

City Council Meeting Minutes

**June 3, 2014
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: Susan Loo, Ashley Stolzmann,
Jeff Lipton and Jay Keany*

Staff Present: *Malcolm Fleming, City Manager
Aaron DeJong, Economic Development Director
Kurt Kowar, Public Works Director
Joe Stevens, Parks & Recreation Director
Meredyth Muth, Public Relations Manager
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 moved to approve the agenda, seconded by Council member Stolzmann.
All were in favor.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

No public comments.

APPROVAL OF THE CONSENT AGENDA

A. Approval of the Bills

B. Approval of Minutes – May 20, 2014

- C. Approve June 24, 2014 as a Special Meeting***
- D. Approval of Tom Tennesen as a Full Member of the Local Licensing Authority***
- E. Approval of Resolution No. 31, Series 2014 – A Resolution Approving a Second Amendment to the Purchase and Sales Agreement Between Louisville Mill Site, LLC and the City of Louisville***
- F. Approve June 10, 2014 as a City Council Special Meeting to Swear in New Ward I Councilmember***

MOTION: Mayor Muckle called for changes to the Consent Agenda and hearing none, moved to approve the Consent Agenda, seconded by Council member Stolzmann. All were in favor.

COUNCIL INFORMATIONAL COMMENTS ON PERTINENT ITEMS NOT ON THE AGENDA

No comments.

CITY MANAGER'S REPORT

City Manager Fleming reported the City crews painted 25 no parking signs on the pavement in the downtown area just in time for The Taste of Louisville, on Saturday. This event will provide a test for the effectiveness of the signs. There will be parking enforcement in the downtown area and warnings will be issued.

REGULAR BUSINESS

APPOINTMENT OF WARD I COUNCILMEMBER

Mayor Muckle explained on March 20th Councilmember Emily Jasiak resigned her seat on the City Council, leaving the seat vacant with 3 ½ years remaining in the term. The City Council will appoint a Ward I resident to take office until the next state-wide general election (November of 2014). A majority vote (4) of the remaining members is required to appoint an applicant to the position. Candidates who were interested in filling the vacancy submitted applications and were interviewed by the City Council. There were originally four candidates, but two candidates subsequently withdrew. The remaining candidates are Susan Honstein and Jayme Moss. The City Council will vote by paper ballot on the appointment of the Ward I Council member.

COUNCIL COMMENTS

Mayor Muckle noted Susan Honstein currently serves on the Cultural Council and has been very active in community issues. He felt she was an ideal candidate to fill the vacancy because of her service and participation at meetings.

Council member Stolzmann thanked all the four candidates who applied and the two remaining candidates. She noted both candidates are excellent choices and would serve the community and Ward I very well. She voiced her hope all the candidates would run for City Council sometime in the future.

Mayor Pro Tem Dalton concurred and applauded all four who applied and the two remaining candidates. He noted it is quite a time commitment to serve on City Council.

PUBLIC COMMENTS

The following residents spoke in support of Susan Honstein:

Jane F. Evan, 436 E. Fir Court, Louisville, CO
Linda Armantrout, 443 E. Raintree Court, Louisville, CO
Justine Vigil-Tapia, 1201 Grant Avenue, Louisville, CO
John Rommelfanger, 1016 Arapahoe Circle, Louisville, CO

COUNCIL COMMENTS

Mayor Pro Tem Dalton stated the candidate who is not get chosen, should not take it personally as both are excellent candidates.

Council member Lipton noted this appointment is only until November. The successful candidate will have to run for election in November.

Council member Loo thanked the two candidates who dropped out, Dr. James R. Stuart and Michael Menaker and felt either one would have done an excellent job. She thanked the two remaining candidates and voiced her endorsement for Jayme Moss. She felt Jayme offers a fresh perspective to the City Council.

Paper ballots were distributed to the City Council. The voted ballots were tallied; Mayor Muckle and Council member Stolzmann voted for Susan Honstein.; Mayor Pro Tem Dalton and Council members Loo, Lipton and Keany voted for Jayme Moss.

Mayor Muckle explained because there was a majority vote on the first ballot, Jayme Moss would be appointed by acclamation.

MOTION: Mayor Muckle moved to appoint Jayme Moss by acclamation, seconded by Mayor Pro Tem Dalton. The vote was 6-0.

RESOLUTION No. 32, SERIES 2014 – A RESOLUTION APPROVING A BUSINESS ASSISTANCE AGREEMENT WITH TUSAAR CORPORATION TO LOCATE TO 385 SOUTH PIERCE AVENUE IN THE COLORADO TECHNOLOGY CENTER IN THE CITY OF LOUISVILLE

Mayor Muckle requested a staff presentation.

Economic Development Director DeJong requested City Council action on a proposed Economic Development Business Assistance Package (BAP) for the location of a new facility for Tusaar Corp. The proposed business assistance is similar in nature to others recently granted, including a partial rebate on both the building permit fees and construction use tax for tenant improvements to 385 South Pierce Avenue in the Colorado Technology Center (CTC).

Tusaar was established in 2009 to commercialize technology invented and patented at the University of Colorado in Boulder. The development and research has been funded by the U.S. National Science Foundation and the U.S. Department of Energy. Tusaar's technology is a process, which involves the surface treatment and permeation of granulated activated carbon with environmentally friendly organic compounds to remove metals and other materials from water, recycled materials, and ores. The technology keeps metals and materials out of the waste stream.

Tusaar is proposing to establish their first pilot plant to commercialize their technology. They currently have laboratory space in Lafayette and will maintain this operation and location. They are looking for a second location. The project will employ 10 new jobs earning a salary above the Boulder County Average Wage of approximately \$59,000 per year. Tusaar is also evaluating locations in Boulder and Gunbarrel.

Staff estimates Tusaar will generate new revenue of approximately \$6,000 from building permit fees and construction use taxes directly to the City in the first year of operation, given an investment of \$100,000 for the tenant improvements. Approximately \$500 of that amount is fees designated for Open Space and Historic Preservation purposes.

Assistance Offered: 50% rebate of City Building Permit Fees and 50% rebate of Construct Use Taxes. The incentives are capped at \$3,000. Staff recommended City Council approval of Resolution No. 32, Series 2014, a Business Assistance Agreement with Tusaar Corporation for tenant improvements at 385 South Pierce Avenue in the Colorado Technology Center in the City of Louisville.

