

**Bayfield Town Board
Regular Board Meeting
1199 Highway 160 B
Bayfield, Colorado 81122**

October 7, 2008 7 P.M.

Board Present: Mayor Rick Smith, Justin Talbot, Debbi Renfro, Bob Piccoli, Dan Ford, and Tom Au.

Staff Present: Justin Clifton, Town Manager, Pat Anselmo, Town Clerk, Dirk Nelson, Town Attorney, and Joe Crain, Town Planner. Marty Zwisler, Project Manager, was also in attendance.

Planning Commission Present: Not represented.

Media Present: Carole McWilliams, Pine River Times

Mayor Rick Smith called the meeting to order at 7:05 P.M.

Approval of Minutes: September 2, 2008, September 16, 2008.

Dan Ford moved to approve the minutes of September 2, 2008 as written. Tom Au seconded. The vote was six in favor, motion carried.

Tom moved to approve the minutes of September 16, 2008 as written. Dan seconded. The vote was six in favor, motion carried.

General Public Comment: The Mayor opened the meeting for public comment. None was received. This portion of the meeting closed.

Action Agenda Item #1: Approval of Bills: Bob Piccoli had a question pertaining to construction management projects. Marty replied, 'they are at 65%. The Humphries Poli contract schedule is one hundred per cent complete, i. e., there will be no further payments to them'.

He questioned the billing for the ICC, wondering if the Town was paying for something, printed materials, that inures to the Town Building inspector. This bill was for Building Code material, which stays with the Town.

Justin Talbot moved to approve the payment of bills as presented. Debbi seconded. The vote was six in favor, motion carried.

Action Agenda Item # 2: Town Updates: Rick asked for questions the Board may have regarding the items listed. Bob Piccoli asked if there were unanticipated environmental problems with the work to be done on David Black's property. Justin C. replied that he has contacted the environment group several times but has had no definitive replies. Justin emphasized, 'they are not responding on a timely basis. The company that was chosen to do the investigation is also the one responsible for determining the remediation

they deem necessary. Julie Ortiz sent the Town their invoice and the lab results. Donald is preparing the cost estimate’.

Bob queried ‘on the water tank, they missed their substantial completion date?’ Justin C. replied ‘they are behind schedule. They can’t flow test until the curing (concrete) is complete’. Bob said Justin C. needs to come down on them, and require that they pay the per diem fine, \$500, as outlined in the contract for each additional day it takes them to complete the work.

Rick asked Marty how the Senior Center is progressing compared to what the budget reflected. Marty said the worst case scenario would result in having to compromise on the landscaping, but all typical construction challenges will be met as approved in the budget.

Action Agenda Item # 2 A: Liquor License Renewal – A. J. Pizza:

Tom Au moved to approve the request for renewal of the annual liquor license for A. J.’s Pizza. Bob Picolli seconded. The vote was six in favor. Motion carried.

Action Agenda Item # 2 B: Approval of Temporary Liquor License for Wells

Liquor:

Tom Au made a motion to approve the request for a temporary liquor license for Wells Liquor, which is undergoing a change in ownership. Dan seconded. The vote was six in favor, motion carried.

Action Agenda Item # 3: Clover Town Homes:

Joe Crain explained that when the Board approved the Clover Building Business Townhomes Plat for Garth Schultheis, they placed a condition that each unit would be separately metered for water and that the meters would be located in a common vault. Now the developer and Ron Saba have agreed that since meters are going to be electronically read, they would place a meter in each unit which results in no need of a vault. Staff is recommending that the Board delete the condition that water meters would be in a central vault and to allow the meters to be placed within each unit.

Mr. Schultheis is currently finishing up the sheet rock work, and is asking for a 30 day extension of the plat validation. Staff recommends a 60 day extension, which would place the expiration date at December 15, 2008.

Justin Talbot asked about emergency shut offs, ‘does one curb stop take care of all units combined? Each unit should have its own turn off’. Bob Piccoli made a motion that the developer be allowed to change the location of the meters, deleting the original condition specified and to allow the remote sensors to be placed individually in each unit. Tom Au seconded. The vote was six in favor. Motion carried.

Regarding the Request to extend the plat validation: Dan Ford made a motion to extend the plat validation for a period of sixty days. Tom Au seconded. The vote was six in favor. Motion carried.

Action Agenda Item # 4: Executive Session: C. R. S. Section 24 – 6 – 402 – (4)(e): Sunrise Estates:

Justin Talbot made a motion to go into executive session, citing C. R. S. Section 24-6-402 (4) (e) for the purpose of determining positions relative to matters that may be subject to negotiations, developing a strategy for negotiations, and/or instructing

negotiators. He asked that Justin Clifton and Dirk be included. Bob Piccoli seconded. The vote was six in favor, motion carried. The Board immediately went into Executive Session.

The regular meeting reconvened.

No formal action was taken on Sunrise Estates.

A short recess was called. The recess ended at 8:35 P. M.

The Board asked if the plat for Mesa Meadows with the easement has been recorded at the County. Joe Crain replied that it has.

