

Town of Bayfield
Regular Town Board Meeting
July 20, 2010
1199 US Highway 160B Bayfield, CO 81122

Town Board Members Present: Dr. Rick K. Smith, Tom Au, Ed Morlan, Gabe Candelaria, Debbi Renfro, Justin Talbot

Town Board Members Absent: Dan Ford

Staff Present: Justin Clifton (Town Manager), Dirk Nelson (Town Attorney), Marianne Jones (Town Clerk), Dot Caton (Finance Director), Joe Stewart (Assistant Public Works Director), Tracy Reuther (Senior Center Coordinator),

Planning Commissioners Present: Joe Mozgai

The meeting was called to order @ 7:03 p.m.

Minutes: Gabe made a motion to approve the minutes from the July 6th, 2010 Regular Town Board Meeting as submitted. Tom seconded the motion. All were in favor, motion passed unanimously.

Joe Mozgai (402 Dove Ranch Road) commented that the Lions Club pancake breakfast was an extremely successful fundraiser on the 3rd of July. Joe thanked the Board for moving the festivities to the 3rd instead of holding them on the 4th.

Butch Prior (1338 Hwy 160B) stated that he was disappointed that the parade did not follow the usual route. He explained that he had 30 people sitting in front of his house on Hwy 160B that were waiting for the parade and the parade did not end up coming by their location as they have always done in the past. He asked why it was changed and requested that the Town advertise the parade route more thoroughly in the future.

Justin answered that the staff regrets that this happened. He explained that the parade route has never been established beyond Mill Street. However, over the last three years it has come down Park Street and he realizes that people began to rely on that. Justin stated that he will make sure that the parade route is more heavily advertised and that people are well aware of where it will be going so that this doesn't happen again in the future.

Rick reiterated that the staff will make sure it's better advertised in years to come.

Justin introduced Tracy Reuther, the Senior Center Coordinator. He stated that she has been doing a great job at the Senior Center. She has been writing grants, getting grants, doing health based programs, and managing the day to day operations. He said that she has become a very valuable member of the team.

Action Agenda Item #1: Approval of Bills

Justin requested 3 additions to the bills. 1) \$5390.50 to Schlessman Concrete for repairs done on Park Street. 2) \$1515.00 to scorekeepers and umpires for softball services 3) \$7066.26 to La Plata Electric for the transformer upgrade for the Gem Village Lift Station.

Gabe made a motion to approve the bills dated July 16th, 2010 as presented including the additional invoices to Schlessman Concrete, La Plata Electric and the scorekeepers & umpires for softball. Tom seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #2: Town Updates

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Gabe asked how many bidders showed up for the pre-bid meeting for the Mesa Water Valve Project & the Road Rehabilitation Project.

Justin answered that there was 5 on the Mesa Project & 3 on the Road Rehabilitation.

Gabe commended the letter put together by Dirk to Smith & Loveless regarding the problems with the Gem Village Lift Station.

Ed asked about the Gem Village Lift Station hauling costs.

Justin explained that the staff came up with an estimate of costs for wastewater hauling on the project. The amount was higher than what was anticipated. The staff left the budget with the amount projected and the amount actually spent so that it gives a good picture of how the project is progressing. However, the contract with Crossfire will be closed out with approximately \$30,000.00 left on their contract total. The low bidder for the decommissioning of the lagoons is approximately \$40,000.00 so there will be about \$120,000 - \$130,000.00 left over on that project once it is completed.

Action Agenda Item #3: Public Hearing – Westside Comprehensive Plan Amendment

Justin gave his staff report. He stated that the Planning Commission has been vetting details of an extension of the Bayfield Comprehensive Plan to include properties west of existing Bayfield. The Planning Commission has had a series of meetings since March to consider appropriate land uses, traffic circulation, parks open space and trails and other important components of the plan first submitted by property owners.

