



BOARD OF TRUSTEES
May 25, 2021
6:30 PM

Leeper Center, 3800 Wilson Avenue, Wellington, CO

MINUTES

A. CALL TO ORDER

Mayor Hamman called the meeting to order at 6:30 p.m.

1. Pledge of Allegiance
Mayor Hamman asked that all rise for the pledge of allegiance.
2. Roll Call
Mayor Troy Hamman
Mayor Pro Tem Wyatt Knutson (arrived at 6:38)
Trustee Jon Gaiter
Trustee John Jerome
Trustee Rebekka Kinney
Trustee Ashley Macdonald
Trustee Tim Whitehouse

Also Present:

Patti Garcia, Town Administrator
Kelly Houghteling, Deputy Town Administrator
Dan Sapienza, March & Olive, LLC, Town Attorney
Judi Tippetts, Finance Director
Tyler Sexton, Assistant Finance Director
Cody Bird, Director of Planning
Hallie Sheldon, Management Analyst
Bob Gowing, Director of Public Works
Mahalia Henschel, Communications Specialist
Krystal Eucker, Town Clerk

3. Amendments to Agenda
Mayor Hamman asked if there were any amendments to the agenda this evening to which there was none.
4. Conflict of Interest
Mayor Hamman asked if there were any conflicts of interest on tonight's agenda to which there was none.

B. COMMUNITY PARTICIPATION

1. Public Comment
Mayor Hamman opened the meeting up for public comment.

Christine Gaiter, 8132 4th Street, Wellington, CO commented on the Comprehensive Plan and the Land Use Code and requested the Trustees review the final draft at a work session to make sure it is specific to Wellington.

Kallie Cooper, Executive Director of the Wellington Main Streets Program thanked the Board of Trustees, Town staff, Parks and Recreation and the Public Works Department for the support of the Wellington Main Streets Program summer projects and events. Many of the events and projects would not be possible without the support from the Town. Wellington Main Streets has made the Town of Wellington the official sponsor of the Well-O-Rama Music Festival.

Laurie Wiedeman, 3923 Grant Avenue, Wellington, CO commented that she is concerned about the water fees and inquired if there has been any outreach to State leaders to assist the Town with water instead of placing the fees on the residents. Ms. Wiedeman commented that based on the Excel presentation from last week's work session, she is predicting her water bill will be \$500-\$600 per month in two years. Ms. Wiedeman is also concerned about families being able to afford their water, addressing delinquent accounts and taking too long to pay off the expansion loan.

Mayor Hamman commented that Ms. Wiedeman may want to talk with staff about the water bill predictions as that is not the intention to raise the water bills that much. Town staff has been researching options to assist with the fiscal impacts of the expansion.

Ms. Wiedeman commented that she will contact staff on questions that she has.

Trustee Kinney commented that if residents are struggling with paying utility bills and reach out to town staff; please be courteous with staff as they do not set the rates and they do want to help residents. There are a couple programs through the County that can provide assistance.

C. ACTION ITEMS

1. Resolution No 14-2021 - A Resolution Authorizing the Temporary Closure of Roads for 4th of July Event

Ms. Sheldon informed the Board that Resolution 14-2021 is for road closures for the 4th of July event. The Community Activities Commission has been working with the Wellington Fire Protection District to ensure the road closures will comply with emergency road access.

Trustee Gaiter inquired if there were any concerns from the Fire District on the road closures.

Per Chief Green, no, the Fire District reviews the closures with staff and if there were any concerns, those were mitigated.

Christine Gaiter, 8132 4th Street, Wellington, CO inquired as to where parking will be for the Buffalo Creek events.

Ms. Sheldon stated the intention was parking would be in the surrounding neighborhood as well as the east side of Wellington Community Park.

Trustee Gaiter moved to approve Resolution 14-2021; Trustee Jerome seconded the motion.

Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Kinney, Macdonald, Whitehouse, Knutson, Hamman

Nays – None

Motion carried.

2. Resolution No 15-2021 - A Resolution Authorizing the Temporary Closure of Roads for the Wellington Brewfest event

Ms. Eucker informed the Board that Wellington Main Streets is hosing the Wellington Brewfest

event on June 5, 2021 and they are requesting to use the southern portion of Harrison Avenue between 3rd and 4th Street for food truck parking. There will be access on the north portion of Harrison Avenue and there will also be areas for Uber and Lyft pickups. Wellington Main Streets is also working with the Town and the Fire District to ensure the event is safe for attendees.

Ms. Cooper commented that the closure will be the parking lanes on Harrison Avenue. There will be a designated area for Uber and Lyft for attendees to get home safe.

