



IGNACIO TOWN BOARD MEETING MINUTES

Monday, July 11, 2022 – 6:00 PM

Abel F. Atencio Community Room, 570 Goddard Avenue
and via Remote Public Meeting

- I. **CALL MEETING TO ORDER:** Mayor Craig called the meeting to order at 6:03 PM by leading in the pledge of allegiance.

Present: Mayor Clark Craig, Mayor Pro Tem Edward Box III, Trustee Joseph Atencio (arrived 6:16 PM), Trustee Tom Atencio (arrived 7:02 PM), Trustee Alison deKay, Trustee Sandra Maez, Trustee Jeremy Schulz

Absent: None

- II. **PUBLIC COMMENTS:** None

III. **CONSENT AGENDA**

- A. Regular Town Board Meeting Minutes from June 13, 2022
- B. Financial Records for June 2022
- C. Ratify Hydrovac Trailer Expenditure

Action: Trustee Schulz moved to approve the Consent Agenda; Mayor Pro Tem Box III seconded the motion. Mayor Craig called for a roll call vote since one of the Board Members is attending via Zoom. The motion passed unanimously.

Mayor Craig commented that the Financial Records have been modified; all the information is still in the report, but the details have been removed. If someone wants the details, they are available upon request.

IV. **UNFINISHED BUSINESS**

- A. ELHI Facility Update and ISD Negotiations

Mr. Garcia stated that he had sent a report from SEH to the Board earlier today. This report was based on a walk-through of the ELHI building with SEH, ELHI representatives, and Mr. Garcia. The report states that there are multiple structural issues, mechanical systems, windows, doors, etc. are in need of repair or replacement. The final synopsis is that this building has outlived its usefulness. The cost to bring this particular building up to code is too high; it would be more cost effective to remove the current building and start over. The School Board is waiting for feedback on the price of 1.5 million; looking for an August joint work session with ISD and the Town Board. Mr. Garcia recommended a work session prior to the August 8 Board Meeting and then a Joint Work Session with ISD Board on August 11. Trustee Schulz stated that he believes it is a valuable property to the Town and he is not surprised by the findings. Mr. Garcia stated that the congressionally directed funding may need to be adjusted or may no longer be available; he will work with congressional staff after the Joint Work Session with ISD. Mayor Craig requested an estimate on demolition and mitigation. He asked for clarification on the safety of the current building versus the building not meeting current standards. Mr. Garcia stated that there may be some life safety issues due to lack of signage. Trustee Schulz stated that the signage was not required at the time the building was

built, and the asbestos mitigation could be quite expensive; however, he looks forward to the conversations about the visioning of Ignacio with this property as a centerpiece. Mayor Craig stated that he would like the work session prior to the Board Meeting on August 8.

V. NEW BUSINESS

- A. Remove the Stigma, Save a Life – Presentation by Candice Seay, Southwest Region Manager for Advocates for Recovery Colorado and Christopher Andrews with Young People in Recovery, Durango (Christopher Andrews was not present at the meeting)

Mayor Craig stated that he had attended a Narcan Training at ELHI about two weeks ago and there was a lot of helpful information that Candice presented at that Training. He asked Candice to present to the Board and share some of that information this evening. Mayor Craig introduced the Board and Staff to Candice.

Candice stated that she is a woman in recovery and she has worked in the recovery field for about 5 years. Advocates for Recovery Colorado (AFRC) has received grant funding to open an office in Durango. Her focus is to remove the stigma of those in Substance Use Disorder (SUD); those in recovery need community and the stigma isolates them. The focus of AFRC is recovery, not the issues that led to the SUD. Opioid overdose is on the rise throughout Colorado, and grant funding has provided Narcan for the public, along with the training on how to use it. There is a weekly recovery group available in Durango. Candice gave information and handouts; she stated that she hopes to establish a weekly recovery group in Ignacio in the future. August 31 is International Overdose Awareness Day; she hopes to have an event on that day. Narcan is available currently at the Library. Trustee Schulz stated that he will provide Candice's information to the local recovery support groups. Mayor Pro Tem Box III expressed appreciation, as did other Board Members, for Candice's passion for this issue.

- B. Hinton Burdick 2021 Audit Presentation

Kelli Jones presented the final audit to the Board. She expressed appreciation for the staff and stated that it has been a pleasure working with them to prepare this audit. She expressed appreciation to the Board for the opportunity to perform the audit for the Town. She reviewed each report for the Board.

The auditor's report is the opinion of the financial statements; HB's opinion is that this is a clean audit with no material mis-statements.

