City of Louisville
COLORADO • SINCE 1878

City Council

Meeting Minutes

Tuesday, September 15, 2015
City Hall, Council Chambers
749 Main Street
7:00 PM

Call to Order – Mayor Muckle called the meeting to order at 7:02 p.m.

Roll Call was taken and the following members were present:

City Council: ***Mayor Robert Muckle, Mayor Pro Tem Hank Dalton***
City Council members: Jeff Lipton, Sue Loo,
Ashley Stolzmann, Chris Leh and Jay Keany

Staff Present: ***Malcolm Fleming, City Manager***
Heather Balser, Deputy City Manager
Kevin Watson, Finance Director
Aaron DeJong, Economic Development Director
Troy Russ, Planning & Building Safety Director
Kurt Kowar, Public Works Director
Dave Hayes, Police Chief
Beth Barrett, Library & Museum Director
Kathleen Hix, Human Resources Director
Meredyth Muth, Public Relations Manager
Kathy Martin, Recreation Superintendent
Nancy Varra, City Clerk

Others Present: ***Sam Light, City Attorney***

PLEDGE OF ALLEGIANCE

All rose for the pledge of allegiance.

APPROVAL OF AGENDA

Mayor Muckle called for changes to the agenda and hearing none, moved to approve the agenda, seconded by Mayor Pro Tem Dalton. All were in favor.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Tom Rafferty, 945 Rex Street, Louisville, CO addressed the major events throughout old town, which have negatively impacted the residential area with traffic, noise, and other annoying activities. He asked when Council meets to discuss events, they try to strike a balance with the number of events, the size and the location of the events and suggested rotating events around the City. He asked Council to elaborate and document the benefits to the citizens these events bring or do not bring. He asked Council to explain what public benefit comes from the event money. He asked Council to allow citizen participation and to outline the public benefit of the events.

APPROVAL OF THE CONSENT AGENDA

Council member Leh disclosed he provided law services for Eide Bailly and recused himself from the vote on Consent Agenda Item E – Engagement Letter with Eide Bailly, LLC. Mayor Muckle removed Consent Agenda Item E from the Consent Agenda.

Council member Stolzmann commented on Consent Agenda Item D – Approval of a One-Year Independent Contractor for CAD/GIS Technician. She voiced her support and stated it would be good for the community and will help the Public Works projects.

Council member Leh requested Consent Agenda Item D be continued to the next meeting. He explained there may be a legal issue of whether the contractor would be considered an employee of the City. City Attorney Light referred to a contract placed on the dais, which is the underlying agreement approved by Council in 2014. This contract setup the framework of the relationship with the staffing services agency, which stipulates contract individuals will not be employees of the City. Enscison, the staffing service, would be responsible for payroll and benefits for the assigned employees.

Council member Leh stated he preferred this item be removed from the Consent Agenda. Mayor Muckle removed Consent Agenda Item D from the Consent Agenda.

MOTION: Mayor Muckle moved to approve the amended consent agenda, seconded by Mayor Pro Tem Dalton. The motion carried by a vote of 7-0**.**

A. Approval of Bills
B. Approval of Minutes –September 1, 2015
C. Approval October 13, 2015 as a Special Meeting
D. Approval of Resolution No. 63, Series 2015 – A Resolution Extending the Suspension of Ordinance No. 1634, Series 2008, Subsection 3.20.412 Electronic Database, Retailer Held Harmless

Authorize Execution of Engagement Letter with Eide Bailly, LLC for Internal Control and Revenue Collection Process Review Services

Council member Leh recused himself and left the room.

Council member Stolzmann reported the Finance Committee reviewed this matter and recommend approval.

MOTION: Mayor Muckle moved to approve the Engagement Letter with Eide Bailly, LLC, seconded by Council member Loo. The motion carried by a vote of 6-0**.** Council member Leh recused.

Approval of a One-Year Independent Contractor Placement with Enscison Corporation for a CAD/GIS Technician

Council member Leh returned to the meeting.

Mayor Muckle asked if Council should wait two weeks to finalize the contract. Council member Stolzmann felt there may be a continuity issue with getting the work done. She supported the position and did not want a gap in the work product because of this delay.

Council member Leh voiced his concern over the issue with the staffing agency. Public Works Director Kowar explained they have interviewed a candidate for this position and are waiting for the contract to be approved before bringing this person on board. The risk of not going forward may be losing the opportunity to have this particular candidate.

City Attorney Light recommended approving the contract subject to a final legal review. In that respect the form issue would be reviewed and the vendor would be asked to make any changes to the contract needed to address the City's concerns.

MOTION: Mayor Muckle moved to approve a one-year contractor placement with Enscison subject to a final legal review, seconded by Loo. All were in favor.

COUNCIL INFORMATIONAL COMMENTS ON PERTINENT ITEMS NOT ON THE AGENDA

No items report.

CITY MANAGER'S REPORT

No items to report.

REGULAR BUSINESS

ORDINANCE No. 1697, SERIES 2015 – AN ORDINANCE AMENDING SECTIONS 3.08.030, 13.12.020 AND 13.12.040 OF THE LOUISVILLE MUNICIPAL CODE TO ADDRESS WATER SERVICE CONNECTIONS AND WATER TAP FEES FOR LIVE-WORK LAND USES – 2nd Reading – Public Hearing

Mayor Muckle requested a City Attorney introduction.

City Attorney Light introduced Ordinance No. 1697, Series 2015. This matter was continued from July 28, 2015 meeting. The public hearing should be reopened.

Mayor Muckle requested a report from the Water Committee. Council member Lipton reported on the Water Committee meeting where this ordinance was discussed. The Committee asked staff to make revisions to the proposal and provide some presentation materials for the next Council meeting. It will not go back to the Water Committee as there was a consensus on the direction given to staff.

MOTION: Mayor Muckle moved to continue Ordinance No. 1697, Series 2015, to October 6, 2015 seconded by Council member Keany. All were in favor.

RESOLUTION No. 65, SERIES 2015 - A RESOLUTION CHANGING THE NAME OF THE HORTICULTURE AND FORESTRY ADVISORY BOARD TO THE PARKS ADVISORY BOARD AND SETTING FORTH THE PURPOSES, TERMS RESPONSIBILITIES, POWERS, DUTIES AND OTHER MATTERS CONCERNING THE PARKS ADVISORY BOARD

Mayor Muckle requested a staff presentation.

Public Relations Manager Muth explained at the September 1 City Council meeting the Council directed staff to bring back for consideration a way to expand the Horticulture and Forestry Advisory Board (HFAB) into a Parks Advisory Board. Resolution No. 65, Series 2015 would change the Horticulture and Forestry Advisory Board (HFAB) to a Parks Advisory board and establish the duties of the board. The resolution lists the duties of the new board as follows: The Board shall serve in an advisory capacity to City staff and Council on matters of interest related to parks and landscaping within the City of Louisville and shall address other specific duties as assigned by City Council. The Board's responsibilities include, but are not limited:

A. Advise City staff and Council in determining the community's needs and desires for parks, park programs, and park facilities in relationship to the Parks, Recreation, Open Space, and Trails Master Plan;
B. Advise the City staff and Council on park and landscape maintenance, development, and redevelopment;
C. Advise the City staff and Council on the capital and operating budget as it relates to parks;
D. Advise the City staff and Council on best management practices related to parks and landscaping;
E. Promote horticultural best management practices in public landscaping;
F. Educate the public regarding horticultural best management practices appropriate for Louisville's climate and soils.

The new board would take effect January 1, 2016. Staff recommended the three members of HFAB whose terms do not expire in 2015 be appointed to the new Parks Board for the one year remaining in their HFAB terms. If Council approves the resolution, staff would bring back to the City Council an ordinance to remove the Horticulture and Forestry Advisory Board from the Louisville Municipal Code as of December 31. 2015. Advertising for members of a new Parks Advisory Board would begin in late September during the annual recruitment for board and commission members. Applicants would be interviewed in December and those appointed would take office in January 2016.

PUBLIC COMMENTS

Mark Newland, 719 Pine Needle Lane, Louisville, CO, Horticulture and Forestry Advisory Board (HFAB) Board Member, stated he realizes the importance of a Parks Board, but questioned the new definitions and expanded responsibilities. He stated the resolution changes the name of the board, the duties and appears to be very park centered. It eliminates some valuable parts of the duties and responsibilities of HFAB. He addressed the board name and felt there are other more appropriate names. He felt public landscape should be part of the duties and contained within the name. He referred to the resolution and stated the purpose was very broad in scope and undefined. He reviewed the HFAB Bylaws on the responsibilities of the Board. He was concerned the resolution did not include public landscape as one of the responsibilities of the new board. Public Relations Manager Muth explained the intent of the Parks staff was to include all public landscaping.

