

GRAND JUNCTION CITY COUNCIL
MONDAY, NOVEMBER 17, 2014

WORKSHOP, 3:00 P.M.
CITY AUDITORIUM
250 N. 5TH STREET

To become the most livable community west of the Rockies by 2025

1. **Consultant Contract for Foreign Trade Zone:** Staff is requesting City Council authorize the City Manager to enter into a contract with Barnes & Thornburg LLP to evaluate the merits of a Foreign Trade Zone. [Attachment W-1](#)

2. **Heart and Circulatory Malfunction Benefits:** Staff would like to discuss the options for insurance coverage for heart and circulatory malfunctions for Firefighters. Senate Bill 14-172 requires local governments to maintain accident insurance, self-insure or participate in a self- insurance pool/trust to provide particular benefits to firefighters. The bill also created the Firefighter Benefit Cash Fund and appropriated funding to reimburse local governments for the first year of premiums. [Attachment W-2](#)

3. **Budget Workshop**
 - Enterprise Funds
 - Internal Service Funds
 - Fund Balance Worksheets

4. **Board Reports**

5. **Other Business**



Date: 11/13/14

Author: E. Tice

Title/ Phone Ext: 1598

Proposed Meeting Date:

11/17/2014

CITY COUNCIL STAFF REPORT WORKSHOP SESSION

Attachment W-1

Topic: Consultant Contract for Foreign Trade Zone
Staff (Name & Title): Elizabeth Tice, Management and Legislative Liaison John Shaver, City Attorney

Summary:

Staff is requesting City Council authorize the City Manager to enter into a contract with Barnes & Thornburg LLP to evaluate the merits of a Foreign Trade Zone.

Background, Analysis and Options:

Foreign-Trade Zones are approved areas in the United States where manufacturers and distributors can import raw materials and/or merchandise with preferential duty treatment. Duties are not paid on items as they are delivered into the zone, but rather when the goods are transferred out of the zone into commerce in the United States. The FTZ program was created by the federal government in the 1930's to facilitate international trade and increase the global competitiveness of US based companies.

Establishing a Foreign-Trade Zone would have benefits for existing businesses in Grand Junction who import goods or raw materials. In addition, it is a very competitive economic development advantage in attracting new firms. Foreign-Trade Zones are primarily utilized by manufacturing and distribution companies.

Staff recommends hiring a consultant with expertise in foreign trade zones and international trade to assist in a due diligence analysis to examine the costs and benefits of establishing a foreign trade zone and detail the process of obtaining approval.

Board or Committee Recommendation:

NA

Financial Impact/Budget:

The contract with Barnes & Thornburg LLP is not to exceed \$50,000. This amount is in Council's 2014 Economic Development budget.

Other issues:

No other issues

Previously presented or discussed:

Previously discussed at a City Council workshop on Monday, August 18th and with the County Commissioners on September 9th, 2014.

Attachments:

Resume for David Spooner, Barnes & Thornburg

David M. Spooner

Partner

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Suite 500
Washington, D.C. 20006-4623

David M. Spooner is a partner in the Corporate Department in Barnes & Thornburg's Washington, D.C., office. Mr. Spooner represents governments, trade associations, and corporate clients on international trade matters, including trade remedies, trade policy and customs issues. He uses his past experience as a high-level political appointee in the Executive Branch and on Capitol Hill to assist clients with their advocacy efforts before both branches of government, as well as before foreign governments.

Prior to entering private practice, Mr. Spooner served as the Assistant Secretary of Commerce for Import Administration. In that capacity, Mr. Spooner led U.S. Government enforcement of trade remedy laws, principally the antidumping and anti-subsidy laws. He administered the Foreign Trade Zone system; oversaw apparel trade policy and the implementation of laws governing trade in apparel; managed trade remedy negotiations at the World Trade Organization (WTO), as well as dispute resolution proceedings at the WTO; chaired U.S.-China talks on macroeconomic reforms and the steel industry; and supervised the US Department of Commerce's import safety initiatives.

Prior to his Senate confirmation as Assistant Secretary, Mr. Spooner served as the Chief Textile and Apparel Negotiator and Transition Coordinator in the Office of the U.S. Trade Representative (USTR). While at USTR, he was a principal negotiator for free trade agreements with Central America, the Dominican Republic, Singapore, Australia, Chile, Panama, Bahrain, United Arab Emirates, Colombia and Peru, principally negotiating customs enforcement, apparel and textile, origin and safeguard provisions. He was heavily involved in building support for congressional passage of the Bush Administration's trade agenda. Mr. Spooner also negotiated a comprehensive apparel trade agreement with China and concluded bilateral customs and quota arrangements with several nations.

