



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

Salida, Colorado

October 5, 2010

6:00 p.m.

The meeting was called to order at 6:01 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, Jay Moore, and Steven Stewart. Also present were City Treasurer Eileen Rogers, City Clerk Betty Schwitzer, City Administrator Jack Lewis, Deputy City Clerk Janella Martinez and City Attorney Karl Hanlon.

Absent was Council Member Jim McCormick.

**CITIZEN PARTICIPATION** -

Jim Miller, a resident of Salida, apologized for saying that the City is not following City rules in the Land Use Code regarding proper drainage for the new parking lot project at the Touber Building. The drainage is being done correctly.

**PRESENTATION** -

2011 Proposed Budget by Finance Director Jan Schmidt. This budget assumes that Amendments 60, 61, and Proposition 101 do not pass.

The City Budget includes five separate budgets. The General Fund, Water Fund, Sewer Fund, SteamPlant Fund, and the Conservation Trust Fund. A copy of the PowerPoint presentation of the 2011 budget is included in the packet for review.

In the General Fund decreasing revenue and cost inflation are being offset by personnel expense reductions, achieved through staff attrition and continued salary freezes. We are also reviewing other areas for operating efficiencies and cost reductions assessing needs versus wants and cost/benefit analyses, consequences of non-compliance with accepted practices, etc.

No major changes are proposed in the Water Fund. However, once the City finishes its rate study they will likely amend the budget. Development fees are not sufficient to cover debt service. Expect to see rate increases.

In the Sewer Fund and the SteamPlant Fund there are no major changes expected.

We hope to build reserves for future projects in the Conservation Trust Fund. A public hearing is scheduled for November 2, 2010. The budget will be adopted during the November 16, 2010 City Council meeting. A copy of the 2011 Budget is available at City Hall for citizen review.

## **SCHEDULED ITEMS-**

### **1. Consent Agenda –**

- a) Approval of Agenda
- b) Approval of Minutes:
- c) City Property requests
- d) Special Events Liquor Permit request:

Deputy City Clerk, Janella Martinez, presented written materials that are included in the packet for the record.

A motion was made by Damman to amend the agenda adding items 1.) e. Resolution 2010-65 supporting Salida School District Bond issue 3A, and removing 8. Appointment to the Planning Commission. The motion was seconded by Stewart. With all in consensus, THE MOTION CARRIED.

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

1. e. Resolution supporting Salida School Resolution 2010-65 a resolution of the City Council for the City of Salida, Colorado supporting the Salida School District's Bond Issue 3A

Dave Armstrong, Campaign Manager for School Bond 3A, said the School District has been awarded a \$12.5 Million dollar grant to build a new High School. \$17.5 million is needed for the match. The total cost of building the school is \$30 million. The issue can be approved by School District voters on November 2, 1010. A brief discussion followed.

Mayor Rose read the title of the presented resolution including some of the "Whereas" clauses for the public.

Councilor Damman gave a shout out to the "small army" of volunteers working to make the bond issue successful. He noted some of them don't even have children in public schools.

A motion was made by Damman to approve RESOLUTION 2010-65 A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO SUPPORTING THE SALIDA SCHOOL DISTRICT'S BOND ISSUE 3A. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

### **2. Unique Theater discussion and action on Abatement solution –**

Administrator Lewis presented materials included in the packet. Council will hear the presentation by Bill Swigert, Civil/Structural Engineer of SGM regarding his findings and recommendations on the various methods to abate the unsafe building condition at the Unique Theater. After discussion staff requests direction on which abatement plan to pursue.

SGM is the Cities Engineering Firm and in this case is working on behalf of the City. The task was two fold. First was to develop a plan to stabilize the section of the Unique found unsafe and a second plan to demolish the same section and secure the remaining section. Copies of the two plans are included in the packet. Additionally Staff has developed budgets for the various plans with the assistance of SGM.

Councilor Damman re-cused himself and left Council Chambers during the discussion for the Unique Theater.

Mr. Swigert, SGM Engineering, gave an overview of his findings for the condition found at the Unique Theater. The City uses the International Building Code and following a review of that information it was classified as a dangerous building in 2007. In September of this year we did a re-inspection and found conditions of building to be the same. A PowerPoint presentation including photos from the inside of the Unique Theater were presented to Council. Mr. Swigert gave a verbal overview of the photos to Council. The interior trusses are in poor condition and will not support workers on the roof or any significant snow load. The roof has holes that remain open today allowing further water damage to degrade the interior of the building. These holes were made when the shores were installed by cranes and left open by the current owner.

