

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, August 21, 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: The Mayor gave the invocation.

ROLL CALL: The following Council Members were present:

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

Absent: Jim Goodwin, Ward 1

Also present: Rick Klein, City Manager
Bill Jackson, Asst. City Manager
Phil Malouff Jr, City Attorney
Melanie Scofield, City Clerk
Todd Quick, Chief of Police
Darren Adame, Director of Engineering
Heather Maes, Director of Library Services
Mark Maes, La Junta
Elaine McIntyre, La Junta
Robin Lopez, La Junta
Paul Velasquez, La Junta
Beverly Babb, 1120 W. 12th St
Lorenz Sutherland, Utilities Board Chairman
David Balicki, La Junta
Julie Worley, La Junta
Cheryl Lindner, La Junta
Gary Cranson, ARPA Representative
Greg Kolomitz, La Junta
Rick Rigel, ARPA
Bette McFarren, La Junta Tribune Democrat

YEARS OF SERVICE AWARDS: Heather Maes, Director of Library Services, was presented with a certificate and pin commemorating twenty-five years of service with the City of La Junta.

Robin Lopez, Woodruff Memorial Library, was presented with a certificate and pin commemorating ten years of service with the City of La Junta.

MINUTES OF PREVIOUS MEETING: Mayor Horner asked if there were any corrections to the minutes of the Regular City Council Meeting of August 7, 2017. Council Member Vela: On page 2, paragraph B, it should be Jay Winner, on page 9, paragraph K, I also said "I am not against business" and also on page 8, I said "did Betty and Jim get their sunshade?" and the response was that it was a gazebo not a sunshade. Hearing no further corrections, the Mayor declared the minutes approved as amended.

CITY COUNCIL MEETING – August 21, 2017**CITIZEN PARTICIPATION FOR NON-AGENDA ITEMS (10 minute time limit per person):**

There was no citizen participation.

REPORTS

- A. **City of La Junta Monthly Financials.** City Manager Klein said that we are doing well and at this time of the year we should be about 58%.

Year-to-date Financials

(\$000)	Revenue	Expense	"+/-" *1	Depreciation	"+/-" *2
General Fund	\$ 4,155	\$ 4,270	\$ (115)	-	\$ (115)
Internal Service	\$ 610	\$ 825	\$ (215)	139	\$ (76)
Electric Fund	\$ 6,362	\$ 6,484	\$ (122)	257	\$ 135
Property Management	\$ 599	\$ 984	\$ (385)	387	\$ 2
Water Fund	\$ 1,540	\$ 2,097	\$ (557)	296	\$ (261)
Wastewater Fund	\$ 1,258	\$ 1,800	\$ (542)	157	\$ (385)
Sanitation Fund	\$ 515	\$ 503	\$ 12	50	\$ 62
TOTAL	\$ 15,039	\$ 16,963	\$ (1,924)	1,286	\$ (638)

Sales tax collections for July (June Sales) were \$337,770. This is a 4% increase compared to 2016. Sales tax collections for 2016 is \$2,180,607 compared to \$2,173,077 last year. This is a 0% decrease for the year.

7:39 p.m. – Council Member Goodwin entered the Council Chambers.

After reviewing several line items in the different funds of the budget, City Manager Klein asked if anyone had any questions.

Council Member Pruyn: You had said that contract services was up a little bit, do you expect that to be up at the end of the year or do you think that's going to even out? It was up 67% instead of 58%.

City Manager Klein: Most of our contracts are out so you'll see that number level out.

Council Member Vela: Is Tiny Homes going to stay beyond the 31st?

City Manager Klein: No sir, they are moving to Pueblo.

Council Member Vela: I heard they were going to store stuff here?

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City Manager Klein: Bill, is Sprout Tiny Homes going to store stuff here?

Asst. City Manager Jackson: No sir.

Council Member Vela: I've had several citizens call me asking questions about why their total utility bill increased \$100 a month.

City Manager Klein: Tell them to bring in their bills and we'll look at them individually. With the automatic meters, we have real time data to show them when their pulling large loads.

Council Member McKenzie: How about the revenues for the month? Did we get any sales tax revenues?

