



551 Hot Springs Boulevard  
Post Office Box 1859  
Pagosa Springs, CO 81147  
Phone: 970.264.4151  
Fax: 970.264.4634

**TOWN COUNCIL MEETING MINUTES  
THURSDAY, JULY 3, 2007  
5:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Atkinson, Council Member Cotton, Council Member Holt, Council Member Middendorf, and Council Member Simmons
- II. **APPROVAL of MINUTES FROM JUNE 14, AND JUNE 20, 2007** – The minutes were approved as read.
- III. **LIQUOR LICENSES**
  1. **Humane Society – Special Events Liquor License (Fund Raiser)**
  2. **Folkwest Inc – Special Events Liquor License (Folk Festival)** – Council Member Cotton moved to approve the Special Event Licenses. Council Member Holt seconded, the motion carried with 1 abstention (Council Member Simmons)
- IV. **DELEGATIONS**
  1. **Denise Rue-Pastin and Dick White – Climate Initiative** – Chair of SW Organ. (SOS) fundraiser –The Organization has collected over 125 signatures for support of Climate Init. Rue-Pastin invited Dick White (Chair) of parent organization and Professor in Hampton Ms. The Organization is very grateful for Town of Pagosa Springs support.  
**Power point presentation** – Climate change – Scientific change for global warming is growing more than ever. (3) commitments, with local government taking action of 7% reduction by 2012. They would like to begin to mitigate our own commissions. A target for action plan. Building and Transportation being most important. Emissions inventory. Traffic in and out on roads. Partnerships available (La Plata County and City of Durango.) There is a group called LCIEI Intergovernmental council on local issues. Cities climate protection for over 10 years. Rocky Mountain Climate Organization Councilmember Simmons asked if any goals. What's an assertive but reasonable target. Council Mid. (3) ways to help, looking into Green Energy w/LPEA, Also, looking for town being more walk able, and incorporate incentive in Comm. Dev. Code. Mark asked what an emissions inventory is going to cost. One hard number was \$25,000. Building, utilities and transportation, landfills. Denise – One suggestion, instead of each town doing own inventory, maybe a way to do a regional study. More cost effective. Denise and Dick thanked the board for their consideration into this matter.
  2. **Sheriff Peter Gonzalez** – Town Dispatch Funding Request - John Weiss, Under Sheriff since Jan. 9<sup>th</sup>. Weiss advised it has been an adventure. They are hoping for survival through rest of this year. Dispatch was combined in 1990 and everything went through the sheriff's office. It has been a combine communications center. . Not just run by Sheriff's Office, but by agencies. The #2 user is Pagosa Springs Police Department. #3 is the Upper SJ Hospital District and # 4 the Pagosa Fire District. A presentation by Shawn Curtis of the Sheriff's Office was given and Shawn advised that Sheriff Gonzales inherited a lot of challenges with the Communications Dept. They have handled numerous calls from over 17 agencies. Projected calls this year 2007 – Handling of calls are very limited by County's budget. County Animal control asked by Mark is in SO #'s. The Sheriff's office feels that a certain percentage can be billed to each agency. Charge based on call demand and pay an entry fee. The County is in dire straits right now. The Sheriff's office is in threat of losing 2 dispatch positions. They need 24 hour coverage. 9500 calls this year roughly. With (1)

