

Town of Bayfield
Regular Town Board Meeting
February 1, 2011
1199 US Highway 160B Bayfield, CO 81122

Town Board Members Present: Rick Smith (Mayor), Tom Au (Mayor Pro-Tem), Dan Ford, Gabe Candelaria, Debbi Renfro, Ed Morlan, Justin Talbot

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

Media Present: None

The meeting was called to order @ 7:02

Dan requested that an Executive Session be added to discuss a personnel matter.

It was decided to add Action Agenda Item #7A as an Executive Session.

Michelle Nelson, the Planning Commission Chair gave her update from the Planning Commission meeting. She stated that there was a request from Family Dollar for 2 sign variances. One of the variances allowed the business to have 3 signs instead of 2 and the other variance allowed them to have one of their signs exceed the 144' maximum allowed by the code. The Planning Commission voted to approve the variances 6-1.

Phyllis Ludwig (9205 County Road 521) thanked the Mayor, Ed Morlan, Justin Clifton & the Parks & Recreation Department for meeting with the Senior Board. She stated that she feels that a lot of progress was made and that they are close to coming to an agreement on most items. She also commended Brenda Jones for doing a great job at the center. She stated that she is fitting in really well and was a very good choice by the staff to work at the center.

Action Agenda Item #1: Approval Of The Bills

Gabe asked about the bill to Summit Supply for Parks & Recreation. The description read "supplies for the Sports Park." He asked for more detail on the invoice

Marianne stated that she would find out and email the Board.

Justin Talbot asked about the bill to Peak Polymer Performance. He wanted to know what type of chemical was purchased.

Ron Saba answered that he purchased "cationic flocculant" which is a chemical that removes sand from the water during the treatment process.

Tom made a motion to approve the bills dated January 28th, 2011 as submitted. Gabe seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #2: Town Updates

Justin Clifton stated that the Town received a good proposal for the LAPLAWD/Bayfield feasibility study regarding the Bayfield water system. He explained that the feasibility study will show what Bayfield has now, what will be needed in the future and whether or not the Town continue to meet those needs with a collaboration with LAPLAWD. Justin Clifton expressed that Bayfield will receive a lot of benefit from the study. He stated that the cost will be approximately \$20-25,000. Once all of the proposals are reviewed, the staff will return to the

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Board to request appropriation of funds to pay for the study. The initial agreement between the Town and LAPLAWD is that the cost would be split evenly between the entities. Justin Clifton hopes to have this on the next Board agenda.

Justin Clifton stated that the staff & two Board members did meet with the newly elected Senior Board. The meeting generated several action items. He explained that there are some items that are easier to address than other but they are definitely being worked on. He explained that the next step planned by the staff is to have a big meeting that will include the entire Town Board and the entire membership of the Senior Center. Justin Clifton stated that he would like to set this up on a Friday after their luncheon so that the entire senior group can voice their concerns to the Town Board. Justin Clifton hopes that this will give a thorough list of items of concern. He then hopes to be able to segregate the items into items that can be resolved immediately, items that need further investigation and items that are out of the Town's control (such as the nutrition program which is ran by La Plata County).

Ed commented that he was involved in the meeting and he mentioned that it might be a good idea to draft some sort of senior contract that will allow them to take on some of the responsibilities of the building. He also said that he felt it was a good meeting and that he thinks it definitely gave some direction.

Rick agreed and also stated that have a lead person is really going to be a great help to the staff. Phyllis Ludwig was elected as the Senior President and this will be really helpful in having one main contact.

Justin Clifton said that he would like to have the meeting by the end of February or the beginning of March. He mentioned that March 4th might be the best date. He stated that he will send out an email with a couple of options for the Board to review.

Justin Clifton gave an update on the Finance Director vacancy. He stated that he has scheduled two interviews for Tuesday, February 8th. One of the candidates has a very strong financial background and the other is not as strong on paper but has been very tenacious in her pursuit of the position. Justin Clifton explained that the position has not generated a whole lot of interest and the staff now has to "look outside of the box" in terms of the original search. Justin Clifton stated that if the interviews on Tuesday don't wield a hire, he may have to return to the Board to possibly relook at the dollar amount allocated for that position or to get approval to possibly outsource some of the financial reporting for a period of 4-6 months. He stated that he is going to be uncomfortable hiring someone a week or two before he leaves unless it's very well-coordinated with an interim Town Manager or forcing the interim to hire that position.

Justin Clifton gave an update on the meeting with Gerald Ludwig regarding the drainage at Dove Ranch and the swampy water on the Ludwig's property that is alleged to be occurring due to the new sewer plant improvements. Justin Clifton stated that nothing has been truly resolved yet because these are both complicated issues. The ditch issue involves a developer and a lot of old agreements; along with an uncertain future including the status of the property and the status of easements, etc. Justin Clifton stated that there was some positive direction reached on the wet ground. Tom knows someone that might be able to give some definitive answers on where the water is coming from, what would work to divert the water, etc. He thinks there's some potential there for some answers. Ron Saba & Tom both agreed to get in touch with this person, check credentials, and move forward in getting some information.

