



551 Hot Springs Boulevard  
Post Office Box 1859  
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**TOWN COUNCIL SPECIAL MEETING AGENDA  
THURSDAY, JANUARY 22, 2015  
Town Hall Council Chambers  
5:00 P.M.**

- I. CALL MEETING TO ORDER**
- II. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**
- III. PUBLIC COMMENT** – *Please sign in to make public comment*
- IV. CONSENT AGENDA**
  - 1. Approval of January 6, 2015 Meeting Minutes**
  - 2. Approval of December Financial Statement and Accompanying Payments**
  - 3. Liquor Licenses**
    - a. Liquor License Renewal** – Rohrbacher Moore LLC dba Pagosa Springs Center of the Arts at 2313 Eagle Dr
    - b. Liquor License Transfer** – H& R license transfer from A Chilvalrous Shark to The Western Slope Break Room at 2151 Eagle Dr
    - c. Special Events Liquor Permit** – Town of Pagosa Springs Dance and Fundraiser February 20, 2015 at the Ross Aragon Community Center 451 Hot Springs Blvd
    - d. Special Events Liquor Permit** – Pagosa Springs Youth Music Inc. Fundraiser March 5, 2015 at Ross Aragon Community Center 451 Hot Springs Blvd
- V. REPORTS TO COUNCIL**
  - 1. Featured Department Head Reports**
    - a. Parks & Recreation Department**
    - b. Planning & Building Department**
  - 2. Sales Tax Brief**
  - 3. Lodgers Tax Brief**
- VI. NEW BUSINESS**
  - 1. Agreement with Mountain Studies Institute for Reservoir Hill Tree Thinning**
  - 2. Elementary School Funding Request for New Playground Equipment**
  - 3. Town of Pagosa Springs Banking Services**
- VII. OLD BUSINESS**
  - 1. Ordinance 819, Second Reading, Accepting a Pedestrian Easement at 703 San Juan Street**
  - 2. Ordinance 820, Second Reading, Schedule Time, Date and Place of Regular Town Council Meetings**
  - 3. Ordinance 821, Second Reading, Accept Conveyance of Interest in Community Center from the Community Facilities Coalition**
- VIII. PUBLIC COMMENT** – *Please sign in to make public comment*
- IX. COUNCIL IDEAS AND COMMENTS**
- X. NEXT TOWN COUNCIL MEETING FEBRUARY 3, 2015 AT 5:00PM**
- XI. ADJOURNMENT**

**Don Volger  
Mayor**

Public comment and agenda comment item sign-up sheets are available at meeting  
Copies of proposed Ordinances and Resolutions are available to the public from the Town Clerk



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**TOWN COUNCIL MEETING MINUTES  
TUESDAY, JANUARY 6, 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, also in attendance Town Attorney Bob Cole
- II. **PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**
- III. **APPROVAL of MEETING MINUTES FROM DECEMBER 18, 2014** – Council Member Egan moved to approve the meeting minutes, Council Member Lattin seconded, unanimously approved.
- IV. **PUBLIC COMMENT** – Mr. Les Bivens would like authority to speak with the town parks department to look into the possibility of building a small ice park on the river side of Reservoir Hill. The San Juan Search and Rescue would be doing the work. Town Manager Schulte explained that he and staff have met with Mr. Terry Baker and are happy to speak with the group and bring information back to the Town Council.
- V. **LIQUOR LICENSE**
  1. **New 3.2 Beer Off-Premise Liquor License – Wal-Mart Stores Inc. dba Walmart Supercenter #5003 at 211 Aspen Village Drive** – Mayor Volger opened this public hearing item asking for any public comment. Mr. Thomas Dunn, attorney representing Walmart, said that he as well as Mr. Max Scott with Oedipus Inc., were available for questions. Oedipus Inc. was the firm that conducted a petition of the surrounding area around the new Walmart store asking residents and business owners their opinion of the liquor permit. 188 people were contacted, 82 chose to participate, 69 signed in favor, 12 signed opposing the permit. No other comments, the Mayor closed to public comment. Council Member Lattin moved to approve the new liquor license for Wal-Mart Stores Inc. dba Walmart Supercenter #5003 at 211 Aspen Village Drive, Council Member Bunning seconded, unanimously approved.
  2. **Special Events Liquor Permit – Pagosa Springs Area Chamber of Commerce Annual Meeting January 24, 2015 at the Ross Aragon Community Center 451 Hot Springs Blvd** – Council Member Lattin moved to approve the Pagosa Springs Area Chamber of Commerce event January 24, 2015, Council Member Egan seconded, unanimously approved.
- VI. **NEW BUSINESS**
  1. **Resolution 2015-01, A Policy to Enhance the Town’s Financial Stability** – The town continues to see an overall increase in year to date 2014 sales tax revenue which is up 9.67% or \$239,384 compared to the same period in 2013. An analysis has been provided each month to estimate how sales tax collections are compared to the budgeted amount. The data points to an improved local economy and the general feeling is the local economy is in turning upward. However, there is a certain amount of uncertainty as we do have the new Wal-Mart that is scheduled to open on April 1<sup>st</sup>, 2015. In combination with an improved economic outlook, the addition of Walmart could prove to be a boon to Town revenues. Beginning in 2009 the Town implemented a system of

monitoring the Town's revenues on a monthly basis and reporting fluctuations from prior year's revenues to the Town Council. This resolution reduces the chances of the Town experiencing negative cash flows due to strict monitoring and resulting actions in the event of a consistent decrease in sales tax revenues. Council Member Schanzenbaker asked about unnatural spikes that may dictate an unnecessary reduction. Town Manager Schulte said that discretion and consideration can be given to each situation and the Town Council will be made aware of the situation before any reductions are made. Council Member Bunning moved to approve Resolution 2015-01, a policy to enhance the town's financial stability, Council Member Schanzenbaker seconded, unanimously approved.

2. **Resolution 2015-02, Setting 2015 Fee Schedule** - The Town Council establishes rules and regulations for operations of the Town and provides for the establishment of fees for various Town services. Resolution 2015-02 sets out all town fees for the Town Council's review and annual approval. The fees include charges for parks and recreation, municipal court, building department, town clerk, and police fees. Some fees that are not charged at this time include non-sufficient check return, use of credit card fees, and extensions to approved plan reviews. The planning department is working on changes to the LUDC that may include fee changes to major subdivision plan extensions. A public process to change some of the items on the schedule should come before council at another noticed meeting. The Friends of the Skate Pavilion asked to set up their rink in Town Park, this endeavor is a new action and a head tax is expected to be received, it does not fall into the fee schedule at this time. Council Member Lattin moved to approve Resolution 2015-02, setting town fees for town services for 2015, Council Member Alley seconded, unanimously approved.
3. **Ordinance 819, First Reading, Accepting a Pedestrian Easement at 703 San Juan Street** - The Planning Director has been working with the property owner of 703 San Juan Street, Citizens Bank President Kyle Cox, for the last year to establish a pedestrian path (sidewalk/trail) along the northern boundary of 703 San Juan Street. Staff has recently coordinated a plat dedicated pedestrian easement along the north 10 feet of the former City Market property at 755 San Juan Street. These two easements will allow for pedestrian path connectivity along the south side of Hwy 160 between S 8<sup>th</sup> St. and S 7<sup>th</sup> St. Staff will work to have a connection installed this summer with railing and parking blocks as well as striping in the affected parking areas. The property owner is responsible to maintain the sidewalk/path area. Signs will be added prohibiting overnight parking and solicitations at the fence. The Hwy side of the walkway is owned by CDOT and has been cleared of weeds by the Town parks department on a regular basis. Council Member Schanzenbaker moved to approve the first reading of Ordinance 819, an ordinance of the Town of Pagosa Springs, accepting an easement for real property known as the north 10 feet of a tract of land lying and being a portion of lots 1, 2 and 3 of block 39 and the portion of San Juan Street as vacated under Ordinance 244, including an enlarged easement area at the north/east corner of subject tract of land, within the Townsite of Pagosa Springs, Council Member Bunning seconded, unanimously approved.
4. **Ordinance 820, First 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 and third Thursday of each month. It also sets the location of Town Hall where the agenda will be posted. Council Member Bunning suggested having more evening meetings and have only one department head report in person each month. Council Member Alley said evening meetings are a better fit for his schedule. He suggests the work sessions be held the hour before the evening meetings. Council Member Schanzenbaker is an advocate for evening meetings. Council Member Bunning moved to approve first reading of Ordinance 820, identifying Town Council regular meeting dates, locations, times, and agenda posting requirements, to include that both regular monthly meetings be held at 5:00pm, Council Member Schanzenbaker seconded, unanimously approved.
5. **Ordinance 821, First Reading, Accept Conveyance of Interest in Community Center from the Community Facilities Coalition** - In May 2001, the Town and Coalition agreed to fund and construct the community center. Included in the agreement was the intent of the Coalition to operate the Community Center and the Town to financially participate in the construction in

return for priority use rights to the center. Town staff and representatives of the Coalition began discussions about the operational structure and future of the Community Center with the goal of revising the Coalition bylaws and agreement. It was indicated the desire to clarify the operational and fiscal relationship between the Town and the Coalition. The discussions resulted in the agreement to transition the fiscal agency of the Center from the Coalition to the Town effective January 1, 2015 and operational oversight of the Center by the Coalition. In mid-December 2014, the Board of Directors for the Coalition met and concluded it was in the best interests to dissolve and convey their 49% interest to the Town. The Coalition is having their legal counsel review the documents prior to signing the quitclaim deed and bill of sale. Council Member Egan moved to approve the first reading of Ordinance 821, an ordinance of the Town of Pagosa Springs accepting the quitclaim deed and bill of sale for real and personal property known as the Ross Aragon Community Center, subject to the signing of the quitclaim deed and bill of sale by the Coalition, Council Member Schanzenbaker seconded, unanimously approved.

- 6. Resolution 2015-03, A Resolution Appointing Members to the Code Board of Appeals –** Upon approval of Ordinance 818, Mayor Volger returned discussion to VI.6. Qualifications of the board of appeals shall consist of members who are qualified electors and residents of Archuleta County for a minimum of two (2) years prior to appointment. All members shall have experience in, and be knowledgeable about, the ICC Codes. All members shall hold current professional credential, certificates and/or license and have experience in construction, engineer or design and fire protection professional or fire experienced contractor or engineer. It is recommended that the Code Board of Appeals be a joint venture between the Town of Pagosa Springs and Pagosa Fire Protection District for hearing appeals to the adopted ICC Codes. The Fire District Board has approved the recommendation of these board members. Council Member Bunning moved to approve Resolution 2015-03, appointing regular members Jim Van Liere, Larry Ash, Vernon Leslie, Michael Davis and Ernest Karger; and Alternate Members Dennis Schick, Peter Adams and Robert Sparks to the Board of Appeals to hear appeal(s) under the International Code Council Codes as provided in Section 6.13 of the Land Use and Development Code, Council Member Lattin seconded, unanimously approved.

## **VII. OLD BUSINESS**

- I. Ordinance 818, Second Reading, Amending the LUDC to Provide for a Code Board of Appeals –** Mayor Volger skipped VI.6 until the final approval of Ordinance 818, second reading. The International Code Council Codes (ICC Codes), including both the Building and Fire Codes have both been adopted by the Town, including provisions regarding the Fire Code's own board of appeals and appeals process. Therefore, in order for the Town to establish the Board of Appeals with the Fire District, an ordinance is required to amend the Town Code. As recommended by legal counsel, the Town Council must also adopt a new Resolution appointing the member of the Board of Appeals (reference agenda item VI.6). It is proposed the Board is established to hear and decide on appeals of order, decisions, or determinations regarding building and fire code enforcement within the Town of Pagosa Springs and Archuleta County. The Appeal Board will hear witnesses, review evidence and interpret the International Code Council (ICC) building and fire codes as adopted and/or amended by each respective jurisdiction. Decisions of the Appeal Board are final and binding upon all parties involved in the hearing process. Council Member Schanzenbaker moved to approve Ordinance 818, second reading, amending Section 6.13 of the Land Use and Development Code to provide for a Code Board of Appeals with the amendment in Section G, line 10, to change "Town Council" to "Board", Council Member Alley seconded, unanimously approved.

- VIII. PUBLIC COMMENT –** Mr. Bill Hudson asked about financial matters. Town Attorney Cole said that the town is not bound by ordinance or resolution regarding financial matters. Mr. Hudson also asked about public comment on the ordinances. Town Attorney Cole said per town charter the council is not obligated to open ordinances for public comment.
- IX. COUNCIL IDEAS AND COMMENTS –** Council Member Egan is concerned the grass under the new skate pavilion in town park will be damaged. He would like a different location for the rink in the future. Town Manager Schulte said the cover of the rink may actually keep the grass warm and might bring the grass back better and that the rink in this location was a one-time experiment. Council

Member Egan asked about sidewalk maintenance. Town Manager Schulte said the sidewalks are the responsibility of the property owner and the police department will be contacted to fine those that are not caring for their sidewalks. He said the Town of Leadville hires a contractor to clear sidewalks and the property owner is given a time deadline and if not cleared the contractor will remove it and the property owner will be billed. Council Member Schanzenbaker would like to look at other options for sidewalk clearing, Council Member Lattin agrees but would like sidewalk clearing options for both the commercial and residential areas.

X. Mayor Volger recessed the regular meeting of the Town Council at 6:24pm to convene the Sanitation District meeting. Mayor Volger reconvened the regular meeting at 6:32pm and immediately recessed until 6:45. The meeting reconvened at 6:45pm.

XI. **EXECUTIVE SESSION**

1. **Purchase of Real Property Lots 6 & 7 Block 33 with Possible Executive Session Pursuant to C.R.S. Section 24-6-402(4)(a) Concerning the Purchase, Acquisition, Lease, Transfer, or Sale of any Real, Personal, or other Property Interest and C.R.S Section 24-6-402(4)(e) Determining Positions Relative to Matters that may be Subject to Negotiations, Developing Strategy for Negotiations, and Instructing Negotiators** – Council Member Lattin moved to enter executive session for the information regarding the purchase of real property lots 6 & 7 block 33 pursuant to C.R.S. Section 24-6-402(4)(a) concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest and C.R.S. Section 24-6-402(4)(e) determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, Council Member Egan seconded, unanimously approved at 6:49pm. Mayor Volger called the meeting back in regular session at 8:42pm.

XII. **NEXT TOWN COUNCIL MEETING JANUARY 22, 2015 AT 5:00PM**

XIII. **ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 8:43pm.

**Don Volger**  
**Mayor**



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
JAN. 22, 2015

**FROM: TOM CAROSELLO, PARKS AND RECREATION DIRECTOR**

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**PROJECT: PARKS AND RECREATION DEPARTMENT REPORT**  
**ACTION: UPDATE AND DISCUSSION**

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### PARKS AND RECREATION COMMISSION UPDATE

The latest meeting of the Parks and Recreation Commission was held Wednesday, Jan. 14. The minutes from this meeting will be provided when available. The next Parks and Recreation Commission (PRC) meeting will be held Wednesday, Feb. 11 at 5:30 p.m. in Town Hall.

### RECREATION PROGRAMS UPDATE

Through a partnership with Pagosa Springs Middle School and local instructor Jennifer Martin, we are again offering a gymnastics program for ages 3 and up this year; the first session began Jan. 5 and ends this week. The program is averaging over nearly 40 participants per session.

The youth basketball program for ages 9-12 began this week and will end in early March. Participation in this program is up slightly this year. There are 110 participants registered for the 9-12 season; last year's program included 103 participants.

Registration for this year's youth volleyball program will begin later this month. The season will run from mid-March through late April.

### PARKS UPDATE

The parks crew has been busy with snow-removal duties and has also been working to keep the skate pond open for the season; the recent bout of snow weather has resulted in poor skating conditions. The rink will re-open when conditions permit.

Also, the parks crew is again coordinating a Christmas tree recycling program this year. Trees to be recycled can be dropped off at a designated area at the sewer lagoons any time between now and the end of March. The crew will chip the collected trees into mulch to be used for Town landscaping projects this spring and summer.

### CAPITAL IMPROVEMENT PROJECTS UPDATE

**RESERVOIR HILL THINNING PROJECT:** Depending on whether or not the M.O.U. with Mountain Studies Institute is approved by Council, this project is tentatively scheduled to begin in February.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL, JANUARY 22, 2015

FROM: JAMES DICKHOFF, TOWN PLANNING DIRECTOR

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**PROJECT: PLANNING DEPARTMENT REPORT**

**ACTION: UPDATE AND DISCUSSION**

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### HISTORIC PRESERVATION BOARD (HPB) UPDATE

At the January 14, 2015 regular meeting, The HPB re-elected Brad Ash as Chair and Peggy Bergon as Vice-Chair for 2015. The HPB also set their 2015 regular meeting schedule for the second Wednesday of each month at 5:15pm in Town Hall. The HPB also reviewed this years queued projects that include: Mary Fisher Statue and Interpretive project, Water Reservoir property restoration at 92 Pagosa Street, Completing Property Plaques, developing content for interpretive signs and web page, Begin work in preparation for Interpretive Signs at Overlook Parking Lot, Replacement of Main Street Mural, Historic Preservation Month Activities, Public Forum Presentation and Awards for successful Alteration Certificate Projects (DeVore House at 480 Lewis street and Hatcher-Nossaman House at 274 Pagosa Street).

The Next HPB meeting is on February 10, 2015 at 5:15pm in Town Hall.

### PLANNING COMMISSION (PC) UPDATE

The January 13, 2015 DRAFT meeting Minutes are attached for TC's review. Unless signed by the board chair, these minutes are in DRAFT form and have not yet been reviewed and approved by the PC.

At the January 13, 2015 meeting, the PC elected Ron Maez as PC Chair for 2015 and Heidi Martinez as Vice-Chair for 2015. The PC also set their 2015 regular meeting schedule for the second and third Tuesday of each month at 5:30pm in the Town Council chambers.

The PC also discussed potential LUDC revisions regarding metal siding and cargo containers, directing staff to bring additional recommendations for consideration to their January 27<sup>th</sup> meeting.

The Next Regularly Scheduled Planning Commission meeting is on January 27, 2015 at 5:30pm in the Town Council Chambers.

### CRESTVIEW DRIVE CMAQ PAVING PROJECT

Staff received a request for CMAQ paving projects from CDOT on January 12, 2015. It appears funding for paving 2000 lineal feet of Crestview Drive will be available as soon as July 1<sup>st</sup>, 2015. Staff has initiated surveying with Davis Engineering, to identify the scope of the project. Currently, Staff has estimated the project to be under \$400,000.00, if the current road alignment is within the platted ROW.

Additionally, CDOT has requested a list of CMAQ funding requests for fiscal years 2016, 2017 and 2018. Funding for FY 2016 becomes available on July 1<sup>st</sup>, 2015. Staff is preparing to submit funding requests as follows: Crestview Drive paving and Mag Chloride expenses for FY 2016, Mesa Drive paving and Mag Chloride expenses for FY 2017 and the East leg of Majestic Drive and Mag Chloride expenses for FY 2018. (We receive Mag-Chloride reimbursements of 82% (up to \$8,200) each year for our summer alley dust mitigation efforts).

### EAGLE DRIVE CONNECTION TO PIKE DRIVE

Staff is compiling information for TC's consideration for providing a temporary connection between Eagle Drive and Pike Drive, as a means to address the dangerous left hand turn movements from the Hwy onto Pike Drive and

from Pike Drive onto the Hwy. Staff has contacted property owners and is preparing to present the information to TC as soon as additional information and facts are gathered.

#### **PIEDRA STREET 2015 REPAVING PROJECT**

Town Council approved the 2015 budget which included a repaving project for Piedra Street from S. 8<sup>th</sup> Street to 10<sup>th</sup> Street. Staff anticipates a public and neighborhood meeting in mid-February 2015, for gathering public comments to consider incorporating into the final plans and presentation to Town Council. The project will also include a sidewalk along one side of the street, TBD. This sidewalk will provide pedestrian sidewalk connectivity to the Elementary School's path along the east side of their fields, providing a safe route to school.

#### **COBBLESTONE TOWNHOME PROJECT AND YAMAGUCHI LANE**

The Cobblestone Townhome project located on the improved 4<sup>th</sup>/5<sup>th</sup> Alley is still progressing. Signage for the one-way alley is expected in the near future. Yamaguchi lane will then be a one-way street, north to south direction.

#### **6TH STREET PEDESTRIAN BRIDGE**

The south bridge ramp structure backfilling has been completed and depending on weather, the ramp sidewalk will be poured as soon as weather permits. After the sidewalk is installed, welding the ramp railings will begin.

#### **WALMART**

Staff has recently reached out to WalMart for an update on anticipated opening date. They are currently anticipating opening on April 22, 2015.

The Town Planning Department will be inspecting the Parking Lot Lights for compliance with the Town's LUDC exterior lighting regulations within the next week.

It is expected that Walmart will request a Temporary Certificate of Occupancy (TCO) that will allow them to begin accepting merchandise inventory and setting up the store interior, in preparation for the grand opening scheduled for April 22nd. To be eligible for a TCO, the Building Official will inspect the project to ensure no life safety issues are outstanding. Also, the project Landscaping will not be able to be installed until the Spring of 2015, which will require Walmart to submit a Performance Bond equal to the expenses with completing the entire landscaping plan.

Staff continues to work with Walmart to remedy line of sight issues from an existing residence to the south loading dock. The holidays delayed progress of remediating this issue.

#### **CDOT**

The next CDOT quarterly meeting set in January has been cancelled by CDOT due to CDOT scheduling conflicts and is expected to occur by the end of February 2015, TBD. Any issues or thoughts for consideration at this meeting should be directed to the Planning Director or Town Manager.

CDOT has recently forwarded a traffic study for Downtown Pagosa Springs, in response to our concerns about the operation of the 8<sup>th</sup> Street traffic signal. The study addressed accommodating expected traffic counts in the year 2025, and was conducted by a third party consultant, Stantec Consulting Ltd. The result of the study is a recommendation to provide a 5 lane section between 3<sup>rd</sup> Street and 10<sup>th</sup> Street that would include two travel lanes in each direction and one center turn lane throughout. This 5 lane section will require modifications to lane widths and possibly omitting on-street parking in some areas. Staff has only had time to review the initial document and has not had further discussions with CDOT as of yet.



**Town of Pagosa Springs**  
**Planning Commission, Board of Adjustments & Design Review Board**  
**Regular Scheduled Meeting Minutes**  
**January 13, 2015**

**Town Hall, Council Chambers, 551 Hot Springs Boulevard, Pagosa Springs, Colorado 81147**

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I. **Call to Order / Roll Call:** Commission Chair Kathie Lattin called the meeting to order at 5:30 PM. Commissioners Peter Adams, Heidi Martinez, Ron Maez, and Cameron Parker were present. Commissioner Natalie Woodruff were absent. Also present were Planning Director James Dickhoff, Associate Planner/Certified Permit Technician Margaret Gallegos and community member xxxxxx.

II. **Announcements:** None.

III. **Approval of Minutes:** Motion made by Commissioner Cameron, seconded by Commissioner Adams and unanimously carried to approve the November 18, 2014 Planning Commission meeting minutes as submitted.

IV. **Public Comment:** Opportunity for the public to provide comments and to address the Commission on items not included as an agenda item – none received.

V. **Board of Adjustments:** None

VI. **Planning Commission:**

**1. Annual Election of Planning Commission Chairperson and Vice-Chairperson:** The Land Use and Development Code (LUDC) section 2.5.6.A.1: Election of Chairperson and Vice Chairperson, specifies that "Annually, at the first regular meeting of the year, each board and commission shall elect, by majority vote, from its membership a Chairman and Vice-Chairman, with each being eligible for re-election, and each serving a one- year term in such capacity.

The Chairman of each board or commission shall preside at all meetings and public hearings of such board or commission and shall decide all points of order and procedure. The Vice-Chairman shall assume the duties of the Chairman in the absence of the Chairman and shall act in the capacity of Chairman of all special committees created by the board or commission. Should the Vice-Chairman and the Chairman be absent from a meeting or public hearing, the majority of the board or commission shall appoint a member to be the presiding officer. Any vacancy from the position of Chairman or Vice Chairman shall be filled in the same manner as such positions are established. The Chairman shall transmit reports and recommendations to the Town Council. In the case of the Planning Commission, the Chairman shall also certify plans and plats."

**Motion made by Commissioner Maez, seconded by Commissioner Parker, and unanimously carried to nominate and appoint Member Lattin as the Planning Commission Chair Person.**

**Motion made by Commissioner Lattin, seconded by Commissioner Parker, and unanimously carried to nominate and appoint Member Maez as the Vice Chair Person.**



**Town of Pagosa Springs**  
**Planning Commission, Board of Adjustments & Design Review Board**  
**Regular Scheduled Meeting Minutes**  
**January 13, 2015**

**Town Hall, Council Chambers, 551 Hot Springs Boulevard, Pagosa Springs, Colorado 81147**

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**2. Adopt Regular Planning Commission Meeting Schedule for 2015:** LUDC section 2.5.6.A.2: Establishment of Meeting Schedule outlines that "Each board and commission shall also establish a meeting schedule that meets frequently and regularly. All meetings shall be open to the public, and the agenda for each meeting shall be made available in advance. In lieu of a meeting schedule, the Board of Adjustment must convene a meeting within 45 days of receipt by the Director of a completed variance or appeal application." The Commission discussed the best day and time to meet monthly for the current Board members.

**Motion made by Commissioner Maez, seconded by Commissioner Parker, and unanimously carried set the regular Town Planning Commission meetings for the Second and the Fourth Tuesday of each month to be conducted in the Town Hall Council Chambers located at 551 Hot Springs Boulevard, Pagosa Springs, Colorado, with the time change from 5:15 at 5:30 PM.**

**3. Consider LUDC Additions Outlining Application Submittal Requirements for Extensions of Previously Approved Subdivision Sketch Plans and Preliminary Plans and Associated Fees**

**4. Consider Recommendations for Town Council regarding LUDC Revisions Regarding Cargo Shipping Containers and Metal Sided Buildings**

**VII. Design Review Board: None**

**VIII. Public Comment: Opportunity for the public to provide comments and to address the Commission on items not included as an agenda item - none received.**

**IX. Reports and Comments:**  
**A. Town Manager – None.**

**B. Planning Department Report – Planning Department Director Dickhoff provided the following report to the Commission:**

**C. Planning Commission – Discussion was opened for comments and discussion of non-agenda items – none received.**

**D. Upcoming Scheduled Town Meetings are as follows:**



**Town of Pagosa Springs  
Planning Commission, Board of Adjustments & Design Review Board  
Regular Scheduled Meeting Minutes**

**January 13, 2015**

**Town Hall, Council Chambers, 551 Hot Springs Boulevard, Pagosa Springs, Colorado 81147**

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- X. **Adjournment**- Upon motion duly made, the meeting adjourned at 7:20 PM.

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Kathie Lattin, Planning Commission Chair

DRAFT



# AGENDA DOCUMENTATION REPORTS TO COUNCIL: V.2

PAGOSA SPRINGS TOWN COUNCIL

JANUARY 22, 2015

FROM: GREGORY J. SCHULTE, TOWN MANAGER

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**PROJECT: OCTOBER AND NOVEMBER SALES TAX REVENUE REPORT**  
**ACTION: DISCUSSION AND POSSIBLE ACTION**

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## CURRENT MONTH SALES TAX & LODGERS TAX REVENUE

As noted at the mid-month meeting in December, there was no report for the October sales tax as the information was believed to be not correct and the County Finance Department staff was seeking clarification from the State Department of Revenue (DOR). The report for this month will include information for sales tax received in for the months of October and November 2014.

### *October 2014*

For the sales month of October 2014, sales tax collections were down significantly compared to October 2013. In October 2014, the Town collected a total of \$261,673 and in October 2013, the Town collected \$307,778 or a reduction of almost -15% (-14.98%). According to the DOR, a significant portion of the variance was due to collection timing issues and about \$42,000 was received after the timing cutoff. Had that amount been reported before the cutoff, the drop would have been a little more than -8% (-8.24%) compared to October 2013.

### *November 2014*

For the month of November 2014, sales tax collections did increase compared to November 2013, but as robust as in prior singular months. For November 2014, the Town collected in total \$255,427 and in November 2013, we collected \$249,725 or an increase of 2.3%.

Lodgers' tax is covered separately in the report given by Jennie Green, Executive Director of the Town Tourism Commission.

## ANNUAL SALES TAX REVENUE

Reviewing sales tax figures when compared to the same month in the prior year is important but is only part of the picture when trying to discern trends. The other viewpoint is to compare year to date sales tax figures. For the current year, we continue to see an overall increase and year to date in 2014, sales tax revenue is now up **6.56%** or **\$198,982** compared to the same period in 2013 (\$3,230,961 has been collected to date in 2014 and \$3,031,979 for the same period in 2013).

Consistent with prior reports, an analysis is being provided to estimate how sales tax collections are compared to the budgeted amount for 2014. The annual budgeted amount of sales tax for both the General Fund and the Capital Fund is each \$1,687,096. Based upon a 10 year analysis of sales tax collections, it can be estimated what percentage of the whole will occur in each month.

Year to date through November, the Town has received \$1,615,480 for the General Fund. Premised upon the 10 year monthly average, the expectation is the Town should have received about \$1,520,073 based upon the budgeted annual amount of \$1,687,096. The variance is \$95,407 or 6% higher than budget. This information would be true for the Capital Fund as well. For more detail, please see Exhibit A.

**ANALYSIS**

Resolution 2014-01 mandates 2014 expenditure reductions if sales tax revenues decline from the average revenue of the past two years. The application of the Resolution requires a monthly analysis that averages several months/years of revenue, to smooth out the impact of significant swings in sales tax collections:

Application of Resolution 2014-01:

	2012	2013	Avg.	2014	% Change
September	314,825	309,345	312,085	395,609	+ 26.76%
October	298,425	307,778	303,101	261,673	- 13.67%
November	247,850	249,725	248,788	255,427	+ 2.67%

The average sales tax collections over the past two months is positive  $[26.76\% + - 13.67\%]/2 = 6.54\%$ . The average sales tax collections over the past three months is positive  $[26.76\% + - 13.67\% + 2.67\%]/3 = +5.25\%$ . Application of paragraphs 5 and 5(b) of the Council's policy calls for NO reduction of budgeted expenditures.

Note: For every seven percent (7%) reduction in expenditures, \$236,193 must be trimmed from the budget (\$118,097 from the General Fund and \$118,097 from the Capital Improvement Fund).

**ATTACHMENT(S)**

Exhibit A

**RECOMMENDATION**

Informational, no action required.

**Town of Pagosa Springs  
2014 Sales Tax Estimate  
General Fund**

**Exhibit A**

<u>Month</u>	<u>2014 Estimated</u>	<u>2014 Actual</u>	<u>Variance</u>	<u>10 Year Ave. % Collection</u>
January	113,035	123,998	10,963	6.7%
February	107,974	107,180	(794)	6.4%
March	124,845	146,689	21,844	7.4%
April	104,600	108,547	3,947	6.2%
May	123,158	132,826	9,668	7.3%
June	158,587	172,449	13,862	9.4%
July	205,826	189,083	(16,743)	12.2%
August	158,587	178,354	19,767	9.4%
September	160,274	197,804	37,530	9.5%
October	138,342	130,836	(7,506)	8.2%
November	124,845	127,714	2,869	7.4%
December	167,023			9.9%
<b>TOTAL</b>	<b>1,687,096</b>	<b>1,615,480</b>	<b>95,407</b>	<b>100.0%</b>
Est. Jan - Nov 2014:	1,520,073			
Percent Ahead:	6%			



# AGENDA DOCUMENTATION REPORTS TO COUNCIL: V.3

PAGOSA SPRINGS TOWN COUNCIL  
JANUARY 22ND, 2015

JENNIFER GREEN  
DIRECTOR, TOWN TOURISM COMMITTEE

**PROJECT: LODGING TAX UPDATE**  
**ACTION: DISCUSSION AND POSSIBLE ACTION**

## TTC MEETING ACTIVITY

The Town Tourism Committee held its January meeting on Tuesday, January 13th at 4pm at the Visitor Center. The TTC established the 2015 meeting schedule during the January meeting. The TTC meetings will be held on the 2nd Tuesday of each month at 4pm. Locations will be determined, based on availability. The February TTC meeting will be held on Thursday, February 5th at 4pm at the Visitor Center. The February meeting date was changed to accommodate travel schedule to Group Travel show held during the 2nd week.

## 2015 TTC OFFICERS

The Town Tourism Committee elected officers during the January meeting. The following members will serve in 2015:

- Chair: Chirag Patel
- Vice-Chair: County Representative to Tourism Board
- Secretary: Nick Tallent
- Treasurer: Stephen Durham

## TTC FINANCIAL REPORT

Through November, the 2014 lodging tax collections continued to show impressive growth. November 2014 was up 4.05%, or \$1,106, over November 2013, with payments still outstanding. Additionally, November 2014 marked the 12th month in a row with record collections, besting the total received in November 2011. Year to date, lodging tax was up 16.89%, or \$67,662.03. A complete report has been included in the packet for review.

## VISITOR CENTER UPDATE

In 2014, Town Council asked the TTC to begin managing the operations of the visitor center, and was promised a savings over the costs to manage in previous years. Town Council approved \$138,500 for fulfillment and visitor center operations in 2014, of which \$135,351 was spent; additionally, Town received \$7,593.07 in rent from the Chamber of Commerce. In 2013, the Town and County combined spent approximately \$167,000 for Visitor Center Operations and fulfillment services; Town was able to make significant improvements to the property and reduce expenditures by \$31,500. A recap of 2014 Visitor Center operations and various improvements was included in the Council packet for review.

## SOCIAL MEDIA UPDATE

- Facebook - [www.facebook.com/visitpagosasprings](http://www.facebook.com/visitpagosasprings) Facebook: 10,259 fans
- Instagram - [www.instagram.com/visitpagosa](http://www.instagram.com/visitpagosa): 1,183 followers (large increase in followers due to successful takeover of @visit-colorado instagram channel Dec
- Twitter - [www.twitter.com/visitpagosa](http://www.twitter.com/visitpagosa) - 717 followers

**2015 MARKETING PLAN**

The 2015 marketing plan has been approved and implementation has begun. The overview of the plan was included in the Council packet for review. The TTC has a \$330,000 marketing budget in 2015, of which, approximately 280,000 has been allocated. The remaining \$50,000 un-allocated allows for adjustments and additions during the calendar year.

**LEAD COLLECTION (VISITOR GUIDE REQUESTS)**

History of Leads / Visitor Guide Requests by month:

	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
2010	1984	2413	3171	2601	3330	3221	2533	3110	1959	1436	1622	1279	28,659
2011	1443	2255	1657	4255	3684	2092	1945	1789	1518	995	1160	921	23,714
2012	2111	2704	2690	1730	2010	4445	3998	2624	3157	1435	1575	1392	29,871
2013	5322	3281	2658	4357	3626	3537	4372	3040	2791	995	1158	1356	36,491
2014	2,074	2,672	3,857	2,909	2,358	3,118	2,185	1,617	1,498	1,118	1286	783**	25,475

\*\*Reflects decrease from colorado.com lead sources; address field is now optional, only email required. New lead sources added in 2015 to augment leads, along with new email blasts sent to colorado.com leads

**PRESS / MEDIA UPDATES**

Upcoming writers:

- **Jayne Moye** (we will only host if lodging is available, given holiday weekend) -Holiday Weekend: Feb 13th - 16th - one room - 3 nights; Veteran travel writer (Women’s Health Magazine, 5280, The Atlantic, Backpacker, Elevation Outdoors, National Geographic, Outside, Runner’s World)
- **David McKay Wilson**; Tues, February 17th & Wed, 18th - one room, 2 nights; Veteran ski writer on assignment with online magazine, Everett Potter’s Travel Report. <http://www.everettpotter.com/?s=david+mckay+wilson>
- **George Koch** (writer) / **Scott Smith** (photographer) ; 2 rooms, one night - Tues, Feb 17th; On assignment with Ski Canada and Ski Magazine of France, and the road-trip will take in four destinations. The stories will be feature length, so each resort / town will get good exposure.

