

TOWN OF BERTHOUD
BOARD OF TRUSTEES
REGULAR MEETING
JUNE 27, 2006
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The Board of Trustees of the Town of Berthoud met for a regular meeting on Tuesday, June 27, 2006 in the Board Room of Town Hall. Mayor Milan Karspeck called the meeting to order at 7:00 p.m.

MEMBERS PRESENT: Mayor Milan Karspeck
Mayor Pro-Tem Don Ashcraft
Trustee Louis Gervasi
Trustee Peder Thorstensen
Trustee Glenn Buckingham
Trustee Michael Patrick
Trustee Chase Sommars

STAFF PRESENT Town Administrator Jim White
Town Clerk Mary Cowdin
Interim Planner Carlin Barkeen
Chief of Police Glen Johnson
Public Works Director Tony Huerta
Deputy Town Clerk Charlene Reed

PLEDGE OF ALLEGIANCE

Mayor Karspeck led the pledge of allegiance.

CITIZEN PARTICIPATION

There were no items presented from the audience.

REPORTS

Mayor Pro-Tem Ashcraft attended the CML Conference which was held from Tuesday, June 20 through Saturday, June 24. He announced that Town Administrator Jim White also attended was re-elected to another term on the CML Executive Board.

Mayor Pro-Tem Ashcraft gave a brief presentation on the sessions he attended, including meetings on public works, water, grant opportunities and economic development. He noted this is an excellent opportunity for networking among elected officials throughout the State of Colorado.

Trustee Gervasi reported on a meeting held regarding the Berthoud Area Transportation transition. Suzanne O'Neil, the consultant that originally researched this possibility for the Town of Berthoud, attended the meeting and provided valuable information for the participants of the meeting. He suggested she would be an excellent resource for the Board when this comes back up during the next regular meeting on July 11, 2006.

Trustee Buckingham arrived at 7:06 p.m.

Administrator White noted that Berthoud was highlighted at the CML Conference in the program regarding economic development for large cities. The session was conducted by BBC, who did a study for the Town of Berthoud. He thanked the Board for the opportunity to attend the conference and noted he will work hard to represent the Town on the CML Board.

Administrator White noted Cindy Martin is resigning from the Berthoud Historic Preservation Commission effective July 28, 2006. She is leaving the state to pursue a graduate degree and her position will be advertised with other positions that end in August, 2006.

Administrator White reported that the Town of Berthoud is featured in the July 2006 copy of the American Planning Association magazine, for the "Community Viz" project that was done with the Orton Foundation.

Administrator White reported that the Berthoud Fire District banned the sale of fire works in Berthoud for 2006, due to the dry conditions and the risk of fire.

Police Chief Glenn Johnson apologized to the Board for the delay in the delivery of the packets for this meeting. They were to have been delivered on Friday and did not go out to the Board until Monday. He assured the Board that this will not happen again.

CONSENT AGENDA

The Consent agenda consisted of the minutes of the June 13, 2006 regular meeting and the liquor license renewal for Hays Market.

Trustee Buckingham moved to approve the Consent Agenda as submitted. Second by Trustee Gervasi. Trustee Patrick abstained. All other Board members voted YES and the motion carried.

2005 AUDIT

Administrator White noted that our auditor, Alan Holmberg of Anderson & Whitney, was present to review the 2005 audit and answer questions at the June 20, 2006 study session.

Trustee Buckingham asked when the review of wastewater rates will be done. Administrator White noted a date will be set within the next two weeks for the initial meeting to discuss this study.

Trustee Patrick moved to approve the 2005 audit. Second by Trustee Buckingham. The motion passed unanimously.

PROPOSAL FOR BANKING SERVICES

Town Clerk Cowdin noted the Town last reviewed banking services in 2000. Since that time, new banks have opened and others have changed ownership. In May 2006, we submitted a Request for Banking Services to all four local banks in Berthoud. All four banks responded and Town Clerk Cowdin summarized their proposals.

