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**TOWN COUNCIL MEETING MINUTES
TUESDAY, FEBRUARY 3, 2009
Town Hall Council Chambers
5:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Pierce, Council Member Weiler, Council Member Volger
- II. **APPROVAL of MEETING MINUTES FROM JANUARY 6TH AND 15TH, 2009** – The minutes were approved as written
- III. **LIQUOR LICENSES**
 1. **Special Events Permit – NRA Foundation dba Pagosa Springs Friends of NRA - February 21, 2009**
 2. **Special Events Permit – Humane Society of Pagosa Springs - February 25, 2009** – Council Member Cotton moved to approve the special events liquor licenses, Council Member Volger seconded, unanimously approved.
- IV. **DELEGATIONS – Mary Jo Coulehan with the Chamber of Commerce** – The Town of Pagosa Springs has been awarded the Pagosa Pride Award for their improvement work on Lewis Street this last summer.
- V. **NEW BUSINESS**
 1. **REVIEW OF PLANNING COMMISSION ACTIONS FROM DECEMBER 15, 2008**
 - a. **Reservoir River Ranch Sketch/Preliminary Plan (continue until completion of second reading)** – The applicant, Fairway Land Trust, represented by Russell Engineering, Inc. is requesting the concurrent sketch/preliminary review of a subdivision consisting of approximately 561 acres located adjacent to Light Plant Road and Highway 84. As proposed, the project includes approximately 1,512 residential units; 200,000 square feet of commercial; a 28,000 square foot activity center and 227 acres of open space. The planning commission reviewed this project at the December 15, 2008 meeting and recommended approval with seven (7) conditions, including affordable/attainable housing, open space and trail, traffic study and circulation issues. Mayor Aragon opened to public comment. Mayor Aragon advised Council he will not participate in any discussion in regards to Reservoir River Ranch due to conflict of interest. This item has been tabled at this time.
 - b. **Paint Connection Replat Request** – Triple M LLC, represented by Darryl Coster, is requesting a plat amendment to replat a portion of Piedra Estates Subdivision Tract G; inclusive of Parcel 2 Gough Minor Subdivision, Parcel 1A of Parcel 1 of the Gough Minor Subdivision and Tract 2 Trinity Condominiums. The replat will create one (1) parcel known as Lot M, of Tract G, Piedra Estates Subdivision. The planning commission reviewed this request on January 27, 2009 and recommended approval with four (4) conditions to include revised survey plat, utility checklist, final plat submittal and proof of taxes paid. Council Member Volger moved to approve the Paint Connection Replat with four (4) conditions, as recommended by the Planning Commission at the January 27, 2009 meeting, Council Member Holt seconded, unanimously approved.
 2. **Resolution No. 2009-05 Adopting Revised Land Use Code Fee Schedule** – Due to the adoption of a new Land Use Code and per Section 2.3.3(E)(2) of the Code; the Town fee schedule regarding land use fees should be reviewed and adjusted annually by the Town Council. These fee modifications include Planned Development Overlay Application \$1,000.00, Comprehensive Plan Amendments \$100.00, Temporary Use Permits \$50.00 per month and 5 cents per square footage of floor area, and the elimination of Water Storage Impact Fees. After old business item #7 & #8 regarding the Land Use Code had been completed the council returned to this item for discussion and motion. Council Member Volger moved to approve Resolution 2009-05, adopting a Revised Land Use Code Fee Schedule, Council Member Cotton seconded, unanimously approved.
 3. **Resolution No. 2009-06 Establishing Review Authority for State Income Tax Credits Associated with Qualifying Historic Preservation Rehabilitation Projects** – The Town is required to approve a resolution establishing review authority for state income tax credits associated with qualifying historic preservation rehabilitation projects, this resolution allows the Town's Historic Preservation Board to be the reviewing entity for state income tax credits for rehabilitation projects located within the Historic District or properties identified as local landmarks. Council Member Volger moved to approve Resolution No. 2009-06 whereby the Town agrees to act as a reviewing entity for the State Income Tax

Credit Program for qualifying rehabilitation projects for the calendar year of 2009 and subsequent years under Colorado House Bill 90-1033, C.R.S. 39-22-514, as amended, Council Member Cotton seconded, unanimously approved.

