CITY COUNCIL WORK SESSION
Monday, February 3, 2025 - 10:00 AM
City Council Chambers, Elks Civic Building - 107 S. Cascade Ave.

Public participation for this meeting will be in person in the City Council Chambers. The meeting can be viewed online via livestream and video recordings of the meetings can be viewed on our YouTube page.

Hearing assistance devices are available for public use. Please let us know if you need accommodation. The City also offers interpretation for Spanish speakers. Schedule time to book this resource, by emailing the City at least 3 days before the meeting.

1) DISCUSSION ITEMS

A) Public Works Facility Funding Authorization (20 minutes)
Staff: Public Works Director Jim Scheid
Presenter: Kyle Thomas with DA Davidson

B) Victims of Crime Act (VOCA) Grant Application Authorization (10 minutes)
Staff: Police Chief Blaine Hall and Victim Services Coordinator Chantelle Bainbridge

C) City Council Meeting Schedule Change for the DCI Conference (10 minutes)
Staff: DART and Community Programs Coordinator Michelle Wingfield

D) 2025 Crack Seal Material Purchase Recommendation (10 minutes)
Staff: Streets Superintendent Nik Pridy

E) 2025 Asphalt Crushing Contract Extension Recommendation (10 minutes)
Staff: Streets Superintendent Nik Pridy

F) 2025 Vehicle and Equipment Disposal List Authorization (10 minutes)
Staff: Fleet Superintendent Shane Brandt

G) Proposed Updates to Municipal Code Chapter 3 (10 minutes)
Staff: Utilities Director David Bries and Finance Director Shani Wittenberg

H) 2026 Budget Calendar (10 minutes)
Staff: Finance Director Shani Wittenberg

**Please note that the times listed are estimates only. Actual times may vary depending upon discussion and public comment received.*

2) GENERAL CITY COUNCIL DISCUSSION

3) STAFF COMMENTS

ORDINANCE RECOMMENDATION

TO: Honorable Mayor and Montrose City Council
FROM: Jim Scheid, Public Works Director

DATE: February 3rd, 2024
RE: Public Works Facility Project Funding Authorization
CC: William Bell, Ann Morgenthaler, Shani Wittenberg

Recommendation

Consider authorization of Ordinance 2679 approving the borrowing of Certificates of Participation for the construction of the Public Works Facility Project.

Background

Public Works Facility:

Since 2016, City staff have been focused on the long-term planning and design of a new public works facility. The current facility, located at 1221 6450 Road, was constructed in the 1960s and is now beyond its useful life. Its layout and infrastructure no longer support the department's current operational requirements. Among the primary issues are inadequate space for both shop and administrative staff, limited accessibility for individuals with disabilities, insufficient restroom capacity, structural concerns with the building, potential environmental hazards like asbestos and lead, a lack of heated storage for vehicles sensitive to cold temperatures (such as vactors, sweepers, and water trucks), a subpar wash bay, poor traffic flow within the site, inadequate separation between the public and operational areas, and the absence of proper stormwater management for water quality and quantity, including for wash bay runoff.

Planning efforts for a new facility indicated that the existing site would not be large enough for the long-term growth needs of the public works department. The site shown here in orange https://tinyurl.com/RioGrandeOverview has been recently purchased for this purpose. The site is ideal for the new public works facility given its central location, large size, and fit with the surrounding area (surrounded by similar operational campuses for the BLM, USFS, BOR, WAPA, and Tri-State).

The City wishes to create a public works facility that accommodates both existing and anticipated operational needs into the foreseeable future. The site layout and building spaces will be situated and constructed such that future expansions (additional storage, shop space, office space, etc.) can be readily accommodated when the need arises 30+ years into the future.

Public Works operations are critical to the overall function of the community, especially in the event of an emergency or natural disaster. To that end, the facility will be designed and constructed with an eye towards durability, resiliency, emergency preparedness, and with an elevated importance factor for building loads and floodplain protection.

In order to promote safety for both the public and for employee operations, the City would like the public works facility to maintain separation between the two without overlap (i.e., public traffic is separate from employee work areas and traffic circulation). For public that visit the site, the intent is for them to have a safe, easy-to-navigate, and welcoming experience. The project is also designed to ensure all public-facing elements are aesthetically pleasing and integrate well with the surrounding area.