Event Name	2015 Re-quested (Marketing)	2015 Requested (Infrastructure)	Approved 2015 (Marketing)	Approved 2015 (Infra-structure)
Pagosa Springs Center for the Arts / Thingamajig Theatre - Summer / Winter Season	\$10,000.00	\$0.00	More Info Requested	
Chamber - All Events	\$9,500.00	\$0.00	\$9,500	
Nordic Club	\$6,200.00	\$0.00	\$5,500	
GECKO Athletic Events	\$10,000.00	\$0.00	\$10,000	
MAKERS Tour	\$10,000.00	\$0.00	\$4,000	
Cowboy Fast Draw State Championship		\$4,194.00		\$4,200
Snowmobiling Club - Winter Use Trail Support	\$0.00	\$2,000.00	more info	\$2,000 (additional \$1000 if big winter)
Chimney Rock Interpretive Association	\$7,146.00	\$0.00	\$4,000	
San Juan Historical Museum	\$3,904.00	\$0.00	\$2,000	
Pagosa Multi Purpose Pavillion	\$0.00	\$2,250.00		\$2,500
Four Corners BMW	\$3,000.00	\$0.00	\$1,500	
<b>Total</b>	<b>\$59,750.00</b>	<b>\$8,444.00</b>	<b>\$36,500.00</b>	<b>\$8,700.00</b>

- **Colin Bane** - one room, 2 nights Fri, Mar 13th - Sat, 14th; Veteran travel writer pitching to ESPN.com, Westword, Outside magazine and the Washington Post magazine

Group FAM trips:

- **Japanese FAM** - post Go West Summit - February 14th - 7 tour operators; overnight stay, hosted dinner and hot springs tour
- **German FAM** - post Go West Summit - February 15th - 13 tour operators; lunch, overview of Pagosa and hot springs tour

**2015 EVENT FUNDING ALLOCATIONS**

During the December TTC meeting, the board approved event marketing funds, as recommended by the Events Subcommittee. The events subcommittee conducted interviews with all of the applicants on Thursday, November 13th. Below were the approved allocations:



# Minutes

## Pagosa Springs Town Tourism Committee

Thursday, December 18th, 2014

Quality Resort

4 pm

Meeting called by: Bob Kudelski

Attendees: Voting Members; Larry Fisher, Jim Smith, Bob Kudelski, Stephen Durham, Nick Tal-  
lent, Steve McKain, Matt Sprowls, Criselda Montoya, Chirag Patel

Absences: Matthew Boyle

Non Voting Attendees; Jennifer Green, Greg Schulte, Terri House, Shari Pierce, Mike Pierce

Please review: November Meeting Minutes

Please bring: Agenda, Committee reports

1. Call to Order
2. Determination Of Quorum (6)
3. Approval of Minutes - November
  - a. Stephen Durham motioned to approve the November minutes, Matt Sprowls seconded, all approved
4. Chair Report - Bob Kudelski
  - a. Bob is stepping down as Chair after his term is completed; during the January meeting, TTC Board will elect new officers for 2015
  - b. January TTC meeting will be held on Tuesday, January 13th at 4pm at the Visitor Center
5. Treasurers Report
  - a. Monthly Town Lodging Receipts report - Update
  - b. Current finances

## 6. Subcommittee Reports

### a. Budget – Update provided by Jennie Green

- i. Town Council approved 2015 budget during their December 2nd; final budget TTC budget was included in meeting packets

### b. Fulfillment – Jim Smith

- i. Visitor Guide proposal from Sun; Greg Schulte provided introduction to the discussion; Town received 3-year proposal from the Sun for consideration, which was very similar to the previous contract
- ii. Jim Smith began by explaining the TTC was pleased with the quality of the Sun's visitor guide; Jim Smith asked to discuss the following:
  1. Host online version of the guide on [www.visitpagosasprings.com](http://www.visitpagosasprings.com)
  2. Branding on visitor guide, including logo and URL for tourism
    - a. Criselda Montoya added this should include social media sites as well
  3. Create and ability to distribute lure brochure, with no advertising, small, inexpensive piece that can be mailed first class
    - a. Bob Kudelski asked what would be included in a lure brochure
    - b. Jim Smith explained it was a small annual piece that would assist potential visitors and fill in gaps in the trip planning process
  4. One year contract in order to continue discussions
    - a. CK Patel indicated that a longer contract gives the Sun more stability in planning
    - b. Larry pointed out that a one-year contract would allow Board to make adjustments, if needed
    - c. Stephen indicated that with a new board in 2015, a one-year contract allow the new Board input for the future
- iii. Criselda Montoya agreed with a lure piece; Wyndham distributes 15,000 seasonal guides, but they would also appreciate an annual piece
  1. CK agreed with production of lure brochure; he also indicated recent change with [colorado.com](http://colorado.com) that does not require address fields in lead requests

- iv. Greg Schulte asked representatives with the Sun to speak
  - 1. Terri House explained Jim and Jennie met with the Sun in May and felt they were interested at that time in proceeding in same manner with guides in 2015; meeting was to discuss creation of lure piece to be hosted on [visitpagosasprings.com](http://visitpagosasprings.com)
    - a. David Mitchem agreed to work towards a tax credit with Region 9; he resigned the following week
    - b. Terri was able to negotiate tax credit directly with Region 9
  - 2. Terri indicated that 7 years ago the TTC had a lure piece and the TTC Board chose to discontinue lure piece and approached the Sun about enhancing their guide; Jim indicated that he was on the Board 7 years ago when the TTC approached the Sun to create a guide to replace the TTC's previous lure piece
    - a. Larry Fisher said that the Sun guide is heavy and difficult to distribute at trade shows; citing the Chicago show in Jan 2014
    - b. Bob Kudelski asked if lure guide would be heavy on photos; Jim Smith suggested it would be a combination of photos / activities with detailed lists of activities, restaurants, outfitters, etc; Jim also pointed out that the lure piece could be mailed first class
    - c. Shari Pierce asked if we would still distribute same number of visitor guides, with the addition of the lure piece
      - i. Jim indicated that a one-year agreement would be helpful in order to determine quantities needed
  - 3. Greg Schulte explained to the Sun that TTC was an advisory body to Town Council and felt it was appropriate for the TTC to review and make recommendations to Council
    - a. Terri expressed concerns with lure brochure; she feels that with businesses listings, it is commercial, even without advertising; businesses may not choose to advertise in visitor guide since they are listed in lure piece at no cost; a lure brochure would hurt their ad sales; Terri explained that including the lodging directory in the visitor guide had impacted them, as some lodgers have chosen not to advertise because they get a free listing

- b. Terri also expressed concern with the lure piece being mailed out, given the Sun's guide was supposed to be the single fulfillment piece sent to all visitors; mailing out a different guide would change their distribution and would impact advertising sales
  - c. Group discussed potential content in lure piece, expressing concerns with listing businesses, since businesses change frequently; discussed just highlighting various activities, versus listing businesses separately; Jim Smith said the group would discuss content of lure piece in greater detail at a later date
  - d. Jim Smith indicated that as a business, you have to advertise to stand out; Bob Kudelski said that he would not stop advertising in Sun guide just because his business was listed in the lodging chart
  - e. Terri indicated that since they own the content, they want to host it on their website
    - i. Jim indicated that the guide being hosted on [www.visitpagosasprings.com](http://www.visitpagosasprings.com) would multiply distribution of the guide
    - ii. Terri indicated that one of the benefits to Pagosa Sun with the current arrangement was hosting it directly on their website, as it provides more traffic to their website
    - iii. Terri would like to continue to host the guide on [www.pagosahun.com](http://www.pagosahun.com); type services will be new digital platform
    - iv. Stephen asked why it would harm [www.pagosahun.com](http://www.pagosahun.com) for the guide to be hosted on additional sites; Terri explained that the Sun planned to sell advertising on the page that displays the online guide and if the TTC hosted it on [www.visitpagosasprings.com](http://www.visitpagosasprings.com), it would harm their efforts in adding this new advertising opportunity
    - v. Stephen Durham pointed out that the TTC goal is to increase tourism, not increase ad sales for the Sun
4. Bob Kudelski asked about branding; Terri indicated that they would be willing to include TTC branding; she explained that at one time they had the logo on the guide, but it clashed with the cover image and it was discontinued

5. Bob Kudelski asked about length of contract; Terri said there was a clause for either party discontinue guide given notice within 185+ days in advance
  - a. Greg explained that the Sun should not have made assumptions based on discussions in May, given that there is a new TTC Board
  - b. Jim expressed that he wanted to continue to work with the Sun, he just hopes to make some adjustments to give the TTC more flexibility in reaching potential visitors during the vacation planning process
- v. Greg Schulte provided a recap for the group, based on the discussions:
  1. Two year contract, versus 3 year
  2. Branding / URL would be included
  3. Online hosting discussions to continue
  4. Creation of the lure piece
- vi. Bob Kudelski motioned to authorize town staff to negotiate regarding contract term, online hosting, branding and development of a lure piece, Jim Smith seconded; all in favor
- c. Marketing - Chirag Patel
  - i. Meeting scheduled for Tuesday, December 23rd at 3pm to review new wireframes for responsive site design and discuss PR agency
- d. Events & Events Infrastructure - Larry Fisher
  - i. Recommended 2015 Event Marketing and Infrastructure Funding Allocations
    1. Jennie provided an overview of funding allocations and reminded the group that they had requested additional financial information from the Pagosa Springs Center for the Arts / Thingamajig Theatre and had not yet determined a recommended allocation
      - a. Group began discussing Pagosa Springs Center for the Arts funding allocation and provided financial information; concerns were mentioned regarding for profit versus non profit aspect of business
    2. CK Patel motioned to allocate \$2,500 in 2015, Bob seconded; discussion continued regarding for profit versus non-profit; Larry expressed concerns with lack of clarity between

- a. Four voted in favor, Four voted against, one abstained
  - 3. Criselda Montoya motioned to allocate \$10,000, Nick Tallent seconded, two voted in favor, 7 voted against
  - 4. Bob Kudelski motioned to approve \$2,500 for Pagosa Springs Center for the Arts, Stephen Durham seconded, Five voted in favor, 4 voted against
  - ii. Bob Kudelski motioned to approve all recommended funding allocations, Larry Fisher seconded, all approved
  - e. Special Projects – Jim Smith
    - i. Jim will bring ideas to group in January for discussion
  - f. Wayfinding and Signage – Steve McKain
    - i. No update
  - g. Visitor Center subcommittee
    - i. Meeting proposed for January 13th, 2015 at 3pm at Visitor Center, in advance of January meeting
- 7. TTC Director Report – Jennie Green
  - a. No additional report, given lengthy discussion during meeting; no one had any questions
- 8. Old Business
  - a. None
- 9. New Business
  - a. Public Comment
    - i. None
  - b. Any other new business to come before the Committee
    - i. None
- 10. Adjournment
  - a. Larry Fisher motioned to adjourn, Matt Sprowls seconded, all approved



# Draft Minutes

## Pagosa Springs Town Tourism Committee

Tuesday, January 13th, 2015

Pagosa Springs Visitor Center

4 pm

Meeting called by: Bob Kudelski

Attendees: Voting Members; Larry Fisher, Stephen Durham, Nick Tallent, Steve McKain, Criselda Montoya, Chirag Patel

Absences: Matt Sprowls, Bob Kudelski, Jim Smith

Non Voting Attendees; Jennifer Green, Greg Schulte, RA Burrell, Steve Wadley

Please review: December Meeting Minutes

Please bring: Agenda, Committee reports

1. Call to Order
2. Determination Of Quorum (5)
3. Approval of Minutes - December
  - a. Nick Tallent motioned to approve the December minutes, Stephen Durham seconded, all approved
4. Election of 2015 Officers
  - a. Chairman - Larry Fisher nominated CK Patel, Nick Tallent seconded, all approved
  - b. Vice Chair - CK Patel nominated the county representative to the TTC as vice chair, Larry Fisher seconded, all approved
  - c. Secretary - CK Patel nominated Nick Tallent, Criselda Montoya seconded, all approved

- d. Treasurer – Larry Fisher nominated Stephen Durham, Nick Tallent seconded, all approved

## 5. Chair Report – CK Patel

### a. Determine 2015 Meeting Schedule

- i. 2nd Tuesday of each month at 4pm, locations to be determined each month
- ii. Jennie Green pointed out that the February meeting should be rescheduled, given that she and CK would be attending the Go West Summit in Colorado Springs. Group scheduled the February meeting for Feb 5th at 4pm at the Visitor Center.

## 6. Treasurers Report

### a. Monthly Town Lodging Receipts report – Update

- i. November 2014 was the strongest November on record, and with a few payments still outstanding, reflected a 4% increase over November 2013. November collections also exceeded the previous record set in November 2011, with marks 12 months in a row with record collections.
- ii. Year to date, lodging tax collections are up 16.89%

### b. Current finances

- i. Bills are being processed and paid

## 7. Subcommittee Reports

### a. Budget – Update provided by Jennie Green

#### i. 2014 Recap

1. Revenues in 2014 were \$58,160 up over projected revenue; all except approximately \$1,500 of the increased marketing budget was expended in 2014.
2. The one budget item that was underspent significantly was Wayfinding and Signage; planned landscaping at the entrance signs was not completed due to extremely high estimates solicited during the RFP process; landscaping was placed on hold until Spring of 2015

### b. Fulfillment – Jim Smith

- i. Development of Lure Piece / Travel Planner

1. Jennie provided an overview of the new lure piece / travel planner. Discussions with the Sun were extremely positive. The Sun's visitor guide will be the only visitor guide distributed through the visitor center, area businesses and regional visitor centers. The new lure piece will be mailed first class and will include no advertising.
2. The new piece is in development – RFP has been sent out, staff is working on content and photos are being collected from photographers in the community; TTC Director aims to have all content ready to provide to vendor, once vendor has been selected, with the goal of having a product available by the end of March

c. Marketing – Chirag Patel

i. 2015 Marketing Plan

ii. Jennie Green introduced RA Burrell with Tourism Intelligence Group

1. Works with 80 destinations, including Colorado tourism office and many destinations across Colorado
  2. TIG focuses on the planning and implementation; tax collections are result
  3. Growth rate of accumulating data for Pagosa Springs is in the top 10% of the rocky mountain region – TIG wants to better understand why Pagosa is seeing large growth, compared to other locations
  4. Data collection is an aggregate look at social media, website traffic, search, etc – data reviewed based on our peers
  5. For continued growth, budget is the first aspect – an increasing marketing budget; politics is 2nd – camaraderie, teamwork is critical towards ongoing success
  6. Continued product evolution is essential – for example, what do we offer the non skier
1. Steve Wadley pointed out that the town and county work well together and are moving together to promote tourism

iii. Group Travel – upcoming conferences

1. CK Patel explained that with the increased marketing budget in 2015, we are doing more of what has been working, plus adding new pieces – group travel new area of focus for 2015
2. RA Burrell asked how group sales would be handled and asked if TTC had considered the direct model, utilized effectively in Bend, OR – explaining that the lodging properties followed up directly with leads
  - a. Jennie Green explained that leads will be handled initially through the TTC, while working closely with lodging properties; we hoped that properties will take a stronger role in following up on leads, but we will likely need to show some success before we will get all properties to feel group sales is worth their time

iv. DMAI Membership and conference attendance

1. Jennie Green provided overview of industry consortium, Destination Marketing Association International – becoming a member of DMAI will provide Pagosa with ROI tools for economic impact of events, best practices, structure and governance
  - a. CK Patel asked if anyone had any questions; he explained that as the TTC's budget grows, we need to become members of organizations like DMAI in order to continue to stay on top of industry trends and take advantage of knowledge share with other destinations
  - b. Group agreed to become a member of DMAI
2. Jennie Green sought approval to attend a Marketing Innovation Summit in San Francisco in mid April, hosted by DMAI
  - a. Group all agreed attending the summit would be useful

d. Events & Events Infrastructure – Larry Fisher

- i. no update – meeting will be scheduled in next few months to review unallocated funds for 2015 and determine whether to open up a new round of funding requests or explore ways for TTC to market 2015 events on behalf of event organizers

e. Special Projects – Jim Smith

- i. No update

f. Wayfinding and Signage – Steve McKain

- i. Visitor Center / Hot Springs Sign
- ii. 2015 focus – signage at Piedra Rd, landscaping for entry signs, 125th Anniversary street banners for 2016 and Chimney Rock directional signs

g. Visitor Center subcommittee

- i. Overview of Visitor Information Program 2014 Implementation and budget
  - 1. CK Patel provided overview, based on summary provided by TTC Director in meeting packet; over \$30,500 was saved in visitor center operations compared to 2013 expenses; CK explained that the savings were experienced, even after many improvements made to the lobby, technology added, etc.

h. Tax Compliance – Jennie Green

- i. 2015 Plan and Contract
  - 1. Jennie Green reviewed the contract and proposal that Erin Neer with MuniRevs (formerly Sweet Books, LLC) provided in advance of the meeting
  - 2. Erin and her team will review vrbo.com and homeaway.com to build a database of vacation rentals; they will begin contacting property owners to explain how to become compliant and why they should be compliant

8. TTC Director Report – Jennie Green

- a. TTC Director asked if there were any questions from the report; Jennie had provided many updates throughout the meeting

i. No questions

9. Old Business

- a. None

10. New Business

- a. Public Comment
- b. Any other new business to come before the Committee
  - i. CK Patel asked the group to pursue new ideas in order to ensure approved capital expenditures were spent during the calendar year

## 11. Adjournment

- a. Larry Fisher motioned to adjourn, Stephen Durham seconded, all approved

# 2015 Marketing Plan



## 2015 programs

- More than 20 million impressions, not including print ads or trade shows
- Ad Concepts leveraging “Refreshingly Authentic” Brand:
  - Discover Colorado’s Secret
  - Choose your Own Adventure



PAGOSA  
SPRINGS  
COLORADO

# Audiences

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# Target Audiences

- Active / Outdoor Recreation Audience
- Leisure Travel / Colorado Enthusiasts
- Arts & Culture travel
- Groups / Meetings

---

# Target Markets

- Dallas / Texas
- Northern New Mexico
- Front Range
- AZ, CA, CO, NM, OK, TX targeted through banner ads
- Colorado.com reach

# Annual Promotions





## Annual Promotions

- Colorado Official State Vacation Guide
- 30-second video rotation at Cortez, Alamosa, Fruita, Trinidad and Lamar State Welcome Centers
- Colorado welcome lead program
- Go-colorado.com lead program



# Rocky Park Trips Publication

- Opportunity: Ad in Trip Planner mailed to 20,000 direct requests; inclusion in SW CO trip content to promote Chimney Rock to National Park audience; newsletter promotion
- Audience: 2,500 leads from those specifically asking about Pagosa Springs
- Cost: \$2,500



Pagosa Springs, Colorado  
Adventure in our own backyard

Cruise down the majestic San Juan Mountains, explore millions of acres of national forest and subterranean caves and volcanic trails, or rejuvenate in one of our famous hot springs. It's all in your backyard in southwest Colorado at the base of the Continental Divide. Pagosa Springs is one of the state's last unspoiled natural gems - a gem for our amazing hot springs, abundant sunshine, and unobstructed views. Pagosa Springs is the perfect spot to help get away.

Whether you hope to relax, reconnect, or recharge, Pagosa has something for everyone. With the world's largest geothermal hot springs located in downtown Pagosa, more than 30 points of varying temperatures, endless outdoor activities, nearby Chimney Rock National Monument, and our surrounding natural "playground," come find your adventure in southwest Colorado. With endless adventures awaiting each season, there's always something new to discover.

FOR MORE INFORMATION  
CALL 800-451-9820  
OR VISIT US ONLINE AT  
WWW.PAGOSASPRINGS.COM

Remember those  
choose your own  
adventure books?  
So do we.

Imagine you have over 1,000 miles worth of  
adventure to play in. You can hike through the  
ropes, hike near mountains that you can't  
take a hike of anywhere in one of our famous  
hot springs. It's up to you and  
it's all here in Pagosa Springs.

Discover Colorado's heart at  
[www.pagosasprings.com](http://www.pagosasprings.com)

PAGOSA  
SPRINGS  
COLORADO

# Brand Channel on colorado.com

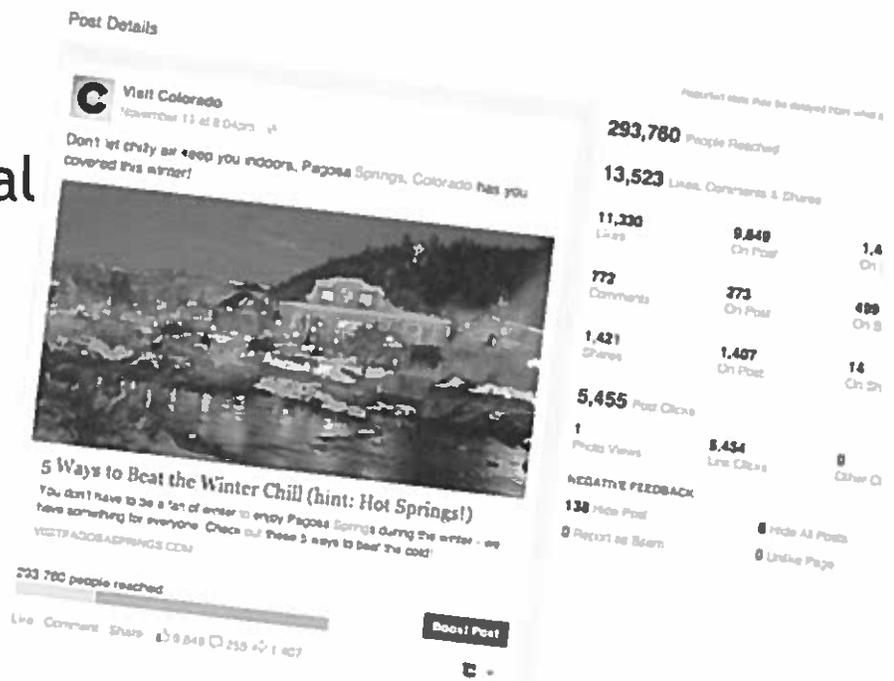


- Homepage promotion plus additional exposure on select pages internally
- Link to five pieces of content developed specifically for this Brand Channel (One overview video, one special interest video, and three articles)
- Miles will work to promote the Pagosa Springs Brand Channel by utilizing open inventory on Colorado.com and on the monthly email program in 2015.
- “House banner ad” that will rotate in any open inventory throughout colorado.com and in any open inventory on the monthly email



# Paid Social / Search

- Opportunity: Target specific interests / locations via paid social / search; partnerships with CTO and others
- Audience: Varies by campaign
- Cost: \$1,000 - \$2,000 per campaign



# Seasonal Promotions

# Colorado eNewsletter Ads

- **Opportunity:** Featured Content Ads , Small Rectangle
- **Audience:**
  - In State: Denver, CO Springs
  - Out of State: TX, NM, CA, IL
- **Cost:**
  - In State: \$600
  - Out of State: \$1,200
- **Dates:**
  - In State: Feb, May, June, Sept
  - Out of State: June, Sept



**PAGOSA**  
SPRINGS  
COLORADO

# Colorado Custom Email Blasts

- Opportunity: 100% message
- Audience:
  - In State: 28,000
  - Out of State: 280,000
- Cost:
  - In State: \$1,500
  - Out of State: \$7,000
- Dates:
  - In State: March, November
  - Out of State: March

## COLORADO MONTHLY CUSTOM EMAIL BLASTS

100% SHARE OF VOICE

» MONTHLY IN STATE & OUT OF STATE CUSTOM EMAILS

Receive 100% exposure of subscribers in your zipcodes in our custom email program. Submit photos, copy and call to action and we'll send your message out to our entire database. (Provided all inquiries to your site)

IN STATE  
OPT-IN DATABASE\*

**28,000**

FREQUENCY

Monthly

OUT OF STATE  
OPT-IN DATABASE\*

**280,000**

FREQUENCY

Monthly

» RATES

	Quantity Available	Rate per Month
In State	1	\$1,500
Out of State	2	\$7,000

» DATES

IN STATE

	2017	2018	2019	2020	2021	2022	2023	2024
Available	01	01	01	01	01	01	01	01
Available	02	02	02	02	02	02	02	02
Available	03	03	03	03	03	03	03	03
Available	04	04	04	04	04	04	04	04
Available	05	05	05	05	05	05	05	05
Available	06	06	06	06	06	06	06	06
Available	07	07	07	07	07	07	07	07
Available	08	08	08	08	08	08	08	08
Available	09	09	09	09	09	09	09	09
Available	10	10	10	10	10	10	10	10
Available	11	11	11	11	11	11	11	11
Available	12	12	12	12	12	12	12	12

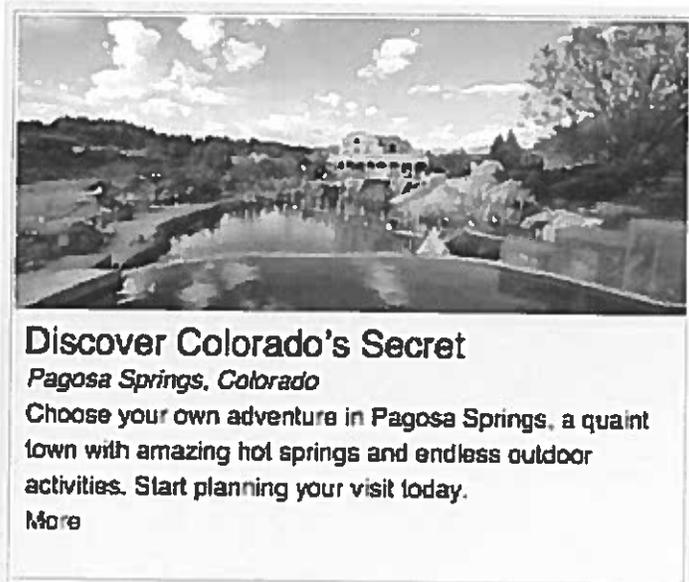
OUT OF STATE

	2017	2018	2019	2020	2021	2022	2023	2024
Available	01	01	01	01	01	01	01	01
Available	02	02	02	02	02	02	02	02
Available	03	03	03	03	03	03	03	03
Available	04	04	04	04	04	04	04	04
Available	05	05	05	05	05	05	05	05
Available	06	06	06	06	06	06	06	06
Available	07	07	07	07	07	07	07	07
Available	08	08	08	08	08	08	08	08
Available	09	09	09	09	09	09	09	09
Available	10	10	10	10	10	10	10	10
Available	11	11	11	11	11	11	11	11
Available	12	12	12	12	12	12	12	12

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## Colorado banner ads



- Opportunity: Banner Ad program on colorado.com
  - Formatted text banners
- Audience: 833,000 guaranteed impressions, plus average 50% bonus impressions based on remnants; banner ads will only be seen by users in TX, NM, AZ, OK & CA
- Cost: \$15,000
- Dates: January 1st - December 31st



## Pandora Ads

- Opportunity: Banner Ad plus 30 second audio ad
- Audience: 192,000 impressions in targeted audience (for example - Houston, Dallas, Northern NM)
  - Albuquerque DMA - 120,840 monthly listeners, average 2 hrs 27 Mins; 77,346 listeners via mobile and 40,708 via web
- Cost: \$2,500 per flight
- Dates: TBD



PAGOSA  
SPRINGS  
COLORADO

# Texas Monthly Digital Campaign



- **Opportunity:**
  - March Mobile (300x250 & 300x50) - 100,000 impressions
  - The LIST - ROS, Emails, Twitter, ETC - 450,000 impressions
    - April, May, June
  - Trip Planner Email Blast - 28,000 recipients
    - June, July, September, October
  - ROS (300x600 & 970x66) - 150,000 impressions
    - August, October
- **Audience:**
  - Affluent Texans, highly educated, 48% own 2nd homes
- **Cost:**
  - \$12,000
- **Dates:**
  - March - October



# AARP Print & Digital Campaign

- **Opportunity:**
  - Southwestern Getaways Travel Co-op
  - Over 22 million readers, Texas 50-69 - reaches 805,000 households
  - Pagosa Springs will be placed under Select Destinations on AARP.org with logo, URL, and copy for a 6 month schedule to generate traffic to website
  - 200,000 free digital impressions
  - Reader service listing in all 22 million AARP Households nationwide plus online at AARP.org to generate leads from 37 million AARP Members nationwide.
    - An average of 3,000 leads per issue
- **Audience:**
  - SW US - TX, OK, NM, AZ, etc
- **Cost:**
  - \$10,000
- **Dates:**
  - April / May & Oct / Nov



**An EXPENSIVE, TARGETED ADVERTISING OPPORTUNITY TO REACH THE LARGEST AND MOST POWERFUL GROUP OF TRAVELERS IN AMERICA**

- Adults 50+ will grow from 80 million to 100 million in the next 10 years
- The 50+ market's spending on domestic travel has increased 29% in the past 5 years, compared to 16-49 year olds which has declined a total average of -12%

Source: AARP Fall 2011 based on 50+

**Circulation:**

- 794,000 Baby Boomer Households
- Ages 50-69 Texas AARP Members

Rates	1/8 page ad space
Apr/May	\$5,149
Oct/Nov	\$5,149
<b>Buy Both and Save</b>	<b>\$10,000 for both</b>

• 1/1 and 1/2 page ads are also available

**BONUS:**

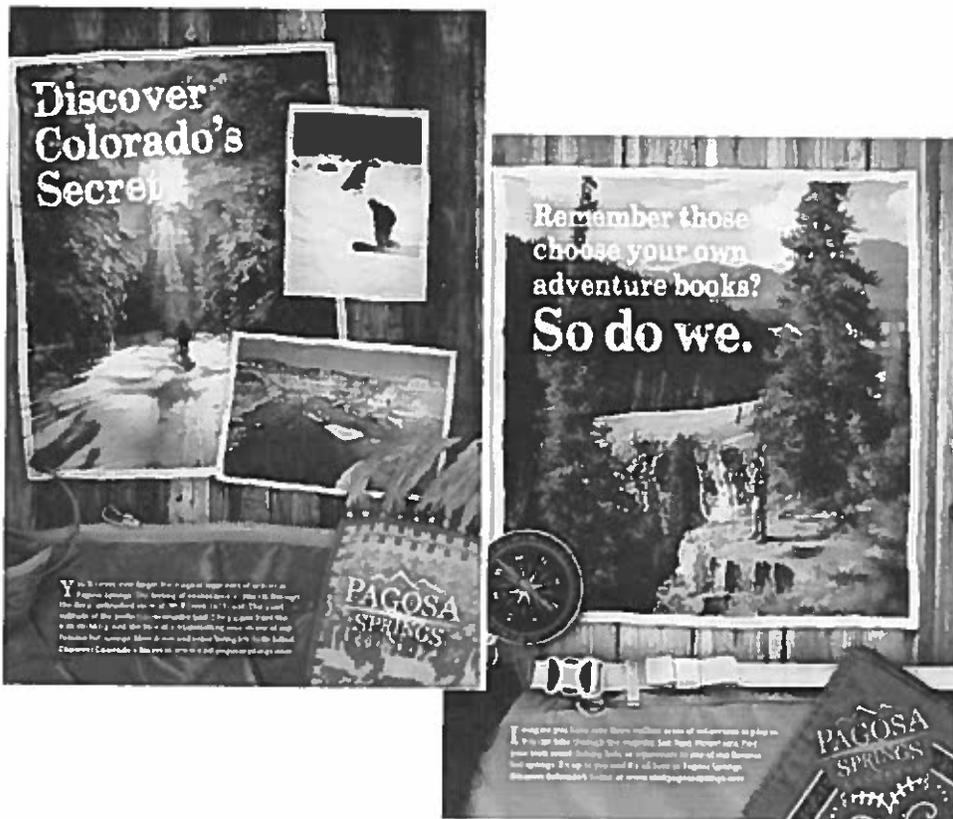
- Reader service listing in all 22 million AARP Households nationwide plus online at AARP.org to generate leads from 37 million AARP Members nationwide
  - **An average of 3,000 leads per issue!**
- 100,000 free digital impressions on AARP.org to drive traffic to your website

**Demographics:**

Male/Female: 41.8%/58.2%  
 Median net worth: \$67,170  
 College Educated: 64%  
 Internet Access: 88%



# Colorado Summer & Winter Lifestyle Guide(s)



- Opportunity: Direct mail summer & Winter “lure” guide by Colorado
- Audience: 57,000 mailed in April (summer) and 65,000 in September (winter).
- Cost: \$1,550 each
- Dates: March - December

**PAGOSA**  
**SPRINGS**  
COLORADO

# CTO Co-Op: Madden Multimedia

- **Opportunity:** Circulation of **965,000** in Colorado's key markets

- Distribution in Arizona, California, Illinois, Kansas, Minnesota, Missouri, New Mexico, and Texas

- **Audience:**

- Newspaper Insert: 965,000
- Vacation.Com Listing: 25,000
- Campaign Launch eBLAST: 25,000
- eZine: 25,000
- SEM: 300,000\*
- Lead Delivery: 5,500+ per advertiser\*
- Orbitz.com Banner Ads: 500,000 impressions
- AAA Mailing: 207 locations in targeted markets

- **Cost:** \$3,500

- **Dates:** April 28<sup>th</sup> - September 4<sup>th</sup>

Arizona Republic	101,000
LA Times	80,000
Chicago Sun-Times	95,000
Chicago Suburban Papers	50,000
Kansas City Star	88,000
Minneapolis Star Tribune	88,000
St. Louis Post Dispatch	50,000
Albuquerque Journal	98,000
Austin American Statesman	119,000
Dallas Morning News	99,000
Houston Chronicle	57,000
San Antonio Express-News	40,000



# 5280 Magazine / Online

- **Opportunity:** Summer Travel Issue in key Front Range Colorado Publication

- **PRINT:**

- One (1) Full Pages ad in 5280 Magazine: June Summer Guide

- **ONLINE:**

- One (1) Traveler newsletter: Exclusive promotions from 5280's travel partners (One client/newsletter)
- 6,100 subscribers, 37% open rate

- **Added Value:**

- Two (2) Steals and Deals newsletters
- 35,000 ROS Impressions on 5280.com
- Three (3) Sponsored Links on 5280.com newsletters

- **Audience:** Strong front-range Colorado audience, with 48,000 subscribers, 32,000 newsstand, 5,000 Hotel and Waiting Room Copies. The average household income \$166,175; 87% of readers find 5280 helpful when choosing hotels/resorts.

