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Board Meeting Minutes
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**BOARD OF TRUSTEES
REGULAR MEETING
March 08, 2016
6:30 P.M.**

Board Members Present:	Mayor David Gregg Mayor Pro-Tem Jan Dowker Trustee Chris Buckridge Trustee Jennifer Baker Trustee Dick Shepard Trustee Paul Alaback
Absent:	Trustee Suzie White
Staff Members Present:	Town Administrator Mike Hart Town Clerk/Assistant Town Administrator Alisa Darrow Community Development Director Curt Freese Accounting Technician Melissa Colucco Business Development Manager Walt Elish Chief Jim Anderson Town Attorney Greg Bell

Mayor Gregg led the Pledge of Allegiance.

Citizen Participation

None.

Consent Agenda

Mayor Pro-Tem Dowker moved to approve the consent agenda as presented. Trustee Shephard seconded the motion. The motion passed unanimously.

Waggener Farm Update

Attorney Bruce Fickel presented the Board with a memo updating the process on the Berthoud Recreation Center and brought attention to some important matters revolving around funding. Mr. Fickel further explained that some funding was coming from the Energy Impact Program, and like other oil and gas programs, monies have been drastically reduced due to the decrease in oil and gas prices. When Mr. Fickel met with Don Sandoval it was indicated that the maximum funding could be \$2,000,000 with the Town having matching funds in cash. However, the funding is decreasing as oil and gas prices decrease and funding could be down to \$1,500,000 by the end of the year. There is an urgency to get

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the application submitted in time by August of this year while there is a higher probability of the \$2,000,000 funding still being available.

Mr. Fickel also added that the priority for funding recreation centers is not as high as with a community center. If the project goes more toward the direction of a community center and partnering with organizations like Boys and Girls Club or La Familia there is a higher probability of funding.

There was also discussion in regard to the assembly of an advisory committee. Town Administrator Hart added that there had been several meetings with the public for input on a new PORT plan which had included a great deal of discussion around the proposed activity center, so it would be best to separate the two projects.

Trustee Shepard asked for clarification as to whether the Town has the funds to start the project with or without grant funding as the grant amount is uncertain.

Mr. Fickel explained that is the goal to use what the Town has to get something off the ground. The grant funding depends on timing.

Mr. Hart also explained that it comes down to what the public wants to see in that building; whether it is a recreation center or a community center will determine what funding the Town is eligible for.

Mr. Fickel also added that a community center may add more value to the community with partnering options like the Boys and Girls Club and the programs that are offered. Mr. Fickel also mentioned there is a higher need for daycare and the programs offered through these programs more so than the need for a pool.

Mr. Hart explained that on March 29 the consultants will be in with a rough draft of the PORT Plan. This conversation will carry forward but staff needs some direction on how to proceed with the project. He also added that the next step is a follow-up survey to the public on what they want to see in the project.

Acquisition of Guaranty Bank and Trust Facility

Town Administrator Hart led the conversation by explaining that staff is looking for direction on a recent opportunity that had been presented to the Town with the acquisition of Guaranty Bank and Trust Facility. There have been several questions in regard to funding and whether or not this acquisition would take away funding for the proposed recreation center. Mr. Hart explained that these funds would be coming from a separate bucket than the recreation center. The proposed funding for the purchase would be coming from impact/expansion fees that the Town charges to builders or developers. They are growth fees that are attached to the building permits. Those are fees that are designated for the purpose of expansion.

Mr. Hart explained that the current Town Hall is approaching 86 year old and all business takes place there. Funding would be divided between three sources. The \$2.4 million would be divided with a third

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coming from the Town's General Fund, a third coming from the Water Utilities Fund and a third from the Wastewater Utilities Fund. He briefly explained how funding accounts are used.

Mr. Hart also gave some comparisons of the current Town Hall building issues and the potential new building. The building comes fully furnished and there are minimal changes needed. The bank will have some time to construct the area they want to lease. The upstairs of the building has tenants and the intent is to renew those leases.

Another subject Mr. Hart wanted to address was the timeframe of the press release. The subject was sensitive to the bank's employees, clients and tenants. After talking with bank officials the decision was made to wait and do a press release once the item was confirmed to be presented to the Board. Mr. Hart explained that the situation was handled this way out of respect of the partnership.

Nathan Kline with Loveland Commercial Real Estate Group provided a presentation going over highlights of the purchase contract. The purchase price is \$2,400,000 and is 25,590 gross square feet. The appraised value of the property came in at \$2,640,000 sales comparison and \$2,600,000 direct capitalization approach. The appraisal does not account for the furnishings that are included with the building. The bank is interested in the partnership with the Town which is why they were willing to sell for a lower price. This partnership will allow the bank to stay in the building utilizing the space that they need. The agreement allows Guaranty Bank three months to determine how much space they need. Then the plan would be to lease back space to the bank.