dispatchers all calls are too difficult to manage. If go w/proposal no loss will occur. The cost of 2 dispatchers a year is \$40,931.61 Broke down in (3) With all Districts sharing the cost is \$13,000. The level of 10 dispatcher/24 hours a day. They are looking for combined dispatch in 2008. Don't want to replace the dispatch center as is now, we have fallen behind in level of service and would like to improve. Chief Volger was asked by Mayor to speak. Chief Volger strongly supports recommendation. They are working towards what La Plata CO. had. The past Sheriff did not want to combine. We never had input. Volger is excited about working with the new Sheriff and to provide the most professional dispatching for the community. Councilmember Holt asked what number of Agencies using dispatcher. What are the chances of dividing by 5 instead of 3. What assurances do you have to have them pay their share of the bill. What's the guarantee? All the agencies need to pay own way. Shawn Curtis we will go through contracts. If everybody gets on board we can do it. If not we can't. We would have to eliminate those services. Unified Dispatch in 2008 what assurances if Forest Service uses dispatch are they going to pay. Curtis said there will be agencies that will not be involved, They have some use of our facilities. Weiss, we need to buy in together. It will be much more formalized. It has to be up front. Councilmember Holt like to see all agencies pay there share. Councilmember Middendorf asked about megahertz radio use. Weiss advised hopefully 800 mega hertz. It is perfect timing to combine. Councilmember Atkinson was curious about board to oversee staff. Will it be County (decision making) Weiss, it will not be either one. That would have more power than the other. Council can decide once performed. Weiss would like to see Professional dedicated Mgr. to do it. Need a Council. We have to deal with more nuts/bolts. Chief Volger talked w/Chief Al. Bail. They have 2 groups/Executive group and Administration Group and Director. On budget, fees, executive issues. (A representative by other users.) They have checks/balances. We will all have volume and input. (said Councilmember Simmons.) Shawn Curtis mention cuts (2 dispatch positions) we need two dispatchers/shift. Lacking consequences/Prioritize calls (said Weiss) Biggest fear 911 call and then another coming in with another emergency. All we can do is prioritize. We will do our best. Any word with Rotary TA Garcia asked. Weiss advised the meeting was postponed till July 10<sup>th</sup>. We have only had informal discussion. TA Garcia advised the Town previous discussions, we had looked at other issues with the County like sewer services, we looked at actual cost of Sanitation and they are 9 ERT's short. Try to bring all resources together. TA Garcia wanted Council to be aware of these other issues with County also. Garcia advised we have brought everyone else up to equivalent usage.(motels, schools, etc.) The Sanitation Department has looked at actual sewer rates and need to make adjustments. We need to formally initiate there are deficiencies in these other areas. Weiss said we need cash to work out these Dispatch deficiencies. Garcia wanted Council to be apprised of all issues before other burdens passed on to the Town as the County goes through this process. Weiss advised there are many Sheriff's issues but not ready for other issues the County has with the Town right now. But for this calendar year will the Town be a part of each agencies share of \$13,600. The Sheriff's Office has got a check from Fire Dist. already and will be going to other districts now. Thinking and working out in our budgets for 2008. Weiss thanked the Board. TA Garcia asked if they are looking for a decision fairly soon? Our budget requests a 7% sales tax for year. This additional expense is unbudgeted. Actually under budget for year, other expenses put us further behind. We would be dipping into reserves for these line items. Councilmember Holt said what was the dollar amount for full time position (narcotics) Holt would like to see the Rotary meeting happen first. We would like to know before we commit. Councilmember Simmons, Agree w/Holt but better hand on essential services first, before committing. Mayor Aragon concurred w/Simmons. The Council Members would like to put issue on next agenda for next meeting. Councilmember Cotton felt they need to pony up. If we don't, things will not happen. Council needs to move on and then make adjustments. It's a today problem Councilmember Cotton moved to fund SO request for combined dispatch for remainder of the year. It was seconded by Councilmember Middendorf. The motion carried unanimously (6 ayes). TA asked when do you need the money? Weiss advised they are in red zone now so as soon as possible. TA Garcia is this money to go to the County or SO? Weiss plan to get a plan in place, need to get w/Count Mgr. Weiss will do everything in his power not to co-mingle w/County. Weiss thanked the board for their decision.

## V. NEW BUSINESS

### 1. Review of Planning Commission Actions from June 26<sup>th</sup>, 2007

a. **3-Mile Plan** - Tamra Allen, Town Planner presented that – 3 mile plan was intended for long range planning tool and for the community to dictate what area Prioritizing through phases. What areas interested in annexing in the 3 mile radius Using existing Comprehensive Plan as our 3 mile plan. This plan adopted in 2006 talks about all characteristics. Staff was asked if County had any interaction. Tamra has met with and have recognized future plan. Need to update on an annual basis. Do have an outline of the plan. Planning Commission would like approval. TA Garcia thought it would be easier to update in the future now. Councilmember Holt made a motion to approve 2007 3-mile plan that was recommended by Planning Commission, Seconded by

Councilmember Simmons. Motion carried by unanimous decision (6 ayes) .

