

Minutes of the
City Council of the City of Cherry Hills Village, Colorado
Held on Tuesday, October 20, 2009 at 6:30 p.m.
At the Village Center

Mayor Mike Wozniak called the meeting to order at 6:30 p.m.

ROLL CALL

Mayor Mike Wozniak, Councilors Mark Griffin, Russell Stewart, Alex Brown, Scott Roswell, Klasina VanderWerf, and Harriet LaMair were present on silent roll call. Also present were City Manager Eric Ensey, City Attorney Ken Fellman, Finance Director Karen Proctor, Community Development Director Rob Zuccaro, Police Chief John Patterson, Public Works Director Jay Goldie, Parks and Trails Administrator Ryan Berninzoni, Crew Chief Ralph Mason, and City Clerk Laura Smith.

Absent: none

AUDIENCE PARTICIPATION PERIOD

None

PRESENTATIONS

Diana Rael, Norris Design – Village Center Conceptual Plan Update

Ms. Diana Rael of Norris Design presented Council with an update on the Village Center Conceptual Plan. She explained that this was the second presentation to Council and indicated that Norris Design has completed the Site Inventory and Assessment phase and are working on the Community Input Process phase. She indicated that the October 21st, 2009 Community Open House would be the next opportunity to get public input on the three Conceptual Plans that Norris Design had put together. She stated that Norris Design would continue to receive public input and integrate it into their Conceptual Plans, resulting in a Final Conceptual Plan in November or December.

She stated that the Community Input Process has consisted of several Stakeholder Group meetings, Focus Group meetings and a Public Workshop on September 23rd. Subsequent Team Meetings have been used to develop the Concept Plans. She indicated that these Concept Plans had been hanging in the Council Chambers at the Village Center and had been available for comments from staff.

She stated that the Community Open House would be held on October 21st, 2009, from 6:30 p.m. to 8:00 p.m. at Cherry Hills Village Elementary School. She stated that subsequent to the Community Open House would be a follow-up Team Meeting. After the Community Open House, Norris Design will work on Final Report documents including the Final Concept Plan and recommendations. Norris Design will present the final plan to Council at the December 8th 2009 Council Meeting.

She stated that the agenda for the October 21st Community Open House would begin with a brief welcome from Councilor Brown or Councilor Roswell followed by a Meeting Agenda Overview. She indicated that they wanted the meeting to be a true open house and would have the Conceptual Plans posted so that attendees could view them. She stated that Norris Design had developed ballots that would be available for people to rate the features found in each plan such as climbing walls and nature walks as least desirable or most desirable. Norris Design will hand these ballots out at the beginning of the meeting, then take a break during the meeting so that residents have the

opportunity to look the Conceptual Plans. Norris Design team members will be manning the posters to answer any questions. Then the meeting will reconvene for a discussion and dialogue.

She stated that the three Conceptual Plans are diverse and that none is perfect. They include all the elements and concepts that have come from public input, but no single plan includes all the elements or concepts. For example, one option has no on-site public works facility, one has a partial public works facility with offices but no public works yard, and the third has a full public works facility. Another example is the number of "active" elements in John Meade Park.

Councilor Brown indicated that the group has been discussing posting the Conceptual Plans and other documents on the Cherry Hills Village website so that residents who are unable to attend the October 21st Community Open House still have an opportunity to view and comment on the Conceptual Plans.

Ms. Rael stated that they have a two-week window during which Norris Design can integrate public comments received from the website into their Final Report.

Mayor Wozniak commented that he liked the variety of the designs presented in the Conceptual Plans. He asked Ms. Rael to comment on the inclusion or lack thereof of 90 Meade Lane in the plans.

Ms. Rael stated that the plans integrate 90 Meade Lane in several ways, in some cases utilizing it and in some cases leaving it open for sale by the City as a fundraising option. She also indicated that the graphics on the plans were color-coded to be consistent and easy to read. For example South Metro Fire Rescue buildings are colored red in all three plans, administrative buildings are tan, Police and Public Works are brown, amenities are purple, and water features are blue. She also indicated that the Final Conceptual Plan will be more refined than the current plans.

Mayor Pro Tem Steward asked if Norris Design had plans showing construction staging for each conceptual plan.

