



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

Salida, Colorado

January 4, 2011

6:00 p.m.

The meeting was called to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE –

Led by Mayor Chuck Rose.

ROLL CALL -

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

CITIZEN PARTICIPATION -

Mayor Rose said those wishing to speak would be limited to 3 minutes. This section is meant for people to speak on items not on the agenda.

PRESENTATION –

SCHEDULED ITEMS-

1. Consent Agenda –

- a. Approval of Agenda
- b. Approval of Minutes: December 21, 2010
- c. Posting Notice Designation -
Resolution 2011-01 designating 448 East 1st Street, Suite 112 as the official posting location for the City of Salida.
- c. Posting Notice Designation

Section 24-6-402(2)(c), C.R.S., of the Colorado Opening Meeting Law requires the City to annually designate the place or places at which the City shall post notices of City meetings and other public notices.

Passing the attached Resolution 2011-01 will designate the lobby located at City Hall, 448 E. 1st Street, Suite 112, Salida, Colorado as the official city posting location.

A motion was made by Damman to amend the agenda moving item 5. **Award the bid for the City of Salida 2.7 MGD Wastewater Treatment Facility project-** Resolution 2011-03 awarding the

bid for the City of Salida 2.7 MGD Wastewater Treatment Facility project to be item 2. And to combine and approve the items on the consent agenda. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

2. Award the bid for the City of Salida 2.7 MGD Wastewater Treatment Facility project-
Resolution 2011-03 awarding the bid for the City of Salida 2.7 MGD Wastewater Treatment Facility project.

Jan Schmidt, Finance Director, presented written materials that are included in the permanent record. The request is to award the bid of the City of Salida 2.7 MGD Wastewater Treatment Facility project and approve the contract for construction with the firm recommended by our engineering firm based upon their review of all the information submitted with the bids.

This much anticipated action item is being presented to you for approval after completion of a lengthy process of evaluating needs and financing options to address regulatory compliance issues at the City's sewer plant. A number of presentations have been made to update Council Members and the public on the need for the upgrade, which this cover memo summarizes.

During 2008, the City's engineering firm completed a study of the plant. Recommendations for a major upgrade of the wastewater treatment facility, as a result of their study, were presented to the Council in January 2009. The WWTF operates at a lower capacity than is permitted due to inefficiencies and it does not meet ammonia limits currently imposed by the Colorado Department of Public Health and Environment (CDPHE). Built in 1956 and renovated in 1985, the WWTF does not have the components necessary to meet ammonia standards or to supply sufficient capacities for the communities served. The aging facility's concrete and mechanical equipment has deteriorated; it lacks efficient energy conservation; and it is approaching the end of its service life. Salida must resolve its wastewater treatment violations to avoid severe financial penalties and adverse environmental effects to the Arkansas River where the effluent is discharged.

Late in 2009, we began meeting with representatives from the USDA / Rural Development about the remaining funding needed for the project. The USDA program requires the City to obtain interim financing during the construction period that is refinanced with a "permanent" federal loan once the project is completed. The USDA program presented an opportunity for additional grant funding and a below-market interest rate for the loan. Lower financing costs equate to a reduction in the overall project cost and lower rates for users of the sewer system. An additional grant of \$2.6 million was awarded and the debt portion of financing has now been secured. We expect to close the interim financing in early January and issue the notice to proceed at that time. The bid opening was on Thursday, December 9th.

Our engineers, Schmueser Gordon Meyer, were responsible for reviewing all requirements of the bid packages. Their findings are summarized in a separate memo.

Attorney Hanlon gave an update to City Council. Hanlon included a memo in the packet that explains that the City is waiting for a letter from the USDA with a recommendation from SGM. Their concurrence is to provide ultimate funding. Administration thought we would have this yesterday. The USDA has a new program director. The past director that was working with the City retired at the end of 2010. Attorney Hanlon and Administrator Lewis had a conference call with the new USDA director today at 4:30 p.m. The new director has requested a series of products from SGM. We are requesting that Council continue this item for either next Tuesday, January 11, 2011, 6:00 p.m. or on to have it on the next agenda for your regular meeting on January 18, 2011. Attorney Hanlon wanted to confirm that a quorum will be available for both of these days. Hanlon noted that announcing the Special

Meeting date and time will give those wishing to speak ample notice. Because we have not received the letter from the USDA we will not be taking public comment until the continued hearing date.

