1) OHV/ATV Regulations – Rears
2) Floyd Hill (I-70) Update - Miera

Adjournment

Note regarding public participation at City Council Work Sessions: The City Council welcomes you to this Work Session and appreciates your time and interest. Members of the public are advised that public hearings are not held during City Council Work Sessions. The public is invited to attend any open session of any Work Session and listen to the City Council’s discussion. However, the City Council is not required to take public comments during Work Sessions. At the discretion of the Council, public comment on the Work Session agenda items identified above may be allowed if time permits. If City Council allows public comment on the agenda items listed above, comments must be directly related to the specific topics listed above. If time does not permit you to address the City Council during the Work Session, you are invited to address Council during either of the “PUBLIC FORUM/AUDIENCE PARTICIPATION” portions of the Regular Meeting agenda.

If anyone has any questions or needs additional information relative to the above Work Session, please do not hesitate to contact City Hall at 303-582-5251. Thank you.

Posted 5/25/18
CITY OF CENTRAL, COLORADO
NOTICE OF A REGULAR MEETING of the CITY COUNCIL to be held on
Tuesday, May 29, 2018 @ 7:00 p.m.
141 Nevada Street, Central City, Colorado
AGENDA

The City Council meeting packets are prepared several days prior to the meetings and available for public inspection at City Hall during normal business hours the Monday prior to the meeting. This information is reviewed and studied by the City Council members, eliminating lengthy discussions to gain basic understanding. Timely action and short discussion on agenda items does not reflect lack of thought or analysis. Agendas are posted on the City’s website, the City Hall bulletin board and at the Post Office the Friday prior to the Council meeting.

7:00pm Council Meeting

1. Call to Order

2. Roll Call
   Mayor
   Mayor Pro-Tem
   Council members
   Kathryn Heider
   Shirley Voorhies
   Judy Laratta
   Jeff Aiken
   Mary Bell

3. Pledge of Allegiance

4. Additions and/or Amendments to the Agenda

5. Conflict of Interest

6. Consent Agenda: The Consent Agenda contains items that can be decided without discussion. Any Council member may request removal of any item they do not want to consider without discussion or wish to vote no on, without jeopardizing the approval of other items on the consent agenda. Items removed will be placed under Action items in the order they appear on the agenda (this should be done prior to the motion to approve the consent agenda).

   Regular Bill lists through May 11, 2018; and
   City Council minutes: May 15, 2018.

PUBLIC FORUM/AUDIENCE PARTICIPATION — (public comment on items on the agenda not including Public Hearing items): the City Council welcomes you here and thanks you for your time and concerns. If you wish to address the City Council, this is the time set on the agenda for you to do so. When you are recognized, please step to the podium, state your name and address then address the City Council. Your comments should be limited to three (3) minutes per speaker. The City Council may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and your questions may be directed to the City Manager for follow-up. Thank you.

PUBLIC HEARING —

7. Ordinance No. 18-05: An ordinance of the City Council of the City of Central, Colorado acting by and through its Water Fund Enterprise, authorizing the issuance of the Enterprise Bond, Series 2018, and the execution and delivery of a Direct Loan Agreement and related documents for the purpose of: (i) replacing two diversion structures, Miner’s Gulch and Peck’s Gulch Diversion Structures, and rehabilitating the Broomfield Gulch Diversion Structure and associated appurtenances; and (ii) paying the costs of issuance of issuing the Bond. (McAskin)

8. Ordinance No. 18-06: An ordinance of the City Council of the City of Central, Colorado amending certain provisions of Article III of Chapter 4 of the Municipal Code concerning the Municipal Audit Process. (Robbins)

ACTION ITEMS: NEW BUSINESS —

9. Central City Promise Program Request – Adria Bleske (Robbins)
10. **Resolution No. 18-10**: A resolution of the City Council of the City of Central, Colorado, approving railcar lease agreement with South Park Rail Society. (Rears)

**REPORTS** –

11. Staff updates –

**COUNCIL COMMENTS** - limited to 5 minutes each member.

**PUBLIC FORUM/AUDIENCE PARTICIPATION** – for non-action items not Action or Public Hearing items on this agenda (same rules apply as outlined in the earlier Public Forum section).

12. Executive Session: **Pursuant to C.R.S. Section 24-6-402(4)(e)** to develop strategies for negotiation and instruct negotiators regarding proposed amendment to “Growth IGA” (Intergovernmental Agreement dated September 29, 1999).

**ADJOURN.** Next Council meeting June 5, 2018.

Please call Reba Bechtel, City Clerk at 303-582-5251 at least 48 hours prior to the Council meeting if you believe you will need special assistance or any reasonable accommodation in order to be in attendance at or participate in any such meeting.
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Grand Totals:  

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1,173.80  .00  1,173.80
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CALL TO ORDER
A regular meeting of the City Council for the City of Central was called to order by Mayor Heider at 7:00 p.m., in City Hall on May 15, 2018.

ROLL CALL
Present: Mayor Heider
Mayor pro tem Voorhies
Alderman Laratta
Alderman Aiken

Absent: Alderman Bell, absence excused

Staff Present: City Manager Miera
Attorney McAskin
City Clerk Bechtel
Finance Director Robbins
Community Development Director Rears
Public Works Director Hoover
Utilities Director Nelson
Fire Chief Allen
Captain Ihme GCSO
Jack Beard, Water Department

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 Laratta moved to approve the consent agenda containing the regular bill lists through April 27 and the City Council minutes for the meeting on May 1, 2018. Mayor pro tem Voorhies seconded, and without discussion, the motion carried unanimously.

PUBLIC FORUM/AUDIENCE PARTICIPATION
No one requested time to address the Council.

PUBLIC HEARING
Ordinance No. 18-04: An ordinance of the City Council of the City of Central, Colorado amending Section 2-1-20 of the Municipal Code concerning Write In Candidate Affidavits and adding a new Section 2-1-30
to the Municipal Code regarding the Cancellation of Elections.
City Clerk Bechtel explained that due to many changes in Election Law in the past few years we want to amend Section 2-1-20 of the Central City Municipal Code, titled “Write-in candidate affidavit required” to change from 20 days to 64 days before the date of election and add a new Section 2-1-30 to the Municipal Code clarifying when municipal elections may be cancelled, consistent with C.R.S. § 31-10-507 and add a new Section 2-1-30 to the Municipal Code clarifying when municipal elections may be cancelled.

Mayor Heider opened the Public Hearing at 7:08 p.m. Hearing no comments, Mayor Heider closed the Public Hearing at 7:09 p.m.

Alderman Aiken moved to adopt Ordinance No. 18-04: An ordinance of the City Council of the City of Central, Colorado amending Section 2-1-20 of the Municipal Code concerning Write In Candidate Affidavits and adding a new Section 2-1-30 to the Municipal Code regarding the Cancellation of Elections. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

ACTION ITEMS: NEW BUSINESS
Central City Promise Program Request – Austin Boulter
Finance Director Robbins reviewed the background for the Central City Promise Program which was initiated by City Council to encourage high school graduates and G.E.D. recipients of Central City to make post-secondary education a priority. The Promise Program helps make it possible for Central City residents to attend a university, community college or trade school by providing assistance with the costs associated with attending one of these educational institutions. The 2018 Budget has $15,000 allocated for the Promise Program. This is the first formal request received-to-date for FY 2018.Granting the above request will leave a remaining balance of $10,000.00.

Mr. Boulter is a first-time applicant of the Promise Program. He has submitted all of the required information and paperwork and is requesting Promise Program funds in the amount of $5,000.00 in 2018. Mr. Boulter is continuing his post-secondary education at the University of Colorado in Boulder. The Promise Program Guidelines limit the amount that an individual can receive to a total of $20,000 or four (4) years of funding.

Austin Boulter addressed Council adding that he will pursue a degree in Business Administration.

Alderman Aiken moved to approve the request for Central City Promise Program funds in the amount of $5,000.00 to Austin Boulter. Mayor pro tem Voorhies seconded, and without discussion, the motion carried unanimously.

