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**TOWN OF MOUNTAIN VILLAGE
MINUTES OF THE JUNE 25, 2015
REGULAR TOWN COUNCIL MEETING**

The meeting of the Town Council was called to order by Mayor Dan Jansen at 8:32 a.m. on Thursday, June 25, 2015 in the Mountain Village Town Hall, 455 Mountain Village Town Hall Boulevard, Mountain Village, Colorado.

Attendance:

The following Town Council members were present and acting:

Dan Jansen, Mayor
Cath Jett, Mayor Pro-Tem
John Howe
Marty McKinley
Jonette Bronson
Dave Schillaci

The following Town Council members were absent:

Michelle Sherry

Also in attendance were:

Kim Montgomery, Town Manager	Aurelie Cannella
Jackie Kennefick, Director of Administration/Town Clerk	Stephanie Fanos
Susan Johnston, Deputy Town Clerk	Laila Benitez
Nichole Zangara, Director of Marketing & Business Development	Dan Garner
David Reed, Town Attorney	Gordon Jensen
Jim Mahoney, Assistant Town Attorney	Jim Royer
Chris Hawkins, Director of Community Development	Suse Connolly
Kevin Swain, Finance Director	Brian Kananga
Julie Vergari, Chief Accountant	Anton Benitez
Chris Broady, Police Chief	Kim Hewson
Steven Lehane, Director of Cable & Broadband Service	Jolana Vanek
Deanna Drew, Director of Plazas & Environmental Services	Pete Mitchell
JD Wise, Plaza Services Manager	Dan Caton
Savannah Jameson, Planner II	Brian Eaton
Chris Colter, Director of Transit and Recreation	Eric Wells
Rachelle Redmond, MVPD	Lisa Hemann
Matt Skinner	Rock Mertell
Brent McLean via conference call	
Tom Kennedy via conference call	

Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e (3)

On a **MOTION** by Dave Schillaci and seconded by John Howe, Council agreed to enter into Executive Session for the purpose of receiving legal advice pursuant to C.R.S. 24-6-402(b), and for the purpose of negotiations pursuant to C.R.S. 24-6-402(4)e at 8:36 a.m.

Council returned to regular session at 9:06 a.m.

Public Comment for Non-Agenda Items (4)

No public comment was received.

Consideration of Approval of the May 21, 2015 Town Council Minutes (5)

On a **MOTION** by Cath Jett and seconded by Dave Schillaci, Council voted unanimously to approve the May 21, 2015 as presented.

Marketing Telluride Inc. (MTI) and Colorado Flights Alliance (CFA) Bi-Annual Report (6)

Chief Operating Officer of CFA Matt Skinner presented the report stating that over the 2014-15 winter season, there was a 20% increase in total winter passengers and that the new Phoenix and San Francisco flights were highly successful. Mr. Skinner highlighted the 2015 summer flight schedule and discussed direct flights versus connecting flights. CFA hired independent consultants Mead and Hunt who determined that non-stop service results in the highest traffic stimulation and maximizes visitors. CFA's goals for winter 2015-16 include:

- Added Flight/Seats from DFW
- Daily service from Phoenix
- Shift Allegiant Flights to LAX/LAS
- Growth of Approximately 20%

Council discussion ensued. Council thanked Mr. Skinner for his positive and successful efforts.

The Mayor provided a brief update on MTI. He stated that Music Voyager is now available online and will have massive distribution. CFA and MTI are working hand in hand to produce positive tourism numbers. Council discussion ensued on how to get steadier funding channeled to MTI and the discussion will be revisited when the new Council is seated.

Finance: (7)

Finance Director Kevin Swain presented the following:

a. Presentation of the May 2015 Business & Government Activity Report (BAGAR)

Council discussion ensued.

b. Consideration of the April 2015 Financials

Council discussion ensued. On a **MOTION** by John Howe and seconded by Jonette Bronson, Council voted unanimously to approve the April 2015 financials.

c. Presentation of Auditor's Report on 2014 Comprehensive Annual Financial Report

Audit Principal Lisa Hemann, CPA reported that the 2014 audit did not indicate any red flags. The audit follows general auditing standards and provided an opinion to the Town on practices. Ms. Heman explained the procedure and stated that the findings did not indicate any deficiencies or risks. Ms. Hemann stated that Human Resources Director Sue Kunz will be drafting a whistle blower's policy for employees so that they may express concerns in a private and safe manner. The policy is designed to provide guidance on how to report any potential ethics violations, fraud or other improprieties that may occur. Council thanked Ms. Hemann for her report.