Action Agenda Item # 5: Draft Budget:

The draft budget for the year 2009 was submitted with the packet. Justin asked for questions. None of the Board members had specific questions.

Justin continued, 'the numbers are very conservative. Having more expenses than income is not necessarily bad. (Caveat per Pat Anselmo, according to Statute, no budget may show expenditures in excess of available revenues plus beginning fund balance).

The increase in severance expected is a result of changing the distribution formula at the County level. It is tight to stay within revenues and meet increasing costs. He suggested changing the allocation of sales tax from the both the County and city, i. e., allocate more to operating and less to capital'.

He also wants vehicle replacement drafted in, saying the Town only has one decent plow. In ten years the Town will have paid off the debt for the new town hall and would be able to have those payments available for other projects.

Rick asked about the missing budget numbers for the Sanitation Waste Water Treatment Fund. Justin replied he has not done this segment of the budget yet. He needs to do some really deep research. He cautioned, 'we are not going to make 30 taps (sewer) a year. That was the initial number that was used in the initial calculations that provided the Town with the ability to pay debt service'. He wants to be sure that the \$400,000, which will be needed in two years, will be there.

It may well be that an increase in sewer rates will be necessary to ensure this needed revenue.

Debbi asked if the budget provides for hiring any additional people. Justin answered, 'no. There are no new positions in this budget'.

Rick asked about items in the Water Capital Expense section. Justin replied that he and Ron included costs that they had put together, line replacements, pump upgrades, annual costs, etc. Justin explained these items do not need to be paid out in cash. Although, he continued, he wanted the Board to see what it would look like if the Town did pay cash out. The deficit is 'ball park, it includes beginning balance. There are items to be scrutinized. Tap fees (water) would go to \$7000 to meet the anticipated costs'.

A lengthy but fruitful discussion on draft budget numbers followed.

Action Agenda Item # 6: Water Line at First Baptist:

Justin explained the request from the church (1st Baptist) regarding a water line for them. Their request has provided the Town with a great opportunity. The church will be given a tap at no cost. In exchange, the Town will be provided with an 8 inch line and an

easement through the church property, as shown on the map. The easement would include their south property line. This is perfect for locating the loop for down town, which does not currently exist. Dan Ford made a motion to allow the trade negotiated to procure the land and line in order to make the connection from Hwy. 160 B to Pearl Street. Tom Au seconded. Debbi wanted to disclose that she is a member of the aforementioned church. Dirk responded that she would not realize any personal gain from the agreement between the church and the Town. The vote was six in favor. Motion carried.

Action Agenda Item # 7: Road Impact Fee:

Justin has submitted results of both the original and the revised road impact fee studies. He asked for more Board direction, referring to the numbers as reflected on his spreadsheet. It reflects an amount of anywhere from \$580 to \$3855 for single family. He asked them to give him an idea of their thoughts on the issue. It reflects about 15%. Rick stated ‘you can set it at (the) original and use it for negotiating. Or, set it at the lower amount and have it incrementally increased based on inflation and other criteria’. He continued, ‘the fee should be based on needs for improvement over time, which will steadily increase. Needs go up, revenues may go down. To encourage growth, we need to give staff a bargaining chip’. Rick said, because of what he just mentioned, he is in favor of implementing the full fee to leave staff negotiating room.

Justin T. said costs need to be more stable for residential, ‘we need to be careful not to appear discriminating, on one party vs. another’.

Debbi thinks the Town should start with 15% and do incremental increases.

Justin T. countered with a comment that commercial is different than residential. They should not be treated the same. He asked Joe if the Town could negotiate with developers. Joe replied, ‘you can negotiate during the annexation process. Once the annexation agreement is finalized, the possibility for negotiation abates. You call it ‘waiving part of the fee’. Please keep in mind that commercial generates income, residential does not’.

Rick said he would be very cautious about 15%, he would recommend not going below 50%.

Justin T. said 50% will deter people from coming in. Tom Au agreed. Justin C. said ‘yes it will deter. However it is a catch 22 situation. If you defer maintenance, someone will, somewhere along the way, have to deal with it’.

Rick summarized, the bottom line is ‘where is your comfort level?’

Justin said no one wants more regulation. He wants to bring back an ordinance to deal with impact fees.

Dan Ford suggested 75%, with opportunity to waive for new development. But, he said the fee would be charged to the developer, not to the builder. He proffered, ‘you build the new road, we will reciprocate by a lower fee to you’.

Debbi feels the fees should be apportioned between the builder (payable at building permit time) with perhaps 25% to the developer, or 60 % to developer, 40% to homeowner.

Justin T. said he wanted to be careful not to make homeowner pay to help the developer out.

Rick again queried, ‘what fee do you want, and how do you want to split it?’

Debbi then asked, 'how does Brad recoup the money he will be expected to pay for road fees?'

Rick commented, 'there is not a consensus on the Board'. Tom doesn't know if he likes the idea at all. He said it will stymie growth and economic development.

He commented, 'it is really a tax, and should be reflected as such!'

Rick recommended that the Board hold off and think it through. 'We will have to defend the decision to the public. We have paid for the study, we have the information, when ever you want to institute it, is o.k.'

