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**TOWN COUNCIL MEETING MINUTES
THURSDAY, APRIL 23, 2015
Town Hall Council Chambers
551 Hot Springs Blvd
5:00 p.m.**

- I. **CALL MEETING TO ORDER** – Mayor Volger, Council Member Alley, Council Member Bunning, Council Member Egan, Council Member Lattin, Council Member Patel, Council Member Schanzenbaker
- II. **PUBLIC COMMENT** – Mr. Mike Musgrove, chairperson of Parks and Recreation, said that a public meeting was held in April for interest in finishing phase two of the skate park. He said the skater’s coalition has \$40,000 they have raised for match. He urged council to support a GOCO grant for the skate park or to find funds to help pay for the second phase. Phase two is estimated at \$153,000.
- III. **CONSENT AGENDA**
 1. **Approval of the April 7, 2015 Meeting Minutes**
 2. **Approval of March Financial Statement and Accompanying Payments**
 3. **Liquor Licenses**
 - a. **Liquor License Transfer – H&R license transfer from Nello’s Bistro to Side Street Sushi at 135 Country Center Dr. # 9 & 10 Pagosa Springs**
 - b. **Liquor License Renewal – Formusa LLC dba Ajia Asian Cuisine & Spirits at 180 E Pagosa St.**
 - c. **Special Events Liquor Permit – FolkWest Inc. Pagosa Folk ‘N Bluegrass Festival June 5, 6, & 7 at Reservoir Hill Park**
 - d. **Special Events Liquor Permit – Friends of the Upper San Juan River, River Dayz Event May 16 at the Town Park on Hermosa St.** - Council Member Lattin moved to approve the consent agenda, Council Member Alley seconded, unanimously approved.
- IV. **REPORTS TO COUNCIL**
 1. **Featured Department Head Reports**
 - a. **Public Works Department** - Streets Department continues to take care of daily street projects, pot holes, and sign reflectors, lights. The alleys and Piedra Estates were all bladed, and staff continues to work on the parking area behind the post office. Majestic Drive received several thousand dollars worth of gravel. Staff removed all winter implements from equipment and worked on rebuilding the sweeper head. The completed traffic control for the Main Street sidewalk project. Staff was responsible for removing limbs, cutting pavement, removing and hauling concrete off the project in preparation for the new sidewalk installation. The geothermal system is running normally with .7 gallons per minute leakage. The Council thanked the department for doing a great job on the sidewalk project. Council Member Lattin asked about the Town shop needs. Public Works Director Gallegos said the shop upgrades needs have been placed on a seven year capital plan for over twenty five years, upgrades to the shop need to be completed when it can be budgeted.
 - b. **Police Department** - The officers have been attending training including interactive

judgement and use of force firearms, and POST training relating to Marijuana enforcement. Recruitment continues and a new officer began mid-April, Warren Brown has twenty years experience coming from Montrose, Colorado. Trish Padian is the new administrative assistant for the department. The radar speed trailer has been utilized at high traffic areas throughout the community. This has been an effective tool in assisting motorists with voluntary speed compliance. The police will be at the Walmart this weekend for child identification kits, dog tracking demonstrations, and more.

2. **Sales Tax Brief** - The February 2015 sales tax revenue showed an increase of 28% compared to February 2014. Total sales revenue for February 2015 was \$273,348, compared with February 2014 receipts of \$214,365. This increase is a bit misleading as about ½ of the increase (about \$63,000) of the increase resulted from collections by the State from vendors related to prior periods. Still, with those factored out the February 2015 increase was significant at +13.2%. The state has not been given us the sales tax funds directly yet, we are patiently waiting and receiving it from the County without any fees.
3. **Lodgers Tax Brief** – The committee is changing their name from the Town Tourism Committee to Visit Pagosa Springs. February lodgers tax data is still incomplete, but March sales look to be down 3.7% with a few property reports outstanding. The Director of Tourism attended the DMAI Marketing Innovation Summit April 15th - 17th in San Francisco. The Summit is a 3-day working meeting with industry professionals in similar roles to brainstorm and explore innovative ways to promote destinations. The new Travel Planner is nearly complete and is currently being reviewed by the Visit Pagosa Springs Board. The new piece will go to print by end of April, with distribution beginning in early May. The traffic counters at the visitor center will help establish a new base and assist with volunteer scheduling.

