



MEETING MINUTES OF THE CITY COUNCIL

City Council Chambers
448 East 1st Street, Room 190
City of Salida, Colorado
Tuesday, May 3, 2016 6:00 p.m.

- I. REGULAR MEETING CALLED TO ORDER –
- II. PLEDGE OF ALLEGIANCE – Led by Mayor Jim LiVecchi
- III. ROLL CALL

All were present during roll call with the exception of the City Treasure, Theresa Cortese and the City Administrator, Dara MacDonald.

IV. PRESENTATION

A Little Help – Marilyn Bouldin

Ms. Bouldin gave an introduction and presented a video about A Little Help and how it has helped seniors.

V. CITIZEN PARTICIPATION – 3 minute time limit. *Citizen participation is for items not on the agenda and for agenda items that are not scheduled public hearings.*

Jeffrey Suazio of Salida stated that he speaks for himself and a business of 25 employees when he says that Dara MacDonald has been a great person for the City. He continued to state that Dara has been great for his business, projects and the vision of the City.

Vickie Sue Vigil of the Salida Business Alliance stated that the Five Fabulous Days of Salida will start on Friday, June 30 and end on July 4th with the fireworks. She continued to that the United States Air Force Band will be in Salida this year. Vigil stated that the second half of the SBA meeting will be dedicated to affordable housing.

Louise Fish of Salida asked if there would be any benefit to adding the NRCDC to the City's balance sheet. She stated that there would be added cost if the NRCDC is added to the City's audit. She also was not sure if there would be added cost to add it to the accounting software. Fish asked if adding the NRCDC to the books would make it difficult to later sell the property without it going to a vote of the people. Fish asked the audit committee if the CPA approached the Audit Committee and said that it must be on the City's books or if the Audit Committee approached the CPA and ask if it could be put on the City books. She stated that there is a difference between the auditors saying that something must be done and the auditor being asked if something can be done.

Shawn Gillis of Salida stated that he is worried about what he is seeing regarding the settlement with Jeff Auxier. He stated that there was a settlement by the judge and did not feel it was right for the City to let it go. Gillis continued to state that he felt the City Council should be sticking up for their staff. He felt it set a low standard for the people that take care of the City. Gillis stated that there has been over ten million dollars leveraged for various projects in the City. Gillis gave his notes to the City Clerk.

Jeff Auxier of Salida stated that the Administration has often spoken of the attorney's fees being spent. He stated that the Administrator and the former City Attorney decided to defend the case without obtaining the consent of the City Council or public discussion. Auxier stated that the City has picked up the reporting somewhat and in a work session Bob Salmi and Dara MacDonald stated that getting the bids out sooner was saving money. Auxier stated that the attorney fees were 3% of the street projects and the savings could be used for the attorney fees. He continued to state that some of the allocations have not been broken out in the budget since 2009.

Ray Kitson of Salida stated that the City should have collected the fees in the Auxier case. He stated that his businesses are better because of Dara MacDonald with all of the work that she has done. Kitson stated that careful judgement should be used when reviewing Dara. He continued to state that he read the complaints that were filed against Dara MacDonald and felt the majority are from the same group of people. Kitson stated that there is a lot of mean spirited stuff going on and that they will find Dara is a great asset to the City of Salida.

VI. SCHEDULED ITEMS

06:36:30

- 1. Consent Agenda** (Christian Samora)
 - a) Approval of Agenda
 - b) Approval of Minutes: April 19, 2016
 - c) Salida Classic Bicycle Race
 - d) Salida Business Alliance 4th of July
 - e) Salida Chamber of Commerce Wine Festival
 - f) Central Colorado Foodshed Alliance Farmer's Market
 - g) Deb Bass & Ryan O'Brien Block Party Street Closure Request

Granzella motioned to combine and approve the items on the Consent Agenda. Brown-Kovacic seconded the motion. With all in favor, THE MOTION CARRIED.

06:37:14

- 2. Short Term Vacation Rental Licensing & Regulations, 2nd Reading & Public Hearing** (Jan Schmidt)
Ordinance 2016-11 creating a new Article V of Chapter 6 of the Salida Municipal Code in order to establish short-term rental business licenses

Schmidt gave an introduction and provided background information. Schmidt provided an overview of the various elements of the policy and what benefits it would provide.

