

**TOWN OF BAYFIELD
REGULAR BOARD MEETING
1199 HWY 160 B
BAYFIELD, COLORADO 81122**

SEPTEMBER 2, 2008 7: 00 P. M.

Town Board Present: Mayor Rick Smith, Russ Jones, Justin Talbot, Robert Piccoli, Tom Au, Debbi Renfro and Dan Ford.

Staff Present: Justin Clifton, Town Manager, Pat Anselmo, Town Clerk, Dirk Nelson, Town Attorney, Jack McGroder, Management Intern. Joe Crain was excused for medical care.

Marty Zwisler, Project Manager, was also present.

Planning Commission: Not represented.

Press: Carole McWilliams, Pine River Times

The Mayor called the meeting to order at 7:03 P.M.

Justin Talbot moved to place Discussion of Sunrise Estates on the agenda as Item #2 A.

Debbi Renfro seconded. The vote was seven in favor, motion carried.

Russ moved to add Item 9 A, Approval of Planning Commission Appointee on the agenda. Bob Piccoli seconded. The vote was seven in favor. Motion carried.

Approval of Minutes: August 19, 2008: Tom Au moved to approve the minutes as amended. (Page #1, General Public Input, change 'Bob Au' to Bob Piccoli). Bob Piccoli seconded. The vote was six in favor. Dan Ford asked to abstain from the vote because he was absent that evening. Motion carried.

General Public Input: The Mayor opened the meeting for public comment. Jim Harrmann asked if the Board received his letter. Rick answered, yes they did. Rick explained to Mr. Harrmann that the lights (in the parking area) are on an auto timer. They are set to turn off right after meetings. Rick gave the letter to Marty to read. Justin C. reinforced that all lights at the new facility are dark sky compliant. The lights will always be off unless the timer is set. Marty explained that the building lights are mechanically set separate from those in the parking lights. Russ strongly suggested the marshal be contacted about leaving lights on around the building for security purposes.

Action Agenda Item #1: Approval of Bills: Justin T. asked about the cost to have the elevator inspected. Marty said it was a new rule (Jan 1, 2008) set in place by the State of Colorado. The Town was instructed to comply. The cost will come out of the contingency line item.

Bob Piccoli asked about the bill that resulted from the removal of asbestos shards from the Dave Black property. The invoice from Alpine Construction was for removing the

vault on this property. Ron Saba made the decision to do the work demanded by Mr. Black (Justin interjected, 'to keep him happy'). It cost the Town \$1,000. Tom Au moved to approve payment of bills as presented with the packet, dated August 29, 2008. Dan Ford seconded. The vote was seven in favor. Motion carried.

Action Agenda Item #2: Town Updates:

Bob Piccoli asked if the work is completed at David Blacks. Justin replied, no, not yet. They (the inspectors) are to be here tomorrow.

Dan asked about the progress on the speed bumps. Justin replied, 'we decided to put up signs instead. The marshal was o.k. with signage to mitigate speed. They may even install some stop signs. This decision satisfied the Fire Chief, who was not receptive to speed bump placement.

Action Agenda Item #2 A: Discussion of Sunrise Estates:

Justin C. said there was basically nothing new to report. Dirk has been very involved, Justin continued, it is very discouraging, based on the efforts the Town has put forth to make this work. Dirk commented, 'you should not proceed with discussion on Sunrise, it was not placed on the agenda. We have not received a response back from the surety company.' He stressed that Justin put Sunrise Estates on the agenda for the next meeting. It may very well be an Executive Session item.

The Mayor asked for public comment, asking that they please keep their comments short. The home owners have seen the letter from Sunrise's attorney.

Public Comment: Mike Deming spoke to the Board. He has called Justin, again this year, the ditch has overtopped as usual. This has been going on for four to five years. Rick Loether asked 'why are we waiting two more weeks?' Dirk commented that it was because of the State Sunshine Law, you must notice any item that will be discussed during a meeting of the Town Board. It is also a Supreme Court Decision. Cindy Smart, Kremer Drive, addressed the Board. She said she would like to remind them the complaints started in 2004. The developer has never taken responsibility for their actions, even during the warranty period, nothing has been done about the ditch failure, among other issues. The HOA had no recourse but to come to the Town Board, because the developer will not respond. She would love to see litigation. It has cost them (home owners) thousands of dollars.

Bob Piccoli asked that Sunrise Estates be placed on the next Board meeting agenda.

Action Agenda Item # 3: Liquor License Renewal – Babo's Bar and Grill:

Dan Ford moved to approve the annual liquor license for Babo's Bar and Grill, 457 Wolverine Drive, Bayfield, Colorado. Russ seconded. The vote was seven in favor. Motion carried.

