



MINUTES REGULAR MEETING
CITY COUNCIL CHAMBERS
448 E. 1st Street

Salida, Colorado

September 21, 2010

6:00 p.m.

EXECUTIVE SESSION -

A motion was made by Stewart to move into executive session for the purpose of determining positions relative to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R. S. Section 24-6-402 (4)(e); AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION PURPOSES: To discuss the Unique Theater. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

The executive session was held in the Tenderfoot Mountain Conference Room.

Mayor Rose announced the time as 5:30 p.m.

Those present during the Executive Session were Mayor Rose, Council Members Jim McCormick, Jay Moore, Steven Stewart, Keith Baker and Tom Yerkey. Also present were City Administrator Jack Lewis, Community Development Director Dara MacDonald, and City Attorney Karl Hanlon.

Absent was Council Member Scott Damman.

The meeting was called to order at 5:36 p.m.

Council reconvened in regular session at 6:04 p.m. No decisions were made at the Executive Session.

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, Assistant Deputy City Clerk Jennifer Orr, City Attorney Karl Hanlon, City Administrator Jack Lewis, and City Clerk Betty Schwitzer.

CITIZEN PARTICIPATION -

Jim Miller, a resident of Salida, spoke on what he said was a minor but important point. He said he has returned to object to the process of the official titling of the executive sessions. He does not believe our titling would pass muster under Section 4 of the State Statute, also called the sunshine law. Mr. Miller read the section of the relevant state statute. It says that the City must include a particular matter, without compromising the confidentiality, in its Executive Session titles. He stated that it is not asking

too much to say what the executive session is about. For example, add “we are discussing a “property acquisition””.

Carlo Boyd, resident of Buena Vista, came to speak about the Unique Theater. He wanted Council to know that the Skyline Theater in Canyon City is listed for \$350,000. He added that the theater in Pagosa Springs recently sold for well over \$600,000. The façade of the Unique has been where the most recent investment has been. He implored that the public of Salida find a way to turn into a theater with parking. The City has an opportunity to build a high-class opera house with a roof top restaurant. Tourists in this area want to eat while having a view of the Collegiate Peak Mountains. He believes that the community can step up in order to save the Unique. Unrelated, he thanked city council and Community Development Director Dara MacDonald for the Comprehensive Plan survey.

PRESENTATION –

1. Proclamation – Proclamation for September as National Preparedness Month- Don Taylor

Fire Chief Don Taylor introduced the proclamation by saying that the City of Salida is committed to ensuring the safety and security of all those living in and visiting our community. The City needs to be prepared and ensure that our citizens are prepared. Now is the time to think about being prepared. Chief Taylor suggested having things on stock to be ready if you had to evacuate your home in the case of a wild fire, for example. He also added that it is important to have winter kits in vehicles. Mayor read the proclamation asking citizens to develop their own plans so that they are a prepared society.

2. Proclamation for Fire Prevention Week- Don Taylor.

Chief Taylor explained that he was here to have Council proclaim that the week of October 3-9, 2010 as fire prevention week. The City has been celebrating this week since 1871. The intent is to have citizens prepare his or her residence. For example, practice exiting your home in case of an emergency and test your smoke alarms. Chief Taylor elaborated on some key facts; 85% all fatalities from fires occur in residence because there was no smoke detector or it was not working. By having a working smoking detector, it increases your chance of survival of a house fire by 50%. During this week, the fire department will be teaming up with a pizza delivery company. They will randomly stop at residences to check smoke detectors. If they find that it is working, then you get a free pizza. If the smoke detector is not working, then they will put one in. Mayor Rose read the proclamation. He added that the fire department had a few brand new pieces of equipment and some old (99 years old). Taylor encouraged citizens to come by and see these during the open house on Saturday Oct 9th from 10-2.

3. SGM-Regarding the status of the Waste Water Treatment Facility-

Cooper Vest and Chad Paulson, of SGM, passed out a handout with a rendering of what the new wastewater treatment facility will look like, as well as a timeline. They came to update Council on the project and thank staff members. Finance Director, Jan Schmidt, has provided a lot of support to keep the project on track, as has City Administrator Jack Lewis. SGM and the City is currently waiting for final approval from USDA in order to advertise for bids. Once that approval is received bids will be advertised in the beginning of October. There will be 30 to 45 days for advertising for bids. The award of the bid will be in early November. They plan to start construction in mid-November. November is not a great time to break ground; however, we need to proceed. The goal is to be complete by August 2012.

There should be no interruptions during the building. No questions from the Council. Jack pointed out how much work Jan has done as have these two men. We are at the place we are

today because of everything these two did.