Resolution No. 18-10: A resolution of the City Council of the City of Central, Colorado, confirming the establishment of the Central City Water Fund Enterprise.
Attorney McAskin explained that this resolution confirms the prior establishment of the Central City Water Fund Enterprise ("Enterprise") under Article X, Section 20 of the Colorado Constitution and C.R.S. § 37-45.1-101, et seq., to conduct the water and wastewater operations of the City. Mr. McAskin further explained that while the Enterprise was formed in or about 1993, the City had been unable to locate the original ordinance or resolution memorializing the same. Resolution 18-10 confirms the establishment of the Enterprise, and is being requested of the City's bond counsel and the Colorado Water Resources and Power Development Authority (the "Authority") in conjunction with the planned closing of the Loan Agreement by and between the Enterprise and the Authority, and issuance of the Enterprise Bond,
tentatively scheduled for May 31. Mr. McAskin further explained that the Enterprise Bond and Loan Agreement will be reviewed during his overview of Ordinance 18-05 (next on the agenda), but that the Loan Agreement will have a 30-year repayment term at a zero percent (0%) interest rate, and that proceeds from the Bond will be used to fund the following project:
(i) replace two diversion structures, Miner’s Gulch and Peck’s Gulch diversion structures, and rehabilitate the Broomfield Gulch diversion structure and associated appurtenances; and (ii) paying the costs of issuance of issuing the Bond Resolution 18-10 is required in order to facilitate the issuance of the Bond and approving the Loan Agreement with the Authority.

Discussion ensued, with Council members asking questions regarding the timing and specifics of the Project. Questions were answered by Utilities Director Nelson and Jack Beard.

Mayor pro tem Voorhies moved to approve Resolution No. 18-10: A resolution of the City Council of the City of Central, Colorado, confirming the establishment of the Central City Water Fund Enterprise. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

Ordinance No. 18-05: An ordinance of the City Council of the City of Central, Colorado acting by and through its Water Fund Enterprise, authorizing the issuance of the Enterprise Bond, Series 2018, and the execution and delivery of a Direct Loan Agreement and related documents for the purpose of: (i) replacing two diversion structures, Miner’s Gulch and Peck’s Gulch Diversion Structures, and rehabilitating the Broomfield Gulch Diversion Structure and associated appurtenances; and (ii) paying the costs of issuance of issuing the Bond.

Attorney McAskin explained that Ordinance No. 18-05 approves the issuance of an Enterprise Bond by the Central City Water Fund Enterprise (“Enterprise”) and loan agreement by and between the Enterprise and the Colorado Water Resources and Power Development Authority (“Authority”) for the purposes of: (i) replacing two diversion structures, Miner’s Gulch and Peck’s Gulch diversion structures, and rehabilitating the Broomfield Gulch diversion structure and associated appurtenances; and (ii) paying the costs of issuance of issuing the Enterprise bond (collectively, the “Project”). Financing of the Project requires the Enterprise to enter into a loan agreement by and between the Authority and the Enterprise (the “Loan Agreement”) pursuant to which the Enterprise will issue to the Authority its Enterprise Bond, Series 2018 (the “Bond”) in an aggregate principal amount not to exceed Six Hundred and Ten Thousand Dollars ($610,000). The proceeds of the Bond will be loaned to the Enterprise to finance the Project, in accordance with the terms of the Loan Agreement.

The Loan Agreement establishes a 30-year term and a 0% interest rate. Design and engineering associated with the Project has been completed. Below is the preliminary schedule associated with the Project:

- Advertisement for Bids Publication Date: April 24, 2018
- Bids Due Date: May 22, 2018
- Construction Contract Award Date: June 5, 2018
- Construction Start Date: June 19, 2018
- Construction Substantial Completion Date: September 30, 2018
- Construction Final Completion Date: October 31, 2018

Mayor pro tem Voorhies moved to adopt Ordinance No. 18-05: An ordinance of the City Council of the City of Central, Colorado acting by and through its Water Fund Enterprise, authorizing the issuance of the Enterprise Bond, Series 2018, and the execution and delivery of a Direct Loan Agreement and related
documents for the purpose of: (I) replacing two diversion structures, Miner’s Gulch and Peck’s Gulch Diversion Structures, and rehabilitating the Broomfield Gulch Diversion Structure and associated appurtenances; and (II) paying the costs of issuance of issuing the Bond and scheduled the Public Hearing for May 29, 2018 at 7:00 PM in these Council Chambers. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

Ordinance No. 18-06: An ordinance of the City Council of the City of Central, Colorado amending certain provisions of Article III of Chapter 4 of the Municipal Code concerning the Municipal Audit Process. Finance Director Robbins explained that the City recently contracted with Revenue Recovery Group (“RRG”) to perform a sales tax audit for Central City. At the commencement of RRG’s services, RRG identified certain suggested clarifications to the Central City Municipal Code (“Code”), specifically provisions included in Article III of Chapter 4 concerning the municipal audit process. While City Staff and RRG may look to state law for guidance on topics on which the Code was silent, the City Attorney recommends that the Code be amended to address audits and related tax provisions to avoid or minimize questions regarding these issues in the future.

Specifically, the City Attorney recommends that the Code be amended to: (1) clarify the procedural requirements for deficient tax returns; and (2) add a section to the Code addressing audits and the time-period for tax collection, which affects the time-period for audits by the City. The proposed amendments mirror state law requirements. The amendments to Section 4-3-160(a) regarding deficient tax returns are as follows, with additions shown in underline and deletions shown in strikethrough:

Sec. 4-3-160. Deficient returns/taxes; penalties and interest.

(a) Deficient returns. As soon as practical after receipt of the taxpayer’s report, the City shall recalculate the tax by the use of known and visible factors. If the resulting recalculated tax is less than reported and paid by the taxpayer, the difference shall be returned as a refund within thirty (30) days. If the recalculated tax is more than reported and paid by the taxpayer, the difference shall be recorded as a deficiency.

(1) In the case of deficiency, the City shall notify the taxpayer shall be notified of the deficient amount and the interest thereon within thirty (30) days. Failure to respond to the City's notice of such deficiency within thirty (30) days of the date of the notice, or not with the intent to defraud, shall subject the taxpayer to a penalty of ten percent (10%) or fifteen dollars ($15.00), whichever is greater, of the deficient amount and a monthly interest rate as determined by Section 4-3-170 below.

Mayor pro tem Voorhies moved to adopt Ordinance No. 18-06: An ordinance of the City Council of the City of Central, Colorado amending certain provisions of Article III of Chapter 4 of the Municipal Code concerning the Municipal Audit Process and scheduled the Public Hearing for May 29, 2018 at 7:00 PM in these Council Chambers. Alderman Aiken seconded, and without discussion, the motion carried unanimously.

REPORTS
Manager Miera reported that Xcel has reviewed the price proposals for new light poles at Spruce Street and at Lake Gulch/Virginia Canyon which previously were priced at $30,000 and new pricing has come in at
$10,268.33 for both. Council consensus is to have staff move forward with this project and proceed with a supplemental budget appropriation if needed.

COUNCIL COMMENTS
Alderman Laratta encouraged Council to consider 2019 funds to the Opera Association to be tied to capital improvements on their properties.

Mayor Heider noted the upcoming City Clean-up Event and the Belvidere Project event. Mayor Heider also asked staff for clarification on the OHV/ATV process. Manager Miera reviewed the meetings with outside agencies scheduled in the next 2 weeks and added that 1st reading of the ordinance is scheduled for May 29.

PUBLIC FORUM/AUDIENCE PARTICIPATION
No one requested time to address the Council.

EXECUTIVE SESSION
At 7:40 p.m., Mayor pro tem Voorhies moved to go into executive session pursuant to C.R.S. § 24-6-402(4)(b) to discuss specific legal questions related to Notice of Claim submitted to the City dated January 26, 2018, and further moved to reconvene the May 15th regular City Council meeting at the conclusion of the executive session to provide direction to the City Attorney, if required, or to adjourn the May 15th regular meeting. Alderman Aiken seconded, and without discussion, the motion carried unanimously.

At approximately 8:15 p.m. the executive session was concluded and Mayor Heider announced that the participants in the executive session had been: Mayor Kathryn Heider, Mayor pro tem Voorhies, Alderman Laratta, Alderman Aiken, City Manager Miera, and City Attorney McAskin.

Mayor Heider proceeded to make the following announcement:
For the record, if any person who participated in the executive session believes that any substantial discussion of any matters not included in the motion to go into executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings law, I ask that you state your concerns for the record.

No concerns were noted.

Mayor pro tem Voorhies moved to adjourn the May 15th regular City Council meeting. Alderman Ailken seconded, and without discussion, the motion to adjourn was approved unanimously at 8:17 p.m.

A special City Council meeting is scheduled for Tuesday, May 29, 2018 at 7:00 p.m.

