

**Minutes
Consortium of Cities
September 3, 2008**

Representatives and Alternates Present: Karen Benker, City of Longmont; Martin Cheshes, Town of Nederland; Carolyn Cutler, City of Lafayette; Bob Gaiser, City and County of Broomfield; Ken Lenarcic, Town of Jamestown; Sheri Marsella, City of Louisville; Ben Pearlman, Boulder County; Harry Pink, Town of Erie; Lisa Skumatz, Town of Superior; Ken Wilson, City of Boulder; and Staff Michelle Krezek and Sheree Stroud. Also present was Andrew Moore of Erie.

1. Introductions and Reports from Cities and Towns

Lisa Skumatz, Town of Superior, said they had no ballot issues this year. She thanked the representatives who have been participating in the Commercial Codes Committee for the ESTF. They have been on a brief hiatus but have started up again and are re-energized. Superior has gone to a Pay-As-You-Throw system. Ms. Skumatz has also been elected to the CML Executive Board.

Sheri Marsella, City of Louisville, reported that they are working on historic preservation and characterization of the downtown area. They have an RFP out for a Pay-As-You-Throw program. They bought the old post office. It's been a great summer of festivals.

Harry Pink, Town of Erie, told members they have no upcoming ballot issues. Their general election is in April. They are diligently working to complete the water transmission line. The Open Space and Trails Committee did an excellent job preparing a natural space assessment and are now working on a Master Plan. They were pleased to work with Boulder County on a conservation easement. They also had a successful summer concert series.

Karen Benker, City of Longmont, said they are working on a water conservation plan for water acquisition. Single stream recycling is now in place. They need to cut the budget for the next fiscal year and are considering eliminating positions, raising fees and fines, and drawing down reserves. They are struggling but will get through and hope 2010 will be better. She thanked Boulder County for their help in purchasing the land north of Highway 66 for a horse park.

Martin Cheshes, Town of Nederland, reported they are working on their new water plant and wastewater plant. They are going to ask voters for an increase in debt. They have already imposed a fairly hefty increase in water rates.

Ken Wilson, City of Boulder, announced they hired Jane Brodigan as the new City Manager. She will start October 31. There are some charter issues on the ballot.

Sales and use taxes are up 5% over 2007, but the retail sales tax is trending down. There was a downward trend in 2001 and 2002. At that time they trimmed staff and have never returned to the previous staff level. Boulder also passed single-stream recycling.

Bob Gaiser, City and County of Broomfield, told members he was also elected to the CML Executive Board. He went to a Harvard Senior Executive State and Local Governments program and it was excellent. They will have a tax issue on the ballot to raise the area tax around the event center (ARISTA). They accepted the Civic Center Master Plan that citizens have been working on for three years. They recently bought some open space and also voted to expand their detention center to add 88 beds.

Carolyn Cutler, City of Lafayette, said they will have two ballot items: a 2% lodging tax and a 4% mill levy increase to support fire and ambulance services. They are also working on the budget and although they haven't cut any positions, they are not filling empty positions. They are working on Festival Plaza which will be a multi-use space. It has received some DOLA funding.

Ken Lenarcic, Town of Jamestown, reported they are finally moving along with their projects. One project is improvements to the town hall and they are close to a contract with EPA re: work in Elysian Park. They have no ballot issues this year.

Ben Pearlman, Boulder County, told members that the county will have the Clean Energy Options Local Improvement District on the ballot (1A). This would allow residents to opt into the district and then obtain loans for energy improvements. The loans would be paid off over time through their property tax. 1B is an extension of the .05 cent existing tax to continue the worthy cause tax. This tax funds capital expenditures for non-profits and helps free up their funds to go toward services.

2. Approval of Minutes

Lisa Skumatz moved to approve the minutes of June 4, 2008, as corrected. The motion was seconded and passed unanimously.

3. Presentation on Revenue Stability Project and Discussion of Resolution in Support of Endorsing Efforts toward Consideration and Adoption of a Revenue Stability Model

Ben Pearlman gave a brief description and timeline of the revenue stability project. This issue was first prioritized in a goal setting meeting in 2005 along with other issues including energy, FasTracks and transit oriented development, and libraries. A working group that included elected officials and staff was formed and began exploring the many variables affecting revenue such as competition between cities, the peaks and valleys of tax revenues, and land use issues including developer driven planning. The Consortium hired Tom Pippin of BBC Consulting to help define the various revenue stability scenarios. This was funded by the cities and towns and the Consortium has also received commitment from DOLA for a \$20,000 grant to use toward Phase II of the

study. BBC suggested many potential models and the group narrowed it down to four to study further. All of the models had flaws, so after much discussion, the group settled on a hybrid model for further study. The idea is to take new regional retail development or re-development that reaches beyond municipal boundaries and calculate an equitable way to share the tax revenue. The host should get a larger share but the surrounding areas that travel to the development to spend would also get a little share. It would be difficult to draw up a blanket agreement for this type of model, but would require individual agreements. There is lots of interest in the metro area on how this might play out.