Action Agenda Item # 4: Liquor License Renewal – Mini Merc:

Justin T. moved to approve the annual renewal of the liquor license for Mini Merc, 487 E. Colorado Drive, Bayfield, Colorado. Tom Au seconded. The vote was seven in favor. Motion carried.

Action Agenda Item # 5: Extension of Final Subdivision Plat Approval – Elston Commercial Subdivision:

aElston's are asking for a thirty day extension. Tom Au moved to grant an extension for thirty days, which will set the deadline at October 3, 2008.

Justin T. seconded. Dan Ford abstained from the vote, voicing a possible financial interest. Jim Flint said they (Elston's staff) are ready to record. They are waiting for permission to proceed from La Von's attorney.

Dirk has not heard from them at all.

The vote was six in favor, one abstention, Dan Ford. Motion carried.

Action Agenda Item # 6: Extension Of Annexation Plat Approval – Valcor

Annexation:

Regarding the Valcor Annexation Plat approval, Justin C. said the Town is asking for an additional ninety days. There are still some water rights issues to work out. Dirk is working with Pete Foster. Tom Au moved to approve the extension request, which moves the deadline to December 4, 2008. Dan Ford seconded. The vote was seven in favor. Motion carried.

Action Agenda Item # 7: Water Rate Analysis:

Justin has been working on this for over a year. He is trying to establish a nexus between cost and revenues. The study has been done in house; he did not contact a consulting firm. He asked the Board to review the water budget worksheet. The number of taps used for calculations was between 30 and 35 per year.

Without grants, the Town is going to realize close to \$360,000. Grants are never sure things. The funding entities are receiving more and more requests for financial help. He emphasized at this point, enterprise funds are supposed to, by definition, pay their own way. EIG are precious, water should pay for itself.

Expenditures: He made projections five years out. The purchase of storage water is a fixed contract. The Town gets 30 acre feet (firm) every year. They (Justin, Ron) added ditch work.

Repair and maintenance cost remains consistent. A significant cost will be the re-coating of the water tanks; he does not think they have ever been re-coated since 1970. It costs roughly \$50,000 to recoat each tank. They also added hydrant replacement numbers and valve maintenance. The pressure reducing valve works via a pump upgrade. Russ said it was his recollection that the Town received money from Brad to fix the pressure problem. The resident's right next to the existing tank are the ones who have the biggest pressure problems. Russ asked, 'where did the \$60,000 go'. He is referring to the tap fees prepaid by Dove Ranch developers. The prepay was intended to be a benefit for future buyers.

Rick said the Town still needs to address how to fix the water pressure problems for these residents around the tank.

Tom asked about line replacement cost. Justin and Ron anticipate there is 6000 feet of old water line that needs to be replaced each year. Justin interjected; it cost roughly \$60,000 to do 100 feet on David Blacks place. Dan asked if there is a correlation between the sewer tap costs and the water tap costs. Justin C. replied 'no. Capital charges should be calculated to pay for new lines needed to service new growth'.

In conclusion, Justin said, they need \$495,000 to cover improvement costs and anticipate only \$360,000 revenue coming in.

Jack explained some options for narrowing the gap. These include increases in rates. Russ questioned the sliding scale increase in water rates. He feels the more water you use, the better rate you should get, based on economies of scale. Jack responded the current rates are mostly conservation based. Justin agreed, saying the rates are an incentive to be conservative with water.

Russ commented 'the water fund should definitely be self sustaining'. Justin C. re-confirmed that tap fees should pay for new capital expenditures. A lengthy discussion on water rate increases followed.

Justin C. added that there are so many variables in the equation. Rick emphasized, it (the water fund) needs to be a true enterprise fund.

Justin said, monetarily speaking, the amount needed to pay for anticipated expenses equates to an 18% increase.

This study was to help bring the Board into agreement of how they would like to see the increase in revenue implemented. Its purpose was to get feedback from the Board, and what options they foresee. The eighteen per cent increase was based on a five year average of expenditures. Justin cautioned, in 2009, the Town would not pull *all* money in. There are more expenses listed in this study than the Town has actually been incurring. Jack McGroder said the Town needs to get on a five year capital investment plan, based on an 'Expected Life horizon'. Justin said the comparisons with other municipalities are not worth a cent. "All municipalities have different problems, challenges, resources, etc.'" Rick commented that the Town hired Pete Foster to do a study, but they took no action on his recommendation.

Jack explained that 80 % of Town residents use 5,000 gallons or less per month in the winter. This is the 'critical need' of a family. The summer use averages 20,000 gallons. Justin T. asked about increases in the commercial rate. Jack said, 'this is critical, it would need to be based on many criteria'.

