



551 Hot Springs Boulevard
Post Office Box 1859
Pagosa Springs, CO 81147
Phone: 1-970.264.4151
Fax: 1-970.264.4634

TOWN COUNCIL MEETING MINUTES
THURSDAY, JULY 18, 2013
Town Hall Council Chambers
12:00 P.M.

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Alley, Council Member Bunning, Council Member Cotton, Council Member Lattin, Council Member Schanzenbaker, Council Member Volger
- II. **APPROVAL of MEETING MINUTES FROM JULY 2, 2013** – The minutes were approved as read.
- III. **PUBLIC COMMENT** – none
- IV. **LIQUOR LICENSE**
 1. **Liquor License Renewal – Super America LLC dba Everyday Store 300 E Pagosa Street**
 2. **Liquor License Renewal – Pagosa Peak Partners LLC dba Higher Grounds Coffee 189 Talisman Dr. Suite A** – Council Member Lattin moved to approve renewals from Super America dba Everyday Store and Pagosa Peak Partners dba Higher Grounds Coffee, Council Member Volger seconded, unanimously approved.
 3. **Special Events Liquor Permit – St. Patrick’s Episcopal Church Fundraiser August 17, 2013 at 225 S Pagosa Blvd**
 4. **Special Events Liquor Permit – Pagosa Springs Chamber of Commerce Renaissance Festival July 19, 20, & 21, 2013 at Town Park**
 5. **Special Events Liquor Permit – Catholic Health Initiatives Colorado Foundation dba Mercy Health Foundation Soup for the Soul October 10, 2013 at the Ross Aragon Community Center**
 6. **Special Events Liquor Permit – Pagosa Springs Community Facilities Coalition Fashion Show November 7, 2013 at the Ross Aragon Community Center**
 7. **Special Events Liquor Permit – Pagosa Springs Community Facilities Coalition Fundraiser September 14, 2013 at the Ross Aragon Community Center**
 8. **Special Events Liquor Permit – FolkWest Inc Four Corners Folk Festival August 30, 31, & September 1 at Reservoir Hill Park**
 9. **Special Events Liquor Permit – Giving Every Child Knowledge of the Outdoors Mountain Chile Cha Cha August 24, 2013 at Town Park** – Council Member Volger moved to approve the special events permits for St Patrick’s Episcopal Church Fundraiser August 17, Pagosa Chamber of Commerce Renaissance Festival July 19, Catholic Health Initiatives dba Mercy Health Foundation Soup for the Soul October 10, Pagosa Springs Community Facilities Coalition Fashion Show November 7, Pagosa Springs Community Facilities Coalition Fundraiser September 14, FolkWest Four Corners Folk Festival August 30 to September 1, GECKO Mountain Chile Cha Cha August 24, Council Member Lattin seconded, unanimously approved.
- V. **NEW BUSINESS**
 1. **Town of Pagosa Springs Fire Ban** – Archuleta County had issued a stage II fire restriction, but has recently reduced it to a stage I fire restrictions. The town manager administratively approves these restrictions supported by the EOC. Council Member Volger move to ratify the first ban of stage II, Council Member Bunning seconded, unanimously approved. Council Member Volger moved to ratify stepping back the fire

- restrictions to stage I, Council Member Bunning seconded, unanimously approved.
2. **Discussion of possible GOCO funding opportunities for McCabe Creek and Direction** – Staff was instructed to find possible funding opportunities to fund the McCabe Creek downstream culvert. If the Town were to apply for grants thru GOCO for land acquisition and demolition of the building, along with CDOT RAMP funding, the town could possible get the funding complete if the Town Council agrees to a \$210,000 match. The fall grant cycle would be approaching for staff to consider application. Council Member Lattin does not feel right paying for a property with no value. Council Member Volger would like to move forward with the grant application. Planning Director Dickhoff said the owner is not willing to donate the property, but feels if GOCO approves the land acquisition grant, the GOCO LPOR would most likely be approved to get the project completed. Council Member Volger moved to approve application for the two GOCO grants for the acquisition of the McCabe Creek property and development of the McCabe Creek property, Council Member Lattin seconded, unanimously approved.
 3. **Discussion to reapprove funding for GOCO for the 6th Street Pedestrian Bridge and Direction** – Staff applied for this GOCO grant in February, this grant requires a \$384,000 match to the \$350,000 grant. Staff received word from GOCO that the grant application is very strong and with minor modifications the grant stands a good chance for approval. Council gave consensus for staff to move forward with the GOCO grant application.
 4. **Ordinance No. 792, First Reading, Vacating eastern 15 feet of Tract A along 4/5th Alley in Block 68** – The Cobblestone Townhome project located along the 4/5th Alley is underway. It was discovered that Tract A in Block 68 was not recorded properly. This ordinance cleans up the recordation. Council Member Lattin moved to approve Ordinance No. 792, an ordinance vacating the eastern 15 feet of Tract A along the 4/5th Alley in Block 68 within the corporate limits of the Town of Pagosa Springs, Council Member Bunning seconded, unanimously approved.
 5. **Ordinance No. 793, First Reading, Amending TTC Bylaws** – The Town Tourism Committee has a very strong group of the community who is participating on the TTC board and several other sub-committees of the board. The TTC voted unanimously to change the bylaws to reduce the number of board-appointed seats and give more to at-large seats. They suggest changes be 1 Lodging Association seat, 1 Realtor's Association seat, 1 Chamber of Commerce seat, and 8 At-Large seats. Council Member Cotton said the allocation is fair, and if they don't participate they don't represent those boards, he doesn't want to change the bylaws. Council Member Lattin moved to approve first reading Ordinance 793 an ordinance of the Town of Pagosa Springs amending section 16.4.12(2)(A) of the Town of Pagosa Springs Municipal Code, Council Member Volger seconded, unanimously approved.