APPLICANT PRESENTATION

Gautam Khanna, Tusaar Corporation President, 720 Johnson Street, Louisville, CO, explained Tusaar uses CU technology for water treatment, nuclear waste management and the extraction of valuable metals from recycled materials. They will not bring any radioactive materials into Louisville or Lafayette. He explained Tusaar is proposing to establish their first pilot plant to commercialize their technology in Louisville. Their lab is currently in Lafayette and will maintain at this location. Their first project is the recycling of light bulbs.

MOTION: Council member Loo moved to approve Resolution No. 32, Series 2014, seconded by Mayor Pro Tem Dalton.

Council member Stolzmann commented the Council is aware Tusaar is looking at other areas. She reported working at other pilot areas and noted Louisville is a very good choice as there are a lot of talented and skilled people in the area.

VOTE: Roll call vote was taken. The motion carried by a vote of 6-0.

DISCUSSION/DIRECTION/ACTION – SINGLE HAULER RESIDENTIAL TRASH SERVICE

Mayor Muckle requested a staff presentation.

Public Works Director Kowar addressed the large public response to the single hauler residential trash service. City staff is aware of their concern and tried to get back to as many members of the public as possible.

He outlined the City goals during the entire process. The first goal was to create a competitive environment for a large contract, which exists within the City every five years. The second goal was to increase waste diversion as much as possible and take refuse from going into the landfill. The third goal was to explore the value, which may be possible through the competitive process, for the best service and price. Staff presented the analysis and recommendation based on prior City Council discussion. At the last City Council meeting staff presented the bid information and a recommendation. City Council requested more information in a format which illustrated the impacts to the residents and better explained the rate structure.

Public Works Director Kowar presented the following information:

The average cost per account per month:

- | | |
|---------------------|---------|
| • Current | \$18.55 |
| • Waste Connections | \$20.82 |
| • Republic Services | \$21.06 |
| • Western Disposal | \$22.96 |

The total 5-year overall cost increase in solid waste disposal:

- | | |
|---------------------|-------------|
| • Current | - |
| • Waste Connections | \$ 581,335 |
| • Republic Services | \$ 655,061 |
| • Western Disposal | \$1,245,673 |

Residential References:

Current	Excellent/Very Satisfied
Waste Connections	Good/Satisfied
Republic Services	Excellent/Very Satisfied
Western Disposal	Excellent/Very Satisfied

Composting & Emerald Ash Borer Impacts:

Current	Compost Bins
Waste Connections	Landfill
Republic Services	Separate Woody Yard Waste Spring/Fall Curb Pickup, 5 Drop-off areas selected by the City
Western Disposal	Compost Bins

Schedule of Pickup:

Current	Thursdays
Waste Connections	M-F Saturday Makeup
Republic Services	M-T Friday Makeup
Western Disposal	Thursdays

Public Works Director Kowar explained there was a lot of concern expressed about the truck traffic, the impact to the residents and the number of trips made. Overall, the number of trips will remain the same. There will be four trucks on the road everyday Monday through Thursday performing, trash, recycling and compost services, versus Western Disposal's eight trucks.

Fleet Makeup:

Current	Diesel
Waste Connections	Diesel
Republic Services	100% CNG
Western Disposal	75% Today, 100% CNG by 2017

Staff recommended the following: Renegotiate a contract extension, if necessary with Western Disposal. Negotiate a contract with Republic Services, which reflects a clear "Pay as You Throw" program; maintaining Republics original baseline cart mix price, and maintaining proposed additional services and prices. If Republic Services negotiations are unsuccessful, negotiate with Western Disposal. Finally, should the negotiations with Western Disposal prove unsuccessful, issue a new Request for Proposals (RFP).

APPLICANT PRESENTATION

General Manager Mark Allen and Municipal Relations Manager Dominick Moreno, Republic Services, 5075 East 74th Avenue, Commerce City, CO, were available to address City Councils' questions.

Mr. Moreno stated at the last meeting there was discussion regarding Republic's rate structure. After further discussion, Republic believes a flat rate for composting would be a benefit for Louisville. It would only be a dollar increase from the smallest compost container to the largest container, thereby encouraging residents to increase their compost capacity and diversion. He addressed the concern expressed over the trash

rate and noted the cost of the cart has not changed but the distribution amongst the carts has. He presented a cart distribution chart to members of the City Council.

Mr. Allen explained the change in the cart distribution does not change the bid proposal; it merely looks at the cost dispersion amongst the different containers. He stated Republic looks forward to helping the City increase their diversion of solid waste.

Mr. Moreno explained he spoke with EcoCycle to let them know of Republic's pricing structure, which keeps to the City's Pay as You Throw program.

COUNCIL COMMENTS

Council member Lipton expressed his concern over the process for collecting compost and the woody materials. He stated his understanding Republic would pick up woody materials twice a year, otherwise resident would have to haul such materials to a designated drop-off site. He noted most of the composting in his neighborhood consists of woody material and many residents do not have vehicles to haul away these materials to a drop-off site. He was concerned the woody material would end up in the trash, which could prove problematic with the threat of the Emerald Ash Borer (EAB).

Mr. Moreno explained the proposal is to collect these materials curbside in the spring and fall, when residents do a large amount of landscaping. Should any woody material be collected in the trash, it would be taken to the Foothills facility, which is in the EAB quarantined area. The drop-off area designated in Louisville would provide public notice and education about the quarantine of the Emerald Ash Borer, to allow residents to assist Republic Services in complying with state regulations. They have partnered with A-1 Organics, who is familiar with the remediation efforts, which must take place in order to meet state regulations.

Council member Lipton was concerned with only two annual curbside pickups of woody materials. He did not feel it was fair to ask the residents to put these woody materials in their vehicle and drive to the drop-off site. He felt it would be counterproductive to the City's goals. He voiced his concern over the way the RFP was set up.

Public Works Director Kowar agreed with Council member Lipton. He noted it is unknown how long the quarantine will be in effect. Staff felt the discussion on the compost issues has value. He explained it was a competitive service, but took away the convenience, with the quarantined materials.

Frank Bruno, 235 Inca Parkway, Boulder, CO President and CEO of Western Disposal, congratulated the City Council on the successful Impact on Education event. He thanked Council working with Western Disposal for the last five-years to establish Louisville's recycling and composting effort. He noted enormous progress has been made to date, but much more work needs to be done to increase recycling. He focused on two main points:

1. The City's RFP clearly requested a unit based Pay as You Throw pricing strategy to encourage diversion. The strategy was devised by the City of Louisville and Western Disposal was the only responsible bidder in that context. He felt the diversion pricing should be as important as the average pricing in your consideration and rating.
2. Relating to the Emerald Ash Borer, Western Disposal has spent a great deal of time learning how to deal with this problem. Western is the only state-approved facility in the county to treat the materials and allow them to move beyond the quarantined zone. He urged Council to verify any plant is actually approved by the state. Staff is recommending renegotiations with Republic to modify their pricing to meet the RFP. He voiced his belief Republic's proposal did not meet specifications of the RFP. Western Disposal's pricing strategy did meet the requirements. He urged Council to reconsider and commence contract negotiations with Western Disposal.