Ms. Rael replied that the current plans only show the final build-out. She stated that in each case, phase 1 would involve the Police and Fire departments moving across the street from the current Village Center, and then the Village Center would potentially be demolished and in that case the administrative staff would temporarily move across the street with the Police and Fire department.

She stated that Norris Design has also been looking at the cost of each option but that they prefer not to publish those numbers until they have a final concept plan to present.

Mayor Wozniak thanked Ms. Rael and congratulated her and her team on all their work. He asked if they have gotten input from South Metro Fire Rescue.

Councilor Roswell confirmed that South Metro Fire Rescue has been participating throughout the process.

Parks, Trails and Recreation Commission (Chair Jane Soderberg) – Budget Priorities for 2009

Ms. Jane Soderberg indicated that the Parks, Trails and Recreation Commission (PTRC) had formatted a proposed budget for 2010 that highlights their maintenance priorities. She stated that new revenue streams would be very helpful, as currently the only incoming revenue is from special events. She stated that PTRC currently has three

capital projects. One is for playground equipment in neighborhood parks to provide recreational opportunities. She stated that PTRC is focusing on construction of play structures at parks in Woodie Hollow and Dahlia Hollow. PTRC will be conducting neighborhood meetings to determine what residents desire at these locations. PTRC is requesting \$2000 initially for this project. PTRC won't move forward on these projects until they have received feedback from residents.

Mayor Wozniak asked if the entire dollar amount for that capital project was for play structures.

Ms. Soderberg confirmed that was correct. She stated that the second capital project is the study for a potential Little Dry Creek Trail and that PTRC has voted to continue with Phase One, which was included in the Master Plan. The third capital project is a GPS system that will greatly help the horticulture staff with tree inventory, signs, benches, etc. Parks, Trails & Recreation Administrator Ryan Berninzoni is researching GPS systems, and also the possibility of hiring a City intern to work on the project, which would reduce costs.

Mayor Wozniak asked how the PTRC's maintenance priorities fit into the 2010 Budget and how much each of the five priorities cost.

Mr. Berninzoni stated that the activities such as tree trimming, watering, planting, and fence building fit into a few line items such as forestry and general maintenance. He stated that Fund 30 of the 2010 budget has plenty of funds to allow for these maintenance priorities. The first priority, City wide watering trees and plants, comes out of ground and tree maintenance. The second priority, bridal trail improvements, falls into a few sections, including grounds maintenance and improvements, line item 5055 in the 2010 budget. The third priority, High Line Canal maintenance, consists of trimming hazardous trees as needed and is done once a year. The fourth and fifth priorities, Fencing and bollard improvements and General maintenance of City property, fall under general maintenance.

City Manager Eric Ensey added that most of the priority items are personnel activities, rather than activities that would require extra or new materials.

Mr. Berninzoni added that Fund 14 would be used for the play structures for pocket parks.

Residential Development Standards Committee (Committee Members: Tracy James, Peter Savoie, Steven Szymanski) – Report to the City Council

Mayor Wozniak complemented the RDSC members on the thoroughness and depth of their work and stated that he has many questions and suggested that they arrange a separate Study Session to discuss the Report in detail. He invited the RDSC members to give Council an introduction and summary of the Report.

Mr. Peter Savoie explained that the RDSC had been meeting for over a year and while none of them are professional land developers or planners, they are all concerned residents and neighbors, and they all brought something important to the table including backgrounds in architecture, development, real estate, and law. They listened to the neighbors and development community in the Village, and looked into what other similar communities have done and are doing across the country. They did a lot of research and found that much of what other cities are doing makes sense for the Village. Nothing in their Report to the Council is a new idea, and all of their recommendations have been implemented by other municipalities. They reviewed over 30 reports and articles about what other cities are doing and tested them for applicability in the Village.

He stated that the RDSC has narrowed all the recommendations down to five with two subsets. The RDSC was unanimous on #1, Floor Area Ratio. This recommendation would establish floor area ratios (FAR) based on zoning district and lot size. The RDSC found many examples of developments within the Village that would fit into these criteria and others that did not. They selected criteria that 97-98% of all current completed developments fall into. They predict that these criteria would only exclude around two houses every two years, or about 3% of new developments.