Mr. Kline touched on the purchase contract highlights which included some specific proposals regarding bank lease back, projected area needed for the bank and gross annual rent. The agreement would yield approximately \$48,000 annually and an additional \$100,000 if the current tenets, Cultura and Edward Jones, continue their leases. In Mr. Kline's presentation he also discussed financial highlights which explained a 7.5% projected return within the first six months on the initial investment, adding that even if the Town lost a tenant it would still have a positive cash flow. Mr. Kline also went over a three year scenario that covered gross revenue, operating expenses and cash flow projections.

There was discussion from staff on the rise of development growth for the Town and the importance of the Towns image for attracting new development.

Mr. Hart also gave a brief view of how the current facility is working beyond capacity with offices made out of storage closets. Mr. Hart explained the Town has more staff such as an accounting staff that we didn't have before and they project seeing needs in the Planning Department and Parks and Recreation as development grows. Later in discussion Mr. Hart also mentioned the disadvantage the current building has for Law Enforcement and with natural disaster versus the potential new facility. Mr. Hart explained the bank building has a backup generator, evidence room, privacy and a separate entrance for law enforcement.

Mayor Gregg opened the item for public comment at 7:57 p.m.

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Milan Karspeck of 706 8th Street mentioned that he was concerned that a decision would be made tonight and was glad to hear this is just a discussion. Mr. Karspeck suggested that staff put together a plan showing the need and distinction of the floor plan along with financing to the public. Mr. Karspeck feels there are other items in the Town that need to be fixed and whether the Town wants to take money from the utility fees that could be better allocated for water expansion.

Jeff Hindman of 348 Turner Ave presented the Board with a written sheet of his thoughts. Mr. Hindman also agreed with Mr. Karspeck in being glad to hear there would not be a decision tonight. Mr. Hindman gave some history with previous discussions on a new Town Hall that tied in with a Civic Center, outdoor amphitheater and creates a new public amenity that is no longer being considered. He also passed out documentation on Larimer County property taxes. He felt that the Town would be taking away already limited space for new business as well as property tax revenue that could be used for the school district. Mr. Hindman questioned the financing on creating a new Town Hall on existing property like the skate park versus the costs of purchasing the bank building with remodeling. Mr. Hindman mentioned the possibility of bringing in modular trailers for urgent short-term office space. In closing Mr. Hindman presented the Board with a newspaper article about sales tax revenue in Erie.

Maureen Dower of 1608 Hollyberry Street had several questions and comments for the Board in regard to providing advanced notice to the public since there is no rush. Ms. Dower mentioned that there is a higher need for funding for a recreation center and does not want to take taxes from the Town and school district. Ms. Dower agrees that Town Hall is in need of a new building but feels there needs to be thoughtfulness in the decision. Other questions were in regard to who owns the bank building, if there are any conflicts of interest and if just leasing the building would work. Ms. Dower also asked for the public view of the power point presentation. Ms. Dower ended her conversation stating that she has no objections to moving into the bank building but has concerns and felt it would be foolish to rush into this in a months' time.

Benjamin Zink of 739 Mountain Avenue expressed that the process of it being posted in the paper before public communication was shocking.

Mayor Gregg closed the item for public comment at 8:21 p.m.

Trustee Alaback mentioned there were many good ideas brought up. He wanted to weigh the options of a new facility versus the existing building based upon what Town Hall's actual needs are. He would like to see the pluses and minuses.

Trustee Buckridge appreciated all the discussion tonight and points that were brought up. Mr. Buckridge would like to see deadlines for this offer, more information on the skate park property with addition to parking, costs to utilities and network communications as well as all the benefits.

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Mr. Buckridge also added that this is an opportunity that has been presented at the right time to fill a need that the Town was not thinking about right away. The opportunity for this pricing may not come again and we may not want to pass this up.

Trustee Baker asked for more information on potential businesses that are looking for office space. Ms. Baker also added that we should consider what we are really looking for in the long run.

Mayor Pro-Tem Dowker also asked for some cost comparison showing what the "actual" cost would be if a facility such as the inquired bank building would be constructed on the skate park property. Ms. Dowker suggested such detail as widening the roads and parking capacity. She thought this would show the public in real detail what we are looking at in regard to why this is a value to them. Ms. Dowker also mentioned showing the public where the funding is coming from and why.

