

CITY COUNCIL MEETING – May 15, 2017

<p><i>Subject to approval at the</i></p> <p><i>June 5, 2017</i></p> <hr/> <p><i>City Council Meeting</i></p>
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STATE OF COLORADO)
COUNTY OF OTERO) SS
CITY OF LA JUNTA)

CALL TO ORDER: The regular meeting of the City Council of the City of La Junta, Colorado, was called to order by Mayor Lynn Horner on Monday, May 15, 2017, at 7:30 p.m. in the Council Chambers of the Municipal Building.

PLEDGE OF ALLEGIANCE: The Mayor led everyone in the Pledge of Allegiance.

INVOCATION: Council Member Goodwin gave the invocation.

ROLL CALL: The following Council Members were present:

- Betty Velasquez, Ward 1
- Jim Goodwin, Ward 1
- Frank McKenzie, Ward 2
- Lynn Horner, Mayor
- Jeffri Pruyn, Ward 2
- Edward Vela, Ward 3
- Scott Eckhart, Ward 3

Absent: none

- Also present:
- Rick Klein, City Manager
 - Bill Jackson, Asst. City Manager
 - Phil Malouff Jr, City Attorney
 - Melanie Scofield, City Clerk
 - Darren Adame, Director of Engineering
 - Todd Quick, Chief of Police
 - Mike Engebrecht, Deputy Chief of Police
 - Glenn Parker, P O Box 166
 - Pam Denahy, Director of Tourism & Events
 - Keith Goodwin, 2121 Carson Ave
 - Kevin Karney, 22257 CR 24
 - William Macdonald, 706 Raton Ave
 - Beverly Babb, 1120 W. 12th St
 - Rick Rigel, ARPA
 - Paul Velasquez, 1313 Bradish Ave
 - Lorenz Sutherland, Utilities Board Chairman
 - Angela Ayala, 1514 San Juan Ave
 - Joe Ayala, 1514 San Juan Ave
 - Cheryl Lindner, 16 E. 22nd St
 - Greg Kolomitz, P O Box 662
 - Mike Bourget, Utilities Board Commissioner
 - Dee Leyba, La Junta
 - Ryan Stevens, Economic Development Director
 - Bette McFarren, La Junta Tribune Democrat

MINUTES OF PREVIOUS MEETING: Mayor Horner asked if there were any corrections to the minutes of the Regular City Council Meeting of May 1, 2017. Hearing none, he declared the minutes approved as published.

PROCLAMATION – ARBOR DAY: Mayor Horner signed a proclamation declaring May 19, 2017 as Arbor Day in the City of La Junta.

CITY COUNCIL MEETING – May 15, 2017**CITIZEN PARTICIPATION FOR NON-AGENDA ITEMS (10 minute time limit per person):**

1. William Macdonald, 706 Raton Avenue: Was Mrs. Mondragon given a summons or was she warned about the dogs? (She was warned.) That's an important point. One of the problem areas next to me with the dogs doesn't make much noise. But there's still a problem with 622 Raton. Are we going to be able to move forward with ticketing them with a nuisance barking? Last time I was here, the City Attorney said that there was something pending. So I guess I have to wait and see how it turns out? This is an ongoing daily issue, the nuisance, which means I'm not able to enjoy the use of my property.

REPORTS

A. City of La Junta Monthly Financials. This item was moved to next month's agenda.

B. Tourism Board – Chamber of Commerce. Rick Klein reported that the Tourism Board went back out and got bids for the La Junta Chamber of Commerce building from Valley Plumbing, Cummins Carpet and Valerio Painting coming to a grand total of \$5,162.00. We were instructed to go out and get the bids, finalize them and come back to Council. What's the Board's pleasure?

Council Member Vela: Do you have any documentation that the Chamber is acceptable of this?

Pam Denahy: We have spoken with the new President but we have not signed a contract yet.

Council Member Pruyn: I have a question about the restrooms, even after we do all of these improvements, it's still not going to be handicap accessible, which becomes an issue when we're inviting the public.

Council Member Vela: Also, because of new technology, and we have that wonderful website that we paid \$14,000.00. I really don't think we need a Visitor Center. Even if we start small, the important thing in my estimation is to start with location, location, location. That's a poor location. The only good thing about locating down there is we have \$5,000 of local employment here. The SECOM building, which I used to advocate before the website came on, if you want a trial and start small that would be a great place to start because of it's location. There's no expenditure outside of making signs. That would be a great place to start because there's ample parking and its right behind the big engine on the hill. That's the only way I would support a Visitors Center. I would stick with the technology because we can do better with our money.