The process undertaken by the Planning Commission was quite extensive and included:

- Notification of all adjacent land owners with 200 feet of any property included in the Plan
- Agency Comment requests to all major agencies
- Review of the 2005 Bayfield Comprehensive Plan
- Review of the CDOT EIS (Environmental Impact Study) including preferred alternatives for Highway 160 through Gem Village and the proposed relocation of the Highway 160/160B intersection
- Review of additional components of the CDOT EIS including wetland impacts, excluded alternatives and public processes
- Review of materials submitted by CDOT and La Plata County
- Numerous Public Hearings

Very few changes were recommended from the first submittal to the final product. Primarily the changes included:

- Adding additional information to maps including property owner name, property size and proposed unit counts or square footage of commercial space
- Minor modification to proposed land uses including an open space buffer between industrial and residential uses, relocation of commercial space on the Grush property and reclassification of commercial space on the Grush and Phelps property to "Transitional."
- Adding a narrative to the Plan to capture important context and information not included on maps such as proposed park concepts north of the highway.

Justin explained that CDOT plans to relocate the intersection of Highway 160/160B to a different location. The applicant and the Planning Commission both feel that it would be in the best interest of the Town to leave the Highway 160/160B intersection in its current location. The recommendation is to make it a full movement, fully signalized intersection with commercial development around the intersection. A letter received from CDOT (included in the packet) opens the door to make that change to the EIS and it spells out the process for how to do that.

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The floor was given to the applicant.

Nancy Lauro with Russell Engineering stated that she is representing Homestead Trails, Bob Martin, & Paul Peeples. She explained that the Planning Commission, the staff, and the applicants have been working on this process for a long time and she said that the applicants really appreciate all of the work that has been done. She explained that in order to come up with the plan, they filled in the gaps from the existing area of the Comprehensive Plan to Homestead Trails. Homestead is under development and is already going through the process to annex into the Town. However, improvements must be made to the intersection at Hwy 160/160B before it can develop further. She explained that the three property owners that she represents are willing to put in the intersection at the current location. However the CDOT EIS states that the intersection will be moved to a different location. The applicants do not want to put money into the intersection where it is currently if there is the potential that CDOT is going to rip it out in the future and move it. The hope is that once this plan is passed, the Town and the applicants will request to have the EIS re-opened and possibly get the plan changed so that it leaves the intersection in the current location.

Nancy stated that there are trails that run throughout the Homestead Trails subdivision and a large community park. There will be commercial uses near Highway 160 and retail/commercial uses on the Peeples property. The land use zoning designated on the map is based on what the properties are zoned in the County on all of the properties that did not request changes. She asked the Board to adopt the Westside plan but clarified that adopting it does not guarantee property owners any rights. It is just a picture or vision for the Town's growth to the west.

The item was opened for public hearing. None was offered so it was immediately closed.

Justin mentioned that Joe Mozgai, one of the Planning Commissioners is in attendance if the Board had any questions regarding their decision.

Joe stated that there was a lot of discussion regarding the intersection. The Planning Commission decided that they would like to keep it in the current location and was supportive of following the process to re-open the EIS and request the change.

Ed said that he thinks it's a good plan but wanted to know the fiscal impact to the Town.

Justin answered that the Town has not looked at a cost analysis for the entire plan; however, Homestead Trails did have a consultant prepare an economic analysis which states that their addition will be a net benefit to the Town. Also, commercial growth will also produce a benefit for the Town once it is developed. However, it is possible that it might not be a win/win situation for awhile if the Town takes over roads and maintenance of Homestead before there's any commercial growth to help offset some of the costs. But there is also the potential that the growth will happen quickly and the benefit will come sooner rather than later. He feels that the long term rewards will be great for the Town once these properties begin to develop.

Justin Talbot asked if improvements to County Road 509/Highway 160B was discussed.

Justin answered that it wasn't discussed because there is already a plan in place that Homestead Trails will improve site distance in that location when they begin developing in that area. They will have to participate in financing the movement or replacement of the siphon for the ditch in that location and some relocation of gas lines in order to improve site distance. It has also been discussed that once the Town acquires Highway 160B, that it could put in a 4 way stop at that intersection to help improve safety.

