

**TOWN OF ERIE
BOARD OF TRUSTEES REGULAR MEETING 1
Tuesday, November 11, 2014
6:30 p.m.
Board Room, Erie Town Hall, 645 Holbrook, Erie, CO 80516**

I. CALL MEETING TO ORDER

Mayor Harris called the November 11, 2014 Regular Meeting of the Board of Trustees to order at 6:30 p.m.

II. PLEDGE OF ALLEGIANCE AND ROLL CALL

Roll Call:	Trustee Carroll	Present
	Trustee Schutt	Present
	Mayor Pro Tem Gruber	Present
	Trustee Moore	Present
	Trustee Charles	Present
	Trustee Woog	Present
	Mayor Harris	Present

III. APPROVAL OF THE AGENDA

Action: Trustee Moore moved to approve the November 11, 2014 agenda with the amendment of adding item e. to Proclamations and Presentations, a Veterans Day Proclamation; the motion was seconded by Trustee Schutt. The motion carried with all present voting in favor thereof.

IV. CONSENT AGENDA

a. Approval of the October 28, 2014 Meeting Minutes

Action: Mayor Pro Tem Gruber moved to approve the November 11, 2014 Consent Agenda; the motion was seconded by Trustee Charles. The motion carried all present voting in favor thereof.

V. PUBLIC COMMENT

The following people spoke against allowing retail marijuana sales in the Town of Erie:

Louis Meskars, 1933 Spruce Court, Erie, Co.
Floyd Kellerr, 1927 Lodgepole Drive, Erie, CO.
David Cummings, 1636 Alpine Drive, Erie, CO.
Jeremy Stowell, 2284 Alpine Drive, Erie, CO.
Kerry Bensmal, 1007 Sumner Way, Erie, CO.
M. Riley, 345 Briggs Street, Erie, CO.
K. Riley, 345 Briggs Street, Erie, CO.
Cameron Rake, 2980 Piper Lane, Erie, CO.
Cameron Asey, 1926 Alpine, Drive, Erie, CO.

VI. PROCLAMATIONS AND PRESENTATIONS

- a. **Optimist Club Award** was presented to the Town of Erie for their sponsorship of the Annual Erie Erie Run.
- b. **National Adoption Day**-Mayor Harris proclaimed November 21, 2014 as National Adoption Day in Erie.
- c. **STAR Awards**

Jan Sloat, Human Resource Manager presented this award. Paula Mehle and Katie Jenkins are being recognized for demonstrating exceptional service and performance for work completed on behalf of the Town. Each will receive the award for Outstanding Achievement. In 2012, the Town of Erie Board of Trustees identified participation in the International Council of Shopping Centers (ICSC) as a priority in order to attract retail businesses to Erie. RECon is the largest industry convention, making it an unparalleled opportunity for the Town of Erie to do a year's worth of business in just four days! In 2013, the Town's Economic Development Coordinator Paula Mehle and Communications & Marketing Coordinator Katie Jenkins launched an ICSC marketing campaign that included creating a customized mobile app; designed a convention exhibit booth; designed a vivid background graphic display; and designed placement of a full page ad in the RECon Program Directory. Paula and Katie's efforts resulted in over three times as many meaningful meetings with retailers and commercial brokers compared to 2012. Last year the economic development mobile applications was awarded 3CMA's highest honor – the President's award for Most Outstanding Marketing Program in addition to two SAVVY Awards and one Silver Circle Award. This year, the Town received a Silver Excellence in Economic Development Award for its 2014 project in the category of New Media from the International Economic Development Council (IEDC). Paula and Katie work behind the scenes week in and week out in support of the Town's overall economic development goals. Thanks to their efforts, Erie's profile within the retail development community has been dramatically heightened. It is only fitting that they be publicly recognized for their efforts. Recipients of the STAR Award are recognized at regularly scheduled Town Board meetings by the Mayor and Board of Trustees and are presented with the STAR Award and a Town inspired t-shirt. Recipients of this awarded will also have their name added to the STAR Award plaque hanging in the Board Room at Town Hall.