V. NEW BUSINESS

1. **Community Development Corporation Funding Request** – Council Member Alley recused himself from discussion and vote since part of the CDC funding will be paid to the Chamber of Commerce which he is an employee of. Council Member Alley left the room. After several meetings and modifications, the Transition Team, CDC Board, and Region 9 members feel the CDC is now in a position to operate effectively and is requesting Board participation and funding from the Town of Pagosa Springs. The CDC is requesting the Town designate a representative to serve on the CDC Board and commit up to \$20,000 in support funding for calendar year 2015. He said the CDC has asked for 1/3 of the 1st quarter costs to the CDC. The County will pay 1/3 and the CDC will cover the other 1/3. The fees include payment for administrative costs to the Chamber of Commerce of \$1,200 per month, accounting services, legal services to write the by-laws, Region 9 and SBDC fees for administration and sponsorship. The CDC has been ramping up with the Chamber to take on longer term products like collecting data for benchmarking, and partnering to bring \$85,000 into the community for micro-loans to businesses in the community. The CDC doesn't have any staff so the overhead is very low. Council Member Lattin asked about relocation of new businesses or local businesses. Mr. Cox said business retention and growth of the local businesses is their focus right now, they have not had a lot of leads for new businesses relocation into the town. He said the Chamber is working as a concierge for businesses getting their needs met. They are planning to come quarterly for progress reports and invoicing. The county appointed Commissioner Whiting to sit on the board. The council will decide on a representative at the May 5th meeting. Council Member Schanzenbaker moved to approve the Town of Pagosa Springs' financial contribution to the CDC for the first quarter in the amount of \$3,394.98, Council Member Patel seconded, unanimously approved.
2. **Trujillo Road Construction Contract Change Order** - The County Public Works department intends to reconstruct a significant portion of the paved section of Trujillo Road (County Road 500). The Town limits end just west another 1,300 linear feet from S. 10th Street and Trujillo Road, to what is known as the Putnam Annexation. A change order to the County's original scope of work could be added to incorporate paving of the Town's portion of the road. The estimated cost for the additional 1,900 linear feet of roadwork to resurface Trujillo from the town limits all the way to S. 8th Street and Apache Street is \$340,835. This street was not

budgeted in 2015, however funds from the 5 year street maintenance line item of \$217,000 and reductions in the estimate for repaving Piedra Street might be enough to cover the costs. Public Works Director Gallegos said it is a good idea to take advantage of this option with a contractor already selected and completing the county portion. He said Trujillo is a heavily used road and is deteriorating quickly, he said switching fund from 10th Street to this road is appropriate because of the circumstances. Hammerlund is also hoping to piggy-back on this County project to replace the part of the road from the transfer station to the bottom of the hill that they will excavate during the pipeline construction. Council Member Bunning moved to approve the Town's participation in the County's Trujillo Road Project to reconstruct 1,900 linear feet at the estimated cost of \$340,835 with \$217,000 in funding coming from the 5-Year Maintenance Plan line item, approximately \$111,000 coming from un-obligated funds from the Piedra Street Construction Project, and the balance of approximately \$17,000 coming from Capital Fund Reserves, Council Member Alley seconded, unanimously approved.

VI. OLD BUSINESS

- 1. Marijuana Cultivation** - Council Member Bunning said he has had conversations individually with each council member and he gets the general feeling that main street in downtown is not appropriate for a marijuana business. Council Member Alley said there is an area corridor in downtown that should not have shops. The first reading of the ordinance presented on May 5th will reflect decisions and buffers made by council. Council Member Schanzenbaker would like to see the map with the conditional use permits. Planner Dickhoff said from 1st Street and 15th Street with the exception of a portion of Hot Springs Blvd, there are no lots available along the Highway. Council Member Bunning said the residents don't want to see shops along Main Street in downtown. Archuleta County has adopted regulations that require at least 70% of the marijuana sold in Retail and Medical establishments to be cultivated on the same site as the retail/medical sales establishment. It appeared there was the general opinion among council that allowing off-site cultivation may allow for more flexibility of potential marijuana sales establishment location opportunities. The Town's LUDC currently allows Commercial greenhouses as a use by right in the Mixed-Use Corridor (MU-C), Commercial (C) and Light Industrial (LI) zone districts. The LUDC allows commercial greenhouses with a Conditional Use Permit (CUP) in the Mixed Use –Town Center (MU-TC), Mixed Use Residential (MU-R) and Agricultural/Residential (RA) zone districts. The local shops in the county like the 70% requirement of being grown in the county. Council Member Bunning wants to keep the growing in the county, but doesn't think it is practical that a business is going to be able to grow 70% on sites within town limits. He said a modification to require 70% be grown in Archuleta County, the county would have to change to allow sites as grow facilities. Mr. Bill Delaney said that for retail he would love to have a second storefront in town limits. Council Member Alley moved to direct staff to incorporate into the proposed medical and retail marijuana Ordinance a provision requiring at least 70% of marijuana be cultivated within Archuleta County, Council Member Patel seconded, unanimously approved.
- 2. Marijuana Licensing Public Hearing** - Archuleta County has adopted regulations that designate the Board of County Commissioners as the licensing authority for the county. The Town Council recently approved setting themselves as the licensing authority for the Town. The county regulation requires a public hearing for the consideration of issuing licenses in section 7.02. The LUDC would require posting 15 days public hearing, mailing to all businesses within 300 feet of proposed site, posting in paper and on property. Council Member Schanzenbaker moved to direct staff to incorporate into the proposed medical and retail marijuana Ordinance a provision requiring a public hearing, consistent with alcohol establishment business licensing applications, for considering Marijuana Establishment business license applications, Council Member Egan seconded, motion passes with three nays (Mayor Volger, Council Members Bunning and Lattin).
- 3. Marijuana Fees** - The fee categories are fairly standard and since it was expressed the Town would like to model the County Ordinance, it is suggested that the Town use the fee categories adopted by the County as a starting point. The Town will need to amend its fee schedule to reflect the actual costs. The categories are application and license fee, operating and late fees,