Council moved to agenda item # 15

Water Update and Consideration of Changes to the Water Restriction Policy (8)

Town Manager Kim Montgomery stated that in April the snowpack in Colorado was at 42% of normal. Now, due to the near record rain and snow fall in May and June, the total precipitation in southwest Colorado is 94% of normal. Council has the option to lift, keep or modify current restrictions. Council discussion ensued. Public comment was received by Gordon Jenson. Council directed staff to agendize a work session on water restrictions including incentives, once the new Council is up to speed. On a **MOTION** by Dave Schillaci and seconded by Marty McKinley, Council voted 4-2 (with Jonette Bronson and Cath Jett dissenting), to change the current mandatory water restriction policy to voluntary restrictions.

Community Weed Control Program Update (9)

Director of Plazas and Environmental Services Deanna Drew & Plaza Services Manager JD Wise presented the update. Noxious weed enforcement has been expedited for non-compliant properties. The program involves giving three notices to property owners alerting them to the presence of noxious weeds on their property. If no response is received, the property owner will be placed on a list for further legal action. The program has been very successful and property owners have been eager to learn how to address noxious weeds on their property. An RFP went out to find a qualified weed control specialist to work with owners and chemically treat the properties. The first step is to create awareness with the next step being action by the property owner. The Town received a \$10,000 grant which is being used to incentivize property owners to be proactive and address weed control. It allows the Town to offer a 25% rebate to homeowners who utilize weed control services. The rebate applies to all homeowners and all certified technicians. Council applauded the efforts and the personalized service of Ms. Drew's department.

Consideration of a Proposal to Dissolve the Plaza Use Committee (PUC)(10)

Deanna Drew presented the above proposal stating that the PUC was formed in January 2010 as an advisory committee to Town Council to develop and recommend strategies and standards for implementation of plaza use policies. The PUC has accomplished the mission and both staff and the committee members recommend that the committee be dissolved. Council discussion ensued. On a **MOTION** by Jonette Bronson and seconded by Cath Jett, Council voted unanimously to dissolve the Plaza Use Committee.

Second Reading, Public Hearing and Council Vote for a Major PUD Amendment to Allow for: (A) the Combination of a Maximum of Nine (9) Lodge Units to be Rezoned into Five (5)

Condominiums; (B) Five (5) Hotel Condominiums to be Rezoned as Lodge Units; (C) the Combination of Seven (7) Condominium Units into Three (3) Condominium Units; and (D) a Density Transfer as Needed to Accomplish the Foregoing on Lot 38-50-51R- Quasi-Judicial (11)

Director of Community Development Chris Hawkins presented the above item stating that the DRB passed a motion recommending the Town Council approve the PUD amendment with the following conditions:

- The PUD agreement will be amended to require density to be transferred from either within the property or from the density bank, with minor PUD amendment development applications in the future to account for unit combinations and density transfers.
- The PUD agreement will allow for the conversion of lodge and efficiency lodge units only in the Lot 38 Building to condominium units in order to create attractive, functional and higher occupancy units.
- The PUD agreement will allow for the combination of only the condominium units only on the top floor of the Lot 50-51 Building.
- The PUD agreement will require the Town to be notified of a proposed unit combination and the associated, required density transfer prior to or concurrent with the required building permits.
- Unit combinations shall require an amendment to the condo map and declaration prior to the issuance of a certificate of completion for such combinations.
- The hotel deed restriction shall remain in place for the five (5) efficiency lodge units that are allowed to be converted to lodge units.
- The length of validity to reconfigure rooms and convert the five (5) efficiency lodge units shall be five (5) years.

The applicant Brent McLean was present via conference call for any questions. Mr. Hawkins stated that the applicant has not proposed an additional community benefit. Staff recommendation is to not require any additional public benefit. The applicant is still obligated to provide \$110,000 in public benefit and would be responsible for executing the improvements to the ice rink. If additional funding is required to complete the sun shade project it would be evaluated by Council and determined if the Town would agree to fund the remainder of the project. The Hotel Madeline/architects have been very cooperative and helpful with research and design of the project and Assistant Town Attorney Jim Mahoney thanked them for their efforts. Council discussion ensued. The Mayor opened the public hearing. No public comment was received. The Mayor closed the public hearing. On a **MOTION** by Marty McKinley and seconded by Dave Schillaci, Council voted (6-0) to approve on second reading, an Ordinance approving a major PUD Amendment to

allow for: (A) the combination of a maximum of nine lodge units to be rezoned into five condominiums; five hotel condominiums to be rezoned as lodge units; the combination of seven condominiums into three condominium units; and (D) a density transfer as needed to accomplish the foregoing on Lot 38-50-51R.

