



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

**Salida, Colorado**

**November 16, 2010**

**5:00 p.m.**

The meeting was called to order at 5:00 p.m.

**EXECUTIVE SESSION**

A motion was made by Moore to go into Executive Session for a conference with the City attorney for the purpose of receiving legal advice on specific legal questions under C. R. S. Section 24-6-402(4)(b); AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION PURPOSES: To discuss the Unique Theater, and 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 Yerkey. With all in consensus, THE MOTION CARRIED.

Mayor Rose announced the time as 5:02 p.m.

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

Executive Session concluded at 5:59 p.m. No decisions were made.

**Following the conclusion of the Executive Session the  
Regular meeting will continue at 6:00 p.m.**

The regular meeting continued at 6:05 p.m.

**PLEDGE OF ALLEGIANCE -**

Led by Mayor Charles Rose.

**ROLL CALL -**

Present at roll call were Mayor Chuck Rose and Council Members Keith Baker, Scott Damman, Jim McCormick, Jay Moore, Steven Stewart, and Tom Yerkey. Also present were City

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

**CITIZEN PARTICIPATION** - None.

**I. SCHEDULED ITEMS**

- a. **Consent Agenda** (Jen Orr)
- b. Approval of Agenda
- c. Approval of Minutes: October 19, 2010
- c. Approval of City Property requests: None

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

**2. Vacation of Public Rights-of-Way within the Salida School District High School and Middle School Complex. 2<sup>nd</sup> reading** (Dara MacDonald)

Ordinance 2010-18 approving the vacation of certain rights-of-way within the City in the vicinity of and underlying property owned by the R-32-J School District.

Community Development Director Dara MacDonald presented documents included in the packet. She separated Middle school text in the Ordinance in order to clear title more quickly so that high school can proceed with BEST grant. She modified the ordinance so that it focuses on the streets and alleys in and around the high school. Ms. MacDonald noted that there is a sewer main that go through the campus. The City is therefore getting a 20 foot easement around that line so that there is room to replace it, if necessary in the future. A new version of the ordinance was distributed this morning so the City will publish this new one in full.

The request is to approve vacation of nine alleys and one street within the Salida High School and Middle School campus.

The Salida School District has requested the City's assistance with clearing up some outstanding issues on their property where the high school and middle school are located. There are several alleys and streets that were platted through what is now the school campus and these should be abandoned in order to clear up the title and allow construction of the new high school.

An attempt was made to complete this process in 1983 when the Council passed Ordinance 1983-12, however, there is no record that this ordinance was ever recorded. The City attorney has advised that a new ordinance should be prepared for Council review and approval. The new ordinance does contain more rights of way for abandonment than the previous ordinance. In an effort to clarify this issue only once, this ordinance includes all of the alleys and streets within the campus rather than just those adjacent to the high school.

The alleys and street proposed for vacation are highlighted in red on the attached exhibit. Included are the following:

Alleys within:

Block 98, Haskells Addition  
Block 110, Haskells Addition  
Block 6, Roberd's 2<sup>nd</sup> Addition  
Block 7, Roberd's 2<sup>nd</sup> Addition  
Block 8, Roberd's 2<sup>nd</sup> Addition  
Block 19, Roberd's 2<sup>nd</sup> Addition  
Block 20, Roberd's 2<sup>nd</sup> Addition

A lane that was platted in 1904 between State Street and New Street and generally aligns with Illinois Ave. This lane is labeled as "Illinois Lane" on the attached maps.

Nichols Ave between State Street and Milford Street.

There is a sewer main in the alley on Block 98 of Haskell's Addition. This is a continuation of the line that runs in part beneath the existing high school. An easement has been provided as 'Exhibit B' to allow maintenance of this sewer main across the high school property and within the alley to be abandoned.

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

A motion was made by Damman to approve "Ordinance 2010-18, an ordinance of the City of Salida, Colorado, approving the vacation of certain rights-of-way within the City in the vicinity of and underlying property owned by the R-32-J School District, and ordering the ordinance published by title only. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

### **3. Vacation of School lot lines – 1<sup>st</sup> reading (Dara MacDonald)**

Ordinance 2010-19 approving the dissolution of certain lot lines within the City in the vicinity of and underlying property owned by the R-32-J School District.