Bowers asked how the street maintenance would be applicable. Granzella clarified that it was under 6-5-40 in the ordinance. Schmidt stated that the ordinance could be revised because the intent is not to add more responsibility regarding maintenance.

Brown-Kovacic asked when the ordinance would be effective to allow time for people to be registered. Brown-Kovacic suggested a July 1 effective date.

Rogers asked what if a customer just paid \$1000 and didn't register. Schmidt stated that she felt it would likely be a code violation. Bowers stated that it would probably be cited into Municipal Court.

Mayor LiVecchi opened the public hearing.

Lawton Eddy of Salida stated that she felt the ordinance was a reasonable and appropriate course to take in consideration of compliance. Eddy stated that regulations to limit the number of short term rentals may not be a one-size-fits-all for all of the neighborhoods in Salida. She did not feel that a limiting the number of nights that a home may be rented would be helpful. Granzella asked Eddy about home owner's insurance claims receiving substantial claims. Eddy stated that in the nine years that she has been managing, there

have not had any claims. She continued to state that some insurance companies will not cover short term rental, while others specialize in it.

Monika Griesenbeck of Salida stated that she recently learned a vacation rental will be across the street from her. Griesenbeck stated that she was concerned that parking and noise may be an issue. She continued to state that she felt the vacation rentals are having a somewhat negative impact on the community. Griesenbeck felt that maybe there should be other industries in the community, so that the community is not only dependent on tourism.

Bill Smith of Salida stated that the percentage of owner occupied homes in Minturn is 43%. He continued to state that people from Vail are starting to buy up homes in Buena Vista. Smith stated that every vacation rental in Salida is illegal according to the code. Smith stated that there should be a moratorium until a solution can be figured out.

Susan DeKing of Salida stated that she and her husband own a vacation rental that they live in 6 to 8 months out of the year. She stated that they rent mostly to families and have never had a problem. DeKing asked if there will be information sent out to the homeowners. Schmidt stated that a mailing is already sent to the owners of VRBO rentals. She continued to state that it will be in the paper as well as the website.

Jeff Auxier of Salida stated that it is a tough issue to solve. Auxier continued to state that the short term rentals bring jobs and increase tax revenues. He stated that Mr. Smith also brought up some good points regarding the code. Auxier stated that it might be good to look at again and possibly impose a nightly tax for the use.

Mayor LiVecchi closed the public hearing.

Rogers motioned to approve Ordinance 2016-11, an ordinance of the City Council, City of Salida creating a new Article V of Chapter 6 of the Salida Municipal Code in order to establish short-term rental business licenses. Brown-Kovacic seconded the motion.

Brown-Kovacic stated that constituents in her ward brought up this issue again and again. She continued to state that the biggest problem to solve may be the community character. Brown-Kovacic continued to state that Council needs to find a good balance and something that is good for the community.

Hallett stated that she is not sure the ordinance accomplishes anything that is not already required. She felt that it needed to be looked at longer to address the bigger issues.

Bowers motioned to table the item to allow the City Attorney to review the matter further. Hallett seconded the motion.

Brown-Kovacic stated that one of the other issues is that there is not very good data. She stated that almost 25% of the homes are second homes in the community. She felt that there should be a local manager and making the owner go through the procedure. She felt it would accomplish those basic things.

Brown stated that he felt conflicted after listening to presentations on both sides of the issue. He continued to state that his next door neighbor is a part time neighbor, but they do not rent their property out. Brown stated that the introduction was that this ordinance is a first step. Brown stated that he was not sure what the harm would be in passing this. He continued to state that requiring a property manager would be a large step. Brown stated that he would support the passage of the license.

Granzella stated that he was frustrated because he remembered that he was told the code did not address short term rentals. He felt that it was fair. He stated that his concern was whether what was in place has been improved. Granzella was in favor of tabling the ordinance.

In a 3-4 roll call vote, the motion to table failed. Rogers, Brown-Kovacic, Brown and Mayor LiVecchi had the dissenting votes.

Bowers stated that he is pleased with what he has seen and felt it would be fair. He stated that his question was whether or not it was legal.

In a 4-2 roll call vote, the motion to approve Ordinance 2016-11 carried. Bowers and Hallett had the dissenting votes.

