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TOWN COUNCIL MEETING MINUTES
THURSDAY, DECEMBER 17, 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. **LIQUOR LICENSES**
- III. **DELEGATIONS**
- IV. **NEW BUSINESS**
 1. **Village at Wolf Creek** - At their December 1st meeting, the Town Council directed staff to draft a letter in support of the legislative and administrative review processes and a full environmental impact study to be completed prior to the legislative action. Town Manager Mitchem has drafted that letter of support and presented it to Council. At the December 15th meeting County Attorney Todd Starr explained the County Commissioners agreed to release to the Town Council the report from Ireland Stapleton Pryor & Pascoe, P.C. stating their opinion that Plan A will occur on the property if the developer chooses to comply with applicable regulatory requirements. Therefore the Commissioners have agreed to support the land exchange and legislative process if; (a) the EIS is completed prior to the completion of the legislative process; (b) the total number of units does not exceed 750 units; (c) a special taxing district is established to defray costs of impacts; and (d) the total number of hotel rooms be kept to 70 for the 1st phase and the same ratio for additional phases. Council Member Holt said that under legislative procedure the EIS is just a suggestion, under the administrative procedure the EIS must be completed and complied with. He believes plan A will be an administrative process and this process requires the developers to deal with CDOT and the Army Corps, and with completing the EIS. He feels the developers are attempting to circumvent the administrative process and doesn't feel he knows the intentions of Mr. McCombs or the Village developer. He believes the project is an eco-disaster in the making. Council Member Pierce agrees with Council Member Holt, she doesn't approve the wording of the letter which states that "the completion of a full environmental impact study prior to final legislative action". She doesn't support the letter or the development as is. Council Member Cotton believes that local businesses will continue to compete with any future development on Wolf Creek. He believes that if economic development is the primary goal, not supporting this letter does not put economic development first. He supports the letter and the process. He believes that if there is going to be a development on the hill, why not ask the developer for the better choice. Council Member Jackson says the Village would create a more widely known ski area increasing the amount of people in the area and believes most will stay here in Pagosa and increase our economy. He believes the emails he received against the Village are not Town residents and he says the constituents he has spoken to want economic development. Council Member Volger has received dozens of emails against the development and would rather not have a development on the top of Wolf Creek Pass. He feels the wheels are already in motion in regards to the development and struggles with the best decision for the community. Mayor Aragon said at this time quoting from another "it's the economy stupid". He believes the Town will benefit from the development and is doing everything he can to muster support for the economy. He feels there isn't a way to stymie the process

and the choices will be made in another county. Council Member Weiler is not encouraged by the developers on the record response to questions, and doesn't feel he has the information to make a good decision at this time. He feels the EIS needs to be completed prior to any process moving forward and this EIS will give the decision makers more information. Council Member Weiler moved to not send this letter, Council Member Holt seconded. A roll call vote was requested with an aye vote being in favor of not sending the letter, and a nay vote being in favor of sending the letter. Council Member Volger voted Aye, Council Member Jackson voted Nay, Council Member Cotton voted Nay, Council Member Weiler voted Aye, Council Member Holt voted Aye, Council Member Pierce voted aye, Mayor Aragon voted Nay, the motion passed. Mr. Bill Hudson believes Mr. Weiler's comments are accurate and believes that the EIS would help the town council know the answers. Mr. Glenn Walsh says he is in support of economic development, but still has questions regarding the infrastructure, season tickets set aside for the town hotels, revenue sharing and airport usage. Mr. Peter Miesler read a letter to the council stating he believes Red McCombs stole the property from the people and doesn't feel the economy is a good excuse to use in regards to this molesting development. Council Member Holt wants the development done right. He believes Mr. McCombs needs to step up and he would support the process if done correctly. Council Member Pierce doesn't believe we are running away from the issue, but feels the developers are not responding to our questions. Council Member Volger will support the motion to not send the letter because there are too many questions and too few assurances. Mayor Aragon believes our economic situation at this time is critical and wants to support any opportunities for economic development to occur.

