



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

**TOWN COUNCIL MEETING MINUTES
TUESDAY, JANUARY 6, 2009
Town Hall Council Chambers
5:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Pierce, Council Member Weiler
- II. **APPROVAL of MEETING MINUTES FROM DECEMBER 2nd and 18th, 2008** – Minutes were approved as read
- III. **LIQUOR LICENSES**
 1. **New Tavern License – Pagosa Resort & Spa, Inc., 165 Hot Springs Blvd** – Council Member Pierce moved to approve the new Tavern license, Council Member Cotton seconded, unanimously approved.
 2. **Renewal Hotel & Restaurant – Nighbeck LLC dba Pagosa Lodge**
 3. **Renewal Retail Liquor Store – CCWS LLP dba Copper Coin Liquor Store** – Council Member Pierce moved to approve the liquor license renewals, Council Member Cotton seconded, unanimously approved.
 4. **Special Events Permit – Pagosa Springs Public Facilities Coalition – Community Center Valentines Dance February 14th, 2009** – Council Member Pierce moved to approve the special events permit, Council Member Cotton seconded, unanimously approved.
- IV. **DELEGATIONS**
- V. **NEW BUSINESS**
 1. **REVIEW OF PLANNING COMMISSION ACTIONS FROM DECEMBER 15, 2008**
 - a. **Reservoir River Ranch Sketch/Preliminary Plan (Public Hearing, No Action)** – The applicant, Fairway Land Trust, is requesting the concurrent sketch/preliminary review of the 561 acre subdivision adjacent to Light Plant Road and Hwy 84. The project includes approx. 1,512 residential units; 200,000 square feet of commercial; activity center and open space area. The planning commission reviewed this project December 15, 2008 and recommended approval with seven conditions. Mayor Aragon opened the item to public comment. Stanley Levine explained he has been working diligently to have this project annexed into the town and hopes it will become a legacy to Pagosa Springs. He feels he has planned this residential community to add to the Town with connected trails and easements. Addressing Council Member Pierce's question, staff explained the public open space is available to public access and private open space refers to area that will not be open to the public; according to the Town's code the applicant has met their requirement for open space. Nancy Lauro addressed the council saying the public open space is a gift to the town which the town will own. The private open space will not necessarily be an area where people will want to go. This will be an area for wildlife and not residential areas, maybe some backyards, but not fenced off. The private open space is open for discussion and might change once the plan progresses. Council Member Pierce does not want the development vested for more than 20 years and wants to include conditions of progress. Council Member Holt and Cotton agree. Council Member Weiler is comfortable with 25 year vesting. This item will be tabled until second reading of the ordinances annexing/zoning the property have been completed.
 - b. **Sherwin Williams Lot Consolidation Request** – The applicant, Primus Properties LLC & Anderson Family Trust, has submitted a request to complete a plat amendment to consolidate Lot 2A & 2B, Majestic Minor Subdivision into Lot 2AX. The planning commission reviewed this request on December 15, 2008 and recommended approval with two conditions; 1, revise survey plat issues per staff's comments; and 2, submittal of final plat for recording. Mayor Aragon opened to public comment. Council Member Holt moved to approve the Sherwin Williams Lot Consolidation with two (2) conditions, as recommended by the planning commission at its December 15, 2008 meeting, Council Member Cotton seconded, unanimously approved.
 - c. **Repealing & Readopting Chapter 21 of the Town of Pagosa Springs Municipal Code in regards to the Land Use & Development Code – [continuation]** – The planning commission determined a complete recommendation should be forwarded to council for consideration to all text amendments and alternative mapping requests. They will review the remaining alternative mapping requests at the January 13th meeting and forward a complete recommendation to Council for the January 15th mid month meeting.

Mayor Aragon opened this item to public comment. Glen Sturkle asked about home based businesses and size of vehicle being parked in areas. Staff explained that depending on the use it may not be acceptable and suggested Mr. Sturkle sit down with planning department staff. Council Member Pierce moved to conduct the public hearing and continue review of the draft Land Use Code, User's Manual and Official Zoning Map until the January 15, 2008 mid-month Council meeting, Council Member Holt seconded, unanimously approved.

