

RECORD OF PROCEEDINGS

REGULAR MEETING
TOWN OF GRAND LAKE BOARD OF TRUSTEES
MONDAY, DECEMBER 9, 2013 7:30 P.M.

CALL TO ORDER: The regular meeting of the Board of Trustees was called to order by Mayor Judy Burke at 7:30 p.m. at the Town Hall, 1026 Park Avenue.

ROLL CALL

PRESENT: Mayor Burke; Trustees Gasner, Lanzi, Lewis, Ludwig, Peterson, and Weydert; Town Manager Hook, Town Clerk Kolinske, and Town Treasurer Ackerman.

ABSENT: Mayor Burke announced that Trustee Lewis was absent from the afternoon workshop because she was working on the Delicious Dishes fundraising event. Trustee Peterson moved to excuse Trustee Lewis from this afternoon's workshop. Trustee Weydert seconded the motion and all Trustees voted aye.

APPROVAL OF MINUTES

November 25, 2013: Trustee Peterson moved to approve the minutes of the November 25, 2013 regular meeting as written, seconded by Trustee Weydert. All Trustees voted aye except Trustee Ludwig, who abstained.

ANNOUNCEMENTS:

Mayor Burke announced that it would be appreciated if cell phones were turned off during the meeting.

Mayor Burke announced that the 24th Annual Delicious Dishes, a fundraiser to benefit the Mountain Family Center will be held Tuesday, December 10th at the Daven Haven Lodge from 5 – 9 p.m.

Mayor Burke announced that the Board of Trustees' second December meeting is cancelled as is traditional during the holiday season. The next Board meeting will be January 13, 2014.

Mayor Burke then asked everyone to please enjoy this holiday season with a free "Deck the Halls" movie Dec. 13th at the Rocky Mountain Repertory Theatre, Rocky Mountain Repertory Theatre's "Home for the Holidays" production Dec. 14th and 15th, the holiday family melodrama, "The Treasurer of Shiver River" Dec. 26th – 31st, a "Historical Holiday Celebration" at the Kauffman House December 26th, and fireworks over Grand Lake on New Year's Eve.

CONFLICTS OF

INTEREST:

Mayor Burke stated that if there are any Trustees wishing to announce a conflict of interest with any items on this evening's agenda, they should do so at this time.

Trustee Ludwig announced that he had a conflict with the Local Liquor Licensing issues as he holds a license for The Rapids Lodge and Restaurant.

Trustee Lewis announced that she had a conflict with the Local Liquor Licensing issues, both involving Grumpy's, because she works for the applicant's family at the Daven Haven. She said that she will remain seated but will refrain from discussion and will abstain from voting.

Trustee Weydert announced that following discussion with the Town's Attorney he will remain seated.

Trustee Peterson announced that he works for the applicant's family with respect to the Daven Haven's catering business and asked if anyone felt that he had a conflict. None of the Trustees nor anyone from the audience felt that there was a conflict, therefore, Trustee Peterson remained seated and the meeting continued.

At 7:34 p.m. Trustee Ludwig excused himself and left the room.

LIQUOR LICENSING AUTHORITY: **CONSIDERATION OF REGISTRATION OF A MANAGER FOR GRUMPY'S SALOON, INC., D/B/A GRUMPY'S SALOON AND CONSIDERATION OF RENEWAL OF THE TAVERN LIQUOR LICENSE FOR GRUMPY'S SALOON, INC., D/B/A GRUMPY'S SALOON** – Trustee Lanzi said that based on the recommendation of the Town's Attorney, he moved that this matter be continued to a date and time certain for an evidentiary hearing to allow time for further investigation of certain allegations that have recently come to light, with the date and time of the hearing to be set by Town staff seconded by Trustee Peterson. All Trustees voted aye except Trustee Lewis, who abstained.

At 7:37 p.m. Trustee Ludwig resumed his seat.

