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**TOWN COUNCIL MEETING MINUTES  
TUESDAY, JUNE 2, 2009  
Town Hall Council Chambers  
5:00 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. **APPROVAL of MEETING MINUTES FROM MAY 4<sup>th</sup> AND 21<sup>st</sup>, 2009** – Minutes were approved as read
- III. **LIQUOR LICENSES**
  1. **Special Events Liquor Permit – Immaculate Heart of Mary Church – July 11<sup>th</sup> at Community Center**
  2. **Special Events Liquor Permit – Pagosa Springs Public Facilities Coalition – July 24<sup>th</sup>, September 18<sup>th</sup> and December 1<sup>st</sup> at Community Center** – Council Member Jackson moved to approve the Special Events Liquor License for Immaculate Heart of Mary Church and Pagosa Springs Public Facilities Coalition, Council Member Volger seconded, unanimously approved.
  3. **Liquor License Renewal – Junction Restaurant 401 E. Pagosa Street** – Council Member Volger moved to approve the liquor license renewal for the Junction Restaurant, Council Member Jackson seconded, unanimously approved.
- IV. **DELEGATIONS**
- V. **OLD BUSINESS**
  1. **Ordinance No. 741 (Second Reading) Geothermal Rules and Regulations** – On February 24, 2009, the Department of Natural Resources, Division of Water Resources, notified the Town of modifications to geothermal well permits 26-G and 27-G. The modifications clarify the Town’s authority to utilize up to 450 gallons per minute for “geothermal heating” purposes and permits discharges (outflows) that “avoid waste of the geothermal resource, and protect the environment and public health”. As the Town more fully utilizes its geothermal resources, Geothermal Heating System Regulations are needed for orderly operation and administration. The adoption of Geothermal Heating System Regulations is an important step toward functional and consistent long-term operation of the geothermal heating system. Town Council passed the draft regulations, with modifications on May 21<sup>st</sup>, 2009. Mayor Aragon opened this item to public comment. Council Member Volger moved to approve second reading of Ordinance No. 741, adopting the Town of Pagosa Springs Geothermal Heating System Regulations, Council Member Holt seconded, unanimously approved.
- VI. **NEW BUSINESS**
  1. **REVIEW OF PC ACTIONS FROM MAY 12<sup>th</sup> & MAY 28<sup>th</sup>, 2009**
    - a. **Aspen Village Phase II Public/Private Improvement Bond Extension Request** – The applicant, Pagosa Partners I Inc, is requesting that construction security bonds be extended until 2010 for public/private improvements associated with Aspen Village Phase II. Due to the local and national situation the developer is not able to complete these improvements during the current construction season. The Town holds a performance bond in the amount of \$27,500 for public improvements associated with Phase II (remaining sidewalk, drainage

improvements & traffic control modifications). Additionally, the Town holds a performance bond in the amount of \$171,794.00 for private improvements associated with Phase II (landscaping & open space/trails development). The Planning Commission reviewed this request at the April 28, 2009 and May 12, 2009 meeting. The Planning Commission motioned to recommend approval of the bond extensions until 2010 with the following conditions: (1) a revised cost estimate for remaining improvements is submitted no later than October 1, 2009; and (2) verification is provided that assures the bond covers the total improvement costs plus an additional 10%. Council Member Jackson has asked that mowing 6 foot width along the sidewalks within the development be included as an additional condition. This item was opened to public comment. Council Member Jackson moved to approve the bond extensions for public/private improvements associated with Aspen Village Phase II until September 2010; with associated conditions per the May 12, 2009 minutes and with the additional condition that Pagosa Partners I Inc keep the weeds mowed a depth of six feet along all sidewalks in the development in order to continue with the extension, Council Member Cotton seconded, unanimously approved.