Rio Grande Ave Extension:

To accommodate future traffic growth, the City's comprehensive plan envisions the eventual extension of Rio Grande Avenue as a minor arterial, connecting East Oak Grove Road to the River Landing commercial area, as outlined here: https://tinyurl.com/RioGrandeOverview. In pursuit of this goal, the City has been working to acquire the necessary rights of way across four parcels of land. Over the past six years, in collaboration with landowners, the City has successfully secured the required rights of way. The final parcel, located at the northern end of the alignment, is part of the site designated for the new Public Works Facility.

The initial phase of the project will include the construction of the facility, the roundabout at Oak Grove Road and Rio Grande Avenue, and the first section of the Rio Grande extension up to the facility entrance.
The remaining road sections and roundabouts that will eventually link Rio Grande Avenue to the River Landing area will be handled as a separate project, with alternative funding sources to be explored. The City plans to investigate and apply for grant funding for this phase of the project.

Normally, architectural facility/site design is separate from civil road design. In the case of this project, the Public Works Facility design and the Rio Grande Ave Extension design have been combined into one design project. This is because of how interdependent the two projects are on each other, meaning that the design of one will impact the design of the other. To keep the design and construction schedules without conflict, it is most beneficial to keep both designs as one project. The construction of the Rio Grande Ave extension, Roundabout, and Utility Corridor will be packaged and bid out as a separate project that is meant to be completed during the time that the facility is under construction. This scope of work is not included in the COP borrowing and is intended to be funded separately.

Design:
The Public Works Facility Project's background reaches back several years. The initial steps occurred in 2021 with a Space and Needs Assessment, which led to property evaluations and the purchase of property that would serve this facility and a road network extension in 2023. Then, the contract for the initiation of the formal design for this facility was presented to the City Council in March 2024.
The Schematic Design (SD) was completed in October of 2024 and is a significant milestone because it allows for an early stage of cost estimating. Some of the documents from the Schematic Design can be found here:
https://tinyurl.com/MPWSchematic

Construction:
FCI Constructors, Inc. has been selected as the CMGC for this project and has started Pre-Con services in working with the City and the Design Team to generate the next level of design (Design Development (DD)) and the cost estimates that go with it. From the cost estimates generated from the DD, the Guaranteed Maximum Price (GMP) Construction Contract amount will be generated.

Project Budget:
Below is a breakdown of the anticipated budget for this project based on the SD Cost Estimates received from the CMGC Candidates.

	Total Costs	Previously Approved	Remaining to be Authorized
Construction Costs	$59,434,885.33	$150,000.00	$59,284,885.33
Owner Expenses	$1,172,000.00	$0.00	$1,172,000.00
Design/Consultants	$3,643,878.00	$2,413,878.00	$1,230,000.00
Contingency	$8,320,883.95	$0.00	$8,320,883.95
Site Preparation	$4,558,427.31	$4,558,427.31	$0.00
Total Project Costs	**$77,130,074.59**	**$7,122,305.31**	**$70,007,769.28**

Net Financial Result

The COP Borrowing amount is proposed at $55,000,000. The remaining project budget will be funded from the City's operational funds and budgets over the years of 2025, 2026, and 2027.

CITY OF MONTROSE

SERIES 2025 COPS – PUBLIC WORKS FACILITY

PLAN OF FINANCE SUMMARY

FEBRUARY 2025

D|A|DAVIDSON
FIXED INCOME CAPITAL MARKETS

PRELIMINARY PLAN OF FINANCE SUMMARY – SERIES 2025 COPS

- For the City's benefit, D.A. Davidson has provided a summary of the proposed Series 2025 COPs, which will provide funding for the public works building project. As detailed below, D.A. Davidson has targeted a total par of $55 million, which produces a total project fund of approximately $58.3 million.
- Based on that project fund size and current rates, D.A. Davidson has projected an estimated $3.60 million annual payment.