COUNCIL DISCUSSION

Council member Loo disclosed she is the Council liaison to the HFAB Board. She stated it was not Council's intent to limit HFAB current functions, but rather to expand their responsibilities. She did not believe the resolution accomplishes Council's intent. She agreed the name Parks Advisory Board does not capture the responsibilities of the HFAB or a Parks board. She suggested a Parks, Horticulture and Forestry Board would define all aspect of the boards' responsibilities. She also felt including public landscape in the board name would be more appropriate. She reviewed the responsibilities outlined in the resolution and shared Mr. Newland's concern the resolution does not include public land maintenance. She referred to the HFAB's forestry function, which provides homeowners right to appear. She commented many of the other boards have alternate members and the Parks Board resolution does not establish an alternate member. Public Relations Manager Muth explained alternate members are appointed to quasi-judicial boards, to provide a quorum and the ability to vote on issues. Advisory boards generally do not have alternates.

Council member Loo suggested changes be made to the resolution this evening to expedite the process for advertising and interviewing prospective board members.

Council member Stolzmann suggested HFAB work on the criteria and make a recommendation to Council on what would be good goals. She researched what Denver, Boulder, Golden and Lafayette have for their board missions. Golden has a lot of good information relative to grouping projects in common areas and then prioritizing projects to provide recommendations to the City Council. She felt Council could move forward to appoint a board this year and modify the mission to improve their function and responsibilities. She felt the board name should be Parks and Public Landscape Advisory Board.

Council member Lipton did not want to disconnect HFAB from their function, which they are performing well. He was looking for a strong advocacy for the City's parks and to attract candidates interested in parks. He was interested in knowing how the parks are used and maintained. He was satisfied with modifications, as long as the Parks premise is not lost. His goal was to get the parks advocacy going forward.

Mayor Muckle suggested HFAB review the modifications to the resolution at their October meeting and make recommendation for the City Council's October 6th meeting.

Mayor Pro Tem Dalton saw an urgency to get the resolution approved before the recruitment process. He agreed modification to the board description could be made this evening. Public Relations Manager Muth noted it is not uncommon for the roles and mission of board members to be modified.

Mayor Muckle stated the HFAB Board has expressed concern wanted some assurance about the responsibilities of the new board. He felt the Parks Board could be advertised for applicants, while the responsibilities of the new board are being defined. Mayor Pro Tem Dalton agreed.

Council member Lipton voiced his concern over the number of modifications mentioned and whether the resolution could be redrafted this evening, but was willing to spend some time to recraft the language.

Mayor Muckle wanted to see advocacy included in the goals and suggested carrying over all the HFAB goals to the new resolution. Council member Stolzmann agreed, but did not believe it would address Council member Lipton's concern for emphasis on the parks. She felt the missing goals were streetscapes and facilities, which did not address playgrounds, their upkeep and whether they are age appropriate.

City Council discussed revisions to the resolution in Section 2, items A through F and incorporated the current HFAB goals and duties.

Mayor Muckle requested clarification of HFAB being a referral agency for development. Public Relations Manager Muth explained the intent was to advise City Council and staff on the public landscape development and redevelopment, which include referrals.

Council member Loo stated there has been ongoing discussion on whether HFAB should be looking at development projects. HFAB does not have authority to approve private development plans, but have concerns they are asked to comment on a landscape plan for a private development. She noted there has not been any question about HFAB's review of public landscape projects.

Council member Keany felt any case where there is a public dedication as part of a development review process; the advisory board should review the plans.

Council member Lipton did not disagree, but did not want to hold up a project to review a small piece of land dedication property. He suggested a different plan review, which would not interfere with the quasi-judicial process.

Mayor Muckle agreed and felt there should be administrative decision making. Mayor Pro Tem Dalton agreed and noted many times the meeting schedule for HFAB does not meet the schedule of a development. He suggested not requiring HFAB to review or approve a landscaping packing for a development. In public landscape projects the HFAB should review.

City Attorney Light addressed the referral role and asked if it was Council's intent for an advisory board to have decision making authority. A referral board can advise and make comments to the Planning Commission and the City Council on the landscape plan for either the public area or the private areas. Mayor Pro Tem Dalton voiced his preference for a HFAB review of public areas only.

Council member Loo referred to the Kestral property, which included an orchard intended as a public land dedication. The orchard is no longer proposed for public land dedication, but suggested adding public landscape maintenance review to the duties.

Council member Stolzmann felt the HFAB could review and clarify the language by inserting explanations. She noted there are different facilities at different parks. She suggested the board look at these parks and advise Council.

Council member Loo requested the two bylaws be added to the ordinance: forestry and the appeal process. Mayor Muckle requested the board maintain a list of trees.

Council member Stolzmann requested the board also look at ballfields and soccer fields in addition to parks. Parks Superintendent Martin explained the recreation staff operates the leagues, but staff proposes to encompass all athletic complexes.

COUNCIL DIRECTION

There was Council consensus on the following modifications to Resolution No. 65, Series 2015: 1) Changing the name of the Horticulture and Forestry Advisory Board to

the Parks and Public Landscaping Advisory Board and 2) Setting the Purposes, Terms, Responsibilities, Powers, Duties and Other Matters Concerning the Parks and Public Landscaping Advisory Board.

Section 2 of the resolution was modified to read as follows: The Board shall serve in an advisory capacity to City Council on matters of interest related to parks and public landscaping within the City of Louisville. The Board shall have such other advisory responsibilities or duties as assigned by City Council, such responsibilities include, but are not limited to:

A. To assist the City Council and staff in determining the community's needs and desires for parks, programs, and facilities in relationship to parks related issues in the Parks, Recreation, Open Space, and Trails Master Plan;

B. To advise the City Council and staff on park and public landscape maintenance, development, and redevelopment, and review referrals for proposed landscape plans for public areas;

C. To advise the City Council and staff on the capital and operating budget as it relates to parks and public landscape maintenance;

D. To advise the City Council and staff on best practices related to parks and landscaping;

E. To promote healthy horticultural and forestry practices in public and private landscapes;

F. To educate the public regarding horticultural and forestry practices appropriate to Louisville's climate and soils;

G. To review and give comments on city landscape master plans, landscape ordinances and other appropriate landscape documents;

H. To hear appeals of decisions of the city forester concerning licensing of arborists and removal of trees as provided in Chapter 8.12 of the Louisville Municipal Code;

I. To maintain a list of small, medium, and large trees, bushes and shrubs to be planted as street trees or park trees and advise the City on the adoption of regulations for the care and planting of trees.

MOTION: Mayor Muckle moved to approve Resolution No. 65, Series 2015, as amended, seconded by Mayor Pro Tem Dalton. All were in favor.

PRESENTATION – CITY MANAGER'S PROPOSED 2016 BUDGET AND 2016-2020 CAPITAL IMPROVEMENTS PLAN (CIP) –SET PUBLIC HEARING OCTOBER 20, 2015

Mayor Muckle requested a staff presentation.

City Manager Fleming presented an overview of the Proposed 2016 Budget and 2016-2020 Capital Improvements Plan (CIP). 2016 Budget Key Sections: Summary of Recommended Significant Changes (Budget increases exceeding $10,000); 2016 Programs, Goals, Sub-Programs and Contributing Projects and Department Summaries and Performance Measures.

Financial Overview:

- Revenue Assumptions and Expenditure Targets
- Recurring Revenue vs Recurring Expenditures
- Primary Fund Forecasts (General Fund, Open Space and Parks Fund, Capital Projects Fund, Water, Wastewater, and Storm Water Funds (Combined Utility Fund) and Golf Course Fund

2016 Major Capital Projects:

- Major upgrades at the Wastewater Treatment Plant to satisfy more stringent federal and state water quality standards
- Numerous water system equipment replacements and system improvements
- Complete Phase 2 of the Louisville/Lafayette boundary stormwater improvements
- Street resurfacing in priority locations throughout the City
- Pedestrian safety, intersection and streetscape improvements along the Highway 42 Corridor
- Finalize implementation of City's centralized data system (ERP)
- Open Space and Trails wayfinding projects

2016 Increased Service Levels

- 3 FTE's and $30,000 in contract funding in Parks and Open Space/weed control, landscape maintenance and controlled burn
- 1 FTE and $45,000 in CIP funds to implement body cameras in PD
- .6 FTE and $20,152 to fund Historic Preservation Intern and implement elements of Historic Preservation Master Plan
- .5 FTE Sustainability Coordinator

2016 Building Adequate Reserves

- Maintain General Fund reserves above a 20% target reserve through 2020
- Proposed 2016-2020 5-Year CIP result in a 2016 year-end reserve exceeding $1.7 Million and 2020 exceeding $3.0 Million

- The proposed Open Space and Parks budget provides reserves in Open Space and Parks Fund to cover the City's share of acquiring the 3 highest priority open space purchases if they become available

Revenue Forecast Assumptions

- Sales Tax Revenue: +4.9% in 2015, +3.5% in 2016, annual average of +3.5% for 2017 through 2020, excluding effects of Historic Preservation Tax.
- Property Tax Revenue: +1.4% in 2015, +17.6% in 2016, annual average of +2.2% for 2017 through 2020, excluding effects of Historic Preservation Tax.
- Consumer Use Tax Revenue: =5.0% in 2015, +2.0% in 2016, annual average of +1.0% for 2017 through 2020, excluding effects of Historic Preservation Tax.
- Building Use Tax: +54.9% in 2015, - 19.8% in 2015, annual average of -31.7% for 2017 through 2020.