OLD BUSINESS:

PUBLIC HEARING - CONSIDERATION OF A 2013 SUPPLEMENTAL BUDGET FOR THE TOWN OF GRAND LAKE PAY-AS-YOU-THROW (PAYT) ENTERPRISE FUND – Mayor Burke asked Town Treasurer Ackerman to present this matter to the Board. Ackerman explained that the Board needs to adopt a supplemental budget for the PAYT Enterprise Fund for 2013. Budget law requires the Town to notice the proposed supplemental budget and hold a Public Hearing regarding the same. Legal Notice No. 9740836A, Notice of Proposed Supplemental Budget for the Town of Grand Lake Pay-As-You-Throw Enterprise Fund, setting the Public Hearing for December 9, 2013, was published in the Middle Park Times on Thursday, November 28, 2013. She concluded by saying that the proposed 2013 Supplemental Budget for the Town of Grand Lake Pay-

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As-You Throw Enterprise Fund is hereby submitted to the Board of Trustees for consideration at this evening's Public Hearing.

Mayor Burke then opened the meeting for public comment. Having none, she closed the Public Hearing and proceeded to the next item on the agenda.

OLD BUSINESS:

CONSIDERATION OF ORDINANCE NO. 10-2013, AN ORDINANCE ADOPTING A SUPPLEMENTAL BUDGET AND APPROPRIATING SUMS OF MONEY TO DEFRAY EXPENSES FOR THE TOWN OF GRAND LAKE PAY-AS-YOU-THROW ENTERPRISE FUND FOR THE 2013 BUDGET YEAR – Mayor Burke asked Town Treasurer Ackerman to present this matter to the Board. Ackerman said that upon conclusion of the Public Hearing, Ordinance No. 10-2013, an Ordinance Adopting a Supplemental Budget and Appropriating Sums of Money to Defray Expenses for the Town of Grand Lake Pay-As-You-Throw Enterprise Fund for the 2013 Budget Year is hereby submitted to the Board of Trustees for their consideration and recommends adoption of the ordinance in accordance with Colorado budget law.

Trustee Weydert moved to adopt Ordinance No. 10-2013, an Ordinance Adopting a Supplemental Budget and Appropriating Sums of Money to Defray Expenses for the Town of Grand Lake Pay-As-You-Throw Enterprise Fund for the 2013 Budget Year. Trustee Peterson seconded the motion and all Trustees voted aye.

OLD BUSINESS:

CONTINUATION OF A PUBLIC HEARING - CONSIDERATION OF A PROPOSED BUDGET FOR THE TOWN OF GRAND LAKE FOR THE YEAR 2014 - Mayor Burke asked Town Treasurer Ackerman to present this matter to the Board. Ackerman explained that Legal Notice No. 9652390A, Notice of Proposed Budget, setting the Public Hearing was published in the Middle Park Times on Thursday, October 31, 2013. The 2014 Budget must be adopted by the Board of Trustees no later than December 15, 2013. On November 11, 2013 the proposed 2014 Budget for the Town of Grand Lake was submitted to the Board of Trustees for consideration at the Public Hearing and was subsequently continued until this evening. After hearing public comment, staff recommends the Board close the Public Hearing.

Having no public comment, Mayor Burke closed the Public Hearing and proceeded to the next item on the agenda.

NEW BUSINESS:

CONSIDERATION OF RESOLUTION NO. 21-2013, A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE TOWN OF GRAND LAKE, COLORADO, FOR THE

CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2014, AND ENDING ON THE LAST DAY OF DECEMBER, 2014 – Mayor Burke asked Town Treasurer Ackerman to present this matter to the Board. Ackerman explained that staff has previously provided the final draft of the 2014 budget, dated 12/9/13, for the Town of Grand Lake for the Board’s consideration. There are 3 final actions to be taken by the Board to complete the 2014 Town of Grand Lake Budget process: adopt the budget, appropriate funds, and levy general property taxes.

