

**The Town of Bayfield
Regular Meeting of Town Board
11 W. Mill Street, Bayfield Colorado 81122**

November 6, 2007 7:00 P. M.

Town Board Present: Rick Smith, Carol Blatnick, Russ Jones, Daryl Yost, Neil Hieb, and Mayor James Harrmann.

Staff Present: Justin Clifton, Town Manager, Pat Anselmo, Town Clerk, Joe Crain, Town Planner, Dirk Nelson, Town Attorney, Ron Saba, Director of Public Works. Marty Zwisler, Project Manager was also in attendance.

Media: Carole McWilliams, Pine River Times

Planning Commission: Pam Smith

The meeting was called to order by Mayor James Harrmann at 7:04 P.M.

Approval of Minutes: Carol Blatnick moved to approve, as written, the minutes of October 2, 2007. Rick Smith seconded. The vote was five in favor, motion carried. Carol Blatnick moved to approved the minutes of Oct 16, 2007 as written. Rick Smith seconded. The vote was five in favor, motion carried.

The Mayor opened the meeting for General Public Input. None was given.

Agenda Item # 1: Approve Bills: Carol moved to approve payment of bills as presented. Rick seconded. The vote was five in favor, with Daryl Yost abstaining from the vote concerning payment of the outstanding invoices due his business. Motion carried.

Agenda Item #2: Town Updates:

Sunrise: Justin has gone through the process of procuring an engineer. The Town has contacted the bonding company. Justin wants an unbiased analysis done. Goff Engineering seems to be the most logical choice.

The town needs to prepare several drafts before getting Goff to start on the work. He emphasized that no work will take place this late in the year.

Justin is going to test the irrigation system next Thursday. He and Ron will winterize the system later that day. They are going to test water flow. This will be one last attempt to verify that it is serving as was anticipated when engineered. It was initially designed to produce 30 gpm.

Dirk mentioned that the HOA has decided they want to use the irrigation system although they realize it will never be a yard watering system. Rick Smith affirmed, if it meets the standards as designed, it is a done deal. Justin concurred. Rick then added, if it meets the design, mark it off the list.

Daryl asked about easements. Dirk replied that they still have to come to an agreement concerning the easements on the properties.

Sanitation District: The State has accepted the data submitted by the Town on the loading reduction by commercial establishments. The Town has been complying with the limits

specified. Justin received the revised language from the State, which states that as long as the Town maintains the effluent, there will be no discussion whatsoever of a moratorium. The loading is leveling off at 800 lb. per day. Things have been going very well.

Carol (referring to Dave Anderson regarding the Mongolian Grill), asked if the property owner, (landlord) can make the determination that the renter/lessee must pay the extra costs (grease trap installation). She said 'This is a severe hardship on new businesses'. Justin answered, if they want to put the cost on the tenant, the town cannot intervene. Neil added, the tenant will pay for it one way or another. A 1000 or 1500 gallon grease trap would be required for a large restaurant. Gem Village (sewer operation) is in compliance this month. Brent from Souder Miller is suggesting that a lift station be installed at the Gem Village location instead of a new plant.

Water Salesman: This project is finished. The rock is in, the roof has been completed and the building has been stuccoed. The hose was stolen the first day, so Justin made the determination to have people buy their own hose. This will ensure that they now know they will have water when they need it. The Town keeps one hose for people who need to borrow it for convenience. The receipts have been within 25 cents when calculating the amount of water sold and money received. The 'One Way' signs are on order. Also, the 'Do not Enter' signs are coming. The Town has had a security company install cameras, they are motion sensitive. Justin said 'We are set!'

Town Hall: (Green features): Marty Zwisler spoke, saying things are going well. They have finished the prep for the foundation. All perimeter forms are in and they expect to pour eight cement trucks full tomorrow. They will pour the stemwall a week from Friday. Marty is concentrating on holding costs and looking to increase savings by closely monitoring the add alternates. He expects the project to come in under budget. He is incorporating all money saving and energy saving devices that come within the budget parameters.

A short break was called (to see if the election results were available).

When the meeting reconvened, Herm asked about power lines and phone lines. Marty asked for direction from the Board, 'do you want to bury the lines?'

Marty's preference would be to bury the electric and phone at the same time. He can install the conduit, and then pull the lines through. Marty is not sure about the cable company. He does not think their lines go under the ground.