COUNCIL COMMENTS

Council member Lipton inquired about Western's proposed pricing for some sort of extension. Mr. Bruno stated Western Disposal will work with staff for an extension on the contract. He noted their commitment is to their customers and the City of Louisville.

Council member Keany stated the alternative to negotiating with a different vendor, and negotiating with Western Disposal would be to issue a new RFP, which can address Council's concerns. An extension may not be a change in the carrier. He felt the RFP should be reissued with more specifics regarding pickup schedules, alternate days and a pricing strategy. He stated the carriers bid in good faith, but the RFP did not accomplish what Council expected it to do. The extension would allow for a new RFP process to be completed.

Mr. Bruno stated it was not their desire to extract a penalty for not receiving a contract. It would be a matter of figuring out how to provide continuing services to its customers.

Council member Stolzmann was not in favor of issuing a new RFP because she felt the same information would be brought back. She felt there was enough information and public comment for Council to make an informed decision. She stated with the one-day pick-up, the Emerald Ash Borer and the Pay as You Throw program are persuasive reasons to negotiate a contract with Western Disposal. With Western's response, 5% of the citizens will see an increase over six dollars. With Republic's response 25% of citizens will see an increase over six dollars. With all the information before the City Council, they can make a decision tonight. She felt the issues could be worked out and the City could partner with Western Disposal. Then over the next five years the City can look at what is driving the cost and pass those savings on to the community. Mayor Pro Tem Dalton concurred.

Council member Lipton thanked staff for their rigorous analysis, which he felt was done in good faith. He stated the City has only done the single hauler RFP once before and every time it is done; it is a learning process for the Council, staff and the citizens. He felt the RFP was a fatally flawed document and there should be another RFP with specific requirements and specifications where the respondents can offer other services in addition to price, which can be weighted. He noted the Emerald Ash Borer is of concern, but the issue may not be the same in the next five years. He suggested the contract with Western be extended one year and during that time; establish a new bidding process for the RFP, which would finalize for a long-term contract.

Mayor Muckle noted the single hauler contract is a very high priority for the City Council. The Council's goal is not to undo what was established five years ago in terms of the basic principles of the solid waste management. He felt Western's proposal was responsive to what was requested. He stated the pricing index was an internal document and not included in the RFP. He was ready to make a decision tonight.

Mayor Pro Tem Dalton did not believe the RFP was fatally flawed and noted the Council felt if they could achieve a lower price for the service, it would make sense to make price an objective, which lead to unintended consequences.

Council member Stolzmann stated the RFP process was not perfect, but not fatally flawed. The Council was able to hear from the community and provide for what the citizens want. She was not sure a one-year extension of the contract was realistic. She suggested a shorter termed contract.

Council member Keany was willing to direct staff to renegotiate with Western Disposal and move forward. He stated most of the Council agrees, and is aware of the public's support.

Mayor Muckle thanked the public for coming to the meeting and voicing their opinions. He explained public members wishing to speak will be given three minutes. He asked the public, who support Western Disposal to raise their hands. He also asked the public to raise their hands if they supported a renegotiation strategy. The majority of the public members raised their hands on both questions.

PUBLIC COMMENTS

Dr. Lisa Skumatz, 762 Eldorado Drive, Superior, CO explained she is speaking as a trash and recycling expert. She works around the nation and internationally on Pay as You Throw and best management practices in solid waste and recycling for communities. She stated the leaders in recycling around the country will tell you their two mantras are incentives and convenience. A Pay as You Throw program can be an incentives for households. 80% or more gives a much higher rate recycling and 80% is the same as charging 80% more. She urged Council to look at an option, which has a

much higher incentive. She stated the organics portion did not meet the threshold of convenience and suggested the Council consider incentives for organics disposal. She felt it should be easy for their disposal, rather than difficult. She suggested the Council look at trade-offs opposed to issuing a new RFP.

Alexandra Bradley, 1385 Caledonia Circle, Louisville, CO voiced her concern over residents being required to retain woody debris six months. She felt if were in close proximity of their homes it may cause a fire hazard. She asked where the woody debris would be stored.

R.J. Harrington, 457 E. Raintree Street, Louisville, CO addressed the integrity of the process. He stated the five-year contract has a renewal provision and noted Republic was allowed to present new pricing, but Western was not given the same opportunity, which he felt was a flaw in the process. He concurred with Dr. Skumatz on the 80% differential with regards to recycling. He stated there are many residents who would like to be engaged during the process instead of after the fact. He thanked Council for their informed discussion.

Paul Crowder, 296 S. Buchanan Circle, Louisville, CO thanked the City Council and staff for the transparent process. He supported Western Disposal.

Mark Persichetti, 1402 Taft Place, Louisville, CO stated when he participated in the review process he was disappointed and surprised by Western's 22% increase, but as a resident, he supports Western Disposal. He felt Republic would have a difficult time in providing a satisfactory solution to the handling of the Emerald Ash Borer and it is disappointing Boulder County only has one compost yard. As a private citizen, he would not have a problem paying the 22% increase. He requested Council award a contract to Western Disposal.

Randy Woorman, Communities Campaign Manager for Eco-Cycle, 6400 Arapahoe Road, Boulder, CO, explained Eco-Cycle began in 1976 as the first company to offer curb side recycling. Today they are the oldest and largest non-profit organization in recycling, and work around the globe to conserve resources through best zero-waste practices. Eco-Cycle believes Boulder County is the model for sustainability in the state and country. Since 2009, the City of Louisville has been at the forefront. Louisville is a best practices model for recycling and compost services.

John Leary, 1116 LaFarge Avenue, Louisville, CO addressed the woody debris issue and stated his 95 year-old neighbor is willing to pay \$2.15 extra to keep his woody debris in his 32-gallon compost container. He voiced his concern over the RFP process and felt it created a lot of unnecessary controversy. He noted this is a decision, which has many different decision factors that are weighted differently. They are weighted according to the functions of their values. He stated staff is hired for their technical and management expertise, but not for their values. He felt the process would have been

better if the information was presented with options outlining the pros and cons. Then Council could make the decision based on their values.

Susan Morris, 939 W. Maple Court, Louisville, CO thanked the Council for raising all the important issues. She supported Western Disposal for their exceptional service; Pay as You Throw; one-day service and woody debris collection. She asked if Western would continue its free quarterly large pick-up service. She thanked Council for their due diligence.