Tom asked what needs to be done to get the EIS changed.

Justin answered that the Town will need to formally request to amend the EIS. The challenge will be to show that the intersection in its current locations meets their criteria better than the proposed. If CDOT agrees, they will change their internal documents. Justin explained that getting the documents changed will be difficult.

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Justin mentioned that this particular project is not anywhere on CDOT's radar screen for funding before 2035 and if they do secure funding prior to that the Town will be notified that the change will be occurring. However, the staff hopes to get the preferred alternative changed so that their EIS states that the intersection will stay in its current location.

Gabe mentioned that there is a much greater chance of getting this approved if it is support by the Town of Bayfield. However, there is a risk that it might not be approved by CDOT but there is a better chance of it being approved if the Town, the County and the applicants are all in support of it rather than just the applicants requesting the change.

Ed asked if the applicants are committing to pay any costs associated with the change to the EIS.

Grant Richards with Homestead Trails answered that their intention is to pursue getting the change made to the EIS. They have been given the worst case scenario and they are still prepared to approach CDOT and make the request.

Rick reiterated that the change stands a better chance if the Town, the County and the applicant all work together and he feels that it is in everybody's best interest to pursue this with CDOT.

Ed moved to adopt the Westside Amendment to the Comprehensive Plan. Debbi seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #4: Public Hearing – Ordinance #359 – Flood Plain Code

Justin gave his staff report. He explained that FEMA is updating floodplain mapping which requires the Town to make revisions to the existing code and adopt new maps. Staff was given a checklist from the State concerning comments that should be addressed in the upcoming draft, which for the most part, just requires filling in a few gaps that exist in the existing code. Ordinance 131, written in 1978, predates the Land Use Code so the floodplain requirements were included in the Municipal Code. This ordinance repeals the floodplain section of the Municipal Code and updates appropriate sections of the Land Use Code. The updated floodplain mapping and changes made to the code will be affective starting August 19th.

Staff drafted a revised version of the floodplain code that addresses the checklist. Key components of the draft include:

- Addition of a Citation of the Statutory Authority Section
- Addition of a Penalty Section
- Addition of a Severability Section
- Addition of definitions for "flood proofing" and "historic structure"
- Changes to the title and date of the Flood Insurance Study
- Changes to the Establishment of Development Permit Section
- Changes to the Base Flood Elevation Data
- Changes to AO Zones requiring new and improved residential structures as well as non-residential structures
- Additions to the Flood Base Data regarding a Regulatory Floodway
- Additions to the Manufactured Home Section

He stated that this flood plain information will be included in a new section of the Bayfield Land Use Code where it belongs. If the Ordinance is approved, it will be sent to FEMA for their records so they know that it has been passed and it will give the Town some insurance in the event of catastrophic flooding.

Debbi asked where the flood plain maps are located.

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Justin answered that the Town has copies available if anyone wants to see them.

Justin Talbot asked if there are any areas of Town that the Board should be aware of that are in a floodplain.

Justin answered that the biggest area of concern is downtown. Town Hall, the Senior Center, and the New Wastewater Facility are all located in this floodplain. Therefore, precautions were taken during the construction of these buildings to make sure that they were built higher so that they would no longer be in the floodplain.

The item was opened for public hearing. None was offered so it was immediately closed.

Justin Talbot made a motion to approve Ordinance #359 amending the Town Code and Land Use Code regarding provisions for flood damage prevention. Tom seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #5: Supplemental Budget

Justin gave his staff report. He stated that the Town has traditionally only considered Supplemental Budgets at the end of the fiscal year. This year, staff is presenting a mid-year Supplemental Budget. This serves two purposes: 1) It gives staff and the Board an updated document that incorporates new line items and adjusted revenues and expenses; and, 2) It replaces the normal first phase of the 2011 budget process to estimate year end figures. By adopting the year end estimates as a Supplemental Budget, staff and the Board can begin the 2011 budget process with a more accurate document. Additionally, the Supplemental Budget is a way to conduct a more thorough "check in" on how the changes (+/-) effect the bottom line, to make sure everything is on track financially.