Council Member Velasquez: Mr. Mayor, I think we need to adhere to the recommendation of the Tourism Board. I think the cost is relatively low and its doable.

MOTION TO ACCEPT THIS BID AND MOVE FORWARD WITH THE TOURISM BOARDS RECOMMENDATION FOR THIS PROJECT: Velasquez

SECOND: Goodwin

DISCUSSION: There was no further discussion.

VOTE: Those voting YES (Velasquez, Goodwin, McKenzie, Horner, Pruyn, Eckhart)

Those voting NO (Vela)

The motion carried 6-1

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NEW BUSINESS

- A. **Application for Renewal of a 3.2% Beer on Premises Liquor License by WKRP Colorado LLC, d/b/a Pizza Hut, 402 E. 1st Street.** The application is in order and has been reviewed by City supervisors for compliance with City and State codes. The premise is under an action plan through the Fire Department. Appropriate fees have been tendered and the City Attorney recommends approval.

MOTION TO GRANT RENEWAL OF A 3.2% BEER ON PREMISES LIQUOR LICENSE BY WKRP COLORADO LLC, D/B/A PIZZA HUT, 402 E. 1ST STREET: Vela

SECOND: Velasquez

DISCUSSION: None

VOTE: The motion carried 7-0

- B. **A Resolution Regarding Service Plan for La Junta Health Service District.** Resolution No. R-14-2017 was presented for Council's consideration as follows:

WHEREAS, the City Council (the "**Council**") for the City of La Junta (the "**City**"), State of Colorado (the "**State**"), is vested with administering the affairs of the City, pursuant to State statutes; and

WHEREAS, pursuant to the provisions of the "**Special District Control Act**," Title 32, Article 1, Part 2, C.R.S., a service plan for the proposed La Junta Health Service District (the "**District**") was filed with the City on May 5, 2017 (the "**Service Plan**"); and

WHEREAS, pursuant to the provisions of Section 32-1-204.5(1), C.R.S., the Council considered this Resolution at a public meeting of the Council held at 7:30 p.m. on May 15, 2017; and

WHEREAS, both the District and the City will serve the same constituents, as they will have the same boundaries and taxpayers; and

WHEREAS, the Arkansas Valley Regional Medical Center Longer Term Care (the "**Current Nursing Care Facility**") is currently in operation but will not be able to operate in its present configuration beyond 2018 due to financial difficulties; and

WHEREAS, the question of the District's organization will be presented to voters along with request to impose a sales tax to potentially provide financial support for the operations of the Current Nursing Care Facility beginning as early as January 1, 2018 and to simultaneously pursue the financing, construction and equipping of a new long term care facility (the "**New Nursing Care Facility**") to be owned and

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operated by the District under a new license from the Colorado Department of Public Health and Environment (the "CDPHE"); and

WHEREAS, the Council believes it is in the best interest of the City, its residents and taxpayers for the District to provide nursing home services to the community; and

WHEREAS, pursuant to Section 32-1-204.5(2), C.R.S., submission to the Council of a license or certificate of compliance issued by the CDPHE constitutes compliance with the information required to be included in a service plan pursuant to Section 32-1-202(2), C.R.S., and the criteria required to be presented to the Council pursuant to Sections 32-1-203(2) and (2.5), C.R.S.; and

WHEREAS, a copy of the license from the CDPHE for the operation of the Current Nursing Care Facility has been submitted to the City, which comprises the Service Plan of the proposed District; and

WHEREAS, the Council did on May 15, 2017, at a public meeting, review the license from the CDPHE for the Current Nursing Care Facility and take evidence establishing the jurisdiction of the Council to hear this matter; and

WHEREAS, the Council has fully considered the Service Plan and other evidence presented to it in this matter relating to the Service Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA JUNTA, STATE OF COLORADO:

Section 1. The recitals of this Resolution are incorporated herein by reference.

Section 2. The Council hereby determines that all of the jurisdictional and other requirements of Section 32-1-204.5, C.R.S., have been fulfilled, including submission of a license from the CDPHE for the Current Nursing Care Facility, all requirements relating to the filing and form of the Service Plan and the form of approvals authorized herein.

