

**Ouray City Council Regular Meeting  
Summarized Minutes  
Monday, June 17, 2019 at 6:00pm  
Massard Auditorium – Ouray Community Center**

**1. CALL TO ORDER**

Mayor Larson called the meeting to order at 6:05 p.m.

**2. ROLL CALL**

Mayor Pam Larson - Present  
Mayor Pro Tem Glenn Boyd – Present  
Councilor Dawn Glanc – Present  
Councilor Dee Hilton – Present  
Councilor Bette Maurer – Excused

Also present were City Resources Director Rick Noll, Acting Police Chief Gary Ray, Public Works Director Joe Coleman, Community Development Coordinator Chris Hawkins, and Deputy Clerk/Treasurer Beverly Martensen. Interim City Administrator Justin Perry and Director of Finance and Administration Melissa Drake were excused.

**3. THE PLEDGE OF ALLEGIANCE WAS RECITED**

**4. PUBLIC HEARING – Ordinance No. 4 Regulating Short Term Rentals in the City of Ouray**

Mayor Larson opened the Public Hearing.

Erin Eddy, 319 4<sup>th</sup> St – Expressed concerns regarding the increasing commute for work force due to more City of Ouray properties renting short term. Spoke in favor of high licensing fees for short term rentals, which he would like to see used to fund future housing solutions.

Monica Bangert, 445 6<sup>th</sup> Ave – Spoke as property manager for 50+ rental properties in Ouray. Feels a permit fee structure is totally appropriate. Does not want to see regulations which penalize property owners for offering short term rental properties.

Mark Iuppenlatz, 215 5<sup>th</sup> St – Would like to see a possible exemption from future cap for full time residents/owners.

Councilor Hilton presented three pages of signatures of those in favor of capping the number of short term rentals. Mayor Larson indicated a cap is not included in this ordinance and will be a discussion for a later date.

Ben Tisdell, Ouray County Commissioner - Stated that caps are common in communities and discussed Ouray County's implementation of a cap over a period of time so that the number could be evaluated.

LeeAnn Parden, 105 5<sup>th</sup> Ave Ct. - Thanked the council members for their work on the ordinance. Not in favor of a cap, but is in favor of regulations ensuring safe rentals. Wants to see more study and research before implementing a cap on short term rentals. Spoke in favor of this ordinance.

Phil Suitt, 1531 Oak St – Expressed concerns regarding parking at short term rental properties. Emphasized the need for clear communication regarding parking regulations and the need for parking enforcement.

Dolgio Nergui, 226 3<sup>rd</sup> Ave – Spoke in favor of capping the number of short term rentals.

Mayor Larson closed the public hearing.

## **5. CEREMONIAL/INFORMATION – San Juan Mountain Guides Year-End Report**

Nate Disser presented the San Juan Mountain Guides Year End Concession Report. Season highlights included free community wide kids climbing clinics, ice park maintenance days, increased emphasis on park use rules for guides and SJMG employees. SJMG worked with OIPI to create application procedures and minimum requirements to better manage ice park use by educational and non-profit groups. Future emphasis will include adapting to increasing demand and environmental challenges. Disser stated the Ouray Ice Park Inc. will take over his role managing commercially guided ice climbing. Nate introduced Mark Iuppenlatz, member of Friends for the Via Ferrata to provide a brief update on Via Ferrata.

Mark Iuppenlatz updated Council on status of the Via Ferrata. Route selection is currently underway. Personalized rungs are available for \$500 sponsorship. Upcoming stakeholders meeting identifying exactly where route should be established so that it does not interfere with other climbing operations. Engineer has been selected. Installation is targeted to begin in August of 2019 and be completed in October 2019. Contract selection is underway. Fundraising is at about 50% of goal total of \$220,000. Commercial sponsorships are available.

## **6. CITIZENS' COMMUNICATION**

Peggy Lindsey, 415 Hillcrest Court – Stated they are currently removing dead timber from their property. She would like to request the City remove three dead trees from adjoining City property at the time when they have their own dead timber removed. She will meet with Joe Coleman.

Dolgio Nergui, 226 3<sup>rd</sup> Ave - Thanked the City Police Department and Public Works for installing a traffic calming planter on 3<sup>rd</sup> Avenue.

