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TOWN COUNCIL SPECIAL MEETING MINUTES

THURSDAY, JULY 22, 2010

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
- II. LIQUOR LICENSES**
- 1. Liquor License Transfer – Pagosa Lodge 3505 W Hwy 160, from Nighbeck LLC to Pagosa Lodging LLC** – Council Member Pierce moved to approve the liquor license transfer from Nighbeck LLC to Pagosa Lodging LLC, Council Member Cotton seconded, unanimously approved.
 - 2. Liquor License Renewal – Gringo Grill LLC dba Kip’s Grill and Cantina, 127 Pagosa Street** – Council Member Jackson moved to approve the liquor license renewal for the Gringo Grill LLC, Council Member Pierce seconded, unanimously approved.
 - 3. Special Events Liquor Permit – Archuleta County Democratic Party at the Ross Aragón Community Center, 451 Hot Springs Blvd., October 2, 2010**
 - 4. Special Events Liquor Permit – FolkWest Inc. concert at Liberty Theatre at 418 Pagosa Street, September 1, 2010**
 - 5. Special Events Liquor Permit – FolkWest Inc. Folk Festival Late Night Stage at the Ross Aragón Community Center, 451 Hot Springs Blvd., September 3rd & 4th, 2010**
 - 6. Special Events Liquor Permit – FolkWest Inc. Folk Festival at Reservoir Hill Park, 320 Hot Springs Blvd., September 3rd & 4th & 5th, 2010** – Council Member Jackson moved to approve the special events liquor permit for Archuleta County Democratic Party and three events for FolkWest Inc, Council Member Pierce seconded, unanimously approved.
- III. DELEGATIONS**
- 1. Recognition Presentation – Aisha Warren and Pam Monteferrante “If I Were Mayor Contest”** – Each year students from Mrs. Monteferrante’s 7th grade class participate in the Colorado Municipal League (CML) “If I were Mayor” contest. Aisha Warren submitted a letter and although she did not win, the Mayor would like to recognize her efforts with a certificate of merit. Mayor Aragon invited Ms. Warren to open the meeting and read her submission aloud, and then presented her with a Certificate of Merit.
 - 2. Recognition - Stanley & Elaine Levine family to receive the “Colorado 2009 Outstanding Forest Steward of the Year Award”** – The Colorado State Forest Service will be presenting the “Colorado 2009 Outstanding Forest Steward of the Year Award” to the Levine family. The Levine’s own 549 acres adjacent to the Town of Pagosa Springs and they realize the importance of planning and operate under a master plan that contemplates and addresses past, current and future uses of the property while being compatible with environmental issues. Mr. Stanley Levine thanked the Council for their recognition and is humbled by the honor of this award.
- IV. NEW BUSINESS**
- 1. Ordinance No. 755 (First Reading) Granting Franchise to USA Communications** – In 1999 the Town entered a franchise agreement with Pagosa Vision Inc for cable television services to the town. The fee was a sum equal to 5% of the company’s annual gross revenue. In December of the same year, the franchise was assigned to ICE Cable Holding, LLC. In May of 2009 the franchise was extended for an additional 10 year term. In April 2010 CAP Cable, LLC (operating under the trade name USA Communications) acquired

the majority of the physical assets of ICE Cable Holdings, LLC. USA Communications will continue to service town residents with high quality service. They will continue the practice of providing complimentary cable television services to schools and libraries in Pagosa Springs. Mr. JB Smith said his cable has not worked for three months and encourages the town disapprove the agreement. Council Member Pierce moved to approve the first reading of Ordinance No. 755, an ordinance of the Town of Pagosa Springs granting a franchise by the Town of Pagosa Springs to CAP Cable LLC, operating under the trade name USA Communications, its successors and assigns, the right to furnish, sell and distribute cable television to the town and to all persons, businesses and industries within the town and the right to acquire, construct, install, locate, maintain, operate and extend into, within and through said town all facilities reasonably necessary to furnish, sell and distribute cable television and in the territory adjacent thereto and the right to make reasonable use of all streets and other public places as may be necessary, and fixing the terms and conditions thereof, Council Member Lattin seconded, unanimously approved. Council Member Holt asked Mr. Mitchem to have a USA Communication representative to be available at the August 26th meeting to answer questions and provide their future operations.

