

**Town of Bayfield**  
**Regular Town Board Meeting**  
**December 7, 2010**  
**1199 US Highway 160B Bayfield, CO 81122**

**Town Board Members Present:** Dr. Rick Smith (Mayor), Tom Au (Mayor Pro-Tem), Debbi Renfro, Gabe Candelaria, Ed Morlan

**Town Board Members Absent:** Justin Talbot, Dan Ford

**Staff Present:** Justin Clifton (Town Manager), Dirk Nelson (Town Attorney), Marianne Jones (Town Clerk), Ron Saba (Director of Public Works), Chris Choate (Town Marshal)

The meeting was called to order @ 7:02 p.m.

**Minutes:** Debbi requested four changes to the minutes in Action Agenda Item #3 : The Highland Subdivision extension of vested rights.

Tom made a motion to approve the minutes from the November 16<sup>th</sup>, 2010 Regular Town Board Meeting as amended. Ed seconded the motion. All were in favor, motion passed unanimously.

**Public Input:** Phyllis Ludwig (9205 CR 521) stated that she is the President of the Pine River Seniors. She complimented the Town for the work done on Joe Stephenson. She then commented that the staff claims that part of the reason for eliminating the Senior Center Coordinator Position is because there hasn't been any growth of the Senior Center. She disputed that the programs have grown substantially since the opening of the center. She stated that in 2008 there were 3691 lunches served. In 2009 there were 14,799 meals. She explained that the 2010 numbers are in yet because it's not in yet. She claimed that this is considerable growth. She said that the Seniors have personally donation \$15,091.00 for meals served so they feel they have contributed a lot towards the senior programs. She also stated that the seniors would like to see the center open more often rather than the 2 days a week that it is open now. The seniors would like to have bingo & Mexican dominoes more than just on Wednesday and Fridays. And they would like the day to be of their choice. The seniors would also like more than just exercise classes such as coffee clubs. They are also willing to have fundraisers to help sustain the center. The seniors feel that there needs to be more equal footing between the Town and seniors of what and when things are done at the center. They do not want to have to ask for permission when they want to expand new programs or introduce new things. The seniors are also willing to help with the budget by getting donations for advertising rather than having the Town pay for all of the advertising. She mentioned that she thinks the Parks & Recreation Department could be run sufficiently with only one person because there's not enough work to keep three people busy. She encouraged the Town that the seniors want to keep the center open and reminded them that the Town promised to do this for the seniors of the area.

Kathy Worley (391 Lakeview Drive) said that she was a member of the site committee that resigned and stated that she also volunteers at the center. She mentioned that there have been many articles about the Town's budget & how good the budget looks for 2011 but then the Senior Center Coordinator position was cut from the 2011 budget despite the claims that things were going well. She explained that there has been substantial growth in the senior programs and she asked who is going to be handling all of the duties (such as writing of grants, searching out and creating new programs, keeping the current programs going, the newsletter, the announcements, the flyers, scheduling the Adventures in Dining, the Casino Trips, the nurse visit, the veterans services visit, the fire department visit, special events, etc) now that the coordinator has been eliminated.

Dan Dvojack (632 San Moritz) stated that he used to be the president of the site committee until he resigned recently. He stated that it came as a shock to the seniors that they were losing their coordinator due to budget cuts when there is talk about bonuses and hiring an accountant. He doesn't think the Town should be doing anything over and above if positions have to be cut. He claimed that the center needs a coordinator to do all of the day-to-day tasks mentioned by Kathy Worley.

Kaye Phelps (1048 N. Oak Drive) stated that it took a long time to get the senior center built and a lot of people worked very hard to make it happen. She said that the seniors now feel that the rug has been pulled out from

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underneath them and that the senior center is in jeopardy. She said that the Town promised to take care of the seniors and she feels that the seniors are a very important group of people and the Town needs to honor their promise.

Jean Elliot stated that she is the instructor for the Watch Your Step program. She explained that the program is not just an exercise class; it helps with balance, flexibility and strength. She explained the benefits of the class and stated that it is a very important program for seniors and requested that the Town keep it in place.

