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TOWN COUNCIL MEETING MINUTES
THURSDAY, NOVEMBER 20, 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 (12:13pm), Council Member Lattin, Council Member Schanzenbaker

II. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

III. APPROVAL of MEETING MINUTES FROM NOVEMBER 4, 2014 – Council Member Bunning moved to approve the November 4, 2014 meeting minutes as submitted, Council Member Alley seconded, unanimously approved.

IV. PUBLIC COMMENT – None

V. PROCLAMATION

1. Pagosa Springs Medical Center – Development and Marketing Dept Presentation – Ms. Claire Bradshaw and Kyle Kellum presented a video regarding future expansion of the Medical Center. The center will be applying for a \$2 million DOLA grant for this expansion. A proclamation was presented to the Medical Center in support of the fundraising campaign to expand our medical center. Council Member Lattin moved to approve the proclamation for the Pagosa Springs Medical Center, Council Member Bunning seconded, unanimously approved.

Council Member Lattin moved to recess the Town Council meeting, Council Member Alley seconded, unanimously approved. The meeting was called back in session at 12:33pm.

VI. NEW BUSINESS

1. 2015 Budget - The Town Council has held several budget work sessions over the past two months with the different departments and financial entities of the Town. The items left to discuss include three full time employees, an associate planner, a human resources/records clerk, and a deputy court clerk. The costs for these positions range from \$52,500 to \$63,550. Council Member Schanzenbaker recommends a town policy for use of reserves. Council Member Alley believes it is not the job of government to hold onto the tax payers money and a plan should be made on how to spend the reserve funds. Mayor Volger says the reserves are well over the suggested reserves. He said he would like to have all three positions filled in 2015. He said the three employees would cost approximately \$171,000 for 2015. He would like to target a smaller reserve amount and give the departments the support needed. Council Member Bunning said it is not good to bring the reserves down to the three month limit. Council Member Egan asked which of the three positions assists in economic development. Town Manager Schulte said the only position that may affect economic development is the associate planner position who may assist with new development in the community. Council Member Egan said that as a town we need to be ready for incoming business, increased tourism, and economic vitality. Mayor Volger said that adding three new employees is a safe bet, and that if the revenues don't increase to support those three employees then we may need to lay off those employees. Town Manager Schulte said that including these three employees will force deficit spending in the 2015 budget, he said it is a philosophical decision. He said spending one time money for

on-going expenses is not advisable. He said the additional reserves in the general fund could be used to pay off the Lewis Street loan early to allow the reconstruction of 8th Street or many other capital items. Council Member Schanzenbaker said he views the service side of the general fund budget not increasing, however the town is increasing infrastructure and capital items. He said the services provided in the general fund expenditures need to increase to support the new capital items. Council Member Egan moved to approve hiring the associate planner and human resource/records management personnel, motion died for lack of a second. Council Member Schanzenbaker asked to receive information regarding the need for these new positions. He doesn't see a need at this time with the exception of the deputy court clerk's office who submitted a report. Mayor Volger said information was presented at the worksessions and does not feel the need to review the information again. Council Member Egan moved to change revenue projections from 3 to 6 percent, motion died for lack of second. Council Member Alley said that the town could hire one person if the sales tax revenue projections were raised to 6 percent. Council Member Schanzenbaker moved to raise the revenue projection to 6 percent, Council Member Bunning seconded, unanimously approved. Council Member Schanzenbaker asked about a fee to pay for the new deputy court clerk, Town Manager Schulte said that there is a proposed fee that would pay for new court security position, but not for court clerk position. Council Member Egan moved to approve hiring a human resource/records management position in 2015, Council Member Bunning seconded, motion passed with two nays (Council Members Alley and Schanzenbaker). The Town will become the fiscal agent for the Ross Aragon Community Center and therefore the revenue and expenditures will be added into the general fund budget. The Community Coalition has been very helpful in working on this transition. Town Manager Schulte said the life insurance quotes have come back within the rates quoted to the town, the benefit will begin in 2015. The town has received a bid from Fireworks International West for the fireworks and labor to set off the 2015 show. If the town were to cancel the show due to a fire ban, the company would charge 50% or \$1,250 for canceling inside of one week. The Town has funding for this in the 2014 budget. The 2015 budget has funds set aside for the 2016 show in the town manager budget. Council Member Schanzenbaker moved to approve accepting the bid of Fireworks International West to provide the 2015 Fourth of July fireworks display with payment to come from 2014 funds and to take advantage of the prepayment discount with funding from lodgers tax funds, trust account funds and the balance from the general fund in the total amount of \$19,330.42, Council Member Bunning seconded, unanimously approved. Council Member Schanzenbaker moved to direct staff to budget 2016 fireworks expenses half from the general fund and half from the lodgers fund, Council Member Egan seconded, unanimously approved. Council Member Schanzenbaker would like to look into hiring that summertime seasonal that can complete small projects for the Town. Council Member Bunning would like staff to look into optional uses of the large general fund reserves.