The proposed 2014 Budget for the Town of Grand Lake was submitted to the Board of Trustees on September 16, 2013. The Board set the 2014 budget for Public Hearing on November 11, 2013. Notice of the Proposed Budget was published in the Middle Park Times on Thursday, October 31, 2013, Legal Notice No. 9652390A, advising the public of the Public Hearing and of the availability of the draft budget for review. The Public Hearing was held on November 11, 2013, continued until November 28 and again until this evening. There were comments from Pat Farmer asking the Board to consider paving Harmon Street and from Tom Goodfellow who spoke to the Board regarding concerns they may have in donating to US Constitution Week, as well as a suggestion to increase funding for the Chamber, if possible. Resolution No. 21-2013 summarizes expenditures and revenues in each fund and adopts a budget that allows for estimated expenditures in the General Fund, Water Enterprise Fund, Marina Enterprise Fund, and Pay-As-You-Throw Enterprise Fund in the total amount of \$4,288,442. The total expenditures in each fund are balanced with revenues in the same amount. Staff recommends the Board adopt Resolution No. 21-2013.

Trustee Peterson moved to adopt Resolution No. 21-2013, a Resolution Summarizing Expenditures and Revenues for Each Fund and Adopting a Budget for the Town of Grand Lake, Colorado, for the Calendar Year Beginning on the First Day of January, 2014, and Ending on the Last Day of December, 2014 including a new line item under administration in the amount of \$5,000.00 for Rewards/Bonus. Trustee Weydert seconded the motion and all Trustees voted aye.

NEW BUSINESS:

CONSIDERATION OF ORDINANCE NO. 11-2013, AN ORDINANCE APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNTS AND FOR THE PURPOSES AS SET FORTH BELOW, FOR THE TOWN OF GRAND LAKE, COLORADO FOR THE 2014 BUDGET YEAR – Mayor Burke asked Town Treasurer Ackerman to present this matter to the Board. Ackerman explained that once the budget is adopted in accordance with the Local Government Budget Law, with money budgeted to be received and expended, the Board must appropriate sums of monies for the

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expenditures. Ordinance No. 11-2013 appropriates the necessary monies as follows:

General Fund	\$3,266,164
Water Enterprise Fund	\$ 714,524
Marina Enterprise Fund	\$ 286,736
Pay-As-You-Throw Enterprise Fund	\$ 21,018

Staff recommends the Board adopt Ordinance No. 11-2013.

Trustee Weydert moved to adopt Ordinance No. 11-2013, an Ordinance Appropriating Sums of Money to the Various Funds and Spending Agencies, in the Amounts and for the Purposes as Set Forth Therein, for the Town of Grand Lake, Colorado, for the 2014 Budget Year with the addition of a new line item under administration in the amount of \$5,000.00 for Rewards/Bonus. Trustee Gasner seconded the motion and all Trustees voted aye.

NEW BUSINESS:

CONSIDERATION OF RESOLUTION NO. 22-2013, A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2013, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE TOWN OF GRAND LAKE, COLORADO, FOR THE 2014 BUDGET YEAR – Mayor Burke asked Town Treasurer Ackerman to present this matter to the Board. Ackerman explained that the Town is allowed to levy general property taxes to help defray the costs of government. Resolution No. 22-2013 preserves the tax of 9.409 mills established in 1994, with a temporary mill levy rate reduction of 3.581 mills, resulting in a total mill levy for the Town of Grand Lake of 5.828 for budget year 2014. This mill levy is in compliance with the 5.5% statutory limitation and with the TABOR Amendment. Resolution No. 22-2013 authorizes the Mayor to certify the temporarily reduced mill levy of 5.828 to the Grand County Board of Commissioners. Staff recommends the Board adopt Resolution No. 22-2013 and to authorize the Mayor to certify the temporarily reduced mill levy of 5.828 to the Grand County Board of Commissioners.

Trustee Peterson moved to adopt Resolution No. 22-2013, a Resolution Levying General Property Taxes for the Year 2013, to Help Defray the Costs of Government for the Town of Grand Lake, Colorado, for the 2014 Budget Year, and authorize the Mayor to certify the temporarily reduced mill levy of 5.828 to the Grand County Board of Commissioners. Trustee Weydert seconded the motion and all Trustees voted aye.

