

CALL TO ORDER and ROLL CALL

Mayor Warner called the November 11, 2008 Town Council Meeting to order at 7:32 p.m. The following members answered roll call: Mr. Joyce, Ms. McAtamney, Mr. Millisor, Mr. Mamula, Mr. Bergeron, and Mayor Warner. Mr. Rossi arrived at 7:35 p.m.

APPROVAL OF MINUTES – October 28, 2008 Regular Meeting

Several minor typographical errors were noted and with those changes made, Mayor Warner declared the minutes were approved.

APPROVAL OF AGENDA

Assistant Town Manager Kate Boniface requested the addition of an Executive Session. With that addition, the agenda was approved.

COMMUNICATIONS TO COUNCIL

- A. Citizen's Comment - (Non-Agenda Items ONLY; 3 minute limit please) – None
- B. BRC Marketing Proposal – John McMahon presented two proposals to the Town Council. The first was for \$70,000 funding for the Friends Welcome program, with a portion of the allocation for public relations. The second proposal, and the one he strongly urged the Council to consider, was for funding of \$13,000 for Friends Welcome and an additional \$237,000 to supplement marketing. Mr. McMahon described a disturbing trend analysis whereby the Town is losing significant momentum at the important holiday period. December is currently down 12 percent down over last year but competitors are only down about 8%. The trend continues with January down 20 percent and February down 23 percent. Compounding the issue is that competitors are investing 25 percent more in winter marketing. Mr. McMahon said the BRC was grateful for \$67,000 injected into marketing this year and understands the need to cut back on some programs. The additional marketing dollars would be used to fortify brand awareness and promote opportunities. There would be two main messages – one for the holidays and another for special events. He suggested the Town consider expanding the Mardi Gras event in February. They are also looking to public relations and paid marketing opportunities, travel trade and traditional media. The idea is to get the message out now to help bolster winter.

Steve Lapinson, board member and 17-year retailer, explained that his concern over this season has caused him to make business changes such as putting merchandise shipments on hold and increasing the amount spent on advertising to try and get a “bigger piece of a smaller pie.” Through his web store and live web cam, he is partnering with the Town to push his own product and the Town as well. He urged Council to look closely at the BRC proposal. He added that he has great faith in the marketing department and that the Chamber deserves the Council's confidence.

Bruce Horii of Beaver Run believes the numbers are very alarming. Beaver Run is pacing behind previous holidays and Mr. Horii explained that he never worried about Christmas before. He noted that if you “miss the first quarter, you miss the year.” His concern is that once market share is lost, it is very hard to regain, and competition in the market place is very active. Another concern is that once people get used to buying another product, it is hard to get them back. He asked the Council for consideration and believes they have an opportunity to reinvest to help out every one in the long term.

Mike Dudick stated that the marketing committee is committed to transparency and would be judicious in its oversight. He clarified that giving \$250,000 to the BRC is really giving it to the business community; the BRC is only the group that will execute the plan. Mr. Dudick recognizes that this is a potentially catastrophic time and it may be time for the Town to spend some of its fund balance and reinvest in the community.

Council asked many questions and raised concerns including: how much bookings were down; expectation for last minute bookings; confidence in getting the message out fast enough to start recovery to make up the gap; interest in dropping rates, but caution over becoming a discount resort; need to monitor results; focusing on overnight occupancy; potential to lose market share; being sensitive to rates; recognition that the competition is getting more sophisticated; ability to regain 50 percent of revenue; metrics; effect on the budget discussion; concern that this request is being made because the town has a fund balance; and the idea of partnering with other businesses in the community.

After discussion, the Council members unanimously agreed to proceed with Proposal 2, commenting that: it was the right thing to do; there is a need to try to generate some revenue, but cautioned that withdrawing money from the general fund is not a sustainable idea – the issue needs to be addressed; recognition that this is a different year and financial time and will support for this year; okay with the amount requested and trusts the BRC and Board; would like to see larger lodging companies help with the project; and would like to see more businesses join the BRC. Mayor Warner thanked those who turned out for the discussion.

CONTINUED BUSINESS

- A. ***SECOND READING OF COUNCIL BILL, SERIES 2008 - PUBLIC HEARINGS*****
NONE

NEW BUSINESS

- A. ***FIRST READING OF COUNCIL BILL, SERIES 2008***

1. Council Bill No. 42, Series 2008- AN ORDINANCE SETTING THE MILL LEVY WITHIN THE TOWN OF BRECKENRIDGE FOR 2009

Town Attorney Tim Berry explained this ordinance sets the annual mill levy as required by law. For 2009, the proposed mill levy is 7.51 mills, a slight reduction from 7.52 in 2008.

Mr. Millisor moved to approve Council Bill No. 42, Series 2008. Mr. Bergeron seconded the motion. Mr. Mamula stated that he would be voting the same as he did last year because he did not agree with the mill levy increase last year. There was then general Council discussion on the pros and cons of increasing the mill levy that was previously authorized to pay off the Rec Center debt, thereby freeing up general fund money to fund childcare. Other comments: Breckenridge property taxes are low compared to the rest of the state; the town should have been using the mill levy all along to pay for the debt, rather than paying for it out of the general fund; and, there could be consequences when the county or schools ask for tax increases. Mayor Warner closed the discussion noting that the debt will be retired in 2013 and that the Council continues to receive kudos from the childcare community. The motion passed 5-2, with Mr. Mamula and Mr. Rossi voting "no."