He stated that #5, Grading, is really a sub-category of #1, because without Grading, Floor Area Ratios are meaningless. The RDSC again recommends criteria that 97% of all current developments fall within.

He stated that the RDSC did not recommend any changes to #2, Setbacks. They looked at municipalities such as Greenwich, Connecticut and Lake Forest, Illinois which are similar to the Village, and found that their setbacks are not significantly different than those of the Village.

He stated that #3, Daylight Plane, could be a contentious issue. Current zoning allows structures to go straight up 30 feet from the setback. This can block sunlight and cast shadows on neighboring properties and create a "looming" effect. A Daylight Plane helps to eliminate these issues by implementing a tiered effect to development.

He stated that #6, Preservation of Natural Surroundings, and #7 Sustainability Requirements / "Green Building" are fairly self-explanatory and widely accepted throughout the country over the past five years.

He stated that the RDSC tried to define the "character" of the Village. They determined it included a semi-rural feel, with narrow streets, established trees, and a sense of rural community. With this in mind, they suggest that trees in the setback removed during construction should be replaced after construction is completed.

Mayor Wozniak asked for more detail on #4, Building Height, which increases the allowed height of a structure from 30 feet to 35 feet.

Mr. Savoie responded that many municipalities with similar characteristics to the Village have a 35 foot height limit, and that when combined with #3 Daylight Plane makes sense because it moves development from the edge into the center of the lots.

Mayor Wozniak suggested that unless Council had general questions now, that they schedule a Study Session with Council and RDSC to go over the Report in detail and to allow staff to discuss what an ordinance that included these recommendations would look like.

Mayor Wozniak also asked what the RDSC was planning for those structures that would not fit into the new criteria. He asked if they would be grandfathered.

Mr. Szymanski stated that the RDSC had not addressed grandfathering.

Mayor Wozniak stated that any issues with grandfathering would go through the Board of Adjustment and Appeals.

Mr. Szymanski stated that these were good questions that the RDSC had spent a lot of time discussing and that can be addressed further during the Study Session. He thanked Councilors LaMair, Roswell, and VanderWerf and Mr. Ensey and Mr. Zuccaro for all their help and hard work. He stated that the RDSC had tried to be neighborhood-

specific in their report and had tried to water down their recommendations to five distinct proposals that they think will be the most effective. He also noted that other municipalities that they researched had passed many more zoning ordinances in a short period of time, and the RDSC determined it was better to move the process more slowly in the Village.

Ms. James stated that the RDSC had discussed how to deal with developments that are already built but would fall outside of the new recommendations, and that there are many ways to address this issue. She stated that the RDSC had been selective in their criteria to assure that the majority of developments would fall within the new criteria.

Mayor Wozniak asked if, for example, the lots at the northwest corner of Buell near University and Hampden might pose problems due to the size of the developments compared to the size of the lots.

Mr. Szymanski replied that if a house is already built it is not required to conform to the new criteria. The new criteria would only apply to new constructions or to major renovations. He stated that the R-3 lots may pose problems, but that the RDSC's intention with these recommendations is not to crimp or put caps on the size of houses, but rather to relate to the issues of character scale and address the issues as outlined in the Report.

Mayor Wozniak indicated that he was thinking about these issues from a policy perspective and about the number of existing houses that would theoretically violate the new standards. A situation in which a new home owner is restricted by the new standards but is surrounded by older houses that were not restricted by the new standards might create some conflict.

Ms. James stated that the RDSC is planning for the already established homes, and that their purpose is to look forward.

Mayor Wozniak stated that the Village is more of a remodeling community than a new house building community and that there were approximately seven permits for new houses in 2009.

Mayor Wozniak stated that a Study Session will be arranged for RDSC members and Council to go over the RDSC report item by item. He indicated that it was very helpful to Council that the RDSC had investigated what other cities similar to the Village had done. He indicated that the RDSC report has been on the Village website and that the Study Session will be open to the public. He thanked the RDSC for their hard work.

Mr. Savoie stated that he had been worried at the beginning of the process about opposition to new standards, but found that many residents thought the RDSC was not going far enough in their recommendations. He indicated that this report represented the beginning of the process, not the end.

