

Town of Bayfield
Regular Town Board Meeting
July 6, 2010
1199 US Highway 160 B Bayfield, CO 81122

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

Staff Present: Justin Clifton (Town Manager), Dirk Nelson (Town Attorney), Marianne Jones (Town Clerk), Dot Caton (Finance Director), Chris Choate (Marshal),

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

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

Minutes: Ed requested one change to the minutes from June 3rd, 2010.

Gabe made a motion to approve the minutes from the June 3rd, 2010 Regular Town Board meeting as amended. Justin seconded the motion. All were in favor except Tom, who abstained

Debbi requested an addition & Tom requested one change to the minutes from June 14th, 2010.

Tom made a motion to approve the minutes from the June 14th, 2010 Regular Town Board meeting as amended. Gabe seconded the motion. All were in favor except Ed, who abstained.

General Public Input: Shane French (43475 East Hwy 160) stated that he needs to get a code variance for 381 East Colorado Drive Suite #1.

Justin Clifton suggested that Shane come and see him with his request so that he can tell him the proper protocol for requesting a variance.

Phylis Ludwig (9205 County Road 521) mentioned that there is water coming up in her field.

Justin Clifton responded that it has been determined that there is some spring activity adjacent to the sewer treatment plant that could be the result of the new sewer plant.

Phyliss requested that she would like for the Town engineer to come and look at it to make sure that there are no issues.

Justin Clifton answered that the engineer is already scheduled to come on Wednesday July 7th, 2010.

No additional public comment was offered.

Action Agenda Item #1: Approval of Bills

Tom made a motion to approve the bills dated July 2nd, 2010 as submitted. Gabe seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #2: Town Updates

Gabe commented that a lot of the contingency money has been spent in the Sports Park budget.

Justin Clifton responded that he didn't want to change the budget document very much so there were a lot of items posted to the contingency line item. However, the scope of the project has changed and there are

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some items that are not going to be purchased because it was determined that there were other priorities. The project is still under budget overall.

Dan asked about the completion of the County Road 501 trail.

Justin Clifton answered that he received the award letter from CDOT today; however, he is unsure when the Town will receive the funds. The Town will go out to bid as soon as he receives the contract information about when the funds will be awarded.

Dan asked when the road rehabilitation project will begin.

Justin Clifton answered that the requests for proposals will be advertised within a week and the Town hopes to begin the project at the beginning of August.

Justin Clifton asked the Board if they want Dot to attend all of the Town Board meetings.

The Board determined that they only want Dot to attend the meetings when requested.

Tom asked what action is going to be taken with Smith & Loveless (the manufacturer of the Gem Village Lift Station).

Justin Clifton responded that the Town did receive a free motor from Smith & Loveless. They paid to fix the broken motor and sent the Town a new one. However, they are retracting their earlier commitment to give a 2 year warranty on the Lift Station. He asked for some additional direction on how much pressure the Board would like him to apply to come up with a solution to the problem.

Rick suggested getting Dirk involved to draft communication to Smith & Loveless in order to step up the pressure. .

Gabe suggested that Dirk should draft a very detailed letter and then the Town should send it out to all pertinent people in the company.

Dan suggested that it might be beneficial to have Dirk attend a meeting with Smith & Loveless.

The Board agreed that they would like Dirk to get involved as necessary.

Debbi asked about if the Board should consider using a local contractor for the Mesa Water Valve project considering the issues that have happened with Smith & Loveless. She thinks it would be easier to get warranty work if a local contractor is used.

Justin Clifton clarified that he needs some direction from the Board about where to post the advertisement for bids.

Tom responded that he would like to see the money stay in La Plata County. He wants the local contractors to stay busy so they don't have to move somewhere else.

Gabe stated that he feels that a larger company could come in and do this project for a lot less money. And he wants to make sure that the tax payers are getting the best value out of their tax dollars.

It was determined that Justin Clifton will notify some of the plan rooms throughout the state of the project but only formally advertise it through the local newspapers.

Action Agenda Item #3: Audit Presentation

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Justin Clifton gave his staff report. He stated that there has been a lot of back and forth between Town staff and Mike Branch, the Town auditor. It has taken a lot of effort to get Mike to address Dot's concerns with the first draft of the audit.