Section 3. Based upon the information contained within the Service Plan and evidence presented to the Council at the public meeting, the Council hereby finds and determines as follows:

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- A. A current license from the CDPHE exists for the operation of the Current Nursing Care Facility;
- B. Pursuant to Section 32-1-204.5(2), C.R.S., the Council has been provided with evidence satisfactory regarding each of the following:
- (i) There is sufficient existing and projected need for organized services of the nature proposed in the Service Plan in the area to be serviced by the proposed District;
 - (ii) The existing services in the area to be served by the proposed District are inadequate for present and projected needs;
 - (iii) The proposed District is capable of providing economical and sufficient services to the area within its proposed boundaries;
 - (iv) The area to be included within the proposed District will have the financial ability to discharge the proposed indebtedness on a reasonable basis;
 - (v) Adequate services are not and will not be available to the area through the City, or other governmental organization, including special districts, within a reasonable time and on a comparable basis;
 - (vi) The facilities and service standards of the proposed District are or will be compatible with the facilities and service standards of the City and each municipality which is an interested party under Section 32-1-204(1), C.R.S.;
 - (vii) The Service Plan is in substantial compliance with the City's Master Plan;
 - (viii) The proposal is in compliance with the long-range water quality management plan for the area; and
 - (ix) The creation of the proposed District will be in the best interest of the area proposed to be served.

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Section 4. The Service Plan of the proposed District shall be and is hereby approved.

Section 5. Upon organization of the District, it may provide immediate financial support to the Current Nursing Care Facility beginning January 1, 2018. The District will also be asked to reimburse the City for the District's organizational costs being paid by the City, so that the City does not have to curtail City services or reduce its reserves. The District shall simultaneously begin efforts to finance, construct and equip the New Nursing Care Facility, including obtaining a new license from the CDPHE, which will then be filed with the City as the Amended Service Plan of the District under Section 32-1-207(2) (a), C.R.S.

Section 6. The City Manager is hereby expressly authorized and directed to administer an effort to collect at least 200 signatures from taxpaying electors of the proposed District on the petition for organization of the District (the "Petition"), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference. Upon gathering adequate signatures, the Petition shall be filed with the District court of Otero County.

Section 7. The City Manager is further hereby expressly authorized and directed to take any and all actions necessary or appropriate to effectuate the provisions of this Resolution and the organizational process of the District, including, but not limited to, (i) assisting with the preparation and filing of the Petition with the District Court of Otero County, (ii) serving as, or identifying a qualified individual to serve as, the designated election official for the District's organization and TABOR election, (iii) approving of the final form of the election questions, (iv) assisting with necessary filings and coordination with the Colorado Department of Revenue related to implementation of the District's proposed sales tax and (v) entering into an intergovernmental agreement with Otero County for the conduct of a coordinated election on November 7, 2017.

Section 8. The City Clerk is hereby directed to provide a certified copy of this Resolution to the City Manager to be included with the Petition.

Section 9. All previous resolutions, or parts thereof, in conflict with the provisions hereof, are hereby repealed to the extent of such conflict only.

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Section 10. This Resolution, immediately upon its passage, shall be authenticated by the signatures of the Council and the City Clerk and sealed with the corporate seal of the City.

Section 11. This Resolution is necessary for the public health, safety and welfare of the citizenry of the City of La Junta, State of Colorado.

City Attorney Malouff: Mr. Mayor, as part of the process of developing an appropriate ballot issue and the legal issues that go along with creating a health service district, the first step for us is to create a Health Services District. This Resolution speaks to that and references certain State Statutes that apply. It is truly just the starting point. The electorate will be the ones deciding whether there should be a Health Services District and then how we're going to fund that. Both of those issues will be on the November ballot. I endorse a favorable recommendation to the Council.

MOTION TO ADOPT RESOLUTION NO. R-14-2017: Pruyne

SECOND: Goodwin

DISCUSSION: There was no further discussion.