- **Cost:** \$5500 (Total Campaign Value: \$13,520)

- **Dates:** June / July



PAGOSA  
SPRINGS  
COLORADO

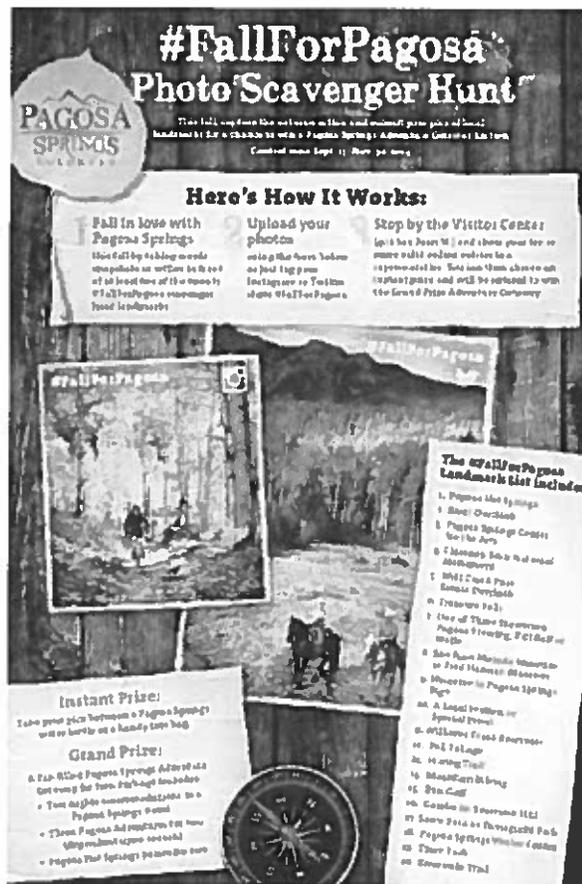
# Colorado Mailing Label Sponsorship



- Opportunity: 100% exposure with ad on mailing label
- Audience: Recipients of State Vacation Guide
- Cost: TBD (full page each month)
- Dates: TBD



# Press & Media Relations



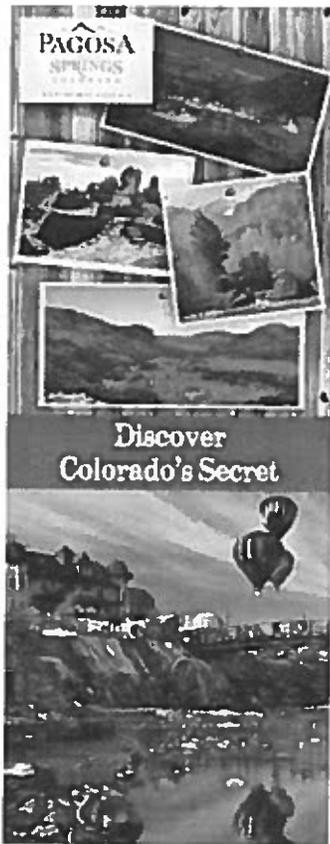
- Press Releases throughout year
- Development of new Press Kit
- Hosted media writers (15-20 during year)
- #hashtag social media campaign
- Summer scavenger hunt
- Denver Media Reception
- SW CO Media FAM (partnership with Durango and Cortez)
- Media Pitches



# Group Travel / International



# Group Travel Trade Shows



- NTA - New Orleans
  - Tour Operators based in US
  - 25 one on one meetings / networking
- Go West Summit - Colorado Springs
  - International Tour Operators that focus on Western US
  - 40 one on one meetings / networking
- IPW - Orlando
  - Partner with Colorado Tourism Office for presence in CO booth
  - One on one meetings, leverage CTO partnership





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Questions?

Jennifer Green

[sales@visitpagosasprings.com](mailto:sales@visitpagosasprings.com)

970-903-9728





## Overview of 2014 Visitor Center

### Enhancements / Additions:

- Staff visible in lobby during open hours
- Phone rings directly in visitor center lobby
- Painted lobby interior
- Water Bottle Refill Station
- Giving away bags and water bottles (branded)
- Children's play corner with puzzle, chalkboard
- Pagosa Springs Kid's activity books and branded crayon packs as giveaways to children
- Door counters
- Touchscreen sign in form (linked directly to marketing analytics)
- Video Loop on smart TV
- Touch screen information "kiosk" (2nd all in one PC in storage; will be in place in few weeks)
- Improved organization of brochures / layout
- New rugs / mats
- Mop sink for cleaning ease
- Upgraded Hiking / Driving brochures distributed via visitor center and area businesses
- New Reservoir Hill brochures distributed via visitor center and area businesses
- Volunteer laptop to aid in assisting in project, reference information for visitors
- Keurig Coffee Maker with coffee available for volunteers
- ADA Compliant restroom
- Plumbing and electrical work
- Replaced broken plastic brochure holders
- Exit Signs
- Recycling Bins

### Business Tours for Volunteers:

- July - Brewery Tour (Riff Raff, Pagosa Brewing, Wolfe), Choke Cherry Tree, Pagosa Springs Center for the Arts
- August - RV Tour - Cool Pines RV Park, Mountains Landing Suites & RV Park, Piedra River Resort, Bruce Spruce Ranch, Elk Meadows River Resort, Pagosa Riverside CG, Wolf Creek Run Motor Coach Resort, Healing Waters RV Sites and Cabins; Picnic Lunch from Pagosa Baking Company
- September - Eastside / Downtown Lodging Properties (High Country Lodge, First Inn, San Juan Motel, ElkWood Manor, Fireside, Pinewood, Quality Inn, Skyview) - pizza lunch
- September - Uptown / Westside Lodging Property Tour (Quality Resort, Mtn Landing, Alpine Inn, Econo Lodge, PS Inn & Suites) - pizza lunch
- October - Tour of First Crush, Side Street Sushi, Alley House, Farragos, hot springs / lodging tours (Healing Waters, Springs Resort, Overlook)

### Appreciation Dinners / Parties (volunteers and guests):

- June - Pizza party at Visitor Center
- August - Dinner for volunteers and guest at the View Restaurant
- October - Dinner catered by Farragos

- November - Visitor Center Holiday Decorating Party
- December - Holiday Celebration

Budget Recap:

- Town Council approved \$138,500 for fulfillment and visitor center operations in 2014, of which only \$133,000 was spent; additionally, Town received \$7,593.07 in rent
- In 2013, the Town and County combined spent approximately \$167,000 for Visitor Center Operations and fulfillment services; Town was able to make significant improvements to the property and reduce expenditures by \$31,500



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL, JANUARY 22, 2015

FROM: ZACH RICHARDSON, TOWN BUILDING OFFICIAL

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**PROJECT: BUILDING DEPARTMENT REPORT**

**ACTION: UPDATE AND DISCUSSION**

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### BUILDERS COMMITTEE UPDATE

The Builders' Committee for Pagosa Springs and Archuleta County began nearly twenty years ago. A group of local builders began meeting regularly to discuss common issues and generate solutions. As an advisory committee, the builders present information and facts to the Town and County for improved processes that benefit the entire community.

The Building Department actively works with the Builders' Committee on building code updates. To date, we have completed the review of all the updates of the 2009 through 2015 International Residential Code (IRC). The Committee is now preparing to review the updates and revisions of the International Building Code (IBC).

The Builders' Committee is currently working toward recommending a uniform contractor licensing, where the requirements would be the same for both the Town and County.

The Builders' Committee meets weekly on Wednesday in the Town Hall conference room. The meeting begins at 3:00 PM and usually last two hours. The meetings are open to all contractors and the general public.

### END OF YEAR BUILDING PERMIT REPORT

The Associate Planner and Permit Tech Margaret Gallegos has updated the annual building permit summary, the information will be provided in the February report.

### WALMART

Walmart has completed all structural portions of their building project. The mechanical and fire sprinkler systems are nearly complete. Also, the refrigeration coolers are nearing completion. All interior partition walls are built and the drywall finish and painting stages are in process. Overall, the project is moving ahead of schedule from their estimate when they actually started construction and are looking to get a temporary Certificate of Occupancy (TCO) on February 16. The TCO would allow them to not open but start setting up parts of the store in stages as they complete other items to the project.

### STAFF VACATIONS AND TRAINING

Zach will be taking his vacation from January 28 to February 11. Scott Frost will be covering inspections while he is away. Margaret will be taking vacation from February 9 to February 18. James Dickhoff will be filling in for her.

Zach will be attending Fire Code and Mechanical Code training sessions in Denver and Bayfield.

### **VIOLATIONS**

The Department officially began working with the Town's Legal Prosecutor Brett VanWinkle and Town attorney Bob Cole to strategize on how to successfully deal with outstanding violations of the Municipal Code and Land Use and Development Code.

### **CITY WORKS**

The CityWorks Building permitting set-up is nearly complete. The County and Town will participate in approximately 8 hours of training with Kyle Tjelmeland, GIS & CityWorks Coordinator for PAWSD. Following the training, a one-to-two week period will be open for users to practice data entry in the test version. It is anticipated that training will be complete in late January, testing in February and ready to "go-live" in March. Future CityWorks permitting programming will include demolition permits, road-cut permits, business license applications, land use and development permits, and sign permits. Following the permitting modules creation and implementation, the next step is creating the asset management module for tracking all town building, fleet and infrastructure assets.

### **MECHANICAL CONTRACTOR TRAINING**

The Town Building Department is working with the County to provide a training seminar to train local residential mechanical contractors and Town and County Building Department staff members.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
JANUARY 22, 2015

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**FROM: SHANE LUCERO, COMMUNITY CENTER DIRECTOR**

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**PROJECT: COMMUNITY CENTER UPDATES**

**ACTION: UPDATE AND DISCUSSION**

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### UPCOMING EVENTS

Friday, January 13<sup>th</sup>, RACC and the Chamber of Commerce will collaborate to host the Chilly Bowl from 5-7pm in the Multi-Purpose room. All proceeds from the event go to local food banks.

Friday, January 20<sup>th</sup>, RACC will be hosting a dance from 7-11pm. Local band, Los Mitotitos will be playing. They play a combination of classic rock, country, and Spanish music. Admission is \$10 for anyone 10 years old and older, 10 years of age and under will be free.

The Chamber of Commerce will be having their annual meeting "A Jazzy Meeting with the Pagosa Chamber" on January 24<sup>th</sup>.

### CENTER UPDATES

RACC is currently offering 14 programs free to the community.

Beginning and intermediate commuter classes as well as Iyengar Yoga are new classes that have started in January. Iyengar yoga will be held from 6-7:30pm Tuesday and Thursday and from 10-11:30am on Saturdays which gives an opportunity for more people the opportunity to take advantage of our center and free classes.

RACC has started a monthly newsletter that will tell about our center, events, and programs that we offer here with the intention of gaining more interest and use of the RACC.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
Jan. 22, 2015

**FROM: DENNIS FORD, MAINTENANCE SUPERVISOR**

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**PROJECT: MAINTENANCE DEPARTMENT REPORT**  
**ACTION: UPDATE AND DISCUSSION**

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### MAINTENANCE UPDATE

The maintenance department has been plowing and shoveling during our recent storms. Staff is currently replacing all damaged ceiling tiles in community center and keeping up with daily tasks. Staff is assisting the rec department with the possible replacement of the gym floor.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
JANUARY 22, 2015

**FROM: CANDACE DZIELAK, COURT ADMINISTRATOR**

**PROJECT: MUNICIPAL COURT DEPARTMENT REPORT**  
**ACTION: UPDATE**

**IN-COURT ACTIVITY UPDATE AND SUPERVISION CASELOAD UPDATE**

**COURT SESSIONS** ~ Six (6) court sessions were conducted in November/December, 2014.

Pagosa Springs Municipal Court November/December 2014 Offender Characteristics				Pagosa Springs Municipal Court Current Supervision Caseload December 19, 2014		
Total Offenders Docketed	75				Total	% of Caseload
Traffic	31			Cases Under Supervision	61	—
Adults	25			Juveniles	20	33.90%
Juveniles	6			Adults	41	66.10%
Criminal	43			Males	34	54.24%
Adults	30			Females	27	45.76%
Juveniles	13					

**COMMUNITY YOUTH TASK FORCE (CYTF) UPDATE**

- One (1) meeting of the CYTF was conducted. The Task Force staffed two male youth for the charge of theft. Five (5) community volunteers participated in the staffings.

**CONTINUING EDUCATION UPDATE**

- Court Clerk, Kay Castolenia, will initiate her online training with Colorado Notary Services (CNS) when time allows.

**COMMUNITY AND REGIONAL COLLABORATION UPDATE**

- November 19<sup>th</sup>/December 17<sup>th</sup>, 2014~The Court Administrator attended the monthly Child Protection Team (CPT) staffings facilitated by the Archuleta County Department of Human Services.
- December 12, 2014 ~ The Court Administrator attended the first Student Attendance Review Board (SARB) of the 2014-2015 school year. The Board staffed a 14 year-old female with chronic truanancies at the Pagosa Springs High School. The school has implemented schedule and programming changes to accommodate the needs of the youth.

**2015 BUDGET**

- 1) **Court Security** ~ Court security, provided by PSPD Officers, will be initiated on January 21, 2015.
- 2) **Contracts** ~ The 2015 contracts for the Court's Spanish Language Interpreter/Translator, Gregoria S. De Lark, the Prosecutor, David Brett Van Winkle, and the Prosecutor Pro-Tem, Kenneth Miller, have been conformed.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
JANUARY 22, 2015

**FROM: WILLIAM ROCKENSOCK, CHIEF OF POLICE**

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**PROJECT: POLICE DEPARTMENT REPORT**

**ACTION: UPDATE, DISCUSSION AND POSSIBLE ACTION**

---

### POLICE DEPARTMENT INCIDENT REPORTING

The Pagosa Springs Police Department saw a significant increase in calls for service and written incident reports for 2014 over the previous year.

Officers took 569 initial incident reports in 2013 compared to 756 in 2014 a **32.8 %** increase. Officers investigated 117 reportable traffic crashes in 2013 compared to 150 in 2014 a **28.2 %** increase.

### OFFICER TRAINING UPDATE

Colorado POST (Peace Officers Standards Training) has implemented minimum mandatory training hours for 2015. Previously, law enforcement agencies were not required to provide a minimum standard for training in order to maintain an officer's state certification.

In 2015 the state will require a minimum of 24 hours of training for each officer to maintain their certification. Those hours must be in perishable physical skills driving, firearms, and arrest control.

In 2014 each Pagosa Springs Police Officer received 200+ hours of training.

In 2014 the Pagosa Springs Police Department obtained \$8,500 in Colorado POST scholarships for advanced training outside of the area.

In 2014 officers attended a total of 140 hours of free training provided by Homeland Security.

### RECRUITING UPDATE

The police department currently has two full time opening(s) for patrol officer. The department hired one part-time patrol officer to supplement one of the open positions. The chief of police assisted with the entrance interviews for the next regional police academy, to support the recruiting efforts.

Additional recruiting efforts will be made during the academy in an effort to fill the positions and start a reserve program. The department has accepted several applications and will be conducting the first round of testing in January.

### CAPITAL IMPROVEMENTS UPDATE

**MOBILE RADAR SPEED TRAILER:** The police department is currently pricing and reviewing MRS signs for purchase and use in 2015.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
Jan. 22, 2015

FROM: SCOTT FROST SPECIAL PROJECTS MANAGER

---

PROJECT: SPECIAL PROJECTS DEPARTMENT REPORT  
ACTION: UPDATE AND DISCUSSION

---

**LPEA Franchise agreement:** we are in the process of finalizing the agreement with the goal of putting it before council on February 3.

**Riverwalk Phase 2:** the Grant is closed out, the town has received \$94,073.72 in reimbursement from Parks and Wildlife. (State Trails Program)

**Fishing is fun:** The Grant is closed out, The Town has received \$89,000.00 in reimbursement from Parks and Wildlife

**Majestic Drive:** The Project will resume with re-vegetation in spring time. A landowner has requested to install a driveway in the newly paved section. The Town has issued the first payment to Four Corners Materials and will process the second when the request is prepared by Davis Engineering. The Town will begin seeking reimbursement from CMAQ at that time.

**Riverwalk Phase 3** The Town has requested that HART construction restore Louckes Ditch to a useable state as soon as possible to keep the wetlands at an optimum level; Mr Hart has agreed to do that as soon as the welder is done with the handrails.

**Grant Review** The Special Projects Manager has served as Grant Reviewer for both GOCO and State Trails Grants for the fall 2014 grant cycle reviewing over 50 applications from similar communities across the state. Valuable information was gained in terms of what funding agencies are looking for, and what neighboring communities are doing to meet trail building needs. Final scores for the State Trails grants are due next week.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
JANUARY 22, 2015

FROM: CHRIS GALLEGOS, PUBLIC WORKS DIRECTOR

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**PROJECT: PUBLIC WORKS DEPARTMENT REPORT**  
**ACTION: UPDATE AND DISCUSSION**

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### STREETS UPDATE

December gave staff a chance to catch up with all the maintenance on the equipment including building tire chains, plows, cutting edges, snow baskets, lights on trucks, and other preventive maintenance like oil changes, tire repair, and making sure the equipment is in proper working order.

Shop work was in fixing a welding table, repairs on our sink and drain. Staff also worked on the overhead doors and cleaned areas outside the yard.

Staff was able to fix all eleven of the lights that were broken out on Lewis Street.

Christmas lights and decorations also kept staff busy putting them up and also taking them back down.

The last few days staff has been busy with snowplowing and clearing of the Town streets.

### GEOHERMAL UPDATE

Because of the cold weather staff has had to make adjustments to the system to make sure all of the customers were getting enough heat to their homes and businesses. Staff has also had a couple of leaks that have been found and fixed. Staff has reduced the leaks to 1.5 gallons per minute.



# AGENDA DOCUMENTATION

## REPORTS TO COUNCIL: V

PAGOSA SPRINGS TOWN COUNCIL  
JANUARY 22, 2015

FROM: APRIL HESSMAN, CMC, TOWN CLERK

---

**PROJECT: TOWN CLERK DEPARTMENT REPORT**  
**ACTION: UPDATE AND DISCUSSION**

---

### TOWN COUNCIL UPDATE

New Microsoft Surface tablets have been provided to the Town Council in hopes of reducing the paper and copy expense related to printing the council packets. They should be used to assist in viewing attachments as well. The regularly scheduled council meetings in 2015 will be held on the 1<sup>st</sup> Tuesday and 3<sup>rd</sup> Thursday at 5:00pm.

### CLERK'S OFFICE UPDATE

The first of the year is always a busy time for the Clerk's Office. Staff has entered the approved 2015 budget into the Caselle accounting software system, which includes new revenues and expenses associated with the fiscal responsibility of the Community Center. Training of the Community Center staff as to the format for accounts payable and cash receipting has been completed with minor kinks being worked through.

The first payroll of the year brings a variety of changes to employee's profiles including updating 2015 COLA amounts, changes to FSA and exemptions as well as completing W-2 for staff and Council. Staff has begun organizing 2014 accounts payable information into the records room and disposing of items per the records retention schedule. Staff is working to complete the final budget document which will include the Town Manager budget message, department goals and accomplishments, and finance spreadsheets that is due to DoLA by the 30<sup>th</sup> of January 2015. Once completed, Town Council will receive a copy and the document will be posted on the Town website.

Applications for the new Human Resources/Records Clerk position are now being accepted. This person will be a tremendous asset to the Clerk's Office, assisting with all aspects of HR and records retention. It is the department's hope that this person will assist with updating and creating several policy documents including an updated personnel handbook.

Staff is working to make the changes with the credit processing company Xpress Billpay and Chase Paymentech to provide improved services to the town residents and town departments. Training and timing may depend on two other local entities who are changing to Xpress Billpay as well.



## AGENDA DOCUMENTATION

### NEW BUSINESS: VI.1

PAGOSA SPRINGS TOWN COUNCIL

JAN. 22, 2015

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**FROM: TOM CAROSELLO, PARKS AND RECREATION DIRECTOR**

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**PROJECT: AGREEMENT WITH MOUNTAIN STUDIES INSTITUTE FOR RESERVOIR HILL TREE THINNING**  
**ACTION: PUBLIC HEARING, DISCUSSION AND POSSIBLE ACTION**

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#### PURPOSE/BACKGROUND

Last year, the San Juan Headwaters Forest Health Partnership/Mountain Studies Institute, in collaboration with the Town of Pagosa Springs, the Forest Health Company and the Southwest Conservation Corps, applied for and received a grant from the Colorado State Forest Service to help improve forest conditions on Reservoir Hill. The project will involve thinning of the forest on Reservoir Hill using mechanized equipment on gentle to moderate slopes, and hand thinning on steeper slopes. Much of the material will be mulched. All activities and impacts will be monitored and assessed. Thinning operations are tentatively scheduled to begin in February. The design and objectives of the Reservoir Hill thinning project include:

- Thinning from below — remove small trees to favor large trees;
- Reduce density and tree-to-tree competition to improve the ability of trees retained to absorb adequate moisture and fight off bark beetle attacks;
- Remove ladder fuels to limit a ground fire from transitioning into a crown fire;
- Remove trees of poor health or form to favor trees of good health or form (keep the trees that provide a lot of shade);
- Remove young trees that compete with the few remaining large, old trees — favor old-growth ponderosa pine trees that provide age-class and aesthetic diversity to the forest; and
- Reduce fuel connectivity so fires can be safely contained and put out.

#### ATTACHMENT(S):

M.O.U. with Mountain Studies Institute

#### FISCAL IMPACT

Funds have been allocated for this project in the Town's 2015 budget in line item 51-77-55. If the M.O.U. is approved, the Town's initial payment to Mountain Studies Institute will be \$15,000. Afterward, the Town will be reimbursed periodically, and while the total project cost is expected to be approximately \$111,000, the Town's share of expenses (after all eligible expenses have been reimbursed) will amount to \$8,227.

#### APPLICABILITY TO COMPREHENSIVE PLAN AND GOALS

This project adheres to the Chapter 12 of the Comprehensive Plan, specifically Goal P-1, which states: "Pagosa Springs will improve and maintain its existing parks and, as future growth occurs, improve and maintain the current level of service for parks to provide a full range of high-quality park and recreation facilities."

#### RECOMMENDATION

It is the recommendation of the Parks and Recreation Commission that the Town Council, by motion, approve the M.O.U. and grant agreement with Mountain Studies Institute for the purposes of tree thinning on Reservoir Hill.

COOPERATIVE AGREEMENT BETWEEN TOWN OF PAGOSA SPRINGS,  
COLORADO, FOREST HEALTH COMPANY, LLC, SOUTHWEST  
CONSERVATION CORPS AND MOUNTAIN STUDIES INSTITUTE,  
REGARDING 2014/ 2015 RESERVOIR HILL FOREST RESTORATION PROJECT

THIS AGREEMENT (the "Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the Town of Pagosa Springs, COLORADO, whose address is PO Box 1859, Pagosa Springs, CO 81147 (the "Town"), the Forest Health Company, LLC, whose address is (the "FHC"), the Southwest Conservation Corps, whose address is (the "SCC"), the San Juan Headwaters Forest Health Partnership, whose address is (the "SJHFHP"), and the Mountain Studies Institute, whose address is (the "MSI) (collectively, the "Parties").

RECITALS

WHEREAS, MSI, fiscal agent for the SJHFHP, and SJHFHP were awarded by the Colorado State Forest Service (the "CSFS") a 2014 Colorado Forest Restoration Grant (the "Grant") in the amount of \$63,531 for thinning and fire mitigation in 52 acres of forest on Reservoir Hill in Pagosa Springs, CO;

WHEREAS, Grant Application was supported by commitments from the Town, SCC, and the FHC in the form of cash, in-kind grant matches, and services rendered;

WHEREAS, the Town represented in the Grant Application that it would provide an in-kind grant match for physical work;

WHEREAS, the CSFS approved the grant proposal and awarded \$63,531 to MSI to complete the work identified in the Grant Application;

WHEREAS, the award of funding is in the form of reimbursement by the CSFS for expenses incurred by MSI and its subcontractors related to the fire mitigation goals of the Town;

WHEREAS, the award of funding requires the Town to meet certain requirements set forth by the CSFS; and

WHEREAS, the Parties desire to complete the work as represented in the Grant Application and comply with all requirements set forth by the CSFS.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations herein set forth, the Parties hereby mutually agree as follows:

1. Responsibilities of the Town, MSI, FHC and SCC. The FHC and the SCC agree to perform the work identified in the Reservoir Hill Forest Restoration Grant Application, attached hereto as Exhibit A, and incorporated by reference, and agree to the identified scope of work, hereto as Exhibit B. Furthermore, the Town, FHC and the SCC agree to provide the matching contributions as identified in the Grant Application. FHC and SCC shall comply with all terms and conditions as set forth in the Purchase Order Terms and

Conditions, attached hereto as Exhibit C and incorporated by reference.

2. Responsibilities as Fiscal Agent. Mountain Studies Institute shall be the fiscal agent for the Grant. As the fiscal agent, the MSI shall be responsible for reviewing and submitting invoices to the CSFS for personnel/labor costs for work completed pursuant to the Purchase Order and providing reimbursement funds to the FHC and SCC. MSI will also distribute funds to contractors and manage matching funds.

3. Reimbursement Process. The FHC, SCC, and Town shall submit to MSI invoices for reimbursement of personnel/labor costs and documenting in-kind contributions within thirty (30) days of incurring such costs. The form of the invoice and supporting information shall be as required by the CSFS and at minimum shall include the information required by the CSFS Performance Monitoring Requirements, attached hereto as Exhibit D and incorporated by reference. MSI shall be responsible for providing the invoices to the CSFS. MSI shall provide written notice to the FHC, SCC, or the Town if the CSFS requires further supporting information or if the request for reimbursement is denied. Once reimbursement funds are received by MSI, they shall be provided to the FHC or SCC within thirty (30) days of receiving payment. Reimbursements to the FHC or SCC shall not exceed the amount identified therein.

4. Denial of Reimbursement by the CSFS. The Parties agree that denial of any reimbursement for personnel/labor costs incurred by either the Town, FHC, SCC or MSI shall not result in liability for MSI or obligation by MSI to provide reimbursement for any personnel/labor costs.

5. Shared cost. The Town will pay funds agreed to in the grant as a match to CSFS grant contributions. Payments will be made to MSI. MSI, FHC, and the SCC agree to operate at the rates and terms identified in the attached Exhibits as part of the approved match. All partners agree to meet the agreed upon in-kind donations.

6. Utilization of biomass. Biomass removed from the project area in the form of wood chips will be deposited in a location agreed to by FHC and the Town. Saw logs will be deposited at the FHC mill. Materials removed during hand thinning will be left on site and made available to the public for their own removal.

7. Term of Agreement, Termination, and Survival. Unless sooner terminated as provided herein, this Agreement shall remain in full force and effect until such time as the funding awarded through the Grant Application is fully exhausted or December 31, 2015, whichever is earlier. This Agreement may be terminated at any time by mutual and written agreement of the Parties or, thirty (30) days after sending written notice of termination to the other Parties.

8. Indemnification and Release. The FHC, MSI, and the SCC shall indemnify, hold harmless, and defend all Parties included in this agreement, associated elected officials, officers, employees, attorneys and/or agents from and against any and all costs, including costs of defense, claims, judgments or awards of damages asserted or arising directly or indirectly from, on account of, or in connection with this Agreement and the Grant,

whether arising before, during or after this Agreement is in effect. By executing this Agreement, the MSI, FHC, and the SCC hereby releases the Town, its elected officials, officers, employees, attorneys, and/or agents and assigns, from any and all liability for all damages, losses and liabilities resulting directly or indirectly from this Agreement and the Grant.

9. Insurance Requirements. MSI, FHC and SCC shall have and maintain Commercial General Liability Insurance covering independent contractors, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows: (a) \$1,000,000 each occurrence; (b) \$1,000,000 general aggregate; (c) \$1,000,000 products and completed operations aggregate; and (d) \$50,000 any one fire. In addition, MSI, FHC and SCC shall have and maintain Workers' Compensation Insurance as required by state statute, and Employer's Liability covering all employees acting within the course and scope of their employment.

10. Access Requirements. The Town shall provide access and permissions to MSI, SJHFHP, FHC and SCC to work in the Reservoir Hill Project Area, and restrict public access to the project area when subcontractors are actively working on site.

11. General Provisions.

- a. The terms and conditions of this Agreement shall be construed, interpreted and enforced in accordance with the applicable laws of the state of Colorado. If any legal action is necessary to enforce the terms and conditions of this Agreement, the Parties agree that the jurisdiction and venue for bringing such action shall be in the appropriate court of Archuleta County, Colorado.
- b. No Party to this Agreement may assign its right or duties under this Agreement without the prior written consent of the other Parties. No subcontract or transfer of this Agreement shall in any case release the other Parties of its responsibilities under this Agreement.
- c. In performing the obligations, covenants and conditions of this Agreement, the Parties shall comply will all applicable laws, ordinances, and regulations.
- d. This Agreement, together with its exhibits, is intended as the complete integration of all understandings between the Parties. No prior or contemporaneous addition, deletion or modification hereto shall have any force or effect whatsoever. This Agreement may be modified through a written agreement that is executed by all of the Parties. \*\*

The rest of this page is intentionally left blank \*\*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first above written.

(SEAL) BOARD OF TOWN OF PAGOSA SPRINGS, COLORADO

\_\_\_\_\_ Title: \_\_\_\_\_ Deputy Clerk to  
the Board

Date: \_\_\_\_\_

MOUNTAIN STUDIES INSTITUTE

\_\_\_\_\_  
Marcie Demmy Bidwell, Title: Executive Director

Date: \_\_\_\_\_

FOREST HEALTH COMPANY, LLC

\_\_\_\_\_, Title:

Date: \_\_\_\_\_

SOUTHWEST CONSERVATION CORPS.

Kevin Heiner , Title: Regional Director Date: 5/21/14

Date: \_\_\_\_\_

EXHIBIT A- Reservoir Hill Grant Application

EXHIBIT B- Reservoir Hill Scope of Work and Plan of Operations

EXHIBIT C- State of Colorado Purchase Order Terms and Conditions

EXHIBIT D- Performance Monitoring Requirements

DRAFT

**ADDENDUM TO COOPERATIVE AGREEMENT BETWEEN TOWN OF  
PAGOSA SPRINGS, COLORADO, FOREST HEALTH COMPANY, LLC,  
SOUTHWEST CONSERVATION CORPS AND MOUNTAIN STUDIES  
INSTITUTE, REGARDING 2014/2015 RESERVOIR HILL FOREST  
RESTORATION PROJECT**

THIS ADDENDUM TO AGREEMENT BETWEEN TOWN OF PAGOSA SPRINGS, COLORADO, FOREST HEALTH COMPANY, LLC, SOUTHWEST CONSERVATION CORPS AND MOUNTAIN STUDIES INSTITUTE, REGARDING 2014/2015 RESERVOIR HILL FOREST RESTORATION PROJECT AGREEMENT (this "Addendum") modifies the Agreement between Town of Pagosa Springs, Colorado, Forest Health Company, LLC, Southwest Conservation Corps and Mountain Studies Institute, regarding 2014/2015 Reservoir Hill Forest Restoration Project Agreement ("Agreement") between Forest Health Company, LLC, Southwest Conservation Corps and Mountain Studies Institute (each a "Vendor" and combined "Vendors" ) and the Town of Pagosa Springs, a Colorado home rule municipality ("Town") and is effective as of the same date as the Agreement.

In consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town and Vendor hereby modify the Agreement as follows:

1. **Terms of Addendum Controlling.** The parties expressly intend and agree that this Addendum is hereby incorporated into the Agreement and the terms herein shall modify and control the terms in the Agreement. Any inconsistency between the terms of this Addendum and the terms of the Agreement shall be resolved in favor of the terms contained in this Addendum.
2. **Workers Compensation Insurance.** During the Term of this Agreement, Vendors shall maintain in full force and effect a policy of workers compensation insurance to the extent required by law for Vendors' employees.
3. **Independent Contractor.** The services to be performed by Vendors are those of an independent contractor and not of an employee or partner of the Town. To the extent required by law, **Vendors are obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Neither Vendors nor their employees, if any, are entitled to workers' compensation benefits from the Town for the performance of the services specified in this Agreement.**
4. **Limitation on District Indemnity.** Any obligation of the Town to indemnify, defend, or hold harmless Vendors is deleted. Notwithstanding any provision in the Agreement, the Town does not waive and shall retain all of the immunities,

protections, rights, procedures, and limitations provided to the Town under the Colorado Governmental Immunity Act, § 24-10-101 *et seq.*, C.R.S.

5. **Limitation on Damages.** Under no circumstances shall the Town be liable to Vendors for special, punitive, indirect or consequential damages suffered by Vendors arising out of or in connection with this Agreement, including without limitation lost profits, loss of use, or loss of opportunity.

6. **Annual Appropriation.** Pursuant to Article X, Section 20 of the Colorado Constitution and Section 29-1-110, C.R.S., the Town's obligations under the Agreement are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations will be made in the sole discretion of the Town Council for the Town of Pagosa Springs.

7. **Illegal Aliens.** Vendor certifies that such Vendor shall comply with the provisions of Section 8-17.5-101 *et seq.*, C.R.S. Vendor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien. Vendor represents, warrants and agrees that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. Vendor shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed. If Vendor obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien, Vendor shall: (i) notify the subcontractor and the Town within three (3) days that Vendor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three (3) days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. Vendor shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If Vendor fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the Town may terminate this Agreement for breach, and Vendor shall be liable for actual and consequential damages to the Town. If Vendor participates in the Department Program, Vendor shall provide the affirmation required under Section 8-17.5-102(5)(c)(II), C.R.S., to the Town.

Vendor, if operating as a sole proprietor, hereby swears or affirms under penalty of perjury that Vendor (i) is a citizen of the United States or legal permanent resident or otherwise lawfully present in the United States pursuant to federal law, (ii) shall comply with the provisions of Section 24-76.5-101 *et seq.*, C.R.S., and (iii) shall produce one of

the forms of identification required by Section 24-76.5-103, C.R.S., prior to the performance of any of its other obligations hereunder.

8. **Paragraph 4 of the Agreement.** Paragraph 4 of the Agreement is replaced in its entirety with the following:

Denial of Reimbursement by the CSFS. The Parties agree that denial of any reimbursement for personnel/labor costs incurred by the Town, FHC, SCC or MSI shall not result in liability for the other Parties or obligation by any of them to provide reimbursement for those non-reimbursed costs.

9. **Paragraph 11.d. of the Agreement.** Paragraph 11.d. of the Agreement is deleted in its entirety.

10. **Counterparts, Electronic Signatures and Electronic Records.** This Agreement may be executed in two counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument. The parties consent to the use of electronic signatures and agree that the transaction may be conducted electronically pursuant to the Uniform Electronic Transactions Act, § 24-71.3-101 *et seq.*, C.R.S. The Agreement and any other documents requiring a signature may be signed electronically by either party. The parties agree not to deny the legal effect or enforceability of the Agreement, solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the Agreement in the form of an electronic record, a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature on the grounds that it is an electronic record or an electronic signature or that it is not in its original form or is not an original.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to be effective as of the date first set forth above.

