



MEETING OF THE CITY COUNCIL

City Council Chambers

125 East Third Street

City of Salida, Colorado

Tuesday, January 5, 2010, 6:00 p.m.

The City Council may take action on any of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.

I. MEETING CALLED TO ORDER

II. PLEDGE OF ALLEGIANCE – Led by Mayor Charles Rose

III. ROLL CALL

IV. CITIZEN PARTICIPATION – 3 minute time limit

V. PRESENTATIONS – None scheduled

VI. SCHEDULED ITEMS

- 1. Consent Agenda** (Janella Martinez) **Section 1**
 - a. Approval of Agenda
 - b. Approval of Minutes: December 15, 2008

- 2. Designating a posting place**– (Janella Martinez) **Section 2**

Resolution 2010-01 designating a posting place for agendas and other city business.

- 3. 2010 Recycling Agreement**- (Jack Lewis) **Section 3**

Resolution 2010 - 02 approving an agreement for the participation with the Upper Arkansas Area Regional Recycling program and authorizing the City Administrator and the Deputy City Clerk to execute such agreement .

- 4. Senior Center Lease –2nd reading, Public Hearing** (Karl Hanlon) **Section 4**

Ordinance 2009-19 approving the lease of 305 F Street to the Salida Senior Citizens Center, Inc.

- 5. City Administrator/City Attorney/Deputy City Clerk** **Section 5**
 - a. Administrator's Report – (Jack Lewis)
 - Waiving fees requested by Salida Biodiesel Co-op
 - Approval of Reserve Firefighter pursuant to Personnel Manual Section 8.2
 - b. City Attorney Report – (Karl Hanlon)
 - c. Deputy City Clerk – (Janella Martinez)

Agenda January 5, 2010

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The order of agenda items listed above are approximate and intended as a guideline for the City Council. Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk, 124 E St., Salida, CO 81201, 719-539-2311 at least 48 hours in advance.

6. Elected Official Reports

- a. City Treasurer
- b. Mayor
- c. City Council

VII. ADJOURNMENT

[SEAL]

Mayor

City Clerk



CITY COUNCIL AGENDA ITEM

MEETING DATE: January 5, 2010
AGENDA ITEM TITLE: Consent Agenda Items
PRESENTED BY: Janella Martinez, Deputy City Clerk
AGENDA SECTION: Consent Agenda

REQUESTS:

1. Consent Agenda
 - a. Approval of Agenda
 - b. Approval of Minutes: Minutes December 15, 2009

RECOMMENDATION:

Staff recommends combining and approving the items on the consent agenda.

ACTION:

If Council wishes to approve the items on the consent agenda: A Council Member should make a motion to combine and approve the items on the consent agenda.

Followed by a second, and then a simple voice vote.



**MINUTES REGULAR MEETING
CITY COUNCIL CHAMBERS
125 E. 3rd Street**

Salida, Colorado

December 15, 2009

6:00 p.m.

The meeting was called to order at 6:05 p.m.

PLEDGE OF ALLEGIANCE -

Led by Mayor Chuck Rose.

ROLL CALL -

Present at roll call were Mayor Chuck Rose, Council Members Keith Baker, Scott Damman, Jim McCormick, Jay Moore, Steven Stewart and Tom Yerkey. Also present were City Administrator Jack Lewis, City Clerk Betty Schwitzer, Deputy City Clerk Janella Martinez, and City Attorney Karl Hanlon.

CITIZEN PARTICIPATION -

No one signed to speak.

PRESENTATIONS -

- 1.) 2010 Census Bureau presentation by Steve Foute

Steve Foute, Local Census Office Manager from Pueblo, CO gave an overview of the 2010 Census. The Census starts April 1, 2010. Mr. Foute explained why it is important to do an accurate census. In order to get full portions of Federal funds the City must have a complete count. The House of Representatives assigned to your area is based on population, along with your District Representatives.

The census questionnaire doesn't request any confidential information. Every ten years a census is required. He left a folder of information with the Deputy City Clerk for anyone wishing to review information. The Bureau is looking to hire help in Chaffee County from January to June.

Fingerprinting and a background check are required of all applicants and if hired are given an oath. Anyone interested in applying should call 1-866-861-2010.

- 2.) Proclamation 2010 Census by Mayor Rose

Mayor Rose proclaimed January, 2010 as Census Awareness Year.

- 3.) Historic Preservation Commission update by Jackie Powell

Jackie Powell, Historic Preservation Commission Chair said other members on the Commission present are Terry Alexander, Larry Beverley, Donna Francis, Leslie Walker and Keith Krebs. She thanked Dara MacDonald and Kristi Jefferson for their guidance and help, as well as being patient with

board members. Ms. Powell thanked all the citizens that serve on other City boards. It is nice to work with the Recreation and Tree Board for issues in Riverside Park. She thanked Council for passing the Property Maintenance Code. Maintenance of a building is the best kind of historic preservation. State Historical grant monies have been secured for the Twitchell Building where Culture Clash is located. Historical funds were secured for the old hospital building that is being renovated by the City and the County. The Historic Commission is working on revising the design guidelines for downtown and also reviewing the application form. The Commission is also trying to get all historic district property listed as such with the Chaffee County Assessor.

The Historic Preservation Commission is hosting a workshop on Economic Benefits of Historic Preservation at the Salida Steam Plant, Saturday, January 9, 2010 from 9:00 a.m. to 12:30 p.m. Ms. Powell distributed the workshop schedule to Council.

SCHEDULED ITEMS-

1. Consent Agenda -

Deputy City Clerk Janella Martinez presented written materials that are included in the packet.

1. Consent Agenda

- a. Approval of Agenda
- b. Approval of Minutes: Minutes December 15, 2009
- c. Liquor Licenses: 1.) High's Liquor, Loaf N Jug, Arlie Dale's Jug Liquor

BACKGROUND:

- 1.) A request by Cahill Properties, Inc. dba High's Liquor, 1435 E. Rainbow Blvd., has applied for renewal of a Retail Liquor Store license. The current license expires January 21, 2010.
- 2.) A request by Mini Mart, Inc. dba Loaf N Jug No. 55, 448 US HWY 50 East, has applied for renewal of a 3.2% Beer Retail License (OFF PREMISES). The current license expires January 12, 2010.
- 3.) A request by Hixon, Inc. dba Arlie Dale's Jug Liquor, 220 F St., has applied for renewal of a Retail Liquor Store license. The current license expires December 29, 2009.