Trustee Gaiter inquired if anyone has reached out to the residents that live on Harrison.

Ms. Cooper stated the idea is to only take up the parking area on the park side so that will leave the lane open for emergency vehicles and parking in front of their homes.

Trustee Macdonald requested a map be included in future packets for road closures.

Mayor Hamman inquired as to how many people will attend the event.

Ms. Cooper stated a maximum of 400 attendees.

Trustee Kinney moved to approve Resolution 15-2021; Mayor Pro Tem Knutson seconded the motion. Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Kinney, Macdonald, Whitehouse, Knutson, Hamman

Nays – None

Motion carried.

3. Ordinance No 06-2021 - An Ordinance Establishing Fees and Charges related to Water Taps, Sewer Taps and Raw Water Cash-in-lieu of Dedication

Mr. Bird informed the Board that this Ordinance is a proposal to update the Town's fees and charges for water taps, sewer taps and cash-in-lieu dedication requirements. The Board of Trustees and the Town have been evaluating water rates and now sewer rates as part of a wastewater treatment plant expansion and upgrade. There have been a number of scenarios that have been reviewed before making a recommendation to the Board for user utility user charges as well as the tap fees. The tap fees are a one-time fee that is collected at the time of permit issuance and the user charges are the monthly charges for residents and businesses.

The Town's water usage rates were updated in December of 2020. At the time the usage rates were updated, it was also contemplated that the water tap fees would need to be increased. The water tap fees were estimated at that time to see an increase of approximately \$2,000 for a 3/4-inch water tap (\$5,500 to \$7,500 was originally anticipated). The Town Board recently adopted resolution establishing the water tap fee for 3/4-inch residential water taps at \$7,500. Further evaluation of the water tap fees using a financial model resulted in a recommendation to increase the water tap fee to \$7,750 for 3/4-inch water taps.

Impact fees for water taps of other sizes were last updated in April of 2017. Fees for larger tap sizes are proportionate to the volume of water that can pass through the meter. Therefore, the impact fees for the larger water taps are proposed to be increased proportionately based on the 3/4-inch impact fee. Tap sizes larger than 2-inch are proposed to be calculated based upon use. Meter charges are also proposed to be assessed at the time a water tap is issued. Meter charges are a direct cost to the Town to obtain the appropriate sized meter and will be passed on to the user.

The Town updated the raw water dedication and cash-in-lieu rates in August 2020 to reflect dramatic increases in the cost of acquiring water shares. At the time, the raw water cash-in-lieu rates were updated, the Board of Trustees requested that the raw water rates be reviewed

periodically for any necessary updates. The acre foot dedication requirements for raw water are not proposed to change for residential uses. The acre foot dedication and cash-in-lieu rates for non-residential uses are proposed to be calculated based upon expected demand for the proposed use. Updates to the cash-in-lieu amount is proposed to decrease to reflect changes in market share prices. While share prices were increasing exponentially over the last several years, the current share price has begun to somewhat stabilize.

The Town is considering funding options for funding an expansion and upgrades to the wastewater treatment plant. Cost of the expansion and upgrades will be paid partially by user charges and partially by new development impact fees. Town staff prepared a financial modeling tool to evaluate various options for funding the wastewater treatment plant. The current staff recommended option contemplates a sewer tap fee of \$9,700 for a typical 4-inch sewer connection, an increase from \$7,500. A 6-inch sewer tap fee is also proposed. Uses that may be proposed that require larger than a 6-inch connection are proposed to be calculated based upon the use. It is anticipated that additional charges for specialized treatment requirements for non-residential uses may be considered in the future, and these are identified on the attached schedule for further analysis at a later date.

Based on the proposed fees, the overall impact fee and raw water charges for a new single-family home is expected to be very similar to the current charges. The proposed increase in the water tap and sewer tap fees is partially offset by the reduction in the raw water cash-in-lieu rates. Current residential subdivisions under construction have non-potable irrigation systems. For existing development agreements, the non-potable irrigation systems were typically afforded a 50% reduction to the combined raw water contribution requirement (indoor use + irrigation use).

Trustee Gaiter inquired as to the cash-in-lieu change and what did that decrease to.

Mr. Bird commented that the 40% that was calculated was based on the inflation factor that was seen over a three-year period. When that was recalculated, the 2017 average share price was dropped off and recalculated and the new percentage is 25%.

Trustee Gaiter inquired if the change in tap fees will push the permit fees for a new home high than the surrounding communities.

Mr. Bird stated it is starting to increase Wellington's per lot permit costs compared to other Front Range communities. It is hard to compare as every community evaluates their fees and rates based on their needs.