Trustee Thorstensen arrived at 7:20 p.m.

Trustee Buckingham commended Town Clerk Cowdin for the summary and asked for a recommendation. Town Clerk Cowdin noted that based on the fees and services offered, she recommend Home State Bank. She noted that Home State also offers Health Savings Accounts, and we are pleased to see a local option for our employees for these accounts.

Mayor Karspeck asked which bank is currently the bank for Berthoud. Town Clerk Cowdin noted that Bank of the West is our current bank and has been since 2000. She noted there have been several changes of ownership and management for Bank of the West since 2000.

Trustee Patrick noted the fees shown for Home State would be less than one third of the fees charged by our current bank.

Trustee Buckingham moved to accept the staff recommendation to authorize Home State Bank to be the financial institution for the day-to-day operations of the Town of Berthoud. Second by Trustee Patrick. The motion passed unanimously.

**PEAKVIEW MEADOWS SUBDIVISION SECOND PHASE
DEVELOPMENT AGREEMENT AMENDMENT**

Mayor Karspeck opened the public hearing.

Planner Barkeen asked to postpone this item. She noted further discussion needs to occur with the Public Works Director prior to presenting this to the Board.

Attorney Fickel suggested that since this is a public hearing, it would be appropriate to open the floor for public comments prior to continuing this item to the next meeting.

Trustee Buckingham asked for a side-by-side comparison between the existing agreement and the amendments requested. Ms. Barkeen noted the applicant is requesting the addition of Addendum C, and they are asking for a change in their collateral.

Trustee Patrick agreed and asked that, in the future, a comparison be provided with an explanation of what is being amended.

Trustee Buckingham moved to continue the Public Hearing to consider the amendment of the Peakview Meadows Second Subdivision Development Agreement to the July 11, 2006 meeting. Second by Trustee Sommars. The motion passed unanimously.

POLICE DEPARTMENT FUNDING AND ELECTION OPTIONS

Chief Johnson thanked the Board for allowing him to come before the Board. After three months as Chief, he has concerns and recommendations regarding the safety and welfare of the residents of Berthoud. He noted the Berthoud Police Department is understaffed and under equipped to accomplish the normal duties necessary to adequately and safely protect the citizens, business people and visitors to our community. The Police Department is requesting additional funding to adequately perform necessary services to the community.

Chief Johnson explained that he is asking for \$156,000 for 2007, and then for an additional \$125,000 for each consecutive year. He outlined the programs and services that the Police Department could provide with the additional funding. He noted that the newest vehicle the Police Department has is a 2002 Chevrolet, and all of our vehicles are experiencing mechanical problems that can and have led to costly breakdowns. He noted that in addition to his role as Chief, he is serving as a duty officer and doing investigations. The officers we have are working hard and doing a good job for the Town of Berthoud, but there are areas that are not being covered due to the limitations we have. With additional officers, the Town could work with the schools, work with juveniles, provide more dependable traffic enforcement, develop better crime prevention programs, develop a child safety program, participate in multi-agency teams with the police agencies in our neighboring areas, develop a reserve officer program and enhance the enforcement of Town Ordinances. Chief Johnson noted there are grants available for the Police Department, and with additional staff, we could aggressively pursue those funds.

Chief Johnson provided information regarding a comparison done in 2004 of other towns with the population similar to Berthoud. He noted the average number of officers in the study for comparable towns was 13, with 3.5 support staff members. That is one officer per 338 citizens.

In the March 16, 2005 issue of the Berthoud Surveyor, statistics were gathered regarding the police departments in Milliken, Johnstown and Firestone. The average population for the three towns was 6,448, the average number of officers was 12, and the average support staff was 3. That calculates to one officer per 537 citizens.

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The Town of Berthoud has 5,000 people, with 7 officers and one support person. He noted we have good officers and they are working hard. He noted with two additional officers and a part time code enforcement officer, the department could do a better job for the Town.