Consideration of a Resolution Approving a Minor Subdivision Application to Vacate the Lot Line Between Lots 23AR and 23CR Creating Lot 23AC (12)

Planner II Savannah Jameson presented the above item. Council discussion ensued. On a **MOTION** by Cath Jett and seconded by Dave Schillaci, Council voted unanimously to adopt a Resolution approving a minor subdivision application to vacate the lot line between Lots 23AR and 23CR creating Lot 23AC.

First Reading, Setting of a Public Hearing and Council Vote on an Ordinance to (1) Rezone and (2) Transfer Density of Four Population Equivalents of Single Family Density from Lot 23AR into the Density Bank for the Benefit of AARIS, LLC (13)

Savannah Jameson presented the above item. On a **MOTION** by Dave Schillaci and seconded by Cath Jett, Council voted unanimously to approve on first reading an Ordinance to (1) rezone and (2) transfer density of four population equivalents of single family density from Lot 23AR into the Density Bank for the benefit of AARIS, LLC and to set the second reading, public hearing, and final Council vote for July 16, 2015.

Council Boards and Commissions Updates: (15)

a. **Eco Action Partners (EAP) – Howe/Sherry**

There was no report.

b. **Telluride Historical Museum – Bronson**

The Board is working on a strategic marketing plan.

c. **San Miguel Watershed Coalition – Jett**

Report card has been distributed and is getting good reviews. The watershed is in good health.

d. **Colorado Flights Alliance (CFA) – Jansen**

There was no additional report.

e. **Plaza Use Committee – Jett**

There was no report.

f. **Transportation & Parking – Howe/Schillaci**

There was no report

g. **Budget & Finance Committee – Jansen/McKinley**

The audit was successful.

h. **Mayor's Update**

The Mayor attended the annual MTI meeting where it was reported that it has been a record year in occupancy, average daily rate, sales tax and revenue per available room (RevPAR), however; he cautioned that the Town has experienced a lot of brief shots in the arm that may be attributed to the increase and to be conservative in our budgetary projections. He stated that there are two important meetings on the horizon. The first is the Transit meeting in late July to discuss the Intergovernmental Agreement between the Town of Telluride, the Town of Mountain Village and San Miguel County regarding regional transportation. The County and the Town of Telluride share the intercity transit costs and the County can no longer afford their portion of the intercity transit costs into the Town of Telluride. On August 10th the quarterly Intergovernmental work session will focus on long term gondola planning and will be a multi-year process. Council directed staff to agendize a work session regarding the election process and voter registration at the July Council meeting.

Council moved back to item #8

Staff Reports: (16)

a. **Town Manager**

Town Manager Kim Montgomery presented her report and pointed out that TSG has been very accommodating on several joint issues and that the Town is very appreciative of their willingness to come together and work as great partners. The June Great Services Award was given to Kevin Horan for his steady and consistent service. Ms. Montgomery stated that both the San Miguel Regional Housing Authority

(SMRHA) and the Marketing Telluride Inc. (MTI) Intergovernmental Agreements will renew annually unless notice is given 120 days prior to the year end. Council consensus was to continue with the agreements.

Council took at lunch break from 12:18 p.m. to 12: 48 p.m. (14)

Second Reading, Public Hearing and Council Vote on an Ordinance Amending Certain Sections of the Mountain Village Municipal Code Title 9, Public Peace, Morals and Welfare, Title 8, Health and Safety, Title 6 Animals, Title 1, General Provisions, Section 1.08 General Penalty and Adding Municipal Code Sections to Title 9 Prohibiting Firearms and Dangerous Weapons in Town Buildings and Meetings, Prohibiting Defacing Property and Graffiti, Prohibiting Open Containers of Alcohol in Public, Prohibiting Unauthorized Use of a Dumpster, Making Unauthorized Use of a Ski Pass a Crime of Theft, Prohibiting Vagrancy and Adding a Municipal Code Section to Title 10 regarding Parking and Impoundment (17)