A motion was made by Baker to continue this item at a Special Meeting on Tuesday, January 11, 2011 at 6:00 p.m. or if necessary to the next regular meeting on Tuesday, January 18, 2011. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

Mayor Rose called for a five minute recess to allow the audience to leave the meeting room.

3. Lundberg pre-annexation agreement –

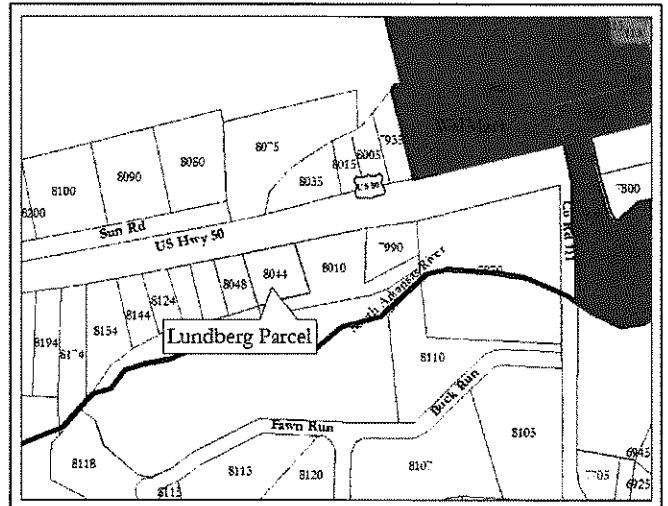
Resolution 2011- 02 authorizing the City Administrator to enter into a pre-annexation agreement with Eric B. Lundberg and Karen K. Lundberg

Michael Yerman City Planner presented written materials to Council that are included in the packet for the record. Revised documents were distributed to Council with changes made removing the late Eric B. Lundberg's name from the property documents.

The request is for approval of a pre-annexation agreement between the City of Salida and Karen Lundberg, owner of the property located at 8044 Hwy 50.

The applicant is Karen Lundberg. The subject property is 0.98 acres in size, located at 8044 and 8040 Hwy 50. The property includes a residence at 8040 Hwy 50 and the GKS Insurance Building at 8044 Hwy 50. The property is located outside of the municipal boundary, but is within the Municipal Services Area. A complete legal description is attached to the agreement.

The applicant completed construction of the GKS Insurance building in 2008. The project was begun prior to execution of the planning IGA between Chaffee County and the City of Salida. The new office building is served by a well and is connected to municipal sewer. The residence is served by a well and a septic system. When the office building was constructed it was built over the lot line which is allowed so long as the lots are under one ownership, however, the applicants would now like to separate the two properties.



The applicant has applied to Chaffee County for a boundary line adjustment that will allow for the two uses to be separated. This type of application triggers that the applicants discuss annexation with the City of Salida because of the location within the Municipal Services Area. Since the property is not immediately adjacent to the municipal boundary and no further development is proposed at this time and since municipal water is not readily available, staff has recommended a pre-annexation agreement be executed. The proposed agreement states that the owner will apply for annexation when they become eligible through contiguity with the municipal boundary but that they will not be required to connect to municipal services until their existing wells or septic system fail. Prior to annexation they will remain as out of city customers paying out of city rates for the sewer service at the office building.

The applicants have no plans for further development of the property at this time. The subdivision application is currently being reviewed by Chaffee County and execution of this pre-annexation agreement has been included as a recommended condition of approval. The final plat hearing with the

County Planning Commission is currently scheduled for January 4, 2011 with review by the Board of County Commissioners the following week.

A motion was made by Damman to approve RESOLUTION 2011-02 A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO APPROVING THE PRE-ANNEXATION AGREEMENT FOR LUNDBERG MINOR SUBDIVISION. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

3. Historic Preservation ordinance, 1st reading –

Ordinance 2011-01 adopting new regulations for the Historic Preservation Commission and review of preservation related applications in Chapters 2 and 16 of the Salida Municipal Code.

Michael Yerman, City Planner presented written materials that are included in the packet for the record. The City Council directed staff to review Chapters 2 and 16 of the municipal code related to historic preservation and recommend changes, if necessary. Following several work sessions, and discussions with stakeholders and members of the Historic Preservation Commission (“HPC”), staff compiled the suggested changes included in the proposed ordinance.