The report on internal controls and financial reporting shows that there is a significant deficiency in year-end reporting and accounting controls. There is more information in a letter that was sent to Dee and that can be made available to the Board.

The report on State Compliance shows that the general fund and gas fund had expenditures that exceeded the appropriations. The Supplemental Budget is required to be approved within the same fiscal year.

Financial Highlights were as follows:

- General Fund had a net increase of over \$200,000
- Capital Improvement Fund increased over \$100,000 during the year
- Non-major governmental funds (Economic Development and Conservation Trust Fund) decreased about \$39,000
- All governmental funds except the general fund operated within the approved budget

Highlights of Proprietary Funds:

- Water Fund decreased about \$5,000
- Gas Fund decreased about \$21,000
- Sewer Fund increased \$41,000
- Irrigation Fund decreased about \$10,000
- All proprietary funds except the gas fund operated within the approved budget

Kelli reviewed the graphs that demonstrate each of the funds for which she had just given an overview. Best practices by the Governmental Finance Officers Association (GFOA) is to have a minimum fund balance of two months' expenses in each account.

- General Fund currently has 10+ months, is stable, positive and doing really well.
- Capital Improvement has increased and it is all restricted to Capital Improvements.
- Water Fund unrestricted balance has increased about \$22,000 since last year, but still does not have the recommended two months of reserves unless we include some of the capital assets. This fund still needs some attention to grow the reserves.
- Gas Fund has over 3 months of unrestricted reserves and is currently stable.
- Sewer Fund increased by \$70,000 in unrestricted funds; the prior year transfer from the general fund accounts for much of that increase. This fund is improving, but the unrestricted amount is small; it still needs attention.

Cash balances are shown on the final graph. There have been increases in both the governmental funds and proprietary funds.

The overall financial picture is improving and strengthening.

After questions from the Board, Kelli again expressed appreciation for the opportunity to perform the audit.

Mayor Craig expressed appreciation to Dee, Tuggy, Mark and the auditors for their work; he stated there are updates that were sent to the Board this afternoon.

Action: Trustee Schulz moved to approve the Hinton Burdick 2021 Audit Presentation; Mayor Pro Tem Box III seconded the motion. The motion passed unanimously by roll call vote.

C. Special Event Permit Request from the Chamber of Commerce – schedule public hearing

Sharon Craig stated that the application is in the Board packet; the Chamber is looking forward to this annual event on September 3. The circus will be there again this year, as well as live music and the cornhole tournament. The Chamber is requesting the Special Event Permit so they can sell wine and beer between 11 AM and 4 PM.

Trustee Schulz stated that he and his family were there last year and enjoyed it.

Ms. Dunton stated that the only action required this evening is to schedule a public hearing, as required by Statute, prior to action on the application. She recommended scheduling the public hearing, followed by Board action, at the next regular Board Meeting on August 8, 2022. The Board concurred.

Trustee Schulz asked for comment from Chief Phillips, who stated that this is a very well run and organized event.

D. COVID-19 Update

Mr. Garcia stated there is nothing new. San Juan Basin Health is still operating under an emergency declaration, as is the State. This will remain on the agenda until that declaration is lifted.

VI. STAFF REPORTS

A. Police Department

Chief stated that all the officers carry Narcan and have been trained in its use. No one has had to use it yet, but they are prepared should the need arise. There are situations where an individual may not intentionally overdose, but may accidentally touch Fentanyl and it absorbs into the body through the skin and can cause an overdose.

In addition to his written report, he wanted to inform the Board that the gaming grant has been submitted; he expressed appreciation to Mr. Garcia and Ms. Dunton for their assistance with preparing this grant.

B. Public Works Department

Mr. Mickey stated that the hydrovacating and core drilling for fiberoptics has entered Town limits; Colten is working with the contractors on this project. There have been no problems. Two other current projects are a sewer project on Burns Avenue and a water and gas project on County Road 320A.

Asphalt patching material has finally been received; Public Works will bring the major potholes up to standard. CDOT has been contacted already regarding the potholes on Goddard Ave.

Mayor Craig expressed appreciation for the work that the Public Works Department does.

C. Clerk/Treasurer

Ms. Dunton stated that there needs to be a public hearing on FAMLI and a notice needs to be sent to all the employees. She will put the public hearing and an action item on the August 8 agenda.

There is a Joint Work Session with the La Plata Board of County Commissioners on Thursday in the Community Room. Agenda will be posted by the end of the day tomorrow, in compliance with the statutory 24-hour notice requirement.

The Request for Qualifications for a Municipal Judge has been posted in multiple places; Ms. Dunton expressed appreciation to the Town Attorney for posting it on the Attorney list as well.

