



## Lone Tree City Council Agenda Tuesday, December 2, 2014

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**Meeting Location:** City Council Meeting Room, Lone Tree Civic Center, 8527 Lone Tree Parkway.

**Meeting Procedure:** The Lone Tree City Council will convene as the Lone Tree Entertainment Business Improvement District (BID) at 4:30pm. Following the meeting City Council and staff will meet in a public Study Session. At 6:00pm and following the Study Session, if necessary, the Council Meeting will adjourn and convene in Executive Session. If an Executive Session is not necessary, Council will recess for dinner. The Regular Session will be convened at 7:00pm. The Lone Tree Entertainment Business Improvement District (BID) Meeting, Study Sessions and Regular Sessions are open to the public, Executive Sessions are not. Comments from the public are welcome at these occasions: 1. Public Comment (brief comments on items not scheduled for a public hearing) 2. Public Hearings. Contact the City Clerk if special arrangements are needed to attend (at least 24 hours in advance).

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### **4:30pm Lone Tree Entertainment Business Improvement District Agenda**

*City Council will convene this afternoon as the Lone Tree Entertainment Business Improvement District (BID) Board of Directors.*

1. Roll Call
  2. Approval of the 12-3-13 Minutes
  3. **Public Hearing**, Adoption of Resolution 14-01, SUMMARIZING REVENUES AND EXPENDITURES FOR THE DEBT SERVICE FUND, ADOPTING A BUDGET AND OPERATING PLAN, AND APPROPRIATING SUMS OF MONEY TO SAID FUNDS IN THE AMOUNT AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LONE TREE ENTERTAINMENT BUSINESS IMPROVEMENT DISTRICT, DOUGLAS COUNTY, COLORADO, FOR THE 2015 FISCAL YEAR ENDING ON THE LAST DAY OF DECEMBER, 2015
  4. Adjournment
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### **4:35pm Study Session Agenda (following the LT Entertainment BID Meeting)**

1. Southgate Water and Sanitation Districts Update
  2. Approval of First Amendment to the MOU re: Cultural Arts Center Site
  3. LTAC Fundraising: 501(c)(3)
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### **6:00pm Executive Session Agenda**

1. Roll Call
  2. Executive Session
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### **7:00pm Regular Session Agenda**

3. Opening of Regular Meeting/Pledge of Allegiance
4. Amendments to the Agenda and Adoption of the Agenda
5. Conflict of Interest Inquiry
6. Public Comment
7. Announcements
8. Presentations
  - a. Introduction of 2014 Holiday Card Selection Winners
9. Consent Agenda
  - a. Minutes of the November 18, 2014 Regular Meeting
  - b. Claims for the Period of November 10-24, 2014

10. Public Works
    - a. Approval of Change Order #1 with Thoutt Brothers Concrete Construction Inc. for the 2014 Concrete Replacement
  11. Administrative Matters
    - a. **Public Hearing:** Approval of Park Meadows Business Improvement District (BID) 2015 Operating Plan and Budget
    - b. Approval of Audit Engagement Letter w/Wagner, Barnes & Griggs, PC for Audit services for the year 2014
    - c. Amendments to Council Adopted Policy (CAP) 09-06, Commission, Boards & Committees (CBC) Appointment Policy
  12. Council Comments
  13. Adjournment
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### **City of Lone Tree Upcoming Events**

More info available at [www.cityoflonetree.com](http://www.cityoflonetree.com) and [www.lonetreeartscenter.org](http://www.lonetreeartscenter.org)

- Lone Tree Symphony Orchestra, Let it Glow, Friday, December 5 at 7:30 PM and Saturday, December 6 at 2:00 PM, LTAC
- Colorado Jazz Repertory Orchestra (CJRO), Big Band Christmas, Sunday, December 7, 7:30 PM, LTAC
- Colorado Symphony Orchestra, Holiday Brass, Thursday, December 11, 7:30 PM, LTAC
- Nutcracker by Classical Ballet of Colorado, Saturday and Sunday, December 13 & 14, 1:30 and 7:30 PM performances both days, LTAC



## CITY OF LONE TREE STAFF REPORT

**TO:** Mayor Gunning and City Council

**FROM:** Jeannene Bragg, Operations Director, LTAC

**DATE:** November 24, 2014

**FOR:** December 2, 2014 Study Session

**SUBJECT:** 2014 Holiday Card

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### Summary

This year six students' artwork was chosen for the City of Lone Tree Holiday card. They are all in 4<sup>th</sup> grade at Lone Tree Elementary. Checks and art supplies will be presented at the December 2<sup>nd</sup> Council meeting to the students to recognize their work. These students are:

Claire Stanley  
Brielle Creamer  
Nikki Damian-Campbell  
Ella Morris  
Megan Apotheker  
Caroline Joyce

Lone Tree Elementary art teachers Sheila Watkins and Justyna Bulter graciously helped us with this year's project.

### Cost

Each student will receive \$50 as well as art supplies. The school will also receive \$50 to use for art supplies for the classroom.

**MINUTES OF A REGULAR MEETING  
OF THE COUNCIL OF THE  
CITY OF LONE TREE  
HELD  
November 18, 2014**

A regular meeting of the Council of the City of Lone Tree was held on Tuesday, November 18, 2014, at 7:00 p.m., at the Lone Tree City Council Chambers located at 8527 Lone Tree Parkway, Lone Tree, Colorado 80124.

Attendance

In attendance were:

James D. Gunning, Mayor  
Jacqueline Millet, Mayor Pro Tem  
Harold Anderson, Council Member  
Kim Monson, Council Member  
Susan Squyer, Council Member

Also in attendance were:

Seth Hoffman, City Manager  
Jennifer Pettinger, City Clerk  
Steve Hebert, Deputy City Manager  
Jeff Holwell, Economic Development Director  
Chief Jeffery Streeter, Lone Tree Police Department  
Kristin Baumgartner, Finance Director  
Kelly First, Community Development Director  
Lisa Rigsby Peterson, Lone Tree Arts Center Director  
Neil Rutledge, City Attorney, White, Bear and Ankele, P.C.  
John Cotten, Public Works Director, TTG Corp.

Call to Order

Mayor Gunning called the meeting to order at 6:12 p.m., and observed that a quorum was present.

Executive Session

Mayor Gunning announced City Council intends to convene in Executive Session. Neil Rutledge, City Attorney, stated the Executive Session is for a conference with the City Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b) regarding construction defect issues and for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) regarding a development

proposal. Council Member Anderson moved, seconded by Mayor Pro Tem Millet, for City Council to recess and convene in Executive Session for the reasons stated. The motion passed with a vote of 5-0.

Council adjourned to an Executive Session at 6:12 p.m.

The Executive Session was adjourned at 6:33 p.m.

Mayor Gunning reconvened the meeting in Regular Session at 7:03 p.m., following a short recess.

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Pledge of Allegiance

Mayor Gunning led those assembled in reciting the Pledge of Allegiance.

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Amendments to the Agenda

Council Member Anderson moved, seconded by Council Member Squyer, to add to the agenda the Council Adopted Policy (CAP) #14-01, Lone Tree Arts Center Fundraising Committee. The motion passed with a vote of 5-0.

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Conflict of Interest

There was no conflict of interest.

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Public Comment

There was no public comment.

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Announcements

Mayor Gunning announced upcoming events.

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Consent Agenda

Mayor Gunning noted the following items on the Consent Agenda, which consisted of:

- § *Minutes of the October 21, 2014 Regular Meeting*
- § *Claims for the period of October 13 – November 10, 2014*
- § *Treasurer's Report September, 2014*

Mayor Pro Tem Millet moved, Council Member Anderson seconded, to approve the Consent Agenda. The motion passed with a vote of 5-0.

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Community Development

*Approval of RidgeGate Section 15, Filing 21, Lot 1 (MorningStar at RidgeGate) SIP #SP14-30R*

Jennifer Drybread, Senior Planner, introduced the item. Keith Simon, RidgeGate Development Director, Darrell Jones, Coventry Development Manager, Matt Turner, Chief Financial and Development Officer for MorningStar, Jeff Shera, Architect with Lantz-Boggio Architects, P.C. and Ariel Gelman, landscape architect with Blu Design, spoke about the project.

Bill Robertson, 9278 E. Aspen Hill Place, encouraged Council to approve the project.

Doug MacGregor, 7434 Indian Wells Cove, also encouraged Council to approve the project.

Sharon VanRamshorst, 8177 Arrowhead Way, spoke in favor of the project and also asked Council to look for a project that included affordable one level patio homes.

Mayor Pro Tem Millet moved, Council Member Monson seconded, to approve RidgeGate Section 15, Filing 21, Lot 1 (MorningStar at RidgeGate) SIP #SP14-30R with the two conditions as noted in the staff report. The motion passed with a vote of 5-0.

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Administrative Matters

***Public Hearing: City of Lone Tree 2015 Budget***

Mayor Gunning opened the public hearing at 8:04 p.m.

Kristin Baumgartner, Finance Director, introduced the item and noted the budget will be considered for adoption at the December 16, 2014 City Council Meeting at 7:00 p.m.

Mayor Gunning opened the public hearing for comment at 8:19 p.m.

There was no public comment.

The public hearing was closed at 8:19 p.m.

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***Public Hearing: Ordinance 14-05, ADOPTING BY REFERENCE AND AMENDING THE 2012 INTERNATIONAL BUILDING CODE, THE 2012 INTERNATIONAL RESIDENTIAL CODE, THE 2012 INTERNATIONAL MECHANICAL CODE, THE 2012 INTERNATIONAL PLUMBING CODE, THE 2012 INTERNATIONAL FUEL GAS CODE, THE 2012 INTERNATIONAL FIRE CODE, THE NATIONAL ELECTRICAL CODE (2014 EDITION) AND THE 2009 INTERNATIONAL ENERGY***

***CONSERVATION CODE; AND TO PROVIDE PENALTIES FOR CODE VIOLATIONS (First Reading)***

Mayor Gunning opened the public hearing at 8:20 p.m.

Matt Archer, Chief Building Official, introduced the item.

Mayor Gunning opened the public hearing for comment at 8:22 p.m.

Eric Gleason, National Fire Sprinkler Association, thanked Matt Archer and Chief Dell'Orfano. Mr. Gleason encouraged Council to include townhomes in the sprinkler requirement.

The public hearing was closed at 8:24 p.m.

Council Member Anderson moved, Council Member Squyer seconded, to approve **Ordinance 14-05, ADOPTING BY REFERENCE AND AMENDING THE 2012 INTERNATIONAL BUILDING CODE, THE 2012 INTERNATIONAL RESIDENTIAL CODE, THE 2012 INTERNATIONAL MECHANICAL CODE, THE 2012 INTERNATIONAL PLUMBING CODE, THE 2012 INTERNATIONAL FUEL GAS CODE, THE 2012 INTERNATIONAL FIRE CODE, THE NATIONAL ELECTRICAL CODE (2014 EDITION) AND THE 2009 INTERNATIONAL ENERGY CONSERVATION CODE; AND TO PROVIDE PENALTIES FOR CODE VIOLATIONS on second reading.** The motion passed with a vote of 5-0.