- 2. Ordinance No. 729 (First Reading), Annex property known as Reservoir River Ranch**
– At the November 5, 2008 meeting, council approved Resolution No. 2008-30 initiating annexation proceedings and subsequently No. 2008-40 verifying eligibility was approved December 18, 2008. The planning commission reviewed this request for annexation at the December 15, 2008 meeting and unanimously recommended approval with two conditions. Mayor Aragon opened to public comment. Mr. Rick Bellis, county planning department, explained the county commissioners asked him to come regarding the Town annexing this property. If it were annexed the county feels the Town would therefore take over the maintenance of Light Plant Road in its entirety, and they also have concerns with Mill Creek drainage and floodplain. Ms Nancy Lauro remarked that the developer heard from the County just today and is willing to work with their concerns. She explained development agreements are a process to extend vested rights and get a guarantee to lock in items perhaps necessary for the Towns Comprehensive Plan and needs that are fair to both parties. Staff explained the Town currently plows Light Plant Road and if other annexations go through along Hwy 84 there are several areas that might come into the Town. Mr. Bill Hudson asked if the council would like the Town citizens to come together to discuss these large annexation developments. Mayor Aragon believes the Council is looking after the best for the Town as is the staff. Staff is willing to meet with the public interested in looking at the development and accepting comments; also the code includes a section for neighborhood watch groups to give their opinion to staff and Council. Glenn Walsh believes the project is a superb project, but is concerned with the Town incurring additional expenses due to this project. Council Member Pierce would like to table this item for a few weeks to have some concerns addressed. Staff explained the draft agreement was received by town staff and legal counsel just this day and they should have a proposed annexation agreement draft to council before the February 3rd meeting. Council Member Cotton moved to approve first reading of Ordinance No. 729, Annexing property known as the Reservoir River Ranch Annexation, Council Member Weiler seconded, motion carried with one nay (Council Member Pierce).
- 3. Ordinance No. 730 (First Reading), Zoning property known as Reservoir River Ranch**
– The proposed zoning map identifies 304 acres as Town Residential, 11 acres as Mixed-Use Town Center and approx. 17 acres as Mixed-Use Residential. This ordinance assigns base zone district to the property. Mayor Aragon opened to public comment. Mr. Glenn Walsh expressed his agreement to let the developers allow more homes per acre if desired. Council Member Cotton moved to approve the first reading of Ordinance No. 730, Zoning Property known as the 'Reservoir River Ranch' Annexation, Council Member Weiler seconded, motion carried with one nay (Council Member Pierce).
- 4. Resolution 2009-01, Re-Assigning Members; Mr. David Parker and Ms. Susan Ward**
– The Historic Preservation Board is a 7 member board with 5 regular members and 2 alternate members. The board has decided to re-assign certain member positions and to re-assign David Parker to serve as a regular board member and Susan Ward re-assigned to serve as an alternate member, commensurate with previous terms. Mayor Aragon opened to public comment. Council Member Holt moved to approve Resolution 2009-01, re-assigning board members; Mr. David Parker and Ms. Susan Ward, Council Member Weiler seconded, unanimously approved.
- 5. Ordinance No. 732 (First Reading), Repealing and Readopting Section 16.4.12 of the Town of Pagosa Springs Municipal Code in regards to the Town Tourism Committee**
– At the October 7, 2008 council meeting, Council Member Pierce noted concern with existing town municipal code language in regards to the TTC. Staff, Council Member Pierce and TTC president Bob Hart met to discuss necessary changes and forward them for review to town legal counsel. Mayor Aragon opened to public comment. Council Member Pierce moved to approve Ordinance No. 732, Amending Section 16.4 of the Town of Pagosa Springs Municipal Code, Council Member Holt seconded, unanimously approved.
- 6. Consider of a Management Contract between the Town of Pagosa Springs and the Chamber of Commerce**
– The TTC has been working with the Chamber of Commerce since August 2008 to draft a mutually agreeable contract for management and services of the Visitor's Center. The Town has contributed significant monies for the operation of the visitor's center. Previously the Chamber Board of Directors managed and maintained all direct oversight of both the staff and function of the Visitors Center. This contract clearly provides oversight authority to the TTC of the funds and the function of the Visitor's Center and outlines the expectation for services to be provided at this facility. Mayor Aragon opened to public comment. Council Member Pierce moved to approve Management Contract between the Town of Pagosa Springs and the Chamber of Commerce, Council Member Cotton seconded, unanimously approved.
- 7. Independent Contractor Agreement for the Town Tourism Coordinator Position**
– Ms. Jennifer Green has been selected to fill the part time position of Town Tourism Coordinator, this contract between the Town and Ms. Jennifer Green is to support the Town Tourism Department. Council Member Cotton moved to approve the Independent Contractor Agreement for Town Tourism Coordinator Position, Council Member Holt seconded, unanimously approved.

