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**TOWN COUNCIL MEETING MINUTES**  
**THURSDAY, SEPTEMBER 18, 2014**  
**Town Hall Council Chambers**  
**12:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Volger, Council Member Alley, Council Member Bunning, Council Member Egan, Council Member Lattin, Council Member Schanzenbaker
- II. **PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**
- III. **APPROVAL of MEETING MINUTES FROM SEPTEMBER 2, 2014** – The minutes were approved as submitted.
- IV. **PUBLIC COMMENT** – Mr. Mark Weiler said communication brings about collaboration. He thanked the town council for their time dedicated to the community.
- V. **LIQUOR LICENSE**
  1. **Special Events Liquor Permit – Archuleta County Democratic Party Central Committee Chili Supper October 3, 2014 at the Ross Aragon Community Center** – Council Member Lattin moved to approve the special events liquor permit for the Archuleta County Democratic Party Central Committee event October 3<sup>rd</sup>, Council Member Bunning seconded, unanimously approved. A special meeting to hear the application for the Mountain Chili Cha Cha event will be held Monday September 22 at 7:45am.
- VI. **NEW BUSINESS**
  1. **Preliminary 2015 Budget** - The Town of Pagosa Springs is required to prepare and adopt an annual budget by December 31<sup>st</sup> each year. The economic outlook for the Town continues to improve. It appears our community is starting to emerge from the economic downturn. A cautious approach in revenue projection assumes sales tax for 2015 will increase by 3% compared to the estimated year end for 2014, which is project to be 5% greater than the 2014 budgeted amount. The capital fund expenditures will include the completion of repaving 8<sup>th</sup> Street using funds from Impact Fees received by the Wal-Mart project. Personnel costs will increase with the 2.771% COLA application. Additional personnel in the Clerk, Court, Planning and Police Department had been requested, but exceed the current revenue projections and projected expenditures. Budget work sessions will begin in October to determine a final 2015 budget by December 31<sup>st</sup>. The general fund revenue balances with the expenditures, this preliminary budget include service organizations as funded in 2014, although service organization requests have increased \$50,000 in 2015. Town Manager Schulte said the changes to the charter in April may add civil cases to the municipal court adding additional workload. The budget versions will be posted to the website for public view.
  2. **Ordinance 816, First Reading, Indemnifying Town Board Members and Employees** - The home rule charter approved in 2003 directs indemnification by ordinance; staff has not formally followed through with an Ordinance indemnifying Town board members and employees. Ordinance 816 completes that action associated with Section 12.10: Indemnification of Personnel of the Town Charter. Council Member Bunning moved to approve first reading Ordinance 816, Indemnifying Town Boards, Commissions, Council Members and employees, Council Member Egan seconded, unanimously approved.

3. **East Phase of Commuter Trail from 8<sup>th</sup> to 10<sup>th</sup> Street** - The Ruby Sisson Library has just completed a large culvert replacement. They still need to re-vegetate along the Hwy side of the property however are reluctant to do so knowing the upcoming trail project between 8<sup>th</sup> and 10<sup>th</sup> Streets will tear up a good portion of what they plant. Due to CDOT delays, the majority of the trail project cannot occur this construction season. The project is now anticipated to go out to bid in the winter for spring to early summer construction. The library has requested the Town install the portion of the trail at their property in 2014 rather than waiting to 2015. The costs are under \$25,000 and budgeted in the 2014 budget. An additional \$23,500 was approved by the TPR for this project. The low bid was Hart Construction at \$24,852 and includes conduit for the planned lighting along the sidewalk/trail. The library has donated a 10 foot easement along San Juan Alley for a future street improvement. Council Member Schanzenbaker asked about RFP process and the ability of the lowest bid contractor to complete this year. Staff said the original engineers estimate was under \$25,000 which, per policy, required three written bids for the project, the lowest bid from Hart Construction staff was told they would be able to complete the project this season. Council Member Bunning moved to approve staff to move forward to construct the trail adjacent to the library in 2014, and further selecting Hart Construction as low bidder and awarded contractor for the project, Council Member Lattin seconded, unanimously approved. Council Member Alley would like to look at an in-house crew to complete some of the simpler construction projects; Town Manger Schulte agreed and hoped to have those discussions at the budget work sessions.
4. **Geothermal Greenhouse Partnership Project Update and Energy Impact Grant Application** - The GGP has spent considerable time in the past two years in organizing as a 501(c)3 entity and seeking funding for the development and the initial design and planning work for the construction of the geothermal greenhouses located in Centennial Park. The GGP currently has secured approximately \$125,000. Due to the Energy and Mineral Impact Assistance Funds program guidelines, it is a governmental entity that must be the applicant for the grant funds. Furthermore, it is the applicant (governmental entity) that owns whatever is purchased by the funds. The GGP would like to apply for a minimum of \$200,000 and the grants require a minimum of 25% match funding. To get the dollar for dollar match, there would need to be an additional \$80,000. It has been suggested by DOLA that a commitment to place bathrooms at the greenhouse location by the Town would help improve the chances of the application. A placeholder of \$80,000 for bathrooms has been inserted in the proposed 2015 Budget for this reason. Ms. Sally High said the GGP was organized in 2009, and DOLA has assisted with grants and help in acquiring the awards. Council Member Schanzenbaker said that if the Town is going to be owners of this project, the council needs a more hands on approach to this project. He asked for a business plan and cost estimate. Ms. Sally High said the town will own the infrastructure, hardscape and sidewalks, but the non-profit will be responsible for the greenhouses and operation of the greenhouses. The footprint of the three greenhouses, the sidewalk, and a portion of an amphitheatre will be funded by the grant awarded by DOLA. The GGP is raising funds for one greenhouse at a time, in hopes to have one dome completed when the hardscape is installed in 2015. A business plan with sustaining operations and cost structure for the domes will be presented to council and this item will be back in front of council at the mid-October meeting.