***Public Hearing: Ordinance 14-06, RECONSTITUTING THE BOARD OF ADJUSTMENT AND APPEALS (Second Reading)***

Mayor Gunning opened the public hearing at 8:25 p.m.

Kelly First, Community Development Director, introduced the item.

Mayor Gunning opened the public hearing for comment at 8:25 p.m.

There was no public comment.

The public hearing was closed at 8:25 p.m.

Council Member Squyer moved, Mayor Pro Tem Millet seconded, to approve **Ordinance 14-06, RECONSTITUTING THE BOARD OF ADJUSTMENT AND APPEALS on second reading.** The motion passed with a vote of 5-0.

***Public Hearing: Beer & Wine Liquor License Application for 5 to 1 Enterprises, LLC d/b/a Painting with a Twist (7600 E. Park Meadows Dr. Ste #950)***

Mayor Gunning opened the public hearing at 8:26 p.m.

Jennifer Pettinger, City Clerk, introduced the item and introduced Joe & Marianne Alviar, applicants. Mr. & Mrs. Alviar answered questions from Council and spoke about application.

Mayor Gunning opened the public hearing for comment at 8:33 p.m.

There was no public comment.

The public hearing was closed at 8:33 p.m.

Mayor Pro Tem Millet moved, Council Member Squyer seconded, to approve a new Beer & Wine Liquor License for 5 to 1 Enterprises, LLC d/b/a Painting with a Twist at 7600 E. Park Meadows Dr. Ste #950. The motion passed with a vote of 5-0.

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*Approval of Library Agreement w/Douglas County Libraries, Rampart Range Metropolitan District No. 1 and Lincoln Commons South, Inc.*

Neil Rutledge, City Attorney, introduced the item.

Council Member Squyer moved, Council Member Anderson seconded, to approve the Library Agreement w/Douglas County Libraries, Rampart Range Metropolitan District No. 1 and Lincoln Commons South, Inc. The motion passed with a vote of 5-0.

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***RESOLUTION 14-19, REAPPOINTING & APPOINTING MEMBERS TO THE PLANNING COMMISSION***

Council Member Squyer introduced the item.

Council Member Squyer moved, Mayor Pro Tem Millet seconded, to approve **Resolution 14-19, REAPPOINTING & APPOINTING MEMBERS TO THE PLANNING COMMISSION** (Kirchner & Dodgen). The motion passed with a vote of 5-0.

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***Resolution 14-20, REAPPOINTING & APPOINTING MEMBERS TO THE AUDIT COMMITTEE***

Mayor Pro Tem Millet introduced the item.

Mayor Pro Tem Millet moved, Council Member Squyer seconded, to approve **Resolution 14-20, REAPPOINTING & APPOINTING MEMBERS TO THE AUDIT COMMITTEE** (Gibson & Reeb). The motion passed with a vote of 5-0.

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***Resolution 14-21, REAPPOINTING & APPOINTING MEMBERS TO THE CITIZENS' RECREATION ADVISORY COMMITTEE***

Council Member Monson introduced the item.

Council Member Monson moved, Mayor Pro Tem Millet seconded, to approve **Resolution 14-21, REAPPOINTING & APPOINTING MEMBERS TO THE CITIZENS' RECREATION ADVISORY COMMITTEE** (Schroeder & Beeler). The motion passed with a vote of 5-0.

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***Resolution 14-22, REAPPOINTING & APPOINTING MEMBERS TO THE ARTS COMMISSION***

Council Member Anderson introduced the item.

Council Member Anderson moved, Council Member Squyer seconded, to approve **Resolution 14-22, REAPPOINTING & APPOINTING MEMBERS TO THE ARTS COMMISSION** (Hubbell, Jamison, Pearson & Stiff). The motion passed with a vote of 5-0.

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***Council Adopted Policy (CAP) #14-01, Lone Tree Arts Center Fundraising Committee***

Lisa Rigsby Peterson, Lone Tree Arts Center Director, introduced the item.

Council Member Anderson moved, Council Member Squyer seconded, to approve Council Adopted Policy (CAP) #14-01, Lone Tree Arts Center Fundraising Committee. The motion passed with a vote of 5-0.

Adjournment

There being no further business, Mayor Gunning adjourned the meeting at 9:01 p.m.

Respectfully submitted,

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Jennifer Pettinger, CMC, City Clerk



## FINAL STAFF REPORT

**To:** Mayor Gunning and City Council

**From:** Kelly First, Director of Community Development  
Jennifer Drybread, Senior Planner

**Date:** November 21, 2014

**SUBJECT:** RidgeGate Section 15, Filing 21, Lot 1  
Site Improvement Plan (MorningStar)  
Project File #SP14-30R

Owner:  
RidgeGate Investments, Inc.  
10270 Commonwealth St., Suite B.  
Lone Tree, CO 80124

Representative:  
Haselden/MorningStar Lone Tree LLC  
6950 S. Potomac St.  
Centennial, CO 80112

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**Planning Commission Hearing Date:** October 14, 2014  
**City Council Hearing Date:** November 18, 2014

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The City Council unanimously approved the Site Improvement Plan subject to final City of Lone Tree Public Works approval and with the condition that the local park dedication for the property in the form of cash-in-lieu of land, in the amount of \$19,200 shall be paid to the City by the applicant at the time of building permit approval.

END

**FINDINGS AND REPORT TO STATE LICENSING AUTHORITY BY THE  
CITY COUNCIL OF LONE TREE ACTING AS THE  
LOCAL LICENSING AUTHORITY ON THE APPLICATION FOR A  
BEER & WINE LIQUOR LICENSE**

5 to 1 Enterprises, LLC d/b/a Painting with a Twist

A public hearing was held by the City Council of Lone Tree, State of Colorado, acting as Local Licensing Authority at approximately 7:00 p.m. on Tuesday, November 18, 2014 at 8527 Lone Tree Parkway, Lone Tree, Colorado, on the application of **5 to 1 Enterprises, LLC d/b/a Painting with a Twist**, 7600 E. Park Meadows Dr. #950, Lone Tree, Colorado 80124.

At said hearing, the following Members of the Council were present:

Mayor James D. Gunning  
Mayor Pro Tem Jackie Millet  
Council Member Harold Anderson  
Council Member Kim Monson  
Council Member Susan Squyer

Also present were:

Seth Hoffman, City Manager  
Joe Alviar, Applicant  
Marianne Alviar, Applicant

The Honorable Mayor James D. Gunning presided. The hearing was duly convened to consider the Application and conduct a public hearing thereon.

City Clerk, Jennifer Pettinger noted that the City Council was in receipt of a packet of information which contained copies of: the license application, individual history records, red-lined drawing of the premises, lease agreement, articles of organization and petition results. She noted that staff has reviewed all the documents including their business license, Certificate of Good Standing, the affidavit of posting, and the affidavit of publication. She directed that information be made a part of the record.

City Clerk, Jennifer Pettinger gave a brief presentation concerning the application and provided evidence of posting to the Council. Ms. Pettinger introduced Joe & Marianne Alviar, Applicants. Mr. & Ms. Alviar spoke about the application.

The petitions supporting the application were reviewed and found to be in accordance with and in conformity with the City of Lone Tree Liquor and Fermented Malt Beverage Regulations and were accepted into evidence by the Authority.

Mayor Gunning opened the hearing for public testimony. No one came forward.

Following a brief discussion by the City Council, the hearing was closed to public testimony.

The City Council, acting as the Local Licensing Authority, having fully considered the application and testimony submitted by the Applicant, and the other evidence adduced at the hearing, NOW FINDS as follows:

**5 to 1 Enterprises, LLC d/b/a Painting with a Twist**  
Findings and Report to the State

1. The public hearing held with respect to said Application on 5 to 1 Enterprises, LLC d/b/a Painting with a Twist, was duly convened and the Council has jurisdiction to consider the Application as the Local Licensing Authority.
2. Applicant seeks approval of an application for a Beer & Wine Liquor License at 7600 E. Park Meadows Dr. #950, Lone Tree, Colorado 80124. The Application was submitted on a form prescribed by the State Licensing Authority pursuant to statute, and said application appears to be complete in all material respects. The required fees accompanied the application.
3. The Council has reviewed the Individual History Records of the owners. Council finds that the Applicant has satisfied the requirements of the Colorado Liquor Code and Regulations with respect to character, record, and reputation.
4. The Applicant has evidenced possession of the subject property through a a multi year lease agreement entered into on September 25, 2014 and expires on September 30, 2019, with a commencement date of October 1, 2014.
5. The premise was posted in accordance with the law, for a period of not less than ten consecutive days prior to the date of said public hearing on the application, and published notice was accomplished by publication in a newspaper of general circulation in Douglas County.
6. Petitions containing 75 valid signatures in favor of and 0 valid signatures in opposition to the issuance of the license were presented to and considered by the Council.
7. No one appeared in opposition.

The City Council, acting as the Local Licensing Authority, having considered and weighed the foregoing, as well as the facts and evidence adduced by the Council's investigation, expressions of opinion as to the needs and desires of the inhabitants of the neighborhood contained in the aforementioned Petitions and all other facts, data and testimony, NOW FINDS that the Applicant has demonstrated, with respect to the application, that the needs and desires of the neighborhood are not adequately being served at this time.

Accordingly, the City Council hereby affirms its approval of the Beer & Wine Liquor License application of 5 to 1 Enterprises, LLC d/b/a Painting with a Twist, 7600 E. Park Meadows Dr. #950, Lone Tree, Colorado 80124.

**The City Council hereby authorizes and directs the Liquor Licensing Administrator to submit the necessary report and approved application to the State Licensing Authority in accordance with the law.**

**BY ORDER OF THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO, acting as Local Licensing Authority.**

**CITY OF LONE TREE:**

By: \_\_\_\_\_  
Jennifer Pettinger  
Liquor License Administrator

**Date: November 18, 2014**



CITY OF LONE TREE  
STAFF REPORT

**TO: Mayor Gunning and City Council**

**FROM: John P. Cotten, P.E.**

**DATE: November 21, 2014**

**FOR: December 2, 2014 Council meeting**

**SUBJECT: Approval of Thoutt Bros Concrete Contractors Inc.  
Change Order #1 for the 2014 Concrete Replacement**

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Summary

Public Works recommends that Council approve Change Order #1 (attached) with Thoutt Bros Concrete Contractors Inc. in the amount of \$130,202.11 for the City of Lone Tree 2014 Concrete Replacement project and authorize the Public Works Director to execute the change order.