Key Council Decisions:

- Are revenue and expenditure estimates reasonable?
- Does proposed budget reflect prudence (not overly cautious nor overly optimistic) given the current economic conditions?
- Do Significant Changes reflect Council priorities?
- Do capital projects preserve assets and focus on areas of greatest need?
- Can we maintain service levels over the long run?

Budget Calendar – Key Dates:

September 15:	City Council Meeting: Presentation of the City Manager's Proposed Budget – Set Public Hearing for October 20
September 21 (Monday)	Special City Council Meeting: Discussion/Q & A and identify revisions Council wants to see on Proposed Budget.
October 13	Special City Council Meeting: Discussion/Q & A and identify Revisions Council wants to see on Proposed Budget
October 20	City Council Meeting: Conduct Public Hearing and identify any further revisions
November 2 Monday)	City Council Meeting: Resolution adopting the budget; Resolution appropriating funds; Resolution levying taxes

COUNCIL COMMENTS

Council member Lipton stated during the budget retreat there were several policy assumptions discussed. He asked City Manager Fleming to address those financial policies. Finance Director Watson stated the policies have been brought before the Finance Committee for review, but would be presented at the September 21st meeting.

Council member Lipton was interested in seeing the fee for services for City facilities.

Council member Keany addressed the summary of revenue assumptions and noted it did not reflect revenue from the Open Space Tax. He wanted to see all sources of revenue at the next budget meeting. Finance Director Watson explained the schedule Council member Keany referred to includes all sales tax. The intent was to show general trends by revenue source. He explained Council member Keany referred to revenue by program, but he would provide the revenue by fund at the next meeting. He explained the program based budget has not been implemented. City Manager Fleming would prepare a table for the next meeting.

Council member Keany requested sources of revenue and a breakdown of how programs are being funded. City Manager Fleming referred to the departmental summaries for this information.

Council member Loo wanted to see a budget where the citizens can see how the money comes in and how and where it is spent. She requested a pie chart to simplify the budget for the public. City Manager Fleming agreed pie charts can be very informative and he would add those to the budget.

Mayor Muckle expressed his thanks to staff for all their work on the budget. He felt all the new information will be helpful during this budget process. He agreed the pie chart concept would be helpful to the public.

PUBLIC COMMENTS

Michael Menaker, 1827 W. Choke Cherry Drive, Louisville, CO stated the DDI will be completed this year and the City invested millions to rebuild the golf course. The City is dependent on the revenue from big box stores in Centennial Valley and has undertaken an urban renewal plan to revitalize the retail at the vacant Sam's Club. Through the McCaslin Small Area Plan, it is becoming more apparent there will not be significant residential housing in Centennial Valley, but Superior will be building 1400 new residential units. He recommended the City invest in capital improvements along the McCaslin corridor, especially along the Interchange and Dillon Road, to create a sense of place and provide information on what might be found in Louisville and leverage the investments in the City's businesses. He suggested budgeting for an RFP design study to evaluate the City's options and identify the costs, which could be implemented into a 5-year CIP program. He felt this would be a strategic investment and very important to the City and the residents.

COUNCIL COMMENTS

Council member Lipton commented on the document goals, subprograms, and contributing projects, which were incorporated into the document, but did not link to the

budget. He asked if some comments or presentation could be provided at the next budget meeting. City Manager Fleming stated he would provide a table showing how the dollars from the traditional budget flow into the programs and subprograms area. However the two cannot be linked until the Central data system is fully implemented, which has a revised chart of accounts. Then the challenge will be on how to present the information in the traditional format to compare previous years' information.

Council member Lipton noted the budget still contains the adoption of the 2015 International Building Codes, which Council agreed to postpone. He asked if the document was updated based on Council's discussion at the last budget retreat. City Manager Fleming stated the document has been revised and the International Building Codes will be removed.

Council member Lipton stated there is citizen interest in street paving and the conditions of the City's streets. He requested more of a descriptive presentation on the budget requirements for upgrading the streets above and beyond what is proposed.

MOTION: Mayor Muckle moved to set a public hearing on the 2016 Budget and 2016-2020 Capital Improvements Plan (CIP) for October 20, 2015, seconded by Council member Keany. All were in favor.

RESOLUTION No. 64, SERIES 2015 – A RESOLUTION APPROVING A SEVENTH AMENDMENT TO THE PURCHASE AND SALE AGREEMENT BY AND BETWEEN LOUISVILLE MILL SITE, LLC AND THE CITY OF LOUISVILLE

Mayor Muckle requested a staff presentation.

Economic Development Director DeJong provided the background information for the Seventh Amendment to the Purchase and Sales Agreement by and between Louisville Mill Site, LLC and the City. The original Agreement executed September 27, 2013, was for the sale of the Grain Elevator to LMS LLC for $200,000. The City provided $500,000 for stabilization of the grain elevator. There were several amendments to the Agreement. The Scope of Work to be complete by October 31, 2015. With respect to the stabilization, $234,664.20 was requested, with a remaining balance of $265,338.80.

Architect Erik Hartronft provided an update on the Louisville Historic Grain Elevator Stabilization Project. The project entailed five months of exploratory work. The south section of the structure was stabilized. The applicant filed for a State Historic Preservation Grant in October of 2014. After a seven month process the grant was denied. The applicant is currently working on a new State Preservation Grant. They are currently aggressively working to complete the stabilization project. By end of the first Phase, $400,000 was spent in stabilization, out of the $500,000 grant. With the remaining $100,000 they propose to reconstruct the wagon mounts and hope to upgrade the structures' lighting and electrical system. The unfunded portions of the

project include a fire sprinkling system, siding and windows. He presented slides of the project, which included historic photos of the grain elevator, the mitigation work on the warehouse, the excavations and foundation work and the grain bins rehabilitation. He reviewed the future scope of work. He thanked the Mayor, Council and staff for their support of the project.

PUBLIC COMMENT

Michael Menaker, 1827 W. Choke Cherry Drive, Louisville, CO felt the project should be completed in an exemplary fashion. He stated there is $900,000 in the Historic Preservation Fund and suggested the Council fund all or most of the restoration of the grain elevator out of this fund.

COUNCIL COMMENT

Mayor Muckle inquired about the project timing for the rest of the site. Mr. Hartronft explained they have an active excavation project, but have applied for a permit for the east side of the grain elevator. After the closing they begin the addition to the grain elevator. They are looking for the signature tenant, which they believe will a restaurant on the west end of the new building. Once there is a commitment, they will begin construction on Lot 3. They have revised structural engineering plans, which have been submitted to the building division, which will require a one-month review. They may have to request an extension on the October 21st deadline.

Mayor Muckle asked for the deadline for applying for a History Colorado grant. Economic Development Director DeJong stated it is in the fall, around October 1st.

Council member Loo inquired if the City would continue to apply for grants. Economic Development Director DeJong stated staff had not intended to. Mayor Muckle felt the City should continue to apply for grants.

Council member Loo asked if there were reasons stated for the rejections. Mayor Muckle explained History Colorado assists applicant's package their application, however it is reviewed by an independent agency. He stated it was probably too complicated for the reviewers to understand the public/private partnership. He felt more information and clarification might be necessary.

Council member Loo inquired whether a specific target should be identified. Mayor Muckle stated they were less concerned with the additions. They look at projects, which provide educational opportunities.

Council member Stolzmann felt Council should facilitate the closing as soon as possible so the applicants can market the property. She also felt the grants should be pursued.

Economic Development Director DeJong reviewed the Seventh Amendment to Sales Agreement: 1) Delays the $200,000 purchase price to be paid at the second closing for transferring Lot 3 (former Napa building and currently TILT Pinball) after the stabilization scope of work is complete. 2) Increases the earnest money deposit to $20,000 at the first closing to transfer the Grain Elevator parcel and Outlot A.

PUBLIC COMMENTS

Erik Hartronft stated they always assumed they would have to pay the full purchase price when they received title to the property. The city attorney advised them they must pay the full purchase price before taking possession of the property. It was their understanding the earnest money served as their investment until the stabilization was done. They supported the resolution approving the seventh amendment to the contract.

Mayor Muckle asked for clarification on the closing and transfer of the property. Economic Development Director DeJong explained the intent was for the applicant to do the work on the stabilization before the closing of the property.