City Manager Klein: We're up 4% for the month and for the year we're at 0%. We're holding our own but we're not gaining.

UNFINISHED BUSINESS

- A. **Second Reading/AN ORDINANCE APPROVING THE COMPREHENSIVE DEVELOPMENT PLAN OF THE CITY OF LA JUNTA.** The ordinance was read by title only, there being copies available to those in attendance.

MOTION TO ADOPT THE ORDINANCE ON SECOND READING: Pruyne

SECOND: Goodwin

DISCUSSION: There was no discussion

VOTE: The motion carried 7-0

- B. **Second Reading/AN ORDINANCE AMENDING ORDINANCE NO. 1397 THAT ESTABLISHED THE CITY OF LA JUNTA HISTORIC LANDMARKS, HISTORIC BUILDINGS, HISTORIC SITES AND HISTORIC DISTRICTS; PROVIDED FOR NOTIFICATION TO THE HISTORIC PRESERVATION DESIGNATED HISTORIC BUILDINGS, LANDMARK SITES AND DISTRICTS; PROVIDED FOR THE REVOCATION OF DESIGNATIONS OF HISTORIC LANDMARKS, HISTORIC BUILDINGS, HISTORIC SITES AND HISTORIC DISTRICTS; AND DECLARED AN EFFECTIVE DATE FOR THIS ORDINANCE.** The ordinance was read by title only, there being copies available to those in attendance.

MOTION TO ADOPT THE ORDINANCE ON SECOND READING: Velasquez

SECOND: Goodwin

DISCUSSION: There was no discussion

VOTE: The motion carried 7-0

NEW BUSINESS

- A. **Application for ten Special Event Permits by Koshare Indian Museum, David Balicki, Event Manager. The event is a Museum Benefit to be held on the following dates: September 14, 2017, October 12, 2017, November 9, 2017, December 14, 2017, January 11, 2018, February 8, 2018, March 8, 2018, April 12, 2018, May 10, 2018 and June 14, 2018 from 5:00 p.m. to 11:00 p.m. at 115 W. 18th Street.** The application is in order and has been reviewed by City supervisors for compliance with City and State codes. The appropriate fee has been tendered and the premises have been posted. The City Attorney recommends approval.

MOTION TO GRANT TEN SPECIAL EVENT PERMITS TO KOSHARE INDIAN MUSEUM FOR THEIR MUSEUM BENEFIT TO BE HELD ON THE FOLLOWING DATES: SEPTEMBER 14, 2017, OCTOBER 12, 2017, NOVEMBER 9, 2017, DECEMBER 14, 2017, JANUARY 11, 2018, FEBRUARY 8, 2018, MARCH 8, 2018, APRIL 12, 2018, MAY 10, 2018 AND JUNE 14, 2018 FROM 5:00 P.M. TO 11:00 P.M. AT 115 W. 18TH STREET: Pruyne

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SECOND: Vela

DISCUSSION: There was no discussion

VOTE: The motion carried 7-0

B. Tourism Board Recommendation for Funding.

1. **\$3,056.00 to Koshare Indian Museum to print 10,000 brochures, booklets, coupons and bounce back tickets for promotional marketing.**

MOTION TO APPROVE THE EXPENDITURE OF TOURISM TAX REVENUE IN THE AMOUNT OF \$3,056.00 TO KOSHARE INDIAN MUSEUM TO PRINT 10,000 BROCHURES, BOOKLETS, COUPONS AND BOUNCE BACK TICKETS FOR PROMOTIONAL MARKETING: Vela

SECOND: Eckhart

DISCUSSION: There was no discussion

VOTE: The motion carried 7-0

- C. **First Reading/AN ORDINANCE MAKING SUPPLEMENTAL APPROPRIATIONS TO THE GENERAL FUND, PROPERTY MANAGEMENT FUND, ELECTRIC FUND, AND WATER FUND FOR THE CALENDAR YEAR 2017.** The ordinance was read by title only, there being copies available to those in attendance.

