Town of Paonia
214 Grand Avenue
Tuesday, July 28, 2026, 6:30 PM
Board Meeting Minutes

RECORD OF PROCEEDINGS

Mayor Pro-Tem Fischer calls the meeting to order at 6:31 PM.

A) Roll Call

Present:
Mayor Pro-Tem Fischer
Trustee Brown
Trustee Czech
Trustee Foster
Trustee Ostrander

Absent:
Trustee Hunter

B) Approval of Agenda

Mayor Pro-Tem Fischer advised the Board that Action Item 2, the Citizens of a Healthy Community presentation, should be removed because the presenter had a scheduling conflict and would attend the next meeting. No other agenda changes were requested.

Trustee Czech makes a motion to approve the agenda with the removal of the Citizens for a Healthy Community presentation. Seconded by Trustee Ostrander.

The motion carries unanimously.

C) Announcements

Mayor Pro-Tem Fischer recognized and thanked Parks employees Rodney Byrge, Cole Jordan, and Baylee Cowger for their exceptional work maintaining Town parks during Cherry Days and the BMW Rally (Top O' The Rockies).

D) Public Comment

- J. Dervin-Ackerman encouraged the Town to appoint a representative to the One Delta County Board.
- R. Corona comments on microphones and speakers were needed so attendees could better hear meeting discussions.

E) Consent Agenda

Trustee Foster requested clarification from Town Attorney Buchner if she should recuse themselves from the vote on the liquor licenses due to a potential conflict of interest stemming from paid marketing work for both events. Town Attorney Buchner noted that recusal would leave the board without a quorum to make a decision prior to the event's start date. Invoking a statutory exception allowing a trustee to participate when a lack of quorum would otherwise prevent a board decision, the board agreed to proceed after Trustee Foster stated on the record that they could remain unbiased.

Trustee Ostrander makes a motion to approve the Consent Agenda, seconded by Trustee Brown.

The motion carries unanimously.

F) Staff Reports

1) Town Administrator/Treasurer

Interim Town Administrator Sund reported progress on the Western Loop water project, including easement and route adjustments; preparation of a data-center moratorium; closeout of the two-million-gallon tank rehabilitation; and plans to redesign and competitively bid the Lee's Trailer Court water improvements. He also updated the Board on the Town Hall drinking fountain replacement, development of the 2027 budget, potential incentives for properties to connect to the sewer system, grant opportunities to protect Town springs from wildfire, and anticipated capital expenses for Town Hall roofing and computer replacements.

G) Public Hearing

1. Public Hearing to consider an application from the Carl E. Berg Foundation for rezoning of the property located at 218 4th Street, Paonia, CO 81428 from Public District (P) to Community Commercial District (C-2).

Mayor Pro Tem Fischer opens public hearing at 7:05.

Town Clerk Vetter confirms proper notification, and no trustee disclosed a conflict of interest.

Community Development Director Bachran presented the staff report and clarified that no prior denial had occurred and explained that the rezoning and subsequent special-use application were related but required separate consideration. She found that the application:

- would not adversely affect public health, safety, or welfare.
- Was substantially consistent with the Comprehensive Plan.
- Supported the reuse of an underutilized property and development within existing Town infrastructure.
- would not adversely affect neighboring residential or commercial properties.
- Could provide a unique educational and cultural resource for the community.

Staff recommended approval of RZ 2026-001 and reported that the Planning Commission had unanimously recommended approval.

After being sworn in, Andy Thliveris, CEO of the Carl E. Berg Education Foundation, presented the application. He explained that the Foundation intended to purchase one of four school district owned lots and reuse the former vocational technical building as a museum, educational center, community gathering space, workshop and exhibit area, and administrative facility. He stated that the Foundation is a private nonprofit and could not proceed under the property's Public zoning. Because the Town had not adopted a mixed-use zoning district, the applicant considered C-2 the closest available classification consistent with the Comprehensive Plan. He also discussed the property's proximity to the school, park, and Grand Avenue, as well as parking, irrigation, and an existing access easement.

Public Comment:

- N. O'Brien is sworn in and comments in support of the rezoning and stated that the project would reactivate a long-underused building and benefit the neighborhood and community.
- C. Clay, Delta County School District Deputy Superintendent, is sworn in and states that the School District supported the rezoning and its partnership with the Foundation.
- K. Swartz is sworn in and comments in support of the rezoning and stated that the proposed use would benefit the neighborhood and community.
- D. Schevené is sworn in and comments in agreement with previously stated comments.

Community Development Director Bachran added that seven favorable comments had also been received during the Planning Commission proceedings.

The applicant had no further comment.