Doug Grinbergs, 530 W. Sycamore Circle, Louisville, CO stated some items weren't addressed in the RFP process including trash truck noise and windy days where trash and recycling is spewed around the City. He noted most disposal companies do not put secure lids on their containers, but Western secured the bin lids. With respect to Pay as You Throw, he would like to have a lower rate for his low trash output. He supported Western Disposal, a local company, which has tours and open houses. He stated they are green, professional, try hard and deserve the City's business.

Deborah Kalish, 477 Fireside, Louisville, CO addressed the process and stated she the attorney and represents the purchasing department for the City of Boulder. She stated the RFP was fine; it addressed what is expected with respect to price structure. She felt the flaw in the process is the lumping price structure in with pricing. She felt only Western was responsive to the RFP. The other companies did not consider a Pay as You Throw program. She recommended the City Council award the five-year contract to Western.

Carol Hughes, 954 Eldorado Lane, Louisville, CO concurred with the comments made by other speakers. She voiced her support for the one-day per week trash pick-up. She explained in Westminster trash is picked up every day of the week.

Janet Sommerville, 490 Lincoln Court, Louisville, CO stated Western Disposal has been reliable, friendly and courteous and many of her neighbors are willing to pay more for the same day of the week services.

Mark Allen, Republic Services, stated they loved the process and want to earn the City's business. He felt the RFP was very clear. He requested it not be a five-year contract and noted respect to the Emerald Ash Borer, things will change.

COUNCIL COMMENTS

Council member Loo questioned Westerns five-year overall \$600,000 cost increase and asked for an explanation of the increase. She preferred both companies comeback with an apple-to-apple comparison. She stated staff did an admirable job of trying to get the best cost ratio and should not be criticized for it. She wanted both companies to present their best prices.

Council member Keany disagreed with asking both companies to present their best prices. He felt it would be the same as issuing a new RFP. He was more comfortable with a one-year or two-year contract extension with Western Disposal and doing a new RFP in a year or two. He voiced his appreciation to staff and thanked Republic for their comments. He asked Public Works Director Kowar if Western's free quarterly pickup is going away. Public Works Director Kowar confirmed the free quarterly pickup was eliminated in Western's proposal. There is a cost sheet reflecting various pickup items.

Council member Lipton agreed with Mr. Leary, the RFP was too open-ended. He requested before the City Council decides or votes, a City Attorney or City Manager opinion on the Council's discretion on the proposals.

City Attorney Light stated the RFP expressly reserves discretion to the City, as long as the proposals are being evaluated in good faith, according to the selection criteria, the Council's judgment will be given substantial deference legally. The selection criteria in the RFP states the City reserves the right to select proposals, which are most advantageous to the City, even if it is not the least expensive proposal. Proposals will be evaluated on cost, customer service, schedule, qualification and services offered; equipment, references and the completeness of the RFP's submittals. If Council desires to contract with Western or Republic for a five-year term, all financial obligations of the City have to be subject to annual appropriations. If the same form of contract is used currently in place, the contract gives either party the option to terminate on any anniversary date with six month notice and it does not require cause. A separate provision provides a basis for Cause when the City Manager makes a determination the service provided is inadequate according to the service standards. The question is what is in the best interest of the City or most advantageous for the City.

City Attorney Light recommended against rejection of all the proposals and if they want to proceed with a contract, provide notice of award, subject to conditions, and then finalize the terms of the contract. He noted the City reserves the right to determine the final terms of the contract.

Council member Lipton asked short of rejecting all the proposals and starting the process over, if Council wanted to award Western the contract, would they be required to do a point assignment. City Attorney Light explained the RFP did not include the point schedule. At the time the proposals were submitted there was not an expectation that point could be attributable to various aspects of the RFP. He stated there are a number of ways to look at the pricing and the pricing structure. If Republic had the lowest price, but Western offered the better service, Council could decide what is in the best interest to the City, or most advantageous to the City. Council is not bound by the percentage allocations in the staff communications.

City Manager Fleming pointed out the rationale for including staff's point evaluation was to inform Council on how staff was evaluating the process, and not to suggest it was

necessarily Council point factors. Council looks at the evaluation and suggest customer service or scheduling is a higher value. Staff wanted to be clear and transparent.

Mayor Muckle stated if Council chose Western it would be based on the price structure they offer, the ability to deal with the Emerald Ash Borer issue, single-day pickup and customer satisfaction. He proposed going forward with a five-year contract, with a clause for termination for convenience with a 6-months notice.

PUBLIC COMMENT

Paul Crowder, 296 S. Buchanan Circle, Louisville, CO supported going forward with Western Disposal negotiations. He suggested if a contract cannot be successfully negotiated with Western, it would be Republic Services.

COUNCIL COMMENTS

Council member Stolzmann asked if the City's facilities and the special events are included. Public Works Director Kowar stated they were not. He explained it is just for residential.

MOTION: Council member Keany moved to direct staff to issue a notice to proceed with Western Disposal based on Council's weighing of factors including composting services capabilities related to Emerald Ash Borer quarantined, one-day pick up services, and improving customer service performance to the City's residents. Council member Stolzmann seconded the motion.

Mayor Muckle offered a friendly amendment to include the price structure offered by Western Disposal. Council members Keany and Stolzmann accepted the amendment.

City Attorney Light offered a friendly amendment "subject to the negotiations of the final terms of the contract for services; such contract to be returned to City Council for final action at a future meeting". Council members Keany and Stolzmann accepted the amendment.

Public Works Director Kowar asked for clarification on the motion to proceed with the notice for a contract and if it were for five years, and annually renewable. Council member Keany confirmed it was to issue a notice for a five-year contract.

Public Work Director Kowar asked on what portion of the proposal should the City staff negotiate. City Attorney Light explained because there is no contract with Western Disposal, the intent for the contract with Western Disposal is to tie-up all loose ends and be bring it back for final authorization.

Mayor Muckle felt staff could negotiate the contract based on Council and public comment. City Attorney Light explained the other option would be for Council to

authorize the Mayor and City Manager to negotiate and the Mayor to execute the final contract. Mayor Muckle preferred the entire Council review the final contract.

COUNCIL COMMENT

Council member Loo commented on the \$600,000 fee difference, and stated she would request Western Disposal consider more free bin changes; free bulk pickup and pay for a couple of special events.

VOTE: Roll call vote was taken. The motion carried by a vote of 6-0.

