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**TOWN COUNCIL SPECIAL MEETING MINUTES
THURSDAY, JANUARY 23, 2014
Town Hall Council Chambers
12:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Bunning, Council Member Cotton, Council Member Lattin, Council Member Schanzenbaker, Council Member Volger
- II. **APPROVAL of MEETING MINUTES FROM JANUARY 7 & 17, 2014** – The minutes were approved as read.
- III. **PUBLIC COMMENT** – None
- IV. **LIQUOR LICENSE**
 1. **Liquor License Renewal – Mark Leavitt dba Aspen Moose located at 2800 Cornerstone Dr. Bldg B2 Unit 4, Pagosa Springs**
 2. **Liquor License Renewal – Rohrbacher Moore LLC dba Pagosa Springs Center for the Arts at 2313 Eagle Drive**
 3. **Liquor License Renewal – Schnox Corporation dba Riff Raff Brewing Company at 274 Pagosa Street** – Council Member Volger moved to approve the liquor license renewal for Mark Leavitt dba Aspen Moose, Rohrbacher Moore LLC dba Pagosa Springs Center for the Arts, and Schnox Corporation dba Riff Raff Brewing Company, Council Member Lattin seconded, unanimously approved.
 4. **Special Events Liquor Permit – Friends of the Upper San Juan River, Snowboard Rail Jam event February 15, 2014 at the Spa Trailhead**
 5. **Special Events Liquor Permit – Pagosa Springs Community Facilities Coalition Dance/Fundraiser March 28, 2014 at the Ross Aragon Community Center**
 6. **Special Events Liquor Permit – Pagosa Springs Community Facilities Coalition Dance/Fundraiser May 9, 2014 at the Ross Aragon Community Center** – Council Member Lattin moved to approve the special events liquor permit for the Friends of Upper San Juan River Snowboard Rail Jam February 15, the Pagosa Springs Community Facilities Coalition Fundraiser dance events March 28th and May 9th, Council Member Bunning seconded, unanimously approved.
- V. **NEW BUSINESS**
 1. **RPD Listening Tour** - The Rural Philanthropy Days program allows grant makers to expand their reach, familiarize themselves with rural communities and target their philanthropic giving to organizations and programs that make the greatest community impact. Mrs. Lynne Bridges and Mrs. Kristi Smith presented the council with an invitation to the event February 5-7 and the Southwest Rural Philanthropy Days June 11-13 and requested their attendance at both events.
 2. **Ordinance 801, First Reading, Calling for Regular Election of Mayor and Three District Council Members** - Ordinance 801 calls for the regular election to be held on

Tuesday April 8, 2014. The Town Council has seats open for the Mayor and the three council district seats. The Ordinance specifies that the ballots will be mailed to each of the registered voters. Due to the changes at the State level, the Permanent Mail-in Voter (PMIV) list is no longer maintained and therefore unavailable to the Clerk in order to mail the ballots to the list of voters. So that staff does not miss a voter expecting their ballot in the mail or a voter that assumes due to the changes to the State they will receive their ballot by mail, staff has determined that mailing the ballots to the current voter list is prudent. The Town Hall will be designated as the polling place and voters may drop their ballot at town hall, ask for a new ballot, and vote if they haven't voted at town hall. The Town Clerk will be the designated election official for the 2014 election. Council Member Lattin moved to approve Ordinance 801 (first reading), an Ordinance calling the 2014 Town of Pagosa Springs regular election to be held on April 8, 2014 as a polling place election, Council Member Volger seconded, unanimously approved.