- d. **Economic Development Award**

The International Economic Development Council (IEDC) awarded the Town of Erie a Silver Excellence in Economic Development Award for its 2014 project in the category of New Media for communities with populations of less than 25,000. Town of Erie Economic Development Coordinator Paula Mehle accepted the honor on behalf of the Town at awards during the IEDC Annual Conference, which was held in Fort Worth, Texas. IEDC's Excellence in Economic Development Awards recognizes the world's best economic development programs and partnerships, marketing materials, and the year's most influential leaders. These awards honor organizations and individuals for their efforts in creating positive change in urban, suburban, and rural communities.

VII. RESOLUTIONS

- a. **Resolution 14-125; A Resolution Approving the Seventh Amendment to the Fourth Interim Agreement with Northern Colorado Water Conservancy District Windy Gap FIRMING Project and the Town of Erie for Participation in The Windy Gap FIRMING Project**

RESOLUTIONS (continued)

Gary Behlen, Director of Public Works, presented Staff recommendations for the approval of Resolution 14-125. The Board of Trustees previously approved agreements with the Municipal Sub-district, Northern Colorado Water Conservancy District on July 23, 2002, February 11, 2003, August 10, 2004, January 24, 2006, December 11, 2007, June 9, 2009, June 22, 2010, January 10, 2012, August 28, 2012 and March 25, 2014 to participate in the Windy Gap Firming Project. The Town is currently operating under the Seventh Amendment to the Fourth Interim Agreement with the Municipal Sub-district, Northern Colorado Water Conservancy District, acting by and through its Windy Gap Firming Project Water Activity Enterprise (Fourth Interim Agreement), effective March 25, 2014. The Town of Erie owns 14 units of Windy Gap water and has planned to purchase up to an additional 6 units. Windy Gap water is desirable for the Town of Erie because the water is fully consumable (available for total consumptive use, reuse, sale of effluent, etc.) and because it is deliverable through the existing Northern Colorado Water Conservancy District (NCWCD) Southern Water Supply Pipeline Project and the Town of Erie's pipeline. The Windy Gap Firming Project has always been contemplated as a component of the Windy Gap Project. It is necessary in order to provide additional storage to firm the annual yield of the Windy Gap water rights. The first, second, and third phases of the Windy Gap Firming Project are essentially complete. The work completed to date includes preliminary studies to evaluate potential reservoir sites, engineering and environmental studies, and alternatives analysis, completion of the Draft Environmental Impact Statement (DEIS) and the Final Environmental Impact Statement. The remaining work in the fourth phase of the Project in 2014 consists of remaining environmental and permitting tasks, contracting with the U.S. Bureau of Reclamation and other obligations related to mitigation and environmental enhancement for the Project. The Chimney Hollow Reservoir site was acquired in 2004 for approximately \$4,000,000. Erie's total pro rata share of the continuation of work in 2014 totaled \$139,243, of which it has paid \$68,823 to date. The remaining \$70,420 is due and owing under the Fourth Interim Agreement. Staff recommends the Board of Trustees authorize the payment of the remaining \$70,420 due and owing under the Fourth Interim Agreement for continued participation in Phase Four of the Windy Gap Firming Project.

Action: **Mayor Pro Tem Gruber moved to approve Resolution 14-125; the motion was seconded by Trustee Schutt. The motion carried with the following roll call vote:**

Trustee Carroll	Yes
Trustee Charles	Yes
Mayor Pro Tem Gruber	Yes
Trustee Moore	Yes
Trustee Woog	Yes
Trustee Schutt	Yes
Mayor Harris	Yes

b. Resolution 14-126; A Resolution Awarding a Design Contract for Weld County Road 5 Repair

Gary Behlen, Director of Public Works, presented Staff recommendations for the approval of Resolution 14-126. On September 16, 2011, the Town received notification that the Special Highway Committee is accepting applications for bridge funds for rehabilitation or replacement of substandard bridges. The funding requires the Town of Erie to fund a minimum of 20% of the project cost, with Federal funding for the remaining 80%. On November 7, 2011 the Town was informed that the Town's application for funding the rehabilitation of the County Road 5 Bridge over the Sullivan Ditch was approved. The funding was scheduled for Fiscal year 2014. The funds will be administered through