VOTE: The motion carried 7-0

- C. **A Resolution to Authorize the Receipt of Real Property to be Transferred to the City.** Resolution No. R-11-2017 was presented for Council's consideration as follows:

WHEREAS, the City of La Junta has entered into an Agreement with SECOM for the swapping of multiple parcels of property in the City of La Junta, or in the Industrial Park of the City of La Junta; and

WHEREAS, the City Council has previously approved the Agreement between the City and SECOM; and

WHEREAS, the City Council specifically resolves to receive the below listed property;

NOW THEREFORE BE IT RESOLVED by the City Council as follows:

SECTION 1: That the City of La Junta agrees to accept the following real property when it is transferred by SECOM to the City of La Junta, pursuant to the terms of the parties' Agreement (as described above):

PARCEL NO. 1:

All that part of Lot 4, Block 12, Lofland Addition to the City of La Junta, Second Filing, lying West of the Atchison, Topeka

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and Santa Fe Railway Company Track No. 102, lying through, over and across said Block 12, as shown by the recorded plat thereof.

ALSO

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Fairfax Place to the City of La Junta, as shown by the recorded plat thereof, in Otero County, Colorado.

PARCEL NO. 2:

A part of the SE/4 of Section 4, Township 24 South, Range 55 West of the 6th P.M., described as follows: Beginning at a point on the East boundary line of said Section 4, 1989.5 feet North of the Southeast corner of said Section 4 and running thence Westerly at an angle of 90° with said East boundary line of said Section 4, 446 feet; thence Northerly and parallel to the said East boundary line of said Section 4, 208 feet; thence Easterly and at an angle of 90° with said East boundary line of said Section 4, 446 feet; thence South along said East boundary line of said Section 4, 208 feet to the point of beginning. Subject to a public highway along the East said of said land.

ALSO

A tract of land lying in the NE/4SE/4 of Section 4, Township 24 South, Range 55 West of the 6th P.M. and being more particularly described as follows: Beginning at the Northeast corner of said SE/4 of said Section 4, as monumented by a 3-1/2" brass cap set in concrete; thence S.88°17'38"W., along the North line of said SE/4, a distance of 602.0 feet, considering all bearings contained herein relative thereto; thence S.1°44'13"E., 416.8 feet to the Southeast corner of a tract of land recorded in Book 668 at Page 139, Otero County, Colorado records, which is the True Point of Beginning; thence S88°24'12"W., 158.43 feet to the Northwest corner of a tract of land recorded in Book 626 at Page 121, Otero County, Colorado records; thence S.1°31'47"E., 243.40 feet to the Southwest corner of the tract in Book 626 at Page 121; thence N.88°18'52"E., 304.02 feet along the South line of the tract in Book 626 at Page 121 to the West line of the Southeast Colorado Power Association property; thence N.00°45'48"W., 222.12 feet to the northwest corner of the Southeast Colorado Power Association property; thence N.89°16'12"E., 416.00 feet to the Westerly Right-of-Way of Colorado Highway No. 10;

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thence N.00°45'48"W., along said Right-of-Way 8.0 feet; thence S.89°16'12"W., 564.65 feet; thence N.1°44'18"W., 10.59 feet to the point of beginning. All corners monumented with a 5/8" rebar with a 1-1/2" aluminum cap LS 12103, in Otero County, Colorado.

PARCEL NO. 3:

Lots 1, 2, 3, 4, 5 and 6 in Block 12 in Lofland Addition to the City of La Junta, as shown by the recorded plat thereof,

AND

All that part of the South 80 feet of Block 4, Ohio Addition to the City of La Junta lying directly North of Lots 1, 2, 3, 4, 5 and 6, Block 13, Lofland Addition to the City of La Junta, as shown by the recorded plat thereof, in Otero County, Colorado.

SECTION 2: This Resolution is presented to satisfy title requirements.

City Attorney Malouff: As you'll recall, the City has entered into a massive agreement with SECOM in the swapping of real property. The Title Company involved wants evidence that the City is agreeing to accept the property.

MOTION TO ADOPT RESOLUTION NO. R-11-2017: Goodwin

SECOND: Pruyn

DISCUSSION: None

VOTE: The motion carried 7-0

- D. **A Resolution of the City Council of the City of La Junta, Colorado Approving the Settlement of Certain Litigation between the City of Lamar and the Arkansas River Power Authority.** Resolution No. R-13-2017 was presented for Council's consideration as follows:

WHEREAS, the City of La Junta is a party to that certain Organic Contract Creating and Establishing the Arkansas River Power Authority ("ARPA") as a Separate Governmental Entity dated October 24, 1979 (the "Organic Contract"). Pursuant to the Organic Contract, the City has appointed two representatives to serve on the Board of Directors of ARPA.