VI. OLD BUSINESS

1. **River Restoration Project – Review of Options A & B** – Riverbend Engineering and Recreational Engineering & Planning have been working inter-actively since late November to develop plans for river improvements that meet all of the USACE permit requirements, the Town’s objectives, public agency and other stakeholders concerns. With the current plan, 1 or 2 whitewater features would be built in the vicinity of Davey’s Wave and the Visitors Center; two additional whitewater features have been planned in front of Town Park, but won’t be permitted until fall 2009. Several fish habitat structures will be built next to Sixth Street to accomplish the required mitigation for impacts to the older “Fishing is Fun” structures. Option A includes the partial removal of Davey’s Wave, modifications to the structure to meet USACE permit requirements, retention of a whitewater boating wave at this location. Construction of a new whitewater wave feature in front of the Visitors Center. The upper structure would have a net drop in water surface of 1.0 feet, and the lower structure (modified Davey’s wave) would have a net drop of 2.0 feet. Option B includes the complete removal of Davey’s Wave, installation of a modified cross vane structure just upstream. This is a fish habitat structure adapted for the safe passage of rafts, tubes, etc. Construction of a new whitewater wave feature in front of the Visitors Center. The upper structure would have a net drop in water surface of 2.0 feet and the lower structure would have a net drop of 1.0 feet. Mr. Chris Phillips with Riverbend Engineering said that easement issues have been addressed. He explained that any extra sediment that is currently building up onto the east side (Springs property) should not occur with the new designs. The option A will give a significant whitewater feature upstream of the current Davey’s wave and take the current wave out and be a less significant of a drop. Option B, the upper wave will be more similar to the current Davey’s wave and the lower not as significant with a larger fishing structure. Mayor Aragon opened this item to public comment. Several members of the community expressed their concern with the stalling of the project and their hope to see this project get moving forward. They believe this project will create revenue to the town with increased visitors. Council Member Pierce moved to approve option B as presented, Council Member Holt seconded, unanimously approved.
2. **Ordinance No. 729 (Second Reading), Annex property known as Reservoir River Ranch** – At the November 5, 2008 meeting the Council approved Resolution No. 2008-30 initiating annexation proceedings. Subsequently, Resolution No. 2008-40 verifying eligibility was approved by Council at the December 18, 2008 meeting. The proposed annexation includes 516 acres of property located adjacent to Light Plant Road and Highway 84. On January 21, 2009 Council Members Holt and Weiler, Town Attorney Bob Cole and staff met with Reservoir River Ranch representatives to discuss a number of issues within the draft annexation/development agreement including: vested property rights, open space dedications, affordable/attainable housing, impact fees and real estate transfer fees. At this time, a revised draft of the agreement based on the discussion points mentioned above has not been submitted to the Town. Mayor Aragon opened this item to public comment. Council Member Cotton moved to continue this item, Council Member Holt seconded, unanimously approved. Mayor Aragon advised Council he will not participate in any discussion in regards to Reservoir River Ranch due to conflict of interest.
3. **Ordinance No. 730 (Second Reading), Zoning property known as Reservoir River Ranch** – The first reading of this ordinance was completed at the January 6, 2009 meeting, due to the continuation of Ordinance No. 729, this item will also be continued. Mayor Aragon opened for public comment. Mr. Rick Bellis said the applicant has approached the county regarding these issues. Council Member Volger moved to continue this item, Council Member Cotton seconded, unanimously approved. Mayor Aragon advised Council he will not participate in any discussion in regards to Reservoir River Ranch due to conflict of interest.
4. **Ordinance No. 732 (Second Reading), Repealing and Readopting Section 16.4.12 of the Town of Pagosa Springs Municipal Code in regards to the Town Tourism Committee** – Council Member Pierce has worked with staff and TTC president Bob Hart to discuss necessary changes to Section 16.4 of the Municipal Code in regards to the Town Tourism Committee. The first reading was completed at the January 6, 2009 meeting. Council Member Cotton moved to approve the second reading of Ordinance No. 732, Amending Section 16.4 of the Town of Pagosa Springs Municipal Code, Council Member Volger seconded, unanimously approved.
5. **Ordinance No. 733 (Second Reading), Scheduling Time, Date and Place of Regular Town Council Meetings** – Section 3.1 of the Town charter requires the Town council to hold regular meetings at least once a month and that the schedule for those meetings are made by ordinance, setting a time, date and place for the regular meetings. The meetings will be held on the first Tuesday of each month at 5:00pm and the third Thursday at 12:00pm and will be posted at the Town Hall 24 hours in advance. The first reading was completed at the January 6, 2009 meeting. Council Member Holt moved to approved second reading of Ordinance No. 733, scheduling a time, date and place for regular Town Council Meetings, Council Member Cotton seconded, unanimously approved.
6. **Ordinance No. 734 (Second Reading), Adopting Competitive Bidding Policies and Procedures** – This ordinance establishes thresholds for Department Head purchases, an Informal Bidding process and a formal bidding process for certain types of contracts,

