



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

Salida, Colorado

February 1, 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 Scott Damman, Keith Baker, 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.

Absent was Council Member Tom Yerkey.

CITIZEN PARTICIPATION -

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

Jim Miller said that citizens are often critical of things that the city council does. He wanted to say thank you for going above and beyond. He thanked Council for taking the suggestion of recording and televising meetings and work sessions.

Councilor Damman asked Mr. Miller if he has asked any of the other governing bodies to televise their meetings. Mr. Miller said he hasn't, but he plans on asking the Regional Planning Commission to see if their meetings can be televised.

Mayor Rose said we do broadcast the Planning Commission, the Council work session at 8:30 a.m. and that the City Council meetings are broadcast live on Bressnan, Channel 10. We have tried to make this body more transparent.

Mr. William Schultz, appreciates the services offered by the city. He said that information affects how we think about our surroundings and how a suggestion by a journalist can change how we see things. Media is a powerful resource. We should value and have respect for the hard work and integrity of our grandfathers.

Mayor Rose asked if anyone else present wishes to speak. Nobody did.

PRESENTATION – None.

SCHEDULED ITEMS-

1. Consent Agenda –

- a. Approval of Agenda
- b. Approval of Minutes: January 18, 2011
- c. City Property use request -
 - 1.) Chaffee County Running Club is requesting to hold the Run Through Time Marathon/Half Marathon on March 12th, 2011 at 9:00 a.m.

Jon MacManus, Chaffee County Running Club, is requesting to hold a Run Through Time Marathon/Half Marathon on March 12th, 2011 at 9:00 a.m. The race will begin at the foot of Tenderfoot Mountain and finish at the Salida SteamPlant. The city will require insurance for this event. A course map is included in the packet for Council review.

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.

7. b. City Attorney Report- (This item was moved to be heard as the next item on the agenda.)

Medical Marijuana-

Attorney Karl Hanlon said at the last meeting that there was a Resolution put before Council to set a special election regarding Medical Marijuana. Council moved to table this item indefinitely. If Council wants to put it back on the table, a motion would be needed to bring the Resolution back for consideration.

With the State Moratorium expiring June 30, if Council wishes to put regulations into place, we need to begin working on those now. Last year you adopted some zoning regulations that allowed dispensaries to operate in C1 Zoning. Although Council did not adopt any regulations for caregivers this might be something they want to consider now. Denver has limited the number of plants allowed in a residential district. Attorney Hanlon would like to know what direction this legislative body would like to go in.

Councilor Moore asked if it made more sense to see the final State guidelines, and then if needed, the City could pass an emergency ordinance. Attorney Hanlon said Council could wait, but the moratorium has given the City a year to put regulations in place, if this Council feels those are needed. Hanlon relies on CML for guidance. So far the State is modeling the Medical Marijuana process after the Liquor Licensing Division. A discussion followed.

Mayor Rose said there were several people present that wished to speak on this topic and reminded everyone that public speaking is limited to three minutes each.

Greg Amidon, 229 W. 5th Street, has an interest in the Medical Marijuana issue because one of his tenants operates a Medical Marijuana Dispensary. Mr. Amidon is glad Medical Marijuana is available in our community and says there have been no issues. He suggested that the Council establish regulations and limit the number of operating dispensaries to the current five that are already in operation.

Colleen Kunkle, owner of Tenderfoot Health Collective (THC) told Attorney Hanlon that they received a 99 page document from the state. Today is THC's 1 year anniversary. THC staff often joke that they are pioneers who are building the road for dispensing medical marijuana. The State burdens Medical Marijuana Centers with heavy regulations. We often hear about the illegal use of marijuana, but pharmaceutical drugs are responsible for numerous deaths. Every year guns are known to cause

deaths for children and there have been 440,000 deaths from tobacco use. Marijuana causes 2 -5 deaths per year, which pales in comparison. She thanked the Mayor and Council for their time and valuable efforts on behalf of our city.

Martin Woods, owner of Natures Medicine, said there are bills in the legislature out there right now. The Colorado Department of Revenue is setting up the guidelines, and there will be ten medical marijuana inspectors put in place. He cautioned Council from acting too quickly on setting up regulations. A lot of the regulations that are being discussed are already in what the state is putting together. HB 1284 already states a medical marijuana business cannot be located within 1000 feet of a school. Mr. Woods is expecting to spend a lot more money when the new state regulations come out. He thinks the City Council is saving some heartache and a headache by not acting too quickly.