City of Montrose, CO Series 2025 COPs - Transaction Summary Assumes S&P A+ Rating	
Sources	
Par Amount	$55,000,000
Premium	$3,771,485
Total Sources	**$58,771,485**
Uses	
Project Fund Deposit	$58,365,235
Costs of Issuance	$200,000
Underwriter's Discount	$206,250
Total Uses	**$58,771,485**
Financing Statistics	
Total Par	$55,000,000
Total Interest	$51,477,361
Total Base Rental Payments	$106,477,361
True Interest Cost	**4.456%**
Average Annual Base Rentals Payment	$3,549,245
Maximum Annual Base Rentals Payment	$3,608,250
Final Maturity	12/1/2054

City of Montrose, CO Series 2025 COPs - Transaction Summary Assumes S&P A+ Rating			
Date	**Principal**	**Interest**	**Total Base Rentals**
12/1/2025	$400,000	$1,504,861	$1,904,861
12/1/2026	$875,000	$2,730,000	$3,605,000
12/1/2027	$920,000	$2,686,250	$3,606,250
12/1/2028	$965,000	$2,640,250	$3,605,250
12/1/2029	$1,015,000	$2,592,000	$3,607,000
12/1/2030	$1,065,000	$2,541,250	$3,606,250
12/1/2031	$1,120,000	$2,488,000	$3,608,000
12/1/2032	$1,175,000	$2,432,000	$3,607,000
12/1/2033	$1,235,000	$2,373,250	$3,608,250
12/1/2034	$1,295,000	$2,311,500	$3,606,500
12/1/2035	$1,360,000	$2,246,750	$3,606,750
12/1/2036	$1,425,000	$2,178,750	$3,603,750
12/1/2037	$1,500,000	$2,107,500	$3,607,500
12/1/2038	$1,575,000	$2,032,500	$3,607,500
12/1/2039	$1,650,000	$1,953,750	$3,603,750
12/1/2040	$1,735,000	$1,871,250	$3,606,250
12/1/2041	$1,820,000	$1,784,500	$3,604,500
12/1/2042	$1,910,000	$1,693,500	$3,603,500
12/1/2043	$2,010,000	$1,598,000	$3,608,000
12/1/2044	$2,110,000	$1,497,500	$3,607,500
12/1/2045	$2,215,000	$1,392,000	$3,607,000
12/1/2046	$2,325,000	$1,281,250	$3,606,250
12/1/2047	$2,440,000	$1,165,000	$3,605,000
12/1/2048	$2,560,000	$1,043,000	$3,603,000
12/1/2049	$2,690,000	$915,000	$3,605,000
12/1/2050	$2,825,000	$780,500	$3,605,500
12/1/2051	$2,965,000	$639,250	$3,604,250
12/1/2052	$3,115,000	$491,000	$3,606,000
12/1/2053	$3,270,000	$335,250	$3,605,250
12/1/2054	$3,435,000	$171,750	$3,606,750
Total	**$55,000,000**	**$51,477,361**	**$106,477,361**

Preliminary and subject to change; for illustrative purposes only. Interest rates are based on current market conditions as of January 27, 2025. D.A. Davidson does not commit to underwriting at these proposed levels.

SERIES 2025 COPS FINANCING SCHEDULE

- For the City's benefit, D.A. Davidson has provided a summary of the anticipated schedule of events for the Series 2025 COPs,
- D.A. Davidson has targeted all City Council approvals by March 2025, with the bond ordinance becoming effective mid-April
- With City staff guidance, D.A. Davidson is targeting a closing in late May 2025, to align with when the City expects to begin significant expenditures on the Project.