Rick Smith relayed to the audience that Russ got on the Pine River Times website, Bayfield voted 458 in favor, 55 said 'no' on the 'Shall the Town of Bayfield take over the Sanitation District' issue.

Agenda Item # 4: Budget Discussion: Justin went through the latest financial statements. There were some minor adjustments here and there.

Budget: The general line item in Community Funding reflects a \$3000 amount. Children Youth asked for a lot of money. Community Connections also had a request. No other significant changes were mentioned. Wages still needed to be resolved.

The deputies agreed to taking the \$7,500 for overtime which was budgeted for 2007 and adding it into next year salaries for deputies. Each of the deputies will be involved, however, Jim wanted to focus on the three.

Jim Harrington does not think adding another deputy will be necessary either next year or the year following.

Justin commented that, as a government trying to keep up, it is really tough. The cost of dispatch services has gone from \$26,000 to \$51,000 in one year.

Justin anticipates that severance tax will go up next year. However, he still expects a deficit of \$57,000 (expenses over revenue) in 2008.

A new shed for the public works department will run about \$50,000 if placed on gravel. Health insurance will go up 12%. He budgeted a 15% increase. He just heard from Acordia last week to confirm the amount of increase.

Concerning RHA, Justin would like the Board to take some kind of action on this. The Sanitation budget is done.

Ron is requesting a new skidster. He was given a quote of \$30,290 to purchase one. This is for the base product, no buckets, no brooms. It would run \$46,000 for the lease option. It would be handy, per Ron.

Carol felt that the Board needed to include money to provide recycling. Justin agreed the Town should put something in. He feels the fund should cover the recycling, it may need a shelter building for the winter. He is currently working on a site for the recycling.

Russ informed the Board that anyone can go to the (Bayfield) convenience center. It is open and they have full service recycling at no charge. They have week-end hours.

Daryl asked about the 'In Lieu of Park' money which was to come from Jack Roe, roughly \$23,000. 'Is he going to file this year?' Joe replied that Jack is working on a regional drainage plan. He is working with Brad. On November 21 he loses his approval status. He needs to ask for an extension. Justin commented, if we don't get it, we won't spend money on general park improvements.

Daryl responded, 'we won't spend it if we don't get it?' Justin answered, 'that is correct'.

Daryl asked about the Fishing is Fun project. \$5,135 is all that is left of the grant. The \$50,000 is to build the bathrooms. They are partly designed, partly complete. \$70,000 should cover costs of building them.

Daryl asked about the senior activities. Justin replied that the \$5000 line item for activities anticipates the senior center being open and functioning.

They are planning a Grand Opening, a big meal....

Daryl then asked that, concerning the senior center \$1,000,000 revenue, would the Town spend \$1,500,000? Justin replied that the County contribution is spread over two years, \$250,000 each year. The last \$250,000 will be paid by the town. This will come out of the capital fund.

Daryl asked where the payment for the new town hall will come from. Justin replied, 'Sales tax, basically'.

Justin explained that the \$17,000 is in perpetuity for PRID. This is for 60 acre feet firm, 38 stand by. The Town went for that this year and put it into the budget for next year. The \$17,000 is as good as an insurance policy. Drawing down 90 acre feet is a worst case scenario.

Concerning Ron's skidster, Justin wants to have the major three capital items complete before he considers any new expenses. Daryl said skidsters can be rented by the day.

Justin then explained that when the projects are done, money can be built up for new cars, trucks, equipment, etc.

Ron said the new shop is full (of equipment), he needs a new shed. He would rather have the shed than the skidster.

The Board questioned whether the Town could use materials from the old county shop when it is demolished to build a shed. Marty explained that the salvage value means they will take it down for free (but they will keep all materials).

Rick said if the projects come in under the expected amount, the skidster could be purchased. But, he cautioned, the Town would want the shed before any new equipment, 'take care of what you already have with the shed'.

Daryl agreed with Justin that the Town should finish the three major projects before they take on another project. He said, 'Take the \$45,000 out of recycling'.

Justin does not want to get the car for the police until May.

Rick agreed with Daryl in taking the \$45,000 out of recycling and put it toward a shed. Justin again warned, 'we need to get the projects finished before we plan anything new. Rest assured, we are not spending any more money until we know what the projects are going to cost.'