B. RESOLUTIONS, SERIES 2008

1. A RESOLUTION RATIFYING AND APPROVING A REAL ESTATE OPTION AGREEMENT BETWEEN THE TOWN OF BRECKENRIDGE, THE BOARD OF COUNTY COMMISSIONERS OF SUMMIT COUNTY, AND THE BRILL FAMILY TRUST (Parcel A, Quandary Village Subdivision #1 and Lots in Valley of the Blue Subdivision)

Town Attorney Tim Berry explained that this resolution if adopted will ratify the Town Manager's signature on an option agreement to purchase open space parcels. He noted that several contingencies are built into contract.

Mr. Bergeron moved to approve A Resolution Ratifying and Approving a Real Estate Option Agreement between the Town of Breckenridge, The Board Of County Commissioners Of Summit County, And The Brill Family Trust (Parcel A, Quandary Village Subdivision #1 And Lots In Valley Of The Blue Subdivision). Mr. Mamula seconded the motion. The motion passed 7-0.

OTHER

A. Public Hearing – 2009 Budget

Ms. Boniface informed that this is the first of two public hearings on the budget and provided an overview of the proposed budget. General fund expenses are budgeted one percent below 2008 despite rising fuel, utility and labor costs; the overall excise tax fund revenue is projected down just over three percent; marketing and special projects have been reduced; and capital projects have been reduced to basic maintenance only. Core services are being maintained; no expansion of services or new staffing is proposed; and two positions have been eliminated. The Town continues to maintain a "rainy day" fund and funds to cover all debt; the water fund is in good shape with revenue covering expenses; and housing and childcare have dedicated revenue. In closing, Ms. Boniface added that staff has worked hard to present a balanced budget for 2009.

Mayor Warner asked for any comments from the public. There were none and Mayor Warner closed the public hearing.

PLANNING MATTERS

A. Planning Commission Decisions of November 4, 2008

With no requests for call up, Mayor Warner stated the Planning Commission decisions of the November 4, 2008 meeting would stand as presented.

B. Report of Planning Commission Liaison

No report.

REPORT OF TOWN MANAGER AND STAFF

Ms. Boniface will bring back revised budget numbers before the next public hearing on the budget. Council requested that the marketing request be handled as a special appropriation.

REPORT OF MAYOR AND COUNCILMEMBERS

A. CAST/MMC– Mayor Warner reported on the recent CAST meeting in Vail. Rob Katz spoke about why Vail Resorts dropped out of Ski Country USA. There was discussion about Telluride's plastic bag challenge; further details about the program are forthcoming.

B. Breckenridge Open Space Advisory Commission– Mr. Rossi reported on the meeting the previous night including a discussion of the overall master plan for the French Gulch area; small trailhead parking lot to be developed in 2009; access point issues; and how to widen the road to make it safer for bicyclists and pedestrians.

C. BRC - Mr. Bergeron reported on the meeting two weeks' ago where the same issues as presented tonight were discussed and added that he sees a very positive change in the BRC.

D. Summit Combined Housing Authority - Ms. McAtamney previously sent her report to council.

E. Breckenridge Heritage Alliance - Mr. Joyce reported the meeting is tomorrow.

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F. **Peak 6 Task Force** - Mr. Rossi reported on social service statistics. Forty-two percent of food bank assistance is for workers in the resort service industry, followed by day laborers at 34 percent. Many seasonal workers are at the federal poverty level. The ski area restaurant is looking at potential employment of 60 people and mitigation is being considered. There was further discussion about the community care clinic and the fact that it does not cover catastrophic events; housing pressures; overcrowding in rental units, and the influx of seasonal workers from South America. The next step is the capacity discussion.

OTHER MATTERS

Ms. McAtamney reminded Council about the Little Red/Carriage House hockey event on Sunday, and tried to recruit broomball goalies. She also requested staff look at providing a safe sidewalk along the north side of the Theobald building during construction.

SCHEDULED MEETINGS

Council was reminded of the Recognition Reception taking place tomorrow night.

EXECUTIVE SESSION

At 9:12 p.m., Mr. Mamula moved to convene in Executive Session pursuant to Paragraph 4(a) of Section 24-6-402, C.R.S., relating to the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; and Paragraph 4(e) of Section 24-6-402, C.R.S., relating to determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations; and instructing negotiators. Mr. Rossi seconded the motion. The Mayor restated the motion and a roll call vote was taken. The motion passed unanimously.

Mr. Mamula moved to adjourn the Executive Session at 9:31 p.m. Ms. McAtamney made the second. The motion passed unanimously

ADJOURNMENT

With no further business to discuss, the meeting adjourned at 9:31 p.m.

ATTEST:

Mary Jean Loufek, CMC, Town Clerk

John Warner, Mayor