The request is to approve dissolution of interior lots within the Salida High School, Middle School and Early Childhood Center campus. Ms. MacDonald explained that this is a companion ordinance to the one we just discussed. The City cannot provide utilities in this area, so it makes sense to vacate the interior lines and have one big parcel. If years from now the parcel changes use and is sold, the new owner would have to go through a sub-division process. The City decided to take the focus off the whole school system campus and for now focus on high school. There are no lot lines being eliminated in middle school or early child hood campuses.

Ms. MacDonald presented materials included in the packet. The Salida School District has requested the City's assistance with clearing up some outstanding issues on their property where the high school, middle school and early childhood center are located. There are several alleys and streets that were platted through what is now the school campus and these should be abandoned in order to clear up the title and allow construction of the new high school.

City staff recommends that the interior lot lines within the school campus be eliminated. Without dissolution the school district, or a future owner, could sell off one or more of the existing platted lots without ensuring that adequate services and access are available to serve that

lot. Through abandonment of the various alleys and streets within the campus, the City has foregone the obvious locations for infrastructure installation which could leave these existing platted lots without access to utilities. For this reason, staff has recommended dissolution of the interior lot lines. If, in the future, the owner of the property wishes to sell off some portion of the campus they would need to go through the subdivision process to ensure that the area to be separated from the campus could be served with adequate utilities and access.

The blocks with lot lines proposed for dissolution are highlighted in red on the attached exhibit. Included are the following:

- Block 98, Haskells Addition
- Block 110, Haskells Addition
- Block 6, Roberd's 2<sup>nd</sup> Addition
- Block 7, Roberd's 2<sup>nd</sup> Addition
- Block 8, Roberd's 2<sup>nd</sup> Addition
- Block 19, Roberd's 2<sup>nd</sup> Addition
- Block 20, Roberd's 2<sup>nd</sup> Addition

Section 16-14-110(5) of the Salida Municipal Code has two applicable provisions to consider when vacating platted lot lines:

c. Comprehensive Plan. A subdivision plat, public right-of-way or dedicated easement may be vacated if the vacation would be consistent with or implements the applicable intent statements, specific directions and recommended actions of the Comprehensive Plan.

d. Transfers or sales of lots. A subdivision plat may be vacated if none of its lots have been sold or transferred; or, if there have been sales or transfers, then if there has been no development on any lots in the subdivision and all of the owners agree to the vacation of the plat.

Staff has found that both of these review standards have been satisfied. The Comprehensive Plan identifies this area of the City as 'Educational' in the land use plan and dissolution of the lot lines within the school campus is consistent with maintaining this area for educational uses. The school district owns all of the subject lots and has constructed buildings and facilities over many of the lines.

A motion was made by Damman to approve Ordinance 2010-19 approving the dissolution of certain lot lines within the City in the vicinity of and underlying property owned by the R-32-J School District setting the public hearing date for December 7<sup>th</sup> and ordering the ordinance to be published in full. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

#### **4. License to Encroach for 122 W. Second Street – (Dara MacDonald)**

Resolution 2010-67 approving a license to encroach agreement for Lot 21, in the original townsite in the City of Salida.

Ms. MacDonald presented materials included in the packet. The request is to pass a Resolution approving a License to Encroach Agreement with Grant Mathew for the existing porch roof

along W. 2<sup>nd</sup> Street. The area of encroachment is described in the attached legal description.

The applicant has applied for a building permit for the improvement. A condition of that approval was that the City Council approves the encroachment agreement. This porch roof replaces a much larger, more obtrusive roof structure that was removed by the applicant during his renovation of the building.

This encroachment request has been reviewed by the land use attorney and they have drafted the agreement.

A motion was made by Moore to pass Resolution 2010-67 a resolution of the City Council of the City of Salida, Colorado authorizing the Mayor to sign a license to encroach agreement with Grant Mathews. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

#### **5. 2011 Budget – adoption**

Resolution 2010-68 a resolution of the City of Salida, Colorado summarizing expenditures and revenues for each fund, and adopting a budget for the City of Salida, Colorado, for the calendar year beginning on the first day of January 2011, and ending on the last day of December 2011.

Finance Director Jan Schmidt present material included in the packet. After a series of work sessions with staff and the City Council and the November 2nd public hearing staff believes the proposed 2011 budget is ready for approval and adoption.

