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**TOWN COUNCIL MEETING MINUTES  
TUESDAY, OCTOBER 5, 2010  
Town Hall Council Chambers  
5:00 P.M.**

- I. CALL MEETING TO ORDER** – Mayor Aragón, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Lattin, Council Member Pierce, Council Member Volger
- II. APPROVAL of MEETING MINUTES FROM SEPTEMBER 7<sup>th</sup> AND 16<sup>th</sup>, 2010** – The minutes were approved as read.
- III. LIQUOR LICENSES**
- 1. Liquor License Renewal – JJ’s Riverwalk Restaurant & Pub LLC, 356 E Hwy 160**
  - 2. Liquor License Renewal – Bear Creek Saloon, 475 Lewis Street** – Council Member Jackson moved to approve the liquor license renewal for JJ’s Riverwalk Restaurant & Pub and the Bear Creek Saloon, Council Member Cotton seconded, unanimously approved. The liquor license for JJ’s Riverwalk will be held until a final inspection of an appliance is passed by the building department.
  - 3. Special Events Liquor License – Pagosa Springs Public Facilities Coalition, Tree Auction at the Ross Aragón Community Center December 3, 2010**
  - 4. Special Events Liquor License – Pagosa Springs Public Facilities Coalition, Fundraiser at the Ross Aragón Community Center November 19, 2010** – Council Member Volger moved to approve the special events liquor permits for the Pagosa Springs Public Facilities Coalition, Tree Auction and Fundraiser, Dec. 3 and Nov. 19, Council Member Jackson seconded, unanimously approved.
- IV. DELEGATIONS**
- V. NEW BUSINESS**
- 1. Preliminary Budget FY 2011** – The 2011 budgeted revenues include a 3% increase in sales tax compared the 2010 budgeted amount. The 2010 estimated end of year reflect a 5% increase in end of year sales tax compared to the 2010 budget. A large focus of the 2011 expenditures is on maintenance of current infrastructure. The one million dollar sales tax audit funds possible use could be for matching grant funding for new projects including trails, sidewalks and roads. The salary and benefit committee will meet and after their work is complete, town council worksessions will begin to discuss the budget. A worksession is scheduled for Friday the 29<sup>th</sup> of October at 10am.
  - 2. Pagosa Partners request an extension of their performance bond for the private landscaping improvements for the Aspen Village development** – In 2004, Pagosa Partners I, Inc, entered into a PUD agreement with the town which set out private improvement requirements for the Aspen Village development. The landscaping is the final private improvement yet to be completed. In May 2009, the town approved a landscape plan revision however the changes made were not acceptable to the property owners. An agreement was made to have Cameron Parker a resident and landscape designer offered his services to design a plan agreeable by Pagosa Partners and the property owners. Pagosa Partners I, Inc, along with property owners, has agreed to adjust the landscape plan to ensure compatibility with the original plan. The plan is also more affordable up front and in the long term. The new plan

requires an extension of the improvement bond and if the landscaping is not completed, the town can take that bond and finish the landscape with the monies. At their September 14<sup>th</sup> meeting, the planning commission approved the recommendation of the private improvement bond extension until October 31, 2011. Town Manager Mitchem explained the money the town put up to apply polymer on Alpha Drive this summer which was to be reimbursed by the Pagosa Partners Group has not been received, and Town Manager Mitchem plans to have legal counsel insure Pagosa Partners paves Alpha Drive. A performance bond was not retained for the paving of Alpha Drive. If after May 30, 2011 the landscaping is complete the bond can be reduced according to what might still need to be completed. It was agreed that the area in the developed portion needs to be done by May 31<sup>st</sup> 2011 and the undeveloped area by October 31<sup>st</sup>, 2011. Council Member Lattin moved to approve the Aspen Village performance bond extension with the revised Landscaping Plan, with comments from the planning commission, through May 31<sup>st</sup>, 2011 and if not performed then the bond will be called, however if they have performed as anticipated they will be given until October 31<sup>st</sup> 2011, Council Member Holt seconded, unanimously approved.

## **VI. OLD BUSINESS**

- 1. Expenditure Request** – Sales tax revenues declined mid year and the town council implemented Resolution 2009-05 to reduce expenditures by 5%. The sales tax has rebounded and is currently 5.01% below 2009 revenues. The 2010 end of year sales tax revenue projections are 5% below the 2009 revenues which is 5% higher than the 2010 budget and 10% above the expenditure level the town is at currently. Staff is requesting the ability to spend for certain items during the 2010 year. These items include three police vehicles, a parks vehicle, computer server and office computers. Council Member Volger moved to authorize expending up to \$154,000 for the purchase of Police vehicles, park vehicle, computer and computer server, Council Member Lattin seconded, unanimously approved.
- 2. Fire District MOU and Fire Code** – There has been a lot of discussion regarding the proposed MOU between the Town, County, Fire District and PAWSD. A committee of council and staff was assembled to refine the details of the MOU and the effects it would have on the Town. Council Member Holt explained the town approved the International Fire Code in 2008. This code addressed fire flow and hydrant location. Also the fire chief is authorized to reduce the fire flow requirements in rural areas where flow is not available. Council Member Holt expressed concern with the MOU. He suggests changing the current fire code of the Town to accommodate for low water flow, hydrant distance, and other items. The Town and County have attempted to get together with the same code, without success. Council Member Pierce has concerned about taking the whole code out and may affect town insurance rates. Council Member Cotton believes the sprinkler portion of the code needs to be addressed as well. Staff is directed to talk with legal counsel regarding revising the Town fire code and bring a report back to council.