City Council Work Session – February 3

Bond Ordinance First Reading – March 5

Bond Ordinance Second Reading – March 18

Post Preliminary Official Statement – May 7

Bond Pricing – May 15

Bond Closing – May 29

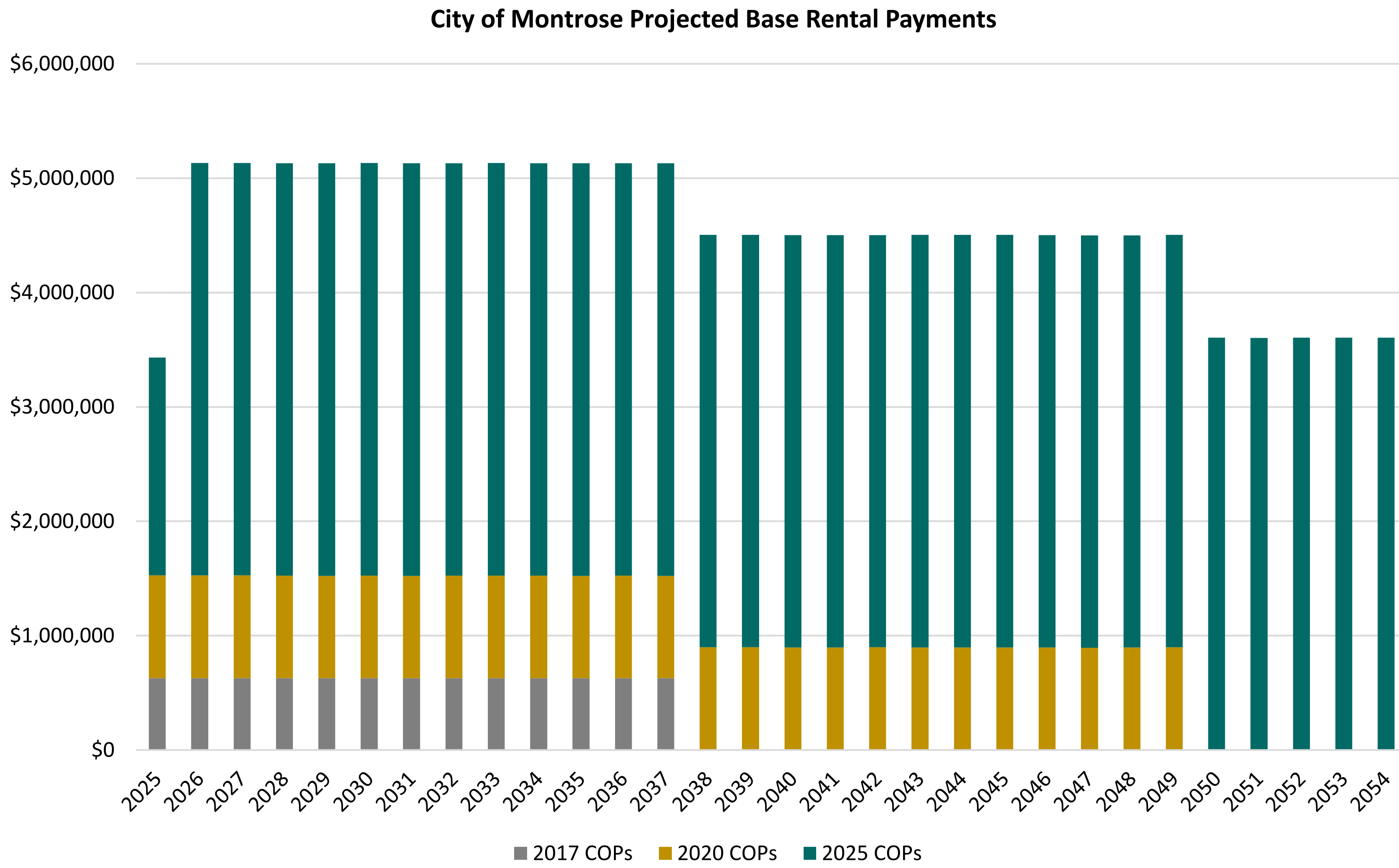
SUMMARY OF SERIES 2025 COPS FINANCING DOCUMENTS

- For the benefit of City Council and City Staff, D.A. Davidson has provided a summary of the financing documents that will be executed before closing on the Series 2025 COPs.
- Notably, these documents mirror the documents executed by the City for the outstanding Series 2020 COPs.

Document	Purpose of Document
Bond Ordinance	▪ Authorizes the City to execute financing and City to enter into all necessary financing documents and agreements ▪ Sets parameters for City staff to act within to complete financing with no further approvals from City Council
Site Lease	▪ Documents lease of underlying project site to Trustee to complete the Lease-Lease Back Structure of financing
Lease Purchase Agreement	▪ Documents the lease of the pledged collateral (Project) from the Trustee, representing the 'Lease Back' portion of the transaction
Indenture of Trust	▪ Documents the Lease-Lease-back structure of the financing, which pledges the Project as collateral to the Trustee, on behalf of investors, should the City not appropriate any debt service payments
Official Statement	▪ Provides all necessary marketing information to potential investors; similar to a prospectus for a similar securities offering
Continuing Disclosure Undertaking	▪ Similar to the Series 2020A undertaking, commits the City to provide annual financial information to investors on an ongoing basis

AGGREGATE ESTIMATED BASE RENTAL PAYMENTS

- In conjunction with the City's currently outstanding Series 2017 and 2020 COPs, D.A. Davidson projects an aggregate maximum base rentals payment of approximately $5.13 million before the Series 2017 COPs are retired in 2037.



