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**TOWN COUNCIL MEETING MINUTES
TUESDAY, JULY 6, 2010
Town Hall Council Chambers
5:00 P.M.**

- I. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Lattin, Council Member Pierce, Council Member Volger
- II. APPROVAL of MEETING MINUTES FROM JUNE 1st & 17th, 2010** – Minutes were approved as read
- III. LIQUOR LICENSES**
- 1. New Hotel & Restaurant Liquor License – Café Colorado LLC, 565 Village Drive Ste I,J**
 - 2. New Hotel & Restaurant Liquor License – Victoria’s Café LLC, 274 Pagosa Street** – Council Member Jackson moved to approve the new liquor license for Café Colorado and Victoria’s Café, Council Member Volger seconded, unanimously approved.
 - 3. Special Events Permit – St. Patrick’s Episcopal Church Shamrock Festival, 225 South Pagosa Blvd, August 21, 2010**
 - 4. Special Events Permit – Friends of the Upper San Juan River, Cruise-A-Thong at Yamaguchi Park, July 24, 2010**
 - 5. Special Events Permit – Pagosa Springs Chamber of Commerce, Renaissance Festival at Town Park July 17 and 18, 2010**
 - 6. Liquor License Renewal – Overlook Hot Springs Spa, 432 Pagosa Street** – Council Member Volger moved to approve the liquor license renewal for the Overlook Hot Springs Spa, Council Member Cotton seconded, unanimously approved.
 - 7. Special Events Permit – GECKO, 180 Hermosa Street, July 31, 2010** – Council Member Pierce moved to approve the special events permit for St Patrick’s Episcopal Church, Friends of the Upper San Juan River, Pagosa Springs Chamber of Commerce and GECKO, Council Member Lattin seconded, unanimously approved.
- IV. DELEGATIONS**
- V. NEW BUSINESS**
- 1. Alpha Drive Improvements** – During the course of the Town’s approval for the Aspen Village Development in 2005, the Town failed to secure a performance bond for Alpha Drive improvements (paving/sidewalks). The Aspen Village developer, Pagosa Partners I, Inc had verbally and in writing stated that they would provide improvements for Alpha Drive, however the means to call on this financial obligation was not secured by the Town. Dan Sanders, representing Pagosa Partners I, Inc, has stated that “they are still committed to providing the road improvements, however Pagosa Partners I, Inc, does not have the financial means to provide the improvements at this time”. Alpha Drive is a county road maintained by the Alpha Rock Ridge Metro District with town properties on both sides of the road. The Town intends to annex this section of Alpha Drive once the future road improvements meet the town’s standards for accepting roads as public right of way dedications. Town staff met with representatives of the surrounding property to discuss possible solutions. Due to the timing of the materials, the Town agreed to pay the amount to complete one application of copolymer

road product from Hwy 160 to the Alpha subdivision boundary (1145') approximately \$6,503.60. The Town will bill Pagosa Partners I, Inc for the \$6,503.60 maintenance expenses for Alpha Drive that are a result of the unimproved road, and note that this year financial support for copolymer application does not represent financial obligations for future applications. Town Planner, James Dickhoff, explained he will have a written agreement with the developer for the repayment of the \$6,503.60 with specific requirements to apply the copolymer on a yearly basis and to maintain the road in the future. The development company has assured the Town that a bond will be put in place to complete these improvements. Mr. Jerry Pope is the owner of The Enclave and The Cottages and would like to thank the Council and James Dickhoff for their assistance to fulfill the developers' requirements.

2. **2011 Visitor Guide Contract** – The Town Tourism Committee issued an RFP for the 2011 Visitor Guide in April 2010 and received two responses, both from local vendors. After discussion and meetings with both vendors, the committee felt the increased costs of producing the visitor guide was not the best use of lodging tax dollars and sought a direction to reduce overall expenses. The TTC is unanimous in its recommendation of the Cassio Group as the vendor for the 2011 visitor guide. This guide will be an annual guide and will be mailed to the approximately 35,000 that request a visitor guide throughout the year reaching visitors in their planning stage. The Pagosa Sun will continue to print the summer and winter guides and these guides will be available to tourists when they arrive in Pagosa Springs. The TTC will collect all advertising revenues and pay the Cassio Group and print costs directly. The TTC retains all profits if advertising revenue collections exceed project costs, the TTC will budget in 2011 in the event that advertising revenues do not cover all project costs. If the budgeted funds are not needed, the TTC will allocate the funds toward capital improvement projects. Council Member Pierce removed herself from the discussion due to conflict of interest. Mr. Jim Smith explained that the Cassio Group's presentation was outstanding and the TTC felt the Cassio Group would do a wonderful job for the TTC. The materials used in the visitor guide would be the property of the Town, unlike the Sun's ownership of their guide, and the material can be used over and over. The financial benefit by using the Cassio Group weighted heavily in the Committee's decision. Council Member Jackson moved to approve the contract with Cassio Group for the development and production of the 2011 Pagosa Springs Visitor Guide that will be used for fulfillments, Council Member Holt seconded, motion passed with one abstention (Council Member Pierce).