Mr. Baker asked how long will this upgrade last? The SGM representative answered that the equipment will last 20 years. Mr. Baker then asked to what capacity will the new plant be able to go to? The SGM representative answered that the new plant should take us beyond 20 years based on projected population growth. Mayor Rose pointed out that this project is more easily upgraded than the old one.

Bid documents will be available at City Hall, once they are ready.

4. Chaffee Housing Trust Report-Read McCulloch

Mr. McCulloch presented written materials included in the packet. He thanked Council for the support that the City has given to the issue of affordable housing. Having affordable housing is critical to the viability of the community. McCulloch explained that he was in front of Council several months when Council set the bar high. Council specifically wanted to see progress of the Crestone Heights project under way. McCulloch stated that the Crestone Heights project is not underway. In fact most housing is frozen. However, there are other measurements of success. The issue at hand isn't about Crestone Heights, instead it is about looking at a long term vision of housing in this community. In the recent past, there were no forces in the county or City for developing affordable housing. Now that the Chaffee County Housing Trust (CHT) has done so much work, everything will be ready to move forward when the economic environment will allow it.

The Crestone Heights project is only a small part of creating affordable housing. McCulloch explained that there is a much larger spectrum of affordable housing including affordable rentals. Home ownership isn't the only issue. CHT has widened its scope to create other programs. They have seen strong support from outside of the county, but they need to see support from the City in order to leverage that outside support. The recession is not over. Jobs are not secure for low income workers. With those factors, low income workers cannot take that leap to buy a house. In addition, the affordable rental market is scary for the average worker. The rentals for low income families are poorly maintained. There are wait lists for what affordable housing there is in the area. River Bend has a wait list and there is a 2 year wait list for Section 8 housing. Affordable housing is a long term problem. Low income workers need financial education and homebuyer education so that they can be purchase ready. The CHT did just create a "ease to buy" process as one way to help have successful affordable housing.

McCulloch looked forward to 2011 and stated that outside entities are looking to Salida to see what the City is willing to do for affordable housing. If the City doesn't fund, then CHT won't get grants or other funding sources. He knows there are competing priorities, like the airport. But he reiterated that having a safe place to live is a priority. It is critical that businesses realize that workers need a place to live. He implored that Council look at the long term future needs, even though there are challenges in the budget.

Mayor Rose noted that the Council is not being asked to fund the next installment of what it had pledged at tonight's meeting. The City Administrator answered that staff could take direction from the Council on whether to fund or not to fund or Council could schedule a vote at their next meeting. The Mayor asked if this request would complete the funding for 2010.

Mr. Yerkey interjected that if propositions 60, 61, and/or 101 pass, there won't be any funding from a government agency.

Mayor Rose requested that Council vote on completing the funding at the next meeting.

CHT Board members were present to make brief comments.

Jerry Mallet, Chair of the CHT, came to the podium to speak. When he spoke with businesses that were thinking about relocating to the County, the business said that housing costs were an issue. Having affordable housing is part of economic development. Mr. Mallet thanked Council and stated that so far it has been a great partnership.

Greg Follet, resident of Salida and board member of CHT, thanked the Council for recognizing this as a critical issue in this community. He reiterated what Mr. McCulloch had stated that affordable housing is a long term commitment. Mr. Follet told Council that it is critical that the City support CHT as best as it can. CHT has a great board which has done a lot of work. Mr. Follet wants to see the work be able to continue.

Darcy Harris, resident of Salida, was under contract at Crestone Heights before her financing fell through. She is hugely disappointed not to have a nice affordable place to live. It may mean that her family needs to leave this area. She has joined the CHT board in order to help see Crestone Heights come to fruition. She is a stay at home mom, her husband is a social worker and she has two children. Based on their income, the banks won't consider giving them a loan. They can only afford a two bedroom, which is too small for her family. She begged Council to consider the long term implications of not having affordable housing. It will mean families will have to leave even though they want to contribute to this community. She added that the community needs young professionals to stay here.

Carlo Boyd, a resident of Buena Vista, asked Council to look at the flier for Crestone Heights so that they can see what was designed. They are beautiful homes. However, in order to build affordable housing there needs to be some infrastructure for it in this community.

Rose thanked the board members for coming to speak.