TOWN OF PAGOSA SPRINGS, a Colorado  
home rule municipality

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

MOUNTAIN STUDIES INSTITUTE:

By: \_\_\_\_\_  
Name: Marcie Demmy Bidwell  
Title: Executive Director  
Date: \_\_\_\_\_

FOREST HEALTH COMPANY, LLC:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

SOUTHWEST CONSERVATION CORPS:

By: \_\_\_\_\_  
Name: Kevin Heiner  
Title: Regional Director  
Date: \_\_\_\_\_



2014 HB12-1032  
Colorado Forest  
Restoration Grant  
Program

FOR OFFICIAL USE ONLY	
Entity Submitting Project:	San Juan Headwaters
County:	Archuleta
Acres:	52
Date:	h202014
Dollar Amount Requested:	\$63,531
Matching Share:	\$48,147

Applicant Information	
Name of Project:	Reservoir Hill Restoration Partnership
Applicant:	San Juan Headwaters Forest Health Partnership
Contact Person:	Aaron Kimple
Address:	1315 Snowden Drive
City/Zip Code:	Silverton, CO
Phone (Work/Cell):	970-382-6908/ 970-749-7916
Email:	akimple@mountainstudies.org
Fax:	

Community-at-Risk Information	
Community Name:	Town of Pagosa
County:	Archuleta
Name of CWPP	Archuleta County
Location to obtain/review	<a href="http://csfs.colostate.edu/pages/documents/Archuleta_Co_CWPP2008.pdf">http://csfs.colostate.edu/pages/documents/Archuleta_Co_CWPP2008.pdf</a>

Grant Contributors (Matching Share)							
(Applications will be disqualified if sufficient match is not identified.) Please specify the name of each match contributor and the dollar amount of each contribution. Please DO NOT show grant-requested funds in this table. This is for matching share only, which is a minimum of 40 percent of total project cost.							
Contributors: (Please specify)	Town of Pagosa Springs	San Juan Headwaters FIIP	Southwest Conserv. Corps	Forest Health Company LLC			TOTAL
Dollars (Hard Match):	\$7,200	\$3,973	\$0	\$0	\$0	\$0	\$11,173
In-Kind (Soft Match):	\$1,027	\$10,743	\$19,604	\$5,600	\$0	\$0	\$36,974
<b>TOTAL:</b>	<b>\$8,227</b>	<b>\$14,716</b>	<b>\$19,604</b>	<b>\$5,600</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$48,147</b>

Total Project Expense (break down matching share totals from block three)				
	Grant Share \$ Amount requested	Match (carry from block three above)		TOTAL
		Dollars	In-Kind	
Personnel / Labor:	\$0	\$2,000	\$9009	\$11,009
Operating:	\$0	\$500	\$0	\$ 500
Travel:	\$0	\$396	\$0	\$ 396
Contractual Services:	\$52800	\$7,200	\$25524	\$85,524
Equipment:	\$1,500	\$0	\$1,380	\$2,880
Indirect Costs:	\$9,231	\$2,138	\$0	\$11,369
<b>TOTAL:</b>	<b>\$63,531</b>	<b>\$12,234</b>	<b>\$35,913</b>	<b>\$111,678</b>

<b>Project Summary (check all that apply and answer related questions)</b>			
Does this project address the protection of water supplies?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is this project based on an ecological assessment of current conditions?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is this project area identified within a CWPP?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is this project identified through a CWPP?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is this project located within a Firewise Community/USA?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Identify the community(ies). Archuleta County, Colorado			
Is this project's concept identified in Colorado's State Forest Action Plan (Statewide Forest Resource Assessment & Strategy)?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Project Objectives (check all that apply) Any box checked needs to be further explained in proposal, and documented and implemented to receive grant reimbursement. See request for proposal-application instructions.</b>			
5	Reducing threat of large, high-intensity wildfires and the negative effects of excessive competition between trees by restoring ecosystem functions, structures, and species composition, including the reduction of non-native species.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Preserving old and large trees to the extent consistent with ecological values and science.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Replanting trees in deforested areas, if such areas exist in the project area.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Improving the use of, or adding value to, small diameter trees.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Number of acres to be treated:	52	Estimated cost/acre:
Will the implementation of this project involve a contract with the Colorado Youth Corps Association or another accredited Colorado youth corps?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
List the communities directly affected by this project:		Pagosa Springs in Archuleta County, Colorado	
Project location (latitude/longitude or legal description):		37.2632169 N and -107.00470998 W	

6	<p style="text-align: center;"><b>Budget Narrative</b></p> <p style="text-align: center;"><small>All information for the project must fit into the allotted character space provided below. Attachments will not be considered by the review committee. Characters include letters, numbers, spaces and punctuation.</small></p> <p><b>Provide a brief description explaining exactly how the grant dollars will be spent and how these expenditures tie directly to the projects goals and objectives. 500 characters</b></p> <p>SJHFHP requests \$63,531 to match \$12,234 in cash and \$35,913 in-kind contributions (33% match): CONTRACTS: FHC (\$750/a biomass removal, 40ac) \$35,600; SCC saw teams (\$2400/ac, 12ac); CSFS \$1,200(prescription). SJHFHP offers in-kind: PERSONNEL: SJHFHP (mgmt, 40 hrs; volunteers, \$22.14- 240 hrs); Pagosa (\$1027), FHC (\$240/ac). OPERATING: office \$500. TRAVEL: \$396 (6 trips, 120 mi). CONTRACTS: SCC-\$4901/wk, CSFS \$1200 (monitor). EQUIPMENT: monitor,saws \$880; transp. \$1500. ADMIN- 17%.</p>
7	<p style="text-align: center;"><b>Project Area Description</b></p> <p style="text-align: center;"><small>All information for the project must fit into the allotted character space provided below. Attachments will not be considered by the review committee. Characters include letters, numbers, spaces and punctuation.</small></p> <p><b>Provide a brief overview of the project and project area. Specify size (i.e. acreage) of project and land ownerships involved (e.g. private, county, state, federal, etc.). Include information on the relevant watershed. Describe how this project supports Colorado's State Forest Action Plan. Submit a single one-page map of the project area (view application instructions). 1,750 characters</b></p> <p>Reservoir Hill is a vital component of Pagosa Springs' economy and public water storage (tank). It provides trails, open space and festival grounds (for two multi-day music events, hosting over 20,000 people annually). The park has severely limited emergency access in case of fire. This project will address 52 acres of ponderosa pine/ mixed conifer woodlands centrally located within Town limits. Fire suppression and a lack of timber harvesting has left this area highly overgrown with ladder fuels and at risk of high intensity wildfire (CO-WRAP). Camping in the park during events heightens the risk of ignition and danger to visitors and fire fighters. Runoff from Reservoir Hill flows directly into the San Juan River.</p> <p>The project area is located on the San Juan River and within 0.25 mile of downtown Pagosa Springs, Town Hall, homes, and most of the primary economic drivers of the community (e.g., hot springs resorts). The Pagosa High School AP science class adopted this park to study forest health. The prominent nature of the project and highly visible location will allow this project to serve as a demonstration project for the community.</p> <p>The relevant CO State Forest Action Plan theme is Enhance Public Benefits from Trees &amp; Forests. The project directly addresses strategies associated with supporting and promoting products to improve economic opportunities, engaging diverse stakeholder groups, maintaining stable relationship infrastructures, and coordination among stakeholders. This project follows Archuleta County's CWPP Goals 1, 2, &amp; 3 to reduce wildfire risk in the WUI, promote healthy watersheds, support local contractors, develop collaborations, increase citizen involvement, and use small dbh wood for biomass.</p>
8	<p style="text-align: center;"><b>Protection of Water Supplies</b></p> <p style="text-align: center;"><small>All information for the project must fit into the allotted character space provided below. Attachments will not be considered by the review committee. Characters include letters, numbers, spaces and punctuation.</small></p>

	<p><b>Describe how the proposed project will contribute to the protection of water supplies, such as water quality, water quantity, and/or associated infrastructure. 700 characters</b></p> <p>Wildfire hazard was classified as the most prevalent and most threatening risk to water infrastructure in the Pagosa Area Water and Sanitation District (PAWSD) Source Water Protection Plan (PAWSD 2008). Reservoir Hill contains a 250,000-gallon water tank, a critical treated-water supply for approximately 65% of residents of Pagosa Springs (Pagosa). Also, Reservoir Hill is located directly adjacent to the San Juan River, a water source for landowners downstream and the Navajo Reservoir (a water source for northern New Mexico). Treatment of Reservoir Hill will help to mitigate potential impacts to water distribution in Pagosa and reduce risk of water quality issues in the San Juan River.</p>
9	<p style="text-align: center;"><b>Scope of Work</b></p> <p style="text-align: center;"><small>All information for the project must fit into the allotted character space provided below. Attachments will not be considered by the review committee. Characters include letters, numbers, spaces and punctuation.</small></p> <p><b>Provide a brief scope of work. Describe what will be accomplished and measurements to define project completion, including forest product utilization specifications. Describe the scientific foundation for the project, specifically the practice and utilization standards (e.g. forest management plan, CWPP, professional publications, other professional technical resources, professional foresters or other natural resources professionals) that will be applied. 2,000 characters</b></p> <p>This project has three tasks: (1) Project Design, (2) Treatment, and (3) Monitor/Maintain.</p> <p><b>Task 1 - Project Design:</b> Mountain Studies Institute (MSI), Colorado State Forest Service (CSFS), and the Forest Health Company LLC (FHC) will work with Pagosa to develop the project prescription to protect large trees, mechanically treat ~40 acres and remove small diameter timber, and hand thin an additional ~12 acres of steeper terrain by Southwest Conservation Corps (SCC) crews. Pagosa Board of Trustees and Archuleta County support this proposal. No NEPA or permitting is required.</p> <p><b>Task 2-Treatment:</b> We will mechanically thin ~40 acres through chipping small diameter trees (ave. 12" dbh) that can be used to produce electricity (biofuel). Full cost of treatment is valued at \$990/acre. FHC will offer the Pagosa a reduced rate of \$750/acre (~25% savings). This process will remove whole trees (including branches and tops), virtually eliminating activity fuels (slash) typically created from thinning operations, reducing stem density from 200-300 stems/ac to an average of 110 stems/ac. Equipment will transport chips to a nearby 5MWe biofuel generation plant operated by FHC. SCC crews will conduct hand thinning of an additional ~12 acres on steeper terrain that cannot be accessed by the equipment. A portion of the thinned materials will be utilized by participants in regional festivals held within the project area.</p> <p><b>Task 3-Monitor/Maintain:</b> CSFS and MSI will work to develop an outreach and monitoring plan that includes PAWSD, land owners, and local school students for short and long term monitoring to evaluate the site's conditions. An initial study of the proposed project area was conducted by students of the Pagosa School District. Their research identified a need for treatment. We will utilize the same school program to understand the changes that occur as a result of mitigation measures. The work of the school district will be supported by CSFS and MSI.</p>
10	<p style="text-align: center;"><b>Project Timeline</b></p> <p style="text-align: center;"><small>All information for the project must fit into the allotted character space provided below. Attachments will not be considered by the review committee. Characters include letters, numbers, spaces and punctuation.</small></p>

	<p><b>Provide a timeline for the project, including significant accomplishment milestones during the project period. 500 characters</b>          Summer 2014: Project and prescription design, site tour/public outreach, pre-treatment monitoring;          Fall 2014: Initiate mechanical treatment by FHC and hand thinning by SCC; Winter 2014-2015 (Dec 2014- March 2015): Complete treatment during winter conditions; Spring 2015- Fall 2015: Complete SCC hand-thinning of steep areas and conduct post-treatment monitoring.</p>
	<p><b>Collaboration</b>          All information for the project must fit into the allotted character space provided below.          Attachments will not be considered by the review committee. Characters include letters, numbers, spaces and punctuation.</p>
11	<p><b>Specify the private, local, tribal, county, state, federal and/or non-governmental (501c3) organizations that participated in the design of this project, and describe how such partners will contribute to, or participate in, the project's implementation. Specify the role of any Youth Conservation Corps that will participate in project implementation. 1,000 characters</b>          The Town of Pagosa Springs developed a collaboration with the San Juan Headwaters Forest Health Partnership (SJHFHP), Pagosa School District, SCC, PAWSD, and Forest Health Company. The San Juan Headwaters Forest Health Partnership, formerly the Mixed Conifer Working Group, is a forest collective that includes citizens, ecologists, ranchers, educators, forest-related businesses, fire and emergency personnel, home owners' associations, representatives from federal, state and county governments, scientists, conservationists, non-profits, and Pagosa Ranger District Office (USFS). The group has formally chosen Mountain Studies Institute as their fiscal sponsor.</p> <p>SJHFHP is developing a Pagosa Springs-area Wildfire Risk to Water Resources Assessment to protect public infrastructure. While still in draft form, Reservoir Hill is a priority for treatment. The assessment process is facilitating a dialog to identify critical infrastructure and opportunities for collaboration.</p>
12	<p style="text-align: center;"><b>Project Longevity/Maintenance</b>          All information for the project must fit into the allotted character space provided below.          Attachments will not be considered by the review committee. Characters include letters, numbers, spaces and punctuation.</p> <p><b>Identify the long-term benefits of the project and clearly specify the plans to sustain the long-term benefits of the project beyond project completion. 500 characters</b>          This project is expected to dramatically reduce the risk of high-intensity fire to Reservoir Hill for 10 to 20 years, protecting its economic contribution and increasing the safety Pagosa's community and visitors. Future maintenance thinning and fuels reduction should be possible at a substantially reduced intensity, and lower cost. These efforts will secure water resources for Pagosa and down stream users. Collaborative monitoring by partners will be possible for decades to come.</p>

**ALL INFORMATION MUST FIT INTO THE BOXES PROVIDED. ATTACHMENTS, OTHER THAN THE REQUIRED MAP, AND/OR MODIFICATIONS WILL NOT BE CONSIDERED BY THE COMMITTEE.**



## Scope of Work and Plan of Operations

July 2014

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Complete the following worksheet with grant applicant prior to formal award notification and project implementation. Use attached pages as needed.

**Grant Project Name:** Reservoir Hill Restoration Partnership

**Grant Applicant Name:** Mountain Studies Institute, on behalf of San Juan Headwaters Forest Health Partnership

The following information provided will allow for grant progress monitoring. Communication with CSFS district staff is necessary to ensure appropriate inspection, reimbursement & project closeout.

**1. Scope of Work** (Extracted from the project proposal and clarified as appropriate, i.e. install 100 acre fuelbreak, 100 feet wide and 4500 feet long, according to CSFS guidelines and fuel mitigation standards to protect the Ponderosa HOA community. Additionally, project implementation will utilize the *Colorado Forest Stewardship Guidelines to Protect Water Quality: Best Management Practices*). If another equally or more stringent BMP is being applied then be sure to specify the BMP resource.

The Reservoir Hill Partnership Project will treat stands of ponderosa pine and mixed conifer woodlands. Reservoir Hill is a vital component of Pagosa Springs' economy and public water storage (tank). It provides trails, open space and festival grounds (for two multi-day music events, hosting over 20,000 people annually). The park has severely limited emergency access in case of fire. This project will address 52 acres of ponderosa pine/mixed conifer woodlands centrally located within Town limits. Fire suppression and a lack of timber harvesting has left this area highly overgrown with ladder fuels and at risk of high intensity wildfire (CO-WRAP). Camping in the park during events heightens the risk of ignition and danger to visitors and fire fighters. Runoff from Reservoir Hill flows directly into the San Juan River. Treatment will be done to standards agreed upon by the Town of Pagosa Springs and the Durango District of the Colorado State Forest Service and as outlined in a written treatment prescription, utilizing the *Colorado Forest Stewardship Guidelines to Protect Water Quality: Best Management Practices*.

**2. Description of Work** (Include detailed prescription, such as species retention and removal, quantity of which species to be planted, crown or clump spacing, etc.; location of planned implementation of BMPs (maps); specific treatment blocks (maps); percent slope for each block; treatment method; plan for removal and/or utilization of wood and slash; contractor(s) and capabilities; crew size and/or equipment to be used; logging system(s) to be implemented; placement of landings and skid trail(s).)

**Planning and Marking:** Mountain Studies Institute (MSI), Colorado State Forest Service (CSFS), and the Forest

Health Company LLC (FHC) will work with Pagosa to develop the project prescription to protect large trees, mechanically treat ~40 acres and remove small diameter timber, and hand thin an additional ~12 acres of steeper terrain by Southwest Conservation Corps (SCC) crews. Current conditions may range from 300 to 1200 stems per acre. Pagosa Board of Trustees and Archuleta County support this proposal. No NEPA or permitting is required.

#### **Treatment Areas:**

##### **Block 1 - Mechanical Treatment:**

Mountain Studies Institute (MSI) will contract with Forest Health Company (FHC) to mechanically thin approximately 40 acres of city managed property through chipping small diameter trees (ave. 12" dbh) that can be used for to accentuate and mulch local project areas and possibly to produce electricity (biofuel). FHC will remove and chip small fuels and remove some sawlogs as per contract to offset costs. This process will remove whole trees (including branches, tops, and foliage) significantly lowering fuel loads on the forest floor.

*percent slope:* Equipment employed in mechanical treatment cannot operate on slopes greater than 35%. Slopes within Block 1 range from less than 5% to the 32%.

##### ***Treatment method:***

- Generally, thin from below, while fostering variable densities and a clumps-and-openings forested environment.
- Favor large healthy full-crowned trees for retention.
- An estimated 40-60% of existing stems would be cut and removed, retaining an estimated half to 2/3rds of the current basal area. Approximately 34 green tons/ acre would be removed.
- Tree removal would be focused on smaller trees serving as ladder fuels and having small crowns.
- Thin to a variable density, ranging from a low of 50 square feet/acre to a high of 120 sqft/ac. Highest density would be retained in the vicinity of the music festival site (Block 1);
- Remove competing younger trees within 20 feet of dripline of pre-settlement ponderosa pine.
- Remove Rocky Mtn juniper that lies beneath dripline of healthy ponderosa pine. Scattered, infrequent to rare open-grown RMJ would be retained for diversity.
- Remove Ponderosa Pine having a dwarf mistletoe rating of 4 or more (calculated along tree height).
- Look for opportunities to create canopy gaps where dense, highly competitive (tree-to-tree) clumps of trees can be removed. Openings could range from 1/10th to 1/5th acre in size. Such openings could be "re-created" by removing trees that have encroached in historical larger openings.
- Where clumps of small, younger healthy trees are found, these trees can be favored for retention – to improve age-class diversity -- by cutting/removing competing second-growth (circa 1919 cohort) in vicinity of these younger trees.

*Plan for removal and/or utilization of wood and slash:* Equipment will transport chips to town and county project areas to be used by the town and county for paths, walkways, and garden areas. Additional chips may be used in a nearby SMWe biofuel generation plant site operated by Renewable Forest Energy. Chips are transported to

roads via wheeled equipment over existing ground which alleviates impacts of dragged material (i.e., skidding) on the forest floor, minimizes compaction, and eliminates the need for new roads.

**Contractor(s) and capabilities:** The contractor owns the identified equipment and has trained staff to operate the equipment within the defined time period.

**Crew size and/or equipment to be used:** FHC operates a crew of 7-8 people to harvest and transport sawlogs and chips.

**Logging system(s) to be implemented:** FHC uses multiple, technically-advanced mechanical treatment apparatus, including a feller-buncher (for initial cutting and sorting of trees), boom-delimber processor (for cutting/separating sawlogs from material to be chipped), and a grapple/chipper/dump bed.

**Placement of landings and skid trail:** Chips are transported to roads via wheeled equipment over existing ground which alleviates impacts of dragged material (i.e., skidding) on the forest floor, minimizes compaction, and eliminates the need for new roads. The contractor will operate during winter months, on frozen ground, with tires designed to disperse the weight of equipment, in order to minimize compaction.

**Block 2 - Hand-thinning:**

MSI will partner with Southwest Conservation Corps (SCC) to treat an additional 12 acres, working for two weeks.

**percent slope:** SCC will hand thin steep slopes where thick oak and steep slopes greater than 35% do not allow mechanical treatment. Slopes within Block 2 range from 28% to 38%

***Treatment method:***

- Generally, thin from below, while fostering variable densities and a clumps-and-openings forested environment.
- Favor large healthy full-crowned trees for retention
- Thin to a low density (approximately 50 square feet/acre) retained would be for outlying areas and in the vicinity of the Ingress/egress road corridor (Block 2).
- An estimated 40-60% of existing stems would be cut and removed, retaining an estimated half to 2/3rds of the current basal area.
- Tree removal would be focused on smaller trees serving as ladder fuels and having small crowns.
- Remove competing younger trees within 20 feet of dripline of pre-settlement ponderosa pine.
- Remove Rocky Mtn juniper that lies beneath dripline of healthy ponderosa pine. Scattered, infrequent to rare open-grown RMJ would be retained for diversity.
- Remove Ponderosa Pine having a dwarf mistletoe rating of 4 or more (calculated along tree height).
- Look for opportunities to create canopy gaps where dense, highly competitive (tree-to-tree) clumps of trees can be removed. Openings could range from 1/10th to 1/5th acre in size. Such openings could be "re-created" by removing trees that have encroached in historical larger openings.

- Where clumps of small, younger healthy trees are found, these trees can be favored for retention – to improve age-class diversity -- by cutting/removing competing second-growth (circa 1919 cohort) in vicinity of these younger trees.

**Plan for removal and/or utilization of wood and slash:** Felled trees will be bucked up and made available for community members to collect. Slas will be piled and left on site.

**Contractor(s) and capabilities:** SCC trains youth and veterans on forest thinning equipment and practices. The crew proposed for this project will be made up of military veterans.

**Crew size and/or equipment to be used:** SCC will employ an 8-member chainsaw crew for 2 weeks.

**Logging system(s) to be implemented:** SCC will fell, limb, and buck up identified trees using chain saws.

**Placement of landings and skid trail:** No roads or skid trails will be needed for work conducted in Block 2.

**3. Schedule of Work (Include projected start and end month for each block; the order of work among the various blocks; projected times to complete each block; specific measurable objectives for each block, such as residual density)**

#### **Project Management**

- **Summer (8/2014):** Project and prescription design – a meeting was held on site on *August 14* with project partners.
- **Fall 2014 (09/2014- 12/2014):** Project and prescription design, site tour/public outreach (currently scheduled for September 27); pre-treatment monitoring
- **Summer 2015:** post-treatment monitoring
- **Fall/ Winter 2015 (9/2015-10/2015):** complete post-treatment monitoring as needed; public outreach and tour; Complete final report.

#### **Block 1 – Mechanical Treatment**

- **Winter 2014/ 2015 (1/2014-4/2015):** Mechanical treatment during winter or dry conditions (~ 40 acres);
- **Fall 2015 (11/2015-12/2015):** Complete treatments as needed.

#### **Block 2 – Hand Thinning**

- **Spring/ Summer 2015 (4/2015-9/2015):** SCC hand-thinning of steep areas (~ 12 acres);
- **Fall 2015 (9/2015- 11/2015):** Complete treatments as needed.

**4. Quality Control (how grant reporting, documentation, and finances will be managed; description of how project will be managed to achieve grant scope of work)**

**Grant Reporting:** Mountain Studies Institute (MSI) and our contractors will maintain detailed records of actual costs/values of labor, equipment use and supplies that contributed to the completion of the project.

**Documentation of treatment** will include a summary of project costs, digital photos of before and after, GIS

layers and map of treatment areas, and a monitoring report. Final site review will be completed by CSFS District staff at the completion of the project.

**Project Management:** The project treatments and monitoring will be managed by San Juan Headwaters Forest Health Partnership coordinator, Aaron Kimple, and District Forester Kent Grant (or his assigned staff). They will review treatments for quality control. Finances will be managed by MSI's finance director, Judy Abercrombie, who has over 35 years of experience managing finances and grants for businesses and nonprofits, including government contracting. All records are kept in MSI's finance office and detailed accounting is recorded in QuickBooks. Paper copies of receipts and documents are maintained for 5 years beyond the grant funding cycle. Quarterly expense reports will be provided to Kent Grant for review. MSI's financial records are reviewed by a board of directors quarterly and by an accredited accounting firm, Taylor Roth Accountants, annually.

# RESERVOIR HILL RESTORATION PARTNERSHIP



500 Meters

2000 Feet

## PROJECT DESCRIPTION:

The Town of Pagosa Springs proposes to treat 12 acres of steep mixed conifer forest by hand thinning by Southwest Conservation Corps) and 40 acres of ponderosa pine woodland by Forest Health Company through biofuel removal.

CO-WRAP Wildfire Risk Assessment shows this property as moderate to high fire intensity, wildland urban interface, and 30 foot flame lengths.

## PROJECT LOCATION

Pagosa Springs

## Exhibit D

### State of Colorado Wildfire Risk Reduction Grant Program Performance Monitoring Requirements

#### Performance Monitoring Standards

Performance monitoring shall include the following:

**(a) Performance measures and standards:** The grantee shall conduct work as specified in Exhibit A. Grantee shall maintain receipts for all project expenses and documentation of the minimum in-kind contributions per the budget in Exhibit B. Final payment of grant funds shall be withheld until receipt of a final report and all other relevant deliverables.

**(b) Accountability:** Full documentation of project progress must be submitted with each invoice for reimbursement. Grantee must certify that all grant conditions have been complied with on each invoice. Requests for reimbursement will need to be accompanied by before and after photos (up to 5) of strategic treatment locations. A final project report must be submitted and approved before final project payment and release of retainage.

**(c) Monitoring Requirements:** Grantee is responsible for ongoing monitoring of project progress per Exhibit A. Progress shall be detailed in the required invoice documentation and progress reports as detailed above. Pre-treatment photos will be required to adequately demonstrate accomplishments of the project. The Colorado Forest Restoration Institute (CFRI) is an important partner in this program. They may contact you to collect monitoring information for the program.

**(d) Noncompliance Resolution:** Payment will be withheld until grantee is current on all grant conditions. Flagrant disregard for grant conditions will result in a stop work order and cancellation of the purchase order/grant agreement.



# AGENDA DOCUMENTATION

## NEW BUSINESS: VI.2

PAGOSA SPRINGS TOWN COUNCIL

JAN. 22, 2015

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**FROM: TOM CAROSELLO, PARKS AND RECREATION DIRECTOR**

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**PROJECT: ELEMENTARY SCHOOL FUNDING REQUEST FOR PLAYGROUND EQUIPMENT**

**ACTION: PUBLIC HEARING, DISCUSSION AND POSSIBLE ACTION**

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### PURPOSE/BACKGROUND

Pagosa Springs Elementary School is in the process of replacing the last of its outdated playground equipment, an effort that has been ongoing for the past several years.

The school's parent organization, Partners In Education (P.I.E.), raised funds for new equipment over the past several months by sponsoring a student Read-A-Thon, which netted nearly \$2,000. P.I.E. also solicited and received funds from numerous local businesses and Archuleta County. Despite the collaborative fund-raising effort, there is still a \$3,000 shortfall, and the school would like Council to consider matching the county's \$3,000 contribution to this initiative.

While the playground is obviously not Town property, it is heavily utilized during Town-sponsored recreation programs held at the elementary school, especially during the spring (tee ball) and fall (soccer). It is also made available to the public when school is not in session. In essence, the playground functions as a public park. For more details, please refer to the attached summary from School Principal Kate Lister.

### ATTACHMENT(S):

Project/funding request summary from Kate Lister, Elementary School Principal

### FISCAL IMPACT

While there are no funds specifically allocated for this request in the Town's 2015 budget, there are funds available in the Conservation Trust Fund which could be appropriated for such use. The requested amount will not significantly impact the Conservation Trust Fund, as the projected year-end balance is expected to be \$89,243.

### APPLICABILITY TO COMPREHENSIVE PLAN AND GOALS

This project adheres to the Chapter 12 of the Comprehensive Plan, specifically Goal P-1, which states: "Pagosa Springs will improve and maintain its existing parks and, as future growth occurs, improve and maintain the current level of service for parks to provide a full range of high-quality park and recreation facilities."

### RECOMMENDATION

It is the recommendation of the Parks and Recreation Director that the Town Council, by motion, approve the donation of \$3,000 from the Town's Conservation Trust Fund for the purchase of new playground equipment at Pagosa Springs Elementary School.



## ***PAGOSA SPRINGS ELEMENTARY SCHOOL***

P.O. Box 1498 · 141 S. 10<sup>th</sup> Street · Pagosa Springs, Colorado 81147 ·  
Phone (970) 264-2229 · Fax (970) 264-4871 · [www.mypagosaschools.com](http://www.mypagosaschools.com)  
Tax ID # 98-03366-0000

January 5, 2015

Dear Town Council,

On behalf of Pagosa Springs Elementary School, I am asking for financial support in updating our playground.

Pagosa Springs Elementary School has a goal to increase health and fitness of our students. We have redesigned our schedule and reallocated staff to add daily PE and daily Advisory in which we do direct social/emotional instruction. Our project goal is to enhance fitness by eliminating old playground equipment that has little usage and replacing them with highly active equipment of a dual slide and horizontal swing. The total equipment cost is \$7,636.95.

This project is both compatible and compliments the master plan of the trails project, CDOT alternative access plans and the new Safe Routes to School grant. The town's Parks and Recreation Department uses the soccer fields for youth soccer and t-ball which make the school's playground a key component for the participants' siblings to use during practices and games. Families from our community and visitors use the playground throughout the year.

Many stakeholders have collaborated on fund-raising for this project. Our parent organization Partners in Education (P.I.E.) organized a Read -a-Thon and elicited prizes and business pledges. Community businesses and elementary students joined efforts in raising \$1,634.95 toward this goal; the businesses pledged money based on the number of minutes the students read over a two week period. Our school district's maintenance department has pledged in-kind work by dismantling the old equipment and installing the two new pieces. The county, through A-1 funds, has committed \$3,000 toward this effort.

Our request is that the Town of Pagosa Springs joins this collaborative effort by adding the final \$3,000 to reach our financial goal. Thank you for your consideration.

Respectfully,  
Kate Lister, Principal



# AGENDA DOCUMENTATION

## NEW BUSINESS: VI.3

PAGOSA SPRINGS TOWN COUNCIL

JANUARY 22, 2015

FROM: GREGORY J. SCHULTE, TOWN MANAGER  
AND  
APRIL HESSMAN, CMC, TOWN CLERK

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**PROJECT: TOWN OF PAGOSA SPRINGS BANKING SERVICES**  
**ACTION: PUBLIC HEARING, DISCUSSION AND POSSIBLE ACTION**

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### PURPOSE/BACKGROUND

The Town has banked with Citizens Bank of Pagosa for many years. In 2011 Citizens Bank discontinued paying interest to the Town on the Public Funds held in Town accounts. The Town has inquired with several local banks desiring to provide the best use of the public funds, staff received proposals from five of the local banks.

The attached spreadsheet provides a comparison of the five banks and what they are prepared to offer the Town.

After reviewing the various proposals, the two primary determining factors that became readily apparent was the amount of interest and the fees proposed to be assessed. These two factors immediately eliminated three of the five proposals as the three were not offering any interest at all. The two banks left were First Southwest Bank and Bank of Colorado. As you review the comparison spreadsheet, First Southwest Bank offers a higher potential interest rate and will not charge fees for almost all items. Bank of Colorado does offer interest, but caps the amount at .10% for a minimum of \$1 million and does not escalate above that regardless of the deposit amounts. Given the favor of better interest rates and no fees, it is staff's recommendation to bank with First Southwest Bank.

### ATTACHMENT(S):

Bank comparison spreadsheet  
Proposals from 5 local banks

### FISCAL IMPACT

A potential benefit in interest earned on the millions of dollars the Town currently has in the local banks.

### ACTIONS

It is the recommendation of the Town Manager and Town Clerk that the Town Council discuss and by motion:

“Direct staff to engage First Southwest Bank to provide banking services for the Town of Pagosa Springs.”

“Direct staff to engage (Insert bank name) to provide banking services for the Town of Pagosa Springs.”

“Direct staff to continue banking services with Citizen's Bank.”

	1st Southwest Bank	Bank of Colorado
Checking Account	Business Checking	Public Funds Account
Interest Earned	ie. 0.35% (\$5mil) over life of account 10 bps over standard rate .10% up to \$2mil add an addl 5bps for every addl \$1mil	Interest Bearing NOW Account
Cost of Account	\$0	0%
Deposit Costs	\$0	No Cost
Check Process Costs	\$0	No Cost
Wire Costs (6/year avg)	\$0	\$6/wire line plus \$5/mo or \$20 per wire
Return Check Fees (NSF) (24/yr)	\$0	\$5/return
Remote Deposit Scanner	\$0	No costs
Payroll ACH file (26/ year avg)	\$0	\$14/payroll file + \$5/batch + .25/item
Other ACH debits (IRS, CCOERA)	\$0	0.10%
Money Market Interest Rates		
Credit Cards (\$8K-\$12K/mo)	No Annual Fee in dept names	\$25 annual fee in persons names
Lockbox Services	Yes	\$75/mo plus program \$1,300
Cash Management Services	Yes - No Fees	Yes
Other	FSWB will reimburse for early withdrawl fees of Town CDs	Positive Pay - upload checks to bank to confirm/prevent fraud \$20/mo
	Investing over 80% into the communities	
	CDFI - Community Development Financial Institution - Low Income Census Tract	
	Courier Services	
Hours	Lobby 8:30-4:30, Drive thru 8:00-5:00	Lobby 9:00-4:00 Drive thru 7:30-6:00

	Bank of the San Juans	Citizens Bank	Wells Fargo
Checking Account	Public Funds Checking Account	Public Checking Account	Analysed Business Checking
Interest Earned	0%	0%	.25% credit toward expenses Add interest forfeited
Cost of Account	\$0	\$0	Should be \$0 after credit used
Deposit Costs	\$0	\$0	\$15/deposit + \$.10/merchant
Check Process Costs	\$0	\$0	\$.16/check
Wire Costs (6/year avg)	\$20 ea - \$50 setup fee	\$0	\$11/wire
Return Check Fees (NSF) (24/yr)	\$0	\$0	\$12/item
Remote Deposit Scanner	\$30/mo	Yes	Yes
Payroll ACH file (26/ year avg)	\$5/payroll file	\$0	\$25/month
Other ACH debits (IRS, CCOERA)	\$10/debit	0%	\$.15/item
Money Market Interest Rates	0.15%	0%	
Credit Cards (\$8K-\$12K/mo)	\$0 fee	Individual names only	Must spend \$40K per month
Lockbox Services	No	Yes	Yes
Cash Management Services	Yes		Yes
Other		Largest deposit bank in Archuleta Largest loan back to community	Dual Controls, printing services
Hours	Lobby & Drive thru 8:00-5:00	Lobby 9:00-5:00 Drive thru 8:00-6:00	Lobby 8:00-5:00 Drive thru 7:30-6:00



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# 1st SouthWest Bank

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December 11, 2014

Greg Schulte  
Pagosa Springs Town Manager  
P.O. Box 1859  
Pagosa Springs, Colorado 81147

Dear Greg:

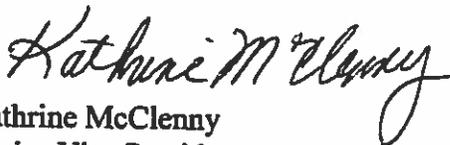
It was great meeting with you and April to discuss your banking needs. From our discussion, Bill and I have put together a proposal for a deposit account relationship that includes our ability to pay interest, no fees and additional services that will provide cost savings benefits for your operations.

Bill and I would like to have an opportunity to meet again with you, April and the Town Council Members at the January meeting to present our proposal and answer any additional questions.

Bill will be in town next Thursday (Dec. 18th) and will be available to meet with you at your convenience to discuss the attached proposal in advance of the presentation in January.

Your time and consideration for doing business with First Southwest Bank is appreciated.

Sincerely,



Kathrine McClenny  
Senior Vice President

cc: April Hessman, Pagosa Springs Town Clerk



**1st SouthWest Bank**

**Proposal for Bank Services  
presented to:**

**The Town of Pagosa Springs**



## **GENERAL INFORMATION**

First Southwest Bank would like to thank you for the opportunity to present a proposal for banking services. Our bank offers services to the Southwest Colorado area and is centered on supporting local businesses and individuals in our communities.

Our bank is known for uncovering market niches to serve customers in novel ways, whether that is supporting emerging businesses, charter schools, or agricultural innovations. First Southwest Bank recently earned certification from the United States Treasury as a Community Development Financial Institution (CDFI) - a rare designation for banks that will allow us to serve our region like never before. We look forward to partnering with businesses, non-profits, foundations and public entities to see where we can help and make a difference in our communities.

We are a local community bank that has proven our commitment to keep money local. In each of our communities we are making loans to support growth and economic vitality. For example in our Pagosa Springs Market we currently have \$34.3mm in outstanding loans and \$28.7mm in deposits. We are the top lender for home loans in Pagosa Springs, annually producing more than 148 mortgage loans totaling \$28mm.

First Southwest Bank would like to obtain deposit accounts and provide services for the Town of Pagosa Springs. We have the ability to acquire and support Public Funds that are fully protected by the FDIC and the Public Deposit Protection Act (PDPA) with our institution pledging readily marketable securities as collateral.

## **PROPOSAL**

**Contacts:** Your accounts will be assigned to the following support team for your banking relationship.

**William N. Young**, Executive Vice President and Chief Financial Officer  
679 E. 2<sup>nd</sup> Ave. Ste. B, Durango, Colorado 81301  
Telephone: 970-375-1100, Mobile 970-903-2657

William (Bill) can offer advice on cash-flow management for the Town of Pagosa and will be responsible for managing the requirements set-forth by Public Deposit Protection Act to ensure the safety of funds on deposit for the Town of Pagosa.

**Kathrine A. McClenny** Senior Vice President/Retail Operations Manager  
679 E. 3<sup>rd</sup> Ave. Ste. A, Durango, Colorado 81301  
Telephone: 970-375-1100, Mobile 970-759-8725

Kathrine will oversee the account relationship and will be the liaison to the ensure customer satisfaction for branch delivery of products and services.