Cost

The total change order cost is \$130,202.11.

Suggested Motion or Recommended Action

I move to approve Change Order #1 with Thoutt Bros Concrete Contractors Inc. in the amount of \$130,202.11 for the City of Lone Tree 2014 Concrete Replacement and authorize the Public Works Director to execute the change order.

Background

This change order is to document the final contract quantities and values based on actual improvements completed. During replacement of failing concrete curb, gutter, and sidewalk in the Carriage Club subdivision, the additional quantities were required to complete the necessary replacement within the subdivision. These quantities were significantly higher than the estimated quantities used to prepare the original contract.

The increased costs impact the overall budget for the Overlay/Reconstruction budget but actual values for both the asphalt portion and the design/construction management were below budgeted values. The asphalt portion of overlay was completed at a cost which was \$71,010 below contract value, and the design/CM came in \$6,237 below budget. Therefore, the actual actual increase in the overall

budget item was just under \$53,000. This additional amount has been included in the 2014 projections for the 2015 budget.

CHANGE ORDER NO. 1

Dated November 21, 2014

CONTRACT FOR: 2014 Concrete Replacement Agreement Date: March 31, 2014

OWNER: City of Lone Tree, Colorado Owner's Proj. No. \_\_\_\_\_

CONTRACTOR: Thoult Brothers Concrete Construction, Inc. Engineer's Proj. No. 061-390

The following changes are hereby made to the Contract Documents:

**Description:** Additional quantities of concrete replacement completed for the 2014 contract per unit prices.

**Purpose:** There were several areas of concrete within this year's concrete replacement schedule that needed to be replaced immediately due to tripping concerns.

**Attachments:** No attachment.

**ADJUSTMENT TO CONTRACT PRICE:**

Original contract price	\$ <u>292,313.62</u>
Net change previous Change Orders No. <u>0</u> to <u>0</u>	\$ <u>0.00</u>
Contract price prior to this Change Order	\$ <u>292,313.62</u>
Net adjustment resulting from this Change Order (+/-)	\$ <u>130,202.11</u>
Current contract price including this Change Order	\$ <u>422,515.73</u>

**ADJUSTMENT TO CONTRACT TIME:**

Original contract time (days or date)	<u>45</u> days
Net change previous Change Orders No. <u>0</u> to <u>0</u> (days)	<u>0</u> days
Contract time prior to this Change Order (days or date)	<u>45</u> days
Net Adjustment Resulting from this Change Order (days)	<u>0</u> days
Current contract time including this Change Order (days or date)	<u>45</u> days

**Recommended:**

TST Inc. of Denver  
(ENGINEER)

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved:**

City of Lone Tree, Colorado  
(OWNER)

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved:**

\_\_\_\_\_  
(CONTRACTOR)

By: \_\_\_\_\_

Date: \_\_\_\_\_



CITY OF LONE TREE  
STAFF REPORT

**TO: Mayor Gunning and City Council**

**FROM: Neil Rutledge**

**DATE: November 25, 2014**

**FOR: December 2, 2014**

**SUBJECT: Park Meadows Business Improvement District Operating Plan and Budget for 2015**

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Summary

The Park Meadows Business Improvement District (BID) was formed by the City Council in 2006 to provide financing for public improvements and services for Park Meadows Mall. Each year, it is required to submit its Operating Plan and Budget to the City for approval. The Operating Plan and Budget for 2015 was submitted September 30, 2014, as required by law. It has been reviewed by the City's Finance Director, City Attorney and staff, and conforms to the Plans and Budgets approved by Council in previous years.

Cost

There is no cost to the City.

Suggested Motion

I move to approve the 2015 Operating Plan and Budget for the Park Meadows Business Improvement District.

Background

The Operating Plan and Budget is consistent with the Annexation and Development Agreement for the General Growth/Park Meadows Mall property. The Plan explains the powers and duties of the BID, its improvements and services, its financing and the City's oversight process. The Budget breaks down its financial details. The BID may not pledge City assets for security for its debt.

**SPENCER FANE**  
BRITT & BROWNE LLP  
*Attorneys & Counselors at Law*

Dawn J. Fredette  
303-839-3873

dfredette@spencerfane.com

September 30, 2014

Via e-mail: [jennifer.pettinger@cityoflonetree.com](mailto:jennifer.pettinger@cityoflonetree.com)

Jennifer Pettinger  
Lone Tree City Clerk  
9220 Kimmer Dr., Ste. 100  
Lone Tree, CO 80124

**Re: Park Meadows Business Improvement District**

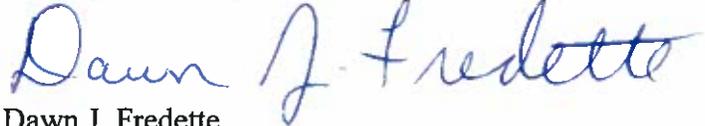
Dear Ms. Pettinger:

Enclosed for filing with the City Clerk as provided in Section 31-25-1211, C.R.S., is the 2015 Operating Plan and Budget for the Park Meadows Business Improvement District.

Please call our office if you have any questions. Thank you.

Sincerely,

SPENCER FANE BRITT & BROWNE LLP



Dawn J. Fredette  
Paralegal

Enclosure

Cc: John Mullins (w/encl via email: [jmmworld@aol.com](mailto:jmmworld@aol.com))  
Pamela Schenck-Kelly (w/encl via email: [Pamela.Schenck@ggp.com](mailto:Pamela.Schenck@ggp.com))  
Augustina Edwards (w/encl via email: [augustina.edwards@ggp.com](mailto:augustina.edwards@ggp.com))  
April L. Elliott (w/encl. via email: [april.elliott@ggp.com](mailto:april.elliott@ggp.com))

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**2015 OPERATING PLAN AND BUDGET**

**PARK MEADOWS  
BUSINESS  
IMPROVEMENT  
DISTRICT**

City of Lone Tree, Douglas County, Colorado

Spencer Fane Britt & Browne LLP

## EXECUTIVE SUMMARY

The proceedings leading up to the annexation of the Park Meadows Retail Resort into the City of Lone Tree included the organization of the Park Meadows Business Improvement District (“BID”). The BID is intended to help with the financing, construction, operation, and maintenance of public improvements and public services that are intended to maintain and improve the economic performance and sustainability of the Mall.

**BID Budget - Who Controls the Budget?** Under state law, by September 30 of each year, the BID must submit an operating plan and budget to the City for approval. The BID Board must also hold a hearing prior to adoption of the final budget. As required by state law (the BID Act, §31-25-1201, et seq., C.R.S.) the budget must be used for: public improvements and public services.

**BID Board of Directors.** The BID is governed by a five member board of directors who are appointed by, and may be removed by, City Council. BID directors must be “electors” of the BID. The small size of the BID and City Council’s budget review powers allow long term objectives to be implemented.

**Debt Authorization.** The 2007 Operating Plan included \$50 million of debt authorization. In 2007, the BID issued its Shared Sales Tax Revenue Bonds to fund public improvements for The Vistas at Park Meadows including a police substation, and other public capital improvements for the Park Meadows property. The Vistas successfully opened on time.

**Consistency with Annexation Petition.** This Operating Plan and Budget is consistent with the Annexation and Development Agreement for the General Growth property.

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- EXHIBIT B - Map of Operational Area of the BID**
- EXHIBIT C - Budget for 2015**

**2015  
OPERATING PLAN AND BUDGET FOR THE  
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT**

**I. PURPOSE AND SCOPE OF THIS DISTRICT**

(a) Purpose. The main purpose of the Park Meadows Business Improvement District (“**BID**” or “**District**”) is to provide financing for public improvements and services needed for the Park Meadows Mall (“**Mall**”).

The service area, consisting of the territory that is within the boundaries of the **BID**, is shown in Exhibit A. The operations area of the **BID**, which is the area in which the **BID** will ordinarily furnish its improvements, services, and programs, is shown in Exhibit B.

(b) Background. The **BID** was organized by an ordinance of the City of Lone Tree. By state statute, specifically Section 31-25-1211, C.R.S., by September 30 of each year, the **BID** is required to submit an operating plan and budget to the City for review and approval. This document is the submittal for 2015.

(c) Operating Plan Contents. Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, this Operating Plan specifically identifies:

- (i) the composition of the Board of Directors,
  - (ii) services and improvements to be provided by the District,
  - (iii) the taxes, fees, and assessments to be imposed by the District,
  - (iv) the estimated principal amount of the bonds to be issued by the District,
- and
- (v) such other information as the City may require.

(d) Contact Person. The District Manager is John M. Mullins, John M. Mullins Associates, Inc., 1988 East Ross Lane, Highlands Ranch, Colorado 80126; 303-683-9382; [jmmwurd@aol.com](mailto:jmmwurd@aol.com) and Secretary, Pamela J. Schenck-Kelly, Park Meadows Business Improvement District, c/o Park Meadows Management Office, 8401 Park Meadows Center Drive, Lone Tree, Colorado 80124; 303-792-2999

**II. COMPOSITION OF THE BOARD OF DIRECTORS**

The Board of Directors of the District was appointed by the City Council.

The ordinance organizing the **BID** included provisions for appointing the initial Board of Directors. The appointees, each of whom has a personal leasehold interest in taxable real property located within the service area of the **BID**, all of whom are affiliated with General

Growth Properties, Inc., and Park Meadows Mall, L.L.C. and all of whom constitute all of the electors of the BID, are:

- 1) Jeffrey J. Koch  
8401 Park Meadows Drive  
Lone Tree, CO 80124
- 2) Pamela J. Schenck-Kelly  
8401 Park Meadows Drive  
Lone Tree, CO 80124
- 3) William D. Pollard  
8401 Park Meadows Drive  
Lone Tree, CO 80124

There are two vacancies on the Board. No other qualified electors are available for appointment to the Board at this time.

All Board members may be contacted through 303-792-2999.

All Board members must, by law, be electors of the District. Electors are those persons defined as such by Section 31-25-1203(4)(a), C.R.S.:

"Elector" means a natural person who is a citizen of the United States and a resident of the State of Colorado, who is eighteen years of age or older, and who:

- (I) Makes his primary dwelling place in the district; or
- (II) Owns taxable real or personal property within the boundaries of the district; or
- (III) Is the holder of a leasehold interest in taxable real or personal property within the boundaries of the district; or
- (IV) Is the natural person designated by an owner or lessee of taxable real or personal property in the district which is not a natural person to vote for such owner or lessee. Such designation must be in writing and filed with the secretary of the district. Only one such person may be designated by an owner or lessee.

In the event that the statutory definition of "elector" is amended, then the new definition shall apply to the Board of the District.

Board members appointed by the City Council shall serve at the pleasure of the City Council and may be removed by the Council as provided in the BID Act. To fill a vacancy, City Council shall appoint an elector of the BID who is recommended for the position by the BID Board of Directors. The appointment of electors to the Board, as requested by the BID Board and as provided above, may be made by City Council at any time by Council Resolution, with or without a public hearing.