Kathryn A. Heider, Mayor

Reba Bechtel, City Clerk
AGENDA ITEM # 7
CITY COUNCIL COMMUNICATION FORM

FROM: Marcus McAskin, City Attorney
DATE: May 29, 2018
ITEM: Ordinance 18-05 (Re: Water Fund Enterprise) Authorizing Enterprise Bond, Series 2018 and Loan Agreement with Colorado Water Resources and Power Development Authority to Fund Replacement/Rehabilitation of Water Diversion Structure

X ORDINANCE
MOTION
INFORMATION

I. REQUEST OR ISSUE: Ordinance No. 18-05 approves the issuance of an Enterprise Bond by the Central City Water Fund Enterprise ("Enterprise") and loan agreement by and between the Enterprise and the Colorado Water Resources and Power Development Authority ("CWRPDA") for the purposes of:

   (i) replacing two diversion structures, Miner’s Gulch and Peck’s Gulch diversion structures;

   (ii) rehabilitating the Broomfield Gulch diversion structure and associated appurtenances; and

   (iii) paying the costs of issuance of issuing the Enterprise Bond

(collectively, the "Project"). Financing of the Project requires the Enterprise to enter into a loan agreement by and between CWRPDA and the Enterprise (the "Loan Agreement") pursuant to which the Enterprise will issue to CWRPDA its Enterprise Bond, Series 2018 (the "Bond") in an aggregate principal amount not to exceed Six Hundred and Ten Thousand Dollars ($610,000). The proceeds of the Bond will be loaned to the Enterprise to finance the Project, in accordance with the terms of the Loan Agreement. The Loan Agreement establishes a 30-year term and a 0% interest rate.
II. **RECOMMENDED ACTION / NEXT STEP:** Approve Ordinance No. 18-05 on second reading following public hearing. The Ordinance was approved on first reading on May 15, 2018. Closing with CWRPDA is scheduled for Thursday, May 31, 2018.

III. **FISCAL IMPACTS:** As set forth above, the Loan Agreement establishes a 30-year term and a 0% interest rate. The amortization schedule is set forth in Exhibit C of the Loan Agreement and requires payments on May 1st and November 1st of each year, commencing in 2019 and ending in 2048.

IV. **BACKGROUND INFORMATION:** Design and engineering associated with the Project has been completed. Below is the preliminary schedule associated with the Project:

- Advertisement for Bids Publication Date: April 24, 2018
- Bids Due Date: May 22, 2018
- **Closing with CWRPDA (Loan Agreement/Bond):** May 31, 2018
- Construction Contract Award Date: June 5, 2018
- Construction Start Date: June 19, 2018
- Construction Substantial Completion Date: September 30, 2018
- Construction Final Completion Date: October 31, 2018

V. **LEGAL ISSUES:** Section 5.8 of the Home Rule Charter ("Action by Ordinance Required") requires that approval of the Loan Agreement be by Ordinance ("... every act ... authorizing borrowing of money ... shall be by ordinance").

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A

VII. **SUMMARY AND ALTERNATIVES:** City Council has the following options:

1. Adopt Ordinance No. 18-05 on second reading, as may or may not be amended;

2. Direct staff to make revisions to the Ordinance and continue the public hearing to a date and time certain;

3. Reject or deny the Ordinance.

Recommended motion is set forth on page three below.

Attachments:

- Ordinance 18-05
- DWRF Loan Agreement (between CWRPDA and City of Central, Acting by and through its Water Fund Enterprise)
  - NOTE: Amortization schedule is attached as Exhibit C
CITY OF CENTRAL, COLORADO
ORDINANCE 18-05


WHEREAS, City of Central, Colorado (the “City”) is a duly and regularly created, organized and existing political subdivision and public body corporate and politic, existing as such under and by virtue of the Constitution and laws of the State of Colorado; and

WHEREAS, on May 15, 2018, pursuant to Resolution No. 18-10, the City affirmed its water activity enterprise under Colo. Const. Art. X, sec. 20 and C.R.S. § 37-45.1-101, et seq., to conduct the water and wastewater operations of the City (the “Enterprise”); and

WHEREAS, the United States, pursuant to the federal Safe Drinking Water Act of 1996, assists state and local participation in the financing of the costs of drinking water system projects and said federal Drinking Water Act requires each state to establish a drinking water revolving fund to be administered by an instrumentality of the State; and

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) was created to initiate, acquire, construct, maintain, repair, and operate or cause to be operated certain water resource projects, and to finance the cost thereof; and

WHEREAS, the Authority has determined to loan certain sums to governmental agencies in Colorado to finance all or a portion of the costs of certain water resource projects; and

WHEREAS, the Colorado Legislature has approved a Project Eligibility List that includes the water resource project proposed by the Enterprise to be financed hereunder; and

WHEREAS, the Enterprise is desirous of issuing an enterprise bond for the purposes of: (i) replacing two diversion structures, Miner’s Gulch and Peck’s Gulch diversion structures, and rehabilitating the Broomfield Gulch diversion structure and associated appurteances; and (ii) paying the costs of issuance of issuing the enterprise bond (collectively, the “Project”); and

WHEREAS, the Enterprise has determined to enter into a Loan Agreement by and between the Authority and the Enterprise (the “Loan Agreement”) pursuant to which the Enterprise will issue to the Authority its Enterprise Bond, Series 2018 (the “Bond”) in an aggregate principal amount not to exceed Six Hundred and Ten Thousand Dollars ($610,000); and
WHEREAS, proceeds of the Bond will be loaned to the Enterprise pursuant to the terms of the Loan Agreement for the purpose of financing the Project; and

WHEREAS, the form of the Loan Agreement has been presented to the City Council as the governing body of the Enterprise; and

WHEREAS, the City Council has determined that it is necessary and advisable to approve and authorize: (i) the execution of the Loan Agreement; and (ii) the issuance of the Bond; and

WHEREAS, the Enterprise is desirous of applying the Supplemental Public Securities Act Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Act”) to the Bond; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Loan Agreement.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO THAT:

Section 1. Recitals Incorporated. The above and foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the City Council as the governing body of the Enterprise.

Section 2. The City Council hereby approves the execution and delivery of the Bond and the Loan Agreement, in substantially the form and with substantially the same content as presented to the City Council prior to closing, with such changes, modifications and completions thereof not inconsistent with the provisions of this Ordinance as may be approved by the Mayor or Mayor Pro-Tem and attorney for the Enterprise such approval to be evidenced by the execution thereof by the Mayor or Mayor Pro-Tem.

Section 3. The Mayor or Mayor Pro-Tem is hereby authorized to execute and is hereby authorized to attest, and deliver for and on behalf of the Enterprise the Bond, the Loan Agreement and such other documents, instruments or certificates as are deemed necessary or desirable by the Enterprise and the Authority in order to issue and secure the Bond, including, without limitation, such deeds, notes, assignments, closing certificates and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance. The Mayor or Mayor Pro-Tem is authorized to execute on behalf of the Enterprise agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this Ordinance.

Section 4. The City Council hereby authorizes the issuance of the Bond, to be in registered form and to be dated as provided in the Loan Agreement, in a total principal amount not to exceed $610,000, to finance the costs of the Project, in the forms and upon the terms set forth in the Loan Agreement, including the form of the Bond as set forth in the Loan Agreement. The Bond shall be payable to the Authority and in the manner set forth in the Loan Agreement and the form of the Bond set forth therein. The maximum net effective interest rate authorized for the Bond shall not exceed 0% per annum, until the date of maturity.
Section 5. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council in connection with the execution and delivery of the Loan Agreement and/or the Bond herein described are hereby ratified, approved, and confirmed.

Section 6. It is hereby found, determined and declared, that:

(a) The financing of the Project is a qualified purpose under the Colorado Water Resources and Power Development Authority Act, being Section 37-95-101 et seq. of the Colorado Revised Statutes.

(b) The Enterprise is electing to apply the Supplemental Act to the Bond.

(c) The maximum amounts necessary in each year to pay the principal of and interest on the Bond and the interest rate or rates to be borne by the Bond are as provided in the Loan Agreement.

(d) The payments required in the Loan Agreement to be made are sufficient to pay the principal of and interest on the Bond when due.

Section 7. Severeability. If any part or provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 8. Safety Clause. The City Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the legislative object sought to be obtained.

Section 9. Effective Date. This Ordinance shall become effective immediately following publication, public hearing and the approval of City Council following second reading in accordance with Sections 5.9 and 5.10 of the City Charter.

INTRODUCED AND READ by title only on first reading at the regular meeting of the City Council of the City of Central on the 15th day of May, 2018, at Central City, Colorado.

CITY OF CENTRAL, COLORADO

Kathryn A. Heider, Mayor

Approved as to form:

Marcus McAskin, City Attorney
ATTEST:

________________________________________
Reba Bechtel, City Clerk

PASSED AND ADOPTED on second reading, at the regular meeting of the City Council of the City of Central on the ___ day of ______________________, 2018.

CITY OF CENTRAL, COLORADO

________________________________________
Kathryn A. Heider, Mayor

ATTEST:

________________________________________
Reba Bechtel, City Clerk

POSTED IN FULL AND PUBLISHED BY TITLE AND SUMMARY in the Weekly Register Call newspaper on _____________, 2018.