### **Primary Contacts:**

**Marlena Crandall**, Branch Manager/Pagosa Springs  
249 Navajo Trail Drive, Pagosa Springs, Colorado 81147  
Telephone: 970-731-1300, Mobile 970-903-9268

**Emily Iverson**, Personal Banker/Cash Management Specialist  
249 Navajo Trail Drive, Pagosa Springs, Colorado 81147  
Telephone: 970-731-1300

Marlena and Emily will be your primary contacts in the Pagosa Branch for your deposit and cash management services.

### **Branch Locations and Hours**

First Southwest Bank has a full service branch in Pagosa Springs located at 249 Navajo Trail Drive.

**Bank Hours are Monday through Friday:**  
**Lobby 8:30 to 4:30**  
**Drive-up 8:00 to 5:00 M-Th and 8:00 to 6:00 Friday**

First Southwest Bank has six additional branches in Alamosa, Center, Saguache, Durango and Cortez.

### **DEPOSIT ACCOUNTS**

Deposit accounts can be tailored to meet your needs. We will pay interest on all deposit balances in excess of \$200,000.00.

For your convenience we can set-up the general operating account to automatically sweep funds in excess of \$200,000.00 into an interest bearing account/s.

Additional checking, savings accounts or certificates of deposits can be opened for segregated or trust funds and each account will pay interest.

### **Interest**

First Southwest Bank will pay 10bps over our standard rate sheet offerings for balances up to \$2,000,000.00 with a sliding scale to add an additional 5bps for every \$1,000,000.00 increase in deposits.

Example, our current rate for a Business Public Funds Checking Account is .10%, for deposited balances of \$5,000,000.00, the interest rate would be .35%. Interest is compounded daily and paid monthly.

## **Fees**

We will waive all fees for deposit account services.

## **Conversion of Existing Accounts to First Southwest Bank**

1. First Southwest Bank will pay the cost of any pre-payment penalties assessed on accounts transferred from other financial institutions.
2. Checks, deposit slips, endorsement stamps, bank bags and any other supplies will be provided free of charge.

## **Cash Management**

You will have access to our Cash Management Software at no extra charge. Our Business Internet Banking (Cash Management), also called PremierECorp, provides high-performance, 24x7 online banking, corporate cash management and seamless cross-platform integration with a full range of e-commerce, core banking and imaging systems. PremierECorp provides secure, anytime/anywhere cash management, and with real-time transactions inquires, stop payments and ACH.

### **Features:**

- **Real-Time Account Access & Review**
- **ACH Origination** - Imported files or single transactions to pay vendors and re-occurring payments.
- **Transaction Management** - Transfers between accounts.
- **Transaction History & Export**
- **Stop Item Management**
- **Electronic Document Management** - 18 months of statements retained for online viewing.
- **Check Images** - You can view statements, notices, posted checks and other documents online.
- **Security Levels for Users** - Cash management allows you to set up individual employees as users with various levels of security access (i.e. viewing only capability, transfer capability, approvals etc.)

## **ACH Processing**

First Southwest Bank has the ability to process direct deposit/ACH processing to multiple accounts for payroll. This can be done internally through our Cash Management System or through an outside vendor. There is no additional cost for this service.

**Acceptance of ACH files**

First Southwest Bank has the ability to accept ACH files from third party vendors. The process can be direct from the vendor or through our Cash Management System. The accounts will receive immediate same day credit.

**Deposit Options:**

We offer several options to make depositing funds more convenient.

**Remote Deposit Capture (Merchant Deposit Capture)**

Merchant Deposit Capture will allow you to deposit checks conveniently from your office. We will provide free of charge the software and machine/s, training and support.

**Courier Service**

We will provide courier service for delivery of cash and pick-up of deposits at no charge.

**Lock Box Services**

Lock Box Services are available and will be customized to meet your specific needs.

**Credit Cards** - Through a third party vendor, we can accommodate your request for corporate credit cards with the convenience of multiple cards and separate cost centers.



# 1st SouthWest Bank

## First Southwest Bank

### Real Rewards

For

*Employees and Members of our Business and Community Partners*

- **Enjoy the Benefits of our Eagle Checking Account**
  - No Monthly Service Charge
  - No Minimum Balance
  - ATM Fees (if any) reimbursed up to \$30 a month
  - Earn Interest
- **Preferred Savings Plan – no account fees and premium interest rate of .25% over standard FSWB Savings Interest Rate**
- **1% interest rate reduction and no origination fee on all Consumer Loan Products**
- **\$500 cash back on New Mortgage Loans**
- **Additional Free Services**
  - Free Personal Checks
  - Notary
  - Wire Transfers
  - Cashier's Checks
  - Stop Payments
  - E-Statements
  - Online Banking and Bill Pay
  - Mobile Banking

Durango, Colorado • 679 E 2nd Ave., Suite A • 81301 • 970-375-1100 fax: 970-375-1101

[www.firstsouthwestbank.com](http://www.firstsouthwestbank.com) Member FDIC • An Equal Housing Lender



# Bank of Colorado

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September 11, 2014

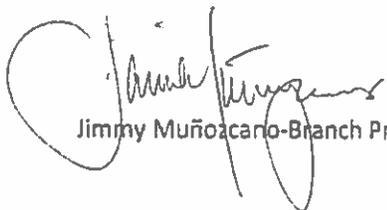
Dear April,

Thank you for giving Bank of Colorado the opportunity to help meet the Town of Pagosa's banking needs. After reviewing your account statements that you sent to us here is what we would recommend for the Town's three checking accounts. We are also including the credit card information.

- Operating account-we would recommend our Public Funds NOW account. This account does earn interest on a tiered basis (rate sheet is attached). There is a \$15 maintenance charge if the minimum balance falls below \$1,000; there is a \$.15 per debit over 25, \$.10 per onus deposited item over 25, and \$.10 per transit deposited item over 25. Based on the activity in your account the monthly fee would be \$27.10. The minimum balance you keep in the account is around \$4.9 million, which would earn \$400.00 monthly interest.
- Health & other account-we would recommend our Public Funds account. This account does not earn interest and there are no fees associated with this account.
- We will be able to provide the Town with the credit card service you are looking for. We can put department names on the cards; however we will also have to include a person's name with each card (this will not be reflected on that person's credit report). All cards have to be paid off each month and there is a \$25.00 annual fee per card.
- Bank of Colorado offers PinnBank for Business, which is our online business banking tool with access to real-time Internet banking. As part of our customized security access, you can set different levels of access for each user's individual needs.
- Bank of Colorado also offers other Cash Management services for our business customers. We can discuss this in further detail.

We appreciate the opportunity you have given us and look forward to visiting with you further on the needs of the Town.

Sincerely,

  
Jimmy Muñozcano-Branch President

  
Melisa Caskey-Vice President



MEMBER FDIC

MAIN AVENUE OFFICE: P.O. Drawer N, 1199 Main Avenue, Durango, CO 81302-2950, ph: 970.247.5151 fax: 970.259.5944  
SOUTH CITY MARKET OFFICE: 9th & Camino Del Rio, Durango, CO ph: 970.259.4800 fax: 970.259.0300 • NORTH CITY MARKET OFFICE:  
3130 Main Avenue, Durango, CO ph: 970.247.8111 fax: 970.247.3999 • DRIVE UP/WALK UP: 902 E. 2nd Avenue, Durango, CO ph: 970.247.9611  
fax: 970.385.5317 • PAGOSA SPRINGS OFFICE: 205 Country Center Drive, Pagosa Springs, CO 81147, ph: 970.731.4166 fax: 970.731.9126  
bankofcolorado.com

**TODAY'S RATES AT**  
 **Bank of Colorado**  
 205 Country Center Drive  
 Pagosa Springs, Colorado 81147  
 970-731-4168  
 MEMBER FDIC

The interest rates and annual percentage yields stated below are accurate as of **11/08/13**

page 2

**CERTIFICATES OF DEPOSIT\*\***

Term	Minimum	Interest Rate	APY*
<u>01 - 05 Months Public Funds CD</u>	\$1,000.00	0.10%	0.10%
	\$100,000.00	0.10%	0.10%
	\$500,000.00	0.10%	0.10%
	\$1,000,000.00	0.10%	0.10%
<u>06 - 11 Months Public Funds CD</u>	\$1,000.00	0.15%	0.15%
	\$100,000.00	0.15%	0.15%
	\$500,000.00	0.15%	0.15%
	\$1,000,000.00	0.15%	0.15%
<u>12 - 23 Months Public Funds CD</u>	\$1,000.00	0.25%	0.25%
	\$100,000.00	0.25%	0.25%
	\$500,000.00	0.25%	0.25%
	\$1,000,000.00	0.25%	0.25%
<u>24 - 35 Months Public Funds CD</u>	\$1,000.00	0.35%	0.35%
	\$100,000.00	0.35%	0.35%
	\$500,000.00	0.35%	0.35%
	\$1,000,000.00	0.35%	0.35%
<u>36 - 47 Months Public Funds CD</u>	\$1,000.00	0.40%	0.40%
	\$100,000.00	0.40%	0.40%
	\$500,000.00	0.40%	0.40%
	\$1,000,000.00	0.40%	0.40%
<u>48 - 60 Months Public Funds CD</u>	\$1,000.00	0.60%	0.60%
	\$100,000.00	0.60%	0.60%
	\$500,000.00	0.60%	0.60%
	\$1,000,000.00	0.60%	0.60%

**VARIABLE RATE ACCOUNTS\*\*\***

Type of Account	Minimum	Interest Rate	APY*
<b>PUBLIC FUNDS ACCOUNTS</b>			
<u>Public Funds NOW</u> \$100 minimum to open	\$1,000.00	0.00%	0.00%
	\$100,000.00	0.05%	0.05%
	\$250,000.00	0.07%	0.07%
	\$500,000.00	0.09%	0.09%
	\$1,000,000.00	0.10%	0.10%
<u>Public Funds MMA</u> \$100 minimum to open	\$10,000.00	0.00%	0.00%
	\$100,000.00	0.05%	0.05%
	\$500,000.00	0.09%	0.09%
	\$1,000,000.00	0.10%	0.10%
<u>Public Funds SAV</u> \$200 minimum to open	\$0.00	0.05%	0.05%

\* APY is Annual Percentage Yield  
 \*\* Penalty may be imposed for early withdrawal on Certificates of Deposit  
 \*\*\* Rates may change after the account is opened. Fees may reduce earnings.



## Banking Services for the Town of Pagosa Springs

Information & proposal  
presented by  
Bank of the San Juans



### Understanding your need

Saving the Town of Pagosa Springs time  
& money

*The Town of Pagosa Springs is looking for new banking partner. In addition to seeking a simpler and more economical way to bank, the Town needs a more efficient way for staff to make purchases and desires multiple credit cards instead of just one shared debit card. There is also a stated need for higher yields on balances. Bank of the San Juans understands your needs and will offer the Town of Pagosa Springs a better bank.*

The Town of Pagosa Springs provides municipal government services to a population of around 1,800. The Town's banking needs center around two main accounts: A General Fund and a Capital Improvement Fund. In addition, a Restitution Fund will be a separate entity.

Town staffers are currently sharing the use of one municipal debit card, which poses many problems and inconveniences.

For accounting purposes, the Town's financial officers download account information in a comma-separated value (.csv) format.

The Town's online payments are processed by Intellipay, which then transfers funds into the Town's bank account.

Town council members are also seeking higher returns on Town's Public Funds Deposits.

Bank of the San Juans has years of experience with public funds, government entities and municipal organizations. We specialize in providing simple and economical banking services. Before addressing each of your needs, please allow us to provide a brief overview of Bank of the San Juans.

## One Big Happy Little Bank

### Strength, respect & integrity

*The Town of Pagosa Springs and Bank of the San Juans have much in common, namely an unwavering devotion to improving our community.*

Bank of the San Juans is a full-service community bank, established in 1998 by a group of 400 residents and business leaders. From day one, the bank has enjoyed steady growth in loans and deposits – and a loyal customer base.

In 1999, the Bank saw a tremendous opportunity to expand from Durango to Pagosa Springs. Ground was broken across from the new Post Office and Pagosa Springs became the Bank's second branch.

The formula for success is simple: "Make happy those who are near and those who are far will come."

We take the time to understand our customers' financial goals and needs. Ultimately, we exist to help people and organizations achieve their dreams. Every decision we make revolves around our core values:

- Honesty and Integrity
- Service to the Customer
- Teamwork
- Respect for the Individual
- Giving to the Communities We Serve

In late 2008, Bank of the San Juans was acquired by Glacier Bancorp Inc. (GBCI), a regional bank

holding company with commercial banking services in dozens of in Colorado, Montana, Idaho, Utah, Washington and Wyoming. In early 2012, Glacier Bancorp combined its banking subsidiaries into a single commercial bank. The bank subsidiaries, including Bank of the San Juans, now operate as separate divisions of Glacier Bank under the same names, management teams and division directors as before the consolidation. Glacier Bancorp has total assets of more than \$8 billion.

In 2014, Glacier Bancorp acquired First National Bank of the Rockies, whose 10 branches became Bank of the San Juans. So today, Bank of the San Juans has 13 branches across Colorado's Western Slope: two in Durango, four in Grand Junction, and one each in Pagosa Springs, Meeker, Rangely, Craig, Hayden, Steamboat Springs and Oak Creek.

By selecting Bank of the San Juans, the Town of Pagosa Springs ties itself to one of the best banks in the country. In 2013, *Forbes* magazine identified 100 of the most transparent and trustworthy businesses that trade on American exchanges. Glacier Bancorp was one of two financial institutions among mid-cap firms nationwide.

We offer the capabilities of a large bank with the service of a small one. And we place emphasis on both being happy and making others happy. That's why our motto is "One Big Happy Little Bank."

As a division of Glacier Bank, Bank of the San Juans offers the best of both worlds.

- ▶ **We can provide the safety, soundness and technological power as part of a well-managed, broadly diversified financial organization.**
- ▶ **At the local level, our autonomy and community focus allows us to do what we do best: help our customers.**

## The Town's Banking Needs

**Please allow Bank of the San Juans to provide solutions to your stated banking needs:**

- Public Funds checking accounts with opportunity for higher interest in Money Market accounts
- Online Banking and accounting interface
- Remote Deposit Capture with Cash Management access
- Credit Card (secured by the Town and not by an employee)

### Public Funds

In Appendix A, you will find our Designation and Certification of Eligible Public Depository from the state of Colorado Department of Regulatory Agencies Division of Banking.

Some public entities will keep funds in a Money Market account and transfer funds into a checking account as needed. Others keep their funds just in a checking account. Either way,

Bank of the San Juans can accommodate your needs.

The Money Market will pay higher interest but offers limited withdrawals before fees are charged. Simply Free Business Checking offers unlimited transactions but is a non-interest bearing account.

### Simply Free Business Checking

The Simply Free Business Checking Account features:

- ▶ No minimum balance
- ▶ No monthly service charge
- ▶ Unlimited free monthly transactions

Also included are free Web Banking and Bill pay, free electronic statements with online images and a free business check card (optional). We'll also give you a free thank you gift and we'll buy back your unused checks and old debit card from your current bank for \$25!

### Money Market

Money Markets pay higher interest rates; however, Money Market accounts are limited to six withdrawals per monthly statement cycle. After that sixth monthly withdrawal, there's a fee of \$15 per item.

Here are highlights of the Money Market account.

- ▶ \$500 to open (see minimum balance requirements below)
- ▶ No monthly service charge with a \$1,000 minimum balance (\$15 per month if balance is below minimum during monthly statement cycle)

- ▶ 6 withdrawals allowed per monthly statement cycle (\$15 per item in excess of 6)
- ▶ Tiered variable interest rates – compounded daily, paid monthly

- View and print cancelled checks
- Transfer funds between your accounts
- Web Banking also offers FREE electronic statements and notices (e-docs) and FREE bill pay

The following are Money Market interest rates, valid as of Dec. 29, 2014, and subject to change.

Balance	Interest Rate	Annual Percentage Yield
.01-\$9,999.99	.03%	.03%
\$10,000-\$49,999.99	.03%	.03%
\$50,000- \$99,999.99	.10%	.10%
\$100,000+	.15%	.15%

The rates quoted reflect the extraordinary low-rate world in which we have seen since the Federal Reserve began its Quantitative Easing program. Where interest rates will go in the future is anyone's guess. One thing is certain, however. As a public funds entity, all of your money will be protected and insured. As Bank of the San Juans will be required to pledge securities and pay premiums to protect and insure all of your funds, it will not be feasible to offer preferential rates.

**Bank of the San Juans will go a step further. When the Town of Pagosa Springs opens its accounts, we will come to your office and provide as many tutorials as you need to master the features and be comfortable with any electronic interface. We want you to be delighted with your new bank and we gladly make house calls.**

Remote Deposit Capture with Cash Management access

Wire transfers, ACH vendor payments and remote deposit capture are part of our Cash Management services, which are available to the Town of Pagosa Springs.

Bank of the San Juans provides Cash Management Services to more than a dozen public-funds entities, including counties, small local municipalities, hospitals, school districts and an electric co-op. In general, most public funds entities use Cash Management to upload ACH files for payroll. Some, however, will need to initiate wires.

Online Banking

Our convenient and free Web Banking service is safe, secure and there is no special software to buy or install.

The next step will be to sit down with Town of Pagosa Springs administrators and see which of the Cash Management services makes sense.

Web Banking at [www.banksanjuans.com](http://www.banksanjuans.com) provides an extensive array of tools, including:

- Access your banking information 24/7, anywhere with an Internet connection
- Verify account balances and transactions
- Download transaction information

### Credit Card

Bank of the San Juans offers business credit cards via a referral through our affiliation with First Bankcard. There are two cards available: the Business Edition VISA® Card with Maximum Rewards and the Business Edition VISA® Card. There is no annual fee for either.

As a constitutionally recognized entity, the Town of Pagosa Springs can apply for either card type as a not-for-profit.

A simple form called a non-profit Addendum will need to be submitted with your credit card application. The underwriting standard, according to First Bankcard, is two years of financials. Credit cards would be issued to and secured by the Town of Pagosa Springs.

**In other words, credit cards would be the sole responsibility of the organization and not tied to an individual, administrator or elected official.**

Information about credit cards is available here:

<https://www.banksanjuans.com/busCardsCredit.cfm>

### Some final thoughts...

Transferring your accounts to Bank of the San Juans will simplify your life. We're ready to provide personal tutoring – and we've found a potential solution for your credit card needs.

That's the kind of responsiveness your can expect from us. With Bank of the San Juans, you'll have the capabilities of a large bank with the service of a small one. And we mean that.

Honestly, banks pretty much offer the same thing.

**What differentiates us is how we serve you.**

We will work together with you tirelessly to keep cost to a bare minimum all the while offering you a gold-standard of friendly, professional and personalized service that you're unlikely to receive from any other bank in town.

We're One Big Happy Little Bank. It's amazing what a little happy can do.

### Appendices

Appendix A – Designation and Certification of Eligible Public Depository

Appendix B – Non-profit "Addendum" (eliminates personal liability on credit card)

# Cash Management Services

## ACH Services \*

ACH Direct Deposit

*For payroll (PPD) and/or vendor payments (CCD)*

ACH Direct Debits

*From individuals (PPD) and/or business-to-business (CCD)*

Monthly	\$5
---------	-----

Monthly	\$10
---------	------

## Online Wire Transfers \*

Domestic Outgoing Wire Transfers

One Time Set-up Fee	\$50
---------------------	------

Each	\$20
------	------

## Positive Pay

*For additional security, matches checks your issued against those presented for payment. Requires daily*

Additional Positive Pay ACH Filter per account

Monthly	\$10
---------	------

Monthly	\$5
---------	-----

## Remote Deposit Services \*

Remote Deposit Capture

*Deposit checks to your business account directly from your own desktop check scanner*

Additional Deposit Accounts

Additional Scanner Location

Monthly	\$30
---------	------

Each	\$5
------	-----

Monthly	\$25
---------	------

## Security Token Replacement Fee

Each	\$12
------	------

## Re-Install or Re-Training Fee

per incident	\$50
--------------	------

*\* Requires underwriting and annual review*

**TOTAL of monthly Cash Management charges  
Account to charge fees:**


**BANK of the SAN JUANs, Division of Glacier Bank**

**One Big Happy Little Bank**

**Interest rates and annual percentage yields (APY) are current as of Dec. 8, 2014**

Account	Interest Rate	Annual Percentage Yield
<sup>1</sup> Convenience + Free Interest Checking	0.01%	0.01%
<sup>2</sup> 50 + Free Interest Checking	0.01%	0.01%
<sup>3</sup> Business + Interest Checking	0.01%	0.01%

<b>Premier Interest Checking</b>		
0.01 - 1,499.99	0.01%	0.01%
1,500.00 and above	0.03%	0.03%

<b>San Juan Health Savings Account</b>		
0.01 - 4,999.99	0.02%	0.02%
5,000 - 9,999.99	0.05%	0.05%
10,000.00 and above	0.07%	0.07%

<b>Personal/Business Money Market</b>		
0.01 - 9,999.99	0.03%	0.03%
10,000.00 - 49,999.99	0.03%	0.03%
50,000.00 - 99,999.99	0.10%	0.10%
100,000.00 and above	0.15%	0.15%

<b>San Juan Personal Savings/Business Savings</b>		
	0.02%	0.02%
<sup>4</sup> Happy Little Savings		
	0.02%	0.02%

Account	Interest Rate	Annual Percentage Yield
<sup>5</sup> Certificates of Deposit		
1 Month	0.03%	0.03%
3 Months	0.06%	0.06%
6 Months	0.12%	0.12%
1 Year	0.20%	0.20%
2 Years	0.30%	0.30%
3 Years	0.40%	0.40%
4 Years	0.50%	0.50%
5 Years	0.70%	0.70%

<sup>5</sup> IRA Certificates of Deposit		
18 Months	0.25%	0.25%
2 Years	0.30%	0.30%
3 Years	0.40%	0.40%
5 Years	0.70%	0.70%

<b>Open-Ended IRA</b>		
0.01 - 9,999.99	0.15%	0.15%
10,000.00 - 24,999.99	0.20%	0.20%
25,000.00 - 49,999.99	0.25%	0.25%
50,000.00 and above	0.30%	0.30%

Disclosed interest rates are variable and subject to change at any time after account opening, excluding Certificates of Deposit accounts. Tiered interest rate accounts must maintain a daily balance of the minimum dollar amount in each tier to obtain the disclosed Annual Percentage Yield on the entire balance. Fees may reduce earnings on all accounts. Personal or Business Money Market accounts and all CD products require an opening deposit of \$500.00. San Juan Personal Savings Account and Business Savings Account require an opening deposit of \$50.00. Interest is compounded daily and credited monthly for Checking, Money Market and Open-Ended IRA accounts. The San Juan Health Savings Account compounds and credits interest monthly. All other Savings accounts compound daily and credit quarterly. Savings and Money Market accounts are limited to 6 withdrawals per monthly cycle by check, draft, debit, third party transactions, or preauthorized automatic, telephone, or computer transfer. Please consult a tax advisor for eligibility and contribution/distribution requirements for IRA and Health Savings Account products.

<sup>1</sup> Requires direct deposit or automatic payment. <sup>2</sup> Must have at least one account owner age 50 or over. <sup>3</sup> Available to qualifying Sole Proprietors and Non-Profit Organizations. <sup>4</sup> Must have one account owner under age 18. <sup>5</sup> CD interest compounds daily and credits either monthly, quarterly, semi-annually or annually. Early CD withdrawals subject to penalty. Member FDIC



# CITIZENS BANK

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January 9, 2015

Town of Pagosa Springs  
P. O. Box 1859  
Pagosa Springs, CO 81147

RE: Banking services Citizens Bank provides to the Town

Dear Ms. Hessman and Mr. Schulte:

We would like to thank you for being our customer over the years. Citizens Bank is a full Service community bank and serving Pagosa Springs for over 100 years. Citizens Bank can provide all your banking needs, and have for a number of years.

You currently have 6 checking accounts with us and we have waived all service charges and fees from those accounts. In addition, the bank provides the checks and deposit slips for those accounts at no charge to the town. You also have a savings account and one certificate of deposit with Citizens Bank. Other services we currently provide to the town include:

- Free wire transfers,
- Free checks for town,
- Free cashier's checks for the town and employees, and
- Free payroll direct deposit.

The services Citizens Bank provides the Town of Pagosa Springs are the result of a request for professional services selection in 2004. In addition to the services we currently provide you, we can provide:

- Credit card services to include issuing cards to departments (individual name) all are master billed for your convenience.
- Remote Deposit Capture – a product that will allow you to deposit checks from your location and at your convenience. Bank to provide equipment necessary.
- E-banking services including on line transfers, balance inquiry, and on-line bill pay.

Citizens Bank proposes to continue the existing services as is, add additional services as soon as practical and continue our banking relationship. The bank will consider any and all financing requests from the town at a competitive rate to the town. In order to take advantage of the on-line services the bank provides, we would provide on-site training for personnel.

As a final issue, we have paid and will continue to pay competitive interest rates on deposits as the markets dictate. Under the current interest rate environment, we are unable to pay interest on public funds deposits. As you are aware, we pledge our assets per the requirements of PDPA to ensure the safety of public deposits.

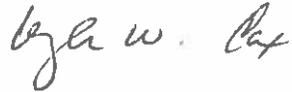
970.731.7235 [Phone]  
970.731.7240 [Fax]  
27 Talisman Drive

P.O. Drawer 1508 • Pagosa Springs, CO 81147  
[www.citizensbankpagosa.com](http://www.citizensbankpagosa.com)

970.264.2235 [Phone]  
970.264.2129 [Fax]  
703 San Juan Street

We appreciate the business over the years and look forward to a long, and mutually beneficial relationship with the Town of Pagosa Springs.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle W. Cox". The signature is written in a cursive, flowing style.

Kyle W. Cox, President & CEO  
Citizens Bank of Pagosa Springs

August 25, 2014

April Hessman  
Town of Pagosa  
551 Hot Springs Boulevard  
Pagosa Springs, CO 81147

Dear April,

We look forward in providing banking services for the Town of Pagosa. It is clear that driving efficiencies and controlling costs are your primary objectives of changing financial institutions. But – like so many organizations today – you're struggling to make the most of limited staff and IT resources as you pursue those objectives.

Moving to Wells Fargo will streamline and automate your daily banking processes to help. With our methodologies, expertise, and products, you'll overcome the obstacles that prevent you from better managing your daily banking process.

The Town's overall relationship will primarily be handled by your relationship manager, Annette Gallegos; her assistant, Rachel Montes and treasury management sales consultant, Nathan Erickson. In addition we have put together a team of Wells Fargo partners, to include Vicki Gordon manager of commercial cards, expense management; Katiana Dillon with our institutional brokerage area, to assist in money management opportunities; and Katie Blatt with our insurance area, possible insurance premium savings. Wells Fargo is certified as a Public Depository under the Deposit Protection Act and agrees to continue in that capacity.

We are committed to our local communities and have a proven track record in the delivery of high quality banking services for numerous public and private entities throughout our organization. Wells Fargo is an active community leader in the economic development, in services that promote economic self-sufficiency, education, social services, the arts and the environment. Our employees provide hundreds of hours of volunteer time to civic, service and no-profit organizations every year as well as financial contributions.

We are looking forward in working with the Town of Pagosa and honored to be awarded as your primary bank.

Thank you,



Annette Gallegos  
Business Relationship Manager



John Francis  
Market President

Together we'll go far





## Wells Fargo Treasury Management Proposal

Town of Pagosa Springs  
Pricing as of January 2015

	<b>Pro-Forma Date:</b>	<b>13-Jan-15</b>
	<b>Earnings Credit Rate:</b>	<b>0.25%</b>
	<b>Days in Monthly Cycle:</b>	<b>28</b>
<b>Average Ledger Balance</b>		<b>\$2,529,098.00</b>
<b>(Less Average Float)</b>		<b>\$0.00</b>
<b>Average Collected Balance</b>		<b>\$2,529,098.00</b>
<b>(Less Reserve Requirement @ 0%)</b>		<b>\$0.00</b>
<b>Adjusted Collected Balance</b>		<b>\$2,529,098.00</b>
<b>Earnings Allowance @ 0.25%</b>		<b>\$537.00</b>
<b>Less Estimated Monthly Charges</b>		<b>\$442.74</b>
<b>Excess Allowance / (Fees Due)</b>		<b>\$94.26</b>
<b>Collected Balance Required to Waive All Analysis Charges</b>		<b>\$2,125,152.00</b>

<u>Service Description</u>	<u>Price</u>	<u>Monthly Volume</u>	<u>Activity Charges</u>
<b>ACH</b>			
ACH MONTHLY BASE	25.00000	1	25.00
ACH ONE DAY ITEM	0.15500	50	7.75
ACH RECEIVED ITEM	0.10000	100	10.00
ACH TRANSMISSION CHARGE	2.50000	2	5.00
<b>Subtotal</b>			<b>47.75</b>
<b>Desktop Deposit/Electronic Check</b>			
SMART DECISION ELEC CHECK ACH ONUS	0.07000	21	1.47
SMART DECISION ELEC CHK ACH TRANSIT	0.08000	122	9.76
DESKTOP DEPOSIT CREDIT POSTED	0.50000	10	5.00
DESKTOP DEPOSIT-WFARGO DEPOSIT ITEM	0.15000	2	0.30
DESKTOP DEPOSIT-NON WFARGO DEP ITEM	0.15000	14	2.10
<b>Subtotal</b>			<b>18.63</b>
<b>General Account Services</b>			
ACCOUNT MAINTENANCE-CHEXSTOR	15.00000	1	15.00
DEBITS POSTED	0.16000	21	3.36
ELECTRONIC CREDITS POSTED	0.15000	77	11.55
<b>Subtotal</b>			<b>29.91</b>
<b>General Disbursement Services</b>			
DDA CHECKS PAID	0.16000	150	24.00
<b>Subtotal</b>			<b>24.00</b>
<b>Other Non TM</b>			
RECOUPMENT MONTHLY	0.12750	2,529	322.45 #
<b>Subtotal</b>			<b>322.45</b>
<b>Total Monthly Activity Charges</b>			<b>442.74</b>

<b>Setup Charges</b>			
ACH TRANSMISSION - SET UP	0.00000	1	0.00
<b>Total Setup Charges</b>			<b>0.00</b>

<u>Service Description</u>	<u>Price</u>	<u>Monthly Volume</u>	<u>Activity Charges</u>
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Balances and ECR may also be applied against Balance Based Setup Charges.

The above pricing estimate is based on certain assumptions drawn from projected volume, scope of services and/or other information you have provided. The pricing is subject to change if the actual volume and/or scope of services differ from the assumptions upon which the pricing estimate was based.

# Wells Fargo Bank, N.A. will allocate a fee to recover the cost of deposit insurance premiums. The Recoupment Fee is assessed on the Average Ledger Balance in your interest bearing and non-interest bearing accounts.

Zero Volume Elements - Elements with zero volume are not included in the estimated monthly analysis fee but are included for disclosure purposes.  
28314, 28354, 28358, 28360, 28361, 28362

9/3/14 → Updated



# WellsOne® Commercial Card Pricing Proposal

## Pricing Schedule for Town of Pagosa Springs:

Wells Fargo is pleased to offer the following pricing schedule for Town of Pagosa Springs. Please see the schedule below for detailed information:

### One time fees:

Set-up fee	<b>WAIVED</b> - Discounted from \$1000
On-site Implementation Fee	Not Applicable

### Recurring fees:

Program maintenance	<b>WAIVED</b> - Discounted from \$200
Card Issuance	<b>WAIVED</b> - Discounted from \$35/card
Transaction Fee	\$ 1.00* / Transaction
CCER Reporting Solution	<b>WAIVED</b> - Discounted from \$75/month with Out of Pocket

\*Recurring fees will be waived when monthly spending is greater than \$40,000 and Average Transaction Size is greater than \$120.

\*Recurring fees will be waived during a 6 month ramp up.

### Miscellaneous fees (applicable only if client utilizes the service):

Cash Advance Fee	2% / \$2 minimum
International conversion fee	1% /transaction
Card Artwork	<b>WAIVED</b> -\$ 450.00/ Optional
Manual Reports	<b>WAIVED</b> -\$ 175.00 / Report
Rush Card	\$ 10.00 / Incident
Phone Re-Training	<b>WAIVED</b> -\$ 175.00 / Incident
Custom File	<b>WAIVED</b> -\$ 75.00 / Hour /Programming
Receipt Imaging (optional)	<b>WAIVED</b> -Discounted from \$500 set-up; \$0.05/page and 1 <sup>st</sup> year archive, \$0.03/page/year (archive years 2-7)

A Wells Fargo Commercial Checking Account is required for settlement.

For customers who opt to utilize ACH reimbursement for approved out-of-pocket expenses, separate ACH fees will apply.

The above pricing estimate is based on certain assumptions drawn from projected volume, scope of services and/or other information you have provided. The pricing is subject to change if the actual volume and/or scope of services differ from the assumptions upon which the pricing estimate was based.

### **Contact Info**

**Scott Trigg, Vice President**  
**Sr. Electronic Solutions Consultant**  
**111 Congress Ave, Suite 1100 Austin, TX 78701**  
**512-344-8336 (office) 866-462-6601 (fax)**  
**[scott.b.trigg@wellsfargo.com](mailto:scott.b.trigg@wellsfargo.com)**

**REQUEST FOR PROPOSALS  
FOR BANKING SERVICES**

**Town of Pagosa Springs**

**Submitted By:  
Wells Fargo Bank**

**Annette Gallegos  
Senior Business Banking Relationship Manager  
(970) 385-9348**

**Nathan Erickson  
Treasury Management Sales  
(719) 577-5650**



**November 4, 2014**

## TABLE OF CONTENTS

**Cover Letter**

**Executive Summary**

**Section 1**            **I. Scope of Anticipated Banking Services**  
                         **Banking Services**  
                         **Optional Banking Services**  
                         **Additional Banking Services**

**Section 2**            **II. Method of Compensation**

**Section 3**            **III. Wells Fargo Advantages**

**Section 4**            **IV. Detailed Bank Information**

**Appendix**            **PDPA Certificate**  
                         **Unencoded Check Deposited Availability Schedule**  
                         **Sample Client Analysis Statement**  
                         **ACH Fraud Filter Fact Sheet**  
                         **CEO Event Messaging Fact Sheet**  
                         **Stagecoach Deposit Fact Sheet**  
                         **WellsOne Commercial Card Overview Fact Sheet**  
                         **Wells Fargo Print Services Fact Sheet**  
                         **Desktop Deposit Fact Sheet**



November 3, 2014,

April Hessman, Director of Finance  
Town of Pagosa Springs  
501 Hot Springs Boulevard  
Pagosa Springs, Colorado 81147

RE: Banking Service Proposal

Dear April:

Thank you for the opportunity to bid the contract for banking services for the Town. Enclosed with this letter is our proposal, offering the Town of Pagosa Springs the best combination of high quality local services, state of the art technology and competitive pricing.

As further detailed in our bid, we are offering the highest level of service that you have come to expect and deserve. The Town's relationship is very important to Wells Fargo. Therefore, we are offering our lowest possible price points on all fees and services, and offering 90 days of free services as you transition your accounts to Wells.

Wells Fargo continues to develop products that give you up-to-date products and services to better serve your financial needs. I would like to suggest that at some time in the very near future, we set an appointment with our Treasury Management representatives to insure you are receiving the benefits of today's technologies.

As a Wells Fargo employee, I am proud of the fact that we have devoted significant resources, both in dollars contributed to various community events, and more importantly, through the numerous volunteer hours of my coworkers for the direct benefit of our good community. It is our commitment in the coming years to continue that tradition and dedication to the community.

