

**Town of Bayfield
Regular Town Board Meeting
August 17, 2010
1199 US Highway 160B Bayfield, CO 81122**

Town Board Members Present: Rick K. Smith (Mayor), Debbi Renfro, Gabe Candelaria, Justin Talbot, Dan Ford, Ed Morlan,

Town Board Members Absent: Tom Au (Mayor Pro-Tem)

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

Media Present: Carole McWilliams (Pine River Times), Patrick Young (Durango Herald)

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

Minutes: Debbi requested one correction to the minutes. Justin Talbot made a motion to approve the minutes from the August 3rd, 2010 Regular Town Board Meeting as amended. Dan seconded the motion. All were in favor except Gabe, who abstained from the vote.

General Public Input: Carole McWilliams with the Pine River Times stated that the Bayfield Heritage Days Organizing Committee has some concerns regarding the Special Events form that is being required by the Town staff. She explained that the committee is made up of volunteers and the requirement to fill out the form and get signatures from every business on Mill Street is a huge additional hoop that has to be jumped through and the committee has never had to do this in the past. She thinks that the form causes so much hassle that it feels like the Town is saying that they don't want special events.

Action Agenda Item #1: Approval of Bills

Ed made a motion to approve the bills dated August 13th, 2010 as presented. Gabe seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #2: Town Updates

Gabe asked for an update on the Gem Village Lift Station.

Justin stated that Smith & Loveless received the letter that the Town sent and they have assigned a new person to handle the matter. Since the letter was sent, circumstances have changed because another motor has already failed. Justin is currently working on getting the technical information on the matter to ensure that the staff is prepared to meet with Smith & Loveless next week. So far, the information received confirms that the failures have nothing to do with the electrical transformer. There is an issue with the settings in the VFD drives which is causing an over current to the motors that is beyond the motor tolerance. It was set up to Smith & Loveless's specifications but those specifications are incorrect. Justin feels that accountability is soundly on the shoulders of the manufacturer and the staff plans to establish that when the meeting occurs.

Justin Talbot asked if only one motor is running at the Lift Station.

Justin Clifton answered that both motors are up and running as of today. Also, the Town has received a spare motor because Smith & Loveless sent a replacement.

Dan asked if the Town has any other avenue for cost reimbursement other than just Smith & Loveless.

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Justin Clifton answered that the Smith & Loveless contract was written that the Town paid upon delivery instead of start-up. It probably would have been a good idea to have rewritten that contract to wait until start-up or to hold some retainage, but as of right now the only recourse is through Smith & Loveless.

Debbi asked how the information is being relayed to the public that the water conservation schedule has been lifted.

Justin answered that the staff uses press releases and the tag lines on the utility bills to send information out to the residents.

Action Agenda Item #3: Road Rehabilitation Project

Justin gave his staff report. He stated that that the bid received for the road projects work was significantly higher than the engineers estimate (about \$350,000 excluding most of the crack sealing). Four Corners was the only company to submit a bid. Staff had a meeting with Four Corners and came to realize that the bid was high due to: a) the unknown quantities of materials that would need to be excavated and replaced for the road patching; and, b) the Town's expectation for traffic control.

After discussing options with Four Corners, it was recommended that the Town exclude any excavation of materials but increase the depth of asphalt patch to 4-5 inches. This recommendation was based on the high likelihood that the sub-grade is in good condition and because the increased asphalt will give greater assurance of structural integrity. Staff also went through each project and gave specific instructions regarding traffic control. The traffic control numbers in the bid reflected flagging for every patch to allow for through traffic. However, in most situations (such as the cross pans on Mill Street) the road can be closed, which saves significant cost. In order to keep costs low, staff has instructed Four Corners that they can close any road where there is alternative access and a reasonable detour. However, the Town will be careful to leave high traffic areas accessible such as the Grocery Store. Finally, the staff made some minor modifications to the scope of work based on the recommendation of Four Corners. The Town excluded chip and seal of Commerce Drive because it's not ideal to cover the large road patches with chip seal before the asphalt patch can cure. It's also not desirable to complete the chip and seal long after the asphalt is laid because it will be too cold and the chip seal won't cure as well.

These changes collectively brought the bid price down to \$242,777, along the lines of the engineer's estimate. However, this includes crack sealing only on Mountain View. The Board would need to approve spending additional funds to be able to crack seal more streets. There are many streets within the Town limits that really need to be crack sealed. However, crack sealing all of the streets in the inventory would cost approximately \$100,000. Justin gave estimated costs for portions of the crack seal street inventory for the Board to consider; a) no additional funding b) partial funding c) total funding of the crack sealing.

