

**Minutes**  
**Town Board Regular Meeting**  
**Town of Paonia, Colorado**  
**November 14, 2017**

**RECORD OF PROCEEDINGS**

The Regular Meeting of the Town Board of Trustees held Tuesday, November 14, 2017 was called to order at 6:30 PM by Mayor Charles Stewart, followed by the Pledge of Allegiance.

Roll Call:

Trustees present were as follows:

Charles Stewart  
Bill Bear  
Chelsea Bookout  
David Bradford  
Karen Budinger  
Barry Pennell  
Suzanne Watson

Town Staff present were as follows:

Administrator Ken Knight  
Clerk Corinne Ferguson  
Finance Officer Cindy Jones  
Chief Neil Ferguson  
Public Works Director Travis Loberg  
Treasurer Ross King

A quorum was present and Mayor Charles Stewart proceeded with the meeting.

**Approval of Agenda**

Motion by Trustee Bear, supported by Trustee Bradford to approve the agenda as presented.

Motion by Trustee Bookout, supported by Trustee Budinger to amend the agenda, moving disbursements prior to the executive session. Motion carried unanimously.

Motion by Trustee Watson, supported by Trustee Budinger to move agenda item four (4) to after the executive session. Motion carried with five (5) ayes and one (1) nay.

Motion by Trustee Bear, supported by Trustee Bradford to approve the agenda as amended.

Motion carried with six (6) ayes and zero (0) nays.

**Announcements**

None

**Recognition of Visitors & Guests**

Nancy Hovde – Development Officer for Hope West was present. Hope West is requesting the Town declare the month of November Hospice and Palliative Care month.

Mayor Stewart read the proclamation for community awareness.

Motion by Trustee Bradford, supported by Trustee Watson to authorize Mayor Stewart sign the HopeWest Hospice & Palliative Care proclamation.

**Consent Agenda**

Minutes:

October 24, 2017 Special Meeting

October 30, 2017 Special Meeting

Motion by Trustee Bradford, supported by Trustee Bear to approve the consent agenda. Motion carried unanimously.

### **Mayor's Report**

Nothing to report.

### **Town Administrator's Report**

1. Attended a series of meetings regarding Space 2 Create.
2. A focus group study is planned for January.

### **Public Works Department Report**

1. The 3<sup>rd</sup> Street waterline tie-in and connection are complete.
2. Vehicles are causing several obstacles for the leaf vac.
3. Paving should be completed by the end of the week.

### **Police Department Report**

1. A written report and statement was provided in the packet.
2. Officer Patterson has submitted her resignation effective Saturday, November 18<sup>th</sup>.
3. Another officer is testing in another community.
4. Attended the first hazard mitigation work session with Delta County.

### **Treasurer's Report**

1. Disbursements and payroll have been reviewed.
2. Met with Finance and Personnel committee to discuss revenue generation options.

### **Unfinished Business**

#### **Resolution 2017-13 Equal Opportunity Employment**

At the special meeting October 30<sup>th</sup>, the Board approved the agenda amendment adding an equal opportunity employment resolution. The resolution passed unanimously at the meeting. This Resolution corrects the numbering sequence for 2017.

Motion by Trustee Pennell, supported by Trustee Bookout to finalize the approval of Resolution 2017-13, affirming the Town commitment to equal opportunity employment. Motion carried unanimously.

#### **Resolution 2017-14 GOCO Grant WSCC Support**

Jake Harter – on behalf of the WSCC – requests the addition of Resolution 2017-14 to the approved GOCO grant application. Motion carried unanimously.

Motion by Trustee Budinger, supported by Trustee Bookout that language be added regarding the Town providing in-kind service as a donation to the project.

Motion by Trustee Bookout, supported by Trustee Watson to adopt Resolution 2017-14, supporting the WSSCC GOCO Grant for the completion of the Paonia River park bridge and connector trails as amended. Motion carried unanimously.

#### **CIRSA Optional Coverage Quotes**

Three optional insurance coverage quotes were requested by Town staff. Staff requests approval of the volunteer coverage. The three quotes are:

Community Service Workers coverage will provide accident/injury coverage for the Town and allow the Municipal court to utilize community service as an outcome to citations as well as monetary action. The costs are \$3.63 per person.

