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TOWN COUNCIL MEETING MINUTES
THURSDAY, FEBRUARY 19, 2009
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 Pierce, Council Member Weiler, Council Member Volger
- II. DELEGATIONS**
- 1. Audit Reports for Town and Sanitation GID - Michael Branch** – Mr. Michael Branch, the auditor for the Town and Sanitation District for several years has completed the 2008 audit. His findings include a significant decrease in 2008 cash reserves down to \$1,073,000. Revenues were good, expenses were up approximately 17% at \$500,000 over budget. The cash situation is not as good as it has been in the past and Mr. Branch suggests the council watch the budget carefully during 2009. The conservation trust fund is down due to using the monies for the sports complex and the South 8th Street Park in 2008. Mr. Branch explained that a three months reserve of operating expenses is adequate not including capital fund expenditures. The sanitation district had a good year with revenues up due to the rate increase; expenditures included \$250,000 in the new treatment plant. Mr. Branch has concerns with the projected costs of \$5.3 million for the sewer treatment plant and believes it might come in more. Mr. Branch explained that an IRS agent had completed an audit on the payroll for 2006, 2007, and 2008. The police department employees who are currently signed up with FPPA have been required since 1986 to pay into Medicare, however the payments were not completed. The IRS has assessed approximately \$25,000 for Medicare payment over the last three years.
- III. NEW BUSINESS**
- 1. Region 9 Economic Development Council – Community Development Plan** – Mr. Ed Morlan, Executive Director of Region 9, presented the Archuleta County Community Development Action Plan. This document informs the public as to the status of local projects within the county, the status of the project, and identifies resources to implement the project. The council is asked to review the 2009 Plan and comment to EDC prior to the County's approval. Region 9 programs include Business Loan Fund, Micro-Enterprise Loan Program, Growth Company Initiative, SW Enterprise Zone Admin., Economic Development Planning, Technical Assistance and Special Projects and Region Transportation Planning. They promote economic development throughout Southwest Colorado covering 5 counties, 10 cities and towns and 2 Indian tribes.
- 2. Terry Alley with Pagosa Springs School District regarding a GOCO mini-grant for playground improvement** – Mr. Terry Alley, representing Archuleta School District 50 Joint, is requesting the Town sponsor a GOCO mini grant (under \$50,000) to upgrade the playground at the junior high school. Since GOCO only accepts grant applications from municipalities, the Town would only be “lending” its name to this project, there would be no financial commitment on behalf of the Town, as the school district would be required to supply all necessary funding. An IGA with the school as well as a resolution would be given to council at the March 3rd meeting for their approval. Council Mayor Cotton moved to sponsor the application for the GOCO mini-grant, Council Member Holt seconded, unanimously approved.
- 3. Resolution No. 2009-07 Adopting Revisions to the Personnel Handbook** – The Town Council adopted revisions to the Personnel Handbook on November 5, 2008 and asked staff to modify the current Short Term Disability program. As requested, the STD program has been redrafted to allow only employees with serious medical conditions to utilize the disability benefit and reduce the amount of pay an employee receives during the term of disability. With the change in the Short Term Disability, two new sections include Maternity Leave and Family Leave. These sections effectively reduce the length of leave and the rate of pay an employee receives during the term of leave. Modifications to other sections to correct inconsistencies within the personnel handbook were included. Council Member Cotton moved to approve Resolution 2009-07 after striking the accrual of PTO during the STD/ maternity/and family leave periods, Council Member Pierce seconded, unanimously approved.
- 4. Resolution No. 2009-08, Appointing Town Tourism Committee Members and Re-establishing Terms** – At their February 4, 2009 meeting, the TTC board voted to recommend appointments of Ms. Suellen Loher, Mr. Dan Rosenblatt, and Mr. Bill Hudson

to the TTC as At Large Members. Current member, Jim Smith, will switch from At Large to Representative of Realtors Association. The TTC also recommended by reappointment of members whose terms expired on January 31, 2009 to extend to January 31, 2011. Bob Hart will provide letters of interest and recommendation to council and the resolution will be tabled and readdressed at the March 3rd meeting.