WHEREAS, the City of La Junta is also a party to that certain Agreement for the Supply of Electric Power and Energy to Municipal Members of the Arkansas River Power Authority dated December 13, 1983 ("Power Supply Agreement"), which

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requires all of the Member Municipalities of ARPA to purchase all of their wholesale electricity requirements from ARPA, over and above certain specified member-owned generation.

WHEREAS, in 2004, ARPA and the City of Lamar ("Lamar"), a Member Municipality of ARPA, executed a Joint Operating Agreement between the City of Lamar, Colorado, the Lamar Utilities Board, and the Arkansas River Power Authority for the Development of the Lamar Repowering Project and Operations and Maintenance in Support of the Lamar Repowering Project, executed November 23, 2004 (the "Joint Operating Agreement") for the purpose of jointly repowering Lamar's 25 MW natural-gas fired steam electric generation station known as "Unit 6", by the addition of a new coal-fired boiler, and additional steam turbine and generator and other equipment to increase its capacity to 44 MW, which was known as the "Lamar Repowering Project" ("LRP"). Pursuant to the Joint Operating Agreement, Lamar agreed to dedicate certain equipment from Unit 6, including the 25 MW steam turbine, electric generator, and associated equipment, to the LRP.

WHEREAS, also in 2004, Lamar and ARPA entered into a Lease Agreement Between the City of Lamar, Colorado and the Arkansas River Power Authority in Support of the Lamar Repowering Project executed December 13, 2004 (the "Lease Agreement"), pursuant to which ARPA leased certain land from Lamar for the construction of coal storage domes and coal handling equipment for use in connection with the LRP. ARPA subsequently constructed concrete domes, conveyors, dust collectors and other coal handling materials and equipment on the property subject to the Lease Agreement.

WHEREAS, in order to facilitate the permitting of the LRP, Lamar, through its electric utility, Lamar Utilities Board d/b/a Lamar Light and Power, voluntarily surrendered the air permit for Unit 6. As a result, Unit 6 was rendered in operable.

WHEREAS, the LRP has failed due to the inability of the boiler to meet emissions requirements under the terms of its air permit. As a result, ARPA has elected to pursue the sale of the LRP equipment to third parties, and ARPA does not intend to operate the LRP again in the future.

WHEREAS, in light of the failure of the LRP, Lamar no longer has an operating power plant, and has been deprived of

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the jobs previously provided by the existence of an operating power plant in its community.

WHEREAS, on or about July 14, 2014, Lamar commenced an action against ARPA in the Prowers County, Colorado District Court, case number 2014-CV-00031, asserting various breaches of contract against ARPA under the Organic Contract, Power Supply Agreement, Joint Operating Agreement and Lease Agreement (the "Litigation"), in which Lamar sought to terminate its relationship with ARPA and to recover damages for the loss of its Unit 6 power plant facilities.

WHEREAS, the loss of Lamar's participation in ARPA would have devastating consequences on the remaining ARPA communities, who would bear the additional debt service for the bonds issued to finance the LRP, which would be included in ARPA's wholesale electric rate.

WHEREAS, on February 22, 2017, ARPA and Lamar participated in mediation in Pueblo Colorado in an effort to resolve all disputes related to the LRP, including all claims that were asserted or could have been asserted in the Litigation. The parties reached a settlement in principle during that mediation, pursuant to which, among other things, Lamar agreed to continue to purchase its electric power and energy requirements from ARPA and ARPA agreed to pay Lamar the sum of One Million Dollars (\$1,000,000.00) together with monthly compensation for the loss of Unit 6 in the sum of Thirty-Three Thousand, Three Hundred Thirty- Three and 33/100 Dollars (\$33,333.33) per month for 26 years from the effective date of the settlement, in exchange for a dismissal with prejudice of the Litigation, each party to bear its own costs and attorneys fees.

WHEREAS, ARPA is concurrently seeking to refund or refinance the bonds issued for the construction of the LRP, which refunding or refinancing is expected to more than offset the anticipated payments to Lamar under the settlement. However, such refunding or refinancing is unlikely to be possible unless the Litigation is promptly dismissed.