The Board incorporated the application materials, packet materials, notices, written referrals, public comments, and Planning Commission draft minutes into the hearing record.

Before closing the hearing, the Board questioned the applicant and School District regarding the existing access easement. The applicant and Curt Clay explained that alternate access had been arranged and that the School Board had agreed to the proposed easement changes while retaining necessary access.

Mayor Pro Tem Fischer closes the public hearing at 7:34 PM.

There was no additional Board discussion on the topic.

Trustee Ostrander makes a motion to approve RZ 2026-001 because the rezoning would not adversely affect public health, safety, or welfare and was in substantial conformity with the Comprehensive Plan. Seconded by Trustee Czech.

<u>Voting Aye (5):</u>
Mayor Pro-Tem Fischer
Trustee Brown
Trustee Czech
Trustee Foster
Trustee Ostrander

<u>Voting Nay (0):</u>

The motion carries.

2. Public Hearing to consider an application from the Carl E. Berg Foundation for a special use review permit to allow mixed use of the property, currently under contract to be purchased, at 218 4th Street, Paonia, CO 81428 to be developed as an informal Education & Cultural Center

Mayor Pro-Tem Fisher opened the public hearing at 7:36 PM.

Mayor Pro-Tem Fisher explains the hearing procedures.

Town Clerk Vetter confirmed that proper notice had been provided.

No conflicts of interest or other disclosures were made by members of the Board.

Community Development Director Bachran reviewed the Special Use Review application, explaining that the proposed museum and educational center would include community gathering space, educational and cultural exhibits, workshops, events, collection support, and administrative offices.

Staff noted that the zoning code does not specifically identify museums as a use category but determined that the proposed activities were generally consistent with uses permitted or allowed by special review within the C-2 district. Staff reviewed the applicable Special Use Review criteria and addressed compatibility with the surrounding neighborhood, consistency with the Comprehensive Plan, lighting and dark-sky requirements, landscaping, storm drainage, accessibility, screening, noise, outside storage, and other performance standards.

Parking was identified as the principal issue discussed during Planning Commission review. Staff estimated that comparable uses could require approximately 64 to 102 parking spaces, while the existing main and lower parking areas were estimated to provide approximately 80 spaces combined. Staff reported that traffic and parking had been discussed extensively by the Planning Commission and that the Commission ultimately recommended approval unanimously. Staff also noted that an additional public comment supporting the proposal had been received following the Planning Commission discussion.

Andy Thliveris, applicant and CEO of the Carl E. Berg Foundation, was sworn and presented the proposal as a community-focused project intended to preserve and adaptively reuse the existing building as an educational and cultural center. Potential uses included museum and exhibit space, educational programming, workshops, public events, administrative offices, agricultural-related activities, nonprofit space, and possible future housing for agricultural or museum-related interns.

He emphasized that the Foundation intended to engage the community in determining the ultimate programming and use of the facility and anticipated making a significant investment in renovation while preserving important historic features of the building.

Regarding parking, Mr. Thliveris stated that the Foundation could potentially create 20 or more additional spaces along Fourth Street and could also utilize property approximately an eight-minute walk away with shuttle service if necessary. He stated that the Foundation did not want events to result in excessive overflow parking within the surrounding residential neighborhood.

Mr. Thliveris also discussed preservation of the former gymnasium, including the basketball court, scoreboard, bleachers, and other historic features, for exhibits and community events. He further stated that the Foundation had reached an agreement with the School District concerning access to irrigation water for landscaping and would comply with Town water restrictions and conservation requirements.

Public Comment:

- R. Corona was sworn in and commented in support of the application.

Trustees discussed the historic stage formerly associated with the gymnasium and the possibility of restoring it. The applicant stated that restoration of the stage would be desirable and noted that portions of the original stage infrastructure remained.

In response to questions regarding irrigation, Mr. Thliveris explained that the School District did not intend to transfer specific water shares to the Foundation but had agreed that the Foundation would receive use equivalent to approximately one-third of the available shares. The Foundation would contribute toward annual and capital costs associated with the irrigation system, and provisions were included regarding any future sale of shares.

Trustees also asked about anticipated employment. Mr. Thliveris stated that the Foundation was still developing projections but that preliminary planning anticipated a significant employment impact, with projected total annual salaries approaching $1 million, depending upon how projects were phased.

Trustees questioned the potential capacity and use of the gymnasium. Mr. Thliveris stated that it could serve as exhibit, auditorium, lecture, or event space but that he could not provide a reliable occupancy figure at that time.

No additional public testimony was offered during this Special Use Review hearing.

No additional substantive issues were raised beyond the Trustee questions concerning the stage, irrigation arrangement, projected employment, and potential occupancy and use of the gymnasium.