SCHEDULED ITEMS-

1. Consent Agenda –

- a) Approval of Agenda
- b) Approval of Minutes: August 3, 2010
- c) D)City Property requests: 1) New Year's Day 5K 2)Street Closing request for Fire Prevention Open house
- d) Special Events Liquor Permit request: 1.) Community Center

Assistant Deputy City Clerk Jennifer Orr presented written materials that are included in the packet for the record.

c. City Property requests

1. The City of Salida Recreation Department is requesting to host a New Years Day 5K on January 1, 2011 at 10 am.

The applicant is requesting to use Riverside Park and running up and back on the bike path. There are no street closures requested.

2. The City of Salida Fire Department is requesting street closure of E Street between 1st and

2nd on October 9th for its annual Fire Prevention Week Open House.

d. Special Events Liquor Permit request:

- 1.) Community Center has applied for a Special Events Permit on October 9th from 4:00 PM-12:00 AM.

No public hearing is necessary unless comments are received before the meeting.

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

2. Mira Monte Rezoning – 2nd reading-Dara MacDonald

Ordinance 2010-10 rezoning a 10.63 Acre area of land known as Mira Monte as Medium Density Residential (R-2)

MacDonald presented materials included in the packet. The request remains to rezone the 10.63 acre Mira Monte properties from Planned Development to Medium Density Residential (R-2). The applicant is Rainbow Ridge Partnership. The applicants are represented by Crabtree Group, Inc of Salida and Jane Pinto of Pinon Real Estate.

The Mira Monte Planned Development was approved by the City Council in June, 2008. By failing to execute the final plat, the developer waived the typical vested rights for a development project. The economic crisis that continues has constricted new development in Salida and the owners are no longer pursuing the plans of the Mira Monte Planned Development. The owners have stated their intention to rezone the property to Medium Density without specific development plans and market the entire property for sale.

An annexation agreement was executed as part of the Mira Monte project. Because the Mira Monte Planned Development has been abandoned, the annexation agreement should be updated to remove specific references to that project. Staff has worked with the City Attorney and the owners to insert more generic language as needed. Council should approve the new annexation agreement concurrently with rezoning of the property.

The Planning Commission held a public hearing on this matter on August 23rd and voted to recommend approval of the rezoning to R-2, Medium Density. The City Council approved the ordinance on first reading on September 7, 2010.

Mayor Rose opened the Public Hearing. There were no comments. The Mayor then closed the public hearing.

A motion was made by Damman to approve Ordinance 2010-10 an ordinance of the City Council for the City of Salida, Colorado rezoning a 10.63 acre area of land known as Mira Monte as Medium Density Residential (R-2), and ordering the ordinance to be published by title only. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

3. Amended Annexation Agreement Dara MacDonald

Resolution 2010-58 to Adopt the Mira Monte Amended and Restated Annexation Agreement

With the approval of Ordinance 2010-10 rezoning Mira Monte from a Planned Development to

Residential Medium Density (R-2), the City Council should adopt an amended annexation agreement to eliminate specific references to the previous development plan and incorporate standard annexation requirements.

The applicant is Rainbow Ridge Partnership. The applicants are represented by Crabtree Group, Inc of Salida and Jane Pinto of Pinon Real Estate.

An annexation agreement was executed as part of the Mira Monte project. Because the Mira Monte Planned Development has been abandoned, the annexation agreement should be updated to remove specific references to that project. Staff has worked with the City Attorney and the owners to insert more generic language as needed.

No public comments have been received regarding the amended agreement.

Councilor McCormick asked about a timeline for the property's use. Community Development Director, Dara MacDonald answered that the specifics would be put in place once there is a buyer. It will remain open land until it is developed.

A motion was made by Damman to approve Resolution 2010-58 a resolution of the City Council of the City of Salida, Colorado adopting the Mira Monte Amended and Restated Annexation Agreement. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

4. Authorizing interim financing for Wastewater Treatment Plant – 2nd reading

(Jan Schmidt) Ordinance 2010- 11 acting by and through its Water Activity Enterprise, authorizing the issuance of water and sewer improvement revenue bonds in the aggregate principal amount not to exceed \$12,500,000; providing for the use of net proceeds thereof to pay the costs of the construction of improvements to the sewer system; providing for the payment of the series 2010 notes from proceeds of permanent financing and from the net revenue derived from the operation of the water and sewer system comprising the City's Water Activity Enterprise, and making certain covenants in connection therewith; providing for the form, payment, and other details in connection with the Series 2010 Notes; authorizing the execution of agreements and documents in connection with the Series 2010 notes; and declaring an emergency.

Ms. Schmidt presented written materials included in the packet. She noted that she was presenting for Ordinance 2011-11 and 2011-12. These agenda items are being presented together as the two components of the financing arrangement for the wastewater treatment facility (WWTF) upgrade. We plan to accept a grant and loan package through the Rural Development agency under the USDA. However, in the event we do not receive all the necessary documentation to meet imposed timelines these ordinances allow flexibility to enter into alternate financing for the same purpose.