Mayor Wozniak indicated that it was very helpful to have a list of issues that might be addressed in the future at the end of the RDSC report, and that they were all issues that had come to the Council's attention at one time or another. He also indicated that he believes that public participation, incremental change, and allowing residents to absorb changes form the best approach.

CONSENT AGENDA

Councilor VanderWerf removed item 5c from the consent agenda.

Mayor Wozniak removed item 5b from the consent agenda.

Councilor LaMair moved, seconded by Councilor Griffin to approve the following items on the Consent Agenda:

- a. Approval of Minutes – October 6, 2009

The motion carried unanimously.

ITEMS REMOVED FROM CONSENT AGENDA

The following items were removed from the Consent Agenda:

Item 5c - Contract for Services and Expenditure of Funds – Little Dry Creek Trail Reconnaissance and Background

Councilor VanderWerf asked staff what the deliverables for this contract will be.

Mr. Berninzoni replied that the deliverable for Step 1 of the project will be a base map that shows the rights-of-way and easements.

Councilor LaMair asked if staff will be in communication with the neighborhoods during Steps 1 and 2 of this project.

Mr. Berninzoni replied that staff has not been in correspondence with residents.

Mr. Ensey indicated that this contract was for a search of records only, a gathering of information to determine the location of the rights-of-way.

Ms. Soderberg stated that the project is more for erosion control and preservation of the creek than establishing trails.

Councilor LaMair asked if the plan was to move the trail closer to the creek in the future.

Ms. Soderberg replied that this first step was simply a baseline study, and that they would try to do what is best for the creek.

Mayor Wozniak commented that it will be a good study to coordinate along the whole creek and that erosion is a concern.

Councilor LaMair stated that there are oddly located easements going through major parts of people's property because of where the creek falls, and after this initial information gathering phase it would be nice to move ahead to improve the right-of-way. She stated that she thinks many homeowners would be very receptive to improving their properties by moving the trail.

Councilor VanderWerf commented that if this project does move ahead, she knows someone with a background in trails who is good at compromising with property owners.

Councilor VanderWerf moved, seconded by Mayor Pro Tem Stewart to approve the Contract for Services and Expenditure of Funds – Little Dry Creek Trail Reconnaissance and Background.

The motion passed unanimously.

Item 5b - Contract for Services – Cutler and Associates for the City's Auditing Services

Mayor Wozniak stated that he had a question for the City Attorney on the contract. In paragraph 3.2 it states that the contract will be automatically renewed unless terminated before October 1st of the fiscal year. In paragraph 31 it states that the City may terminate at any time with 30 days written notice. He suggested that the contract be amended so that paragraph 3.2 is subject to paragraph 31, and asked that the City Attorney make that change.

City Attorney Ken Fellman stated that paragraph 3.2 of the contract states that the contract will be renewed automatically on October 1st. However, because Council does not approve the budget before October 1st, paragraph 31 is in place in the event that the Council determines that the City does not have the financial resources to renew, or for whatever reason chooses to not renew the contract, in which case the City may terminate the contract with 30 days notice. He indicated that he would make the suggested change making paragraph 3.2 subject to paragraph 31.

Finance Director Karen Proctor stated that the City's practice has been to put out a Request for Proposals (RFP) for auditing services every five years. The City's contract with Swanhorst & Company ended on December 31st, 2008. In June 2009 staff put out an RFP and reviewed the proposals that were submitted. After this review staff recommended John Cutler & Associates to be the City's auditor for the next five years. Ms. Proctor expressed her belief that the company's experience and staff will be a great asset to the City.

Mr. John Cutler stated that his company has been doing audits for five years, and specialize primarily in governments and non-profit organizations. They work almost exclusively on audits. From January to May they are busy with local governments. They've never received a bad comment from their customers. Mr. Cutler stated that he and his colleagues are happy to be a part of the City's financial team.

Councilor LaMair moved, seconded by Councilor Griffin to approve the Contract for Services – Cutler and Associates for the City's Auditing Services.

The motion passed unanimously.