Preliminary and subject to change; for illustrative purposes only. Interest rates are based on current market conditions as of January 27, 2025. D.A. Davidson does not commit to underwriting at these proposed levels.

Disclosures by D.A. Davidson & Co. as Underwriter or Placement Agent pursuant to MSRB Rules G-17 and G-23

D.A. Davidson & Co. ("Davidson") is providing certain disclosures to the City of Montrose, Colorado (the "Issuer"), as required by the Municipal Securities Rulemaking Board (MSRB) Rules G-17 & G-23, regarding our potential role, duties and interests as the underwriter or placement agent for the upcoming Certificates of Participation (the "Bonds").

Davidson intends to serve as underwriter or placement agent (in either case, the "underwriter"), and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. Once engaged as underwriter, as part of our services to the Issuer, Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. However, Davidson is not acting as an advisor to the Issuer and does not owe the Issuer a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information accompanying this disclosure letter. Furthermore, at this time Davidson is not recommending any action to the Issuer in connection with the proposed issuance of the Bonds.

As underwriter, Davidson's primary role will be to purchase as principal, or arrange for the placement of, the Bonds in a commercial arm's-length transaction with the Issuer. Davidson has financial and other interests that differ from those of the Issuer. MSRB Rule G-17 requires Davidson to deal fairly at all times with both municipal issuers and investors. Unlike a municipal advisor, Davidson does not have a fiduciary duty to the Issuer under federal securities laws and therefore is not required by federal law to act in the best interests of the Issuer without regard to our own financial or other interests. The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer's interest in this transaction. Davidson has a duty to purchase Bonds from the Issuer at a fair and reasonable price, but must balance that duty with the duty to sell the Bonds to investors at prices that are fair and reasonable. Davidson will review any official statement for the Bonds in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

We suggest you discuss this letter and any accompanying materials with any and all internal or external advisors or experts such as your financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

RESOLUTION 2025-

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, as follows:

WHEREAS the Montrose Police Department continues to see a significant rise in the number of cases that require Victim Services involvement and wishes to continue to employ two Victim Services staff.; and

WHEREAS there has been a rise in the total number of crime victims assisted from 389 total victims in 2022 to 524 in 2024; and

WHEREAS there has been a rise in crimes committed against At Risk Adults resulting in Victim Services assisting 6 crime victims in 2022 to 34 in 2024; and

WHEREAS there has been a rise in the number of assault victim that we have assisted by 53% from 41 in 2022 to 82 in 2024; and

WHEREAS there has been a rise in the number of menacing victims that we have assisted from 35 in 2022 to 64 in 2024; and

WHEREAS there has been a rise in the number of Burglary/Robbery victims that we have assisted from 27 in 2022 to 38 in 2024; and

WHEREAS, the State of Colorado has passed legislation in 2021 requiring suspects to be Advised within 48 hours of arrest, beginning in April 2022, which requires Victim Services to contact crime victims on Weekends to discuss their rights, inform them of the protective order, and ensure they have the ability to exercise their right to be present and speak; and

WHEREAS the Montrose Police Department wishes to continue to improve upon the services provided to include Victim Services availability 7 days a week in the office, Weekend Advisement coverage, helping victims with obtaining civil protection orders, apply for Crime Victim Compensation or access other community resources, regular follow up with crime victims; and

WHEREAS the Montrose Police Department wishes to reduce the burnout caused by vicarious trauma and maintain longevity with future advocates and employees within this type of position; and

WHEREAS the Montrose Police Department is mandated by the Colorado Constitution to guarantee certain rights to victims of violent crimes, employs a full time Victim Services

Coordinator and one full time Victim Advocate to ensure compliance and to provide services to crime victims, and wish to apply for a portion of the Victim Services Coordinator's in the amount of $31,893.00 and Victim Advocate's salary in the amount of $24,110.00;

NOW, THEREFORE, the City Council of the City of Montrose:

- Authorizes the City of Montrose Police Department to file a Victims of Crime Act (VOCA) Grant through the Colorado Division of Criminal Justice for the total of $56,003.00, to cover a portion of both the current Victim Advocate's Salary and a new Victim Advocates salary.
- Authorizes the Chief of Police to act in connection with the application and to provide such additional information as required.
- Authorizes the City Manager, Chief of Police and Finance Director to sign the grant application and reporting documents.