DISCUSSION/DIRECTION/ACTION – COAL CREEK GOLF COURSE STRATEGIC PLAN

Mayor Muckle requested a staff presentation.

Parks and Recreation Director Stevens explained over the past few months staff has been working with Jim Keegan, managing principal, Golf Convergence, Inc., to develop a strategic plan for the golf course. Mr. Keegan would make this evening's presentation. Mr. Keegan has been involved in programs for over 4,000 golf courses all around the world. He is highly regarded in the business of golf. In the 1990's the chances of building a successful golf course was very good, but with the downturn in the economy, it has become more difficult. Today, there are probably 40% more golf courses than are fiscally sustainable for operations and capital expenses. Based on that perspective and the 2013 flood, Coal Creek Golf Course is moving from outsourcing management and maintenance to bringing it in-house. An expert from the outside can provide a different perspective. Council direction is requested from a budgetary perspective and regarding future operations and improvements to the golf course. He introduced Mr. Jim Keegan with Golf Convergence, Inc.

Jim Keegan, Golf Convergence, Inc., Managing Principal, 4215 Morningstar Drive, Castle Rock, CO, would review the model business plan for reopening of the Coal Creek Golf Course; the process in which the model was built and the hurdles and significant barriers which may be encountered between now and when the golf course reopens. He explained Parks and Recreation Director Stevens asked him to provide a business model, which upon the City investing \$5 Million, would be self-sustaining moving forward. He asked the City Council the following key questions:

1. Does the Golf Course need to be self-sustaining?
2. How much of a priority is establishing a fund for future capital replacement?
3. How much support from the Capital Projects Fund and General Fund must the Golf Course Fund repay?
4. Should the golf course be supported to some extent from the General Fund to recognize the non-golf community benefits it provides?

5. Should the resolution and rules governing the Golf Course Advisory Board be re-written?

Assumptions and Caveats: \$50 Green Fees.

1. Delays in opening will aggravate the 2015 financial forecast.
2. The City will honor all remaining balances on 2013 Summit club and Peak Players season passes, gift certificates and rain checks. The financial impact of season pass and loyalty cards outstanding in 2013 is estimated at \$47,250.
3. Food and Beverage concession lease can be successfully bid.
4. The historical rounds performance will continue unabated upon opening the course.
5. The grown-in can be subcontracted for \$400,000.
6. Water costs can be deferred to 2016.
7. Equipment purchasing or lease will be funded from CIP fund.
8. Comp (FREE) rounds will be reduced from 13.06% to 5%.
9. Season Passes and Loyalty Card eliminated with the introduction of Punch Pass Cards offering discounts from 10% to 20%.
10. No Shows are charged.
11. Free Winter Golf eliminated.

Not all golfers contribute equally. Since opening the Coal Creek Golf Course, the frequent visitor receives highly discounted fees via season passes and loyalty cards (Summit Club – 31.02% discount and Peak Player – 17.02% discount and seniors – 28.39%). Loyalty golfers play at a 30% discount. Staff would like to eliminate the loyalty card and introduce a punch card.

The following seven numbers determine the course's potential: mosaic profile; age; income, ethnicity, number of golfers; slope rating and highest rack rate. The Coal Creek Golf Course rates high in mosaic profile; age, income and ethnicity, but low in the number of golfers, slope rating and highest rack rate.

Mr. Keegan addressed the question as to the role of the Golf Advisory Board. The Board was created in 2010 for the purpose of formulating a business plan for the Coal Creek Golf Course; to advise and guide Western Golf Management and to provide recommendations to the City Council on matters relating to the golf course. This has resulted in golf advisors calling competitors in other cities and asking for proprietary information, such as rate structures. In his conversations with Park Directors in other cities, this reflected poorly on the City of Louisville.

Mr. Keegan addressed the question as to whether the Golf Course needs to be self-sustaining. He noted the Indian Peaks Golf Course in the City of Lafayette, which is often used as the model for self-sustaining, will consider bonding for a new irrigation system.

Council member Stolzmann noted the Council packet did not contain any information about Indian Peaks Golf Course. Mr. Keegan explained the Colorado Golf Association conducts a private poll of all the public golf courses in terms of the rounds and revenues and shares the information at a Public Golf Course Meeting, but just amongst the public golf courses. Based on Golf Convergence's connections with the Colorado Golf Association, they gave this information to apply to the revenue model and it was shared with Parks and Recreation Director Stevens, but the information is not public.

Mr. Keegan addressed role of the Golf Course Advisory Board. Council member Stolzmann recommended the role of the Golf Course Advisory Board be discussed by the City Council at a later time and not in conjunction with the golf course business model.

Mayor Muckle agreed and stated Council would not discuss the role of the Golf Course Advisory Board at this time.

Mr. Keegan stated he was retained to determine whether the Coal Creek Golf Course can be economically self-sustaining. Based on a \$50 Green Fees and no season passes or loyalty cards, and if the Capital Funds are to be expected to be replaced and a reserve be created, the answer would be no. The City would be down approximately \$200,000 per year.

COUNCIL QUESTIONS

Mayor Muckle asked if it reasonable to set aside a smaller reserve in the earlier years when the Water Utility Debt is paid and then set aside more in later years. Mr. Keegan stated the payment would have to be larger \$250,000 to \$300,000. The cost of renovating a golf course today is \$8 million dollars, using the golf course builders' model, which includes everything starting from scratch.

Mayor Pro Tem Dalton requested the average price per round that the Coal Creek Golf Course could charge and produce the effective number of rounds per year, enjoyed over the last few years. Parks and Recreation Director Stevens stated the average is about 34,000 rounds.

Mayor Pro Tem Dalton asked how much per round can be charged and not lose rounds of golf. Parks and Recreation Director Stevens reported staff has discussed dynamic pricing with the Golf Course Advisory Board. There is no problem filling the golf course on holidays, Friday afternoons, Saturdays and Sundays, which affects the price.

Mayor Pro Tem Dalton stated airline companies are the experts in dynamic pricing. They know how much they have to get per seat. He asked how much could be charged for a round of golf.

Mr. Keegan explained the effective revenue per round of golf of \$42.00, would suggest a retail price of \$70.00 would put Coal Creek Golf Course in the top ten of the most expensive golf courses. If the course is superior, the pricing of \$70 -\$75 would be an appropriate place to start. Based on demand the prices would fluctuate.

Council member Lipton stated he was not interested in subsidizing golfers, nor did he know what to cut in the budget in support of the golf course. He noted there are other important services and priorities. He voiced his appreciation to Mr. Keegan for his experience and expertise and for presenting the information. He was in favor of reducing the number of free rounds and discounting. He felt the debt to the Waste Water Fund should be paid in 2020. He stated what is needed is a 20-year cash-flow budget for replacement requirements.