Joe Mozgai (402 Dove Ranch Road) congratulated the Town on the great job that was done with the street rehabilitation program. He thanked the Worley's and the Dvojaks for their service at the senior center. He then said that he has a problem with the Town mentioning charging fees to the seniors for use of the center because he feels that would be a hardship for the citizens to come up with the fees. He feels that the center is very useful and it is used by the area seniors.

Bill Miller (1351 Cactus Drive) asked the Town Board to intervene into this situation simply because the seniors are asking them too. He feels that the seniors should have more control of what happens with the center and should not have to deal with the constant road block that they have now. He feels that the seniors have made a lot of decisions in their lifetimes and they are capable of doing that with the center as well. He asked why the seniors can't work and manage their own center without the Town.

Bertha Fritz (495 Hwy 160B) asked the Board to consider keeping Tracy as the Senior Center Coordinator. She asked why the Board would see fit to give bonuses to employees but eliminate a position to do it. She said that bonuses are something that people don't get when there is a crisis and shouldn't even be considered when a job is in jeopardy.

Rick thanked all the seniors for coming. He explained that everything that has been said at the meeting has been entered into the permanent record. The Board uses a digital recording system so that they are permanently archived. He explained that the past Town Board members were extremely conservative and worked very hard to keep the finances in order over many many years. This current Town Board gave the staff the same directive to follow for the budget in 2011. He explained that the budget is built by the staff not by the Board because the Board is a policy-making Board. The staff builds the budget based on policies and general direction outlined by the Board. The Town Board is not involved in the day-to-day operations of the Town and the Board only has the control to hire and fire the Town Manager position. All other staff is overseen by the Town Manager and personnel items are not handled by the Board. The reason for this is because the Town Board also serves as the appellate Board if a Human Resource matter is disputed (i.e. terminations). Rick explained that the Town Board is committed to the Bayfield seniors and is committed to making sure that none of the programs are affected by the change in the budget. He stated that the Board directed the staff to be as creative as possible with the tax-payer money available. The Board advised the staff to utilize staff and funds as efficiently as possible while still maintaining a high level of service and to make sure that none of the programs or services are negatively effected

Justin Clifton expressed that it is very important for the staff and the Board to hear from the Seniors. He stated that the final call on the personnel decision was his as the Town Manager. He stated that he hears the heart-felt comments from the seniors and one of his goals in this line of work is to improve people's lives. He feels that the senior center is the only area that he has really been able to do that during his time as Town Manager and it's been important to him since the very beginning of the project. He explained that when the center was completed there was a question about where the funds were going to come from to operate it. The Town was able to secure a grant from the Colorado Health Foundation for \$50,000 the first year which was enough money to cover a full-time position and help develop some of the training and programs for the center. However, Colorado Health has specific requirements for their grant money which includes programs such as Watch Your Step, Disease Management, Tai Chi (Evidence Based Health Programs). The Foundation stated that if the Town was able to grow these types of program then they would be willing to continue funding the senior center. He said that when he mentioned that the programs have grown at the center, he meant that the particular programs that this grant funder is looking for did not grow in the manner that they require. The Town only received \$10,000.00 during the 2<sup>nd</sup> year of operation so

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there was a \$40,000.00 loss of revenue. Staff has looked for other grants but has only been able to secure \$22,000.00. Also, the actual costs to run the center were drastically underestimated especially utility costs. The Town has been progressively having to transfer more money from the General Fund to the Parks & Recreation fund to cover the expenses of the center. However, even with the diligent work and transfers, there is still a substantial gap in funding. Staff looked at imposing some fees, raising some of the current fees, etc but these would have negatively affected the programs & the seniors which were extremely unpopular. The full-time position that is being utilized by the center has not grown into the areas that were hoped at the time of inception so staff had to look at what would be the most efficient way to spend the tax-payers money. Justin Clifton explained that the staff certainly didn't want anyone to lose their job but the reality was that the Town had lost a lot of grant funding, hadn't been able to grow the types of programs to qualify for additional funding, and all of the solutions given for closing the gap were extremely unpopular. It was decided that by extending some of the existing staff the Town would be able to offer all of the same programs, do away with the senior center fees, not have to be overly ambitious with fund raising, not raise program fees and still deliver the same product that was there before. However, in order to do that it meant eliminating a position. He had to decide what the services provides the people and what it costs the people. And since the staff was able to provide the same services at a lower cost he had to go with the decision. He explained that none of the programs will be changed; but the management of those programs will be slightly different. The Parks & Recreation crew will be handling the majority of the work but some of the front office staff will be utilized as well. He explained that this wasn't a bottom-line issue because even if the Town had a surplus of funds in this department the staff would still have to look at if the money is being spent wisely and since the same programs can be offered at a lower cost, it's the responsibility of the staff to move forward with those hard decisions. Justin Clifton explained that the Town is committed to the program and to all of the seniors in every way possible.