The areas of most concern are for trusses number 1, which is located on the First Street side of the building, and for truss 6, which is located about 20 feet from the alley side of the building. The front of the building is not in as serious of condition as the back of the building. A discussion followed by Council.

Administrator Lewis said that Diesslin Structures, Inc. (DSI) has put together estimates for a 2 year stabilization plan, costs for demolition of the rear of the building, and an estimate for demolition of the entire Unique Theater. This information from DSI is provided with the numbers blacked out in case the City is required to go out to bid. Staff needs direction from Council tonight on whether they prefer the 2 year stabilization plan or demolition of the rear of the building or for demolition of the entire structure. Staff is leaning toward the stabilization. Further discussion ensued.

When Councilor Moore noted that we continue to use the term of two years when talking about stabilization, he asked Mr. Swigert what he feels the maximum life of stabilization would be. Mr. Swigert said it could possibly last five to eight years. Swigert recommends that if stabilization is Councils choice tonight that in two years there should be an inspection to see if no further deterioration has occurred.

Mayor Rose asked Administrator Lewis if the money used for the Unique Theater is being taken from the street budget. Lewis said he was correct.

Attorney Hanlon noted that today a letter arrived from the owner, Mr. Hartsliel, which was placed on the Council dais for review. For the record, he was asked to deliver this letter to Council.

Councilor Yerkey asked how the City will be able to recover any money it spends to stabilize the building. Hanlon answered that monies can be certified as tax liens that go to the tax rolls. If the costs incurred by the City are not paid and if there is a tax sale, we can seek a monetary judgment for the work we put into the building.

Mayor Rose invited anyone wishing to speak to come forward and sign their name on the sheet located on the lector.

Tracy Veach, born and raised in Salida, brought some pictures to share with Council. She got these pictures from the Salida Museum and made copies to show Council what the Opera House looked like in its prime. She feels Salida could turn a profit by refurbishing the Unique Theater and using it as a venue for local and regional entertainment. An estimated \$400,000 per year can be made if tickets are sold year round. The City could recover its money from the successful endeavors of a refurbished Opera House.

Dwight Coccovinus, a professional Engineer, has been in the Unique a couple of times and has developed his own opinion. Even after reading Mr. Swigert's assessment he feels that the building is quite serviceable. The framing is in serious trouble and needs help. He feels that it would cost less to tear the building down, but thinks there is far more to offer by restoring the theater. The building itself can be a true asset to any developer willing to make minimal repairs. Mr. Cocovinus is concerned that the original owner hasn't been imposed with a penalty. We could already be recouping costs that are needed for the building and allowing the work to move forward.

Jim Miller, 203 G Street, noted that he attended the very first meeting regarding the Unique. Several of Council and some staff were also present. Mr. Miller said regardless of the outcome we are all in this together. Even though the building is in fact owned by Mr. Hartslief. Many concerned citizens banded together to form the Save the Unique, a committee that have done several things to make our intentions known. Petitions have been circulated and copies submitted to City Hall. The petitions were signed by citizens who do not want their tax dollars spent on demolition of the Unique Theater, they want their tax dollars to be spent on stabilization.

Miller understands that Council has the health and safety of the citizens to contend with. He reminded Council that Historic Salida, Inc. is willing to apply for the \$10,000 emergency grant and said he will personally raise the needed matching funds. He believes we can raise \$10,000 bringing the total to \$20,000 that could be deducted from the \$75,000 investment by the City.

Councilor Yerkey reminded Mr. Miller that the City doesn't own the building.

Mr. Miller said Mr. Hartslief has given his approval for HSI to apply for the \$10,000 grant funding. Miller said that once an old building is gone, it's gone forever. The building is a locally landmarked historic building and he feels we need to do everything we can do to preserve it. He also feels there has been a fair amount of interest in the building for purchasing it.

Mayor Rose asked if anyone else wished to speak.

Jack Chivvis said he encourages Council to pursue stabilization of the Unique Building. He also feels that once a building is gone, it's gone forever.

A motion was made by Stewart to proceed with Option A, Stabilization of the Unique Theater Building. The motion was seconded by Moore. A discussion by Council followed.

