



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

**TOWN COUNCIL SPECIAL MEETING MINUTES**  
**THURSDAY, OCTOBER 23, 2014**  
**Town Hall Council Chambers**  
**12:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Volger, Council Member Alley, Council Member Bunning, Council Member Egan, Council Member Lattin, Council Member Patel, Council Member Schanzenbaker
- II. **PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**
- III. **APPROVAL of MEETING MINUTES FROM OCTOBER 7 & 14, 2014** – The minutes were approved as submitted.
- IV. **PUBLIC COMMENT** – Mr. Bill Hudson thanked the council for their responses to an email he sent to the council members regarding the Community Center.
- V. **PROCLAMATION** –
  1. **San Juan Basin Health - “Substance Abuse Awareness Month”** – Ms. Cindy Schultz works for the San Juan Basin Health and is involved with the healthy community organization. It is estimated in 2013 that 24.6 million individuals were drug users, and 60.1 million individuals were binge drinkers, many include adolescents. Council Member Egan moved to authorize the mayor to sign the proclamation, proclaiming October 2014 Substance Abuse Awareness month, Council Member Bunning seconded, unanimously approved.
  2. **ACVAP – “Domestic Violence Awareness Month”** – Mrs. Cheryl Bowdridge is the outreach coordinator for the Archuleta County Victims Assistance Program. The act of domestic violence violates an individual’s safety and humanity, sense of security, and dignity. Council Member Schanzenbaker moved to authorize the mayor to sign the proclamation, proclaiming October 2014 Domestic Violence Awareness month in Pagosa Springs, Council Member Lattin seconded, unanimously approved.
- VI. **LIQUOR LICENSE**
  1. **Liquor License Renewal – Mark D Stauth dba Bear Creek Saloon at 475 Lewis St** – Council Member Lattin moved to approve the liquor license renewal for Mark D Stauth dba Bear Creek Saloon, Council Member Bunning seconded, unanimously approved.
- VII. **NEW BUSINESS**
  1. **Geothermal Greenhouse Partnership Update and Grant Application** - The GGP has spent considerable time in the past two years in organizing as a 501(c)3 entity and seeking funding for the development and the initial design and planning work for the construction of the geothermal greenhouses in Centennial Park. The GGP currently has secured approximately \$125,000, the GGP would like to leverage this funding to secure additional funding from the state Department of Local Affairs (DoLA) through the Energy and Mineral Impact Assistance Fund. The Town’s portion of the match would include \$25,000 cash and a commitment to construction an \$80,000 bathroom in the vicinity of Centennial Park. Mrs. Sally High encouraged the council to vote positively on the request. Council Member Bunning encourages the council encourage the GGP grant application. He suggests the improvements made with the grant funds, should the project not move further,

