

**Minutes**  
**Regular Town Board Meeting**  
**Town of Paonia, Colorado**  
**July 09, 2019**

**RECORD OF PROCEEDINGS**

1. Short-Term Rentals – Work Session

Administrator Knight opened the meeting with information to the Board regarding the current zoning ordinance, utility billing, and the saturation of short-term rentals in Paonia Town limits. Comments in support of and against short-term rentals were discussed. Questions addressed were:

- Residential neighborhood composition
- Long-term rentals
- Neighborhood impact/law enforcement interaction
- Lodging taxes
- Safety concerns
- Insurance

Mayor Stewart opened discussion for public input.

Patti Kaech - concerned with short-term rentals in residential neighborhoods and added there is a lack of long-term rentals.

Elaine Brett – Believes there is a need for short-term rentals with increased festivals and events in the North Fork Valley. Will provide data to clerk.

Thomas Markle - operates a hostel that has seven rooms. Airbnb collects taxes and added he is aware people are losing homes and encourages the Town to try to help with that.

Deborah Spiegel - requested a distinction between rooms for rent and short-term rentals.

Michelle Pattison - suggested designating areas for long-term rentals, define areas and/or regulations for affordable housing.

Matt Holthousen - would like to be permitted to have an accessory dwelling unit (ADU) in the R-1 area to use as a rental.

Mayor Stewart opened the topic for Board Discussion.

Trustee Knutson - research needed to better understand the market and the range of opinions. Suggested drafting some options with pros and cons.

Trustee Hart - something needs to be done to make sure the rentals are safe and need to do research and get regulations in place.

Trustee Bear - asked that written comments be submitted to the Town.

Trustee Bachran - In favor of local people renting their properties as short-term rentals and is less enthusiastic for out-of-Town owners purchasing property and using as a short-term rental.

Trustee Knutson – Suggested reviewing court rulings regarding regulating short-term rentals.

Trustee Bookout – Should look in to ADU’s as long-term and short-term rental options and adjusting of code to align with there use.

2. Work Session Adjournment

**Motion to adjourn.**

Motion made by Trustee Hart, Seconded by Mayor Pro-Tem Bookout.

Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Roll Call**

1. Roll Call

PRESENT

Mayor Charles Stewart  
Mayor Pro-Tem Chelsea Bookout  
Trustee Mary Bachran  
Trustee William Bear  
Trustee Karen Budinger  
Trustee Samira Hart  
Trustee Dave Knutson

**Approval of Agenda**

- 2. Approval of Agenda

**Motion to approve agenda as presented.**

Motion made by Mayor Pro-Tem Bookout, Seconded by Trustee Hart.  
Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Announcements**

- 3. Announcements  
None.

**Recognition of Visitors & Guests**

- 1. Visitors & Guests  
Bill Brunner - 2nd Street - provided copies of water reports to the Board. Plans to create a citizen’s initiative to halt water tap sales.  
Patti Kaech – Suggested the Board consider a temporary moratorium on water and sewer taps, especially for commercial sales.  
Steve Keenan - 3rd Street - encouraged the Town to invite the Governor to the valley and get him on board with protecting the valley from fracking. drjudywood.com - new energy source.  
Barry Smith - Price Rd – Questioned if exploratory drilling near Price Road is for the Riverbank Development. Administrator Knight stated it is for the sewer-line extension and the company is surveying for a soil analysis.  
Christina Patterson – Price Road - Status of Riverbank Development - Administrator Knight - Two lots for sale. Discussions with developer regarding major development but no further information provided, or application submitted.  
James Sorensen - Price Road - how much did the drilling cost - Administrator -\$7,600. Discussion ensued regarding the process of drilling and installation of sewer-line on Price Road.

**Consent Agenda**

- 2. Consent Agenda
  - 3rd Street Bistro – Liquor License Renewal
  - Colorado Grand Park Event – Town Park

**Motion to approve consent agenda.**

Motion made by Trustee Bear, Seconded by Trustee Hart.  
Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Mayor’s Report**

- 3. Mayor’s Report

The dedication was a nice event and the Miner’s Plaza Memorial Wall is a great addition to the Town Park.