Jim Mahoney presented the above item. The Mayor opened the public hearing. There was no public comment. The Mayor closed the public hearing. On a **MOTION** by Dave Schillaci and seconded by Cath Jett, Council voted (6-0) to approve on second reading an Ordinance amending certain sections of the Mountain Village Municipal Code Title 9, Public Peace, Morals and Welfare, Title 8, Health and Safety, Title 6 Animals, Title 1, General Provisions, Section 1.08 General Penalty and Adding Municipal Code Sections to Title 9 Prohibiting Firearms and Dangerous Weapons in Town Buildings and Meetings, Prohibiting Defacing Property and Graffiti, Prohibiting Open Containers of Alcohol in Public, Prohibiting Unauthorized Use of a Dumpster, Making Unauthorized Use of a Ski Pass a Crime of Theft, Prohibiting Vagrancy and Adding a Municipal Code Section to Title 10 regarding Parking and Impoundment.

Consideration of a Closing Agreement and Associated Documents and Authorization for the Mayor or Mayor Pro-Tem to Sign All Documents/Agreements and Any Other Instrument Contemplated in Connection with the Land Conveyance Agreement Between the Town and the Telluride Medical Center (TMC) (18)

Jim Mahoney presented the item explaining that the Town is under contract to sell a parcel of land adjacent to Town Hall to the Telluride Medical Center. There has been one amendment to the contract to provide an extension for the closing. The attorney for TMC Tom Kennedy also presented and answered questions. The Town is ready to close with the Medical Center and then act as a regulatory body going forward. Hospital Board Member Dan Garner stated that TMC is planning to host four public forums to address questions and concerns from the public as well as receive public input. Public comment was received by Kim Hewson, Jim Royer, Dan Garner, Brian Kanaga, Jolana Vanek, Brian Eaton, and Rock Mertell. On a **MOTION** by Cath Jett and seconded by Dave Schillaci, Council voted unanimously to approve the closing agreement and associated documents and authorize the Mayor or Mayor Pro-Tem to sign all documents/agreements and any other instrument contemplated in connection with the Land Conveyance Agreement between the Town and the Telluride Medical Center.

Second Reading, Public Hearing and Council Vote on a Major PUD Amendment to Extend the Length of Validity and Vested Property Rights for a Site Specific Development Plan for Lot 109R from December 8, 2015 to December 8, 2020-Quasi-Judicial (19)

Chris Hawkins presented the above item stating that Town Council approved the final PUD development application on December 8, 2010 Resolution Number 2010-1208-31 as recorded at Reception Number 415339. The PUD development agreement was recorded on March 18, 2011 at Reception Number 416997 (PUD Agreement). The PUD Agreement established the length of validity until December 8, 2015. The applicant is requesting an extension for five years in order to allow the owner to continue monitoring the market conditions and complete the project when appropriate. Council discussion ensued. The Mayor opened the public hearing. There was no public comment. The Mayor closed the public hearing. On a **MOTION** by Dave Schillaci and seconded by Jonette Bronson, Council voted unanimously to approve on second reading a major PUD amendment to extend the length of validity and vested property rights for a site specific development plan for Lot 109R from December 8, 2015 to December 8, 2020.

The Mayor and Council thanked Chris Hawkins for his service to the Town and wished him the best.

Consideration of Approval of an Application by Telski Food & Beverage Services, LLC, for a Temporary Modification of Premises on the H&R Liquor at Allred's to Include the Ridge Club on September 15, 2015 for a Cocktail Wedding Reception (20)

On a **MOTION** by Dave Schillaci and seconded by John Howe, Council voted unanimously to approve the above temporary modification of premises as presented.

Other Business: (21)

Dave Schillaci stated that there is not a current TV channel list on the website. Director of Marketing & Business Development Nichole Zangara stated that she would take care of this.

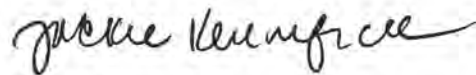
There being no further business, on a **MOTION** by Cath Jett and seconded by Jonette Bronson, Council unanimously agreed to adjourn the meeting at 1:43 p.m.

Respectfully prepared,



Susan Johnston
Deputy Town Clerk

Respectfully submitted,



Jackie Kennefick
Town Clerk