City Attorney Light explained two years ago there were different scenarios reviewed relative to the closing. The contract does have imbedded the scenario there could be one closing, but it also provided closing on the grain elevator with title for the Lot 3 being held until the stabilization was complete. The grain elevator could take a tenant and be put to use while the stabilization work was completed. He was not concerned with revising the contract to allow a joint single closing. If the applicant cannot complete the work by the end of October, it would move the closing to November. Under the present scenario, the applicant could record the Plat, PUD and landmark the property. The second closing requires the City Manager to confirm the stabilization is done and accepted before the delivery of the deeds and payment of the purchase price.

Erik Hartronft explained the goal is to have the stabilization done in order to close on the property. One reason they accept the split closing is to close on the property and move forward with the renovations on the east side of the grain elevator.

City Attorney Light stated the contract contemplates the approvals will be in place, but they won't be recorded until the initial closing. He stated language could be added to the Seventh Amendment to have a mutual agreement upon the trigger point for the recording of the Plat and PUD in advance the closing of any conveyance and the landmarking resolution has to be put into the record at the time the lot is created.

Erik Hartronft stated they are fine with the proposed amendments to the agreement. He stated they do not expect any special treatment.

MOTION: Mayor Muckle moved to approve Resolution No. 64, Series 2015, seconded by Council member Loo. Roll call vote was taken. The motion carried by a vote of 7-0.

PURCHASING POLICY UPDATE

1. **RESOLUTION No. 62, SERIES 2015 – A RESOLUTION AMENDING CITY OF LOUISVILLE PURCHASING POLICIES – continued from 9/1/15**
2. **ORDINANCE No. 1701, SERIES 2015 – AN ORDINANCE AMENDING CERTAIN SECTIONS OF CHAPTER 3.08 OF THE LOUISVILLE MUNICIPAL CODE PERTAINING TO THE PROCUREMENT OF GOODS, SERVICES AND CONTRACTS FOR PUBLIC WORKS – 2nd Reading –Public Hearing**

Mayor Muckle requested a City Attorney introduction.

City Attorney Light introduced Ordinance No. 1701, Series 2015 and reviewed Resolution No. 62, Series 2015.

Mayor Muckle explained this was discussed at the September 1, 2015 City Council meeting and was continued to this evening. Public Relations Manager Muth requested the ordinance and resolution be continued to November 2, 2015, to enable staff to make the Finance Committee's requested changes and allow a second Finance Committee review before the documents are brought back to Council.

RESOLUTION No. 62, SERIES 2015

MOTION: Council member Stolzmann moved to continue Resolution No. 62, Series 2015, to November 2, 2015, seconded by Council member Loo. All were in favor.

ORDINANCE No. 1701, SERIES 2015

MOTION: Council member Stolzmann moved to continue Ordinance No. 1701, Series 2015 to November 2, 2015, seconded by Mayor Pro Tem Dalton. Roll call vote was taken. The motion carried by a vote of 7-0.

DISCUSSION/DIRECTION/ACTION – PURCHASE OF 198,575 WATTS OF COMMUNITY SOLAR WITH CLEAN ENERGY COLLECTIVE

Mayor Muckle requested a staff presentation.

Public Works Director Kowar explained the staff received a proposal from Clean Energy Collective regarding a lease purchase agreement for community solar capacity in the amount of 198,555 watts. Staff asked for Council discussion and direction regarding whether Council wants to make additional renewable energy investments. This proposal requires a $67,502.70 fully refundable deposit to secure capacity within this second Community Solar Garden. The proposal targets electricity meters at the Sid Copeland Water Treatment Facility, the Howard Berry Water Treatment Facility, and the Harper

Lake Pump Station, which experience peaking factors that escalate average monthly bill costs. These credits could also be transferred to meters at the Golf Course and new Wastewater Treatment Plant sometime in the future if these locations prove to have higher peaking factors. Staff performed preliminary validation of the data and calculations presented by Clean Energy Collective.

New Clean Energy Collective Solar Lease Purchase for Consideration: The proposed lease considers a slightly different lease purchase with Alpine Bank for solar panels again supplied by Clean Energy Collective. This new lease purchase of 198,555 watts of solar capacity would be at an interest rate of 5.25% for years 1-5 and then 3.75% for years 4-15. The total estimated lease payments are $964,499. The total estimated positive cash flow for this lease, based on $1,116,786 in bill credits and $349,276 in Renewable Energy Credits, is $1,466,062. Thus, over a 20-year life cycle this lease purchase agreement would reduce the City's projected cost for electricity by an additional $501,563.

Other Considerations: Clean Energy Collective (CEC) states this is the last opportunity to invest in Community Solar Gardens through Xcel programs that will provide positive net cash flow fairly quickly through Renewable Energy Credits and on-bill credits. Because CEC expects Xcel to change the credit structure, future Community Solar Gardens may not provide net positive cash flows. This proposal would provide for 9,578,546 lbs of avoided CO2 emissions over the 20 year financial analysis. This equates to roughly 10,861,097 miles driven or 14,773 trees planted.

Fiscal Impact: Over a 20-year life, this lease purchase agreement would result in total lease payments of $964,499, fully offset by $1,116,786 in bill credits and $349,276 in Renewable Energy Credits, and thus reduce the City's projected net cost for electricity by a total of $501,563. The higher interest rate in the early years of the agreement, the current proposal, assuming all estimates and factors hold true, would increase the City's net cost of electricity for years 1-5 by $11,374 to $5,420 dollars each year. The proposed lease payments equal $4.85 per watt for a total of 198,555 watts. It requires $67,502.70 refundable deposit, 15 year lease to own financing.

Amy Thompson, Clean Energy Collective, explained there will be two dramatic changes in community solar especially with Xcel Energy. Future arrays will not have any renewal energy certificate payment (REC) and the investment tax credit (ITC) provided by the Federal Government will stop at the end of 2016 (the current ITC is a 30% discount). They were awarded 12 mega-watts with a negative REC kilowatt, which means there is an opportunity to have the golf course on board. The tax rate structure from Boulder I to Boulder II is different so there is not a collateralization of the actual panels for Alpine Bank on the second financing, there for the interest rate increased. She expressed her hope the City Council would take advantage of this opportunity for this array.

COUNCIL COMMENTS

Council member Lipton asked if staff is recommending moving forward with this purchase. Public Works Director Kowar outlined the pros and cons. Pros: This is a very good opportunity. Cons: Staff has not had time to see the results of the first purchase to confirm all the variables and estimates are as accurate as possible.

Council member Lipton asked for the risks of making this investment. Public Works Kowar explained Facility Manager Szabados has reviewed all the numbers. The risks are perhaps the solar garden is not as efficient as they envisioned or perhaps the electrical costs don't escalate as much. Other risks include better new technology that could outpace the saving this opportunity presents.

City Manager Fleming explained based on the current assumptions on escalation of the cost of electricity and the efficiency of the panel, it could save the City half a million dollars over a 20-year period. There may be new technologies, which may be better and save more money.

Council member Lipton asked if staff is recommending the Council move forward. City Manager Fleming explained it took more time to finalize a contract, which makes staff hesitant. From his perspective as City Manager, saving $500,000 over a 20-year period is good and recommended the City Council go forward.

Council member Lipton asked if this is a type of market that could be put out for competitive bids, or would this be the only opportunity. Public Works Director Kowar explained Clean Energy is one of the leaders for a community solar garden and they are local. He stated Alpine Bank is the only one to bid for this financing and noted this is a very niche market. City Manager Fleming noted Clean Energy is a fast growing Louisville Company and expanding in other states.

Ms. Thompson confirmed they are a Louisville Company located on Centennial Drive and have over 100 employees. She explained it was an arduous task to finalize the lease, but at this point, there is a full package of closing documents prepared by CEC. The only thing remaining is to review is the lease from Alpine Bank and close quickly. She noted with respect to an RFP process and the Xcel program, it would require ownership of a solar array and the land to put it on. Also there would not be a REC payment or on-demand charges.

Council member Lipton addressed the CEC information suggesting a 20-year investment of 117% and a 50-year return of 863% and asked if the life of the assets would be 50 years. Ms. Thompson explained today's solar panels have a warranty of 25 years, but they are seeing a 35-year life. The panels will be replaced as needed. The transformer will probably have to be replaced in 20-years. The REC payments help pay for the operations and maintenance. There is full insurance coverage on the array. There are safety features built in and they are going to try to run the operation for 50 years. They will be able to integrate with new and better technology.

Council member Stolzmann stated Council is just looking at whether a deposit should be made, which is fully refundable and asked if the deposit goes toward the loan. Ms. Thompson explained last time there was a lease to own so the deposit was returned. A zero percent down payment creates the negative cash flow. An opinion is needed on the interest rate, which will not be non-taxable after 5-years.

