

Arvada City Council Meeting, July 6, 2015

Notes taken by Susan Shirley

7-0 Approval of Non-Profit Governance of Arvada Center

In attendance were Mayor Marc Williams, Mayor Pro Tem Mark McGoff, and Councilmembers Don Allard, Bob Dyer, Bob Fifer, Jerry Marks, and John Marriott.

At 6 p.m., attendance by citizens was about 12; at 7:00 it was about 20.

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Minutes from the June 15, 2015 meeting were approved with no changes.

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Public Comment: none

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Consent Agenda:

The City's payment portal for utility billing will be changing from the current system provided by the software provider, to a much more updated and user-friendly system provided at no additional charge by Paymentus Corporation, which has been the City's contractor for behind-the-scenes transaction services. (R15-087)

Vineyard Church/Brooklyn's: For background, see Nancy Young's notes on the December 3, 2014 AURA meeting: <https://snt149.mail.live.com/?tid=cmHYGFI-h75BGPewAiZMHVSg2&fid=flsearch&srch=1&skws=brooklyn%27s&sdr=4&satt=0>

Tonight's agenda item is for a restructuring of the debt still owed to the City by AURA on the property. A developer is planning to build a Hilton hotel at the site, and the restructuring is contingent on that developer closing on the land; otherwise, the existing note remains in place. The existing note is interest-only at 3.5%, with monthly payments of just over \$8,000. Since 2010, AURA has paid \$528,420 in interest payments.

Under the new agreement, AURA would pay \$500,000 against the principal, bringing the balance to \$2,245,000. Paying for 15 years at 1.5% interest (\$14,020/month) the total repayment of interest and principal paid to the City will be \$2,523,741. (R15-088)

New contract with the City's benefits consultant, HUB International Insurance Services. (R15-089)

Fence replacement along Sheridan Boulevard: This contract between the City and Champion Fence Co. of Arvada, is for replacement of 2,275 linear feet of 8' wooden fence between about 82nd and 86th Avenues, in the amount of \$111,157. (R15-090)

Olde Town Transit Plaza: Part of the land for the plaza is owned by RTD, and part by the City. For the city-owned portion, this \$435,600 contract with Arvada construction company SaBell's includes street lights, pavers, concrete walks, planters, irrigation system and plantings. (R15-091)

Pipeline easements: The City is accepting, from RTD, easements at the Arvada Ridge Gold Line Station at about W. 53rd and Lee Street, and the Sheridan Gold Line Station at about W. 56th and Wolff Street. (R15-092)

Rainbow Ridge monument sign: This agreement is for a revocable encroachment license for Rainbow Ridge to build a masonry wall, with gates, at the Tabor Street entrance to their subdivision. (R15-093)

All items were approved, 7 to 0.

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Resolutions:

Fiber optic lease: This 20-year agreement between the City and Zayo, Inc., is for ten strands of fiber optic cable along Highway 93. This will connect the City, the Police Department, and the Courts with Jefferson County offices, vastly increase communications speed and capabilities, and enhance backup ability. The Police Department is contributing \$100,000 of this year's \$334,980. (R15-094)

The systems to be replaced have a current monthly cost of about \$300 to \$600. The cost of the fiber optic lease, when completed, will drop to an estimated \$280 per month. Councilmember Fifer applauded the savings.

This item passed on a 7 to 0 vote.

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Ordinances, First Reading:

Public Hearings for these items will be Monday, July 20, at 6:30 p.m.:

Mahnke Auto Body at 5655 W. 56th Ave. is seeking annexation and rezoning in order to receive Arvada water service. (CB15-023 and CB15-024)

Amendment to development agreement for Cimmaron Park, W. 96th and Indiana (CB15-025)

Amendment to development agreement for Vauxmont, between Indiana and Highway 93, North of Highway 72. (CB15-026)

Repeal of provision in the City Code requiring "visitability" in new construction: The City Code currently requires certain features, such as zero-step entryways, in about a third of buildings constructed after 2005. It turns out that most buyers are not interested in those features, and staff and City Council have determined the provision should be repealed. (CB15-027)

These items were approved, 7 to 0.

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Public Hearings:

Cooperative agreement between the City and the non-profit Arvada Center for the Arts and Humanities: More information about this 20-year agreement can be found at:

http://www.arvadarecords.org/councilpacket/current_week/07.A.%20CB15-022,%20An%20Ordinance%20Authorizing%20a%20Cooperative%20Agreement%20By%20and%20Between%20the%20City%20of%20Arvada%20and%20the%20Non-Profit%20Arvada%20Center%20for%20the%20Arts%20and%20Humanities.pdf

The City retains ownership of the land and building, as well as art which is owned as of this date, and will pay the non-profit in cash and in-kind services as a management fee. The non-profit will be responsible for programming, fundraising, and operations, governed in those activities by a Board of Directors. City employees who work for the Arvada Center will transition to become employees of the non-profit.

City Manager Mark Deven began the discussion by giving five core reasons to implement the agreement:

1. Ability of the non-profit to attract people who will financially support the Arvada Center
2. Non-profit has the ability to react quickly to trends and exercise judgment in response; gave examples of AEDA and Ralston House
3. There will be established performance measures built in to the agreement, to maintain "true north"
4. Helps to stabilize the City's level of support
5. When all is said and done, if it doesn't work out, there is a kill switch, active after the fifth year.