## **VII. DEPARTMENT HEAD REPORTS**

- 1. Parks and Recreation Department Report** – Soccer season concludes Oct 14, volleyball begins Oct 18<sup>th</sup>. Registration for basketball begins later in Oct. Aeration and fertilization of the turn in the town parks has begun. Reseeding portions of Yamaguchi Park which did not germinate was completed and repair of turf areas in Centennial Park damaged by the geothermal leak. The toddler park at Yamaguchi is now open. A grand opening is scheduled for October 16<sup>th</sup> at 9:30am. The riverwalk between S 6<sup>th</sup> Street through Centennial Park to the downstream pedestrian bridge was completed last week. Strohecker will continue the walk by repaving the trail from Hot Spring Blvd to the gazebo during the current week. Council Member Pierce expressed concern with the drop off on each side of the new trail and asked that staff look into gravel edging for safety.
- 2. Community Center Report** – The equipment rental program is underway, designing a pamphlet and web page. Approximately 250 people attended the John Graves/variety show sponsored jointly by the Community Center and Elation Center of the Arts. The Halloween carnival will take place October 30<sup>th</sup> from 3:00 to 5:00pm. Improvements to the multi-purpose room include curtains for room dividers, ambiance lighting and sound equipment. The costs and funds necessary for these items are forthcoming.
- 3. Planning Department Report** – The planning commission is working on amending the

LUDC section 2.5.2.B.1 to include business owners that own property in town which is not attached with the business. The Historic Preservation Board continues to look for new members; they are currently down to only four members. TTC grant application included interpretive signs, historic property designation plaques, and historic preservation month advertising. The Cassio Group has agreed to produce a heritage pocket guide to be available for the May Historic Preservation Month. The Lewis Street Neighborhood input worksession were completed September 16<sup>th</sup> with review of the final suggested plan designs. One suggestion would be to turn Lewis Street into a one-way street from 1<sup>st</sup> to 4<sup>th</sup> street. Focused on parking, snow removal, and speed will be addressed in the final design. CDOT has recently installed a left turn signal at the hwy 160 west bound traffic lights at Hot Springs Blvd.

4. **Town Tourism Committee Report** – The final lodger’s tax collections for August 2010 were down 1.4% over August 2009, year to date tax collections are 6.9% over 2009. Visitor Center fulfillment requests are up over 60% compared to August 2009. The top 5 states requesting fulfillments include Texas, Colorado, California, Missouri and Oklahoma. The reservoir hill sledding hill outline includes overall project and timeline with town staff, thinning of trees, erosion control work, land contouring, and parking area determination. On October 16<sup>th</sup>, community volunteers will be called to bring slash down the hill to a chipper.
5. **Geothermal Heating System Report** – On September 20<sup>th</sup>, the re-pressurization of the system began with excessive leakage. Overall, four leaks and breaks were discovered and repaired in the first few days of operation. It was determined the AC piping used has a limited life span, and will need to be replaced in the future. The project to replace pipe under Hwy 160 at 5<sup>th</sup> Street costs are estimated to be \$100,000 to \$150,000. In 2009 the geothermal district replaced sidewalk piping in the Goodman sidewalk. The original tubing provided from ENTRAN II was defective and a settlement has been established. To date, the district has approximately \$29,900 in settlement payments for use in sidewalk replacement or other items. Staff suggests repaving around the geothermal building as well as installation of a sidewalk on S 5<sup>th</sup> Street, or matching grant funds for a solar power project.
6. **Town Manager Report** – Town Manager Mitchem has spoken with the CEO of City Market to address the look of the empty downtown market. Mr. Steve Vassallo, with the CDC, is meeting with City Market’s property realtor. Mitchem said the pot holes out front of City Market were also discussed and a meeting is forthcoming. The chip and seal project on Village, Eagle and 6<sup>th</sup> Street were completed, with a change order approved by council, to overlay with asphalt three major areas on Village Dr., Eagle Dr., and 7<sup>th</sup> Street. Budget meetings with the Town staff and council will be set soon to go over each department needs. July sales tax decreased 2.91% compared to July 2009 receipts. Year to date receipts are 5.01% below the same time last year. The USA Communication franchise agreement was approved August 26<sup>th</sup>, but the draft presented at the meeting was not the updated agreement. The final draft included two changes, one to Section 8.2 changing the franchise bond amount from \$50,000 to \$10,000 as agreed upon, and the other was the removal of section 9.2. The franchise agreement went into effect as of August 26<sup>th</sup>. It is consensus of council that these two items be accepted to correct in the franchise agreement. TowerCo who currently has a ground lease with the town has requested the ability to pay for a perpetual agreement. They have offered the town \$204,842 for a perpetual easement. Council Member Jackson, Pierce and Lattin agree that they would not agree to a perpetual agreement with TowerCo.

**VIII. APPROVAL OF AUGUST FINANCIAL STATEMENT** – Council Member Pierce would like to see the corrections regarding the journal entry showing the TTC owing the Town for the Mural on Main Street and Wayfinding items. These items will show on the September financial statement. Council Member Pierce would like to see this change prior to approving the August financial statement. This item is tabled until the next town council meeting.

**IX. Next Town Council Meeting October 21, 2010 at 12noon**

**X. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 6:35pm.

**Ross Aragón  
Mayor**