UNFINISHED BUSINESS

Council Bill 15, Series 2009 – Amending Chapter 16 of the Municipal Code, concerning zoning, by amending Section 16-8-90 and 16-9-30(d), concerning accessory structures and/or recreational use setbacks (second reading, public hearing)

Planning Manager Rob Zuccaro stated that there have been no changes to Council Bill 15, Series 2009 since the last Council meeting on September 15, 2009. He stated that notice of the public hearing was published in the Villager on October 1, 2009. Staff also sent letters to all of the R-4 and R-3A Home Owners Associations. Staff received only one comment letter, which was in opposition to the proposed bill. The basis of the opposition was that the current setbacks are greater in the R-4 zone districts than in other districts so that the visual burden of an accessory structure will be on the property owner rather than the neighbor. The concept of having an accessory structure setback much larger than the principal setback is that in theory these structures have less of a visual impact than the principal structures. Accessory structure setbacks are typically less than or equal to the principal setbacks. For example, Greenwood Village has principal structure setbacks of 40 feet in the front, 20 feet in the rear and sides; and accessory structure setbacks of 40 feet in the front, 15 feet in the rear and 10 feet on the sides. These are typical setbacks in all other zone districts in the City except for R-4 and R-3A.

Mr. Zuccaro stated that staff and the Planning & Zoning Commission (P&Z) are recommending approval of the proposed bill.

Mayor Wozniak asked staff to address the claim in the comment letter regarding the inconsistency in lot shape in the R-4 zone district.

Mr. Zuccaro replied that the interesting thing about the R-4 zone district is that one of the side setbacks can be as low as 10 feet as long as the sum of both side setbacks is at least 30 feet. The proposed bill would change this to be 15 feet accessory structure setbacks on each side, but the principal structure setback would remain at 10 feet.

Mr. Zuccaro stated that the R-3A zone district does not have the same variation in the side setbacks as R-4.

Mayor Wozniak asked if the comment letter was discussed by the P&Z.

Mr. Zuccaro replied that the P&Z did not have the letter in front of them and that he doesn't believe that they discussed the issues brought up in the letter specifically, but they did discuss the differences in setbacks between these zoning districts and other zoning districts in the City.

Councilor Brown commented that this ordinance has been heavily communicated throughout the Village to Homeowners Associations and through email notices, so there is a high degree of awareness that this issue is before Council. He stated that he has spoken to Doug Scott about his comment letter and confirmed that there are a number of irregularly shaped lots, and that due to the possibility of a 10-foot accessory structure side setback, there is perhaps a desire to put accessory structures on the other side of the property from principal structures, effectively making it the neighbor's problem. He indicated that he had never personally encountered any such incidents, and that in general most people seemed to be conscious of where they locate their accessory structures and the effect on their neighbors.

Mayor Wozniak opened the public hearing and asked if anyone would like to speak on this matter. Hearing none the Mayor closed the public hearing.

Mayor Pro Tem Stewart moved, seconded by Councilor Brown to approve on second and final reading Council Bill 15, Series 2009; a bill for an ordinance amending Chapter 16 of the Municipal Code, concerning Zoning, by amending Sections 16-8-90 and 16-9-30(d), concerning accessory structures and recreational use setbacks.

The following votes were recorded:

Mark Griffin	yes
Harriet LaMair	yes
Russell Stewart	yes
Scott Roswell	yes
Klasina VanderWerf	yes
Alex Brown	yes

Vote on the Council Bill 15-2009: 6 ayes. 0 nays. The motion carried.

NEW BUSINESS

Proposed 2010 Budget

Ms. Proctor stated that there were several minor changes to the 2010 budget since the Study Session on October 6th 2009. The net effect of these changes to the overall 2010 budget was zero. The General Fund Balance for 2010 is \$10,519,588. She stated that for informational services staff also included four five year projections for the General Fund and Fund 30. These projections are based on a 3-5% annual increase in expenditures and a 0%, 20%, 25%, and 30% decrease in property taxes in 2012 and 2013.

Councilor Brown asked if he was correct in understanding that the budget for capital improvements would drop significantly at the conclusion of the City's street upgrade project.

Public Works Director Jay Goldie confirmed that the capital improvements budget had been inflated by approximately one million dollars over the last several years for the City's street upgrade project to catch up the City's streets on concrete and overlays. He stated that street maintenance costs will go down significantly after this project has been completed and stay down until the next round of overlays is required.