POSTED AND PUBLISHED BY TITLE [AND SUMMARY IF AMENDED ON SECOND READING] in the Weekly Register Call newspaper on _____________, 2018.
### AGENDA ITEM 8

**CITY COUNCIL COMMUNICATION FORM**

| FROM: | Abigail R. Robbins, Finance Director |
| DATE: | May 29, 2018 |
| ITEM: | Ordinance 18-06: An Ordinance of the City Council of the City of Central, Colorado, Amending Certain Provisions of Article III of Chapter 4 of the Municipal Code Concerning the Municipal Audit Process |

| NEXT STEP: | Make a motion to approve Ordinance 18-06 following May 29 public hearing (on second reading) |

| X | ORDINANCE |
| | MOTION |
| | INFORMATION |

#### I. REQUEST OR ISSUE:

The City recently contracted with Revenue Recovery Group ("RRG") to perform a sales tax audit for Central City. At the commencement of RRG's services, RRG identified certain suggested clarifications to the Central City Municipal Code ("Code"), specifically provisions included in Article III of Chapter 4 concerning the municipal audit process.

While City Staff and RRG may look to state law for guidance on topics on which the Code was silent, the City Attorney recommends that the Code be amended to address audits and related tax provisions to avoid or minimize questions regarding these issues in the future.

Specifically, the City Attorney recommends that the Code be amended to: (1) clarify the procedural requirements for deficient tax returns; and (2) add a section to the Code addressing audits and the time-period for tax collection, which affects the time-period for audits by the City. The proposed amendments mirror state law requirements.

The amendments to Section 4-3-160(a) regarding deficient tax returns are as follows, with additions shown in underline and deletions shown in strikethrough:
Sec. 4-3-160. Deficient returns/taxes; penalties and interest.

(a) Deficient returns. As soon as practical after receipt of the taxpayer's report, the City shall recalculate the tax by the use of known and visible factors. If the resulting recalculated tax is less than reported and paid by the taxpayer, the difference shall be returned as a refund within thirty (30) days. If the recalculated tax is more than reported and paid by the taxpayer, the difference shall be recorded as a deficiency.

(1) In the case of deficiency, the City shall notify the taxpayer shall be notified of the deficient amount and the interest thereon within thirty (30) days. Failure to respond to the City's notice of such deficiency within thirty (30) days of the date of the notice, if not with the intent to defraud, shall subject the taxpayer to a penalty of ten percent (10%) or fifteen dollars ($15.00), whichever is greater, of the deficient amount and a monthly interest rate as determined by Section 4-3-170 below.

II. RECOMMENDED ACTION / NEXT STEP: Approve Ordinance No. 18-06 on second reading following public hearing. The Ordinance was approved on first reading on Tuesday, May 15, 2018.

III. FISCAL IMPACTS: None.

IV. LEGAL ISSUES: None.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: None.

VII. SUMMARY AND ALTERNATIVES:

City Council has the following options:

(1) Adopt Ordinance No. 18-06 on second reading, as may or may not be amended;

(2) Direct staff to make revisions to the Ordinance and continue the public hearing to a date and time certain; or

(3) Reject or deny the Ordinance.

RECOMMENDED MOTION: "I MOVE TO APPROVE ORDINANCE 18-06, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, AMENDING CERTAIN PROVISIONS OF ARTICLE III OF CHAPTER 4 OF THE MUNICIPAL CODE CONCERNING THE MUNICIPAL AUDIT PROCESS, ON SECOND READING."

Attachments:

Ordinance 18-06
CITY OF CENTRAL, COLORADO
ORDINANCE 18-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTRAL,
 COLORADO, AMENDING CERTAIN PROVISIONS OF ARTICLE III OF
CHAPTER 4 OF THE MUNICIPAL CODE CONCERNING THE MUNICIPAL
AUDIT PROCESS

WHEREAS, the City of Central (“City”) is authorized under its home rule charter and
Title 31 of the Colorado Revised Statutes to adopt and amend ordinances in furtherance of
governmental administration and the City’s police powers; and

WHEREAS, the City Council previously adopted City sales and use tax regulations,
codified in Article III of Chapter 4 of the Municipal Code via Ordinance 12-18; and

WHEREAS, the City Council desire to amend Section 4-3-160(a) of Article III, Chapter
4 of the Municipal Code; and

WHEREAS, the City Council desires to add a new Section 4-3-250 to Article III, Chapter
4 of the Municipal Code; and

WHEREAS, it is in the best interests of the public to amend Section 4-3-160(a) to clarify
the City’s requirements regarding deficient tax returns and to add Section 4-3-250 to set forth the
requirements and time periods for tax audits and tax collection by the City.

BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF CENTRAL,
COLORADO THAT:

Section 1. Section 4-3-160(a) of Article III, Chapter 4 of the Central City Municipal
Code is hereby amended to read in full as follows:

Sec. 4-3-160. Deficient returns/taxes; penalties and interest.

(a) Deficient returns. As soon as practical after receipt of the taxpayer’s report, the City shall
recalculate the tax by the use of known and visible factors. If the resulting recalculated
tax is less than reported and paid by the taxpayer, the difference shall be returned as a
refund within thirty (30) days. If the recalculated tax is more than reported and paid by
the taxpayer, the difference shall be recorded as a deficiency.

(1) In the case of deficiency, the City shall notify the taxpayer of the deficient amount
and the interest thereon. Failure to respond to the City's notice of such deficiency
within thirty (30) days of the date of the notice, if not with the intent to defraud,
shall subject the taxpayer to a penalty of ten percent (10%) or fifteen dollars
($15.00), whichever is greater, of the deficient amount and a monthly interest rate
as determined by Section 4-3-170 below.

Section 2. A new Section 4-3-250 is hereby added to Article III, Chapter 4 of the
Central City Municipal Code to read in full as follows:
Sec. 4-3-250. Audit of records; time period for tax collection.

(a) For the purpose of ascertaining the correct amount of tax due from any taxpayer or person engaged in business in the City, the Finance Director, or a contract auditor as designated by the Finance Director, may conduct an audit by examining any relevant books, accounts and records of such taxpayer. During the course of an audit the Finance Director may, when the Finance Director deems appropriate, utilize a representative sample of the taxpayer's records to project the amount of tax deficiency or over payment, if any. The Finance Director or contract auditor shall provide a notice of audit to the applicable taxpayers prior to commencement of such audit.

(b) The taxes imposed by this Chapter for any period, together with interest thereon and penalties with respect thereto, shall not be assessed nor shall any notice of lien be filed, or distraint warrant issued, or suit for collection be instituted nor any other action to collect the same be commenced more than three years after the date on which the tax was or is payable. No lien shall continue after such period, except for taxes assessed before the expiration of such period or a notice of lien thereof, in which cases such lien shall continue after the filing of the notice of lien.

(c) Before the expiration of such period of limitation the taxpayer and the Finance Director may agree in writing to an extension thereof, and the period so agreed on may be extended by subsequent agreements in writing.

(d) The commencement of collection proceedings, including the mailing of a notice of audit, shall toll the running of the statute of limitations. In the case of mailing of a notice of audit, any such audit shall be diligently pursued by the City. For purposes of this section, "toll" is defined as an interruption of the running or continuation of the statute of limitations.

(e) The limitations period for tax collection as set forth herein shall not apply, and the tax, together with interest and penalties thereon, may be assessed or proceedings for the collection of such taxes may commence at any time, if:

(1) A taxpayer files a false return under circumstances that exhibit a careless disregard for the accuracy of the return; or

(2) A taxpayer files a false or fraudulent return with the intent to evade the tax imposed by this Chapter; or

(3) A taxpayer fails to file a return as required by this Chapter; or

(4) A taxpayer registers an automotive vehicle outside the City with the intent to avoid tax liability imposed by this Chapter.
Section 3. **Severability.** Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 4. **Repeal.** Any and all ordinances or codes or parts thereof in conflict or inconsistent herewith are, to the extent of such conflict or inconsistency, hereby repealed; provided, however, that the repeal of any such ordinance or code or part thereof shall not revive any other section or part of any ordinance or code heretofore repealed or superseded and this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this Ordinance.

Section 5. **Effective Date.** This Ordinance shall become effective immediately following publication, public hearing and the approval of City Council following second reading in accordance with Sections 5.9 and 5.10 of the City Charter.

INTRODUCED AND READ by title only on first reading at the regular meeting of the City Council of the City of Central on the 15th day of May, 2018, at Central City, Colorado.