On August 8, 2009, Arlie Dales Jug Liquor was alleged to have sold alcohol to a minor by an agent from the Colorado Department of Revenue, Liquor Enforcement Division. A Show Cause Hearing was called and The Jug was sentenced to seven days suspension. Of those seven days the applicant was actively suspended for two days with five days held in abeyance for one year. The Jug petitioned the Division of Liquor Enforcement to allow them to pay a fee in lieu of suspension. The fee must be equal to 20% of the estimated gross revenue during the period of two days, which came to \$481.00. This fee was required to be paid to the Colorado Department of Revenue by October 16, 2009.

On December 10, 2009 Martinez spoke to Dave Reed, Colorado Liquor Enforcement Officer, who confirmed that the licensee had complied with the Stipulation, Agreement, and Order. A copy is included for Council review.

Lieutenant Hall's notes state that he has no issue with renewal if the applicant has complied with the

Stipulation, Agreement, and Order by the Liquor Enforcement Division.

A motion was made by Damman to combine and approve the items on the consent agenda. Moore seconded the motion. With all in consensus, THE MOTION CARRIED.

2. Appointment to Salida SteamPlant Commission –
Resolution 2009-64 appointment to the SteamPlant Commission.

City Administrator Jack Lewis presented information that is included in the packet for the record. The request is to pass a Resolution appointing members to the SteamPlant Commission.

Council created the SteamPlant Commission on July 1, 2007. The SteamPlant Commission serves as an advisory board for the development of policies regarding the operation of the SteamPlant Theater and Event Center.

The appointed members shall serve two (2) year terms. Members must be residents and qualified electors of Chaffee County. A member shall continue to serve on the SPC until his or her successor is appointed and assumes office. A member may be reappointed to serve successive terms without limitation.

Approving Resolution 2009-64 will appoint Judy Raski to a term to expire 7/1/11, Irena Wilder (Events Advocate) to a term to expire 7/1/11, Scott Adams (Friends of the SteamPlant representative) to a term to expire 7/1/11, Louise Fish to a term to expire 7/1/2012, April Prout as Chaffee County representative to fill the term vacated by Jerry Mallet and as recommended by the Chaffee County Board of Commissioners.

A motion was made by Yerkey to pass RESOLUTION 2009-64, A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO APPOINTING MEMBERS TO THE STEAMPLANT COMMISSION. The motion was seconded by Damman. Mayor Rose requested a roll call vote. With all in consensus, THE MOTION CARRIED.

3. Appointment of City Treasurer -
Resolution 2009-65 appointment of City Treasurer.

City Administrator Jack Lewis presented written materials that are included in the packet. No petition was submitted for the position of City Treasurer. City Council is required to appoint this position within 60 days after a vacancy occurs. The vacancy occurred on November 3, 2009, the date of the last Municipal Election. The position was advertised in the local newspaper. This is a four year term and the person appointed to fill this vacancy will hold this position until the next regular Municipal Election that will be held in November, 2013.

Two citizens, Karen Karnuta and Eileen J. Rogers, submitted an Application for City of Salida Committees, Boards, and Commissions. Council will vote to appoint the position of City Treasurer tonight.

A motion was made by Yerkey to appoint Eileen J. Rogers and to approve RESOLUTION 2009-65 A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO APPROVING CITIZEN APPOINTMENT AS CITY TREASURER. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

4. Amend Amplified Sound Permit exception @ Bensons Dec. 31, 2009 – Jan. 1, 2010
Resolution 2009- 66 to authorize the City Administrator to issue an amplified sound permit beyond 10:00 pm.

City Administrator Jack Lewis presented written materials that are included in the packet. Benson's Tavern is requesting an Amplified Sound Permit for New Years Eve. Benson's has purchased a decibel meter to monitor the sound throughout the event assuring compliance with the Salida Municipal Code. The event will end at 1:15 a.m., 1/1/2010. The administrator is allowed to sign permits that exceed our sound regulations however they must end by 10:00 p.m. Any exception must be granted by Council.

Council Member Yerkey thinks it is important to note that the City has received a couple of complaints and those have been addressed by Administration. The Police Department under Chief Terry Clark has responded and followed up on these complaints. A decibel meter is used to measure decibel levels.

A motion was made by Damman to pass RESOLUTION 2009-66 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, AUTHORIZING THE CITY ADMINISTRATOR TO SIGN THE AMEND AMPLIFIED SOUND PERMIT FOR BENSON'S for 12/31/2009 to 1:15 am, 1/1/2010. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

5. Amend Amplified Sound Permit exception @ SteamPlant on Dec. 31, 2009 – Jan. 1, 2010
Resolution 2009-67 to authorize the City Administrator to issue an amplified sound permit beyond 10:00 pm.

City Administrator Jack Lewis presented written information to Council that is included in the pack--

The request is to set-off fireworks on 1/1/10 from 12:00 a.m. – 12:01 a.m. as a part of an event at Salida SteamPlant Event Center.

The request is to set-off fireworks on 1/1/10 from 12:00 a.m. – 12:01 a.m. as a part of an even Salida SteamPlant Event Center. Fireworks will be set-off by the Salida Fire Department either at the base or top of Tenderfoot Mountain based on a recommendation from the Fire Department. This is a new way to ring in the New Year. We have to go through the formalities to be allowed to have an amplified sound permit issued to have fireworks.

A motion was made by Moore to approve RESOLUTION 2009-67 A RESOLUTION TO AUTHORIZE THE CITY ADMINISTRATOR TO ISSUE AN AMPLIFIED SOUND PERMIT BEYOND 10:00 PM FOR THE SALIDA STEAMPLANT. The motion was seconded by Stewart. With all in consensus, THE MOTION CARRIED.

6. Senior Center Lease – 1st reading
Ordinance 2009-19 approving the lease of 305 F Street to the Salida Senior Citizens Center, Inc.

City Administrator Jack Lewis presented written information that is included in the application. The request is to approve a commercial property lease by and between the City of Salida (the "City or "Lessor") Salida Senior Citizens, Inc., a Colorado non-profit corporation, (the "Seniors" or "Lessee").

The City owns the building and surrounding real property known as the Salida Community Center

located at 305 F Street. The original lease expired in 2008 and was renewed for a one-year term, which is expiring at the end of the year. The Seniors are represented by attorney, Bill Smith, with regard to this lease negotiation.