5. **TTC appeal for exemption from the 10% expenditure reduction** – Recently the council enacted a reduction of budgeted expenditures due to the current economic climate. The TTC is asking the reduction not include their budget at this time. Compared to 2007, 2008 lodging tax revenues were down only 3.5%. In light of continued economic predictions a vigilant focus on bringing every single possible tourist to Pagosa Springs is of critical importance. The 2008 Conversion Study defines that 65% of our visitors to Pagosa were first-time visitors in 2008 up from 37% in 2007. Mr. Bob Hart explained the TTC is carefully watching their budget and can quickly reduce should the revenues drop. Council Member Pierce moved to approve the Town Tourism Commission's request to be exempt from the 10% expenditure reduction approved by Council on February 3rd, Council Member Holt seconded, motion carried with one nay (Council Member Weiler).
6. **Impact fee study intergovernmental agreement** – The Pagosa Springs Town Council, The Board of County Commissioners of Archuleta County, the San Juan Water Conservancy District, the Pagosa Fire Protection District, and the Archuleta School District 50 Joint have joined forces to contract with Economic & Planning Systems to conduct a study of impact fees. The study will review the original fee structure from several years ago, along with current economic conditions to recalibrate the impact fees of each governmental entity. The parties listed above have agreed to share in the \$37,160 cost of the study. On behalf of the parties, the County has applied for an Energy and Mineral Impact Assistance Fund grant from DOLA. If the grant is approved, the town's share of the study will be \$4,645. Mr. Greg Schulte said the BOCC has signed the IGA and the other participants should be approved March 10th. The study should be completed within 90 days of the start. Council Member Cotton moved to approve the Mayor sign the agreement and adopt the Impact Fee Study Intergovernmental Agreement, Council Member Volger seconded, unanimously approved.
7. **Joint Town/County planning and code enforcement in urban service area** – For several months representatives from the Town and County have been meeting to explore ways to improve coordination/integration of land use planning and building inspection functions. A variety of options have been considered, including a merger of the Town and County's planning and building departments. In March of 2008, the Town and County met to discuss urban service boundaries, 3 mile plans and the possibility of establishing an intergovernmental agreement that clarified interface between the County and Town in regards to properties located in peripheral areas. The discussion began in response to comments submitted by Archuleta County regarding a proposed annexation that identified inconsistencies between the Comprehensive Plan (Town) and Community Plan (County). The Town's coordination with Archuleta County will not have a negative impact on expenditures during fiscal year 2009. Council Member Holt would like Mr. Mitchem and Mr. Schulte to work together to draft an IGA restricted to coordination in the 3 mile urban service area. Mayor Aragon opened to public comment. Mr. Carl Valdejuli suggests having the ultimate vision and set up bench marks getting to the ultimate goal. Council Member Cotton would like to see an urban area IGA work before moving to a one-stop-shop type idea. Mr. Michael Whiting quoted Gandhi "action expresses priority" and salutes the council by moving in a regional planning direction. Lisa Reed suggests the county and town put a positive vision in place and as a business owner she would like the support of both the town and the county. Mr. Will Needer says there are triggers that could be put in the IGA in order not to strap either entity and allow them to get out if the IGA is not working for the best of both parties. Council Member Volger moved to proceed to develop an IGA for joint planning and commercial building in the three mile urban area, Council Member Holt seconded, unanimously approved.
8. **Reducing engineering and legal costs** – In 2008, the Town spent \$287,215 for engineering services, not including the new wastewater treatment plant. Major projects including Lewis Street, Pedestrian Bridge, and the new Sports Complex added to this amount. Legal services of \$156,406 in 2008 were for several annexations, land use code, personnel manual, geothermal leases, and other projects that required legal assistance. To reduce legal costs, it is recommended that legal contact by staff be directed through the Town manager and through the Mayor for council contact. In regards to reducing engineering, several areas in the Town's methods of project implementation might decrease engineering fees if a sequencing of tasks be followed. (a) easement acquisition prior to detailed engineering; (b) ownership and encumbrance report obtained from local title company to ensure the Town is negotiating with the legal owner of the property for easement; (c) flood-plane maps and related regulations should be considered prior to detail engineering; (d) steps a, b, and c should be completed prior to applying for grant funds. Additionally, the Town should consider contracting for engineering services on a project basis rather than an hourly basis. Council Member Weiler suggests no engagement for outside services are retained except by the Town Manager. He would like to make sure the cash and the budget lines are available for these items before retaining services. Mayor Aragon also has authority to engage legal council if necessary.
9. **Update on River Restoration** – Mr. Chris Phillips with Riverbend Engineering explained a package had been given to the Army Corp of Engineers and Division of Wildlife and are now waiting to have the go-ahead back from these entities to get into the water early

