

Mayor Ed Sisson called the meeting to order at 7:00 p.m. Also present were Councilmember's Robert Jurca, Mary Cooper, Ray Penick, Bill Raley along with City Manager Justin Clifton. A meeting notice was posted in the south window at City Hall at least twenty-four hours prior to the meeting.

Pledge of Allegiance

The Mayor led everyone present in the Pledge of Allegiance.

Changes to the Agenda

There were none.

Minutes

A motion was made by Robert Jurca, seconded by Ray Penick to approve the minutes of the October 21, 2014 City Council meeting as written. All voted yes. Motion passed.

Citizen Comments

There were none.

Discussion Regarding Draft Budget

The Council reviewed the draft budget for 2015. Justin Clifton, City Manager, reviewed some highlights of the proposed 2015 budget with the Council. Mr. Clifton stated that generally City funds are in a better financial condition because of a lot of little steps that have been taken to reduce expenses across the board. Some of those steps included restructuring departments, eliminating director positions, staff positions that have taken on additional responsibilities and generally addressing inefficiencies throughout the City.

Additionally, Mr. Clifton reviewed the variance graph with the Council. The variance graph depicts a better financial position for the City than projected in the 2014 budget. The 2014 budget was adopted showing a \$135,000 deficit, but current, accurate projections show that the 2014 budget year should end with a \$35,000 surplus because of good management and conservation.

Staff and Council reviewed the comparison graph, which compares the 2014 budget to the 2015 proposed budget. Mr. Clifton stated that overall expenses are lower than the previous 7 years because staff has found ways to keep expenses low. Additionally, Mr. Clifton stated that Council has been concerned about the transfers from the Utility Funds to the General Fund and that from the 2011 budget to the proposed 2015 budget the transfers have been reduced by \$646,000.

Mr. Clifton stated that insurance costs have been held stable because the insurance plan has been adjusted to keep the costs the same; however some out of pocket expenses will increase for some employees.

Regular Meeting, Delta City Council, November 4, 2014 (cont.)

Discussion Regarding Draft Budget (cont)

Additionally, Mr. Clifton informed the Council that generally the fund balances are good, around 30%, except for the City Wide Fund, which has been used to cash fund the Truck Route (Confluence Drive). Mr. Clifton stated that the City is in a good financial position because staff and Council still have time to make corrections to the funds and that the City has good conservative cash backing for all of the funds.

Mr. Clifton stated the staff will continue to work to finish the construction of the Truck Route, however the costs for the Truck Route will be more difficult financially than anticipated and that staff still has work to do on the golf course fund. Mr. Clifton reiterated that 2014 has been the best transfer year ever and that staff have created their own financial solutions and that the total budget less money than last year. Mr. Clifton stated that all of this has been possible because the staff has stepped up to additional duties which resulted from the eliminated staff positions. Mr. Clifton stated that staff has found ways to increase salaries that are below market without asking for additional funds for salaries. Mr. Clifton stated that he is proud of the staff that have made all of these cost saving measures possible.

Staff and Council discussed the pending tax issues. If the tax issues pass there are further consolidation plans to be implemented, which will benefit the general fund and potentially save \$50,000, which will make it possible to invest in economic development if the opportunities arise.

The Council voiced concerns about the additional 150 mining jobs that have been lost recently and the affect on sales tax revenues. Mr. Clifton stated that the loss of jobs is certainly a concern; however the City is better prepared than ever before because of the cost saving measures that have been implemented. Additionally, Mr. Clifton stated that it may be time to talk about the City's philosophy in these difficult financial times, do we invest or do we bunker down.

There were some additional questions from Council regarding salary adjustments, street repairs and the storm water funds.

The Council thanked Mr. Clifton for the presentation.

Ordinance #4, 2014 – Second and Final Reading – Vacating Segments of 12th Street and Main Street

ORDINANCE #4, 2014

AN ORDINANCE OF THE CITY OF DELTA, COLORADO,
VACATING SEGMENTS OF TWELFTH STREET AND MAIN
STREET, DELTA, COLORADO.

was introduced as Council Bill #4, 2014 and read by the Clerk.

A motion was made by Robert Jurca, seconded by Bill Raley to adopt Council Bill #4, 2014 on second and final reading vacating segments of Twelfth Street and Main Street, Delta, Colorado. Roll call vote: Councilmember's Cooper, aye; Raley, aye; Jurca, aye; Penick, aye; and Sisson,

Regular Meeting, Delta City Council, November 4, 2014 (cont.)

Ordinance #4, 2014 – Second and Final Reading – Vacating Segments of 12th Street and Main Street (cont)

aye. Motion passed. Council Bill #4, 2014 was adopted on second and final reading as Ordinance #4, 2014.

Council Bill #5, 2014 – First Reading – Revising Electric Rates

COUNCIL BILL #5, 2014

AN ORDINANCE OF THE CITY OF DELTA, COLORADO
PROVIDING REVISED ELECTRIC RATES AND AMENDING THE
MUNICIPAL CODE CONCERNING THE SAME.

was introduced and read by the Clerk.

