

RECORD OF PROCEEDINGS

**TOWN OF DILLON
TOWN COUNCIL
REGULAR MEETING**

Tuesday, November 21, 2023
7:00 p.m.

CALL TO ORDER & ROLL CALL

A regular meeting of the Town Council of the Town of Dillon, Colorado, was held on Tuesday, November 21, 2023, at Dillon Town Hall, 275 Lake Dillon Drive, Dillon, CO. Mayor Carolyn Skowyrza called the meeting to order at 7:00 p.m. and the following Council Members answered roll call: Brad Bailey, Dana Christiansen, Renee Imamura, and Tony Scalise. Council members Kyle Hendricks and John Woods were absent (excused). Nathan Johnson, Town Manager; Carri McDonnell, Special Project Manager; Mary Kay Perrotti, Finance Director; Ryan Rice, Police Detective; Scott O'Brien, Public Works Director; Ned West, Sr. Town Planner; Jonathon Blank, Planner; Dan Burroughs, Town Engineer; Jessie Klehfoth, Events & Recreation Director; Craig Simson, Marina Director; and Jo-Anne Tyson, Deputy Town Clerk were in attendance.

APPROVAL OF AGENDA

There were no changes to the Regular Meeting Agenda.

APPROVAL OF CONSENT AGENDA

Council Member Scalise moved to approve the following consent agenda:

- i. Minutes of Regular Meeting of November 7, 2023
- ii. Approval of Bill List dated November 16, 2023 in the amount of \$439,021.87 and Payroll Ledger November 17, 2023 in the amount of \$147,518.64
- iii. Excused Absences for Mayor Pro Tem Brad Bailey for the October 17th and November 7th, 2023 Regular Council Meetings

Council Member Imamura seconded the motion which passed unanimously.

CITIZEN COMMENTS

- Shannon White, Frisco resident, spoke in opposition to the JPJG project stating that public money should not be used to fund private projects. Ms. White also encouraged Council to consider the status of other projects the group is involved in and commented that engaging with this group is reckless.
- Barb Richard, Dillon resident spoke in opposition to the JPJG project stating that they should convey their intent and solicit community input.

CONSIDERATION OF ORDINANCE NO. 08-23, SERIES OF 2023

Second Reading and Public Hearing

AN ORDINANCE AMENDING THE TOWN OF DILLON SCHEDULE OF FEES SET FORTH IN APPENDIX 19-A TO CHAPTER 19 AND UPDATING REFERENCES TO SUCH FEES ELSEWHERE IN THE DILLON MUNICIPAL CODE

This public hearing was published in accordance with public posting requirements as set forth by the Dillon Municipal Code. Mayor Skowrya opened the public hearing at 7:05 p.m.

Finance Director Mary Kay Perrotti reported that the fees referenced in the Municipal Code and included in Chapter 19 of the Code must be approved by ordinance. The first reading held on November 7, 2023 set the public hearing and second reading for November 21. The changes include the following:

- **Chapter 2 Compensation**
 - Changed the mayor compensation to \$1,400 per month, council to \$750 per month and added PNZ of \$250 per month. The PNZ will need to be amended in the code to allow for payment. We will bring it forward at the December meeting.

- **Chapter 11 Cemetery Fees**
 - Changed the purchase of a cemetery plot and capital fee for Dillon residents to include town employees
 - Increased plot fees and capital fees for Summit County residents and out of county residents for any day of the week and eliminated the weekend rate.
 - Increased the open and close rates to cover Town staff time.
 - Added a deposit for engraving on existing grave markers
 - Added a transfer fee for staff time associated with this service

- **Chapter 13 Water**
 - Increase of 2% for the water volume charge fees only in order to cover costs and balance the Water Operating Fund

There were no Council Member comments.

There being no comments from the public, Mayor Skowrya closed the public hearing at 7:07 p.m.

Council Member Imamura moved to approve Ordinance No. 08-23, Series of 2023. Council Member Christiansen seconded the motion which passed unanimously.

CONSIDERATION OF ORDINANCE NO. 09-23, SERIES OF 2023

Second Reading and Public Hearing

AN ORDINANCE PROVIDING FOR A SALES TAX, LODGING TAX, AND SHORT -TERM RENTAL EXCISE CREDIT ON THE JGJP PROPERTY

This public hearing was published in accordance with public posting requirements as set forth by the Dillon Municipal Code. Mayor Skowrya opened the public hearing at 7:08 p.m.

Town Attorney Nick Cotton-Baez reported that the first reading of this ordinance was held on November 7, 2023 which set the public hearing and second reading for November 21, 2023. He stated that by the terms of the Public Finance Agreement (PFA) which the Town Council approved at their November 7, 2023 regular meeting, the Town has agreed to consider an ordinance granting a credit against the collection and payment of Town sales and certain excise taxes on taxable transactions levied on properties specified in the PFA (the "Credit"), so that the developer may impose and collect a public improvement fee ("PIF") in the same amount as the Credit. The Ordinance is a necessary prerequisite to the effectiveness of the Credit, and to the Developer's imposition and collection of the PIF. If the Ordinance is adopted and becomes effective, the Credit will apply, and

the PIF will be imposed, only on property now (currently, only the Pug Ryan's property) or hereafter included in the Districts. The Credit and PIF would offset each other, such that customers of businesses operated within such properties would not see an increase in the percentage of fees/taxes charged on taxable transactions.¹ The adoption of the Ordinance would not result in an increase in sales, excise, or property taxes in connection with any property not included within the Districts. The PFA will expire by its terms if the Council has not adopted an ordinance providing for the Credit by January 31, 2024. PIF revenues/bond proceeds must be spent by Developer/Districts on public improvements² that benefit (or touch and concern) the property included within the Districts; e.g., streets, sidewalks, and trails; pedestrian and streetscape improvements; water, sewer, and stormwater; electrical and gas; parks and open spaces; demolition of existing structures; etc. Attorney Cotton-Baez highlighted the benefits to the town which include:

