Clerk

P.T. Wood, Mayor

