



MEETING OF THE CITY COUNCIL

City Council Chambers
448 East 1st Street, Room 190
City of Salida, Colorado
Tuesday, June 21, 2016 6:00 p.m.

The City Council may take action on any of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.

I. REGULAR MEETING CALLED TO ORDER –

II. PLEDGE OF ALLEGIANCE – Led by Mayor Jim LiVecchi

III. ROLL CALL

IV. PRESENTATION

2015 Audited Financial Statements – Michael Spilker

Brown stated that the Audit draft report is not complete. Brown stated that he has had communicated with the auditor and the auditor felt it would be better to fill the holes. The presentation will be on July 19th, 2016.

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

Louise Fish of Salida stated that beginning on May 18th she asked the mayor to answer some questions and felt that the lack of response was stonewalling. She stated that she felt a good reason is needed to remove Ray Kitson from the NRCDC Board. She felt that the reason was personally motivated and asked who the replacement would be. Fish did not feel that the Council was doing their fiduciary duty by appointing people who may not be qualified. She stated that Rusty is on the Airport Board and did not feel that it was okay and did not feel it was consistent. Fish stated that she never made a severance demand and stated that she will express her concerns about City business.

Bob Gleason of Salida thanked the Council Members. Gleason stated that he rides a bike and stops at stops signs and suggested revising the code in a way that would stipulate a 5 mph stop for bicycles. He stated that he felt Ray Kitson often sites the 1000 people or more that he has employed. Gleason stated that Kitson has failed to mention that restaurants have a high turnover rate. He stated that is because of generally low wages at restaurants and a reliance on tips. Gleason continued to state that given the attitude that he believes Kitson demonstrates, he can more easily understand why he needs to replace employees. Mayor LiVecchi stated that the comments cannot be personal. Gleason felt that the members left from the previous Council may not have made for an easy transition.

Paige Judd of Salida stated that the City of Salida Council has the ability to either do nothing, sell the property to a sole developer or get utilities on the property and sell off chunks. She stated that selling the land to local developers will stimulate the local economy. She did not feel that an out of town developer could have a large impact on the local economy. She stated that the cost of land is a large factor in affordable housing. Judd stated that if any other local developer wanted to come forward, they had time to do so but have not. She stated that there is a golden opportunity to leave a lasting impact on hundreds of families in Salida.

Bill Smith of Salida stated that he suggested the moratorium when he spoke about a month ago. He stated

that he noticed the current moratorium covers the entire City. He felt that the commercially zoned areas could be exempted from the moratorium because the VRBOs are needed in the Downtown area. He continued to state that the commercial districts would not have a conflict with the code. He stated the moratorium needs to be tailored as narrowly as possible.

VI. SCHEDULED ITEMS

06:20:05

1. **Consent Agenda** (Christian Samora)
 - a) Approval of Agenda
 - b) Approval of Minutes: June 7, 2016
 - c) Salida SteamPlant Special Events Liquor License – July 1 & July 3, 2016

Brown-Kovacic motioned to move item #3 (Hinton Burdick) on the agenda after item #8. Rogers seconded the motion.

Brown-Kovacic stated that there may be complicated issues. Brown-Kovacic stated that she felt the change order should have come through City Council before the work is done.

The Council was in agreement to pay the bill.

Rogers felt that it needed to be discussed.

With all in favor, THE MOTION CARRIED.

Bowers motioned to combine and approve the items on the consent agenda with Brown-Kovacic's approved change. Granzella seconded the motion. With all in favor, THE MOTION CARRIED.

06:26:18

2. **Airport Fuel Truck** (Zech Papp)

Papp gave an introduction and provided background information. Papp stated that the County Commissioners approved paying \$7,500 for the fuel truck and for the City to pay the other half. Papp stated that the fuel truck is well below the market value. He stated that increasing the fuel cost by just one dollar per gallon, the truck would be paid off within one year. Papp stated that he has had to turn people away because there is only a self-serve fuel area.

Rogers stated that she met an owner of a jet that lives on F Street who was in support of the fuel truck.

Bowers asked if it would be available 24 hours. Papp stated that if someone needed fuel he is already on an on-call basis.

Hallett asked why fuel is being sold at such a low rate. Papp stated that the goal is to make money and entice people to come into the airport.

Granzella asked who provides the fuel. Papp stated that Epic delivers the fuel.

Brown-Kovacic stated that it seems like a sensible thing to do. She asked how it would work and how the added revenue would impact future budgets. Papp stated that it would go back into the airport fund and there would be more revenues.