Council member Stolzmann stated the City would still get a renewable energy credit, which would go from 9 cents to 6 cents. There is an opportunity to put the City Facility Building, the Golf Course and Water Plant on line to evaluate where the credit should be. The first five years could be better than projected particularly with the golf course. She supported the down payment to reserve the space. She said CEC will be taking care of the maintenance and the City gets all the benefits without going into the utility business. She felt this should be a budget discussion next week and the City should be looking for ways to reduce its energy intake.

Mayor Muckle inquired about the percentage of electricity now provided through solar. Public Works Director Kowar stated it is still a low percentage. Mayor Muckle supported putting down the refundable deposit and reserving a space in the array

MOTION: Mayor Muckle moved to authorize the City Manager, Public Works Director and City Attorney to negotiate the purchase of 198,575 Watts of Community Solar with Clean Energy Collective, seconded by Council member Stolzmann.

City Attorney Light offered a friendly amended to include the deposit is fully refundable. Mayor Mucke and Council member Stolzmann accepted the friendly amendment.

VOTE: Roll call vote was taken. The motion carried by a vote of 7-0.

2000 TAYLOR AVENUE

1. **ORDINANCE No. 1703, SERIES 2015 – AN ORDINANCE APPROVING AN AMENDMENT TO THE BUSINESS CENTER AT CTC GENERAL DEVELOPMENT PLAN (GDP) TO REZONE THE PROPERTY FROM PCZD-C TO PCZD-I – 1st Reading – Set Public Hearing 10/06/2016**
2. **RESOLUTION No. 66, SERIES 2015 – A RESOLUTION APPROVING A FINAL PLANNED UNIT DEVELOPMENT (PUD) PLAN TO CONSTRUCT A 120,581 SF SINGLE STORY INDUSTRIAL/FLEX BUILDING WITH ASSOCIATED SITE IMPROVEMENTS FOR LOT 1, BLOCK 4, THE BUSINESS CENTER AT CTC**

Mayor Muckle requested a City Attorney introduction.

City Attorney Light introduced Ordinance No. 1703, Series 2015 and reviewed Resolution No. 66, Series 2015.

ORDINANCE No. 1703, SERIES 2015

MOTION: Mayor Muckle moved to approve Ordinance No. 1703, Series 2015 on first reading, ordered it published and set a public hearing for October 6, 2015, seconded by Mayor Pro Tem Dalton. All were in favor.

City Attorney Light explained Resolution No. 66, Series 2015 will come forward with the second reading of the ordinance.

CITY ATTORNEY'S REPORT

No items to report.

COUNCIL COMMENTS, COMMITTEE REPORTS, AND IDENTIFICATION OF FUTURE AGENDA ITEMS

Mayor Muckle reported the MCC testified on the RTD Board meeting regarding Eco passes. CU is the largest single holder of Eco passes. Deputy City Manager Balser stated her understanding RTD Chair Sisk requested it be consistent with the 13.3% fare increase. The RTD staff and attorney recommended 18.8%. The majority of the RTD Board supported staff's recommendation, but final action has not been taken. There was support for bringing back the group that looked at Eco passes a few years ago to review the rate structure. Council member Stolzmann stated Council should discuss Eco passes before taking a position on the rate structure.

City Manager Fleming reported the ribbon cutting ceremony for the City Services Facility is October 6th at 5:30 p.m. The dedication ceremony for the Law Enforcement Memorial at Helburg Park is tentatively scheduled for October 15th, but depending on the amount of work complete, it might be rescheduled to October 28th.

ADJOURN

MOTION: Mayor Muckle moved for adjournment, seconded by Mayor Pro Tem Dalton. All were in favor. The meeting adjourned at 9:55 p.m.

_____
Robert P. Muckle, Mayor

_____
Nancy Varra, City Clerk

City of Louisville
COLORADO • SINCE 1878

City Council

Special Meeting Minutes

Monday, September 21, 2015
City Hall, Council Chambers
749 Main Street
7:00 PM

Call to Order – Mayor Muckle called the meeting to order at 7:00 p.m.

Roll Call was taken and the following members were present:

City Council: ***Mayor Robert Muckle, Mayor Pro Tem Hank Dalton. Council members: Ashley Stolzmann, Susan Loo, Jay Keany, Chris Leh and Jeff Lipton***

Staff Present:
Malcolm Fleming, City Manager
Heather Balser, Deputy City Manager
Kurt Kowar, Public Works Director
Kevin Watson, Finance Director
Dave Hayes, Police Chief
Chris Neves, IT Director
Aaron DeJong, Economic Development Director
Troy Russ, Planning and Building Safety Director
Beth Barrett, Library & Museum Director
Joe Stevens, Parks & Recreation Director
Kathleen Hix, Human Resources Director
Meredyth Muth, Public Relations Manager
Carol Hanson, Deputy City Clerk

PLEDGE OF ALLEGIANCE

All rose for the pledge of allegiance.

ITEMS NOT ON THE AGENDA

Mayor Muckle had sign up cards from residents concerning trains and quiet zones.

Tom Pathe, 901 Rex St., Louisville, CO had questions on the quiet zones. He asked what they are, the cost, why they are needed and what is the obstruction for having quite zones. As a 20 years resident he noted the trains have always been here, but now he finds the noise intolerable.

Mary Clough, 508 Lincoln Avenue, Louisville, CO noted she had been in touch with Council member Stolzmann and understood the money could be pushed off to 2018. She also found the noise from the trains very loud. She asked for the budget dollars to be allocated in 2016.

Jeff Meier, 470 County Road, Louisville, CO supported quiet zones. He asked what had happened to the 2014 report and what the City has done with it. He recommended the City decide what action should be taken and put out requests for proposals to see what could be done soon. He suggested at least doing the Pine Street crossing.

Mayor Muckle noted the trains are louder by federal requirement. Quiet zones are physically designed so a car cannot cross the track if a train is present. This allows the trains to be able to pass without using their horn. He noted the north area study looked at the intersections and costs from Westminster to Longmont. There is not an RFP that can be issued; it is a matter of getting on BNSF's schedule. There are parts the City can control and he as Mayor supports getting those done. All the north area municipalities have to reach consensus to get it done.

Mayor Pro Tem Dalton thanked Deputy City Manager Balser for the clear email concerning how the timing laid out and noted residents could see that email.

Council member Stolzmann noted the cost wouldn't be known until there is an agreement with the railroad. The study was done in 2014 and it reports the cost as $1.1 to $1.6 million and seeing what some communities have paid, costs are going up. She was concerned if this kept getting pushed out because of the flood and other infrastructure issues, it might never get done. She supported doing it as soon as possible and having the funding in place.

Deputy City Manager Balser shared Stolzmann's concern over the flood causing distraction from the quiet zone project. She noted the communities along the corridor are now looking at when the DRCOG money is available and are continuing to work to finalize how dollars get distributed.

Tom Pathe, 901 Rex St., Louisville, CO asked if this would take five years. Mayor Muckle noted the Council is discussing moving this to 2016.

Mary Clough, 508 Lincoln Ave., Louisville, CO asked if the budget could move to 2016 and if the DRCOG money didn't come in, modifications could be made at that time.

Jeff Meier, 470 County Road, Louisville, CO asked how Westminster got money if the other communities had to approve it. Deputy City Manager Balser explained the funds are for the Northwest Rail and Westminster was the first stop on the rail line and Adams County used a portion as well. There is $6.8 million left to be allocated to the rest of the communities along the corridor.

Mayor Pro Tem Dalton asked what those who would like to see quiet zones in 2016 would suggest moving out of the budget.

Council member Keany noted there were other things needing to be done and he was hesitant to move other projects out of the budget for something he saw as an amenity not a need.

Council member Lipton cautioned Council to move deliberately and noted real construction could likely not happen until 2017. He did not suggest the City go this alone, there should be collaboration.

Council member Leh noted on social media this had been a lively discussion. He spoke to the road conditions and the priority in getting those out of disrepair. He encouraged residents to keep the conversation going.

Council member Loo asked why staff scheduled quiet zones for 2018. Deputy City Manager Balser stated they were trying to be realistic about actual construction and ability to cluster them with surrounding entities to be most efficient.

Council member Loo asked if the money was received in 2017 would $1.2 million dollars be available in the City budget.

City Manager Fleming looked at different scenarios and there could be money available. If no money was available from DRCOG there was money to fund quiet zones in 2016 without shifting funds as long as Council was comfortable with the low reserve that would leave in the Capital Projects Fund.

Council member Loo noted government moves slowly for a reason. She was in favor of getting as much money from elsewhere as possible. She was comfortable with leaving this scheduled for 2018 with the understanding to move it up if monies are received.

Michael Menaker, 1827 W. Choke Cherry, Louisville, CO noted this is not a matter of money, but of waiting for BNSF. He pointed to the wait for BNSF approval for the South Street underpass and suggested a letter writing campaign to BNSF asking them to move this along.