The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide reasonable rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. If an advisory board is appointed, the Board of Directors will inform the City of the purpose of the advisory board and its membership. No advisory board has been appointed.

### III. DESCRIPTION OF IMPROVEMENTS AND SERVICES

Under the organizational ordinance, the powers and the services or improvements to be provided by the District include, but are not limited to:

(a) "Improvements" as that term is defined in Section 31-25-1203(5), C.R.S.:

"public improvements, including but not limited to streets, sidewalks, curbs, gutters, pedestrian malls, streetlights, drainage facilities, landscaping, decorative structures, statuaries, fountains, identification signs, traffic safety devices, bicycle paths, off-street parking facilities, benches, rest rooms, information booths, public meeting facilities, and all necessary, incidental, and appurtenant structures and improvements."

"Improvements" also includes the relocation and improvement of existing utility lines.

(b) Landscaping Improvements including, but not limited to, landscaping, decorative structures, statuaries, fountains, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to such facilities.

(c) Relocation, Improvement and Extension of Existing and Other Public Utility Lines, including water, sanitary sewer, storm sewer, flood and surface drainage facilities and systems, electric, gas, communications, conduits, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said systems.

(d) Traffic Safety Devices and controls on streets and highways, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

(e) Street Improvements, including streets, sidewalks, curbs, gutters, culverts, and other drainage facilities, bridges, parking, overpasses, and pedestrian ways, interchanges, median islands, paving, street lights, grading, landscaping, irrigation, identification, wayfinding, and other signs, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

(f) Interior Common Area Improvements, operation, and maintenance, including floors, walls, lighting, seating, landscaping, planters, recreation facilities, kiosks, public information booths, stairways, escalators, elevators, public meeting areas and other interior public improvements as identified by the Board.

(g) Improvements for Existing Electric and Gas Utility Lines for the purpose of providing improved power and gas distribution and communications for the District.

(h) Park and Recreation Improvements, including the design, acquisition, construction, relocation, completion, installation and/or operation and maintenance of parks and recreational facilities including, but not limited to, parks, bike paths and pedestrian ways, bridges, open space, landscaping, fences, walls, cultural activities, play areas, conservatories, community recreational centers, tennis courts, water bodies, waterfalls, fountains, streams, lakes, ponds, irrigation facilities, and other active and passive recreational facilities and programs, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

(i) Public Transportation, including the design, acquisition, installation, construction, operation, and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities and parking lots, structures, roofs, covers, and facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extension of and improvements to said facilities or systems; provided, however, that the design, acquisition, installation, construction, operation, and maintenance of public transportation system improvements shall, where applicable, be subject to the entry into authorizing contracts pursuant to the provisions of part 2 of article 1 of title 29, C.R.S.

(j) Development Support. Demolition costs of buildings, structures, parking and other facilities in furtherance of public improvements, and specifically including, but not limited to, the former Lord and Taylor building.

(k) Security. Facilities for security services and to assist the City police department, serve the Service Area and operational area of the District.

(l) The Ownership, Operation, and Maintenance of any public improvement.

(m) The Provision of Services as described in Section 31-25-1212(1)(f), C.R.S. Such Section 31-25-1212(1)(f) explains the power to provide services as follows:

- (i) Consulting with respect to planning or managing development activities;
- (ii) Maintenance of improvements, by contract, if it is determined to be the most cost-efficient;
- (iii) Promotion or marketing of district activity;
- (iv) Organization, promotion, marketing, and management of public events;
- (v) Activities in support of business recruitment, management, and development;
- (vi) Security for businesses and public areas located within the district;

(vii) Snow removal or refuse collection, by contract, if it is determined to be the most cost-efficient; and

(viii) Providing design assistance.

(n) The Exercise of Other Powers that are granted to business improvement districts under Section 31-25-1212, C.R.S. and other law.

The District will be primarily concerned with the provision of improvements and services within its service area, including parking, landscaping, and perimeter streets. There may be instances, such as an extension of a sidewalk or utility line, where it will be advantageous to the District to provide an improvement or service outside of the then-current service area boundaries or operations area of the District and the District shall have the authority to provide the same.

(o) City-District IGA. The City and District approved and signed the IGA dated December 15, 2006 and amended on December 19, 2006 ("City-BID IGA"). The BID has been very pleased with the progress in the performance of the IGA. City staff continues to work well with the BID Board and its consultants on the collection and sharing of the sales tax. Pursuant to the City-BID IGA provisions the term of the agreement is initially 25 years with an automatic extension of an additional five years if the Sales Tax collected in 2027 is more than the Sales Tax collected in the first full Sales Tax collection year, referred to as the Base Year. The Base Year is established as the first year that the Lifestyle Extension (Vistas) is annexed into the City and leasing of 70% of the gross leasable area of the retail portion of the Lifestyle Extension is achieved. Per District records, the Lifestyle Extension was annexed to the City and had leased 86.91% of the gross leasable area in 2009 which is established as the Base Year for purposes of the City-BID IGA. In addition, the District submitted its sales tax collection report as part of the 2009 Operating Plan which was accepted and approved by the City representing agreement on the amount of sales tax collected in the Base Year. The amount of tax collected in the Base Year is established as \$3,951,215.

(p) Audits. The BID shall complete its own audit as required by Part 6 of Article 1 of Title 29, C.R.S. and submit the same to the City for incorporation into the City's audit as a component unit or as otherwise agreed by the City and the District.

#### IV. TAXES, FEES, and ASSESSMENTS

(a) No taxes, fees, or assessments are expected to be imposed for collection in 2015; however, there may be minor fees charged for permits relating to the use of District facilities.

(b) The BID will be financed by revenues received pursuant to the City IGA, interest on its investments, miscellaneous income and its bonds.

(c) The proposed BID budget for 2015 is attached.

## V. BONDS

The District issued \$16,310,000 in Shared Sales Tax Revenue Bonds in 2007. The Series 2007 Bonds are special limited revenue obligations of the BID secured by and payable from the Shared Sales Tax Revenue. The Series 2007 Bonds are also secured by a Reserve Fund in the amount of \$1,243,095. The Series 2007 Bonds do not constitute an obligation of the City.

The 2015 gross annual principal and interest payments on the Series 2007 Bonds (ignoring Reserve Fund interest earnings) is \$1,239,595. The gross principal and interest payments continue at approximately that amount through 2031 (the 2031 debt service payment is actually \$2,486,260 but after netting out the Reserve Fund in the amount of \$1,243,095 the net debt service payment is \$1,243,165).

Forecasted Shared Sales Tax Revenue expected to be collected during 2014 is approximately \$5,100,000. Forecasted Shared Sales Tax Revenue expected to be collected during 2015 should be \$5,150,000 after carefully considering the impacts of the current economic uncertainties. It is interesting to note that the Financial Forecast, as presented in the Series 2007 Bonds Official Statement, was based upon annual Shared Sales Tax Revenue of \$3,852,938 through 2031, which is less than what the BID is forecasting.

Based upon the current year's Shared Sales Tax Revenue forecast of approximately \$5,100,000 and the gross Series 2007 Bonds annual debt service payment of approximately \$1,243,095, Shared Sales Tax Revenues are expected to exceed annual debt service requirements by approximately \$3,856,905 or by a debt service coverage factor of approximately 4.10.

## VI. INTERGOVERNMENTAL AGREEMENTS

In addition to the City IGA for sharing revenue sources for the costs of providing facilities and services, the District is a party to an IGA with the City pursuant to which the District entered into a lease with General Growth Properties/Park Meadows Mall, L.L.C. for the police substation at Park Meadows (that for 2015 will provide for payments of \$4,994 per month for a total of \$59,928 for the year). Implementation of the City IGA and the Police Substation lease will be ongoing in 2015. The budget shows an increase pursuant to the lease by 4% in 2015.

The District may enter into intergovernmental agreements with the City, state or other political subdivisions as allowed by law. The IGA agreement between Park Meadows Metropolitan District and the Park Meadows Business Improvement District was dated December 15, 2006 and was amended on March 31, 2012.

## VII. OTHER MATERIAL AGREEMENTS

In order to build public improvements for The Vistas, Mall common areas, and the City police substation, the District has entered into lease and license agreements with General Growth Properties/Park Meadows Mall, L.L.C. The monthly payment on these agreements in 2015 will be \$39,173 for a total of \$470,076 for the year. This amount, together with the City IGA payment for the Police substation lease was combined and rounded up for a total of \$535,000 in the 2015 budget document.

For ongoing services, the District has engaged independent contractor John Mullins to furnish management services, Spencer Fane Britt & Browne LLP (Russ Dykstra) for legal services, Paul Goedecke as District Accountant, Stan Bernstein and Associates as Financial Consultant, April L. Elliott LLC to provide administrative services and Baseline Corp. (Noah Nemmers, P.E. and John McClain, P.E.) as Engineers.

## VIII. OPERATION AND MAINTENANCE

The District provides ongoing services under its various powers, but only to the extent that the City or other service provider does not provide such services. The District may own, operate, or maintain any public improvement. The District may furnish street construction and maintenance including street sweeping, snow plowing and minor repairs; landscape and open space installation and maintenance including such park, recreation, conservatory, streetscape, and drainage facilities as the District may construct, acquire or contract to maintain; and the operation and maintenance of mosquito and weed control services. The District may also provide continuing operation and maintenance of transportation facilities and parking lots.

## IX. FINANCIAL PLAN

The District is financed primarily by the proceeds of sales tax shared pursuant to the City IGA. The District accumulated cash reserves in anticipation of bond payments which became due beginning in 2010 and beyond which will result in a reduction of available cash, decreasing the available reserves.

The District shall have the authority to raise revenue by any means available to a Business Improvement District under Colorado law, including but not limited to, the power to impose rates, tolls, or charges for any services or improvements furnished by the District; and the power to defray all or a portion of the costs of providing improvements or services through special assessments as provided under Section 31-25-1219, C.R.S. The use of taxes is not currently expected to be a revenue source for the District and if imposed, would only be collected from property within the territorial boundaries of the District.

The District held an election in November, 2006 and may call and hold District elections in the future for the purpose of authorizing debt, revenue limits, spending limits, and such other matters as may be necessary or convenient for the implementation of Art. X., Sec. 20 of the Colorado Constitution.

In the event that the Board of Directors determines that there is interest in the use of special assessments to pay for improvements or services, assessment matters will be voted upon by the electors who are owners of property within the proposed assessment district as required by §31-25-1219(1) and §31-25-534(3), C.R.S.

The District may operate enterprises as defined in Art. X, Sec. 20 of the Colorado Constitution.