There is a survey for the Ignacio Visioning and Placemaking project that is being done in collaboration with the Colorado University Technical Assistance Program; she requested that each Board member complete the survey and return it to her as quickly as possible.

Mayor Craig commented that the date of June 11-14, 2023 is in Ms. Dunton's report. She stated that she, Mayor Craig and his wife, Sharon, and Mayor Pro Tem Box III went to the Colorado Municipal League Annual Conference in June of this year. She wanted the Board to know the dates of next year's conference well in advance and highly recommends that any Board Member that can attend make plans to do so. Ms. Dunton stated that, after attending the first session, she felt she had already gotten all she needed from the conference...then she attended the second session and received even more! Each session was packed with information, practical tips and strategies, and very worthwhile.

Mayor Craig also introduced Michala Hall, the new Deputy Clerk/Treasurer, who was in attendance at the meeting.

D. Town Manager

Mr. Garcia stated that he wanted to talk about the audit before he got into his report. He stated that the auditor is retained by the Board to provide financial oversight. He talked about the

efforts of Staff to get the audit requests fulfilled in enough time that the Board would have plenty of time to review the draft financials and ask any questions of the auditors. He expressed frustration that Dee did not receive the findings until 12:30 today, and it was stamped "draft." The audit belongs to the Board; the staff gathers the information that the auditors request; the auditors present their findings and the audit is a report to the Board. Mr. Garcia's frustration is on the auditors' taking so long to get the audit to the Board.

He also addressed the two compliance issues and stated that he will take responsibility for both of them. The gas fund was overspent because we underestimated gas sales; the general fund over-expenditure was the land acquisition of the Ignacio South property which went through due process. Had we submitted a supplemental budget within the fiscal year that identified those over-expenditures, the second compliance deficiency wouldn't have come up either. And Mr. Garcia stated that he would take responsibility for that compliance issue because when we were preparing for the December meeting, we were also trying to close out the CDOT project and he suggested that the supplemental budget be bumped to the following year because he wanted to include any overages there might have been on the CDOT project into the supplemental budget as well. He addressed the 2019 finding that Kelli had mentioned about the timeliness of reconciliations and stated that Dee has worked hard at keeping the reconciliations current and this is not a current finding. He stated that Dee works really hard to get journal entries done in a timely manner so that revenues and expenditures are landing in the correct accounts; we are improving every year.

Mayor Craig agreed that last year staff went to great lengths to communicate the expected timeline of the audit to the auditors, and stated that it does feel very last minute. Trustee deKay stated that it may be time to put out an RFP for a new firm to do the audits. Dee stated that it is a good thought, but that we just signed a new contract with HB for three years; this is the first year of that contract. Trustee deKay suggested that we contact HB and remind them of the timing that the Board requested when the contract was signed.

Mr. Garcia moved on to the items in his staff report. He gave a link to the CU UTAP website for the Board to look at and follow the progress of the Downtown Redevelopment Plan. Mr. Garcia updated the CU Team with the findings from SEH regarding ELHI and asked them to consider what the options would be with a blank slate on that property.

Mr. Garcia stated that TimberAge is working on a potential build; there is good momentum on this. The Ignacio South annexation is mentioned in his report; this will need to be in place for the subdivision to happen in order for the builds to take place. Frank Sinton and TimberAge want to proof this concept out and will attempt to come in within the \$250,000 price range per house. They hope to have the first ones built by the end of this year. If all of this can happen, they would be prepared to move on Rock Creek as well. Mr. Garcia will bring a Resolution forward at the August meeting to initiate the annexation of the Slaughterhouse Property, the Ignacio South property, and portions of County Road 320A.

The Fasttrack grant application that was denied twice has now been funded. There will be meetings with Fasttrack and Diane Kruse with NeoConnect. Phase I for the Tribe is to bring fiber into the Town (which Jeremy mentioned in his report is already happening); Phase II will be to bring fiber to the premises. It may behoove us to wait on working a deal with Fasttrack until after the Tribe has completed their builds; Fasttrack can then bring redundancy to the Town and the Tribe.

Mr. Garcia stated that he has met with Shane Seibel regarding the utility waiver request from Dancing Spirit. Mr. Garcia acknowledged that he still needs to create a draft policy on fee

waivers, both for building permit waivers and plant investment fee waivers. He stated he may ask Michala to research this. It was an excellent meeting with Mr. Seibel regarding this topic and the fiber topic. He affirmed that the tribe desires to work with the Town on a project. Mayor has had his first meeting with Chairman Baker.

