

**NOVEMBER 11, 2014****CITY OF GUNNISON COUNCIL  
REGULAR SESSION MEETING MINUTES****7:00 P.M.**

The City Council Regular Session meeting was called to order at 7:00 P.M., by Mayor Drexel, with Councilors Riggs, Steinbeck and Hagan present along with City Attorney Fogo, City Manager Coleman, City Clerk Davidson, WSCU Liaison Ballesteros, Finance Director Collins, many citizens and the press. Mayor Pro Tem Ferguson was absent. A Council quorum was present.

Mayor Drexel started the meeting by expressing his gratitude to all Veterans, living and deceased, for their unselfish acts, sacrifice, and commendable service to the United States.

**NOVEMBER 11, 2014****BUDGET PUBLIC HEARING****7:00 P.M.****Receive Public Input on 2015 City Budget.**

Mayor Drexel called the Public Hearing to order at 7:01 P.M. and stated it is 7:01 P.M., on Tuesday, November 11, 2014, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison, Colorado. Present at the Public Hearing are myself, Mayor Bob Drexel, City Councilors Carolyn Riggs, Anne Steinbeck and Richard Hagan, City Attorney Kathy Fogo, City Manager Ken Coleman, City Clerk Gail Davidson, and Finance Director Wendy Collins. The purpose of the Public Hearing is to receive public input on the proposed 2015 City Budget.

Mayor Drexel asked for proof of publication. City Clerk Davidson responded the affidavit of publication is included in the City's official records and a copy is in Council's packets.

Mayor Drexel called for City Staff comments and recommendations. City Manager Coleman stated that Finance Director Collins had done the bulk of the work on the Budget, and he will turn the testimony over to her. The Budget is being presented as a balanced Budget for 2015.

Finance Director Collins stated the changes to the budget since it was officially presented to Council on October 14, 2014, have been incorporated into the document. The total Budget, including the changes, totals \$19,592,788.00 in revenues and expenses. This is an increase of 12%. The increase includes the grant revenue for the Community Center addition, with a total of \$323,100. The corresponding expenses were included for that project as well. Grants and Contracts for Service have been adjusted to \$180,000 following discussion from the last Council meeting. There is still an opportunity to include changes in the Budget until first reading of the Budget Ordinance on November 25<sup>th</sup>. Second and final reading will be on December 19<sup>th</sup>. Mayor Drexel thanked Finance Director Collins.

Mayor Drexel called for any public comments.

Lyndsey Ruehle, Gunnison County resident and City business owner, came forward and identified herself. Ms. Ruehle is Vice-President of the Gunnison Chamber of Commerce Board of Directors. Ms. Ruehle stated she is asking Council to reconsider the decrease in the Chamber funding for next year. The funds are used for the operations of the Visitor Center. There were 60,000 walk-ins at the Center last year. The Visitors Center is primarily funded by Chamber member dues. It takes approximately \$70,000 annually to run the Center. The \$46,000 loss of funding from the City and County then has to be funded out of Chamber member dues. The Chamber Board has discontinued their educational services to its members over the years in order to continue to fund the Visitors Center. The Board would like to continue its business support to its members but can't do so if it has to use member dues to fill in for the loss of funding from the City to operate the Visitors Center.

Councilor Hagan asked how member dues are raised. Ms. Ruehle stated that most member dues are approximately \$300 per member per year. There is a varying rate dues structure. Her business, Quick Draw Cleaning, pays \$300 per year but doesn't receive any benefit from the Visitor Center. She would like to see some benefit from her dues. She'd like to see the Chamber offer trainings such as business marketing and accounting.

City Manager Coleman asked how other Visitor Centers are funded. Chamber Executive Director Tammy Scott, who was in the audience, replied that most centers are usually run by chambers of commerce, a municipality or through lodging tax revenues. City Manager Coleman stated that we are an anomaly after his research through a listserve. He then asked if any business can have their

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business brochures distributed through the Visitor Center. Ms. Ruehle stated that most are from Chamber Members since the bulk of the Center's operating funds come from Chamber members.

Councilor Hagan asked about getting money from the Local Marketing District (LMD) funds. Ryan Johnson stated from the audience that the Board has talked about applying for funds from the LMD. Mayor Drexel asked Mr. Johnson to come forward and identify himself for the record.