b. **2-Hour Parking Limits at the “Overlook” Parking Lot** - From 8 hour to 2 hours. Landfill parking adjacent to downtown. Recommendation of 10 parking spots to 2 hr. parking. Tamra Allen brought this in front of you for consideration, effective immediately as soon as we get signage. Councilmember Middendorf, where will they park. Parking would be everything east of 4<sup>th</sup> St. not restricted, around town park, as well as Dr. Mary Fisher parking lot, (seeds) the School. There are quite a few other parking areas. Councilmember concern is that there not a broad parking area. Asked if pressing need for this recommendation. Tamra Allen a definite need to reduce the hours on the parking. Looked at 30 min. to 2 hr. parking. Middendorf what progress is being made. Town Planner Allen, advised that the Mayor’s committee have been meeting and well as waiting for final draft for parking areas. Town has fairly limited space Councilmember Atkinson’s recognition of overall problem. If looking at site acquisition now. Challenging application and difficult to accommodate parking needs. Councilmember Simmons, looking at staff report what about Boot Jack Mgmt lot by Courthouse. Tamra Allen advised they have not been contacted yet). Councilmember Simmons, can they move every two hours. Yes our parking enforcement person handles the violations and mark tires. Intention – 2 hr. limit. Councilmember Holt realizes it’s a short term fix, not long range. There’s a need for this change and Councilmember Holt supports it .Councilmember Middendorf asked about any chance for diagonal parking. Town Planner Allen didn’t think so. TA Garcia said maybe one side. Joe Nigg may be able to look into a proposed lay out. Councilmember Cotton made the motion to approved 2 hrs parking limits at the “Overlook” Parking Lot , Seconded by Councilmember Holt and by unanimous decision (6 ayes) motion carried.

### c. **Rock Ridge Country Estates, Block D, Lot 1 Annexation and Zoning Request** -

Being removed from Agenda. Was noticed as public hearing, we were notified that project would be discontinued. Shelton’s were no longer interested. Planner, Tamra Allen asked Shelton to attend meeting but he did not attend. TA Garcia will talk to Shelton to find out why.

### 2. Review of Historic Preservation Board Actions from March 22<sup>nd</sup> and June 21<sup>st</sup>, 2007

#### a. **Resolution 2007-12 Appointing Historic Preservation Board Member –**

Joe Nigg, Assoc. Planner advised it is recommended that Betsy Carpino be reappointed to Historic Preservation Board. Councilmember Cotton moved to approve Resolution 2007-12 Seconded by Councilmember Middendorf. Motion was a unanimous decision (6 ayes).

#### b. **Resolution 2007-13, Adopting Historic District and Local Landmark Design**

**Guidelines** - On previous council meeting agenda they have been deferred. That article has since been completed. Guidelines not only for district .Being brought forth to adopt guidelines as well as level of uniformity and conformity. Document created by Winter & Company In forth for your consideration Councilmember Atkinson if not been adopted by Historic Pres Board Concern about it being adopted before Downtown Master Plan. Can it be reconciled? Planner Tamra Allen Master Plan

deals with it outside of that Hist. Dist. Would not be overlapped between two documents.  
Councilmember Cotton made motion to approve Resolution 2007-13, Adopting Historic District and Local Landmark Design Guidelines and Councilmember Simmons seconded motion and by unanimous decision.(6 ayes)

4. **Resolution 2007-14, Intent to Annex Pagosa Hills Subdivision 3, Lots 81-84** - Joe Nigg, rezone property to D-3 Corridor Commercial. Bear Country Center development approved back in Aug. This was reviewed in Feb. since then Mar.6<sup>th</sup> resolution was approved, expired because not received all submittals. Since then have been received. 60 day approval period. Councilmember Holt asked if it was identical, no changes right? Correct. TA Garcia, annexation agreement will be worked with them. Yes. Pre-annexation agreement to Plan. Com. For review then back to Council for final. Councilmember Holt moved to approve resolution 2007-14 Intent to Annex Pagosa Hills Subdivision 3, Lots 81-84. Seconded by Councilmember Cotton, and by unanimous decision. (6 ayes) motion carried. (TA Garcia advised that staff is working on how we can effectively use material and get it out to Council in an effective way. TA Garcia gave Planner Tamra Allen and Assoc. Planner J. Nigg a compliment and good job gesture.
5. **Ordinance No. 692 - Intent to purchase 4.7 acres of County-owned property (Public Hearing) - (Will be at end of meeting)**
6. **Resolution 2007-16, Adopting a Revised Personnel Policy** - Councilmember Simmons abstained from this conversation. Julie Simmons presented changes, included pre employment, PTO, ethics in govt. effects State, local employees and apposed to Amend. 41 that was passed in Nov where employees can't accept gifts over \$50 in value. Council directed staff to bring this back today. TA Garcia advised that they pretty much hashed through all this, Martin Luther King Day, was one (1) change. Conversion to PTO. Bringing back w/out handbook. Have already gone over most. Also, B. Cole Amendment 41 as our ethics policy for now. Keep in mind. Amend. 41 under legal challenge now. B. Cole said it has been in Denver, District court. Raised concerns. Either way it's going to take years for a real CHALLENGE. If you want simple code, make your own. Instead of trying to implement. Councilmember Holt, hate to delay can we come back at later date and extract Amend. 41. Bob Cole said yes. Approval now is OK. Councilmember Holt made the motioned to approve Resolution 2007-16 Adopting a Revised Personnel Policy. Seconded by Councilmember Middendorf. And with 5 ayes motion carried , 1 abstained by Councilmember Simmons.