Rogers asked when the truck would be delivered. Papp stated that it would be a matter of drafting the documents and picking it up.

Hallett stated that she was looking at the revenues and asked how much more needs to be made. Papp stated that most airports of the same size do not normally operate in the black. Papp said it will bring them closer to being in the black.

Bowers asked where the Reach helicopter company is purchasing fuel. Papp stated that Reach has moved up to the Buena Vista Airport. Bowers asked if it would change after the truck purchase. Papp stated that Reach has never had an issue using the self-serve farm. Bowers stated that there was a fuel truck at the airport at one point.

Brown stated that he needs to understand what the Council is being asked to do. Papp stated that the City and County each own half and he is requesting the approval because it is not a budgeted item. Brown stated that he would be more comfortable if it was a plan for next year's budget. Papp stated that last year's budget overage was due to deferred maintenance. Papp stated that he made the request now because Fremont will not hold onto the fuel truck until next year.

Granzella motioned to approve the purchase of the fuel truck using capital reserves. Brown-Kovacic seconded the motion. With all in favor, THE MOTION CARRIED.

Papp stated that the annual fly-in is on Saturday starting at 8am.

06:45:30

3. Moratorium On Vacation Rentals in the City of Salida, 1st Reading (Dan Osborn)

Ordinance 2016-13 establishing a temporary moratorium on the use of any property within the City of Salida for the purpose of short-term rental housing

Osborn gave an introduction and provided background information.

Osborn asked the Council to table the ordinance and work up a timeline to address some of the concerns that he has heard.

Rogers stated that she liked the idea. She recommended that it go back to staff.

Granzella asked why the moratorium couldn't be in R1-4. Osborn stated that there is not a clear definition on the vacation rentals.

Brown stated that he agreed with Osborn's recommendation. Brown was not in agreement with the emergency clause within the ordinance.

Brown-Kovacic stated that she was contacted by a number of people and felt that it was important to separate the residential and the commercial districts.

Hallett stated that she did not know if there is something that can be done to open up the affordable housing downtown.

The City Council recommended that staff follow Osborn's recommendation.

Brown motioned to continue the ordinance to a future date to be determined by the recommendation of the Community Development Director. Bowers seconded the motion. With all in favor, THE MOTION CARRIED.

06:56:28

4. Citizen Appointments to the Planning Commission (Dan Osborn)

Resolution 2016-56 approving citizen appointments to the Planning Commission

Osborn gave an introduction and provided background information.

Rogers motioned to approve Resolution 2016-56, a resolution of the City Council, City of Salida approving citizen appointments to the Planning Commission and appointing Greg Follet to the regular position and to appoint Francie and Dory Denning to the alternate positions. There was not a second to the motion.

Brown motioned to appoint Greg Follet to the regular position with a term expiring in 2020. Bowers seconded the motion. With all in favor, THE MOTION CARRIED.

Rogers motioned to approve Resolution 2016-56, a resolution of the City Council, City of Salida approving citizen appointments to the Planning Commission and appointing Greg Follet to the regular position and to appoint Francie and Dory Denning to the alternate positions. Brown-Kovacic seconded the motion. With all in favor, THE MOTION CARRIED.

07:10:05

5. **Personnel Manual Update Regarding Internet Monitoring** (Dara MacDonald)
Resolution 2016-60 adopting an update to the 2012 Personnel Manual

Samora gave an introduction and provided background information.

Granzella motioned to approve Resolution 2016-60, a resolution of the City Council, City of Salida, adopting an update to the 2012 Personnel Manual. Bowers seconded the motion. In a 5-1 roll call vote, THE MOTION CARRIED. Rogers had the dissenting vote.

07:12 :30

6. **Wood's Distillery Revocable License Agreement** (Christian Samora)
Resolution 2016-61 approving a revocable license agreement between Wood's Distillery and the City of Salida for use of a portion of right-of-way adjacent to 144 W 1st Street

Samora gave an introduction and provided background information.

Brown-Kovacic motioned to approve Resolution 2016-61, a resolution of the City Council, City of Salida, approving a revocable license agreement between Wood's Distillery and the City of Salida for use of a portion of right-of-way adjacent to 144 W 1st Street. Rogers seconded the motion. With all in favor, THE MOTION CARRIED.

Five minute Break.