The Board incorporated the application materials, packet materials, notices, written referrals, public comments, and Planning Commission draft minutes into the hearing record.

Staff also clarified that the correct application number for the Special Use Review was SUR 2026-02.

Mayor Pro-Tem Fischer closes the public hearing at 8:05 PM.

Trustees expressed general support for the proposed reuse of the property and its consistency with the Town's Comprehensive Plan.

Trustee Brown makes a motion to recommend approval of SUR 2026-002, as it does not adversely affect the public health, safety, and welfare of the neighborhood, the use substantially conforms to the 2025 comprehensive plan, and the proposed use meets the review criteria and performance standards as required, as long as it receives favorable determination from the board of trustees. Seconded by Trustee Foster.

<u>Voting Aye (5):</u>

- Mayor Pro-Tem Fischer
- Trustee Brown

- Trustee Czech
- Trustee Foster
- Trustee Ostrander

Voting Nay (0):

The motion carries.

H) Actions & Presentations

1) Presentation of the Audit

The Town's auditors, Jim Hinkle (Hinkle & Company, PC) and Lorraine Trotter (Professional Management Solutions), presented the 2025 audit and reported an unmodified (clean) opinion, with no significant deficiencies, material weaknesses, audit adjustments, disagreements with management, or issues obtaining requested records.

Discussion included the Town's overall financial position, fund balances, enterprise funds, long-term debt, capital planning, and the need for improved long-range financial forecasting and project-level expenditure tracking. Trustees also requested that future audit materials be provided in advance of the meeting when possible.

Public Comment:

- C. Patterson comments on the audit was not included in the meeting packet.
- P. McCarthy comments regarding long-term financial sustainability, personnel costs, inflation, and recession risk, and additional financial modeling.
- S. Yeamans comments on the Town remaining financially viable without grants and loans.
- E. Short comments if the Town is considering contracting the trash service to a private provider.

Board Discussion included whether the Town had sufficient long-range projections for revenues, debt obligations, and future capital needs. Staff stated that short-term finances appeared stable but acknowledged that significant water-system debt and future infrastructure needs would require continued monitoring.

The auditors clarified that the audit primarily evaluates the fiscal year under review and near-term going-concern considerations, while longer-term financial and capital planning is generally handled separately by the municipality.

No motion was required or taken as this item was a presentation only.

2) Citizens of a Healthy Community Invitation - Natasha Leger

Item removed during approval of agenda.

3) Consideration of a Request to Expand the Scope of the Ad Hoc Short-Term Rental Committees Recommendation Work

Staff explained that the Committee requested broader authority to discuss and make recommendations beyond the seven items originally assigned, noting the existing limitations were restricting the Committee's work and ability to attract members.

The Board discussed whether the expansion needed to identify specific additional topics. The consensus was that the request was to remove the existing limitations entirely so the Committee could consider broader short-term rental issues and recommendations, while final ordinance authority would remain with the Board.

Public Comment:

- P. McCarthy comments in support of expanding the Committee's scope and questioned the need for a paid facilitator.
- E. Short comments on the importance of having Committee members with

direct knowledge or experience with short-term/vacation rentals.

- D. Spiegel comments on confusion regarding the Committee's purpose and supported clearer authority to develop broader recommendations.
- C. Patterson questioned the Committee's original purpose and whether its work was tied to grant requirements following repeal of the prior STR ordinance.

Further Board Discussion clarified that expanding the scope would allow the Committee to consider previously submitted ordinance concepts and other recommendations without binding the Board to adopt them.

Staff recommended simply removing the existing limitations.

Discussion then continued regarding the distinction between expanding the Committee's scope and amending/extending the facilitator's contract.

Trustee Ostrander makes a motion to remove the limitations on the STR Committee for recommendations on Short-Term vacation rentals. Seconded by Trustee Foster

The motion carries unanimously.

Trustee Foster makes a motion to extend the meeting to 10:00 PM, seconded by Trustee Brown.

the motion carries unanimously.

4) Extension of Facilitators Contract and Potential Revised Scope

Town Clerk Vetter clarified that the facilitator had originally been retained at the Committee's request and that the contract would need to be amended to reflect the expanded Committee scope and extended timeline.

The Board discussed removing the prior scope limitations from the facilitator's contract and extending the contract through the end of the year.

Public Comment:

No public comment was offered on this item.

No further substantive Board discussion occurred before the motion.

Trustee Foster makes a motion to remove the limitations of the scope from the facilitator's contract and extend it to the end of the year. Seconded by Trustee Ostrander.

The motion carries unanimously.