RESOLUTIONS (continued)

the Colorado Department of Transportation (CDOT). Town Staff has worked with CDOT Staff to create the Inter-Governmental Agreement for **Project: CR5 at Sullivan Ditch (19743) (BRO M400-007)**. At the August 26, 2014 Town of Erie Board of Trustees meeting Resolution 14-96, A resolution accepting Federal Funds in the amount of \$159,000 for a bridge rehabilitation project, was approved. The Colorado Department of Transportation (CDOT) signed the agreement on September 18, 2014. The Town received the signed agreement from CDOT on September 29, 2014. Town staff prepared a Request for Qualifications for the WCR 5 Bridge Repair design and posted it on the Town Web site on October 3, 2014. The invitation to submit qualifications was advertised in the Denver Post on October 4, 2014. Town Staff held a Pre-Qualification Meeting on October 10, 2014; six consulting firms were in attendance at the Pre-Qualification Meeting. Qualifications were due October 24, 2014. One consultant; J-U-B Engineers, Inc. submitted qualifications, due to Federal Funding requirements for this project, a Fee Proposal is not allowed to be submitted with the Qualification submittal. The consultant must be selected based on qualifications only, then the Town and Consultant negotiates the design fees. Town Staff reviewed J-U-B Engineers, Inc., qualification's, and found the firm to be very qualified to provide the services required for a Federally Funded bridge repair project. Town Staff negotiated the final scope and design fee of \$30,310.

Action: Trustee Moore moved to approve Resolution 14-126; the motion was seconded by Trustee Schutt. The motion carried with the following roll call vote:

Trustee Moore	Yes
Trustee Woog	Yes
Trustee Carroll	Yes
Trustee Charles	Yes
Trustee Schutt	Yes
Mayor Pro Tem Gruber	Yes
Mayor Harris	Yes

c. **Resolution 14-127; A Resolution Approving an Intergovernmental Agreement Between the Town of Erie and Erie Highlands Metropolitan District Nos. 1 Through 5.**

Marty Ostholthoff, Director of Community Development presented staff recommendations for the approval of Resolution 14-127. The Town previously approved the Service Plan (Plan) for Erie Highlands Metropolitan District Nos. 1-5 (Districts) in September 2013. The Districts encompasses approximately 305 acres of land at the southwest corner of Erie Parkway and Weld County Road 5 upon which the Erie Highlands subdivision is currently being constructed. In accordance with the approved Plan and Title 9-4-6 of the Town of Erie Municipal Code, the Town requires the Districts to enter into an Intergovernmental Agreement (IGA) with the Town ensuring compliance with approved Plan and the Erie Municipal Code.

Action: Mayor Pro Tem Gruber moved to approve Resolution 14-127; the motion was seconded by Trustee Schutt. The motion carried with all present voting in favor thereof.

VIII. ORDINANCES

- a. **Ordinance 33-2014; An Ordinance of the Town Of Erie, Colorado Rezoning the Sierra Vista Property Pursuant to the Petition of the Owner Thereof, from HR – High Density Residential and CC – Community Commercial to LR – Low Density Residential and CC – Community Commercial; and Providing for the Effective Date of this Ordinance; and Setting Forth Details in Relation Thereto**

Todd Bjerkaas, Planner, presented staff recommendations for the approval of Ordinance 33-2014. Staff finds the application in compliance with the Rezoning approval criteria and recommends the Board of Trustees approve the Sierra Vista Rezoning application by approving Ordinance 33-2014 at the Second Reading on Tuesday, October 14, 2014. The Planning Commission held a public hearing for the Rezoning request on September 3, 2014. The Planning Commission recommended approval of the Rezoning by approving Resolution P14-17, with the following conditions: Technical corrections to the Sierra Vista Zoning Map shall be made to the Town's satisfaction.