**THE DISTRICT HAS NOT PLEDGED, AND SHALL NOT PLEDGE, ANY CITY FUNDS OR ASSETS AS SECURITY FOR ANY INDEBTEDNESS OF THE DISTRICT.**

## **X. CITY OVERSIGHT OF DISTRICT ACTIVITIES**

(a) **Annual Operating Plan and Budget.** This 2015 Operating Plan and Budget constitutes the annual operating plan and budget that the District is required to file with the City describing the District's proposed activities for the upcoming budget year. This annual operating plan includes the brief report of District activities for the past year. The City shall approve or disapprove the annual operating plan and budget within thirty days after receipt of such operating plan and budget and all requested documentation relating thereto, but not later than December 5 of the year in which such documents are filed. No public hearing by the City shall be required. This report includes the following materials or may refer to the prior plan if no material revision is needed:

1. District Name.
2. District Contact Person, address, telephone number, fax number.
3. Board of Director names, addresses, and telephone numbers.
4. District Map (see Exhibits A and B).
5. Current Budget (See Exhibit C).
6. Most Recent Audit or Audit Exemption Application (to be filed with City)
7. Copy of any filing required by or for the State Securities Commissioner.
8. A list of all intergovernmental agreements of the District (to be filed with City)
9. A description of activities performed in the last budget year.
10. An Operating Plan description of activities to be performed in the next budget year and a proposed summary budget for that year. (Adoption of the final detailed BID budget by the Board is subject to the completion of the required notice and hearing process in state law).

### **(b) Indebtedness.**

(i) **Operating Plan Authorization.** Authorization for the issuance of up to and including \$50,000,000 in aggregate principal amount of general obligation indebtedness, revenue debt, or special improvement district obligations is hereby acknowledged by the City, subject to such electoral and other approvals as may be required by Colorado law. (Note that because the 2007 Bonds used \$16,310,000 of the previously-approved \$50,000,000 of Operating Plan authorization, there currently is \$33,690,000 of this authorization available for use.) At no time shall the District issue debt secured by revenues received by the District arising from the City IGA that are projected to result in annual debt service payments in excess of 95% of the projected annual revenues to be received by the District arising from the City IGA.

(ii) **Additional Authority.** The City's approval for additional debt authority over the amount in Section X(B)(1) hereof must be acquired by the District, if at all, through an amendment or modification to the operating plan approved by the Council, and such electoral approval as may be required by law.

(c) **Inclusions and Exclusions.** The City shall obtain the approval of the Board of Directors of the District before the City approves any inclusion or exclusion of property for the District.

(d) **Dissolution.** Following notice and a public hearing before the City Council, the District may be dissolved under the conditions, and as allowed, by Section 31-25-1225, C.R.S.

(e) **Tax, Revenue and Spending Limitation Elections.** The District may hold such tax, revenue, and spending limitation elections as may be called by the BID Board.

For any special improvement district formed by the District, except as otherwise provided in this Operating Plan or Colorado law, as determined by the Board, the District may authorize debt, taxes, spending and other financial matters by a vote of all of the electors of the District or by vote of the electors of the special improvement district.

## **XI. PROCEDURE FOR OBTAINING CITY APPROVAL OF MODIFICATIONS OF THE OPERATING PLAN**

The method for review and approval of modifications of the Operating Plan is as follows:

(a) In such detail as may be reasonably requested by the City, the District shall set forth a written proposal for the modification of the Operating Plan ("Amendment").

(b) The District shall file the Amendment with the City Manager and the City Attorney.

(c) The City Clerk shall place the Amendment as an agenda item before the City Council in the manner as is provided by City ordinance or resolution at a regular or special meeting of the Council, and shall inform the BID at least ten days in advance of the date, time and place of the Council meeting. No public hearing on the Amendment shall be required.

(d) The Council shall, within 30 days of the Council meeting, adopt an ordinance, resolution, or motion approving, conditionally approving, or disapproving the Amendment as appropriate under the circumstances.

## **XII. PRIOR ACTIONS**

Pursuant to 31-25-1211, C.R.S., the BID and the City agree that prior actions of the BID and the City conform so far as practicable to the previously approved BID Operating Plan and Budget.

**2014 Accomplishments:**

Park Meadows celebrates 18 years in what is today; one of the most dynamic cities Lone Tree, Colorado. The focus this past year has been towards public improvement and public safety. The activities performed were only for public areas and only in the best interests of the public for the business improvement of Park Meadows. Some of those activities and projects completed or in progress include:

- New and or replaced 50 trees to Park Meadows exterior landscape
- Relocation of 25 trees
- Extensive repairs to the parking structure.

- Repairs and improvements to the Vistas Valet Drive
- Exterior light poles and fixtures for improved security and customer safety
- Updates and repairs to public areas for safety and energy efficiency
- Community involvement in the anniversary pancake breakfast and support of the Lone Tree and Douglas County events and charities
- Exterior mass marketing for tourism and primary market to increase customer visits and sales.
- Upgrade of Holiday décor to enhance the holiday season
- Repair and replacement of security cameras as needed.

Photographs and more detail will be provided at the November city council meeting.

### XIII. CONCLUSION

It is submitted that this Operating Plan and Budget for the Park Meadows Business Improvement District meets the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which best satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S., as required by Section 31-25-1207(5), C.R.S.

The BID respectfully requests that the City approve this 2015 Operating Plan and Budget.

#### List of Exhibits

- A. Map of BID Service Area
- B. Map of BID Operational Area
- C. Budget for 2015

**EXHIBIT A**

**EXHIBIT A  
BOUNDARIES AND SERVICE AREA OF THE  
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT**

The Service Area of the  
Park Meadows Business Improvement District is described as follows:

**PARCEL DESCRIPTION**

A PARCEL OF LAND BEING A PORTION OF TRACT D, PARK MEADOWS TOWN CENTER FILING NO. 1-A, 1ST AMENDMENT AS RECORDED AUGUST 04, 1995 AT RECEPTION NO. 9535841 IN THE RECORDS OF DOUGLAS COUNTY, SAID PARCEL SITUATED IN SECTION 3, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO BEING DESCRIBED AS FOLLOWS:

TRACT D, PARK MEADOWS TOWN CENTER FILING NO. 1-A, 1ST AMENDMENT

EXCEPT THAT PORTION OF SAID TRACT D GRANTED TO THE DEPARTMENT OF TRANSPORTATION, STATE OF COLORADO IN THAT AMENDED RULE AND ORDER FOR CASE NO. 01-CV-806, DIVISION 2, DISTRICT COURT, DOUGLAS COUNTY, COLORADO, SAID RULE AND ORDER RECORDED SEPTEMBER 02, 2004 UNDER RECEPTION NO. 2004082175 IN THE RECORDS OF DOUGLAS COUNTY.

THE NET AREA OF THE PARCEL BEING DESCRIBED IS 15,359 SQ FT (0.3526 ACRE) MORE OR LESS.

THE ABOVE PARCEL DESCRIPTION WAS PREPARED BY DAVID L. STUFFLEBEAM UNDER THE SUPERVISION OF DAVIS G. DIFULVID, PLS#16401

[ engdlemette | p:\4 dgt\3342\mex\dep\shilts\rd remnant\1-3342-TRACT D REMAINDER.dwg | DATE: 1/8/2008 | TIME: 1:35:03 pm ]

**Farnsworth**  
GROUP  
8068 EAST TUPES AVENUE, SUITE 850  
DENVER, COLORADO 80237  
(303) 692-8888 / (303) 692-0470 Fax

ROUSE PARK MEADOWS, LLC.  
  
REMAINDER OF TRACT D  
PARK MEADOWS TOWN CENTER  
FILING NO. 1-A, 1ST AMENDMENT

Project No:	3342.AN
Drawn by:	M08
Approved:	
Drawn:	1-8-08
Revised:	
1 OF 2	



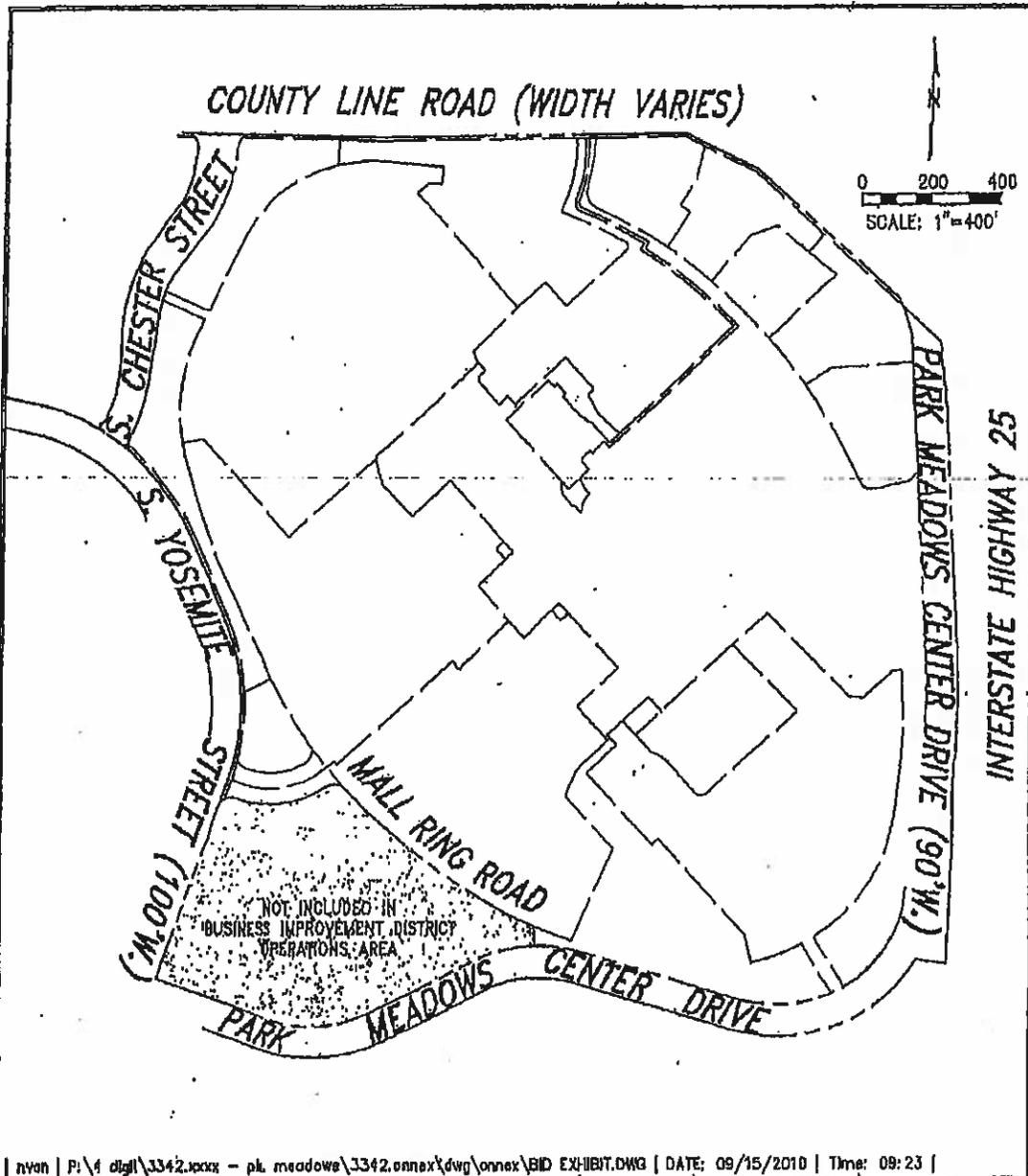
**EXHIBIT B**

EXHIBIT B  
OPERATIONS AREA OF THE  
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT

The Operations Area of the Park Meadows Business Improvement District, being the area that will benefit from the Improvements and Services to be provided to the District, is generally described as that area now or in the future within the City of Lone Tree in Douglas County, Colorado bounded by:

County Line Road,  
Interstate Highway 25,  
Park Meadows Center Drive,  
The Mall Ring Road and Entrance between Park Meadows  
Center Drive and South Yosemite Street  
South Yosemite Street, and  
South Chester Street.