CITY OF CENTRAL, COLORADO

Kathryn Heider, Mayor

Approved as to form:

Marcus McAskin, City Attorney

ATTEST:

Reba Bechtel, City Clerk
PASSED AND ADOPTED on second reading, at the regular meeting of the City Council of the City of Central on the ___ day of ________________, 2018.

CITY OF CENTRAL, COLORADO

__________________________
Kathryn Heider, Mayor

ATTEST:

__________________________
Reba Bechtel, City Clerk

POSTED IN FULL AND PUBLISHED BY TITLE AND SUMMARY in the Weekly Register Call newspaper on ____________, 2018.

POSTED AND PUBLISHED BY TITLE [AND SUMMARY IF AMENDED ON SECOND READING] in the Weekly Register Call newspaper on ____________, 2018.
AGENDA ITEM #9
CITY COUNCIL COMMUNICATION FORM

FROM: Abigail R. Robbins, Finance Director
DATE: May 29, 2018
ITEM: Central City Promise Program Request: Adria Bleske

NEXT STEP: Review and take action on a Promise Program request for scholarship for Adria Bleske in the amount of $5,000.00 for continuing post-secondary educational tuition assistance in 2018.

ORDINANCE  
X MOTION  
INFORMATION

I. REQUEST OR ISSUE: The Central City Promise Program was initiated by City Council to encourage high school graduates and G.E.D. recipients of Central City to make post-secondary education a priority. The Promise Program helps make it possible for Central City residents to attend a university, community college or trade school by providing assistance with the costs associated with attending one of these educational institutions.

Mrs. Bleske is a first-time applicant of the Promise Program. She has submitted all of the required information and paperwork (please see attached) and is requesting Promise Program funds in the amount of $5,000.00 in 2018. Ms. Bleske is continuing her post-secondary education at the Rocky Mountain College of Art and Design in Denver. The Promise Program Guidelines limit the amount that an individual can receive to a total of $20,000 or four (4) years of funding.

II. RECOMMENDED ACTION / NEXT STEP: Review Promise Program request for scholarship and determine whether to grant funding. Move to award Adria Bleske with continuing post-secondary educational tuition assistance in the amount of $5,000.00.
III. **FISCAL IMPACTS:** The 2018 Budget has $15,000 allocated for the Promise Program. This is the second formal request received-to-date for FY 2018. Granting the above request will leave a remaining balance of $5,000.00.

IV. **BACKGROUND INFORMATION:** Please see the attached Guidelines, Application, Affidavit, Letter of Request, and Transcripts provided by the applicant.

V. **LEGAL ISSUES:** None.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None

VII. **SUMMARY AND ALTERNATIVES:**

1. Make a motion to award Adria Bleske with continuing post-secondary educational tuition assistance in the amount of $5,000.00.

2. Make a motion to award a lesser amount to the applicant.

3. Deny the tuition assistance request.
CENTRAL CITY PROMISE PROGRAM SCHOLARSHIP APPLICATION.

First Application  X  Continuing Application

Name  Adria Bleske

Physical Address  445 Beethoven Dr. Black Hawk Co 80433

Mailing Address  Same as above

Phone  720-796-9233  email adria.132 banks@ gmail.com

Birth Date  01-23-1996

High School Graduation Date/G.E.D.  May 2019

Grades during which you were a resident of Central City  1st - 12th

Name of Post Secondary Institution  Rocky Mountain College of Art and Design

Address of Institution  1600 Steele St Denver Co. 80219

Total Funds Requested  $ 20,000

REQUIRED INFORMATION TO BE SUBMITTED WITH APPLICATION:

1. Provide a copy of your high school diploma or G.E.D. certificate
2. Provide proof of residency within City to establish award percentage. Proof can be transcripts from schools attended and/or an affidavit from the property owner. (Affidavit attached
3. Provide one (1) letter of recommendation from a teacher or school administrator
4. Provide one (1) letter of recommendation from a community member or someone not affiliated with the school
5. Provide a letter introducing yourself to City Council. Describe your participation in school and in the community, any special honors or awards received, what you hope to

Post Secondary Scholarship 3
Diploma of Graduation
Gilpin County High School
Black Hawk, Colorado

This Certifies That
Adria Lee Banks

Has satisfactorily completed a Course of Study prescribed for Graduation
from this School and is therefore awarded this

Diploma

Given this seventeenth day of May, Two thousand fourteen

[Signatures of President of Board, Superintendent, Principal]
04/20/2018

This letter is to confirm that Toni L. Banks physical address has been in Central City since December 14th, 2004. When she first arrived in Central City, her physical address was 203 West 6th High St. Central City, CO. She moved and is still currently living at 8348 Virginia Canyon Rd Central City, CO. Her mailing address since December 14th, 2004 has been P.O. Box 344 Central City, CO 80427-0344.

If I can be of further assistance, please contact me at the information listed below.

Thank you,

Patricia Sprague
Patricia Sprague,
Postmaster
149 Gregory St
Central City, CO 80427-9998
303-582-5646
Patricia.A.Sprague@usps.gov
April 23, 2018

City Hall
141 Nevada St.
PO Box 249
Central City, CO 80427

ATTN: City Manager

It is my pleasure to be writing this letter of recommendation for Mrs. Adria Bleske. I have known Mrs. Bleske for the past ten years and have had the opportunity to observe some qualities that I think make her an excellent candidate for educational financial benefits from the Central City Scholarship Program.

When I reflect back to ten years ago when I first met Mrs. Bleske, then just Adria Banks, I must admit having had doubts about how seriously she took her education. It was obvious she was intelligent and had tremendous potential, but just didn't seem to have any goals set for her future. Although she demonstrated good leadership skills, she did not choose to participate in many school activities. She did volunteer to help in the library, ran track her sophomore year, was stage manager for the play her junior year, and won the PTA Reflections award. But, other than these few activities, she was contented to avoid being involved. However, one thing she was actively involved with and pursued with a passion was her love of art. There were several times that she and I talked about her pursuing a career in the art field, but despite my attempts to help her set goals for her future, she simply did not seem to see a future.

Following her graduation from high school, Miss Banks married and became Mrs. Bleske. It was wonderful to see that along with a name change came a new sense of responsibility, a level of maturity, and, most importantly, a realistic grasp on what she needs to do with her future. Mrs. Bleske has an exceptional personality, she is witty, caring, and able to bring humor to any situation. Her work ethics have greatly improved since high school, and she has learned to work as hard as is necessary to be successful in whatever task is at hand. Mrs. Bleske is very creative, a good team player, and an individual who now realizes the strong commitment needed in seeking success in her educational endeavors. In other words, Mrs. Bleske sees a future and has set goals she wishes to achieve.
I cannot begin to tell you how excited and proud I am that Mrs. Bleske has chosen to further her education. Sometimes, maturity only comes with time and experience. I have learned in my 42 years in education that not all students are prepared for life when they graduate. I have also learned that once they do mature and set goals, the level of commitment they give and the success they experience is limitless.

Without reservation, I can assure you that Mrs. Bleske not only needs and deserves financial assistance, but will also serve as a positive reflection on the scholarship program offered through Central City. I would be glad to speak with you or members of the selection committee in greater detail if you have any additional questions.

Sincerely,

Ralph D. Campbell
Karl W. Gates  
2521 Maple Hill Drive  
Ft. Collins, CO 80524  
May 8, 2018

To Whom It May Concern

I am very proud to write this letter of recommendation for Adria Bleske who is applying for a financial scholarship through your organization. As her teacher and friend for the past eight years I have had the pleasure to get to know Adria educationally, professionally, and socially. She is dedicated and intelligent, a positive role model in our school. Her family was highly involved in my own classroom’s success, supporting the educational opportunities for her and all my students over those years. I find her to be an enthusiastic, exciting, and determined young lady who possesses a strong desire to continue her education.

During high school, the school’s administration called on Adria’s unique creative ability in media arts to create several professional presentations for the Teacher In-Service training sessions. She excelled in the effort, exemplifying her creativity in the field of artistic expression. This still speaks volumes in her desire to learn more in the field as she seeks a bachelor's degree in Fine Arts.

Adria is motivated. An essential link to the success our school enjoyed, there is much that can be said about this multifaceted young lady. Undaunted by hard work or challenges, she consistently demonstrated her ability to succeed at every endeavor. An adept learner, she undertook the difficult task of learning about, and working in, the veterinary field while raising her own child and caring for her new family. Her desire to continue her education is evident in her successful completion of that difficult training. This type of personal sacrifice is what exemplifies Adria. You can rely on her to do things for someone else before she thinks of herself but never losing sight of her goals or the welfare of her family. Now, she wants to continue her studies at a higher level.