Robert Kirshke., 405 Wood Avenue, has been a longtime unemployed citizen. He is currently working at a grow center and is grateful for his job. He pointed out that the local medical marijuana businesses have generated employment for some of our local citizens.

Mayor Rose asked if there was anyone else wishing to speak. No one came forward. He asked Hanlon if Council has given him enough direction for him to move forward. Attorney Hanlon reminded Council that there are timelines that we need to adhere to and the new regulations that came out, consisting of 99 pages, will also provide guidance.

2. Professional Services agreement for audits of Occupational Tax on Lodging –

Resolution 2011-10 approving a professional services agreement with Revenue Recovery Group, Inc. in an amount not to exceed \$5,400 for the completion of occupation tax compliance audits and authorizing the City Administrator to execute such agreement.

Jan Schmidt, Finance Director, presented written materials that are included in the packet for the record, is available for any questions posed by Council. City Administrator Jack Lewis gave an overview of this item. The City implemented an occupational tax on lodging in March 2009. The ordinance passed by City Council authorizes staff to prescribe forms and administrative procedures for collection, administration and enforcement of this tax.

In early December 2010, the City issued a request for proposals to perform compliance audits of local vendors. We received four responses. Schmidt has reviewed the qualifications, experience and cost structure proposed by each firm and recommend entering into a professional services agreement with Revenue Recovery Group, Inc.

Revenue Recovery Group, Inc., based in Baton Rouge, Louisiana, employs professional auditors in several cities in Colorado. The firm was originally recommended by the finance director of another Colorado municipality in response to a query posted on the CML listserv. Their proposal includes a long list of other Colorado jurisdictions for which they have performed audits and recovered significant sums of tax revenue. Additional references have been checked and found the firm has an excellent reputation in its field.

Proposed fees are \$135 per hour. They would also receive 20% of future payments received by any vendors they identify that were not previously registered in the City to pay OLT. The City budgeted \$5,000 in 2011 for these services, and Schmidt would propose a “not-to-exceed” contract for 40 hours of work, or \$5,400. Fees proposed by the other bidders ranged from \$7,000 to \$19,200. A brief discussion followed.

A motion was made by Damman approving RESOLUTION 2011-10, A RESOLUTION OF

THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH REVENUE RECOVERY GROUP, INC. IN AN AMOUNT NOT TO EXCEED \$5,400 FOR THE COMPLETION OF OCCUPATION TAX COMPLIANCE AUDITS AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE SUCH AGREEMENT. The motion was seconded by Moore. With all present in consensus, THE MOTION CARRIED.

3. Quizno's Pro Challenge Local Organizing Committee Agreement -

Resolution 2011-11 Resolution of the City Council of the City of Salida, Colorado Approving the Quiznos Pro Challenge Local Organizing Committee Agreement

Councilor Damman re-cused himself, and left the Council Chambers before this item was heard.

City Administrator, Jack Lewis, presented written materials that are included in the packet for the record. The City of Salida (City) as Host City for the inaugural start of the Quizno's Pro Challenge Bike Race is responsible for a number of services and other obligations to assure a quality event. While the City is well suited to supply many of the services such as police services, traffic control and street closures the Local Organizing Committee (LOC) has the expertise required for securing the financial obligation and the knowledge to organize and execute this type of event. The LOC has conducted similar events of this type and raised the funds necessary for those events in Salida in the past. This agreement outlines those responsibilities and clarifies the duties of the LOC and the City. A revised copy of the agreement was changed to add one other "whereas clause" to show who will raise the necessary money.

Angela Damman, local coordinator for the Quizno's Pro Challenge Race, has a couple of comments about the agreement. April Prout, Chaffee County Visitor's Bureau Marketing Director, is also present and will be working with Quizno's and Ms. Damman to help promote the event.

Ms. Damman said they hope to have the park applications completed by February or March. The resources are coming together. Ms. Damman said that Quizno's organizers will be providing the insurance coverage, which should address item 5. in the agreement. The Quizno's staff will be meeting with Public Works, State Patrol, Chaffee County Sherriff's, EMT's, the Forest Service and State Parks on February 7, 2011. She reminded Council to keep in mind that the City is only responsible for what happens within City limits.

