



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

Salida, Colorado

May 18, 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, Jim McCormick, Jay Moore, Steven Stewart, and Tom Yerkey. Also present were City Administrator Jack Lewis, City Clerk Betty Schwitzer, City Treasurer Eileen Rogers, Deputy City Clerk Janella Martinez, and City Attorney Karl Hanlon.

Absent were Councilor Scott Damman and City Clerk Betty Schwitzer.

**CITIZEN PARTICIPATION** -

No one signed up to speak.

**PRESENTATIONS** –

A presentation of a Plaque honoring former Mayor Danny M. Knight. Cheryl Knight, widow of former Mayor Danny Knight was present to accept a Certificate of appreciation. Mayor Rose read the certificate of appreciation and noted a plaque in memory of Mayor Knight will be hung in City Hall as a token of appreciation. Ms. Knight extended her gratitude to everyone. She is sure Dan is watching and is smiling down on us tonight. He worked very closely with a number of City staff for the majority of his tenure. He loved the job of being Mayor and not everybody that is elected to this position feels that way.

Michael Brown, Nathrop, CO would like to see a tourist train from Salida to Buena Vista. A group is working to put together a 501 C3 with hopes of funding this endeavor. With fuel prices continuing to rise, we need to reduce our dependence on foreign oil. The plan is in the preliminary stages. In the example given it would take about 350 riders three times a week for 24 weeks a year at \$31 a round trip to generate about one million dollars. Mr. Brown said he will be working with the Union Pacific Railroad in the future, but will need local support before approaching them. He would like a letter of support. The interested group is meeting at the SteamPlant on May 20<sup>th</sup> and encouraged anyone who was interested to attend.

## SCHEDULED ITEMS-

### 1. Consent Agenda

- a. Approval of Agenda
- b. Approval of Minutes: May 4, 2010
- c. City Property requests: 1.) Ride the Rockies 2.) Headwaters Institute 3.) Walk for Life
- d. Special Event Liquor Permit requests: 1.) Ride the Rockies
- e. Liquor Licenses: 1.) Modification of Premises/Salida SteamPlant Event Center

### c. City Property requests:

1.) Heart of the Rockies Chamber of Commerce is hosting Ride the Rockies on Saturday, June 19, 2010. The request is to use Thonhoff Park from 6:00 a.m. to 7:00 p.m. The ride is at the end of the course, and is finishing at Thonhoff Park. The streets surrounding the entire perimeter of the park will be closed for safety purposes.

2.) GARNA is requesting to use Riverside Park and the Scout Hut to hold the 12<sup>th</sup> Annual Arkansas River "Headwaters Institute" on Monday, June 7, 2010 from 8:00 a.m. to 5:00 p.m.

3.) The Salida Pregnancy & Family Center is requesting to hold Walk for Life 2010 on Saturday, September 18, 2010 from 10:00 a.m. – 3:00 p.m. They are requesting assistance by the Salida Police Department with crossing 1<sup>st</sup> Street.

### d. Special Event Liquor Permit requests: (Public Hearing if needed.)

- 1.) Heart of the Rockies Chamber of Commerce is hosting the 25<sup>th</sup> Annual Ride the Rockies on Saturday, June 19, 2010. They are requesting a Special Event Liquor Permit at Thonhoff Park. The request includes an amplified sound permit for live music from 6:00 a.m. – 6:00 p.m. Food vendors are required to apply for a Peddler's, Solicitors,
- ✓ No public comments were received to date.
  - ✓ There is no record of prior violations.

### e. Liquor Licenses:

#### 1.) Modification of Premises by Salida SteamPlant & Event Center-

Salida SteamPlant is requesting a temporary "Modification of Premises". The diagram of the modification is attached for Council review. This change has been reviewed by Fire and Police, who have no concerns with the modification of premises.

Staff recommends combining and approving the items on the consent agenda.

If Council wishes to approve the items on the consent agenda:

A Council Member should make a motion to combine and approve the items on the consent agenda.

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. 2009 Audited Financial Statements –**

Finance Director Jan Schmidt presented the financial Statements for 2009. The request is for council to review the audited financial statements for the year ended December 31, 2009 and to accept the audit report prepared by independent accounting firm of Johnson, Holscher & Company, PC.

The accounting firm of Johnson, Holscher & Company, PC was retained to perform an audit of the 2009 basic financial statements. Field work was completed during the first week of March. We finalized the actual report earlier this month and are now ready to present it to Council. This year there was a new schedule added because we received over \$500,000 in Federal Grants; the City is required to have a single audit. The grant was the HWY 50 Corridor Grant.