Mr. Keegan explained the Golf Course Builders Association of America have 13 components to the golf course; The greens need to be replaced every 30 years at a \$900,000 cost; the irrigation system are replaced at 25 years at a cost of \$1.2 to \$2 million and bunkers, sand, tee, range have a lifespan of 5 years at replacement cost of \$400,000. Using those numbers, the entire 13 assets are taken over their expected life and the annual reserve is calculated for replacement of each component. The cost was calculated at \$120,000 per year.

Council member Lipton noted if the \$120,000 annual reserve is not collected for the first five years, the reserve would be \$600,000 in debt. He did not believe the debt would make or break the model over a 30-year period of time.

Mr. Keegan confirmed Council member Lipton's statement. He explained the City of Lafayette is looking toward a bonding mechanism to replace the irrigation system at Indian Peaks.

Council member Keany asked if the average rounds include the free rounds. Parks and Recreation Director Stevens confirmed they did. He stated in one year, out of 36,000 rounds of golf, 28,000 were paid rounds. He explained Western Properties used free winter golf as a marketing tool. In discussions with the Golf Advisory Board there was no support for free winter golf. There is still debate of discounts and whether it be Peak Player discounts or punch cards, but the bottom line is the City wants to golfers to come back and will reward loyalty. The renovations of the golf course this year is \$5 Million, which will put the course in good shape. He noted some of the techniques used will save money over the long run. Staff would like Council direction on what they'd like to see at the golf course, including capital improvement projects, over the next 10 years and fees.

Council member Lipton preferred to have some prudent financing as the need arises, with a plan to retire the loan within a reasonable period of time and not to rely on the general fund for a continuing subsidy for golf.

Mayor Muckle stated it is clear the golf course has to repay the Water Utility Fund loan. Mr. Keegan asked if Council would require the \$750,000 from the Capital Improvement Project Fund for equipment to be repaid.

Council did not expect repayment for the \$750,000 for the equipment to operate the golf course.

Council member Lipton asked where the working capital to operate the golf course would come from. City Manager Fleming stated it is budgeted as a proposed expenditure in 2014 and the remainder is budgeted in 2015.

Council member Loo asked if the Golf Course Advisory Board has looked at the questions and responded. Mr. Keegan stated the Board has yet to decide on the appropriate green fees, the range is from \$49 - \$59 for the appropriate posted rate, but at that rate, the golf course will not be self-sustaining. It may be self-sustaining if the golf course is not required to provide for the capital replacement cost.

Council member Stolzmann asked if the Golf Course Advisory Board present could address the questions before the Council. Parks and Recreation Director Stevens explained the Golf Course Advisory Board has not made any recommendations. This information is still a work in progress. Assumptions have been made in the modeling, which include programs to generate revenue. There hasn't been a decision made on food and beverage, golf cart rental rates, driving range and the lesson program. He stated the green fees are just one revenue stream.

Council member Loo felt the golf course operations should be self-sustaining.

City Manager Fleming stated the first three questions are strategic questions for the City Council to decide and provide direction to the staff and the Golf Course Advisory Board so they may formulate a detailed business plan.

Council member Loo addressed question two, which asks the priority of establishing a fund for future capital replacement. She felt there should be some creative budgeting.

Council member Keany stated the questions are policy questions for the City Council to decide. They aren't Golf Course Advisory Board or staff questions, they are policy questions for Council to decide whether they are going to support the golf course in this manner or not. He felt each question should be discussed individually and then voted upon. Staff cannot go forward with the financial model without Council direction. With respect to question five relative to the resolution and rules governing the Golf Course Advisory Board, the City Manager will draft changes to the resolution.

PUBLIC COMMENT

Sandy Stewart, Golf Course Advisory Board, 649 Augusta Drive, Louisville, CO addressed the Western Golf Course payment of \$180,000 per year. They were a for-profit company and it is difficult to determine what the actual profit was. He felt the golf

course does produce revenue. Council asked if the Board viewed the presentation. He has, and made several comments to the City Manager and to Parks and Recreation Director Stevens on items, which should be addressed. He stated the business plan should be passed on for implementation. He stated the plan provides more questions than answers and makes references on what the Golf Course Advisory Board should be. Mr. Keegan made the statement a Board member diminished the reputation of the City by asking many surrounding golf courses for proprietary information. He confirmed he requested information, but gave assurance the information could be reviewed before it was released. He stated in some cases he got the information from their Web sites. He felt the Council could only make decisions on facts. He felt there was a lot more work to be done.

Ken Gambon, Golf Course Advisory Board Chairperson, 607 Augusta Drive, Louisville, CO, supported the statements made by Mr. Stewart. He stated the question is what are the goals of the golf course and how do we achieve those goals? He felt there was not enough data to achieve the goals. He asked if any golf courses are self-sustaining and asked the City to find those courses and ask them how they are doing it. He stated his number one goal is to be self sustaining. He felt there is technology to reduce the cost of labor. To the question of whether the golf course should pay back the Capital Projects and General Fund, he felt they should, but whether the golf course can is another question. He felt a goal should be put in place to pay back what is owned. He felt the golf course asset should be used when golf is not present and agreed the resolution establishing the Golf Course Advisory Board should be rewritten.

John Mang, Treasurers of the Men's Club, 661 Augusta Drive, Louisville, CO, voiced his belief the Men's Club has been ignored in the process. He calculated in 2013 between the regular Men's Club and the Stokers (Wednesday morning group) there were 4,500 rounds, or 15%, which contributed to the overall play at the golf course. In checking some of the greens fees listed, he noted some are high, some low, but felt they were not accurate. He addressed the Peak Players Club and Summit membership status going away and stated those members paid \$1,800 a year, which was more than a free round. He felt winter golf was a tremendous burden on the golf course. In addition to the 4,500 rounds of golf, the Men's Club gave \$25,000 in gift cards and their food bill was \$10,000. He felt the Men's Club should be involved in the golf course process. He stated they are loyal players and want to come back to Coal Creek Golf Course.

COUNCIL COMMENTS

Council member Loo requested clarification regarding Mr. Mang statement that he paid \$1,800 a year and played 45 to 50 rounds of golf, which equates to \$40.00 per round. Mr. Mang confirmed each round was approximately \$40.00, which he felt was reasonable.

Council member Lipton asked if Mr. Mang had attended the Golf Course Advisory Board meetings and provided his input. Mr. Mang confirmed he had and noted Mr. Stewart and Mr. Gambon are his neighbors and he discusses these matters with them.