Mayor Pro Tem Knutson commented that the indoor and irrigation is down \$3,300 over what it was last year, and the indoor use only went up \$243.

Mr. Bird commented that many of the subdivisions have subdivision agreements in place and the language used in those development agreements accounted for a 50% reduction in total water costs, so to come up with that number, the combined indoor use plus the irrigation use was divided in half to come up with that 50% number. For most of the new subdivisions that are pulling building permits, they have non-potable irrigation systems. The total fee change on the impact fee is an increase in the water and sewer taps and an overall reduction in the raw water so the average increase in new permits is roughly \$500.

Mayor Hamman opened the meeting for public comment.

Daren Roberson, Sage Homes provided a cost estimate for new single family building permits for Wellington, Timnath and Berthoud for a comparison. Everyone is aware that homes are going up and there are many that believe developers do not pay their fair share and believe it is time they do so with increased fees. Developers will pass the fees along to the homeowner. Many buyers want to move to Wellington for the amenities like the schools, work and/or location. The average cost to

build a home, excluding permit fees and the lot cost is typically the same. If Wellington makes the permit costs on average \$15,000-\$30,000 more than other communities, this will make people less likely to move to Wellington. It will not be the developer or contractor absorbing the increases, it will be the homeowner. If builders know they can build a home for less in other communities, they are less likely to buy lots from developers in Wellington. Some may be excited that these increases will slow growth but when there is no growth, there is not revenue coming to the Town either. Wellington is at a crossroads with fees higher than any other cities along the Front Range. There are other builders and developers worried about risking millions of dollars to develop land hoping a builder will be willing to pay more to live in Wellington. Additionally, there are increasing costs due to the current market in the development industry, while being limited to the number of permits that can be issued is a major drawback for Wellington.

It typically takes 12-18 months to develop a site once it has been platted and have developable lots is three to four years; Sage Meadows started in 2014. If nothing more is annexed past what is now, it may take three to four years before anything can be buildable again. If fees are not affordable, developers are not going to risk developing more lots. The fees are ultimately passed onto the homeowner.

Residents wishing to slow growth or have no growth at all will also have to deal with no money coming to the Town for infrastructure improvements.

Sage Homes has 138 lots that will soon be permit ready in Mountain View Ranch and roughly 28 lots left in Sage Meadows Phase Three. Harvest Farms has roughly 30 lots left to permit, that is only 193 buildable lots that will be available now for permits and revenue coming into the Town. Sage Homes along with other builders are working with the Town to help slow down the growth to only pull 380 permits until the spring of 2024; Sage Home has not pulled a permit in a few months to help with the situation. Town staff has been great in their communication with the developers and builders. Mr. Roberson is not developing the last phase of Sage Meadows or Saddleback in the next couple years because the risk is too great. Mr. Roberson predicts there will be a major drop in 2023 and 2024 and beyond if developers are not willing to take the risk which means less revenue for Wellington.

Mayor Hamman inquired if Mr. Roberson has been able to talk with staff regarding his concerns.

Mr. Roberson stated Mr. Bird and Mr. Gowing have been great in communicating although developers will contemplate building in other jurisdictions if they can do it for less.

Trustee Macdonald inquired about commercial development and if the increasing fees will prevent small businesses from coming to Wellington.

Mr. Roberson stated he believed it would and they also will not have the rooftops to support the businesses. The Town wants to have good growth, good development and good commercial development but it is slowing down.

Trustee Macdonald commented that Wellington wants to achieve intentional growth as stopping growth is not the answer, but the Town does not want to overextend either.

Mr. Roberson commented that builders are willing to work with the Town to limit building permits, but the fees are \$20,000-\$30,000 higher to sell the same house and that is slowing the growth down. That could also scare businesses away.

Trustee Macdonald inquired as to when will the Town see the impacts of the decisions that are made today.

Mr. Roberson stated the Town will start seeing it in 2022, 2023 and 2024; there may be no

growth if Sage Homes and Hartford Homes does not develop. The builders will pull out and go to other municipalities where they could build 30 homes instead of 15 homes. There needs to be a balance and maybe that is bringing in developers to talk with staff to come up with a solution.

Trustee Kinney commented that this was a great perspective and appreciates the compliments to the staff.

Mr. Roberson commented that he is open to having discussions about fees and has heard lately that developers need to pay their fair share although developers are paying more than their fair share.

Trustee Whitehouse commented that he appreciates the information and perspective and the perspective is that developers are a bottomless well of finances which is not the case.

Mayor Hamman opened the meeting for public comment.

Christine Gaiter, 8132 4th Street, Wellington, CO inquired if the increase in tap fees is not passed tonight, would that increase the citizens rates.

