

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 18, 2008
PAGE 1 OF 8

The Board of Trustees of the Town of Berthoud met for a special meeting on Tuesday, November 18, 2008. Mayor Tom Patterson called the meeting to order at 6:00 p.m.

MEMBERS PRESENT: Mayor Tom Patterson
Mayor Pro-Tem David Gregg
Trustee John Bauer
Trustee Dick Shepard
Trustee Michael Patrick
Trustee Jeff Hindman
Trustee Glen Buckingham (6:15 p.m.)

STAFF PRESENT: Town Administrator Jim White
Town Clerk Mary Cowdin
Town Attorney Bruce Fickel
Public Works Director Tony Huerta
Water Superintendent Ed Simpson
Street Superintendent Jerry Wilson
Wastewater Superintendent Bob Airhart
Library Director Sara Wright
Parks and Recreation Director Jeremy Olinger
Town Planner Tim Katers
Museum Director Tom Vaughan
Chief of Police Glenn Johnson

PLEDGE OF ALLEGIANCE

Mayor Patterson led the Pledge of Allegiance.

CITIZEN PARTICIPATION

There were no citizens requesting to speak.

REPORTS

Trustee Shepard. The Library Board will have its first meeting as a funded district on November 20, 2008.

Trustee Bauer. Trustees Hindman, Gregg and Bauer attended the public hearing on the I-25 Master Plan. Trustee Bauer stated that it is very important to submit comments. There are additional meetings in Fort Collins and Loveland. If people cannot attend any of the public hearings, there is a form available to submit comments. He stated that he is supportive of additional lane and rail stations. This option (Package A) will provide an

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 18, 2008
PAGE 2 OF 8

option for a rail station in Berthoud. The next step is an environmental study. Trustee Bauer stated he felt strongly about supporting Package A. Package B will only provide for commuter bus service on I-25. CDOT will only support one of the two options. Any option that receives negative input will be discarded.

Trustee Gregg also supports Package A as it would bring commuter rail that would run through Berthoud. Over time this would lead to urbanization of our core community. Package B would lead to satellite urbanization and does not appear to benefit the Berthoud community.

Mayor Patterson stated that there a proclamation prepared for Package A. There was some interest in making the recommendation stronger than a proclamation. Mayor Patterson asked the Board for their input after Trustee Buckingham arrived.

Trustee Hindman reported on the BERT meeting on November 17, 2008. There was an article in today's paper regarding the community separator forum for the region. The BERT meeting included several small groups; downtown inventory, marketing, shovel ready program. He stated that BERT was beginning to focus and work on some constructive items.

Mayor Patterson stated that everyone wants a separator between towns but no one wants their and impacted.

Trustee Hindman stated that the reason the Loveland/Fort Collins separator plan worked in because the land between the communities was purchased at fair market value. All the communities want willing buyer/willing seller situations. Also, the communities that have been successful have a sales tax funding mechanism. If you have the money you can preserve buffers and property rights. If there is no funding, your options are fairly limited.

Administrator White. As a result of our economic development efforts we have a referral to submit a property for potential development. This was a collaborative effort between Town staff, business owners and representatives of the land owner. Further details to follow.

Administrator White attended the CML Executive Board. Transportation is one of the top priorities for 2009. The report from the Governor' Blue Ribbon Committee presented statistics that are quite staggering in term of what needed to be accomplished. There are preliminary meetings regarding transportation issues, road and bridge projects. Emerging energy concerns were also on the agenda.

CONSENT AGENDA

Motion to approve the Minutes of the October 28th and November 10th meetings and October Bills allowed by Trustee Buckingham. Seconded by Trustee Bauer. Passed unanimously.

Item 6c – Liquor License renewal for Berthoud Wine and Spirits. Chief Johnson clarified that there have been no violations in the last year for this licensee.

Motion to approve Liquor License renewals for Berthoud Wine and Spirits and J.B. Clymer's by Trustee Bauer. Seconded by Trustee Shepard. Motion approved with Trustee Patrick abstaining.

PROCLAMATION

Mayor Patterson read the Proclamation supporting Package A of the CDOT plan for I-25. Mayor Patterson asked if the Board wished to draft a Resolution. Town Administrator White explained that it would strengthen the recommendation if put in the form of a Resolution. Motion to support a resolution in favor of Package A of the CDOT Plan by Trustee Buckingham. Seconded by Trustee Gregg. Motion passed unanimously.

