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**TOWN COUNCIL SPECIAL MEETING MINUTES
THURSDAY, MARCH 24, 2011
Town Hall Council Chambers
12:00 P.M.**

- I. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Lattin, Council Member Pierce, Council Member Volger
- II. LIQUOR LICENSE**
- 1. Liquor License Renewal – Marilyn Dach dba Silver Dollar Liquor Store, Hwy 160** – Council Member Jackson moved to approve the liquor license renewal for the Silver Dollar Liquor Store, Council Member Pierce seconded, unanimously approved.
 - 2. Special Events Liquor Permit – Southwest Organization for Sustainability, Earth Day Celebration, held at Town Park 375 Hermosa St April 16, 2011**
 - 3. Special Events Liquor Permit – Humane Society of Pagosa Springs, Inc, Chocolate Auction Fundraiser, held at the Pagosa Youth Center, 269 ½ Pagosa Street April 27, 2011**
 - 4. Special Events Liquor Permit – Friends of the Upper San Juan River, Cruise-A-Thong Event, held at the Town Park, Hermosa Street July 23 and 24, 2011** – Council Member Jackson moved to approve the special events liquor permits for Southwest Organization for Sustainability April 16, Humane Society of Pagosa Springs April 27, and Friends of the Upper San Juan River July 23 and July 24 events, Council Member Pierce seconded, unanimously approved.
- III. DELEGATIONS**
- 1. 2010 Audit – Michael Branch** – The 2010 audit was completed in February. Mr. Michael Branch audited the Town and Sanitation District books and congratulated the Town Council for their excellent work on increasing reserves. The cash reserves have tripled compared to 2008, there currently a 6 month reserve. CPA's recommend a three month reserve but the Town's million dollar sales tax unexpected collection helped tremendously to increase the reserves. The balance sheet shows governmental fund reserves of \$3million, expenses are very low. Revenues increases \$119K over expenditures plus the \$1million sales tax collection. The sanitation district's 2010 revenues exceeded expenditures by \$276,000 put into reserves to have a year end \$1million in reserves. Expenses were down \$100,000 for 2010 with a very frugal operation. Mr. Branch explained the sanitation district should have a \$350,000 positive cash flow after the plant is complete. He estimated an increase in cost for the mechanical plant to be projected at \$93,000. The \$350,000 cash flow could be used for debt service of \$250,000. Mr. Branch believes the district can fund the new plant without any increase in rates. He suggests perhaps paying the current debt of \$250,000 but ask the voters to allow the district to retain the mill levy increase which totals \$50,000 per year. He suggests not reducing the rates but perhaps in a few years, there may be an ability to reduce the rates.
 - 2. Pagosa Springs Youth Center/Promoting Prevention Coalition Update – Joanne Irons** – Mrs. Joanne Irons gave an update on the Youth Center activities and the youth they are supporting. In 2009 the Coalition picked alcohol and marijuana to watch and actively reduce the use of these drugs. In 2009 the group opened at the Power House, they ran a

summer camp in 2010 replacing park fun, and have increased visits from 100 in 2010 to 600 visits in 2011. They are funded by the El Pomar Foundation and grant funding; they collaborate with GECKO and Knolls Academy, FolkWest Camp, Parks and Recreation and Victims Assistance and others. Mrs. Irons asked the Council to suggest budgeting for the Youth Center as well as allowing them to use the small easement next to their building.

IV. NEW BUSINESS

1. **Resolution 2011-05, Appointing Parks and Recreation Members** - John Perea, Scott Miller, Maddie Beserra and Jon King are incumbents on the PRC who chose to serve another two-year term last month. Bill Manzanares, Monte Lane and Michael Musgrove all expressed interest in serving on the Parks and Recreation Commission. All were unanimously recommended for approval by the commissioners. Adoption of Resolution 2011-05 would bring the total number of members on the PRC to seven. Council Member Volger moved to adopt Resolution 2011-05, re-appointing John Perea, Scott Miller, Maddie Beserra and Jon King to the Parks and Recreation Commission for two-year terms, and appointing Bill Manzanares, Monte Lane and Michael Musgrove to the commission for one-year terms, Council Member Jackson seconded, motion carried with one nay (Council Member Pierce).
2. **Health Insurance Budget** - In November 2010, the Town's Health Insurance provider, Rural Health Plan Initiative (RHPI), declared bankruptcy leaving several unpaid medical claims dating back to 2009. With the recommendation of Town Counsel, the Town has hired David Olsen and his associates to pursue legal action against RHPI for these claims. The Town has hired Innovantè Benefit Administrators to process unpaid claims on behalf of the Town's employees. After processing and negotiating the claims with providers, payments will be made from the Health Account. At this time, it is not anticipated that the current health account funds of \$100,000 are depleted; however it may be necessary depending on Innovante's findings. Council Member Holt moved to approve the expenditure from the General Fund Reserves of up to \$100,000 for Health Insurance Claims of the Town, Council Member Volger seconded, unanimously approved.
3. **Upgrade of Caselle Accounting Software** - The Town implemented the Classic Caselle accounting program in 2004. Caselle and their support staff assists the Town Clerk and Deputy Clerk with Accounts Payable, Accounts Receivables, Cash Receipting, Sanitation and Geothermal Utility Billing, Online Payment and Credit Card Interface, Business Licensing, Payroll, Direct Deposit and Personnel Accounting, General Ledger and Budgeting. Over the last seven years several changes in technology have occurred within Caselle, this includes the Clarity program. Upgrading from the outdated Classic program to the Clarity program will allow the Clerk's office to continue running a smooth operation. Council Member Jackson moved to approve the expenditure from the General Fund Reserves of up to \$16,562 for Caselle Clarity Accounting System upgrade, Council Member Pierce seconded, unanimously approved.
4. **ODD Fellows Cemetery Property** - The Pagosa Lodge 122, Independent Order Of Odd Fellows has approached the Town regarding deeding their cemetery property to the Town of Pagosa Springs. The Odd Fellows are currently looking at disbanding their local organization, and would like to deed ownership of their portion of the Hill Top Cemetery to the Town for future management of this Cemetery. The Odd Fellows are not seeking any financial compensation for the cemetery property of 2.85 acres located at the SW corner of the Cemetery Road and N. 8th Street intersection property if deeded to the Town. Mrs. Susan Nossaman is the secretary of the Odd Fellows organization; she presented a map of 116 lots, 43 of them that are currently owned. They are looking to use their Odd Fellows funds to keep the grounds as beautiful as they currently have been. If the transfer of the acres to the Town was completed, the Town would own those lots. The lots could be sold by the Town; the Odd Fellows current rate is \$600 per 12'x12' lot which could hold 12 burial sites in each lot. The consensus of council is to approve Town staff to continue with the due diligence necessary regarding the analysis of the Town accepting the Odd Fellow Cemetery property, for future consideration by the Town Council.
5. **Report on 2010 Census** - The preliminary 2010 census results have been released by the Census Bureau with a response rate from Pagosa Springs of 41% and Archuleta County response rate of 43%. The population results indicate 1,727 total Pagosa Springs population with 1,330 being 18 years and older. The preliminary Archuleta County population is