8. **Resolution 2009-02, Maintaining Employee Benefits for Full-Time employees** – Given the downturn in the national economy and in order to be prepared to respond quickly should the local economy experience a downturn, the Town Council passed Resolution 2008-33. The Town Manager and Department Directors have identified way to reduce costs, when beneficial to the Town, one option is to reduce the hours worked by full-time employees. Reducing hours worked is an effective way to provide services during a time of reduction revenues. This resolution provides the Town Manager and Department Directors the ability to reduce hours worked for full-time employees (down to 24 hours per week), while still providing all Town benefits for those employees. Town benefits would only be provided to employees who are currently full-time and accept reduced hours, and shall be limited to calendar year 2009. Mayor Aragon opened to public comment. Council Member Pierce moved to approve Resolution 2009-02, adopting a resolution to provide a reduction in town payroll liability while maintaining employee benefits for a skilled and experienced workforce, with the addition that Mr. Mitchem get in writing that the Town can set the hours for full time employee benefits, Council Member Holt seconded, motion carried with one nay (Council Member Cotton).
9. **Ordinance No. 733 (First Reading), Scheduling Time, Date and Place of Regular Town Council Meetings** – The town charter requires the Town council to hold regular meetings at least once a month and that those meetings are made by ordinance. Mayor Aragon opened to public comment. Council Member Cotton moved to approve Ordinance No. 733, scheduling a time, date and place for regular Town Council meetings, description was read in full, Council Member Pierce seconded, unanimously approved.
10. **Ordinance No. 734 (First Reading), Adopting Competitive Bidding Policies and Procedures** – The town charter requires the Town to establish by ordinance procedures for competitively bidding contracts for procurement of services, equipment and supplies. This ordinance establishes thresholds for department head purchases, an informal bidding process and a formal bidding process for certain types of contracts, services, and equipment and supplies based on the cost of those items. Mayor Aragon opened to public comment. Council Member Pierce moved to approve the first reading of Ordinance No. 734, adopting Article 4 of Chapter 2 of the Pagosa Springs Municipal Code regarding Competitive Bidding Policies and Procedures, Council Member Cotton seconded, unanimously approved.
11. **Consideration of Letters of Interest for Vacant District 2 Council Seat** – There have been two eligible letters of interest received for this council seat from Mr. Donald Volger and Mr. Steve Koneman. The council will hold a work session on Thursday January 15th at 11:30am to interview the interested candidates.
12. **Resolution 2009-03, Establishing a Fee Schedule for the Police Department** – The Police Department has not previously set a fee schedule for a number of its services including VIN verification, fingerprinting, and issuing reports for accidents and action/justice reports. This resolution sets fees for these services at an equivalent rate to that the County's current charges. Mayor Aragon opened to public comment. Council Member Pierce moved to approve Resolution 2009-03, establishing a fee schedule for specific services for the Town of Pagosa Springs Police Department, Council Member Cotton seconded, unanimously approved.
13. **Interim Manager Performance Evaluation Agreement** – At the May 1, 2008 town council meeting Tamra Allen, acting at interim town manager asked council to discuss with her their expectations of her, their priorities, the timeline for a new town manager, along with her salary. The Council committed to reinstate her to assistant town manager position, an increase of annual salary of \$65,000 plus a bonus that represents the differential between her current salary and the former Town Manager's salary of \$78,800. Ms. Allen is requesting \$8,060 for her time as the interim town manager and the items that she completed while she was in this appointed position. Council Member Holt moved to make good on the promise made and the performance item the council asked of her, and provide the bonus promised of \$8,060, Council member Pierce seconded, motion carried.

VI. OLD BUSINESS

1. **Ordinance No. 723 (Second Reading), Annex 7 Acres known as the Goodman Annexation** - At the October 7, 2008 meeting council approved resolution 2008-27 initiating annexation proceedings. Subsequently, Resolution No. 2008-34 verifying eligibility was approved at the December 2, 2008 meeting. The planning commission unanimously recommended approval of the annexation and council completed first reading of this ordinance at the December 2, 2008 meeting. Mayor Aragon opened to public comment. Council Member Holt moved to approve second reading of Ordinance No. 723, annexing property known as the Goodman Annexation and authorize the Mayor to execute the Annexation Agreement, Council Member Pierce seconded, unanimously approved.
2. **Ordinance No. 724 (Second Reading), Zoning the 7 Acre Goodman Property** – This ordinance assigns a base zone district to the property known as the 'Goodman Annexation'. The subject property will obtain an A-District, Single Family Residential classification upon completion of the annexation process. The planning commission unanimously recommended approval and council completed the first reading at the December 2, 2008 meeting. Mayor Aragon opened to public comment. Council Member Cotton moved to approve the second reading of Ordinance No. 724, zoning property known as the 'Goodman Annexation', Council Member Pierce seconded, unanimously approved.
3. **Ordinance No. 725 (Second Reading), Annexing 15 Acres known as the Goodman Family Trust Annexation** – At the October 7, 2008 meeting council approved Resolution

No. 2008-28 initiating annexation proceedings for the property known as the 'Goodman Family Trust Annexation'. The proposed annexation includes fifteen acres of property located at 651 County Road 411 (property west of Cemetery Road). The planning commission unanimously recommended approval and the council completed the first reading at the December 2, 2008 meeting. Mayor Aragon opened to public comment. Council Member Pierce moved to approve second reading of Ordinance No. 725, Annexing property known as the Goodman Family Trust Annexation and authorize the Mayor to execute the Annexation Agreement, Council Member Holt seconded, unanimously approved.