Following the resignations of four sitting members of the HPC on September 23, 2010 the City Council began to review the structure of the HPC as well as the processes for reviewing preservation related applications. Following several work session discussions and discussions with the two remaining members of the HPC and stakeholders, the following direction was provided to staff to suggest amendments to the municipal code:

1. Change the HPC from a decision-making body to an advisory board.
2. Reduce the size of the HPC from 7 regular members and 2 alternates to only 5 members.
3. Applications should be approved by staff with advice from the HPC.
4. Appeal of decisions on certificate of approval applications would be to the City Council.
5. Shorten the overall timeline for review of applications.
6. Adopt the revised *Design Guidelines for the Salida Downtown Historic District* as recommended by the HPC on Sept. 23, 2010 with changes discussed by the City Council related to window replacement.

The proposed code changes are included in the attached ordinance with language to be removed noted with strikethroughs and new text in bold and double-underline.

REVIEW STANDARDS FOR TEXT AMENDMENTS (Section 16-13-50) – An application for an amendment to the text of the Land Use Code shall comply with the following standards:

- (1) Consistency with Purposes. The proposed amendment shall be consistent with the purposes of the Land Use Code.
 - The five general purposes of the Land Use Code are to establish development standards, protect quality of life, establish review process, provide for orderly development of the City and conserve property values. The proposed amendment revises the process for review of certificates of approval to ensure protection of the City’s historic resources while allowing for reasonable reuse and development.
- (2) No Conflict with Other Provisions. The proposed amendment shall not conflict with any other applicable provisions of this Chapter, or shall repeal or amend provisions of this Chapter which are inconsistent, unreasonable or out-of-date.

- The proposed ordinance changes do not appear to conflict with other provisions of the code.
- (3) Consistency with Comprehensive Plan. The proposed amendment shall be consistent with the Comprehensive Plan, shall implement a new portion of the Comprehensive Plan or shall implement portions of the Comprehensive Plan which have proven difficult to achieve under the existing provisions of the Land Use Code.
- The Comprehensive Plan advises the protection of the historic downtown and the proposed code changes support that direction.
- (4) Public Health, Safety and Welfare. The proposed amendment shall preserve the public health, safety, general welfare and environment and contribute to the orderly development of the City.
- This amendment protects public health, safety, general welfare and contributes to the orderly development of the City by protecting the historic downtown while allowing for reuse and new development in accordance with clearly identified standards and review processes.

No comments have been received.

REQUIRED ACTION

Approval, denial, or approval with conditions for the first reading of an ordinance adopting new regulations for the Historic Preservation Commission and review of preservation related applications in Chapters 2 and 16 of the Salida Municipal Code.

Councilor Baker thinks that the wording in the Design Guidelines might still need some work. Yerman said that those will be coming back to Council for adoption by Resolution.

Mayor Rose thanked the Community Development Department for the time that was spent putting this together.

A motion was made by Damman to approve ORDINANCE 2011-01 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, ADOPTING NEW REGULATIONS FOR THE HISTORIC PRESERVATION COMMISSION AND REVIEW OF PRESERVATION RELATED APPLICATIONS IN CHAPTERS 2 AND 16 OF THE SALIDA MUNICIPAL CODE, setting the public hearing date for January 18, 2011, and ordering the ordinance to be published in full. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

4. Palace Hotel amendment to Certificate of Appropriateness-

Michael Yerman, City Planner presented written materials that are included in the packet for the record. The owners of the property at 204 North F Street and applicant for the original application are Fred and Vicki Klein, 204 North F Street, Salida, CO 81201.

The owners are requesting an amendment of a decision made by the Historic Preservation Commission on July 29, 2010.

The HPC held a public hearing on July 29, 2010 to consider the application of the owners for the

replacement of 67 existing windows with new Anderson double-hung wood windows in the existing opening on the second and third floors at their building on North F Street. The HPC approved the application for the replacement windows only. At that time the applicants were keeping the existing transom windows and did not include the request to replace them.

When the new windows were ordered the supplier mistakenly ordered the transom windows to match and the applicant installed the transoms along with the new windows without prior approval.

The owners would like the City Council to amend the decision by the HPC such that they would be allowed to install transom windows above the 67 new windows being installed.

The letter from the applicants, original application, staff report and decision letter from the July 29th meeting have been included with this cover memo.

RECOMMENDED FINDINGS:

1. That the application is in compliance with the review standards for contributing structures in the historic district because the changes will be compatible with the historic district and will enhance the overall district.
2. That the replacement transom windows are wood where feasible to match originals.

