

**CITY OF CENTRAL
CITY COUNCIL MEETING
July 7, 2015**

CALL TO ORDER

A regular meeting of the City Council for the City of Central was called to order by Mayor Engels at 7:18 p.m., in City Hall on July 7, 2015.

ROLL CALL

Present: Mayor Engels
Mayor Pro Tem Heider
Alderman Voorhies
Alderman Gaines
Alderman Laratta

Absent: None

Staff Present: City Manager Miera
City Clerk Bechtel
Attorney McAskin
Finance Director Adame
Police Chief Krelle
Fire Chief Allen

The Pledge of Allegiance was recited by all present.

ADDITIONS AND/OR AMENDMENTS TO THE AGENDA

The agenda was approved as presented.

CONFLICTS OF INTEREST

No Council Member disclosed a conflict regarding any item on the agenda.

CONSENT AGENDA

Alderman Gaines moved to approve the consent agenda containing the regular bill lists of June 4, 11, 18, 25 and July 2; and the City Council minutes for the meetings on June 2 and 19, 2015. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

PUBLIC FORUM/AUDIENCE PARTICIPATION

No one requested time to address the Council.

SECOND READING AND PUBLIC HEARING

Ordinance No. 15-03: *An ordinance repealing and reenacting Article I of Chapter 18 of the City of Central Municipal Code to adopt by reference the International Building Code, 2015 Edition; the International Fire Code, 2015 Edition; the International Residential Code for one and two family dwellings, 2015 Edition; the International Mechanical Code, 2015 Edition; the International Plumbing Code, 2015 Edition; the International Energy Conservation Code, 2015 Edition; the*

International Existing Building Code, 2015 Edition; the International Fuel Gas Code, 2015 Edition; and, making specific amendments to the above referenced codes.

City Manager Miera stated that this is second reading and a public hearing and offered to answer any questions.

Mayor Engels opened the public hearing at 7:23 p.m. and invited comment. With no comments offered, Mayor Engels closed the public hearing at 7:24 p.m.

Alderman Voorhies moved to adopt Ordinance No. 15-03: An ordinance repealing and reenacting Article I of Chapter 18 of the City of Central Municipal Code to adopt by reference the International Building Code, 2015 Edition; the International Fire Code, 2015 Edition; the International Residential Code for one and two family dwellings, 2015 Edition; the International Mechanical Code, 2015 Edition; the International Plumbing Code, 2015 Edition; the International Energy Conservation Code, 2015 Edition; the International Existing Building Code, 2015 Edition; the International Fuel Gas Code, 2015 Edition; and, making specific amendments to the above referenced codes. Alderman Gaines seconded, and without discussion, the motion carried unanimously.

ACTION ITEMS: NEW BUSINESS

Appoint New Main Street Commission Members – Applicants: Barbara Thielemann, Steve Boulter, Lisa Leben, Mary Bell, Micki Moss, Ernie Van Deuchen, Jeff Hentschel

Following Council discussion, Alderman Gaines moved to ratify the appointments for Barbara Thielemann, Steve Boulter, Lisa Leben, Mary Bell, Micki Moss and Jeff Hentschel as alternate and thanked Ernie Van Deuchen for his willingness to serve. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

Resolution No. 15-14: A resolution of the City Council of the City of Central, Colorado approving an Intergovernmental Agreement between the City of Central, the City of Black Hawk, the Timberline Fire Protection District, and Clear Creek County regarding a Maintenance Agreement for a Command Vehicle.

Police Chief Krelle explained that the Police and Fire Departments are asking council to approve an IGA with Gilpin County, Clear Creek County, City of Black Hawk and Timberline FPD which allows the Police and Fire Departments to utilize a 2015 Ford Command Vehicle and to assist in maintenance costs.