## VI. OLD BUSINESS

1. **Ordinance No. 670 – Kinder Morgan Franchise Agreement (Second Reading)** - TA Garcia 2<sup>nd</sup> reading Kinder Morgan now Source Gas, approved under name of Kinder Morgan, has taken several months. With a few minor changes (name changes only) 2<sup>nd</sup> Reading changing to Source Gas. Councilmember Middendorf moved to approve Ord. No. 670 – Kinder Morgan Franchise Agreement (second reading) Seconded by Councilmember Simmons. And by unanimous decision. (6 ayes) Motion carried.
2. **Ordinance No. 691 – Amending Article 6, Chapter 21 (Second Reading)** - Town Planner, Tamra Allen exclude Hist. Dist. and Landmarks. Design guideline in place. Passed at June 5<sup>th</sup> mtg. Councilmember Middendorf made motion to approve Ord. No. 691 – Amending Article 6, Chapter 21 (Second Reading, Seconded by Simmons. And by unanimous decision. (6 ayes) motion carried.
- 3.

## VII. DEPARTMENT HEAD REPORTS

1. **Town Manager Report** - Sales tax declined. Resignation from Councilmember Bill Whitbred ,resigning effective immediately. Staff advertised and requested letters of interest from Citizens at large. Deadline is July 18<sup>th</sup>. Staff recommends to consider filling position at July 19<sup>th</sup> meeting. Presently have 4 qualified candidates. (Scheer, Steinert, Jackson, Weiler. TA Garcia advised for information only that it appears Councilmember Whitbred was appointed on Oct. 29, 1984. TA Garcia would like to recognize Whitbred's years of

service and received consensus of Board to give gift of a chair like we did for past Town Clerk Jackie Schick. On to more, Cemetery Rd. project is almost complete. Notice to proceed will conclude 2 CMAQ projects. Did receive money in state physical years starts in July of next year 2008. Trying to get alleys paved, state is reluctant to consider them at this time. Councilmember Simmons, can we argue that we do have residents using the alleyways. Councilmember Middendorf asked if any funding for building sidewalks. TA Garcia enhancement projects is what we need to use. CMAQ funding, FY 2008 requests, but not any hearings on 2009 and 2010 Completed river walk project. New Trail looked terrific – said Councilmember Simmons. TA Garcia awaiting town park/pedestrian bridge walk, primary abutment by seeds of learning. ADA compliance. Hermosa St. bridge still trying to determine if needed for a sewer line crossing. We did have Parks and Recreation meeting, June 13, also subsequent meeting w/Greenway and Association. There were several in attendance. Identified all amenities below national service levels. Will bring draft sometime in August. Scope of Project – Is a Recreation Center. Very informative. Staff requesting Citizens Task Force other recreation centers, were very adamant about getting estimate on the cost around \$15,000. Services if council went with ballot question. Staff would like to see if we can retain this group to look into this for us at around this fee.. Bringing in firm may be the outcome of the 19<sup>th</sup> meeting. IF November election we'll need a few weeks to gather information. Trust for Public lands continuing works should be done by July 19<sup>th</sup>. Polling Town registered voters. Not costing us any money at all. Councilmember Atkinson, attended presentation, I thought after meeting she would like to see task force explore further, concept of partnerships. (money generating) Feel like we want to strongly encourage projection exercise. Encourage task force to pursue that. Councilmember Holt, Nov. time frame has BRS given us any confirmation. They could support that time frame said Garcia. Yes it could meet our schedule. Trust of Public Lands as well. 14% of population is 65 or over. Projecting – serious need for aging population. Councilmember Middendorf – anything else we need to make a decision. I think we really need to make a decision. Any other data? TA Garcia no, very developable site. Phone survey provide lots of information. Councilmember Cotton advised that – Recreation Centers in his mind, we have a problem w/County and were talking about millions of dollars – He feels it's irresponsible to move forward with recreation center. It was a great presentation, but we have other issues. Were tossing a million dollars, when County does not even know if they can open their doors. Can't imagine anyone would vote for more taxes. We have to be very careful. It is a great thing, but we have a heck of a job ahead of us. Councilmember Simmons asked about BRS estimate – do we have budget for that. TA Garcia said we have some in the parks budget. We would have to appropriate some money for that. If sales tax doesn't increase. Councilmember Middendorf does feel it's very important. He has to counter balance Cotton's comments. Councilmember Cotton asked where will we get the money? Councilmember Middendorf if there will be sales tax increase, but up to the Voters. Councilmember Cotton – we have to be leaders and what is the reasonable thing to do. It's irresponsible. That is just my opinion. Councilmember Atkinson asked of possibility of partnerships. We are the only community that does not have a swimming pool facility. It does serve that purpose.