2. **Public Hearing of 2010 Budget** – Mayor Aragon opened this item for public comment regarding the 2010 budget. No public comment received.
3. **Resolution 2009-26 2010 Budget** - The Town staff has presented two options to the Town Council for the 2010 budget. Option #1 requires access to the general fund reserves for the 15% and 20% reduced budgets up to approximately \$74,000. Option #2 does not require any reserves be accessed for the general fund, however would cut up three full time general fund employees and reduce hours for four others. The town staff was able to increase the reserves in the capital and general funds by over \$550,000 with the required 2009 budget cuts. Council Member Pierce asked about the TTC director's position. Town Manager Mitchem explained an hourly rate does not make her an employee. The TTC position is not being directed regarding time of work, nor is any benefits, including office space, supplied. Therefore this position does not meet FLSA requirements. Council Member Jackson moved to approve Resolution No. 2009-26 Option #1, a resolution appropriating sums of money to the various funds for the Town of Pagosa Springs, for the 2010 budget year, Council Member Holt seconded, unanimously approved.
4. **Resolution 2009-25 Budgeting Policy** - In 2009 the Town staff implemented a system of monitoring the Town's revenues on a monthly basis and is reporting fluctuations from prior year revenues to the Town Council. Resolution 2008-33 created a policy to adjust quickly to the declining sales tax revenues and give staff a way to ratchet back. Year-to-date, the Town's 2009 sales tax revenues have declined over -8.74% compared to 2008. Given the downward momentum of the national economy, the Council implemented a ten percent sales tax revenue reduction in the 2010 budget (as compared to the 2009 year-end revenues). It is the recommendation of town staff to deploy a similar financial stability plan. For example, if sales tax revenues fall below ten percent compared to the average revenues collected for the same period in the preceding two fiscal years **and** the percentage of sales tax revenues collected in the previous month (or previous two months) falls ten percent below the average collected for the same periods in the preceding two fiscal years, the Town manager shall implement a fifteen percent reduction in sales tax related expenditures, as compared to 2009 year-end projected sales tax revenue. Utilizing this method, the town will not delay its response to changes in the revenue stream. Council Member Weiler moved to approve Resolution No. 2009-25, a policy to enhance the Town's financial stability in response to the volatility in the national economy, Council Member Pierce seconded, unanimously approved.
5. **Official Visitors Guide Sole Source Contract** – At the December 15th meeting, the TTC board unanimously approved to move forward with a sole source option for the summer guide. Due to the extremely high standard for the Visitor Guide and overall nature of the

project, in accordance with Ordinance 734 Competitive Bidding Policies and Procedures the TTC is asking for the Town Councils approval for a sole source contract. The Town Council is authorized by Ordinance 734 to approve contracts for any amount, without an informal or formal bidding process, for goods or services that, in the opinion of the Town Council are best obtained from a single or sole source due to one or more factors including specialized skills. The Town Tourism Committee has received overwhelmingly positive feedback regarding the quality and content of the 2009 Official Visitor Guides. Given the overall nature of the project, extremely high expectations to maintain the same quality, and Pagosa Sun's history of producing Visitor Guides, the Town Tourism Committee considers the Sun to have unique experience in producing the Official Visitor Guide of Pagosa Springs thereby qualifying in Section 2.4.7 Sole Source Purchases of the Competitive Bidding Policies and Procedures Ordinance 734. Council Member Pierce recused herself from the discussion. Mr. Bob Hart, TTC director, explained that due to the exceptional quality and results the Pagosa Sun provided, it would be right to ask them to be a sole source for a contract. Mr. Bill Hudson says the TTC board agreed to give the Pagosa Sun a sole source contract for the summer guide only, and that the winter guide would go to RFP. He believes the contract presented to the council includes the summer and winter guides, and he would like the opportunity to bid on the visitors guides, however it has not been allowed by the TTC. He would like competitive bidding for this project and believes he can save the community lots of money. Bob Hart said he has contacted each board member and that the TTC board is supportive of the contract with the Pagosa Sun. He said the Pagosa Sun has already made agreements with advertisers for both guides and has offered financing to some advertisers. He said that the proposed contract with the Pagosa Sun does include the winter guide as well. Council Member Weiler asked if the TTC could go back and vote on both guides as sole source. Mr. Bob Hart explained that time was running out for the Pagosa Sun to produce the summer guide and that an RFP at this late date was not advisable. Council Member Cotton asked Mr. Hudson if he submit a bid if there were an RFP for the 2011 summer season. Mr. Bill Hudson would like to bid on the 2010 summer and winter guides and encouraged the council not to sole source with the Pagosa Sun. Council Member Cotton said it's late in the game to be changing to an RFP. Council Member Weiler moved to approve the Sun as the sole source supplier for the summer and winter guides for 2010, Council Member Volger seconded, motion carried with one nay (Council Member Jackson). Council Member Weiler excused himself 1:05pm.

V. OLD BUSINESS

1. Ordinance 746 (second reading) Repealing and Readopting Certain Sections of the Town of Pagosa Springs Municipal Code regarding Hill Top Cemetery - The Hill Top Cemetery is eligible to be a capital expenditures and the revenues and expenses associated with the operation of the cemetery should be transferred into the Town's capital fund. Ordinance No. 746 repeals and readopts sections 7.1.2 and 7.1.3 of the Pagosa Springs Municipal Code to change the collections and distributions from the General Fund into the Capital Fund. The Town Council approved the first reading of Ordinance 746 on November 19, 2009. Council Member Jackson moved to approve the second reading of Ordinance No. 746, repealing and re-adopting sections 7.1.2 and 7.1.3 of the Town of Pagosa Springs Municipal Code, regarding the Hill Top Cemetery operations, Council Member Pierce seconded, unanimously approved.

VI. Approval of November Financial Statement and Accompanying Payments – Council Member Pierce moved to approve the November financial statement and November payments, Council Member Holt seconded, unanimously approved.

VII. Next Town Council Meeting January 5th, 2010 at 5pm

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

**Ross Aragón
Mayor**