license transfer, and business name change fees, corporate structure changes and modification of premises fees. Council Member Schanzenbaker said another town had a sliding scale for the first, second, and third licenses going up in costs. Council Member Egan moved to direct staff to incorporate into the proposed Town medical and retail marijuana ordinance, in a proper format, a section describing and defining fees associated with the administration of the retail and medical marijuana ordinance similar to Part XII of County Ordinance 12-2014, Council Member Patel seconded, unanimously approved.

- 4. Marijuana Background Checks** - Archuleta County has adopted regulations that require the Authority to determine the good moral character of the applicant. To complete this they receive criminal history reports through CBI on all employees, owners and members, and managers. They also require individual history reports completed and copies of drivers license. Copies of the State issued badges might be a recommendation as well. The County Attorney reviews these backgrounds and approves internally. The State of Colorado requires all owners, stockholders, and employees to apply for a MED Medical or Retail Marijuana Business License. As part of the State Marijuana License Application, an Investigation Authorization and Release of Information form is completed by the applicant authorizing the Marijuana Enforcement Division to conduct a complete investigation into personal background, financial records, tax filing records, and criminal history. This includes FBI, CBI, CCIC, child support and student loan checks. Key Associates holding an interest in the business, officers, directors, as well as support staff and employees are required to complete applications and obtain badges from the State. Council Member Bunning would like to have the information provided on backgrounds each year. Council Member Patel agrees with Council Member Bunning. Council Member Bunning suggests having the police department review the annual background, Council Member Alley and Lattin agree. Mr. Bill Hudson said there is a cost to being very diligent when something else will be reviewing the files like the state. Council Member Egan asked about the definition of good moral character. Council Member Bunning said if the police department is doing the background and knows that a person is neglecting his children, they might be brought to the authority to discuss their moral character. Council Member Alley moved to direct staff to incorporate into the proposed medical and retail marijuana Ordinance a provision requiring the Authority to conduct a background checks of owners and employees to make a finding as to the good moral character of the applicant similar to the County's ordinance provisions, Council Member Patel seconded, unanimously approved.

- VII. PUBLIC COMMENT** – Mr. Bill Hudson said a comment was made on the GGP being funded by government grant funding, he encourages the Town to take a lead in the greenhouse project. He said there should be public discussions for what the public wants to see happen with the project.
- VIII. COUNCIL IDEAS AND COMMENTS** - Council Member Alley said a person on Elwood Pass would like a letter of support from the council for his business. Council Member Egan suggests the CDC get involved and Jason Cox said they are willing to help. Council Member Alley would like to look into helping the skater's coalition to finish the skate park phase two. Town Manager Schulte said the council did agree to allocate \$32,000 for a GOCO grant in 2014, but once the grant was denied the funds were removed from the final 2015 budget. The next cycle for GOCO will be in the fall for construction in 2016. A joint town/county extended meeting is to be held April 28th at the county offices from 8am to 1pm. The meeting will focus on five items to work on jointly and options for getting them completed. A ribbon cutting ceremony will be held on May 5th at 4:30pm at the new pedestrian bridge.
- IX. NEXT TOWN COUNCIL MEETING MAY 5, 2015 AT 5:00 PM**
- X. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 7:10pm.

**Don Volger
Mayor**