



**MINUTES REGULAR MEETING  
CITY COUNCIL CHAMBERS  
448 E. 1<sup>st</sup> Street**

**Salida, Colorado**

**March 1, 2011**

**6:00 p.m.**

The meeting was called to order at 6:04 p.m.

**PLEDGE OF ALLEGIANCE -**

Led by Mayor Chuck Rose.

**ROLL CALL -**

Present at roll call were Mayor Chuck Rose and Council Members Keith Baker, Tom Yerkey, Scott Damman, Jim McCormick, Jay Moore, and Steven Stewart. Also present were City Treasurer Eileen Rogers, City Clerk Betty Schwitzer, City Administrator Jack Lewis, Assistant Deputy City Clerk Jennifer Orr and City Attorney Karl Hanlon.

**CITIZEN PARTICIPATION -**

There were no speakers.

**PRESENTATION-**

Proclamation-Rotary Club 75<sup>th</sup> Anniversary

Mayor Rose read the proclamation. There was not an official recipient of the proclamation, though there were four members of Rotary in the room. The proclamation will be presented at the Rotary's celebration March 11, 2011.

LiveWell-

Lisa Malde, LiveWell Chaffee County Director, came to talk to Council about adding a community garden at Pickett Park. One of the goals of LiveWell is to reduce the number of people overweight and obese in Chaffee County. They want to establish a facility for community food production. LiveWell included a community garden in a grant request to the state. They were granted \$5,000 to build a garden. LiveWell needs a place for the garden. The Recreation Advisory Board recommended Pickett Park over a place at the Touber building and the Scout Hut. The dimensions of the garden would be 20 feet by 25 feet. LiveWell will be partnering with FYI, Salida Community Center (seniors group), and possibly the Boys and Girls Club. The hope is to rely on the City to assist with watering of the garden. There is the potential to tap into the sprinkler system that already exists. LiveWell would like a 3 year memorandum of understanding (MOU) with the City. After 3 years, each party could decide whether to extend it one additional year.

Mayor Rose clarified that Ms. Malde was asking for Pickett Park and the use of water with a 3 year

commitment.

Malde replied that yes that is what she is asking. She added that LiveWell will fully fund the expenses of the garden. The Mayor asked if this is something that should be considered this evening or should the community in the area be able to provide feedback in the next 2 weeks?

Administrator Lewis says that staff and the Recreation Advisory board support the use of Picket Park, so with tonight and anticipated press coverage, there will be time to put the MOU together. Proceed with MOU and have on agenda in 2 weeks. That would cover concerns about neighbors.

Mr. Yerkey asked about the garden dimensions. Ms. Malde said that it won't be a big enough garden to be very productive, but it will offer an educational opportunity around understanding healthy eating. This is one stepping stone in part of a bigger plan to have more gardens in the city (school, etc).

Councilor Damman asked that Live Well notify, in writing, the neighbors within a four block radius. Mr. Lewis asked the Mountain Mail reporter to publicize this request. Ms. Malde agreed to canvas the neighborhood.

Mr. Moore asked if there would be an easy way to distinguish this garden from the community garden, which is part of GARNA. Ms. Malde said that there will be signage describing the garden's purpose.

Mayor Rose indicated that staff had been directed to work on an MOU. No council vote necessary.

### **SCHEDULED ITEMS-**

#### **1. Consent Agenda –**

- a. Approval of Agenda
- b. Approval of Minutes: February 15, 2011
- c. City Property use request –None

A motion was made by Moore to combine and approve the consent agenda. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

#### **2. Amend the Building Code**

International Building Code, 2006 Edition and International Fire Code, 2006 Edition Local Text Amendment Ordinance – An ordinance of the City Council of the City of Salida, Colorado, amending sections 18-1-30 and 18-3-30 regarding amendments to the requirements for fire sprinklers.

Michael Yerman, City Planner, presented written materials included in the packet.

This request is to revise the sprinkler requirements for a variety of residential uses under the International Building Code, 2006 Edition ("IBC"), and the International Fire Code, 2006 Edition ("IFC"). These uses include but are not limited to single family or duplex dwelling unit vacation rentals and bed and breakfasts, mixed use structures that do not contain more than two dwelling units and where the residents are permanent in nature, child care and day care facilities, and adult care facilities. The amendment includes requirements for life safety alarms, compliant means of egress and adequate fire separation to be provided before the sprinkler requirement can be waived.