Councilor Brown asked if, assuming the current projected budget trend, the City isn't just deferring a half million dollars to its future budgets by cutting that amount in the 2010 budget for this project. He asked how this will affect completing the project in a timely fashion.

Mayor Wozniak stated that many projects like this are never really completed, because there will always be maintenance to do on the roads, and agreed that deferring on this project will result in the City being behind in their road maintenance, unless Council decides that it is a priority.

Councilor Brown responded that he agreed with the Mayor on the cyclical nature of capital expenditures, but that he wonders if it is in the City's best interest to put off the completion of this program when it is already two-thirds of the way completed. He noted that even the most pessimistic of Ms. Proctor's budget projects left the City with far more in revenues than its annual operating budget. He also noted that Mr. Goldie had indicated that current contract prices are below normal levels. He questioned if cutting the capital projects budget for 2010 is the right thing to do given these factors, or if making a one-time withdrawal for a one-time expenditure from the City's fund balance in the interest of completing this project closer to its original timeline might be better in the long-term.

Mayor Pro Tem Stewart indicated that the real question is how important is the timeline of this project. If the timeline can be extended with no serious repercussions, then that may be the best way to go. He indicated that the important question is how needed are the repairs and is the City losing anything by extending the timeline?

Mr. Goldie responded that none of the repairs are currently critical. He stated that the City's streets are in the best shape of any City's in the Metro Denver area, but that if the City puts off the maintenance and repairs for too long it will reach a point where money is lost.

Mayor Wozniak indicated that if Mr. Goldie comes to the Council with a road project that is critical, Council will address the issue promptly. He indicated that if Mr. Goldie feels the City can maintain the condition of the City's streets with the current 2010 budget, then the Mayor recommends keeping the current proposed budget. However, he stated that if Mr. Goldie indicates there is street work that if postponed will cost the City in the long run, then Council should address it.

Councilor Brown stated that from his perspective, although the City does not have any streets in desperate need of repair, finishing the project within the original timeline should be considered.

Councilor LaMair asked if the Mansfield project is still on Public Work's schedule for 2009.

Mr. Goldie responded that it is not on the books for 2009 or 2010, but it is still planned to be done one to two years after the new water lines are completed.

Councilor LaMair asked if the curb and gutter replacement process has a timeframe in which if it is not completed it would be more costly to the City.

Mr. Goldie responded that with the current budget the City will complete that process in 2010. He added that it is the overlays that the City will be putting off based on the current proposed budget for 2010.

Councilor LaMair indicated that, as she understands it, the overlay and chip seal process extends the life of the road if done in a timely fashion. She asked if the proposed 2010 budget includes the extension of the sidewalk around Oxford at the bottom of Dahlia where a dangerous situation has arisen where a guard rail forces children into the street to reach a bus stop.

Mr. Goldie confirmed that the project is included in the 2010 budget, partially budgeted in Public Works and partially budgeted in Parks, and should be completed by the end of 2010.

Mayor Wozniak asked Councilor Brown if he would like to propose an amendment to the 2010 proposed budget that would include more of the streets projects that have been deferred.

Councilor Brown indicated that he had only wanted to bring it up for discussion by the Council.

Councilor VanderWerf inquired about the differences between the proposed budget and the Mayor's column in the Village Crier.

Mayor Wozniak indicated that he had written the column about a month ago and that might be why there are some discrepancies.

Councilor VanderWerf inquired about the Mayor's comments in the column that indicated he had to make cuts to operational items in the budget in order to honor the Council's dedication of \$150,000 to the Cat Anderson Open Space Fund and maintain a balanced budget.

Mayor Wozniak responded that this was for the 2009 budget because the City was \$400,000 short, and so he cut things from this year's budget to have a balanced budget. The cuts were mainly operational, including some deferment of street projects from this year to next year.

Councilor LaMair stated that the Mayor's column seemed to indicate that because Council had made a dedication to the Fund, it resulted in the need to make cuts from the budget.

Mayor Wozniak confirmed that if Council hadn't dedicated \$150,000 to the Fund then he wouldn't have had to make \$150,000 in cuts in order to balance the budget.

Councilor VanderWerf stated that she had thought the \$150,000 for the Cat Anderson Fund had come from the City's Reserve Fund.