3. **Ordinance 802, First Reading, Charter Amendment Regarding Municipal Court Jurisdiction** - Ordinance 802 amends the town charter to grant the municipal court authority to hear and try all matters arising under the Charter, town ordinance and other enactments of the Town. Council Member Volger moved to approve Ordinance 802 (first reading), an ordinance submitting to the registered electors of the Town of Pagosa Springs the question of amending Article 6, Section 6.2 of the Home Rule Charter of the Town of Pagosa Springs regarding the powers of the Town of Pagosa Springs Municipal Court, Council Member Lattin seconded, unanimously approved.
4. **Ordinance 803, First Reading, Charter Amendment Regarding Mayor and Council Member Compensation** - Ordinance 803 comes before Council due to a citizen initiated petition that was deemed sufficient by the Town Clerk. The Ordinance provides the ballot language for the question to change the charter to allow the Mayor and Council members to be paid for their service. According to the change, the Mayor would receive \$300 per month and Council Member \$200 per month for their service to the Town. Council Members Bunning, Volger and Cotton, and Mayor Aragon all agree they are not in favor of paying the council. Council Member Schanzenbaker said he is in favor of council compensation and was one of the circulators of the petition. Council Member Lattin moved to approve Ordinance 803 (first reading), an ordinance submitting to the registered electors of the Town of Pagosa Springs the question of amending Article 2, Section 2.1 of the Home Rule Charter of the Town of Pagosa Springs to provide for compensation for the Mayor and other members of Town Council, Council Member Schanzenbaker seconded, motion carried with two nays (Council Member Bunning and Mayor Aragon) .
5. **Ordinance 804, First Reading, Recreation Center Debt Authorization and Sales Tax Increase** - Council agreed to put the question of a 1% sales tax increase for a Recreation Center on the April ballot. Town Counsel has worked with Bond Counsel to determine the ballot language for this item. Three different versions of the ballot language are suggested by Counsel. Mr. Don Diones and Mr. Tom Weihe along with Town Counsel, Bob Cole, were on the phone to explain the \$18 million dollar loan for 25 years with automatic repeal in June 2039. Council Member Cotton asked about future debt, Mr. Diones said future borrowing would not be limited and the Town could pledge the 2% that is pledged to this ballot issue debt. This is not pledging any asset of the Town, just the ballot issue 1% sales tax revenues and if necessary a pledge of the other sales tax receipts of the Town. The base version presented to Council is the standard form and recommended, the other versions 10% reserve limit and dollar amount reserve limit are an option to put the amount for a potential maximum reserve account. Council Member Lattin said the dollar amount option is not the committee's preference, the 10% reserve also limits the amount to reserve; she said the base version doesn't mandate the reserves. The 10% and dollar amount don't obligate, but gives the option to mandate the reserve. Mr. Diones said the debt service reserve fund is needed to get an investment grade rating. Mr. Mark Weiler said the history of the sales tax increase will provide the annual payment and the amount is simply a safety net. Council Member Lattin moved to approve Ordinance 804 (first reading), an ordinance of the Town of Pagosa Springs submitting to the registered electors voting in the regular municipal election to be held April 8, 2014, a ballot issue concerning

the imposition of a town-wide sales tax imposed on the sale of tangible personal property at retail and the furnishing of services to be deposited into a town recreation center fund and used solely for the purpose of constructing, improving, equipping, operating and maintaining a community recreation center and providing for the repayment of revenue bonds issued for such purposes; to provide for the submission of the ordinance for approval at the general municipal election; and to amend the Pagosa Springs Municipal Code and inserting in Section 7 Ballot Language 10% reserve limit version, Council Member Schanzenbaker seconded, motion carried with one nay (Council Member Cotton).

6. **Sawmill Place Development Preliminary Plan Approval Extension Request** - Due to the economic downturn and other reasons, the applicant, Andrew Schlaefli of the Sawmill Place Development, has requested and received one year extensions from the Town Council for the Preliminary PUD Plan previously approved by Town Council on November 5, 2008, on January 21, 2010, on January 4, 2011, on January 19, 2012, and on December 20, 2012, extending the Sawmill Place Preliminary PUD Plan until January 19, 2014. Town Staff has met with the Developers representative a number of times over the course of the last year, to discuss specifics for preparing the final plan application. The applicant has demonstrated that they are moving forward with developing a final plan application as soon as is financially feasible and an extension of the preliminary plan is re-approved. Final plan submission will require proof of CDOT access permit, US Army Corps of Engineers permit for wetland modifications and that all conditions of approval are satisfied. Council discussed access to the subdivision and the right-in-right-out movement on the highway. Council Member Cotton suggests access onto Rainbow Drive with the County's approval. Council Member Bunning asked if approving the extension would obligate the Town in any way, Town Planner Dickhoff said it doesn't obligate the Town. Council Member Lattin moved to approve a one-year extension for the Sawmill Place Development Preliminary Plan as previously approved by the Town Council on November 5, 2008, Council Member Bunning seconded, unanimously approved.