A member of the audience stated he would like to

Commend Town – On Land Alliance – whenever major project were very concerned. He would also would like to commend TA Garcia, and Julie for a good job done. With regard to green printing/master plan for parks/recreation And we fully support that. Important to get a plan in place, where we are headed as a community. Guys from Greenway did a project that was wiped out by flood. Council decided to do a revamp. Encourage a way of looking at master planning process. Thanks

Councilmember Holt said we voted on Bus transportation , Narcotics officer, Dispatch, now we need approx. 15,000 wondering if we have time to come up with figures for July 19<sup>th</sup>. We need to look at our budget. In the short time. Where are we going to get the money. Before we undertake something. Councilmember Middendorf, I know we have a reserve. I look at it as an investment. Small investment for the core of our town. Councilmember Holt. We need to see what we have. Councilmember Cotton, It is not critical. I'm not apposed to a Recreation Center. If County can't function, we can't

function. To fast track a Recreation Center. How will we fund it? The People will have to. The timing is just not right.

James from the Sun asked Middendorf why is time of the essence? Middendorf, I think Nov. is important because... the voters are paying for it, they should have the choice, future will be less advantageous. I believe it's liable that we have one. I guess I can't completely answer that questions. Councilmember Atkinson, everything is important, what is the financial return. It would be helpful at the 19<sup>th</sup> mtg. that they put together what the impacts are. Actual hard numbers we can look at. Is it now, or is it next year. TA Garcia will work on that, also I will tally all expenses that we know of, and anticipate. Look into other accounting that has not come in. Councilmember Simmons, what about treatment plant by town's reserves. TA Garcia construction will be grant/loan funds. Contingency some reserves from Sent. and some from Town. Our intent to try to reduce contingency funds. \$400,000 out of each. Mayor Aragon, in concept agrees with the recreation center. After seeing that state the County is involved in I would have to say I have the same sentiments as Councilmember Cotton. It took us an hour to decide on the dispatch request. That's not elite. We talk about people coming thru town love this area as far a outdoor activities. As far as priorities. The Recreation Center is not a high priority. I just can't do it. Based on that I could not support it at this point and time. Not high priority as far as my opinion. TA Garcia Nov. question is one that will allow us to break ground. And April will have to wait another year. Some other urgency issues, but we did do survey as far as feel of community received very high report. (Staff perspective) than council. Patsy – from a survey, was that not conducted before the county crisis. Compare crisis to Rec. Ctr. Might get a difference in response. TA Garcia said

Moving on, report changed web page from .com to .go. Transition out .com. TTC Report, Angela want to add anything. Councilmember Atkinson said TTC is in process of hiring Director. (10) applications. 2 large billboards, feed back on surveys people noticing advertising. Also grant for Chamber. Web site will be visit Pagosa Springs.

TA Garcia – Advised Council that Councilmember Simmons has some concerns on TTC Board. Will bring back additional information. Also audit with LPEA determined we could go green for an 8500.00 per year cost. Very responsible. Any action from Council. Add to list of priorities.

- 2. Planning Department Report -** Preservation Board activities. (2) projects putting together inventory of Geothermal Resources. Land Use Dovecote update/first half for staff review this week. Public review mid August. DT Master Plan, waiting for final draft. Annexations – brief update Putnam Annex/ 50+ acreage. Also number of annexation on Hwy 84. Notice CML smart growth workshop 27<sup>th</sup> Jul. talking of annexations, very relevant. Might be interesting information. Let us know if interested. TA Garcia, recognize new employee James Kickoff. Welcome

Back to Item V - 4

Ord.#692 – Memo from Bob Cole, Town Attorney. and Theresa Williams, prepare tonight for consideration. (TA Garcia)

Cole advised have not connected with Theresa lately./ This form of contract conceptual. Does not reflect any comment that she has offered yet. Pretty standard. Calls purchase price – terms of purchase contingency based of town being able to get lease/purchase. If not may terminate contract. If want appraisal, can get one, survey is optional. Scheduling is nothing magic, Basically premise on an Aug.15<sup>th</sup> date. Moved around based on financing and closing. Financing is proposed through a lease purchase agreement, Transaction not to be debt in Colorado. Mechanics are such that you acquire land, long terms lease, they then lease it back on annual basis. Town in a year can chose not to lease it. Lease/Purchase transaction pretty standard format of transaction. Lease purchase with Wells Fargo. We know their documents, they know ours. Documentation part should be easy. Maybe something come up were not aware of , but other than then pretty normal. We have an option to go into Executive Session. (said Mayor Aragon ) I get tired of these people commenting on events and issues the town is involved in. People who really don't contribute nothing to the community. I feel good and I want to do it right out in the open. So we'll start with council that the consensus of board to continue this. We try to acquire property across the street. Good investment for the town. Long Range Planning and not going to make