- Town retains 100% of revenues from Town Sales Tax, Lodging Tax, and STR Tax until District bond issuance
- Town receives \$700,000 lump-sum payment at bond issuance, which sum may be used for any lawful municipal purpose
- After District bond issuance, Town retains 50% of revenues from Town Sales Tax, Lodging Tax, and STR Tax, which revenues may be used for any lawful municipal purpose
- Town share³:
 - ~\$1 Million per year
 - ~\$28.28 Million in total
- Present value = ~\$10.51 Million (if the Town were to go to the bond market in 2024, assuming a 7% discount rate)⁴
- After PIFs expire, Town gets 100% of tax revenues

He further reported that Section 3 has been revised to read as follows (words added are underlined):

Section 3. Effective Date. This ordinance shall be published and become effective as provided by law; provided that this ordinance shall not take effect until the Town has passed an ordinance amending Ordinance No. 07-15, Series of 2015; Ordinance No. 06-17, Series of 2017; and Ordinance No. 18-20 Series of 2020 to permit the Town Tax credit established by this ordinance and such amending ordinance has become effective.

Attorney Cotton-Baez stated the reason for the Second Reading amendment is to allow additional time, in view of the upcoming Thanksgiving holiday, for the Town to obtain consent from the Town's current lenders (two) to adopt the Credit contemplated in Ordinance 09-23. The Town staff and bond counsel do not anticipate difficulty in achieving such consents following the Thanksgiving holiday. Following receipt of such consents, the adoption of the Credit contemplated in Ordinance No. 09-23, will require an amendment to the definition of "Pledged Revenues," under Ordinance Nos. 07-15, 06-17, and 18-20, to exclude the JGJP property.

Dillon business owner Bobby Craig encouraged Council to consider continuing this agenda item to a date specific in order to regain control of the process. He also suggested that Council require the developer to submit a plan regarding the development of the Pug Ryan's and Best Western properties prior to consideration of this agenda item.

Dillon resident Barb Richards stated that clarification of this project is necessary. She encouraged Council and the developer to hold an open house to solicit community input on the project. Council asked several questions regarding the status of JPJG's project in Gypsum, intent and scope of the project, status of a development application, and the opportunity for other businesses to connect to the metro district.

Town Attorney Cotton-Baez and the developer's counsel addressed Council's questions.

There being no further comments, Mayor Skowyra closed the public hearing at 7:20 p.m.

Council Member Imamura moved to approve Ordinance No. 09-23, Series of 2023. Council Member Christiansen seconded the motion which passed on a vote of 4-1 with Mayor Skowyra voting in opposition.

CONSIDERATION OF RESOLUTION NO. 44-23, SERIES OF 2023
A RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF DILLON, COLORADO, APPROVING FEES ASSOCIATED WITH TOWN SERVICES; AND, SETTING FORTH DETAILS IN RELATION THERETO

Ms. Perrotti stated that in 2017, Council agreed to separate fees associated with the Dillon Municipal Code in Chapter 19 and move all fees not referred to in the municipal code to a resolution for Council's consideration. These fees are reviewed annually in conjunction with the budget review and are established to ensure that costs associated with provided services are covered.

The fee changes not referenced in the Code include the following:

- **Liquor License Related Fees and Permits**
 - Changes in structure of liquor license fees in conjunction with the State of Colorado.
- **Miscellaneous Fees**
 - Transcripts will be charged based on the fee paid by the town for the service
 - Clarified Town Hall meeting room deposit for cleaning
- **Special Events, Recreation and Park Reservations**
 - Changed structure of fees in order to better utilize the third party reservation system. The new fee structure should generate similar revenues plus a 5-10% increase for salaries
- **Marina Fees**
 - Increased all marina fees by 5% to 10% to cover Town staff time, supply costs. Rates were compared to other marinas in Colorado so that we are still competitive.

Council Member Christiansen moved to approve Resolution No. 44-23, Series of 2023. Council Member Imamura seconded the motion which passed unanimously.

TOWN MANAGER'S UPDATE

Mr. Johnson include a written report and reported on the following items:

- September sales tax was down 4%. With anticipated additional declines in 2024, several budgeted items have been moved to future years including several capital projects and full-time employee positions.
- We are anticipating an increase in police salaries after the Sheriff's Department recently increased salaries 14%

MAYOR'S UPDATE

Mayor Skowyra reported the Mayors and Managers meeting will be held in Dillon on December 7, 2023.

COUNCIL MEMBER COMMENTS

Council requested an update on the Uptown 240 project. Manager Johnson stated that the high bidder of the project dropped out of the process and JPJG will take title in January.

ADJOURNMENT

There being no further business, Mayor Skowyra declared the meeting adjourned at 7:45 p.m.

Respectfully submitted by:

Jo-Anne Tyson, Deputy Town Clerk