Action: Following a presentation by the applicant and Board of Trustee discussion; Trustee Charles moved to approve Ordinance 33-201; the motion was seconded by Trustee Schutt. The motion carried with a six (6) for and one (1) against with Trustee Moore voting no.

Action: Mayor Harris called for a break at 8:45 p.m., and reconvened the meeting at 8:50 p.m.

- b. **Ordinance 35-2014; An Ordinance of the Town Of Erie, Colorado Extending Until December 31, 2015 the Existing Moratorium on the Submission, Acceptance, Processing and Approval of Applications and the Licensing, Permitting, Establishment or Operation of Any Recreational Marijuana Business That Sells, Cultivates, Manufactures, Prepares, Packages, Purchases, Tests, or Otherwise Provides For Or Allows For The Use Of Marijuana Or Marijuana Products Pursuant to Amendment 64 Approved by the Voters of the State of Colorado at the November 6, 2012, General Election, and Codified as Article XVIII, Section 16 of the Colorado Constitution; and Declaring an Emergency Therefore.**

As the Town's current Moratorium on recreational marijuana businesses ends December 31, 2014 the Board of Trustees must quickly decide on its course of action regarding recreational marijuana businesses. At the October 28, 2014 the Board gave direction to extend this Moratorium for one year. Given the time constraints imposed by the expiration of the current Moratorium it is necessary to pass Ordinance 35-2014 extending the current Moratorium on an emergency basis in order to keep it in force. The Moratorium extension ordinance or the Moratorium itself will not alter or affect the rights of an individual 21 years of age or older to use, possess and grow a limited amount of marijuana as guaranteed by Amendment 64. As mentioned, given the severe time limitation faced by the Board of Trustees, it would be difficult if not impossible to draft, discuss, analyze and adopt any comprehensive Code regulations allowing marijuana businesses by the December 31, 2014 deadline. Given these facts, and the fact that the Board of Trustees has not yet had an opportunity to discuss this issue and vote on recreational marijuana businesses, it is clear that more time is needed for this process. The extension of the Moratorium will provide the Board of Trustees the additional time needed to make these important decisions.

Action: Mayor Pro Tem Gruber moved to suspend Resolution 02-44 and pass Ordinance 35-2014 as an emergency and on a first reading; the motion was seconded by Trustee Schutt. The motion carried with all present voting in favor thereof.

ORDINANCES (continued)

Action: Trustee Charles moved to approve Ordinance 35-2014 on an emergency first reading; the motion was seconded by Trustee Moore. The motion carried with all present voting in favor thereof.

- b. **Ordinance 36-2014; An Ordinance Of The Town Of Erie, Colorado, Amending Title 2, "Revenue And Finance," Chapter 10, "Fee Schedule," Section 4, "Public Works Fees," And Section 6, "Building Permit And Other Fees," Of The Erie Municipal Code; Adopting New Water, Wastewater And Storm Drainage Rates And Fees In Conformance With The Water, Wastewater and Storm Drainage Rate Studies Commissioned And Adopted By The Town; And, Setting Forth Details In Relation Thereto.**

Steve Felten, Director of Finance presented staff recommendations for the approval of Ordinance 36-2014. The Town of Erie Financial Policies requires the Town to have a formal rate study performed on the Water and Wastewater Enterprise Funds at least every five years. The last formal rate study for these funds was conducted in 2008. In 2008, the Board reviewed and adopted the results of those rate studies, setting rates and fees for the period 2009-2013. During 2013, the Town contracted with Willdan Financial Services/Red Oak Consulting ("Willdan") to perform the formal rate study for the Water and Wastewater Funds pursuant to policy. In 2014 staff recommended that the rate study be expanded to include the Storm Drainage Operating Fund, which has not had a rate increase since 2004. The results of the studies were presented to the Board by Willdan and staff and discussed with the Board at study sessions on August 26, 2014 and September 30, 2014. As a result of these study sessions, the Board asked staff to present the results in the form of an ordinance at the October 28, 2014 meeting for the Board's consideration. The assumptions and results of the Water, Wastewater and Storm Drainage Rate Studies are discussed below.