Councilor LaMair stated that her understanding was that the money would come from the City's Reserve.

Mr. Ensey stated that the money had in fact come out of the City's General Fund Reserve, but that from an auditor's standpoint that money is still an unbudgeted item and so the City would technically have a deficit.

Mayor Wozniak opened the public hearing and asked if anyone would like to speak on this matter. Hearing none the Mayor closed the public hearing.

Council Bill 16, Series 2009; A bill adopting a budget and levying property taxes for fiscal year 2010 (first reading)

Councilor Griffin moved, seconded by Mayor Pro Tem Stewart to approve on first reading Council Bill 16, Series 2009; a bill for an ordinance adopting a budget and levying property taxes for the City of Cherry Hills Village, Colorado for Fiscal Year 2010 on first reading.

The following votes were recorded:

Harriet LaMair	yes
Russell Stewart	yes
Scott Roswell	yes
Klasina VanderWerf	yes
Alex Brown	yes
Mark Griffin	yes

Vote on the Council Bill 16-2009: 6 ayes. 0 nays. The motion carried.

Council Bill 17, Series 2009; A bill authorizing appropriations for fiscal year 2010 (first reading)

Councilor Griffin moved, seconded by Mayor Pro Tem Stewart, to approve on first reading Council Bill 17, Series 2009; a bill for an ordinance of the City Council of the City of Cherry Hills Village, Colorado authorizing appropriations for Fiscal Year 2010 on first reading.

The following votes were recorded:

Russell Stewart	yes
Scott Roswell	yes
Klasina VanderWerf	yes
Alex Brown	yes
Mark Griffin	yes
Harriet LaMair	yes

Vote on the Council Bill 17-2009: 6 ayes. 0 nays. The motion carried.

Mayor Wozniak indicated that Council's second reading on these items will be December 8th 2009.

REPORTS

Mayor's Report

There was no report.

Members of City Council

Councilor Brown reported that the Village Center Conceptual Plan Community Open House is Wednesday October 21st, 2009 at Cherry Hills Village Elementary School from 6:30 to 8:00 p.m. He stated that the team has tried to incorporate all the feedback they have received from the community into the conceptual plans. He stated that City staff has done good work and has been very responsive and attentive to detail.

Councilor VanderWerf reported that the bike ride she led on October 3rd celebrating South Suburban Park Foundation's contributions to the City's regional trail system went well.

Councilor Roswell had no report.

Mayor Pro Tem Stewart indicated that he would attend the Community Open House. He also presented an article from the Wall Street Journal regarding lawn watering in the west and asked that staff make copies to pass out to Council at the next meeting.

Mayor Pro Tem Stewart asked for clarification from staff on the doubling of DUI funds in the 2010 budget.

Police Chief John Patterson explained that the increase in DUI funds was a result of an increase in the number of fines assessed. He stated that the City cited 96 drivers with DUI tickets in 2004 and 250-260 in 2009. He stated that the reason for this increase is that he believes drunk drivers are inherently dangerous and emphasizes catching DUI drivers to the department, especially with the night officers.

Mayor Pro Tem Stewart asked if Council could be of any assistance in this matter, if for example a stronger ordinance was needed.

Chief Patterson indicated that the law was set by the State and that most of the drivers the City cites are problem drinkers and have a series of DUI tickets. He also stated that most of the drivers cited in the City are not residents.

Councilor Griffin added that he has participated in a ride-along with officers and was very impressed at the extensive training they've received and their ability to pick out a drunk driver from signs that he would not have recognized as indicating drunk driving. He encouraged other Council members to participate in a ride-along.

Councilor LaMair reported that she would not be able to attend the Community Open House due to a Denver Regional Council of Governments meeting. She also reported on funding efforts for the water district in the East Cherry Hills Home Owners Association. She stated that Denver Water Board was going to fund the project at 7%, but that they found 2% funding and potentially 0% funding through the Department of Local Affairs Drinking Water Revolving Fund. She stated that the project is and has been "shovel ready"; however there is a problem with an easement that they are still

working to resolve. Once the funding is finalized the City will play a roll in billing residents to pay the money back to Denver Water.

Councilor LaMair also reported that the Arapahoe County Open Space Master Plan group has another public meeting a few weeks.