Mr. Dean Johnson, Johnson, Holscher & Company, PC, gave an overview of the results of the audit conducted by him and his staff. Mr. Johnson said Ms. Schmidt and her staff did an outstanding job assisting his staff. This is the earliest the City audit has ever been completed and the rating is “unqualified”, which is as good as it gets. There are no weaknesses in internal accounting control system.

Staff recommends that Council accept the report.

Councilor Yerkey asked what the reserves were at the end of the year. Ms. Schmidt noted the cash balances on page two of the financial statements shows around \$4.5 million. Last year showed around 9 million in reserves. Cash was invested in capital assets. Schmidt said she would feel more comfortable if we had more cushion in the reserves.

## **3. 2010 Budget amendment –**

Finance Director Jan Schmidt presented written materials that are included in the packet for the record. Council adopted the 2010 budget on November 3, 2009. Since that time, sales tax revenue has continued to decline. In addition, the council decided not to pursue business licenses, and the office space that we planned to rent to tenants has either been taken off the market or simply remains vacant.

During a work session on May 4<sup>th</sup>, the council reviewed some recommended cuts in spending that would offset the revenue shortfalls. The budget amendment presented to Council today is based on the discussion during that meeting.

In addition, some of the capital spending planned for 2009 was not completed in that fiscal year. We are required to re-appropriate those funds in the 2010 budget. Capital expenditures being carried over total \$697,500 and are offset by \$178,650 in grant revenue (net of \$518,850). Ms. Schmidt also pointed out that the City’s ending fund balance in 2009 was \$2.6 million compared to a projection of \$1.9 million when the 2010 budget was completed. Total expenditures in 2010 will exceed the current year revenue but are covered by the higher than expected fund balance carried over from 2009. (The final 2009 budget projected expenditures would exceed revenue by \$2.2 million; the

actual financial results reflected an excess of \$1.4 million. It is a portion of that positive budget variance that is being carried over.)

We ask that the Council amend the 2010 budget. There was a lesser increase than projected in our costs for medical insurance. In addition, we had hoped to pass on an increase in employee wage , but have now cut that out. A saving of at least \$5,500 to treat the street behind pool was donated by Chaffee County. We had budgeted for community support requests in the amount of \$10,000 and cut out most of that. Another item removed from the budget is the economic develop study. We will also defer doing the Public Works frontage until 2011. Even after cutting all of those things we still have a shortfall of 210,000. We will make that cut from the Sackett Street improvements. Total of that comes to \$339,800 keeping our budget in balance this year.

Mayor Rose asked Ms. Schmidt that if a citizen wants to understand the financial situation should they come see the budget or the financial statements. Schmidt said they should look at both.

Mayor Rose noted that during the last item of business staff requested Council to make a motion to accept the 2009 Financial Statements, which wasn't done.

A motion was made by Moore to accept the 2009 Financial Statements. The motion was seconded by Yerkey. With all in consensus, THE MOTION CARRIED.

A motion was made by Moore to adopt RESOLUTION 2010-31 A RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION NO. 2009-54 ADOPTING THE 2010 BUDGET TO PROVIDE FOR SUPPLEMENTAL EXPENDITURES AND REVENUES. The motion was seconded by Yerkey. With all in consensus, THE MOTION CARRIED.

#### **4. Request for fees waiver by Habitat for Humanity -**

Finance Director Jan Schmidt presented written materials that are included in the packet for the record. The request is from Chaffee County Habitat for Humanity for the City Council to waive water and sewer tap fees along with building application fees charged by the City for new development.

The President of Chaffee County Habitat for Humanity presented Mayor Rose with a letter requesting a waiver of all City fees that would apply to the construction of a duplex within the city limits. This letter was forwarded to staff.

Fees are established to cover the cost of services provided. This is particularly true in the enterprise fund. Should Council approve a fee waiver, the cost would need to be reimbursed by the general fund in order to keep the water and sewer enterprise funds whole. Ms. Schmidt notes that substantially all other community support requests were denied in 2010 due to the difficult economic times. The reserve of uncommitted funds is on a list of possible budget cuts being decided upon by the council this evening.

Besides the fact that this request is being presented at a challenging financial time, staff believes consistency in application of the Salida Municipal Code is important. Staff recommends that council consistency apply fees for new development and deny this request.

A Council person may make a motion to approve or deny the request.