Ms. Damman said they gave a presentation to the Chaffee County Commissioners and noted that the Commissioners are in support of the event. There will be numerous road closures for which they are still working out all of the details.

April Prout has been working within the City and also in Buena Vista hoping to promote the event. She noted that some of the people they are working with have done a ride in California that shut down a major highway for about an hour. The foot print shows how the Quizno's Race start will be set up in Salida. Many of the details are still being worked out. The Visitors Guide includes promotions for Quizno's race and other efforts are putting ads on the website promoting the race.

Ms. Damman said they will be meeting with the Salida Business Alliance in February to discuss beautification options and to offer other services available to the community. They have already collected about \$40,000 in sponsorships. Small businesses have taken leadership roles for other businesses in the community. The race is scheduled to be in Salida on August 23, 2011. Because this is an inaugural event the number of people to expect can only be estimated, but this is an international race that should draw a crowd.

A motion was made by Baker to pass RESOLUTION 2011-11 OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO APPROVING THE AGREEMENT BETWEEN THE CITY AND CHAFFEE SPORTS COMMISSION AND TO AUTHORIZE THE CITY ADMINISTRATOR TO FINALIZE AND SIGN THE AGREEMENT. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

4. Consideration of Lease Rates at Harriet Alexander Field –

Resolution 2011-12 establishing a fee schedule for Ground Leases at The Harriet Alexander Field Airport.

City Administrator, Jack Lewis, presented written materials that are included in the packet for the record. The City of Salida (City) and Chaffee County (County) as joint owners of the Harriet Alexander Field (Airport) from time to time need to assess the rate structures and adjust those rates to reflect current conditions at the Airport. It has been some time since the rates to lease ground for private hangers has been adjusted to reflect those current conditions. The Airport Advisory Committee recommended raising the rate from the current \$.15 per foot to \$.25 per foot in a 3 to 2 vote. The Committee made that recommendation based on information provided to them outlining the rates that were in effect in a number of similar airports in our region. That information is part of your packet. The committee also was very aware of the current financial status of the Airport and the annual subsidies that are required to keep the facility open. The County Commissioners received that recommendation and initially choose to keep the rate at the current \$.15 per foot. An ad hoc committee consisting of Commissioner Holman, Mayor Rose, Councilman Stewart, County Finance Director, Dan Short, County Administrator, Bob Christensen, and City Administrator, Jack Lewis, met and recommend the County and City adopt the attached rate structure that establishes a new base rate for 2011 of \$.20 per foot and escalating that rate \$.01 per year to 2016 when the rate would be \$.25. The new lease also has an annual escalator of a rate between 2.5% to 4.5% based on the Denver Boulder CPI index. This resolution was approved by the County during today's Commissioner meeting.

Andy Lasher, who goes by Flash, a citizen of the County, asked to speak. Mr. Lasher has lived here for 11 years and is the owner of Flash Aviation in Colorado Springs. He is a furloughed United Airline Pilot and a former Navy Pilot. Mr. Lasher currently commutes from Salida to Colorado Springs which is a 2 ½ hour trip by car. He recently purchased an airplane to shorten this travel time allowing him to spend more time with his family. He is unable to leave his plane in Salida until he can build a hanger because he doesn't want to leave his airplane exposed to weathering. He expressed his desire to build a hanger in June and the Airport Manager told him he would need to have the space surveyed in order to obtain the legal description of the location prior to building. He had the suggested location surveyed and now there has been discussion for changes to the current ground lease rate by the Airport Board. He requested Council to consider giving him the long standing rate of \$.15 per sq. foot. A lengthy discussion followed.

Councilor Stewart, an Airport Board Member, said the board has had numerous discussions about the lease rates. The airport loses money, while the City and County subsidizes the facility each year. Of course there is concern that someone in the building process might walk away when the rates are raised. He asked Mr. Lasher if he would still build a hanger at \$.20 a foot. Mr. Lasher said he would still build a hanger in Salida. Stewart said the Advisory Board originally recommended the rate be increased to \$.25 and that \$.20 is a good compromise.

Councilor Damman thanked Mr. Lasher for giving Council an honest answer and recommended that this item be continued to a future meeting.