Ben Pearlman told the group that the resolution before them was a framework for proceeding with more study of the model and recognition of the value of this work. It would be good to have a sense from the Consortium that they want to continue moving forward with this project.

The group discussed the resolution. Sheri Marsella said her council has given direction to support the resolution, although she feels it doesn't go far enough. It is only a small stab at revenue stability but is certainly worth trying. Karen Benker said Longmont was originally skeptical but became more enthusiastic when they saw that it was a forward looking program that would encourage partnerships and stop competition, plus improve land use planning. Carolyn Cutler was concerned that Tom Pippin had not made any presentations to council. Her council wants to see the study and the outcome. Karen Benker agreed that it would be good to see the raw data. Andrew Moore stated that he thinks this is actually a state issue, not a regional issue, but he will encourage Erie to sign on because he thinks this is a discussion that needs to continue and eventually work its way to the state level. Bob Gaiser said revenue sharing agreements are difficult as often one participant will perceive it to be of less benefit to them. Harry Pink stated it is good, important work from a theoretical standpoint. He agreed with Mayor Moore that this should be done at a statewide level but it is important to continue the discussion. Ben Pearlman mentioned that we can only work within the framework we're given. We do have the ability to create IGA's and make it a better situation and learning experience. He asked the group if this model is one that could possibly work and thus merit further study. Lisa Skumatz said that we must do this work in order to get the state to pay attention. Carolyn Cutler would like to see some edits to the document, especially the wording relating to maintaining uniformity. The Lafayette Council was particularly concerned with that language. Ben Pearlman reiterated that this is a fundamental concept and is looking for an agreement that the Consortium is comfortable with the general idea of a model of large retail with recognition to the host. Carolyn Cutler doesn't believe she can agree on this model. She thought the goal was to reduce peaks and valleys and she doesn't think this model does that. She also didn't think the resolution strongly represented the purpose of the study, which was to reduce volatility. Karen Benker said she agrees with the concept but doesn't feel she can recommend it without the study and numbers to back it up. Ken Lenarcic didn't think Jamestown should vote since they don't have sales tax to contribute. Ben Pearlman agreed there are issues with the smaller towns but the goal is to recognize that even the smaller towns contribute to some extent. Ken Wilson mentioned the Mall of the Americas and the regional sharing efforts there. Ken Wilson mentioned that this isn't a binding agreement

– just direction, and he felt ready to vote. Ben Pearlman said that the resolution is just a recognition and agreement that there is value in moving forward with this study. He also stated that the cities and towns can do whatever they want with their individual agreements. This is a model to be considered and is a starting point. After two years, this model seems to be the most viable and most likely to work. He feels it is worth trying first. There was discussion on some edits to the resolution, including changing language in #2 on page 2 to say that cities may want to consider other models and agreements, and adding language to emphasize that volatility disrupts the ability to deliver services. Carl Castillo, staff with the City of Boulder and a very active working group member, told members this is a culmination of their work and can always be amended if a new and better idea comes along. This doesn't bind any cities but allows the Consortium to continue their work and use the DOLA funds toward that end. If a few cities work on the model, it may flow to others. Lisa Skumatz said it also sends a message to the state.

Lisa Skumatz moved that the Consortium support the resolution as amended. Ken Wilson seconded the motion. The vote passed with Carolyn Cutler of Lafayette opposed and Karen Benker of Longmont abstaining. Bob Gaiser of Broomfield is a non-voting ex officio member. ([Resolution](#), [Attachment A](#), [Attachment B](#))

4. Presentation on Boulder County's Clean Energy Options Local Improvement District

Michelle Krezek, Intergovernmental Director for Boulder County, reported that most of the cities and towns have acted or are scheduled to act on the resolution needed to opt in to the Clean Energy Options Local Improvement District. The County Commissioners have certified the ballot, but there is still more work to do. The consultants are looking at numbers and demand so the county will know when to issue bonds and for what amount. The TABOR notice and the pro and con statements need to be completed. It is cheaper if more money is put in initially, but there is a balance on finding a reasonable amount. "Yes on 1A" is the group that is running the campaign. There are also decision to make on how to administer the LID so that information can be delivered to citizens immediately if the measure passes in November. It is an "opt-in" program so that people can be part of it if they choose. Ben Pearlman added that the mechanics of the program are tricky, but can be modified over time. The fundamental idea is sound and this is a powerful model.

The next meeting of the Consortium will be November 5.