The Burns Avenue sewer service issue has surfaced again. The best solution that the Town came up with was to go ahead and replace that sewer service with a mainline extension if the property owners would agree to pay for it. All three property owners have agreed. Town staff will do the work to try to keep the costs down; the new service will be built to Town standards and maintained by the Town. There may be more situations like this in the future. The cost will be about 6,000-7,000 per resident; this will be added into their utility bill and the payments will be spread out over a year.

Mr. Garcia stated that he has been meeting with CDOT regarding the Goddard Ave overlay and sidewalks; Jeremy has identified the need to replace the sewer services along Goddard Ave prior to that project from CDOT. The Town will try to provide the same kind of scenario for these residents as they are providing for the Burns Ave residents.

Trustee Joseph Atencio asked about Zito Media. Mr. Garcia stated that the contract with Zito Media actually expired about a year ago; the Town has prepared a new contract and, after receiving it back from Zito Media with their comments and edits, Mr. Garcia and Mr. Liberman need to review it before finalizing the contract.

Trustee deKay asked about the timing of the CDOT project; Mr. Garcia stated that this is scheduled for Spring or Summer of 2023. She also asked what Mr. Seibel's response was to the request from Dancing Spirit. Mr. Garcia stated that Mr. Seibel has the authority to approve the request, and he would make a decision in line with what the Town does. For example, if we waive 50% of the fees, the Tribe would probably do the same. No commitments were made, but that was the idea of the conversation.

E. Town Attorney

Provided Training Materials to Mr. Garcia and the Board, and is happy to follow up on that if the Board so desires.

Assisted with the preparation of materials and resources regarding FAMILI.

Been working a little bit with SUIT on the fiber project.

Request from Dee to provide information for the audit, which will be fulfilled shortly.

Mr. Garcia commented on the Training Materials; he stated that he has not forwarded the information to the Board yet, and that Mr. Liberman had stated that CIRSA also provides training and Ms. Dunton will reach out to CIRSA to see what they can provide.

Mayor Craig commented that one of the challenges is that the Planning Commission only has two members currently; the Planning Commission has quasi-judicial roles as the Town looks at planning, annexation, etc. In the absence of the Planning Commission, those responsibilities will fall to the Town Board, and Board Members will have both legislative and quasi-judicial roles. Board Members need to exercise great understanding and discernment as they navigate these dual roles; that is one of the reasons for the need for training.

Ms. Dunton stated that she received a Planning Commission application on Friday and that application will be on the August agenda. Trustee Schulz asked about a Board Member being an ex officio member of the Planning Commission so that the Planning Commission could function.

Mayor Craig stated that this is addressed in the Land Use Code; however, the ex officio Board Member is not a voting member.

Ms. Dunton asked about the work session with IPD; Mayor Craig stated he would like that work session prior to the next Board Meeting.

VII. TRUSTEE REPORTS

Mayor Pro Tem Box III stated that his time at CML was well worth it and he gained a lot of knowledge. A lot of other municipalities are land banking. He met a lot of Mayors from other communities; one of the mayors stated that she was interested in nominating Mayor Pro Tem Box III to the Colorado Geographic Naming Advisory Board. He stated that as many Trustees as possible should attend next year. His family was in the Pagosa Fourth of July Parade; he represented the Town as the Mayor Pro Tem of Ignacio in that Parade. He is all about collaboration with other communities. Mayor Craig stated that Mayor Pro Tem Box III also got to have his picture taken with the Governor. Mayor Pro Tem Box III plans to attend the RHA Meetings in the future in person.

Trustee Schulz stated that we had three Ignacio students attend Trio, a college preparedness course. They spent a week at Fort Lewis and are now on a charter bus touring other colleges and universities in the State. It is all grant funded and there was no cost to the parents.

Mayor Craig commented on CML and how good it was to get to know Edward better and see the fire be lit in his eyes. There is a Parade on July 30 and Mayor Craig asked what the Board wanted to do. Various members stated they would walk the route, representing the Town. Ms. Dunton stated that she has ordered more flashlights for swag to be handed out.

Michala stated that she has been doing research on polo shirts; she needs sizes for each Board Member. She is also planning to order magnetic name tags.

VIII. MISCELLANEOUS: None

IX. ADJOURNMENT


Being no further business before the Board, Mayor Craig adjourned the meeting at 7:44 PM. The next regularly scheduled meeting will be on Monday, August 8, 2022, at 6:00 PM in the Abel F. Atencio Community Room and via Remote Public Meeting.



Clark Craig, Mayor

08/08/2022

Date



Attest: Tuggy Dunton, Town Clerk