The Board then took the RHA matter under consideration. Justin had requested a final determination. Rick reminded the Board, they voted on this with Bob Lieb, it was voted down then. Then RHA came to the Board and asked to be reconsidered again. Rick still feels the same. He is not in favor of taking the taxpayers money and putting it into money going 'that a way'. He feels they will come back and ask for more each year. CDC is sitting on 18 unsold lots. If they did sell, the town would not know if they follow the deed restrictions or not.

Carol also was not convinced to go with RHA's request. Niel said he was not either. He thinks they want the town's land. He also thinks it is a government bail out for Fox Farm. Russ is not convinced that they have the staff to manage Fox Farm. Rick said the town could contract with someone to help them out, but he is not willing to join the RHA. Herm said he was also disappointed at how Fox farm has turned out. He is not convinced that having a realtor to 'manage' the project is a good deal either. The board has, for now, decided 'no' on the RHA request. They can re-visit this in the future. Justin will include loan documentation in the budget this year.

**Agenda Item # 5: Set Public Hearing: Valcor Annexation:
CMR Properties- Applicant, Valcor Properties, LLC- Owner, 2282 US Highway 160
B, Parcel # 5677-122-00-012:**

Joe Crain addressed the Board. He said Valcor Corporation owns the land where the chair manufacturing company used to be. They are requesting annexation. They want it to happen as soon as possible. Joe is asking that the board set December 18 for the hearing. The property does meet all requirements for contiguity. It would come in as industrial.

Carol moved to instruct staff to set December 18, 2007, 7 p.m., for the public hearing for the Valcor Annexation request, and that they refer the annexation to the Planning Commission for recommendation. Rick seconded. The vote was four in favor, Daryl abstained from the vote. Motion carried.

Agenda Item # 6: Liquor License Renewal: A. J's. Pizza:

Shane Mottin dba A. J.'s Pizza has submitted a renewal request for the annual liquor license for 1248 Hwy 160 B, Bayfield Colorado. Rick moved to approve the renewal of the liquor license for A. J.'s Pizza. Russ seconded. The vote was five in favor. Motion carried.

Agenda Item # 7: PRID Contract: Justin addressed the Board, stating this documentation was a product of the recent meeting, the contract contemplates a 15% fee to the District. In the past, PRID came up with the date. This agreement states "Prior to August 1 of each year the Third Party Contractor shall notify the District concerning the need for change of status of Standby Water to Leased Water". Regarding 'Standby', Justin remarked that there is no risk at having more in standby. If you haven't used it, 30% should be enough by August. Dirk reaffirmed that the Standby water is first priority water. He said there has never been a winter call on the river, you are talking about water 'on call' when the river is being used. Three acre feet is about 1,000,000 gallons. The reservoir (Vallecito) holds about thirty days use. Rick feels that the town should ask for 30 (acre feet) regular, 60 (acre feet) reserve, which equates to roughly \$40 an acre foot instead of \$250. He said the Town has generally had an agreement for 30 firm, 60 standby. 'If you change from standby, you pay the regular rate'. Justin said 'we can change at any time. However, once you decide on firm, it never goes down.

Agenda Item # 8: Severance Tax Discussion: According to Justin, the significant information is that the direct contribution is going from 15 to 30 % . La Plata's old formula reflected \$575,000. The new formula includes counting permits and production, and reflects \$1,335,000. This is more than double. *If* the legislature adopts the bill, severance revenues will go up next year. It needs to be monitored closely. Commissioner Hotter elbowed her way onto the committee that was pressing for this funding. She gave substantial input. Senator Isgar is also very much involved. He knows this is vital to communities and will be pushing for the increase.

Agenda Item # 9: Contract For Property Acquisition: This contract is for the acquisition of property from the school for construction of the sanitation plant. It includes the agreement that the Town will pay fair market value for a 1.1 acre plot. The Town is getting an appraisal done. However, the Town needs something that will prove intent on the part of the school to sell the property in order for the state to let the town move ahead. There are no numbers reflected in the contract, just fair market value. The Town will not get water or mineral rights. Rick moved to approve the purchase agreement with the school district for 1.1 acre at fair market value. Niel seconded. Daryl asked about moving the sewer line. Justin replied that the Town would be re-locating the sewer line. However, he said, this has not been finalized, although the Town has agreed to negotiate. Justin remarked 'We are giving up some easement, but we are getting another. The Sanitation District has to buy the acre to move ahead with the construction process. The vote was five in favor. Motion carried.