MOTION TO PASS THE ORDINANCE ON FIRST READING: Goodwin

SECOND: Pruyn

DISCUSSION: There was no discussion

VOTE: The motion carried 7-0

D. Committee/Board Reports

1. Council Member Velasquez (AVRMC Board) – There will be a hospital board meeting next Tuesday.

E. City Manager's Comments

I received a letter from the La Junta Chamber of Commerce. They would like to request the use of City Park, as well as three City dumpsters for Early Settlers Day. They are also requesting that we turn off the sprinklers Friday night and Saturday and to leave the City Park lights on until 12:00 a.m., along with permission to use the tennis courts again for a beer garden. They will end it at 11:00 p.m. but would like an hour to clean up.

MOTION TO ALLOW THE LA JUNTA CHAMBER OF COMMERCE TO USE THE CITY PARK, TENNIS COURTS, AND DUMPSTERS AS REQUESTED PER THEIR LETTER; ALSO TO TURN OFF THE SPRINKLERS FRIDAY NIGHT AND SATURDAY ALONG WITH LEAVING THE LIGHTS ON UNTIL 1:00 A.M. FOR CLEAN UP: Goodwin

SECOND: Eckhart

DISCUSSION: There was no discussion

VOTE: The motion carried 7-0

1. We have finished tree trimming at Prairie View Heights.
2. We put in a pole at the City Park to upgrade the electrical.
3. If you ever want a tour of the Waste Water Treatment Plant, let me know and I'll arrange one.
4. Our buildings and vehicles are being assessed for hail damage.
5. Weed notices – we have 239 notices out so far compared to 121 last year.

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6. Bill had the pre-bid meeting for the taxiway project.
7. DeBourgh thanked the City for helping them continue their production.
8. The library's programming will begin to feature "Friday Fillers." Programming for kids since they went to a four day school week.
9. The Police Department was averaging 400 calls per week last year compared to 587 calls per week this year.
10. The Colorado Municipal League is looking for people to get on their Policy Committee.

Council Member Velasquez: The striping of the streets, on 10th Street you didn't go all the way down to Adams and when are they going to do the crosswalks?

Darren Adame, Director of Engineering: We will be starting the crosswalks in a couple of weeks.

Council Member Velasquez: Ok and on 10th and Colorado, the stop sign has two "s", it says SSTOP.

Darren Adame, Director of Engineering: That was an old sign that we had to use.

Council Member Vela: Did you run out of paint to get that Calvary Cemetery curve?

City Manager Klein: No, I told him to just get the underpass; I thought we had talked about that Ed.

Council Member Vela: My email to you earlier said Calvary Cemetery curve.

City Manager Klein: Right, but I talked to you after that. There must have been some miscommunication, I apologize for that.

Council Member Vela: I know you're going to get it sometime.

Council Member Velasquez: But I think the priorities should be in town so before the cemetery...

Council Member Vela: There's not that much traffic but the traffic that is ...

Council Member Velasquez: But we have a lot on tenth.

Council Member Vela: I agree with you. Also, the last meeting I asked about the rental of the open space for Tri-County.

City Manager Klein: I went over there, but it was the day of the hailstorm and I saw what it had done to them and I didn't have the heart to ask them about it at that time. Every one of their vehicles caught it on both their Dodge dealership and their GM dealership. I didn't want to kick them while they were down.

Council Member Vela: Do you still plan on asking them?

City Manager Klein: Yes, I will once they get through this Hail Sale. I want to give them the opportunity to get those vehicles out.

Council Member Vela: How long are you going to give them?

City Manager Klein: Until their sale is over. They have appraisers coming in and on Friday they should have more of an idea what they're going to do.

Council Member Vela: The reason why I was asking is because the parking lot in between the Plaza and their building, they've had that for ten years.

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City Manager Klein: That was done by the previous Council. If you want to change it you can change it.

Council Member Vela: There's a policy that we allow them to do that?

City Attorney Malouff: No, but there is a lease. There is a contractual agreement that exists with that piece of property.

Council Member Vela: What about that School Resource Officer?

City Manager Klein: We meet with the School District tomorrow at 11:00 a.m.

Council Member Vela: Very good and I think that's a good program you got going there Heather on Fridays. It's going to be welcomed by a lot of kids and parents. Good work.