Chief Johnson noted he is asking for Board support to take this issue to the voters and ask for funding. He noted there are two ways to fund this increase, raising either sales tax or property tax. If the total increase is done through a property tax increase, the total increase would be a 3.5 mill levy increase. If the Board wanted to reduce the increase in the mill levy, then the additional funds could come through a .2% increase in sales tax. He noted his concern is that if both options are put on the ballot, only one will pass and we will not obtain the funds we need. As an example, if only the sales tax increase passed, we would only have \$80,000 to work with.

Trustee Thorstensen asked what area is being served by the Berthoud Officers. Chief Johnson noted the officers restrict their service to within the Town limits, unless the Sheriff's Department of one of our surrounding neighbors request assistance.

Trustee Thorstensen was very interested in the grants that are available for the Department and asked if a volunteer could apply for grants on our behalf. Chief Johnson noted that it would be necessary for a member of our staff to manage the grants, due to the extensive reporting requirements involved with grant funding. Trustee Thorstensen encouraged staff to pursue any grant funds that are available.

Trustee Thorstensen asked what is involved in the Volunteer Officer program. Chief Johnson noted he wants certified officers that have the potential to work for the Town. This would provide a source of officers whenever an opening occurs on our force.

Trustee Gervasi commended Chief Johnson for the job he is doing, and asked if the Police Department could get by with half if only half of the funds are approved. Chief Johnson noted if only half passes, or if neither passes, we will have to continue operating with what we have.

Trustee Buckingham noted that we have significantly increased the size of our police force in the past ten years. He asked if it would be more appropriate to use the funds in increase the salaries of our existing staff and only add one officer.

Chief Johnson noted he considered that option when he was putting together this proposal. He noted when he came to work for Berthoud the morale of the department was low, and several of the officers were looking for jobs. He noted the money issue for the officers is not as significant as receiving encouragement for their performance. At the present time, we need additional officers more than we need raises.

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Trustee Buckingham noted the need is for “feet on the street.” He noted that when there were three officers on the force 10-11 years ago, there were a lot of things you could not count on. He pointed out the geography of the Town has changed with annexation of the I-25 area. We have a new tractor company on Highway 56. We have added Matthews Farm, Gateway and Peakview Meadows. We recently approved Heron Lakes, and all of these changes have resulted in an increase in the size of the area that is being patrolled by our officers. He encouraged the Board to do something to ensure Police Department is large enough to protect our citizens.

Mayor Karspeck noted the Town of Berthoud did not have 24/7 police coverage until the late 1990’s. He noted that Larimer County offered to take over police services for the Town last year, and they were going to charge substantially more than is being requested in this proposal. Mayor Karspeck suggested that it is time to put an emphasis into improving public safety in Berthoud and he is in support of this request.

Mayor Pro-Tem Ashcraft commended Chief Johnson for his efforts and suggested this is a conservative estimate. He expressed concern with splitting the funding between property taxes and sales taxes, and encouraged Chief Johnson to contact DOLA and CML regarding what is passing within the State. He also encouraged the Chief to get these issues out to the public to get support for this request before the voters go to the polls in November.

Trustee Sommars asked the Chief if he would prefer a mill levy increase. Chief Johnson noted his original hope was to increase our sales tax enough to raise the necessary funds, but we are limited to an increase of .2%, which would only raise \$80,000. Because of that limit, he indicated he would prefer to increase the mill levy. Trustee Sommars noted the Police Department is severely underfunded and needs to be able to grow along with the Town.

Trustee Patrick noted he would support some kind of financial solution, since the Board has known for some time that there is a need for improvement. He indicated he would prefer to support an increase in the mill levy, rather than maximizing for sales tax. The mill levy is more dependable. He noted the solutions in the proposal are minimums, and will not meet all the needs indicated in the proposal. He pointed out that if the proposal met all the needs identified in the proposal, the cost would be substantially higher than what is being proposed. Trustee Patrick also pointed out that property tax can be tax deductible.