State law requires that council is presented with an estimated budget on or before October 15th. The City of Salida complied with that requirement by providing council members with a proposed budget on September 21st, which was publicly presented at the October 5th council meeting. A “Notice of Budget” was published in the Mountain Mail on October 12th that announced the availability of the budget and November 2nd date for the public hearing. State law also requires a public hearing for the adoption of the budget, at which time the city council may consider the objections of the electors and revise, alter, increase or decrease items as it deems necessary in view of the needs of the various offices and departments and in view of the anticipated income. Council continued the hearing until the next meeting in order to know the outcome of Proposition 101 in the statewide election, which would have required reductions in 2011 spending.

Subsequent to presenting council with the proposed budget on September 21st, a few changes were identified. Those changes include the following are reflected in the final version of the proposed budget.

- Increase allocation of finance time to Sewer Enterprise and decrease personnel costs in the General Fund Administration dept.
- Increase “other contracted services” in the Police Department to cover increased medical insurance costs for county employee
- Increase grant revenue for the final DOLA payment withheld on the hot water line project until project completion and increase capital for true-up on remaining project costs

- Add outside professional fees for lodging tax audit – \$5,000
- General Fund revenue and operating expenditure adjustments based on updated 2010 trends (insignificant net effect)
- Increase water revenue for anticipated rate increase
- Increase water storage costs
- Increase postage costs for mailing water & sewer bills

Council may adopt the proposed 2011 budget as presented or pass an amendment to change certain items before adopting it. If Council needs additional information or wants to make any changes to the budget, this item can be tabled until a later date before the end of the year.

Each Council member received a complete budget packet with the detail by fund, revenue type and department. A copy is available at City Hall for public review and is posted on the City's website.

Mayor Rose opened the public hearing. There were five or six people to speak.

Connie Cole, director Neighbor to Neighbor volunteers. Neighbor to Neighbor provides transportation to anyone since 2003. In 2009 Neighbor to Neighbor provided 9,400 shuttles. Fifty percent of those were for people under 60 yrs old. Ms. Cole was there to ask Council if they had any questions about her monetary request. CDOT provides \$61,000 per year which has to be matched. Grants are a problem because they are running out of funders to fund rural communities. Neighbor to Neighbor does do fundraisers and receives donations in order to meet that match. The County signs the IGA on behalf of Neighbor to Neighbor, and let them have office space for 12 years, but does not give them money. Neighbor to Neighbor is expecting a new wheel chair accessible bus in 2011. They also want a new roof and to do some paving at their new building.

Councilor Stewart asked if this group has matching funds. He said that it seems like beneficiaries of the shuttles are the large retailers and the hospital, which are often the end points. Stewart asked Ms. Cole if she has asked those beneficiaries if they will support Neighbor to Neighbor with funds.

Ms. Cole answered that the Business Alliance has contributed some money for weekend transportation. She added that the hospital does contribute. She stated that there is a huge disabled population here with the need for this shuttle. Last month the shuttle provided 108 wheel chair trips.

Stewart asked again if Walmart contributes since they benefit from having shoppers be able to get there. Ms. Cole answered that they do contribute a small amount.

Ms. Cole, added one more thing; CDOT asked that the City of Salida demonstrate local support by contributing in matching funds. CDOT would give more, if Neighbor to Neighbor could match. She can barely match the \$61,000.

Cara Russell, Chafec People's Clinic urged Council to support \$750 for the "Get Moving" program. That program provides half the cost of an exercise class or activity that People Clinics'

patients participate in.

Vicki Sue Vigil, representing the Salida Business Alliance, asked for support on the community request they submitted to fund the July 4<sup>th</sup> celebration.

Jim Miller, a citizen of Salida, asked for a point of clarification about a few numbers in the budget. Ms. Schmidt pointed out that he had the old version and there is a corrected Resolution in front of Council. Assistant Deputy Clerk, Jennifer Orr, passed Mr. Miller an updated copy of the Resolution.

Donna Rhodes, president of SPOT (Salida Parks Open Space and Trails) came to give background regarding her community funding request. Since 1990 SPO'T has assisted with many projects to increase open space and appreciation of open space in Salida. One of the early projects was the Salida trail system; in particular the Monarch spur. SPOT has now joined with SMT (Salida Mountain Trails) to build the Arkansas Hills Trail System. Ms. Rhoades thanked the City with its help this year. But there is more money needed to pay for the Little Rainbow trail that is currently under construction. SPOT is now working on the former Everett piece of property (ARK hill acquisition). They are planning to build trails within that area. It will be an extensive trail (1 mile) with loops.