We thank you in advance for your consideration of our proposal. We have enjoyed the mutually beneficial relationship that we have had with the Town over the years and look forward to continuing that relationship. If you have any further questions, please do not hesitate to call me at 970.385.9348 or Nathan Erickson at 719.577.5650

Sincerely,

Annette Gallegos  
Senior Business Relationship Manager



## EXECUTIVE SUMMARY

Wells Fargo Bank is pleased to have the opportunity to respond to the Town of Pagosa Springs, Colorado Request for Proposal. The benefits of having your banking relationship with Wells Fargo include the ability to work with a major national bank that has a strong commitment to the local communities it serves, access to the latest technology, and a proactive relationship management team. At Wells Fargo, we are committed to delivering state of the art technology to our customers in the most cost efficient manner. We will commit that as product enhancements are developed, Wells Fargo will offer them to the Town as an option to further improve the efficiency of your operation. Below is a brief summary of the highlights of working with one of the top Treasury Management Banks in the country:

**Quality.** Wells Fargo is the only bank to earn overall "A" grades in products, perceptions, and people in the most recent Phoenix-Hecht Quality Index surveys of Upper Middle Market and Large Corporate Treasury Management customers.

**Innovation.** We are the only bank to offer an Internet-based remote deposit service that is internally designed and built. One thousand customers signed up for our Desktop Deposit service in the first year.

**Technology.** We build rather than buy our core technologies. Our award-winning CEO portal is the homegrown, single source of commercial Internet banking used by over 75% of our customers.

**Solutions.** You are challenged to speed cash flow, reduce manual processes, obtain up-to-date information to support decision-making, and improve internal controls and data security. We know your challenges, and we have your solutions.

**Leadership/Commitment.** Wells Fargo is driving the next stage for growth, playing a vital role in industry-focused groups and associations on your behalf. Over the past century and a half, we've been building relationships and trust. We're the bank you can count on for the long term.

Wells Fargo is committed and will continue to provide the Town with premier financial services with the utmost professionalism. We have the capability and desire in doing so. Combined with our commitment to the communities in which we live, we pledge to work together with the Town to meet its requirements and lend value to a mutually beneficial relationship. We thank you for your consideration of this proposal.

## I. Scope of Anticipated Banking Services

### A. Required Banking Services

Wells Fargo can accommodate the Town's account structure and transaction activity. We recommend opening our Choice IV Commercial Account Analysis accounts and combine them all for analysis purposes. The key account in the relationship would be the operating account.

#### 2. Reconciliation of Accounts

The Town will require a printed month-end statement for each account.

Wells Fargo is able to fully provide this service. We understand that you have one account on a Full Account Reconciliation and one on Partial Account Reconciliation. We would also recommend adding our Image Positive Pay to both of these accounts for fraud protection.

#### Full Account Reconciliation Plan (ARP)

Simplify and expedite the process of reconciling your town's internal accounting records by using Wells Fargo Account Reconciliation Plan (ARP) services. You can obtain better cash control and free your staff for more productive tasks.

Full ARP uses your town's daily check issuance data to deliver detailed reports on paid and outstanding checks, giving you the essential information you need for effective cash management. Increase your cash control with 14 optional ARP reports focusing on specific portions of your statement. Wells Fargo offers these reports via paper or online via CEO. When you sign up for Positive Pay with Full ARP, you'll automatically receive our online Image Positive Pay check validation service—a powerful fraud-prevention tool.

Choose from an array of options to customize your ARP services: free sorting and subtotaling, available high order prefixing, deposit location reporting, flexible storage including *CheXstor*<sup>®</sup> service and check image services, and efficient delivery and administration options. You also have the option to add ARP register maintenance, which enables you to update your check registers with stops, voids, cancels, and manually issued checks on the Internet through our *Commercial Electronic Office*<sup>®</sup> (CEO<sup>®</sup>) portal.

#### Partial Account Reconciliation Plan (ARP)

Streamline checking account reconciliation and reduce exposure to check fraud with Wells Fargo Partial Account Reconciliation Plan (ARP) services. Your staff can gain valuable time to focus on core business activities, while maintaining accurate cash management information.

Partial ARP facilitates your account reconciliation process by providing a complete summary of your Wells Fargo checking account activity for the statement cycle that you can upload into your reconciliation software. You can increase your cash control with optional reports focusing on specific portions of your statement. When you sign up for Positive Pay with Partial ARP, you'll automatically receive our online Image Positive Pay check validation service—a powerful fraud-prevention tool.



Choose from an array of options to customize your ARP services: free sorting and subtotalling, available high order prefixing, deposit location reporting, flexible storage including CheXstor<sup>®</sup> service and check image services, and efficient delivery and administration options. You also have the option to add ARP register maintenance, which enables you to update your check registers with stops, voids, cancels, and manually issued checks on the Internet through our Commercial Electronic Office<sup>®</sup> (CEO<sup>®</sup>) portal.

### **Image Positive Pay**

Protect your accounts from lost, stolen and counterfeit checks with Wells Fargo's Image Positive Pay. With Image Positive Pay, you see and review online all exception items in your disbursement activity. Payee Validation further reduces fraudulent activity by verifying that the payee name matches the issue on file.

Use Image Positive Pay with Full or Partial Account Reconciliation Services (ARP). Simply send your issued check file to Wells Fargo via transmission or ARP Register Maintenance. Wells Fargo electronically matches your check issue information to checks presented for payment each day. You review a comprehensive online report and images of your exception items, for fast, informed pay or no-pay decisions.

Image Positive Pay also catches MICR encoding errors on a daily basis, speeding up reconciliation and reducing month-end adjustments. Choose from three Image Positive Pay options, including integration with Controlled Disbursement and *Perfect Presentment*<sup>®</sup> services, for the reporting and decision timeframes that best meet your company's requirements.

**Please provide additional information on the following:**

- **Please describe the bank's position regarding an overdraft status of the Town's operating account assuming the overdraft is unforeseen, unintentional and infrequent. Describe the bank's position and what charges apply.**

In the event an overdraft is incurred by the Town that is unforeseen, unintentional and infrequent, the Bank would use its discretion, primarily related to the seriousness of the overdraft in assessing whether charges would be applicable. Overdraft reporting is reviewed daily and the Town would be contacted before any adverse decisions would be made regarding the status of the account. Any charges received would be a part of the analysis statement. Overdraft charges resulting from any bank error would be reimbursed by the Bank.

### **3. Availability of Funds Deposited**

**Deposits will be made during the business day (generally between 9:00 am and 4:00 pm). The Town is to be given credit as collected funds for all items that are cleared by the bank on the same day as the deposit is made. Items deposited that clear at institutions located within the Federal Reserve Region will be considered collected funds within one business day as a maximum. The bank will credit the Town's account for incoming wire transfers and account transfers (between Town accounts) on the day received regardless of the time of receipt during that day.**



Wells Fargo is able to fully provide this service. Please refer to the attached availability schedule in the appendix section of this RFP.

#### 4. Returned Items

**The bank will charge all returned checks against the account in which the funds were deposited. Notices of returned items are to be available on-line daily, with electronic images of the Checks. All checks returned due to insufficient funds will be automatically re-deposited a second time.**

Wells Fargo is able to fully provide this service. Within our pricing, we have included the fee for receiving return items online through Wells Fargo's Commercial Electronic Office.

##### **Returned Item Services**

Wells Fargo offers a complete suite of innovative Returned Item services designed to improve the returned item process and reduce the burden on your staff.

By using a common set of instructions and processing platform, our integration of paper and electronic returns delivers a consistent customer experience—regardless of the original deposit method or any subsequent conversion to electronic returns. You'll receive faster notification of returned items, full-service returned item management—with a suite of image options, integrated paper, and electronic returns, comprehensive reporting, custom redeposit features, and Service Fee Recovery. Having faster access to information can also reduce your fraud risk.

Choose the method of delivery that is best for your business: online via the *Commercial Electronic Office*® (CEO®) portal, electronic, or paper. Flexible redeposit instructions, effective-

Previous Day Returned Item Detail Report dating of redeposits and optional online, real-time decisioning allow you the highest potential for collection, while permitting you to retain use of the funds during the redeposit process.

Comprehensive reporting options—as well as online image availability—give your company easy access to information that reduces the amount of staff time spent researching, analyzing and recording returned payments.

Wells Fargo offers a Previous Day Returned Item Detail Report. With this report the Town can view details of why each item was returned, the original deposit date, whether the item is being redeposited or charged back to your account, as well as direct links to images of your returned checks. Speedy identification of returned-check customers also means reduced risk of fraud, less time spent researching, and an earlier collection process.

#### 5. Wire and ACH Transfers

- **The Town receives ACH payments from various federal, state, and county agencies.**
- **Payroll taxes are withdrawn from the Payroll Account via ACH.**

Wells Fargo is able to fully provide this service. Wells Fargo is NACHA compliant and can adhere to this.



## 6. Automatic ACH Payment from Customers

The Town encourages citizens to use direct debit to pay utility bills. Currently there are approximately 1,200 transactions per month. The Town receives payments from its utility customers via ACH debit of the customer's accounts. The Town is currently creating an ACH origination file via computer software and sending the file electronically to the bank weekly. The bank sends a notice of deposit after the file has been successfully processed. This will require the bank to be able to receive the ACH file on-line.

- Please provide details of the service that the bank has to offer including security safeguards.

Wells Fargo is able to fully provide this service.

### ACH (Automated Clearing House)

Wells Fargo's Automated Clearing House (ACH) services enable you to initiate or receive any ACH electronic payment type authorized by the National Automated Clearing House Association (NACHA). With Wells Fargo ACH, you can: direct debit customers to pay utility bills, deposit employees' wages directly to their checking accounts, make state tax payments, book transfers and vendor payments, and execute other debit and credit transactions quickly and conveniently.

Use electronic ACH transactions to replace a variety of time-consuming, repetitive treasury functions. You'll benefit from improved cash flow, decreased fraud risk, a convenient, streamlined workflow, and reduced processing costs.

The only winner of three ACH quality awards from NACHA, Wells Fargo serves 13 countries and offers four ACH delivery channels, including direct origination and exclusive ACH payment initiation via the Internet. The proprietary Wells Fargo ACH system can process up to six million items per hour, and transmit files 24 hours a day, seven days a week, so there's never an issue of capacity or delays. Improve your financial efficiency by automating your accounts receivables and payables with Wells Fargo ACH services.

### Security

Wells Fargo has implemented a variety of security measures to minimize the risk of unauthorized transactions. We enforce strict encryption and authentication standards for transmission of ACH files to and from our customers. In addition, we support the Federal Reserve's point-to-point encryption and authentication procedures.

The following paragraphs describe the standards for communication between Wells Fargo and our customers.

### Encryption

All of our supported Internet protocols require session-level encryption. The encryption type varies based on the transmission method you select. Our supported protocols use 128 bit Secure Sockets Layer (SSL) or Secure Shell (SSH) encryption to protect data in transit between the Town and Wells Fargo. We do not require additional encryption at the file level, but PGP encryption is available for ACH files.



Our supported Connect:Direct options require a Secure+ add-on, which encrypts the session with SSL. Two of the Connect:Direct options also require use of a Bank-provided encrypting router.

#### **Authentication**

We issue specific credentials to each customer to authenticate transmissions and grant access to our transmission facilities.

### **7. Stop Payments**

#### **Stops-Images-Search Service**

Conveniently research banking transactions and manage stop payments right from your desktop, with the Wells Fargo Stops-Images-Search service. When you're in the office, on the road, or anytime, anywhere that you need to manage transactions, all it takes is a PC with standard Internet connection and enrollment in Wells Fargo's award-winning *Commercial Electronic Office*<sup>®</sup> (*CEO*<sup>®</sup>) service.

Use Stops-Image-Search to find and view images of deposits, checks, details regarding debits, credits, stop payments, or other items posted to your account, and make, renew, or release stop payments. Items are available one business day after they post to your account and searchable in 180-day increments. Conduct searches by date, dollar amount, or check / customer reference numbers, then zoom in, rotate, print, or download check or deposit slip images to your local hard drive. You can even create, view, and print reports, such as all stop activity, regardless of where or how the stop was processed.

The *CEO* portal interface and navigation make it easy and intuitive for all levels of authorized staff to utilize. The *CEO* portal requires just a single sign-on, operates under state-of-the-art security, and gives you full control of user preferences and authorization levels.

### **8. Deposit Bags**

Yes, Wells Fargo will provide plastic deposit bags, in various sizes, free of cost to the Town.

### **10. Automated Wire Transfer**

**The Town requires electronic wire transfer capabilities that will allow the Town to initiate outgoing repetitive and non-repetitive transfers and receive data on incoming wire transfers.**

**The Town requires the capability to initiate outgoing wire transfers via personal computer. The Town utilizes repetitive and non-repetitive wire transfers. The Town is to have online access for confirmation of wires executed for both incoming and outgoing wire transfers. The Town intends to consider all wire transfers received by the bank prior to the end of business day as available for investment that day, regardless of the actual time of receipt by the bank. Should the bank not receive a wire transfer, the transfer will be traced from origin to destination to ascertain the party responsible for the delay in the transfer. If necessary, adjustments will be made for lost interest. The bank agrees to execute any wire transfer order within one hour after notification by the finance department through the computer terminal, by telephone, or by fax if necessary. Wire transfers ordered and not received by the destination party will be traced by the bank from origin to destination to**



ascertain the party responsible for the delay in the transfer. If necessary, adjustments will be made for lost interest or charges for failed Fed Wire transfer to consummate an investment transaction or bond payment.

Wells Fargo is able to fully provide this service.

#### **Wire Transfer Service**

The Wells Fargo Wire Transfer service lets you quickly and easily move funds between accounts, across the country, or around the world. The Wells Fargo Wire Transfer service offers the best option for companies who need to initiate or settle time-sensitive payments, or securely move high-dollar transactions.

Industry analysts rate the Wells Fargo Wire Transfer service "A+" in timeliness of initiation and also overall features and capabilities in the most recent Phoenix-Hecht surveys: Middle Market (2007), Upper Middle Market (2008), and Large Corporate (2008).

The Wells Fargo Wire Transfer service handles more than 500,000 wires daily, with no queuing or waiting, and operates with superior availability. With a network of 5,000 correspondent banks worldwide, your transaction costs are low and your wires reach their ultimate beneficiaries fast. For regular users, access comprehensive online reports and features to easily manage incoming and outbound transactions.

Initiate wires in one of several convenient electronic methods: via the Wells Fargo *Commercial Electronic Office*<sup>®</sup> (CEO<sup>®</sup>) Wire Transfer Internet access, with SWIFT (Society of Worldwide Interbank Financial Telecommunications) messages, through the Wells Fargo *Payment Manager*<sup>®</sup> service, or set up Standing Transfer Orders for repeat payments. If you prefer traditional channels, initiate wires by speaking with trained operators, using a touch-tone telephone, or in-person at any Wells Fargo store. Use domestic wires to send funds from a Wells Fargo account to other U.S. financial institutions. With international wires, transfer funds in U.S. dollars or foreign currencies to accounts at banks worldwide, in more than 90 currencies, including those of emerging markets.

#### **11. Deposit Balances Collateral**

In accordance with the Public Deposit Protection Act, all deposits of public funds must be fully secured by collateral. Please provide a description of how the bank manages and reports its collateral of public funds deposits. Also, please describe the securities to be used for collateral, and the frequency of reporting to the Town, and fully describe how the Town would protect its position in the collateral in the event of a failure of the bank.

Please refer to the appendix section of this RFP for our PDPA Certificate.

#### **12. Account Maintenance**

##### **1. Monthly Statements**

The Town currently receives monthly bank statements with a month-end cut-off with all corresponding debits and credits for all activity on all accounts on-line. In addition the main account receives a statement on the 15<sup>th</sup> of the month.

- Please indicate whether statements are available on-line.

Wells Fargo is able to fully provide this service.



### **Client Analysis Statements**

Wells Fargo offers flexible file formats and electronic delivery of your Client Analysis Statement, providing you comprehensive information about your account quickly, securely, and conveniently. The Town will receive the electronic client analysis statement within two business days after analysis. Access statements delivered through the CEO portal at your convenience. View previous statements without having to call and request reprints. Electronic statement delivery is free of charge to Wells Fargo Client Analysis customers.

### **CEO Statements and Notices service**

Streamline processes by accessing your statements and notices through the *Commercial Electronic Office (CEO®)* Internet portal. With paperless delivery of your statements, together we can help conserve natural resources and reduce carbon emissions from transportation, while also saving administrative costs of paper handling and storage. The Town will receive statements up to five days faster than regular mail. Statements are available online the business day after the cycle's close date.

## **2. Digital Imaging of Cleared Checks**

**The Town requires the proposing bank to safe keep cleared checks, and to make digital copies of the checks available on-line during the monthly reporting cycle. As part of the monthly statements, the Town requires a CD containing the digital images of all checks cleared during the statement period.**

Wells Fargo is able to fully provide this service.

### **WellsImage® CD**

Eliminate your need to physically store and retrieve paper checks and simplify your check research with *WellsImage* CD. Now, you have the option to export both check data and check images directly from a CD-ROM to your PC. You'll own and conveniently store your paid check images on-site, allowing you to have access to any image at any time. Each CD stores up to 30,000 images and offers superior digitized images of the front and back of all checks—delivered to you at one of the available frequencies you specify.

Find the check images you want in seconds instead of manually searching through boxes of paid checks. Search and sort by amount, date posted, check number, bank reference number, and issue date. You can even save your searches for future use. You'll choose how you want to view images by customizing the viewing preferences.

With *WellsImage* CD, you'll also receive *WellsImage* Viewer, our proprietary viewing software that gives you sophisticated search features and personalized image viewing options. It provides the flexibility to load images to your preferred image archive location and is compatible with Windows 2000/XP operating systems. Our software also provides options for storing and allowing search and retrieval access that utilize advanced security features. The software is password protected and offers the option to restrict authorized user access to specific accounts.

**An alternative option to WellsImage CD Rom is: Image File Import**



The Wells Fargo Image File Import delivery channel provides you with a complete file of the images you need, whether to make payment decisions; reconcile, audit, research, and respond to your customers' daily inquiries; or mitigate the fraud and privacy concerns associated with long-term physical storage of confidential files.

You can download an electronic file of your paid checks, returned items and electronic deposits from a secured location, using one of our secure transmission protocols. Your images will be in-house when you need them.

We offer a convenient delivery schedule for each image type. And scripting software is available to fully automate file retrieval. You can easily import archive-ready files into your internal or third-party image archive. Alternatively, if you do not have an internal image archive, PDF files are available\*.

If you receive Paid Checks, you can load them into the proprietary Wells Fargo software *WellsImage® Viewer* (version 4.1). This allows you to archive, search, retrieve, view, email, and print your images.

### 3. Daily Balance And Transaction Reporting

Currently town staff uses online banking services heavily. At a minimum, basic online services should include:

- Daily balance reporting-summary and detail
- Initiation of Fed Wire transfers; repetitive, semi-repetitive and non-repetitive
- Initiation of stop payment orders
- Initiation of ACH transactions
- Online transfer between town accounts
- Online cleared check information
- Multi-level security
- Positive pay reports
- Access monthly bank statements

Wells Fargo can accommodate all these requests.  
**Commercial Electronic Office® (CEO®) Service**

Wells Fargo's award-winning *Commercial Electronic Office (CEO)* portal lets you control your finances right from your desktop – at the office, from the road, or anytime, anywhere that you need up-to-date treasury information. The *CEO* portal lets you and your staff, leverage the Internet to make decisions, transact business, and gather data, all within a highly secure, single point of access. You'll save time, make decisions more confidently, and reduce your dependence on disparate, proprietary software applications.

Access more than 50 Wells Fargo banking applications through the *CEO* portal with just one password and sign-on, from current Treasury Information Reporting to accounts payable or accounts receivable functions. Customize when and how you view information, such as which account balances or reports appear immediately upon log-in.

Control exactly who sees information and who can utilize each application with the *CEO* portal Self Administration tool. You set up, manage, and audit users, reset passwords, and modify authorization levels. Improve productivity without missing critical business deadlines or decisions, with proactive fax or e-mail alerts through the *CEO* portal Event Messaging service. Enjoy peace-of-mind knowing that Wells Fargo's stringent security measures –



including 128-bit Secure Socket Layer (SSL) data encryption technology, firewalls, and multi-layer token card authentication – protect and safeguard your information. Dedicated Wells Fargo customer care and technical support representatives back you every step of the way.

One of the first banks in the U.S. to offer web-enabled treasury management services, Wells Fargo is a nationally recognized leader in Internet banking. In 2008, *Global Finance* named Wells Fargo a regional sub-category winner in Best Corporate/Institutional Internet Banks for: Best Web Site Design and Best Integrated Corporate Bank Site. Wells Fargo scored "A+" for Internet services features and capabilities, ease of use of Internet-delivered services, timeliness of information reporting for balance reporting, accuracy for balance reporting, and balance reporting features and capabilities, in the 2008 Phoenix-Hecht Upper Middle Market Survey.

### **Self Administration**

Set up and maintain employee access levels to the Wells Fargo *Commercial Electronic Office*® (CEO®) portal directly from your desktop, with the CEO portal Self Administration tool. Self Administration improves your efficiency by eliminating the need to contact Wells Fargo with account changes, and puts control and security at your fingertips. All you need is a PC connection with a standard Internet browser. The CEO portal delivers full state-of-the-art security for your users and your account data.

Use Self Administration to add, delete, disable, and modify user access levels, authorize users to perform specific functions, control your company's aggregate transaction dollar limits, and set specific, individual dollar limits for users who are authorized to perform monetary transactions. Set dual control levels to ensure that specific functions undergo review by a second administrator before the transaction is executed. For authorized management, Self Administration provides printable reports and 90 days of Self Administration activity history to monitor user access levels across your organization.

Comprehensive Self Administration help pages, online tutorials, instructor-led training, and full Wells Fargo technical support back you across the CEO portal application.

### **Treasury Information Reporting Service**

End tedious searches for information, the hassle of compiling data from disparate systems, and the frustration created by making decisions without accurate, current information. With Wells Fargo Treasury Information Reporting service, you access comprehensive account balance, summary, and detailed transaction data – for domestic and international treasury activity – right from your desktop. When you're in the office, on the road, or anytime, anywhere that you need critical business information, all it takes is a PC with standard Internet connection and enrollment in Wells Fargo's award-winning *Commercial Electronic Office*® (CEO®) portal.

Treasury Information Reporting service provides over 20 standard reports for Previous Day and Intraday activity, ACH transactions, and account statements. Choose from standard report setups, or quickly customize and save up to 100 of your own templates to sort, filter, and view data in your preferred format. You can even determine which critical account information appears on your customized CEO portal log-in page.

With Treasury Information Reporting service, you can view, customize, save, print, and even download the information you need. The CEO service operates in an intuitive, user-friendly manner so staff at all levels can quickly find the information they need – and are authorized –



to view. Most reports are available in a variety of formats, including HTML, Adobe Acrobat PDF, Microsoft Excel or CSV, and BAI v2. Wells Fargo operates the CEO portal with state-of-the-art security features, so you can be confident your data remains secure and protected at all times.

**The Town requires daily access to an on-line bank balance reporting system via personal computer for a designated number of users. The bank must fully describe the costs of all services related to their on-line systems, the full range of services available, and the security system in place to protect the Town from loss due to fraud or misappropriation of assets, and/or information related to the on-line system.**

As it relates to balance information, we have provided pricing for the Previous Day Composite Report for all three accounts on the attached pricing exhibit, as well as Stops-Images-Search and Statements and Notices. If additional reports need to be added, pricing can be discussed at the time of implementation. There is not a cost for each individual user. The Town can have as many users access the different modules on the system as needed.

We would welcome the opportunity to provide the Town with a demonstration of the Commercial Electronic Office (CEO) to view all of the available modules/reports and to witness the levels of security built into the self administration feature and the dual authorization. Below is the link to our demo:

[https://wellsoffice.wellsfargo.com/ceo\\_public/portal\\_demo/home.html](https://wellsoffice.wellsfargo.com/ceo_public/portal_demo/home.html)

#### 4. Account Analysis

**The Town requires monthly long-form account analysis showing all activity to the Town's accounts. This report includes a monthly analysis of the bank's charges for all Town accounts and is to be provided within ten business days after the month-end cut-off. All fees will be debited from the main operating account after approval by the Town.**

- **Please provide a sample of your account analysis statement.**

Wells Fargo can provide this to the Town. Please refer to the appendix section of this RFP for the Sample Client Analysis Statement.

#### 13. Town Account Representative

**The Town requests that the bank provide the name of a locally based designated account representative, as well as an alternate. The designated account representative must have the authority to make timely decisions in the normal course of business on their own. This person must be capable of coordinating all Town's activities with the bank and must be available to resolve any problems or issues that may arise from time to time.**

##### **Relationship Team / Bank Contacts**

Wells Fargo Bank is organized by geographical markets into Business Banking Offices. Our Business Banking Office is located at address: 200 West College Drive Durango, Colorado 81301 and your local Senior Relationship Manager is Annette Gallegos. Your relationship manager will be your contact person for all inquiries or services.

Your Wells Fargo relationship team is committed to ensuring a smooth implementation of services, working with you to improve efficiencies as your requirements change, and keeping you abreast of new developments in treasury management.



We are a team of professionals that are available to answer questions concerning this proposal and to provide further information as needed:

- **Annette Gallegos, Senior Business Relationship Manager – (970) 385-9348**  
**Annette.C.Gallegos@wellsfargo.com**

Annette is your primary point of contact. She is focused on growing a relationship between the Town and Wells Fargo, meeting with you and providing you with financial advice as appropriate.

Annette has 27+ years of experience in the banking and financial services industries. Annette works with commercial, agricultural and public accounts providing customer service, credit and financial needs of customers. She has been a senior lender for over 15 years, working closely with customers to provide the best customer service possible.

- **Rachel Montes, Business Associate – 970-385-1533**  
**Rachel.Motes@wellsfargo.com**

Rachel is your day to day contact for any operational or account needs, such as inquiries pertaining to your account analysis statements, account maintenance, and overdrafts. As she is also involved in the treasury management relationship, Rachel serves as the primary local back-up.

Rachel has been in banking for 3+ years and has been with Wells Fargo for all of these years. She is native of community, involved in community activities and has a strong presence in the community. Rachel strives to ensure that business customers meet their financial and banking needs by offering them products and services to help them achieve these goals.

#### **14. Direct Deposit Payroll Service**

**Currently the payroll data file is available no later than two working days prior to payday. Deposits must be made to employees' account by 8:00 am on payday.**

- **Any deviation from these time limits must be stated in the bid. A bank with less restrictive time requirements will be given favorable consideration. The bank must be able accommodate these forms of transactions.**
- **The bank must have a backup plan for data transmissions.**
- **The Town requires immediate notification of any changes or problems, and the ability to resend or delete a file.**

**The Town from time to time may need to transmit the payroll data one day prior to the pay date. We are therefore requesting bids on both a one-day and two-day turnaround. We are interested in what the deadlines for transmission are for both situations.**

Wells Fargo is able to fully provide this service.

Wells Fargo's ACH Direct Origination service enables customers to initiate and manage a wide variety of transactions quickly and conveniently. With Wells Fargo's the Town can deposit employees' wages directly into their checking accounts, as well as make their state and federal tax payments, book transfers and vendor payments, and execute other debit and credit transactions. Wells Fargo is capable of initiating or receiving any ACH payment types authorized by the National Automated Clearing House Association (NACHA).



With Wells Fargo, the Town will have continuous transmission windows. Transmit files to us 24 hours a day, 7 days a week at your convenience. Processing deadlines of 24 hours and 48 hours are available. Initiate your files up to 45 days in advance, and we will warehouse them until their effective date. The deadline for transmissions for same day is 5:00 p.m. MST, for one day is 7:00 p.m. MST, and for two day is 10 p.m. MST. Two day files are recommended for payroll.

Wells Fargo is offering a preferred rate to the Town for their ACH transactions. Please refer to the pricing exhibit. We are offering the same rate for both one and two day items. Wells Fargo offers ACH Delete and Reversal. With a simple online form via our Commercial Electronic Office, the Town can delete and reverse domestic ACH transactions you have originated.

#### 15. Employee Payroll Check Cashing Privileges

**The bank should agree to cash, without charge to the Town or to the Town's employees, all Town payroll checks drawn on the bank after proper identification is presented by the employee, regardless of whether or not the employee maintains an account at the selected bank.**

Wells Fargo is able to fully provide this service. Wells Fargo agrees to cash Town payroll checks without charge to the Town or the Town's employees.

#### Wells Fargo Membership<sup>®</sup> Banking Services

Offer your employees the additional benefit of direct deposit on new accounts—not only is there no additional cost to you, but it may even help reduce your expenses.

Benefits of the *Premium Membership<sup>®</sup> Checking Package<sup>1</sup>* include:

- Interest earned on entire daily collected balance each day minimum balance is \$500 or more in the checking account
- Free Wells Fargo Exclusive Checks or an \$8 discount toward other check styles
- Free online statements or free paper statements with Check Safekeeping
- *Wells Fargo Money Market Savings<sup>SM</sup>* account with no monthly service fee when you set up a qualifying Automatic Transfer<sup>2</sup>
- Free *Wells Fargo Online<sup>®</sup>* with Bill Pay
- No-fee cashier's/official checks, personal money orders, or single-signer traveler's checks
- Two free non-Wells Fargo ATM cash withdrawal transactions (U.S.) per statement cycle<sup>3</sup>

Services listed above are available only to qualified applicants. To find out whether they qualify for individual services, your employees should visit one of our Wells Fargo banking stores or call 1-800-WFB-OPEN (1-800-932-6736).

<sup>1</sup> *Premium Membership Checking Package* consists of a *Premium Membership* checking account plus three other qualifying accounts or services. \$100 minimum deposit required to open a checking account.

<sup>2</sup> A qualifying automatic transfer is a recurring monthly Automatic Transfer of \$75 or more per transfer from a *Premium Membership* checking account to a *Wells Fargo Money Market Savings* account.

<sup>3</sup> Non-Wells Fargo ATM owners or operators may apply surcharges for ATM transactions.

#### B. Optional Banking Services

Currently the Town does not utilize the following services, but may choose to do so in the



future. (Please describe such services, and include the costs associated with these services, on the page marked Exhibit 2.)

- **Positive Pay**

Wells Fargo is able to fully provide this service.

**Image Positive Pay**

Protect your accounts from lost, stolen and counterfeit checks with Wells Fargo's Image Positive Pay. With Image Positive Pay, you see and review online all exception items in your disbursement activity. Payee Validation further reduces fraudulent activity by verifying that the payee name matches the issue on file.

Use Image Positive Pay with Full or Partial Account Reconciliation Services (ARP). Simply send your issued check file to Wells Fargo via transmission or ARP Register Maintenance. Wells Fargo electronically matches your check issue information to checks presented for payment each day. You review a comprehensive online report and images of your exception items, for fast, informed pay or no-pay decisions.

Image Positive Pay also catches MICR encoding errors on a daily basis, speeding up reconciliation and reducing month-end adjustments.

**Remote Capture**

**Desktop Deposit Service**

Wells Fargo's remote capture product is called Desktop Deposit. The *Desktop Deposit* service allows you to deposit checks to the bank electronically via the Internet, thereby saving both time and money. Customers utilizing the *Desktop Deposit* service also take advantage of extended deposit deadlines and faster notice of returned items.

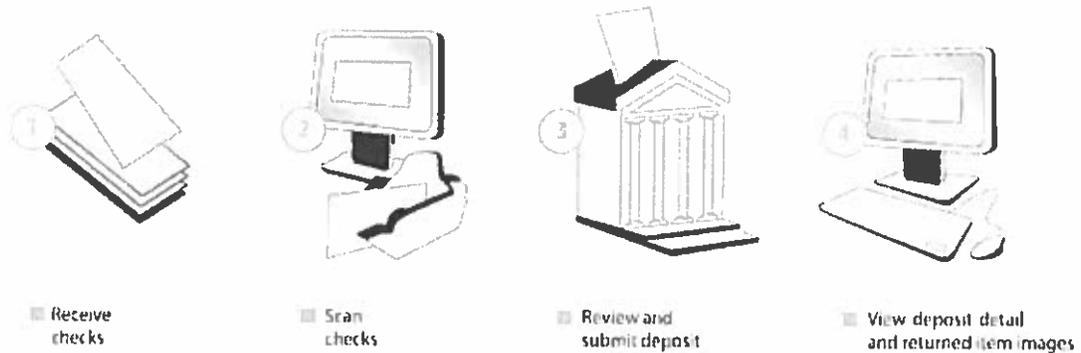
Checks are scanned utilizing a desktop scanner. Images are then reviewed and transmitted to the bank using the *Commercial Electronic Office*® (CEO®) Internet portal. Because we have integrated our *Desktop Deposit* service directly into the CEO portal, there is no need to install any additional software.

Service offerings for the *Desktop Deposit* service include:

- **Image Replacement Document (IRD) Processing:** All checks are processed as image exchange or Image Replacement Documents (IRDs). There are no restrictions on check eligibility—all U.S. checks can be converted on our desktop scanners. No special customer notification is required to collect the check from its image instead of the original physical item.



## How Desktop Deposit Works



Some of the benefits of using the *Desktop Deposit* service to deposit electronically include:

**Affordable, simple setup:** Other than the driver that runs the scanner, the *Desktop Deposit* service requires no software to be loaded onto your PC. Wells Fargo is the only bank to offer this solution entirely via the Internet. And because the service is delivered via the CEO portal, upgrades and enhancements are delivered instantly.

**Extend deposit windows and improve cash flow:** Later deposit cut-off times (8:00 p.m. MT) allow you to get additional checks into your day's deposit and receive ledger credit.

**Improve speed and accuracy by reducing the number of items manually keyed by your operators:** Using CAR/LAR (Courtesy Amount Recognition/Legal Amount Recognition) technologies, *Desktop Deposit* predetermines the amount of your checks—allowing your operator to simply review the items.

Our *Desktop Deposit* service includes five features that make it even more user-friendly:

- **Quick Data**  
Quick data simplifies the data capture process by automatically recalling previously entered receivables data titled Customer Name and/or Customer Number. Receivables data will be archived for one year. When a The Town user scans checks from repeat customers, within the one-year period, the discretionary data fields will automatically populate.
- **Item Iteration**  
As checks are scanned, a sequence number will be assigned to each item relative to its location in the deposit. This unique number will be displayed above the item image window during the deposit review. For customers using Panini My Vision X scanners, this sequence number will also be printed on the back of the check.
- **Image Search and Reporting Enhancements**  
We are extending the image and deposit report history from the current seven days to 90 days. Additionally, deposit reports in PDF and HTML formats will contain a daily subtotal by location as well as a daily grand total for all completed deposits.
- **Amount Magnification**



A magnification box will automatically appear over the numeric amount of the check. This magnifies the image by 150%, making it easier to see and verify the dollar amount. The magnification box may also be dragged and dropped on any portion of the check that the user would like to see.

- **MICR Repair**

In an effort to simplify the MICR repair process, users are only required to enter the unread characters, which will be displayed with question marks. The MICR line will also be presented in a magnification window, which increases the viewing area by 150%.

- **VISA/MasterCard Gift Cards**

Wells Fargo is able to fully provide this service.

The Wells Fargo Visa Gift Card provides a smart alternative to traditional gift certificates. These gift cards are a great option for employee or customer appreciation, client gifts, or safety programs and can be used to make purchases anywhere Visa debit cards are accepted. You can conveniently order customized cards when you're signed on to the *Wells Fargo Commercial Electronic Office® (CEO®)* portal, and you can purchase smaller quantities in Wells Fargo banking stores.

You can have a special message or company name up to 19 characters embossed on the cards at no additional charge, or choose a specific card design. If you choose to personalize cards with the recipients' names, order carefully as there is a replacement fee for reissuing cards if recipient names change. Gift cards are available in multiple designs such as Happy Holidays, Congratulations, Thank You, or Happy Birthday.