A map showing these perimeter streets is attached.



**Farnsworth**  
GROUP  
8056 EAST TUFTS AVENUE, SUITE 060  
DENVER, COLORADO 80237  
(303) 692-8838 / (303) 692-0470 Fax

PARK MEADOWS MALL  
Business Improvement District  
Operational Area Exhibit

Project No: 3342 Annex  
Drawn by: MCG  
Approved: DCD  
Date: 7/17/2008  
Revised: 9/14/2010  
2 of 2

**EXHIBIT C**

Park Meadows Business Improvement District  
 General Fund  
 Budget Document  
 Year ended December 31, 2015

9/25/2014

	Actual 2013	Annual Budget 2014	Estimate to yr end 2014	Annual Budget 2015
<b>Revenue</b>				
Beginning Funds Available	5,604,414	5,073,991	5,452,595	5,219,893
Retail Sales and Use Tax	5,079,858	5,148,757	5,100,000	5,150,000
Use tax construction	11,031	10,000	35,000	10,000
Payment from Lone tree (50%)	184,379	196,000	209,962	210,000
Miscellaneous	4,039	-	-	-
Reimbursed Expenditure	10,831	-	14,441	14,400
Interest Income	5,830	1,800	8,000	9,000
<b>Total Funds Available</b>	<b>10,900,382</b>	<b>10,430,548</b>	<b>10,819,998</b>	<b>10,613,293</b>
<b>Expenditures</b>				
Legal	7,752	14,000	4,000	12,000
Engineering	5,626	4,000	2,500	10,000
Accounting	12,000	12,000	12,000	12,000
Auditing	5,000	4,000	4,000	6,000
Budgeting and financial planning	11,400	12,000	11,400	10,000
Management fee	42,000	42,000	42,000	42,000
Insurance	5,231	6,000	5,350	5,500
On site Staffing	80,000	84,000	82,800	90,000
Off site Storage	27,500	30,000	30,000	30,000
Public areas and dues and supplies	6,010	6,000	5,350	5,000
Park Meadows District Pymt	184,379	196,000	209,965	209,962
Lease Expense	491,688	510,000	510,140	535,000
Operations and Maintenance	1,673,645	1,425,000	1,593,100	1,479,400
Capital Replacement and Repair	325,662	400,000	272,000	430,000
Capital Improvements	25,150			
Operations and Maintenance Proj WK	1,040,294	810,000	1,217,000	700,000
Emergency Reserve (3%)		150,000	150,000	150,000
Transfer to debt service	1,238,627	1,244,000	1,244,000	1,244,000
Marketing	204,498	135,000	173,500	200,000
Contingency/community relations	61,325	60,000	31,000	30,000
<b>Total Expenditures</b>	<b>5,447,787</b>	<b>5,144,000</b>	<b>5,600,105</b>	<b>5,200,862</b>
<b>Net Fund Balance</b>	<b>5,452,595</b>	<b>5,286,548</b>	<b>5,219,893</b>	<b>5,412,431</b>

**Park Meadows Business Improvement District  
Debt Service Fund  
Budget Document  
Year ended December 31, 2016**

	Actual 2013	Budget 2014	Estimate to yr end 2014	Budget 2015
<b>Revenue</b>				
Beginning Funds Balance	1,343,268	1,342,422	1,340,205	1,340,610
Transfer from General Fund	1,238,627	1,244,000	1,244,000	1,244,000
Interest income	2,155	3,000	3,000	3,000
<b>Funds Available</b>	<b>2,584,050</b>	<b>2,589,422</b>	<b>2,587,205</b>	<b>2,587,610</b>
<b>Expenditures</b>				
Interest on 2007 Bonds	795,345	773,095	773,095	749,595
Principal	445,000	470,000	470,000	490,000
Paying Agent Fees	3,500	3,500	3,500	3,500
<b>Total Expenditures</b>	<b>1,243,845</b>	<b>1,246,595</b>	<b>1,246,595</b>	<b>1,243,095</b>
<b>Ending Fund Balance</b>	<b>1,340,205</b>	<b>1,342,827</b>	<b>1,340,610</b>	<b>1,344,515</b>
Amount held in Reserve Fund		(1,243,095)	(1,243,095)	(1,243,095)
amount available for current debt service		<u>99,732</u>	<u>97,515</u>	<u>101,420</u>



CITY OF LONE TREE  
STAFF REPORT

**TO: Mayor Gunning and City Council**

**FROM: Kristin Baumgartner, Finance Director**

**DATE: November 25, 2014**

**FOR: December 2, 2014, City Council Meeting**

**SUBJECT: Auditor Engagement Letters**

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Summary

Each year statutorily the City is required to have an audit completed and submitted to the state by July 31<sup>st</sup> of the following year. Additionally, the City completes a Comprehensive Annual Financial Report (CAFR) as part of its audit process each year to submit to the GFOA annually for its Certificate of Achievement in Financial Reporting which is due by June 30<sup>th</sup> each year for the prior year financial statements.

Attached for approval by City Council are 3 separate engagement letters from Wagner Barnes & Griggs, PC including:

- City's annual engagement letter for audit services for the year 2014
- Audit services related to SCFD Tier II Annual Operating Income Form
- Agreed-upon procedures engagement related to SCFD Tier II Qualifying Paid Attendance

Cost

\$22,100 for the City's annual audit services for 2014 (a \$3,000 reduction from the prior year audit fee, which included extra internal control work due to finance department structural changes) plus out of pocket costs and not to exceed \$7,500 for the two SCFD related audit services. Total City cost estimated at \$30,000 which is included in the 2015 budget.

Suggested Motion or Recommended Action

Move to approve the presented audit engagement letters presented by Wagner Barnes & Griggs, PC for audit and agreed-upon procedures engagements for 2014.

November 20, 2014

To the Honorable Mayor and City Council  
City of Lone Tree Colorado

We are pleased to confirm our understanding of the services we are to provide City of Lone Tree, Colorado (the City) for the year ended December 31, 2014. We will audit the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedules of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual for these funds:
  - General Fund
  - Special Revenue Fund – RidgeGate
  - Special Revenue Fund – Arts Center
- 3) Notes to Required Supplementary Information

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Debt Service Fund – Arts and Cultural Facilities – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
- 2) Debt Service Fund – Park and Recreation Improvements – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
- 3) Component Unit (Park Meadows Business Improvement District) basic financial statements and supplementary information.
- 4) Schedule of Debt Service Requirements to Maturity
- 5) Local Highway Finance Report

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- 1) Introductory Section
- 2) Statistical Section

### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the City Council of the City of Lone Tree. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have

changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Wagner Barnes & Griggs, PC (WBG) and constitutes confidential information

We expect to begin our audit in April of 2015 and to issue our reports no later than June 30, 2015. Eric Barnes is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be \$22,100 (a \$3,000 reduction from the prior year audit fee, which included extra internal control work due to finance department structural changes) plus out-of-pocket costs (such as postage, travel, copies, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### **Contractor Certification Regarding Illegal Aliens – Public Contracts for Services**

Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., we hereby certify to the City that we do not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that we participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of Wagner Barnes & Griggs, PC who are newly hired to perform work under the Agreement.

In accordance with Section 8-17.5-102(2)(a), C.R.S., we shall not:

- 1) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- 2) Enter into a contract with a subcontractor that fails to certify to us that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

We represent and warrant that we have confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

We are prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If we obtain actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, we shall:

- 1) Notify the subcontractor and the City within three days that we have actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- 2) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that we shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

We shall comply with any reasonable request by the Colorado Department of Labor and Employment (“Department”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

If we violate any provision of Section 8-17.5-102(1), C.R.S., the City may terminate the Agreement immediately and we shall be liable to the City for actual and consequential damages of the City resulting from such termination, and the City shall report such violation by us to the Colorado Secretary of State, as required by law.

We appreciate the opportunity to be of service to the City of Lone Tree, Colorado and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Wagner Barnes & Griggs, PC

RESPONSE:

This letter correctly sets forth the understanding of City of Lone Tree, Colorado.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Council/Audit Committee signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Certified Public Accountants and Business Consultants

October 10, 2014

Honorable Mayor, City Council, and City Manager  
City of Lone Tree, Colorado

We are pleased to provide a proposal for agreed-upon procedures, and to confirm our understanding of the services we are to provide for the City of Lone Tree, Colorado (the City).

We will apply the agreed-upon procedures which the City has specified, relative to certain Scientific and Cultural Facilities District (SCFD) requirements relative to the Tier II Qualifying Paid Attendance reported on the Matrix (the Form) of the Lone Tree Arts Center, for the appropriate reporting period (calendar year 2014 as of the date of this letter), as follows:

- Obtain the admission summary reports for all exhibitions and performances, compute the attendance totals, and compare them to the Form.
- Select the prescribed sample size of exhibition or performance dates held during the year. Obtain admission detail reports, recalculate ticket prices by buyer type, and compare them to the Lone Tree Arts Center's ticket receipts record.
- If applicable, select the prescribed sample size of class dates held during the year, compare the number of participants to the individual class records, and compare the payment made by one participant in each class to the Lone Tree Art Center's education payment record.
- Observe the seating capacity of the Lone Tree Arts Center's performance hall and compare it to the total attendance for each individual performance.

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures as described above do not constitute an audit as defined under Generally Accepted Auditing Standards, we will not express an opinion on the City's financial report or any elements, accounts, or items thereof. In addition, we have no obligation to perform any procedures beyond those stated above.

We will submit a reporting listing the procedures performed and our findings. Our report is intended solely for the use of the City and the SCFD, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures under Generally Accepted Auditing Standards, other matters might have come to our attention that would have been reported to you.