VI. OLD BUSINESS

1. **Ordinance 789, Second Reading, Vacating Easements in Block 68** – The Cobblestone Townhome project is located on the 4/5th Alley. Utility easements were not vacated when the Town vacated the former S. 4th Street public right-of-way in block 68. There are no existing utilities installed within the subject easement and no future need to reserve the public utility easement. Council Member Volger moved to approve second reading of Ordinance No. 789, an ordinance vacating public utility easements and the Apache Street bridge construction access easement with Block 68, through lots 1-A, 2A-1, 2A-2, 2A-3, 2A-4, and 2A-5, within the corporate limits of the Town of Pagosa Springs, Council Member Bunning seconded, unanimously approved.
2. **Ordinance 790, Second Reading, Providing Utility and Drainage Easement Along North Side of Yamaguchi Park** – To complete the Cobblestone Townhome the developer is requesting a 20 foot wide drainage and utility easement dedication along the north edge of Yamaguchi park, adjacent to the Cobblestone property, extending west to the western boundary of the South 5th Street. This would accommodate a public natural gas line and the developer's private sewer connection, drainage for the development and Yamaguchi park, and a possible public water line. There is currently a 10 foot wide easement along the northern boundary. Council Member Lattin moved to approve second reading of Ordinance 790, dedicating a 20 foot wide public utility and drainage easement

along Northern boundary of Yamaguchi Park and extending the Western edge of the South 5th Street right-of-way adjacent to Block 68, within the corporate limits of the Town of Pagosa Springs, Council Member Volger seconded, unanimously approved.

3. **Cobblestone Townhome development request for financial participation with 4/5th Alley improvement** – The developer of the Cobblestone Townhomes is requesting the town participate in a 50% cost sharing of the paving of the 4/5th Alley. The request is approximately \$45,000-\$55,000 in funds. The Town has agreed that helping with the gravel base for a cost of approximately \$10,000. The developer has requested to present this item at the August 6th meeting.
4. **Sales Tax Brief** – July sales tax revenues for the month of May increased 6.41% or \$15,204. Year to date revenues are up 4.37% compared to 2012 sales.
5. **Ordinance 791, Second Reading, Odd Fellow Cemetery** – The town was approached by Pagosa Lodge 122, Independent Order of Odd Fellows to take over 2.85 acre tract known as the Odd Fellows Cemetery located adjacent to the Town of Pagosa Springs Hilltop Cemetery. Council Member Volger moved to approve second reading of Ordinance 791, an Ordinance of the Town of Pagosa Springs incorporating the property known as Odd Fellows Cemetery into the Town of Pagosa Springs Hilltop Cemetery, Council Member Lattin seconded, unanimously approved. Council Member Lattin would like to look at software to use to maintain the cemetery.
6. **Resolution 2013-19 & Ordinance 794, First Reading, Medical Marijuana Business Moratorium Extension** – The town council approved moratorium suspending processing of applications for medical marijuana centers, cultivation, and manufacturing until July 30, 2013. Rules and regulations from the Department of Revenue for the new retail marijuana sales option approved through Amendment 64 have been delayed. Council Member Alley would like to see options for the sales rather than just moratoriums. Council Member Volger said limited legalization within the Town of Pagosa Springs is reasonable. Council Member Bunning said the Federal Government hasn't come forward on this issue and supports putting this resolution and ordinance in effect. Council Member Schanzenbaker said this information was presented sloppily and would like to move just on the resolution to extend the current moratorium, and not the ordinance until Town Council can discuss options. Council Member Volger moved to approve first reading of Ordinance 794, an ordinance of the town of Pagosa Springs extending the suspension of the processing of applications for medical marijuana centers, medical marijuana optional premises cultivation operations and medical marijuana infused product manufacturing businesses, suspending the delivery of medical marijuana products from outside of Archuleta County, and establishing a temporary moratorium on the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores through January 31, 2014, Council Member Cotton seconded, motion carried with one nay (Council Member Alley). Council Member Schanzenbaker drew council's attention to a few items within Resolution 2013-19 in the 6th Whereas to be dated January 31st, 2013, the 7th Whereas to be dated August 6, and Section 1 date to be August 30. Council Member Volger moved to approve Resolution 2013-19, with the changes addressed by Council Member Schanzenbaker, a resolution imposing a temporary moratorium on the processing of applications for medical marijuana centers, medical marijuana optional premises cultivation operations and medical marijuana infused product manufacturing businesses and suspending the delivery of such medical marijuana business products from outside of Archuleta County until August 30, 2013, Council Member Bunning seconded, motion carried with two nays (Council Members Alley and Schanzenbaker).