This code amendment has evolved from a number of appeals that have occurred county wide regarding the requirement for sprinklers in residential units where the applicants have demonstrated adequate life

safety provisions have been provided without the need for sprinklers systems. Applicants that have sought relief from this requirement cite the excessive nature of the life safety measures required beyond sprinklers and the burden of additional costs associated with complying with this requirement. The goal is to create consistency with the County: the text amendment would be uniform in the County. That would allow contractors to use the same code in Poncha as in Salida, for example.

Upon receiving a formal appeal from the Ploughboy on February 8, 2011 for the sprinkler requirement for the residence next door, City staff recognized the proper avenue for granting a possible waiver to this sprinkler requirement was a text amendment to the IBC and IFC not through the Board of Appeals who are charged with making determinations on how the IBC and IFC are interpreted. The applicants were informed that the City was expediting a local text amendment for the next City Council on March 1, 2011 regarding IBC sprinkler requirements and the City would not support their appeal for a waiver for the sprinkler requirement through the Board of Appeals process. The applicants formally withdrew their appeal on February 17, 2011.

Once it was determined that the County Building Department and City Fire Department supported a local text amendment for sprinkler requirements for residential uses as cited above, City staff organized a County wide meeting to review the text amendment with Chaffee County, Buena Vista, Poncha Springs, the Chaffee County Fire Protection District and the City of Salida Fire Department. The outcome was a County wide effort to adopt a comprehensive text amendment within all the municipalities to the IBC and IFC regarding residential sprinkler requirements. The aim of this process was not to just address one property but to look at county wide projects as a whole. The determination was made that provided other life safety measures were in place, the sprinkler requirements could be waived for certain residential uses. Past appeals dealing with sprinkler requirements, current and proposed projects, and the 2000 IBC and IFC served as the guiding documents in preparing this text amendment.

1. Definitions. The definition of residential Group R-3 was changed in the IBC and IFC to reflect the number of permitted children in a day care within Chaffee County to twelve. This will also permit up to 12 children in a large day care in a residence within Salida. Large daycares in the City of Salida require conditional use approval.
2. Exceptions under Section 903.2.7 of the IBC and IFC. The purpose of these exceptions is to ensure there are adequate life safety alarms, compliant means of egress and adequate fire separation between uses are provided before the sprinkler requirements can be waived. After careful consideration, single family or duplex dwelling unit vacation rentals and bed and breakfasts and R-3 occupants where the occupants are permanent in nature were determined to meet the requirements for proper public, health, safety, and welfare of the community provided they meet the requirements for exceptions to be addressed without the requirement for sprinklers.

The proposed changes have been reviewed by the City Land Use Attorney and relevant department heads.

No written public comments have been received with regard to this ordinance. This has been a County wide effort with participation by all the municipalities in discussions of this ordinance. It is anticipated that there will be several more public hearings within the County's other municipalities regarding this possible local IBC and IFC text amendment.

Recommended Findings

1. That the proposal for a local text amendment of the IBC and IFC in Chapter 18, Building Regulations, Section 18-1-30 and 18-3-30 of the Salida Municipal Code is in the interests of the public, health, safety and welfare of the citizens of Salida.

Based on the above findings, staff recommends that the City Council approve the proposed ordinance to the International Building Code, 2006 Edition and International Fire Code, 2006 Edition Local Text Amendment, amending sections 18-1-30 and 18-3-30 regarding amendments to the requirements for fire sprinklers.

Discussion followed, in particular related to who would get the waiver for a sprinkler system. By passing the Ordinance, Council would be waiving the sprinkler portion, though a fire inspection would still be required. There was more discussion on how this change would affect area day cares. Some Council members were concerned about day cares that would be exempt. Mr. Yerman pointed out that the centers still have to be licensed thru the state, and follow those regulations.

Mr. Hanlon noted that this Ordinance does not add anything new. He asked Council to recognize this as a first reading and Council could direct staff to get the exact numbers on the number of day care providers in the area.

Fire Chief Don Taylor came to the podium to answer some questions and to explain some current codes.

Mayor Rose asked if Council should pass this Ordinance on first reading, while directing staff to see how many day care centers there are with fewer than five children and how many there are with more than five. Attorney Hanlon encouraged council to get it passed, with a public hearing in the second reading.

A motion was made by Baker to approve ORDINANCE-03, INTERNATIONAL BUILDING CODE, 2006 EDITION AND INTERNATIONAL FIRE CODE, 2006 EDITION LOCAL TEXT AMENDMENT ORDINANCE - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, AMENDING SECTIONS 18-1-30 AND 18-3-30 OF THE SALIDA MUNICIPAL CODE REGARDING AMENDMENTS TO THE REQUIREMENTS FOR FIRE SPRINKLERS, SETTING A PUBLIC HEARING DATE OF MARCH 15, 2011 AND ORDERING THE ORDINANCE TO BE PUBLISHED IN FULL. The motion was seconded by Yerkey. By voice vote, the Motion passed.