You are responsible for the presentation of the Form in accordance with requirements of the SCFD and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, and/or experience to oversee the services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

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Wagner Barnes & Griggs, PC

We plan to begin our procedures in conjunction with the audit of the Tier II Annual Operating Income Form, as described in a separate engagement letter, and to issue our report by the 2015 due date required by the SCFD. At the conclusion of our engagement, we will require a representation letter from the City's management that, among other things, will confirm the City's responsibility for the report.

Our fee for these services will be billed at our standard hourly rates, except that we agree that our fee, in combination with our audit of the Tier II Annual Operating Income Form, as described in a separate engagement letter, will not exceed \$7,500. The not-to-exceed fee is based on anticipated cooperation from the City and the Lone Tree Arts Center's personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return the signed copy to us.

Very truly yours,



Wagner Barnes & Griggs, PC

RESPONSE:

This letter correctly sets forth the understanding of the City of Lone Tree, Colorado.

Authorized signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Certified Public Accountants and Business Consultants

October 10, 2014

To the Honorable Mayor, City Council and City Manager  
City of Lone Tree Colorado

We are pleased to confirm our understanding of the services we are to provide City of Lone Tree, Colorado (the City) for the audit period applicable to reporting as required by the Scientific and Facilities Cultural District (SCFD) (calendar year 2014 as of the date of this letter). We will audit the Tier II Annual Operating Income Form and, if applicable, the Tier II Joint Venture Form (the Forms) for the City's Lone Tree Arts Center (Art Center) for the audit period required by SCFD reporting requirements.

**Audit Objective**

The objective of our audit is the expression of opinions as to whether the Forms fairly present, in all material respects, the operating and qualifying income of the Arts Center for the audit period, determined on the basis of accounting practices specified by the SCFD. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of evidence supporting the amounts and disclosure in the Forms, and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the Forms are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

**Management Responsibilities**

Management is responsible for the Forms and all accompanying information as well as all representations contained therein.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the Forms in conformity with accounting practices specified by the SCFD.

Management is also responsible for making all financial, attendance, course, and ticket sale records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the Forms, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the City and the Arts Centers from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the Forms to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Forms taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City or the Arts Center involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the Forms. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City or the Arts Center received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the City and the Arts Center complies with applicable laws and regulations.

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Wagner Barnes & Griggs, PC

### **Audit Procedures—General**

Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Forms; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested, except where testing procedures are specifically prescribed by SCFD. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Forms. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the Forms are free of material misstatement, whether from (1) errors, (2) fraudulent reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or the Arts Center or to acts by management or employees acting on behalf of the City or the Arts Center.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, the audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the Forms. However, we will inform the appropriate level of management of any material errors, any fraudulent reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the amounts recorded on the Forms and related reports, and may include tests of the physical existence of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the Forms and related matters.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the Arts Center and its environment, including internal control, sufficient to assess the risks of material misstatement of the Forms and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's and the Arts Center's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

We expect to conduct our audit in conjunction with the audit of the City's financial statements and the Agreed Upon Procedures for the SCFD Form B (per a separate engagement letter), and to issue our reports by the 2015 due date prescribed by SCFD. If the SCFD prescribes the audit period for the Forms to be for a period that is different than the City's audit period, we will coordinate the dates for conducting the audit with the City's staff. Eric Barnes or Mark Wagner will be the engagement partner and will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as postage, travel, etc.) except that we agree that our fee, in combination with the Agreed Upon Procedures, will not exceed \$7,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoice for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until

your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Lone Tree, Colorado and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Wagner Barnes & Griggs, PC

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Lone Tree, Colorado.

Management signature,  
if applicable: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature,  
if required: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## CITY OF LONE TREE STAFF REPORT

**TO:** Mayor Gunning and City Council

**FROM:** Jennifer Pettinger, CMC, City Clerk

**DATE:** November 25, 2014

**FOR:** December 2, 2014 City Council Agenda

**SUBJECT:** Amendments to CAP#: 09-06 - City Commissions, Boards and Committees Appointment and Procedure Policy

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### Summary

Staff is proposing updates to the Council Adopted Policy (CAP)#: 09-06, City Commissions, Boards and Committees Appointment and Procedure Policy due in part to combining the Board of Adjustment and Appeals.

### Cost

There is no direct cost to the City.

### Suggested Motion or Recommended Action

I move to approve Amendments to CAP#: 09-06, City Commissions, Boards and Committees Appointment and Procedure Policy.

### Background

In 2009, the City Council approved CAP#: 09-06, City Commissions, Boards and Committees Appointment and Procedure Policy. The purpose of the Policy was to standardize procedures for appointment, membership, and dismissal of City Commissions, Boards and Committees (CBC) members. Ordinance 14-05, which was approved by Council on November 18, 2014, combined the Board of Adjustment and the Board of Appeals. Staff is recommending changes to the policy to comply with the ordinance. Staff is also recommending term limits be waived for this CBC due to the specialized nature of the board and the infrequency of their meeting. Staff is additionally recommending defining which boards are covered under the policy.

Attachments: CAP#: 09-06 - City Commissions, Boards and Committees  
Appointment and Procedure Policy Amendment (redline & clean)

**CITY COUNCIL ADOPTED POLICY  
CITY OF LONE TREE**

**SUBJECT: City Commissions, Boards and Committees Appointment and Procedure Policy**

**CAP#: 09-06**

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**ISSUE DATE**  
**December 15, 2009**

**EFFECTIVE DATE**  
**March 18, 2014**

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**INTENT:**

The purpose of this policy is to standardize procedures for the selection, appointment, membership, and dismissal process for City Council appointed Commissions, Boards and Committees.

**POLICY:**

Members of the City Council have sought to standardize procedures among the various City Commissions, Boards and Committees (CBC). Several CBCs, including the Planning Commission, the Board of Adjustment, and the Board of Appeals were established by the City Charter, which sets forth many of their organizational procedures. However, these groups – and those others that do not appear in the Charter – have also created supplemental operational procedures.

City Council has been concerned that advertising and recruitment for each CBC has varied, and interested residents are not given proper notice about upcoming vacancies. The City Council desires standardization with procedures for membership, appointments, dismissal and code of conduct.

**PROCEDURES:**

I. Committees, Boards and Commissions

1. The guidelines contained in this policy shall apply to ~~all the following~~ Commissions, Boards and Committees (CBC) created by the City Charter or formed by resolution of the Lone Tree City Council:
  - a. Planning Commission
  - b. Arts Commission
  - ~~c.~~ Board of Adjustment &
  - ~~d.c.~~ Board of Appeals
  - ~~e.d.~~ Citizens' Recreation Advisory Committee
  - ~~f.e.~~ Audit Committee
  - ~~g.f.~~ Youth Commission

2. All applicants must be residents of the City of Lone Tree.
3. A person serving on one CBC is not eligible to serve on another CBC simultaneously.

## II. Appointments

1. No person shall serve more than two (2) consecutive full terms on the same CBC. There are two exceptions to this:
  - a. ~~An exception to this are m~~Members of the Youth Commission who shall not serve for more than one (1) full term, unless there is an insufficient pool of applicants.
  - b. Members of the Board of Adjustment & Appeals, who because of the infrequency of meetings and the specialization of the applicants, will not be subject to term limitations.

- 4.2. Current CBC members that wish to be reappointed and are in good standing, under unanimous consent of the City Council, may be reappointed for a second full term. Current CBC members who do not receive a unanimous consent for reappointment must complete an interview process for a second full term.

Good Standing - A member in good standing must maintain a good attendance record, be present throughout the entire meeting, contribute to the goals of the CBC, and represent the City of Lone Tree in a positive manner.

- 2.3. The terms of office of CBC members shall be three (3) years, unless the member is appointed to fill a vacancy for an unexpired term. An exception to this is the Youth Commission whose terms are for two years. Terms will be from January 1 – December 31, except for the Youth Commission which will be September 1 – August 31.

- 3.4. In the event that a CBC member in good standing is unable to complete a term, the member may reapply in the next appointment process.

- 4.5. A person appointed to fill a vacancy on a CBC that occurs prior to the scheduled expiration of the incumbent member's term (by reason of, for example but without limitation, resignation or illness) shall serve for the remainder of the incumbent member's term. For the purpose of reappointments, the term is not considered a full term.

- 5.6. Term limited members wishing to apply to a different CBC may apply during the next appointment process.

6-7. Term limited members shall wait a full term before seeking reappointment to the CBC he/she previously served on.

7-8. All CBC terms shall be staggered, with the terms of approximately one-third (1/3), and in the case of the Youth Commission approximately one-half (1/2), of the membership expiring each year, to ensure that, as much as possible, there shall be one (1) or more members with experience on each CBC.

### III. Application, Interview Process and Terms – Youth Commission

1. Prior to advertising, all Youth Commission members whose term is expiring will be contacted in May on their intention to seek reappointment.
2. Vacancies without unanimous consent to reappoint, whether they result from a member resigning or term expiration, shall be advertised. Vacancies will be advertised to the community via news media, the City website and the City newsletter when possible. Advertising for vacancies will begin in May of each year after current CBC members have been contacted or on an as-needed basis.
3. Anyone interested in a CBC vacancy must submit a written application on a form prescribed by the City Manager to the City Manager's Office. Applications will be due to the City by June 30 of each year.
4. A subcommittee of two Council Members shall be appointed by a majority vote of City Council by May 31 to interview any applicants. Youth Commission Chair may request a meeting with the Council subcommittee prior to the interview process to share their vision and needs.
5. The subcommittee will interview the applicants and bring its recommendations to City Council for appointment by resolution of the City Council. Any City Council Member may independently interview any applicant. All interviews must be completed by July 31 of each year.
6. In the event of a vacancy within six (6) months of appointments being made, the City Council may utilize the list of applicants from the previous advertisement and interview process for the vacancy.
7. City Council will make appointments no later than the 2<sup>nd</sup> council meeting in August.

### IV. Application, Interview Process and Terms – All Other Commissions, Boards and Committees

1. Prior to advertising, all CBC members (except Youth Commission) whose term is expiring will be contacted in August on their intention to seek reappointment.
2. Vacancies without unanimous consent to reappoint, whether they result from a member resigning or term expiration, shall be advertised. Vacancies will be advertised to the community via news media, the City website and the City newsletter when possible. Advertising for vacancies will begin no later than September 1 of each year after current CBC members (except Youth Commission) have been contacted or on an as-needed basis.
3. Anyone interested in a CBC (except Youth Commission) vacancy must submit a written application on a form prescribed by the City Manager to the City Manager's Office. Applications will be due to the City by September 30 of each year.
4. A subcommittee of two Council Members shall be appointed by a majority vote of City Council by August 31 to interview any applicants. CBC Chairs (except Youth Commission) may request a meeting with the Council subcommittee prior to the interview process to share their CBC vision and needs.
5. The subcommittee will interview the applicants and bring its recommendations to City Council for appointment by resolution of the City Council. Any City Council Member may independently interview any applicant. All interviews must be completed by October 31 of each year.
6. In the event of a vacancy within six (6) months of appointments being made, the City Council may utilize the list of applicants from the previous advertisement and interview process for the vacancy.
7. City Council will make appointments no later than the 1<sup>st</sup> council meeting in December (except Youth Commission).