Justin Clifton then gave an update on the vested rights for the Highlands Subdivision. He has communicated with the representative of the developer but has not received any definitive answers to the Town's terms for extending the vested rights yet. They were given 60 days to meet the terms so there is still some time for them to make that decision but he hasn't heard one way or another on what they plan to do.

Debbi mentioned that she is working for the developer on filing the swamp application with the State. She has completed the application but has not gotten it signed yet by the developer.

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Action Agenda Item #3: Liquor License Renewal – The Grocery Store

Gabe made a motion to approve the liquor license renewal for the Grocery Store. Tom seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #4: Water Rights Transfer

Justin Clifton gave his staff report. He stated that the Town has a need to transfer numerous water rights from an agricultural use to municipal use so that the water can be treated and delivered to the customers. These rights have been acquired over many years as land has been annexed into the Town and developed. The Board has made at least one inquiry about the process for completing the transfer and Ron addressed the item in his last report to the Board. Justin Clifton requested that Dirk draft a memo to the Board and decided to put the item on the agenda so that Dirk could answer any questions that the Board might have regarding this process.

Justin Clifton gave the Board the option that they could go into executive session if they deemed it necessary to discuss this matter to get legal advice or discuss legal strategy.

Rick asked if the filing to transfer the rights would have to go to water court and if there would be an amount of time for people to object.

Dirk answered that it would go to water court and it would have to sit for 2 months after filing to allow people to submit their objections.

Gabe commented that he thinks that Dirks strategy of splitting up the items is a good idea.

Dirk stated in his memo that he plans to do a separate filing on just a request for an alternate point for the existing .8 c.f.s. of Schroeder ditch water. However, this item could still draw objections and will require the agreement of both ditch companies. If the Town can get a temporary agreement to allow those diversions it will solve some of the more immediate issues that Ron has regarding water rights. Dirk will then continue with the process of converting all of the water rights into municipal rights. He explained that it is a really slow process and will take a lot of time to complete the whole thing but getting the first part done is the best step to take to get the ball rolling.

Debbi mentioned that Dirk had said that some of the water rights available are historically used only during the irrigation season and the Town's uses for municipal purposes will be limited to the irrigation season. She commented that the Town's biggest need is during the irrigation season as well.

Dirk responded that those water rights will be restricted to the historic season. However, this won't be a huge issue since irrigation season is when the Town's greatest water need occurs.

Rick asked if this issue will have any bearing on negotiations with LAPLAWD.

Dirk answered that it could have a huge impact but it will depend on who does the study. Therefore, it's in the best interest of the Town to be careful in filing something right now that may have to be redone later. This is the reason he suggested doing the filings separately

Ed asked what augmentation means.

Dirk explained that there is a code that injury cannot be caused to the river. Therefore, if someone takes water out of the river it has to be replaced. So when the Town's water rights are out of priority there is an exchange

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done with the water that is purchased from Vallecito to replace the water that is being diverted. It's being done on a conversation basis which means that the Town is replacing all of the water that is being diverted. Augmentation use augments the river for the water that is depleted. The decree for Vallecito does not allow augmentation use.

Ed asked if the Town is getting credit for the water that is being put back into the river from the sewer plant.

Dirk answered that the Town is not getting credit augmentation plan for water out of Vallecito. The goal is to try and get the Town on more of an augmentation basis eventually.

Ed asked what needs to be done on this item.

Justin Clifton explained that this item is more of an update.

Dirk said that he will not file anything without bringing it back to the Board but is going to continue to work on this matter and will send in periodic updates as things progress.

Action Agenda Item #5: Interim Town Manager

Justin Clifton gave his staff report. He stated that he met with Ron LeBlanc (the Durango City Manager) and the Mayor to discuss getting at least a couple proposals from "known quantities" in the management field. There are a few reasons for this approach, opposed to an open ended public search. He explained that the job of an interim manager is to provide continuity. In order to maximize continuity there is a need for two things: 1) someone internal to the organization; or 2) a former manager who at least knows "the business." It is possible but very unlikely that there many municipal managers in the area and Justin Clifton doesn't believe promoting anyone internal to the organization is appropriate.

Justin Clifton explained that time is a factor. He explained that the Town needs to get someone on board before he leaves but he would also like to maintain his focus on hiring a Finance Director and other important projects. Advertising publically could generate substantial work in weeding through resumes to find the one or two that have the qualifications to step in without a steep learning curve.