services, equipment and supplies, as required by Section 12.13 of the home rule charter. The first reading was completed at the January 6, 2009 meeting. Council Member Cotton moved to approved second reading of Ordinance No. 734, adopting Article 4 of Chapter 2 of the Pagosa Springs Municipal Code regarding Competitive Bidding Policies and Procedures, Council Member Pierce seconded, unanimously approved.

7. **Ordinance No. 735 (Second Reading) Repealing & Readopting Chapter 21 of the Town of Pagosa Springs Municipal Code in regards to the Land Use & Development Code** – Clarion & Associates completed implementation of all edits as proposed by the Advisory Committee on November 7, 2008 and the public review draft of the entire code has been available since November 10th, 2008. Public hearings have been conducted at the December 5th, December 15th, January 6th, and January 15th meetings. The planning commission forwarded several alternative amendments for the Council to consider. First reading of the ordinance was completed at the January 15, 2009 meeting. Mayor Aragon opened this item to public comment. Mayor Aragon opened to public comment. Council Member Volger moved to approve second reading of Ordinance No. 735 Repealing and Readopting Chapter 21 of the Town of Pagosa Springs Municipal Code in regards to the Land Use & Development Code with the text recommendations as forwarded by the Wyndham Resort, Council Member Weiler seconded, unanimously approved.
8. **Ordinance No. 736 (Second Reading) Repealing & Readopting the Official Zoning Map** - Clarion & Associates completed implementation of all edits as proposed by the Advisory Committee on November 7, 2008 and the public review draft of the entire code has been available since November 10th, 2008. Public hearings have been conducted at the December 5th, December 15th, January 6th, and January 15th meetings. The planning commission forwarded several alternative amendments for the Council to consider. First reading of the ordinance was completed at the January 15, 2009 meeting. Mayor Aragon opened this item for public comment. Council Member Pierce moved to approve second reading of Ordinance No. 736, Repealing and Readopting the Town of Pagosa Springs Official Zoning Map, Council Member Cotton seconded, unanimously approved.
9. **Amendments to IGA for Consolidation of Emergency Communications for Archuleta County** – The IGA for Consolidation of Emergency Communications was entered into on July 15, 2008. Over the last several months changes have been made including the participation of the Upper San Juan Health Services District, changes in specific wording, determining the member contribution and the management board. County Administrator Greg Schulte explained the BOCC passed this IGA on this day and the Health Service District also passed this IGA. Council Member Holt moved to approve the updated and amended Intergovernmental Agreement of Consolidation of Emergency Communications for Archuleta County, Town of Pagosa Springs, Upper San Juan Health Service and Pagosa Fire District, Council Member Pierce seconded, unanimously approved.
10. **Briefing on Sales Tax Resolution Implementation** – It was originally expected that with a drop in the November sales tax number, the 2009 budget would need to be reduced to accommodate this decrease. Using the formula from Resolution 2008-33 the average of the two months of declining sales tax collections is negative 3.155%. Applying the council's policy, since the average decline is less than 5%, no modification of the approved budget is required at this time. However, with the uncertainty in the economy, the town staff have committed to reducing their expenditures an average of 8.7% lower than the approved budget. Town Manager Mitchem recommends a 10% reduction in expenditures as compared to 2008's budget. The TTC has asked to be exempt from the budget cuts at this time. Council Member Pierce moved to follow the advice of the Town Manager and curtail the 2009 expenditures 10%, Council Member Cotton seconded, motion carried with one nay (Council Member Weiler). Council Member Pierce would like the TTC to also cut their expenses by 10%. The TTC will present their budget information at the February 19th meeting.