Justin Clifton stated that the appearance of the document is par with the rest of Mike's efforts. The staff continually requested an electronic copy of the audit. The Town requested this because they want to avoid using paper whenever possible and because the continued effort to edit and correct his draft did not leave time to print hard copies and distribute them to the Board. Unfortunately, he faxed corrected copies of the audit and staff had to scan it at Office Depot to send to the Board. Justin Clifton said that he is embarrassed to submit this document to the Board. However, staff will be happy to approve the audit and look forward to working with another firm next year.

The floor was given to the auditor, Michael Branch.

Michael stated that the overall financial condition of the Town of Bayfield is extremely healthy. There is substantially more reserves available in the General Fund than what is required by state statute. Revenues were down in the General Fund due to a decrease in the amount of tax dollars collected but expenditures were down as well. Cash Reserves are substantial in the Capital Projects fund. The Conservation Trust Fund's expenditures exceeded revenues but that was due to a grant that was not received until the beginning of 2010. The Water fund is very healthy. Revenues exceeded expenditures. Michael commented that the amount collected in tap fees was actually higher than 2008.

Michael expressed some concern about the ability of the Sanitation Fund to service their debt. He suggested that the Town will need to be extremely cautious for years to come and continue to monitor the rates as opposed to the debt service requirements.

Michael stated that the Town's internal controls are adequate to ensure the safekeeping of the Town's assets. He feels that the cash and the cash expenditures are being monitored closely.

Michael stated that he has been the auditor for the Town of Bayfield for the past 13 years and he has seen more progress in Bayfield than any other location on the western slope. He congratulated the Town for their progress and announced that he will be retiring from being the auditor for the Town.

Michael then went through a detail of some of the balance sheets & detail sheets in the audit.

Ed made a motion to accept the 2009 audit as submitted. Tom seconded the motion.

Gabe asked for comments from Dot.

Dot answered that she is disappointed in the quality of the audit and there are still some errors but she does feel comfortable that the numbers are substantively correct. She suggested that it would be in the Town's best interest to pay a little more and receive much higher quality audit in the future. She is happy to be done with the process and able to move on.

Justin Clifton agreed with Dot's statements and stated that Dot could not have tried any harder to make sure that the numbers in the audit were correct when it was presented to the Board. He stated that he trusts her opinion that the audit is good enough to accept and present to the State. However, he also suggested stepping it up for the 2010 audit.

All were in favor, motion passed unanimously.

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Action Agenda Item #4: Road Runner Transit IGA

Justin Clifton gave his staff report. He stated that Road Runner Transit circulates an IGA every three years to the local governments. The IGA does not relate to funding but rather establishes the authorization for Road Runner to operate on municipal roads. He requested the Board's approval of the IGA.

Gabe asked if this IGA limits other transit companies in any way.

Justin Clifton answered that the IGA does not grant any exclusive rights whatsoever.

Dan made a motion to renew the IGA with Road Runner IGA for 2010 – 2013 per their request and notify all the jurisdictions using the draft letter of the Town's intent to renew. Gabe seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #5: Town Board Retreat Agenda

Justin Clifton gave his staff report. He stated that the Board has discussed the idea of using the Board retreat as an opportunity to discuss Board capacity building, as well as address some project related items. Justin Clifton explained that he is limited in his ability to effectively address capacity building at the Board level. For this reason, he has looked into the possibility of bringing in a third party. After polling some of his colleagues he was referred to Anna Pool, who has worked with numerous Board's in the area and has a wealth of experience and expertise around leadership and organizational excellence in public and private settings. Justin Clifton encouraged the Board to consider dedicating a significant portion of the retreat agenda to having Anna come in as a facilitator/consultant.

Justin Clifton stated that Anna's resume and draft agenda is included in their packets. Her recommended program is to conduct interviews with each Board member and key staff. She would use this information to tailor discussions with the Board at the retreat. Justin Clifton stated that he feels this would be an excellent alternative to attending CML conferences, which entail considerably more cost with less of an individualized approach. Hiring a consultant of this caliber will bear fruit by enhancing the way the Board and staff conducts business. This is an opportunity for everyone to improve as individuals and as a team.

Justin Clifton said that although he thinks incorporating this activity into the retreat is a great idea, it will limit the ability to address work items. However, there are almost limitless opportunities to discuss work items on regular meeting agendas, pre-meeting work sessions, etc. The opportunities to have this kind of focused conversation about "how" to conduct business is much more rare and appropriate for a retreat. It is possible that the outcomes of this conversation will also give new tools for undertaking the work related discussions.

