

Regular Meeting
Town of Ignacio Board of Trustees
Monday, July 17, 2017

- I. **CALL REGULAR MEETING TO ORDER: PLEDGE OF ALLEGIANCE AND ROLL CALL:** Mayor Stella Cox called the regular meeting to order at 6:34 p.m. **Trustees Present:** Mayor Protem Alison deKay, Thomas Atencio, Lawrence Bartley, Sandra Maez and Dixie Melton. **Staff:** Mark Garcia, Interim Town Manager; Georgann Valdez, Town Clerk; Diana Briar, Town Treasurer; Dan Naiman, Community Development Administrator; Kirk Phillips, Chief of Police and Jeremy Schulz, Public Works Director. **Audience:** Theresa Campbell, Gina Schulz, Ron Dunavant, Pete Vigil and Emily Meisner.

- II. **2016 AUDIT REPORT:** Chad Atkinson thanked staff for their help in completing the Town's 2016 audit. Mr. Atkinson gave his presentation via phone, and stated the Independent Auditors report is an unmodified opinion, a clean opinion on the financial statements, compliance and internal controls. In 2016, a finding in the Gas Fund, expenditures in excess of budget appropriations, \$18,000 over approved budget. Aside from the Gas Fund, the water, sewer and irrigation funds operated within their approved budgets. Looking at a five year trend, restricted fund balances increased slightly, which are emergency reserve under State law. The unassigned fund balance increase is due to the reallocation of expenses to the proprietary funds as assigned by the Town's management team; the General Fund has at least three months of expenses set aside as required by State Law. Water Fund: net investment in capital assets refers to infrastructure, no additions in 2016, only a little depreciation; unrestricted fund balance decreased by \$30k, three months of operating expenses; so in conclusion, the Water Fund is stable: Mr. Atkinson cautioned spending and staying within the budget, due to a small reserve. Gas Fund: Net investment in Capital Assets increased a little with the ongoing gas line replacement project; unrestricted amount increased by \$200k; its healthy and stable. Sewer Fund: Capital assets experienced depreciation, decreasing the fund balance; unrestricted dips from \$77,789 to \$28,450, so to stay within the budget, you need to look at expenses and revenues; this Fund could run into a deficit in the future. Cash Balance Trend in the governmental funds (General Fund and other special revenue funds) and the proprietary funds (Gas, Water, Sewer and Irrigation Funds) have increased slightly. He thanked the Board for allowing his firm to us to serve you, and asked the Board to reach out with any questions. **Trustee Atencio moved to accept the 2016 Audit. Seconded by Trustee Melton. The motion passed by unanimous voice vote.** Trustee Atencio said the sewer issue needs to be addressed sooner rather than later and wants it on the agenda for next meeting; Mr. Pete Vigil said this needs to be taken seriously. Mr. Atencio said he's serving his third term on the Board and nothing has been done. Mayor Protem deKay said we're not in control of everything and Trustee Atencio said maybe we need to take control.

- III. **PUBLIC COMMENT:** Emily Meisner brought a serious concern before the Board on behalf of her business, the Patio Restaurant. She stated a tree between her restaurant and her mobile home at 215 Ignacio Street was trimmed improperly a couple of years ago, by a former Public Works employee of the Town and now the tree is dead. She has her trees trimmed every two years and she recently contacted her arborist about the tree. He wants \$1000 to remove the dying/dead tree. She feels the PW employee killed the tree and the Town is responsible for removal of the

tree. She has concerns the dying tree may fall on her mobile home. She stated she contacted the Town Manager; he told her he would contact her but has not. With no communication from the part time manager, she feels the Town needs a full time manager to address the needs of the Town. Business owners need to have access to a town manager during business hours. Branches are breaking and falling onto her house; the Town needs to pay for the removal of the tree as soon as possible. If the tree falls on her home, the Town will be responsible, per Ms. Meisner. The tree was trimmed by PW because branches were in the Town's right of way.

Gina Schulz, community member had questions regarding the Board's change in meeting schedule. Mayor Cox responded that the summer schedule meeting time is Mondays at 6:30 but may change in the fall.