Key terms of the new lease are as follows:

- 10-year initial term with a 10-year renewal (“full term”)
- Either party can terminate the lease with a 90-day notice to the other party
- Rent is paid annually on the first day of the year in an amount equal to the actual cost of the Property and Crime Coverage Policy on the Premises with CIRSA maintained by the City (currently ~ \$800)
- The Salida Senior Citizens, Inc. must provide public liability for their operations with single limit liability coverage of at least \$1,000,000 and must name the City an additional “named insured”
- The building shall be used for the operation of the Salida Community Center and may be sublet to a third parties so long as their insurance fully covers the intended use and certain other conditions are followed
- The Salida Senior Citizens, Inc. maintain the interior and exterior of the facility, all fixtures and appurtenances at their cost
- Utilities are paid for by the Salida Senior Citizens, Inc.
- Alcoholic beverages may be served at special events (provided the proper process is completed to obtain a license)

Mayor Rose asked Attorney Hanlon to review the changes and go over the variables. Attorney Hanlon distributed a revised lease agreement. Mayor Rose said Mr. Smith had the revised lease mailed to him a few hours earlier. Council has discussed the requested revisions earlier.

City Attorney Karl Hanlon gave an overview of the process. Typically Council is only required to hold a public hearing on second reading of an ordinance. But Council can hold a hearing if they choose to. Due to the number of the people present to discuss the new lease with the Salida Senior Citizens, Inc. Council Members indicated they would take public comment after the attorney gave an overview of the revised lease.

Hanlon said the original lease was done in 1983 and was a 25 year lease that expired in 2008. In 2008 a one year extension was given to allow time for a new lease to be created. The property owner is required to have liability insurance on the property. In the past the City has paid the annual insurance rate and it was proposed to pass this cost on to the Salida Senior Citizens, Inc. Following a discussion at the morning meeting Council decided that the costs would be covered for two years allowing the Senior Center, Inc. time to fit this expense into their budget. The other change is in paragraph two showing the term of the lease as a ten year plus ten initial terms with a 90 day notice termination clause for either party. This addition gives either party an out. Another change is to allow alcohol to be served and sold. It will be permissible for Salida Senior Center, Inc. to sublet the facility for banquets and be able to profit from these uses.

Mayor Rose asked why Hanlon didn't recommend a longer lease such as twenty five years. Hanlon said that historically a lot of municipalities provided leases for long periods of time, for instance a 99 year lease for \$1.00. He feels that if the City proceeds with a 20-25 year lease there is a question of whether or not that is a transfer of the asset without a vote.

Council Member Damman asked what would happen if the City decided to sell the property. Hanlon

said first it would have to be put as a question on the ballot during an election. Only after approval by the voters would the 90 day clause be in effect.

Dick Tuttle helped get the Senior Center built. He explained that what they were looking at here is a deal between the Center and Council. Originally a group of volunteers had a fundraiser and had to come up with \$20,000 to start the building. The group went to Steamboat Springs to pitch a grant and was awarded \$160,000 to build a Senior Center. The intent was never to add another building for the City of Salida. The City allowed the group to locate the building on City property, at 305 F Street, where the Senior Center is currently located. The grant stipulated that the City must oversee the grant as a municipality. Now he feels the City is telling the center what they can and cannot do. The City took the building and leased it to the Salida Senior Citizens, Inc. for \$1 per year. Now the City is asking us to pay \$800 per year for insurance. Mr. Tuttle said the money raised was to get the Senior Center built, not to add another building to the City.

Bill Alderton, is a Chaffee County resident and not a registered voter here. He said as an attorney he has a couple of comments about the proposed lease. He lived here when the vacant lot was offered to the Seniors. Council Members Baker and McCormick also lived here at the time it. Alderton said City Attorney Hanlon talks about perimeters around a ten year and ten year renewal loan being the better way to go as a statutory City, but he doesn't know of any case law that says it is the conservative way. He said a 20 year term is not uncommon to this day. Also, a ten day First Right of Refusal is something Council should look into. There is no way anyone can secure financing in ten days. The City should allow up to 60 days if not more. Mr. Alderton suggested that language is inserted allowing either party to terminate upon 90 days notice. He understands that everyone here wants the seniors to remain here but adding the language into the lease that says the building can only be sold upon a successful election approving the sale of the building, would be helpful in providing protection to the seniors.

Doug Rausch, is a registered voter in Chaffee County. He serves as Treasurer for the Senior Center. One year ago the City made an extension and said the center has only had about one month to look into the new lease. He felt like the Senior Center organization has been hit cold. He requested the City think of the insurance cost as a wash.

The organization reviewed the City use of the building for last year would have been \$750 and the insurance cost for the City is \$800. The center doesn't charge the City for its use of the building. He said we should work together and consider this a wash. The organization let their 501c3 lapse but is still a 501c4. They are currently reapplying to reactivate their 501c3. The grant they are operating on is running out and currently they are trying to look at ways to make the center more financially viable. They would like to work closer with the Recreation Department to add programs that are viable to the community. There are a variety of programs that are valued by the senior community and the City should be willing to work with the organization not against them.

EJ Sherry, Pinon Hills, is not a registered voter in the City. He is a board member of the community center, President of AARP, and teaches computer at the center on Tuesdays and does Meals on Wheels. Mr. Sherry comes from a culture where the City is more supportive of the Senior Center. He was an active member at the center in Albuquerque, where he also taught the seniors. There the city bought their center 20 new computers. The center has only four, and those are running but the city should do better for the seniors instead of asking for money, they should support the programs that are offered there.

Erma Perry, born here and has lived here all her life. Her husband was a tailor here for 50 years.

Together they donated funds to the center never knowing then how much it is used by those of all ages. The Senior Center is enjoyed by everyone, the young and the old.

Larry Beverley, is not registered to vote, as yet. Attorney Hanlon keeps referring to the center as an asset, but Beverley feels the greatest asset is what the seniors have contributed in the past and they continue to contribute to the community. He has never seen a center so focused on the needs of the community.

Susan Topping, distributed information that is included in the packet for the record. The information includes a letter of support from the Chaffee County Housing Trust, a letter from Mr. Tuttle and most important a list of activities held at the center. Many improvements have been made at the center and a list of events is included in the information distributed to Council. The basement thrift store has been cleared out allowing for more usable space bringing the facility to 15,000 sq. ft. Many items are donated by citizens, including four computers that are available for classes. Ms. Topping invited everyone to come for lunch and see the improvements that have been made. Membership has increased from 52 to 89 members.