5) Consideration of Resolution 26-13 Declaring a Vacancy for Mayor of the Board of Trustees

Town Clerk Vetter explained that the Mayoral vacancy would be filled using the same general process as a Trustee vacancy under Town Code. She noted that, unlike the usual two-meeting process, staff recommended moving more quickly because of the importance of the Mayor's role.

The Board asked whether a sitting Trustee could be appointed mayor and then create a trustee vacancy.

Clerk Vetter explained that Town Code requires the vacancy process being presented, although the Code could be amended for future vacancies.

Trustees also confirmed that a current Trustee could apply for the mayoral vacancy if otherwise eligible.

Public Comment:

No public comment was offered.

No further substantive Board discussion occurred before the motion.

Trustee Czech makes a motion to adopt resolution 13-26 Declaring Vacancy for Mayor of the Board of Trustees.

6) Consideration of Approving Resolution 14-26 Meeting Decorum

Interim Town Administrator Sund introduced the resolution and noted minor drafting errors. Trustee Ostrander explained that she requested the item to reinforce existing expectations for Board conduct, respectful interaction, and protection of First Amendment rights.

The Board discussed the importance of maintaining respectful meeting decorum while avoiding actions that could improperly restrict public speech. Discussion emphasized that the Board acts collectively and that individual members do not act independently on behalf of the Board.

Public Comment:

- P. McCarthy comments on public speech, complaints, citizen initiatives, and records matters.

The Board discussed possible processes for addressing citizen complaints and related matters, with interest in revisiting the issue at a future meeting.

Trustee Czech makes a motion to adopt resolution 14-26, seconded by Trustee Brown.

The motion carries unanimously.

7) Consideration of Designating a Primary and an Alternate Member to the Colorado Municipal League Policy Committee.

Interim Town Administrator Sund explained that the Town needed to designate a primary and alternate representative to the Colorado Municipal League Policy Committee.

Trustees discussed interest and availability to serve, with Trustee Czech volunteering as the primary representative and Trustee Weaver as the alternate.

Public Comment:

No public comment was offered.

No further substantive Board discussion occurred before the motion.

Trustee Ostrander makes a motion to appoint Town Clerk Vetter as the primary and Trustee Brown as the alternate to the CML Policy Committee. Seconded by Trustee Foster.

The motion carries unanimously.

8) Consideration of Designating a Back-Up Chair until a New Mayor is Appointed

Town Clerk Vetter and Mayor Pro-Tem Fischer explained the need for a temporary back-up chair was discussed due to the Mayor Pro-Tem's anticipated absence at the next Board meeting and until a new Mayor is appointed. Staff noted that meetings must be chaired by someone physically present.

The Board discussed potential members to serve as back-up chair but could not confirm their availability for the upcoming meeting.

Public Comment:

No public comment was offered.

Town Clerk Vetter suggested contacting Trustees to identify an available volunteer to chair the meeting if needed.

Trustee Brown makes a motion to instruct staff to contact trustees and find the volunteer. Seconded by Trustee Ostrander.

The motion carries unanimously.

9) Consideration of Setting a Special Meeting for August 5, 2026 to select an Executive Search Firm.

Town Clerk Vetter explained that proposals would be scored by the hiring committee and provided to the Board for review and potential selection at a special meeting, allowing the recruitment process to continue promptly.

The Board discussed the recruitment timeline, whether an executive search firm was necessary, and the option of continuing the process while reserving the right not to select a firm.

Public Comment:

- C. Patterson comments supported retaining the Interim Administrator and expedition on the selection of a search firm.
- P. McCarthy comments against spending funds on an executive search firm.

Trustee Czech makes a motion to extend the meeting by 10 minutes (to 10:12 PM). Seconded by Trustee Brown.

The motion carries unanimously.

Trustees clarified that the special meeting would allow review of the proposals and recommendation without obligating the Town to select a firm. The Board agreed on 6:00 p.m. for the meeting.

Trustee Ostrander makes a motion to set a special meeting August 5 for the review and selection potential selection of a executive search firm for administrator at 6:00 PM. Seconded by Trustee Czech.

The motion carries unanimously.

I) Mayor & Trustee Reports

1) Ad Hoc Short Term Rentals Committee

Mayor Pro-Tem Fischer noted STR items were already discussed in this meeting under action items and there was nothing further to report.

J) Adjournment

Mayor Pro-Tem Fischer adjourns the meeting at 10:08 PM.

TOWN OF PAONIA SEAL INC 1902 DELTA COUNTY COLORADO

Samira M Vetter

Samira M. Vetter, Town Clerk

Sheree Fischer

Sheree Fischer, Mayor