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**TOWN COUNCIL MEETING MINUTES
TUESDAY, DECEMBER 6, 2011
Town Hall Council Chambers
5:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Hart (arrived at 5:15pm), Council Member Holt, Council Member Lattin, Council Member Volger
- II. **APPROVAL of MEETING MINUTES FROM NOVEMBER 2nd & 17th, 2011** – Minutes were approved as read.
- III. **LIQUOR LICENSES**
 1. **Liquor License Renewal – Nellos Inc dba Nello’s Bistro, 135 Country Center Dr. Ste A Pagosa Springs** – Council Member Volger moved to approve the liquor license renewal for Nellos Inc, Council Member Holt seconded, unanimously approved.
 2. **Special Events Liquor Permit – Seeds of Learning Fashion Show, March 3, 2012 at the Ross Aragon Community Center**
 3. **Special Events Liquor Permit – CHI Colorado Foundation dba Mercy Health Foundation Soup for the Soul, February 16, 2012 at the Ross Aragon Community Center** – Council Member Volger moved to approve the special events liquor permit for Seeds of Learning fashion show March 3rd and CHI Colorado Foundation dba Mercy Health Foundation soup for the soul event February 16th, Council Member Holt seconded, unanimously approved.
- IV. **NEW BUSINESS**
 1. **254 N. 5th Street Property Donation from Robert Smetts and Bonnie Luttkus** - After hearing about the Town's upcoming trail projects, the Planning Department was approached by Mr. Robert Smetts and Bonnie Luttkus regarding donating a property to the Town. The property approximately 100x75 feet is located at 254 N. 5th Street (aka: TOPS Block 18, east half of Lots 4 & 5) and is along McCabe Creek. Most of the property is within the FEMA mapped Floodway, preventing the potential development of the property. The current owners will donate the property to the Town if the Town accepts all the cost of title work, closing costs and an appraisal for tax credit purposes, approximately \$1,500. The planning commission approved recommending the property donation to the council. Council Member Holt suggests using this piece of property for a pocket park until the property is utilized for a potential trail. Town Planner, James Dickhoff, said the access to the property would be very difficult but could see potential uses in the future. Council Member Lattin moved to approve the acceptance of the property donation located at 254 N. 5th Street, also known as Block 18, east half of Lots 4 & 5, and the associated costs of up to \$1,500 for the property transfer and associated property appraisal and the \$1,500 to come from Trails line, Council Member Volger seconded, unanimously approved.
 2. **Resolution 2011-14, Appointing TTC At-Large Seat** - In October the TTC sent out public notice requesting letters of interest for the vacant at-large seat; 3 letters of interest were received. During the November 16th TTC meeting, the board met with the interested parties and voted to recommend the appointment of RD Whittington to the open at-large seat, vacated by Daniel

Gonzales, to the Town Tourism Committee for a two year term. Council Member Lattin moved to approve Resolution 2011-14, appointing RD Whittington to the Town Tourism Committee for a two (2) year, at-large term, Council Member Volger seconded, unanimously approved.

3. **Resolution 2011-15, Certify Mill Levy** - Each year the Town Clerk is required to certify the mill with Archuleta County. The mill must be set by the Council prior to the certification. The deadline for certification of the mill levy to the county commissioners is December 15th per C.R.S. 39-5-128(1). The mill levy was not increased or decreased during 2011 and therefore should remain at 1.557 for general operating expenses plus any rebates/abatements. The assessed value for the Town of Pagosa Springs is \$55,523,528 plus refunds/abatements bring the mill to 1.583 for total revenue of \$88,052. Council Member Volger moved to approve Resolution 2011-15, setting the Town of Pagosa Springs Mill Levy for the Budget Year 2012, Council Member Holt seconded, unanimously approved.
4. **Resolution 2011-16, 2012 Budget Policy** - In 2009, 2010 and 2011, 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. It is Town staff recommended that a similar financial stability plan to the one deployed in 2012. Major tenets of the policy include; Budget sales tax revenue for 2012 at the same level as 2010 actual sales tax revenue = \$2,958,944. This budgeted amount shall be split equally between the General Fund and Capital Fund; Continue the Town Council's policy of abating fifty percent (50%) of the Town's normal planning/development and building permit fees for 2012; Postpone capital equipment purchases until the last half of 2012, unless approved by the Town Council; Monitor the Town's revenues on an monthly basis and report fluctuations from prior months and prior year revenues to the Town Council. Mr. Morgan Murri asked that development larger than 25,000 square feet not be included in the abatement of planning/development fees. Mayor Aragon tabled this item to mid-month.
5. **2012 Budget Public Hearing** –Mayor Aragon opened this item for public comment, Mr. Morgan Murri asked about the upcoming visitor center discussion regarding the TTC budget, Town Manager Mitchem said that if the Town Council decided to amend the budget for the visitor center they could do that at a later date. Mayor Aragon closed the item to public comment.
6. **Resolution 2011-17, Adopting 2012 Budget** - 2011 ending General Fund Reserves are projected to be \$1,747,166. The proposed 2012 budget reflects \$137,500 (\$29,289 if the \$108,211 in new sales tax revenue is taken into consideration) flowing from the General Fund reserves to fund economic development activities that will likely generate a return-on-investment over the next three to five years (e.g.: economic gardening activities added 60 new jobs thus far in 2011). An additional \$8,000 expenditure split with the Community Center Coalition will also come from reserves to fund a full time position at the Ross Aragon Community Center. 2011 ending Capital Fund reserves are projected to be \$1,186,679. The proposed 2012 budget reflects a \$600,000 transfer from the General Fund to the Capital Fund, boosting beginning Capital Fund reserves to \$1,786,679. The budget reflects an aggressive utilization of Capital Fund reserves to leverage state and federal funds to expand/enhance the Town's infrastructure. The budget presents projects eligible for grant funding total \$7,674,153 (State/federal grant revenue = \$6,555,978 and Town grant matching funds = \$1,118,175). These capital infrastructure projects will, over time, generate a good return-on-investment and improve the quality of life for our citizens. Council Member Hart moved to approve Resolution 2011-17, appropriating sums of money the various funds for the Town of Pagosa Springs, for the 2012 budget year, Council Member Holt seconded, unanimously approved.

V. **OLD BUSINESS**

1. **Lewis Street Update** – Due to a delay in securing financing for the project, the contractor was delayed almost three months. The construction for 2011 has stopped with the 100 block of Lewis Street in the curb and gutter, and gravel stage – asphalt will be applied in the Spring of 2012. The contractor will begin again in early 2012 on the 200 and the 300 blocks when school has been released for the summer. The contractor should have all three blocks completed before the end of the construction season in 2012. Mr. Mike Davis with Davis Engineering explained the contractor is doing a quality job and the change orders so far are just over \$27,000 or 8 ½ percent of work

completed thus far. He feels the contractor should be able to get the project completed on schedule next year with significant less change orders. He said the contingency amount is suspected to be enough to cover all change orders. The council is concerned about this project being top priority and wishes to get the project completed in 2012.

VI. NEXT TOWN COUNCIL MEETING DECEMBER 22nd, 2011 at 12:00pm – Mr. Mark Weiler asked that the mid-month meeting or a special meeting be scheduled for the 15th of December. Mayor Aragon called for a meeting at 12noon on the 15th of December.

VII. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 6:00pm.

**Ross Aragón
Mayor**