The real-world costs of education are a concern to Adria. To this end she has worked hard to save while she and her family sacrificed so that she could attain her current ambitious goals. I realize that there are countless requests for financial assistance to your organization but awarding your scholarship to Adria would ensure her success. She has proven that she is a dedicated worker and that she can succeed academically. I ask that you favorably consider her as a recipient of your award to guarantee that success. She will achieve her dreams with your organization’s assistance. Meet with Adria and you’ll agree that she is a gem and will make you proud that by representing your organization. If you require additional information, please feel free to contact me at 970-689-1672 or by email at csufan@msn.com.

Sincerely,

Karl W. Gates  
Gilpin County Social Studies Department (Retired)
Hello, my name is Adria Bleske. I have called Central City my home for as long as I can remember. My mother, Toni Banks, first started working up in Central City in 2004 at Harveys Casino. We moved up here that same year to be closer to her work and my school. Ever since we have moved up to Central City, we have been fascinated with the sense of community. We've lived in a few different parts of the town; West 6th High, Gold Mountain Apartments, and then my mother's own house on Virginia Canyon. Each one being better than the last and offering all kinds of new adventures.

I went to Gilpin County High School from 1st grade until I graduated there in 2014. In middle school I played volleyball and I was also in the National Junior Honor Society and won the PTA Reflections Program in Photography. When I was in high school I ran track and field, volunteered at the Gilpin County Library, went to Warren Technical Occupational Center for Graphic Design, and I was also the stage manager for the yearly play in 2013.

In 2016 I went to Pima Medical Institute in Arizona, where I studied for a Certificate of Veterinary Assistance. I graduated with honors and perfect attendance that same year. My husband, Chris, and I moved back home to Colorado shortly thereafter. I love my job working with animals, but ever since we have been back in Gilpin County I've wanted to go back to school for something more creative.

I was looking around at art schools and came across the Rocky Mountain College of Art and Design, and instantly knew that that was where I was supposed to be. They offer a Bachelor of Fine Arts in Illustration with a Concentration of Children's Books, that I enrolled in for the Summer of 2018. I chose this program in particular because of my son, Jameson. Chris and I read to him every night, and to see his face light up every time he looks at the pictures is so inspiring. I want to be that person who draws and paints all of the pictures that he sees and bring joy to him and all of the other kids his age. With the help of this scholarship I could make this dream a reality.

Thank you so much for your consideration.

Adria Bleske
April 24th, 2018

Adria Bleske
445 Beethoven Drive
Blackhawk, CO 80422

Dear Adria:

Our Academic Services team has reviewed your admissions materials and it is my pleasure to inform you that you have been accepted to Rocky Mountain College of Art + Design for the summer term 2018. Congratulations!

Your acceptance to RMCAD means that you are joining an intimate and talented community of students. At RMCAD, we are committed to the highest level of learning and dedicated to creative excellence. More than 50 years ago, Philip J. Steele founded RMCAD on a simple premise — to provide the very finest in creative education. We remain dedicated to that mission and work hard to make sure that each student here is empowered with the resources to succeed as they pursue their passions.

The Admissions committee was impressed by your application and believe in your potential for continued success. Your creativity, technical skill, and motivation are clearly evident, and I look forward to the opportunity to meet you. Our enrollment guides will be in touch to help you with any questions you have regarding the rest of the enrollment process. Please note that any incomplete transcripts must be resubmitted upon completion of your coursework prior to enrolling at RMCAD.

On behalf of the RMCAD community, I want to again extend our congratulations to you on your acceptance. Your talent and curiosity, when met with practice and guidance, can lead you to extraordinary success. As an artist or designer, you have the opportunity to shape the world we live in. I hope that your path leads to RMCAD, and wish you success in your artistic and academic endeavors.

Sincerely,

Marc C. Abraham
Vice President of Admissions
Rocky Mountain College of Art + Design
AGENDA ITEM # 10

CITY COUNCIL COMMUNICATION FORM

TO: Mayor Heider and Members of City Council
FROM: Ray Rears, Community Development Director
DATE: May 29, 2018
ITEM: Resolution No. 18-11

ORDINANCE

MOTION / RESOLUTION

INFORMATION

I. REQUEST OR ISSUE: Resolution 18-11 ("Resolution") approves a lease agreement ("Agreement") with South Park Rail Society (SPRS), for the lease and restoration of Colorado & Southern Gondola railcar #4319.

II. BACKGROUND: The railcar is currently on display at William C. Russell Park and is it is exposed to the elements. As a result, the railcar is in need of restoration. The SPRS has offered to load the railcar and move it to their rail road museum in Como, Colorado for restoration. Prior to, during and following restoration the railcar will remain on-site in Como as part of their display. The railcar will be returned to the City following the 10-year lease term.

Highlights of the lease agreement include the following:
1) Term would end on June 1, 2028.
2) The cost of loading and transport both from and the return back to Central City will be that of SPRS.
3) A $2,000 deposit will be held by the City securing the return of the car.
4) The railcar will be restored and displayed at their museum located at 463 Boreas Pass
5) Central City promotional material will be distributed from the museum.
6) The railcar shall be restored by September 1, 2020 in accordance to the Secretary of Interior Standards for rolling stock.
7) City shall receive a rent payment per year of $1 USD.

Staff has performed some preliminary research on the car and has learned that it is likely one-of-a-kind car, though had no known historic significance in Central City. SPRS has also requested support and permission from the City to designate the rail car on the State or National Register of Historic Places, which could assist them with outside grant funding of the restoration work.

III. RECOMMENDED ACTION / NEXT STEP: Approve Resolution No. 18-11.

IV. FISCAL IMPACTS: City will receive $1 a year in increased revenue, with the deposit held aside for 10-years.

V. LEGAL ISSUES: None.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: N/A

VII. SUMMARY AND ALTERNATIVES: City Council may approve the Resolution, table the item for further discussion and consideration or deny the request and resolution.

PROPOSED MOTION: “I MOVE TO APPROVE RESOLUTION NO. 18-11, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO APPROVING A RAILCAR LEASE AGREEMENT WITH SOUTH PARK RAIL SOCIETY”
CITY OF CENTRAL, COLORADO
RESOLUTION NO. 18-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, APPROVING RAILCAR LEASE AGREEMENT WITH SOUTH PARK RAIL SOCIETY

WHEREAS, the City of Central, Colorado (the “City”), is a home rule city and political subdivision of the State of Colorado, duly organized and operating under the constitution and laws of the State of Colorado; and

WHEREAS, the City owns certain personal property/equipment described as the ex-Colorado & Southern Gondola freight railcar #4319 built by Colorado & Southern car shops circa 1902 (the “Railcar”); and

WHEREAS, the Railcar is currently located in William C. Russell Park (“Russell Park”); and

WHEREAS, the South Park Rail Society, a Colorado nonprofit corporation, having an address of 2253 N. Downing Street, Denver, Colorado 80205 (“SPRS”) has approached the City and has expressed a desire to lease the Railcar from the City in order to preserve the Railcar, restore it to substantially its original condition in accordance with applicable U.S. Department of Interior Secretary of Interior Standards (“Standards”), and ultimately return the Railcar to Russell Park or another location designated by the City at the termination of the lease; and

WHEREAS, SPRS’s general work plan includes repairing deteriorated wood, refurbishing metal components, rebuilding the air brake system and applying new paint and lettering in accordance with the Standards; and

WHEREAS, the City Council is supportive and gives permission of any effort South Park Rail Society may pursue for the recognition and designation of the rail car on the State or National Register of Historic Properties, which could assist them with outside grant funding of the restoration work; and

WHEREAS, the City Council desires to lease the Railcar to Lessee for a ten-year term in accordance with the terms and conditions set forth in the Railcar Lease Agreement, a copy of which is attached to this Resolution as Exhibit 1 and is incorporated herein by reference (the “Lease Agreement”); and

WHEREAS, the City Council finds that the Lease Agreement will further the historic preservation goals of both the City and SPRS.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, THAT:
Section 1. The City Council hereby approves the Lease Agreement, in substantially the same form as attached hereto, and authorizes the City Manager to execute the Lease Agreement following review and approval by the City Attorney.

Section 2. Effective Date. This Resolution shall take effect upon its approval by the City Council.

INTRODUCED, READ AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CENTRAL by a vote of _____ in favor and _____ against this ___ day of May, 2018.