Justin Clifton explained that there is money in the budget to cover the proposed fees for the consultant. There is over \$800 available in Town Board meetings, \$500 in Town Board office supplies and \$720 in unspent payroll taxes for the Mayor and the Town Board. Justin Clifton also has almost \$1,000 unspent in the Town Manger travel and meetings that is available. Justin Clifton said that he would be interested to try and decrease the fee by limiting Anna's involvement to less than the full day.

Justin Clifton asked the Board for feedback and direction on this component of the agenda before establishing time for other work related items. He said that he is looking not only for approval or disapproval but any suggestions on her proposed agenda such as the Myers Briggs testing and discussion.

Dan responded that he thinks it would be a great thing to have this kind of facilitator in order to solidify the relationship and efficiency of the Board.

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Rick & Gabe both concurred with Dan.

Rick stated that he likes this idea and suggested that the Board might like to consider having an additional meeting once per quarterly to discuss some of the more important items. He thinks the staff should set up the retreat following her agenda but scale it back so that there is a little bit of time to discuss other Town items as well.

Justin Clifton stated that he will scale her agenda back to 4-6 hours so that the Board can come up with a budget philosophy. Justin Clifton will also make sure that the fee is adjusted accordingly.

The Board agreed with this decision.

Justin Clifton stated that he will set up interviews with Anna and the Board members prior to the retreat date.

Ed mentioned that he will be out of Town on August 28th, 2010.

The Board decided that the retreat would be held on August 14th, 2010 if Anna is available on that date in order to accommodate the Board members so that they can all attend.

Action Agenda Item #6: Upcoming Grant Cycle

Justin Clifton gave his staff report. He stated that there are a couple of grant opportunities on the horizon that Justin Clifton wants to begin to plan for. He explained that there is a new round of the Energy Impact Program. The Town has relied heavily on this program because it is fairly open ended and favors communities with natural gas activity. The program was put on hold most of the last year because the State legislature took the funds to backfill the state budget. The future of the program is also a bit precarious because the revenues for the program come from severance tax and federal mineral leases, both of which are affected by the price of natural gas. The program has had as much as \$140 million available in previous years. This year the program will have about \$70 million with substantially less forecasted for the next few years.

The second grant opportunity is a Great Outdoor Colorado (GOCO) grant. The Town has used GOCO for two phases of Joe Stephenson Park and an upgrade to Mesa Park. The GOCO program seems to be more stable than Energy Impact as the funding comes from the sale of lottery tickets. However, it is difficult to take advantage of more than one cycle per year. The planning and coordination of additional revenue sources is time consuming. An August 2010 grant deadline would mean a project in 2011. Failure to establish a project and grant request by August would likely mean no significant projects until 2012.

Justin Clifton asked the Board for direction on whether or not to apply to either program for funding and if so for what projects. Either grant would require about 25% cash match. On the parks side the cash match could come from fee in lieu payments or Conservation Trust funds, both of which are restricted to parks and open space. An Energy Impact grant would likely require cash match from the Capital Fund, as most Energy Impact program grants are capital related. He gave some project ideas:

Energy Impact Grant:

- **Resurface Mill St.** Mill St. is in desperate need for resurfacing. It was not included in this year's program because the Town is so behind on road maintenance that it's prioritized the patching, concrete pans, crack sealing and chip sealing. However, Mill St. represents the most heavily traveled road in the worst condition. It is overdue to be fixed and will likely have to be fixed in the

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next few years regardless. Taking advantage of funding while it is available could be a very good idea.

- Cost: \$235,000 to \$350,000 (a mill and overlay only is \$235,000)
 - Cash match: \$58,750 to \$87,500
 - Source of cash match: capital fund, 160B money, one time contribution from General Fund or some combination
- **Waterline looping.** The Town has discussed the need to loop waterlines in Town. Priorities would include the loop at County Road 501 to the business park and the 8 corners to Pearl St connection to loop downtown. This project would be less likely to receive full funding because Water Enterprises are supposed to be self sufficient. The Town has also received significant funding for the water and sewer system from DoLA the last 5 years.
 - Cost: \$100,000 to \$300,000 depending on chosen projects.
 - Cash match: \$25,000 to \$75,000
 - Source of match: Water Fund