WHEREAS, continued litigation of the dispute with Lamar will cost the ratepayers of the City of La Junta, a significant amount, as these legal fees and expenses would be passed along to the ARPA Member Municipalities as party of ARPA's wholesale electricity rate. Further, litigation of the

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dispute with Lamar would entail risk of an adverse result, as success cannot be guaranteed in any litigation.

WHEREAS, ARPA has requested that the City of La Junta give its approval of the proposed settlement with Lamar.

WHEREAS, the settlement between ARPA and Lamar will not be effective unless all of the ARPA Member Municipalities approve said settlement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT:

1. The City Council of the City of La Junta, having reviewed the proposed settlement terms and being fully informed of the premises and reasons upon which settlement is based, hereby determines that the settlement is in the best interests of the electric ratepayers of the City of La Junta. The settlement agreement is hereby APPROVED.

2. The City of La Junta's representatives on the ARPA Board of Directors are hereby authorized and directed to vote to approve the proposed settlement between Lamar and ARPA and to take such steps as may be necessary to give force and effect to its terms.

City Attorney Malouff: It is my understanding that all municipalities but Trinidad have approved the proposed settlement agreement. So it is Trinidad and La Junta that is still pending. This Resolution is not identical to but a mirror image of the Resolution that the Utilities Board considered at their last meeting on Tuesday. They voted to reject approval. So their recommendation is to reject this proposal. As explained to them, the ultimate decision rests with this Board.

Council Member Vela: Could you give us your words of guidance?

City Attorney Malouff: I will give you an overview of the legal theories of technicalities that may help you decide what you want to do. There's no such thing as a good lawsuit. The court system forces parties at many stages of the process to attempt to settle. Even up to the Court House steps right before court there's always pressure to try to force the parties to settle. The judges don't want to have to make the decision; they'd rather the parties figure it out themselves. So, what are the legalities and posturing that ARPA has attempted to perfect their position and what have they given up? Those kinds of questions I can answer but I can never give you a promise of protection. (Mr. Malouff then continued to explain the appeals process in the legal system.) The last thing I can tell you is nobody knows and nobody's keeping score. Nobody can tell you that this is a good thing to do or a bad thing to do or that we're getting the benefit of the bargain or not.

Council Member Vela: I would also like to know from all the other Council members if they've had enough information that they feel good about making this decision tonight or if we need to wait until the first meeting in June to make a final decision.

Council Member Goodwin: I've had plenty of time.

Mayor Horner: I'm ready.

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Council Member McKenzie: I am absolutely ready. We've got all the information there is to get.

Council Member Velasquez: I'm ready.

Council Member Vela: Do you have the Joint Operating Agreement because I would like to see specifically where it says "in consideration of" and then blank, blank, blank and that Lamar would receive the jobs, the power plant and cheap electricity. I have not been able to find that.

City Attorney Malouff: I don't think I can put my fingers on that document right now if it exists at all. Rick may know.

Rick Rigel, ARPA: I believe it's in Section 6.2 or 6.3. What we're looking at with this lawsuit is the risk involved. At some point in time, the ARPA Board took the old adage "when you get in a hole, stop digging." We're financially much better off than we were. The concern with this issue right now is if we go to court we may end up with a similar type decision; a win, lose or draw, and we'll lose the ability to refinance the bonds.

Council Member Vela: So there are really two issues here, paying Lamar back and then the financing of the bonds. In correspondence you and I have had together, you previously stated about half a million dollars in the process of savings and then all of a sudden in the last week or so it went up to \$800,000.

Rick Rigel, ARPA: No that's not accurate. The numbers are based on the current market. There are several things in play that would work to our benefit.

Council Member Velasquez: You said Lamar became a big economic impact. If they have a job, will they potentially lose that?

Rick Rigel, ARPA: That was a possibility. At one time we had forty employees when the plant was operating. Now, I think we're down to less than half a dozen.

Council Member McKenzie: My thought process has been and the message I would like to send would be to ARPA and to Lamar. If Lamar was a good partner, I think they should withdraw their lawsuit so that we can refinance. Then we hopefully get \$800,000 which they can get 30% of that. It may not be the money their looking to get. There's savings they can get if they just back off the lawsuit.

Mayor Horner: I have a problem with offering Lamar \$11.5 million on a forty year old power plant that was running at 30% or so efficiency. It's time life was pretty much done.

