



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

**TOWN COUNCIL MEETING MINUTES
THURSDAY, OCTOBER 20, 2016
Town Hall Council Chambers
551 Hot Springs Blvd
5:00 p.m.**

- I. **CALL MEETING TO ORDER** – Mayor Pro Tem Bunning, Council Member Anderson, Council Member deGraaf, Council Member DeMarco, Council Member Egan, Council Member Schanzenbaker
- II. **PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**
- III. **PUBLIC COMMENT** - Mr. Peter Adams requested the Town support the land use and fee sub-committee to continue work on a plan to bring to Council regarding affordable housing and requested the Town set aside \$3,500 in the 2017 budget for a feasibility study of an affordable housing mixed-use plan. Mr. Bill Hudson said the housing needs assessment should extend across the county. Town Manager Schulte said the Council has requested staff acquire information from the comprehensive plan contractors to discover the costs associated with the assessment. He said the Town may request the County help with the cost of the assessment which will be county-wide.
- IV. **CONSENT AGENDA**
 1. **Approval of the October 4, 2016 Meeting Minutes**
 2. **Approval of September Financial Statement and Accompanying Payments**
 3. **Liquor Licenses**
 - a. **New Liquor License – Los Dos Charros Mexican Restaurant at 2800 Cornerstone Drive, Bldg #2, Units 3&4**
 - b. **Liquor License Renewal – Mountain Spirits at 135 Country Center Dr Suite B-1**
 - c. **Special Events Liquor Permit – Archuleta County Victim Assistance Program Art Event Benefit at 7 Parelli Way on October 22, 2016** – Council Member deGraaf moved to approve the consent agenda, Council Member Egan seconded, unanimously approved.
- V. **REPORTS TO COUNCIL**
 1. **Featured Department Head Reports**
 - a. **Streets Department** - The Streets department has been busy taking care of pot holes and drainage in all ditches, straightening and replacing street signs, and replacing lights on the Hot Springs Blvd Bridge and electrical conduit at Hwy 160. The geothermal system was turned on for the winter and staff encountered two major breaks that were found and repaired. Two new geothermal connections were made on 8th Street. The Pinon Lake fountain was removed for the winter.
 - b. **Town Clerk Department** - Staff has been working with vendors to find a beneficial solution to the Town's need for an agenda management, records management, and work flow process. Once staff determines the right vendor for the right fit, they will bring a

recommendation to Town Manager. This year the Town obtained CIRSA certification with a score of 93 and a loss ratio of 22%. Staff has worked diligently to review and edit the Citizenseve program to fit the needs of both the citizens, the program has been launch for the staff and will go live for the public in the next few months. The staff has been working to recruit a full time officer and part time visitor center position.

2. **Sales Tax Brief** - August 2016 receipts for sales tax shows an increase of 21.3% compared to August 2015. In August 2015, the total amount received was \$408,626. The sales tax received in August 2016 is \$87,217 more than the same month in 2015. This increase represents a year to date increase of 9% over 2015.
1. **Lodgers Tax Brief** – The August 2016 lodger’s tax reflected an 8.55% increase of 2015, or \$5,223. Year to date collections is up 11.33% over 2015. Requests for event and marketing funding for the 2017 budget are underway with funding ranging from \$2,500 to \$15,000. The historic hot springs loop grant focused on product development, the 2017 grant application will focus ono marketing and promotions. Staff has been evaluating options for ongoing tax compliance with new data mining companies that are gaining traction in the industry to monitor and track online vacation rental listings. A 2017 marketing plan is underway with placement of online videos, social media efforts, and promotion concepts.

VI. NEW BUSINESS

1. **Ordinance 849, First Reading, Municipal Court Collections** - The passage of HB 16-1311 has made it difficult for the municipal court to enforce its sentences which include fines, fees, costs, restitution, or any monetary amounts. The Court cannot find a person in contempt for failure to pay unless the Court determines the defendant has an ability to pay. Ordinance 849 allows the presiding municipal court judge to refer, or cause the Court Clerk(s) to refer, unpaid monetary amounts to collections. A collection company will include their fees on top of the court costs. Once collected, the court will receive the delinquent funds. Council Member DeMarco moved to approve the first reading of Ordinance 849, allowing the presiding municipal judge to refer, or cause the Court Clerk(s) to refer, unpaid monetary amounts to collections, Council Member Egan seconded, unanimously approved.
2. **CDC 3rd Quarter Update and Invoice** – Mr. Jason Cox gave an update on the work the CDC has been doing over the last quarter. He said the CDC is focusing on the 2017 budget with an increase of \$5,000 in order to engage outside firms toward the broadband system. He said the \$10,000 (split with the County) is set aside for broadband use, but may not be used if a local expert can assist with the issue. The group is working with the SWCOG to pull funding from state grants. He said the core businesses will be connected with the fiber and the outlying residential areas will be connected wirelessly. He said they have building membership to the CDC in order to self support. He said the CDC has been working with the PLPOA with the possibility of zoning for affordable housing. He said the town exceeds the retail sales tax expectations by over 400%. He said the CDC is having a speaker from economic development in Denver to discuss the tiny home projects possibility. The invoice for the 3rd quarter is \$9,564.72 with the Town and County splitting the costs for an amount the Town will contribute of \$4,782.36. Council Member Egan moved to accept the report and the 3rd quarter invoice of \$4,782.36, Council Member deGraaf seconded, unanimously approved.
3. **Resolution 2016-15 Appointing Peggy Bergon and Larry Garcia to the Historic Preservation Board** – This resolution appoints Peggy Bergon as a regular member to complete her original term until June 30, 2017 and appoints Larry Garcia as an alternate member from November 1, 2016 till October 31, 2020. Peggy Bergon had served as a regular member and took a short break from her seat until recently when she requested being re-appointed to the regular member seat. Larry Garcia has been attending the board meetings and has submitted a letter of interest. Both are recommended by the HPB. Council Member deGraaf moved to approve Resolution 2016-15, a resolution appointing Peggy Bergon and Larry Garcia to the Historic Preservation Board, Council Member Schanzenbaker seconded, unanimously approved.