These items are presented to you for approval after completion of a lengthy process of evaluating needs and financing options to address regulatory compliance issues at the City's sewer plant. During 2008, the City's engineering firm completed a study of the plant. Recommendations for a major upgrade of the wastewater treatment facility, as a result of their study, were presented to the council in January 2009. The WWTF operates at a lower capacity than is permitted due to inefficiencies and it does not meet ammonia limits currently imposed by the Colorado Department of Public Health and Environment (CDPHE). Built in 1956 and renovated in 1985, the WWTF does not have the components necessary to meet ammonia standards or to supply sufficient capacities for the

communities served. The aging facility's concrete and mechanical equipment has deteriorated; it lacks efficient energy conservation; and it is approaching the end of its service life. Salida must resolve its wastewater treatment violations to avoid severe financial penalties and adverse environmental effects to the Arkansas River where the effluent is discharged.

A number of presentations have been made to update council members and the public on the need for the upgrade. In addition, the City accepted a DOLA grant for \$1.35 million, and about 90% of these funds have already been used to begin purchasing the new equipment needed for the project.

Late in 2009, we began meeting with representatives from the USDA / Rural Development about the remaining funding needed for the project. The USDA program requires the City to obtain interim financing during the construction period that is refinanced with a "permanent" federal loan once the project is completed. Although more time, effort and certain incremental costs were involved both in engineering and administrative areas to pursue the USDA funding program, it presented an opportunity for additional grant funding and a below-market interest rate for the loan. Lower financing costs equate to a reduction in the overall project cost and lower rates for users of the sewer system. Therefore, we decided to pursue the USDA financing.

Staff recommends the USDA grant/loan program because of the lower overall financing costs if the are able to provide all the documents needed to close according to schedule. However, one of the statewide ballot questions (Amendment 61) has added further complications. We have addressed these new concerns with our bond counsel, the city attorney, and our financial advisor. Specifically, passage of Amendment 61 would prevent this loan from taking place after January 1, 2011 in Colorado. Although the loan agreements would be executed before the new law takes effect, the interim and permanent re-financing would be considered two separate loans. Since the latter would close after January 1, 2011, it would be prohibited. Therefore, both the grant and the low interest rate loan could not be accepted. The solution we hope to have in place is a commitment letter to be issued by USDA's National Office that they would provide permanent financing prior to the end of the year should Amendment 61 pass. The authorizing ordinance for the permanent loan was prepared to allow the City the option to pursue alternative financing should that letter not be delivered in time.

The two ordinances were drafted to (1) authorize the Interim Loan in anticipation of the USDA loan; and (2) authorize the Series 2010 Bonds, which would either take out the Interim Loan or fund construction of the project, or both, depending upon how far along the project is when the Series 2010 Bonds are issued. The Series 2010 Bonds would be issued either to USDA or to others in the event that the USDA loan transaction is not completed and it is necessary to finance the project in the bond market.

Parameters in the two Ordinances for the Interim Loan and the USDA Loan are set quite high to allow for contingencies such as the inclusion of a 30-year "termout" provision in the Interim Loan and the possibility of offering the Series 2010 Bonds to the public in the event that the USDA Loan is not concluded. As a result the maximum rates, amounts, etc., are all quite a bit higher than we expect if the USDA Loan is executed.

Annual debt service for the USDA loan is approximately \$543,000. Should we be unable to accept the grant and the loan from the USDA, the annual debt service of alternative financing is estimated to be at least \$800,000.

Attorney Hanlon pointed out to Council members that they have a corrected version of the ordinances in front of them. The corrected version deletes the word "emergency" ordinance. These Ordinances

are regular and do not require to be passed as an emergency. Hanlon noted that it was Mr. Miller who pointed out this mistake.

Ms. Schmidt is still working with USDA to get all of the correct paperwork completed, just in case propositions 60 and/or 61 pass. Proposition 61 would affect the financing. The City would not be able to take this loan package as it is currently set up. It is possible that the City would get an exception, but it is best to keep it moving.

Mayor Rose opened the public hearing for Ordinance 2010-11.