Councilor Yerkey noted that the Enterprise Fund does not waive fees. The fee would have to be paid out of the general fund. Mayor Rose noted there is also a request to waive the building permit fee and that fee does not come out of the Enterprise Fund.

Mr. Hardgrave, representing Chaffee County Habitat for Humanity is present if there are any questions.

Councilor Yerkey asked if there are deed restrictions on Habitat homes. If the owner moves in, can they sell the home. Mr. Hardgrave said they are locked in by contract. He believes the buyers are locked in for a number of years, and if they default on payments the home reverts back to Chaffee County Habitat of Humanity.

Yerkey noted that he thinks everyone sitting on Council is in favor of what the organization does, but would like this question answered before making a decision on how the City could support these efforts. Yerkey noted that he is only one member of this board and this is his opinion. Mr. Hardgrave said he believes of the projects that were built so far, two houses in Poncha Springs, one in Nathrop, and a duplex in Buena Vista, are still occupied by the original owner.

Councilor Baker said that the City recently adopted a policy so that we have all community requests brought forward in the beginning of the budget process for the next years planning purposes. Mr. Hardgrave understands, will consider this timeline, but sometimes property becomes available and the CCHH must act quickly. These homes are built with mostly volunteer labor.

Finance Director Schmidt noted that the deadline for submitting community grant requests is in August.

Councilor McCormick asked if the owner is required to contribute financially or is it done in sweat equity. Hardgrave said sweat equity. Qualifying for a home is based on income guidelines, but there is no interest accumulated. It was decided that the CCHH Director contacts Administrator Lewis to give an overview of the procedures and then Lewis can convey this back to the Council and learn more about the details of how Chaffee County Habitat for Humanity operates.

Mayor Rose requested a motion.

A motion was made by Yerkey to approve waiving the Building Permit fee. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

A motion was made by Yerkey to table the request for the enterprise fund tap fee until August. The item could be visited with the community grant requests when preparing the 2011 budget. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

## 5. FIBArk –

- a. **Declaring FIBArk an event of City-wide interest -**  
Resolution 2010 – 32 declaring FIBArk 2010 an event of city wide interest.

City Administrator Jack Lewis presented written materials that are included in the packet for the record. The 62 year tradition established and carried on by First in Boating on the Arkansas (FIBArk) has taken place every year on the same weekend in the same location at Riverside Park along the Arkansas River since 1949. FIBArk is an important community event that attracts world class competitors and thousands of visitors to Salida for the multi day event producing many positive economic impacts for the City.

According to Sec. 6-2-20 of the Salida Municipal Code the City Council can declare an event of City-wide interest thereby exempting from licensing peddlers, solicitors, transient merchants, and vendors permits. By approving this item is the most efficient for staff to manage it.

Lewis recommends that the Council declare FIBArk as an event of City-wide interest through passage of the attached resolution.

A motion was made by Moore to pass RESOLUTION 2010-32 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, DECLARING FIBArk 2010 AN EVENT OF CITY WIDE INTEREST. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

#### **b. Special Event Liquor Permit – Public Hearing**

Deputy City Clerk Janella Martinez presented written materials that are included in the packet. FIBArk Boat Races, Inc. has submitted an application for a Special Events Liquor Permit to sell Malt, Vinous & Spirituous Liquor for consumption on the premises in Riverside Park, Sackett & F Streets, Salida, CO 81201.

A map defining the festival area is included in the packet. Gold designates the liquor area on the color version of the map.

The department heads met with Mr. Krasnaw twice to review the application. He informed staff that the FIBArk board is working with staff to make this event another successful one. Additional security has been hired. A safety plan has been developed.

- Liquor service is confined to Riverside Park.
- New this year the FIBArk board is adding wine to the liquor venue.
- Street closures are defined in the FIBArk cover letter.

Colorado State Statute 12-47-106 2(a) requires the public posting be noticed 10 days prior to approving an application for a Special Events Liquor Permit. The property was posted on Friday, May 7, 2010. If any protests have been filed within the ten day period of notice, a hearing is required. To date, no protests have been filed.

Annual inspections by safety departments are done prior to the festival opening. Staff recommends this application is approved.

If Council feels the request is in order a member should make a motion to approve the Special Events Liquor Permit for FIBArk Boat Races, Inc.

A motion was made by Moore to approve the request for a Special Events Liquor Permit for liquor licensing FIBArk Boat Races, Inc. has submitted an application for a **Special Events Liquor Permit** to sell Malt, Vinous & Spirituous Liquor for consumption on the premises in Riverside Park, Sackett & F Streets, Salida, CO 81201. The motion was seconded by Stewart.

