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TOWN COUNCIL MEETING MINUTES

THURSDAY, MAY 21, 2009

Town Hall Council Chambers

12:00 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 LICENSING**
- 1. New Beer & Wine Liquor License – Artisans of the Southwest, LLC 175 Pagosa Street Units 5 & 6** – Council Member Jackson moved to approve the Beer and Wine License for the Artisans of the Southwest, LLC, Council Member Volger seconded, unanimously approved.
 - 2. New Art Gallery Permit – Wild Spirit Gallery 480 San Juan Street Suite #1** – Council Member Jackson moved to approve the Art Gallery Permit for Wild Spirit Gallery, Council Member Volger seconded, unanimously approved.
 - 3. Special Events Permit – Chamber of Commerce Members Barbeque and Auction – June 13th, 2009 at Town Park** – Council Member Jackson moved to approve the Special Events Liquor License Permit for the Chamber of Commerce, Council Member Volger, unanimously approved.
 - 4. Liquor License Renewal – Pagosa Bar Inc. 460 Pagosa Street**
 - 5. Liquor License Renewal – Farrago Market Café 175 Pagosa Street Units 1,2&3**
 - 6. Liquor License Renewal – Johnny Zhong dba New Hunan 180 E. Pagosa Street** – Council Member Jackson moved to approve the liquor license renewals for Pagosa Bar Inc., Farrago Market Café, and Johnny Zhong dba New Hunan, Council Member Cotton seconded, unanimously approved.
- III. DELEGATIONS**
- IV. NEW BUSINESS**
- 1. Memorandum of Understanding between Archuleta County & Town of Pagosa Springs Regarding Cooperative Effort to Enhance GIS Systems in the Region** – In 2008 Fort Lewis College Office of Community Services completed a Region 9 GIS ‘Needs Assessment’ and ‘Implementation Plan’ which focused on small communities in the region. Three goals of the assessment were established including; (1) to develop customized geodatabases for each participating municipalities, (2) allow datasets to be hosted at the County level on ArcGIS Servers with live access by the municipality, and (3) to provide training opportunities. In late 2008, Fort Lewis College submitted a grant on behalf of the Town of Bayfield (applicant) to DOLA under the Energy & Mineral Impact Assistance Program to fund the proposal to enhance GIS capabilities. The grant included a request for \$90,000 with a \$30,000 match as contributed by participating jurisdictions (\$2,000 from Town of Pagosa Springs). The MOU established the obligations of both the County and Town in regards to the cooperative effort to enhance GIS systems between the jurisdictions. The following tasks will be completed: (1) install and configure software (ArcGIS Server) to host datasets; (2) data migration; (3) establish ‘live’ access to the data; and (4) provide access to a ‘circuit rider’ who will provide GIS support as necessary to participating jurisdictions. Council Member Pierce has concerns with item #1 of the MOU and would

like it more defined. Mr. Bill Ball with Fort Lewis College explained that Archuleta County will not be responsible for data that is typically maintained by the Town, the County currently maintains data the Town uses. Council Member Pierce moved to approve the Memorandum of Understanding with Archuleta County regarding cooperative effort to enhance geographic information systems in the region and allocate \$2,000 to the costs of the project, also with changes to item #1 that should the County complete maintenance they will notify the Town planning department of the change, Council Member Holt seconded, unanimously approved.

V. OLD BUSINESS

1. **Ordinance No. 740 (Second Reading) Cable Franchise Renewal to ICE Cable**

Holdings, LLC – The first reading of ordinance No. 740 was unanimously approved on April 23, 2009. This ordinance extends a franchise to ICE Cable Holdings, LLC (doing business as Rocky Mountain Cable) to furnish, sell and distribute cable television and other services to the Town and to all persons, businesses and industries within the town for an additional 10 year term. The franchise renewal will continue an income stream to the town of 5% of ICE Cable Holdings, LLC annual revenues generated from Town customers. Council Member Volger moved to approve second reading of Ordinance No. 740, renewing the cable television franchise granted to ICE Cable Holdings, LLC, Council Member Jackson seconded, unanimously approved.

2. **Parelli Natural Horse-man-ship Job Creation Performance – 2008** – As an economic development incentive in 2005, the Town invested \$500,000 in infrastructure for the benefit of Parelli Natural Horse-man-ship, Inc. In exchange, Parelli agreed to create and maintain twenty-five new full-time equivalent jobs in Archuleta County by December 31, 2010. The contract requires that the positions created be compensated in an amount equal or greater than 150% of the County per capita income, which is \$25,145. Region 9 Economic Development District of Southwest Colorado conducted a review of Parelli's records to determine the number of jobs created since 2005. They show Parelli has added 22 new jobs, 6 new employees in 2005, 6 in 2006, 5 in 2007 and 5 in 2008. To secure performance under its contract with the Town, Parelli executed \$500,000 in bank letters of credit. In each performance year, 2005-2007, the Town released from obligation \$100,000 (a total of \$300,000). Parelli has met its performance requirement for 2008; therefore the Town Manager will execute a release from obligation on an additional \$100,000 letter of credit. Parelli has added significantly to the economic vitality and stability of the Town, it's presence in our community has attracted new visitors from across the nation and around the world. The Town Manager will relay the significance of Parelli's efforts in the community to the media. Council Member Cotton volunteered to make a plaque the Town Council can present in July to Mr. Parelli in thanks for his community efforts.