Mayor Muckle agreed but wanted to get the items the City can control in line to be ready.

Council member Stolzmann noted the money is in the budget to design this project for next year. The Capital Improvement Plan sheet should state our plan to move forward on this project with the railroad as soon as possible and the City will do a budget amendment. This would provide the expectation of executing it as soon as possible.

Mayor Muckle and Mayor Pro Tem Dalton agreed this was a good plan.

DISCUSSION/DIRECTION 2016 PROPOSED BUDGET

City Manager Fleming stated staff listed the topics Council members raised at the last meeting. The issues could be discussed in any order Council wished.

Mayor Muckle was satisfied with the draft policies, but asked if Council members had questions they would like to address.

Council member Lipton noted only a couple of the policies affect the ability to put together a budget for this year. He asked for a conversation on the reserve policies and how the numbers were determined and how those would be met. He wanted to look at resident and non-resident fees at the Recreation Center.

City Manager Fleming noted two sets of policies in the packet; current and proposed. He asked Finance Director Watson to go over the reserve policies.

<u>Reserve Policies</u>
Finance Director Watson stated some changes have been made based on what staff heard at the Budget Retreat. The General Fund Reserve was set with a minimum fund balance of 15% with an added target of 20% of current operating expenditures. Open Space & Parks Fund reserves are set at a minimum of 15% of current operating expenditures within the fund; additionally a targeted higher fund balance including the amount sufficient to cover the City share of the three highest priority properties. The Cemetery Fund minimum reserve was defined because this fund receives an ongoing subsidy transfer from the General Fund and administratively, it makes sense to have a minimum amount in the fund. The Combined Utility Fund has the biggest jump to 25% of current operating expenditures; current policy is 15%. Taken out were the provisions for the City Manager to lower the fund balance down to 20% and a Council action requirement to go below 15%.

City Manager Fleming noted a change in the Open Space and Parks Fund reserves; as the highest priority properties are purchased, the amount necessary to reserve will be adjusted.

Mayor Muckle asked if language needs to be added to the utility reserve for bond repayment. Finance Director Watson felt it was covered in some of the debt policies where it talks about full compliance with all covenant on bond issues.

Council member Lipton had suggested on the General Fund Forecast a percentage scale and he would like to see that information. He would like a higher reserve target, 22-23%, as prior to the flood.

Council member Stolzmann asked if GFOA (Government Finance Officers Association) had a recommended target for sales tax dependent cities. Finance Director Watson

noted there was a minimum recommendation; then the City has to look at their revenue structure and determine their comfort and risk profile in the reserves.

Mayor Muckle was comfortable with the 20% target as was Mayor Pro Tem Dalton. Council member Lipton was okay with 20% for 2016 but wanted to see it increased in years to come. Mayor Muckle agreed the reserves needed to at least stabilize if not grow in 2019 and 2020.

Council member Stolzmann felt, as a target, 20% was appropriate but each year the budget should be reviewed to try to increase that percentage.

Council member Lipton felt this was a very subjective way of determining the Open Space & Parks Fund reserves. The top three properties for purchase are grouped, but a property further down the list could become available. As the valuation of the top three properties has not been discussed and the value undetermined, he was unsure what the reserves should be. He questioned since there was no math behind it, whether money from the General Fund should be transferred to the Open Space & Parks Fund reserve as opposed to keeping the dollars in the general fund reserve where there is flexibility to allocate where needed.

Mayor Pro Tem Dalton agreed and stated if the top three properties are not available, another property may rise to the top of the list. He agreed once funds are in the Open Space & Parks Fund they are restricted, but if the funds are earmarked in the General Fund, open space purchases can be made from the General Fund.

Council member Stolzmann took exception to the financial policy relative to the Open Space & Parks Fund with respect to the General Fund “subsidizing” everything. She noted the General Fund can pay for anything. The definition of the targeted fund balance didn’t mean anything. With the current operating expenditures discussion, there is a large General Fund transfer into the Open Space & Parks Fund to pay for all the services offered. With respect to parks maintenance she felt the transfers should be described as to what they were paying for. She noted the introduction refers to the Open Space & Parks Fund transfer paying for 50% of the Parks operations, but there is not a matching financial policy. She recommended a policy be written and the expenditures identified according to a set of principles.

City Manager Fleming noted there is some analysis on what the minimum fund balance should be. It is approximately 350 acres of property valued at just over $35,000 per acre to roughly coincide with other Boulder County properties and any participation from other communities that might partner. That is how the $3.5 million dollar proposed minimum balance comes from. The key issue is whether Council wants to keep the dollars in the General Fund and only transfer when properties become available.

Mayor Muckle felt citizens want an acquisition reserve. Mayor Pro Tem Dalton did not believe it mattered if there aren’t any properties available. The money in the General

Fund is still available.

Council member Stolzmann noted operating costs have drawn down the fund balance. There is a need to address the entire issue, not just the reserves.

Council member Lipton felt there needed to be a focused discussion and analysis and didn't want to draft policy on the fly to get the budget done. He asked to spend more time on policy issues in the future.

Mayor Muckle supported Council member Stolzmann's position. He felt staff did a good job of sorting out where the money in the Open Space & Parks Fund was spent. He stated the Council must decide if they would maintain an acquisition reserve for 2016 or not.

Council member Lipton stated his understanding of the question as follows: Should General Fund reserves be transferred to the Open Space & Parks Fund or should General Fund reserves remain in the General Fund or should there not be any transfers at all until next year because there is not any pressure to purchase property.

Council member Loo noted she was initially okay with having the open space acquisition dollars in the General Fund. She thought the policy was drafted to address residents' concern. She supported open space acquisition funds in the General Fund, but felt a policy should be in place concerning having available funds when open space properties become available.

Mayor Muckle noted this was a recently crafted policy. Will we spend below minimum reserves if there are not enough dollars for an acquisition in the General Fund or would it create a policy to maintain acquisition money in the General Fund, in which case it might as well remain in the Open Space & Parks Fund?

Council member Leh commented the Open Space & Parks Fund is there because we have taxed ourselves to have those funds and are we doing what is required by the ballot issue.

Council member Loo felt citizens perceived there was too much money from the Open Space & Parks Fund being spent on maintenance of park land and not on acquisition of open space.

Mayor Muckle noted there were three top properties listed for future acquisition, but that didn't mean the City should be not be pursuing other properties on the list. He supported the idea of having money in the Open Space & Parks Fund for one acquisition.

Council member Stolzmann felt the discussion should start on the operating expenditures and how those should be funded. Is it appropriate to fund 100% of the

parks operating expenditures out of the Open Space & Parks Fund, or 50% from the General Fund and 50% from the Open Space & Parks Fund? It is the biggest expense and if the percentages for operating are determined, the reserve balance would shake out.

Council member Loo felt 50% was appropriate. Mayor Pro Tem Dalton stated the Council could determine the right amount of money from Open Space & Parks Fund for parks maintenance and operations after this budget cycle. He suggested 50% for this year and then having the discussion of what is appropriate in years to come.

Mayor Muckle asked for the fiscal policy on what Council wanted as the targeted fund balance of a required reserve.

Council member Lipton inquired whether the number of acres and dollars per acre for the top three properties was the correct target. City Manager Fleming noted the acre number is based on the top three properties.

Council member Loo was in favor of the Mayor's suggestion of having funds for one property.

Mayor Muckle suggested a reserve for purchase of 200 acres. He supported 50% this year and staff coming back with a suggested reduced reserve.

Council member Stolzmann suggested leaving the reserve policy in place if there was going to be discussion of changes soon. Mayor Muckle agreed there should not be extensive work on the subject.

DAILY FEES AND PROPOSED RESIDENT DISCOUNTS

Council member Lipton inquired if Section 4.7 of the Financial Policies, assumed the 75% subsidized fees for operation services of direct/indirect costs was just for children's programs.

Council member Stolzmann noted Section 4.6 stated costs will be recovered with fees on numerous things. Children's services are called out because the City is not recovering 100% cost.

Council member Lipton suggested a new title for Section 4.7 to show it is for children's programs. Council member Stolzmann noted the reason it was titled "Fees for Recreational Services" was it also contained the phrase concerning non-residents paying regular fees plus an additional 25% or $5.00, whichever was higher.

Council member Lipton noted if $5.00 is the fee for daily membership for residents, non-residents would have to pay an additional $5.00.

Council member Stolzmann confirmed that is what this financial policy would result in. She noted the analysis from the recreation center does not bridge back to the financial policy. She wanted analysis to show what it would like if the financial policy was followed.

Council member Lipton asked how the additional $5.00 was determined. Mayor Muckle noted it was likely a carry-over from previous policies. He suggested taking out the exact numbers.

Finance Director Watson noted this was current policy but Finance Committee wanted it left in for discussion.

Mayor Muckle wanted the amount for non-residents removed, but not the children's program recovery number.