Following a public hearing, a member of the City Council should make a motion to accept, modify or deny the application to amend the July 29, 2010 decision of the Salida Historic Preservation Commission regarding a Major Certificate of Appropriateness application for windows at 204 North F. Street, stating the facts and reasons for supporting that decision.

Staff supports the transoms being added to the approval.

Mayor Rose opened the public hearing and asked anyone wishing to speak on this item to come forward.

Mr. Cline, the property owner said the materials provided in the packet describe this very well and he really has nothing to add.

A motion was made by Moore to accept the application amending the July 29, 2010 Certificate of Appropriateness. The motion was seconded by Stewart. With all in consensus, THE MOTION CARRIED.

5. **2nd recording of Ordinance 2010-18 –**
Resolution 2010-04 approving the 2nd Recording of Ordinance 2010-18 for 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.

Attorney Karl Hanlon presented this information to City Council. The request is to approve Resolution 2011- 04 authorizing the City Clerk for the 2nd Recording of Ordinance 2010-18 for the vacation of 3 alleys and one street within the Salida High School campus with the correct Exhibit A.

Ordinance 2010-18 was recorded with the wrong exhibit showing the alleys and street to be vacated at the High School. The exhibit that was recorded also included the alleys and streets that were vacated under Ordinance 2010-19 for the Salida Middle School. This resolution will authorize staff to record a second ordinance to allow the correct exhibit to be recorded.

A motion was made by Stewart to approve RESOLUTION 2011-04, A RESOLUTION OF THE CITY OF SALIDA, COLORADO, APPROVING THE 2ND RECORDING OF ORDINANCE 2010-18 FOR 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 BE RECORDED WITH THIS RESOLUTION BY THE SALIDA CITY CLERK OR HER DESIGNEE INCLUDING THE CORRECT EXHIBIT A, IN THE OFFICE OF THE CHAFFEE COUNTY CLERK AND RECORDER. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

6.a. Recycling Agreement renewal –

Resolution 2011- 04 approving an agreement for the participation with the Upper Arkansas Area Regional Recycling Program

City Administrator Jack Lewis presented written materials that are included in the packet for the record.

The City has supported the Upper Arkansas Area Council of Governments recycling program since it was instituted. The annual cost has been assessed based on population. The estimated charge to Salida for 2011 is \$4,211.64, a decrease of \$139 compared to the net cost in 2010. The 2011 cost is reduced by \$2,675.76 that was generated by the sale of materials in 2010. This rate is captured in the budget for 2011. The level of usage and survey results indicate that this is a service that is important to Salida residents.

The bins are housed at the Salida Hot Springs Pool. Administrator Lewis received a call today, due to blowing trash. The location is not conducive to fencing the area where it is located. We need to continue to offer this service to our citizens. It is obvious our people want to recycle. Ask Council to approve the attached resolution.

Michael Kunkle has served as the City's representative to the recycling program Board of Directors.

Baker asked if we are any closer to finding a new location for the recycling center. Administrator Lewis said Public Works Director Rob Vance has been looking into that. He hopes to have information to share with Council in the next few weeks.

Administrator Lewis said that there is also another provider that has equipment at our location but we don't have an agreement in place with them. The City should have a bid process for others who offer free recycling in our community to our citizens. Then we can draw up an agreement with all providers at this recycling location.

A motion was made by Damman to pass RESOLUTION 2011-05 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, APPROVING AN AGREEMENT FOR THE PARTICIPATION WITH THE UPPER ARKANSAS AREA REGIONAL RECYCLING PROGRAM AND AUTHORIZING THE CITY ADMINISTRATOR AND THE DEPUTY CITY CLERK TO EXECUTE SUCH AGREEMENT. The motion was seconded by Yerkey. With all in consensus, THE MOTION CARRIED.

2. Administrator/City Attorney/Deputy City Clerk

a. Administrator's Report –

Administrator Lewis reported that the staff from the Early Childhood Center came to a meeting and expressed concerns for traffic control and safety issues in that area. Between the Police Department and Public Works new four way stop signs were installed to make it safer for the children and parents. The Center dropped off several little thank you notes to the City and so Council can have all of the joy that he had from reading these, he will share them with Council tonight. The City appreciates being appreciated.

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

City Attorney Karl Hanlon stated that included in your morning work session materials were samples of ordinances from other communities regarding medical marijuana regulations to use within the City. Council has to decide what direction they want to go in this area. Hanlon would like direction from Council if they would like him to prepare some ballot issues. If Hanlon is directed to bring back ballot language to hold a Special Election an Ordinance would be brought to Council and a public hearing would be required on second reading. There may be citizens here tonight that would like to comment on this issue.