IV. CONSENT AGENDA:

- A. **Regular Town Board Meeting Minutes of June 19, 2017**
- B. **Financial Records – Check Register for June, 2017. Mayor Protem deKay moved to approve the Consent Agenda. Trustee Maez seconded. The motion passed by unanimous voice vote.**

V. UNFINISHED BUSINESS:

- A. **Irrigation Issue:** Lack of pressure and paying for irrigation was again discussed. 35 Candelaria Heights residents signed a petition claiming low water pressure from the irrigation system. All irrigation customers pay \$20 a month for six months. Mr. Pete Vigil would like to see this Board come up with a solution for an ongoing problem. The residents down from Candelaria Heights don't have to pay for a pump or electricity and have all the pressure they need. Mr. Garcia stated staff worked with Mr. Vigil, and presented four options, to be considered: 1) Have the town engineer review the system for possible solutions; 2) Complete rate analysis on the system and develop a rate structure for customers with possible tiers or different rates based on water delivery; 3) Allow customers to disconnect from the irrigation system and 4) Continue to operate the system with no change. Mr. Garcia said there is no easy solution. Revenue is inadequate to cover expenses in the Irrigation Fund. Discussion regarding an engineer to evaluate the system, cost of repairs could result in increased rates, seeking grants, lower rates for Candelaria Heights' residents, eliminating the (\$411,000) debt by using the reserve funds and separate pressure zones. **Trustee Melton moved to authorize an RFP for a consultant/engineer to bring options to the Board to be considered. Trustee Atencio seconded. The Board set a cap of \$2000 for the Town's engineer to evaluate and make recommendations. The motion passed by 5-1 vote with Mayor Protem deKay voting no.**
- B. **Home Rule:** Mr. Garcia stated following public comment received last month, he wants more direction from the Board on Home Rule. He provided a draft schedule for dates for elections, drafting ballot questions, charter commissions, etc. Trustee Melton felt from last month's discussion, there was more confusion, and she felt at this point, we are doing well as a statutory town and didn't feel we should pursue it any further. It would take a lot of energy and commitment from community members and she does not see that. Ms. Theresa Campbell (106 Maple Ave), Planning Commission member agreed. Her issues included: she does not see the need; she would like to see what we are hoping to

accomplish, costs involved to get this accomplished, a very tight timeline to develop a charter and a restrictive charter may lose the ability for flexibility. From her research, she questioned pros to Home Rule. Changes made to a charter under home rule are easier, what are those changes; freedom from State interference in local and municipal matters, what are these interferences that we're not happy with under the statutory structure. These things really need to be looked at; the change shouldn't be made because it sounds good; there's a lot of things to do in a very short period of time. Home Rule would empower citizens and give more control. The Town already has minimal citizen involvement; we are empowered as much as we want to be. Cons include: a change to the charter would require a vote of the people; where does the authority lie, you can empower some while taking power from others; costs include legal fees, consultant, publications, election costs and the Town does not have a lot of money in reserves. Mr. Garcia stated the single most reason to go Home Rule is that it gives the Town the ability to deal with the Tribe. We cannot get them to do a rate analysis of our utility rates. Going Home Rule, depending on how you write your charter gives the ability to deal with those matters, give us more control; we could do our own sales tax collection. Mr. Garcia stated every municipality that is Home Rule is able to collect more taxes and empowers them in the enforcement to collect the taxes. Ms. Campbell stated the Tribe will do what it wants to do, regardless if we are Home Rule or statutory. Unless there would be an agreement with them regarding more revenue for the Town, she did not see a need for Home Rule. Town Board members are concerned that there is no interest from the citizens to form a charter commission. She asked the Board show me why it's good for the Town; it is a BIG Deal to proceed with Home Rule; Board members need to have some concrete reasons to move forward. The Planning Commission is now reviewing the Town Code, how would this change under Home Rule. Mayor Protem deKay stated if the Charter is done right, she did not believe there was any cons, it gives the Town a chance to take control by giving business owners and other property owners a voice in the Town. Mrs. Schulz asked if the tax collection would require more work for the existing staff or would more employees be needed. Mayor Cox wants to see more engagement; we don't see any commitment from the citizens. Mr. Garcia stated Home Rule was a priority for the Board at their retreat last spring. Trustee Atencio sees lack of motivation and has doubts that there will be citizens to form a charter commission. Trustee Bartley sees other things that as priority. Ms. Campbell stated Home Rule may be good for some towns; may be approached in a different manner in the future. Following the discussion of pros and cons, the Board's consensus was to put a halt to any further discussion on Home Rule. Mr. Garcia stated no interest may be advantageous and repeated it was a retreat item and that he could help the Board to move it forward. Full time manager can look into it.