07:29:30

3. Adoption of Fee Schedule (Jan Schmidt)

Resolution 2016-40 updating fee schedules pursuant to Chapter Six of the Salida Municipal Code

Rogers motioned to approve Resolution 2016-40, a resolution of the City Council, City of Salida updating fee schedules pursuant to Chapter Six of the Salida Municipal Code. Brown-Kovacic seconded the motion.

Hallett asked about the marijuana transfer fee in the fee schedule. Samora explained that transfers are not allowed under the current language of the code, but there is still a fee listed in the schedule of fees.

With all in favor, THE MOTION CARRIED.

07:30:00

4. Department of Motor Vehicles Lease Agreement, 1st Reading (Jan Schmidt)

Ordinance 2016-12 approving a lease agreement for property located at 448 East 1st Street with the Colorado Department of Revenue, Division of Motor Vehicles

Schmidt gave an introduction and provided background information.

Granzella asked if it would be City revenue. Schmidt stated that it is an exclusive City area in the building and the City would be receiving all of the revenue.

Bowers motioned to approve Ordinance 2016-12, an ordinance of the City Council, City of Salida approving a lease agreement for property located at 448 East 1st Street with the Colorado Department of Revenue, Division of Motor Vehicles, ordering the ordinance published in full and setting a public hearing date for May 17, 2016. Brown seconded the motion.

Rogers stated that she was concerned about the parking shortage. Schmidt stated that there have been conversations to encourage people to park on First Street and use the front entrance.

Hallett asked about the vehicles that are being parked on C Street. Schmidt stated that Code Enforcement can check into that issue.

With all in favor, THE MOTION CARRIED.

07:42:42

5. Personnel Manual Update Regarding Response Time (Jan Schmidt)

Resolution 2016-41 adopting an update to the 2012 Personnel Manual

Schmidt gave an introduction and provided background information.

LiVecchi asked what the 45 minute exception would be.

Granzella clarified that the emergency personnel was police, fire and some of public works.

Bowers stated that the police officers take the cars home. He stated that 35 minutes is a long time for someone to back you up. He asked if they will be able to take their cars there. Schmidt stated that they would be still taking the vehicles home and going directly to the scene.

Hallett asked why the police department is not on premises like the fire department. Schmidt stated that the fire department works 24 hour shifts and the police department works ten hour shifts typically.

Rogers stated that there is a document from Chief Clark in the packet with additional information.

Rogers motioned to approve Resolution 2016-41, a resolution of the City Council, City of Salida adopting an update to the 2012 Personnel Manual. Granzella seconded the motion. In a 4-2 roll call vote, THE MOTION CARRIED. Bowers and Hallett had the dissenting votes.

07:52:43

6. **Mo Burrito, LLC Hotel & Restaurant Liquor License Application and Public Hearing** (Christian Samora) Mo Burrito, LLC has applied for a hotel & restaurant liquor license at 311 H Street, Salida

Samora gave an introduction and provided background information.

Brown-Kovacic motioned to approve a hotel and restaurant liquor license for Mo Burrito at 311 H Street in Salida Colorado. Granzella seconded the motion. With all in favor, THE MOTION CARRIED.

07:54:55

7. **2016 Asphalt Replacement Project Bid Award** (Bob Salmi)
Resolution 2016-42 approving the award of an agreement for the 2016 Asphalt Replacement Project and authorizing the City Administrator to enter into a construction services agreement between the City and Pavement Maintenance, INC

Salmi gave an introduction and provided background information.

Schmidt stated that it would be going into the next budget amendment.

Bowers asked where the estimate came from. Salmi stated that it was an estimate that he created.

Bowers motioned to approve Resolution 2016-42, a resolution of the City Council, City of Salida approving the award of an agreement for the 2016 Asphalt Replacement Project and authorizing the City Administrator to enter into a construction services agreement between the City and Pavement Maintenance, INC. Brown seconded the motion. With all in favor, THE MOTION CARRIED.

07:59:10

8. **Citizen Appointments to the Recreation Advisory Board** (Theresa Casey)
Resolution 2016-43 approving citizen appointments to the Recreation Advisory Board

Casey gave an introduction and provided background information.

Brown-Kovacic motioned to approve Resolution 2016-43, a resolution of the City Council, City of Salida approving citizen appointments to the Recreation Advisory Board appointing Carlstrom/DeYoung to regular positions and Goscinski-Smith as an alternate. Bowers seconded the motion. With all in favor, THE MOTION CARRIED.