A motion was made by Damman to continue this item to allow the City, the County Commissioners and the Airport Board member's time to discuss this further.

No one seconded the motion. The motion died.

Administrator Lewis felt that Council was getting off of the subject, which is raising the rate at the Airport for ground leases.

Councilor Stewart does not feel that delaying this issue is a good idea. There are people wanting to build hangers and we need to make a decision. Further discussion followed.

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

Further discussion followed.

A motion was made by Stewart to approve RESOLUTION 2011-12 ESTABLISHING A FEE SCHEDULE FOR GROUND LEASES AT THE HARRIET ALEXANDER FIELD AIRPORT. The motion was seconded by Baker. A brief discussion followed.

Administrator Lewis said the total subsidy for the Airport this year is \$100,000 excluding the runway overlay. The county did not come to the City to ask for 1/2 because they knew the answer would be no. He doesn't know what other small airports do to reduce the subsidy to 0, and he is not sure how that would happen. When the Airport Board discussed raising the fees, it is nothing but a fight. There is not a commercial company out there that is going to pay for the airport.

Lewis apologized to Council for not coming with a solution. He does think that there is merit to the discussions of combining the two airports in the County, under one management. At our airport we have one employee, the Airport Manager, and the County pays this salary. In essence having the private sector coming in to look at that effort might offer some merit.

Mr. Lasher likes the fact that this Council is not indecisive. He has already paid for the survey outlining the legal description of the land he hopes to build a hanger on. He hopes he has not thrown that money away.

Administrator Lewis said there have been discussions about the overlay program and being able to extend the taxi way into the space once intended for future hangers. The overlay has brought up discussions about where and how we could get into the area to build additional hangers. The total plan came out to \$4.6 million. But the consultant came up with a totally different arrangement for the taxi way. The FAA will be the determining factor on the layout. The City had budgeted \$43,000 for the project and the grant will drop the City and the County cost to just about \$30,000 each. There has been discussion about where additional hangers are going to be located, and the spot may be moving around a bit. If we want to get the maximum amount out of this project, the City and the County need to pay attention to what the experts say.

Mr. Lasher asked if he wasted his money by paying for a survey. He was told that getting the survey was a very key thing to get these lease rates moving. He was told that the Advisory Board will be meeting on the last Wednesday of the month, and he was welcome to attend anytime. Mr. Lasher said he will be out of the country.

Mayor Rose asked for a roll call vote. Those voting Yea were Baker, McCormick and Stewart. Voting Nay were Damman and Moore. THE MOTION CARRIED.

5. Award 2011 Sackett Avenue and I Street Manhole Replacement Project –

Resolution 2011-13 Awarding the Bid of the 2011 Sackett Avenue and I Street Manhole Replacement Project and to approve the City Administrator to enter into a construction services agreement with Y & K Excavation Inc. for the 2011 Sackett Avenue and I Street Manhole Replacement Project.

Public Works Director, Rob Vance, presented written materials that are included in the packet for the record. The request is to award the bid of the 2011 Sackett Avenue and I Street Manhole Replacement Project bid and to approve the contract for construction services with Y & K Excavation, Inc.

Back in November 2010, the Public Works crew began a project to fix a problem that has existed for a few years and that is the manhole at Sackett Avenue and I Street. It is raised to a point that when plowing snow the manhole lid is continually hit and knocked out of place. It has become such a problem that in 2009 the area was left unplowed. The Public Works Crew broke out the concrete around the manhole ring and cover and was working toward lowering the cone in order to better meet existing street grade. However once the ring and cover were removed the crew noticed a large infiltration of tree roots on the western side of the inlet pipe. Vance instructed the crew that while the ring and cover was off that it was best to go into the manhole and remove the roots. Once the roots were removed they discovered that the pipe itself was broken and thus allowing the roots to enter. The depth of this manhole is approximately 13 feet and a little too deep for us to replace with existing equipment. The choice Public Works faced was to rent an excavator and a trench box and do the work ourselves or to give the local contractors the chance to bid the project. It was decided to let the local contractors deal with the problem as they are better equipped than Public Works is for that type of repair. That culvert was one of the ones that was to be replaced with the street rebuild on Sackett Street so he already had a drawing of the area. Vance contacted SGM to produce that drawing as an individual project. Once he had the drawing he then contacted three of our local contractors that he felt could properly do the job. Those contractors were Deisslin Structures, Y & K Excavation, and Pridemore Construction. Each were given a copy of the drawing and asked to bid the following project: replacement of the existing manhole and to install one full length of pipe in each of three directions; backfill with road base and patch asphalt back and replace a section of the valley pan. They each brought back written quotes for the project. They ranged from a low cost of \$12,123.00 to a high quote of \$16,920.00. The Public Works Department believes that the low bidder is fully capable to make the repair and would recommend to City Council to award the bid to Y & K Excavation for \$12,123.00 (Twelve Thousand One Hundred Twenty-three Dollars).