Water Enterprise Fund Rate Study

The goals of the rate study are to determine the revenue needed to cover annual operations and maintenance costs and capital improvement projects, meet debt service requirements, provide for sufficient operating reserves and maintain the utility's self-sufficiency over a 5-year period.

The rate study for the Water Enterprise Fund included the following assumptions:

Residential growth: 400 taps per year

Target Reserves: 90 days of operations

Debt Service Coverage: 1.1x (net revenues divided by annual debt service payment)

The Water Rate Study provides recommendations for changes in the tap fee, the fee in lieu of water dedication (sometimes referred to as the water rights fee) and user rates in order to meet the goals of the study.

Water Tap Fee and Fee in Lieu of Water Dedication: These fees are collected on all new residential and non-residential construction that requires connection to the water system. These fees are a one-time charge to the customer for their proportional share of capacity of the system infrastructure in the case of the water tap fee and annual water requirements in the case of the fee in lieu of water dedication. These fees are used to defray the capital costs of expanding the system facilities and to recover the cost of growth to the system. Below is a schedule of current and proposed water tap fee and fee in lieu of water dedication.

ORDINANCES (continued)

Meter Size	Water Tap Fee		Fee in Lieu of Water Dedication	
	Current	Proposed	Current	Proposed
3/4 inch	\$ 8,680	\$ 10,416	\$ 12,850	\$ 15,300
1 inch	14,470	17,360	(a)	(a)
1 1/2 inch	28,930	34,720	(a)	(a)
2 inch	46,290	55,552	(a)	(a)
3 inch	86,800	104,160	(a)	(a)
4 inch	144,670	173,600	(a)	(a)
6 inch	289,330	347,200	(a)	(a)

(a) Section 8-1-9 of the code defines the manner in which the Town determines the amount of fee in lieu of water dedication

The rate study further recommended that the water tap fee have annual increases for 2016-2019, as follows:

Meter Size	Water Tap Fee				
	2015	2016	2017	2018	2019
3/4 inch	\$ 10,416	\$ 11,582	\$ 12,748	\$ 13,914	\$ 15,080
1 inch	17,360	19,303	21,247	23,190	25,133
1 1/2 inch	34,720	38,607	42,493	46,380	50,267
2 inch	55,552	61,771	67,989	74,208	80,427
3 inch	104,160	115,820	127,480	139,140	150,800
4 inch	173,600	193,033	212,467	231,900	251,333
6 inch	347,200	386,067	424,933	463,800	502,667

Water User Rates: The rate study develops a financial plan and a cost of providing water service to its customers. The financial plan identifies the revenues and expenses over the study period and determines if the current rates generate the revenue necessary to cover operating costs, debt service payments, capital improvement projects, reserve requirements and provide the necessary revenue to meet bond covenants.

The study also develops the cost of service by customer class (residential, commercial and irrigation) and it recognizes the differing service characteristics based on the meter size and service demands. Based on the cost of service information, the study recommends a revised rate structure for water service that includes a monthly service charge and volumetric charge. In addition, the rate study recommended the establishment of an additional customer class – multi-family.

Below are the current (2014) user rates and the proposed user rates for the next five years. No increase is being proposed for the residential monthly service charge for 2015 for customers with a ¾ inch meter size, which includes all but approximately 50 residential customers. The monthly service charge for all other meter sizes will be increased 5% in 2015. In subsequent years the monthly service charge for all meter sizes will increase in line with the overall revenue requirements as determined in the rate study – 2016 +5%, 2017 +5%, 2018 +4% and 2019 +3%. The new multi-family class will be charged the same monthly service charge as the residential class. Commercial and irrigation monthly service charges will increase as follows: 2015 +5%, 2016 +5%, 2017 +5%, 2018 +4% and 2019 +3%.