Administrator Hart explained that staff has looked at some of the options brought up this evening. He mentioned that they thought about bringing in modular offices but there is no place to put them. Unfortunately the parking lot is over capacity. The small property by the skate park has been looked at as well. Mr. Hart wanted to make sure that it is understood that there has been analysis and staff has been looking at different options.

Trustee Buckridge commented that it is important to look at the concrete option before the Town and that the people in Berthoud are confident that we looked at other options and what we are evaluating in order to make this decision.

Mr. Hart introduced Dawn Oglesby from Oglesby Design. Ms. Oglesby explained the potential new site is an open office plan on the first floor with minimal changes needed. The bathrooms and elevators are all up to code. Since the upper levels are already leased there are no changes that need to be made. Ms. Oglesby showed where the potential Sheriff's office would be, the area for the bank and potential for a board room on the lower level which has room for expansion if needed.

Mayor Gregg requested that the floor plan and financials be placed on the web site.

Mayor Gregg asked to have information at the next meeting about the advantages with taking on debt to purchase the building instead of paying cash for it or using the town utilities funds or impact and expansion fees.

Mr. Hart explained taking on debt would require a ballot issue approved by voters and part of the lower cost is due to being a cash transaction.

Mayor Gregg spoke about the advantages presented and felt it was worthwhile to consider.

Mayor Gregg recapped by explaining that the Town keep in mind the delicate balance between making sure they are thoughtful in the analysis and provide the public with all the information that was discussed. He also added that this opportunity may not be here if we think about it too long.

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Mr. Gregg asked to hear from Business Development Manager Walt Elish on his experience with meeting with potential new businesses with the current operation.

Mr. Elish mentioned that because of the work the staff and Board had been doing they have been seeing an increase in interest. Mr. Elish explained that he cannot say meeting at the current Town Hall has hindered business but he felt it could be enhanced with a better place to meet clients. Mr. Elish added that many times he meets with potential clients outside of Town Hall due to lack of space and utilizes an office he has at another location.

Mayor Gregg expressed a request that staff provides the information discussed tonight to the public as they become available instead of waiting for the packet to come out.

Mayor Gregg called for a recess at 8:56 p.m.

The Board Meeting was called back into session by Mayor Gregg at 9:05 p.m.

Continuity of Operations Plan Proposal

Chief Jim Anderson provided some background stating that he is currently working side by side with the Berthoud Fire Department on an Emergency Operation Plan (EOP). Mr. Anderson explained that an EOP has several annexes to it such as the InterGovernmental Agreement (IGA) discussed at the last Board meeting on February 23, 2016. Another section, which is the biggest part of the EOP, would be the Continuity of Operations Plan (COOP). Mr. Anderson addressed some items of concern with how the Town would function after an emergency disaster. Mr. Anderson explained that the County along with the Berthoud Fire Department have been working with Michael Baker International on developing their Continuity of Operations Plan and suggested that the Town jump in to formulate the plans in conjunction with one another.

Mr. Anderson introduced Mike Garner with Michael Baker International who provided some information on what would be involved in developing the plan. Mr. Garner added that the process could take 4-6 months since there is a need for data analysis.

Trustee Shepard moved to authorize the Town Administrator to enter into a contract with Michael Baker International for the development of a Continuity of Operations Plan in the amount not to exceed \$30,000, contingent upon appropriation of the resolution at the next Board meeting. Trustee Baker seconded the motion. The motion passed unanimously.

Development Code Changes

Community Development Director Curt Freese provided the Board with proposed amendments to the ordinance related to Containers and Mini-storage. Mr. Freese provided a brief history on recent proposals to build storage facilities with one proposal causing some controversy. The increase in storage facility activity and the controversy around storage containers has led the Town to consider the

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current Development Code standards for Storage Containers. There had been some unclear standards for screening and review. Mr. Freese informed the Board that storage containers are taxed like vehicles in Larimer County and mini-storages offer low employment opportunities. These entities would be taking up prime locations that would not benefit the Town in the future. The Planning Commission met over several meetings with extensive discussion on the revisions. Mr. Freese presented the proposed revisions that the Planning Commission recommends for approval to the Town Board. Some of the items revised were in regard to definitions, commercial and industrial buffering and screening techniques, commercial standards, and uses making them conditional.

Mayor Gregg opened the item to public hearing at 9:35 p.m. Seeing no one wishing to speak, Mayor Gregg closed the item at 9:35 p.m.