07:21:50

7. **Riverside Park Playground Bid Award** (Kevin Crowley)
Resolution 2016-64 approving the award of an agreement for the 2016 Riverside Park Playground Replacement Project and authorizing the City Administrator to enter into a construction services agreement between the City of Salida and Recreation Plus, LTD

Brown-Kovacic asked what the ground surface would be. Crowley stated that they are engineered wood chips. Crowley stated that there are other surfaces, but they would have higher cost.

Granzella asked what is told to the bidders. Crowley stated that they are told the budget because it is public information. Crowley stated that the area dimensions were provided.

Brown motioned to approve Resolution 2016-64, a resolution of the City Council, City of Salida, approving the award of an agreement for the 2016 Riverside Park Playground Replacement Project and authorizing the City Administrator to enter into a construction services agreement between the City of Salida and Recreation Plus, LTD. Brown-Kovacic seconded the motion.

Crowley stated that the start date would be mid to late September.

LiVecchi asked what the feedback is at Alpine Park. Crowley stated that he has not received much feedback. Hallett asked if there were any local bids. Crowley stated that there were not any local bidders.

With all in favor, THE MOTION CARRIED.

07:33:15

8. Lowry Purchase Agreement for Vandaveer Property (Dara MacDonald)

Resolution 2016-47 approving of the Salida Natural Resource Center Development Corporation Resolution 2016-04 authorizing the NRCDC action to dispose of property in exchange for the provision of certain infrastructure improvements

LiVecchi stated that Sherwood was willing to purchase the 40 acres outright and put the utilities out to bid to put the infrastructure on the property.

Kahn stated that the transaction would not cure the TABOR problem, but the proceeds could reduce the debt and reduce the possible TABOR problem.

Kahn stated that the initial goal is to get someone to do it for free or a nominal fee. Kahn stated that he has preliminary conversations with four different firms.

Rogers asked if the City reached out to CML. Kahn stated that he has not. Kahn stated that the TABOR issue is the organization issue. Rogers stated that it is new information. Kahn stated that it is not pertinent to any decision to be made tonight.

Brown stated that Sherwood asked him if he'd be willing to meet, so he the Mayor and Sherwood met to discuss a number of things. Brown stated that if LCI were to make an outright purchase would simplify matters.

Rogers stated that the NRCDC has to be the one to sell the land. She stated that it needs to be clarified as to whether it needs to go to the vote of the people.

Jim McConaghy Treasurer of the NRCDC. He stated that the third player is the bank. If the cash is used to reduce the loan, then there is not money to build the utilities.

Brown-Kovacic stated that she is fine with the purchase. She stated that she is very invested in moving forward with the BelMont housing project contingent of having utilities.

Sherwood stated that they are willing to offer \$400k in cash. He continued to state that the water main extension would be done to CR 107. The new sewer would only serve the south side of the road. With the land sale, the utilities still need to be done.

Brown stated that the City could look at it to see if it is in the best interest of the citizens for the City to spend some money. Brown stated that the it would have to be put out to bid and it would have to be awarded to the lowest bidder.

Rogers stated that she is not opposed, but she would like it to be done right.

Brown stated that a lot was sold to the hospital.

LiVecchi stated that people are not knocking on the City's door to do this. He applauded Lowry for stepping forward and it will benefit the whole community.

The next NRCDC meeting will be on July 5.

Granzella stated that the Council needs to decide if they want to spend money to bring the utilities across.

Brown stated that he has reservations about the swap. He felt that the idea of a land sale may be better and see the City do what needs to be done to make it work. Brown was in favor of stepping up.

Bowers was in agreement with the purchase. He suggested that the NRCDC have a special meeting regarding this.

Rogers stated that she has heard the City is not spending money on Vandaveer. She stated that selling that to the citizens needs to be big part of it.

The Council discussed the possibility of selling the land to Lowry and putting the utility project out to bid to extend utilities to the property. The Council would like to see a new resolution to reflect such.

08:15:00

9. Hinton Burdick Change Order (Dara MacDonald)

Brown stated that there was a meeting of the Audit Committee with the Auditor on the last field work day. The subject of reporting the NRCDC as a component unit came up. He stated that in years past the decision had been made to not report it. He stated that the Auditor stated if there is an authoritative source stating it should not be done, then they could go along with that.

Brown read a letter from the Auditor.

Rogers asked when the decision was made.

Brown stated that the Auditor made the determination. He stated that the auditor gave the Finance Director the opportunity to refute that and was not able to.

Rogers stated that she is not opposed to paying the bill, but is opposed to the process.

Brown-Kovacic stated that she had an issue with the process and a subcommittee committing funds without the City Council's approval. She stated that the City Council had approved not having an NRCDC audit for 2015. She felt that there should have been a public discussion regarding spending money on the NRCDC.