VII. DEPARTMENT HEAD REPORTS

1. **Parks and Recreation Department Report** – Parks, Recreation, Open Space and Trails (PROST) task force will be ready to accept parks and recreation project proposals when the group meets again on February 9th. Youth basketball participation is up from 2008 and indoor soccer continues through late March early April. The River Center skate ponds are open for public use. The winners of the “pick-up Pagosa Country” poster and essay contests were featured in a special section of the Pagosa Springs Sun last week. The final payment on the sports complex is complete and the final request on the GOCO grant should be complete by the end of February. Tom Carosello and Karin Kohake, of the county, will present the skate park information to the PROST task force to gain feedback.
2. **Planning Department Report** – The department has worked diligently to get easements for the Town to Lakes Trail project. To date, two segment easements are needed prior to commencement of design/engineering phases of the project. The Goodman, Blue Sky Village, Blue Sky Ranch and Reservoir River Ranch annexations are all in various stages of processing.
3. **Building Department Report** – The department has issued just four building permits for small remodels. Plans have been reviewed for a \$1 million dollar commercial/efficiency apartment building. Inspections continue for current projects including, Springs Hotel, Hickory Ridge Apartments, Catholic Church, Sherwin Williams paint store and Pagosa Bible Church. The Socorro Senior apartments are intended to break ground late spring. Scott Pierce, Building Department said the year end totals shows a reduction in residential and a very large increase in commercial due to the Mountain Hospital Addition.

- 4. Town Tourism Committee Report** – The TTC will be holding a retreat on February 4th to review goals. The Conversion Study Report released profiles those who visited, their overall trip characteristics, and geographic origin. This study will help understand our visitors and what drives them to visit Pagosa Springs. Lodging taxes were up 15.7% in November 2008 over November 2007, with a yearly overall of -3.5%.
- 5. Town Manager Report** – Sales tax revenues were down by 11.7% compared to November 2007, with year-to-date revenues down 1.4%. Staff is working with Ken Charles of DOLA to develop a multi-year capital improvement plan. CDOT Enhancement grant application was submitted for additional Town Park Bridge funding. The final decision will be made by March 18, 2009. A DOLA grant application will be submitted for the Impact Fee Study. The spring retreat will be March 5th with Ken Charles from DOLA facilitating. The Town Council and County will be meeting at a work session February 17th at 3:00pm to continue discussion on a regional planning/building department. Thursday February 19th the meeting with the BOCC will be at 10am to discuss further the merger.

VIII. APPROVAL OF BILLS – December 2008 and January 2009 – Upon motion duly made, the bills were approved. Council Member Weiler has concerns with the legal fees, engineering fees, and large expenditures in January of 2008

IX. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 6:39pm

**Ross Aragón
Mayor**