A brief discussion followed. Councilor Yerkey asked if the new businesses that were locating in this area might be negatively affected. Mr. Krasnaw said that businesses should benefit from the events. Councilor Baker said his wife used to work at a downtown Mexican Restaurant and her tips tripled during this event. .

Samantha Lane, President of the Board of Directors for FIBArk distributed FIRArk stickers to all board members and administrative staff as a token of appreciation to the City for support of the festival.

Councilor Moore asked if the food would be limited to the west side of F Street. Samantha Lane, President of the Board of Directors for FIBArk said the food vendors will be located on the west side of F Street along the street edge.

Mayor rose requested a voice vote for the motion on the floor. With all in consensus,  
THE MOTION CARRIED.

6. **CDOT Enhancement Grant Application** - Resolution 2010 - 33 supporting Salida's application for CDOT Enhancement grant funding.

Dara MacDonald, Community Development Director, presented written materials that are included in the packet for the record.

The request is for approval of a resolution authorizing the City to submit a grant for CDOT Enhancement Grant funding for the U.S. Hwy 50 streetscape and indicating that Council is willing to commit \$64,600 towards the match for the grant in 2011.

In 2007 the City Council adopted the *Highway Corridor Improvement Plan* which calls for the installation of 6' sidewalks, 4' stamped concrete parkways and decorative streetlights on both sides of U.S. Highway 50.

The City received two grants including both Enhancement funds and American Recovery and Reinvestment Act funds and in 2009 improvements were installed from the intersection with Holman Ave to D Street. The total funding for that project was \$ 976,775. Of this amount \$874,754 was provided by federal funding administered by CDOT and \$102,022 provided by the City in matching funds.

That project included design and engineering from Holman Ave to New Street, but there was not enough funding to complete the improvements for the full length. There is a new round of grants that could supply 80% of the cost to complete the improvements to the New Street intersection.

The anticipated cost of completion of the area that has already been designed is \$323,000. A 20% match would be no more than \$64,600 provided by the City of Salida. There is \$336,000 available in

funding for our region and Salida would be requesting \$258,400 of those funds.

Project funding is for CDOT fiscal year 2012 which begins July 1, 2011 and no funds can be spent on the project prior to that time. Since the bid documents have already been completed for this project, we anticipate being able to go out to bid in the early summer of 2011 with construction in late-summer of 2011.

No public comment has been received regarding this application.

Staff would suggest passing the resolution to authorize the application for CDOT Enhancement Grant funds.

A motion was made by Moore to approve RESOLUTION 2010-33 A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO SUPPORTING SALIDA'S APPLICATION FOR CDOT ENHANCEMENT GRANT FUNDING. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

**7. County-wide Sales & Use Tax Ballot Issue-**

Resolution 2010-34 supporting a Countywide Sales & Use Tax issue for the November 2, 2010 election

Finance Director Jan Schmidt presented written materials that are included in the packet. Ms. Schmidt distributed a revised resolution to Council Members. City Administrator Jack Lewis noted that earlier today the Chaffee County Commissioners passed this same Resolution at their meeting.

Chaffee County and the municipal governments depend on sales tax revenue for a substantial portion of their general fund budgets and desire to create a more equal tax environment across the entire County.

The finance directors agreed on a recommended methodology for implementing the county-wide sales and use tax. We presented a proposal to the elected officials and received a lot of support from each jurisdiction.

The elected officials of each of the three municipalities within the County expressed their willingness to repeal the 2% municipal sales tax should voters approve an additional 2% county sales tax to be allocated between the respective jurisdictions.

Although Salida's total sales tax rate would be unchanged, the total sales tax revenue collected across the county is expected to increase by approximately \$1.4 million annually. The introduction of a use tax is projected to bring in an additional \$600,000. This incremental revenue would be shared by each jurisdiction. Salida's share is estimated at over \$800,000. A portion of this incremental revenue simply replacing lost revenue resulting from the declining taxable sales base. The remainder would be used to provide basic services to residents and to accelerate the rate at which roads and other public infrastructure improvements would be used as well as to rebuild depleted reserves.

This resolution is a first step toward an intergovernmental agreement and much more work related to



drafting ballot language, organizing election details, and educating constituents so they can make a well informed decision on this issue.