Volunteer Accident coverage will provide accident/injury coverage for the Town and allow volunteers to participate in Town activities such as parks clean up, office work, and snow shoveling, should the Town want to utilize a volunteer program. The costs are \$2.75 per person.

Excess Crime coverage protects above the current limitation of \$150,000 (less deductible) for things such as employee dishonesty, money and securities, forgery and fraud. The costs are:

- \$500,000 excess crime coverage - \$255.00
- \$2,000,000 excess crime coverage - \$805.00
- \$5,000,000 excess crime coverage - \$ 1,851.00

Discussion ensued regarding each option and costs associated with each.

Motion by Trustee Budinger, supported by Trustee Bookout to approve CIRSA optional coverage Community Service Worker's as presented. Motion failed unanimously.

Motion by Trustee Bookout, supported by Trustee Budinger to approve CIRSA optional coverage Volunteer Accident as presented. Motion carried unanimously.

Motion by Trustee Bear, supported by Trustee Pennell to approve CIRSA optional coverage of \$500,000 Excess Crime in the amount of \$255.00. Motion failed unanimously.

### **New Business**

#### **Public Hearing – 2018 Budget**

Mayor Stewart opened the public hearing at 7:15pm.

Mayor Stewart provided an explanation of the process for the public hearing and special review.

Administrator Knight presented a balanced budget following several meetings for Board review.

Board Comment:

Question and discussions ensued regarding Airport Revenue, impact fees, and lack of increase for staff.

Main area of concern noted were:

1. Utilization of enterprise funds as an impact fee.
2. Lack of emergency reserve.
3. Lack of cost of living increases for staff members.

Public Comment:

Three (3) people spoke regarding the proposed budget park maintenance plan and opportunity for more public comment.

Mayor Stewart closed the public hearing at 7:40PM.

Discussion ensued between the Board members regarding the use of a potential impact fees, increasing Town utilities, potential sources of revenue, Town staff being assets to the Town and provided increases in salary, and salary allocations throughout different funds.

Motion by Trustee Bradford, supported by Trustee Budinger to approve the addition of a 3% impact fee designated for streets only.

Motion by Trustee Bookout, supported by Trustee Budinger to amend the main motion, setting aside 1% for employee increases. Motion failed with tie vote decided by Mayor Stewart.

Motion by Trustee Bear, supported by Trustee Bradford to amend the main motion, dedicating

the 3% impact fee for street capital improvements only. Motion carried with four (4) ayes and two (2) nays.

Motion to recess by Trustee Bradford, supported by Trustee Bookout. Motion carried unanimously.

Recess at 8:10pm  
Reconvened at 8:15pm

Discussion ensued. Call for the question by Trustee Budinger. Call carried with five (5) ayes and one (1) nay.

Main amended motion to approve a 3% impact fee allocated for streets capital improvements. Motion carried unanimously.

Budget discussion ensued, specific to the parks maintenance contract termination. Mayor Stewart provided a history regarding the decision to end the parks contract and absorb parks maintenance in house, noting the financial impact of loss of mineral and severance lease payments with mine closures. The decision is based primarily on financial constraints.

Grant funds and administrative time to process grants was discussed.

Motion by Trustee Bear, supported by Trustee Bradford to apply a 3% administrative fee for processing outside grants. Discussion ensued regarding legality and potential issues with the proposed fee. Motion failed with two (2) ayes and four (4) nays.

Motion by Trustee Watson, supported by Trustee Bradford to place proposed 2018 budget on the next regular meeting agenda. Motion carried unanimously.

#### Public Hearing – In-Town Waterline Project Modification

Mayor Stewart opened the public hearing at 8:40 pm.

Administrator Knight provided an overview of the necessity of the public hearing, which is a requirement for changes proposed to the original amended preliminary engineering report (PER). Discussion ensued regarding the addition of two waterline segment replacements located on Dorris Avenue and Clark Avenue.

Board Comment:

No additional comment.

Public Comment:

No additional comment.

Mayor Stewart closed the public hearing at 8:40 pm.

Motion by Trustee Bradford, supported by Trustee Bear to approve the amendment to the Amended Preliminary Engineering Report adding two segments of waterline replacement to the in-Town waterline project on the 100 block of Clark and Dorris Avenue. Motion carried unanimously.