ORDINANCES (continued)

Meter Size	Water Monthly Service Charge - Residential & Multi-Family					
	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2014	2015	2016	2017	2018	2019
3/4 inch	\$ 25.41	\$ 25.41	\$ 26.68	\$ 28.01	\$ 29.13	\$ 30.00
1 inch	25.41	26.68	28.01	29.41	30.59	31.51
1 1/2 inch	34.78	36.52	38.35	40.27	41.88	43.14
2 inch	56.94	59.79	62.78	65.92	68.56	70.62
3 inch	68.20	71.61	75.19	78.95	82.11	84.57

Meter Size	Water Monthly Service Charge - Commercial & Irrigation					
	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2014	2015	2016	2017	2018	2019
3/4 inch	\$ 25.41	\$ 26.68	\$ 28.01	\$ 29.41	\$ 30.59	\$ 31.51
1 inch	25.41	26.68	28.01	29.41	30.59	31.51
1 1/2 inch	34.78	36.52	38.35	40.27	41.88	43.14
2 inch	56.94	59.79	62.78	65.92	68.56	70.62
3 inch	68.20	71.61	75.19	78.95	82.11	84.57
4 inch	68.20	71.61	75.19	78.95	82.11	84.57
6 inch	68.20	71.61	75.19	78.95	82.11	84.57

Monthly volume charges will increase as follows for residential and multi-family customers. 2015 Block 1 +2.7%, Block 2 +2.6%, Block 3 +23.3% and Block 4 +23.3%. Blocks 3 and 4 were increased to incent water conservation. In 2016-2019 each block will increase as follows: 2016 +5%, 2017 +5%, 2018 +4% and 2019 +3%. Commercial and irrigation volume rates increase by the same percentages as the monthly service charges.

Usage Block	Gallons Used	Water Monthly Volume Charge per 1,000 Gallons - Residential & Multi-Family					
		Current	Proposed	Proposed	Proposed	Proposed	Proposed
		2014	2015	2016	2017	2018	2019
Block 1	0 - 5,000	\$ 3.65	\$ 3.75	\$ 3.94	\$ 4.14	\$ 4.31	\$ 4.44
Block 2	5,001 - 10,000	4.56	4.68	4.91	5.16	5.37	5.53
Block 3	15,001 - 25,000	5.70	7.03	7.38	7.75	8.06	8.30
Block 4	Over 25,000	8.55	10.54	11.07	11.62	12.08	12.44

Customer Class	Gallons Used	Water Monthly Volume Charge per 1,000 Gallons - Commercial & Irrigation					
		Current	Proposed	Proposed	Proposed	Proposed	Proposed
		2014	2015	2016	2017	2018	2019
Commercial	All Usage	\$ 5.73	\$ 6.02	\$ 6.32	\$ 6.64	\$ 6.91	\$ 7.12
Irrigation	All Usage	6.03	6.33	6.65	6.98	7.26	7.48

ORDINANCES (continued)

The average residential customer uses about 8,500 gallons of water monthly on an annual basis, of which about 4,500 gallons represents irrigation consumption and 4,000 represents interior consumption. For this average customer, these rates represent an increase in 2015 of approximately \$1.50, or 2.7%, per month. For all customers, the average increase will be approximately \$2.02, or 4.0%, per month. Increases in 2016 through 2019 will be 5.0%, 5.0%, 4.0% and 3.0%, respectively.

Wastewater Enterprise Fund Rate Study

The goals of the rate study are to determine the revenue needed to cover annual operations and maintenance costs and capital improvement projects, meet debt service requirements, provide for sufficient operating reserves and maintain the utility's self-sufficiency over a 5-year period.

The rate study for the Wastewater Enterprise Fund used the following assumptions:

Residential growth: 400 taps per year

Target Reserves: 90 days of operations

Debt Service Coverage: 1.1x (net revenues divided by annual debt service payment)

The Wastewater Rate Study provides recommendations for changes in the tap fee to meet the goals of the study. No change to monthly user rates is required.

Wastewater Tap Fee: The tap fee is collected on all new residential and non-residential construction that requires connection to the wastewater system. The fee is a one-time charge to the customer for their proportional share of capacity of the system infrastructure. The fee is used to defray the capital costs of expanding the system facilities and to recover the cost of growth to the system. Below is a schedule of current and proposed wastewater tap fees.