Justin stated that the original budget numbers are included on the far right column. Two columns to the left show the supplemental numbers and in between those two are the net change. There is some summary information included below to capture the "highlights" of all the changes.

There are a couple of anomalies that skew the information somewhat. Primarily this includes \$85,000 in CDBG money that is only a "pass through" for Colorado Housing Inc., which means there are equal \$85,000 revenue and expense line items. Second, there is what looks like an additional \$40,000 transfer to Parks and Recreation. This \$40,000 should have been transferred last year as budgeted. Since it was not caught until after reconciling budget number between fiscal years, it was included this year. However, the 2010 year end balance was also inflated \$40,000 by not making the transfer, so the net effect is neutral to the bottom line, but skews 2011 numbers. Justin removed some of these numbers in the summary information so the Board gets a better understanding of the real trends of changing revenues and expenses.

Good News:

- The 2009 year end balance was up \$77,819 even if you include the \$40,000 in expense that should have been transferred to Parks and Recreation last year.
- Year end balances in the 2010 Supplemental Budget are all higher than the original 2010 Budget
- General Fund Expenses are projected to decrease \$35,456 in 2010 after removing the \$85,000 in pass thru grant money and the \$40,000 Parks and Rec transfer from last year. The \$35,456 thus represents real cuts made by staff.

Bad News:

- General Fund Revenues are projected to decrease \$72,814 in 2010 after removing the \$85,000 in pass thru grant money. However, this contemplates that we remain at an 8% decrease in sales tax for the

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rest of the year, fall \$10,000 of property tax collections and receive only 30% of last year's severance tax.

- Although the 2010 Supplemental Budget has a higher year end balance than the original 2010 Budget, expenses exceed revenues by \$84,648 (mostly the product of very conservative revenue numbers).

Below is a table of ending balances for all major funds comparing the 2010 original budget and the 2010 Supplemental Budget:

	YEAR END BALANCES		
	2010 original	2010 Supp	Net Change
General Fund	\$762,200	\$802,661	\$40,461
Parks and Rec	\$51,777	\$77,315	\$25,538
Sewer Op	\$8,434	\$137,308	\$128,874
Sewer Cap	\$37,113	\$152,292	\$115,179
Capital Fund	\$940,534	\$1,301,877*	\$361,353
Water Op	\$81,989	\$179,438	\$97,449
Water Cap	\$94,295	\$139,069	\$44,774
Equipment Fund	\$99,896	\$129,491	\$29,595
Total			\$843,223

*includes \$255K for sale of old Town Hall

The fact that every major fund has a net increase to the year end balance after the Supplemental Budget reflects excellent management by Department Heads, good financial information provided to them by Dot and good leadership from the Board down thru to the staff. Making improvements to an already lean budget is not easy. Justin stated that he is very proud of the staff's effort and thinks the Town will be well positioned going into 2011; especially with modest improvement to revenue collections.

Dot commented that the net change of the year end balances from the original budget to the supplemental is 41% of the original balances. She feels that this is extremely impressive for the Town to be able to improve the fund balances by that amount.

She also pointed out that the revenue decreases projected in the General Fund are extremely conservative. The amount shows significant decreases in interest income and staff really hopes that it won't be as bad as projected.

Gabe asked if the 8% decrease in sales tax is for January – December or just June through December.

Dot answered that she edited the entire 12 months to reflect an 8% decrease in sales tax.

Dot said that there is also a 4% decrease in General Fund expenses to what was projected in the original 2010 budget. She commended the department heads for being extremely conservative with their spending which will allow the Town to keep the high fund balances that it currently has in the funds. Dot stated that the good news far outweighs the bad news financially.

Ed & Rick commended the staff for doing a good job.