Mayor Rose encouraged citizens to participate in the public hearing.

### 3. Adopting New Water Service Charges for the City

Ordinance 2011-04 an Emergency Ordinance of the City Council of the City of Salida, Colorado, adopting new Water Service Charges for the City.

Finance Director, Jan Schmidt, asked Council to pass this Ordinance on first reading. She explained that it is an Emergency Ordinance due to the timing of the re-writing of the utility code. The goal is to have them completed at the same time and in place for the April 1st billing cycle.

For well over a year now, we have discussed the need to increase water rates to keep up with costs. The fund is not breaking even and reserves are depleted. Water service is provided to residents and property owners in Salida through an enterprise fund. This accounting structure is used for business-type activities. Water operations are not operated as a governmental fund supported by tax dollars. Revenue

generated from the business activity (providing water) needs to be sufficient to pay for that activity.

The City has followed a revenue model whereby quarterly fees paid for operations and routine maintenance or upgrades. Development fees paid for capital improvements and debt service on those improvements. In recent years, revenue has not kept pace with the capital needs and debt service requirements. The City made substantial investments in capital infrastructure including the high zone water tank, new transmission lines, upgrades to the treatment plant, purchase and installation of radio-read meters and acquisition of water rights. Strong development activity in the mid 2000's paid for a substantial portion of the capital improvements; however, it was not sufficient to fully pay for all such improvements. In addition, aging facilities are continuing to require upgrades and maintenance to extend their service period. Development has now slowed substantially and is not sufficient to pay existing debt service or cover capital requirements. In 2010, we used up capital reserves and obtained a commitment for additional debt to pay for capital improvements of the galleries water tank. Future capital requirements need to be paid by fees for water service.

Last year we contacted our engineering firm, Schmuesser Gordon Meyer (SGM), about completing an assessment of future capital needs and a rate study. A draft report was distributed to council and posted on the city's website on March 1st.

We plan to raise rates to generate sufficient revenue to pay for current operating expenditures, debt service and capital requirements. Future development fees will be used to begin rebuilding reserves. In addition, at a recent work session, council directed staff to develop a model that would generate enough revenue to increase reserves by \$100,000 to \$150,000 annually.

Our goal is to operate the water system efficiently and design a rate structure whereby users of the water system share in its costs of operations in a fair and equitable manner. No one welcomes rate increases, but we need to cover costs. As one of the larger users of water the City's general fund will share in about \$30,000 of the incremental costs.

Last year, the City generated approximately \$870,000 in fees from water service. An additional \$480,000 is needed in 2011 to break even. A further increase in revenue is needed to begin re-building reserves. As discussed more fully in the rate study, we are proposing only slight modifications to the existing rate structure.

The revenue structure includes two fixed components and a third variable component on each quarterly bill.

A flat service (or "ready to serve") fee.

A maintenance fee (for residential customers) or a demand fee (for commercial customers).

Charges per thousands of gallons of water used during the quarter.

Many communities bill for water using what is called "tiered rates." The City will begin this practice, as well. This method of billing creates an incentive for water conservation. Under this method of billing, per gallon water usage charges increase if more than a certain number of gallons are used each quarter. The proposed usage categories are as follows:

Charge per thousand gallons		
Gallons / Quarter	Residential	Commercial
Up to 6,000	no charge	Tier 1 rate
6,001 to 40,000	Tier 1 rate	Tier 1 rate
40,001 +	Tier 2 rate	Tier 2 rate

The proposed new rate structure increases the volume of water included as "base" usage for residential customers. This is intended to provide an allowance for enough water for a conservative single-person household at the base rate (ie. without any incremental usage charges).

Although the City needs to generate the fixed amount of total revenue to cover costs, this objective could be achieved through various different rate structures. At the last meeting, council selected an alternative that would raise the service and maintenance fees by a greater percentage than the per thousand gallon usage fee. At the March 8th work session, council also indicated an interest in further increasing the base rates to re-build reserves. Two versions of the rates are included for council's consideration as "Exhibit A" to the ordinance. Council will need to pick one.

After some discussion among the Council members, Ms. Schmidt made an estimate for what the average residential account using 132,000 gallons per year would be under each option. Under plan A, the person would see annual increase of \$96. For plan B it would be \$106.50. For plan C it would be as high as \$119.50. Those rates assume no reduction in consumption based on the higher rate.