Justin included the table below in the packet to help the Board see how additional funding could impact the 2010 budget.

Large known projects 2011-2013

Current Year End Balance	\$1,301,884
Road Project—no crack seal	\$242,777
3 year fiber project	\$93,670
Cash match for Mill St grant	Up to \$100,000
Cash match for 501 Trail	\$10,000
Remaining Capital Balance for projects	\$855,437

Potential Crack Sealing

All C graded roads	\$18,320
All B graded roads	\$29,957

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All A graded roads	\$51,778
Remaining Capital Balance for projects	\$755,382

Gabe asked if it would be advantageous to re-advertise the project since only one bid was received. He also wanted to know if the project is designed in a way that is so non-profitable that none of the contractors want to bid on it.

Justin answered that the project was competitively bid. There were 4 companies that came to the pre-bid and 3 of them opted not to bid. The speculation is that there aren't as many asphalt companies that can actually do this type of work so those companies are able to be less choosy about the jobs they bid on. There was also the matter of timing and scheduling for the project and it's possible that the other bidders did not have the ability to get the job done within the timeframe specified.

Justin stated that the staff did a lot of research on how to structure the bid for the crack-sealing. There is vulnerability in requesting a lump sum bid for crack-sealing because the paving company is committed to that amount and they have to stretch out the materials to fill in all the required cracks. This means that the Town could potentially receive a less desirable end-result. However, if the project is bid by the pound the Town will have the ability to verify the actual amount of materials used so there is higher accountability and the Town will receive a better product.

Gabe asked if it would be better to wait on the crack sealing until the spring to see if the Town can get some better bids when there's more availability.

Justin Talbot asked what the time frame will be start to finish.

Justin Clifton answered that Four Corners hopes to begin in about a week and a half. Four Corners will be using a sub-contractor for the crack sealing portion of the job so Justin stated that if the Board feels that the crack sealing should wait until spring it is an easy thing to exclude from the bid documents.

Debbi stated that she feels that the Level C items should be taken care of before winter. She thinks that it's well worth \$18,000.00 to get those done right away and she also feels that it might be advantageous to go ahead and do the Level B items as well. She stated that re-bidding the project would cost more money, more staff time, advertising costs and she thinks it would be wise to just go ahead and proceed with the project now instead of waiting.

Justin Talbot asked if the Level A roads really need to be done right now.

Justin Clifton answered that getting them done now will slow the deterioration of those roads and keep them at an "A" designation for longer and save on future costs. However, it is possible that the Level A roads could be put off at this time and it wouldn't be quite as detrimental as waiting on the Level C roads.

Ron stated that the staff hasn't been able to do any road maintenance except patching in the past 5 years. He explained that there are already some bad spots in some of the Level A roads and he thinks that if the Board decides to maintain these roads now it will save a lot of money in the future.

Justin Talbot asked if it's too late in the year for this type of repair work.

Ron answered that he has spoken to Mike Stengal with Four Corners and they have determined that it isn't too late. The only item that is questionable is the chip seal on Mountain View so it would be best to have that done first. Four Corners doesn't have any concerns about doing the crack sealing during this time of year.

Rick stated that he thinks that the Level C roads needs to be done right now. He questioned what kind of bid would be received if the Town decided to wait on the Level B & A roads until the spring and rebid those at that time.

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Debbi mentioned that waiting until spring could also result in additional damage happening to those roads.

Justin Clifton responded that the price of oil is the most volatile pricing item. If the cost of oil increases in the spring the cost to have these repairs done will be substantially higher. However, mobilization for this portion of the project is not as expensive as some of the other components. So it is possible to rebid it next spring if possible. However, it is possible that the roads that are categorized as B's currently could deteriorate into a C by spring if the maintenance is put on hold.

Ed commented that he thinks the entire project needs to be done now.

Dan agreed that there's a need for this and suggested moving forward with the whole project.

Debbi agreed also and stated that she likes the fact that it's a local contractor that will be doing the work.