Margaret Myers, lived here in 1938 and moved away but then returned, she has remained here for 42 years. Her husband Bob was born and raised here and they have been members of the center since 1991 following her retirement. She is having a hard time understanding why the center was bought and purchased through donations from the citizens and just because the City owns the land we don't own the building. The center has over 80 members that pay their membership with seven people over 90 and 24 plus people under 80. The center offers Meals on Wheels for \$2 to those over 60 and at \$6.50 for those under 60. Ms. Myers said she doesn't understand the law, but can't understand why the building doesn't belong to those who invested in it.

Mary Lou Church, 522 Teller St., is not a member of the center but is a member of the Central Colorado Humanist's and the center has been very helpful to this organization offering a great place to gather. The City should do everything possible to keep the center going.

Felice Larson, talked about the senior center in relation to the asset to the City of Salida. Realtors in particular should appreciate the center because they can point out to their clients what an active senior center we have here.

Mayor Rose asked if there was anyone else wishing to speak.

Attorney Bill Smith, a registered voter living in the City spoke. He is representing the Salida Senior Center, Inc. thanked Attorney Hanlon and Administrator Lewis for working with them on the lease and to Council for the time spent they have spent on this lease. The Center is a benefit for the community that doesn't cost the city much compared to the benefits that are received. There is no staff time for scheduling the events. He hopes Council can see the benefits brought out during tonight's meeting. Smith requested a motion by Council to amend the lease to add the language that includes that if the City decides to sell it and the voters approve it then the termination would kick in.

Council Member Yerkey asked Mr. Smith if the City was working with him or with Bill Alderton. Mr. Smith said Council was working with him.

Mayor Rose asked if there was anyone else that wanted to speak. No one came forward. Mayor Rose closed the hearing. He thanked all of the citizens who came to speak. He said as an elected official sometimes you only hear about what you've done wrong. He thanked those who came to speak for

stating the points and for not losing decorum in a public forum. Mayor Rose requested a motion by Council. A brief discussion followed.

Council Member Moore asked what the time frame for adoption is. Attorney Hanlon stated that this item needs to be moved on within the next two to three weeks. The extension of the lease expires on December 31, 2009, and he doesn't want the lease to lapse for any length of time.

A motion was made by Moore to approve ORDINANCE 2009-19 AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO APPROVING A COMMERCIAL PROPERTY LEASE BY AND BETWEEN THE CITY OF SALIDA AND THE SALIDA SENIOR CITIZENS, INC. setting the public hearing date for January 5, 2010, and ordering the ordinance to be published in full. The motion was seconded by Damman.

An amendment was made by Yerkey to approve the lease as written with the understanding that the input being discussed tonight is considered prior to the next meeting. The motion was seconded by McCormick. A brief discussion followed. Mayor Rose requested a vote on the amendment.

It was decided to have a meeting with two members of Council, Attorney Hanlon and Attorney Smith prior to the next meeting. Council Members Damman and Stewart were appointed to represent City Council at this meeting.

Mayor Rose requested a vote on the original motion with the amendment. With all in consensus, THE MOTION CARRIED.

7. Salida Municipal Code fee removal — 2nd reading, Public Hearing
Ordinance 2009-17 amending Chapter 7 of the Salida Municipal to remove established fees and to adopt fees by Resolution.

Finance Director Jan Schmidt presented written materials that are included in the packet.

The request is to amend Chapter 7 of the Salida Municipal Code ("SMC"). This chapter addresses health, sanitation and animals within the City of Salida ("City") and includes the establishment of certain fees and fines. The adoption of these fees and fines by resolution will allow for more efficient changes to specific fees and minimize the number of ordinances enacted to amend the SMC.

Several articles within Chapter 7 of the SMC explicitly define fees and fines related to health, sanitation and animals. Many other City fees and fines are set by resolution, which is a more efficient process. For example, certain fees could be established as part of the budget process rather than requiring a separate ordinance. This ordinance does not delegate authority to staff; the council will still be responsible for setting fees. This will, however, save the City money spent on legal fees and staff time. Staff recommends passing this ordinance.

Mayor Rose opened the public hearing. No one spoke. Mayor Rose closed the hearing.

A motion was made by Damman ORDINANCE 2009-17 AMENDING CHAPTER 7 OF THE SALIDA MUNICIPAL TO REMOVE ESTABLISHED FEES AND TO ADOPT FEES BY RESOLUTION, and ordering the ordinance to be published by title only. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

8. Resolution Imposing 2010 fees - (Jan Schmidt)

Resolution 2009-68 adopting fees pursuant to chapter 7 of the Salida Municipal Code, "Health, Sanitation, and Animals."

The request is to approve fees referenced in Chapter 7 of the Salida Municipal Code ("SMC"). This chapter addresses health, sanitation and animals within the City of Salida ("City") and previously included the establishment of certain fees and fines. Ordinance 2009-17 that was just passed allows for the adoption of fees and fines by resolution, which provides for more efficient changes to specific fees and minimize the number of ordinances enacted to amend the SMC.

Several articles within Chapter 7 of the SMC explicitly define fees and fines related to health, sanitation and animals. Many other City fees and fines are set by resolution, which is a more efficient process. This resolution is to ratify fees previously stated in the code. With the exception of the dog & cat licenses and fines, all fees are left the same as previously stated in the code. Staff recommends passing this resolution.

A motion was made by Moore to approve RESOLUTION 2009-68 A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, IMPOSING 2010 FEES RELATED TO CHAPTER 7 OF THE SALIDA MUNICIPAL CODE, being effective January 18, 2010. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

7. City Administrator/City Attorney/Deputy City Clerk Reports-

a. Administrator's Report -

City Administrator Jack Lewis presented written materials that are included in the packet for the record.

1. Water Meter Replacement Project approval.

On November 19, 2009 the advertisement for the Meter Replacement Project was published in the Mountain Mail. On December 2, 2009, a public Bid opening was held at the Public Works Department. There were five qualified bidders, bid tabulations are attached. The apparent low bidder was Y & K Excavation, Inc.

Y&K's bid was for \$ 16, 458.40. The City will purchase the new water meters and according to the contract Y&K will have 70 Calendar days to complete the project. Y&K Excavation, Inc. are qualified to perform the tasks as they have done so in the past and as a local contractor continually install water meters on new developments. Therefore, the Public Works Department recommends that Council award the 2009/2010 Water Meter Replacement Project for a bid price of Sixteen Thousand four hundred fifty eight dollars and forty cents (\$16,458.40).