Justin T. vocalized earlier opinions, 'the water fund needs to operate as an enterprise fund'.

Dan made the comment, 'we need to implement whatever is necessary immediately. If it is 18%, so be it. Do it this fall'.

Tom said he would like to see an illustration of use per season by both residential and commercial.

Jack and Justin will accumulate more detail, more data, bring back six different scenarios, and will put the information in a richer format.

Regarding Water Tap Fees: The Town is getting ready to build a new filter. This will run between \$750,000 and \$1,000,000. Justin remarked 'It should be noted that at current rates, we won't make it. The new filter depends upon growth (to finance it).

The current requirement is 1,000 gallons per household per day. We will need a new filter within 3 years'.

Another lengthy discussion followed concerning tap fees and water usage.

Russ queried, 'can you use money from exactions to pay for these expenditures?' Justin replied, 'yes, however, the dilemma is how does one distribute the costs between the players'.

Tonight's research was meant to be applied to residential only, to come to a workable solution on how to fill the gap between projected revenues and expenditures. Justin will bring the additional documentation back for reconsideration in one month. He will then use the data to input financial calculations to be used in the preparation of next years budget.

Rick asked that Justin utilize a combination of rate increases, fees, grants, bonding, and sliding rate for tap fees based on fixture and /or square footage. Exactions should be included in the calculations.

Action Agenda Item # 8: Resolution # 227- Adoption of The Model Retention Schedule:

Staff has drafted Resolution 227, a Resolution of the Town of Bayfield Adopting By Reference The Colorado Model Municipal Records Retention Schedule. This retention schedule is endorsed and encouraged by the State of Colorado. It is streamlined, has much thought process behind it for both retaining and disposing of records. Tom moved to adopt Resolution # 227, pertaining to the Colorado Model Records Retention Schedule. Debbi seconded. The vote was seven in favor. Motion carried.

Action Agenda Item # 9: Discussion Regarding Plat Extensions:

This was an effort to bring something back that would reflect prior direction given to staff. Justin said that he was partially confused regarding the direction. Justin added that at any given point in time, the Board can deny or approve a request for extension. They should not limit their options. Rick recapitulated: 1) the Board feels that, if you say you are going to do it by a certain time, then do it by that time. 2) the Board is spending a lot of time on extensions for projects. The extensions are requested by and for the express benefit of the developer. It is costing the Town time and money. There should be a fee for extension requests.

The Mayor added, it should be fair for all considered. Russ said, 'it is still our time, our staff's time, and our expense. Every time you work on something for their benefit, they should be responsible for the costs. Limiting the time for extension gives the Board control over what is planned, when it is needed, and what changes'. Justin cautioned, 'never establish a termination date'. He will work up a spreadsheet reflecting when the developers bring a plat back and what will be reviewed at that time. Dirk emphasized, 'don't give final approval on anything which does not have the paperwork done. It also is not advantageous to have multiple stipulations. Don't negotiate after the fact'.

Russ said, 'the developer should only come back to the Board when the conditions are met. The issues will be finalized at that time and they will get approval of the plat. When you are done with the SIA, and it is signed, the Town will record the plat'.

It was stressed that staff needs to review the fee schedule.

Action Agenda Item # 9 A: Approval of Planning Commission Appointee:

Patricia Heyman has voiced her desire to serve on the Planning Commission. The Planning Commission is recommending her for the vacancy. She did serve on the Bayfield Planning Commission before. She moved away, but has returned.

Rick submitted her name for consideration for the vacancy. Russ moved to approve her for the Planning Commission vacancy. Tom Au seconded. The vote was seven in favor.

Motion carried.

Action Agenda Item # 10: New/ Unfinished Business:

Justin C. said it is his recollection that the Board member who sits on the RHA Board is not required to attend the Planning Commission meetings. The Mayor agreed with this. That was also the Boards recollection, but they would like a revised schedule.

Dan asked what the Town plans to do with the current building (11 W. Mill Street).

Debbi asked about the progress of the construction standards. Justin replied, 'they are in Dave Trautners hands. The minute we have them, we will get them to the Board'. She wanted to know how the Board wants her to respond to his (Brad Elder) e- mails. Justin, remarked, his e mails should be directed to staff, not members of the Board.

She had questions about the Land Use Code's, language, drainage, specifically.

Justin re-iterated that all questions should be directed to staff.

Russ, 'some people have approached him about the Derby (sponsored by Dove Ranch) safety issues, specifically concerns about safety of participants'. He wants to know the liability to the Town for events like this. The derby race was held on Town streets.

Motion to adjourn 9:50 p.m.