Council member Lipton suggested the guiding principle should be non-residents should pay more because residents already pay through taxes. Mayor Pro Tem Dalton suggested 25% be the guide to determine additional non-resident cost.

Mayor Muckle noted the reason for not having a specific number between resident and non-resident was the declining usage because of surrounding opportunities. The fundamental principle of residents paying less because they already support the recreation center makes sense, but a specific number for non-residents should not be in the policy.

Council member Leh supported not having the policy contain specific numbers.

Council member Stolzmann wanted a future update showing subsidizing children's activities and non-residents paying more. She had no strong feelings about language.

Parks and Recreation Director Stevens addressed the proposed fee schedule. The resident/non-resident fee structure did not look at 25% as it pertains to daily admissions. The focus was daily admissions to the recreation center, which reflects an approximate 33% discount for residents to acknowledge the other ways they support the recreation center. Further analysis reveals 76% of the 20 visit passes are purchased by Louisville residents. The 10 visit pass was less. The annual monthly pass was where residents really take advantage at 91%. Combined, 77% are Louisville residents and the balance is non-residents. If the resident discount is adopted as presented, Director Stevens didn't see a big impact on non-resident usage.

Mayor Muckle asked whether these fees assumed in the financials Council is looking at for fund balances and the affect to cost recovery. Parks and Recreation Director Stevens noted it would have an impact, but not a dramatic one because of the increase for a non-resident. City Manager Fleming didn't think it would create much impact on overall revenue.

Parks and Recreation Director Stevens addressed fees and cost recovery for Youth versus Adults. The recovery for adults is cost plus, Senior programs are subsidized similar to Youth.

Council member Lipton asked if the proposal is to increase the discount for residents in 2016. Parks and Recreation Director Stevens responded yes, by 33%

Council member Leh suggested additional language in Section 3.4, which is a debt policy. In a previous section, financial advisors are subject to a competitive process. In this section concerning bond counsel, there is no competitive process mentioned and there should be similar language.

PAVEMENT MANAGEMENT SYSTEM AND 5 YEAR RESURFACING PLAN

Public Works Director Kowar explained this was the best estimate for paving statistics for the next five years. The lighter the winter the further the money will go toward streets. The colder and longer winters with lots of freeze/thaw cycles will result in less money for streets. The Plan is based on averages, but may change dependent on the weather. The statistics will provide what is necessary for pavement after this paving season. This represents 64 arterial lane miles, 67 collector lane miles and 132 local lane miles.

Overall Condition Index (OCI): An (OCI) is calculated for each street segment based on the following criteria: Distress Information: Quantity and severity of cracks, patches, etc. Pavement Age: Composition and Age of pavement section, traffic loading, etc. Work History: Patching, sealing, resurfacing, reconstruction, etc. The program is working as streets in the City are moving up in the OCI index. Average System OCI = 72 (2013) 74 (2014) 75.7 (2015).

He demonstrated the conditions by showing slides of the different levels of the OCI index. There was a map to demonstrate the OCI index throughout town. The downtown area has had a program to replace water and sewer lines, which delayed paving repair. Historically the City has not been able to keep up with the maintenance which puts the target OCI behind. He explained the performance of pavement and the proposed 5 year resurfacing plan.

Council member Stolzmann noted there is Council support to continue work to keep the roads in good shape.

Council member Lipton felt the condition of streets was the biggest complaint he receives from residents. He felt averaging the OCI didn’t reflect the reality of the conditions. He thought road repair should take priority. Major roads are important, but so are neighborhood streets.

Council member Leh noted the average OCI of the system was reported at 75. He stated the vast majority of failed streets appear to be in Old Town. This is a quality of life issue and some streets near schools look just as bad. He addressed the 5 year booster plan and noted the downtown areas were not in the plan.

Council member Stolzmann looked at the 2015 goals which proposed a 75 OCI by 2019 with a minimum of 35 on all streets. South Street was intentionally delayed due to the underpass. Main Street is the booster street for 2015 and a couple of streets scheduled for 2016. She suggested directing staff to add as many streets as can be budgeted in 2016.

Mayor Pro Tem Dalton supported Council member Stolzmann's suggestion to give specific direction to the Public Works Director. Over a three year period a grid should be done to raise the OCI and make a more substantial gain. Council would need to know what this would cost.

Mayor Muckle noted Council wanted to gain ground on this issue and realized there was no way to do it all immediately.

Council member Lipton thought staff had been told before that Council would accept OCI in the poor category. He wanted to set the bar higher.

Mayor Pro Tem Dalton noted it could not all be done in a year. He suggested reaching for what is possible and if the policy goal is incorrect, it could be changed later.

Public Works Director Kowar noted in this system there has to be a slow and steady approach financially or it will all denigrate at approximately the same time later and you end up having to face the cost all at the same time repeatedly. If you bring it up too fast there will be a deficit later on.

Council member Lipton felt we have been behind the curve and there needs to be a reasonable path to higher standards. He suggested maintenance be sped up in the spring.

Council member Loo agreed with other Councilors' comments. She recognized the cost of construction is escalating. She asked for the worst case scenario on what the cost would be.

Council member Leh expected a refinement on a concentrated effort for the low OCI streets in the downtown area and not being torn up for other projects. He also felt the schedule should be moved up.

Public Works Director Kowar noted he will look at all the lowest OCI streets.

Council member Keany stressed streets are high priority for residents. He did not want to see any black (failed) or red (serious) on the maps.

Mayor Muckle noted some decisions had been made for other things in years past. He asked to be cognizant of a slow and steady approach.

Council member Stolzmann asked for some reconsideration of pushing out some of the neighborhoods and stated some jargon reflects streets are okay, but this is in conflict with how residents view it. She asked the life cycle of chip seal.

Public Works Director Kowar responded chip seal lasts10 years. Council member Stolzmann asked if there could be a program for getting to each street every 10 years.

Public Works Director Kowar noted the system in place is not perfect but is best practice in the industry; the department is willing to evolve.

PRELIMINARY 2015 ASSESSED VALUATION

Mayor Muckle stated the net assessed valuation has increased in Louisville and there will be more revenue as a result, especially for the Urban Renewal Authority. There is no known number because of the expectation of appeals on the assessments. He suggested leaving this discussion for later.

Council member Stolzmann stated when Council adopts the budget, they set the tax level. She felt an obligation to taxpayers to note the assessed value went up by 18%, but asked the question as to whether the cost of providing service went up a similar amount. Should the tax level be the same, or should some be returned to taxpayers? All the taxing districts have the opportunity to re-look at their mill levy.

Council member Keany recalled a conversation in Finance Committee noting part of the increased valuation is new construction, which should come out of the calculation. Then question then becomes how much of the increased valuation is existing property and what has been the cost of living increase.

Council member Loo inquired if the mill levy was bumped down it would be okay with residents.

Council member Stolzmann noted the City was only one piece of the puzzle.

Council member Loo noted the cost of the City doing business is going up and citizen demand is increasing and was in favor of leaving the mill levy where it is.

Mayor Muckle echoed the cost of significant parts of doing business is going up.

Council member Keany said 14% was new construction.

Council member Stolzmann asked Finance Director Watson if the 14% was applied to the 18%. The answer was yes.

Council member Lipton noted the Fire District gets more than the entire City does. The City was not overtaxing and there was the expectation to handle the money wisely. Council member Stolzmann noted she had heard from several residents feeling their taxes had gone up when the valuation went up. This was the opportunity to take a look at whether the mill levy should be lowered.

Council member Loo noted the Fire District, Schools and the County are likely where the most impact could be made.

Mayor Dalton noted John Leary had made the statement many times regarding the amount of tax revenue collected by the City and that residences cost more in City services than the revenue they provide. The effects of property tax are very small and he was not in favor of changing it.

Mayor Muckle stated it is good to have diversification of revenue and with the changing nature of what the City collects, a constant is good.

BUDGET QUESTIONS/CHANGES

Council member Loo suggested looking at the summary of recommended significant changes - Operating and Budget increases exceeding $10,000. She asked for a description of the Weed Coordinator position. Council member Stolzmann asked for a future presentation of the Weed Plan. Parks and Recreation Director Stevens said with all the rain this season weeds became prolific. There are different ways to manage weed infestation.

Mayor Muckle asked how many FTE's are proposed in Parks and Open Space. City Manager Fleming noted 3 FTE's and $30,000 in contract funding for parks and open space programs focused on weed control.

Council member Keany saw Weed Coordinator and Park Technician III as only two positions.

Council member Stolzmann noted two seasonal positions to help maintain Parks and Horticulture/Forestry.

City Manager Fleming said the focus was not just weeds but also landscape maintenance. Parks and Recreation Director Stevens noted some of the unspecified land has been a problem for weeds.