Ben Tisdell, Ouray County Commissioner – Stated the annual regional planning meeting with CDOT will be tomorrow at the land use office at 11:00 am. CDOT has requested municipalities participate in this annual planning process. Mayor Pro Tem Boyd will attend this meeting.

## 7. CITY COUNCIL REPORTS/INFORMATION

- a. **Boyd** – Missed the CEDC meeting due to scheduling conflict and attending emergency response meeting. A public meeting will be held in late July or early August which will include emergency management and rock fall discussion.
- b. **Glanc** – Reached out to Eco Action Partners regarding composting discussion. Attended meeting with Ouray Ice Park regarding the development of additional raw waterline into town which would in part serve the ice park. OIPI will hire a professional fundraiser and are looking for people to serve on committees to facilitate. Contact Dan Chehayl if willing to serve on this committee. Dolgio Nergui stated there are grants available for a composting program.
- c. **Hilton** – Thanked all the volunteers and Ouray School for assisting with flower planting this week.
- d. **Larson** – No report as she was on vacation.

## 8. DEPARTMENT REPORTS

- a. **Interim City Administrator** – Interim City Administrator is attending the CML conference. His report is in the packet.

### b. Finance and Administration Director

- i. **May Financial Report**

Mayor Pro Tem Boyd made a motion to approve the May Financial Report. Councilor Hilton seconded the motion and it was approved on unanimous vote.

- ii. **May Disbursements**

Mayor Pro Tem Boyd made a motion to accept the May Disbursements. Councilor Glanc seconded the motion and it was approved on unanimous vote.

- iii. **May Sales Tax Report**

Presented in the packet.

- iv. **May LOT Report (April Rental Activity)**

Reports presented in the packet.

**c. Community Development Coordinator**

Chris Hawkins recommended that a committee be formed to support and promoted the Census process. Mayor Pro Tem Boyd stated the CEDC has expressed willingness to assist in supporting the Census process. Hawkins said the census process will be on the CEDC July agenda.

Hawkins stated the next community plan update meeting will be on Arts & Culture at 6 p.m.

**9. CONSENT AGENDA**

**a. Special Events Permit Application – BPOE Lodge #492, 4<sup>th</sup> of July**

**b. Huckstering Permit Applications – MS LLC dba Dippin’ Dots Ice Cream, 4<sup>th</sup> of July**

**c. Huckstering Permit Application – Masonic Lodge, 4<sup>th</sup> of July**

Mayor Pro Tem Boyd made a motion to approve the Consent Agenda., adding the condition that Staff be allowed to approve last minute huckstering permits for 4<sup>th</sup> of July. Councilor Hilton seconded the motion and it passed on unanimous vote.

**10. ACTION ITEMS**

**a. Second (and Final) Reading of Ordinance No. 4 Regulating Short Term Rentals in the City of Ouray**

Mayor Pro Tem Boyd made a motion to approve the final reading of Ordinance No. 4 Regulating Short Term Rentals in the City of Ouray. Councilor Glanc seconded the motion. Mayor Pro Tem Boyd amended his motion to include a correction of a typo in the Section 3 of the ordinance. Councilor Glanc amended her second.

Council directed Staff to conduct a study of data regarding a cap on the number of short term rentals. Mayor Larson stated the discussion of a cap on short term rentals has been placed on a Council agenda three months from now. Chris Hawkins stated it should not be necessary to hire an outside consultant to conduct study on capping short term rentals.

April Orgren, 428 5<sup>th</sup> Ave – Feels one piece of data useful to collect at application is whether the property is a full-time short term rental or part-time short term rental.

Lee Ann Parden, 105 5<sup>th</sup> Ave Ct – Spoke in support of taking time to gather comprehensive data.

Erin Eddy, 319 4<sup>th</sup> St – Spoke in favor of consideration for full-time residents.

Don Wild, 125 6<sup>th</sup> Ave – Expressed support that R-1 be opened up to short term rentals if there is going to be a cap.

Kim Kelly, 835 2<sup>nd</sup> St – Asked what type of enforcement is taking place if short term rental is occurring in the wrong zone. Spoke in favor of capping the number of short-term rentals.

Attorney Carol Viner explained that code enforcement is a complaint driven system. Chris Hawkins stated enforcement will be handled by the Community Development department.

