

**THE TOWN OF BAYFIELD
REGULAR MEETING OF THE
BAYFIELD TOWN BOARD
11 W. MILL STREET, BAYFIELD CO 81122
OCTOBER 16, 2007 7 P.M.**

Town Board Present: Rick Smith, Mayor Pro Tem, Russ Jones, Carol Blatnick, Tom Au, and Niel Hieb.

Staff Present: Justin Clifton, Pat Anselmo, Joe Crain, and Dirk Nelson. Marty Zwisler, project manager, was present also.

The meeting was called to order by Rick Smith, Mayor Pro Tem at 7:08 p.m.

Public Input: Root Routledge spoke. He said the site at the water salesman was impressive and wanted to complement the Board on this accomplishment. However, he came to the meeting tonight to bring the board's attention to a problem he is having. His back gate has a heavy chain and lock placed on it by Cary Carron. This is a serious problem as Root cannot get to his irrigation ditch water. Dirk said it was his understanding that this situation between the two neighbors had been settled. He will check into it.

Agenda Item # 1: Approval of Bills: Carol had several questions about the bills for town hall. Russ had questions about the lightning damage and the bill from PCS. The town anticipates sending out RFPs for other computer service providers in the near future.

Carol moved to approve payment of bills as presented. Russ seconded. The vote was five in favor, with Tom Au abstaining from the vote authorizing payment of the bill for his company.

Agenda Item #2: Planning Commission Report: Robert Piccoli gave the Planning Commission report. The last meeting was held to consider Perma-culture procedures. It consisted of basically a video presentation. Their philosophical idea is to move away from chemical control of weeds. He felt the presentation provided good information. The Planning Commission will do further research on the process.

The second item discussed was the issue of 'residential' being allowed in the second story of a business (commercial) building on Mill Street. Currently, the restrictions for residential over commercial space are very strict. The Board may want to revisit the current land use code to allow changes in zoning to encourage business down town. Parking was a major issue when the current zoning was set.

Agenda Item #3: Town Updates: Justin invited specific questions. Carol asked for more specific information on the items addressed.

The new water salesman is open for business. This news will be announced over the local radio stations and published in the newspaper tomorrow. It has been programmed to sell

fifty gallons for 25 cents. This price will augment the repayment for the cost of the structure. Planting for landscaping will probably take place in the spring.

Sunrise Estates: All recent communications are included in tonight's packet. There will be a meeting with the attorneys tomorrow.

Water tank site: This process is moving forward. However, they can't actually record the plat, so the Town can't as yet have a deed recorded. Joe Crain relayed that Jim Flint told him they are trying to do the regional drainage thing. They are drafting the easements. Justin mentioned that Jack Roe has submitted plans for the drainage system. . The town needs to get an easement in place before the water tank can be built.

County IGA: Justin is working on the technical language.

Regarding Town Hall (a) FCI Contract: The most important thing, Justin wanted to mention, was that he had to change the paragraph that said if there were any problems with the lease payments, the bank could move in to finish the project. Justin has implemented all of Dirks suggestions.

Justin is asking that the FCI contract be signed tonight.

Carol moved to direct staff to finalize the contract with FCI. Tom seconded.

The vote was five in favor, motion carried.

(b) Guaranteed maximum price, \$3,600,500. Justin is thoroughly impressed with the work that FCI has done. They have researched every possible contingency.

As bids came in, they were a little over the original price. However, the removal of the contaminated materials has already cost approximately \$137,000.

The Town planned to carry almost that much in the contingency line item. He wants to bring value engineering in to reduce costs wherever possible. The bottom line is, they are ready to proceed immediately.

FCI must contract with the subcontractors. However, they cannot do this until they have a signed contract from the town. Robert Piccoli recommended that the Board approve signing the contract for GMP tonight. It is essential to get the legal process going. They can then start working on the value engineering process. Justin has full faith in Marty when it comes to making those decisions that help keep costs down.

The bids came in at 2 p.m. on Thursday. There is still at least two more weeks worth of dirt work to do immediately. Russ asked if the \$3,600,500 covers office furniture, etc.

Marty replied that the furnishings are soft costs, i.e., not included.

Marty also reiterated that being local is still the main criteria when considering subcontractors.