You can also have your town's logo printed in black on the top left section of four different gift card designs: Congratulations, Thank You, Corporate, or Holiday. When you submit your initial order with your logo, you will pay a one-time \$500 set-up fee billed to your Wells Fargo account. The total value of all cards in your initial order must be a minimum of \$50,000. There is no minimum order size for subsequent orders using an existing logo.

- **Cashier Checks**

Wells Fargo is able to fully provide this service.

- **Automatic Sweep**

**Stagecoach Sweep® – Repurchase Agreement**

Wells Fargo *Stagecoach Sweep – Repurchase Agreement* maximizes the excess balances in your commercial checking account, without tying up your funds on a long-term basis or requiring manual monitoring or intervention. *Stagecoach Sweep – Repurchase Agreement* automatically sweeps excess collected balances into a repurchase agreement with Wells Fargo Bank. At the opening of the next business day, the funds are returned to your account. The repurchase agreement option allows you to generate additional earnings at a fixed rate overnight while maintaining access to your cash during the day. The bank's repayment obligation is collateralized by government securities.



*Stagecoach Sweep – Repurchase Agreement* eliminates the time that treasury staff spend estimating cash positions and manually contacting your financial institution to invest or move balances, and reduces the risk of human error in calculations. Because it's fully automated, the Repurchase Agreement keeps you fully invested, while providing coverage when checking account balances fluctuate. Enjoy easy access to available funds and robust account reports online.

Customers with a Wells Fargo line of credit can link it to *Stagecoach Sweep – Repurchase Agreement*. The excess collected balances on your business checking account are first applied to the outstanding balance on your line of credit; any remaining funds are swept to the Repurchase Agreement at the close of business each day.

*Repurchase agreements are not deposits, are not insured by the federal deposit insurance corporation and are not guaranteed by the United States government or any agency of it, or by Wells Fargo Bank, nor is the bank's obligation to repurchase company's interest in any securities guaranteed by any of these parties. The securities held by Wells Fargo as collateral for its repayment obligation are generally guaranteed by the U.S. Government or an agency thereof, but such guaranty does not flow to you, the investor. All securities carry investment risk and may lose value. General banking assets are likely to be used to satisfy Wells Fargo's obligations under a repurchase agreement. The interest rate for the Repurchase Agreement option is not the same as the rate on government securities. The documentation for the Stagecoach Sweep Repurchase Agreement option contains specific provisions and additional disclosures that apply to this product. Please read it carefully.*

NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE

### **C. Additional Banking Services**

The bank should recommend, describe and explain any and all additional services recommended which would enhance the cash management capabilities of the Town. This description should include products currently under development and products which have been identified for future development.

The bank should feel free to make any suggestions or provide additional information not requested in this proposal. (Please describe such services, including benefits to the Town of Pagosa, and include the costs associated with these services, on the page marked Exhibit 3. These services should be accompanied and supported by sample brochures or other forms of documentation.)

#### **ACH Fraud Filter Service**

The ACH Fraud Filter service from Wells Fargo helps you protect your accounts from unauthorized electronic transactions. There's no software to load and no burdensome paperwork to manage. Wells Fargo monitors your accounts and proactively notifies you via fax, e-mail, or text message when items not preauthorized by you are detected. Unlike "debit blocks" offered by some banks, our ACH Fraud Filter service reports all payment information about the transactions—you know who is attempting to send unauthorized transactions to your account.

ACH Fraud Filter includes the following three options, each providing timely information and peace-of-mind:



- **Review:** For towns that regularly authorize new activity, Review service lets you preauthorize transactions to post and review, and make pay/return decisions within the deadline on items posted but not preauthorized. With each "return," a reverse adjustment is posted to your account.
- **Stop:** For towns that do not allow ACH transactions, Stop service automatically stops and returns unauthorized transactions.
- **eCheck:** For towns that accept converted check entries the eCheck option you select proactively monitors incoming entries for suspect activity.

### Event Messaging

Improve productivity without missing critical business deadlines or decisions, with our Event Messaging service. Part of the powerful CEO® portal, Event Messaging delivers critical information and transaction alerts via e-mail or fax, at intervals you determine, so you know exactly when to act. No more time wasted monitoring account balances to determine when wire transfers occur, or whether exceptions await your intervention; no more inaccurate cash management decisions because balance levels moved intraday, or controlled disbursement reports were missed. With Event Messaging, your staff can focus on core business tasks and Wells Fargo proactively notifies you whenever accounts or transactions need your attention.

Customize your Event Messaging preferences: schedule delivery immediately, every two hours, once a day, or twice a day. Choose to receive notifications by e-mail, text message, fax, or all three. Subscribe to just the events that are critical to your business.

### PayCard

The Wells Fargo PayCard lets employers eliminate the hassle and expense of physical payroll checks, even for employees without bank accounts. PayCard integrates seamlessly with your standard ACH Direct Deposit process, and offers your unbanked staff the ability to make purchases wherever Visa cards are accepted, or cash withdrawals at any Wells Fargo or Cirrus-network ATM.

For employees, PayCard offers immediate and convenient 24-hour access to funds without the wait of teller lines. PayCard minimizes the chance of theft when cash can be obtained as-needed, and provides a monthly account statement. Each employee receives one Visa-branded PayCard embossed with his or her name. Your employee may designate additional access with secondary cards, for a spouse or others, at no charge.

For employers, distribute PayCards in several ways—permanent cards can be issued within 7 business days, or temporary cards can be given out immediately upon program sign up. Use PayCard to lower payroll costs, minimize the fraud risks associated with paper checks, and offer a new, flexible electronic payment option for unbanked employees.

### Payee Validation (This service is an enhancement to Image Positive Pay)

Enhance your check security by helping protect your disbursements against payee alteration fraud with Payee Validation. Add this feature to the *Perfect Presentation* service or *Positive Pay* service, and then simply include payee names in the check register file you electronically transmit to Wells Fargo. When checks are presented, Wells Fargo compares payee names and amounts on each check to your issued check file to ensure only authorized checks are accepted. Best of all, with Payee Validation there is peace-of-mind, as Wells Fargo protects you against actual losses directly incurred as a result of an unauthorized alteration of the payee on a check presented for payment, provided



that 1) you included the payee's name with the check information on the issue file and 2) the issue file was received by Wells Fargo prior to the check being presented for encashment or payment.

### **Receivables Manager**

Reduce the time, cost, and risk of errors when you streamline payment posting and reconciliation with the Receivables Manager service from Wells Fargo. End the hassle of manually re-keying payment information from multiple sources. With Receivables Manager, you can receive a detailed electronic file—in your preferred file format—to import into your existing ERP system, treasury workstation, or system or record. This will allow you to automate the posting of receipts to open invoices or receivables, so your staff can focus on more strategic business activities.

Receivables Manager consolidates payment information from multiple sources, including ACH payments, Internet bill payment processing, retail or wholesale lockbox check collection, remote deposit through our proprietary *Desktop Deposit*<sup>®</sup> service, merchant services transactions, and wire transfers. Receive your transaction data once, or multiple times daily, using secure and reliable transfer channels. Streamline research with standardized remittance information, including invoice and customer numbers. Mitigate internal fraud by eliminating multiple manual touch-points within your organization.

For Internet Bill Payment customers, access funds faster. Receivables Manager typically shrinks the payment window from five days to two by receiving payments electronically from bill pay Web sites.

### **Stagecoach Deposit<sup>SM</sup>**

Speed the conversion of receipts into available cash—and increase employee productivity—with the Wells Fargo *Stagecoach Deposit* service. With the *Stagecoach Deposit* Post Verify option, your employees drop off plastic dual-pouch tamper-evident deposit bags to our tellers and receive deposit receipts on the spot, without having to wait for deposits to be counted and verified.

Your company receives same-day provisional credit for its deposits, and your employees get back to work more quickly. Cash is verified later in our cash vaults and banking stores, and adjustments to your account generally are made within three business days of the deposit date.

With our night depository option you can drop off deposits after normal bank hours. Simply place the deposit in a dual-pouch plastic bag and drop it into the secure receptacle. The night deposit option is available at most Wells Fargo stores.

*Stagecoach Deposit* service customers whose deposits are sent from our banking stores to our cash vaults for post verification receive our online cash vault service at no additional charge. Research your deposits and adjustments online using the *Commercial Electronic Office*<sup>®</sup> (CEO<sup>®</sup>) business internet portal, available 24 hours a day, 7 days a week.

### **WellsOne<sup>®</sup> Commercial Card**

The *WellsOne* Commercial Card offers a total expense management solution that puts you in control of employee spending, better equips purchasing staff to negotiate with vendors, offers greater convenience to employees for business travel needs, and reduces the costs and time associated with managing disbursement expenses. Use this one efficient commercial card in place of credit, debit, or check transactions, and process everything from travel and entertainment charges to supplies and fleet expenditures.



The *WellsOne* Commercial Card lets you easily analyze and manage vendor payments. It reduces the time spent processing paper invoices, generating purchase orders, or creating reports – activities that the 2007 RPMG Benchmark Study estimate cost an average of over \$69 per transaction. With the *WellsOne* Commercial Card, Wells Fargo electronically transmits your employees' transactions directly to the Wells Fargo proprietary reporting solutions. Cardholders have convenient 24 hours a day, seven days a week access for statement reconciliation. Your senior management and treasury staff enjoy easy access to detailed reporting, with the ability to create up to nine customized fields to reflect general ledger expense codes or other unique data elements such as project ID or department codes. Once reconciled online, all transactions can be effortlessly uploaded into town's ERP system.

Enjoy comprehensive protection and spending visibility with the *WellsOne* Commercial Card. Set credit limits and specific merchant category code authorizations at the company, department or individual card level. Reduce losses with built-in liability coverage, which protects town from unauthorized employee purchases. Protect your employees on trips with value-added insurance and 24-hour customer support.

### **CEO Mobile<sup>SM</sup>**

Access critical account information and perform time sensitive banking functions when you're away from your computer through your mobile device. Wells Fargo is the first major U.S. bank to bring you corporate mobile banking.

The CEO Mobile service delivers mobile versions of reports and services available on the Wells Fargo Commercial Electronic Office<sup>®</sup> (CEO<sup>®</sup>) Internet portal. The current array includes previous-day, intraday, and controlled disbursement reports; wire approval and initiation; positive pay and ACH fraud filter review and decisions; and Basic Banking. We add new functionality several times during the year.

By enabling key financial decision makers to connect from meetings, airports, across town, or around the globe, the CEO Mobile service maximizes efficiency and convenience. The service provides approval notifications, account statuses, and summary reports to make the most of your time and allows you to submit decisions from remote locations, so that work at the office can go uninterrupted while you're out.

CEO portal users who are authorized for reports and services on the CEO portal are authorized automatically to receive the CEO Mobile versions. No set-up or implementation is required, and most mobile devices are supported. CEO Mobile sessions and data transmissions are safeguarded by 128-bit SSL encryption. To access the CEO Mobile service, simply go to the secure site <https://ceomobile.wf.com> and sign on using your CEO portal authorization credentials.

Please refer to appendix for fact sheets on all these additional products.



## **II. Method of Compensation**

### **A. Compensation**

**The Town anticipates that proposed banking services will be compensated either by the credit earned on average collected balances or a fee for service basis, but is also willing to consider other options.**

**Each month the bank shall prepare an account analysis and/or billing statement defining ledger and collected balances, services performed, and other costs incurred by the Town. The Town also requires documentation regarding how balances and costs are calculated.**

Wells Fargo will provide to the Town every month an account analysis/billing statement that defines ledger and collected balances, services performed, and other costs incurred by the Town.

The Earnings Credit Rate (ECR) Index for Wholesale Banking customers is set internally on a monthly basis at Wells Fargo's discretion. The ECR Index is calculated after evaluating a combination of factors, including the 91-Day Treasury Bill rate, the Fed Funds rate, sweep rates, and other market indicators. The index may be adjusted during the month to react to market changes. Wells Fargo calculates your earnings credit on 100% of your average daily positive collected balances (average collected balance). We do not deduct a reserve requirement prior to calculating the ECR. Earnings credit is calculated using the following formula:

$(\text{Average Collected Balance}) \times (\# \text{ of Calendar Days in Month}) \times (\text{ECR}) / \text{Actual \# of Days in the Year}$

### **B. General Compensation Issues**

**The Town desires to pay for services on a monthly basis.**

**No funds or fees belonging to the Town may be withdrawn from the Town's depositories except upon prior approval from the Town.**

**All charges must conform to those specified in the proposal sheets: Required Banking Services (Exhibit 1), Optional Banking Services (Exhibit 2), and Additional Banking Services (Exhibit 3), or as is negotiated and agreed to in writing by both the Town and the Bank.**

**The Town shall not be obligated to pay for any service not specified in the exhibits unless agreed to in writing by the Town and the bank.**

Wells Fargo can accommodate all of the conditions stated above. We recommend settling your account on a monthly basis. If the Town does not want to have its account debited on a monthly basis, we also offer the option to receive a monthly invoice.



### III. Wells Fargo Advantages

#### A. All proposals must include the following:

1. The name and phone number of a person to contact with questions or communications regarding the bank's proposal.

Annette Gallegos  
Senior Business Relationship Manager  
970-385-9348

2. A statement that the bank meets all of the minimum qualifications outlined in Section II, Minimum Bank Qualifications. Include documentation of the Bank's latest CRA rating. Include a statement regarding disaster preparedness.

Since 1852, Wells Fargo has a history of supporting organizations that are working to strengthen our communities. We promote economic development and self-sufficiency through financial education, cash contributions, affordable housing, small business lending and through the efforts of our enthusiastic team member volunteers.

Wells Fargo is committed to the communities we live and work in, as evidenced by Wells Fargo's \$45 billion Community Reinvestment Act (CRA) commitment. It is our intention, through this CRA leadership pledge, to be the unrivaled banking leader in CRA lending throughout the United States and to maintain our commitment to the communities we serve. Wells Fargo's leadership role in creating special lending programs that meet the needs of our customers has been recognized by the Office of the Comptroller of the Currency (OCC), which awarded us its highest possible rating "Outstanding" for our community reinvestment performance.

Wells Fargo is one of corporate America's largest financial contributors to people and communities. We not only meet, but also exceed, community needs. We've included a few highlights below:

#### Affordable Housing

- #1 originator of home loans to ethnic minority and low-to-moderate income borrowers and in low-to-moderate income neighborhoods
- Through 92,000 team member-volunteers (3.2 million volunteer hours), the Wells Fargo Housing Foundation, with Habitat for Humanity, has built or renovated over 1,900 homes for low-to-moderate-income homebuyers, and contributed \$35 million towards loans and grants
- Contributed \$3 million to NeighborWorks® organizations for local homeownership centers and other homeownership initiatives

Teamed up with Neighborhood Reinvestment Corporation and NeighborWorks affiliates in 220 local markets to create low-income homeownership opportunities for families across the United States

#### Financial Education

- Educated over 7 million people with *Hands on Banking*® and *El futuro en tus manos*®, our financial literacy education Web sites
- Trained 5,000 team members to teach the *Hands on Banking*® interactive financial education tutorial in schools and community groups around the country

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a white, serif font, set against a dark grey square background.

**Small Business Lending**

- We are the #1 lender to small businesses nationwide in loans of less than \$100,000
- We are also the #1 ranked lender to small businesses in low-to moderate-income neighborhoods for loans under \$100,000
- In 1995, we were the first financial services provider in the country to establish a national program to support women and small business owners. In addition, we have an alliance with the National Association of Women Business Owners (NAWBO)
- Over the past 10 years, we've exceeded our publicly-stated goals by loaning more than \$26 billion to small businesses owned by African Americans, Asian Americans, Latinos, and women

**Charitable Contributions**

**Philanthropic investing**

More than \$4.2 million to nearly 1,200 nonprofits and schools through corporate and foundation giving

\$1.48 million, up nearly 14% from 2012, in contributions through the annual team member Community Support and United Way Campaign

\$232,000 in contributions to match team member gifts to accredited educational institutions, foundations, and Habitat for Humanity

\$289,550 in grants to housing nonprofits for building and rehabilitating homes, homeowner education, and foreclosure prevention

**Team member volunteers**

More than 45,000 volunteer hours contributed by team members – equal to \$877,950 at the rate of \$19.51 per volunteer hour

\$13,000 awarded in Volunteer Service Award grants to nonprofits in recognition of team member volunteer service for four team members

One team member awarded with paid time off to volunteer with the notfor-profit of their choice

300 children read to by team through our Reading First early childhood literacy program; 320 books donated to classrooms and schools



## IV. Detailed Bank Information

### A. Bank Profile

Wells Fargo & Company is a diversified financial services company providing banking, insurance, investments, mortgage, and consumer and commercial finance through more than 10,000 stores and 12,000 ATMs and the Internet ([wellsfargo.com](http://wellsfargo.com) and [wachovia.com](http://wachovia.com)) across North America and internationally.

We're headquartered in San Francisco, but we're decentralized so every local Wells Fargo store is a headquarters for satisfying all our customers' financial needs and helping them succeed financially. One in three households in America does business with Wells Fargo. Wells Fargo has \$1.5 trillion in assets and more than 278,000 team members across our 80+ businesses.

Our vision: We want to satisfy all our customers' financial needs, help them succeed financially, be the premier provider of financial services in every one of our markets, and be known as one of America's great companies.

Wells Fargo Bank

### B. Financial Strength

- **Attached is a current Certificate of Eligible Public Depository signed by an officer of your financial institution.**

The Town can view the most recent annual reports by going to the link provided below.  
[https://www.wellsfargo.com/invest\\_relations/annual](https://www.wellsfargo.com/invest_relations/annual).

Wells Fargo & Company is a diversified financial services company providing banking, insurance, investments, mortgage, and consumer and commercial finance through more than 10,000 stores, 12,000 ATMs, and the Internet ([wellsfargo.com](http://wellsfargo.com)) across North America and internationally.

We're headquartered in San Francisco, but we're decentralized so every local Wells Fargo store is a headquarters for satisfying all our customers' financial needs and helping them succeed financially. One in three households in America does business with Wells Fargo.

Wells Fargo has \$1.2 trillion in assets and more than 278,000 team members across our 80+ businesses. We ranked fourth in assets and third in market value of our stock among our U.S. peers as of March 31, 2010.

Our vision: We want to satisfy all our customers' financial needs, help them succeed financially, be the premier provider of financial services in every one of our markets, and be known as one of America's great companies.



Our year-end key performance measures are as follows:

Key performance measure	2011	2012	2013
Total assets	\$1.3 trillion	\$1.4 trillion	\$1.5 trillion
Net income	\$15.8 billion	\$18.9 billion	\$21.8 billion
ROA	1.25%	1.41%	1.51%
ROE	11.93%	12.95%	13.87%
Equity/assets	10.78%	11.17%	11.20%

To review the full Wells Fargo Bank, N.A. Annual Report, please use the following link:  
[https://www.wellsfargo.com/invest\\_relations/annual](https://www.wellsfargo.com/invest_relations/annual).

We have one of the highest debt ratings of any financial services company.

Wells Fargo & Company (as of November 4, 2014)	Fitch Ratings	Moody's	Standard & Poor's
Long-term Issuer Rating	AA-	A2	A+
Short-term Issuer Rating	F1+	P-1	A-1
Senior Unsecured	AA-	A2	A+
Subordinated	A+	A3	A
Preferred Stock	BBB	Baa3	BBB
Wells Fargo Bank, NA (as of November 4, 2014)	Fitch Ratings	Moody's	Standard & Poor's
Long-term Issuer Rating	AA-	Aa3	AA-
Short-term Issuer Rating	F1+	P-1	A-1+
Bank Deposits	AA	Aa3	AA-
Senior Unsecured	AA-	Aa3	AA-
Subordinated	A+	A1	A+

The information provided is found on our Investor Relations site ([wellsfargo.com/invest\\_relations/debt](http://wellsfargo.com/invest_relations/debt)) and is provided for informational purposes only. We do not guarantee the accuracy or completeness of information on or available through this site, and we are not responsible for inaccuracies or omissions in that information or for actions taken in reliance on that information. Please read Legal Disclaimers ([wellsfargo.com/invest\\_relations/legal/](http://wellsfargo.com/invest_relations/legal/)) before using or relying on information on or available through this site. Potential investors in our securities should seek professional advice before they invest.

The Town can access the Investor Relations page on our website ([www.wellsfargo.com](http://www.wellsfargo.com)) to view the latest information and details regarding the merger integration. While we cannot currently provide specific information related to the services requested within your RFP, we do not expect the merger to have a material adverse impact on Wells Fargo Bank's ability to provide those services.

**C. Security and Controls**

**Information Security:** Wells Fargo's Enterprise Risk Management Group sets the information security policy for the enterprise. Our Wholesale Internet and Treasury Solutions Security interprets and applies corporate security policy to the *Commercial Electronic Office*® (CEO®) portal. Wells Fargo Audit Services monitors the CEO portal for compliance to the corporate information security policy.



**Access to Customer Data:** Wells Fargo limits team member access to customer information to those who have a business reason to know this information. Team members honor our code of conduct, which includes standards to protect customer confidentiality. If they fail to do so, team members are subject to disciplinary action.

**Requests for Customer Credentials:** We protect the privacy of customer credentials in these ways:

- We never request or respond to requests for password information over email.
- The *CEO* service site only uses child-browser windows, which require user selection of the link to open, and never pop-up windows, which launch automatically, to collect passwords or personal information.
- We never request password information over the phone. For telephone customer service, user identities are authenticated using “shared secrets,” answers to questions asked during the *CEO* service registration process.

**Security Audits and Assessments:** Wells Fargo Audit Services performs regular reviews of the *CEO* portal and issues findings and audit summaries. Our management and technical partners review each finding. If changes are necessary, they are prioritized and scheduled for implementation. Audit Services tracks and monitors completed findings.

A third party does penetration testing on the *CEO* portal on an annual basis. Our *CEO* service managers review the results and make appropriate changes to strengthen existing security controls. For security purposes, we do not share penetration testing results.

The *CEO* portal is subject to periodic examination by our internal auditors, who have no reporting relationship to the business unit responsible for *CEO* portal security. Internal audit examination typically focuses on testing for compliance with our corporate security policies, which are based on industry-standard information security practices. In addition, Audit Services shares its work papers and findings with our external auditor. These are taken into consideration when the auditor’s statement is prepared for our annual reports.

**Access Violations:** We record operating system logins and access violations and monitor system logs for exceptions and suspicious activity. We investigate these activities and take appropriate actions as necessary.

**Virus Software:** Our security policies mandate the use of virus detection software, with a preferred list of products that may be used.

**Authentication:** The *Commercial Electronic Office*® (*CEO*®) portal uses two levels of authentication:

- Authentication using a Company ID, User ID, and password.
- Strong or two-factor authentication using an RSA SecurID fob: *CEO* services such as Foreign Exchange or ACH are examples of services that require strong authentication. Users of these services must possess an RSA SecurID fob and enter a passcode, which is combination of a PIN, created by the user upon first access and a six digit number which is, at that time being displayed on their token. This token code is randomly changed every 60 seconds.

User logins and all *CEO* portal session activity are conducted using 128-bit SSL encryption. During login or when upgrading from light to strong authentication, passwords or token passcodes are masked for security reasons. Additionally, all passwords are stored on our databases using one-way hashing.



**Authorization:** The Town determines who can access protected resources and which resources are available for access. Wells Fargo can set up entitlements for each user, or The Town administrators can create user IDs and assign privileges using the *CEO Self Administration* service.

Unique keys, such as Company ID, are used to identify and separate each customer's data. We use application logic, in conjunction with entitlement information, to control access to the data.

**Password Management:** To maximize password strength, Wells Fargo requires that all passwords meet the following criteria:

- **Length:** Passwords must be a minimum of six (6) characters.
- **Composition:** Passwords must contain a combination of alpha and numeric characters.
- **Expiration:** Passwords expire after 60 days, per Wells Fargo default. Alternatively, the Town may elect to use expiration periods of 30, 90, or 120 days.
- **Reuse:** Users cannot reuse the previous six (6) passwords
- **Encryption:** All passwords are stored using one-way hashing, which makes it impossible to recover passwords from the hash message digest. For transmission, 128-bit SSL encryption is used.

Invalid password attempts are monitored during login and subsequent password entries, such as required for user profile changes. The *CEO* portal will lock out user accounts after three (3) invalid password attempts. Once an account is locked out, the user must contact a Town administrator or Wells Fargo's Treasury Management Client Services to reset the password. All password authentications are logged for audit purposes.

- **Please describe the bank's position regarding reimbursing the Town for inadvertent bank errors.**

The Bank would be responsible for correcting and reimbursing any and all charges related to bank errors, as applicable.

- **Please describe the bank's standard for timely correction of errors.**

When a problem is identified, providing a prompt resolution is important. But so is identifying the root cause. By identifying the root cause of a problem—whether it's procedural, personnel-related, or technology-driven—we are able to implement a resolution that prevents the same problem from ever happening again. This "continual improvement" approach to quality management incrementally improves the level of service we provide.

- **Please describe any and all security protections to identify and avert fraudulent check and ACH transactions. What protections will be offered to shield the Town from loss? To what extent will the Bank accept liability for fraudulent transactions?**

As mentioned throughout this proposal, we recommend using Wells Fargo's Image Positive Pay with Payee Validation to protect against paper disbursement fraud. In the Other Services section, we are recommending our ACH Fraud filter to protect against electronic transaction fraud. Wells Fargo handles every fraud incident on a case by case basis and would work with the Town accordingly.

- **Please provide details regarding filters and other forms of protection to shield the Town from incorrect or fraudulent ACH transactions.**



The ACH system is one of the most efficient and cost effective ways to transfer funds; but it's critical that appropriate measures are in place to protect you against unauthorized transactions. Our ACH Fraud Filter service offers you three options that you can use to protect your accounts.

**Review transactions and decide if you want them returned**

With the system's review option, we notify you of all ACH transactions when they are presented. You then review those transactions and notify us if you want a transaction returned. When you tell us to return a transaction, we create a reversing adjustment and return the transaction as unauthorized.

You may preauthorize transactions to post to your account without review.

**Stop unauthorized transactions automatically**

With the system's stop option, we automatically return transactions that you have not pre-authorized, and we automatically process all ACH transactions that you have pre-authorized.

**Monitor converted check entries**

Our eCheck option helps you monitor converted check entries for business-sized checks that have an AUX on-us field in the MICR line. This service includes eCheck post and eCheck stop options for accounts receivable check (ARC), back office conversion (BOC), and point-of-purchase (POP) transactions.

The eCheck default option gives you the opportunity to see items that will post to your account, so you can decide to pay them or return them using the CEO® Image Positive Pay service. The eCheck stop option automatically stops all items inadvertently converted before they post to your account.

- **Please describe the Electronic Wire Transfer interface offered by the proposing Bank, including built in security safeguards and a description of the process from start to finish.**

Security safeguards for wire initiation with Wells Fargo are outlined below.

**Commercial Electronic Office® (CEO®) Wire Transfer Service (Internet)**

- Required: Company ID, User ID, and Password for *Commercial Electronic Office (CEO)* portal login; RSA SecurID User PIN and pass code fob for access to the CEO Wire Transfer service.

Recommended: Secondary authorization, user wire limits, user account access limits.

**D. Disaster Recovery**

Wells Fargo has remained a beacon of trust and security since 1852. We have a business continuity planning program in place, consisting of multiple recovery strategies for each core line of business, function, product, and service. In the event of an unexpected disaster or emergency, every attempt will be made to restore and maintain normal service levels as soon as possible. Our general philosophy is that the unexpected should now be expected, and planned for accordingly.

Our core processes and procedures regarding business continuity planning remain consistent for a wide variety of potential disasters or emergencies, including earthquakes, fires, floods, and even pandemic disease. Although components of our business continuity plan may vary based on the nature of each specific event, we have identified four types of interruptions that could impact your company the most:



- **Systems.** To minimize the severity of system interruptions, we have instituted redundancies for business critical systems. In the event a Wells Fargo system experiences a temporary outage, we will allocate available resources to the remediation of the impacted application(s).
- **Telecommunications and Power.** Wells Fargo utilizes multiple telecommunications and power companies to create a redundant network, thereby minimizing the likelihood of an outage. Should an outage occur, however, we will take reasonable action to implement manual alternatives.
- **Operations Facilities.** If there is a disaster at one of our primary operations centers, we have alternate processing centers which are prepared to take over day-to-day processing and support until the primary operational center is back to normal operating conditions.
- **Transportation.** If either air or ground transportation is temporarily unavailable, we will take reasonable action to use alternative methods, given available transportation options.

Wells Fargo tests specific recovery strategies on a regular basis, with specific frequency and timing dependent on the specific functions and/or applications being tested. Generally, all Wells Fargo critical applications are tested on a quarterly basis, with business unit-level functions tested on an annual basis.

In the last twelve months, Wells Fargo has not experienced an unscheduled downtime that lasted more than 30 minutes.

Disaster recovery sites are dispersed across multiple locations, in order to minimize potential disruption within a specific geographic region. Distance between each primary and back-up site varies widely, although always sufficient distance to leverage electricity, communication linkages and other infrastructure.

#### **E. Dispute Resolution**

In the case of bank error, we work directly with the originating or receiving financial institution to resolve the issue. We follow either National Council for Uniform Interest Compensation (NCUIC) or the U.S. Council on International Banking (USCIB) rules for compensation between banks.

When discrepancies in balances occur due to bank error, Wells Fargo adjusts your analysis balances accordingly. We post adjustments directly to your account and notify you by mail and, in some cases, by telephone. Adjustment calculations vary by the circumstances of the error. Compensation rules depend on the situation as defined by the NCUIC or USCIB.

As previously noted in this RFP your primary point of contact is Loretta Davidson and Loretta's back up is Connie Hessler.

#### **F. Customer Relations**

Annette Gallegos, your Senior Business Relationship Manager and Rachel Montes, your Business Associate are your primary points of contact and are available 8:00 a.m. to 5:00 p.m. MST. They both have the ability and authority to resolve any problems that may arise. Please refer to question number 13 above for a list of Wells Fargo employees that are assigned to the Town's account. Wells Fargo will complete a periodic review of the banking relationship with the Town to ensure that any problems are identified early and resolved.

#### **G. Subcontracted Services**



Wells Fargo owns and operates all of our systems and services. This is an important consideration. It means that if you ever have an operational issue, we have the internal resources and personnel to offer a prompt resolution.

Metavante, a third-party vendor, supports our cash concentration and deposit reporting service. We don't anticipate any changes to this relationship. Wells Fargo has been with Metavante since 1998 and has offered Cash Concentration and Automated Cash Concentration services for more than 26 years. (The Town would not be accessing either of these products.)

#### H. Quality Indicators

When you select a bank to provide you with treasury management services, you want the confidence of knowing that they will deliver the level of quality that you expect, both today and into the future. At Wells Fargo, quality is one of our primary concerns. Therefore, we've implemented a multi-point plan to ensure that our treasury management services deliver the consistent quality our customers expect.

Whenever you or one of your staff contacts us for help or assistance, you are put in touch with a competent and well-trained client services officer.

Client services officers have the knowledge to respond to your question. Indeed, they are able to answer most questions on the first call. This makes it easier and faster for your staff to get answers to their questions.

If your question has to do with a system, personnel, or procedural fault, the client services officer you speak with has the authority to fix it. This results in a prompt resolution for you, but it's only the first step in a longer process for us.

When a problem is identified, providing a prompt resolution is important. But so is identifying the root cause. By identifying the root cause of a problem—whether it's procedural, personnel-related, or technology-driven—we are able to implement a resolution that prevents the same problem from ever happening again. This "continual improvement" approach to quality management incrementally improves the level of service we provide.

Our commitment to continued quality improvement offers real, quantifiable results. In the latest Phoenix-Hecht Quality Index Report, Wells Fargo received nearly triple the amount of "A+" ratings as any other bank for our large corporate treasury management products. On the 23 questions about our middle market treasury management products in the same report, Wells Fargo earned 13 "A+" grades and six "As."

That being said, Wells Fargo recognizes the importance of engaging our customers in the improvement of existing, and in the development of new, products and services. To that end, we formally collect and analyze customer feedback on our products and services, reviewing it quarterly with senior management to assess and prioritize our product initiatives. To date, over 60 percent of our customer feedback has resulted in new products or product enhancements.

Wells Fargo has managed a formal Customer Advisory Council program since 2004. We actively engage the Advisory Council, which is comprised of more than 200 customers from multiple industries and geographic regions, to help us candidly assess our products and services, and the methods by which we deliver them. The feedback generated by the Advisory Council ensures that the "voice of the customer" is central to both our product development efforts and our delivery and communication methods. In 2009, we expanded the scope of the Advisory Council to include active discussions about the merger of Wells Fargo and Wachovia, specifically focusing on members' input with respect to our go-forward products, systems, and organizational structure.



The Town can be confident that we will deliver the level of service you expect, both today and into the future.

**I. Competitive Position and Future Commitment**

One of the biggest challenges associated with selecting a bank is to understand what differentiates one organization from another. This understanding is important because it allows you to select the service provider that is best suited to your needs.

In general, one of the biggest differentiators between Wells Fargo and other providers is that we take a leadership role in using technology to improve service delivery. Wells Fargo leverages information systems to automate routine and repetitive processes, to streamline information flow, and, in general, to simplify how easy it is for your staff to use our services.

In addition to this general description, listed below are specific examples of our capabilities that differentiate us from other providers.

**Extensive cash vault network**

Wells Fargo provides an extensive cash vault network. We operate 76 cash vaults strategically located throughout the country. All of these vault locations operate on a common service platform, providing a consistent customer experience across the entire network. We consistently deliver high-quality cash vault services with a year-to-date deposit processing accuracy rate of 99.98 percent as of February 2010.

**Online cash vault services**

We offer Internet access to cash vault inquiry, reporting, and change ordering services 24 hours a day, 7 days a week. Accessible through our *Commercial Electronic Office*<sup>®</sup> (CEO<sup>®</sup>) portal, the Cash Vault Inquiry service lets your staff quickly research deposits, adjustments, and the status of your change orders.

**Automated check conversion**

Our innovative *Smart Decision*<sup>®</sup> service automatically converts eligible checks received by the Town to ACH Back Office Conversion (BOC) or Accounts Receivable Conversion (ARC) debits. You just need to notify your customers in advance through a posted or mailed notification that their checks will be converted.

You deposit your checks through one or more Wells Fargo depository channels, including cash vault, night depository, banking store, ATM, and remote deposit services. After you make a deposit through any of these channels, we use our industry-leading decision engine to identify eligible checks and convert them to ACH BOC or ARC debits.

The cash vault, night depository, banking store, and ATM options let you continue to use your existing deposit processes—without purchasing scanners—and still take advantage of check conversion services. Once we process your deposit, Wells Fargo securely retains and destroys the converted checks on your behalf.

**J. Conversion Implementation and Transition**

At Wells Fargo, we approach implementations as a partnership. Our approach to implementation incorporates a highly experienced team of bankers who work closely with the Town through every step of your transition to Wells Fargo.



Our implementation team is led by an implementation coordinator who works with internal bank partners and your staff to define and document requirements and develop a comprehensive implementation plan. The implementation coordinator will manage the project through final delivery and product training and usage, providing the Town with a single point of contact and a positive implementation experience.

Regular implementation meetings (usually weekly), are scheduled once the contract is awarded. At every meeting during your implementation, your Wells Fargo implementation team, treasury management specialists, relationship manager, and relationship associate will be present. Your assigned client services officer will also join the meetings at the appropriate time, to become familiar with your accounts. There may be additional team members that attend when a product specialist is needed.

A detailed timeline and updated account structure are a major focus of each meeting, to ensure that all tasks are monitored and are on track to meet your target start date. Meeting minutes from the prior meeting, an agenda, a timeline, and an account structure are provided by e-mail prior to every implementation meeting.

The discussions also cover file formats and delivery methods, and answer any technical questions you may have about the services you have selected.

Your treasury management sales consultant submits all necessary implementation paperwork to begin the implementation process.