Dolgio Nergui, 226 3<sup>rd</sup> Ave – Would like to see a limit on the number of short term rentals by single entity.

Craig Hinkson, 1980 Oak St – Expressed his concerns that limiting short term rentals discourages new construction. Hinkson also stated his belief that it is a misconception that a cap on short term rentals helps to solve the affordable housing problem.

A vote was taken on the motion and passed unanimously.

**b. Consideration of a fixed encroachment permit for a stone landscape planter, landscaping and fence for the Columbus Building with the encroachment located in the Eighth Avenue Right-of-Way north of Block 9, Lot 13, 740 Main St**

Chris Hawkins explained encroachment permit fees are based on property value. Total for this permit would be \$10,000. The applicant would like to pay \$2,300 up front, with the remaining balance to follow. Hawkins stated Staff is in support of this fixed encroachment permit. City Attorney Carol Viner stated she has not had the opportunity to review this encroachment permit.

Councilor Glanc made a motion to table this discussion until the City Attorney has a chance to review the encroachment permit. Councilor Hilton seconded the motion.

Mike Bazin, 80 4<sup>th</sup> Ave – Asked if proposed encroachment is an increase to the existing encroachment. Hawkins stated this encroachment is less than the previous encroachment.

Greg Nelson, 219 4<sup>th</sup> Ave – Asked if encroachment already exists. Hawkins stated it does exist, but will be repaired and will actually be smaller.

A vote was taken on the motion and it passed on unanimous vote.

## **11. DISCUSSION ITEMS**

**a. Short Term Rental Application Form**

Council and the public in attendance discussed that a single application could apply for multiple units on a single property. Fees would apply for each separate unit.

The application will ask about full time short term rental vs. part time short term rental.

Dolgio Nergui, 226 3<sup>rd</sup> Ave - Stated that all requirements for parking, trash handling, snow removal and all other short term rental regulations should be included in the application packet. Also, a zoning map should be included in application packet.

Ethan Funk, 331 6<sup>th</sup> Ave – Ordinance No. 4 does not address fee structure. This will be addressed in a future ordinance.

Mayor Pro Tem Boyd requested that the minutes reflect that the intent of Ordinance No. 4 is one person per one rental.

**b. Short Term Rental Fees**

Council and attending public discussed that the fee schedule should indicate where incoming application funds should be allocated.

City Attorney Carol Viner explained that Colorado State law requires that fees cannot be designed to increase revenues for government operating expenses, rather fees are set to defray the cost of administration of the program.

Mike Bazin, 80 4<sup>th</sup> Ave – Stated that there are expenses associated with short term rentals that would fall under cost of administration, such as extra trash collection and extra police department involvement.

Craig Hinkson, 1980 Oak St. - reminded Council that the original intent of the short term rental committee was to cover the administration costs of the short term rental program. He recommends that existing short term rental would not be required to pay the higher initial application fee.

**c. Future Agenda Items**

The discussion of whether or not to cap the number of short term rentals will occur in 3 months.

- 12. EXECUTIVE SESSION** - For a conference with the City attorney for the purpose of receiving legal advice on specific legal questions and for the purpose of determining positions relative to matters that may be subject to negotiations, and/or instructing negotiators regarding the City Administrator employment contract, under C.R.S. 24-6-402(4)(b) and (e).

At 8:15 pm, Mayor Pro Tem Boyd made a motion to go into Executive Session. Councilor Glanc seconded the motion and it was approved on unanimous vote.

At 9:00 pm Council went into regular session.

There was discussion regarding two changes to the draft contract as presented which were adding a non-disparagement/confidentiality clause and a minor change to the City vehicle clause.

Mayor Pro Tem Boyd made a motion to approve the draft employment agreement subject to the two changes discussed. Councilor Glanc seconded the motion and it passed on unanimous roll call vote.

The City attorney was directed to make the changes. Council decided there would be an official signing the following Monday at 4:00 pm, with the changes, and a signed version for public release would be available the next day.

**13. ADJOURNMENT**

At 9:09 pm, Councilor Glanc made a motion to adjourn the meeting. Mayor Pro Tem Boyd seconded the motion and it was approved on unanimous vote.

Pamela J. Larson 7-1-19  
Pamela J. Larson, Mayor Date

ATTEST:

Melissa  
Melissa M. Drake, City Clerk