Councilor Griffin had no report.

Members of City Boards and Commissions

There were no reports.

City Manager & Staff

Mr. Ensey advised that the monthly reports were included in the packets. He indicated that Ms. Proctor would discuss the Fund Balance Policy Statement which was presented at the October 6, 2009 Study Session.

Fund Balance Policy

Ms. Proctor advised that the Fund Balance Policy had been distributed to Council at the October 6, 2009 Study Session. She stated that the idea for a Fund Balance Policy was suggested by Councilor Brown in budget committee meetings. She indicated that staff had utilized guidelines and reviewed Fund Balance Policies from other cities through the Government Finance Officers Associate (GFOA). The GFOA recommends that governments maintain a minimum of 5-15%, or one to two months of regular general fund operating expenditures in an unreserved fund balance. For Cherry Hills Village, 15% of 2010 regular general fund operating expenditures is approximately \$5 million, while 2 months of operating expenditures is approximately \$1 million. The City's current unreserved fund balance is approximately \$10.5 million, well above the recommended levels. To compare to other cities, Lakewood has a 2010 fund balance equal to 20.4% of the city's annual expenses, while Cherry Hills Village has 200% or two years' worth of its annual expenses in its fund balance.

Ms. Proctor requested direction from Council as to whether staff should prepare a Resolution outlining a Fund Balance Policy for the City.

Mayor Wozniak asked for clarification as to the rationale behind the Fund Balance goals for the City's various funds outlined in the Fund Balance Policy. He asked what the Fund Balance goal for the General Fund, defined as six months of the current year's expenditures, would be for 2010.

Ms. Proctor replied that it would be approximately \$3 million for 2010.

Mayor Wozniak asked how staff arrived at a 90 day reserve for the Water and Sewer Fund.

Ms. Proctor replied that the Fund Balance Policy is only an outline and that staff will have to look into the Fund Balance Goals for each fund in more detail before bringing final suggestions to Council.

Mayor Wozniak also questioned the Fund Balance Goal for the City's Parks and Recreation Fund, defined as six months of current year expenditures. He suggested that this is not the right metric to use to define fund balance goals.

Councilor Griffin suggested that the next step would be for staff to dissect the goals for each fund, relate it to the overall budget, and present Council with numbers.

Mayor Wozniak commented that the Fund Balance Policy is a good concept for the City.

Mayor Pro Tem Stewart warned that Council should be sure the City is not in violation of the fund balance goals or the overall fund balance policy when they adopt it.

Councilor Brown commented that a reserve of 50% of the City's operating budget is very aggressive. Historically many cities have reserved 5-10% of their operating budget. He stated that the highest reserve he knows of is the City of Northglenn, which now has a reserve equal to one year of its operating budget after coming out of a difficult financial period. He stated that Cherry Hills Village has relatively stable revenues compared to many other cities.

Cell Phone Tower Installation

Councilor Griffin asked staff to provide an update on cell phone tower installation.

Mr. Ensey reported that the installation is in progress, that most poles have been replaced but that the antennas have not yet been installed. He stated that the City is expecting completion by December or January.

City Attorney

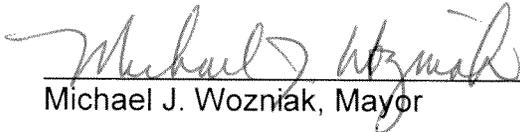
City Attorney Ken Fellman stated that he had no report, but that David Foster would join Council at the Study Session with the Residential Standards Development Committee (RDSC) on November 19th 2009 to make sure that Council addresses all issues in the RDSC report.

Mayor Wozniak asked if an Ordinance resulting from the Report would be reviewed by the Planning & Zoning Commission (P&Z) before being reviewed by Council.

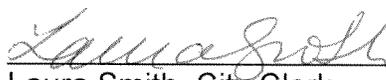
Mr. Fellman replied that Council should evaluate the RDSC report and give direction to staff to draft one or more Ordinances. The Ordinances should then go to P&Z for review, back to staff for revision, and finally to Council for review and public hearing.

ADJOURNMENT

The meeting adjourned at 8:12 p.m.



Michael J. Wozniak, Mayor



Laura Smith, City Clerk