this grant is a good step. Council Member Alley said the project will be a great addition to the park. Council Member Schanzenbaker has hesitation in committing to build restrooms at this time. Mrs. High said the GGP is confident that the first education dome will be constructed in the spring of next year. She said the placeholder of the \$80,000 restroom helps the DOLA grant application. Council Member Bunning said a bathroom in the park is not warranted at this time, but the amount of the grant is contingent on the in-kind and the bathroom place holder gives the GGP the ability to get more money out of the grant. Town Manager Schulte said if the grant is approved, DOLA would believe that the council will be obligated to build the restrooms. The town will find out in April if the grant is approved. Mr. Bill Hudson asked where the funds were coming from to operate and structure according to the lease. Mrs. High said there are philanthropic entities and educational entities that will help with the operations. Mr. Bill Hudson said getting the Town to be part owner is a huge change to the original concept. He said when the town gets involved with non-profits it can get messy if there is not a clear relationship and plan. He would like to see community meetings. Ms. Kathy Keyes said the GGP will be improving the park, enhancing the town, whether or not the domes are built. Mr. Bob Lynch said the town will always own the land. Mrs. Pauline Bennetti said there will be membership to the community, and a drive to ask the public to be a part of the organization. Mr. James Dickhoff, Town Planner, said the restrooms will be a higher need when the 6<sup>th</sup> Street bridge is installed. Council Member Egan moved to approve the sponsorship of an energy and mineral impact assistance grant application and placement of bathrooms in Centennial Park with a not to exceed amount of \$80,000 and direct staff to assist in completion of the grant application for Town Council consideration prior to the December 1<sup>st</sup> 2014 application deadline, Council Member Alley seconded. Town Council Schanzenbaker would like to wait on the construction of the restrooms until the use demands them, he said the commitment of an additional \$80,000 into the project makes the Town's portion out of the ordinary. Council Member Egan restated his motion to include; subject to discussion and mutual consideration of bathroom installation. Mr. Schulte said that if the grant is submitted to DOLA with bathrooms it is not a matter of if but when the bathrooms will be installed. Council Member Alley seconded amended motion. Mr. Dickhoff said that DOLA stated the town hasn't put in enough funding as match for the project. Mr. Schulte said the advice given from DOLA representative is that the application would be more compelling with more funding from the Town who is sponsoring the grant. Mr. Dickhoff said the \$80,000 will be enough for a bathroom, and said the location should be outside of the floodplain, but that infrastructure for restrooms should be included at time of the other improvements. Mr. Schulte said perhaps including infrastructure improvements rather than specifically bathrooms may be considered. Mrs. Courtney King said DOLA asked specifically for bathrooms as part of the project. Council Member Egan amended and restated his motion to approve the sponsorship of an energy and mineral impact assistance grant application and include infrastructure improvements, which may include bathrooms, in Centennial park with a not to exceed amount of \$80,000 and direct staff to assist in completion of the grant application for town council consideration prior to the December 1<sup>st</sup>, 2014 application deadline, Council Member Alley seconded, Council Member Schanzenbaker said the towns commitment is \$105,000 which is a big portion for this project, Council Member Lattin doesn't want to commit \$80,000 that could be used for other town projects, motion carried with two nays (Council Member Lattin and Schanzenbaker). Council Member Egan appreciates Mr. Hudson's community participation and encourages the GGP to work with the public for participation. Council Member Schanzenbaker asked for more town participation with the GGP board.

2. **2015 Fireworks** - In anticipation of providing a fireworks display in 2015, staff has sought quotes from pyrotechnics vendors that we had worked with in prior years. Unfortunately, we were only able to secure one written quote from Fireworks Internationale West for a total amount of \$23,027.48. This includes \$2,500 for the Fireworks Internationale West staff to set off the shells. It has been Town staff that has been setting of the shells and after careful review we believe it is not in the Town's or Town staff's best interests to continue that policy. We have been offered a prepayment discount of \$3,697.06 from Fireworks Internationale West if we pay in full in calendar year 2014. If we were to pay in 2014 in full, we use \$8,000 in TTC funding budgeted and \$9,465 in Trust Account Funds for a total

of \$17,465. The additional \$1,865 in funding is recommended to come from the general fund. Council Member Schanzenbaker moved to approve accepting the bid from Fireworks Internationale West to provide the 2015 fourth of July fireworks display, Council Member Bunning seconded, Council Member Patel asked to have prepayment options, unanimously approved.

3. **Fiber Optics Lease Agreement with USA Communications** – This item has been tabled until November.
4. **South 5<sup>th</sup> Street ROW dedication from School District** – The School District is proposing a dedication of land along 5<sup>th</sup> Street between the town shop and the end of improvements to the town. Part of this dedication includes a request that the sanitation district deed over a 25 foot portion of their easement south of the 5<sup>th</sup> Street improvements to continue the 80 easement to the JEM Partners, LLC property south of the lagoons. After receipt by the Town of the 25' dedication from the sanitation district giving JEM their 80 foot easement, JEM Partners, LLC will release the 40 foot wide easement on the lagoon property given to JEM in 2012. A portion of 5<sup>th</sup> Street and outside of the JEM fences is owned by the sanitation district. It is thought the sanitation district should convey their ownership of the 5<sup>th</sup> street area north of the town shop over to the town and the other part to JEM Partners, LLC. The developer will be required to improve the portion of the easement south of the currently improved road to the JEM Properties LLC property line. Council Member Lattin directed staff to prepare an Ordinance accepting the land dedication from the School District for South 5<sup>th</sup> Street ROW, prepare an amendment to the 40 foot easement recognizing the release of such easement once the ROW access is improved, and prepare documents for the land dedication from the Sanitation District to be attached to the S. 5<sup>th</sup> Street ROW, Council Member Egan seconded, unanimously approved.