Jim Miller, resident of Salida, came to the podium to speak. He thanked the mayor and council for their hard work on this project. He also thanked Finance Director, Jan Schmidt, for her hard work and dedication to this project. He believes that she is watching out for the rate payers and the good of the community. In addition he believes that Mr. Lewis has done right on this. However, he mentioned the following concern; rate payers always have to pay for future growth. The residents' sewer rates will be double in 11 years. PIFs (Plant investment fees), would be a good way to have developers make a contribution to the costs. Damman interjected that the City has doubled the PIFs in the last few years. Mr. Miller also stated that this funding is a perfect example of what is wrong with an enterprise fund. Mr. Miller supports this sewer plant, but on a matter of principal does not like the one fund. Mr. Miller stated that enterprise funds exclude the people who are going to have to pay, which he believes is disrespectful. Many voters in Salida are on fixed incomes. With the increase in sewer prices, it could mean that people will not vote in favor of the school bond issue. He does not like that the government spends our money without asking our permission. We have ignored this for too long. It's respectful to ask the citizens in a vote.

There were no other speakers. Mayor Rose closed the public hearing.

A motion was made by Damman to approve Ordinance 2010-11, an ordinance of the City of Salida, Colorado, acting by and through its Water Activity Enterprise, authorizing the issuance of water and sewer refunding and improvement revenue bonds in the aggregate principal amount not to exceed \$12,500,000; providing for the use of net proceeds thereof to pay the costs of the construction of improvements to the sewer system; providing for the payment of the Series 2010 Notes from proceeds of permanent financing and from the net revenue derived from the operation of the water and sewer system comprising the City's Water Activity Enterprise; and making certain covenants in connection therewith; providing for the form, payment, and other details in connection with the Series 2010 Notes; authorizing the execution of agreements and documents in connection with the Series 2010 Notes; and ordering the ordinance to be published by title only. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

5. Authorizing permanent financing for Wastewater Treatment Plant – 2nd reading –(Jan Schmidt-)

Finance Director, Jan Schmidt, presented the materials with Ordinance 2010-11.

Mayor Rose opened the Public Hearing. There were no speakers, The Mayor closed the public hearing.

A motion was made by Moore to approve Ordinance 2010-12, an ordinance of the City of Salida, Colorado, acting by and through its Water Activity Enterprise, authorizing the issuance of water and sewer refunding and improvement revenue bonds in the aggregate principal

amount not to exceed \$15,500,000; providing for the use of the net bond proceed to pay the costs of the construction of improvements to the sewer system; providing for the payment of the Series 2010 bonds from the net revenue derived from the operation of the water and sewer system comprising the City's Water Activity Enterprise, and making certain covenants in connection therewith; providing for the form, payment, and other details in connection with the Series 2010 bonds; authorizing the execution of agreements and documents in connection with the Series 2010 Bonds; and ordering the ordinance to be published by title only. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

6. Authorizing an amendment to the 2003 Colorado Water Resources & Power Development Authority Water Pollution Control Revolving Fund Note- 2nd reading

Ordinance 2010- 13 authorizing the execution and delivery of an amendment to the loan agreement dated December 8, 2003 previously entered into between the City, acting by and through its Water Activity Enterprise, and the Colorado Water Resources and Power Development Authority, and making other provisions in connection therewith.

Ms. Schmidt, presented written materials included in the packet. The request is to authorize an amendment of an existing sewer system loan from the Colorado Water Resources & Power Development Authority through their revolving loan fund program.

The City submitted a letter to the Colorado Water Resources & Power Development Authority requesting an amendment to the terms of the 2003 Water Pollution Control Revolving Fund Loan Agreement. Specifically, the City wishes to pledge, and take into account for purposes of issuing additional obligations (including the 2010 loan), revenue from both its water and sewer operations. Council is being asked to approve an ordinance to authorize the amendment.

The City has one "Water Activity Enterprise" fund that consists of the business represented by all of the City's water and sewer facilities and properties. Although legally one enterprise, the City manages the operations of the enterprise separately for water and sewer services. Debt service will continue to be funded from assets of the operations to which the debt relates. The proposed amendment being discussed is for documentation purposes, only.

Due to a decrease in the level of development fee revenue experienced in 2009, the City is unable to meet the requirements for issuance of additional obligations on parity with the 2003 loan. This has affected our ability to close on the 2010 water loan approved by council.

In order to maintain consistency with the terms of all outstanding water and sewer debt and avoid parity issues, the City believes the best solution is to offer the Colorado Water Resources & Power Development Authority a pledge of revenue from both water and sewer operations and to base future parity borrowings on the revenue coverage of the combined water and sewer enterprise. To effect this change, we propose amending the definition of the term "System" to mean "the water and sewer system of the Governmental Agency, for which the Governmental Agency is making the borrowing under this Loan Agreement, as such System may be modified, replaced, or expanded from time to time."