2. **Letter of Support for CRIA's LPEA grant application** - The Town recently received a request from the Chimney Rock Interpretive Association (CRIA) for a LPEA Grant Application. CRIA is applying for a grant from LPEA for special education projects. Chimney Rock Interpretive Association (CRIA) is a volunteer association that provides interpretive and educational services at Chimney Rock for visitors from around the world. Council Member Schanzenbaker moved to approve the proposed letter of support for the Chimney Rock Interpretive Association's LPEA grant application, Council Member Lattin seconded, unanimously approved.
3. **DOLA Energy Impact Grant Application for GGP** - On October 23, 2014 the Town Council authorized staff to proceed in partnership with the GGP to prepare an application to DOLA for an Energy and Mineral Impact Grant Program. The grant application is seeking \$301,000 in essentially a dollar for dollar match to provide for infrastructure improvements to the site location in Centennial Park. Town Manager Schulte had spoken to Ken Charles with DOLA to confirm that the Town's \$80,000 match does not have to be committed to a bathroom, but for infrastructure in the park. Council Member Schanzenbaker said that the town is contributing a large sum of money and would like to have more involvement in the project. Council Member Alley moved to approve Resolution 2014-14, authorizing the submittal of a Tier II Energy and Mineral impact assistance grant application to DOLA for \$301,800 and committing an amount not to exceed \$80,000 for

infrastructure or bathrooms in Centennial Park, Council Member Bunning seconded, unanimously approved. Town Manager Schulte has talked with Sally High with the GGP, staff will look to refine the management of the GGP grant project.

VII. OLD BUSINESS

- 1. Sales Tax Brief** - In November the Town of Pagosa Springs' sales tax revenue received increased by 27.89% or \$86,264 compared to November 2013 (based on September 2014 retail sales). Total collections for both the Town and the County for the month equals \$791,218 and the Town of Pagosa Springs' portion is half, or \$395,609. The Town further splits its portion equally between the General Fund and the Capital Improvement Fund with each receiving \$197,804. The County finance manager said that this increase may be in part to a double payment during the month. Mr. Mark Weiler said that sales tax data is available and should be used for projections.