#### VIII. OLD BUSINESS

1. **Ordinance 814, Second Reading, Vacating 6<sup>th</sup>/7<sup>th</sup> Alley ROW in Block 50** - On September 18, 2014, Town Council approved the first reading of Ordinance No. 814, contingent on language revision to section 6, to becoming effective upon the Town approving a development application and/or a building permit demonstrating the use and need of the subject alley vacation and upon the conveyance and acceptance of land from the property owner to the Town necessary to formalize a 6<sup>th</sup> Street public right of way, and to vacate the entire alley in block 50 in this ordinance. Staff further amended section 6 based on the previous TC direction to ensure the original applicant will actually need and utilize the vacated area for his development. Council Member Alley moved to approve the second reading of Ordinance 814, an ordinance vacating the alley public right-of-way and associated public utility easements in Block 50 within the corporate limits of the Town of Pagosa Springs, Council Member Schanzenbaker seconded, unanimously approved.
2. **Ordinance 817, Second Reading, Accepting Real Property from the Upper San Juan Library District** – During the development of a new parking area, the library board and library staff agreed to accommodate a 10 foot strip of land along the southern portion of their 6 lots, that would eventually be utilized to accommodate the additional ROW width. The additional 10 feet from the library will accommodate a future San Juan Alley roadway with two 10 foot wide drive lanes, curb/gutter and one 6 foot wide sidewalk. Council Member Bunning moved to approve the second reading of Ordinance 817, an Ordinance of the Town of Pagosa Springs accepting the Quitclaim Deed for the real property known as the south 10 feet of lots 1, 2, 3, 4, 5 and 6 of Block 38 within the Townsite of Pagosa Springs, Council Member Alley, unanimously approved.
3. **Sales Tax Brief** - In October the Town of Pagosa Springs' sales tax revenue received increased by 8.16% or \$53,842 compared to October 2013 (based on August 2014 retail sales). Sales tax received for the month of August 2014 and for the entire year continues to be in impressive amounts. The sales tax amount of \$713,415 for August 2014 was the best August on record based upon historical records dating to 2004. For the current year, we continue to see an overall increase and, in fact, for year to date in 2014, sales tax revenue is now up 7.07% or \$153,120 compared to the same period in 2013.

#### IX. DEPARTMENT HEAD REPORTS

1. **Community Center Report** - RACC's Fawl Brawl was a success with 5 teams participating in a day of kickball. Seeds of Learning hosted its annual Little Black Dress

event at our center. There were 200 attendees and they have booked for next year. RACC hosted the Colorado Fire Fighters Academy for the 4th year. They also booked for next year. Our Halloween Carnival will take place at the athletic field in Town Park from 12-2pm October 25. RACC has started a new youth volunteer program. Marissa Talamante is our new Youth Volunteer Coordinator. She is working closely with National Honor Society, Student Council and Student Advisory at PHS on volunteer efforts.