Mayor Rose expressed concern with those citizens living on fixed incomes. He also pointed out that 25% of the City's water and sewer bills go to people outside the city (though many of those places could be rented, etc). The City provides the infrastructure, but those not living here are not contributing enough to offset the costs. Based on that, the Mayor is undecided about raising the base rate. It would help offset more costs, but it would hurt those living on a fixed income.

There was more discussion that followed about the positive and negative impacts of the alternatives. Council does recognize that by passing something this year, it will help get the water fund more solvent. There is agreement that the City needs a predictable income stream.

A motion was made by Damman to pass ORDINANCE 2011-4 AN EMERGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO ADOPTING NEW WATER SERVICE CHARGES FOR THE CITY, USING ALTERNATIVE B WITH 2 TIERS AND ORDERING THE ORDINANCE TO BE PUBLISHED IN FULL. The motion was seconded by Stewart.

More discussion followed.

With Moore, Yerkey, Baker, Stewart and Damman voting Yea and McCormick voting Nay,  
THE MOTION CARRIED.

There will be a Public hearing in 2 weeks.

#### **4. Administrator/City Attorney/Deputy City Clerk**

##### **a. Administrator's Report –**

Mr. Lewis updated Council about selling 123 E. 3<sup>rd</sup> St (old Council Chambers and Police Department). At a past meeting, Council directed staff to sell the building. The City was authorized to sell the building at the last election. One stipulation is that the building must be sold for at least the appraised value. There is currently a pending contract for \$150,000. There were two appraisals completed. One was by Mel Keserich and the second by Roger Miller. Keserich used sales comparison to determine that the value was \$272,000. He based that on the five sales that took place in the last year. Miller used a combination of three approaches which brought him to an appraisal of \$150,000 if sold as is.

When Mr. Lewis originally spoke with several area realtors, they said the building should be listed \$140,000. Administrator Lewis asked the council members if they think the value of the property should be based on Miller's or Keserich's appraisal. In his opinion, Lewis thought Miller's approach was more thorough.

Discussion followed about how to time the selling of the building.

A motion was made by Yerekey to use the appraisal amount of \$150,000 and to proceed with the sale. The motion was seconded by Baker.

More discussion followed about how long we would have to wait to make more money.

With a Voice vote, the MOTION CARRIED unanimously.

Mr. Lewis announced that there is a second Council workshop scheduled for March 8<sup>th</sup> at 8:30 AM to discuss the utility code; specifically the enforcement of the code and past violations.

b. City Attorney Report – Karp, Ncu, Hanlon PC

Attorney Hanlon briefed Council on a meeting he had that morning regarding medical marijuana dispensaries. He previously received direction from Council to come back with a specific answer related to regulation of care givers, retail outlets, grow operations, local licensing, and setting the City Administrator as the local licensing authority. Council will have the chance to discuss and respond at the next meeting.

Mayor Rose added that his chief concern is the unregulated nature of the care giver role. Moore added that Denver's rules make sense to him personally. Yerkey asked council to help the police chief with regulation. The police chief needs to be able to police in a timely manner. Moore added that grow operations and infused products concern him.

Hanlon added that commercial marijuana growth is not appropriate within city limits. There is also some that believe that "infused" product manufacturing is not good in the City too. Lewis added that Chaffee County allows for growing marijuana and product manufacturing of "infused" products in industrial areas of the County.

c. Deputy City Clerk -

Nothing to report.

7. Elected Official Reports -

a. Treasurer-

Nothing to report.

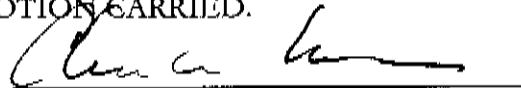
b. City Council -

Mayor Rose reminded the citizens that there will be some vacancies for Mayor and Council. He urged people to consider running. If you seek information, talk to someone on Council. Serving as an elected official is an opportunity for citizens to truly become more informed and gain a new perspective. Be

involved!

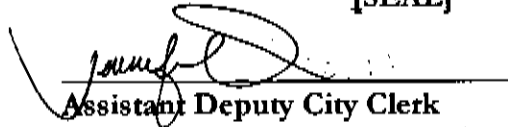
Damman added that the weekly time requirement for a member of Council is about 5 hours per week.

A motion was made by Moore to adjourn the meeting at 8:00 p.m. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.



Mayor

[SEAL]



Assistant Deputy City Clerk

Respectfully submitted by Jennifer Orr