Trustee Patrick noted that funds for the Police Department come from the general fund, and he hoped we see an increase in the general fund in the future. He also noted that some of the services included in the proposal would provide additional income to the department. He supported the need to take this to the voters.

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Administrator White noted the ballot language must be submitted by July 28, 2006 to get this on the ballot in November.

Trustee Buckingham suggested another way to get additional funds is to bring on a person to do grant writing for the Police Department. He pointed out that the Town has had a very positive experience in raising funds in the Planning Department through grants.

Mayor Pro-Tem Ashcraft agreed there is value in obtaining grant funds. However, it is difficult to find specific grants that pay for personnel, and grant funds are not sustainable. If we hire additional officers, we need sustainable funds to pay those employees.

Mayor Pro-Tem Ashcraft asked how much it would cost a resident with a home valued at \$200,000 if you increased the mill levy as requested. Town Administrator White noted for a \$200,000 home, the increase would be \$47.76 per year. For a home valued at \$300,000, the increase would be \$71.64 per year.

Mayor Karspeck noted each mill generates approximately \$45,000. If we increase the mill levy by 3, we would not get quite the amount that is being requested. He suggested we include a 10 year sunset limit on this increase since there is the potential for an increase in sales tax in the next ten years.

Trustee Gervasi encouraged splitting the increase between the sales tax and the real estate taxes. He felt it would be preferable to split the cost between non-residents who shop in Berthoud and pay sales tax and the residents of Berthoud that own property and pay property taxes.

Trustee Patrick noted that as Berthoud grows and we add more businesses, the .2% sales tax amount may be worth substantially more than what it is bringing in now. He noted that once a sales tax amount is designated for a specific department, then the dollars have to be used for that department. He suggested it would be more appropriate to leave the potential sales tax increase available for future needs. He noted that there is more potential for the voters to support a mill levy increase if it is designated for police services. He noted the increase in mill levy is tax deductible, which softens the blow and allows the federal government to help pay for police coverage in Berthoud.

Mayor Karspeck noted that Berthoud has one of the lowest property tax rates in Colorado. There are few communities with a lower rate. He also noted that there are numerous communities with lower sales tax than Berthoud, and one reason we are collecting less in sales tax is because we are only capturing a small percentage of the retail sales for the residents of Berthoud.

Trustee Patrick noted if we were in Estes Park, a sales tax increase would be a reasonable alternative to consider. The residents of Berthoud either do not shop in Berthoud or can not find what they need here. If we were 75% of our sales tax, then we might have a more viable option in relying on sales tax. At some point in the future, the sales tax option may be better. The police department is one area that we would like to see improved, but in the big picture, we have other parts of the Town that are equally as needy. He encouraged the Board to keep the .2% on the table until it is needed for something else.

Trustee Buckingham felt it would be better to keep it simple and not split the increase between sales tax and property tax. He felt the mill levy would be appropriate.

It was moved and seconded to direct staff to compose ballot language to be submitted to the registered electors of the Town of Berthoud at the regular municipal election on November 7, 2006, to authorize the Town to increase property taxes by 3 mills, and to authorize the Town to collect, retain and spend the revenues from the increased tax as a voter approved revenue for police services. Ballot language should include a ten year sunset and a bi-annual review. Language should also indicate that staff will pursue all available grants available for police services. The motion passed unanimously.

Attorney Fickel agreed to bring the proposed ballot language to the next meeting.

LIBRARY BOARD APPOINTMENT

Trustee Thorstensen announced that the first interview for the candidates for the Library Board is scheduled for Wednesday, June 28, 2006.

With no further business before the Board, the meeting adjourned at 8:40 p.m.

Mayor Milan Karspeck

Deputy Clerk Charlene Reed