VI. OLD BUSINESS

1. **Ordinance 800, Second Reading, Schedule 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. This ordinance sets regular meeting for the first Tuesday at 5:00pm and third Thursday at 12noon of each month. It also sets the location of Town Hall where the agenda will be posted. Council Member Schanzenbaker had requested the Town's website be added as an additional posting place in an attempt to get the meeting schedule out to the public. The council decided not to make it mandatory, however did ask that the clerk make every attempt to put the information on the website. Council Member Lattin moved to approve Ordinance 800 (second reading), identifying Town Council regular meeting dates, locations, times and agenda posting requirements, Council Member Bunning seconded, unanimously approved.
2. **Sales Tax Brief** - In January, the Town of Pagosa Springs' sales tax revenue increased by 7.9% or +\$18,282 compared to January, 2013 (base on November 2013 retail sales). In 2013, revenue is up 4.5% or \$143,796.
3. **Town Manager Employment Agreement Modification with Possible Executive Session per C.R.S. Section 24-6-402 (4)(f) Personnel Matters, Identifying the Person or Position to be Discussed** - In October of 2008, the Town of Pagosa Springs offered the town manager a compensation package that included a housing allowance of \$1,200 per month. In April 2012, at the town manager's request, the Town Council included changing the residency requirement from "Town" to "Archuleta County" in its Town Charter modification initiative. When this matter was discussed at the Town Council meeting prior to the vote, no one from the public and no one on the Council suggested that the town manager's compensation package should be reduced if the modification to the Town Charter was approved. The voters of the Town approved the change in the Town Charter to permit the town manager to live in Archuleta County. When the town manager's

contract was renewed in 2012 the change in the residency requirement was overlooked. As a result the current contract reads as follows Housing Allowance. Beginning November 1, 2012 and thereafter, a housing allowance in the amount of \$1,200 per month shall be paid to the Employee to further the Employee's ability to maintain a residence in the Town. This item is moved to the end of the meeting.

