



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

TOWN COUNCIL SPECIAL MEETING MINUTES
THURSDAY, AUGUST 22, 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 AUGUST 6, 2013** – The minutes were approved as read.
- III. **PUBLIC COMMENT** – None
- IV. **LIQUOR LICENSE**
 1. **Liquor License Renewal – Ramon’s Restaurant 56 Talisman Drive Pagosa Springs**
 2. **Liquor License Renewal – Overlook Mineral Springs Spa LLC 432 Pagosa Street** – Council Member Lattin moved to approve the liquor license renewals for Ramon’s Restaurant and Overlook Mineral Springs Spa, Council Member Volger seconded, unanimously approved.
 3. **Special Events Liquor Permit – Pagosa Springs Chamber of Commerce Colorfest Event September 20 and 21, 2013 at Town Park Athletic Field** – Council Member Volger moved to approve the special events liquor permit for Pagosa Springs Chamber of Commerce Colorfest Event September 20 & 21 at Town Park, Council Member Bunning seconded, unanimously approved.
 4. **Special Events Liquor Permit – Foundation for Archuleta County Education (FACE) fundraiser August 22, 2013 at St Patrick’s Episcopal Church on S. Pagosa Blvd** – License withdrawn.
- V. **DELEGATIONS**
 1. **Friends of Reservoir Hill – Christine Funk** – She was unable to attend and asked to delay the discussion to the next meeting.
- VI. **NEW BUSINESS**
 1. **Visitor Center** - In December of 2012, the Chamber of Commerce wrote the Town saying they would not manage the Visitor Center after December 31, 2013. Darrel Cotton and Kathie Lattin were appointed as the Town Council’s committee to review the Town’s relationship with the Chamber of Commerce, assess the merits of visitor center operations and determine the necessary amount of funding. The Committee reviewed the 2013 DMO Visitor Information Center Study and found that the Town and County spend \$4.33 per person at the visitor center, while the average cost for communities of similar size is \$2.72. Utilizing the 2013 budget (all funds paid to the Chamber), the Pagosa Springs Visitor Center cost per visitor is 59% higher than the average. Council Member Lattin said that the committee has determined money into upgrading kiosks and electronic upgrades would be a benefit to the center. Council Member Cotton said that technology based items in the center is the way things are directed. The committee discussed reducing the visitor center and chamber expenses by plowing the parking lot. The reduction in volunteers is putting stress on the employee there, so electronic kiosks may help to fill the gap. Mr. Todd Stevens, Chamber member, said the reduction of funding to the Chamber has been a challenge. He said the board has decided they will

be unable to operate the visitor center in 2014 should there be a reduction in funding. Council Member Lattin said a work session with the Council, County, Chamber board and TTC to discuss the future of the visitor center and how to make it work best for the community and visitors needs to be scheduled. Council Member Alley said the Durango visitor center has great technology and wants to work with Chamber to increase the technology in the current visitor center. Council Member Schanzenbaker says visitors' centers are important and does not want to get to the point of closing the visitor center. Council Member Lattin said closing the visitor center was not an option, but the operation of the center is the discussion. Town Manager Mitchem said the County has been participating in the discussion and they also feel technology and marketing is important. This item is continued until a board meeting can be scheduled.

2. **Resolution 2013-20 GOCO 2013 McCabe Creek Acquisition** – A GOCO grant opportunity would allow the Town to purchase the land only portion of the downstream property located at the corner of Hwy 160 and 6th Street. The grant request would be for \$180,000, the Town would be responsible for a cash match of \$40,000 (30% match). CDOT has indicated to staff that \$3,800,000 previously allocated for the upstream portion of the McCabe Creek Culvert replacement project is still intact and available to fund the project. The grant application is due August 28th in Denver with awarding in December. The estimated building purchase would be \$70,000 and demolition of approximately \$50,000, this is a later expenditure should we get the grant award. Town Planner Dickhoff said the uniform act will apply with discussions with the property owner. He said CDOT has verbally agreed to assist in providing an industrial drainage facility downstream, but a future grant cycle will assist in completion of a park type drainage area. Council Member Bunning moved to approve Resolution 2013-20, a resolution of the Town of Pagosa Springs, Colorado supporting and authorizing the submittal of a Great Outdoors Colorado grant application for the acquisition of the property known as 140 South 6th Street in downtown Pagosa Springs, Council Member Volger seconded, motion carried with one nay (Council Member Schanzenbaker).
3. **Resolution 2013-21 GOCO Youth Corps Grant** – GOCO along with Colorado Youth Corps Association is providing a grant to employ youth and young adults (ages 14-25) throughout the state on critical outdoor recreation and land conservation projects. Parks Supervisor, Jim Miller, has indicated great success with Youth Corps groups in the ongoing maintenance and thinning of Reservoir Hill. In 2013 the crew was extremely effective and the department received a \$14,000 Youth Corps Grant that was used this summer over a 2 week period. Council Member Lattin moved to approve Resolution 2013-21, a Resolution of the Town of Pagosa Springs, Colorado supporting and authorizing the submittal of a Great Outdoors Colorado Youth Corps grant fall 2013 with the correction of the resolution removing the words “estimated acquisition” in Section 1, Council Member Volger seconded, unanimously approved.
4. **Resolution 2013-22 Paths to Parks** - This special GOCO grant initiative is designed to increase trail access for youth and families to existing parks, open spaces, natural areas and environmental education opportunities. Staff strongly recommends the submittal of a concept paper to further construct our commuter trail system. Staff is currently working on the strongest portion of trail to propose on the west end of town. This is recommended as the pedestrian crossing connection at Harman Park to Piedra Road, beginning at Cornerstone Drive cul-de-sac near Centerpoint church. Staff recommends that the application be for \$1 million dollars with a committed 25% cash match from the town of \$250,000 with possible participation from past partners such as Archuleta County and Land Conservation Trust and others to offset the cash commitment. These funds won't be expended until 2014-2015. Town Planner Dickhoff said the county has committed \$200,000 PROST funding for the trail that is flexible should all funds not be expended during the first phase. Council Member Volger moved to approve Resolution 2013-22, a resolution of the Town of Pagosa Springs, Colorado supporting and authorizing the submittal of a Great Outdoors Colorado grant concept paper and application for the paths to parks grant program, Council Member Bunning seconded, unanimously approved.