Ryan Johnson, Gunnison County resident and County Business Owner, identified himself as the President of the Chamber Board of Directors. The potential for funds from the LMD is \$25,000 the first year. That is why City funding is so important this year. A couple of years ago the Crested Butte Chamber was in a similar situation. Even at \$13,500 from the City like last year, there is a shortfall in their budget. They have cut back on expenses every year. He feels the Chamber is more in need than some of the other applicants for the funds and provides a higher return on investment. Councilor Riggs stated she is more alarmed that so much members' dues are going to operation of the Visitor Center and not for Chamber member service opportunities. She thinks those two operations should be separate. She asked, why costs haven't been cut to meet demands. Mr. Johnson replied they have made cuts every year, and they are at a bare minimum now. Mr. Johnson stated that prior to 2002, the Chamber received funding from the City, County and the Lodging Tax Panel but that funding has been cut or lost altogether. The amount being decreased represents the Visitor Center being open on Sundays from June through August, the busiest tourist season. Mr. Johnson stated that the City sees a return of \$9,000 in sales tax during that time period from visitors' spending money in Gunnison.

Councilor Steinbeck stated the merchants think the Christmas and Spring Greenback programs are great. Mr. Johnson replied that the Christmas and Spring programs are separate funds. The Chamber pays for the Holiday program. Finance Director Collins informed Council the City paid \$2,000 last year for the marketing of the Christmas program through Additional Grants and Contracts for Service. She reminded Council the Chamber-provided budget figures were provided in the full the budget packet. Director Collins suggested the Chamber and Council discuss the funding further at next week's Council Work Session meeting. Mayor Drexel asked that it be placed on next week's agenda.

Paula Swenson, Gunnison County resident, City Business owner, Chamber member, and Gunnison County Commissioner, came forward and identified herself. She is asking the Council to reconsidering funding for the Chamber. Around 2000, the Chamber was funded with \$25,000 from the City and from Lodging Tax funds from the County. The Visitor Center operations were paid for with those funds. The funding has been reduced over the years. The Chamber members believe the Visitor Center is a boost for businesses in Gunnison. But having to pay for the Visitor Center out of Chamber member dues lessens training funds available for Chamber members and they see less bang for their buck on the Chamber side. Ms. Swenson continued by saying wearing her County Commissioner hat, the Chamber could possibly receive up to \$25,000 in Local Marketing District funds in 2015. They will need to apply for those funds. Last year the County provided each Chamber with \$25,000. But it is still only half of the funds needed to operate the Visitor Center. The City of Gunnison is the major benefactor from visitor's sales tax. The Chamber needs to grow local businesses through Chamber services such as trainings. City Manager Coleman stated the County is also a beneficiary of sales tax dollars spent by visitors. Visitors contribute to the greater valley economy. LMD Funds, generated by the tourists, should be used for this type of service. Ms. Swenson clarified the County Funds are LMD funds not general fund dollars. She reminded the City Manger the County pays back ½ of 1% of County sales tax to the City. In Crested Butte, the Visitor Center funds come from BOLT funds. This is a Business License fee. Ms. Swenson suggested the City should look at a variety of other ways to fund the Visitor Center as well. City Manager Coleman reminded Ms. Swenson the ½ of 1% County sales tax paid to the City is not done so by the Commissioners but was set that way by a vote of the electorate.

Bill Nesbitt, City resident and City business owner, then addressed Council. He thanked City Council for the time they and staff provides. Having been in their place many years ago, he remembers when the Chamber and the Gunnison Business Association had factions that caused a

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bad situation. The downtown folks started their own association, and it did not work. We are all in this together. The Chamber has been an institution for 90 years. If the City is going to wean the Chamber of funding, he would like to see further discussion. We don't need to go back to 1993 funding. He realizes there is a lot of competition for dollars, but the Chamber needs to pay for building maintenance, utilities and insurance. It is a constant struggle. If their funding is going to be diminished, they need to know that in advance. If the Chamber doesn't run the Visitors Center, who is going to do so? We need to work together to move forward. Chamber staff has been asked to do a lot in the community. They conduct fundraisers to help meet expenses.