One-time implementation costs will include the transfer of employees as well as transfer of the Arts Fund. Also, the non-profit is expected to require financial assistance, early on, with such things as legal fees (as the services of the City Attorney will no longer be available to them) and technical fees. Councilmember Don Allard clarified with Deven that the City employees who are to be transferred to the non-profit will no longer be eligible for the City's pension plan, which represents an additional savings to the City.

The Mayor opened the meeting to public comment. Ed Benson said that the bylaws were not on the website and that, without those, it is hard to know whether or not to support the agreement. Ken Fellman, Director of the non-profit board of directors, responded by saying that the bylaws were being tweaked right up to a few days ago, and will be made available to anyone who wants them. He cautioned that the bylaws will also have to undergo approval by the IRS; separate legal council has helped finalize those to maximize the chances of rapid IRS approval.

Fellman went on to thank City Council for getting things to this point, as well as Mark Deven for deft handling of last-minute issues.

As to concerns of the Historical Society, Fellman said that there have been changes in the proposed language in Article 12 and that he met with members of the Historical Society and they are in general agreement.

Councilmember Bob Dyer gave some background on this effort. He said that since he was appointed to the Arts Council in 2008, he has seen exponential increases in the contributions by the City to the Arvada Center. Only one year in eight, he said, was there no requirement for a supplemental appropriation at the end of a year. He called those appropriations "December Surprises," but added that the only surprise was the amount of money the Arvada Center needed.

Dyer also explained the reasoning behind provisions allowing board members to reside outside Arvada, even outside Colorado. He said it makes sense to broaden the base of people who have the resources and means to raise millions of dollars every year.

Councilmember Mark McGoff mentioned that one provision of the agreement is that the City Manager and the Executive Director of the Arvada Center will be non-voting members who will have input, and the City Manager will be able to keep City Council informed of developments. McGoff also pointed out that the City will retain naming rights, so that the non-profit will not have the ability to approve name changes suggested by sponsors.

Ken Fellman read, from his tablet, the section headings from the 28 pages of bylaws. Those have mainly to do with officers and board members' qualifications and responsibilities, meetings, handling of vacancies, powers and restrictions of powers, and procedures. Much of it, he said, is "standard boilerplate" any non-profit would have in its bylaws.

Councilmember Allard clarified that, as a private organization, open meeting laws do not apply to the non-profit board and its meetings. Fellman replied that the intention is to have open meetings "unless there is a good reason not to."

Mayor Marc Williams said he wants to protect the Arvada Center as the City's asset, saying, "I don't want the City to be taking back damaged goods." He said the arrangement will allow for the Center to be maintained appropriately. He continued, "We are at our limit as to what we should be putting in of taxpayers' money," and that the philanthropic community views differently a non-profit vs. a city, as to how much money they should contribute to that. Williams assured Mr. Benson, the citizen who was concerned about the bylaws not having been posted, that he has been through "every line, sentence, paragraph and punctuation, not just because of what I do for a living but because it's so vitally important to have the best protection we can put together to assure a fighting chance for success." Following the vote, Williams added that the banquet services are to remain at the Arvada Center until the City has another location for them.

Councilmember Allard offered a friendly amendment, changing the word "level" in one reference to the management services fee to say "amount."

With the friendly amendment, the ordinance passed, 7 to 0.

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Public Comment: none

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Reports from City Council: There was time to spare between the resolutions and ordinances, etc., and the beginning of the public hearing at 6:30, so the reports happened before discussion on the Arvada Center. Councilmember Dyer said that the July 27 workshop will cover the master plan for the Arvada Blunn Reservoir, Tucker Lake, and Pattridge Open Space.

Councilmember McGoff added that the Parks Department will be meeting at the Arvada Center July 14.

Mayor Williams said there has been a lot of positive feedback about the July 4 fireworks display. In addition, he said he has recently attended the opening of the 4 Barrel Bar and Barbeque, in the former Bella Bistro, as well as a "dough cutting" today at Ignite Ale House and Kitchen at 80th and Sheridan. Councilmember Marriott invited everyone to this weekend's Blues and Barbeque at Olde Town, an annual benefit for Habitat for Humanity. There will be lots to eat and drink, and live bands all day Sunday. Councilmember Fifer noted, as well, that organizer Ranger Miller has been recognized as an Everyday Hero.

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Reports from City Manager: Mark Deven reported that the July 13 workshop will feature a presentation of the completed report of the Citizens' Capital Improvement Projects Committee. He said staff has remarked on the thoroughness of the report and that it reflects on the very hard work of the 21-member citizens' committee. There will also be a discussion on the construction defects ordinance, and the City Attorney staff will explore with Council whether or not an Arvada ordinance should be drafted.

On July 27, in addition to the information on the Blunn master plan mentioned by Councilmember Dyer, there will be an update on the Westwoods golf course clubhouse, showing some interesting concepts and options. Also expected during that workshop will be a preview of the 2016 budget and 10-year financial plan. More on that will follow in August.

In August, there will be information from the Communications staff on the updates to the City's website, which is expected to launch in late August.

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Report from City Attorney: none

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The meeting was adjourned at 7:28.