General input was closed.

**Action Agenda Item #1: Approval of Bills**

Justin Clifton requested that Pay Application #2 for Four Corners Materials in the amount of \$236,021.14 for the street rehabilitation project be included in the bills.

Gabe made a motion to approve the bills dated December 3<sup>rd</sup>, 2010 as submitted and include the payment to Four Corners Materials. Debbi seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda item #2: Town Updates**

Gabe asked about the lower amount in the Street Rehabilitation Project budget. He wanted to know if the Town is saving money on the project.

Justin Clifton answered that the Board authorized \$350,000.00 for the project. The last change order was to adjust the quantities; which was a reduction of about \$15,000.00 from the contract. The Town had to make a decision on the crack sealing and the quantities ended up being lower than anticipated because the staff was trying to be cautious about not going over budget. This left some money still on the table but staff hopes to go in and do some more crack sealing next year.

Ed asked what is happening with Smith & Loveless.

Justin Clifton answered that staff is going to present them with some very specific technical data. They are stating that the design conditions weren't right for the project and the staff feels that they can prove that isn't the case. They have committed to pay for the costs associated with pulling the motors but staff would like to continue trying to get more reimbursement from them.

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Gabe asked how much this mess up is costing the Town.

Justin Clifton answered that the cost is approximately \$5,000-\$7000 because the bulk of the sludge hauling and other costs were covered by grant funding (despite not being in the original cost estimate). However, the staff feels that the company needs to be held accountable for the issues with the station.

Ed asked if the problem has been fixed.

Justin Clifton answered that its fixed short term but it is not fixed long term. Smith & Loveless has stated that if the Town makes some of their recommended improvements they would be willing to extend the warranty but the improvements are going to cost the Town because Smith & Loveless aren't willing to cover the costs. Staff doesn't know yet if they are even viable options for improvements at this point.

Justin Clifton stated that Deputy Lawson is leaving the Bayfield Marshals for the US Marshals and he introduced Dan Abdella as the new deputy.

**Action Agenda Item #3: WCA Transit Waste Contract**

Justin Clifton gave his staff report. He stated that the Town has a franchise contract with WCA Transit Waste for all of the Town's residential refuse hauling. That contract has an inflator clause pegged to the national consumer price index (CPI). Transit Waste is requesting approval of a 2.1% increase effective January 1<sup>st</sup> 2011.

The Board was sent a letter from Transit Waste requesting the increase, an expert from the Transit Waste contract defining CPI, and the CPI data supplied by the US Department of Labor. The increased cost is already accounted for in the budget.

Gabe made a motion to approve the WCA Transit Waste Contract adjustment for a 2.1% increase effective January 1<sup>st</sup>, 2011. Tom seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #4: Regional Housing Alliance Intergovernmental Agreement (IGA)**

Justin Clifton gave his staff report. He stated that The Regional Housing Alliance is funded in large part by four local governments: Bayfield, Ignacio, Durango and La Plata County. Every year the IGA is renewed for the future fiscal year.

The RHA has continued to seek diversified funding and make organizational changes to reduce the financial burden on the local governments. In 2010 The Town allocated \$12,540 based on a population based cost share. In 2011 the RHA is requesting \$11,142. The reduction of about 11% does not require significant changes in services. In fact, based on the success of the La Plata Homes Fund (a non-profit wing of the RHA) services will be maintained or even increased in 2011.