VI. OLD BUSINESS

1. **Capital Improvement Plan Update, Including Resolution 2010-09: Lease-Purchase of Backhoe** – The Town Council approved a Capital Improvement Plan (CIP) to assist with capital expenditures and maintenance. One of the projects included reconstruction of a block of Lewis Street. After an RFP for engineering was issued it was determined that this project will not begin until 2011. The streets, parks and maintenance departments would like to use the 2010 funds slated for Lewis Street towards other years CIP projects. These projects include chip and seal on Village Drive, Eagle Drive and 6th Street, repaving of portions of the riverwalk trail, connecting an incomplete trail, engineering of five additional water features in the San Juan River, additional signage for tourism, and a dumpster enclosure at Town Hall. The monies originally requested from the reserves would not be used and would leave enough to meet the 5% reduction in expenditures the Town's Capital Fund is currently operating. The streets backhoe will be financed through Wells Fargo and the passage of Resolution 2010-09 will confirm this decision. Council Member Holt would like to stop the chip and seal at the east entrance of Eagle Drive rather than chip and seal the small area past the east entrance. Town Manager Mitchem said the Town should know in the next two months if the CMAQ funds for the street sweeper are available to the town. If revenues go up to the original budget, it may be possible to pave the riverwalk trail from McCabe Creek all the way to 6th Street. Council Member Pierce would like to finish the riverwalk trail to 6th Street instead of engineering the additional river features. She would like to improve on the current capital rather than build more capital projects. Council Member Cotton agreed with Council Member Pierce's comments. Council Member Volger moved to approve the capital improvement plan projects listed for implementation in 2010 with the additional comment that the Council place priority on finish paving the riverwalk all the way to 6th Street and approve Resolution No. 2010-09, a resolution authorizing lease-purchase financing of a new backhoe, Council Member

Jackson seconded, motion carried with one nay (Council Member Pierce)

VII. DEPARTMENT HEAD REPORTS

1. Parks and Recreation Department Report – Youth baseball and the “hooked on fishing” project ended last week. Adult softball included 22 teams and will continue through the second week of August. Youth tennis began July 5th at the Wyndham Resorts and youth soccer registration will begin at the end of the month with the season to begin in late August. Turf maintenance of the old Seeds of Learning site, Reservoir Hill meadow and Yamaguchi Park are underway. The construction documents for the proposed skate park are completed and in Karin Kohake’s hands for the RFP process. She expects to have all interested parties submit bids by August 5th. The GOCO application deadline is August 27th and is in hopes to have the bids and in-kind contributions available to make the application deadline. Council Member Pierce would like to express her desire to have the Parks and Recreation Commission included in the discussions regarding the reservoir hill project.

2. Planning Department Report – The Town and County Planning Commission will conduct a joint meeting on July 13th at 5:00pm to discuss how these two entities might benefit each other by working together. The mural panels for the main street project are scheduled to be placed on July 20th. The vehicular and pedestrian directional signs at Hot Springs Blvd and Hwy 160 are set to be complete by July 23rd. The Town to Lakes trail easements are still moving forward albeit slowly. The County has applied for a transportation enhancement grant for a portion of the trail connection, if awarded; the funds will be available July 2011. More information on the Town to Lakes Trail and the Medical Marijuana discussion will be available at the next Town Council meeting.

3. Town Tourism Committee Report – Lodgers tax collections for May 2010 were down 4.1% over May of 2009, a difference of \$885. Most properties were flat over last year; with a few experiencing large declines due to ownership and management changes. Fulfillment requests and visitor center traffic are up over 2009, with top state requests from Texas, Colorado, California, Arizona and Illinois. The Town gateway signs have received a fresh coat of paint, landscaping and overall improvements and the light post banners have been hung. Thanks to Valerie Green and Ron, Jon Johnson, Ponderosa Lumber Company, Tom and Pam Schoemig, and James Dickhoff who volunteered their time and labor to spruce up the gateway signs. The website launched June 10th with the trip itinerary feature still being developed. The reservoir hill task force has been meeting regularly to get this project started. The TTC voted to reallocate \$5,000 from the 2010 budget towards the committee’s efforts to complete a business plan and a 3-D model of Reservoir Hill.

4. Town Manager Report – The Pagosa Springs Community Development Corporation Board continues to meet weekly and has hired Steve Vassallo as the executive director to begin August 1st. His first task will be to conduct a community assessment which should give the Council a realistic business and economic development view. Sales tax for April increased 5.97% compared to April 2009. Year-to-date sales tax has declined -5.90% compared to the same period last year. The council budget includes a -10% decline in sales tax receipts for 2010 compared to 2009. In May the council decided to reduce expenditures by 5% and staff will continue on this course of action until further notice. Mayor Aragon asked the council to approve a letter of support for JR Ford’s biomass project which will be mailed to Mr. Ford.

VIII. Next Town Council Meeting July 22, 2010 at 12noon

Note: The Joint Meeting of Commissioners and Council Members will be Held at Town Hall July 22, 2010 at 10:00 a.m.

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

**Ross Aragón
Mayor**