The Colorado Homeland Security Grant Program provided grant funding to the North Central All-Hazards Management Region for the benefit of the Members, hereto to improve local government's emergency response capabilities. Funding was provided to the City of Black Hawk to purchase a command vehicle to provide support functions for first responders within the region during an emergency. The vehicle was designed to function in mountainous terrain under adverse weather conditions. The Members need to enter into an agreement to sustain the grant funded vehicle by collaboratively funding a maintenance program. The vehicle will be owned and operated by the City of Black Hawk, but will be a shared asset between the participating members. It is beneficial for the Members to collectively fund a maintenance program ensuring operational effectiveness for the future. It is also desirable to establish guidelines for operating the vehicle and the procedures for approving acceptable expenses. Costs will be \$200 annually, plus cost of additional vehicle Liability Insurance through CIRSA (TBD).

Alderman Gaines moved to approve Resolution No. 15-12: A resolution appropriating additional sums of money in relation to the creation of the Transportation Enterprise Fund not appropriated in the 2015 Budget for the City of Central. Alderman Voorhies seconded, and without discussion, the motion carried unanimously.

Resolution No. 15-15: *A resolution of the City Council of the City of Central, Colorado approving the Second Amendment to License Fee Rebate Agreement.*

City Manager Miera gave the background as follows: the City received a letter from Century Casino dated April 7, 2015, wherein a request was made of the City to amend the License Fee Rebate Agreement, authorizing an extension beyond the 10-year period (which is currently set to expire on or about July 1, 2016) and allowing the Casino to recognize the full maximum rebate amount of \$6.6 million.

The matter was discussed in Executive Session on April 21, 2015 and the City Council authorized the City Manager and City Attorney to negotiate the terms of such an Amendment. The negotiations resulted in the terms outlined in Resolution No. 15-15.

An important issue to note is that the negotiations resulted in a proposed Amendment that would reduce the rebate percentage from 70% of the fees (License Fee and Transportation Device Fee) down to 25% of the fees. However, in light of the recent formation of the Transportation Enterprise and the effect that continued rebates against the Transportation Device Fee could have on the Enterprise, the percentages and structure of the proposed Amendment were adjusted. The revised proposed Amendment reflects the intent of the original terms; however, the rebate will now solely be derived from the (General) License Fee, with no portion coming from the Transportation Device Fee. So, instead of rebating 25% of the two fees, the proposed Amendment would rebate 32% of the (General) License Fee (rounded up from the approximate calculation of 31.6%).

The City entered into the original License Fee Rebate Agreement with the Developer as of September 7, 2004. The Agreement provided an incentive for the developer to provide for and maintain free public parking within a parking structure (Century Casino Parking Garage) into perpetuity. The incentive was implemented through a License Fee Rebate Agreement. The City agreed to rebate 70% of the annual gaming license fees (\$1,000 per device, per year / \$83.33 per device, per month) for a 10-year period or up to a maximum rebate amount of 60% of the approved construction costs (or \$6.6 million), whichever came first. The City's practice of implementation for the rebate program not only included the (General) License Fee (\$83.33/device/month), but also included the Transportation Device Fee (\$22.08/device/month), for a total of \$105.41/device/month. Therefore, the City's rebate to the Century Casino has been equal to \$73.79/device/month.

The first rebate was issued in July 2006, and as such, the rebate is currently set to expire on June 30, 2016.

The First Amendment to the Agreement was executed as of April 5, 2005 (revisions to definitions in the Agreement, revised contact information, and a change in the number of parking spaces).

Through June 2015, the City has rebated \$4,277,864.10 to the Century Casino (an average of \$475,318.23 per year over the past nine years).

Beginning July 1, 2015, the proposed agreement would obligate the City to an outstanding liability equal to \$2,322,135.90*.

On average (over at least the previous 5 years), the Casino has maintained approximately 500 devices. So, for the purposes of the illustration, we will make the assumption that this variable will stay constant. As such, the current rebate based on 70% of \$105.41/device (\$73.79) yields approximately \$36,895 per month, or \$442,740 per year. And, the proposed Amendment based on 32%** of \$83.33/device (\$26.67) yields approximately \$13,335 per month, or \$160,020 per year. Over the next twelve (12) months (spanning two fiscal years), the City will recognize a savings of approximately \$282,720 with respect to its existing obligation. The City will realize an approximate savings of \$141,360 in second half of FY 2015 and another \$141,360 in the first half of FY 2016.