2. **Sales Tax Information IGA with Archuleta County** – The ballot measure approved by voters on November 2, 2008, placed an extension of the county-wide sales tax. Section 5 (a)(i) of Resolution No. 2008-54, titled ‘Use of Revenues’ specifies that fifty percent (50%) of the revenue from the County-wide sales tax shall be distributed to the Town of Pagosa Springs. Archuleta County is requested by the Colorado Department of Revenue to maintain the confidentiality of sales tax records. Archuleta County shares both sales tax revenue and Department of Revenue sales tax information with the Town of Pagosa Springs. The proposed IGA is an extension of similar agreements, without a current IGA with the Town the County jeopardizes its relationship with the Colorado Department of Revenue. Mayor Aragon opened to public comment. Council Member Pierce moved to approve the Sales Tax Information Intergovernmental Agreement with Archuleta County and authorize the Mayor to sign the agreement, Council Member Volger seconded, unanimously approved.
3. **Resolution No. 2009-16, Geothermal Customer Rates** – Upon adoption of the Geothermal Heating System Regulations, geothermal heating fees and rates should be reestablished. In recent years, the geothermal service rate for geothermal heated water has been based on savings of approximately 30% from the prevailing prices for residential, commercial, and large volume users for comparable natural gas service. Based on last year’s natural gas rates, a per therm price of \$.60 generates is an approximate 30% savings. It is recommended that a raw geothermal water (after it passes through the Town’s geothermal heating system) service rate be established based on a 90% savings from comparable natural gas service rates. Based on last year’s natural gas rates, a per therm price of \$.10 generates is an approximate 90% savings. For 2009, reaffirming the \$.60 per therm rate for Geothermal Heated Water, establishing a \$.10 per therm rate for Raw Geothermal Water, and negotiating the rate for heating sidewalks and parking lots on a case by case basis is appropriate. Mayor Aragon opened this item for public comment. Council Member Jackson moved to approve Resolution 2009-16, adopting the rate of fees for geothermal service, Council Member Volger seconded, unanimously approved.
4. **Resolution No. 2009-17, Re-Establishing Historic Preservation Board Member Terms** – This resolution is necessary to renew and clarify terms of service for the members of the Historic Preservation Board. Section 21.2.5.5(B)(1) and Section 21.2.5.5(B)(2) of the Town of Pagosa Springs Municipal Codes states that the HPB shall consist of five (5) regular members and two (2) alternate members who shall be appointed by Town Council. In order to be consistent with code and rectify the terms of office, staff recommends establishing new terms for the members of the HPB as follows: Betsy Carpino July 7<sup>th</sup>, 2010; Shari Pierce July 7<sup>th</sup>, 2010; David Parker July 7<sup>th</sup>, 2011; Chrissy Karas July 7<sup>th</sup>, 2012; Glenn Raby July 7<sup>th</sup>, 2012; Autumn Daily July 7<sup>th</sup>, 2013 (alternate); Jeff Greer July 7<sup>th</sup>, 2013 (alternate). Mayor Aragon opened to public comment. Council Member Holt moved to approve Resolution 2009-17, reestablishing historic preservation board members terms, Council Member Volger seconded, motion carried with one abstention (Council Member Pierce).
5. **Selection of Sports Complex Name** – Phase II of the sports complex is now complete; the facility is ready for public use and in need of a new name. The recreation department solicited suggestions from the public and received the submissions: Terrazzo Park,

Riverside Sports Park, Yamaguchi Park, Pagosa Community Park, Riverfront Sports Complex, Gene Crabtree Sports Complex, and Pagosa Skyrocket Park. Mr. Bob Hart suggests Ross Aragon Complex, Mayor Aragon respectfully declined the suggestion. Mayor Aragon expressed his recommendation for the Yamaguchi Family and their commitment to giving generously to the community. The council's vote revealed the new name of the complex as Yamaguchi Park. Council Member Jackson move that upon funds availability a plaque be installed at Yamaguchi park and that council approve the plaque prior to installation, Council Member Holt seconded, unanimously approved. A ribbon cutting and grand opening will be scheduled by the Parks and Recreation Department.