Mayor Rose expressed his concerns. Nobody here wants to damage this old building, but his concern is that the City budget is down 5% this year. We have already cut \$300,000 from the budget, if Proposition 101 passes we lose \$1.4 million. The City is always told they cannot close this or stop this service to the citizens. But how are we going to pay for it? Mayor Rose appreciates the work done by Mr. Miller but feels a signature on a petition is cheap. Somebody has to pay for all of the costs incurred, whether it be for stabilization or de-construction. He would like to see citizens come forward that are

willing to see their services reduced when Council is asked to spend money outside of the budget.

Mayor Rose requested a roll call vote for the motion on the table.

With all present in consensus, THE MOTION CARRIED.

Councilor Damman returned to the meeting room at 7 28 pm.

### **3. Lease with Western State College –**

Ordinance 2010-17 approving a lease with Western State College

City Administrator, Jack Lewis, presented background information to Council Members. The City has been working with Marilyn Laverty with the Business Development Center, also known as a Business Incubator. The City is donating space above City Hall in the Touber Building to this organization. There have been several leases reviewed but this form from the state seems to fit. The City is now ready to enter into a lease with Western State College for a Business Development Center. With the execution of lease through building management group outfit with electrical , computer and at no cost for the space so they can lease out to businesses doing economic development. This will give them an under market lease that escalates over 32 years. This organization will coach the qualifying businesses with all aspects of growing their business that will then be able to add more employees.

The Business Development Center is holding an Open House to kick off this program on October 7, 2010 from 4 – 6 PM. There are already some business owners who have turned in their applications.

Marilyn Laverty was introduced and said she is happy to answer any questions posed by Council. Councilor Stewart asked if part of the goal of the center is to help educate the business community. Ms. Laverty said that approving this lease will allow them to make space available for the first three years and to help businesses escalate their services enough to hire more employees. The Chaffee County Commissioners and Chamber of Commerce are supportive of the efforts of the Business Incubator.

A motion was made by Moore to approve ORDINANCE 2010-17 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO APPROVING A LEASE AGREEMENT WITH WESTERN STATE COLLEGE, ordering to publish the ordinance in full, and setting the public hearing as October 19, 2010. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

### **4. Chaffee Housing Trust – continued funding 2010**

Reed McCulloch, Director of Chaffee County Housing Trust, was asked to return in September with updates for any progress. The City allocated \$15,000 for funding this affordable housing model. Council agreed to fund \$7,500 and Mr. McCulloch is back to request the remainder of funding allotted in the 2010 budget. A lengthy discussion followed regarding how much money CHT would require to continue operations through the end of the year.

Councilor Yerkey made a motion not to fund the \$7,500 this year, but to include a line item for Chaffee County Housing Trust in the 2011 budget, the amount will be determined following the November 2010 election results. The motion was seconded by Baker.

Councilor Damman noted that he encourages Council to put a token amount into funding for CHT

this year. It might be valuable for the Division of Housing to see that the City is supportive of this effort. Mayor Rose asked Damman if he wished to amend the motion. Damman said no. Councilor Stewart agrees with Damman's statement. A discussion followed.

An amendment to the motion was made by Stewart to award Chaffee Housing Trust \$1,500 in the 2010 budget. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

Mayor Rose asked for a roll call vote on the original motion. With all in consensus, THE MOTION CARRIED.

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

**5. Granting an easement for BLM on Vandaveer-**

Resolution 2010-60 approving an easement for the Bureau of Land Management on the Vandaveer Property.

City Administrator Jack Lewis presented written materials that are included in the packet for the record. The request is to pass a Resolution approving an easement deed with the Bureau of Land Management for use of an existing road across city-owned property. The road is on the southwestern portion of the Vandaveer property off U.S. Hwy 50. The area of the easement is shown on the attached exhibit and described in the legal description that is included in the packet.

The applicant has agreed to reimburse the City for costs associated with drafting and executing the easement. The road accesses a popular trailhead on the adjacent BLM property. No new road or improvement to the existing road is proposed.

This easement request has been reviewed by the city attorney and they have drafted the easement deed.

A motion was made by Moore to pass RESOLUTION 2010-60 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, APPROVING AN EASEMENT DEED WITH THE BUREAU OF LAND MANAGEMENT. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

**6. Opposing Amendments 60, 61 and Proposition 101 – (Jack Lewis)**

Resolution 2010-62 opposing Proposition 101 and Amendments 60 and 61.