2. **Parks and Recreation Report** – The youth basketball (ages 7-8) signups concluded, the season will include six teams of 9 or 10 players and will begin in early November and run through mid-December. Over the past few weeks, there have been several minor incidents of vandalism at Yamaguchi Park. Thanks to the cooperation of the Town Police Department and the effectiveness of the security cameras, the perpetrators (all under the age of 16) have been identified and dealt with accordingly. Due to time constraints, repaving of the portion of Riverwalk behind The River Center has been postponed until next spring. The current estimate to complete the project is \$32,000, and funds totaling \$33,000 have been earmarked for this endeavor in the 2015 budget. The first informational meeting regarding the reservoir hill project was held at noon on the hill Oct. 4. Aaron Kimple (of Mountain Studies Institute) would like to have another public meeting, it is scheduled for November 17<sup>th</sup>. A formal MOU will be presented to council regarding this project.
3. **Town Tourism Committee Report** - 2014 lodgers tax collections continue to show impressive growth. July 2014 was up 14.28%, or \$8,025 over July 2013. August 2014 was up 21.42% or \$11,175 over 2013. Year to date lodgers tax is up 19.64% or \$58,025 over 2013. The visitor center currently has 34 active volunteers, with new volunteers joining weekly. New door counters have arrive and will provide traffic counts into the center. A kids play area has been set up along with a water bottle refill station. The building signage is installed. The TTC director has hosted two German media writers who were very interested in the Town's use of the geothermal waters. The town has been included in two 2015 grant applications through the CTO.
4. **Planning Department Report** - At the October 15, 2014 HPB, meeting, the HPB approved a sign permit application for 434 Pagosa Street, for Elevation Custom Apparel. The Board also reviewed the successful alteration certificate completion at 480 Lewis Street, recognizing the applicants success in providing a thorough application and providing the building modifications as approved. The Planning Commission discussed at their meeting October 14<sup>th</sup>, metal sided buildings, minimum lot sizes, cargo containers, and LED variable signs. Mr. Zach Richardson received his building official certification.
5. **Special Projects Manager Report** – The Majestic Drive paving project is on schedule, and all issues have been addressed and remedied. The 6<sup>th</sup> Street pedestrian bridge project closed 6<sup>th</sup> Street for a few weeks, but has since reopened. The bridge is set to be delivered the first two weeks in November. The official notice of award of the \$260,000 TAP grant was received for fiscal year 2017; these funds will be used as matching funds for State Trails and GOCO grants. A trail project along Hwy 160 in front of the library at 8<sup>th</sup> Street has begun; the rest of the trail connecting to 10<sup>th</sup> Street at the elementary school will begin next spring. The town construction crew idea was not feasible at this time, but a possibility in 2016.
6. **Town Manager Report** - The Geothermal Authority met on October 13<sup>th</sup> and took action to adopt a revision to the proposed budget. The main part of the discussion of the meeting was regarding the dilemma of creating an LLC or using a concession agreement to administer the grant funding, particularly the \$1.9 million in Energy Impact grant funds. Staff is presently working with DoLA to write the contract scope of work for the \$1.9 million grant. A Special Meeting held on October 15<sup>th</sup> to authorize designated representatives to sign up to 3 contracts in an amount not to exceed \$943,000 with DOSECC Exploratory Services to begin the exploratory drilling by the early part of November. The LPEA franchise agreement is still a priority to get completed and in front of council for a decision. The bond with USA Communication will be called unless they provide a new bond to the town. The CDC transition team continues to meet with representatives from Region 9, Ed Morlan and Laura Lewis. Since the last update, the CDC has elected a new Board of Directors and elected Officers of the Board as well. They intend to request financial contribution from the Town and County.

- X. APPROVAL OF SEPTEMBER FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS** – The payments were approved as submitted.
- XI. PUBLIC COMMENT** – Mr. Bill Hudson has concerns with the GGP project and an agreement for when the GGP goes bankrupt.
- XII. COUNCIL IDEAS AND COMMENTS** – Council Member Egan would like a copy of the original GGP agreement. Council Member Bunning said the committee contacted other areas using voice command, so at this point there is no recommendation for the leash law. Council Member Schanzenbaker said it was difficult to control what areas are available for off leash, but would like to continue to look for a solution. Council Member Egan would like a Walmart representative update and facade view. Council Member Bunning encourages the council members to participate in civic or community groups, like the boy scouts, to better inform the community in the town plans and constraints. He also said the white water features that the town has created attract a large number of locals and tourists. He suggests working with property owners to extend the tubing and rafting and river features a half mile on each end. Council Member Schanzenbaker said a put in and take out are into the river are needed. Council Member Alley thanked the work of staff on the 6<sup>th</sup> Street pedestrian bridge. He said the agreement with the GGP needs to be put in place.
- XIII. NEXT TOWN COUNCIL MEETING NOVEMBER 4, 2014 AT 5:00PM**
- XIV. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 3:05pm.

**Don Volger  
Mayor**