Tom Au moved to sign the GMP contract with FCI. Niel Hieb seconded. During discussion, it was confirmed that the total project costs, both direct and overhead, should amount to \$2,851,615. The balance (\$3,600,500 less \$2,851,615 = \$748,885) covers the soft costs. This should be part of the motion. Tom moved to amend his motion to include the costs. Niel agreed to second the motion as amended. The vote was five in favor.

Motion carried.

Justin asked for a date to schedule ground-breaking ceremonies. The Board agreed on Thursday , October 25.

Agenda Item #4: Budget Discussion: Justin inserted a memo with a graph showing past tendencies, (annual dollars) in revenues and expenses for the years spanning 2004 to

2008. He stressed that the numbers do not include beginning or ending balances. He asked the Board if they wanted additional charts, graphs, or other various documentation for completing the final budget. He cautioned that, 'once you approve a wage increase, or add new positions, you can never re-coup'. He stressed that, because the Town is trying to preclude painting itself into a (financial) corner, all revenues reflect a conservative approach. The Town is budgeted to spend \$57,000 more than it makes in the general fund. It may be safe to spend more, but there is always the risk that revenues could be less than budgeted. Severance revenue to the town has gone from \$100,000 to \$30,000 over the past several years.

The budget does not include RHA, a shed to protect equipment for the public works/ parks and recreation departments, or the budget numbers submitted by the deputies (as opposed to the budget submitted by Jim Harrington) for increases in their department, salaries et al. Justin has researched and found that the town of Bayfield is right on par with comparable communities for deputy's wages. Although Durango and the tribe are going to increase wages, Bayfield's starting at \$38,000 is in line.

Russ and Tom think it would be good to increase wages for deputies to keep them here. Justin remarked, 'it is natural and will always be the case, when you work on budget, everyone brings up wages'. He cautioned that, what you do for the marshals department needs to be balanced with the other departments as well. A lengthy discussion followed on wages for various departments. Justin asked that the Board set the budget hearing for the first meeting in November. The Board replied that they would like more information concerning wages before setting the hearing.

Agenda Item # 5: Set Budget Hearing: The Board requested that the Final Budget Hearing be held during the regular Town Board meeting scheduled for November 20, 2007. Dirk cautioned that this needed to be in the form of a motion. Carol so moved. Tom Au seconded. The vote was five in favor. Motion carried.

The water budget for 2008 reflects no increase in water rates. Neil asked how much a one dollar increase per customer, per month, would provide to the revenue for the water fund. Justin replied that there are many variables to the equation. It would need to include calculations on the number of residents, number of elderly reduction rates, etc. Neil concluded that the Board should entertain a water rate increase next year.

Justin enjoyed, 'you should also review the tap fees. The capital fund is struggling'.

Rick concurred, 'we need to give more thought to the rates for this coming year'.

Daryl, knowing he would not be able to attend tonight's meeting, asked Russ to convey his thoughts concerning the line item amount dedicated in the year 2007 to the Hawks.

Daryl had heard that the Hawks are no longer an entity, and thought the Board may want to entertain the approval of \$500 for the Bayfield Peaches, which has been organized as a softball team for young girls.

The Peaches had submitted a request for funding, which included a possibility of purchasing a pitching machine. Neil wanted to confirm that, if the budget item were allowed, that the pitching machine would be adjustable, making it usable by younger children. Perhaps it could be used by Bayfield's recreation department for all ages, both boys and girls. Justin thought perhaps the Town could give them an amount, but not put constraints upon how they spend it. Niel wants to be assured that the pitching machine would be able to serve all ages. Staff was directed to refer back to all letters requesting

funding from the Town, that have recently been received, and also to check into whether the Hawks are still in existence. Justin knows for certain that Operation Healthy Communities no longer exists.

Neil reiterated he knew that severance money is changing significantly. Justin said there are many people vying for these monies, there is a huge competitiveness for it. The amount available will be trending downward.

Carol mentioned that Sam Mamut gave the attendees of the CML dinner a heads up on political currents running through the State. Higher Education is going after severance money. Carol knew that they (board) would need to look into other ways of cutting back. She stressed the advantages of central purchasing for equipment and supplies.

She also wanted the departments to consider purchasing more energy efficient vehicles and advised they should look into doing their purchasing from other government agencies. She charged Justin with passing this request on to the department heads.