Getting these readings automatically will greatly improve our billing system. It will be beneficial to our citizens as we move toward monthly billing in early 2010.

A motion was made by Yerkey to approve the Water Meter Replacement Project bid for \$16,458.40 to Y & K Excavation, Inc. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

2. Final Contract Settlement – Crosswalks Project (Hadley Construction)

On November 20, 2009, the Notice of Final Settlement with Hadley Construction for the Crosswalk Project was published in the Mountain Mail. The notice is scheduled to continue to run until December 15, 2009. There have been no claims or notices of non-payment against Hadley Construction.

Therefore, the Public Works Department requests that Council authorize final payment to be made to Hadley Construction for the outstanding balance of the project. That balance is the retainage and equals fifteen hundred sixty six dollars and 40 cents (\$1566.40).

Actual payment will not be made until the full thirty days has expired. Due to the Holidays we are requesting permission for approval tonight.

A motion was made by Yerkey to approve final payment to Hadley Construction for \$1566.40 for Crosswalks Project. The motion was seconded by Damman. With all in consensus, THE MOTION CARRIED.

3. Final Contract Settlements – 2008 Water Plant Improvements

a. The Electric Power & Process contract (with approved change orders) was for \$86,511.36 and the final retainage to be paid is \$3,744.

b. The Moltz contract was for \$363,946 and the final payment request is for \$35,325.40.

The City published in the Mountain Mail a Notice of Final Settlement of contracts was with Electric Power and Process and with Moltz Construction for the 2008 Water System Improvement Process.

We have received no claims or notices of non-payment from persons or entities that furnished labor, materials, rental machinery, tools, equipment, sustenance, or other supplies used or consumed by these contractors or their subcontractor in the performance of the work contracted by the City.

The project was completed satisfactory and there are no outstanding issues. We have also filed our final DOLA grant reimbursement request in the amount of \$50,000 and expect to collect these funds by year end. The Water Department, therefore, requests that City Council authorize the following final payments to these contractors:

The Electric Power & Process contract (with approved change orders) was for \$86,511.36 and the final retainage to be paid is \$3,744.

The Moltz contract was for \$363,946 and the final payment request is for \$35,325.40.

A motion was made by Damman to approve final settlement to The Electric Power & Process contract for \$3,744 and to Moltz Construction for \$35,325.40. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

b. City Attorney Report –

He continues to work on the sewer agreement with Poncha Springs and met today with Poncha Springs Legal Counsel.

c. Deputy City Clerk -

Martinez received the notice of appointment for Southern Chaffee County Regional Library District Board to appoint Dick Isenberger. She requests signatures from two current City Council Members to complete the appointment. Following signatures she will return the signed certificate to the Chaffee County Commissioners office.

According to CRS 39-5-121(2) the City Clerk is required to certify the mill levy to the Board of the Chaffee County Commissioners on December 15th. City Council repealed collection of property taxes to offset the costs of the sales tax increase to Salida residents. Because of this, the mill levy was certified to the Chaffee County Commissioners as 0 by December 15th. Martinez requests Council Members ratify this certification by making a motion. A copy of the certification will be presented to Council at the Tuesday morning work session.

A motion was made by Damman to make a motion to ratify the Deputy City Clerk's certification of the mill levy as 0 to the Chaffee County Commissioners. The motion was seconded by Moore. With all in consensus, THE MOTION CARRIED.

7. Elected Official Reports -

a. Treasurer

Mayor Rose requested a sales tax update from Finance Director Jan Schmidt. Last Thursday the City received our October sales tax collection that shows a decrease of 8.4% lower compared to a year ago. If you average the full year collection we were down 5%. Fortunately that is within the contingency plan, although we are hopeful we will see an increase in November and during the holiday season.

Council Member Yerkey asked if the City would benefit by being Home Rule when it comes to sales tax. Schmidt said if we were home rule we wouldn't have that kind of delay. And if we were collecting our own sales tax it would give us better visibility and we would be able to watch the trends. Mayor Rose noted that a City Treasurer was appointed this evening and that is why our Finance Director Jan Schmidt was requested to report on the sales tax collection.

b. Mayor -

Mayor Rose congratulated State Representative Tom Massey for winning the State Leadership award given by the Colorado Association of School Boards. This is a great honor, and Representative Massey has been a strong advocate for schools.

Mayor Rose said this being the last meeting of the year he wished to thank Council and staff for putting up with his bad jokes but most of all for the very solid work that they have all done.

He noted he has said this before that this Council does disagree, however we know how to disagree while maintaining a working relationship that should be an example for all in the public sector.

Mayor Rose wished everyone a safe Holiday season and noted the degree of charity and volunteerism of this community to help those less fortunate is commendable. We had a great 2009 and hope the same for 2010.

c. City Council-

Council Member Moore seconded the Mayor's general comments about the great community we live in. He noted this year Council approved 19 Ordinances, 68 Resolutions, and around 50 liquor licenses in 2009.

Council Member Baker wished everyone a Merry Christmas.

Council Member Stewart honored Dr. Moore's request to finish the meeting without more comments.

Council Member McCormick wished everyone a Merry Christmas.

Council Member Yerkey congratulated Chief Clark and the Fire Chief for the professionalism of their staff.

ADJOURNMENT -

A motion was made by Moore to adjourn the meeting at 7:59 p.m. The motion was seconded by Baker. With all in consensus, THE MOTION CARRIED.

[SEAL]

Mayor

Deputy City Clerk

Respectfully submitted by Janella S. Martinez, Deputy City Clerk



CITY OF SALIDA
CITY COUNCIL AGENDA ITEM

MEETING DATE: January 5, 2010

AGENDA ITEM TITLE: Designating a Posting Place-
RESOLUTION 2010-01 A RESOLUTION OF THE CITY
COUNCIL FOR THE CITY OF SALIDA, COLORADO
DESIGNATING THE PLACE FOR THE POSTING OF
PUBLIC NOTICES FOR THE CITY COUNCIL
MEETING AND OTHER CITY BUSINESS.

PRESENTED BY: Janelle Martinez, Deputy City Clerk

AGENDA SECTION: New Business

CAN THIS ITEM BE RESCHEDULED: NO

BACKGROUND REVIEW:

As required by State Statute 24-6-402(2)(c) the City annually designates the place for posting public notices. Historically the front window at City Hall has been the official place for posting City meetings, and other public notices.