However, the benefit of the initial bargain that currently belongs to the City (savings of the amount the City is not obligated to under the current Agreement) will now transfer to the benefit of the Casino under the proposed Amendment. Notwithstanding the foregoing statement, it is important to note that the City did initially contemplate a payout of \$6.6 million in the original Agreement; the only difference here is that the payout is scheduled over a longer period of time than the 10-year timeframe that was established in the original Agreement.

Under the current Agreement, the City would not recognize any savings in CY 2015, and it would have to appropriate approximately \$221,370 in FY 2016 to complete its obligation. However, it would then recognize a savings of \$221,370 in FY 2016 (compared to CY 2015), and then a savings of \$442,740 each year thereafter. And, under the proposed Amendment, the City will have to appropriate approximately \$160,020 in FY 2016 and every year thereafter until the maximum rebate amount of \$6.6 million is reached (approximately 14 years***).

* **Note:** This figure includes the “10th year” of the rebate that the City is already obligated to under the existing Agreement. The additional (net) financial liability accepted by the City under the proposed Amendment (that it is not currently obligated to) is equal to approximately \$1,879,395.90.

** **Note:** The more accurate calculation that reallocates the 25% figure from the two fees (\$26.35) into an exact percentage of the one fee results in a percentage of 31.625%, so we rounded up to 32% (\$26.67) for ease of accounting. And, based on the assumption that the aggregate number of \$6.6 million is agreed upon, the rounded figure has no material impact on the rebate program. Likewise, the number of devices has no material impact on the maximum rebate amount, as any adjustment in the number of devices has a proportionate impact on the amount of the rebate. In the end, the \$6.6 million amount remains the only constant figure.

*** **Note:** Under the proposed Amendment, the outstanding obligation at the end of FY 2015 will be \$2,242,125.90 (after approximately \$80,010 is rebated over the remainder of the fiscal year). And with annual rebate payments of \$160,020, it will take approximately 14 years to satisfy that obligation (last rebate would occur in FY 2029).

Mayor Pro Tem Heider noted that there are 499 parking spaces with 311 spaces reserved for casino patrons with the remainder available to residents.

Mayor Pro Tem Heider moved to approve Resolution No. 15-12: A resolution appropriating additional sums of money in relation to the creation of the Transportation Enterprise Fund not appropriated in the 2015 Budget for the City of Central. Alderman Voorhies seconded, and without discussion, the motion carried unanimously.

STAFF UPDATES

City Manager Miera updated Council on the following projects: that striping in the City will be done on July 10th; Xcel will complete work the week of July 20th; KOP is on track to complete stabilization by the end of July; Caselle is working with staff to get the software up by year end; and the new archway sign has not had any cost to the City with the original sign in storage so it could be put back up in 2 years if it is not shown to be a successful effort marketing effort.

COUNCIL COMMENTS

Alderman Gaines offered thanks to the Police Department for the extra efforts on July 4th and thanked staff for meeting with Prospectors Run resident Tom Poe.

Alderman Voorhies noted that every call she has received about the new archway sign has been negative and feels that Central City has lost our identity.

Mayor Pro Tem Heider agreed with Alderman Voorhies about the archway sign. She thanked the Police Department for manning the closure on the Casey on July 4th.

City Manager Miera added his compliments to the Police and Fire Departments for outstanding work on July 4th and to Public Works for all their extra effort with events.

Alderman Laratta added that the City looks inviting with all the beautification yet the DO NOT ENTER sign remains.

PUBLICFORUM/AUDIENCEPARTICIPATION

Barbara Thielemann, 101 H Street, thanked the community for their support and participation in the First Friday event on July 3rd as well as the Public Works staff for their help with the event.

EXECUTIVE SESSION

Mayor Pro Tem Heider moved to adjourned into Executive Session pursuant to C.R.S. 24-6-402(4)(e) for the purposes of developing positions relative to matters that may be subject to negotiations; developing strategies for negotiations; and instructing negotiators regarding property located on Nevada Street in Central City. Alderman Gaines seconded, and without discussion, the motion carried unanimously.

At 8:10 p.m., Mayor Engels adjourned the meeting.
The next Council meeting is scheduled for July 21, 2015 at 7:00 p.m.

Ronald E. Engels, Mayor

Reba Bechtel, City Clerk