Mayor Hamman commented that if the fees are not collected with impact fees those would have to be collected somewhere else.

Lori Wiedeman, 3923 Grant Avenue, Wellington, CO commented that when she looks at the real estate around and listens to conversations, homes are selling for \$40,000-\$50,000 over asking price. The fees are being passed down to the home buyer anyway and they are already paying over asking price.

Trustee Whitehouse inquired if there has been any input or a meeting with builders to discuss some of this.

Mr. Bird stated there has not been a summit with all the builders in the same room, although he has communicated with all the builders that are currently building in Wellington. The builders have mentioned the one-time large increases are difficult to manage. Historically, the Town has adopted dramatic increases at one time after not making increases in a few years. Mr. Bird has pledged a promise to evaluate those fees on an annual basis and try to program those fee increases on an annual basis.

Mr. Roberson stated staff has communicated with the builders. If these increases get approved today, Sage Homes can deal with that and make it work. Developers are not going to go out, knowing what the new costs are and try to sell to new builders when Wellington is \$30,000 more than Timnath. Developers are not going to take a risk unless they know what the costs will be. At some point, the Town may have to pay builders to come back.

Trustee Gaiter inquired as to the cash-in-lieu rates and Mr. Roberson was at roughly half of what it would have been to purchase the water.

Mr. Roberson stated the Town based it on \$280,000 a share and Mr. Roberson was purchasing shares are \$160,000-\$190,000.

Trustee Gaiter confirmed that before the rates were changed, Mr. Roberson was paying the Town in cash-in-lieu was far less than the market share of North Poudre.

Mr. Roberson stated when the Town raised the cash-in-lieu that much, the Town won't make its money on water; Mr. Roberson will. It is smart that the Town is changing that.

Trustee Kinney commented that the raw water is the most significant different between Wellington

and other communities. It makes sense for the Town to adjust based off market prices. As the water continues to stabilize, that inflation amount could potentially decrease in the future and may have an impact on raw water cash-in-lieu rates; there is no guarantee that would happen but it is important to be fair on our rates.

Trustee Jerome commented that this Board has tough decisions to make that were not of our making. Mr. Roberson started Sage Meadows in 2014 and the only Trustee that was on the Board at that time was Trustee Macdonald. The Town's staff did not include a Town Engineer or Town Planner. Wellington was still very small at that time. These issues have snuck up on a small town that was not equipped to handle what was going on. Wellington is now equipped with staff that know what they are doing and they are trying to figure out how to get the Town out of the mess that was created for us. We don't know if charging developers less or more will fix the problem. Charging current residents was a tough decision and this Board did not take it lightly. Trustee Jerome commented that we are all working very hard as a group, especially the town staff to come up with solutions to get out of the mess we are in; their heart and soul is in this town. As the Town moves forward in this process that is painful for everyone, please remember the decisions that are being made are not done out of spite or favoritism or any other source other than we need to figure out how the residents and the Town of Wellington are going to move forward and flourish in the years to come. This Town is all of us; Trustees, residents, and staff, even the staff that do not live here. Staff is trying to figure out solutions every day to make our lives better.

Trustee Gaiter commented that he appreciates what Trustee Jerome said and the work that staff have done on this. The previous Board sat down to look at the numbers with the water rate and the study that was conducted by a professional company. The numbers and graphs that were put together by staff regarding the wastewater plant, paint a much better picture of what is happening in Wellington and it really reflects the community. Trustee Gaiter commented that he has spent multiple hours in discussion with staff to work through his misunderstandings and he appreciates that from staff. Trustee Gaiter also appreciates Mr. Roberson sharing his concerns from the development community as there are some real concerns that if development stops, how the Town will deal with that. Regardless of how we got to where the Town is now, we are here and at a point where the water treatment plant can not handle the number of homes coming on board every year.

Mayor Hamman commented that this will be on on-going effort to enhance the Town's position moving forward with financing. None of it is really good but there needs to be a starting point. Once this is done, it will all be in place for Boards, residents and developers to come build and grow with confidence that the infrastructure is in place to support it.

**Trustee Gaiter moved to approve Ordinance 06-2021; Trustee Jerome seconded the motion.
Roll call on the vote resulted as follows:**

Yeas – Gaiter, Jerome, Kinney, Whitehouse, Knutson, Hamman

Nays – Macdonald

Motion carried.

Mayor Hamman closed the regular meeting and opened the Liquor License Authority at 7:40 p.m.