NEW BUSINESS:

CONSIDERATION OF ORDINANCE NO. 12-2013, AN AMENDMENT TO ORDINANCE NO. 22-2011 TO UPDATE AND REPLACE EXHIBIT 2, AN AGREEMENT FOR VISITOR'S

CENTER SERVICES BETWEEN THE TOWN OF GRAND LAKE AND THE GRAND LAKE AREA CHAMBER OF COMMERCE AND TO AUTHORIZE THE MAYOR TO SIGN THE 2014 AGREEMENT FOR VISITOR'S CENTER SERVICES BETWEEN THE TOWN AND THE CHAMBER – Mayor Burke asked Town Manager Hook to present this matter to the Board. Hook explained that in late 2011, through adoption of Ordinance 22-2011, the Town accepted and entered into two agreements with the Chamber: a Lease Agreement for the Town owned Visitor's Center and a Service Agreement for the Chamber to operate the Visitor's Center on behalf of the Town. The Lease Agreement establishes a number of responsibilities for the Chamber as tenant and the Town as landlord. It has a 5-year term expiring on November 30, 2016. The Service Agreement establishes a number of responsibilities for the Chamber as service provider and the Town as owner of the Visitor's Center. It has a 1-year term expiring on December 31, 2013. Ordinance 22-2011 was adopted with the 2012 Service Agreement as Exhibit 2. Ordinance 11-2012 was adopted in late 2012 updating and replacing Exhibit 2 with the 2013 Agreement for Visitor's Center Services (Agreement). The 2014 Agreement must replace the 2013 Agreement as Exhibit 2 through adoption of a new ordinance amending Ordinance 22-2011. The Board of Trustees and the Chamber Board of Directors discussed several key elements of this Agreement during budget workshops earlier this fall. The proposed Chamber budget for 2014 was presented by Chamber Staff to the Board at your last workshop on November 25. Town Staff worked with Chamber Staff, both Executive Director Beres and Interim Executive Director Miller, regarding the proposed modifications to the 2014 Agreement. Town Staff presented the Agreement to the Chamber Board of Directors at their November 19 meeting. After asking a number of clarifying questions, they approved the Agreement. It has a 1-year term expiring on December 31, 2014. The 2014 Agreement has changed very little from the 2013 Agreement. The most significant modifications are centered on the addition of Nightly Rental License Fees as a revenue stream to fund both marketing services and Visitor's Center services. Other relatively minor changes addressed dates, clarifications, consistency, grammar and formatting. As it relates to the allocation of Nightly Rental License Fees towards Visitor's Center services, this Agreement addresses the following:

- 95% of these fees received by the Town will be paid on a quarterly basis to the Chamber
- The Chamber will use these funds for the following purposes:
 - The first \$30,000 will go towards Visitor's Center services (this Agreement)
 - The intent of this allocation is to hire new full-time staff to coordinate Visitor's Center operations
 - Since all costs (wages and employment taxes) associated with this new position will likely not cost exactly \$30,000, the

- Agreement does allow for minor amounts within the \$30,000 allowance, but in excess of the actual personnel costs, to be used for other Visitor's Center operation expenses
- Should the actual revenue not reach \$30,000, the Chamber is responsible for all personnel costs in excess of the actual revenue available from the Town; most of the revenue will be distributed in the January payment, so the outlook for the rest of the year should be easily determined
 - Any additional funds will be applied to marketing efforts (see separate Agreement for Marketing Services) in the same manner as Business License Fees
 - This new arrangement of allocating Nightly Rental License Fees will be revisited late in 2014 to determine if the arrangement has been successful and should continue into 2015

The undesignated General Fund revenues (\$32,732) paid by the Town to the Chamber to fund Visitor's Center services will continue as in the past with one minor exception – the rent will be withheld on a quarterly basis in the amount of \$625 instead of withholding the full annual rent of \$2,500 from the 1st quarter's payment. One other noteworthy change – additional detail is specified to clarify expectations of the contents of the quarterly reports. The Board should discuss whether the Agreement meets or does not meet its expectations for Visitor's Center operations in 2014. Staff recommends adoption of the ordinance and execution of the 2014 agreement as presented. The Board should adopt or not adopt Ordinance XX-2013. If the Board adopts the Ordinance, the Board should authorize Mayor Burke to sign the Agreement for Visitor's Center Services with the Chamber for 2014. Hook then noted that Samantha Miller, the Chamber's Executive Director, was present.