Councilor Hagan asked about the number of Gunnison businesses who are Chamber members. Finance Director Collins stated the City can pull the number of retail businesses in the City that pay sales tax but that number does not include businesses that provide non-taxable services. Mr. Nesbitt stated that past discussions were had about all businesses being Chamber members in some form. Everyone needs to remember the Chamber can't be everything to everybody. Councilor Riggs asked about the Visitor Center being inclusive to all businesses not just Chamber members. Ms. Scott replied that the Board has discussed that idea but is not in favor of it since Member dues pay the bulk of the Center's operation.

Jamie Smith, Gunnison County Resident and County business owner, identified herself. She is on the Chamber Board as well. Ten years ago, she used to participate in Chamber trainings and she is running a successful business with help from those trainings. Now those trainings have stopped. She started with the Chamber three years ago. They conduct a lot of fundraisers to run the Winter Greenbacks program. Those greenbacks are spent in the City and are good for local businesses. City sales tax is generated from those sales. Ms. Smith stated she would like to see City funding increased so that the Chamber can once again offer the educational-type trainings for businesses to be successful.

Mayor Drexel asked if there were any further public comments. There were none. He thanked everyone for their comments.

Mayor Drexel asked if any written comments or communications were received. City Clerk Davidson replied that no additional comments were received.

Mayor Drexel called for any further comments and hearing none, closed the Public Hearing at 7:48 P.M.

**Consideration of Minutes:**

**Regular Session Meeting Minutes of October 28, 2014.**

Councilor Steinbeck moved and Councilor Riggs seconded the motion to approve the Regular Session Meeting minutes of October 28, 2014, as submitted.

Roll call vote, yes: Riggs, Drexel, Steinbeck, Hagan. Motion carried.

Roll call vote, no: None.

**Pre-Scheduled Citizens:** None.

**Unfinished Business:**

2015 Budget Discussion Items – if needed. Finance Director Collins stated there was nothing further.

**New Business:**

**Excuse Councilor Ferguson from the Meeting.** City Clerk Davidson stated she placed a copy of an email from Councilor Ferguson, asking to be excused from this evening's meeting due to an emergency that required him to be out of town, at their places before the meeting.

Councilor Hagan moved and Councilor Steinbeck seconded the motion that Councilor Ferguson be excused from this evening's Regular Session meeting.

Roll call vote, yes: Drexel, Steinbeck, Hagan, Riggs. Motion carried.

Roll call vote, no: None.

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**Ordinance and Resolutions:**

**Resolution No. 11, Series 2014, Re: Authorizing Receipt of Real Property by the City.** Councilor Hagan introduced Resolution No. 11, Series 2014, and it was read by title only by the City Attorney. City Manager Coleman informed Council the title company is requesting this resolution be passed by Council to authorize the receipt of the property being donated by Gunnison Valley Properties. The property will be used to straighten out the south property line of Jorgensen Park and as the site of a possible dog park. Mr. Dick Bratton, as the property donor, stated he started work on the donation over 25 years ago. He thinks the property will be a nice amenity and could be used as a small park as well. The views from the parcel are very nice. Mayor Drexel and Council thanked Mr. Bratton and his partners for their donation. Councilor Riggs asked about the anticipated closing costs. City Attorney Fogo stated the closing costs will be approximately \$665. City Manager Coleman stated \$2,500 is included in the 2014 Budget to cover all of the City costs of acquiring the property donation.

Councilor Hagan moved and Councilor Steinbeck seconded the motion that Resolution No. 11, Series 2014, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AUTHORIZING THE RECEIPT OF REAL PROPERTY FOR THE USE OF THE CITY OF GUNNISON** be introduced, read, passed and adopted this 11th day of November, 2014.

Roll call vote, yes: Steinbeck, Hagan, Riggs, Drexel. Motion carried.

Roll call vote, no: None.

**City Attorney Kathleen Fogo:** Nothing to report this evening.

**City Manager:** Ken Coleman informed Council of the following: we hope to have heat in City Hall by the end of the week; Community Development is in the process of moving into their remodeled offices upstairs in City Hall; the Finance Department move into the old CD offices will be the next step in the process; and he has been discussing noise issues with Clair Heines and the owners of the adjacent hotel to try and come to a workable solution, but the parties don't seem agreeable to a compromise. There is no easy resolution.