any more real estate. So basic and that the truth. I urge the council to support this and if there's a way to purchase the property to do it. Mayor asked: TA Garcia can you respond about how we got here. Garcia said Attorney has worked up this contract for that particular property. Subsequently we need to secure financing. Which has been discussed with Cit. Bank whose been referred to Well's Fargo. There is potential for some conflict, in regards to deed restrictions and also the zoning that is on the property. The Banks will write a letter detailing the problems with the deed restrictions and Town will asked Stanley Levine, who sold the property to the County in 1999, to lift the deed restrictions in return for a first right of refusal over future development. (Financing requirements) TA Garcia does feel that we have some obstacles to overcome. Recovery plan for County with the sale of this property. The Doc. Prep is straight forward. Lease purchase contract Bond Council, 3<sup>rd</sup> party legal council of review of documents. May have issues. Bob Cole Attorney, another important term is Lease/Purchase finance percent of 5.2%. That's why these transactions are more difficult. Expect to be put together as a 20 yr. revamp. TA Garcia, bank recognized need for appraisal. Need to get in contact w/county. Which is another element discussed with the bank. Mayor Aragon asked Campbell What if appraisal comes in more than 1.2 mil. Campbell said we can sell property to what price we chose. County felt 1.2 mil. was reasonable. Fair market value. Come to that consensus. Bob Cole, fair market value of property it is important, a justification for a lower price. Levine has indicated interest to purchase that property at that dollar amount. Said Campbell. Councilmember Holt, said we have already spent money on Hot springs Blvd. redevelopment plan. For the future of Hot Springs Blvd. Both County and Town envision metro govt. area down here. Were going to grow to the point where we need more property. If we don't get this were missing out on a big opportunity. TA Garcia regarding deed restriction, bank said it could be an issue. They will be writing us a letter. Our attorney will write letter to Levine regarding deed restriction. Councilmember Middendorf –Asked is there another buyer. Is your need to sell to us critical? (2) issues Campbell said timing with Levine and second issue feel property should stay in public use. Important to be in public spear instead of private individual. By Dec. 31<sup>st</sup> The County will be in arrears to the town of about \$214,000. County's plan is to make good on that money and hope to end the year balanced. Councilmember Middendorf asked if any chance maybe County be interested in the future of buying it back. County does need to go forward of where we need to put things. We may end up with a split campus. Councilmember Middendorf, the way it's zoned. Relative value, would way some other things higher. Very Concerned that were putting town hall up for collateral. Attorney. Cole, that is not what were proposing at all at this point. Contingent on what the bank says. Councilmember Middendorf would like to see an appraisal. Any financial moved would be before making a decision. Looking into how much per year. 2 conditions negotiate with commissioners and appraisal. Great benefit for town if we were connected. A way to discuss this further would be great, advantageous. Shari Pierce, spoke up that at a meeting and expressed her concerns. Pierce is concerned if we can afford this at this time. Can we look at mid month meeting to see if this is something we can do. Mayor Aragon said if were going to do it, we should do it now. You can't have resources if you don't spend on them. Tamra Allen, understand zoning process. Councilmember Holt deed restrictions were his, but if Levine rezones he could change restrictions, Allen said he would have to re-zone through the town. Patsy – town asked county if they could have first dib, cultural groups, could be a big economic boost. What would fall into government use. Moomaw, said Mayor and he were in discussions regarding having a split campus. Also joining some departments together. Moomaw said he's one vote, but is committed to that concept. Councilmember Simmons – There is a need to assist County, but if another interested buyer, do we really have the money. It's a significant amount of money. We don't have the budget for this amount of money. I think it's irresponsible to move forward if the County has other options. Again Campbell said that Levine's timing would not be in good time, County needs to move forward. County only has funding up to July 13<sup>th</sup>. Timing is critical. If we crashed things would be horrible. County is in huge distressed. Mayor Aragon, having the money available, I recognize it, but there is a thing called creative financing and that's what were working at. Councilmember Atkinson, generally in favor has questions on mechanics. Bob Cole, if you choose not to make your payments, your lease is terminated. It does not revert back to the town, it is the towns. Achieve Tabor restrictions there is risk involved. Councilmember Middendorf, another solution. County needs money, why can't we make loan to county with this property as collateral. Attorney Cole a similar lease purchase could be drawn up, for that lease town pays county money, then county turns around and pays back. The only way would be to cough up 1.2 mil. That's a more direct way. Councilmember Cotton it's a bigger risk. Property is ours, available to county when in better financial abilities. We have ability to help them out with very little risk. If County fails were in trouble. Councilmember Middendorf feeling in using our reserves half not 1.2 but half. IT seems risky. Bob Cole in terms of losing your investment, even if terminate lease, value of