Ms. Schmidt replied to what Mr. Miller had proposed earlier about PIFs by explaining that development should pay for improving the sewer. This by amending the 2003 loan, it will have the same terms as the 2010 loan. The state has accepted it, now it needs Council's approval.

Mayor Rose opened the public hearing. There were no speakers. He then closed the public hearing.

A motion was made by Damman to approve Ordinance 2010-13, an ordinance of the City Council for the City of Salida, Colorado, authorizing the execution and delivery of an amendment to the loan agreement dated December 8, 2003 previously entered into between the City, acting by and through its Water Activity Enterprise, and the Colorado Water Resources and Power Development Authority, and making provisions in connection therewith and ordering the ordinance to be published by title only. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

7. Fee in Lieu of Land Dedication for Schools, changing fee amount – 2nd reading

Ordinance 2010-14 amending Article XX of Title 16 of The Salida Municipal Code regarding fair Contribution for public school sites.

Community Development Director, Dara MacDonald, presented materials included in the packet. The City Council did not set any escalator for the fee in lieu of land dedication for fair contribution for public school sites when they adopted the original ordinance in 2008. The other towns and Chaffee County all included an escalator based upon CPI. Staff requests that the Council implement the same policy and that the fee be set by resolution rather than by ordinance.

The City of Salida along with Buena Vista, Poncha Springs and Chaffee County adopted a requirement in 2008 that all new subdivisions be required to contribute land to public schools. As a practice this typically results in residences in new subdivision paying a fee at the time of building permit which is then turned over to the appropriate school district. We have a letter from the R-31-J district requesting that we collect the fee for any subdivisions less than 20 acres in size. For larger subdivisions, the district can review the plans and consider whether a land dedication is more appropriate. Based upon the study commissioned by the school district the fee amount was set at \$354 per residence.

At the time of adoption, the other entities in the County all included an escalator based upon the consumer price index of the Denver/Boulder area. This CPI was chosen because it is the one utilized under the TABOR amendment and for lack of a more relevant and reliable measure of price increase/decrease.

As has been the recent practice, staff again recommends that the dollar amount of the fee be removed from the ordinance and instead be passed by resolution. This is recommended so that fees can be more easily adjusted without the process of amending an ordinance. A resolution has been prepared submitted to the Council along with second reading of this ordinance.

An application for an amendment to the text of the Land Use Code shall comply with the following standards:

- (1) Consistency with Purposes. The proposed amendment shall be consistent with the purposes of the Land Use Code.
 - The five general purposes of the Land Use Code are to establish development standards, protect quality of life, establish review process, provide for orderly development of the City and conserve property values. The proposed amendment creates a routine adjustment for the fee in lieu of land dedication for public schools.

- (2) No Conflict with Other Provisions. The proposed amendment shall not conflict with any other applicable provisions of this Chapter, or shall repeal or amend provisions of this Chapter which are inconsistent, unreasonable or out-of-date.
 - The proposed ordinance changes do not appear to conflict with other provisions of the code.
- (3) Consistency with Comprehensive Plan. The proposed amendment shall be consistent with the Comprehensive Plan, shall implement a new portion of the Comprehensive Plan or shall implement portions of the Comprehensive Plan which have proven difficult to achieve under the existing provisions of the Land Use Code.
 - The provision of adequate public school facilities is consistent with the Comprehensive Plan.
- (4) Public Health, Safety and Welfare. The proposed amendment shall preserve the public health, safety, general welfare and environment and contribute to the orderly development of the City.
 - This amendment protects public health, safety, general welfare and the environment because it helps provide adequate public schools for children in the community.

There are no agency comments at this time. And no comments from the public have been received.

Mayor Rose opened the public hearing. There were no comments. Mayor Rose closed the public hearing.

A motion was made by Moore to approve Ordinance 2010-14 an ordinance of the City Council of the City of Salida, Colorado, amending Article 20 of Title 16 of the Salida Municipal Code regarding fair contribution for public school sites, and ordering the ordinance to be published by title only. The motion was seconded by Stewart. With all in consensus, THE MOTION CARRIED.

8. Set the Fee in Lieu of land Dedication for Public School Sites (Dara MacDonald)
Resolution 2010-59 adopting fees for fair contribution for public school sites pursuant to Section 16-20-30 of the Salida Municipal Code.

Ms. MacDonald presented written materials included in the packet. Upon approval of Ordinance 2010-14, just now, the City Council must set the fee for fair contribution for public school sites.