GOCO Grant

- **Phase III of the Sports Park.** Although the Town has spent significant funds at the Sport Park, there is need for many improvements including: grading for better parking, creation of a hard surface walking trail to replace the old dirt track, turf improvements, irrigation system improvements, landscaping or other park amenities (basketball courts, playground, volleyball, skate park, etc.).
 - Cost: \$300,000
 - Cash match: \$50,000
 - Source of match: Fee in lieu, conservation trust funds, parks and rec reserve balance, La Plata County contribution, capital fund or some combination
- **Gosney Park replacement.** Similar to Mesa Park, the Town could overhaul Gosney park, the only neighborhood park on the north side of Town. This would entail removing old equipment and replacing it with new.
 - Cost: \$40,000 to \$80,000
 - Cash match: \$10,000 to \$20,000
 - Source of match: Fee in lieu, conservation trust funds, parks and rec reserve balance, capital fund or some combination

Gabe said he would like to see a Parks & Recreation facility built for the staff to store all of their equipment. He feels that this would be a good use for grant funds.

Justin Clifton responded that GOCO would not be willing to fund such a project so the money would have to be applied for through DOLA but Justin Clifton doesn't feel that DOLA would be as apt to fund a parks project because they don't see parks as essential to the community.

Rick asked if it would be possible to do the parking lot between the Senior Center and Joe Stephenson Park.

Justin Clifton responded that GOCO generally will not fund parking lot projects. The funds would have to come from DOLA and that's another one that's not quite as favorable through DOLA.

Debbi mentioned storm sewer/master planning for drainage.

Justin Clifton said that is a possibility.

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Ed asked about Gosney Park. He thinks it might be a better idea to just keep it a natural type park instead of adding park equipment because of the lack of use.

Justin Clifton said he thinks that new play equipment might encourage more use at that park.

Rick said that he feels that getting Mill Street redone is the most important item to pursue.

The Board concurred and it was decided that Justin Clifton will bring back more information on that project.

For the GOCO funds it was decided to have Justin Clifton bring back information on the project that ties in grading of the parking lot, create a concrete mile track in Joe Stephenson that ties into the concrete at the baseball fields and some other improvements at Joe Stephenson.

Justin Clifton stated that he will bring some conceptual costs for both projects to the next meeting for Board approval.

Action Agenda Item #911 Authority Board Seat

Justin Clifton gave his staff report. He stated that the Town serves on the 9-1-1 Authority Board. This agency governs the surcharge revenue collected from telephone service providers that supports the dispatch communication centers in Durango and Ignacio. Although the Town does not contribute funding to this group, management of the surcharge funds does impact the fee charged by the dispatch center for service. Justin Clifton took Jim Harrington's seat on this Board 2-3 years ago.

The 9-1-1 Authority Board is made up primarily of law enforcement staff and Justin Clifton feels that he has provided the 9-1-1 Authority Board with significant administrative expertise to help establish a firm foundation for years to come, which was the point of his participation. The Board has also hired a consultant firm as staff, which creates greater stability. For this reason, Justin Clifton would like to relinquish my seat to Marshal Choate. The 9-1-1 Authority Board requires Board appointment of this seat. If approved, Justin Clifton will draft a letter for the Mayor to sign.

Ed made a motion to appoint Chris Choate to the 9-1-1 Authority Board Seat. Debbi seconded the motion. All were in favor, motion passed unanimously.

Action Agenda Item #8: New/Unfinished Business

Tom mentioned that the 4th of July parade went very well but he received a complaint that it was a block short and some people were not aware that it was going to a different route. Tom also mentioned that County Commissioner, Kellie Hotter is trying to get the Medical Marijuana Dispensary decision on the ballot in November. The commission will be making a decision on that matter on Tuesday July 13th, 2010.

Dan said that he is very proud of the Town Board for dealing with the medical marijuana issue when they did while other municipalities are still grappling over the decision. Justin Clifton also asked about the refinancing of the Town Hall.

Justin Clifton answered that he has followed up with Wells Fargo but he still hasn't heard anything.

Justin Clifton reminded the Board about the Municipal Summit which will be held on July 27th, 2010. He encouraged the Board members to attend because he thinks they are beneficial.

The meeting was adjourned @ 8:54 p.m.

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Minutes were approved as submitted on July 20th, 2010

Approved:

Rick K. Smith
Mayor

Marianne Jones
Town Clerk