

RIDGWAY TOWN COUNCIL

MINUTES OF WORKSHOP MEETING

JANUARY 18, 2012

The Council convened for a workshop meeting at 5:50 p.m. in the Community Center at 201 N. Railroad Street, Ridgway, Colorado. The Council was present in its entirety with Councillors Durnan, Hunter, Johnson, Kavanaugh, Weaver, Mayor Pro Tem Clark and Mayor Willits in attendance.

Town Clerk's Notice of Workshop Meeting dated January 12, 2012.

Town Manager Coates reported at the capital project planning workshop in August, Council discussed funding the Historic Business District Streetscape Plan and the workshop has been set to present financing options. She presented a background on the plan, which was developed in 2006 by a design consulting firm after an extensive community process, including participation by a 15 member steering committee. In 2008 engineered construction drawings were prepared. She noted a large component needed to begin the streetscape project was replacement of water distribution lines in the streets, and that was done in 2009. The plan encompasses a portion of Highway 62 which is maintained by the Colorado Department of Transportation (CDOT), and is slated for improvements in 2016.

Town Engineer Joanne Fagan reported the Town is in the process of applying for enhancement funds from CDOT which if awarded, would be used for sidewalk installation along two streets within the district. The construction would begin in 2013.

Manager Coates explained the realignment and expansion of the highway by CDOT in 2016 will require consideration of incorporating Town improvements at the time of the project, such as installation of the sidewalk and landscaping elements of the streetscape plan. In 2005 the voters approved an increase in sales tax to be used for capital improvements. Those funds were used for the design and the engineering of the plan, and have also been used for other capital projects along the highway, and could be used for those improvements in conjunction with the ones performed by CDOT, she noted.

Engineer Fagan stated in 2008 the consulting engineers estimated the project cost at 3.5 million, and she estimates a possible decrease of 10% due to lowered construction and material costs. She noted the original estimate included all portions of the plan, such as realignment of Railroad Street and paving, and all amenities (ie: landscaping areas, benches, lighting, etc). She suggested staff can work to decrease the project cost, yet most of the costs are "hard" such as gravel, concrete and asphalt; and drainage and road grading are primary components of the project.

There was discussion regarding the scope of the project, and questions from the audience.

The Council received a presentation from Troy Bernberg, Vice President of Stifel Nicholas Investment Banking, a public finance firm located in Denver. He noted there has been a significant drop in the bond market since 2008 and "these are unprecedented times" and "I can't image rates can get lower". He stated this is "unique opportunity to borrow at the lowest cost of borrowing". He presented financing options and suggested the most practical for the Town's needs would be a general obligation bond. He recommended if the Council chooses to approach the voters, it should be done at the April 2013 election.

There was a question from Council regarding bond repayment costs. Mr. Bernberg stated it is difficult to project costs since all figures are dependent on economic factors at the time. He based the repayment of a bond for 3.5 million with a 20 year repayment period, at a 5 1/2% interest rate, divided into the assessed valuation and assuming an average house cost of \$300,000 would be an annual bond repayment of \$295,000. This would be approximately 9 mills and would equate to approximately \$6.50 per month, per \$100,000 of assessed property value, over the 20 year period. He noted that commercial property is assessed three times the value of residential.

Mr. Bernberg answered questions from the audience.

The meeting adjourned at 7:40 p.m.

Respectfully Submitted,

Pam Kraft, MMC
Town Clerk