A motion was made by Damman to approve RESOLUTION 2011-13 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, AWARDING THE BID OF THE 2011 SACKETT AVENUE AND I STREET MANHOLE REPLACEMENT PROJECT AND TO APPROVE THE CITY ADMINISTRATOR TO ENTER INTO A CONSTRUCTION SERVICES AGREEMENT WITH Y & K EXCAVATION INC. FOR THE 2011 SACKETT AVENUE AND I STREET MANHOLE REPLACEMENT PROJECT. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

6. Reject all bidders and re-bid Safe Routes to Schools – (Rob Vance)

Rob Vance, Public Works Director, presented written materials that are included in the packet for the

record. The request is to have Council make the motion to reject all bidders for the Safe Routes to School bid and to instruct staff to make changes to the bid and then rebid the project.

The City of Salida was awarded a grant for Safe Routes to School on November 7, 2006. The City has been steadily working with CDOT and SGM to get the project slated for construction since that time. On November 22, 2010 the City received notice to proceed to bid publication. In December the City took the project out to bid. On January 21 the bids were opened in a public setting. Unfortunately all of the four bidders' bids were in excess of the established budget for the project. The low bid exceeded the budget by Twenty Thousand four hundred eighty-one dollars (\$20,481.00). Additional funds are not available through CDOT or the City. Public Works and CDOT discussed possible next options for the project. It was decided that the best course of action was to reduce the scope of the project and re-bid.

The Public Works Department based on discussions with CDOT recommends to City Council to reject all bidders for the Safe Routes to School project and directs staff to reduce the scope of the project and re-bid the project.

A motion was made by Damman to reject all bids for the Safe Routes to School Project, and direct staff to reduce the scope of the project and re-bid the revised project. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

7. Administrator/City Attorney/Deputy City Clerk

a. Administrator's Report –

Administrator Lewis spoke regarding the AHRA group citizen task force. County Commissioners are assigned to that board. The County would like to have Dave Potts on that board. The County Commissioners want your concurrence to that. Council Members indicated their approval.

Administrator Lewis reported that staff has embarked on the update of the Salida Municipal Code (SMC). The first section to tackle is the utility code, which will include a number of policy changes. A work session has been scheduled for Tuesday, February 8, 2011 at 8:30 a.m. in Council Chambers. We would like to try to limit the time at two hours, for each session.

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

City Attorney Karl Hanlon, said he had a discussion about the Unique with SalCat's Attorney Bill Smith, who said he had no new information to report to the City. Mr. Smith has not heard from his client for two weeks. Mr. Smith is very apologetic about not hearing from his client.

c. Deputy City Clerk -

Deputy Clerk, Janella Martinez had nothing to report.

8. Elected Official Reports -

a. Treasurer-

City Treasurer Eileen Rogers had nothing to report.

b. Mayor –

Mayor Rose thanked the Salida Academic Booster Club for inviting him to speak at it's awards ceremony.

Rose announced that in November 2011 four of those currently on Council will be vacating their seats, including the Mayor. He encouraged others to consider running for Council, as way to fulfill a public obligation. For any of you listening, serving in local government is highly educational.

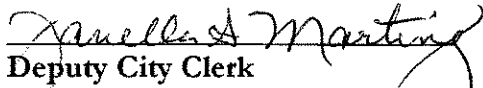
c. City Council-

A motion was made by Moore to adjourn the meeting at 8:07 p.m. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.



Mayor

[SEAL]



Deputy City Clerk

(Respectfully submitted by Janella Martinez, Deputy City Clerk