## VII. OLD BUSINESS

1. **Ordinance 814, First Reading, Vacating Portion of 6<sup>th</sup>/7<sup>th</sup> Alley** - On July 1, 2014, the applicant, Peter Adams, submitted a "ROW Vacation Application", requesting the vacation of the 6<sup>th</sup>/7<sup>th</sup> Alley between Navajo Street north to the NE corner of Lot 8x. The subject area and properties are zoned R-12, Medium Density Town Residential, which supports single family and multi-family housing up to 12 dwelling units per acre. Utility Providers have been contacted and have confirmed there are no installed utilities along the proposed ROW vacation, and there is no need to retain such utility easements along the proposed ROW vacation. Staff has conducted research which shows the north half of Piedra Street between 7<sup>th</sup> and 6<sup>th</sup> Streets as being vacated, however, the south portion of Piedra Street has not been vacated. Ms. Maria Martinez Gallegos said this vacation addresses safety. The vacation of the alley will save the town liability; she is in favor of vacation of the entire

alley all the way to her property at Navajo Street. Mr. Gerald said the whole alley should be vacated or none at all. Mr. Adams has given the town a donation of the 6<sup>th</sup> Street right-of-way that would allow the town to install sidewalks and utilities along 6<sup>th</sup> Street. Mr. Adams said he will be doing a topographical study to determine how to proceed with the lots. Access to the lots will be off of 7<sup>th</sup> Street. He is estimating homes in the low \$300's. He said without the access, the homes might be more in the lower income type building to fit on the lots. He said installation of railing to prevent falling off the cliff would be necessary. He would like to reduce the ridge height and move the houses further away from 7<sup>th</sup> Street to accommodate the grade. If all of the lots were vacated it may cost the town approximately \$1,500 if not shared with the property owners. Council Member Egan said he is in favor of the vacation, however consideration of ridgetop development should be discussed by council prior to agreeing to vacate the property. Council Member Lattin said vacation of the entire alley where Navajo dead ends at Ms. Gallegos' property should be done. Council Member Alley said there is not a usable easement or trail area on the hill and agrees cleaning up the vacations of alleys. Council Member Schanzenbaker said that vacating is a good idea, but that it should be contingent on Mr. Adams developing the property and not selling it undeveloped. Council Member Schanzenbaker moved to approve the first reading of Ordinance 814, vacating a portion of the 6<sup>th</sup> / 7<sup>th</sup> Alley public right-of-way and public utility easement between Navajo Street to the NE Corner of Lot 8x in Block 50 within the corporate limits of the Town of Pagosa Springs with the following language revision to section 6, this ordinance shall become effective and in full force upon final passage at second reading, upon the Town approving a development application and/or a building permit demonstrating the use and need of the subject alley vacation and upon the conveyance and acceptance of land from the property owner to the Town necessary to formalize a 6<sup>th</sup> Street public right of way, Council Member Egan seconded, Council Member Alley wants it to be clear that it be any developer not just Mr. Adams, Council Member Lattin said to make it contingent holds up any development on the 6<sup>th</sup> Street area, Council Member Egan suggests vacating lots 9-11 as well as alleys south of Navajo, Council Member Schanzenbaker amended his motion to include Lot 9-11 ending at Lot 11, Council Member Egan seconded, Mr. Adams said he intends to develop the property in the next two-three years but might have to sell one or two of the lots, unanimously approved. Mayor Volger said there is a lot of work from staff, the public, and the media for their information and input. Staff is directed to look into vacating the rest of this alley.