3. **Ordinance No. 741 (First Reading) Geothermal Rules and Regulations** – On February 24, 2009, the Department of Natural Resources, Division of Water Resources, notified the Town of modifications geothermal well permits 26-G and 27-G. The modifications clarify the Town's authority to utilize up to 450 gallons per minute for "geothermal heating" purposes and permits discharge that "avoid waste of the geothermal resource, and protect the environment and public health". The modified permit requires that the Town measure water flows at the well head and all outflow lines. The permit provides the Town authority to utilize the geothermal resource for heating the proposed greenhouses, heating taps and other uses related to heating. As the Town more fully utilized its geothermal resources, Geothermal Heating System Regulations are needed for orderly operation and administration. The adoption of Geothermal Heating System Regulations is an important step toward functional and consistent long-term operation of the geothermal heating system. The Town Council reviewed the draft regulations on May 7th and requested modifications. Council Member Cotton would like Section 1.07 to include (c) other purposes as determined by the Town Council. Council Member Pierce asked about the grandfathering, Town Manager Mitchem explained there are other areas in the regulations that address previous customers. Customers who tap into raw geothermal water are responsible for their own infrastructure. Council Member Cotton asked about the heat capacity, Geothermal Supervisor Phil Starks explained right now the geothermal district is only using about half capacity and a study will be completed in the future. Should a de-icing customer come forward, they will be informed that geothermal primary use is for

heating and de-icing is secondary. Council Member Jackson moved to approve the first reading of Ordinance 741, adopting the geothermal heating system regulations, to include in section 1-07 (c) other purposes as determined by the Town Council, and leaving section 1-04 wording as is, Council Member Holt seconded, unanimously approved.

4. **March Sales Tax Analysis** – March 2009 sales tax revenue increased by .19% compared to March 2008. Year-to-date sales tax revenues are down 7.12% compared to 2008. Resolution 2008-33 requires a monthly analysis that averages several months/years of revenue. This analysis results in an average of three months decline of 6.27% and two months decline of 12.76% triggering a 15% expenditure reduction to begin immediately. This reduction will include a two day furlough for all employees to be completed by the end of July. Council Member Weiler suggests reducing benefits rather than take home pay. Maintaining public safety and road maintenance is the Town Council's number one goal.

- VI. **Approve April's Financial Statement and Accompanying Bills** – Council Member Volger moved to approved April's financial statement and accompanying April bills, Council Member Holt seconded, unanimously approved.

- VII. **Next Town Council Meeting June 2, 2009 at 5:00pm**

- VIII. **TOWN MANAGER 6-MONTH EVALUATION**

1. **Town Manager 6-Month Evaluation – Possible executive session per CRS Section 24-6-402(2)(f)** – Mayor Aragon asked Town Manager Mitchem if he would like his evaluation to be public and he accepted. Town Manager Mitchem collected evaluations from some of the council. Mayor Aragon began by explaining it has been refreshing to work with Town Manager Mitchem, his professionalism, work ethic, his ability to address community members with a positive and professional manner, and his attire is very appropriate. Mayor Aragon stated he has only heard positive feedback with Town Manager Mitchem's conduct. Council Member Cotton ditto's the Mayor comments. Council Member Volger can't find a way that Town Manager Mitchem could have done a better job. He suggests he keep doing what he's doing with his professionalism, high work ethic, and manner. Council Member Weiler would like Town Manager Mitchem to lead and allocate more time, if possible, on his economic development abilities for this community and the Town Council support him with what he needs in this direction. Council Member Holt commends Town Manager Mitchem on his job thus far. Council Member Pierce believes he is an excellent listener and responses to community in a positive manner. His knowledge on the budget is a great advantage, he is an excellent leader and challenges staff to step up to the plate to do more and she believes this is a sure sign of a great leader. Mr. Bob Hart says that Town Manager Mitchem takes the time to listen and it has been a pleasure to work with him. Town Manager Mitchem expressed his pleasure to be working for the Council and his appreciation to the Council for giving him the opportunity. Council Member Jackson appreciates the excellent job Town Manager Mitchem has done and echoes what Council Member Weiler says about his economic development abilities.

- IX. **ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 1:22pm

Ross Aragón
Mayor