Trustee Shepard moved to approve Ordinance 1212 amending portions of Chapter 30, Definitions, Section 30-1-116 (80) and Section 30-1-116 (251); Section 30-2-114 C; Section 30-2-117 F; and Section 30-3-104, Table 3.1 of the Town of Berthoud Development Code. Trustee Buckridge seconded the motion. The motion passed unanimously.

Revision of Historic Recourses Chapter of Development Code

Community Development Director Curt Freese explained that the Historic Preservation Committee had worked on the revision and update of Chapter 9 of the Development Code. The update revises terminology and process so they are consistent with that of the State and National Register Process. This update will assist in clear definitions of terms and guidance of the Commission and Staff.

Trustee Buckridge moved to approve Ordinance 1213 amending the Berthoud Development Code, Chapter 30, Section 9, regarding the Historic Resources Chapter. Mayor Pro-Tem Dowker seconded the motion. The motion passed unanimously.

Reports

Trustee Baker reported she attended the Northern I25 Corridor Coalition meeting and attended Unity in the Community last week. She gave recognition on the great job staff did on the booth at that event.

Mayor Pro-Tem Dowker reported that she attended Unity in the Community which was a great turn out. She also attended the Planning Commission meeting and the North Front Range MPO last week.

Mayor Gregg reported that he attended an inaugural sponsored by the City of Fort Collins with the Fort Collins Realtor Association. An economist was brought in to discuss the issues with the housing affordability within the community. Mayor Gregg informed the Board that although he was invited as an elected official, he intends to stay beyond his term and report back on updates.

Trustee Shepard reported that he attended Unity in the Community, giving recognition to staff for their representation of Berthoud. Mr. Shepard will also be attending Upstate Annual on March 10, 2016.

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Mayor Pro-Tem Dowker wanted to bring attention to the importance of Unity in the Community and how large the attendance was. She also wanted to give recognition to staff on the terrific job they did representing Berthoud. Trustee Shepard added to the conversation and agreed with Mayor Pro-Tem Dowker.

Attorney Bell requested two motions. The first motion was in regard to irrigation ditches needing crossing agreements. Town Engineer Stephanie Brothers is currently working on two existing projects and when there is a situation to cross ditches there are agreements that require a signature. Staff is requesting a motion to give authorization for the Town Administrator to sign those agreements as they come in.

Mayor Gregg asked if there was any reason why this should be an agenda item. Attorney Bell responded that there is no reason since it is just a housekeeping item.

Mayor Gregg moved to give authorization to the Town Administrator to sign the mentioned agreements. Mayor Pro-Tem Dowker seconded the motion. The motion passed unanimously.

The second motion is in regard to the IGA Metro District that currently reads Town of Berthoud with Heron Lakes Metro District. It was brought to staff's attention that there is a clerical error and the IGA should read Berthoud Heritage Metro District. As this is a formal document staff requests a motion to make the correction.

Mayor Gregg moved to approve the clerical change in the IGA Metro District from the Town of Berthoud with Heron Lakes Metro District to The Berthoud Heritage Metro District. Mayor Pro-Tem Dowker seconded the motion. The motion passed unanimously.

Attorney Bell also gave an update on the self-storage appeal stating it is pending a hearing date. The hearing will be to determine if procedure was followed. He will inform staff when a hearing date is set.

Town Administrator Hart reported that Business Development Manager Walt Elish is working on his Strategic Development Plan for the next Board meeting. Staff is currently being trained on the new website and to help speed things up Del Hunter has brought in a part time person to help with data entry. There have been a lot of questions in regard to the timing on the press release for tonight's agenda item with the bank acquisition. Staff plans to do a second airing of tonight's broadcast as well as the possibility of downloading the meeting to the website. Mr. Hart further explained that the reasoning behind the timing was that the subject was kept confidential due to the sensitivity it had for bank employees, bank clients and the existing tenants; until the bank new for sure this was going to be an agenda item they wanted to be cautious. Mr. Hart also mentioned that the new golf course had some equipment out and they started on planting grass. Town Engineer Stephanie Brothers is working on the crosswalk signage and is on a waitlist with CDOT. Berthoud Reservoir is waiting on state engineers. The Love's project is also waiting on CDOT in regard to the intersection design. CDOT also has an overlay on

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Highway 56 and it will be under construction. Turner and Ivy roads are getting updated. Upstate Annual is Thursday night. Candidate question and answer update will be tomorrow night at 6:30 pm.

Trustee Buckridge mentioned the candidate's forum is Monday, March 14th at 7:30 p.m. at the Community Center.

Mayor Gregg adjourned the meeting at 10:10 p.m.



Mayor David Gregg



Melissa Colucco
Accounting Technician