Monica Griesenbeck, thanked Council for its time. There are lots of good causes in front of Council. As a resident of Salida, she believes that there are some places in town that are looking shabby from lack of attention. One example is the alley behind G and F. The pot holes are gargantuan. At one point the residents filled the pot holes and were told to cease and desist. There are things that need the attention of Public Works. Snow removal leaves something to desire. Ms. Griesenbeck was really angry when she took a fall last year because of poor snow removal. She then asked Council what ideas do they have to address the budget shortfalls. Her point was that basic services are being cut back, but all of these good causes are asking for money. She added that the SteamPlant is an asset, however, it is operating as an enterprise, therefore the fees are supposed to pay for itself. How long will the city sustain this while money isn't going to alleys and snow removal?

Mayor Rose closed the public hearing.

Moore asked Ms. Schmidt if the water budget includes the rate increase. Ms. Schmidt answered yes; the newest version has the rate increase. Moore believes that the reason it needs to go up is to increase storage in Pueblo. It would be our surplus water from Harrington ditch.

A motion was made by Yerkey to approve Resolution 2010-68 a resolution of the City of Salida, Colorado summarizing expenditures and revenues for each fund, and adopting a budget for the City of Salida, Colorado, for the calendar year beginning on the first day of January 2011, and ending on the last day of December 2011. The motion was seconded by Stewart.

Discussion followed.

Damman expressed dissatisfaction for the budget because of the lack of big cuts that he believes are needed. He wants to see meetings this fall so that the budget may be adjusted. He indicated

that he could not vote in favor of this budget based on philosophical differences.

Moore added that he is ok with the concept of watching the budget for the first 6 months of the year. However, he wants to know what the City has for ideas on what to change. He does not think that there is time before the end of the year to have those discussions.

Baker believes that the City needs to move things around and do some different things. He wants to fill the potholes instead of doing something else. He is ok with waiting on any radical changes.

Yerkey added that the way to discuss and amend the budget is in an organized manner with the time necessary. He noted that there is a large line item, which won't reappear in 2011. We won't see that in the 2012 budget. Therefore he requested staff to start work by June 1<sup>st</sup> on the 2012 budget with that line item out. At that point he recommends attacking things. Yerkey stated that he realizes that sales tax income is based on tourism, so we need to decide how we will encourage that and what that means for our priorities. Address the details of the budget requires more time than we have now. We can always make changes half way through the year. Yerkey proposes passing the budget.

Stewart said it would be short sighted to solve the problem right now. We have a mismatch of expenditures and revenue. We are deferring expenses (police cars), with which the City will eventually have to deal. This \$400,000 line item that Yerkey mentioned, will go away, however the City is still facing the problem that costs increasing faster than revenue. We will have to cut more things or broaden the tax base (bring in more tourists).

McCormick, said we would have to live with the budget the way it is.

The Mayor pointed out that the Salida Citizen recently had an article to show where the money comes from and where it goes in the City. It is a "Reader Digest" version. It does not include health care expense, which are 8-9% of the entire budget. Health care is unaffordable. We can anticipate revenue going to health care and we are demanding more from employees to cover costs. We have a balanced budget, that is what has been created, however, as Stewart said, there is a ton that is deferred. Total deferred expense for the police department is \$162,000 this year. Fire department has \$706,000 of unfunded deferred expenses. The Mayor recently directed staff to look into possible upgrades needed for the water plant. It was built the same time as the Wastewater Plant. The City needs to consider that there will be a long term expense to pay for upkeep. The budget is balanced, but at some point the City will need to decide what to do with revenue/service mismatch. Our revenue comes from tourism; we need the pool, parks, streets, SteamPlant. It is not that easy to determine where to save money. The Mayor thanked staff, but recognizes that Council has to make the tough decisions. He noted that the County has a huge budget shortfall for 2011. The City needs to work with them, especially on emergency services. We are too small to operate separately. The Mayor stated that he is frustrated, especially in light of the fact that citizens were willing to tax themselves 2 years ago. Now we need to hear ideas to deal with the mismatch.

The Mayor posed a question to Council. Should we leave the budget as is or direct staff to give more specifics on reductions of services. Yerkey stated that he is comfortable that staff is already working on this.