property won't go down. As long as property does not devalue. Location of property is our zoning. Mayor recognized Bill Hudson asked money discussing I think are great arguments for helping county out, but money your talking about spending belongs to the people of the town. I have not been able to be told if my town hall is going to be put at risk. Not seen any amortization schedule. As a citizen I would like to have a chance to see these things laid out for me. It's all vague. Since it's my money it would be respectful to present me with real facts and what is really going to be at risk before your make any decision.

Mark Wailer was also recognized by Mayor and made comment on Bill Whitbred, Cotton and You. I've not done any one thing for 5 years or so. My compliments on what has been done in this town. There are not two boats. You guys are in the same boat. My perspective, if you acquire property you have the ultimate trump card and you can change the zoning. You have the ultimate trump card. The property if you change the zoning will be worth more than it is. Your vision for the future and commitment to the county is to be applauded. Thank you.

Councilmember Simmons, now over to Staff, TA Garcia give me assurance that we won't have our own financial problems. TA Garcia advised he didn't know if he can give that assurance. The reserve balance at year end is projected to be \$1.7 mil. It equates to one year of operating costs. The figure does not include any capital projects, the \$1.7 mil. Is strictly for staff and operating costs. The funding for the land will come out of capital improvement funds which TA Garcia projected at \$1.7 mil. At year end as well. . Councilmember Cotton said we may have to modify to accommodate this. I think if we forego somewhere else to make this happen. We can go forward. It's something we need to do.

Councilmember Atkinson we can sell the land at any point, if we get into trouble, we won't get backed into a corner. Attorney Bob Cole advised as long as we have purchase option. On an annual basis. Risk period is up until you have the right to exercise the purchase problem. Councilmember Middendorf we just discussed not having money for a Recreation Center which is more valuable. Recreation Center in my opinion then an empty lot. Talking about two different things. Not supporting Recreation Center , but an empty lot. I feel as a citizen the Recreation Center has more priority. Councilmember Cotton, if county fails nothing is going to happen. This is serious business. If county fails, everything fails. It's important that they survive. Councilmember Middendorf feels there must be a creative way to do this. Banks involvement is what worries me. We don't know in the future if there going to be a buyer. Don't like authorizing use of town hall either. Mayor Aragon that's not to say were going to do it. Attorney. Bob Cole that's just discussed as an option. Councilmember Atkinson, don't thinks it's either /or. Artificial in what we created. I think that's positive. Shari Pierce if you move ahead w/decision are there state or federal funds available to help us along. TA Garcia, we've looked at similar scenarios through same funding. Unless we get grants, then your have grant requirements. Department of Local Affairs loan funding, no longer loaning money. Don't want to be in that business. Councilmember Middendorf we could do it. Councilmember Simmons can't we have more of a lien waiver. If the Counties reconstruction fails do we want to be stuck with this. Sale of Courthouse was suppose to be way out. County is looking at borrowing against courthouse. This is in August. If we don't get a favorable response we don't know what were going to do. Councilmember Simmons what your saying is it's not going to save you. Campbell we don't have a lot of options. Mayor Aragon if we don't go forward, instead of being progressive it's going to be pitiful. TA Garcia home rule charter has 30 day period regarding land/property. Out significant amount of time to prepare as an emergency ordinance. Did discuss fees with bank/Loan Fees somewhere between 15, and 20,000. Councilmember Middendorf is in support of emergency meeting for next week. Have a little more time for better solution. Councilmember Cotton questioned emergency rod. 692. Councilmember Atkinson, when make motion upon certain conditions – We can set conditions as part of this motion. TA Garcia in fairness to county, very difficult situation to overcome, alternative to use Town Hall. Very clear specifics that we do not yet know. Maybe offer that we open dialogue with Levine. Regarding deed restrictions and zoning. County may need to see this. County is waiting, The County should probably be looking at all their alternatives. We looked as optimistic as possible. Attorney Cole said were not far enough along with bank to know these things. Attorney. Bob Cole did correct himself that the current ordinance would make Town Hall collateral for the loan unless explicitly changed. Mayor Aragon asked that the provision be removed. Councilmember Cotton moved to adopt the ordinance. Councilmember Holt Seconded. Councilmember Atkinson said she had concerns that Town Hall not be used as collateral, an assessment be completed and purchase option guaranteed – as part of the motion . Councilmember Simmons asked if we approve this ordinance are we locked into it. Attorney. Bob Cole advised Council that the way the contract is structured there