5. **Adoption of the 2009 International Fire Code** - The Town's Building Official and the Builders committee met numerous times recently and have analyzed and reviewed the 2012 Fire Code, and determined that since the 2009 Fire Code is formatted the same as the 2006 international code series, it made more sense to adopt the 2009 Fire Code since the 2012 code version had been completely reconfigured and realized it would be a long review process that would not meet the September ISO assessment date for adoption, and may further dictate adopting 2012 versions of other international codes in addition to the Fire Code. The Pagosa Area Fire District and the Archuleta County have participated in the builder Committee meetings and are in the process of proposing adopting the 2009 Fire Code. The Town Building Official will bring the first reading of an Ordinance to Town Council at the September 3, 2013 TC meeting for consideration of adopting the 2009 International Fire Code.
6. **Recreation Center** - Following a recent recreation center committee meeting, staff was asked by Council Member Lattin to pursue a proposal for a third-party review and analysis of the proposed recreation center's operations and maintenance projections. The total cost for this proposal could amount to \$9,700. The funds needed to pursue this proposal are available in impact-fee line item 31-22-800 (Regional Recreational Facilities), which is currently carrying a balance of \$24,867.32. Council Member Cotton asked for the costs of the building, P&R Director Carosello said estimated costs are \$18million. Council Member Cotton said this type of facility will cost more than 1% sales tax, and said the Town is in a worst financial situation than we were six years ago and should not be using the funds. Council Member Bunning said the study may show that the project is feasible. Council Member Volger isn't sure this is the right time to move forward with a recreation center, and the capital improvement plan will need to be adjusted to accommodate operation and maintenance of the center. He is in favor of the study in order to determine if a recreation center is a good decision. Mayor Aragon said the plan is hypothetical and conceptual. He said the community is in no condition to support a center because of the deferred maintenance of current projects. Mayor Aragon said the people coming to Pagosa is for outdoor activity, they don't come for a recreation center. Council Member Alley is in favor of moving forward with the study as is Council Member Schanzenbaker. Mr. Bill Hudson said the town will be subsidizing the costs for operation taking away from the repairs of other capital projects. Council Member Schanzenbaker moved to authorize the expenditure of up to \$9,700 from impact-fee line item 31-22-800 for the purpose of completing a recreation center market review and operations analysis, Council Member Alley seconded, motion carried with two nays (Mayor Aragon and Council Member Cotton).
7. **Catch and Release Fishing through Town** – The Town Tourism Committee, Parks & Recreation staff and Pagosa Quality Fishing Project have drafted a letter of support for the designation of a two-mile stretch of San Juan River through downtown as catch and release. This would ensure the ongoing stocking efforts result in better economic return to the community providing a reusable resource. Mr. Larry Fisher with Ski & Bow Rack said the response from tourists to the large amount of fish in town limits was tremendous. He said the fish do survive over the winter and grow for the next fishing season. Colorado Parks & Wildlife would like to see support from the town to continue. Mr. Joe Eichelberger said he has drafted a letter of support and is in favor of the catch and release. Council Member Bunning moved to approve signing the letter of support for Colorado Parks & Wildlife to designate a two-mile stretch of the San Juan River as catch and release, Council Member Volger seconded, unanimously approved.

