

Town Council Regular Meeting
Town of Paonia, Colorado
October 23, 2012

RECORD OF PROCEEDINGS

The Regular Meeting of the Town Council held Tuesday, October 23, 2012 was called to order at 7:08 p.m. with the Pledge of Allegiance. Those present were Mayor Neal Schwieterman, Trustees Corinne Ferguson, Brian Ayers, Ross King, Eric Goold, Amber Kleinman and Larry Wissbeck; Chief Scott Leon, Public Works Director Travis Loberg, Attorney James Briscoe; and Town Clerk Barbara Peterson.

Mayor Schwieterman determined a quorum was present and proceeded with the meeting.

Approval of Agenda

Trustee King moved to approve the agenda as presented. Trustees Ferguson and Wissbeck seconded and the motion passed unanimously.

Announcements

- Mayor Schwieterman noted that in the October 17, 2012 edition of the Delta County Independent an article regarding the special meeting held on October 12, 2012 indicated that his and Attorney Briscoe's lack of attendance was "deplorable". Mayor Schwieterman reminded Council that at the staff meeting when the date and the agenda for the special meeting was set, Council was advised that Mayor Schwieterman would not be available as a family vacation was already scheduled. Mayor Schwieterman expressed frustration at having a meeting where nothing was accomplished. Mayor Schwieterman read from the Colorado Municipal League Handbook for Elected Officials regarding surprises on fellow governing body members, noting they tend to erode the team approach to governance. There have been a number of situations where this Council approaches discussion points confrontationally, eroding the ability of Council to provide good work product. Mayor Schwieterman suggested that a cooperative and respectful work environment is the most successful.
- Clerk Peterson announced she will be gone all next week.
- Trustee Wissbeck noted being gone until next week.

Visitors

- Richard Schmidt reported following through on the Schwartz lease ensuring terms are in compliance. Mr. Schmidt noted the insurance coverage did not match the lease agreement, the lease is with Mr. Schwartz, but the insurance is to Delicious Orchards and the coverage is only for two-million dollars, not the lease required amount of three-million. Mayor Schwieterman indicated that staff had noted the discrepancies and if this issue needs to come back to the Board for additional review, it will.

Unfinished Business

New Business

2011 Audit Presentation

Pete Blair was present. Mayor Schwieterman noted that neither the auditor, nor Council would be answering any questions regarding the impending embezzlement investigation. Mr. Blair provided highlights of the audit for consideration. Town's assets exceeded its liabilities by \$745,860. Governmental funds were increased by \$16,991 from the prior year, although the General Fund decreased by \$36,860 compared with 2010. Asset values were increased due to the new water treatment plant. The water enterprise fund showed an operating income loss of \$37,846, while the sanitation enterprise fund shows an increase in operating funds of \$90,355. Employee fraud amount was \$401,063 for both years (2010 and 2011). Mr. Blair indicated that the deficiencies noted in the letter to Council have been addressed in 2012, and in the back of the audit is the Town responses. The Town is in process of finding a company to perform an actuarial study for the one pension to comply with Internal Revenue Service regulations.

Galaxy Bike – Sign Reimbursement Request

Ashley Benton was present. Mayor Schwieterman noted the invoice presented, a copy of the original building permit, and the minutes of the January 24, 2012 in the packets. Galaxy Bike is located at 334 Grand Avenue and is zoned C-1, Core Commercial. Through a special review process, the Town allowed an exemption from the applicable zoned sign code for the freestanding sign as well as the awning sign. When the relocation of the sign was attempted, the owners felt the new placement was not acceptable. Ms. Benton's understanding was that if the relocation did not work, that Galaxy Bike would be reimbursed. Because the reimbursement was not part of the agreed upon actions of the Council and not reflected in the minutes, Mayor Schwieterman had indicated to the owners of Galaxy Bike, that they could submit an invoice for reimbursement, although he had hoped the request would have been submitted before the new Council was elected in April. After discussion regarding precedents, costs, and the actual moving of the sign, Trustee Ayers moved to reimburse Galaxy Bike for the removal of the sign in the amount of \$550.00. Trustee King seconded. Trustee Klein noted that his was a good lesson that variances can cause other issues. Trustee Ayers felt that this Council needed to honor a commitment made by the previous Council. Trustee Wissbeck felt that this Council has established an amount that it feels liable for equal to the cost of moving the sign. Richard Schmidt wanted to know how much the Town has already spent in fees, including the waiving of the \$75 special review application fee. When asked if the Town would be setting precedent, Attorney Briscoe surmised that this Council is resolving the last Council's obligation from January. Motion was brought to a vote and passed unanimously. A release of any further claims will be signed when the check is released to Galaxy Bike.

Delta County Economic Development (DCED)-Funding Request

Brad Harding, President, and Sarah Carlquist, Director, were present. Mr. Harding provided an update on activities performed by DCED and requested \$250 be considered during the budget season to help fund economic development in the area.

Additional Business

Mayor's Report:

Mayor Schwieterman reported receiving a letter from Colorado Preservation Incorporated indicating that attempts to get the Black Bridge designated were unsuccessful. The Colorado Division of Parks and Wildlife sent information regarding motorboat, fishing and shooting range programs. Attorney Briscoe was informed today by the District Attorney (DA) that charges were filed and a summons issued for Kristin Chesnik. Any questions may be directed to the DA's office.

Public Works: Public Works Director Loberg reported the staff has been replacing old meters with the new radio-read meters. Minnesota Pipeline and Ditch company has started the ditch lining project. The Onarga project came in under budget and Director Loberg would like to reappropriate the unused funds to the street repair by the bus barn on Main Avenue. The plan is to construct a storm drain across the road to empty into the ditch. Trustees King and Kleinman have reviewed the project and recommend approving. Trustee King moved to reallocate the remaining \$39,000 from the Onarga project to the bus barn street repair project. Trustee Kleinman seconded and the motion passed unanimously.

Police Report: Chief Leon reported attending an emergency preparedness meeting at the Blue Sage Center. Clerk Peterson also attended along with more than forty (40) residents and other emergency personnel. After talking, Chief Leon realizes there is work to do updating the existing plan.

Finance Report: Trustee Wissbeck continue to review accounts payables and payroll. Trustee Wissbeck noted that the audit presented to the Finance Committee was done to accept the audit by a deadline. Discussions regarding the employee fraud are being dealt with cautiously due to a fear of harming the prosecution thereof. It is clear from the investigation that the theft occurred by one person and without collusion from any other staff or Council member. Everything is being done to make sure the Town finances are transparent. Furthermore, the auditor has noted several shortcomings and those corrections have been implemented and the theft has not continued.

Parks Report: Trustee Ayers thanked Public Works for getting a solar flagpole light for Poulos Park.

Public Safety Report: Trustees Goold and Ayers had nothing to report.

Street Report: Trustee King had nothing to report.

Water/Sewer Report: Trustee Ferguson reported working on existing projects.

Personnel Report: Trustee Ferguson advised Council that the personnel manual has been submitted to Council for comments. The Town has not received the insurance company legal review on the manual. The new document will replace the old one. TerraVision is 80% complete on the lighting survey. The preliminary engineering report for the Two-Million Gallon water treatment project is nearly complete. The railroad sidewalks have not been repaired to date.

Minutes:

Corrections noted. Trustee King moved to approve the minutes of October 9, 2012 as amended. Trustee Kleinman seconded and the motion passed unanimously.

Disbursements:

Trustee Wissbeck moved to pay the bills ending October 23, 2012. Trustee Ayers seconded.

9:05 p.m. Meeting adjourned.

Town Clerk, Barbara Peterson

Mayor, Neal Schwieterman