Ed made a motion to accept the bid from Four Corners Materials for the street rehabilitation project & allocate additional funds needed for the crack-sealing of Level A, B, & C roads (approximately \$100,000.00). Debbi seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #4: Resolution #248 – Acceptance of ARRA Project Completion

Justin gave his staff report. He stated that the Gem Village Lift Station project had many sources of funding. The Town received ARRA (American Recovery & Reinvestment Act) money to fund a small portion of the project. That money was limited to supporting pre-construction and construction of the lift station but not other aspects of the project such as de-commissioning the old lagoons. The needs to pass a resolution stating that the Town accepts the work performed by the contractor (Crossfire LLC) in order to closeout the ARRA portion of the project and receive final reimbursement.

Justin stated that the draft resolution will close out the ARRA portion of the Gem Village Lift Station project. This resolution does not imply that the whole project is finished nor does it present challenges to the Town's continued negotiation with Smith and Loveless. It only states that the Town accepts the construction. Ron, Brent Adams with Souder Miller & Associates and Beth Stoddard with Brilliam Engineering have all inspected various aspects of the construction. The engineer has issued a certification that the project is complete in accordance with plans and specifications.

Justin Talbot asked if the leveling of the lift station is resolved.

Justin Clifton answered that the staff hasn't seen any additional issues with the leveling. It has been determined that the dirt is not moving, the lift station itself was just set crooked initially but that has been resolved. Also, all of those items are still under warranty just like the rest of the project. If there is an issue, Crossfire will still be accountable to fix it.

Dan made a motion to pass Resolution #248 accepting final construction of the Gem Village Lift Station ARRA project. Ed seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #5: Town Board Retreat Agenda

Justin gave his staff report. He stated that he has created a draft agenda for the Board retreat on September 11th. Anna Poole will facilitate between 8:00am and 2:00pm, including a working lunch. From 2:00 to 4:00 the Board will discuss the budget process with a little discussion at the end with Dirk, the Town Attorney regarding legal protocols (conflict of interest, the sunshine law, ex-parte etc.) as a refresher and to make sure Board members have an opportunity to ask questions about these protocols.

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Gabe asked what will be for lunch during the retreat.

The Board requested that the staff use a local company for lunch.

Dan voiced concern about the budget discussion being so late in the day.

Justin responded that he thinks that the conversation with Anna Poole will be fruitful in discussing the budget and it will give the Board an opportunity to have an immediate exercise in implementing some of the items that she teaches during the workshop. He also mentioned that it's also possible to table the budget discussion until another day if the Board is too tired by the end of the afternoon.

Ed asked for clarification on the survey debrief.

Justin answered that Anna Poole will be conducting an interview with each Board member & Justin prior to the retreat. She will then discuss those results with the entire Board. This will hopefully be a springboard for dialog during the discussion.

Action Agenda Item #6: Budget Process/Calendar

Justin gave his staff report. He stated that the staff has already begun the 2011 budget process. Since the adoption of the Supplemental Budget in July, Department Heads have met to consider any changes to the process and to reach consensus regarding the approach to next year's budget. This included a thorough conversation about what worked best last year and what can be improved on. With Dot now on the team the staff is able to be more ambitious about what can be accomplished this budget season.

The Leadership Team of department heads identified a few critical areas for improvement in the process this year with emphasis on creating an even more unified team approach and having more communication with the rest of the staff throughout the process. The Leadership Team also identified the interaction with the Board last year as a success to build on this year.

Included in the packets is an outline of the budget process for this year, including goals, strategies and a budget calendar. Justin stated that the staff would like the Board to consider the process and calendar and provide feedback. This will get the staff on the right track in advance of the budget philosophy discussion at the September Board Retreat.

Justin Talbot stated that he likes that idea of getting buy-in from the entire staff so that they are not surprised by the changes.

Debbi concurred that she likes it also.

Justin Clifton added that the department heads talked a lot about goals for the discussions with the Board. The staff really wants to make sure that the Board understands the direct impact between budget dollars and the level of service that can be provided. The staff wants to have the support of the Board if hard decisions have to be made about service items that are provided to the Town so that the Board can help get the word out about why the decisions were made. The other thing that is important to the department heads is to discuss with the Board what the gaps are in the budget. They want the Board to understand thoroughly that even though the staff is able to find ways to make things happen with a modified budget it doesn't mean that it's easy or that there aren't still needs that aren't being met. There will be one meeting where all of the department heads are present so that an entire overview can be presented from to the Board. Then if needed, each department head will appear in front of the Board to address specific items later on in the budget process. This is a different protocol from past years but was the consensus of what would work best for the department heads.

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Rick commented that he likes that the Board will have multiple chances to make changes. He thinks that it's very important that the Board come up with a set of budget policies & give the staff structure to operate under so that everyone is on the same page.