4. **Ordinance No. 726 (Second Reading), Zoning the 15 Acre Goodman Family Trust Property** – This ordinance assigns a base zone district to the property known as the 'Goodman Family Trust Annexation'. The subject property will obtain an A-District, Single Family Residential classification upon completion of the annexation process. The planning commission unanimously recommended approval and council completed the first reading at the December 2, 2008 meeting. Mayor Aragon opened to public comment. Council Member Pierce moved to approve the second reading of Ordinance No. 726, zoning property known as the 'Goodman Family Trust Annexation', Council Member Cotton seconded, unanimously approved.
5. **Ordinance No. 728 (Second Reading) Approving Blue Sky Village Vested Rights** – Council members, town attorney and staff met with Blue Sky Village representatives to address a number of issues within the draft annexation/development agreement including vested property rights. Article 10 of this draft annexation/development agreement contemplates an initial 10 year vesting period with an automatic 5 year extension if the applicant has completed construction of required improvements associated with phase I. The vesting period shall automatically extend an additional 5 years if certificate of occupancies have been issued for 50% of the project or construction of required improvements associated with phase II. Council approved the first reading of this ordinance at the December 18, 2008 meeting. Mayor Aragon opened to public comment. Council Member Cotton moved to approve the second reading of Ordinance No. 728, establishing vested property rights on the Blue Sky Village property, Council Member Holt seconded, unanimously approved.
6. **Ordinance No. 727 (Second Reading), Allowing Attendance at Meetings via Telephone and other Technological Devices** – This ordinance acknowledges the ability of Council and other boards, commissions and committees to participate in meetings via telephone, video conferencing and other similar technological means as long as all persons participating in the meeting can hear each other and be heard by each other at the same time. The first reading of this ordinance was completed at the December 2, 2008 meeting. Mayor Aragon opened to public comment. Bill Hudson would like to see the council continue to meet face to face. Council Member Pierce moved to not approve the second reading of Ordinance No. 727, an ordinance adding Section 2.2.5 to the Town of Pagosa Springs Municipal Code, Authorizing Council Members and Members of Commissions, Boards and Committees to attend meetings by telephone and other similar technological means, Council Member Holt seconded, unanimously approved.

VII. DEPARTMENT HEAD REPORTS

1. **Parks and Recreation Department Report** – Parks, Recreation, Open Space and Trails (PROST) task force met on December 15, 2008 and discussed the county's recent decision to appropriate \$400,000 in Conservation Trust and 1A reserves to construct an indoor riding arena at the fairgrounds. The PROST task force will appeal directly to the incoming commissioners to re-evaluate the decision. Registration for youth basketball brought in 122 participants. The parks departments have been busy with snow removal but are currently working to get the skate ponds at the River Center open. The sports complex is completed but the final reimbursement of grant funds can not be accessed until two lien waivers are resolved. The Skate park design is 90% complete. If fund raising continues at a strong pace and the county commits to fund the project, the Town may be able to sponsor a grant from GOCO and move forward with the project.
2. **Planning Department Report** – Staff continues to work with a few property owners along the proposed Town to Lakes Trail alignment to secure necessary easements prior to commencement of future phases which include design/engineering.
4. **Town Tourism Committee Report** – Mrs. Marcy Mitchell presented the information to council including receipts from mid-December collections showing lodging tax up 7% from last year. Barnhart Communications has established a new positioning statement which states; Pagosa Springs, where soothing hot springs and exhilarating outdoor adventure rejuvenate the soul, is Colorado's most natural mountain escape. Crista Munroe and Jeff Greer have resigned from the TTC. A new tax lodging form requesting occupancy date has been emailed to Town properties.

5. Town Manager Report – Sales tax receipts for October 2008 was down 6.07% from October 2007 which represents an overall decrease of .36% year to date. Bids for the Town Park Pedestrian Bridge are being accepted through January 29, 2008. The town is applying for additional CDOT support through a grant application. EPS has proposed a \$37,150 budget for completion of the Pagosa Springs – Archuleta County Impact Fee Study. Preparations have been made for discussion regarding consolidating the TTC and CTC. Snow removal has kept the Streets, Parks, and Maintenance departments very busy these last few weeks. Town Manager Mitchem will be out for a few weeks due to health reasons; Chief Saunders will be Acting Town Manager during this time.

VIII. APPROVAL OF BILLS – December of 2008 approval of bills will be tabled until the February 3rd, 2009 meeting.

IX. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 6:56pm.

**Ross Aragón
Mayor**