Rick recommended moving this issue to November 3, 2008. He asked the Board members to write down thoughts on how to address the situation considering the multiplicity of facets on facts.

Action Agenda item # 8: RHA Scope of Work:

Justin said the Board would need to make a (formal) decision to adopt it. Dan wants to make sure that Bayfield gets its share of down payment loans. Justin re-affirmed, 'we will be sure that we will get our share'.

Tom asked if this was an overall scope. Justin said 'yes, the counseling and down payment items were the most popular. The emphasis is getting people to buy homes here'.

Tom Au made a motion to accept the Proposed Scope of Services between RHA and the Town. Justin T. seconded. The vote was six in favor. Motion carried.

Action Agenda Item # 9: Sewer Plant:

Justin provided a Master Budget, a copy of the Construction Contract, the engineering contract, detailed budget for C) #4, a copy of the engineering contract for C) # 1-3, and a current 2 week construction schedule for the Boards review. He asked the Board for direction on what information they would like to review and what detail he needed to provide, i.e., what depth the Board wants to be involved.

Stantec is taking 15%. Bob asked if that was in accordance with the contract.

Justin answered, 'the 15% would be gravy for them. They take on the liability, if they don't do a good job, it is to their detriment'.

Bob questioned Change Order #4. Justin explained that he had it wrong on the budget but the numbers on the Change Order are correct.

Rick asked the Board how often they want this information. Bob appreciated the bi-weekly updates given on the projects by Marty. It is important to be on top of the situation. Justin asked if he could make minor changes, and decisions on the fly. He asked if the Board was willing to put a cap amount on what he would be allowed to approve without Board approval. Rick responded, 'just e mail us, bring back any discretionary choices' Robert concurred, just e mail any change orders. Delays cost money.

Dirk suggested the Board appoint two or three members to serve as intermediaries, as an interim committee. Then, if they need a special meeting, go that way.

Bob and Tom were appointed to serve in this capacity. Justin is going to submit a supplement grant to help with the wastewater treatment facility.

There is a lift station to build. There is a \$600,000 gap between costs and grants.

Action Agenda Item # 10: Holiday Calendar:

Justin created a calendar to show activities during the holiday season.

The 2009 Budget will be presented on December 2 for final approval.

Rick wants to do a traditional dinner for staff and board. Justin has been thinking about this.

The Planning Commission meeting that was scheduled for November 11, 2008 (Veterans Day) has been re-scheduled for November 12. The October Planning Commission meeting is cancelled.

The Board requested that Agenda Item # 13, New and Unfinished Business, be moved to be heard before the two executive sessions scheduled.

November 4 is the regularly scheduled date for the first Board meeting in November.

However, November 4 is the General Election. The Board requested that the first meeting in November be set on November 3, 2008. This is a Monday night.

Justin C. received a letter from the Department of Local Affairs, confirming a grant is awarded to the Town (50%, 50%) for a plow and a back hoe.

CDOT sent a letter to the Town offering to buy out the section of old highway 160 B.

The Town would take over ownership and maintenance, and would receive substantial cash inflow in exchange for the agreement. Justin said the Board may want to consider the offer, he suggested the Town ask for \$10,000,000.

Justin gave some statistics on the old Bayfield sanitation plant.

The Town needs to get Rocky Mountain Cables franchise completed. Wayne needs to visit with Justin.

Infrastructure estimates have not been received from Trautner yet.

Tom commented that Marshal Harrington would like to have the Board re-visit the nuisance ordinance.

Justin has discussed having Bif take on the responsibility of being a code enforcement officer.

Rick received a letter from Sara Merritt, requesting the Town place sidewalk from the Conoco Station to the Shell Station.

Even though the State gave the Town an enhancement grant, it cost the Town \$150,000 to run the sidewalk from here to the post office. Her request would run close to one million dollars.

The Historical Society just submitted their grant request for the old town hall building.

We are having an appraisal done. The grant will be based on the appraisal.

Regarding renting the new town hall.....Rick would rather they use the old building.

Justin wants to make the new facility open for public use.

Rick said the Board has received a letter or resignation from Russ Jones, due to health concerns. There is now an opening on the Town Council.

The Board has 60 days to fill the position. He recommended they decide ahead of time what they want as qualities. Staff needs to publish the vacancy, and solicit applicants.

We must appoint someone by the first meeting in December (December 2, 2008). Have the criteria available before the October 21 meeting.

Rick informed everyone that he will not be here Oct 21.

Action Agenda Item # 11: Executive Session C. R. S. Section 24-6-402- (4) (e) School District Request:

The Board recommends postponing this agenda item to a future date.

Action Agenda Item # 12: Executive Session C. R. S. Section 24-6-402 (4) (e) Consent Order From the State of Colorado:

Tom Au moved to go into Executive Session, citing CRS- 24-6-402 (4) (e) for purposes of negotiations. Debbi Renfro seconded. The vote was six in favor. Motion carried.

The Board moved into executive session, 10:55 p.m.

The regular meeting re-convened. No formal action was taken in item # 12.

Motion to adjourn. 11 P.M.