## **VII. DEPARTMENT HEAD REPORTS**

- 1. Parks and Recreation Department Report** – The PROST committee met May 11<sup>th</sup> and recommended against awarding funds to the Pagosa Quality Fishing and Lower Blanco Homeowners' Associated fishing projects. This year's youth baseball leagues included 179 participants; last years total was 189. Youth tennis for ages 7-13 will begin next week at Wyndham Resorts provided more registrations are received. Adult softball season will begin the end of July. The parks department will most likely have a slight reduction in the level of maintenance and some of the complementary services his staff has provided to the public in the past until the downward trend in sales tax revenues ends. Karin Kohake, county special projects director, has begun to put a request for information together for the skate park with Mr. Ron Nieweg, county contracts and procurement officer. Karin will let Mr. Carosello know when the RFI is completed. The landscaping at the newly named Yamaguchi Park is coming along as best can be expected with the budget cut backs.
- 2. Planning Department Report** – The Town to Lakes Trail to date has two segments of trail easement still needed prior to commencement of design/engineering phases of this project. Over the past two months staff has been in contact with representatives of the Stanger family numerous times and progress towards easement acquisition seems feasible if the Town is willing to help address some outstanding issues. Based on information from Town legal council, staff has forwarded a letter to Pagosa Partners I Inc. which requests the developer to honor the obligations as originally agreed upon in 2007 and submit outstanding Alpha Drive maintenance payments to the Alpha-RockRidge Metro District within thirty days of receipt. The letter further acknowledges that the Town has met with DCOT representatives and requested that the non-attainment area be expanded to include Alpha Drive. Pending approval of this area boundary expansion by CDPHE as advocated by CDOT, the subject length of Alpha Drive would be eligible for CMAQ funding; thereby significantly reducing the fiscal responsibility of Pagosa Partners I Inc in regards to this roadway.
- 3. Town Tourism Committee Report** – Lodging taxes collected for April 2009 were up 6.2% compared to April of 2008. The TTC board voted to move forward with a new central reservations system with Gateway during the May meeting. Fulfillments by the visitors center is up by 1,300 packets in 2009, April had 700 more requests versus April 2008. The new Local Collaboration Committee of the TTC is working on getting public participation. A new email address, [ttc@visitpagosasprings.com](mailto:ttc@visitpagosasprings.com) provides an avenue for the public to submit comments and suggestions to the TTC.
- 4. Town Manager Report** – Sales tax for March increased by .19% compared to March 2008. Year to date sales tax revenues are down 7.12% compared to 2008. The average sales tax collections over the past two months are negative 12.76%. Application of paragraph III (b) of the council's policy calls for a 15% expenditure reduction. This reduction includes a two day furlough for each Town employee. The Town Park Pedestrian Bridge should be completed by mid-June and will join the parks and parking areas on both sides of the river and provide easier pedestrian access to Reservoir Hill. The capital improvement plan RFP brought in fourteen proposals. Town staff will go through and make recommendations to council regarding hiring the consultant. The impact fee study should be completed within 60 days and staff is providing EPS, Inc. with information to facilitate the completion of the revised impact fee study. Mr. Bruce Hoch of the Outfitter Department Store requested review of setbacks in regards to a proposed addition to his building by the planning commission at their May 28<sup>th</sup> meeting. The proposed addition will encroach into the required setback and a formal variance application would be required. The applicant requested the \$300 variance fee be waived due to the economically depressed climate. The

PC advised staff to forward the fee waiver request to the Town council for consideration. Council Member Holt has concerns about the setback itself once the new additions get developed and Pike Drive perhaps gets developed all the way into the right-of-way. Mr. Bruce Hoch is not comfortable with the idea of more traffic on Pike Drive or the development of Pike Drive to it's full right-of-way, however, is requesting the fee waiver due to economic situation and because other municipalities in Denver are waiving fees. Council Member Jackson would like to delay the fee waiver until the Council has time to have a work session to discuss the economy and other issues. Council Member Weiler moved to waive the variance fee, Council Member Volger seconded, motion carried with two nays, Council Member Pierce, Council Member Holt.

**VIII. Next Town Council Meeting June 18, 2009 at 12noon**

**IX. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 6:05pm

**Ross Aragón  
Mayor**