F. City Attorney's Comments

No comments, as always, it's a pleasure.

Council Member Vela: On that advertisement in the paper, who are the proponents of that? It says, governed by the proponents of the Health Service District. Remember I sent you a text on it last week?

City Attorney Malouff: In that context it is a general expression and I'm not sure that any statement would be accurate. I don't know how you would characterize the proponents of that district. Certainly the Council is part of that; there are individuals who are a part of it. Maybe your question is more is there a specific body. I don't know what tag to put on that.

Council Member Vela: Who made that up? The attorneys in Denver?

City Attorney Malouff: Yes.

Council Member Vela: Maybe we should ask them?

City Attorney Malouff: I can certainly do that.

Council Member Vela: It's confusing. Even Rick said on his email today that it's confusing. Because you don't know where that originated and people ask who the proponents are. It would have been nice just to have City Council there. But maybe there's a problem with that too.

G. Governing Body's Comments

1. Mayor Horner: Ed Stafford wrote a poem some time ago in regards to Southeastern Colorado and he has a larger size that he would like to give to the City and we're going to accept it at our next meeting. He would also like to come and read the poem. It will be something we can mat and frame and hang on the wall.

MOTION TO GO INTO EXECUTIVE SESSION FOR THE PURPOSE OF DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND/OR INSTRUCTING NEGOTIATIONS, UNDER C.R.S. §24-6-402 (4) (e):
Goodwin

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried 7-0

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Council went into Executive Session from 8:23 p.m. until 8:59 p.m.

The Regular City Council meeting reconvened at 9:07 p.m.

MOTION TO PROVIDE THE ARPA BOARD OF DIRECTORS THE AUTHORITY TO APPROVE A SETTLEMENT IN THE LAMAR – ARKANSAS RIVER POWER AUTHORITY LITIGATION BASED ON THE SETTLEMENT GUIDELINES PRESENTD IN EXECUTIVE SESSION ON AUGUST 21, 2017:
Goodwin

SECOND: Velasquez

DISCUSSION: There was no discussion

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

Those voting NO: Vela

The motion carried 6-1

Mayor Horner: I would entertain discussion or action concerning the Health Service District component.

Council Member Velasquez: I put together some numbers of what a 50 bed facility would cost, just for the beds. As it is right now, 80% of those beds are Medicaid/Medicare and 20% would be private pay. If the new facility was operating in the same manner, we are looking at approximately \$54,788 per bed. As of right now, the reimbursement rate for Medicaid and Medicare is at 74% which equals \$40,543. The 26% difference would be \$14,245 per bed. This figure times the 40 beds would be equivalent to \$569,800. Had we gone with the .50% tax increase after the bond was paid, we would have had approximately \$500,000 to use as a buffer. However, we ended up going with the .25%, that only gives us \$250,000 a year buffer. That's a considerable difference should the model look the same. My opinion is that if we're going to invest this much money and time and effort in building a beautiful facility, we need to make sure we have enough of a buffer to make up the difference on the operating side. I would love for us to reconsider the .25% and increase it to at least .50%.

Council Member Goodwin: I appreciate that Betty looked into this. I'm not real knowledgeable, but I know quite a few people at the nursing home. It's only one or two people that are private pay. It's basically all Medicare and Medicaid and this reiterates what I have mentioned time and time again. We need something to cover this. This shows a 74% reimbursement rate, what everybody is talking about now is its going to be down to about 62% or 65%. It's still going to come up short but that's where the Board can resolve later. We still need to cover our costs. I can't see us opening up a new facility and then in a couple of years have to shut the doors. Then what are we going to do? That's why the nursing home and the hospital now are splitting up because it's costing them money. We've got to cover our costs. If we don't, I think we're totally irresponsible.

Council Member Pruyn: I'd like to agree with Councilwoman Velasquez and Councilman Goodwin. One of the things this doesn't even take into affect is how many baby boomers are starting to age and what these numbers may begin to look like for us. They may even go higher as far as people who are on Medicaid and Medicare. I think we have a facility that if you are private pay and have a lot of money you have a nice place to go. I think most of us up here on Council are looking for a nice place for people to go who are on Medicaid and Medicare also. It's one thing to say we have to come up with a potential \$69,800 then trying to come up with \$219,800 every year to make up that difference. Councilman Vela said that there was money left over with the Library, but there was only \$20,000 left over. That wouldn't even begin to touch the first year shortfall.

