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**TOWN COUNCIL SPECIAL MEETING MINUTES**  
**TUESDAY, DECEMBER 15, 2009**  
**Town Hall Council Chambers**  
**5:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Pierce, Council Member Weiler, Council Member Volger
- II. **LIQUOR LICENSES**
- III. **DELEGATIONS**
- IV. **NEW BUSINESS**
  1. **Village at Wolf Creek** – At their December 1<sup>st</sup> meeting, the Town Council directed staff to draft a letter in support of the legislative and administrative review processes and a full environmental impact study to be completed prior to the legislative action. Town Manager Mitchem has drafted that letter of support and presented it to Council. County Attorney Todd Starr explained the County Commissioners released to the Town Council the report from Ireland Stapleton Pryor & Pascoe, P.C. stating their opinion that Plan A will occur on the property if the developer chooses to comply with applicable regulatory requirements. Therefore the Commissioners have agreed to support the land exchange and legislative process if; (a) the EIS is completed prior to the completion of the legislative process; (b) the total number of units does not exceed 750 units; (c) a special taxing district is established to defray costs of impacts; and (d) the total number of hotel rooms be kept to 70 for the 1<sup>st</sup> phase and the same ratio for additional phases. The commissioners would like to draft a letter in conjunction with the Town if possible.
  2. **October Sales Tax Brief** – October sales tax revenue has decline -8.24% compared to October 2008. Year to date sales tax is down -8.74% compared to 2008 revenues. The average decline over the past two months is -14.06% keeping the expenditures at the 15% level. Town Manager Mitchem gave the council additional information regarding the sales tax data including an increase of grocery sales tax.
  3. **2010 Budget** – The Town staff has presented two options to the Town Council for the 2010 budget. Option #1 requires access to the general fund reserves for the 15% and 20% reduced budgets up to approximately \$74,000. Option #2 does not require any reserves be accessed for the general fund, however would cut up three full time general fund employees and reduce hours for four others. The town staff was able to increase the reserves in the capital and general funds by over \$550,000 with the required 2009 budget cuts. Council Member Pierce doesn't approve of the number of hours for the TTC Coordinator. She is in favor of the Option #1 proposed budget and does not want to cut any staff positions. She feels that cutting into Recreation and Courts staff would require more Police department staff to keep the youths out of trouble. Council Member Holt submitted that by having the 10%, 15% and 20% budgets available, the council can approve all three and then staff can go ahead and move to the 15% or 20% if the sales tax declines make it necessary without coming back to council. Council Member Cotton is not comfortable with pulling money out of reserves if the economy is still headed south. He would like the staff to come to council with changes to the budget if the sales tax dictates a reduction. Council Member Weiler supports Council Member Pierce's comment regarding the TTC's budget and would like to ask the TTC re-evaluate their staffing levels. He appreciates the Council's attention to the budget process and their work and dedication to the process. Council Member Holt

asked Council Member Pierce what she would feel is adequate for the TTC Coordinators position. She said she believes the TTC Coordinator is doing very well and would only like to make it fair to all staff. Council Member Weiler also asked about the TTC Coordinators contract and questioned her contract being on an hourly basis. Mayor Aragon opened to public comment. Mr. Thad Cano has a concern about the TTC Coordinator contractor status and would like the Town to look into the contract for possible liabilities.

4. **Capital Improvement Decision Matrix** – Schmueser-Gordon-Meyer Engineers were hired to complete a five year capital improvement plan to assist the town in prioritizing capital projects and maintenance. At a budget work session in November, SGM presented infrastructure information and assisted the town council to identify criteria for evaluating capital project alternatives. After considerable discussion, six evaluation criteria were identified along with nine project categories. The criteria of importance began with Public Health & Safety Benefit, Most Benefit to Citizens, Public Support, to Deferred Maintenance Backlog, Leverage of Grants and Regulatory Mandates. The Council then rated the Projects which rank from number one Roads, Parks and Recreation, Trails and River Features, Economic Development, Planning & Easements & Design, Equipment & Technology, Building & Facilities, New Capital Projects, and finally Property Acquisitions. Council Member Pierce appreciates the council's work on the matrix. Council Member Volger addressed Council Member Weiler's concern with the rating of Economic Development. Council Member Holt moved to approve the Capital Improvement Plan decision matrix as presented this evening and put it into practice as a general recommendation, Council Member Weiler seconded, unanimously approved.
5. **Budget Policy Discussion** – In 2009 the Town staff implemented a system of monitoring the Town's revenues on a monthly basis and is reporting fluctuations from prior year revenues to the Town Council. Resolution 2008-33 created a policy to adjust quickly to the declining sales tax revenues and give staff a way to ratchet back. Year-to-date, the Town's 2009 sales tax revenues have declined over -8.74% compared to 2008. Given the downward momentum of the national economy, the Council implemented a ten percent sales tax revenue reduction in the 2010 budget (as compared to the 2009 year-end revenues). It is the recommendation of town staff to deploy a similar financial stability plan. For example, if sales tax revenues fall below ten percent compared to the average revenues collected for the same period in the preceding two fiscal years **and** the percentage of sales tax revenues collected in the previous month (or previous two months) falls ten percent below the average collected for the same periods in the preceding two fiscal years, the Town manager shall implement a fifteen percent reduction in sales tax related expenditures, as compared to 2009 year-end projected sales tax revenue. Utilizing this method, the town will not delay its response to changes in the revenue stream.

**V. OLD BUSINESS**

**VI. Next Town Council Meeting December 17, 2009 at 12:00pm**

**VII. ADJOURNMENT** – Upon motion duly made the meeting adjourned at 5:56pm

**Ross Aragón  
Mayor**