Meter Size	Wastewater Tap Fee	
	Current	Proposed
3/4 inch	\$ 4,290	\$ 5,200
1 inch	7,150	8,667
1 1/2 inch	14,300	17,333
2 inch	22,880	27,733
3 inch	42,900	52,000
4 inch	71,500	86,667
6 inch	143,000	173,333

Storm Drainage Operating Fund Rate Study

The Town currently charges a monthly \$5.00 fee to all customer classes to support the operations of the Storm Drainage Operating Fund. This fee has not changed since 2004 and is not adequate to support operations and future capital needs. In addition, most municipalities assess storm drainage fees based on the amount of impervious square footage the customer has rather than charging a flat fee. As a result, the rate study recommended changing the rate structure to assess a monthly fee based on the impervious square footage. The proposed monthly fee basis will be established at \$5.41 per Single Family Residential Equivalent (SFRE) for 2015. Based on analysis performed in the rate study it was determined that the average single family residence in Erie has approximately 5,300 square feet of impervious square footage (which includes the house, driveways, sidewalks and similar surfaces), defined as an SFRE. All single-family residences will be charged the same monthly fee - \$5.41 for 2015. Commercial customers will be charged on the basis of how many SFRE's their property has and billed on that basis. For example, if a commercial customer has 15,900 square feet of impervious area, they will be billed \$16.23 per month in 2015 (15,300 square feet divided by 5,300 square feet = 3 times

ORDINANCES (continued)

\$5.41/SFRE = \$16.23). The average commercial customer will be charged approximately \$45.00 per month in 2015 as a result of the rate study recommendation. The proposed rate per SFRE is as follows:

	Storm Drainage Monthly Charge per Single Family Equivalent (SFRE)					
	Current (a)	2015	2016	2017	2018	2019
Rate per SFRE	\$ 5.00	\$ 5.41	\$ 6.60	\$ 8.05	\$ 9.82	\$ 11.98

(a) Current charge is a flat rate for all customer classes.

As a result of this proposed change, irrigation customers will no longer be charged a monthly storm drainage fee. Multi-family customers will be charged at the same rate as a single-family residence.

Summary

As a result of the above recommended changes, the "average" residential customer would see average water, wastewater and storm drainage monthly charges approximating the following:

	Water	Waste water	Storm	Total	\$ Change	% Change
2014	\$ 56.50	\$ 48.48	\$ 5.00	\$ 109.98		
2015	58.00	48.48	5.41	111.89	1.91	1.7%
2016	60.90	48.48	6.60	115.98	4.09	3.7%
2017	63.95	48.48	8.05	120.48	4.50	3.9%
2018	66.51	48.48	9.82	124.81	4.33	3.6%
2019	68.51	48.48	11.98	128.97	4.16	3.3%

Action: Trustee Carroll moved to approve Ordinance 36-2014; the motion was seconded by Trustee Schutt. The motion carried with a Five (5) for and two (2) against vote, with Trustees Charles and Woog voting no.

d. Ordinance 38-3014; An Ordinance Of The Town Of Erie, Colorado Approving An Option To Purchase Agreement By And Among Brothers Redevelopment, Inc., The Town Of Erie And The Erie Housing Authority Providing For The Transfer Of All Assets Of The Erie Housing Authority And The Transfer Of Certain Real Property From The Town Of Erie To Brothers Redevelopment, Inc.; And, Setting Forth Details In Relation Thereto.

Steve Felten presented staff recommendations for the approval of Ordinance 38-2014. The Town established the Erie Housing Authority (EHA) in 1999 and built a 12-unit senior housing complex in 2001. From January 2002 through November 2012 the complex was managed by the Boulder County Housing Authority. Since then the property has been managed by Pilla Management, a partner of Brothers Redevelopment, Inc. (BRI) Small housing authorities do not enjoy the same economies of scale experienced by larger authorities. As a result of this and other factors, the Town's housing authority has never had positive cash flow. In addition, the Town does not have the staff to properly manage and operate a housing authority that receives federal rent subsidies. As a result, the Town is working with BRI to expand the number of units and ultimately transfer ownership of the property to BRI. BRI plans to finance the acquisition of authority-related assets with funds from either or both of the Colorado Housing and Finance Authority (CHFA) or the State of Colorado Division of Housing (DOH). Earlier in 2014 BRI