Justin said that it has really been beneficial to the Town having Dot on staff to address these issues with a high degree of professionalism and proficiency.

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Gabe made a motion to approve the 2010 supplemental budget as presented for the staff to use as an internal document. Tom seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #6: Town Board Retreat Calendar

Justin gave his staff report. He stated that the Mayor mentioned after the last meeting that staff might look toward early September rather than late August for the Board retreat. Justin checked with Anna Poole and she is available. Justin asked the Board to solidify one of the following dates:

- September 4th (Labor Day Weekend)
- September 11th
- September 18th

Justin commented that he would like for the retreat to happen sooner rather than later if the Board wants to have a meaningful conversation about the budget. The budget calendar contemplates having a first draft to the Board in early November.

The Board determined September 11th for the Town Board Retreat date

Action Agenda Item #7: GOCO Grant Cycle

Justin stated that he made a mistake in thinking that the grant deadline was August 2nd for the GOCO grant. The grant deadline is actually August 27th so there is additional time to discuss this item at another Board meeting.

Gabe made a motion table this item. Ed seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #8: Liquor License Renewal - Mill Street Brews & Pies

Tom made a motion to approve the liquor license renewal for Mill Street Brews & Pies. Gabe seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #9: New/Unfinished Business

Justin asked for a head count for the County Road 501 Trail ribbon cutting.

3 Board Members stated that they will attend.

Gabe asked if he has received any report from the Fire Department regarding fire conditions/fire bans within the Town.

Justin answered that he has not received any information but he will check into it for the Board and let them know at the next meeting.

Gabe suggested putting any information received on the website for the public to review.

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Debbi asked if it would be possible to pursue getting a grant for storm drainage on the north side of Town.

Justin answered that the direction he received from the Board was to apply for a grant to redo Mill Street during the August cycle of grants. However, there is another grant cycle in December and it might be possible to look at that project at that time.

Ed asked if the old Town Hall has been sold.

Justin answered that it is under contract to the Heritage Society. They were awarded a grant from the State Historic Fund to purchase the building. It will be sold for \$255,000.00. The building was leased to them pending the sale of it.

Gabe asked if the Town intends to sell the Gem Village property.

Justin answered that the staff has discussed it internally but nothing has been decided yet.

Justin mentioned that the Town Code states that the Public Works Director can impose water restrictions as needed. The Town anticipates the river will go on call and many of the Town's water rights will not make the cut. This means that the Town will not be able to draw water from the river. The Town purchases 30 acres of storage water from Pine River Irrigation District at regular price plus 60 acres of flex water storage (which is purchased at a reduced rate). However, the contract with Pine River Irrigation District states that if the Town uses any of the 60 acres of flex water storage those acres will become permanent and the Town will have to pay full price for those water shares every year. The Town doesn't want to do this if at all possible. Therefore, restrictions will be imposed that will include not watering during the middle of the day, odd numbered addresses watering on odd calendar days, & even numbered addresses watering on even calendar days. These restrictions will save the rate payers in the long run.

Rick stated that the Colorado Housing Finance Authority sent a letter to the Town to let them know that Opportunity Builders is applying for funds for an affordable housing project in the Mesquite Court phase of the Southviews Subdivision. The Town has the opportunity to comment on this project. Rick mentioned that the Town has had problems with this builder in the past and thinks that it might be a good idea for the Town to comment on the project.

Tom asked how they are going to get funding approval when they're applying to build in a subdivision that is not approved.

Justin answered that there is no regulations against them submitting for funds; however, if CHFA does their due diligence they will ask the Town for the status of the approval. Justin suggested that he could go ahead and write a letter stating that the subdivision does not have approval, the Town has not worked well with this builder in the past and the Town does not support the project.

The Board requested that Justin write the letter.

The meeting was adjourned @ 8:15 p.m.

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Minutes were approved as submitted on August 3rd, 2010.

Approved:

Rick K. Smith
Mayor

Marianne Jones
Town Clerk