2. **Ordinance 815, Second Reading, Vacating Public Utility Easements, 209 Harman Park Dr.** - The Town has received an application for a Lot Consolidation for Lots D-1, D-2, D-3 & D-4 of the Harman Park Subdivision, 209 Harman Drive, the location of the Pagosa Bible Church. As part of the Lot Consolidation, the perimeter Public Utility Easements (PUE) for Lots D-1, D-2, D-3 & D-4 of the Harman Park Subdivision are being requested to be vacated. The first reading was approved on September 2, 2014. Council Member Lattin moved to approve the second reading of Ordinance 815, an ordinance of the Town of Pagosa Springs vacating the public utility easements on Lots D-1, D-2, D-3 & D-4 as shown on the Harman Park Subdivision plat, contingent on the dedication of public utility easements on the lot consolidation plat to serve adjoining properties, Council Member Egan seconded, unanimously approved.
3. **Sales Tax Brief** - In September the Town of Pagosa Springs' sales tax revenue increased by 15.6% or \$50,979 compared to September 2014 (based on July 2014 retail sales). Total collections for both the Town and the County for the month equal \$756,331 and the Town of Pagosa Springs portion is half, or \$378,165. That is \$33,267 more than last month. The Town further splits its portion equally between the General Fund and the Capital Improvement Fund with each receiving \$189,082.

## VIII. DEPARTMENT HEAD REPORTS

1. **Community Center Report** - August 24<sup>th</sup>, the RACC will host movie night in the multi-purpose room. Our after school program for kids grades k-12 will begin on the 2<sup>nd</sup> week of October. Our focus will be to offer a free program that helps kids lead healthier lives through fitness, exercise and nutrition. RACC is currently seeking volunteers and donations for the Halloween Carnival. The Town has been working with the Coalition Board, who oversees the community center operations, to revise the by-laws and operating agreement.

The Town Council will be reviewing the coalition budget in the near future.

2. **Parks and Recreation Report** - This year's soccer season will conclude the week of Oct. 13; there are 232 local youths playing in this year's league (up 30 participants from last year), plus approximately 25 youngsters from Dulce, N.M. The youth volleyball program for ages 9-12 will be postponed temporarily due to lack of gym space in the community center this fall, but the program will be rescheduled for next spring. As a consequence, the adult basketball program, which is usually scheduled for early spring, will not be offered next year. In addition to routine parks maintenance, the parks crew will be aerating and fertilizing the turf in each of the Town parks for the final time this year in the coming weeks. Top dressing and seeding will also be occurring over the next several weeks in some of the parks. The restrooms were installed on Reservoir Hill over a two-day period in late August and were recently opened for public use. The observation deck will be complete late fall. Riverwalk repaving at the River Center is scheduled to be completed this year. A grant was awarded for tree thinning on reservoir hill with the San Juan Headwaters group. Mainly small diameters trees will be thinned and this will occur in February.
3. **Town Tourism Committee Report** – July lodging tax collections currently show an increase of 5.67% over 2013 with a few properties still outstanding. Estimated reports show the increase should be around 15% over July 2013. Year to date should be an increase of 18% or more. The visitor center lobby has been reorganized to give an open feeling as well as a kids area to allow parents to gather information. The 2015 marketing plans will focus on group travel. Fall for Pagosa scavenger hunts, event funding and holiday palooza efforts have been discussion for the 2015 budget. Council Member Bunning suggests events that are similar to other regional cities, for instance bluegrass or balloon festivals, the town holds them the week before or the week after to attract people to stay with us. Ms. Green said she will be passing the information to the TTC and event organizers. Council Member Alley asked about advertising out of state, Ms. Green said a large amount is spent in Northern New Mexico and Texas. The \$25,000 CTO grant awarded in 2014 was focused on the Dallas market with advertising and staff attending the Dallas trade show.
4. **Planning Department Report** - The Historic Preservation Board (HPB) discussed a Town Tourism Committee proposed heritage tourism brochure. The HPB rejected the proposed brochure and decided to fully engage and participate in the development of a comprehensive and accurate brochure. Staff suggested the deadline be mid-winter to ensure printed brochures are available by the summer tourism season. Staff was asked to look at the possibility of modifying the tree planters on the sidewalk along the north side of the 400 block of Pagosa Street. The streets department supervisor and parks superintendent discussed the main issue being the raised curb around the perimeter of the planters and the trip hazard they provide. They could be replaced with grates that are not raised. The streets department could do the work at a later date but are recommending hiring a contractor to do such work. Council Member Lattin said removing clutter of sandwich boards, brochure racks, etc. rather than remove the trees that may die in order to fix the tree curbs. Council Member Schanzenbaker would like to start with one curb removal to find out what is entailed. Traffic calming measures for Main Street might include speed limit signs, flags for pedestrian crossing areas, and parking space marking along the street. Pole mounted speed reader signs would be \$3,000 to \$4,500 each with solar power. The parks department will be completing the landscaping area along the 8<sup>th</sup> Street and the library. The widening of the sidewalk ramp from the overlook to the riverwalk trail would require a retaining wall which would encroach into the floodway. Staff suggests determining future plans for the overlook parking area before working on changing that ramp.
5. **Special Projects Manager Report** - Majestic Drive will begin September 22<sup>nd</sup>. Hart Construction provided a provisional construction schedule showing ground breaking on 6th Street Pedestrian Bridge began Monday Sept 15 with the bridge being set on November 18th. This schedule is dependent on favorable weather with a provision for construction delays. A Yamaguchi skate park grant application was submitted to GOCO in time for the fall grant cycle, awards will be notified in December. A request for design and construction bids for landscaping features on the welcome signs has been advertised in the newspaper and on the webpage. Staining of the Reservoir Hill gazebo is expected to be completed this fall. The special projects department is in process of closing out the riverwalk phase 2, fishing is fun and CMAQ Mag Chloride grants.