Also included for consideration is the 3<sup>rd</sup> amendment to the IGA that created the RHA. The amendment is needed to give the member governments more flexibility in the appointment of RHA Board members.

Justin Clifton stated that he needs a motion that accepts the funding agreement and the third amendment to the IGA.

Ed so moved.

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Tom seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #5: 2011 Final Budget**

Justin Clifton gave his staff report. He stated that the final budget has been prepared and is ready for adoption. Notable changes since the last draft include:

- Elimination of the Senior Center Coordinator position
  - Minor adjustments to Parks and Rec payroll allocation to reflect additional workload, including increase to seasonal help
  - Elimination of numerous increased fees for senior center participants
  - Reduction of the General Fund transfer to Parks and Rec by \$15,000.00
- Minor adjustments of Marshals payroll allocation to reflect changes in personnel
- Minor adjustments to various revenue and expense line items to reflect most recent financial statements and final forecasts
- Inclusion of a \$65,000.00 temporary loan from Capital to Parks and Rec to ensure balanced books while waiting for approximately \$85,000.00 in grant reimbursements

He explained that the Town has funded all of its priorities. The General Fund is balanced (actually an \$11 surplus). Parks and Recreation shows an unassigned fund balance of about \$11,000.00. The Capital Fund will have reserves of approximately \$764,000.00. The Sewer Funds have combined project fund balances of about \$350,000.00 (almost 1 year of debt service). The Water Fund projects unassigned reserve balance of about \$355,000.00. The Garbage Fund projects reserves of about \$40,000.00

The Item was opened for Public Hearing.

Carole McWilliams with the Pine River Times asked why revenue and spending are higher in the final draft than in the November 16<sup>th</sup> version.

Justin Clifton reviewed the two documents and concluded that the numbers are not higher in the November 16<sup>th</sup> version.

No other public comment was offered, public hearing was closed.

**Action Agenda Item #6: Resolution #251 - Adoption of the Final Budget**

Justin Clifton explained that Resolution #251 needs to be approved for the adoption of the final budget.

Ed asked if the Senior Center Coordinator position is going to be added back into the budget based on the turn-out to the meeting.

Justin Clifton answered that he is presenting a budget to be adopted without the position being included.

Ed asked who the "go-to" person will be at the Senior Center to handle the day-to-day activities.

Justin Clifton answered that there will be very clear protocols in place and hopes to be able to distribute tasks in a manner that is not confusing to the seniors.

Ed stated that he would like to discuss this item more in new/unfinished business.

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Gabe made a motion to approve Resolution #251 adopting a budget for the calendar year beginning on the first day of January 2011 & ending on the last day of December 2011 as revised. Tom seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #7: Resolution #252 - Setting the Mill Levy for 2011**

Justin Clifton stated that this Resolution will set the Mill Levy for the 2011 year.

Gabe made a motion to approve Resolution #252 to set the Mill Levy for the year 2011 to help defray costs of government for the 2011 budget year. Tom seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #8: Public Hearing: Ordinance #361 – Appropriation of 2011 Budget**

Justin Clifton stated that this Ordinance appropriating the funds for the 2011 budget. (He explained that there was a revised version that was created after the document that was sent out in the packet).

The item was opened up for public comment.

Phyllis Ludwig asked if the BP Donation money is still in the Senior Center Budget.

Justin Clifton answered that it is still allocated in the Parks & Recreation Fund.

No other public comment was offered so it was closed.

Gabe made a motion to approve Ordinance #361 appropriating sums of money to the various funds and spending agencies, in the amounts and for the purpose as set forth in the Ordinance for the Town of Bayfield, CO for the 2011 Budget Year as revised. Tom seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #9: Resolution #253 – 2010 Supplemental Budget**

Justin Clifton explained that this supplemental budget is the final numbers for 2010.