Justin Clifton also mentioned this is a contract service and not a new hire. Although the Town tries to advertise contracting services whenever possible, it is much more common with thoroughly planned long term projects. When the Town needs to get something done fast or deal with an unexpected challenge, it is very common to hire a firm that is known for doing good work and the ability to get it done.

Justin Clifton said that the contract could be for as few as 60 days. Although the Town may require the services of an interim manager for many months, a smooth search could yield a permanent Town Manager quickly.

Finally, he explained that he feels that Town has the best of all possible options available. Bob Ledger, retired Durango City Manager is willing to act as the interim manager for the Town. Not only is Bob a very accomplished manager but he lives locally, is familiar with all of the Boards where Bayfield has representation, would come with no reimbursable living expenses and is very competitive in terms of fee. Bob also has the type of personality that will put department heads and other employees at ease and help to keep morale high in these times of uncertainty.

Justin Clifton presented proposals from Bob Ledger and from Gary Suiter, another former manager from Colorado for comparison. While Gary has substantial management expertise, his fee is nearly 50% more, he would require living expenses to be reimbursed, he would not serve on any interagency Boards and is not familiar with the area. The proposal from Gary is fairly standard for contracts with qualified individuals from out

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of the area. After polling colleagues, Justin Clifton expressed that he does not know of any other local candidates with the type of expertise that Bob Ledger has.

Rick expressed that after meeting with Justin Clifton he decided not to be involved with the search for interim. He decided it would be best for him to hear the recommendations at the same time as the rest of the Board. Gabe expressed that he was concerned about only having two proposals for the position. He thinks that Justin Clifton should have spoken to Pagosa Springs, Cortez, etc. to see if they have any suggestions for the position.

Justin Clifton responded that he has had conversations with Ken Charles with Department of Local Affairs to see if he might have any suggestions and he didn't have any. He also agreed that the best option is already available to the Town.

Gabe suggested that the proposals are expensive.

Ed asked if the interim will be full-time or part-time.

Justin Clifton answered that it is typical to have an interim work 30 hours per week.

Ed commented that he has known Bob Ledger for 30 years and he is one of the best in the field. He expressed that he thinks it's a great option and the price is fair.

Dan agreed. He stated that he doesn't know Bob Ledger personally but he knows his reputation and what he accomplished in Durango. He also expressed that the fact that he lives here and knows the community really bumps him up in the scales.

Gabe asked if Justin Clifton has kept the staff involved in this process and if there is consensus amount the staff.

Justin Clifton answered that he hasn't directly asked for the staff's opinion (because it is more appropriate for the permanent position rather than the interim) but believes that Bob Ledger is the type of person that will put the staff's mind at ease because he is extremely personable.

Rick expressed that the hiring of an interim manager has to be done expeditiously. However, when the Board hires the permanent person he thinks it is imperative that the staff be involved in the process so they can give a recommendation of who they would like at the helm.

Justin Talbot expressed that both proposals are expensive.

Justin Clifton responded that this is a contract service and Bob Ledger's proposal is extremely close to Justin's total compensation (the lower bid price is \$400.00 more). He also expressed that value is hard to determine and Bob would bring a lot of value to the table.

Debbi said that it's a very good contract price.

Justin Clifton mentioned that it's still a huge pay-cut for Bob.

Rick expressed that Bob already knows all of the Boards and he is willing to serve on those Board. The other guy is not willing to do that which would mean putting one of the Board members to serve on those. He said that he thinks that Bob would be the best fit for the Town.

Tom said that it's too much money and he doesn't see that type of money being in the budget.

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Dan responded that the Town did not anticipate needing a Town Manager but he definitely foresaw it happening because the Town has been underpaying Justin Clifton. He stated that the Town is probably going to have to pay much more to the next person to get someone who meets Justin's qualifications. Dan expressed that the Town can't afford to do this but it also can't afford not to.

Rick commented that he is comfortable with Bob taking the position because of his vast experience and wealth of knowledge. He also thinks that he will be a great resource during the hiring of the permanent person. He agreed that the sticker shock is hire when looking at the total dollar amount but explained that once everything is added up into Justin's salary it's not that much different than what is being paid out currently.

Justin Clifton Talbot asked why 30 hours a week.

Justin Clifton answered that he feels that 30 hours is how much time it takes to maintain what is going on throughout the Town. (This would not include adding any new projects, new research, etc. It would just maintain the status quo of the Town).

Dan asked what kind of contract would be offered to the interim.

Justin Clifton answered that he recommends a month-to-month contract that terminates upon appointment to the permanent position.

Dan made a motion to hire Bob Ledger as the Interim Town Manager and get him on board as soon as possible. He motioned to pay the lower amount mentioned in Bob's letter. Debbi seconded the motion.