#### Third Street Bridge Project Award

Five Samuel Wade bridge repair bids were solicited by Public Works Director Loberg from:  
Tribble & Sons Construction  
Roop Excavating LLC  
TSM  
Pitt Construction  
High Country Equipment

Two bids were received from:

Tribble & Sons Construction – \$16,299.50  
Roop Excavating LLC - \$36,400.00

Staff recommends awarding the bid to Tribble & Sons Construction, noting the reason for the difference in costs is based on mobilization fees.

Motion by Trustee Watson, supported by Trustee Bookout to award the Samuel Wade Bridge repair project contract to Tribble & Sons Construction in the amount of \$16,299.50. Motion carried unanimously.

#### S2C Letter of Support EX Tax Credit

Motion by Trustee Bookout, supported by Trustee Budinger to table until the next regular meeting, November 28, 2017. Motion carried unanimously.

#### Rocky Mountain Health Plan Insurance Renewal

Administrator Knight presented the annual renewal for the Rocky Mountain Health Plan Insurance for December 2017. To maintain a similar plan to the Towns current plan, participating staff will see a 46.3% increase in the overall cost of insurance, an increase in deductible and all out-of-pocket costs, and a decrease in overall coverage.

Mayor Stewart asked if there were any options for the Board to consider. Administrator Knight stated the Board could increase the percentage paid directly by the Town.

Motion by Trustee Bear, supported by Trustee Pennell to approve the annual RMHP renewal as presented. Motion carried unanimously.

#### Disbursements

Motion by Trustee Budinger, supported by Trustee Bookout to authorize the disbursements as reviewed by the Town Treasurer and Finance Committee for November 13, 2017, in the amounts of, \$101,358.33 ColoTrust transfer, \$131,021.88 for accounts payable, \$24,432.43 for payroll taxes, \$40,219.06 for payroll, \$261,603.39 transfer to ColoTrust, \$3,927.94 Credit Card Payment, and \$2,013.79 ACH Transfer. Motion carried unanimously.

#### Executive Session

Motion by Trustee Bradford, supported by Trustee Bookout to go in to executive session for a conference with the Town attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b); specific to Mr. Brunner's CORA request. Motion carried unanimously.

Entered executive session at 9:02pm  
Returned to open session at 9:17pm

In attendance were: Mayor Stewart, Town Attorney Nerlin, Administrator Knight, Trustees Bear, Bookout, Bradford, Budinger, Pennell, and Watson.

No issues noted.

#### Executive Session

Motion by Trustee Bradford, supported by Trustee Bear to go in to executive session for discussion of a personnel matter under C.R.S. Section 24-6-402(4)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personnel to particular employees; specific to Town Administrator Knight. Motion carried unanimously.

Bill Brunner requested discussion be held in open session. Administrator Knight chose not to respond.

Entered executive session at 9:20pm  
Returned to open session at 10:01pm

In attendance were: Mayor Stewart, Town Attorney Nerlin, Administrator Knight, Trustees Bear,

Bookout, Bradford, Budinger, Pennell, and Watson.  
No issues noted.

Motion by Trustee Budinger, supported by Trustee Bookout to have Mayor Stewart prepare a memo documenting the incident during the Governmental Affairs Committee meeting, note the corrective action, and have the memo placed in the Town Administrator employee file. Motion carried unanimously.

Board of Trustees Decision Regarding Finance and Personnel Committee Recommendation Regarding Trustee Watson

Motion by Trustee Bradford, supported by Trustee Bear to issue written letter of warning to Trustee Watson.

Discussion ensued regarding written report provided by committee, accuracy of the information, and investigation procedure.

Motion by Trustee Bookout, supported by Trustee Pennell to amend the original motion, issuing a verbal public warning, specific to violation of section 3-B of the Board of Trustees Code of Conduct, specifically due to the severity of the issue and time involved. Motion carried unanimously with one (1) abstention from Trustee Watson.

Motion by Trustee Bear, supported by Trustee Bradford to adjourn the meeting. Motion failed with two (2) ayes and four (4) nays.

Motion by Trustee Bookout, supported by Trustee Budinger to extend the meeting until 10:30pm. Motion carried unanimously.

**Adjournment**

Motion by Trustee Bear, supported by Trustee Bookout to adjourn the meeting. Motion carried unanimously.

The meeting was adjourned by Mayor Stewart at 10:02 PM

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s/s  
J. Corinne Ferguson, Town Clerk

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s/s  
Charles Stewart, Mayor