Currently meetings are listed and posted in the front window. The Public Notice Posting form and Meeting Agendas are placed in the window at City Hall. City Hall will relocate this year and when the move is complete City Council will be asked to approve the window at the new location as the official posting place. Until this time, the presented resolution will designate the posting place as the front window of the current City Hall.

RECOMMENDATION:

The front window located at City Hall, 124 'E' St., Salida, CO 81201 remains the designated posting location.

ACTION:

A Council Member makes a motion to approve RESOLUTION 2010 -01 A
RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA,
COLORADO DESIGNATING THE PLACE FOR THE POSTING OF PUBLIC
NOTICES FOR THE CITY COUNCIL MEETING AND OTHER CITY BUSINESS.

Followed by a second and then a roll call or a simple voice vote.

RESOLUTION - 01
(Series 2010)

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO DESIGNATING THE PLACE FOR THE POSTING OF PUBLIC NOTICES FOR CITY COUNCIL MEETING AND OTHER CITY BUSINESS.

WHEREAS, Section 24-6-402(2)(c), C.R.S., of the Colorado Opening Meeting Law requires the City to annually designate the place or places at which the City shall post notices of City meetings and other public notices; and

WHEREAS, the City Council desires to designate the following place for the posting of public notices for the convenience of the public.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO that the following public place shall be and is hereby designated for the posting of notices for public meetings and other city business:

The front window located at City Hall, 124 'E' Street, Salida, Colorado.

RESOLVED, APPROVED and ADOPTED this 5th day of January, 2010.

CITY OF SALIDA

By: _____
Mayor

[SEAL]

ATTEST:

City Clerk



CITY COUNCIL AGENDA ITEM

MEETING DATE: January 5, 2010

AGENDA ITEM TITLE: UAACOG – Recycling support agreement
RESOLUTION 2010- 02 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, APPROVING AN AGREEMENT FOR THE PARTICIPATION WITH THE UPPER ARKANSAS AREA REGIONAL RECYCLING PROGRAM AND AUTHORIZING THE CITY ADMINISTRATOR AND THE DEPUTY CITY CLERK TO EXECUTE SUCH AGREEMENT.

PRESENTED BY: Jack D. Lewis, City Administrator

AGENDA SECTION: Scheduled Items

BACKGROUND REVIEW:

The City has supported the Upper Arkansas Area Council of Governments recycling program since it was instituted. The annual cost has been assessed based on population. The estimated charge to Salida for 2010 is \$4,717.24 due to the sale of materials in 2009 which has reduced the cost. The 2010 rate is reduced by \$2,223.46 that was generated by the sale of materials generated in 2009. This rate is captured in the draft budget for 2010. The level of usage indicates that this is a service that is important to Salida residents.

Michael Kunkle has served as the City's representative to the recycling program Board of Directors.

Action:

Make a motion to pass RESOLUTION 2010-02 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, APPROVING AN AGREEMENT FOR THE PARTICIPATION WITH THE UPPER ARKANSAS AREA REGIONAL RECYCLING PROGRAM AND AUTHORIZING THE CITY ADMINISTRATOR AND THE DEPUTY CITY CLERK TO EXECUTE SUCH AGREEMENT.

Followed by a second and a roll call vote.

**RESOLUTION - 02
SERIES 2010**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO,
APPROVING AN AGREEMENT FOR THE PARTICIPATION WITH THE UPPER
ARKANSAS AREA REGIONAL RECYCLING PROGRAM AND AUTHORIZING THE
CITY ADMINISTRATOR AND THE CITY CLERK TO EXECUTE SUCH
AGREEMENT.**

WHEREAS, the City of Salida, Colorado, (the "City"), and the Upper Arkansas Area Council of Government, (the "UAACOG"), have a commitment to the accommodation and encouragement of recycling; and

WHEREAS, Section 29-1-201, et seq., of the Colorado Revised Statutes authorizes, empowers and encourages municipalities and counties to enter into cooperative contracts with other governmental entities; and

WHEREAS, the City and the UAACOG have negotiated a Recycling Agreement addressing pick-up, consolidation and sale of certain types of recycled materials.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SALIDA, COLORADO, THAT:

The Recycling Agreement between the City and the UAACOG for calendar year 2010, a copy of which is attached hereto and incorporated hereby reference, be and hereby is approved and the City Administrator and City Clerk are authorized to execute such Agreement on behalf of the City.

RESOLVED, APPROVED and ACCEPTED this 5th day of January, 2010.

Charles Rose, Mayor

[SEAL]

ATTEST:

Janella Martinez, Deputy City Clerk

AGREEMENT
for the Participation
with the
Upper Arkansas Recycling PROGRAM

This Agreement, entered into as of this _____ day of _____, 2009 by and between the Upper Arkansas Area Council of Governments, hereinafter referred to as the "UAACOG," and the City of Salida, Colorado, a duly authorized political subdivision or government in the State of Colorado, hereinafter referred to as the "LOCAL AUTHORITY".

WITNESSETH:

WHEREAS, the UAACOG is organized within the State of Colorado for the purpose of providing technical assistance and the collaboration of efforts between counties, communities, and entities within the Upper Arkansas Valley region of the state of Colorado, and

WHEREAS, certain counties, communities, and entities within the area which is served by the UAACOG wish to, on a voluntary basis, provide for the pickup, consolidation, and sale of certain types of recyclable materials within the Upper Arkansas Valley region of the state of Colorado, and

WHEREAS, these certain counties, communities, municipalities and entities within the area which is served by the UAACOG wish to provide for the administration of the Upper Arkansas Recycling Program (PROGRAM), and

WHEREAS, the LOCAL AUTHORITY wishes to become a Participant in the PROGRAM and provide for the pickup, consolidation, and sale of certain types of recycled materials from within its jurisdiction.

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein expressed, it is agreed by and between the parties hereto as follows:

Section 1 - This Agreement shall commence on the date of signing in duplicate originals by the parties and shall continue until December 31, 2010 or until terminated as herein provided.

Section 2 - Each county, community, or other entity, who becomes a Participant in the PROGRAM by the signing of this agreement shall have the right and duty to designate one representative to serve as a Director on the Advisory Board of the PROGRAM.

Section 3 - The appointing LOCAL AUTHORITY may change their appointed director to the Advisory Board at any time.