are a number of review items that are sometimes used to terminate contracts. No earnest money was involved therefore there is nothing at risk financially. If we can't afford this there are options to get out of this(said Simmons) Councilmember Cotton moved to approve Ordinance No. 692 incorporating Councilmember Atkinson's reservations and Councilmember Holt seconded. Motion passed unanimously (6 ayes).

**VIII. APPROVAL OF BILLS** – Council Member Cotton moved to approve the bills. Council Member Holt seconded, the motion carried unanimously. (6 ayes)

**IX. ADJOURNMENT** – On a motion duly made the meeting adjourned at 8:30 p.m.

**Cotton would like to see open councilmember seat be open for a while longer. TA Garcia let us know. Whatever council wants. Atkinson thinks we should go with date.**

**Ross Aragón**

**Mayor**

**PAGOSA SPRINGS SANITATION  
GENERAL IMPROVEMENT DISTRICT MINUTES  
THURSDAY, JULY 3, 2007  
8:30 p.m.**

**X. CALL MEETING TO ORDER** - Mayor Aragon, Council Member Atkinson, Council Member Cotton, Council Member Holt, Council Member Middendorf, and Council Member Simmons

**XI. APPROVAL of MINUTES FROM JUNE 14<sup>TH</sup>, 2007 MEETING** – The minutes were approved as read.

**XII. DELEGATIONS: None**

**XIII. NEW BUSINESS** - Sky view Motel – Staff's opinion units out in winter time reduction accordingly. Usage staff does not recommend. Base Sanitation billing in base of water usage. Reduce on seasonal basis but not on usage basis. Councilmember Holt moved to reduce ERT at staff's recommendation. Seconded Simmons. Unanimous Decision.(6 ayes)

**Pinewood Inn** – Has been turned over for collection. Asking the Council to take care of the bill because of hardship on the moratorium on his building. Late Fees and Attorney fees. Requesting town take care of bill. Councilmember Middendorf said it sounds like a threat. Councilmember Simmons think it would be totally unfair to everyone else. Councilmember Middendorf any word from our attorney. Mayor Aragon thinks we should talk about it. I don't feel that its right. In all fairness we should consider his request. Councilmember Middendorf a case against town is almost condoning. Basically issue with town. IF it was other hardship maybe. Councilmember Holt how about extension. Give him a period of time to catch up. Councilmember Middendorf we spent days on his building. How can he ask for expenses like this. When did he incur the expenses. Councilmember Simmons said he never asked for extention. Councilmember Holt give emergency extension, like 6 mo. To catch up. Mayor Aragon, I would go for that. Councilmember Simmons did not want to start a bad precedent. Councilmember Holt contingent on one instance. Due to situation. 1time expenses. TA Garcia go back to records. Identify those late periods. If paid in full going back to record if he became late at that particular time. With waiver of that to be paid in full. Forego judgment. Mayor Aragon felt we should be compassionate and work with him. Mayor Aragon acknowledges the hardship situation. Don't like to kick people when there down. Try to be sensitive give him six months to work out something with town. Councilmember Middendorf ask town again without threat to town. Attorney Bob Cole, exchange for agreement give six months and release from any claims against town. Councilmember Middendorf made motion to have Attorney Bob Cole write letter, give extensions with reduction of penalty fees in exchange for no more letters. Seconded by Councilmember Holt. TA Garcia will director staff to work on response letter for late charges and attorney fees in return. Unanimous Decision.(6 ayes) motion carried.

**XIV. OLD BUSINESS**

**Update on New Treatment Facility Planning** - Engineering team difficult to plan. Pulling negotiations. Will be going to power authority in July. 2 Mil. Dollars not changing any terms so money should be available. Meeker, CO

Energy and impact assistance review board and hopefully secure 75%/25% RATIO. (West side of river) do not know what they want to do. State imposed new fee structure which is \$15,000. already made application. Engineering and Negotiation issues were both reasons. Move back to current facility.

**XV. DEPARTMENT HEAD REPORT** – No Report. No violations

**XVI. APPROVAL OF BILLS** - Council Member Cotton moved to approve the bills. Council Member Holt seconded, the motion carried unanimously.(6 ayes)

**XVII. ADJOURNMENT** - On a motion duly made the meeting adjourned at 8:45 p.m.