D. LIQUOR LICENSE AUTHORITY

Roll Call

Mayor Troy Hamman

Mayor Pro Tem Wyatt Knutson

Trustee Jon Gaiter

Trustee John Jerome
Trustee Rebekka Kinney
Trustee Ashley Macdonald
Trustee Tim Whitehouse

1. Wellington Main Streets Program - Special Event Liquor Application

Ms. Eucker informed the Board that Wellington Main Streets Program (WMSP) has submitted an Application for a Special Event Permit to serve fermented malt beverages on June 5, 2021 during Wellington Brewfest. WMSP has submitted all documentation for the permit including the application, premise map and permission for use of the premise, non-profit status with the Colorado Secretary of State and the special event questionnaire.

The Wellington Brewfest event will take place on June 5, 2021 from 2:00 - 5:00 p.m. and it is anticipated that a maximum of 400 individuals will attend the event. A variety of local breweries will be serving alcohol including Sparge, Soul Squared, Maxline, Verboten, Zwei, Grimm Brothers, Timnath Beerworks and Ralley King. Alcohol will be served by TIPS certified employees of the breweries. The food trucks scheduled to be onsite are Leave it to Cleaver Food Truck and Cakery. Security will be at entrances for ID checks and those over 21 will be provided a wristband.

A notice of the application was done in accordance with state statute and there were no protest to the application.

WMSP has worked through the special event permit process with the Town and Fire District to ensure the event is safe for attendees.

Trustee Gaiter inquired as to the hours of the event as the application shows from 10:00 am -8:00 pm.

Ms. Cooper stated those times include set-up and tear-down times for the event since there will be alcohol moved around prior to and after the event. Alcohol service will be from 2:00 – 5:00 p.m.

Mayor Hamman opened the meeting for public comment to which there was none.

Trustee Macdonald thanked Ms. Cooper for taking the time to put on these events that serve liquor in a safe and responsible way.

Trustee Kinney moved to approve the Wellington Main Streets Program Special Event Liquor Application; Trustee Jerome seconded the motion. Roll call on the vote resulted as follows:

Yeas – Gaiter, Jerome, Kinney, Macdonald, Whitehouse, Knutson, Hamman

Nays – None

Motion carried.

2. Wellington Grill - Hotel and Restaurant Liquor License renewal

Ms. Eucker informed the Board that Donjon LLC, d/b/a Wellington Grill has submitted their annual renewal for their Hotel and Restaurant liquor license. A review of the application found the establishment is in good standing with the Colorado Secretary of State, the establishment is current with sales tax and the Larimer County Sheriff's Office reported no issues directly related to the establishment's liquor license. There were no issues or concerns during the compliance inspection of the premise on May 7, 2021.

Mayor Hamman opened the meeting for public comment to which there was none.

**Trustee Kinney moved to approve the Wellington Grill Hotel and Restaurant Liquor License; Mayor Pro Tem Knutson seconded the motion. Roll call on the vote resulted as follows:
Yeas – Gaiter, Jerome, Kinney, Macdonald, Whitehouse, Knutson, Hamman
Nays – None
Motion carried.**

Mayor Hamman closed the Liquor License Authority and resumed the regular meeting at 7:45 p.m.

E. REPORTS

1. Town Attorney
Mr. Sapienza informed the Board that the marijuana lawsuits have both been dismissed by the courts.
2. Town Administrator
Ms. Garcia reminded the Board of the Town Hall meeting tomorrow night, May 26, 2021 from 6:00 p.m. to 8:00 p.m.
3. Staff Communications
Ms. Sheldon informed the Board of the Town Yard Sale on June 5, 2021 from 8:00 am to 4:00 pm. Residents have been signing up to host yard sales at their homes and the Town will provide maps of those sales.
 - a. Larimer County Sheriff's Office Monthly Report - April 2021
4. Board Reports
Trustee Gaiter reported the 4th of July planning is going well and they are looking into a non-profit having a beer garden. The CAC does need to know what kind of ice cream the Board would like to do for the ice cream social.

Trustee Macdonald commented that the ice cream bars are an easy option, vanilla and chocolate.

Trustee Gaiter commented that he has had some positive conversations with residents recently; there are some residents that don't like what is going on, but they understand what we are trying to work with. Residents would appreciate the Town looking into any alternate options to help with rates.

Trustee Whitehouse reported the Town is getting ready to put crosswalks in as engineers found a solution that was acceptable to CDOT for the posts and bases.

Trustee Kinney commented that Rice Elementary appreciated the surface level crosswalks.

Mayor Hamman reported tomorrow evening is a big night and thanked everyone that is involved.

F. ADJOURN

Upon a motion duly made, the meeting was adjourned at 7:52 p.m.



Krystal Eucker, Town Clerk