ADOPTED this ____ day of ___________, 2025 by the Montrose City Council

CITY OF MONTROSE, COLORADO

By ______________________________
J. David Reed, Mayor

ATTEST:

____
Lisa DelPiccolo, City Clerk

CITY OF MONTROSE
CITY CLERK

MEMO

DATE: February 3, 2025
TO: City Council
FROM: Michelle Wingfield, DART & Community Programs Coordinator
RE: April 1 City Council Meeting Reschedule

Listed below is a calendar item for discussion at the upcoming work session. It is important to note that any changes to the regular meeting schedule require City Council action.

Proposed Change to Regular Meeting Schedule

The Regular City Council meeting scheduled on April 1, 2025 is proposed to be rescheduled to Monday, March 31, 2025. This change would allow City Council members and City Staff to attend the Downtown Colorado Inc. (DCI) Conference located in Greeley, Colorado that is scheduled from April 1 through April 4.

If Council approves, the Regular City Council meeting will be held at its usual time and location on Monday, March 31. The City Council work session that week will would not change and still be held on Monday, March 31st at 10 am. Should the City Council want to proceed, this change will be put on the February 18th, 2025 Regular City Council meeting for a vote.

PURCHASE RECOMMENDATION

TO: Honorable Mayor, and Montrose City Council
Cc: William Bell, *City Manager*; Shani Wittenberg, *Finance Director*
Jim Scheid, *Public Works Director*
FROM: Nikolas J. Pridy, *Streets Division Superintendent*
DATE: February 3rd, 2025
Subject: Crack Seal Material Purchase and Sole Source Recommendation

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Action

Consider approval of the purchase of crack seal material from DISSCO (Denver Industrial Sales) for the City's Streets crew in the amount of $105,000.00.

Background

The City of Montrose Streets Division is preparing for the upcoming crack seal season that will be self-performed. This includes 40.4 lane miles of streets that will be crack sealed in maintenance Zone F of our Street Maintenance Plan (attached for reference). The material to be utilized and purchased is specific to our area and local climate. The City has utilized this specialized Low Tack, Type 1, material from Denver Industrial Sales & Service Company for the last several years with great results. For performance, compatibility, and warranty with existing equipment, we are requesting the authorization of Sole Source waiver for purchasing this material. The pricing provided is comparable to that of other crack seal material and to what has been purchased in years past by the City of Montrose Streets and Engineering Divisions.

Net Financial Impact

In the 2025 Budget, $105,000.00 was budgeted for crack seal material under GL 100.5115.223.000 (Asphalt).

Type text here

CITY OF MONTROSE

SOLE SOURCE WAIVER REQUEST

REQUESTING DEPARTMENT: Public Works, Street Division **DATE:** 1/13/2025

REQUESTED BY: Nik Pridy, Street Division Superintendent **BID NO.** N/A

VENDOR NAME: Denver Industrial Sales & Service **COST:** $105,000.00

JUSTIFICATION

(INITIAL ALL ENTRIES THAT APPLY TO REQUEST)

PRODUCT OR SERVICE DESCRIPTION: Crack Seal Material (546 Low Tack Type 1, PlexiMelt)

1. ____________ Vendor is the original equipment manufacturer and there are no regional distributors.

2. _____X_____ The product, equipment or service requested is clearly superior functionally to all other similar products, equipment or service from another manufacturer or vendor.

3. ____________ The over-riding consideration for purchase is compatibility or conformity with City-owned equipment in which non-conformance would require the expenditure of additional funds.

4. ____________ No other equipment is available that shall meet the specialized needs of the department or perform the intended function.

5. ____________ Detailed justification is available which establishes beyond doubt that the vendor is the only source available to provide the item or service required.

6. ____________ Detailed justification is available which proves it is economically advantageous to use the product, equipment or service.