A motion was made by Yerkey to adopt Resolution 2010-68 a resolution of the City of Salida, Colorado summarizing expenditures and revenues for each fund, and adopting a budget for the City of Salida, Colorado, for the calendar year beginning on the first day of January 2011, and ending on the last day of December 2011. The motion was seconded by Stewart. With Stewart, McCormick, Baker, Yerkey and Moore voting yea and Damman voting nay, THE MOTION CARRIED.

**6. Budget Resolution- (Jan Schmidt)**

Resolution 2010-69 appropriating sums of money to the various funds, and spending agencies, in the amounts and for the purposes as set forth below, for the City of Salida, Colorado, for the budget year.

Ms. Schmidt explained that this resolution is about appropriating sums of money to the various funds and spending agencies in the amounts and for the purposes as set forth in the 2011 budget.

The Colorado Statutes require that, after passing the annual budget, City Council must appropriate the sums of money that staff is authorized to expend in that fiscal year.

Ms. Schmidt had nothing else to add.

A motion was made by Moore to approve Resolution 2010-69 appropriating sums of money to the various funds, and spending agencies, in the amounts and for the purposes as set forth below, for the City of Salida, Colorado, for the budget year. The motion was seconded by Baker. With Stewart, McCormick, Baker, Yerkey and Moore voting yea and with Damman voting nay. THE MOTION CARRIED.

**7. Quizno's Pro Challenge City Participation Agreement. (Mayor Chuck Rose)**

There were members of the Quiznos Pro-Challenge Local Organizing Committee (LOC). First to speak were April Prout, of the Chaffee County Visitors Bureau and Greg Ralph of Monarch Mountain. They gave some background about the Quizno's bike race. It is modeled after the old Coors Classic. Mr. Ralph said that the idea was concocted between Governor Ritter and Professional Cyclist Lance Armstrong. Quizno's has put in a \$8 million dollar sponsorship. The Salida group applied quickly to be a part of the course.

Salida was awarded the first stage start, which will bring international press to the community. Ms. Prout noted that there were 2.3 million web hits in first 2 days of the announcement. The goal of the LOC is to not pass along any cost to the City.

The group noted that they have a few answers for Council, but they are still waiting on many details.

Ms. Prout showed the Council the Quizno's Pro-Challenge web page, which has an area for Salida. It is her hope that visitors will stay two days, since another stage goes through Buena Vista. The start date is August 23rd.

Andy Riemenschneider, founder of Salida's Omnium, explained that this event, in terms of scope, scale, and venue, will be similar to FIBark. He gave more details about the course, number of

people expected. They expect 16 teams spread out, with thousands of spectators. When questioned by Moore about space Mr. Riemenscheider says that he believes that there is room. They will use the SteamPlant conference room for media and the ball room for VIP breakfasts. They plan to ask that 300 cars be allowed to park across the railroad track. There is no insurance needed on the racers; just the spectators.

Angela Damman, LOC Chair, added more information. Salida was selected because the organizing committee has experience of organizing a race (Omnium), plus the photogenic mountains and historic downtown. The Quizno's sponsorship will mean a wellness festival with the community about life style choices with outreach to the schools. We hope it will inspire kids to get out on their bikes. She explained that the requirements of a host city are in contract, but the contract will need modifications. She stated that the LOC can raise the money needed to host this event. They are looking for major sponsors to underwrite the event. Ms. Damman requested that Council get suggested changes back to the LOC and to meet again on Dec 7<sup>th</sup>. Dec 22<sup>nd</sup> is final deadline to sign the contract. That will hopefully be enough time to look at the details.

Baker asked the LOC if they have talked to any service organizations regarding volunteers? Baker suggested contacting Sertoma to help provide breakfast. Ms. Prout said that she will ask Rotary. Mr. Ralph will solicit volunteers from Monarch Ski Resort. He plans to solicit volunteers from the season pass carriers.

Mayor Rose stated that if Salida wants to pretend we are a tourist town, this is a great opportunity. His chief concern is for the City staff and council, since the contract is signed by the City and we are ultimately responsible for how it is executed. The local group has created a realistic budget and has pledges for half the money in only two weeks. The City Attorney let us know that the contract doesn't fit with Colorado law, so we can anticipate lots of changes.