**Staff Reports**

- 4. Staff Reports

## 5. Administrator's Report

- Preliminary soils test for sewer-line of Price Road complete.
- Conversations with several developers regarding plans and final plats, including Riverbank.
- Information provided to the Delta County Commissioners was false. Those who provided information are liars.

Mayor Stewart reminded all in attendance that outbursts will not be tolerated and that we, the Town of Paonia, are a better community than that.

Barry Smith – questioned if the developers of Riverbank neighborhood plan to relocate to the area.

## 6. Public Works Report

- Cherry Days event successful.
- Water levels holding at 1MG and 2MG.
- Not spilling at 2MG while waiting for repair parts.
- Sent track hoe to begin spring repairs. May take two to three weeks.
- Back-flow prevention - supposed to be at 60% of all surveys and receipt of inspection testing from businesses. By 2020 required to be in full compliance - working on a tracking system.

## 7. Police Report

- Blotter included in packet.
- Cherry Days went well. No issues noted.
- Larger event than past years.
- Prepping for BMW Rally.
- Chiefs and Sheriffs of Delta County participated in Cherry Days, Raised \$548.06 for Back the Badge.
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## 8. Treasurer's Report

- Reviewed payroll & disbursements.
- Working on budget analysis.
- Should have audit draft in near future.
- Working on purchasing policies and procedures.

## Disbursements

### 9. Disbursements

#### **Motion to approve disbursements as discussed.**

Motion made by Trustee Budinger, Seconded by Trustee Hart.

Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

## Unfinished Business

### 10. Ordinance 2019-TBD – Business Registration

The first read of an ordinance establishing a business registration was presented.

Mayor Stewart opened the topic for discussion which included how to complete forms, what businesses required to register, which, if any, businesses are exempt from payment of fee.

Mayor Stewart - not a fan of imposing additional work on business owners.

Michelle Pattison - 2nd Street - does not believe back-flow device tracking requirements and business registrations are related. Thinks there is a way to make it attractive for businesses.

#### **Motion to approve first read of Ordinance 2019-TBD as presented.**

Motion made by Trustee Hart, Seconded by Trustee Budinger.  
Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Budinger, Trustee Hart, Trustee Knutson. Voting Nay: Trustee Bear.

### **11. Employee Health Plan Renewal**

An extended cost projection spreadsheet was provided in packet.

#### **Motion made to change health plan renewal date to August 1<sup>st</sup>.**

Motion made by Trustee Bachran, Seconded by Trustee Hart.  
Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

Administrator Knight added that staff prefers the lower deductible provided the Board increases the Town contribution from 80% to 90%. If the Board chooses to continue at 80% the staff will have to accept the higher deductible higher co-pay and decreased overall coverage. Healthcare coverage can be used as a way incentivize great staff. Administrator Knight added that the Town has a dedicated staff and encouraged the Board to accept the lower deductible and increase Town contribution to 90%. Trustee Bachran questioned if 90% was paid from Town how much it will change the budget to end of the year.

Mayor Stewart - concerned with large deductibles and a middle ground is to reduce the deductibles and keep payout at 80%.

Mayor Pro-Tem Bookout added that if the Town stays at an 80% contribution the Board is essentially asking the employees to pay more for their insurance and have a decrease in take home pay. The staff is paid substantially under the average of communities of this size. Trustee Hart added her support and agreement with Mayor Pro-Tem Bookouts comments.

Administrator Knight re-stated the staff request to increase contribution to 90% with the lower deductible of \$1,000/\$2,000.

#### **Motion made to increase Town health plan contribution to 90% at the higher deductible of \$2,800/\$5,600.**

Motion made by Trustee Knutson, Seconded by Trustee Hart.  
Voting Yea: Trustee Bear, Trustee Budinger, Trustee Knutson.  
Voting Nay: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Hart. Tie vote. Voting Yea, Mayor Stewart.

### **New Business**

#### **12. Smith – 215 Delta Avenue – Roof Height Variance**

Mayor Stewart provided the Public Hearing Procedures.

Public Hearing opened at: 7:34pm.

Applicants Shane and Paige Smith were present. The application request is to build a garage at 5ft above code allowance of 15 ft.

Administrator Knight read for the Board the Planning Commission recommendation to deny the variance request.