City Administrator Jack Lewis presented materials that are included in the packet for the record. The local newspaper today had a very good, factual editorial by Merle Baranczyk. The devastation these could do to Colorado would cause a self imposed recession. These proposals, if approved, would have a direct impact to the City meaning we would be cutting at least ¼ million dollars out of the City budget going forward. A brief discussion followed.

A motion was made by Damman to approve RESOLUTION 2010-62 OPPOSING PROPOSITION 101 AND AMENDMENTS 60 AND 61. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

**7. Approving Financial Advisor Agreement with D.A. Davidson –**

Resolution 2010-61 approving a Financial Advisor Agreement with D. A. Davidson.

Finance Director Jan Schmidt presented written materials that are included in the packet for the record. The request is for council to approve a tax exempt loan advisor agreement between the City and D.A. Davidson.

During 2009, City Administrator Lewis and Schmidt conducted a process to select a firm to provide financial advisement services to the City. A recommendation was discussed with the council members comprising the now disbanded Finance Committee, over a year ago. Now that we have begun working with the firm on some projects it is time to formalize an agreement outlining their scope of services and fee schedule among other factors.

When we met with the different investment banking firms, we asked them to send in a proposal summarizing why the City should work with them for future financing needs. At that time, upcoming financing needs identified included bonds issued by the water & sewer enterprise fund to pay for the wastewater treatment facility upgrade and some type of public-private partnership for development of the multi-agency natural resource center. As a supplemental request, the contact from each firm was asked to describe what he and his firm could bring to Salida as far as experience and ideas for the following potential projects: 1) Affordable Housing; 2) Economic Development; 3) Downtown Redevelopment; 4) Bonding against the occupational lodging tax for recreation projects.

A summary of proposals was provided to the finance committee in August 2009. We recommended D.A. Davidson based upon the years the firm has worked in municipal finance, their sales organization and extensive experience in key areas of interest to Salida. Fees will be negotiated for each project. A 1% fee was negotiated for the wastewater facility upgrade loan. Staff recommends approval of this financial advisor agreement.

A motion was made by Damman to approve RESOLUTION NO. 61, 2010, A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO APPROVING A TAX EXEMPT LOAN ADVISOR AGREEMENT WITH D.A. DAVIDSON. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

8. **Citizen appointment to the Planning Commission** – (Jack Lewis)  
Resolution 2010-63 approving citizen appointment to the Planning Commission.

This item was removed from the agenda.

9. **Sewer Improvement Construction Agreement bid approval** – (Rob Vance)  
Resolution 2010-64 authorizing the City to enter into a Construction Services Agreement between The City of Salida and Pridemore Construction, Inc.

Public Works Director, Rob Vance, presented written materials that are included in the packet for the record. The request is to award the bid of the 2010 Sewer Improvement Project and to approve the contract for construction with Pridemore Construction, Inc.

The City has numerous six (6) inch sewer lines. These lines are old and very difficult to keep clean and serviceable. Over the last few years during our annual sewer cleaning we have become aware of some lines that have broken pipe and pose a threat to the serviceability of the main sewer system. The 2010 sewer improvement is a project that addresses these issues. There are three lines that we are trying to fix. One is the line that runs from 7<sup>th</sup> Street to 6<sup>th</sup> Street; it has several areas that the top of the pipe is broken and an area that cannot be cleaned. The next area is what we call the Jail Line. This line is in

the alley between 2<sup>nd</sup> and 3<sup>rd</sup> Streets from K Street to M Street. Not only is this line undersized for the flow it carries it also was laid very flat and is a constant threat to plug. We will be upsizing this line, removing a manhole and relaying the pipe for a better slope. The final area of repair this year is a sewer line between Dodge and Maxwell that extends from Vine to Scott Street. This line is broken and has large root in filtration.

The bid for the 2010 Sewer Improvement Project was advertized and a bid opening was held on September 30, 2010. There were 5 qualified bidders. The project engineers, SGM, reviewed the bids and made a recommendation for award. Their recommendation is to go with the low bidder, Pridemore Construction, Inc. Pridemore Construction's bid was for Two Hundred Forty-Six Thousand Twenty Six dollars and Twenty Cents (\$246,026.20).