Yerkey noted that the LOC will need to get businesses to buy in to make sure they are ready. We want the people to come to have a good experience. Vicky Sue Vigil, Small Business Association, spoke from the audience that the local businesses are 100% behind it. They will help fundraise, volunteer, and essentially do anything to make this happen. She believes that people come for the event, but they come back and spend money.

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

### **a. Administrator's Report – Jack Lewis**

Damman recused himself before the discussion.

Mr. Lewis said that the only item to discuss is the consideration of a proposal forwarded to him from the ownership of the Unique. Mr. Lewis, Ms. MacDonald and City Attorney Karl Hanlon met via phone with representatives from the ownership of the Unique (Bobby Hartslief, Tim Pollack, who is the owner of first deed of trust) and respective counsels. Mr. Lewis stated that they had good conversation regarding the challenges of the Unique and explained the City's desire to stabilize the building. The Unique owners proposed to potentially do something different than planned. The Unique ownership asked the City to forgo any work on the Unique until Nov 23<sup>rd</sup> or instead of using the money to stabilize the building, they proposed the City use

that money to demolish the back half of the building. Attorney Hanlon and City Administrator Lewis looked at the proposal and how it affects the City. They tried to be creative in order to give Council the ability to move in this direction, if so inclined. However after that long consideration and looking at state statute and limiting factors that the City has to consider, Mr. Lewis stated that he believes this is not something the City can enter into legally. The City is prohibited by statute with participating with the private sector. So unfortunately he cannot recommend that Council consider this proposal. We would consider, if Council chooses, to delay stabilization to another date, however, the City is ready to move ahead. The City will have contacts in place in next 24 hours with DSI to move forward on stabilization.

City Attorney Hanlon added a few details. There are ways to do private/public partnership (downtown authority), but we don't have those tools. The State constitution is specific about the use of tax payer dollars being used for private enterprises. We don't have an entity in place to allow the City to do that (direct relationship with property owner, no intervening statutory creations that would allow that to occur). There was a request to delay activity until November 23<sup>rd</sup>. The owners of the Unique are getting bids on the 19<sup>th</sup> and want until the 23<sup>rd</sup> to get all information and permits in place. If they were to immediately submit for an asbestos abatement permit, for example, there is a 10 day waiting period to get that. If the owners started the process by the 23<sup>rd</sup>, they could commence on December 1<sup>st</sup> or 3<sup>rd</sup>. If that is adhered to, that is still ok. The city does not have an ownership in the building. This is an example of using police powers based on unsafe conditions. As long as the owners make it safe, it is not up to Council to decide what they need to do to that. Hanlon stated that staff needs direction from Council.

Mr. McCormick asked for the latest timeline, if the City had to stabilize the building. Hanlon answered that, assuming there is a decision after November 19<sup>th</sup>, Friday December 3<sup>rd</sup> would be when the owners could start. That is a reasonable timeframe. If no action is taken by December 3<sup>rd</sup>, then the City would commence its own plan. At that point, DSI would be on the ground doing work. Mr. Hanlon's suggestion was that if Council gets copies of permits by November 23<sup>rd</sup>, then Council would know they are moving forward. However, if no permits are submitted, then Council would have a pretty good idea that nothing will be done.

Hanlon recommended Council make a motion with their desired direction.

Mayor Rose admitted that he was confused about the discussion since Council had previously decided to stabilize the building.

Hanlon answered that Hartsliel says he would take the \$43,000 in order to demolish the back. At that point he thinks the City will get its money back. It is being construed as a loan, which is against the constitution.

Mayor Rose opened the public comment time regarding the Unique.

Phillip Straus, a short term resident of Salida, has spent the last two months looking at the Unique as a possible investment. Based on what Council said earlier about how tourism brings revenue, he thinks it would counterproductive to tear down something that would bring tourists. Yet, the idea of having the Unique as a viable investment is out of the question. Mr. Straus stated that he has looked at a number of ways to save the Unique, including trying to purchase the loan from the first mortgage holder. Mr. Straus has conveyed to Mr. Pollack that he will work with

Hartsliel if Hartsliel wants to retain the theater for the community. Mr. Straus believes that the building is important, even though it won't pay for itself. It is the soul of the City and we should not live without it. If Mr. Straus was successful in working with Hartsliel he would look to partner with the City. Mr. Straus did get numbers from DSI on what it would take to fix up building. He has shared that number with funders; everyone is excited. He can't understand why we would demolish it, but admitted that he hasn't lived here long. Mr. Straus would like to see the theater used as a non-profit. He will look to the community for input. Stabilization would need to be good in order to improve the building and would need to go beyond the bare necessity.