Mayor Muckle asked the City Council to respond to the key questions.

1. Does the Golf Course need to be self-sustaining? Council member Lipton felt in the long-term the golf course should be self-sustaining. There was Council consensus.

2. How much of a priority is establishing a fund for future capital replacement?

Mayor Muckle stated a capital replacement fund should be established. Council member Stolzmann stressed the importance of distinguishing between different types of Capital. She felt there should be a fund established for ongoing maintenance. A total rebuild should be funded through a bond. Parks and Recreation Director Stevens noted the City has been very effective in budgeting for capital improvements at the golf course. There was Council consensus.

3. How much support from the Capital Projects Fund and General Fund must the Golf Course Fund repay? City Manager Fleming explained staff projections for Capital funding the golf course through 2015 will be \$4.7 Million. In 2012, some Capital Funds went to golf course improvement; in 2013, \$400,000 was funded and in 2015, staff is projecting a net contribution of \$3.2 Million for flood recovery and \$800,000 in 2014 and 2015 for startup money for the golf course.

Council member Stolzmann felt it would depend on the particular project. She would not expect the \$150,000 for drainage to be paid back, but would expect the expense of the carts to be paid back. Overall, there was Council consensus.

4. Should the golf course be supported to some extent from the General Fund to recognize the non-golf community benefits it provides? Council member Loo stated there has not been a lot of advertisement of non-golf community benefits. She felt there should be more discussion. Council member Stolzmann was not supportive of General Fund support to recognize the non-golf community. She felt there was a lot of benefit for the people whose home back up to the golf course.

5. Should the resolution and rules governing the Golf Course Advisory Board be re-written? There was Council consensus.

PUBLIC COMMENT

John Leary, 1116 LaFarge Avenue, Louisville, CO addressed the constraint around an enterprise fund and the advantages lost in terms of bonding. He stated TABOR would also be a consideration.

City Attorney Light explained under TABOR, voter approval is required for debt unless it is an enterprise. TABOR recognizes an enterprise as a government owned business. It

requires less than 10% of the annual revenue from all state and local sources, but federal money does not count. It is important if Council wants to use a financing mechanism, which is a revenue bond only enterprises are authorized to issue without voter approval because it is backed solely by the revenues of the business. Part of the plan would involve the timing when debt is issued to ensure the enterprise test is met.

Council member Lipton stated there could be a broader based operation such as recreation and co-mingle the revenues and expenses in order to meet the 10% test.

COUNCIL COMMENT

Council member Stolzmann stressed the importance of looking at alternatives, which would weigh the cost and benefits for certain aspect of the golf course operations such as food and beverages. Parks and Recreation Director Steven explained staff will work on the analysis.

Council member Stolzmann would like to see the food and beverage operations stand on their own and the golf side stand on its own so they are not supporting one another.

Parks and Recreation Director Stevens stated it would be a matter of packaging all the components.

Council member Stolzmann requested alternatives to weight the cost and benefits for when the driving range is opened. She did not see any milestones holding up the RFP process, but noted it is scheduled for September. She was interested in comparing the City's model to Lafayette's and noted people have the choice of where to golf so it makes sense to do a comparison. She addressed opening of the golf course and requested the opportunity cost of opening too soon (May or June) versus opening later (July) and then comparing the lost revenue with the opportunity cost before deciding when to open.

Mayor Pro Tem Dalton felt the golf course should not be opened until it is really ready irrespective of the revenue stream. Council member Stolzmann felt an estimate of long-term maintenance cost should provide a reasonable estimate when the golf course should be opened.

Parks and Recreation Director Stevens stated the Golf Course Advisory Board is supportive of not opening until the golf course until it is ready for play and the course can be properly maintained. If the course is not ready and golfers have an unfavorable experience, they will not return.

Mayor Muckle summarized overall, Council was supportive of all five questions.

ORDINANCE No. 1666, SERIES 2014 – AN ORDINANCE AMENDING CHAPTER 2.76 OF THE LOUISVILLE MUNICIPAL CODE TO UPDATE THE

**CITY'S REGULATIONS REGARDING USE AND CONTROL OF CEMETERIES
2nd Reading –Public Hearing**

Mayor Muckle requested a City Attorney introduction.

City Attorney Light introduced Ordinance No. 1666, Series 2014.

Mayor Muckle opened the public hearing and requested a staff presentation.

Parks and Recreation Director Stevens explained the City staff recommends a change concerning conveyance of burial space by amending the Rules and Regulations and also to Chapter 2.76 of the Louisville Municipal Code. Colorado Revised Statutes Section 31-25-708 (7) provides a municipality not convey title to real property platted as a burial space, but instead grant internment rights only to a burial space. City staff proposes Code changes by referencing the need for a Certificate of Purchase.

Mayor Muckle called for public comment and hearing none, closed the public hearing.

MOTION: Council member Lipton moved to approve Ordinance No. 1666, Series 2014 on second and final reading, seconded by Council member Loo. Roll call vote was taken. The motion carried by a vote of 6-0.

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

Mayor Muckle requested a staff presentation

Public Works Kowar explained the City staff received a proposal from Clean Energy Collective to lease purchase shares in the Collective's community solar PV array, which has been constructed west of Superior. He introduced Amy Thompson, representing Clean Energy Collective.

Amy Thompson, Clean Energy Collective, Director of Commercial Sales, 3005 Center Green Court, Suite 205, Boulder, Colorado, explained CEC is a Colorado based company developing community owned solar arrays within Colorado, New Mexico, Minnesota, Massachusetts, Kansas, and Vermont. Their goal for 2015 is to be in 25 states. They are located in Boulder and most of their employees are Boulder County residents. She stressed the value of community owned solar. She met with Public Works Director Kowar and Facilities Manager Dave Szabados to look at applications for City facilities. Her presentation would include the current energy challenges; advantages of community solar gardens; who is Clean Energy Collective (CEC); how it works, the City's proposal and the next steps.