Council Member Velasquez: These numbers are only for the beds it doesn't include the additional needs of the patients.

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Council Member Vela: Poor analogy on Councilwoman Pruyn's point. I didn't say that. Rick said that we had twenty grand left over. I just piggy backed on his comment.

City Attorney Malouff: The vote on the step down percent can be changed but it has to be changed this week. They have to certify it by Friday.

Council Member Vela: I think the way we have passed the sales tax initiative, we're putting it at higher risk if we put more on there. Also, we're trying to predict the future twenty years in and these bonds probably won't be paid for thirty or thirty-five years. We should consider that too. Also, the Health Service District is going to have the same authority we have if this passes. In ten years, if they see what we think we're looking at right now, they can increase the sales tax. It might be a hundred baby boomers that we might have coming up and they're going to have authority to raise tax too not just the City. If this passes, the City's responsibility is done, we're out. So the Health Service District has every authority to run this and make sure its managed right. Maybe they'll even have a decision or money in the future where they can build another nursing home and we could have a hundred patients instead of just fifty some that we're talking about. Also, the Affordable Care Act, there has been no mention of that as far as what's going to happen and how Medicare will be impacted. So we're really just talking out of the blue.

Council Member Velasquez: Actually, that is not correct. You're speaking fact and that's not a fact.

Council Member Vela: These figures here you gave us, I respectfully say that's your figures. Where did you get them? What's your resource?

Council Member Velasquez: AVRMC and the current nursing home. I just want to make it very clear that at Nashville we heard it directly that we're not going to get more reimbursement for Medicaid and Medicare. It's going to be reduced even more.

Council Member Vela: That's all speculation isn't it?

City Attorney Malouff: Mr. Mayor, I would suggest we ask all the Council members to address their comments to the chair as opposed to making a debate. That will require the chair to make a directive to move on.

Mayor Horner: That works.

Council Member Eckhart: Respectfully, the way I look at it is we have two different aspects and I completely believe that anybody who is going to vote for this tax should buy into the fact that we need to sustain the nursing home. Anytime I talk to any of my constituents, (not to say anything against the utility department and this is not in any way a negative remark towards them) but a lot of times I get barraged that I'm paying so much for utilities already, there's no way I'm going to do one more this, that or any other kind of fee. So it's going to be a hard sell. It is my hope that if we can at least get it on the ballot for the 1% and then the people of La Junta can decide on the future. So it was my hope that the .25% kind of brings us into a meeting ground where we have a little bit of money but we're not actually going down to 0%. I think it's going to be a hard sell with a tax that doesn't sunset.

Council Member Velasquez: Just a reminder, during the Buxton presentation, 49% of the sales tax does not come from the citizens of La Junta. So that has to be part of our sales pitch.

MOTION TO RECONSIDER THE .25% SALES TAX STEP DOWN: 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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MOTION TO REDUCE THE HEALTH SERVICE DISTRICT SALES TAX TO .50% AS THE STEP DOWN WHEN THE BONDS ARE PAID: Velasquez

SECOND: Pruyn

DISCUSSION: Council Member Vela: I have to agree with what Scott said, we're going to make this a high risk for passage with leaving the .50% on there and we're actually telling the new Health Service District, which we will be voting on in November also, you guys don't have to worry about a thing, just pay yourselves a nice salary, get you a good nursing home operator and let the chips fall where they may. Let them make that decision. There's going to be some good people in there too.

Council Member Goodwin: The Board will not be a paying position.

Council Member Vela: The Board can vote themselves as paid, I read that.

City Attorney Malouff: That's true Mr. Vela.

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

Those voting NO: Vela

The motion carried 6-1

There being no further business, the meeting adjourned at 9:27 p.m.

CITY OF LA JUNTA

ATTEST:

Lynn Horner, Mayor

Melanie R. Scofield, City Clerk