VII. DEPARTMENT HEAD REPORTS

- 1. Community Center Report** - The community center finished strong in 2013, with increased programming and rental numbers and made positive gains in facility usage and income last year. Archuleta Seniors Inc. has made its transition with the senior center. The lease with ASI is under review and is expected to be signed by the end of the week. Several activities are scheduled for March, April and May at the Community Center.
- 2. Parks and Recreation Department Report** - Through a partnership with local instructor Jennifer Martin, we are again offering an introductory gymnastics program for youths ages 3 and up. The first session of gymnastics of the year began Jan. 7, includes 38 participants and is being held after school in the middle school wrestling room on Tuesdays, Thursdays and Fridays through Jan. 24. Based upon the positive enrollment numbers, we will attempt to offer this program at least three more times throughout the year. The youth basketball program for ages 9-12 began this week. Participation in this age bracket is down slightly this year. There are 107 participants registered for the 9-12 season; last year's program included 114 participants. Registration for this year's adult basketball seasons will begin later this month. The parks crew has been busy refinishing numerous picnic tables and has also been working to keep the skate pond open for the season. Trophy Construction has completed the concrete foundation for the Reservoir Hill Gazebo, and all of the framing logs and roofing materials have been staged in the festival meadow adjacent to the construction site. Construction is on the remainder of the structure is scheduled to begin this week. The anticipated completion date is now mid-February.
- 3. Town Tourism Committee Report** - October and November both reflected extremely strong collections. October 2013 was up 28.33% over 2012 and November 2013 was up 17.82% over 2012. Visitor Center traffic was down significantly in December and down for 2013 overall. The visitor center transition continues. After reviewing 18 resumes, JaNae Christians was offered the position as the Visitor Program Manager; she will start on February 10th. The visitpagosasprings website now has 8,498 fans. There is an open seat on the TTC, Bob Keidelski was named TTC Chair, and CK Patel as Vice-Chair.
- 4. Planning Department Report** - On January 14, 14, the Planning Commission voted to retain Kathie Lattin as Planning Commission Chair and Ron Maez as Planning Commission Co-Chair for 2014. The Commission voted and set their regular monthly meetings to be on the second and fourth Tuesday's of each month at 5:30pm in the Town Hall Council chambers. The Historic Preservation Board is in the process for determining potential projects for 2014. There is interest in beginning the collection of Oral Histories, defining the mission statement for the Historic Preservation Board, developing a small historic preservation power point presentation to present to local organizations and the development of a community out reach program. The signed contracts were received on September 30, 2013 for the 6th Street Riverwalk project. After discussions with the contractor, Ross Lewis, and Davis Engineering, the project will begin spring 2014 with no more than a 5% projected cost increase to the existing contact which was awarded at \$109,008.80. Town staff recommends we re-submit a GOCO grant for the 6th Street Pedestrian Bridge on March 5, 2014 with award notifications by mid July 2014. The town's previous GOCO grant application was 13 out of over 40 applications, and was 2 applications away from being funded. Town staff is working with Davis Engineering to complete final design plans by the end of March 2014 to ensure the project will be shovel ready. The South 8th Street sidewalk extension project has been completed except for the remaining dry creek feature and live landscaping, which will be completed in the spring, by town parks and recreation staff. 1200 lineal feet of Majestic drive between growing spaces and Square Top Circle will be paved with CMAQ funds this summer. This project has been staged for 5 years and is anticipated to receive CDOT final plan approval in early

2014 and construction completion by the end of 2014. CDOT has begun discussions with affect property owners on the north side of the Hwy for the McCabe Creek project. Current preliminary designs demonstrate the need for CDOT to acquire the "Making Things New" building as well as construction easements on other adjoining properties. Town staff will be meeting with CDOT in the near future to discuss the downstream property acquisition, since the Town was not awarded a GOCO property acquisition Grant Construction of the project appears to be staged for mid to late 2015. Staff will be proposing a flyover survey for the future trail maps and other town projects. Council Members Volger and Cotton were appointed to participate with the County and School District to represent the Town on the school traffic plan discussion.

5. **Town Manager Report** – Wells Fargo Bank and Fort Lewis College hosted the 22nd Annual Southwest Business Forum at the College. A Wells Fargo Economist presented data and projection regarding the national economy. Wells Fargo expects the global economy to grow at a 3.5% rate in 2014 compared to a 3% rate in 2013.

VIII. APPROVAL OF DECEMBER FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS – Council Member Bunning moved to approve the December financial statement and accompanying payments, Council Member Volger seconded, unanimously approved.

IX. PUBLIC COMMENT – None

Town Manager Employment Agreement Modification with Possible Executive Session per C.R.S. Section 24-6-402 (4)(f) Personnel Matters, Identifying the Person or Position to be Discussed - Town Manager Mitchem said he would prefer to enter executive session for this item. Council Member Lattin moved to enter executive session per C.R.S. Section 24-6-402(4)(f) for personnel matters regarding Town Manager Mitchem who has indicated his desire to enter executive session, Council Member Volger seconded, motion carried with one nay (Council Member Schanzenbaker.). Mayor Aragon called the meeting into regular session at 4:02pm. Town Manager Mitchem said in light of discussion in executive session, he has decided to move into town.

X. NEXT TOWN COUNCIL MEETING FEBRUARY 4, 2014 AT 5:00PM

XI. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 4:05pm.

**Ross Aragón
Mayor**