VII. OLD BUSINESS

1. **Sales Tax Brief** – Sales tax received in August for the June retails sales was up .01% compared to 2012. Year to date sales tax revenue is up 2.35%.

VIII. DEPARTMENT HEAD REPORTS

1. **Community Center Report** - Stage lighting and an additional projector are being installed in the multi-purpose room. The parks and recreation department and the community centers had great participation for the summer kids programs and will meet this winter to decide on programming for next summer. It is our intention to have an

additional science class to accommodate more children. Staff is in the process of writing a grant to apply for funding for some of these programs for 2014.

2. **Parks and Recreation Department Report** – Soccer season has started for 5-12 year olds with 12 teams participating. The parks crew has been heavily engaged in assisting Folk West with preparations for the annual Folk Festival on Reservoir Hill. Judy Schofield, owner of the tract of land required for practical access to the desired site for the observation deck on Reservoir Hill, has indicated she is willing to consider a land swap which would enable the Town to gain full and convenient access to the construction site. Further details will be forthcoming. The large, timber-framed gazebo the Town recently accepted as a donation is due to be disassembled in the coming weeks. As a result, a decision regarding the location of this structure should probably be made within this same timeframe to facilitate the transport of the gazebo to the desired site.
3. **Municipal Court Report** - After thirteen (13) years of service, Attorney Larry Holthus resigned the position of Municipal Court Prosecutor effective August 1, 2013. Prosecutor Pro Tem, David Brett Van Winkle, will continue his interim work as Prosecutor throughout the hiring process. Municipal Court has initiated the hiring process to fill the positions of Prosecutor and Prosecutor Pro Tempore, letters of engagement and statements of qualifications will be accepted through 5:00PM on Friday, September 13, 2013.
4. **Town Tourism Committee Report** – The TTC will submit to the town council a recommendation for board seat at the next meeting. May 2013 reflected a strong increase of lodger's tax of 10.82% over May 2012, June shows a 8.99% over 2012. Year to date collections are 4.07% above 2012. Visitor Center traffic in June reflected the 2nd lowest traffic numbers in a 10 year history, most likely due to the fires in June. July traffic was down 6.51% compared to 2012. Visitor guide requests were up in July over 2012. The TTC's plans to enhance holiday lighting includes a lighting contest, additional town park and bridge lighting, firetruck lighting processions, and compiling event calendar.
5. **Planning Department Report** - The Planning Commission directed Mr. Mark Weiler representing Parelli Natural Horsemanship to mow the entire lot before the end of August, move the Semi Trailer to the SE portion of the Parking lot, and to work with town staff within to a phased landscaping plan that can be started in the spring of 2014, and to present such plan to the PC at the October 8, 13 PC meeting for approval. Mr. Weiler agreed to these terms. The Parelli landscaping is still not completed since the building was finished in 2007. The 8th Street sidewalk project was awarded to UCAL, Inc. the low bidder. Construction is anticipated to begin by the end of August for completion during this year's construction season. Staff expects the preliminary design to be completed by late fall 2013 and construction during the summer of 2014 for the west phase of the Town to Pagosa Lakes trail project. The all-town board work session was held August 20th with positive responses, the next to be held 4th quarter.
6. **Project Manager Report** - Paving on 8th Street between the high school and Apache Street has been substantially completed. The Riverwalk extension project was awarded to Concrete Connections as low bidder for the project. Construction start should be within the next month or so with completion this fall, though we are waiting for final verification from the State Trails. Majestic Drive CMAQ paving is anticipated to begin in 2014 with possible extension to Square Top Circle.
7. **Town Manager Report** - Annual dues to SWCOG have been low over the years due to La Plata County paying for a part-time director for the COG. That support will be ending as of January 1, 2014. As a result of decisions made at its August 2nd meeting, the 2014 SWCOG budget was set at \$119,908. The Town of Pagosa Springs dues in 2014 will rise to \$4,116. Test results of the past several years have provided evidence that there is a deep hot water aquifer south of the Town, specifically the Levine property on Hwy 84. The geophysical testing has been reviewed by 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 several 1,500 foot core-sampling wells will be approximately \$50,000 for each agency. 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. With Town Council approval and the advent of a successful slim-hole test well, the

Town and County will apply to federal agencies for matching grants to fund the production well and 4-20 megawatt electricity generation facility. A proposed ownership agreement and state funds agreement for initial drilling will be brought to council in September. The specifications for the chairlift have been received and information will be sent out for the sale of the unit.

- IX. APPROVAL OF JULY FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS**
– Council Member Bunning moved to approve the July financial statement and accompanying payments, Council Member Volger seconded, unanimously approved.
- X. PUBLIC COMMENT** – None
- XI. NEXT TOWN COUNCIL MEETING SEPTEMBER 3, 2013 AT 5:00PM**
- XII. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 2:03pm.

Ross Aragón
Mayor