VI. NEW BUSINESS:

- A. Wells Liquor South License Renewal: Mayor Protem deKay moved to approve the Wells Liquor License Renewal. Trustee Maez seconded. The motion passed by unanimous voice vote.**

- B. Chamber of Commerce Special Events Permit: After questions regarding the hours of the event, Mayor Protem deKay moved to approve the Special Events Permit changing the closing hours to 10 p.m. on both days. Trustee Maez seconded. The motion passed by 4-2**

vote, with Trustee Atencio and Trustee Bartley voting no. Trustee Atencio wants the applicant present for future requests.

VII. STAFF REPORTS:

- A. Police Chief:** Chief Phillips met with Dr. Fuschetto to discuss a school resource officer. The Town has no funds for one; the School would pay for the officer during the school year and the Town can utilize him/her during the summer months when the Department is busier. Chief Phillips stated the Gaming Grant allows for a part time certified police officer. The school would have to pay all benefits. More discussion with the school before its finalized.
- B. Finance Officer:** Current fund balances: \$47,488 WATER; \$2,652 SEWER; \$512k GAS; Quarterly request for the gas line replacement reimbursement has been submitted and for all other grants, which should increase the Gas and General Fund Balances.
- C. Community Development Administrator:** Letters have been sent out to property owners as a result of the survey for branding. A request for a fence that has utility poles on the property is being reviewed. Planning Commission approved transitional zoning section and review of Chapter 3 is continuing. A meeting is scheduled tomorrow with ELHI to discuss their signage. Trustee Atencio questioned a bus behind the Sidekick Lounge having people sleeping in it. Mr. Abeyta has been questioned about junk vehicles.
- D. Public Works Director:** Lead copper sampling from the State will be done annually; the pump house electrical fire is going to require a contractor to fix the sprinkler timer system; Street repairs overlay on Lampert and Ignacio Street is being scheduled by Kendal Asphalt and Paving; Mr. Steve Marsh terminated without notice leaving PW short staffed; the Town had invested money in his water certification and helping him obtain his CDL license. Additional language may be put into the Personnel Policy to recoup costs for training if employee leaves before a year. Mr. Schulz is now a Certified Back Flow Prevention Control Tester. Gas line replacement is nearing completion; 98% of the excavation is done.
- E. Town Manager:** Four Grants are all well underway gas pipeline, GIS Mapping, Capital Improvement and Branding. A community workshop for the Branding will be held at the ELHI tomorrow at 6 and all are encouraged to attend. Gaming grant should be awarded in the Fall. A new recycling company out of Bayfield called to offer curbside recycling; the Board can consider a proposal; RFP will be prepared. Tree trimming RFP will be prepared; could include PWD hauling tree limbs. There are a lot of trees in the Right of Way. The proposal Colorado Cities and Towns Week in September, civic activities can be planned. On the rate analysis, we have not heard back from Raymond Baker; a letter was prepared by attorney, with strong language. The water agreement allows us to request their audit for three years; the Water Fund cannot sustain much longer. The Sewer fund is running in the negative every month; Mr. Garcia suggested paying off water and sewer debt with the revenues in the Gas Fund; Trustee Atencio disagreed and recommends an increase to the sewer rates. Mr. Garcia said we may have to take them to court; I have a meeting with the Chairman. The Water and Sewer agreements are under review.

- F. **Town Attorney:** Working on sewer agreement which has a 10-year term. Raw water irrigation easement continuance on water rights; the Tribe said they want to review it every 3 months.

VIII. TRUSTEE REPORT:

IX. MISCELLANEOUS:

- X. **ADJOURNMENT:** Being no further business before the Board, Mayor Cox adjourned the meeting at 9:12 p.m. The next regular meeting will be August 21, 2017, at 6:30 p.m. in the Abel F. Atencio Community Center at 570 Goddard Avenue.

Stella Cox, Mayor

Date

Attest: Georgann Valdez, Town Clerk