Trustee Hindman again stressed that everyone needs to submit comments to support Package A. He stated that the meeting in Fort Collins is tomorrow at the Lincoln Center. Mayor Patterson encouraged everyone to attend and submit comments.

PUBLIC HEARING WATER AND WASTEWATER RATE ORDINANCE 1102

Mayor Patterson opened the public hearing on the Water and Wastewater rate ordinance. Administrator White explained the background on the water and wastewater rates. Administrator White initially proposed rate increases of 6% for water and 5% for wastewater, however, following discussions at the finance committee and with the consultant the increases were reduced to 2% in water and 2% in wastewater. These increases are necessary to maintain the systems and provide debt payments. The Town budget also includes funding for a water master plan study for the capital improvement projects in the next five years.

Mayor Patterson explained that these increases translate to an increase of approximately \$2.00 per month per household.

Trustee Hindman stated that he is not happy with the 2% increases. He stated he is agreeing to the increases because of the study to be done next year. Trustee Hindman stated that we need to get back to the philosophy of current rate payers only paying for

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 18, 2008
PAGE 4 OF 8

costs of use and required and tap fees from new users funding the cost of increasing the capacity. Because of the Town's lack of growth and the need to expand the facility it has not been possible to separate those items.

Motion to approve the Water and Wastewater Ordinance by Trustee Buckingham.
Seconded by Trustee Shepard. Motion passed unanimously.

PUBLIC HEARING
MUNICIPAL FEE ORDINANCE 1103

Mayor Patterson opened the public hearing on the Municipal Fee Ordinance. Administrator White presented the history and justification for the municipal fee. Administrator White noted that municipal fee related expenses are projected to increase \$10,000 in 2009, yet indicated that the Finance Committee recommendation is to keep the municipal fee at the same rate as in 2008.

Trustee Buckingham raised the question that the amount of the Municipal Fee is actually less than projected expenditures. Attorney Fickel stated that the rate must be justified and can be at or under actual costs.

Trustee Bauer stated that one of the main goals was to identify alternative funding options to prevent increasing the Municipal Fee for 2009. He asked if this goal has been accomplished. Administrator White stated that staff continues to pursue grants, has added revenue by creation of a passport acceptance function, is currently evaluating the court fines and fees, and has begun requesting restitution for animals taken to the Humane Society. Trustee Bauer explained his concern was to continue to pursue other funding options to be able to reduce or eliminate the municipal fee.

Administrator White stated that the low number of building permits feeds into this problem, expressed concern over our General Fund reserves, and indicated the need to keep the municipal fee currently in place.

Trustee Buckingham asked the Board for input regarding making this rate one that actually recovers expenses.

Trustee Patrick stated that we need to balance the actual cost of providing services. We are setting a bad precedent by allowing the underfunding of the municipal fee. Trustee Patrick stated that he saw no basis for not considering and implementing a full recovery of costs. He stated that all costs covered by the municipal fee have increased this year. Trustee Patrick stated that it would be fiscally prudent to avoid depleting the fund balances to the point that we could not make payroll.

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 18, 2008
PAGE 5 OF 8

Administrator White cautioned that the expenditure estimates were just that – estimates. He also stated that we need to be careful that we do not raise the municipal fee to a level that exceeds expenditures.

Trustee Gregg stated that at the retreat this was identified as one of the top priorities for the coming year. There was also discussion regarding elimination of the municipal fee. This is not a stand alone budget item but a part of the larger General Fund budget.

Trustee Hindman stated that the Municipal Fee was created as a temporary fee. One of the goals of this Board was to start a new precedent of charging less than expenditures. This should give the impetus and focus to speed up the process for approving projects, both at the staff, Board and Panning Commission level. One idea would be to explore a franchise with Xcel which would generate \$60,000 to \$70,000 in revenue per year. He suggested staff also do some research on the mill levy and what it would generate if increased. This biggest problem with the budget is not wasteful spending.

Trustee Patrick stated we should be aware that the franchise fee will be paid by the citizens of Berthoud. The same thing is true for the mill levy. Trustee Patrick agreed with looking for innovative new revenue streams but stated that the municipal fee was the only way to close the budget. He also stated that this is a very prudent, very lean and very well operated financial status in the town. We need to be careful to plan to leave some flexibility in the town budget for unexpected events. Our reserves have dropped steadily every year. What that really means is we are spending our savings. We are not balancing the budget with revenue and expenses and we are taking the difference out of savings. Trustee Patrick stated that if we have expenses we need to recognize and fund them.