Mr. Smith presented the plan and provided a graphic to the Board. The request allows for additional storage and maintains the historical look of the properties. The lower roof line will require a larger building, decreasing yard space and parking space.

Board Questions:  
Height of residence and rental cottage.  
Utility right-of-way.  
Municipal Code set-backs.

Public Comment:

Tom Gifford - M Rd - is there a fee for a Variance?  
During application or upon approval of variance?

Public Hearing closed at 7:47pm.

Trustee Bookout added if no issues with neighboring property owner and fits neighborhood it shouldn't be an issue.

Mayor Stewart believes the problem is that the Town Code does not have the effect that they are meant to have. The applicant must show there is an undue hardship with the property by adhering to the Code.

Trustee Bachran - understands both sides of conversation but is in favor for historic purposes.

**Motion made to approve the Smith Roof Height Variance Request.**

Motion made by Trustee Hart, Seconded by Trustee Knutson.

Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Budinger, Trustee Hart, Trustee Knutson. Voting Nay: Trustee Bear.

5-minute recess.

**13. South Clark Avenue Subdivision**

Public Hearing opened at 8:05pm.

Administrator Knight read for the Board the Planning Commission recommendation for approval with conditions – the fire department request for off-street parking and the inclusion of irrigation in covenants. The applicant, Lynne Mattingly and Engineer Jeff Ruppert presented information to the Board regarding:

- A re-zoning from R-2 to R-1PUD.
- Four (4) minor modifications to ordinance for the development.
- No parking on cul-de-sac. parking on off-street parking only.
- One (1) parcel access from Colorado Avenue.
- Three (3) Town-homes accessed from the cul-de-sac.

The Planning Commission requested the applicant look in to accessing all properties from Colorado Avenue.

Jeff Ruppert provided information regarding the driveway access, grading plan, and decrease in traffic.

- A minimum of 2 parking spaces, off-street.
- Stewart Mesa Ditch water for landscaping.
- A public walk-way including flagstone steps and handrail which will be deeded to Town.

Board Questions:

Trustee Budinger asked the average square feet of the townhomes. Approximately 1,000 square feet.

Mayor Stewart discussed traffic restriction as a cul-de-sac instead of a through street; adding a parking concern is that guests would park along Clark Avenue.

Trustee Bear - Concerned about Colorado Avenue parking.

Administrator Knight – The section of Colorado Avenue currently is in the County and does not have wide shoulders that can easily adapt to on-street parking. The Town may need to limit side street parking should it become a Town street.

Public Comment:

Lisa Jae - Delta Avenue - Concerned with traffic.

David Snider - Clark Avenue - Opposed to access from Clark Avenue.  
Sherry Dangramond - Poplar Avenue - Concerned with additional taps sold.  
Tom Gifford - M Road - provided packets to the Board. Part of the plan was to bring a plan forward regarding parking and traffic. Mr. Gifford stated he finds it hard to believe the developer cannot come up with a plan and to access through Colorado.

Tricia Snider - Clark Avenue - requested history regarding the R-2 designation. Houses east of subdivision have steep driveways, and don't think it is steeper than the proposal to put street access on Colorado.

Paul Gaydos - suggested limiting to 2 houses instead of the proposed development and access from Colorado Avenue only.

Kirby Wade – is not opposed to the development but opposed to the parking plan.

Mary Gifford - Clark Avenue - concerned with construction traffic.

Public Hearing closed at 8:38pm.

Trustee Bear stated the road is a narrow street and not cared for well. His biggest concern is traffic and believes access off Colorado Avenue is a better plan.

Mayor Pro-Tem Bookout - suggested to delay the hearing to next meeting.

**Motion made to continue the public hearing to the next Board meeting.**

Motion made by Mayor Pro-Tem Bookout, Seconded by Trustee Hart.

**Motion to amend main motion to provide alternatives for parking and traffic solutions.**

Motion made by Trustee Bachran, seconded by Trustee Hart. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Main motion as amended.** Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**14. Ordinance 2019- TBD - Home Occupation Process**

Mayor Stewart provided a brief history of the home occupation application and the proposed ordinance in the packet.

Discussion ensued regarding certified versus regular mail delivery of notices.