Council member Lipton said Council had received a letter from the Open Space Advisory Board (OSAB) concerning the summer Open Space Ranger. Parks and Recreation Director Stevens noted this was a pilot program this last year and OSAB supported but it is budgeted for seasonal work.

Mayor Muckle wanted this to be a year round position. Parks and Recreations Director Stevens said they had changed the title and duties to Ranger/Naturalist because of the education piece and cooperation with the Police Department. Finance Director Watson noted this is a .5 FTE, the part-time non-benefitted personnel budget works on number of hours.

Council member Lipton noted the OSAB had had good discussion on a number of things this position could do and this position as full time is not expensive to add.

Council member Stolzmann felt the Ranger Position had changed from the original approval. She felt the education piece was good, but not what was funded. She saw scope creep on some of the programming and hikes. She asked if the Arborist Tech III added last year for this year's budget is in the base and if Horticulturist is additional. The answer was yes.

Mayor Pro Tem Dalton was bothered by the feeling of scope creep in the Ranger position. Mayor Muckle noted a kinder/gentler approach was asked for after hearing from the public about some aggressiveness.

Council member Lipton noted the Ranger did a lot and there were a lot of compliments. Parks and Recreation Director Stevens noted it was a pilot project and there was a lot of flex and push to get voluntary compliance.

Mayor Muckle inquired if there was Council support for this Ranger position being full-time. Council member Keany wanted to first see how adding hours to the Ranger position would impact other positions.

Mayor Pro Tem Dalton supported eliminating the Sustainability Coordinator, the CMO Intern, and the Historic Preservation Intern to accommodate a full time Ranger.

Council member Lipton cautioned there could be hidden costs with program development and funding programs, not just adding a full time position.

Mayor Muckle was unsure there would be hidden costs in the Ranger position. He asked about the City Manager's Office (CMO) intern. City Manager Fleming noted there was a request for a social media person and a management analyst and he could not recommend funding those, but thought it appropriate to request a summer intern particularly for social media.

Council member Keany felt the Sustainability Coordinator could support their position with grants. Mayor Pro Tem Dalton wanted some projected return shown and didn't favor funding this position.

Council member Stolzmann felt sustainability should be everyone's job. Council member Loo was not in favor of funding the Sustainability Coordinator position, the CMO Intern or the Historic Preservation Intern. She felt the Historic Preservation Master Plan needed to reduce the number of goals.

Mayor Pro Tem Dalton wanted have HPC vote for the things important to the Historic Master Plan and was not in favor of hiring an intern.

Council member Keany asked about not funding 5 police officers and if adding one or two would help. Chief Hayes noted adding 5 officers would allow one extra officer per shift. Adding one or two officers could help with the night shift. Currently there are five open positions, with 3 in line to go active and 2 going to academy. There is currently a regional shortage and difficulty getting candidates.

City Manager Fleming noted there has been difficulty keeping and recruiting staff in the Police Department. He will meet with the police department soon and share the salary increases available in 2016.

Council member Lipton asked about the PD strategic plan and wanted to see how it would affect positions. He wondered if turn-back could be invested in additional positions.

City Manager Fleming noted the call volume has not necessarily gone up, but the complexity has gone up. Chief Hayes agreed the complexity is up, there is cooperation with surrounding agencies and no lack of personnel for emergency calls.

Mayor Muckle felt the Sustainability Coordinator could be a good addition but agreed it should be everyone's responsibility. He felt the Ranger position was proven and would rather add hours there. He had no strong opinion on the CMO intern. He inquired about the Preservation Planner and what percentage of her time was to be spent on preservation. Planning and Building Safety Director Russ explained responded a third of the Preservation Planner's time is allocated to preservation, but she is in far excess of that time as the Master Plan has been created. It is challenging the Planning Department's ability to implement the Master Plan.

Council member Stolzmann felt the historic documents on funding for a historic planner should be reviewed. She thought the Historic Preservation planner was to be funded 30% from the Historic Preservation Fund, but it was not the amount of staff time allocated to be spent on historic preservation. Building and Safety Director Russ agreed the entire department is supporting historic preservation.

Mayor Muckle wanted to hear more about the needs for a Historic Preservation Planner and whether another part-time planner is needed or whether an Intern would suffice.

Mayor Pro Tem Dalton noted it said the position would implement the items on the preservation master plan and he stated before that he believes this would be a growth of government services he found unnecessary.

Council member Stolzmann did not support funding the CMO intern, HPC intern or the Sustainability Coordinator.

Council member Lipton wondered if the CMO intern was called temporary clerical help would Council even be seeing it. Council member Stolzmann noted there is currently no social media policy and she did not support what this position stands for.

City Manager Fleming noted staff is currently trying to cover all the bases and there just aren't enough hours in the day and this position, for relatively low cost, could help with those things. He stated he included this item for the healthy debate.

Council member Keany supported the Sustainability Coordinator position since he is liaison to that Board.

Mayor Muckle wanted to continue discussion for HPC intern. He found no support for the HPC intern from Council. He inquired if Council was interested in funding the Ranger position.

Council member Leh wanted to see more metrics for the Ranger position; what was funded and how it evolved as well as what the metrics could be over the winter months. Council member Lipton felt it helpful to know what the Ranger would do during winter.

Council member Loo wanted more information on the Weed Coordinator position.

Mayor Muckle supported the CMO intern with four other Council members agreeing; he asked it be brought back.

Council member Lipton noted the Council was considering only these positions when 7.6 were listed. Finance Director Watson said the three listed were new categories of part time non-benefitted positions.

Council member Loo asked staff to bring back the following items: Utility rate update: Wasn't this just updated? Fireside neighborhood plan consulting services and the Front Street Alley Study: She suggested Council stop studying things and just do them. She stated the City knows the problems with the Fireside Neighborhood Plans. She suggested digesting the small area plans first. CIP: If there are changes in numbers from June could staff point out why there is a difference.

Mayor Muckle said the neighborhood plan picked the Fireside neighborhood because of known issues but wanted to solicit information as part of a plan. Planning and Building Safety Director Russ noted because of the legal issues with PUD's, funds have been set aside for legal consultation in dealing with obsolete PUD's.

Mayor Muckle noted the alleys have parking implications and other implications. Planning and Building Safety Director Russ noted it is Front Street and two other downtown alleys. The dollars would be put into the underpass at Front Street north of Walnut and determine how to tie in that design effort as well as look at design around the pavilion. The alleys are tied to the arts district and their vision for tying it together with wayfinding and parking. There have been a number of requests to underground utilities.

Council member Lipton noted he has a number of CIP items. Mayor Muckle asked to address CIP next time.

Council member Stolzmann agreed with Council member Loo's comments on the recommended significant changes. She wanted to address Council work items at a future meeting. With respect to the budget document she requested more concise documents on the summary and CIP match, one page per CIP project and program specific revenue showing specific fees.

Council member Lipton wanted next year to be more program based. City Manager Fleming noted a lot of the program based budget will come with the new ERP and chart of accounts.

Council member Loo asked why the big percentage change in the City Council/legislative budget. She asked about the parking improvement fund fee. City Manager Fleming noted this is funds collected in lieu of businesses providing dedicated physical parking places.

Finance Director Watson stated the City Council budget increased for the citizen opinion survey.

Council member Stolzmann requested more information of the significant changes to the budget: Why City Services Building maintenance including utilities is so much more; downtown flowers and lights matching fund discussion; non-profit grant giving; agenda management software with web streaming and email outreach and grant for Austin-Niehoff, not assuming it will be received and what to do if not granted.

Mayor Pro Tem Dalton wanted consideration of the costs associated with potential for urban renewal at Sam's club.

Council member Stolzmann had questions on programs started last year and how they are going and should funding be continued including: Economic Development –

business development funding, advertising and marketing, printing; Cultural Arts – Events, Cultural Arts, CIP and building increase and DBA request.

Mayor Muckle requested at the next meeting each department be highlighted and reviewed on how programs are going. Council member Lipton asked the City Manager to make the presentation and hit the highlights.

City Manager Fleming said staff will compare notes and get back at the next budget meeting.

CITY MANAGER'S REPORT
ADVANCED AGENDA

City Manager Fleming asked Council members to respond to the email to help pin down the date for the Helburg Memorial, either October 27 or 28, 2015.

Concrete work will begin on Main Street this week with re-surfacing scheduled for October.

BUDGET ITEMS FOR SPECIAL MEETING ON OCTOBER 13, 2015 AND POTENTIAL FUTURE AGENDA ITEMS

Mayor Muckle requested departmental report and answers to Questions from tonight's discussion at the next budget meeting.

Council member Stolzmann requested a future agenda items on Policy on Open Space reserve level and Parks operating expenditures.

ADJOURNMENT

MOTION: Mayor Muckle moved to adjourn, seconded by Council member Leh. All were in favor. The meeting was adjourned at 10:31 p.m.

_____
Robert P. Muckle, Mayor

_____
Carol Hanson, Deputy City Clerk