VII. DEPARTMENT HEAD REPORTS

1. **Community Center Report** - The community center staff has had a great summer with the science classes, arts and crafts, and golf for the kids. They have scheduled fundraisers in August. Improvements to the gym for a second projector and LED stage lighting are scheduled. They will begin archery classes again in July.
2. **Parks and Recreation Department Report** – Youth baseball ended July 11; games in the adult softball leagues will continue through mid-August. The parks crew was busy during

the last two weeks assisting the Southwest Conservation Corps with thinning, removal of dead trees and slash, and minor trail realignment and stabilization on Reservoir Hill. Mike Musgrove (PRC chair) and Mike Davis of Davis Engineering completed updated GPS mapping of all trails on Reservoir Hill last week. The PRC will now be working to rename the trail systems and design correlating maps, signage and digital media over the next few months. A large 45 by 45 foot timber frame gazebo has been generously donated to the Town. Council gave consensus to staff to assume the donated gazebo.

3. **Town Tourism Committee Report** – May lodger’s tax receipts are up 5.53%. Significant impacts are expected in June and July due to the fires in the area. Visitor Center information for June reflects a significant decrease in visitors, mainly after closure of Wolf Creek Pass on June 20th through the end of the month. June saw 5,699 visitors compared to 6572 in June 2012. June 2013 represented the 2nd lowest June for visitor traffic in 10 years (lowest in 2006). Leads in June 2013 were down over June 2012. The TTC is planning a PR and advertising blitz, beginning in August through end of year to drive a strong fall and winter travel season, to hopefully offset uncontrollable impacts during summer season. Summer campaigns continue to be monitored and adjusted to improve performance, as needed.
4. **Planning Department Report** – The Lewis Street contractor has remobilized to complete a list of punch list items. 8th Street sidewalk extension from Hwy 160 to the currently terminated sidewalk on the west side of 8th street will be completed this season. Wal-Mart is revising their construction plans and a developer improvement agreement for the Alpha Drive improvements. The 2nd Street intersection crosswalk is installed and operational. The town has received three bids for the riverwalk trail extension and should be moving forward in 2014. An all board work session will be held on August 20th at 5pm. Public meetings will be held for the overlook deck structure.
5. **Town Manager Report** – Pagosa Verde symposium will be held on July 25th. Test results of the past several years have provided evidence that there is a deep hot water aquifer south of the Town. The geophysical testing has been reviewed by Dr. Roy Mink, Dan Hand and other experts who have concluded that moving forward with test drilling is a lower risk proposition. If the Town elects to participate with Archuleta County in ownership of the proposed geothermal electricity generation utility, its share of the cost (grant matching funds) of drilling two 1,500 foot core-sampling wells will be approximately \$50,000. If the results of these core samples prove positive, the next step will be to drill a 5,000 to 6,000 slim-hole lithography test well. Colorado School of Mines, PhD student, Stephen Cuttler has returned to Pagosa Springs to further study the aquifer and to assist the Town in locating leaks in the underground pipes of our geothermal heating system. Mr. Cuttler has met with Chris Gallegos, Dennis Ford and Gene Tautges in preparation to identify the location of the heating system leaks over the next several weeks. Work continues on drafting 1041 Geothermal Regulations for the Town of Pagosa Springs and Archuleta County.
6. **Project Manager Report** – The Centennial Park pump is running well for the irrigation of the park. 8th Street paving from the high school to Apache Street has been put out for bids. A field inspection review of the Majestic Drive paving project is scheduled for July 26. Engineering and plan design for the Town to Pagosa Lakes trail will begin as soon as notice to proceed is received by CDOT. The town was selected to host the Rural Philanthropy Days event in June 2014, along with Dolores, San Juan, La Plata and Montezuma counties.

VIII. APPROVAL OF JUNE FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS
– Council Member Volger moved to approve June financial statement and accompanying payments, Council Member Lattin seconded, unanimously approved.

IX. PUBLIC COMMENT – Mr. Mark Weiler has met with Wells Fargo in Denver and presented to the Town Council options for financing a potential recreation center. Mr. Jason Werby has applied to open a medical marijuana operation in Archuleta County. He would like to help the Town craft regulations for marijuana businesses. Council Member Schanzenbaker would like to include businessmen in the discussion of the marijuana ordinance.

X. NEXT TOWN COUNCIL MEETING AUGUST 6, 2013 AT 5:00PM

XI. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 1:54pm.

Ross Aragón
Mayor