Section 4 - The UAACOG shall exercise the powers incidental, implied, expressed, or necessary for the accomplishment of the purposes of the PROGRAM as provided hereunder by this agreement.

Section 5 - The UAACOG is hereby authorized, in its name, to do all acts necessary for the exercise of the foregoing powers, including, but not limited to, the following: (a) to coordinate and manage the funding, construction, operation, and maintenance of the PROGRAM, (b) to charge rates, tolls, or fees in connection with the operation of the PROGRAM, (c) to contract for goods and services, (d) to acquire, construct, manage, maintain, operate, or dispose of any buildings, works, improvements, or other facilities needed by the PROGRAM, (e) to incur debts, liabilities, or obligations (subject to budget limitation and TABOR) provided that no debt, liability, or obligation shall constitute a debt, liability, or obligation to the Participants, without express written consent of the elected officials of the Participants and after full compliance with Colorado constitutional and statutory provisions relating to authority of local elected

officials' ability to obligate a governmental entity by incurring debt, (f) to apply for, accept, receive, and disburse grants, loans, and other aid from any governmental entity or political subdivision thereof or any other income from any source, (g) to approve or deny, on an annual basis, additional participation in the PROGRAM, and (h) to carry out and enforce all provisions of the agreements and policies of the PROGRAM.

Section 6 - That, while it is contemplated that the PROGRAM shall strive for self-supporting economic status, it is realized that a subsidy, not to exceed \$1.30/person/year, will be necessary in the form of payment from the Participants in the PROGRAM in order to render the PROGRAM capable of operation.

Section 7 - It is the intent of the parties that the funding of the PROGRAM by each Participant be provided in substantially the same proportion as the population that each Participant bears to the combined population of all the Participants.

Section 8 - The LOCAL AUTHORITY will be responsible for purchasing, leasing, or otherwise making provision for the professional made, fiberglass containers to be placed in a location selected at the discretion of the LOCAL AUTHORITY. Said containers shall be utilized by the residents of the LOCAL AUTHORITY, for the collection of approved recyclable materials. Said containers must be of the same or compatible manufacture as those authorized for use by the UAACOG.

Section 9 - The LOCAL AUTHORITY shall maintain the area around the containers in a neat and clean condition, and shall maintain signs and instructions on the use of the containers.

Section 10 - The LOCAL AUTHORITY shall be required to notify the UAACOG immediately at such times as one or more of the collection containers is at or near a state of overflowing.

Section 11 - The LOCAL AUTHORITY shall be responsible to ensure that the containers are kept in a serviceable condition. In the event of damage or destruction of a container, the LOCAL AUTHORITY shall make arrangements to repair or replace said damaged container within one week of being notified by the UAACOG that the container is not serviceable, however damage to the containers by contractors of the PROGRAM will be the sole responsibility of the contractor. Such damage must be repaired within forty-eight (48) hours.

Section 12 - Any Participant, as a signer of this Agreement, may terminate its participation in the PROGRAM by written notification, to the UAACOG, signed by that Participant's authorized official, no later than ninety (90) days prior to the start of the new fiscal year of the UAACOG (January 1). Such notice is to allow the UAACOG time to make necessary budgetary alterations made necessary by the termination. The Board of Directors of the PROGRAM may waive the notice requirement should it be in the best interest of the PROGRAM.

Section 13 - That some of the debt of the PROGRAM may be serviced by fees levied upon the Participants of the PROGRAM on an annual basis. For this reason, termination of one or more individual Participants will require that a prorated share of that debt will have to be paid off or assumed by the terminating Participant. Debt that is serviced by other income will not be subject to this requirement. The parties understand and agree that the only funds that have or may be appropriated and available for payment under this Agreement in any one particular fiscal year are for the operating expenses of the PROGRAM. Notwithstanding anything to the contrary in any agreement relating to the PROGRAM the payment by a Participant of any other charges, liabilities, cost guarantees, fees, waiver and any awards thereon of any kind are contingent upon funds for such purpose(s) being appropriated by the governing board of the Participant, budgeted and otherwise made available. The obligation of any Participant to pay current charges of PROGRAM for each operating year of the PROGRAM shall constitute a current

expenses of each Participant, payable exclusively from the Participant's funds and shall not in any way be construed to be a general obligation indebtedness or other multiple fiscal year financial obligation.

Section 14 - That the parties realize that when this Agreement is terminated and the PROGRAM is dissolved, the UAACOG may own property, both real and personal, and may have other assets relating to the PROGRAM. The parties agree that all such property of the PROGRAM shall be disposed of in a manner in accordance with the policies of the UAACOG.

Section 15 - In the event any provisions of this Agreement are determined to be illegal or unenforceable for any reason, all other provisions of this agreement shall remain in full force and effect unless and until otherwise determined. The illegality of any provision of this agreement shall in no way affect the legality and enforceability of any other provisions of the Agreement.

IN WITNESS WHEREOF, the parties, hereto have hereunto authorized the execution of the within Agreement as of the date and year first above written.

UPPER ARKANSAS AREA COUNCIL OF GOVERNMENTS

By: _____
Chairperson of the Board, UAACOG

Attest: _____
Judy Lohnes, Executive Director, UAACOG

LOCAL AUTHORITY:

FOR THE CITY OF SALIDA:

By: _____

Attest: _____

SALIDA appoints as their Director to the Advisory Board of the Upper Arkansas Recycling Program,

Contact information for the appointed representative:

Email: _____

Telephone: _____

Address: _____



CITY COUNCIL AGENDA ITEM

MEETING DATE: January 5, 2010

AGENDA ITEM TITLE: Senior Center Lease – 2nd reading

PRESENTED BY: Jack Lewis, City Administrator

REQUEST:

The request is to approve a commercial property lease by and between the City of Salida (the “City or “Lessor”) Salida Senior Citizens, Inc., a Colorado non-profit corporation, (the “Seniors” or “Lessee”).

BACKGROUND REVIEW:

The City owns the building and surrounding real property known as the Salida Community Center located at 305 F Street. The original lease expired in 2008 and was renewed for a one-year term, which is expiring at the end of the year. Salida Senior Citizens, Inc. are represented by attorney, Bill Smith, with regard to this lease negotiation.

A meeting is scheduled Monday, January 4, 2010 with Council representatives and Legal Counsel to move forward with details in the lease agreement. At the time of packet preparation the revised lease wasn’t prepared. A copy will be distributed to City Council at the Tuesday morning work session.

RECOMMENDATION:

Staff recommends passing this ordinance.