**Acting City Manager:** Finance Director Wendy Collins had nothing further to report.

**City Clerk:** Gail Davidson reported the Youth City Council students met with Fire Marshal Spritzer and learned about the City's Haz-Mat services. City Clerk Davidson then reviewed the unofficial results of the Combined General Election for the City's three ballot measures. The results will be final and certified hopefully by the end of the week. City Manager Coleman stated that even with some additional ballots to be considered, it is unlikely the outcome of the measures will change. Staff has the draft ordinance from the last medical marijuana election questions. Staff will be revising this ordinance and will be developing others to meet the needs of the community. Public Hearings will be planned in the future. Staff hopes to have all of the regulations, rules and licensing procedures in-place by July, 2015. Councilor Riggs stated she would like to see a joint meeting between the City Council and the Planning Commission to discuss land use code regarding marijuana businesses.

**WSCU Liaison:** Stefano Ballesteros reported Western students met with local emergency services personnel and discussed the on-going Ebola crisis. The Emergency Services personnel provided good, factual information regarding the virus. They helped calm misconceptions. Liaison Ballesteros then reported that Dr. Salsbury and VP Brad Baca will be presenting the final draft of the new Western Strategic Plan to the Western Board of Trustees.

**Non-Scheduled Citizens:** Mr. John Billingsly introduced himself to Council. He is currently licensed in Saguache County as a marijuana provider. He informed Council the sooner the licensing and regulations concerning marijuana operations in Gunnison, the better. He hopes to be a business owner in Gunnison. City Manager Coleman stated City staff won't drag their feet on the process and if the process can be expedited it will. However, the City wants to make sure that businesses are operated in a safe and proper manner in the best interest of the community. Mr.

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Billingsly informed Council that once the City authorizes a licensee, then it takes the State approximately 45 days to issue a license.

**City Council Discussion, Meeting Reports, Items for Work Session:**

**Councilor Riggs:** reported she made it through the Election. She is excited to see the voter turnout, and citizens exercised their right to vote. Gunnison County had one of the highest voter participation rates in the state. Councilor Riggs then reported she and Councilor Hagan will be attending the RTA meeting this Friday.

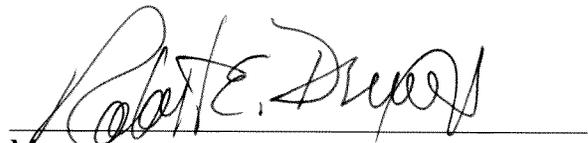
**Councilor Steinbeck:** reported she served as the AP reporter for the Election. It is very rewarding to serve in that capacity. She attended the Gunnison Valley Regional Housing Authority (GVRHA) meeting and they are working on development of the 30 unit apartment complex in Crested Butte. The GVRHA is pleased to have sold the housing tax credits for more than a dollar each. The Chair of the GVRHA has resigned. Councilor Steinbeck then reported she attended the WSCU donors/supporters recognition dinner. Dr. Salsbury gave an excellent talk, and she saw Council Liaison Ballesteros in attendance at that dinner. Lastly, she attended the Veterans Day celebration at Legion Park today. It was well-attended and a touching ceremony. The High School Choir was there and sang the National Anthem.

**Councilor Hagan:** stated he had nothing to report. He thanked City Clerk Davidson for her prompt response to a citizen's question regarding City elections.

**Mayor Drexel:** reported he and the City Manager attended the Mayors'/Managers' meeting in Crested Butte last Thursday. That group tried out a new format whereby each entity had one minute to update the group on their activities. Not everyone in attendance was able to meet that timeframe. The group discussed the impact of the Mt. Emmons mine project. Mayor Drexel informed Council he has a summary of the meeting and can send that to them if they are interested. He attended two diverse focus groups for the Parks & Recreation Master Plan and also attended a Region 10 mediation process for a past-due loan. A mediated agreement was reached.

City Manager Coleman asked Council how they wanted to conduct his annual performance evaluation, in open session or in executive session. Council consensus was to conduct the evaluation in open session.

**Adjournment:** Mayor Drexel called for any further discussion, and hearing none, adjourned the meeting at 8:27 P.M.

  
 Mayor

  
 City Clerk