The Board questioned the high phone bills. Justin replied that several contracts are in place with different suppliers. When the contracts are up, costs will be re-addressed. Public Works has 1000 minutes. Theresa did change the long distance service provider and saved the town a considerable amount.

Russ asked for clarification on some of the capital improvement expenditures. He wondered if the transfer for \$125,000 for Parks and Rec is for the lights in the sports park. Justin replied, yes, in part. The general fund subsidizes Parks and Rec. One half came from the capital fund, and the second half Justin took out of the ending balance. The funding for the current lights came from a GOCO grant several years ago.

Justin will always concentrate on finding grant money. He reaffirmed that the Town needs to concentrate on the Senior Center. He has only put in for grant money that he knows is certain. All the foundations contacted expressed a desire to help the seniors. If the town is, however, committed to lights in the 2008 budget, he wants to have the money in the budget and still balance. Some have said the Town needs to fix Mill Street instead of spending money on lights.

The county has paid \$150,000 over the past two years to help finance the sports park project.

Justin asked for direction, 'should we leave the budget as is? Do you want to include the lights or take the lights out? Discussion followed.....

Neil still feels the Town should concentrate on the sports park, the senior center and town hall. He said it is foolish to spend a million dollars on the sports park and not have lights in it. He is in favor of leaving the money for the lights in the 2008 budget. Carol agreed.

Russ would like to fund the lights with grant money.

Russ wanted to be sure the ice skating rink is provided this winter.

Justin does not anticipate spending the entire \$50,000 that is going to be transferred. It will either go to town hall, or recreation center savings, or some other worthwhile project. He said he would check into costs for a shed for storage of equipment.

Justin did take the amount for RHA (Rural Housing Alliance) out. He asked for confirmation that this is the end of the discussion on that item.

Regarding the RHA, Dirk has looked into the legal issues. The RHA is trying to finalize all of their paperwork.

A short break was called at 9:00 p.m.

The Board asked that the agenda be modified to discuss the Homestead issue before the two executive sessions.

Agenda Item #8: Discussion Regarding Homestead:

Joe Crain and Justin met with the Homestead folks. They (Homestead developers) have asked the county to give them a development agreement. The county does not think they qualify for an agreement at this time. Since they (Homestead) are so close to town, they want to know to what extent the town wants to be involved in their development stages. They are willing to work concurrently with both the county and the town to work through all processes stipulated. Joe has asked the board to give its direction before the matter is heard by the county planning commission. Justin recommends that the Board allow staff to do what they would normally do in order for the processes to run concurrently, thereby averting any major leap when it does happen. Homestead will be coming to the Planning Commission the first meeting in December, and then to the town board on December 18. Grant Richards spoke on behalf of Homestead Developers. They concurred that if Bayfield goes ahead and works hand in hand with Homestead, it will be mutually beneficial to both the Town and the developers. The board agreed to Homesteads proposal. Rick emphasized 'the IGA is going to happen, the town needs to be in the drivers seat'.

The Board asked that Agenda Item #9 be moved ahead of the executive sessions.

Agenda Item #9: Sanitation District Update: Justin included his monthly report in the Town Board packet. He explained that, while the report does not include all the limits, it summarizes a lot of data. Loading is a little higher than anticipated. He said 'we (sanitation board) are going in for a permanent rate increase'. The effluent continues to look good. Gem Village has had some baffling problems. They (Ron and crew) have not isolated the cause as yet. There is the possibility of a meth lab dumping their chemical waste, this may explain the hi-low variance that show up in the stats. The report reflects all data that is reported to the State.

The clarifier in the third lagoon has provided significant improvement in the statistics. The Town is at 66% of loading permitted to flow back into the river. This is good. Justin explained that there is one decision he made that the Board needs to be aware of. When they were considering purchasing the MBR, it included nutrient removal. There is currently no standard for nutrient removal, but it is coming down the pike. The question now is 'how much do we prepare for nutrient removal? We can increase the size of the basins to allow for nutrient removal. Current costs would be \$100,000 to do this. Justin decided to go ahead and do it. Eventually they will recoup the expense. According to Justin, the engineer brought this issue up just recently. It was not anticipated in the initial planning. Tom said he was not so sure we have the right engineer for the job, this should have been brought up months ago. Justin agreed. Rick said that the current one is less than stellar. But, 'if you get a new engineer right now it would set the process back a year'.