Justin Clifton asked for clarification about when Bob should start because he thinks he only need 10 hours of with him for the next two weeks and then have him come in effective March 18th, 2011.

Rick suggested that he come to the last meeting before Justin's departure.

Justin Clifton clarified that he will be getting him up to speed in many different areas and it won't all happen at once but he thinks he only needs about 20-30 hours with him prior to his departure to get him up to speed.

Gabe commented that he thinks that the staff should be involved and he doesn't feel this is the way the process should be handled.

Ed called to question.

Rick, Ed, Debbi, and Dan were in favor. Justin Talbot, Tom and Gabe were opposed. Motion carried.

Action Agenda Item #6: Executive Search

Justin Clifton gave his staff report. He stated that he was not able to make as much progress vetting executive search firms as he was with the interim manager options. This is because the interim manager poses a more immediate need and because the process of engaging firms and receiving proposals takes a little more time. He stated that he was able to get one completed proposal from Mercer Consultants.

Justin Clifton explained that after speaking with Ron LeBlanc, Ron felt that a full blown national search may be too large and the fee associated with such a comprehensive effort may be unnecessary. Justin Clifton is focusing on finding firms close to Colorado or that have at least worked with many Colorado municipalities. Justin Clifton has reached out to Ken Charles with DOLA and CML to seek further advice regarding potential

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firms. He has also received a brochure from KRW, a Colorado firm with substantial work finding managers for other municipalities. Justin Clifton expressed that he will continue to request proposals from firms and ask them to create their own project approach. He is doing this deliberately because these firms have refined the practice of conducting these searches and have many insights to offer regarding their approach. However, Justin Clifton also thinks the Board should review the proposal from Mercer and the brochure from KRW and begin to think about what steps in the process seem most valuable and which steps could be reduced or eliminated if the Board would like to reduce the fee. Justin Clifton thinks the estimated \$20,000 fee proposed by Mercer is likely more than what the Town needs to get good value but he also cautioned the Board against short cutting and short changing the process. The Town entered a contract with a firm called Horizon Partners in 2006 to conduct a search for closer to \$5,000. However, the impression from that search is that the Town did not receive value for the service and the firm did not generate any top candidates that could compete with the Town Intern. Justin Clifton feels that the Board may be able to find something in the \$10,000 to \$15,000 range that would bring good value and yield better candidates.

Justin Clifton asked for feedback on proceeding with vetting Executive Search Firm options. He explained that he can continue to collect proposals and inquire about flexibility in scope and fee, engage a firm the Board feels is well suited and negotiate a contract or structure an RFP type of document pulling from the search elements the Board thinks are most important and solicit proposals to meet a specific scope.

Debbi stated that this is where she would like to get input from the staff regarding what they feel is important and what they would like to see in a Town Manager.

Rick explained that the firm that is hired should do that for the Board. They will talk to the staff, the Board, the Department Heads, etc. to find out what everyone is looking for, what the needs are, and will use that information to search for the person that fits that bill. The staff will be able to give their input at that time.

Ed recommended basing the hiring of a search firm on a performance basis. He thinks it would be a good idea to use their appointment ratios as a basis for hiring.

Tom asked what happens if the Town hires someone and then that person or the Board decides that they are not the right person for the job.

Justin Clifton explained that the Town is paying for a process but the hiring of the final person is determined by the Board, not the search firm. They help make the decision but do not make the decision in the end.

Justin Talbot requested more proposals and he asked for there to be language in the contract that gives specific timelines for when payment will be released.

Justin Clifton stated that it is common for the search firm contracts to be structured in that way and recommended that the Board use that approach in the language. He expressed that he thinks he can generate several more proposals prior to the next meeting.

Debbi asked if all of the firms will provide references showing the placements that they have done.

Justin Clifton answered that they will. He also noted that KRW has a lot of placements in Colorado.

Rick said he thinks the Board would probably like to know their success rate.

Dan suggested also finding out if those placements are still in the positions.

Justin Clifton announced that he will get that information and follow up with the municipalities to get their feedback on the process and interaction with the companies.

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The Board directed Justin Clifton to continue getting proposals and do the necessary follow up to find out success rates and quality of work.

Action Agenda Item #7: New/Unfinished Business

Justin Clifton reminded that Board about the County Commissioner Breakfast on Thursday February 3rd @ 7:30 a.m. at the Double Tree Hotel in Durango. He also reminded them of the Municipal Summit on February 7th @ 5:00 p.m. at Durango City Hall.

Dan made a motion to go into executive session For a conference with the city/Town attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b) and requested that Dirk, the Town Attorney be included. Justin Talbot seconded the motion. All were in favor, motion passed unanimously.

The Board came out of executive session and the meeting was adjourned.

Minutes were approved as amended on February 15th, 2011

Approved:

Rick K. Smith
Mayor

Marianne Jones
Town Clerk