CITY OF CENTRAL, COLORADO

By: ____________________________
   Kathryn A. Heider, Mayor

ATTEST:

By: ____________________________
   Reba Bechtel, City Clerk

APPROVED TO FORM:

By: ____________________________
   Marcus A. McAskin, City Attorney
Exhibit 1
Railcar Lease Agreement
CITY OF CENTRAL
RAILCAR LEASE AGREEMENT

THIS RAILCAR LEASE AGREEMENT (hereinafter referred to as the “Agreement”), is made and entered into by and between the CITY OF CENTRAL, a Colorado home rule municipal corporation, 141 Nevada Street, Central City, Colorado 80427 (hereinafter “City”), and the SOUTH PARK RAIL SOCIETY, a Colorado nonprofit corporation, 2253 N. Downing Street, Denver, Colorado 80205 (hereinafter “Lessee”), and shall be effective as of the date of mutual execution of the Parties (“Effective Date”).

WITNESSETH:

WHEREAS, the City owns equipment described as ex-Colorado & Southern Gondola freight railcar #4319 built by Colorado & Southern car shops circa 1902 (the “Railcar”); and

WHEREAS, the Railcar is currently located in William C. Russell Park (“Russell Park”); and

WHEREAS, a photograph of the Railcar is attached to this Agreement as Exhibit A and is incorporated by reference; and

WHEREAS, Lessee would like to lease the Railcar from the City in order to preserve the Railcar and restore it to substantially its original condition; and

WHEREAS, Lessee’s general work plan includes repairing deteriorated wood, refurbishing metal components, rebuilding the air brake system and applying new paint and lettering; and

WHEREAS, the City is desirous of leasing the Railcar to the Lessee subject to the terms and conditions set forth in this Agreement, provided the car is restored and returned to the City; and

WHEREAS, following Lessee’s restoration of the Railcar, Lessee desires to exhibit the Railcar at Lessee’s museum complex in Como (Park County), Colorado (“SPRS Museum”), subject to the terms and conditions as contained herein; and

WHEREAS, the Parties agree that this Agreement will further the historic preservation goals of both the City and Lessee.

NOW, THEREFORE, for and in consideration of the mutual covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. TERM. City leases to Lessee and Lessee leases from City the Railcar for an approximate 10-year term commencing on the Effective Date and terminating on June 1, 2028 (“Term”).
2. **DISPLAY.** Other than during transport as part of this Agreement to and from the City, the Railcar shall be housed and/or displayed exclusively at the SPRS Museum located at 463 Boreas Pass Road; Como, CO 80432. Any alternative location shall be approved in writing by the City Manager prior to Lessee relocating or moving the Railcar.

3. **MAINTENANCE AND REPAIR OF RAILCAR.** The Lessee agrees to restore the Railcar in accordance with the U.S. Department of Interior Secretary of Interior Standards (the “Standards”) as described in Exhibit B. Lessee shall be solely responsible for all costs associated with restoring the Railcar in accordance with the Standards. Prior to commencing restoration of the Railcar, Lessee shall submit a written work plan to the City, which work plan will detail the restoration activities to be performed by Lessee. City will have twenty-one (21) days to review and approve the work plan, which approval will not be unreasonably withheld. All repairs and materials used in the restoration of the Railcar shall become the property of the City.

Authorized Maintenance and repair work shall be completed by the Lessee by September 1, 2020. That work will be verified by designated City staff in writing.

4. **TRANSPORTATION COSTS.** All costs of loading, unloading and transportation of the Railcar from Russell Park to the SPRS Museum shall be borne by Lessee. Lessee shall return the Railcar to Russell Park on June 1, 2028, or within three (3) business days of the end of the Term. The City reserves the right to designate an alternative receiving location for the Railcar within the boundaries of the City. All costs of loading, unloading and transportation of the Railcar from SPRS Museum to Russell Park (or alternate location designated by the City) shall be borne by Lessee, if the cost for transportation is greater as a result.

5. **CLEAN UP OF WILLIAM C. RUSSELL PARK.** Within two (2) calendar days of Lessee’s removal of the Railcar from Russell Park, Lessee will clean up Russell Park by removing the rail ties, if requested to do so by the City and leftover fence material from the site. All clean-up work will be done to the satisfaction of the City Manager or his designee.

6. **PROMOTIONAL MATERIALS.** Lessee’s signage at the SPRS Museum will highlight the role of the City in the Railcar’s preservation. In addition, Lessee agrees to cooperate with the City in making City promotional materials available to the general public at the SPRS Museum.

7. **SURRENDER.** Upon expiration of the Term, or if this Agreement shall at any time be terminated prior to expiration of the Term as a result of Lessee’s failure to abide by the terms and conditions of this Agreement, Lessee shall immediately quit and surrender up to the City possession of the Railcar and shall deliver the Railcar to the City in accordance with Paragraph 4 above. Lessee’s obligation to
observe or perform this covenant shall survive termination of this Agreement. If Lessee fails to return the Railcar to the City as required by this Agreement, the City shall be authorized to enter the SPRS Museum, or other property on which the Railcar may be located at that time, between the hours of 8 a.m. and 5 p.m. to reclaim and load the Railcar for a return to the City, with or without notice to Lessee.

8. RENT. The payment of rent to the City for the lease of the Railcar shall be One Dollar ($1.00) per year. Rent for the first year of the term shall be paid on the Effective Date and rent for succeeding years shall be due on June 1 of each calendar year during the Term of this Agreement.

9. SECURITY DEPOSIT. Lessee shall pay the City a security deposit in the amount of TWO THOUSAND DOLLARS ($2,000.00) on the Effective Date. Said security deposit shall be held by City without interest as security for the performance by Lessee of Lessee’s covenants and obligations under this Agreement for the remainder of the Term, including payment of costs associated with returning the Railcar to the City as required by Paragraph 4 above (“Transportation Costs”). In the event of the failure of Lessee to keep and perform any of the terms, covenants and conditions of this Agreement to be kept and performed by Lessee, then City at its option may appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate City for loss or damage sustained or suffered by City due to such breach on the part of Lessee. Should the security deposit or any portion thereof by appropriated and applied by City for the payment of overdue Rent or other sums due and payable to City by Lessee hereunder, or for a breach on the part of Lessee, the Lessee shall, within five (5) days after the written demand of City, forthwith remit to City a sufficient amount in cash to restore the security deposit to the original sum deposited. City shall have the right to commingle the security deposit with other funds of City. Should Lessee comply with all of the terms, covenants and conditions of this Agreement and promptly pay the Rent herein provided for as it falls due, and all other sums payable by Lessee to City hereunder, the security deposit shall be returned in full to Lessee within thirty (30) days of the end of the term of this Agreement.

10. ASSIGNMENT AND SUB-LETTING. Lessee shall not assign this Agreement, or sub-let or grant any license to any third party to use the Railcar or any part thereof, without the prior written consent of City. Consent by City to any such assignment, sub-letting or license shall not be deemed to be a consent to any subsequent assignment, sub-letting or license. An assignment, sub-letting or license without the prior written consent of City or an assignment or sub-letting by operation of law shall be absolutely null and void and shall, at City’s option, terminate this Agreement.

11. INSPECTION OF RAILCAR. Upon reasonable advance notice to Lessee, City and City’s agents shall have the right to inspect the Railcar.
12. DEFAULT. If Lessee fails to comply with any of the material provisions of this Agreement, other than the covenant to pay Rent, or of any present rules and regulations or any that may be hereafter prescribed by City, or materially fails to comply with any duties imposed on Lessee by statute, within seven (7) days after delivery of written notice by City specifying the non-compliance and indicating the intention of City to terminate this Agreement by reason thereof, City may terminate this Agreement. If Lessee fails to pay or replenish the security deposit when requested by the City in accordance with paragraph 9 of this Agreement and the default continues for seven (7) days thereafter, City may, at City’s option, declare the entire balance of security deposit payable hereunder to be immediately due and payable and may exercise any and all rights and remedies available to City at law or in equity or may immediately terminate this Agreement.

13. LATE CHARGE. In the event that any payment required to be paid by Lessee hereunder is not made within FIVE (5) days of when due, Lessee shall pay to City, in addition to such payment or other charges due hereunder, a “late fee” in the amount of TEN DOLLARS ($10.00) per day.

14. ATTORNEYS’ FEES. Should it become necessary for City to employ an attorney to enforce any of the conditions or covenants hereof, including the collection of Rents or gaining possession of the Railcar, Lessee agrees to pay all expenses so incurred, including a reasonable attorneys’ fee. For any other dispute arising under this Agreement, the prevailing party shall be entitled to an award of its reasonable costs including but not limited to reasonable attorneys’ fees.

15. RECORDING OF AGREEMENT. Lessee shall not record this Agreement on the Public Records of any public office. In the event that Lessee shall record this Agreement, this Agreement shall, at City’s option, terminate immediately and City shall be entitled to all rights and remedies that it has at law or in equity.

16. GOVERNING LAW. This Agreement shall be governed, construed and interpreted by, through and under the laws of the State of Colorado.