ORDINANCES (continued)

submitted applications for an allocation of Low Income Housing Tax Credit (LLITC) in both rounds for the 2014 allocation year. Allocation of these credits is a competitive process, with two rounds of applications each year. BRI was unsuccessful in both application rounds in obtaining an LLITC allocation, but CHFA staff encouraged BRI to pursue an alternative plan that would allow for the full planned expansion in one phase, with an alternative financing plan that would potentially include funding from both CHF A and the DOH. BRI is in the process of exploring project and financing plans to pursue these potential options, which will have application deadlines on various dates during 2015. Under any of these financing scenarios, BRI is required to show that it either owns or has the right to acquire the property underlying the applications. To fulfill this requirement for the previous LLITC applications, on February 25, 2014 the Board approved entering into an option agreement providing for the transfer of the buildings and land related to housing authority operations to BRI. This option agreement expired October 31, 2014. By approval of this ordinance the Town and the Housing Authority will execute a new option agreement with BRI with the same terms as the previous agreement, with an expiration date of December 31, 2015. This is a first reading, with no action required at this time. Staff will bring this ordinance back to the Board for a second reading on December 9, 2014, with the request that it be passed by emergency. This is required due to the fact that for the application processes described above BRI must show it has ownership rights in the property as of December 31, 2014.

Action: This was the first reading of Ordinance 38-2014 and it will be brought back for Board action at the December 9, 2014 Regular Meeting of the Town of Erie Board of Trustees.

IX. GENERAL BUSINESS

a. Adoption of the Board of Trustees Vision Statement

The following draft vision statement was developed during the Town of Erie, Board of Trustee Planning Retreat on Saturday October 18, 2014. The vision statement and goals are intended to provide broad direction for the Town over the next 6 years.

The Town Board of Erie will strive to:

1. Become financially stable, sustainable and self sufficient

- o Diversify the Town's economic portfolio by encouraging commercial, retail and primary employment growth in identified zones
- o Manage residential growth by adhering to the UDC
- o Provide a range of housing options, including mixed use housing

2. Promote a cohesive and aesthetically appealing small town look and feel with a focus on the 'core' part of Town

- o Expand retail opportunities in the core part of Town
- o Provide convenient access to improved local services
- o Improve and expand the art district/restaurants in the core area of Town

3. Maintain and enhance recreational opportunities and an active outdoor lifestyle

- o Improve connectivity of trails to parks, residential development and retail operation within the Town
- o Examine opportunities to improve bicycle and pedestrian connections with regional trail systems
- o Foster relationships and cooperation between neighboring communities and governmental entities

GENERAL BUSINESS (continued)

Action: Trustee Moore read the proposed vision statement; Trustee Schutt moved to approve the Vision Statement as presented. The motion was seconded by Trustee Moore; the motion carried with all present voting in favor thereof.

X. BOARD OF TRUSTEES REPORTS

Trustee Charles reported on the upcoming 140th Celebration of the founding of Erie, he also thanked the citizens for voting in the recent election and asked the community recognize Veterans Day.

Trustee Moore encouraged citizens to take advantage of the free indoor water checkup sponsored by the Town and thanked the Street Department for their continued maintenance for snow removal.

Mayor Harris met with the School Districts to discuss new schools in Erie and asked that Staff look into a cross walk on Cheesman and Main Street. Mayor Harris also encouraged other members of the Board to attend the Thursday Senior Luncheon.

XI. ADJOURNMENT

Action: Mayor Pro Tem Gruber moved to adjourn the November 11, 2014 Regular Meeting of the Town of Erie Board of Trustees; the motion was seconded by Trustee Moore. The motion carried with all present voting in favor thereof.

Action: Mayor Harris adjourned the November 11, 2014 Regular Meeting of the Town of Erie Board of Trustees at 10:10 p.m.

Respectfully Submitted,


Nancy J. Parker, CMC, Town Clerk




Tina Harris-Mayor