Hallett stated that there has been an undergoing argument from the public regarding spending money on the NRCDC.

Kahn suggested not paying the interest.

Mayor LiVecchi stated that the bill should have been paid on time.

Bowers motioned to pay the full amount due to Hinton Burdick. Rogers seconded the motion. With all in favor, THE MOTION CARRIED.

08:42:40

10. Removal of MacDonald From NRCDC Board of Directors (Benjamin Kahn)

Resolution 2016-62 removing Dara MacDonald from the Board of Directors of the Natural Resources Center Development Corporation effective July 1, 2016

Kahn gave an introduction and provided background information.

Brown-Kovacic stated that the resolution seems to be a moot point with the resolution being effective the day following the Administrator's last day. Brown-Kovacic asked if the resolution has implications in the

future. Kahn stated that the resolution that was passed cancelling the Administrator's contract it did not address the membership on the NRCDC.

Granzella stated that the Administrator being the secretary was referenced. Kahn stated that the resolution states the City Council no longer supports MacDonald having that role.

Brown motioned to approve Resolution 2016-62, a resolution of the City Council, City of Salida, removing Dara MacDonald from the Board of Directors of the Natural Resources Center Development Corporation effective July 1, 2016. Granzella seconded the motion. In a 4-2 roll call vote, THE MOTION CARRIED. Rogers and Brown-Kovacic abstained.

11. Removal of Kitson From NRCDC Board of Directors (Benjamin Kahn)

Resolution 2016-63 removing Ray Kitson from the Board of Directors of the Natural Resources Center Development Corporation effective June 22, 2016

Kahn stated that this resolution does not address the ongoing role of the president on the NRCDC.

Rogers asked why the Council was not involved in the decisions. LiVecchi stated that when he looked at the Administrator's roles, he felt there was a conflict and that she should resign from that position.

Brown stated that the bylaws state that the Administrator will be an ex-officio non-voting member of the Board. Rogers felt that maybe it should have been up to the NRCDC.

Brown-Kovacic stated that she is very disturbed that there is not a process or a procedure in place and felt there were inconsistencies.

Rogers stated that the word *demand* was used again for Ray Kitson and felt it was a personal issue.

Hallett stated that this was going on long before the current council was in place. Hallett stated that it is not just one instance and it is embarrassing to allow.

Granzella stated that he looks at what Ray has done. He stated that he backed up Mazzeo and he is going to do the same for Ray Kitson but will demand more professional manor.

Brown stated that this predates the recent events. He continued to state that in a January meeting there was a disagreement. Brown read from a newspaper article that stated Kitson saw no need for a business park and would not stand down on recreation.

Bowers stated that he has been questioned and the mayor has been questioned and did not feel the behavior projects a good light for the City and the NRCDC. He stated that he did not appreciate the hurt that his family has been felt regarding things that have been said on social media. Bowers stated that the Board is trying, but the behavior cannot be condoned.

Brown motioned to approve Resolution 2016-63, a resolution of the City Council, City of Salida, removing Ray Kitson from the Board of Directors of the Natural Resources Center Development Corporation effective June 22, 2016. Bowers seconded the motion. In a 4-3 roll call vote, THE MOTION CARRIED. Brown-Kovacic, Rogers and Granzella had the dissenting votes.

11. Administrator & Deputy City Clerk

- City Administrator Report –Dara MacDonald
- Deputy City Clerk Report – Christian Samora

- Eric Burns Request

The City Council did not have an objection to Burns' request to set up at Centennial Park.

- Salida Business Alliance Request

The City Council did not have an objection to the street closure request made by the Salida Business Alliance.

12. 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.
Rogers asked about the sales tax information. The Treasurer will be providing reports in future meetings.
Granzella reminded the Council of the Fly-In
Bowers stated that there was a successful FIBARk. He stated that he would like to see more public involvement.
- Mayor – James LiVecchi
FIBARk went very well. He stated that people in the community felt it went really well.
All legal questions should go through Mayor LiVecchi.

VII. NEW BUSINESS

VIII. OLD BUSINESS

Bowers suggested that perhaps a certificate be presented to the Department of Corrections for the work that they did on the Harrington Ditch.

IX. ADJOURN –

Brown motioned to adjourn at 9:15 P.M. Bowers seconded the motion. With all in favor, THE MOTION CARRIED.

[SEAL]

City Clerk / Deputy



Jim LiVecchi
Mayor