17. GOVERNMENTAL IMMUNITY. Nothing in this Agreement is intended to waive any protection afforded the City by the Colorado Governmental Immunity Act, C.R.S. Section 24-10-101, et seq., or any other applicable law providing immunity to the City, its officials or employees.

18. SEVERABILITY. If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.
19. **BINDING EFFECT.** The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and permitted assigns of the Parties hereto.

20. **DESCRIPTIVE HEADINGS.** The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations of the City or Lessee.

21. **NON-WAIVER.** No indulgence, waiver, election or non-election by City under this Agreement shall affect Lessee’s duties and liabilities hereunder.

22. **MODIFICATION.** The Parties hereby agree that this document contains the entire agreement between the Parties and this Agreement shall not be modified, changed, altered or amended in any way except through a written amendment signed by all of the Parties hereto.

23. **NOTICE.** Any notice required or permitted under this Agreement or under state law shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

**If to City to:**

City of Central  
City Manager  
141 Nevada Street  
P.O. Box 249  
Central City, CO 80427

**If to Lessee to:**

South Park Rail Society  
2253 N. Downing Street  
Denver, CO 80205  
southparkrail@outlook.com

City and Lessee shall each have the right from time to time to change the address to which notice is to be given under this paragraph.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.
LESSOR:

CITY OF CENTRAL, a Colorado home rule municipal corporation

By: __________________________________________
    Daniel R. Miera, City Manager

Date: __________________________, 2018

ATTEST:

__________________________________________
    Reba Bechtel, City Clerk

LESSEE:

SOUTH PARK RAIL SOCIETY, a Colorado nonprofit corporation

By: __________________________________________
    Jerry Huck, President

By: __________________________________________
    Tim Bain, Vice-President

Date: __________________________, 2018
Exhibit A

Railcar: ex-Colorado & Southern Gondola freight railcar #4319 built by Colorado & Southern car shops circa 1902
Exhibit B

Secretary of the Interior's Standards for Rehabilitation

The Standards
1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.

Restored railway freight cars are usually not returned to “its historic purpose” of hauling freight. However a great effort is made to not change any “defining characteristics” of the railcar. The part about “site and environment” is not applicable.

2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.

This standard is usually applied in its entirety to railcars.

3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

This standard is applied to railcars. No false modifications. The structure, paint and lettering is to correctly represent a historical period in the railcar’s history. Example; your gondola was modified in the 1980’s to carry passengers. Since this was not the correct historical use of this car, we would remove those modifications.

4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.

This standard usually is not applied to railcars. However, it is common practice to restore a railcar to a time period that matches the majority of the "historical fabric“ that is still present on the railcar.

5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.

This standard is applied in its entirety to railcars.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of
deterioration requires replacement of a distinctive feature, the new feature shall match the old
in design, color, texture, and other visual qualities and, where possible, materials. Replacement
of missing features shall be substantiated by documentary, physical, or pictorial evidence.

*This standard is applied in its entirety to railcars.*

7. Chemical or physical treatments, such as sandblasting, that cause damage to historic
materials shall not be used. The surface cleaning of structures, if appropriate, shall be
undertaken using the gentlest means possible.

*Most of this standard is applies to railcars. However sometimes mechanical parts are machined in
order to make repairs. If the part is too deteriorated, it is replaced by a "historically correct" part.*

8. Significant archeological resources affected by a project shall be protected and preserved. If
such resources must be disturbed, mitigation measures shall be undertaken.

*This standard can not be applied to railcars.*

9. New additions, exterior alterations, or related new construction shall not destroy historic
materials that characterize the property. The new work shall be differentiated from the old and
shall be compatible with the massing, size, scale, and architectural features to protect the
historic integrity of the property and its environment.

*New additions and exterior alterations are usually not made to railcars. Often it would work
against standard #3*

10. New additions and adjacent or related new construction shall be undertaken in such a
manner that if removed in the future, the essential form and integrity of the historic property
and its environment would be unimpaired.

*This standard is sometime applied if the railcar is used for movie work or is "dressed up" for some
kind of event. However, great care taken to not destroy any of the historical fabric if this is done.*
Since our last council update, public works staff has performed the following activities:

- Started sealing the cemetery fences
- Installed the summer banners
- Installed the flags on Main Street
- Swept the Parkway
- Swept in town
- Performed pot hole patching
- Repaired snow removal equipment
- Performed work in the proposed beer garden
To: City Manager, Daniel Miera
From: Jason Nelson, Utility Director Jack Beard, Water Operator
Date: May, 2018
Re: Bi-Monthly Report

- Recently, Water Department Staff reached the Miners Intake Structure. Miners is the furthest and highest structure. The Department’s UTV Ranger is extremely useful in accessing difficult sites.
- Department Staff have been providing Intake Structure tours to interested bidders for the Structures’ rehabilitation. These tours are important in that they offer bidders the opportunity to gauge the terrain and remoteness of the Structures.
- The closing day for bids of the Intake Structure Rehabilitation was on May 22nd. The City of Central received three bids. Staff are pleased in that all were reasonably competitive.
- Department Staff removed older, wire fencing on the road leading to Hole in the Ground Reservoir. The United States Forest Service required its removal as it was a hazard to wildlife.
- In preparation for higher summer drinking water demand, the Water Treatment Plant received a fresh batch of its primary treatment coagulant. Also obtained was a spare 55-gallon drum for emergencies.
<table>
<thead>
<tr>
<th>Code Enforcement</th>
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<tr>
<td>Visitor Center</td>
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<tr>
<td>Saving Places Conference (3 members) Jan/Feb, 2018</td>
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<td>Training</td>
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<td>2018 Councils</td>
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<td>4</td>
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<tr>
<td>HR 18-04 - 314.5 Third High - new door/window/foil - approved</td>
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<tr>
<td>Vacancy Filed</td>
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<td>Historic Preservation Commission</td>
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<tr>
<td>DOLA Architect - Rendering Complete</td>
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<tr>
<td>Consultant hired to final and obtain outside Grant Funding</td>
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<td>Owner Representative Search Underway</td>
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<td>Belvidere Theater</td>
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<td>Parking Fee in-lieu</td>
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<td>Compliance Changes / Meetings Pursued</td>
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<td>OHV - Off-Highway Vehicle</td>
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<td>Belvidere Theater - Contribution Project Status Being Pursued</td>
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<tr>
<td>Central City Opera - Contribution Project Status Obtained</td>
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<td>Local Business Pursuing Tax Credit for Qualified Work</td>
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<td>Northwest Colorado Enterprise Zone</td>
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<th>Economic Development</th>
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<tr>
<td>Topic: LDC Changes - Parking Fee in-lieu</td>
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<tr>
<td>Last meeting - January 2018</td>
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<tr>
<td>Planning Commission</td>
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<tr>
<td>Growth 16A - Update and Discussion Started - Jan 2018</td>
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<tr>
<td>Various Initial Development/Building Inquiries Addressed</td>
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<tr>
<th>Elevator Inspections</th>
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<tr>
<td>Draft MOU from State Under Review</td>
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<tr>
<td>9 permits Value - 2018 $598,433</td>
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<tr>
<td>2018</td>
</tr>
<tr>
<td>39 permits Value - 2017 $655,900</td>
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<td>2017</td>
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Department Update - May 29, 2018

Community Development Department
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<tr>
<td>Central City App</td>
<td>Mobile Town Guide developed “Mobile Town Guide Central City” Interactive walking tour planned</td>
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</tbody>
</table>
| Promotional Videos | Video #1 Recreation Released  
| | Video #2 Events Released  
| | Video #3 Gaming In the Planning Stages  
| | Video #4 Combination of all three In the Planning Stages |
| Main Street Central City | Last Meeting – Long-term Strategic Planning  
May 23, 2018  
Self-funding mechanism  
Shirts, books and post cards for sale  
$2,000 donation received for advertisement shoot on May 8th |
| Direct City Marketing / Promotion | 2018 Rack Card Print ads Jan. 2018 –distributed  
Jeffco living Print/digital ads Ads running for 6 months from Spring to Fall  
iHeart Radio Radio ads Ads running for 2018 finalized  
Mountain Adventure Guide Print Finalized  
Sponsorship Hot Rod Hill Climb |
| | Events CC Clean Up Day 5/18 CC Picnic 6/25  
Bel Event 6/3 |
| Audio Visual / Website / Information Technology | Website/Social Media  
Administration, promotion and monitoring continues  
Public Access Cable Channel  
Ongoing issues, work with consultant and cable company continues  
Livestreaming of City Council Meetings Operational and found on the City website and Youtube.com |
| Staff | Managing consultants  
Training at UC Denver  
UC Denver Intern Being Investigated New program being investigated |