The City of Salida along with Buena Vista, Poncha Springs and Chaffee County adopted a requirement in 2008 that all new subdivisions be required to contribute land to public schools. As a practice this typically results in residences in new subdivision paying a fee at the time of building permit which is then turned over to the appropriate school district. We have a letter from the R-31-J district requesting that we collect the fee for any subdivisions less than 20 acres in size. For larger subdivisions, the district can review the plans and consider whether a land dedication is more appropriate. Based upon the study commissioned by the school district the fee amount was set at \$354 per residence.

At the time of adoption, the other entities in the County all included an escalator based upon the consumer price index of the Denver/Boulder area. This CPI was chosen because it is the one utilized

under the TABOR amendment and for lack of a more relevant and reliable measure of price increase/decrease.

As has been the recent practice, staff again recommends that the dollar amount of the fee be removed from the ordinance and instead be passed by resolution. This is recommended so that fees can be more easily adjusted without the process of amending an ordinance.

A motion was made by Damman to approve Resolution 2010-59 a resolution of the City Council of the City of Salida, Colorado, adopting fees for fair contribution for public school sites pursuant to Section 16-20-30 of the Salida Municipal Code. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

9. Option and Lease Agreement with Over the River Corporation 2nd Reading- Ordinance 2010-15 approving an agreement with Over the River Corporation

City Administrator, Jack Lewis presented written materials included in the packet. The request is to approve an option to lease with Over the River Corporation, who desires to lease an approximately 1.5 acre portion of approximately 7.2 acres located at 410 W. Highway 50 for a 6 week period in 2013 or 2014 for use as a visitor location for the Over the River exhibition.

No public comments have been received.

Mayor Rose opened the public hearing. There were no comments. Mayor Rose closed the public hearing.

Mr. Lewis recommends passing the ordinance to approve an option and lease agreement with Over the River Corporation

A motion was made by Damman to approve Ordinance 2010-15 an ordinance of the City Council for the City of Salida, Colorado approving an option and lease agreement with Over the River Corporation and ordering the ordinance to be published by title only. The motion was seconded by Baker. With all in consensus, THE MOTION PASSES.

10. Adopt the Crisis Action Guide as the Emergency Operations Plan for the city
Resolution 2010-57 Adopt the Crisis Action Guide as the Emergency Operations Plan for the city

With the approval of Resolution 2010-57, the City of Salida will make a significant step in the area of Emergency Management by the formal adoption of an Emergency Operations Plan. The Crisis Action Guide will provide a guideline to all city staff for response to natural and manmade disasters to ensure we are providing effective life safety measures while reducing property loss and damage to the environment and provide for rapid resumption of impacted businesses and community services.

The applicant is the City of Salida Fire Department Fire Chief who was designated as the City of Salida Emergency Response Manager by Resolution 2009-31.

The City of Salida is subject to multiple natural and manmade disasters and faces the potential of being isolated from additional resources from surrounding communities due to its location. The city has worked diligently to ensure it is prepared to respond in case of a disaster. Due to the multiple factors that arise during a crisis, an Emergency Operations Plan is the key planning tool and response guideline for staff to ensure an appropriate and timely response. The Crisis Action Guide was developed as an

abbreviated Emergency Operations Plan which should adequately serve the staff of our city.

Chief Taylor explained to Council that the whole packet is not in front of them. It is not printed for publication, since it includes some personal phone numbers. It is available for the public at City Hall. In addition, all Department Heads have a copy. An Emergency Manager has been designated, which is unusual for such a small community. The Fire Department is in the final steps of a grant program for emergency preparedness. The center will be upstairs of the Touber Building in the police department space. It will be a state of the art emergency operations center and training room. They plan to move in on Thursday September 23rd. Chief Taylor encouraged Council to take a look at it. The matches for the grant were "in kind". There are no out of pocket expenses for the City for this grant. Once the operations room is set up, there will be a practice. The Fire Department plans to do that in the Spring so that staff members can practice.

No public comments have been received regarding the amended agreement.

A motion was made by Moore to approve Resolution 2010-57 a resolution of the City Council of the City of Salida, Colorado adopting the Crisis Action Guide, dated April 2010 as the City of Salida Emergency Operations Plan. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

11. Administrator/City Attorney/Deputy City Clerk

a. Administrator's Report -Unique Theater update -

City engineers concluded their exam. The City Administrator expects the report on how to stabilize, demolition a portion or demolition the whole thing latter this week. Mr. Lewis hopes to have it the Council agenda for the Oct 5th meeting. At that point he will ask Council for a decision on how to move forward.