Trustee Bauer stated that decisions made in February and March of 2008 affected the fund balances. He also stated that the Town Board is committed to economic development and identifying new revenue streams. Trustee Bauer supports a quarterly review of the budget expenditures.

No public comment.

Motion to approve the Municipal Fee Ordinance by Trustee Shepard. Seconded by Trustee Gregg. Passed unanimously.

2009 BUDGET RESOLUTIONS

Administrator White introduced the budget and thanked Trustee Buckingham, as Finance Committee Chair, for his work on the budgets of the last several years. He also thanked staff members who worked on the input provided during the budget process. Administrator White stated that the budget projections were very conservative. He also

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 18, 2008
PAGE 6 OF 8

discussed the chart showing the building permits for the last several years. These charts detail the steady decline of revenue. Administrator White also stated that he is very proud of employees that have contributed in identifying ways to lower expenditures, who have identified grants and other funding sources, etc.

Administrator White commended the Public Works Department for the work on the Mountain Avenue Project.

Administrator White discussed the salary study that was recently completed. The proposed salary increases are based on retaining quality employees for the Town.

Administrator White commended Town Clerk Mary Cowdin for her work in preparing the budget.

Town Clerk Cowdin explained that the Budget Ordinances have been changed to Budget Resolutions.

Trustee Shepard commended the Finance Committee for preparing a lean and mean budget. He stated that he appreciated Trustee Buckingham's efforts in keeping the municipal fee the same and the increases in water and wastewater to 2%. Trustee Shepard stated that the lean budget will help in encouraging the Board and staff to develop new commercial endeavors in Berthoud. Trustee Shepard asked the Board's input on requesting a monthly presentation on where we are in the budget. He felt the Board should be aware of the expenditures to avoid surprises. Trustee Shepard also requested an evaluation of the raises after the evaluation process.

Trustee Gregg expressed sincere gratitude to the Finance Committee, Trustee Buckingham, Administrator White and Town Clerk Cowdin. He expressed optimism on what this budget will be able to accomplish.

Trustee Patrick thanked Trustee Buckingham for his contribution to the Finance Committee and budget process. He praised Trustee Buckingham's commitment to identifying the costs. Trustee Patrick pointed out that it is important to monitor the expenditures in the enterprise funds and make sure the budget stays on track.

Trustee Bauer thanked the staff and department heads. Special thanks to Administrator White and Town Clerk Cowdin for providing information. Trustee Bauer agreed that this is a lean budget. He stated that it is critical to support and retain Berthoud businesses and identify new businesses. Trustee Bauer cautioned that 2% may not be adequate to cover costs.

Trustee Hindman stated that this is a prudent and balanced budget. He stated that it is not a risky budget. Trustee Hindman thanked Trustee Buckingham for his work on the

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 18, 2008
PAGE 7 OF 8

Finance Committee. Trustee Hindman discussed the economic development, grants for Pioneer Park and salary savings due to resignations in the Building Department. He stated that the public needs to understand that funds for Pioneer Park are open space funding and not a part of the general fund. Trustee Hindman also stated that the Library District election provided some relief on our general fund. He stated that he supports a quarterly review of the budget expenditures.

Trustee Buckingham thanked all the trustees and Town staff who participated in the budget process. The Board has made some very hard decisions in the last few years which kept the Enterprise Funds solvent. Trustee Buckingham stated that this is the most conservative budget that he has seen in many years. He listed many projects that have the potential to improve the financial condition of the Town.

Mayor Patterson supported a review of the expenditures.

No public comment.

Motion to approve the 2009 budget by Trustee Buckingham. Seconded by Trustee Shepard. Passed unanimously.

PLANNING AND ZONING APPOINTMENT

Administrator White introduced this item recommending Raymond Johnson be appointed to the Planning Commission with a term ending August 31, 2010.

Motion to approve Raymond Johnson by Trustee Bauer. Seconded by Trustee Buckingham. Passed unanimously.

HISTORIC PRESERVATION DISTRICT APPEAL

Administrator White explained that this item was on the previous agenda. Greg Bell is providing legal counsel to the Town and Ian McCargar is representing the Historic Preservation Commission. The two attorneys are working on a resolution. Administrator White requested that this item be continued to a future meeting with the understanding that all parties will receive a minimum of ten days notice of placement on the agenda.

Motion to postpone made by Trustee Gregg. Seconded by Trustee Buckingham. Passed unanimously.

TOWN OF BERTHOUD
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 18, 2008
PAGE 8 OF 8

The meeting was adjourned by Mayor Patterson.

T.P. Patterson

Deputy Town Clerk Linda Higuera