Mayor Rose restated the choices in front of Council. The City could proceed or delay work in order to allow Hartsliel to obtain permits.

A motion was made by Baker to reject the proposal from Mr. Hartsliel yet give Hartsliel time to apply for his own permits by November 23<sup>rd</sup> and action by December 3<sup>rd</sup> (with action being defined as guys on the ground). The motion was seconded by Stewart .

More discussion followed. Moore stated that he does not like where Council has been put by the status of the building. With reluctance, he supports having the City stabilize the Unique.

Baker restated that spending \$42,000 to stabilize will possibly preserve the building for future generations and gives the City time to come up with other options. The City would only be out \$42,000, not \$150,000. By spending \$42,000, it buys the City two years to negotiate. Baker believes that is money well spent.

Stewart added that he does not want to see the Unique torn down. He wants to give Hartsliel more time, in hopes that the City will not have to spend money.

At the end of the discussion, the Mayor called for a vote on the motion on the floor.

With all in consensus, THE MOTION CARRIED.

- b. City Attorney Report – Karp, Neu, Hanlon, PC. Nothing to add
- c. Deputy City Clerk Report – Jen Orr-Nothing to report.

## **9. Elected Official Reports**

- a. City Treasurer – Eileen Rogers

Sales tax reported for the month of September 2010 was \$281,025, bringing the year-to-date collections to \$2,579,596. Collections were less than September 2009 primarily because of a lack of comparability in the months certain vendors remitted amounts collected. Therefore, this report will focus on the year-to-date figures, which are more comparable.

We now have collections for the three-quarters of the year. The downward trend, which reversed during the busier summer months, continues but at a lesser rate than experienced for several months over the last two years. Collections for the same period in 2009 totaled \$2,629,819, which was about \$50,000, or 1.9%, greater than this year.

Salida's allocation of the Chaffee County tax collections for the year-to-date was \$936,531 compared to \$947,343 for the first nine months of 2009. This represents a decrease of about \$11,000 or 1.1%.

If we extrapolate the shortfalls over the remainder of the year, total revenue collections will be down about \$80,000 compared to 2009. This is less than anticipated when the council implemented budget cuts earlier this year. To the extent the current trends continue, funds will be added back to general reserves in 2010.

I would also like to mention that staff is beginning to investigate the reaction of local retailers to a repeal of the current collection fee they are allowed to keep. The repeal of this 3-1/2% fee would increase general fund revenue by approximately \$100,000. Seven large chain and utility companies would be affected by more than half of the total amount. The remaining retailers would be affected by about \$80 annually on average. (This assumes 600 active retailers as reported in the state's sales tax database). The state and several local jurisdictions have repealed the fee to increase funds, with the justification that automated systems have reduced the burden placed upon vendors to collect and remit sales tax. If approved by the council, the change would go into effect no sooner than July 2011. If you would like to provide feedback on this topic, please contact your council person or Jan Schmidt at City Hall.

And, finally... the holiday shopping season is here. Please support your neighbors and friends who own and work at local stores. The tax dollars circulating throughout Salida keep these businesses going and pay for many municipal services that people take for granted.

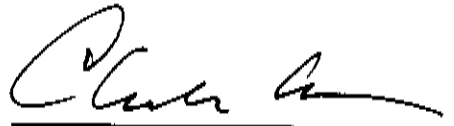
Buy local!

- b. Mayor – Charles Rose. No comments tonight.
- c. City Council- Keith Baker, Scott Damman, Jim McCormick, Jay Moore, Steven Stewart, and Tom Yerkey.

Moore asked the Mayor when will Council schedule its first brainstorm session. Damman suggested Council set it up after meeting.

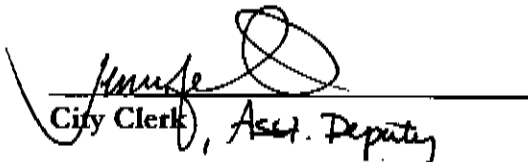
Damman clarified his statements about the current budget. He feels he has a philosophical difference with his fellow members of Council regarding the budget. He would rather make more cuts and not defer important expenses.

## II. ADJOURN –



Mayor

[SEAL]



City Clerk, Asst. Deputy