Justin assured the Board, 'this is a process in Bayfield history where we will be pushed to the limit'. He has brought in contractors to help with planning. The engineers were not supplying the information to the contractors. Justin was acting as the intermediary. It has been a very convoluted process, but, he still feels great progress has been made.

Agenda Item #6: Executive Session: Discussion Regarding Property Acquisition:

Russ moved to go into executive session for the purpose of discussing the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C. R. S. Section 24-6-402(4)(a).

Carol seconded. Russ asked to include Justin and Dirk. The vote was five in favor.

Motion carried.

The regular meeting reconvened at 10:00 p.m.

Rick asked for a motion for dealing with the issue discussed in executive session. Carol moved that the town manager proceed with the appraisal of property in question in order for the Town to move forward with negotiations of said property. Tom seconded. The vote was five in favor. Motion carried.

Agenda Item #7: Executive Session: Discussion Regarding Property: This issue concerns the Cary Carron property. Niel moved to offer the strip of land which is owned by the Town, discussed in executive session, to the Carron family in the form of a quit claim deed contingent upon him signing an agreement that includes his acknowledgement of the Town's right to a ditch easement. Carol seconded. The vote was five in favor. Motion carried.

Agenda Item #10: New/ Unfinished Business: Justin said that Peter Tregillus, Road Runner Transit, followed the board's suggestion and asked Forest Lakes to participate in funding. They offered to pitch in \$1500.00.

There is a local architect demanding attention about a decision handed down to him by the building inspector, Mike Shave. The architect wants to appeal. Dan Naiman is remodeling the old Vendola building for Samson Resources. Dan suggested that 'intent' is met with putting in a unisex bathroom. Justin said the building code is very explicit, stating they must have separate bathrooms for men and women. Dan wants to appeal the 'interpretation' of the building inspector and is asking for a variance to the building code. There is no variance for code requirements. This board would have to appoint a review board to hear this request. Dirk welcomes having them give it to their attorney to pursue. Dirk explained that Dan has requested a board be appointed. An appeals board does not exist to give variances. Its only responsibility is interpretation of the code. Rick interjected, if it comes down to it, and Dan demands an appeals board, could the Town board refuse. Dirk replied that the Town Board can't act as an appeal board. They would have to appoint experts to deal with the matter.

Dirk suggested calling other building inspectors, perhaps Bob Piccoli, or the county's board of appeals to see if they would serve in this capacity should the need arise. He felt it would be advisable to have Samson's attorney pursue it if they like. If their attorney determines that this issue must be pursued, at their cost, let them go ahead. It will cost them more in attorney's fees than the separate bathrooms would cost.

This matter does not meet the criteria for interpretation. It is black and white.

Dirk again confirmed that the appeals board does not grant variances. They decide if the interpretation is correct or not.

Carol said that several board members can't make the meeting set for tomorrow night. She then asked if they could postpone it. Andrew Klotz wrote an e mail to confirm the

meeting. Justin did not respond to Andrew, so it should not be a problem to postpone the meeting.

Niel moved to re-schedule the October 17 to a date to be determined. Carol seconded.

During discussion the board decided to have this matter put on the agenda for the first meeting in November. The vote was five in favor. Motion carried.

The Board wanted to express their appreciation to Jeri Lasater and Carole McWilliams for their hard work on the Heritage Days festival, then requested that staff send both a thank you note. The Board wondered if they could get Durango to change their schedule for the Annual Cowboy Gathering, and work around the Heritage Days dates in order for the celebrations to fall on different days. Carol McWilliams asked that Melissa be recognized for her work as well.

Carole said 'we need to keep people in the park all day...but it would take more volunteers. The crowd just fades away because there aren't more activities scheduled. The next event is the Old Fashioned Christmas. The Breakfast with Santa brings in about 500 people, and is scheduled on the same day'.

Russ mentioned that Daryl told him the lights on the water salesman are not up to town standards, they shine out instead of down. Rick said the lights go down.

The other night at a soccer game, a coach parked by the dugouts at Joe Stephenson park. As a result, the crowd thought they could park there as well. Russ said this needs to be stopped. Soccer balls are being kicked where traffic is flowing and it is very dangerous. Niel said the concrete drive at the water salesman needs to be backfilled with gravel. It needs to be done immediately. Trucks have already dug ruts three feet away.

Agenda Item #11: Motion to adjourn. 10:30 p.m.