Dan commented that he agrees with the goal that states "get the Board on board". He thinks it's very important for the Board to be clear with the staff on what needs to be done with the budget, to give detailed instruction and direction, and attempt to make sure that everyone is on the same page. He suggested that everyone should really look over the information as it's presented and get any ideas or suggestions out in the open right away so there are no surprises at the end of the process.

Action Agenda Item #7: September Board Meeting

Justin gave his staff report. He stated that the first September Town Board meeting is the 6th, the day after Labor Day. Justin asked the Board if there was interest to reschedule or cancel this meeting. The Board will have an all day retreat on September 11th and if needed the Board can approve bills at that meeting. Justin explained that most of the meetings have been relatively short lately and he anticipates having at least 1-2 extra meetings during the budget season.

The Board consented unanimously to cancel the first meeting in September.

Justin then asked the Board about a proposal from the La Plata Archuleta Water District (LPAWD). They would like to have a meeting with the Town Board to discuss their joint venture concept for water distribution. They would like a little more time, so they are suggesting September 21st, October 5th, or sometime later in October. Justin cautioned that there is already one meeting outside of the regularly scheduled meetings to discuss the budget.

Ed asked if the staff has had a chance to review & discuss this item at length yet.

Justin answered that the staff has had some conceptual discussions already and they will make sure and get a significant more amount of information before the two Boards meet.

Gabe commented that he doesn't feel that he knows enough about the project to have a 2 hour meeting with them.

Rick suggested having a discussion with Ron and Justin prior to the meeting/discussion with the Water Board.

Justin responded that he and Ron could have a discussion with the Board at the September 21st Regular Town Board Meeting regarding the project and then the two Boards could meet together on October 5th.

The Board agreed to have a meeting with the LPAWD Board on October 5th as long as the item is discussed with the staff prior to that time

Action Agenda Item #8: New/Unfinished Business

Justin stated that he has received the cost estimates from the engineer for the next phase of the Sports Park. (The staff plans to apply for a GOCO grant to cover most these costs). The staff hopes to be able to get the following items done during this next phase: 1) About a half mile of concrete path that would tie into the existing sidewalk around the ball fields. It will extend from Mill Street near the bridge to the playground area and then over to the ball fields. 2) Excavation of the playground area, removing the sand (which is not CIRSA compliant), a concrete border around the area, fill in the area with wood materials and add a couple more pieces of equipment. 3) Field turf improvements which would remove the track and expand the soccer field area to give the Town two full soccer fields. 4) Improvements to the parking area. The area won't be asphalted but there will be 15" of excavation &

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replacement with good materials to create parking. It won't encompass the entire area but will be integrated between the Senior Center and the ball fields.

Justin explained that the overall total project will be approximately \$350,000. \$200,000.00 will come from the GOCO grant, \$50,000 will come from a donation from La Plata County \$50,000 from cash reserve in Parks & Recreation (Parks In Lieu of Fees) and then the remaining would come from other grant opportunities that are available. Justin expressed that the staff would like approval to move forward with the GOCO application for this project.

Gabe mentioned that the sewer plant is in need of dirt. He wanted to know if the 15" of excavation could be moved to that location.

Justin answered that the staff has already considered that and is planning to make sure that the dirt is taken straight there.

Ed asked where the Ditch Company is with piping the Bean Ditch.

Justin answered that he just received a phone call that the Ditch Company is working towards finding funding sources to do the piping. Justin will be meeting with the Ditch Company and some representatives to discuss this further next week.

The Board agreed that they like the scope of the project and requested that the staff move forward with the grant application.

Justin stated that he has received confirmation from CDOT that he will have a draft agreement in hand regarding the take-over of Highway 160B by the end of the week. He said that he will present it to the Board at the next regular Board meeting for review.

Justin mentioned that the last sales tax numbers received were 4% up for the Town of Bayfield. So far in 2010 the Town is trending 6.8% down but the staff budgeted 8% so this will help close the year with higher numbers than anticipated.

Justin stated that the Board received an invitation from Susan Kirkpatrick with the Department of Local Affairs (DOLA) to attend a reception at the Palace in Durango on September 23rd @ 5:00 p.m. Justin mentioned that it would be nice to have some of the Town Board Members in attendance to thank DOLA for their generous contributions over the years.

Gabe asked Dirk where he is with the water conversion.

Dirk answered that he is working with Pete Foster with Wright Water Engineers to fine-tune the application. He hopes that it will be ready to formally submit within a couple of weeks.