Current Energy Challenges:

- Rising energy prices

- Race to claim “green” identity -Citizens demanding green government
- Many obstacles to going solar may exist - Aesthetics, Roof design/orientation, maintenance, price and building lessee

Advantages of Community Solar

- **Energy Savings**
 - Monthly bill credits that rise with inflation
 - Renewable Energy Certificate (REC) payments going to the customer, not the developer
 - Tax savings from depreciation expense (commercial customers)
 - Short payback period of initial investment
 - With financing, can acquire with little money down and still achieve immediate savings
- **Clean, renewable Energy**
 - Reduce risk of rising energy prices, hedge against price increase
 - Reduce carbon footprint, seen as environmental leader
 - Improve imaging and environmental position with constituents
 - Lead by being an example to the community of home owners, renters, businesses and non-profit
- **Offsite Solar Benefits**
 - Anyone can participate, regardless of roof design, direction, shading, etc.
 - Allows lessees and lessors to participate – anyone who pays a utility bill.
 - No aesthetic or structural integrity issues
 - Comprehensive operations and maintenance program included
 - Lower cost from economies of scale
- **Flexibility**
 - Bill credit can easily be transferred to any meter in the array area.
 - Can be sold to another user if owner moves outside the area, or has a reduced energy need.
 - Can be seasonally rotated to meters with highest on bill credit.
- **About CEC**
 - Clean Energy Collective (CEC) was founded in 2009 in Carbondale, CO by Paul Spencer, who is now the CEO.
 - CEC provides easy access to locally produced solar energy
 - Pioneered country’s first “community-owned solar arrays”
 - 40 producing solar systems online or under development, (26 MW of power) – More than any developer
 - Currently serving customers of 18 utilities in 9 states

Current municipal customers: Breckenridge, Silverthorne, Telluride, Summit County and Lakewood.

How Does it Work?

- Xcel Boulder Array – 500 kW clean power capacity
- Clean Solar Power is sold to Xcel under a 20-year agreement
- Any Xcel government or commercial customer can buy into their county's community solar power plant.
- Customers receive monthly electric bill credits on their Xcel Energy bill and renewable energy credits paid quarterly
- CEC maintains the solar array power plan for optimal performance and savings.
- Renewable Energy Certificate (REC) payments
- Xcel Energy makes Gross REC payments of \$0.11/kWh to CEC for carbon offset and environmental benefits generated by the clean, renewable power produced by the solar array.
- CEC deposits \$0.02 kWh of the REC payment into the array's Operations & Maintenance (O&M) Trust account
- CEC pays the remaining NET \$0.09/kWh of the REC payment to Customer multiplied by its portion of the power produced. Payments are made quarterly.
- Operations & Maintenance (O&M) Trust
 - CEC is responsible for the ongoing operations and maintenance of the solar array.
 - To ensure that maintenance is provided over the life of the array, CEC establishes a separate
 - The Trust account holds all of the funds necessary to pay for the maintenance, insurance, property taxes and land costs.
 - The Trust account is fund with an initial contribution by CEC and ongoing contributions from the REC payment stream of \$0.02/kWh of production
- Purchase Restrictions
 - Under the Xcel program, customers cannot purchase interest in capacity greater than 120% of their use over the past 12 months.
 - Xcel also limits the purchase of capacity by a single customer premise to more than 40% of the array.
- Commercial Financing
 - CEC has partnered with Alpine Bank to provide commercial and government customers with attractive financing terms.
 - Low interest rates
 - High Loan to values – low down payments
 - Loan maturities of 5, 10 and 15 years
 - TABOR compliant lease structure
 - Fixed rates for the term of the loan
 - No prepayment penalties

Proposal for the City of Louisville:

-First Year Payback	10%
-20 Year Rate of Investment	154%
-50 Year Rate of Investment	936%

50-Year Environmental Benefits

- CO2 Avoided (lbs)	25,013,357
- Car Travel Avoided (miles)	28,362,603
- Trees Planted	38,580

Next Steps

- CEC to present proposal with detailed economic analysis based on actual historical energy usage to City Council.
- City Attorney reviews all purchase documentation along with financial options reviewed.
- A purchase is made for solar power before capacity sells out.

COUNCIL COMMENTS

Mayor Pro Tem Dalton inquired about the guarantee the renewable energy subsidy would continue for twenty years. Ms. Thompson explained CEC has entered into a 20-year agreement with Xcel Energy. She noted the payment is supplied by Xcel Energy.

Council member Keany asked how this system works with high demand peak. Ms. Thompson explained she and Facilities Manager Szabados reviewed all the City's facilities. She calculated the highest on bill credit demand and selected the highest users. Xcel's program rewards the highest load use functionality.

Council member Stolzmann explained the City can choose and switch the premise, which will allow the City to better manage the cost.

Council member Lipton stated he is generally in favor, but was concerned with dealing with a third party. He stated this may be a good offer, but may not be the best offer. He requested more information on the statistics for the life span. He questioned whether this could be used at the Recreation Center.

Ms. Thompson explained the LLC is completely different from CEC. The difference in this program between PV panels on the Recreation Center is tied to high demand. The high demand premises will be targeted and the on-bill credit is different from a metering system. With respect to REC payment, the City will not get a 9 cent payment.

Council member Lipton inquired about the depreciation on tax deduction. Ms. Thompson stated there is no depreciation on equipment for tax exempt entity.

Council member Stolzmann was interested in having staff bring back a proposal on this matter. She felt it is a good opportunity. Mayor Muckle concurred and explained the

City looked at solar power for hot water at the Recreation Center, but determined it was not cost effective. Parks and Recreation Director Stevens explained it was a 15-year payback.

Council member Lipton asked if this is the best opportunity for the City.

Council member Stolzmann requested the Finance Department to look into a lease/payment option.

**ORDINANCE No. 1667, SERIES 2014 – AN ORDINANCE APPROVING THE
VACATION OF A 20-FOOT WIDE DRAINAGE AND UTILITY EASEMENT WITHIN
LOTS 1-4, BLOCK 5, THE BUSINESS CENTER AT C.T.C. REPLAT C – 1st Reading
– Set Public Hearing 06/17/2014**

Mayor Muckle requested a City Attorney introduction.

City Attorney Light introduced Ordinance No. 1667, Series 2014.

MOTION: Mayor Muckle moved to approve Ordinance No. 1667, Series 2014 on first reading, ordered it published and set a public hearing for June 17, 2014, seconded by Mayor Pro Tem Dalton. All were in favor.

CITY ATTORNEY'S REPORT

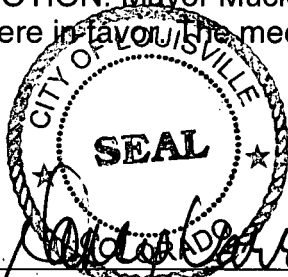
No items to report.


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


Council member Stolzmann inquired whether any Council members would be attending the Colorado Municipal League Conference. It was noted no Council members would be attending the CML Conference.

ADJOURNMENT

MOTION: Mayor Muckle moved to adjourn, seconded by Council member Keany. All were in favor. The meeting was adjourned at 11:25 p.m.




Nancy Varra, City Clerk


Hank Dalton, Mayor Pro Tem