Coleen Kunkle, co-owner of Tenderfoot Health Collective, spoke at the podium stating that she feels the citizens of Chaffee County already voted in the state election. Patients must be over 18 years old and have a referral from a physician. Under the Caregiver model, patients can either grow their own medicine or can hire someone to grow for them. Dispensaries or Centers were created for patients to have more choices. In October of 2009 legal medical users would no longer be prosecuted. A new regulatory agency was started under the Colorado Department of Revenue with a fee of \$10,000 in contrast to approximately \$1500 for a new liquor license.

Ms. Kunkle continued to say that Chief Clark has reiterated that there have been no issues with any of your local dispensaries. If you decide to ban the dispensaries patients will revert to their right to have the caregiver grow their needed product. Tenderfoot Health Collective would not be putting \$23,600 in sales tax revenue that we have generated in the last six months. You will not know where the caregivers are located, although today you know where every dispensary in town is located. The state law requires that we grow 70% of our own product, while we can trade for the other 30%. Ms. Kunkle said they are not trying to stop a vote, but what we are doing is trying to help everyone understand all sides of this issue. Please consider how hard we have worked to bring our dispensary this far and we will would like to continue on in this process.

Council indicated that they want Attorney Hanlon to draft ballot language and bring this back to Council.

c. Deputy City Clerk -

Deputy Clerk, Janella Martinez reported that seven water samples were submitted dated 12/6/10(2), 12/7/10(2), and 12/13/10(3). All tested safe as reported by the Colorado Department of Health.

A copy of the City of Salida-Meetings and Important dates for the 2011 calendar year is attached for your use. The City Calendar lists dates and times for meetings of all City Commissions and Boards. This calendar can be helpful when trying to schedule future work sessions.

Having Council give the City Administrator authority to renew liquor licenses has been very beneficial for staff and for liquor licensees. This has not only saved us time copying the information for meetings, it is more business friendly. The majority of the licensee's are pleased that they don't have to take time out of their busy schedule to attend an annual meeting for a clean renewal. In 2010 the City

issued 6 New/Transfer of ownership licenses. Currently I am processing two Transfer of Ownership applications. Greg Wall will soon be opening Wallbangers on Hwy 50, formerly known as Manjatis. Brad Smith and Chris Tracy will be opening Currents on F Street at the old Butcher's Table location. There are currently 39 liquor licensed facilities within City limits. Despite the economy it seems that people believe that Salida is a great place to live and own a business.

7. Elected Official Reports -

a. Treasurer-

City Treasurer Eileen Rogers gave the sales tax report during the next meeting. October sales tax numbers were not reasonable, so in the meantime Finance Director, Jan Schmidt contacted the Colorado Department of Revenue to get more accurate information.

City Sales Tax for October 2010 was \$250,765, bringing the year-to-date collections to \$2,830,361. Collections were about 3% less than October 2009. Salida's allocation of the Chaffee county sales tax collections for the month of October amounted to \$95,345, an increase of almost 8% over the amount collected in 2009. The year-to-date total for Salida's county tax collections is \$1,031,875.

There is a definite discrepancy between the 3% drop in the city sales tax revenue and the 8% gain in County sales tax revenue. We will be closely studying the November results and expect to provide you with a complete report in two weeks.

Of course we hope that the November and December results reflect an upturn in total sales tax collections, affirming that our citizens did indeed buy locally during this holiday season.

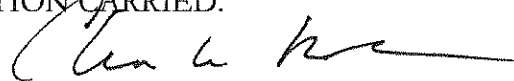
b. Mayor -

Mayor Rose wished everyone a Happy 2011.

c. City Council-

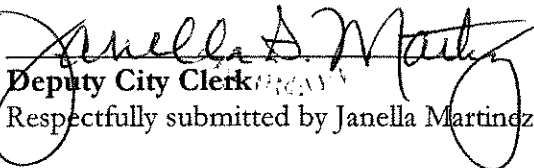
There were no comments this evening.

A motion was made by Moore to adjourn the meeting at 6:39 p.m. The motion was seconded by Stewart. With all in consensus, THE MOTION CARRIED.



Mayor

[SEAL]



Deputy City Clerk

Respectfully submitted by Janella Martinez, Deputy City Clerk