2. **Pagosa Springs Town Charter** – In 2003, the citizens of the Town of Pagosa Springs voted to adopt a Home Rule Charter. During the ensuing seven years, issues have arisen that make operations within the Charter cumbersome. The Town attorney as well as staff has listed a number of Charter sections that the Town Council might consider for revision. Council Member Pierce and Cotton along with staff are directed to sort out the details of necessary charter changes and bring back to council in time for the April 2012 regular election. Council Member Holt moved bring forth changes of the home rule charter of the Town of Pagosa Springs to voters at the April 2012 election, Council Member Pierce seconded, unanimously approved.
3. **Memorandum of Understanding – Pagosa Fire Protection District, Pagosa Area Water and Sanitation District, Town of Pagosa Springs and Archuleta County** – The administrative officers and staff of the Town of Pagosa Springs, Archuleta County, Pagosa Area Water and Sanitation District and the Pagosa Fire Protection District have been working together to foster an excellent environment for business development and expansion by designing a more responsive development review process and upgrade existing fire protection infrastructure. The four organizations are committed to mitigate the deficiencies within their respective boundaries and work cooperatively. The Fire District will temporarily forego the requirements for increasing existing fire flows and fire hydrant placement for new buildings in an infill area, additions or changes of use, provide the proposed construction; (1) occurs within an area provided with existing fire fighting infrastructure; (2) is located on an existing fire apparatus access road; (3) has at least one building access point from the building's fire apparatus access road is a maximum distance of 1,000 feet to an operational fire hydrant; and (4) the building complies with all of the requirements promulgated by the Building Code. Town Manager Mitchem explained this is for the infill area, not for new developments in Town. Council Member Jackson asked about the liability of approving this MOU, Town Manager Mitchem explained full disclosure is required from the Town to potential developers, but believes the Town is not liable. A tanker truck would be necessary should a fire break out in an area that was approved in this temporary MOU until the infrastructure is improved. Building Department Director, Scott Pierce, explained the Uniform Building Code recognizes that some required flows are not possible in rural areas like Pagosa Springs. The fire chief understands there are problems with flow, and is working to recognize those areas and incrementally correct those areas to meet the building code. Mayor Aragon expressed his concern with the word temporary; Council Member Cotton believes temporary gives the fire district flexibility to move forward. Council Member Pierce moved to send the MOU to Town legal counsel for review and bring back to Council for approval, Council Member Lattin seconded, unanimously approved.
4. **Review of Joint Town/County Meeting**
 - a. **Medical Marijuana Update**
 - b. **Development Tax/Fee Incentives** – The Town currently has incentives of abating building permit fees, tax rebates, and other economic

development discounts. Town and County staff will work to get details of permit abatements, and additionally a plan to get the word out to local businesses to take advantage of the incentives. Council Member Jackson would like to see the Town reinstate the 100% rebates. This item will be discussed again at the August meeting.

c. Memorandum of Understanding

d. 501(c)3 Sports Association Formation – Commissioner Moomaw would like to form a committee including the PLPOA, School District, Town and County representatives to present community needs and detailed options to the boards. Commissioner Moomaw and Council Member Jackson will be County and Town representatives.

e. Town to Lakes Trail Update – Easement negotiations are still in process, along with looking into alternate routes due to accessibility and easement difficulties. The committee has contacted Greenways Team and Davis Engineering to assist in routing and designing possibly three different trail options.