08:01:56

9. **Citizen Appointments to the Public Art Commission** (Theresa Casey)
Resolution 2016-44 approving citizen appointments to the Public Art Commission

Casey gave an introduction and provided background information.

Bowers motioned to approve Resolution 2016-44, a resolution of the City Council, City of Salida appointing Suzy Patterson to the Public Art Commission. Brown-Kovacic seconded the motion. With all in favor, THE MOTION CARRIED.

08:03:08

- 10. Revocable License Agreement Between the City of Salida and POCO, LLC** (Christian Samora)
Resolution 2016-45 approving a revocable license agreement with POCO, LLC for a portion of sidewalk right-of-way adjacent to 123 W 1st Street in the City of Salida for the purpose of temporary improvements.

Samora gave an introduction and provided background information.

Brown-Kovacic asked how much notice would need to be given to revoke the license. Samora stated that it would be three days.

Granzella asked if the City would be collecting a fee. Samora stated that the license agreement did not specify a fee because the previous license agreement that was done at Woods did not specify a fee.

Rogers motioned to approve Resolution 2016-45, a resolution of the City Council, City of Salida approving a revocable license agreement with POCO, LLC for a portion of sidewalk right-of-way adjacent to 123 W 1st Street in the City of Salida for the purpose of temporary improvements. Brown seconded the motion. With all in favor, THE MOTION CARRIED.

08:06:42

- 11. Land Purchase Agreement between the Natural Resource Center and Heart of the Rockies Regional Medical Center** (Dan Osborn)
Resolution 2016-46 approving of the Salida Natural Resource Center Development Corporation Resolution 2016-03 authorizing the conveyance of property known as Lot 3, Salida Natural Resource Center Subdivision

Osborn gave an introduction and provided background information.

Bowers asked what the price would be. Osborn stated that it would be \$247k for just under four acres.

Hallett asked why the more recent appraisal would not be used.

Rogers motioned to approve Resolution 2016-46, a resolution of the City Council, City of Salida approving of the Salida Natural Resource Center Development Corporation Resolution 2016-03 authorizing the conveyance of property known as Lot 3, Salida Natural Resource Center Subdivision. Brown-Kovacic seconded the motion.

Granzella stated that the 2015 appraisal was close to that of the 2014 appraisal.

Brown asked if there was a statement from the bank to release the lien on the lot.

Mike Wilber stated that the NRCDC would seek a partial release of the property. He stated that once there is a contract, then the lender could be approached for a partial release.

With all in favor, THEM MOTION CARRIED.

08:13:08

- 12. SteamPlant Economic Impact and Cost Recovery Analysis** (Theresa Casey)

Casey stated that she is requesting Council's permission to apply for a REDI grant to put together cost
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recovery models for the SteamPlant.

Hallett stated that she did not understand to benefit to a point. She asked why the City took it over when a private party was making it work.

Schmidt stated that it was run by a group of volunteers that did not feel they could achieve the greatest potential.

Brown stated that he didn't see much downside. He stated that the question has come up a lot about what the benefit of having the SteamPlant is.

Rogers motioned to approve and authorize the Mayor to sign the grant agreement. Brown seconded the motion. With all in favor, THE MOTION CARRIED.

08:28:14

13. Administrator & Deputy City Clerk

- City Administrator Report –Jan Schmidt

Budget overruns at the Airport

Hallett asked if it would be a one-time budget amendment. Schmidt stated that most of the items are one-time items.

Rogers stated that it was evident that a lot of the items were items that had not been done in the last five years.

Brown-Kovacic stated that it was upsetting to read because if one of the department heads had overspent it would have been a different situation. She stated that her being upset is more directed to the airport board and felt that Council should have been asked before the overages occurred.

Rogers stated that she was surprised that the Airport Board Members are paid.

Brown agreed with Brown-Kovacic and felt that the Council should push back on paying what was asked. He continued to state that he did not know the Airport Board was a paid Board. Brown would like to hear from the Airport Board as to why these things were approved. He would like to see answers come from the Airport Board before the City makes a decision on it.

Granzella stated that according to the agreement with the County, the City is responsible for the costs.

Granzella suggested that Papp come in to meet with the City Council.