VIII. DEPARTMENT HEAD REPORTS

- 1. Community Center Report** – The center is hosting a volleyball tournament with attendees traveling from as far as Denver and Albuquerque. The Festival of Trees is set for December 4th and 5th. The Halloween carnival was a huge success, and incorporated 50 youth volunteers, part of the new youth volunteer program. A wifi upgrade has been completed, and a new small fries play group has started on Fridays. Council Member Lattin encourages town council to attend or take a look at the festival of trees event.
- 2. Parks and Recreation Report** - Youth basketball for ages 7-8 began last week and will run through December 17. Registration for ages 9-12 will begin next week the season will begin early January. The sixth and final session of this year's gymnastics program for ages 3 and up began last week and will run through December 17. The current session includes 36 participants. This year, the program averaged nearly 40 participants per session. The next session will be offered in mid-January. In addition to routine parks maintenance, the parks crew will be thinning underbrush from dense thickets along the Riverwalk over the next couple of weeks, and has been preparing snow-removal equipment for the upcoming winter season. The gazebo on Reservoir Hill was stripped, power-washed and stained to a more uniform color earlier this month. The second public meeting regarding the Reservoir Hill thinning project is scheduled for November 17 at 5 p.m. in the community center arts and crafts room. Council Member Lattin said the recreation department is doing a great job with the youth basketball.
- 3. Town Tourism Committee Report** - 2014 lodging tax collections are up. August 2014 was up 22.21%, or \$11,591.73, over August 2013. September 2014 is currently up 7.35%, or \$3,132.80, over 2013, with payments outstanding. Year to date, lodging tax is up 18.65%, or \$62,038.03. Town Maintenance Supervisor, Dennis Ford and his team, Carl and Sam worked to replace doors, repair bathroom for ADA compliance, and assisted along with several volunteers in painting the visitor center. The TTC Director is going to NYC December 15-17th to meet with strategic media outlets to pitch Pagosa. Miles and the Colorado Tourism Office are launching a pilot "Brand Channel" program; Pagosa will be one of 5 destinations featured through content (video/articles) across Colorado channels (web, social, e-newsletters, etc). The Town Tourism Committee was included in two 2015 grant applications and has been awarded \$21,000 towards the partnership with Chimney Rock National Monument, Mesa Verde Country and Durango-Silverton Train to target international tourists. Council Member Lattin asked the town council to stop by the visitor center and look at the new paint decorations. Town Manager Schulte said Liz Alley has changed to part time and Gail Vollmer will work more hours. Pagosa Springs is visible at the Colorado ski shows by volunteers.
- 4. Planning Department Report** – Majestic Drive paving is complete with the exception of driveway aprons and striping. The 6th Street pedestrian Bridge was set on the 18th of November and crews should finish up the ramps to the bridge in the next few weeks. Alpha Drive is paved and striped up to Aspen Village Dr. as required by the agreement with Wal-Mart., they still have to complete the Aspen Village Dr. intersection. The paving on Yamaguchi Drive is complete as required by the DIA. The 4th/5th Street riverwalk trail between the San Juan River and Apache Street north will most likely be delayed until 2015. Council Member Lattin said she is under the impression that the Gulfstream easement along Hwy 160 between 8th and 10th street. Town Planner Dickhoff said the easement is still

outstanding, but staff is working through the uniform act to receive the easement. Staff will bring cargo container information to town council on behalf of the planning commission for direction with moving forward. Council Member Schanzenbaker would like a recommendation from the planning commission as to the direction. Staff will bring information to the town council on December 2nd meeting for direction from council. Staff has completed surveying and is working on engineering for the 2nd to 3rd street sidewalk. Staff has spoken with the downtown City Market property owner to allow a 10-foot wide walkway area for connection between 8th and 7th Street along their property. Council Member Schanzenbaker would like the planning department and historic preservation board minutes included in the packet.

5. **Special Projects Manager Report** – Staff met with LPEA representatives to discuss the franchise agreement. The discussion was agreeable and an ordinance should be forthcoming. Reimbursement requests for the fishing is fun grant for the stretch of river from the 6th Street bend to Apache Street bridge, and the riverwalk phase 2 project from the end of the river trail to the newly set 6th Street bridge have been sent.
6. **Municipal Court Report** – The municipal court say 19 traffic and 43 criminal cases in October. Judge Anderson attended the fall conference of the Colorado Municipal Judges’ Association. There are currently 59 cases under supervision by the probation department. Municipal court has requested budgeting for court security as well as a deputy court clerk position to assist with an increase in traffic cases coming before the court.
7. **Town Manager Report** – The agreement between Pagosa Verde and Fairway Trust is in progress, and drilling has commenced at both the school and Levine properties. USA communications provided a \$10,000 letter of credit as required by the franchise agreement in place with them. The transition team with the CDC continues to meet with Region 9 and has elected new board members. The three advisory questions placed on the ballot returned favorable responses to question 1, but not 2 and 3. The county and town will discuss at the next joint meeting.

IX. APPROVAL OF OCTOBER FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS

Council Member Egan moved to approve the October financial statement and accompanying payments, Council Member Bunning seconded, unanimously approved.

- X. PUBLIC COMMENT** – Mr. Mark Weiler said that in finance the payment life needs to match the asset life, he suggests not paying the Lewis Street loan off early. He said the previous council did not budget to spend enough and invest enough into the town, which provided the Town the large reserves. He said if the council is scared to spend the funds, the community suffers. He said there are infrastructure and programs that need to be invested in for this community. Council Member Egan suggests council get training on fiscal knowledge prior to the 2016 budget process.

- XI. COUNCIL IDEAS AND COMMENTS** – Council Member Alley said he enjoys working with this council. He is glad to see the new pedestrian bridge at 6th Street bend.

XII. NEXT TOWN COUNCIL MEETING DECEMBER 2, 2014 AT 5:00PM

- XIII. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 2:40pm.

Don Volger
Mayor