I recommend that competitive procurement procedures be waived and the product or service described herein be purchased as a sole source.

DEPARTMENT HEAD AUTHORIZATION: Jim Scheid | PW Director | 1-23-2025

Authorized Signature | Title | Date

FINAL AUTHORIZATION: City Council Approval Required ($50,000 +) YES NO
City Manager Approval Required (up to $50,000) YES NO

MANAGER/COUNCIL AUTHORIZATION: ____________________ ____________ ______

Authorized Signature | Title | Date

Attach detailed justification documentation

CONTRACT EXTENSION RECOMMENDATION

TO:	Honorable Mayor, and Montrose City Council
Cc:	William Bell, *City Manager*; Shani Wittenberg, *Finance Director*
	Jim Scheid, *Public Works Director*
From:	Nikolas J. Pridy, *Streets Division Superintendent*
DATE:	February 3th, 2025
Subject:	2025 Asphalt Crushing Contract Extension Recommendation

Recommendation

Consider extending the contract for a professional service agreement with Rocky Mountain Aggregate and Construction, LLC. for stockpile crushing at the City's material storage yard in the amount not-to-exceed $80,000.00

Background

The City of Montrose Public Works utilizes a material storage yard (AKA The Pit) on top of Sunset Mesa to store gravel, cobble, fill materials, concrete, and asphalt debris. Maintenance crews produce enough of these materials each year to require them to be crushed into structural filling material. These crushed materials can be reused in a few ways such as structural fill for the construction or resurfacing of millings trails or to be processed through an asphalt recycler for patching the city streets in the winter.

In 2024, the City issued an RFP for this service and received 3 bids. Rocky Mountain Aggregate (RMA) was awarded the contract at a flat rate of $9.86 per crushed ton of aggregate. RMA has agreed to honor the same rate for 2025. City Staff recommend renewing the contract with Rocky Mountain Aggregate from Montrose, CO.

Net Financial Impact

The 2025 budget includes $80,000.00 in the Streets Professional/Contract Service line 100-5115-353-000 This contract will be a Not-to-Exceed in the amount of $80,000.00.

DISPOSAL LIST AUTHORIZATION

TO: Honorable Mayor and Montrose City Council
FROM: Shane Brandt, Fleet Superintendent

DATE: February 3rd, 2025
RE: Vehicle and Equipment Disposal List Authorization
CC: William Bell, Ann Morgenthaler, Shani Wittenberg

Recommendation
Consider the approval of the disposal of City owned vehicles and equipment to be replaced in 2025.

Background
Throughout the year, City departments replace equipment and vehicles that are scheduled for replacement in the 2025 budget. The replaced items are disposed of in various ways. Most items are auctioned through Govdeals.com, on occasion select items are sold at the local Jim's Auction or donated or sold to surrounding communities.
As items are sold the amounts collected from resale are included in the fleet fund and are used for the next replacement of that vehicle.
All items are disposed of in accordance with Section 1-16-5 of the Municipal Code.

Units to be replaced and disposed of in 2025
337-2008 John Deere Tractor (Streets)
300-2009 Vermeer Trailer (Streets)
368- 2011 Freightliner Dump Truck (Streets)
245-2006 Wanco Message Board (Streets)
397-2015 Ford F-350 (Streets)
442-2017 Elgin Crosswing Street Sweeper (Streets)
453-2017 Ford Police Interceptor (Police Department)
455-2017 Ford Police Interceptor (Police Department)
456-2017 Ford Police Interceptor (Police Department)
457-2017 Ford Police Interceptor (Police Department)
458-2017 Ford Police Interceptor (Police Department)
329-2015 Ford F-250 (Animal Control)
363-2000 Kawasaki ATV/Plow (Parks)
100-2015 John Deere Backhoe (Parks)
463-2018 Walker Mower (Parks)
464-2018 Walker Mower (Parks)
520-2003 John Deere Excavator (Water Distribution)
355-2009 Mack Dump Truck (Sewer Treatment)
721-2015 Sweep n Fill (Black Canyon Golf Course)
702-Toro Knife Grinder (Black Canyon Golf Course)
479-2018 Mack Side Load Trash Truck (Sanitation)
223-2019 Mack Side Load Trash Truck (Sanitation)

Council Transmittal Memo
February 3, 2025

To: Mayor and City Council

From: David Bries, Utilities Director
Shani Wittenberg, Finance Director
Chris Dowsey, City Attorney

Subject: Municipal Code Chapter 3-5 proposed updates

Recommendation
Review and discussion of proposed changes to Chapter 3-5 of the City of Montrose Municipal Code.