Gabe mentioned that the rain has caused some over-flow issues in the Business Park. He recommended that it might be a good idea to move forward with deleting some of the medians on those streets and doing some other improvements to help that area.

Gabe stated that the Town made an agreement with Ken Wiebe to have his lot surveyed and the Town would pay for it. (This is for the easement that was needed to the new Wastewater Treatment Facility.) He wanted to find out what the status is of that survey.

Dirk answered that it took a lot of time to get the title work done on that piece of property but the survey has been completed and it was sent to Ted Wright, Mr. Wiebe's attorney. Dirk also stated that he received an email from the title company that they would like a change made to the plat map so Dirk will get that change done and send on to the title company so that the closing on the property can take place.

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Ken Wiebe expressed that his property has not been pinned by the surveyor and he has not received a copy of the survey or the plat map. He was very frustrated because all of these items were supposed to have been resolved by the beginning of January.

Dirk responded that the plat was sent to Ted Wright, Ken's attorney and that he will make sure that the surveyor gets onsite as soon as possible to get the property pinned.

Justin said that he will make sure that the survey pinning will be done on Wednesday (August 18th, 2010).

Debbi said that the Town Engineer has had the Design Standards for over 9 months. She wanted to know why it's taking so long to be reviewed and requested that the staff look into that item to get a status. She also expressed concern about whether or not they should be given the improvement plans for the Sports Park since it's taking them so long to complete the review of the standards. She also mentioned that if improvements in the Sports Park change the impervious surface, a drainage report will be required.

Justin answered that he will contact Brent Adams for a status update.

Debbi asked about the special event form that Carole McWilliams mentioned during public input.

Justin responded that there have been some events that have occurred over the last year that has caused frustration for the business owners on Mill Street. When events occur that the business owners are not aware of it causes problems for them. The staff is accountable to all of the Town residents and the staff feels very strongly that it's not unreasonable to make the participant notify each of the businesses affected by an event so that it limits the impact. He explained that the staff came up with a form that puts the responsibility on the participant to walk the form to each location and get a sign-off from them. (There are approximately 40 businesses on Mill Street). This protocol has been in place for about a year and has worked very well and has received great support from the businesses. The staff is also willing to help with Heritage Days as necessary to help this process be as smooth as possible.

Debbi commented that the Marshal had mentioned in his memo that parking on Mill Street is a hot topic currently. She wanted to know if that has been resolved.

Justin responded that the Mill Street businesses are sensitive about their customers. They want to put up signs stating that the parking spaces in front of their locations are for their customers only. However, the businesses do not have any proprietary parking on Mill Street. The owners are putting pressure on the Marshals office to tow cars that are in "their" spots and the Town has to explain that the parking is public and unless the vehicles are left for a certain period of time the Marshals cannot authorize towing them.

Justin Talbot asked if the meeting of the Business Center Park stakeholders & business owners have gotten together yet.

Justin Clifton answered that it hasn't happened yet. The Town and the developer are coming up with a plan of who to invite, what to discuss, and what the plan of action will be before having the meeting. The tentative plan is to have that meeting in the spring.

Justin Talbot asked about the easement in Mesa Meadows and whether or not that issue has been resolved.

Justin Clifton answered that he does not know if the fence has been moved yet. The agreement stated that the developer had until the end of August to do the work. He said that he will follow up and find out a status.

Dan asked about the refinance of the Town Hall building.

Justin answered that he has been inquiring with Wells Fargo and got a response that the Town Hall could be refinanced @ 3.5% interest (instead of 4.5%) which will save the Town approximately \$50,000.00 per year for 8

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years or a total of \$400,000.00. Justin explained that he is going to put some information together that will include the possibility of refinancing and the possibility of early payoff to be considered by the Board.

Gabe made a motion to move into executive session for a conference with the Town attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b). Gabe also requested that the session include Justin Clifton & Dirk. Dan seconded the motion. All were in favor. Motion passed unanimously.

The Board came out of Executive Session.

Debbi made a motion to file the intent to condemn the needed easement on lot 14 in Sunrise Estates, to put the project out to bid according to the plans and specification by Goff Engineering and to issue a letter to the owners of lots 14 and 19 to remove the undersized pipe and that they will be billed if the Town has to do it. Gabe seconded the motion. All were in favor, motion passed unanimously.

Meeting was adjourned.

Minutes were approved as submitted on September 21st, 2010.

Approved:

Rick K. Smith
Mayor

Marianne Jones
Town Clerk