V. OLD BUSINESS

- 1. La Plata Electric Ponderosa Substation** – La Plata Electric Association would like to expand the existing substation and increase the size. The substation is located on Hwy 160 near the entrance to Parelli Natural Horsemanship. The Town Tourism Committee submitted a letter to the Board of County Commissioners expressing the committee's concern over the proposed location of the Ponderosa substation. Pat and Linda Parelli have also expressed concern with the size of the proposed substation and the effect it will have on the Parelli property and the tourism of the town. Mr. Bob Hart, Chairman of the TTC, explained the TTC is not opposed to addressing the need for a substation, but feels an exhaustive search for an area that is not at the gateway to the Town needs to be completed prior to moving forward. Mr. Mark Weiler presented the Council with photos of the Stevens Lake substation to give the council an idea of the scale and mass of the Ponderosa substation which is proposed to be 50% larger than the Stevens Lake substation with towers to be 47 feet in the air. He believes the LPEA application is flawed and what started as an addition to the substation has become a complete rebuild. Parelli has contacted LPEA and began discussions to move the substation to a property Parelli owns and is willing to trade this land for the current substation land in order to move the substation to a more desirable area. Parelli is asking the Town Council to write a letter to the County Commissioners to express the concerns of this substation prior to the August 3rd public hearing. Mrs. Patsy Lindblad said that after nine years of research the beauty of the community is what is most important to the citizens of Pagosa Springs. Mr. Bill Hudson believes that respect for the BOCC and the County government as a whole is important. He said that according to the County Land Use Code, LPEA is allowed to put their substation on any parcel. Mr. Weiler agreed with Mr. Hudson however the code states LPEA is required to mitigate the impact of the station. Mr. Michael Whiting said that Parelli has spent a lot of money just to be able to make their case against this substation, and points out the problems with the planning and public input process. Council Member Jackson move Town Council instruct staff to write a letter in support of the TTC letter or something similar, to be sent to the County Commissioners and a letter be sent to LPEA in support of the Parelli land trade option which was presented by Mr. Weiler at the July 22nd, 2010 meeting, Council Member Cotton seconded, unanimously approved.
- 2. Medical Marijuana Moratorium** – The Town imposed a moratorium on licensing medical marijuana centers through August 2010 while waiting for the State of Colorado to prepare regulations on these types of businesses. On June 7th, Governor Ritter signed HB 10-1284 which outlines the state's regulation of medical marijuana cultivation, infused product manufacturing, distribution and sales. New regulations will be administered through the Colorado Department of Revenue. The Town at this time has four options; (1) prohibit licensing of medical marijuana businesses; (2) extend the current moratorium through July 1, 2011; (3) bring a ballot issue to the voters to decide; (4) direct staff to prepare regulations to allow medical marijuana businesses. Council Member Holt would like to prohibit licensing of medical marijuana businesses in Pagosa Springs and doesn't feel it benefits tourism or the Town. He feels there may be backlash from Federal grant

Copies of proposed Ordinances and Resolutions are available to the public from the Town Clerk

funding if the Town approves licensing. Caregivers can grow for up to sixteen patients and deliver to their patients legally; the State also has provisions for the doctors and patients. Mr. John Voden said that marijuana is used by patients across the board and would like to have the availability to get this medicine in Pagosa rather than driving to Durango. He admitted there is abuse, but feels the House Bill gives the municipalities the regulations and standards for the Town to move forward. He feels the Town and the County will benefit economically from this business. Mr. John Anders said that the State bill has many pages and is very confusing. He has retired in Pagosa and would like to be able to provide for himself and be an optional grower for others with permission from the Town; however he doesn't need the Town's permission. He said August 1st is the deadline for applying to the State and would like the Town Council to make a decision. Council Member Jackson said he has friends and acquaintances that use medical marijuana and believes these people need the medicine. He would like to extend the moratorium until July 1st 2011. Council Member Cotton agrees with the moratorium extension. Mayor Aragon is impressed with the way Durango, Ignacio, Bayfield and Breckenridge have handled their situations. He said there have been a lot of abuse and believes there will continue to be a lot of abuse. Council Member Jackson moved to extend the current moratorium to July 1st 2011 in conjunction with the State for additional research, Council Member Cotton seconded, motion carried with one nay (Council Member Holt).

3. **May Sales Tax Brief** – The Town of Pagosa Springs' May 2010 sales tax revenue decreased by -5.64% (-\$13,010) compared to May 2009. Year-to-date sales tax revenue has declined -5.42% (-\$59,303) compared to the same period last year. The Town budgeted for a -10% decrease in sales tax revenues during 2010. At the May meeting the Town Council agreed to reduce expenditures by 5% in preparation of a downward trend of the sales tax revenue and continued the expenditure reduction for June. The slight decrease in of May's sales tax suggests the Council's 10% reduction budget is right on track and therefore the Town Manager is suggesting the staff return to the original 2010 budgeted expenditures in the next week until the possibility of another downturn occurs. Council Member Cotton believes it is prudent to save our money and believes the economy will continue falling. Consensus of Council is to stay at the 5% reduction of expenditures.

VI. APPROVAL OF JUNE FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS - Council Member Pierce moved to approve the June financial statement and accompanying payments, Council Member Holt seconded, unanimously approved.

VII. NEXT TOWN COUNCIL MEETING AUGUST 3, 2010 AT 5:00PM and the mid-month meeting will be August 26th, 2010.

VIII. ADJOURNMENT - Upon motion duly made the meeting adjourned at 2:30pm

**Ross Aragón
Mayor**