The implementation process includes the following milestones:

- **Wells Fargo kick off meeting:** Assigned resources develop a project plan based on detailed discussions of the team. Presumptions, issues, and questions are documented for further discussion.
- **The Town kick off meeting:** Formal project kick off meeting is scheduled to resolve outstanding presumptions, issues, and questions. Attendees include resources from our systems, other internal bank resources, and our counterparts from the Town. Milestones, tasks, and dates of the project are also discussed. A weekly project team meeting is scheduled for the duration of the project.
- **Application development:** The Town builds transmission files, creates test checks, and such. Wells Fargo implementation builds the Town's services on each of our product platforms.
- **Transmission testing:** Testing is completed with the Town's participation and approval on input and output file formats. The Town's sign off is required to move transmission services into the production environment.
- **The Town staff training:** Wells Fargo conducts initial product training sessions to ensure the Town staff members fully understand how to use their new banking services. Training will be conducted by telephone or onsite at your location as deemed appropriate by the complexity of the service.
- **Go live:** We work with the Town to monitor your first transmissions, deposit postings, and such, to ensure service quality. This initial monitoring phase also ensures that problems are quickly identified and that corrective action begins when warranted.
- **Transition from implementation to client services for ongoing support:** We ensure that your client services officer understands your account structure and services. If necessary, we provide further training regarding the Town's processing requirements. Contact information is re-verified and distributed throughout Wells Fargo and the Town.

The plan described above is documented and turned into a customized, product-by-product, implementation schedule and timetable that is agreed upon by our two organizations. Our customized



approach to implementation and our team's broad implementation experience guarantees that the Town's transition to Wells Fargo will be a success.

## **APPENDIX**

- PDPA Certificate
- Unencoded Check Deposited Availability Schedule
- Sample Client Analysis Statement
- ACH Fraud Filter Fact Sheet
- CEO Event Messaging Fact Sheet
- Stagecoach Deposit Fact Sheet
- WellsOne Commercial Card Overview Fact Sheet
- Wells Fargo Print Services Fact Sheet
- Desktop Deposit Fact Sheet



# DOCUMENTATION

## OLD BUSINESS: VII.1

PAGOSA SPRINGS TOWN COUNCIL, JANUARY 22, 2015

FROM: JAMES DICKHOFF, TOWN PLANNING DIRECTOR

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**PROJECT: SECOND READING OF ORDINANCE No. 819, AN ORDINANCE OF THE TOWN OF PAGOSA ACCEPTING AN EASEMENT FOR REAL PROPERTY KNOWN AS THE NORTH 10 FEET OF A TRACT LAND LYING AND BEING A PORTION OF LOTS 1, 2 AND 3 OF BLOCK 39 AND THE PORTION OF SAN JUAN STREET AS VACATED UNDER ORDINANCE 244, INCLUDING AN ENLARGED EASEMENT AREA AT THE NORTH/EAST CORNER OF SUBJECT TRACT OF LAND, WITHIN THE TOWNSITE OF PAGOSA SPRINGS.**

**ACTION: DISCUSSION AND POSSIBLE DECISION**

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### PURPOSE/BACKGROUND

On January 6, 2015, TC approved the First Reading of Ordinance No. 819.

The Planning Director has been working with the property owner of 703 San Juan Street, Citizens Bank President Kyle Cox, for the last year, to establish a pedestrian path (sidewalk/trail) along the northern boundary of 703 San Juan Street (Hwy 160) to accommodate the connectivity of the new pedestrian crossing facilities installed at the new 8<sup>th</sup> Street intersection traffic light, east to South 7<sup>th</sup> Street.

The easement being considered is the "North 10 feet of a Tract of Land lying and being a portion of Lots 1, 2 and 3 of Block 39 and the portion of San Juan Street as vacated under Ordinance 244, including an enlarged easement area at the north/east corner of subject tract of land, within the Townsite of Pagosa Springs, Archuleta County, Colorado and entirely within that tract of land described in Book 324 at Page 106, said tract of land being more particularly described by metes and bounds as recorded in the Warranty Deed recorded on April 29, 1993 under reception number 93002115."

Staff has also just recently coordinated a Plat Dedicated Pedestrian Easement along the north 10 feet of the former City Market property at 755 San Juan Street. These two easements will allow for pedestrian path connectivity along the south side of Hwy 160 between S. 8<sup>th</sup> Street and S. 7<sup>th</sup> Street.

### ANALYSIS:

Per the Town's Municipal Home Rule Charter;

#### ***"Section 12.19 - Conveyances of Real Property Owned***

*The Council, by ordinance, may purchase, sell, exchange, receive by donation, enter into a lease for greater than two years, or dispose of any interest in real property including easements. The Council may enter into a lease of real property for a term of up to two (2) years by motion. The title of an ordinance shall, when possible, identify the location of the property or property interest by lot and block or subdivision designation. Ordinances authorizing the acquisition or disposal of real estate interests shall take effect thirty days after final approval and shall be subject to citizen referendum according to the procedures in Article 5."*

### APPLICABILITY TO COMPREHENSIVE PLAN AND GOALS

A sidewalk/trail along this property is consistent with the following long range planning documents previously adopted by the Town;

- ~ The Comprehensive Plan notes Goal T-3 stating "Pagosa Springs will support convenient, connected and efficient transportation for all modes of travel" and Policy T-3(c) "Trails and Sidewalks Network for Recreation and Transportation Purposes": stating "Pagosa Springs aims to maintain and expand the existing trails system to connect our neighborhoods, schools, civic centers and shopping areas ..... as shown on the Trails Plan (figure 11-3)".
- ~ The Downtown Master Plan supports pedestrian sidewalk networks for safe means of multi modal

transportation.

- ~ The Parks Recreation and Open Space & Trails Plan shows a proposed trail along the N. 5th Street and McCabe Creek corridor adjacent to the property proposed for donation to the Town.
- ~ The Town to Pagosa Lakes Trail Master Plan shows a future sidewalk alignment along this proposed easement area.

**ATTACHMENT(S):**

- ~ Ordinance No. 819, An Ordinance of the Town of Pagosa Springs, Accepting an Easement for Real Property Known as the North 10 feet of a Tract of Land lying and being a portion of Lots 1, 2 and 3 of Block 39 and the portion of San Juan Street as vacated under Ordinance 244, including an enlarged easement area at the north/east corner of subject tract of land, within the Townsite of Pagosa Springs.

**FISCAL IMPACT**

Approximate one-time costs include;

Archuleta County Clerk Recordation of Ordinance: \$35.00

**RECOMMENDATION**

Town Planning Director recommends that Town Council consider the following approval:

**Approve the Second Reading of Ordinance No. 819, An Ordinance of the Town of Pagosa Springs, Accepting an Easement for Real Property Known as the North 10 feet of a Tract of Land lying and being a portion of Lots 1, 2 and 3 of Block 39 and the portion of San Juan Street as vacated under Ordinance 244, Ordinance 244, including an enlarged easement area at the north/east corner of subject tract of land, within the Townsite of Pagosa Springs.**

TOWN OF PAGOSA SPRINGS, COLORADO

ORDINANCE NO. 819  
(SERIES 2015)

AN ORDINANCE OF THE TOWN OF PAGOSA SPRINGS  
ACCEPTING AN EASEMENT FOR REAL PROPERTY KNOWN AS  
THE NORTH 10 FEET OF A TRACT OF LAND LYING AND BEING A PORTION OF  
LOTS 1, 2 AND 3 OF BLOCK 39 AND THE PORTION OF SAN JUAN STREET AS  
VACATED UNDER ORDINANCE 244, INCLUDING AN ENLARGED EASEMENT  
AREA AT THE NORTH/EAST CORNER OF SUBJECT TRACT OF LAND  
WITHIN THE TOWNSITE OF PAGOSA SPRINGS.

WHEREAS, the Town of Pagosa Springs (“Town”) is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Pagosa Springs Home Rule Charter of 2003; and

WHEREAS, pursuant to Section 10.6 of the Pagosa Springs Home Rule Charter of 2003, the Town has full authority, power and control over all Town owned property, including streets, and including but not limited to, all power and authority to receive easements, and section 12.19 of the Charter provides for receiving of easements by Ordinance; and

WHEREAS, the Town Council hereby finds and determines that it is appropriate and necessary to the function and operation of the Town to accept the Easement attached hereto as Exhibit A, for that certain real property known as the North 10 feet of a Tract of Land lying and being a portion of Lots 1, 2 and 3 of Block 39 and the portion of San Juan Street as vacated under Ordinance 244, including an enlarged easement area at the north/east corner of subject tract of land, within the Townsite of Pagosa Springs, Archuleta County, Colorado and entirely within that tract of land described in Book 324 at Page 106, said tract of land being more particularly described by metes and bounds as recorded in the Warranty Deed recorded on April 29, 1993 under reception number 93002115, within the Townsite of Pagosa Springs; and

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, as follows:

I. **Acceptance of Easement Agreement.** The Easement Agreement, in the form attached hereto, and the easement conveyed by it, is in all respects approved and accepted by the Town.

II. **Public Inspection.** The full text of this Ordinance, with any amendments, is available for public inspection at the office of the Town Clerk.

III. **Severability.** If any portion of this Ordinance is found to be void or ineffective, it shall be deemed severed from this Ordinance and the remaining provisions shall remain valid and in full force and effect.

IV. **Second Reading.** Second reading of this Ordinance shall be held on the 22 day of January, 2015, at 5:00 p.m. at the Pagosa Springs Town Hall, 551 Hot Springs Boulevard, Pagosa Springs, Colorado.

V. **Effective date.** This Ordinance shall become effective and be in force thirty days after final approval.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, B) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

TOWN OF PAGOSA SPRINGS, COLORADO

By: \_\_\_\_\_  
Don Volger, Mayor

Attest:

\_\_\_\_\_  
April Hessman, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, D) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

TOWN OF PAGOSA SPRINGS, COLORADO

By: \_\_\_\_\_  
Don Volger, Mayor

Attest:

\_\_\_\_\_  
April Hessman, Town Clerk

**CERTIFICATE OF PUBLICATION**

I, the duly elected, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. 819 (Series 2015) was approved by the Town Council of the Town of Pagosa Springs on first reading at its regular meeting held on the \_\_\_ day of \_\_\_\_\_, 2015, and was published by title only, along with a statement indicating that a violation of the Ordinance is subject to enforcement and punishment pursuant to Article 3, Chapter 1 of the Pagosa Springs Municipal Code, and specifically Section 1.3.3 which provides for a fine not exceeding \$1,000 or incarceration for not to exceed one year, or both, and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on \_\_\_\_\_, 2015, which date was at least ten (10) days prior to the date of Town Council consideration on second reading.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this \_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
April Hessman, Town Clerk

(S E A L)

I, the duly elected, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. 819 (Series 2015) was approved by the Town Council of the Town of Pagosa Springs on second reading, at its special meeting held on the \_\_\_ day of \_\_\_\_\_, 2015, and was published by title only, along with a statement indicating the effective date of the Ordinance and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on \_\_\_\_\_, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this \_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
April Hessman, Town Clerk

(S E A L)

## EASEMENT

THIS EASEMENT is made this 16<sup>th</sup> day of DECEMBER, 2014, by and between CITIZENS BANK OF PAGOSA SPRINGS (the "Grantor"), and all successors and assigns, and the TOWN OF PAGOSA SPRINGS, COLORADO, a home rule municipality and political subdivision of the State of Colorado (the "Town").

### WITNESSETH:

That for and in consideration of the sum of ten Dollars (\$10.00) and other good and valuable consideration paid by the Town to the Grantor, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Town, its successors and assigns, a perpetual public pedestrian easement and right to construct, install and maintain infrastructure and facilities associated with such public pedestrian easement to include, asphalt/concrete surface, concrete curb, surface painting, separation fencing and other associated appurtenances, within the EASEMENT area, generally described as the North 10 feet of a Tract of Land lying and being a portion of Lots 1, 2 and 3 of Block 39 and the portion of San Juan Street as vacated under Ordinance 244, including an enlarged easement area at the north/east corner of subject tract of land, within the Townsite of Pagosa Springs, as shown on Exhibit A.

Grantor agrees to allow the Town to install parking blocks, restripe the existing parking lot spaces and install signs on Grantors property, to delineate the parking spaces adjacent to the easement. Town will ensure access is provided from the parking lot for snowplowing and maintenance operations in a manner mutually agreed upon between the parties.

Grantor agrees to provide snow plowing of the public pedestrian easement during snow removal operations on their respective parking lot, and agrees to provide surface treatment maintenance as provided during regular maintenance operations on their respective parking lot.

Grantors existing freestanding sign location remains as is within the easement Area.

Grantor agrees to allow the Town, convenient ingress and egress thereto and therefrom, and the right to occupy and use, from time to time, as much of the adjoining land of the Grantor as may be reasonably necessary for any of the aforesaid purposes, over, under and across the following described premises, situate in the County of Archuleta, State of Colorado, to wit:

See EXHIBIT A attached hereto and incorporated herein by reference

Grantor warrants that the Grantor has the lawful right to grant such easement, and that the Grantor, and any successors and assigns, will, at no time, permit any building or other permanent improvement to be hereafter constructed within said easement.

Following the completion of the purpose of any entry by the Town upon said easement for any of the aforesaid objects, the Town shall restore the premises to substantially the same condition existing at the time of the entry thereon, except for trees, shrubs, plants, thereon located or damaged thereby.

(Remainder of Page Intentionally Blank)



**CONSENT**

CITIZENS BANK OF PAGOSA SPRINGS consents to the foregoing Indenture and binds itself, its successors and assigns, the same as through its Deed of Trust, recorded on April 29, 1993, recorded in Book 93, Page 2115 of the records of the Clerk and Recorder of Archuleta County, Colorado, was made specifically subject to said Indenture.

By: Kyle W. Cox  
Title: President

STATE OF COLORADO                    )  
  ) ss.  
COUNTY OF Archuleta            )

Subscribed and sworn to before me this 16<sup>th</sup> day of December, 2014 by Kyle W. Cox as President of Citizens Bank of Pagosa Springs

Witness my hand and official seal.

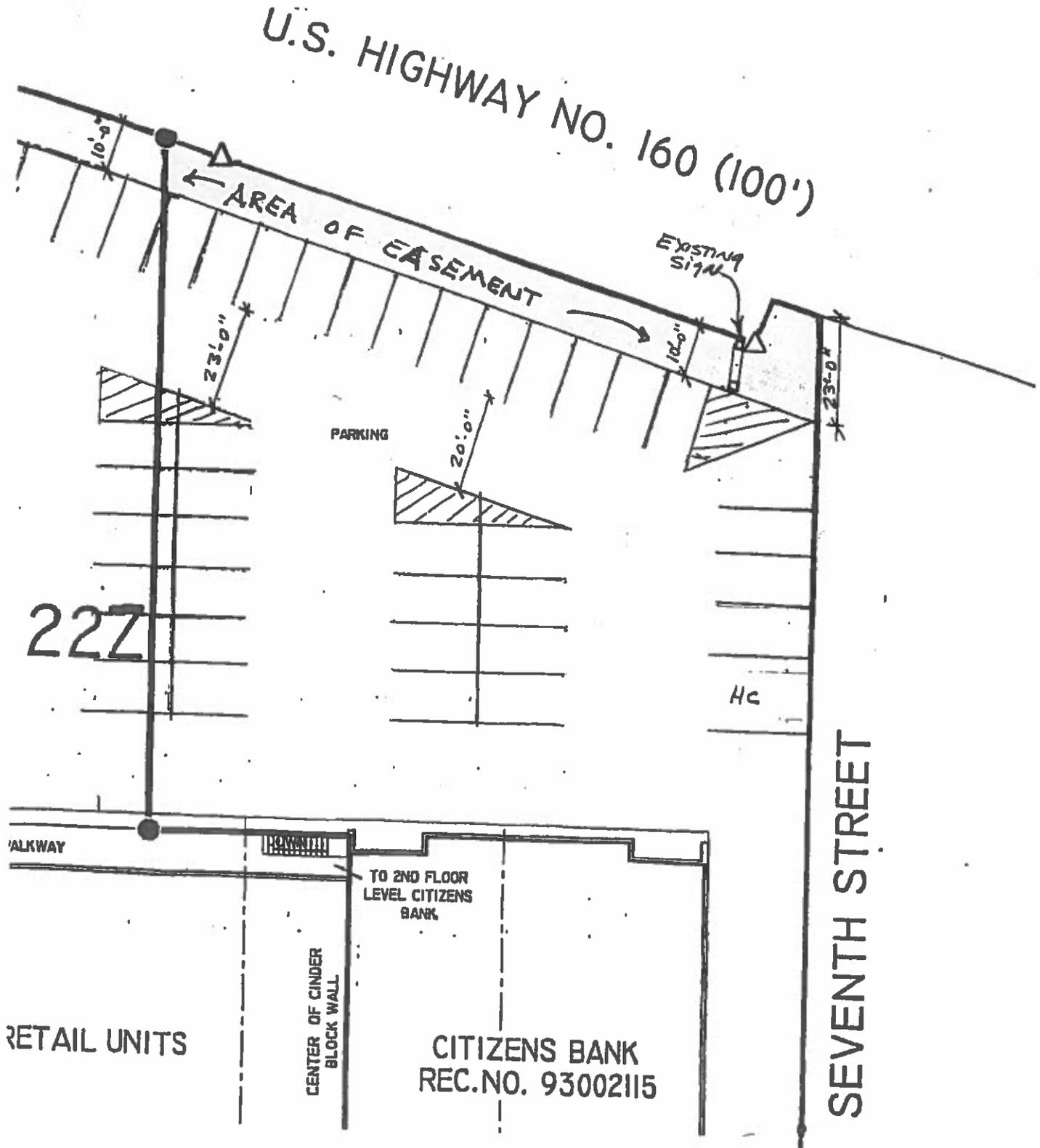
My commission expires: 6/11/17

DARLA DALE  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20084019438  
MY COMMISSION EXPIRES: JUNE 11, 2017

Darla Dale  
Notary Public

EXHIBIT A

MAP AREA OF EASEMENT





# AGENDA DOCUMENTATION

## OLD BUSINESS: VII.2

PAGOSA SPRINGS TOWN COUNCIL  
JANUARY 22, 2015

FROM: GREGORY J. SCHULTE, TOWN MANAGER

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**PROJECT: ORDINANCE 820 (SECOND READING), SCHEDULING A TIME, DATE AND PLACE FOR REGULAR TOWN COUNCIL MEETINGS**

**ACTION: PUBLIC HEARING, DISCUSSION AND POSSIBLE ACTION**

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### PURPOSE/BACKGROUND

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 and third Thursday of each month. It also sets the location of Town Hall where the agenda will be posted.

*The first reading of Ordinance 820 occurred on January 6, 2015.*

### ATTACHMENT(S):

Ordinance 820

### FISCAL IMPACT

There is no direct fiscal impact associated with the approval of this Ordinance.

### ACTIONS

It is the recommendation of the Town Manager that the Town Council discuss and by motion,

**Approve Ordinance 820, second reading, Identifying Town Council Regular Meeting Dates, Locations, Times and Agenda Posting Requirements**

**TOWN OF PAGOSA SPRINGS, COLORADO  
ORDINANCE NO. 820  
(2015 SERIES)**

**AN ORDINANCE IDENTIFYING TOWN COUNCIL REGULAR  
MEETING DATES, LOCATIONS, TIMES AND AGENDA POSTING  
REQUIREMENTS**

WHEREAS, in accordance with Section 3.1 of the Pagosa Springs Home Rule Charter, the Town Council is required to establish dates, locations, times and agenda posting requirements;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO as follows:

**Regular meetings of the Town Council of the Town of Pagosa Springs, Archuleta County, Colorado will be held at Town Hall located at 551 Hot Springs Boulevard, Pagosa Springs, Colorado. Meetings will be held on the first Tuesday of each month at 5:00 p.m. and the third Thursday of each month at 5:00 p.m., at which time the Council will conduct regular meeting business for the Town and any other matters of business that may come before the Council. The meetings are open to the public. The meeting agendas will be posted in Town Hall 24 hours before such meetings. Additional posting may be made in alternative locations, such as the Town website, but such additional posting is not required.**

This Ordinance shall be effective immediately upon its final passage at second reading, and shall be recorded in the official records of the Town and kept for that purpose and shall be authenticated by the signatures of the Mayor and Town Clerk. Copies of all of the provisions of the Ordinance shall be available for public use in the office of the Town Clerk.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, B) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE 6<sup>TH</sup> DAY OF JANUARY, 2015.

ATTEST:

\_\_\_\_\_  
Don Volger, Mayor

\_\_\_\_\_  
April Hessman, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, D) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY

MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE 22<sup>ND</sup> DAY OF JANUARY, 2015.

ATTEST:

\_\_\_\_\_  
Don Volger, Mayor

\_\_\_\_\_  
April Hessman, Town Clerk

**CERTIFICATE OF PUBLICATION**

I, the duly elected, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. 820 (Series 2015) was approved by the Town Council of the Town of Pagosa Springs on first reading at its regular meeting held on the 6<sup>th</sup> day of January, 2015, and was published by title only, along with a statement indicating that a violation of the Ordinance is subject to enforcement and punishment pursuant to Article 3, Chapter 1 of the Pagosa Springs Municipal Code, and specifically Section 1.3.3 which provides for a fine not exceeding \$2,650 or incarceration not to exceed one year, or both, and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on January 7, 2015, which date was at least ten (10) days prior to the date of Town Council consideration on second reading.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this \_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
April Hessman, Town Clerk

(S E A L)

I, the duly elected, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. 820 (Series 2015) was approved by the Town Council of the Town of Pagosa Springs on second reading, at its regular meeting held on the 22<sup>nd</sup> day of January, 2015, and was published by title only, along with a statement indicating the effective date of the Ordinance and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on \_\_\_\_\_, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this \_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
April Hessman, Town Clerk

(S E A L)



# AGENDA DOCUMENTATION

## OLD BUSINESS: VII.3

PAGOSA SPRINGS TOWN COUNCIL

JANUARY 22, 2014

FROM: GREGORY J. SCHULTE, TOWN MANAGER

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**PROJECT: SECOND READING OF ORDINANCE 821, AN ORDINANCE ACCEPTING THE QUIT CLAIM DEED AND BILL OF SALE FOR REAL AND PERSONAL PROPERTY KNOWN AS THE ROSS ARAGON COMMUNITY CENTER.**

**ACTION: DISCUSSION AND POSSIBLE ACTION**

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### PURPOSE/BACKGROUND

*The first reading of this Ordinance was heard on January 6, 2015 and was passed unanimously accepting the conveyance contingent upon a designated representative of the Community Facilities Coalition Board signing the Quit Claim Deed and Bill of Sale.*

On May 1, 2001, the Town of Pagosa Springs (Town) entered into an Agreement for Construction and Use of a Community Center with the Pagosa Springs Community Facilities Coalition, Inc., a Colorado non-profit corporation (Coalition). The agreement was the culmination of a community effort to devise and fund the construction of a community center. Initially, the Town and Coalition agreed on specified terms in the agreement to fund and construct the community center. Also included in the agreement was the intent of the Coalition to operate the Community Center and the Town would financially participate in the construction in return for priority use rights to the center.

The terms and conditions of original agreement were focused on the construction of the center and the early operational and maintenance aspects of the center. However, the agreement was first amended shortly after the initial execution. The First Amendment was accomplished about later on June 1, 2001 and gave the Town a 51% ownership interest of the total space of the Community Center with the Coalition retaining a 49% ownership interest. The agreement and amendment also specified the Coalition would have operational and fiscal responsibility for the Center, but the Town would provide the staffing for operations of the Center.

Archuleta County was also initially a financial contributor to the Center as the parties intended for the County to operate the Senior Center and Senior Kitchen. Over time, the County's Veteran's Services Office was also located in the Community Center. In 2013, the operation of the Senior Center and Senior Kitchen transitioned to Archuleta Seniors, Inc. (ASI). The Area Agency on Aging (AAA) also joined as a tenant and the Veteran's Service Office also remains as a tenant. The tenancy relationship however, is presently between the Coalition and ASI, AAA, and the County.

In late Fall and early Winter 2014, Town staff and representatives of the Coalition began discussions about the operational structure and future of the Community Center with the goal of revising the Coalition bylaws and agreement. Furthermore, in the discussions between Town Council members and Town staff, it was indicated the desire to clarify the operational and fiscal relationship between the Town and the Coalition. The discussions resulted in the agreement to transition the fiscal agency of the Center from the Coalition to the Town. Effective January 1, 2015, the Town will be the fiscal agent for the Community Center. Additional discussions focused on the operational oversight of the Center by the Coalition.

In mid-December 2014, the Board of Directors for the Coalition met and concluded it was in the best interests to dissolve and convey their 49% interest to the Town.

The item before the Town Council is the First Reading of an Ordinance to accept the Quit Claim Deed and Bill of Sale conveying to the Town the Coalition's 49% interest in the community Center. If the Town Council agrees to accept the conveyance, the Town will own 100% of the Community Center.

#### **FISCAL IMPACT**

This opinion of the staff is the fiscal impact is negligible. With the change in fiscal stewardship from the Coalition to the Town, all deposits and payments will now go through the Town's financial system. In addition, all cash on hand with the Coalition will transfer to the Town as well. As the Town Council became aware with the preparation of the 2015 budget, the Community Center operates at an annual deficit of approximately \$160,000 which is essentially the cost of the Town staff members. This has been the case since the beginning of the Center and is likely to continue in the foreseeable future. Any repairs or capital improvements will be the responsibility of the Town, but that was the case before.

#### **ATTACHMENTS**

- ~ Exhibit A: Ordinance 821, "An Ordinance of the Town of Pagosa Springs Accepting the Quit Claim Deed and Bill of Sale for Real and Personal Property known as the Ross Aragon Community Center.
- ~ Exhibit B: Quit Claim Deed and Bill of Sale

#### **RECOMMENDATION**

Staff has the following suggested recommendations for Town Council consideration:

- 1) "APPROVE the Second Reading of Ordinance No. 821, "An Ordinance of the Town of Pagosa Springs Accepting the Quit Claim Deed and Bill of Sale for Real and Personal Property known as the Ross Aragon Community Center contingent upon an authorized representative of the Community Facilities Coalition Board signing the Quit Claim Deed and Bill of Sale."

**TOWN OF PAGOSA SPRINGS, COLORADO**

**ORDINANCE NO. 821  
(SERIES 2015)**

**AN ORDINANCE OF THE TOWN OF PAGOSA  
SPRINGS ACCEPTING THE QUITCLAIM DEED AND  
BILL OF SALE FOR REAL AND PERSONAL  
PROPERTY KNOWN AS THE ROSS ARAGON  
COMMUNITY CENTER PROPERTY**

WHEREAS, the Town of Pagosa Springs (“Town”) is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Pagosa Springs Home Rule Charter of 2003; and

WHEREAS, pursuant to Section 10.6 of the Pagosa Springs Home Rule Charter of 2003, the Town has full authority, power and control over all Town owned property, including streets, and including but not limited to, all power and authority to purchase or otherwise acquire such property, and section 12.19 of the Charter provides for the acquisition of property by Ordinance; and

WHEREAS, pursuant to the May 1, 2001 Agreement for Construction and Use of a Community Center (the “Agreement”), the Town and the Pagosa Springs Community Facilities Coalition (the “Coalition”) constructed what is now known as the Ross Aragon Community Center (the “Community Center”) on real property owned by the Town; and

WHEREAS, pursuant to the Agreement, the Coalition obtained certain legal title to the Community Center and since construction has been responsible for maintaining and operating the Community Center, although the Town has assisted with such responsibilities; and

WHEREAS, under the Agreement, all personal property purchased after 2001 for the common benefit of the Community Center (the “Personal Property”) was shared by the parties with title thereto held by the Town and the Coalition as tenants-in-common in proportion to the contribution each made toward the purchase price; and

WHEREAS, the Coalition desires to dissolve and convey its interest in the Community Center and the Personal Property to the Town; and

WHEREAS, the Town Council hereby finds and determines that it is appropriate and necessary to the function and operation of the Town to accept the Community Center and Personal Property through the Quitclaim Deed and Bill of Sale attached hereto as Exhibit A, for that certain real and personal property known as the Ross Aragon Community Center property

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, as follows:

I. **Acceptance of Quitclaim Deed.** The Quitclaim Deed and Bill of Sale, in the form attached hereto as Exhibit A, and the real and personal property conveyed by it, is in all respects approved and accepted by the Town.

II. **Public Inspection.** The full text of this Ordinance, with any amendments, is available for public inspection at the office of the Town Clerk.

III. **Severability.** If any portion of this Ordinance is found to be void or ineffective, it shall be deemed severed from this Ordinance and the remaining provisions shall remain valid and in full force and effect.

IV. **Second Reading.** Second reading of this Ordinance shall be held on the 22<sup>nd</sup> day of January, 2015, at 5:00 p.m. at the Pagosa Springs Town Hall, 551 Hot Springs Boulevard, Pagosa Springs, Colorado.

V. **Effective date.** This Ordinance shall become effective and be in force thirty days after final approval.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, B) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_.

TOWN OF PAGOSA SPRINGS,  
COLORADO

By: \_\_\_\_\_  
Don Volger, Mayor

Attest:

\_\_\_\_\_  
April Hessman, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, D) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS SPECIAL MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_.

TOWN OF PAGOSA SPRINGS,  
COLORADO

By: \_\_\_\_\_  
Don Volger, Mayor

Attest:

\_\_\_\_\_  
April Hessman, Town Clerk

**CERTIFICATE OF PUBLICATION**

I, the duly elected, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. 821 (Series 2015) was approved by the Town Council of the Town of Pagosa Springs on first reading at its regular meeting held on the 6<sup>th</sup> day of January, 2015, and was published by title only, along with a statement indicating that a violation of the Ordinance is subject to enforcement and punishment pursuant to Article 3, Chapter 1 of the Pagosa Springs Municipal Code, and specifically Section 1.3.3 which provides for a fine not exceeding \$1,000 or incarceration for not to exceed one year, or both, and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on January 7, 2015, which date was at least ten (10) days prior to the date of Town Council consideration on second reading..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this \_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
April Hessman, Town Clerk

(S E A L)

I, the duly elected, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No.821 (Series 2015) was approved by the Town Council of the Town of Pagosa Springs on second reading, at its special meeting held on the 22<sup>nd</sup> day of January, 2015, and was published by title only, along with a statement indicating the effective date of the Ordinance and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on \_\_\_\_\_, 201\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this \_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
April Hessman, Town Clerk

(S E A L)

**EXHIBIT A**

**QUITCLAIM DEED AND BILL OF SALE**



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

**PAGOSA SPRINGS SANITATION  
GENERAL IMPROVEMENT DISTRICT  
SPECIAL MEETING AGENDA  
THURSDAY, JANUARY 22, 2015  
Town Hall Council Chambers  
5:00 P.M.**

- I. CALL MEETING TO ORDER**
- II. PUBLIC COMMENT – *Please sign in to make public comment***
- III. CONSENT AGENDA**
  - 1. Approval of January 6, 2015 Meeting Minutes**
  - 2. Approval of December Financial Statement and Accompanying Payments**
- IV. REPORTS TO BOARD**
  - 1. Sanitation District Report**
  - 2. PAWSD/Pipeline Update Report**
- V. NEXT BOARD MEETING FEBRUARY 3, 2015 AT 5:00PM**
- VI. ADJOURNMENT**



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

**PAGOSA SPRINGS SANITATION  
GENERAL IMPROVEMENT DISTRICT  
MEETING MINUTES  
TUESDAY, JANUARY 6, 2015  
Town Hall Council Chambers  
551 Hot Springs Blvd  
5:00 p.m.**

- I. **CALL MEETING TO ORDER** – Board President Volger, Board Member Alley, Board Member Bunning, Board Member Egan, Board Member Lattin, Board Member Patel, Board Member Schanzenbaker
- II. **APPROVAL of MEETING MINUTES FROM DECEMBER 18, 2014** – Board Member Bunning moved to approve the meeting minutes from December 18, 2014, Board Member Lattin seconded, unanimously approved.
- III. **PUBLIC COMMENT** – None
- IV. **NEW BUSINESS**
  1. **Resolution 2015-01, Setting 2015 Fee Schedule** - The Town Council acting as the ex officio Sanitation Board of Directors establishes rules and regulations for operations of the District and provides for the establishment of fees for various sewer services fees. PSSGID Resolution 2015-01 sets out all district fees for the Board’s review and annual approval. Board Member Schanzenbaker would like to look at reducing the late fees and interest. He also mentioned the costs for the plant investment fee. Town Attorney Cole said the bonds received are based on the rate coverage and if changes are made, a new analysis and rate study will need to be ordered to satisfy the bonds. Board Member Bunning moved to approve Resolution 2015-01, setting Town fees for District Sewer Services for 2015, Board Member Lattin seconded, unanimously approved.
- V. **OLD BUSINESS**
  1. **TOWN/PAWSD Pipeline Update** - The contractor is finalizing work to get temporary power to both pump stations, doing equipment maintenance and some plowing to keep the areas accessible. Staff anticipates construction on both pump stations to continue throughout the winter months as the buildings start to take shape and get closed in. The contractor has discussed laying more pipe on the school district property (approx. 1000 feet) if weather allows.
- VI. **NEXT BOARD MEETING JANUARY 22, 2015 AT 5:00PM**
- VII. **ADJOURNMENT** – Upon motion duly made, the meet adjourned at 6:32pm.



# AGENDA DOCUMENTATION

## REPORTS TO BOARD:IV.1

PAGOSA SPRINGS SANITATION BOARD OF DIRECTORS  
JANUARY 22, 2015

**FROM: GENE TAUTGES, SANITATION SUPERVISOR**

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**PROJECT: DEPARTMENT HEAD REPORT**  
**ACTION: DISCUSSION**

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### **Administrative**

Staff was delighted to find out on 1/12/15 that we had been partially funded by the Colorado Department of Public Health and Environment in their Small Communities Grand Fund Program. There were 80 applications for nearly \$40M in projects but only seven projects on the wastewater side were funded so we were pleased with the news. The grant amount awarded is \$363,000 and will be used to reduce the costs of the Pipeline Conveyance Project. The fundable list of recipients may change based on upcoming contract negotiations. In the event a recipient cannot accept the grant in whole or part, the available funds will be distributed per the request for application and the small community grant program rule.

In review of business licenses as they affect the PSSGID recently we were able to increase the number of equivalent units in the system by 11 or \$412.00 per month.

### **Wastewater Treatment Plant**

The average daily effluent flow rate for December was .183 million gallons per day with no violations reported for December.

### **Collection System**

The Chamber pump station continues to function flawlessly providing better service to the area and reduced maintenance costs. There were two service line clogs in December which ended up being the responsibility of the customer. I continue to offer assistance whenever possible as a powerful public relations tool.



# AGENDA DOCUMENTATION

## REPORTS TO BOARD:IV.2

PAGOSA SPRINGS SANITATION BOARD OF DIRECTORS  
JANUARY 22, 2015

**FROM: GENE TAUTGES, SANITATION SUPERVISOR**

---

**PROJECT: TOWN/PAWSD PIPELINE UPDATE**  
**ACTION: DISCUSSION**

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### Town/PAWSD Pipeline Update

Invoice #2014-10 for Lead Project Representative services for the month of December 2014 was received on 1/14/2015 and approved in the amount of \$1625.77 to PAWSD. It included 42 hours of regular time and 11 hours of overtime and did not include any weekend work

Pump station #1 is slightly further along than #2, but both are continuing with exterior concrete walls, electrical, and mechanical work progressing.

Discussions with corporate officials at Hammerlund Construction regarding potential change orders have occurred and are continuing. A portion of the standing committee met on 1/12/15 and discussions were held. I was unable to attend the meeting as I had to deal with a frozen pump that morning but the Town Manager can give further details of progress made at the meeting.

Respectfully submitted,  
Gene Tautges, Sanitation Supervisor