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

City Attorney Karl Hanlon added that engineers ran into some potential roadblocks when they entered the Unique last week. Because of those problems, Mr. Hanlon believes it necessitates that he be able to react quickly in the City's interest. Mr. Hanlon is requesting authorization to commence litigation so that if a situation arises and he feels it may need court intervention, he will be ready to act without consulting Council. It may be necessary to have a quick turn around and Mr. Hanlon doesn't want to be caught when it takes too long to react. Mr. Hanlon asked Council for that authorization. He would inform Council if it became necessary to take steps to allow entry to the Unique.

Mr. Hanlon believes that Councilor Damman has a conflict of interest and therefore Hanlon asked Damman to recues himself. Damman left the dais in order to recues himself. Mayor Rose asked that Council be contacted before taking action.

A motion was made by Yerkey to authorize counsel to take whatever action at whatever time that he needs in order to protect the interest of the citizens of our community. The motion was seconded by Baker. With all in consensus, THE MOTION PASSED.

c. Deputy City Clerk -

Assistant Deputy Clerk Jennifer Orr reported 5 safe water samples. The Mayor added that he appreciated hearing about the quality of the City's water because citizens need to know how great the

staff is doing to provide good water.

7. Elected Official Reports -

a. Treasurer- Eileen Rogers presented the following:

The sales tax reported for the month of July 2010 was received last week. For sales within the City, tax collections totaled \$375,063. This was a 3.8% increase from a year ago and the second month in a row with a favorable comparison to 2009! Prior to our June results, the monthly sales tax collections were down 19 months in a row with just a single exception.

June through August is the “peak season” for sales tax collections. Favorable June and July comparisons carry greater than average impact for the budget. (The average amount for monthly sales tax collections is approximately \$288,000. From June through August, the average increases by about 20% to nearly \$350,000 per month.)

Salida’s share of the county tax in June was \$143,556, a 6.7% increase from July 2009. (The City currently receives 25% of the 2% sales tax collected county-wide in Chaffee County, a decrease from 26% in 2009.)

Year-to-date, City sales tax was \$1,947,935 compared to \$1,993,318 for the same period in 2009. The total sales tax reported by vendors located in city limits fell by \$45,383, or 2.3%, compared to the same period last year.

Year-to-date, Salida’s share of the county tax was \$701,676 compared to \$708,882 for the same period in 2009. The total sales tax allocated to Salida from the county-wide sales tax fell by \$7,145, or 1.0%, compared to the same period last year.

In May 2010, the City implemented budget cuts anticipating a \$234,800, or 5%, reduction in sales tax revenue.

b. Mayor – Nothing else to add.

c. City Council-

Councilor Baker responded to Mr. Miller’s early comment about an earlier reaction by Baker. Baker explained that he was reacting to the good news of the agreement with Poncha Springs. Baker stated that he had worked very hard to accomplish the agreement.

Councilor Moore thanked Mr. Miller for participating in the meeting. He added that he will be attending the Watershed conference on Friday September 24th. In addition, there will be a meeting tomorrow of riverside land owners and rafters. Moore plans to attend in order to listen to the conversation.

Mayor Rose announced that Councilor Moore has been nominated as a municipal representative to serve on the Arkansas River Round Table. Council needs a motion to approve Moore to be the municipal representative to the Arkansas River Round Table. Moore will represent all 3 municipalities in the county. He has already been approved by Poncha Springs and Buena Vista. He needs to be approved by Salida’s Council for it to be final.

A motion was made by Stewart to appoint Dr. Moore to the Arkansas River Round Table as the municipal representative for the municipalities in Chaffee County. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

Mayor Rose asked Council if anyone had a motion to make based on this morning's conversation about eliminating the Historic Preservation Commission. There was discussion about whether there needs to be a motion because if any decision will involve legal counsel. Some of Council simply asked that the Community Development Director cogitate on the idea. Ms. Mac Donald stated that she thinks it would be a more thorough process if legal counsel were involved.

A motion was made by Baker to direct Ms. MacDonald and Mr. Hanlon to cogitate for two weeks regarding the long-term unforeseen consequences of turning the Historic Preservation Commission into something other than what it is now. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

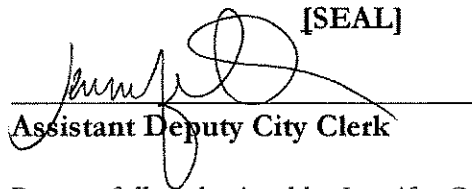
ADJOURNMENT –

A motion was made by Moore to adjourn the meeting at 7:40 p.m. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.



Mayor

[SEAL]



Assistant Deputy City Clerk

Respectfully submitted by Jennifer Orr, Assistant Deputy City Clerk