ACTION:

A Council person should make a motion to approve “Ordinance 2009-19 an ordinance of the City Council for the City of Salida, Colorado approving a commercial property lease by and between the City of Salida and the Salida Senior Citizens, Inc. setting the public hearing date for January 5, 2010, and ordering the ordinance to be published in full.”

Followed by a second and then roll call and vote.

ORDINANCE NO. 19
(Series of 2009)

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO,
APPROVING THE LEASE OF 305 F STREET TO THE SALIDA SENIOR CITIZENS, INC.**

WHEREAS, on February 13, 1984, the City of Salida entered into a twenty-five (25) year lease (the "Lease Agreement") with The Salida Senior Citizens, Inc. for property owned by the City and located on the south corner of 3rd and F Streets known as the Salida Senior Citizens Center; and

WHEREAS, the initial term of the Lease Agreement expired on December 31, 2008, and the City Council approved a one year extension to enable the City and the Senior Citizens Center to plan a long term strategy for the future of the Center; and

WHEREAS, the City and The Salida Senior Citizens, Inc. wish to enter into the long-term Commercial Property Lease attached hereto as Exhibit A with a retroactive effective date of January 1, 2010.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA THAT:

1. The aforementioned recitals are hereby fully incorporated herein.
2. The City Council hereby approves the Commercial Property Lease for the Salida Senior Citizens Center attached hereto as Exhibit A and incorporated herein by this reference and authorizes the Mayor and the City Clerk to execute the Agreement on behalf of the City. The effective date of the Commercial Property Lease is January 1, 2010.

INTRODUCED ON FIRST READING, ADOPTED and ORDERED PUBLISHED IN FULL in a newspaper of general circulation in the City of Salida by the City Council on the 15th day of December, 2009 and set for second reading and public hearing on the 5th day of January, 2009.

INTRODUCED ON SECOND READING, FINALLY ADOPTED and ORDERED PUBLISHED BY TITLE ONLY, by the City Council on the 5th day of January, 2009.

CITY OF SALIDA, COLORADO

Charles Rose, Mayor

[SEAL]

ATTEST:

Janella Martinez, City Clerk

PUBLISHED IN FULL in the Mountain Mail after First Reading on the ____ day of _____, 2009, and BY TITLE ONLY, after final adoption on the ____ day of _____, 2009.

Janella Martinez, City Clerk



MEMORANDUM

TO: Honorable Mayor Rose and City Council
FROM: Jack D. Lewis, City Administrator
DATE: January 5, 2010
SUBJECT: Administrator's Report

The following items are submitted for your action or consideration as indicated.

1. The Fire Department received the attached letters requesting that fees be waived that were charged as a result of responding to the scene as a Hazardous Material Incident. The Fire Department charged the fees per City policy and statute authorization.

The City Council is the only body authorized to waive any fee. The Staff does not have any strong feelings one way or the other on this request other than it tends to set a dangerous precedent.

2. Reserve Firefighter approval

Fire Chief, Don Taylor, would like to hire Brian Jefferson as a reserve firefighter. Brian is Bob Jefferson's son. Bob Jefferson is a captain in the department and could at times supervise Brian's work. Our personnel manual states:

The following relatives of any officer, employee or elected official of the City who has the authority to hire, fire, or supervise employees, or of his/her spouse, will not be hired by any officer, employee, or elected official of the City of Salida without the prior consent of the City Council: spouse, child, parent, brother or sister, mother-in-law, father-in-law, sister-in-law, or a person with whom the employee shares a household in a personal relationship.

City staff sees no issues with this hiring. There will be very little overlap with the two employees. City staff recommends that a member of Council makes a motion to approve the hiring of Brian Jefferson as a reserve fire fighter. We will come back to Council if the fire department ever wants to hire Brian Jefferson as a full time employee.

November 10, 2009

City of Salida
124 E Street
Salida, CO 81201

To whom it may concern:

My name is Joe Mariola. I run the Salida Biodiesel Co-op, which was formed in the summer of 2008 and provides B-100 biodiesel and recycled vegetable oil to Co-op members.

On September 3, 2009, there was a fire at the warehouse in Smelertown, at 7900 Silver Street, where the Co-op has been located. The Salida Fire Department responded to and put out the fire, promptly and professionally. On September 30, I received a bill from the Fire Department for \$1591.09. The purpose of this letter is to make a formal appeal to the City regarding the invoice I received from the Fire Department, for the following reasons.

I received a bill from the Fire Department for a Hazardous Materials Incident, though the only material involved in the fire was vegetable oil, which is not a hazardous material. When the Fire Department responded to the fire at the Biodiesel Co-op and encountered an oil spill at the site, they did not know what they were dealing with in terms of fuel or chemicals. Initially they made a decision to treat the situation as hazmat, until I arrived on the scene and was able to confirm that the only material involved in the fire was vegetable oil. At that point, hazmat crews that were on their way were instructed to turned back, the firemen and I attempted to identify the cause of the fire, and I was given permission to clean up the vegetable oil that had spilled on the ground.

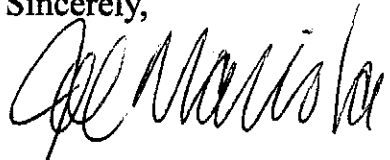
Currently, I am the only person running the Co-op, paying the shop rent, picking up the biodiesel, and collecting and filtering the vegetable oil. The Co-op does not carry any kind of insurance. I personally cleaned up the vegetable oil spill and other damage from the fire and am responsible for making necessary repairs to the warehouse. When the Co-op first started in the summer of 2008, there was much more interest because the price of

diesel fuel was significantly higher. This year there has been very little interest in the Biodiesel Co-op - in fact there has only been one customer, other than myself. Since the Co-op is still getting off the ground, there is not a membership base that can pull together to deflect the expenses resulting from this fire.

I appreciate the work of the Salida Fire Department in their response to the fire at the Biodiesel Co-op. Given the fact that the only material involved in the fire was vegetable oil, and that I took responsibility for cleaning up the spill, I am requesting an appeal to the bill from the Fire Department for a Hazardous Materials Incident. Additionally, it would be financially challenging to incur the cost of this bill, given the Co-op's low membership at this time. I look forward to continuing to make biodiesel and recycled vegetable oil available through the Co-op, building it's membership, and supporting renewable fuels in our community.

Thank you for your consideration.

Sincerely,



Joe Mariola
Salida Biodiesel Co-op