**Motion to approve 2019-TBD concerning home occupation businesses.**

Motion made by Trustee Bear, Seconded by Trustee Hart.

**Motion to amend main motion to change certified mail requirement to regular mail requirement.**

Motion made by Trustee Bachran, Seconded by Trustee Knutson. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Main motion as amended.** Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson

**15. Thomas Markle – Proposed Ordinance: Amend Zoning to Account for Formula Business**

Thomas Markle read a proposal to the Board and referenced a petition including 124 signatures. - Mr. Markle provided his list of pros for formula businesses - typically they are for individual investors, under-served communities, and Cons - esthetics and character of Town will suffer. Quality of life will suffer - will dilute character of Town. Requesting the Board approve the annexation of the Stahl Addition and zone C-1 or Developing Resource. He suggested an immediate moratorium on commercial building, add size restrictions, change design requirements, define formula business, use the Highway 133 Corridor and Comprehensive Plan when determining any annexations and commercial use.

Questions ensued regarding the Hwy 133 Corridor Plan, Town and County IGA, the scenic byways plan, and the enforceability of the agreements outside of ordinance.

Can the Board separate the acceptance of formula businesses and annexing property from each-other?

**Motion made to extend meeting for thirty minutes.**

Motion made by Mayor Pro-Tem Bookout, Seconded by Trustee Bear. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

Discussion ensued regarding annexations and Town vs. County control.

**Motion to direct Attorney Nerlin to draft an ordinance including language from the Highway 133 Corridor Plan and include language regarding formula businesses.**

Motion made by Mayor Pro-Tem Bookout, Seconded by Trustee Knutson.

**Motion to amend main motion to prepare ordinance for next meeting for emergency adoption if necessary.**

Motion made by Trustee Budinger, supported by Mayor Pro-Tem Bookout.

Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Main motion as amended.** Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

## **16. Stahl Addition - Acceptance of Annexation Petition**

Mayor Stewart provided an overview of the agenda item and acceptance of the annexation petition.

Town Clerk Ferguson provided information regarding notice requirement given to Delta County. No Planning Commission review is required due to acreage of property.

**Motion made to extend meeting for thirty minutes.**

Motion made by Mayor Pro-Tem Bookout, Seconded by Trustee Bear. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Motion made to accept the annexation petition as presented.**

Motion made by Mayor Pro-Tem Bookout, Seconded by Trustee Bear. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

## **17. Resolution 2019-11 Initiating Annexation Proceedings – Stahl Road**

**Motion made to adopt Resolution 2019-11, Initiating Annexation Proceedings and setting Public Hearing for 8/13/19.**

Motion made by Trustee Bachran, Seconded by Trustee Budinger.

Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

## **18. AARP – Memorandum of Understanding**

There is a plan to formally announce in the near future, but it is necessary to accept a memorandum of understanding between the Town of Paonia and AARP regarding a grant awarded to Town in the amount of \$10,000 for updating Poulos Park.

**Motion made to accept the MOU with AARP and authorize Administrator Knight to sign.**

Motion made by Trustee Bachran, Seconded by Trustee Budinger. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**19. CHC – Colorado Oil & Gas Conservation Commission - Rulemaking**

Andrew Forkes-Gudmondson – representative from Citizens for a Healthy Community-provided information regarding rule-making provisions and asked the Board consider the concept of rule-making and engaging in rule-making processes. To become a party to engage the Town will need to assign a person to be the representative.

**20. CHC – Bureau of Land Management – Revised Master Plan**

**Motion made to include topics of CHC discussion to special meeting agenda July 15<sup>th</sup>.**

Motion made by Trustee Knutson, Seconded by Mayor Pro-Tem Bookout. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Motion made to schedule a special meeting for August 1<sup>st</sup> at 6:00pm to discuss adopting emergency ordinances as discussed.**

Motion made by Trustee Bachran, Seconded by Trustee Hart. Voting Yea: Mayor Pro-Tem Bookout, Trustee Bachran, Trustee Bear, Trustee Budinger, Trustee Hart, Trustee Knutson.

**Committee Reports**

Continued.

**Adjournment**

Motion to adjourn at: 10:30pm.

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J. Corinne Ferguson, Town Clerk

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Charles Stewart, Mayor