Agenda Item #10: Public Ordinance 324, Fee Reimbursement:

It is the Boards desire to recoup certain fees (engineering and legal fees mostly). This had never formally been established, giving staff authority to do so. Daryl had asked about some expenses that were incurred by the Town for engineering. The town has to review certain documents to ascertain the standards are being met. The Town was not aware that David Anderson never met some standards until his project was reviewed by the town's engineer. Justin remarked that Mike (Shave) gets plans all the time that are stamped, that do not have required town standards in place. The plans are intentionally obscure. Justin said 'we have ponds in subdivisions where water is supposed to run uphill. Drainage goes into our streets and sidewalks. The businesses on the list gave us bad plans to begin with'. Justin has had engineering done because the initial engineering was not done correctly. Russ reminded the Board that Bayfield does not yet have infrastructure standards in place. 'If they were in place, we would know what they are and if they were met'. Joe Crain commented the business park was not engineered correctly. Those lots are very difficult to get drainage to work.

Russ then asked the Board 'do you want to spend tax payers money to get business in? The town should not have to pay to have correct engineering done in order to get businesses in!'

Ron commented that, if the businesses don't do it (infrastructure) correctly, the town will, sooner or later, have to pay to get it fixed.

Rick Smith assured the Board, that to be sure things are built correctly, he would like to think they pay. They can't get the idea that the town will pay for it (correcting the problem) if they don't do it correctly. You might as well do it right the first time.

Niel echoed, do it right the first time! The businesses should foot the bill instead of causing problems for the town. These regulations are instituted at all municipalities.

The Mayor opened the meeting for a public hearing: Phyllis Ludwig said 'this drainage thing has become a real problem. The new CMR properties cross our ditch. People are getting away with things that are against the law. Mesa Meadows has redone theirs (drainage). Their engineer made a mess of theirs the first time. Zoll's property is a real problem. Their drainage is going straight into the ditch. Bad drainage makes for bad relationships with neighbors'.

Rick made a motion to approve Ordinance # 324, an ordinance amending article 4 of the Town Land Use Code regarding the reimbursement by applicants of fees incurred by the Town. Russ seconded. The vote was four in favor, with Daryl casting an opposing vote. Motion carried.

Agenda Item # 11: First Right of Refusal: Town Hall To Heritage Society:

The Heritage Society needs this paperwork to proceed with their grant requests. It in no way corners the town into paying what the Society wants to pay. The Town has not budgeted (for 2008) for the sale of the existing town hall. The process that the Heritage Society must go through is quite lengthy i.e. a ways off, per Justin. Niel made a motion to honor the first right of refusal agreement with Pine River Valley Heritage Society. Rick seconded. The vote was five in favor, motion carried (unanimous).

Agenda Item # 12 Schedule Road Impact Fee/ Economic Development Incentive Workshop:

Justin asked the Board if they wanted to schedule a future meeting to discuss this. Neil queried, do you want to leave this matter up to the new board members (election is next April). The Board thinks it should be discussed sometime in January. Rick so moved, Niel seconded. The vote was five in favor. Motion carried.

Agenda Item # 13: New/ Unfinished Business:

Regarding recycling, Justin is working in conjunction with the county to bring this service back to Bayfield.

Sanitation District Issues: Justin suggested that, with the dissolution pending, the Board should try to schedule special meetings with the Sanitation Board, but let those guys make the decisions.

The final budget hearing is November 20.

Marty wants to talk about the new town hall on November 20. Justin is asking to be excused. However, he said it is imperative that there is a quorum on November 20 because the budget needs to be adopted, and the funds appropriated.

Rick asked if staff is proceeding with the language to let the mayor vote. Dirk said this must be done by ordinance. It should be put on either the December or January agenda. Dirk will check. He will then bring a draft ordinance back.

Carol asked if the Town has the deed to the property where the seniors plan to build their new center. Joe Crain said 'we are still trying to get it.'

She then asked, 'Do we have a signed agreement with Mr. Black?' Justin replied 'no'.

Carol, 'Has anything been done about the property with Mr. Tone?' Once again, the reply was 'no'.

Carol wanted to let the Board know she is on the core group for family youth.

Justin informed the Board that the Town will get all the grant money they applied for on the water tanks.

Neil said, 'thanks for the tree trimming, the new street signs, and materials for the lane at the water salesman'.

Motion to adjourn 10:05 p.m.