The Council gave direction to schedule a work session with the County Commissioners.

Bowers stated that the Airport Board needs to give a report to the Council.

Rogers suggested postponing paying until the meeting.

Brown asked to see the agreement then decide at the next Council meeting whether to bring forward a budget amendment or not.

The Council was in agreement to schedule a work session with the County Commissioners/Airport Board to discuss how any future overruns will be communicated to the City Council.

Pool Capital Projects

Schmidt stated that Casey prepared a capital improvement list to reallocate projects.

Granzella asked about the deck project and what the grates are.

Casey stated that there is an epoxy floor on top of a concrete floor. The grates go around the perimeter of the pool for splashing. Casey stated that they were purchased in 2015. The power washer was obtained from public works. Casey stated that the discharge was tested and came out really well. There may be issues with the arsenic and temperature.

Brown motioned to approve the changes in the Pool Capital Projects Plan as stated. Brown-Kovacic seconded the motion. With all in favor, THE MOTION CARRIED.

State Street Change

Granzella asked if the City would pay for it. Schmidt stated that the School would pay for it.

Salmi stated that he felt it was a good idea to approve. He stated that it may be a good idea to abandon the street, but maintain water and sewer easements.

Rogers asked if the City would still be responsible. Salmi stated that it would not be.

Bowers felt it was a good idea to abandon the street.

Brown motioned to approve the modifications to State Street at illustrated to control traffic during school operating hours. Rogers seconded the motion. With all in favor, THE MOTION CARRIED.

There was consensus to speak with the School Board regarding the vacation of the street.

NRCDC Joint Work Session.

A work session will be scheduled Monday, May 9th at 7 P.M. or Tuesday, May 10th as a backup date.

Attorney Fees Reimbursement to Ferbraches

Granzella stated that an agreement will have to be made to have a road access. He stated that the ditch owners and the City will have to come to an agreement.

The direction from Council was to have the City pay half of the attorney's fees and the NRCDC pay other half.

- Deputy City Clerk Report – Christian Samora

Salida Business Alliance fee request

Samora reported that the Salida Business Alliance is requesting a contribution from the City in the amount of \$1,000 for the 4th of July event.

Rogers motioned to approve the request in the amount of \$1,000.00. Bowers seconded the motion. With all in favor, THE MOTION CARRIED.

14. Elected Official Reports

- City Clerk – Betty Schwitzer

- City Treasurer – Theresa Cortese
- City Council- Michael Bowers, Hal Brown , Cheryl Brown-Kovacic, Rusty Granzella, Melodee Hallett and Eileen Rogers.

Brown stated that he was notified of a meeting of the Trailside Estates HOA and the HOA will be coming to City Council to request that the dog park be closed one day a week for cleaning and maintenance.

Bowers stated that he received a complaint of the diagonal parking on F Street. Bowers also received another complaint about the speed dip at the south end of the F Street Bridge. Bowers stated that the HWY 50 stripping is of poor workmanship. He suggested that the Administrator contact them to see if the areas can be patched or filled in.

- Mayor – James LiVecchi

Mayor LiVecchi stated that there is a lot going on. He stated that he was a little disappointed about going in circles while discussing the airport.

VII. NEW BUSINESS

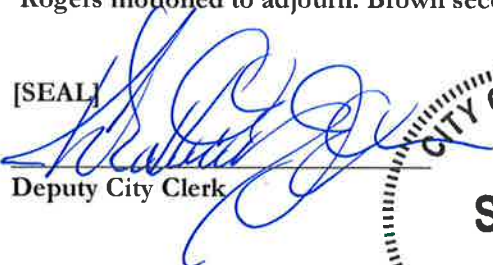
VIII. OLD BUSINESS

Granzella stated that he had a constituent offer an idea of three mini recycling centers, one in each ward. Casey stated that DeLuca offered to update the CR 107 old dump, Vandaveer and the gallery locations.

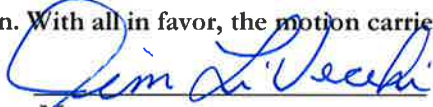
Hallett felt that the 107 location would be the best.

IX. ADJOURN –

Rogers motioned to adjourn. Brown seconded the motion. With all in favor, the motion carried.

[SEAL]

 Deputy City Clerk




 Mayor