March. Approval for ingress and egress to the river from property owners along the river is still outstanding. Recreational Engineering and Planning sent a letter to Riverbend which included an invoice for construction phase fees. REP has said they have not billed out a final amount of \$4,455 of the original design. The prints sent to the Army Corp includes REP's engineering stamp and to redo the prints with another's stamp would not able the Town to begin the project next month along with additional fees. The March work would include removing the Davey's wave, the construction of a new water feature in front of the chamber and fishing structures along 6th Street, all completed with volunteers.

IV. OLD BUSINESS

1. **Update on skate park grant** – Tom Carosello with the Town Parks and Recreation Department explained the design and construction documents for an 8,500 square foot park are complete. Fund raising has continued strong including a \$50,000 commitment from Archuleta County, and in-kind labor pledges of \$41,000. A few items still need to be completed prior to the submission of the grant including; recording of the property deed and transferring of the deed from the Sanitation District to the Town, completion of the environmental assessment for the site and completion of estimates for annual maintenance and operation. The designers projected cost is at \$349,839, this does not include a contingency that GOCO staff has indicated should be added. At this time with the community commitments the project is coming along great, and with two grant deadlines, if the grant is not ready for the March 2nd date, then the Town could submit a possibly more complete grant at the August deadline, with a spring 2010 build date. A different sight has been a suggestion due to public concerns and Council Member Pierce would like to get more information before proceeding with the grant. Mayor Aragon opened to public comment. Mr. John King with the skaters' coalition said the current skate park has a great deal of maintenance; the new park will have less maintenance costs. He believes the location is perfect; all the work done on this site would be a waste to money to move the sight. He would like to see the March grant deadline achieved. Ms. Natalie Carpenter asked about the March 2nd grant deadline. Mr. Carosello said he doesn't feel the grant is ready for the March 2nd deadline and with his and the Town's reputation on the line, he'd like to see a more solid grant application submitted at the August deadline in time for a 2010 build. Mr. Mike Musgrove believes moving the site would not be easy and another complete park would have to be redesigned. Mr. Jim McQuiggin asked about the RFP project which Mr. Carosello explained takes approximately 6 weeks. Council Member Pierce will work with Mr. Carosello to look for other sites, and if none are found Mr. Carosello will continue to work with the County to prepare for the August grant deadline.
2. **Town Park Pedestrian Bridge** – The additional \$200,000 grant has been submitted and will be announced March 16th; however the Town Council needs to decide if the project will begin now or wait until the March 16th announcement. The low bidder was Hart Construction, a local contractor, after discussion with Mr. Hart, he has agreed to build the bridge over two years if fiscal barriers get in the way. The bridge itself along with a large amount of engineering has already been paid for, now it's a matter of getting the river work done before high waters or endangered species habitat come into play. Mr. Hart explained the funds spent on the bridge will be here in Pagosa Springs that will bring money to the town and he said 54 local people will be affected by working on this project. Council Member Volger moved to proceed with the construction of the pedestrian bridge based on the agreement with Hart that if the Town receives the additional grant we will complete the project this year, if not it will be completed within two years and contingent upon the grant limitations, Council Member Holt seconded, unanimously approved.
3. **Personnel Matter Discussion with possible Executive Session per C.R.S. Section 24-6-402(2)(f)**. Council Member Pierce moved to go into executive session to discuss personnel matters per CRS Section 24-6-402(2)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees: Council Member Cotton seconded, motion carried. Mayor Aragon declared the meeting back in session 3:02pm. Council Member Pierce moved to approve the settlement agreement in the form provided by legal council, Council Member Holt seconded, unanimously approved.

- V. **ADJOURNMENT** – Upon motion duly made and seconded, the meeting was adjourned at 3:03pm.

Ross Aragón
Mayor