Earlier this year, this City Council and the elected officials of Chaffee County and the other two municipalities within the County requested that the finance directors of each jurisdiction begin working on a way to implement a county-wide sales tax that would replace 2% of each municipality's current sales tax. The concept is largely based on making a more equal playing field across the entire county. In addition, the elected officials are considering the implementation of use tax on motor vehicles and building materials. Currently businesses operating outside of one of the municipalities within the County collect a lower rate of total sales tax and residents living outside of one of the municipalities within the County are subject to a lower total rate of sales tax on goods and services delivered to their residence.

If this passes, those shopping in Salida would still pay 7.9 %. Although a larger portion gets distributed back, with a successful vote this shifts more money to the county. All municipalities will basically remain the same. The difference will be seen where there are business not located in an incorporated area. The County wide sales tax would level the playing field for all businesses.

Mayor Rose thinks Council has a good understanding what this tax reallocation means and urges people to contact their Councilmen or their respective finance director so they understand what this means to them. We have seen a continual decline in sales tax base over the last several years. Mayor Rose noted in this economic downturn municipalities are still required to provide services to their citizens and he hopes that people understand that services cost money. Citizens should get the facts and try to understand what passing this issue in November means to them.

Councilor Yerkey said he would have a hard time explaining to a citizen of a municipality who wishes to purchase a car how they would be affected. City Administrator Lewis noted that if this issue is supported by Council, materials will be distributed breaking down these points.

A motion was made by Stewart to pass RESOLUTION 2010-34 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, SUPPORTING THE COOPERATIVE EFFORTS OF CHAFFEE COUNTY AND THE THREE MUNICIPALITIES INCORPORATED WITHIN CHAFFEE COUNTY TO REACH AN INTERGOVERNMENTAL AGREEMENT FOR A COUNTY-WIDE SALES AND USE TAX. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

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

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

Administrator Jack Lewis reminded Council Members about the Business Roundtable on May 20, 2010 at 6:00 p.m. in Methodist Mountain Conference room.

#### **1.) Greg Amidon departure.**

Administrator Lewis noted that Greg Amidon would be leaving his role of videographer for the City of Salida. Administrator Lewis thanked him for his service to the City over the years working behind the scenes. Mr. Amidon said he and his wife Roxanne sold their business Roxy's and will remain in Salida. Their son will be finishing school at Salida High School next year. He said it has been a privilege to work with Council and that he has found it very interesting.

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

Attorney Hanlon had no more to report this evening.

c. Deputy City Clerk -

Deputy Clerk Janella Martinez had nothing to report.

**7. Elected Official Reports -**

a. Treasurer

City treasurer Eileen Rogers thanked Finance Director Jan Schmidt for the excellent reports that she generates. The March report continues to show a decrease of 6.9% in sales tax. However this is only a snapshot of the entire picture.

Ms. Rogers reminded everyone how important it is to buy locally. Please remember before looking to the internet or leaving our area to shop that spending locally provides jobs for our neighbors.

b. Mayor –

Mayor Rose noted that there was a ribbon cutting for the HWY 50 Corridor Project with CDOT on May 12, 2010. The project was done mostly with grant funds. He expressed gratitude to City staff including Jan Schmidt, Community Development Director Dara MacDonald and her staff, and to Rob Vance, Public Works Director for making this project happen.

Mayor Rose noted that our auditor Mr. Johnson just presented a positive report about our 2009 audit. Mayor Rose added that the city has benefited since hiring Ms. Schmidt and Administrator Lewis, and their efforts don't go unnoticed. He thanked all city staff for the work they do.

Mayor Rose thanked the county for saving the city \$5,500 by treating the road by the recycling center.

c. City Council-

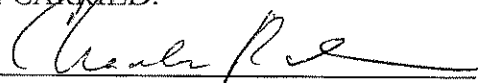
Council Member Yerkey noted that Mayor Rose has become wiser and a little more laid back and congratulated him for coming into the next generation.

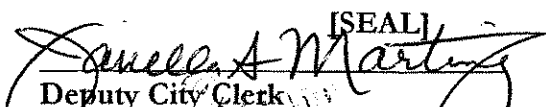
Council Member Moore is excited to see the new climbing wall at Riverside Park completed.

**ADJOURNMENT** –

A motion was made by Moore to adjourn the meeting at 7:35 p.m. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

SEE ALL

  
\_\_\_\_\_  
Mayor

  
[SEAL]  
Deputy City Clerk  
Respectfully submitted by Janella S. Martinez, Deputy City Clerk