Before his appointment to USTR, Mr. Spooner worked on Capitol Hill, managing the Washington D.C. office and serving as the legislative director and press secretary for a member of Congress, serving as Communications Director for the U.S. House Committee on Agriculture, and working for the U.S. House Committee on Rules, which manages debate and amendments in the House of Representatives.

Mr. Spooner is a noted speaker at industry events with a particular focus on the regulatory issues facing retailers and apparel brands. He is often quoted in news stories on trade remedy disputes and trade agreement negotiations.

Mr. Spooner earned his J.D. from the College of William & Mary School of Law and his B.A. from the University of Virginia.

He is admitted to practice in Washington, D.C., and Virginia and before the U.S. Court of International Trade and the U.S. Court of Appeals for the Federal Circuit.



Bar Admissions

Virginia
District of Columbia

Other Court Admissions

U.S. Court of International Trade
U.S. Court of Appeals for the Federal Circuit

Education

College of William and Mary (J.D.)
University of Virginia (B.A.)



Date: 11/10/14

Author: E. Tice

Title/ Phone Ext: 1598

Proposed Meeting Date: 11/17/14

CITY COUNCIL STAFF REPORT WORKSHOP SESSION

Attachment W-2

Topic: Heart and Circulatory Malfunction Benefits
Staff (Name & Title): Elizabeth Tice, Management and Legislative Liaison; John Shaver, City Attorney; Ken Watkins, Fire Chief

Summary:

Staff would like to discuss the options for insurance coverage for heart and circulatory malfunctions for Firefighters. Senate Bill 14-172 requires local governments to maintain accident insurance, self-insure or participate in a self- insurance pool/trust to provide particular benefits to firefighters. The bill also created the Firefighter Benefit Cash Fund and appropriated funding to reimburse local governments for the first year of premiums.

Background, Analysis and Options:

Senate Bill 14-172 (link provided below) requires local governments to maintain insurance to cover specific benefits to firefighters who experience cardiac or circulatory malfunction. The specific benefits are as follows:

- \$4,000 if a medical examination reveals that a firefighter has a heart and circulatory malfunction;
- \$1,500 per-week (maximum \$10,500) if the firefighter made an emergency room visit and was hospitalized for up to 48 hours;
- \$2,000 per-week (maximum \$50,000) if the firefighter made an emergency room visit and was hospitalized for more than 48 hours;
- \$2,500 per-week (maximum \$20,000) if the firefighter has a heart and circulatory malfunction that prohibits the firefighter from returning to a position that the firefighter is trained for or reasonable could be trained to perform;
- \$25,000 (not-to-exceed) for rehabilitative employment services
- \$10,000 if the firefighter incurs cosmetic disfigurement; and
- \$25,000 if the firefighter is diagnosed with a terminal heart and circulatory malfunction.

The maximum amount of payment is \$250,000 for each heart and circulatory malfunction. The three options for coverage are through the private industry/market place; self-insurance; or through an employer pooled trust. At this time, there are no private-industry insurance products that cover the benefits as specified in the bill. Therefore, the City must decide between self-insuring and joining the Colorado Firefighter Heart and Circulatory Benefits Trust.

Board or Committee Recommendation:

Staff is investigating the options further and will return with a recommendation for Council's consideration.

Financial Impact/Budget:

Direct costs for joining the Colorado Firefighter Heart and Circulatory Benefits Trust are estimated by the State to be \$150 for qualified employees for the first year. DOLA will reimburse employers for premium payments. However, there are concerns that without an actuarial study, benefits could exceed premiums. Costs of self-insurance are unknown as well.

Legal issues:

Compliance with the bill may be costly because 1) the bill requires employers to maintain insurance for full-time firefighters but is not specific and, therefore, litigation may result and 2) the number of persons who are eligible to receive benefits is unknown and how (by what process claims are made and/or resolved) the various benefits are/may be paid is not specifically described. Often such legislative deficiencies are matters for the courts.

Additionally there may be legal costs to resolve the implementation of the act. The bill does not create a legal presumption of a cardiac event being a workers comp coverage matter (unlike cancer); instead a municipality, special district, fire authority or county improvement district that employs one or more professional firefighters must maintain accident insurance, self-insure/participate in a self-insurance pool or enter into a multiple employer trust. Each and all of those options may be very complicated and may result in additional legal expense to implement.

Particularly unclear is the provision of the act which provides that coverage becomes optional if appropriated funds are insufficient to pay for cost of benefit. Similarly unclear is the provision that provides that the cost of the premium is paid for by the State. There are a number of unanswered questions relating to these and other provisions of the act.

The bill takes effect January 1, 2015.

Other issues:

No other issues.

Previously presented or discussed:

Discussed during the 2014 legislative session.

Attachments:

Senate Bill 14-172 see:

http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont/91A7EBF0006A05C087257C9F0057320A?Open&file=172_enr.pdf