During discussion, it was made clear that payments will be made to the Chamber quarterly but not in four equal payments

Following discussion, Trustee Peterson moved to adopt Ordinance No. 12-2013, an Amendment to Ordinance No. 22-2011 to Update and Replace Exhibit 2, an Agreement for Visitor's Center Services Between the Town of Grand Lake and the Grand Lake Area Chamber of Commerce and to authorize Mayor Burke to sign the 2014 Agreement for Visitor's Center Services between the Town and the Chamber. Trustee Weydert seconded the motion and all Trustees voted aye.

NEW BUSINESS:

CONSIDERATION TO AUTHORIZE THE MAYOR TO SIGN THE 2014 AGREEMENT FOR MARKETING SERVICES BETWEEN THE TOWN OF GRAND LAKE AND THE GRAND LAKE AREA CHAMBER OF COMMERCE – Mayor Burke asked Town Manager Hook to present this matter to the Board. Hook explained that in late 2012, the Town and the Grand Lake Area Chamber

of Commerce (Chamber) entered into an Agreement for Marketing Services (Agreement) for 2013 marketing services to promote tourism in Grand Lake. The Agreement establishes a number of responsibilities for the Chamber as service provider and the Town as an entity interested in promoting tourism for the benefit of the community at-large. It has a 1-year term expiring on December 31, 2013. The Board of Trustees and the Chamber Board of Directors discussed several key elements of this Agreement during budget workshops earlier this fall. The proposed 2014 Marketing Plan, the proposed 2014 marketing budget and the proposed Chamber budget for 2014 were presented by Chamber Staff to the Board at its last workshop on November 25. The Marketing Plan is a key document as it outlines the plan of action Chamber Staff will undertake to market and promote tourism for the Grand Lake community. Town Staff worked with Chamber Staff, both Executive Director Beres and Interim Executive Director Miller, regarding the proposed modifications to the 2014 Agreement. Town Staff presented the Agreement to the Chamber Board of Directors at their November 19 meeting. After asking a number of clarifying questions, they approved the Agreement. It has a 1-year term expiring on December 31, 2014. The 2014 Agreement has changed very little from the 2013 Agreement. The most significant modifications are centered on the addition of Nightly Rental License Fees as a revenue stream to fund both marketing services and Visitor's Center services. Other relatively minor changes addressed dates, clarifications, consistency, grammar and formatting. As it relates to the allocation of Nightly Rental License Fees towards marketing services, this Agreement addresses the following:

- 95% of these fees received by the Town will be paid on a quarterly basis to the Chamber
- The Chamber will use these funds for the following purposes:
 - The first \$30,000 will go towards Visitor's Center services (see separate Agreement for Visitor's Center Services)
 - Any additional funds will be applied to marketing efforts (this Agreement) in the same manner as Business License Fees
 - The Chamber will have to monitor the value of these additional funds and adjust the marketing budget and marketing spending as necessary to fit the cash flow; most of the revenue will be distributed in the January payment, so the outlook for the rest of the year should be easily determined
- This new arrangement of allocating Nightly Rental License Fees will be revisited late in 2014 to determine if the arrangement has been successful and should continue into 2015

The Business License Fees paid by the Town to the Chamber to fund marketing services will continue as in the past with one minor exception – the funds will be paid quarterly instead of monthly. One other noteworthy change – additional detail is specified to clarify expectations of the contents of the quarterly reports. At this juncture, the Agreement

and the proposed Town 2014 budget are in alignment. The Board should discuss whether the Agreement meets or does not meet your expectations for the promotion of tourism in Grand Lake in 2014. Staff recommends execution of the 2014 Agreement as presented. The Board should authorize or not authorize Mayor Burke to sign the Agreement for Marketing Services with the Chamber for 2014.

Following brief discussion, Trustee Lanzi moved to authorize Mayor Burke to sign the 2014 Agreement for Marketing Services between the Town of Grand Lake and the Grand Lake Area Chamber of Commerce. Trustee Lewis seconded the motion and all Trustees voted aye.