Tom made a motion to approve Resolution #253 adopting a supplemental budget for the calendar year beginning on the first day of January 2010 & ending on the last day of December 2010 and appropriating additional sums of money to the various spending funds for the 2010 Budget year as revised. Gabe seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda item #10: Liquor License Renewal – Western Refining (Giant) Convenience Store**

Gabe made a motion to approve the liquor license renewal for Western Refining (Giant) Convenience Store for 2011. Tom seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #11: New/Unfinished Business**

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Debbi requested an update on the three pending CDOT items.

Justin Clifton answered that CDOT is a little slow in getting responses sent out. He explained that it took a lot of time just to get the contract for the take-over of Hwy 160B. The Town sent a response back within 3 weeks but the Town doesn't expect CDOT to send a revision for several more months. He also doesn't expect a response on the traffic study for several months either. He explained that the Town is in the process of drafting a Request For Qualifications for the EIS and will send it to CDOT to be reviewed.

Debbi asked about the extension of the bike path.

Justin Clifton answered that the Town submitted a request for comment to CDOT and once a response is received & approved the Town will be able to move forward with the project. Staff hopes that it will happen in 2011.

Gabe mentioned that the staff had talked about accepting credit cards for payment. This feature hasn't been added yet and he feels that being able to take credit cards would be beneficial to the public. He asked why it hasn't been implemented yet and what the plan is.

Justin Clifton stated that the staff will put together a presentation on why it hasn't been implemented yet and present it to the Board.

Gabe stated that the park does look nice after the removal of the trees; however, he was curious if CDOT might be able to reimburse some of the fees since a lot of the work was done in their right-of-way.

Justin Clifton answered that the Town did the work without obtaining a permit to work in the right-of-way (it's not clearly delineated where the right-of-way actually is in that area and most of the trees were outside of it) so he feels that it is not necessary to request any sort of reimbursement or have to get a permit.

Gabe requested an executive session on the next Board agenda to obtain legal advice from the attorney & have a discussion regarding the Senior Center position.

Ed stated that he has been getting some calls from people looking at bringing a large business into Bayfield and he wanted to know if Justin Clifton has spoken with them.

Justin Clifton explained that the particular business that is looking to relocate would need a substantial amount of water (240,000 gallons of water per day) so the staff is discussing with them what sorts of expansion would be required to handle that sort of capacity.

Ed asked what the impact is of the Senior Center site committee resigning.

Justin Clifton answered that generally site committees are advisory committees that give input towards programs and things of that nature. It was by request that the Town decided to include the site committee in some of the higher level budget discussions because there seemed to be some skepticism amount the seniors regarding the budget numbers. However, even after improved communication there still seems to be issues.

Ed asked what needs to be done now.

Justin Clifton answered that there are some outstanding issues between the Town and the Seniors because the two do not see eye-to-eye on a lot of things. The Town spends more money on that center and that program than any other Parks & Recreation item but the Town is still unable to give them everything they request. He suggested that it might be a good idea to reengage with the entire senior group to see if there are people interested in filling this role or if it should be done away with.

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Ed asked if it would be a good idea for a few of the Town Board members to sit down with the seniors and have a discussion.

Phyllis commented that Justin Clifton has really done a good job communicating information to the seniors. She suggested that the site committee might not be necessary anymore because the Pine River Seniors are having an election to elect Board Members. She thinks that everything might be able to be handled through the Board rather than the site committee.

Rick suggested waiting until the election is completed and allowing the new Senior Board to take over at the beginning of the year. The staff and a few Town Board Members can then interface with the Senior Board to figure out the best way to handle communication and proceedings.

Ed & Rick both volunteered to meet with the seniors.

Gabe commented that he feels this is an important issue and their concerns need to be addressed.

Rick stated the he feels that the most important detail in operating government is understanding the process. The Town Board's role is to support the staff by giving him direction on how to move forward in certain areas and to make policies for the staff to abide to. It needs to be understood that the Town Board does not run the show, the staff does and the Board is just in place to make the policies for the staff to follow.

Phyllis Ludwig concurred that a meeting with a few Town Board Members and the seniors would be great.

The meeting was adjourned at 8:33 p.m.

*Minutes were approved as submitted on December 21<sup>st</sup>, 2010.*

**Approved:**

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Rick K. Smith  
Mayor

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Marianne Jones  
Town Clerk