Rick Rigel, ARPA: Again, they have expert witnesses that say that that's what the power plant was worth.

Mayor Horner: I have trouble accepting that amount of money. I feel like they're entitled some money but that amount troubles me. That makes it tough for me to move forward with this. So, we have until July 21st to reach some kind of agreement?

Rick Rigel, ARPA: We have until July 14th for all the members to approve. If we don't get approval, will there be the opportunity to try again? I can't say.

Council Member Vela: Is it within your charge to ask for that?

Rick Rigel, ARPA: We would go back into a trial status. There is not a guarantee. This is our 3rd attempt at this.

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Council Member Vela: Would you have reservation attempting it again?

City Attorney Malouff: Rarely do you see parties change their position.

Council Member Velasquez: Lamar is not being a good partner. We have to at least fight.

MOTION TO REJECT RESOLUTION NO. R-13-2017: McKenzie

SECOND: Velasquez

DISCUSSION: There was no further discussion.

VOTE: Those voting YES (Velasquez, McKenzie, Horner, Pruyn, Vela, Eckhart)

Those voting NO (Goodwin)

The motion carried 6-1

- E. **County Board of Commissioners – Old Southeast Colorado Power yard.** Keith Goodwin, District 1 and Kevin Karney, District 2 explained how the Road & Bridge Department has a problem. Their shop located west of 3rd Street is no longer adequate to conduct business. They heard about the City and Southeast changing properties. We would like to exchange our shops for the yard/shop out on Dalton and then pay the difference. We would be able to put all our equipment out of the weather. We are asking to purchase the Southeast Colorado Power Associations shop/yard and pay the appraised value. We are ready to start the transaction as soon as Council is ready.

City Attorney Malouff: The SECOM attorney has to do a Quiet Title on some property.

City Manager Klein: We usually go out for bids.

City Attorney Malouff: You don't have to, but you will have to make a finding.

Council Member McKenzie: We had everything appraised.

City Attorney Malouff: That was about fifteen months ago.

Council Member Pruyn: I'm behind letting Otero County purchase the property.

After lengthy discussion, it was the consensus of the Board to move forward.

MOTION TO ALLOW RICK KLEIN TO START MOVING FORWARD WITH OTERO COUNTY PURCHASING THE OLD SOUTHEAST COLORADO POWER ASSOCIATION SHOP/YARD LOCATED ON DALTON AVENUE: Goodwin

SECOND: Pruyn

DISCUSSION: There was no further discussion.

VOTE: The motion carried 7-0

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F. Committee/Board Reports

1. Council Member Pruyn (Tree Board) – Arbor Day celebration will be this Friday at 10:00 a.m. at City Park. I'd like to give a big Thank You to the committee.
2. Council Member Goodwin (Planning Commission) – We are preparing for an upcoming meeting.

G. City Manager's Comments

1. We will go through one more time for picking up branches.
2. The weeds have grown. Jump on them early.
3. The valve is fixed in the baby pool, the pool opens on the 30th.
4. We have fourteen teams signed up for the High School Regional Tournament.
5. Soccer ends this Saturday.
6. We've received seventeen applications for the sidewalk program.
7. The handicap ramp on 14th and Colorado is complete.
8. We are still doing patching whenever we get asphalt.
9. All employees went through an Active Shooter program. Thank you to Mike Engebrecht and Todd Quick.
10. The Fire Department and Black Hills continue natural gas training.

Council Member Velasquez: What are the plans for the limbs on Adams?

City Manager Klein: A grinder will be coming around June 1st, the cost is about \$12,000.

Council Member McKenzie: There are two dead trees at 821 Belleview that are ready to fall. I wonder if we can put them in the 50/50 deal.

City Manager Klein: I'll look into it.

Council Member Vela: What's up with the Hemp Building?

Ryan Stevens: They have been there the entire time. It's year round now instead of seasonal. They employ about thirty people in La Junta.

H. City Attorney's Comments

1. No comments.

I. Governing Body's Comments

1. Council Member Vela: There was no Senior Center meeting.
2. Council Member Velasquez: Thank you La Junta Workforce.
3. Mayor Horner: I do not plan to seed a 3rd Term.

There being no further business, the meeting adjourned at 8:45 p.m.

CITY OF LA JUNTA

Lynn Horner, Mayor

ATTEST:

Melanie R. Scofield, City Clerk