NEW BUSINESS:

CONSIDERATION TO AUTHORIZE THE MAYOR AND THE TOWN MANAGER TO SIGN THE ENGAGEMENT LETTER WITH DAZZIO & PLUTT, LLC FOR THE DECEMBER 31, 2013 AUDIT – Mayor Burke asked Town Manager Hook to present this matter to the Board. Hook explained that in August 2013 the Board considered the options of engaging RubinBrown for the FY2013 audit or initiating a rotation of independent auditors via issuance of a Request for Proposals (RFP). After much discussion, a Board vote to engage RubinBrown for the FY2013 audit failed. A subsequent Board vote to form an audit committee to assist in the RFP process passed. Staff worked with the audit committee to develop an RFP, an ad for publication regarding the RFP opportunity, and a list of auditing firms to whom the RFP should be sent directly. The RFP was issued on October 10, 2013. An ad was published in the Middle Park Times on October 10 & 17, 2013. Three proposals were received by the due date, October 31, 2013. On November 11, 2013, the Board again considered the options of engaging RubinBrown for the FY2013 audit or completing the RFP process already underway. After much discussion, a Board vote to uphold the direction provided to staff in August 2013 to find another auditor passed. On November 21, 2013, the audit committee met to review the proposals and prepare a recommendation for the Board. At the Board workshop on November 25, the audit committee shared with the Board that the CPA firm of Dazzio & Plutt, LLC (D&P) was their recommended auditor. Present in the audience were Steve Dazzio and Steve Plutt, partners of D&P. During the informal dialogue between the Board and D&P, a wide range of audit related topics were discussed. Subsequent to the November 25 workshop, staff reviewed a draft engagement letter provided by D&P. Town Attorney Krob was provided a copy for review and comment. D&P incorporated all suggested changes from staff and Town Attorney Krob into the revised engagement letter. The final engagement letter has been prepared as a one-year agreement with the option to extend for two additional years. The fee is defined as ‘time & expenses’ with a not-to-exceed maximum of \$12,600 for each of the three years. The schedule will include field work in early March 2014 and the final audit report available in April 2014. The

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Board should discuss the merits of engaging D&P for audit services. Additionally, the Board should discuss the terms of the proposed engagement letter. Staff recommends that the Board authorize Mayor Burke and Town Manager Hook to sign the engagement letter as presented. The Board should authorize or not authorize Mayor Burke and Town Manager Hook to sign the engagement letter, either as presented or with modifications.

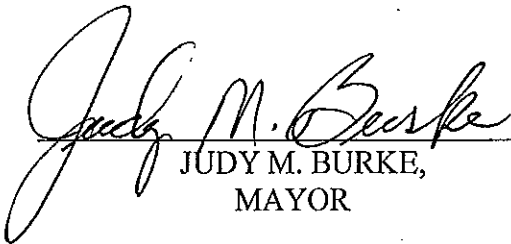
Following brief discussion, Trustee Weydert moved to authorize Mayor Burke and Town Manager Hook to sign the Engagement Letter with Dazzio & Plutt, LLC for the December 31, 2013 audit. Trustee Lewis seconded the motion and all Trustees voted aye.

ACCOUNTS PAYABLE
November, 2013:

Trustee Peterson moved to examine the Accounts Payable and Prepaid for all Funds for the Town of Grand Lake. Trustee Weydert seconded the motion and all Trustees voted aye. Trustee Peterson then moved to approve the Accounts Payable and Prepaid for all Funds for the Town of Grand Lake. Trustee Weydert seconded the motion and all Trustees voted aye.

CITIZEN PARTICIPATION: The Chamber's Executive Director, Samantha Miller, said "Happy Holidays" to everyone.

ADJOURNMENT: Trustee Gasner moved to adjourn, seconded by Trustee Weydert. All Trustees voted aye, and the meeting was adjourned at 8:12 p.m., December 9, 2013.



JUDY M. BURKE,
MAYOR

ATTEST: 

RONDA KOLINSKE, CMC,
TOWN CLERK