4. **Ordinance 850, First Reading, Accepting Mill Creek Road Construction Easement** - The Town Council approved the Mountain Crossing Subdivision Preliminary subdivision application on December 4, 2012 with several conditions. Staff has been working with the client as they finalize road improvement plans for the western 1800 lineal feet of the Mill Creek Road roadway. The proposed road improvements will be deeded to the Town once the Town accepts the completed improvements completed. The roadway is contemplated for annexation into the Town, however roadway ownership is still being researched with title searches expected to be completed in the next month or so. A temporary construction easement allows the town to move forward with the client for road design approvals, Developer Improvement Agreement (DIA) and construction of the actual improvements prior to official annexation. Council Member Schanzenbaker moved to approve first reading Ordinance 850, an ordinance of the Town accepting a temporary construction easement for the westerly 1800 lineal feet of Mill Creek Road from the Archuleta County Board of Commissioners, Council Member Egan seconded, unanimously approved.

VII. OLD BUSINESS

1. **DUST2 Urban Single Track Revised Project Phasing** - Developing Urban Single-track Trails and Teams (DUST2) is Pagosa's first non-profit dedicated to the promotion of active lifestyles in Archuleta County youth through the development of a student mountain bike team and championing the construction of an urban trail system connecting community schools and parks. At the February 2, 2016 meeting, the Town Council agreed to partner with DUST2 to develop a Phase 1 trail network connecting the elementary school to the high school. The easements did not work out, so DUST2 is proposing a new phase 1 trail plan from the high school to the Yamaguchi Park. The financial impact for the Town occurs in 2017 for a budgeted amount of approximately \$29,000. The current 2017 budget estimates \$50,000 for this project, which would include a 5th Street crossing and any other issues encountered. Ms. Annie Sewell asked the Town to assist in securing future easements. This track will become a town obligation for the future maintenance that is not provided but the DUST2 group. Mr. Bill Hudson asked about future easement costs and town responsibility for maintenance. The school district has agreed to put this trail on the district property and allow the Town and DUST2 to maintain the trail. Attorney Cole said his firm is willing to contribute 5 hours toward easement efforts. Council Member Schanzenbaker moved to approve the revised Phase 1 proposal, Council Member deGraaf seconded, unanimously approved.
2. **Hudson vs Hessman with Possible Executive Session Pursuant to C.R.S. 24-6-402(4)(b) for Conference with Attorney to Receive Legal Advice** – Mayor Pro Tem Bunning said the original executive session was not an illegal session and met all the requirements by the law. He said that Judge Lyman determined that the conversation that took place in the executive session should have been held outside of executive session. Mayor Pro Tem Bunning said the Town had an opportunity to appeal Judge Lyman's decision and ask another judge to review the recording in order to overturn the decision. He said the Town Council agreed not to appeal Judge Lyman's decision. Part of the decision included paying for reasonable attorney fees. The Town's Attorney, Steve Dawes, gave the indication that the amount of attorney fees was excessive. Attorney Cole said the Council could work with Attorney Dawes to negotiate a different amount. Council Member Schanzenbaker said the proposed agreement staff provided is from Council direction and he doesn't want to amend the agreement. Council Member Egan said he agrees with Mayor Pro Tem Bunning that the amount the Town is requested to be paid in attorney fees is excessive. Council Member Schanzenbaker moved to approve the settlement agreement as presented, Council Member deGraaf seconded, motion passes with one nay (Mayor Pro Tem Bunning).

- ## VIII. PUBLIC COMMENT
- Mr. Bill Hudson appreciated the Council's decision on the agreement. He said the housing group has provided the Council with reports on how the government could assist with the housing solutions. He said the CDC has not provided written reports on how the Town's \$20,000 is being spent. He said the additional \$10,000 requested should be in a written report. He said the streets department is doing a great job keeping up with the street. Mr. Jim Garrett said the amount

of time he believe Attorney Roane spent on the case is not excessive.

- IX. COUNCIL IDEAS AND COMMENTS** - Ms. DeMarco said the invoices from the CDC are made available to the Town Council. Mayor Pro Tem said the public comment is for comments and not deliberation, and if necessary an item will then be noticed for further discussion. Council Member Anderson will have limited availability during the month of November.
- X. NEXT TOWN COUNCIL MEETING NOVEMBER 1, 2016 AT 5:00 PM**
- XI. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 7:10 pm.