12,084 with 9,676 being 18 years and older. The unemployment rate in the county in January 2011 is at 12.8% up from 11.6% in January 2010.

V. OLD BUSINESS

1. **Skate Park Design** - During the Feb. 17 Council meeting, staff was directed to allow the Skaters' Coalition for Concrete one week to secure additional funding and in-kind commitments which would allow for the pursuit of a skate park design including a bowl feature. The coalition was able to secure itemized, in-kind commitment letters totaling \$25,000, plus significant cash deposits to the Town-held, coalition account, which now totals \$33,537.38. As a result, staff consulted with Pillar Design Studios to produce two new skate park design options which could be pursued at an estimated, base construction cost of \$100,000. Both designs include "add alternates" which could be addressed in the bidding process. Both designs also exhibit bowl features, but the Skaters' Coalition will only release its funding for construction of a park which includes a bowl feature which is currently Option "B". The additional funds needed to pursue this project have been allocated by the Town (\$30,000) and Archuleta County (\$50,000). Estimates for maintaining a facility of the proposed size (4,000-5,000 square feet) amount to \$1,000 to \$1,400 per year, barring vandalism, etc. Council Member Pierce met with Mr. Mike Musgrove and both have agreed the Concept A will work great. She would like to bid the Concept A street features as well as the bowl area and if there is a shortage of funds from the \$65,000 approved, the Coalition will raise the funds to build the bowl. Mr. Musgrove asked that if the bowl part of Concept A was not built, the Council will assure the land will be available for a bowl design in the future. Council Member Volger appreciates the work from both the Coalition and Council Member Pierce and the coming together of the Council and Skaters Coalition. Mr. Chris Rapp said in the future an additional advanced bowl be considered. Council Member Volger moved to approve Concept "A," and proceed with the design and request for proposals, also depending on bids, make the Concept "A" planned bowl area land available for the future bowl add-on, Council Member Jackson seconded, unanimously approved.
2. **March Sales Tax Brief** – In March the Town received sales tax for the January 2011 period. The sales tax receipts indicated a .13% increase over the same period in 2010. Year to date receipts are up .25% compared the 2010.
3. **Southwest Colorado Council of Governments Representation** - In July of 2009, the Pagosa Spring Town Council voted to join the Southwest Colorado Council of Governments. The SWCCOG was officially formed in December 2009, and intergovernmental agreements are currently in effect between fourteen governmental jurisdictions across the region. The SWCCOG's purpose is to serve local governments on area-wide benefits, apply for funding not available to individual governments, seek a unified voice on regional issues, and provide regional public services. As part of the SWCCOG, the Town and Archuleta County were awarded grant funds from DOLA for the fiber-optics project. These funds were used to provide virtual classrooms to the Archuleta Education Center. Mayor Aragon asked Council Member Holt to serve as the Town representative and asked David Mitchem to serve as an alternate. Council Member Pierce moved to approve the Southwest Colorado Council of Governments certification of participation and designate Council Member Holt as a representative and Town Manager Mitchem as an alternate to serve on the SWCCOG Council, Council Member Jackson seconded, unanimously approved.

VI. APPROVAL OF FEBRUARY FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS – Council Member Pierce moved to approve the February financial statement and accompanying payments, Council Member Jackson seconded, unanimously approved.

VII. NEXT TOWN COUNCIL MEETING APRIL 5, 2011 AT 5:00PM

VIII. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 1:10pm.

**Ross Aragón
Mayor**