- 6. Town Manager Report** – The Geothermal Authority has received formal notification from DOLA of the \$1.9 million Energy Impact Award. The Authority met in executive session to discuss deal points for the land lease with Fairway Trust for the drilling site. Staff has received a draft copy of a franchise agreement from the staff at LPEA and along with Town Attorney Bob Cole will be reviewing the draft and preparing a response on behalf of the Town. USA Communications has come forward to propose a modification to their franchise agreement related to the timing of the renewal of the required bond. After reviewing the language, both Bob Cole and I agree the language is sufficient but offered them the option of providing a letter of credit. The Transition Team continues to meet with representatives from Region 9, Ed Morlan and Laura Lewis. There was continued discussion about the re-birth of the Pagosa Springs Community Development Corporation (PSCDC). It was concluded that it was prudent hear the results of the CDC Board of Directors meeting that occurred on Sept. 10<sup>th</sup>. A new slate of Board of Directors was installed and includes: Cindi Gallabota, Mike Heraty, Mike Hayward, Sherry Waner, and Jeff Gavlinski. They join Jason Cox and Morgan Murri for a seven member Board.
- IX. APPROVAL OF AUGUST FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS** – Council Member Lattin moved to approve the August financial statement and accompanying payments, Council Member Alley seconded, unanimously approved.
- X. PUBLIC COMMENT** – Ms. Shaylynn Fitzgerald asked about lighting along the riverwalk, even landscape lighting, and light under the Hot Springs Blvd Bridge. She suggests speed bumps at the crosswalk areas to slow traffic along the Hwy. She is against allowing an off leash dog area on Reservoir Hill. She said it is against wildlife laws and issues with dog poop will become a problem. She suggests licensing all dogs and consulting a dog trainer. Mr. Bill Hudson said he published several photos of the local streets, he was not criticizing the streets crew, he was asking the council to consider putting money toward repairing them instead of adding new projects. He looks forward to seeing the GGP business plan. He said originally this private group was raising money for the project and the town was just going to donate land and hot water. Now the town is responsible for funding and taking care of the infrastructure. He doesn't like the greenhouses chosen that look beat up after five years, he said there are other manufactures of greenhouses that do not look bad.
- XI. COUNCIL IDEAS AND COMMENTS** - Mayor Volger is concerned with the safety at the 1<sup>st</sup> Street and Hot Springs Bridge, he wants to see guardrails. Council Member Lattin asked about the golf course status. Town Manager Schulte said there is not change, but possible group interested in purchasing. Council Member Schanzenbaker said the course is deteriorating. The CDOT sign is still being installed, the caisson is ready, and they are hoping to have it installed before winter.
- XII. NEXT TOWN COUNCIL MEETING OCTOBER 7, 2014 AT 5:00PM**
- XIII. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 3:33pm.

**Don Volger**  
**Mayor**