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TOWN COUNCIL SPECIAL MEETING MINUTES
WEDNESDAY, OCTOBER 29, 2014
Town Hall
4:00 P.M.

I. CALL MEETING TO ORDER – Mayor Volger, Council Member Alley, Council Member Bunning, Council Member Lattin Council Member Schanzenbaker

II. NEW BUSINESS

- 1. Letter of Support for PLPOA Fall 2014 State Trails Grant Application** - The Town received a request from the Pagosa Lakes Property Owners Association (PLPOA), requesting the Town provide a letter of support for the State Trails Grant Application they are submitting for the 2014 fall grant round, due October 31st. PLPOA is proposing to construct a number of trail segments under this proposed project phase, a total of 8400 lineal feet of 8 foot wide asphalt surfaced trails and 3800 lineal feet of 4 foot wide crusher fine surfaced trails in the Hatcher Lake area. The town has no funding obligations of for this grant or project. PLPOA is requesting \$199,000 from State Trails and has secured \$451,000 in matching funds. Council Member Lattin moved to approve the proposed letter of support for the PLPOA State Trails 2014 fall cycle grant application, Council Member Bunning seconded, unanimously approved.
- 2. 2015 Budget** – The town council held several budget work sessions over the past month with different Town departments. During the work sessions several issues were identified and discussed. One of the items discussed is service organization funding. The town contributes to several organizations; the 2015 funding amounts may be up to \$66,455 if using the formula of 3.25% like the 2014 budget. The 2014 funding amount was just over \$61,000. Funding requests for 2015 are \$116,000. Economic development is another item to discuss. The budgeted funds include \$20,000 worth of economic incentives, however the town has received another \$43,500 from other organizations. Seeds of Learning is asking for \$15,000 from economic development and CDC is asking for funding of the new reorganized committee of \$25,000. It was suggested at the budget worksessions that funding for economic development may be based on grant match or some other performance requirement. Council Member Bunning suggests a scale or a qualifying list for funding by the Town. Council Member Bunning would like to remove the \$20,000 from economic incentives and utilize those funds as seed money for incentive program for non-profits including the CDC. He suggests that perhaps funds used in proportions to outside funding for non-profits. Council Member Alley suggests helping out Seeds with the \$15,000 funding. Mrs. Lynn Bridges agrees with the Council Member Alley, she said Seeds doesn't get their money from one stream, but many streams. She said El Pomar along with the County has given funding, she said that she wants an annual contribution from the Town. Mr. Mark Weiler is supportive of Seeds request. He spoke about the La Plata County business alliance meeting he attended and said a properly funded economic development group is necessary. He said the investment into the Durango economic development program is upwards of \$500,000. He said Durango leads Pagosa in economic growth because of the funding they contribute and he would like to see the Town support economic development and the

CDC with much more than \$25,000. Mrs. Dee McPeck, Seeds board member, said funders have asked Seeds get a Town commitment and the Town is asking for Seeds to find funders, she said someone has to start. Mayor Volger recused himself from the Axis Health discussion and appointed Mayor pro-tem Bunning to chair. Council Member Schanzenbaker asked about spending 3.25% for the service organization. Council Member Lattin said the 3.25% was a random number in order to keep the service organizations total to a reasonable amount. Council Member Schanzenbaker said that moving the Axis Health out of service organizations shouldn't reduce the 3.25%. He said that Mountain Express shouldn't fall into service organizations. Council Member Lattin said that perhaps over the next year the Council might consider defining what is service organization and economic development. Council Member Schanzenbaker recommended leaving Axis in the service organization for 2015 and then have the discussion for 2016 budget format. Council Member Schanzenbaker moved to affirm the allocation of funding to the same organizations in the same amounts as in 2014 as proposed in the preliminary 2015 budget and add \$5,000 for Pagosa Springs Youth Center, Council Member Lattin seconded, unanimously approved. Council Member Bunning suggests among the economic development, the \$20,000 could be used to match new funding that they may be able to get on a shared basis. Mayor Volger returned to his seat. He stated that economic development is so important; he said almost every service organization has a nexus to economic development. He suggested supporting an organization that supports economic development as a whole. He likes giving funding to the new CDC, but not in perpetuity, and said they would need to show the council a wise investment by the CDC. Council Member Schanzenbaker agrees with Mayor Volger. Mayor Volger said funding for CDC may come from reserves. Mrs. Lynn Bridges said the Lutheran Schools and Headstart are fully funded, not like Seeds who is still trying to find funding. Council Member Schanzenbaker said that childcare is economic development, but he would like to fund the whole problem rather than a single portion of economic development. Council Member Schanzenbaker suggests pulling money from reserves for economic development. He suggests leaving \$5,000 in the economic incentive program, \$20,000 into Economic Development Organization/CDC and \$25,000 into a pool to be used for general economic development activities, and taking \$30,000 from reserves to support this structure. Council Member Lattin moved to increase economic development funding to \$50,000, budget \$5,000 in economic incentives, \$20,000 to an economic development organization, and \$25,000 to a new line called general economic development activities, Council Member Schanzenbaker seconded, unanimously approved. The paving of 8th Street has been suggested to be delayed in order to give staff time to work on design, and instead complete Piedra Street and other maintenance project. Council Member Lattin moved to approve rebuilding Piedra Street to include the sidewalks, but not the intersection of Piedra St and 8th St, and direct staff to request bids and use the balance to complete street maintenance associated with 2016 capital plan and a portion for an extra payment towards the Lewis Street loan, Council Member Schanzenbaker, unanimously approved. Council Member Alley would like council to consider making two payments toward the Lewis St loan at some time in the future. Council Member Lattin said the comp plan needs to be updated, but would like to delay that plan one year. Town Planner, James Dickhoff, said the document is an excellent document, but that expansion and updates are needed in each chapter and eventually needs to be done. Council Member Schanzenbaker and Alley would like to see the plan updated and be started at least by the middle of next year. Council Member Lattin said that if staff can review the plan updates prior to giving it to Clarion it will save the Town money. However, currently the staff does not have time to work on this project. The geothermal portion of the code needs to be amended, but the information on geothermal is unsure due to the geothermal utility exploration project. Council Member Schanzenbaker said that by starting the project mid 2015 will show the public the Town is working toward a goal. Town Planner said he is expecting a very busy 2015 including new businesses at the Walmart area, he is stretched with the current staffing levels, but without an additional staff member he is not able to commit to the project. Council Member Alley moved that the comp plan be started mid-year 2015 and allocate \$37,500 for the comp plan, Council Member Schanzenbaker seconded,

unanimously approved.

III. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 6:02pm.

Don Volger
Mayor