#### V. Member Conduct and Removal

1. CBC members are expected to conduct themselves at CBC meetings in a fair, courteous and understanding manner. Members of all CBCs serve at the pleasure of the City Council and are subject to removal by a majority vote and at the discretion of the City Council. Reasons for removal may include, but are not limited to:
  - a. Excessive absences from CBC meetings. It is expected that CBC members do not incur absences of more than 20% of regularly scheduled

meetings in a 12 month period. Member absences in excess of 20% must be reported to the City Council by the Chair at the time it occurs.

- b. Non-performance or other misconduct.
  - c. Conviction of any felony will result in the member's immediate dismissal.
2. The City staff shall maintain an attendance matrix of all CBCs, which will be made available for Council's review in August of each year.
  3. Members are required to contact the CBC Chair 24 hours prior to any meeting at which they expect to be absent or late. At the discretion of the Chair and Vice Chair/Secretary, a member can be considered absent if not present for the entire meeting.
  4. A CBC member who has a personal or private interest in any matter proposed or pending before the CBC shall disclose such interest to the CBC, shall not vote on the matter, and shall refrain from attempting to influence the decisions of the other members of the CBC in voting on the matter.

A CBC member having a personal interest in the outcome of the business of CBC, whether or not disclosed, can give the appearance of impropriety, hamper the objectivity of all members of CBC, and, if a member needed to recuse himself or herself from a vote due to a conflict, lessens the value of the member to the CBC. Consequently, CBC members must agree that neither they, nor members of their family, will personally profit, or otherwise reap a financial benefit, from the activities of the CBC to which they have been appointed. A member who has ongoing, reoccurring recusals may be asked to step down from a CBC.

A CBC member shall notify the staff liaison of any conflict of interest related to his or her service as an appointee as soon as practicable.

## VI. Election of Chair and Vice Chair/Secretary

1. The election of a Chair and Vice Chair/Secretary (excluding the Board of Adjustment and Appeals) shall be held at the first regular meeting after the new appointments are made each year. Nominations are made from the floor during the regular meeting and the election shall be held thereafter. The CBC member receiving a majority of the votes of those members present shall be declared elected and shall have a term of one year. Vacancies in the Chair or Vice Chair/Secretary position shall be filled immediately by regular election procedures. No member of a CBC shall hold the same office for more than two consecutive years.

1-2. The election of a Chair and Vice Chair/Secretary for the Board of Adjustment and Appeals shall be held at the first regular meeting after the new appointments are made. Nominations are made from the floor during the regular meeting and the election shall be held thereafter. The CBC member receiving a majority of the votes of those members present shall be declared elected. Vacancies in the Chair or Vice Chair/Secretary position shall be filled immediately by regular election procedures.

## VII. Chair and Vice Chair/Secretary Duties and Expectations

1. The Chair shall preside at all meetings and will have the duties normally conferred by parliamentary procedure on the Chair.
2. The Vice Chair/Secretary shall act for the Chair in the Chair's absence.
3. The Chair and Vice Chair/Secretary shall attend an annual orientation meeting with the City Council.
4. The Chair and Vice Chair/Secretary shall attend an annual Robert's Rules of Order training meeting.
5. The Chair and Vice Chair/Secretary shall utilize the Robert's Rules of Order principles at all meetings.
6. The Chair shall be prepared at meetings and have general knowledge of each item on the agenda.
7. The Chair shall facilitate open and fair discussions at all meetings.
8. The Chair shall work with the Staff Liaison in developing the meeting agenda.
9. The Chair shall report member absences in excess of 20% to the City Council at the time it occurs.
10. The Chair shall annually present a budget priorities report to the City Council.
11. The Chair shall serve as official representative of the CBC.

## VIII. Operations of Commissions, Boards and Committees

1. Each CBC (excluding the Audit Committee and the Board of Adjustment & Appeals) shall present a semi-annual report to the City Council. The report may be in the form of a written report.
2. A quorum shall consist of a majority of the members.

3. All CBC meetings shall be open to the public in accordance with the State of Colorado Open Meetings Act, C.R.S. § 24-6-401, *et seq.* CBCs must comply with the open meetings statutes and may not make decisions via e-mail or other private means. Notices of CBC meetings are publicly posted.
4. Parliamentary procedure in CBC meetings shall be governed by Robert's Rules of Order, as amended from time-to-time.
5. Minutes are required for all regular and special meetings of the CBCs. The CBC shall maintain minutes which adequately and appropriately reflect the CBC's consideration and actions. Minutes shall be taken at each CBC meeting and approved at the following meeting. The Chair will review the minutes prior to distribution to the members. The approved minutes shall be available at the City Offices for public review during normal business hours. All CBC minutes shall be posted on the City's website.
6. The CBC operating and fiscal year shall correspond to the calendar year.
7. The City Manager will assign staff members to act as liaisons to each CBC. The staff liaison will assist with preparation of agenda packets, meeting minutes, and advise on matters of City policy and procedures.

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**James D. Gunning**  
**Mayor**

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**Attest: Jennifer Pettinger**  
**City Clerk**

**CITY COUNCIL ADOPTED POLICY  
CITY OF LONE TREE**

**SUBJECT: City Commissions, Boards and Committees Appointment and Procedure Policy**

**CAP#: 09-06**

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**ISSUE DATE**  
**December 15, 2009**

**EFFECTIVE DATE**  
**March 18, 2014**

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**INTENT:**

The purpose of this policy is to standardize procedures for the selection, appointment, membership, and dismissal process for City Council appointed Commissions, Boards and Committees.

**POLICY:**

Members of the City Council have sought to standardize procedures among the various City Commissions, Boards and Committees (CBC). Several CBCs, including the Planning Commission, the Board of Adjustment, and the Board of Appeals were established by the City Charter, which sets forth many of their organizational procedures. However, these groups – and those others that do not appear in the Charter – have also created supplemental operational procedures.

City Council has been concerned that advertising and recruitment for each CBC has varied, and interested residents are not given proper notice about upcoming vacancies. The City Council desires standardization with procedures for membership, appointments, dismissal and code of conduct.

**PROCEDURES:**

- I. Committees, Boards and Commissions
  1. The guidelines contained in this policy shall apply to the following Commissions, Boards and Committees (CBC) created by the City Charter or formed by resolution of the Lone Tree City Council:
    - a. Planning Commission
    - b. Arts Commission
    - c. Board of Adjustment & Appeals
    - d. Citizens' Recreation Advisory Committee
    - e. Audit Committee
    - f. Youth Commission
  2. All applicants must be residents of the City of Lone Tree.

3. A person serving on one CBC is not eligible to serve on another CBC simultaneously.

## II. Appointments

1. No person shall serve more than two (2) consecutive full terms on the same CBC. There are two exceptions to this:
  - a. Members of the Youth Commission who shall not serve for more than one (1) full term, unless there is an insufficient pool of applicants.
  - b. Members of the Board of Adjustment & Appeals, who because of the infrequency of meetings and the specialization of the applicants, will not be subject to term limitations.
2. Current CBC members that wish to be reappointed and are in good standing, under unanimous consent of the City Council, may be reappointed for a second full term. Current CBC members who do not receive a unanimous consent for reappointment must complete an interview process for a second full term.

Good Standing - A member in good standing must maintain a good attendance record, be present throughout the entire meeting, contribute to the goals of the CBC, and represent the City of Lone Tree in a positive manner.

3. The terms of office of CBC members shall be three (3) years, unless the member is appointed to fill a vacancy for an unexpired term. An exception to this is the Youth Commission whose terms are for two years. Terms will be from January 1 – December 31, except for the Youth Commission which will be September 1 – August 31.
4. In the event that a CBC member in good standing is unable to complete a term, the member may reapply in the next appointment process.
5. A person appointed to fill a vacancy on a CBC that occurs prior to the scheduled expiration of the incumbent member's term (by reason of, for example but without limitation, resignation or illness) shall serve for the remainder of the incumbent member's term. For the purpose of reappointments, the term is not considered a full term.
6. Term limited members wishing to apply to a different CBC may apply during the next appointment process.
7. Term limited members shall wait a full term before seeking reappointment to the CBC he/she previously served on.

8. All CBC terms shall be staggered, with the terms of approximately one-third (1/3), and in the case of the Youth Commission approximately one-half (1/2), of the membership expiring each year, to ensure that, as much as possible, there shall be one (1) or more members with experience on each CBC.

### III. Application, Interview Process and Terms – Youth Commission

1. Prior to advertising, all Youth Commission members whose term is expiring will be contacted in May on their intention to seek reappointment.
2. Vacancies without unanimous consent to reappoint, whether they result from a member resigning or term expiration, shall be advertised. Vacancies will be advertised to the community via news media, the City website and the City newsletter when possible. Advertising for vacancies will begin in May of each year after current CBC members have been contacted or on an as-needed basis.
3. Anyone interested in a CBC vacancy must submit a written application on a form prescribed by the City Manager to the City Manager's Office. Applications will be due to the City by June 30 of each year.
4. A subcommittee of two Council Members shall be appointed by a majority vote of City Council by May 31 to interview any applicants. Youth Commission Chair may request a meeting with the Council subcommittee prior to the interview process to share their vision and needs.
5. The subcommittee will interview the applicants and bring its recommendations to City Council for appointment by resolution of the City Council. Any City Council Member may independently interview any applicant. All interviews must be completed by July 31 of each year.
6. In the event of a vacancy within six (6) months of appointments being made, the City Council may utilize the list of applicants from the previous advertisement and interview process for the vacancy.
7. City Council will make appointments no later than the 2<sup>nd</sup> council meeting in August.

### IV. Application, Interview Process and Terms – All Other Commissions, Boards and Committees

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  - a. Excessive absences from CBC meetings. It is expected that CBC members do not incur absences of more than 20% of regularly scheduled meetings in a 12 month period. Member absences in excess of 20% must be reported to the City Council by the Chair at the time it occurs.
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2. The election of a Chair and Vice Chair/Secretary for the Board of Adjustment and Appeals shall be held at the first regular meeting after the new appointments are made. Nominations are made from the floor during the regular meeting and the election shall be held thereafter. The CBC member receiving a majority of the votes of those members present shall be declared

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**James D. Gunning**  
**Mayor**

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**Attest: Jennifer Pettinger**  
**City Clerk**