The City Council considered Council Bill #5, 2014 providing revised electric rates and amending the Municipal Code concerning the same. Steve Glammeyer, Utilities Director, addressed general questions on the rate increases. Mr. Glammeyer stated that overall the rate increase is cost neutral. The Council stated that they don't like to see fund balances get so low, but that they don't like to see rate increases either. The Council also discussed the possible need for an additional rate increase sometime next year. It was the consensus of Council to address that possibility when the need arises. Mr. Clifton clarified that the fund balance of the ML&P fund is 25% which is good, however it is shrinking.

A motion was made by Mary Cooper, seconded by Bill Raley to adopt Council Bill #5, 2014 on first reading providing revised electric rates and amending the Municipal Code concerning the same. Roll call vote: Councilmember's Cooper, aye; Raley, aye; Jurca, aye ; Penick, aye and Sisson, aye. Motion passed.

Retail Liquor Store Renewal – Grand Valley Liquors, LLC

The City Council considered the Retail Liquor Store Renewal for Grand Valley Liquors, LLC located at 750 Main Street, Delta, Colorado for consumption off premise.

The Deputy City Clerk informed the Council that the application is complete, the fees have been paid and that the Police Department is recommending approval of the retail liquor store license renewal for Grand Valley Liquors, LLC.

A motion was made by Ray Penick, seconded by Robert Jurca to approve the renewal of the Retail Liquor Store License for Grand Valley Liquors at 750 Main Street, Delta, Colorado for consumption off premise. All voted yes. Motion passed.

Special Permit for Temporary Closure – Delta Area Chamber of Commerce – Parade of Lights

The City Council considered the application from the Delta Area Chamber of Commerce for the temporary closure of East 9th Street between Main Street and Meeker Street as well as Main Street between 9th Street and 2nd Street for the Parade of Lights on December 5, 2014.

Regular Meeting, Delta City Council, November 4, 2014 (cont.)

Special Permit for Temporary Closure – Delta Area Chamber of Commerce – Parade of Lights (cont)

The Deputy City Clerk informed the Council that the application is complete and all of the fees have been paid. Additionally, the Clerk stated that Steve Glammeyer, Utilities Director, has been contacted concerning the application and Mr. Glammeyer does not have any concerns.

A motion was made by Robert Jurca, seconded by Ray Penick to approve the temporary closure of East 9th Street between Main Street and Meeker Street as well as Main Street between 9th Street and 2nd Street on December 5, 2014 for the Parade of Lights. All voted yes. Motion passed.

Proclamation – Hospice and Palliative Care Month

Mayor Sisson read and signed the proclamation declaring November 2014 as Hospice and Palliative Care Month.

City Manager Comments

MEAN Rate Follow-up: Justin Clifton, City Manager, updated the Council on the budget information requested from MEAN. Mr. Clifton stated that the representative of MEAN had reached out two different times offering the information requested, but then MEAN's attorney requested that they have more time to determine what information could be provided to the City.

Truck Route Update: Mr. Clifton updated the Council on the progress of the Truck Route. Mr. Clifton stated that the soil stabilization on the south end of Confluence Drive was supposed to be self sufficient, meaning that the soil removed from one area was supposed to be used to build up another area, but the soil that was being removed was too soft and the entire area had to be stabilized with additional fill, which will cost additional funds. Mr. Clifton stated that potentially there will be big costs associated with the soil stabilization of this area. Mr. Clifton informed the Council that Council may have to hold a special City Council meeting to address these issues; however staff is working with the contractor and the engineer to resolve the issues. Mr. Clifton stated that the good news is that the project is still on track to finish construction next month.

Councilmember Comments

Budget: Councilmember Cooper stated that the proposed 2015 budget is the most clear and comprehensive budget that she has been involved with in the previous ten years. Ms. Cooper stated that the physical management pieces of the budget were very good and extended her kudos to staff. Additionally, Ms. Cooper stated that she is also concerned about the loss of jobs. Ms. Cooper thanked Mr. Clifton for all of his hard work with Delta County Economic Development regarding broadband.

Next Meeting: Councilmember Jurca stated that he will be out of town for the November 18, 2014 City Council meeting.

Regular Meeting, Delta City Council, November 4, 2014 (cont.)

Councilmember Comments (cont)

Sewer Backup Letter: Councilmember Penick stated that a constituent had suggested to him that staff compose a letter of suggestions on what to do if a sewer backup happens at your property. Mr. Penick stated that the constituent had a recent sewer backup and that staff had provided good customer service, but that a letter may be helpful to residents if affected by a sewer backup.

Budget: Councilmember Raley agreed that the budget and the savings combinations are very impressive and that he has a lot of confidence that the City is capable of weathering the storm.

Lost Jobs: Mayor Sisson requested that everyone remember the families of those who lost their jobs.

Adjournment

A motion was made by Mary Cooper, seconded by Robert Jurca to adjourn the regular City Council meeting. All voted yes. Motion passed.

The meeting was adjourned at 7:47 p.m.

Sharleen R. Walker, MMC, Deputy City Clerk