Background
City staff has been reviewing Chapter 3-5 of the Municipal Code that deals with water and sewer service to our customers. We are proposing the changes be made in two steps; the first being fairly simple and time sensitive changes, and the second being a more comprehensive overhaul of the chapter to make it easier to follow and administer.

The first step changes are time sensitive. The proposed changes are as follows:

- Repeal Section 3-5-12(J) and (K) which relates to surcharges for sewer extensions that have been completed and have expired and are no longer in effect. The current Code sections proposed to be repealed are as follows:

  (J)
  - *(1) Those sanitary sewer connections which utilize the North East Sewer Extension directly or indirectly shall be subject to a construction surcharge computed in accordance with the following formula: Surcharge = (Actual Diameter of Tap/4")2 x $1,000*
  - *(2) The surcharge as provided herein shall not apply to properties located within the Colorado West Addition No. 2, or properties issued tap credits in consideration of easement dedication to the City for the North East Sewer Extension or construction thereof.*
  - *(3) The surcharge as provided herein shall expire on March 8, 2020.*

  (K)
  - *(1) Those sanitary sewer connections which utilize the East Sunnyside Sewer Extension directly or indirectly shall be subject to a construction surcharge computed in accordance with the following formula:*
    Surcharge = (Actual Diameter of Tap/4")2 x $1,000

(2) *The surcharge as provided herein shall not apply to properties located within the East Sunnyside Addition No. 3, or properties issued tap credits in consideration of easement dedication to the City for the East Sunnyside Sewer Extension or construction thereof.*
(3) *The surcharge as provided herein shall expire on January 21, 2019.*

- Repeal Section 3-5-13(E) which deals with providing construction water and charging for this estimated amount of water as part of the building permit fee. With the growth of the city and the different types of non-residential buildings that are being built, it is becoming administratively difficult to accurately estimate the water usage at the time the building permit is generated.
  The water meter is currently installed prior to the contractor needing construction water to measure and account for the usage, so there would not be a change to operating procedures and will measure and charge for the water usage. This also avoids the potential delays in requesting the occupancy permit, which under the current system would trigger the account to be set up and allow the contractor to utilize additional water that may not be anticipated as construction water. The current Code section proposed to be repealed is as follows:

  (E) At the time a building permit is issued for new construction, the applicant for the permit shall be charged a flat fee for the use of distributed water during construction prior to commencement of regular monthly bills in accordance with the following schedule:
  (1) *A fee, as established by the City's current fee schedule, shall be charged for each separate building. Buildings with more than three residential units shall be charged an additional fee, as established by the City's current fee schedule, for each unit after the first three.*
  (2) *Commercial developments large enough to generate water usage in excess of a three-unit residential development, shall be assessed a flat additional charge proportional with the projected water needs of the project.*

- Repeal 3-5-19 which created a reimbursement program for sewer backup claims. These claims are currently being processed through CIRSA. The current Code section proposed to be repealed is as follows:

  Sec. 3-5-19. - Sewer backup claims.
  (A) *The No-Fault Sanitary Sewer Backup Damage Reimbursement policy provides for limited assistance to individuals who have experienced property damage as a direct result of backup of the City's sanitary sewer system even if the City's risk manager has determined the City is not at fault. It is intended to cover isolated incidents and does not cover multiple claims from widespread damage as a result of forces of nature or other situations out of the City's control.*
  (B) *This is an Administrative Policy and is published in full in the City's Policy Manual.*
  (C) *A minimal fee shall be assessed to each sanitary sewer account on a monthly basis, per the City's current fee schedule.*

Our next steps will evaluate the remainder of Chapter 3-5 to update, improve and clarify the Code to reduce misinterpretation of the code and ensure current practices are accurately defined in the code.

Financial Impact
Builders will no longer pay for estimated construction water at the time the building permit is issued, but will receive monthly water bills for the construction water as it is used.