A motion was made by Yerkey to approve RESOLUTION 2010-64 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, AWARDDING THE 2010 SEWER IMPROVEMENT PROJECT AND TO APPROVE THE CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH PRIDEMORE CONSTRUCTION, INC. FOR THE CONSTRUCTION OF THE 2010 SEWER IMPROVEMENT PROJECT. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

#### **10. Emergency Ordinance/Historic Preservation Commission –**

Ordinance 2010- 16 an emergency ordinance of the City Council of the City of Salida appointed City Council to act as the Historic Preservation Committee for all purposes under the Salida Municipal Code.

City Attorney, Karl Hanlon, apologized to Council for not including this ordinance in the packet but the issue came up late on Wednesday. With the recent resignations by Historic Preservation Commission members, the most efficient thing to do right now is to plug in Council as HPC in our current code. This will allow some time for Council to decide what to do with incoming applications. With current resignations HPC cannot bring a quorum to the table. We are not anticipating it would remain this way, but having Council sit in would allow applications to be heard and to move forward.

Mayor Rose opened the public hearing.

Jim Miller suggested Council should offer to meet with the two remaining members and include downtown property owners to discuss this matter.

Mayor Rose asked for any other comments. There were none. Mayor Rose closed public hearing.

A motion was made by Councilor Damman to approve ORDINANCE 2010- 16 AN EMERGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALIDA APPOINTED CITY COUNCIL TO ACT AS THE HISTORIC PRESERVATION COMMITTEE FOR ALL PURPOSES UNDER THE SALIDA MUNICIPAL CODE, ordering the ordinance be published in full, effective immediately. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

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

##### **a. Administrator's Report –**

Administrator Lewis had nothing more to report this evening.



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

City Attorney Karl Hanlon reported that a copy of the court order issued by Judge Groome dismissing the final claims on the 2B lawsuit was distributed to Council members. Attorney Hanlon is really pleased at this point to have this come to an end for something that started a little over a year and a half ago. Professionalism was shown by Kathryn Young and all those involved. We can now bring this to a close a lawsuit that has cost an enormous amount of money. Over \$32,000 was spent in defense of this particular lawsuit. Of that, the City spent \$25,000 to pay the deductible to CIRSA. He noted that this is not counting what was spent a year ago at the administrative hearing.

c. Deputy City Clerk -

Deputy Clerk, Janella Martinez said State Liquor Enforcement was in Salida over the past weekend. During a compliance check of thirteen licensed facilities, seven establishments were issued citations for selling or service to a minor. Brian Osterhouse, State Investigator informed Martinez that of these seven, none of the involved parties asked to see identification. Through a cooperative effort the state has offered to teach server training for all alcohol servers and sellers in Chaffee County on October 26, 2010 at 1:00 p.m. in City Council Chambers, 448 E. 1<sup>st</sup> Street, Salida, Colorado. Letters will be sent to liquor licensed vendors in the area notifying them of the training opportunity.

7. Elected Official Reports -

a. Treasurer-

There was nothing to report this evening.

b. Mayor –

Mayor Rose is pleased with the outcome of 2B lawsuit. He thanked Attorney Hanlon, Administrator Lewis and Deputy Clerk Martinez for the work involved over the last year and a half.

c. City Council-

Councilor Baker noted that he feels Council has done a tremendous job in trying to come to resolution with Mr. Hartsliel, and he doesn't like the comment made earlier this evening.

Councilor Moore recently attended the Governors Round Table on the land use for River Runners water issues with the state. It is very interesting that Chaffee County is ahead of everyone else in the state in terms of dealing with this issue. The River Runners land owners issues will be solved on a case by case basis.

Another meeting attended by Moore relating to water issues is looking at Watershed Protection areas. This is after the Buffalo Creek Fire in 2002 left sludge and debris in water sources. A series of four meetings will be held to continue the discussion. A lot of studies have been done by Colorado Springs and Aurora on protection of water sources in Colorado. It looks as though mileage around water sources might be extended from the current five miles to as much as 11 or 12 miles next to water sources. Mr. Moore will update Council following the next session that is to be held in the early part of November.

**ADJOURNMENT -**

A motion was made by Moore to adjourn the meeting at 8:30 p.m. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

*Chris 12a*

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Mayor

[SEAL]

*Janella Martinez*  
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Deputy City Clerk

Respectfully submitted by Janella Martinez, Deputy City Clerk

*10/5/10*