

CORTEZ CITY COUNCIL
REGULAR MEETING
TUESDAY, FEBRUARY 24, 2026

1. The meeting was called to order in the City Council Chambers at 7:35 p.m., with the Pledge of Allegiance. Roll Call was taken and the following Councilmembers were present: Mayor Rachel Medina, Mayor Pro Tem Dennis Spruell, Matthew Keefauver, Bill Lewis, Robert Dobry, Lydia DeHaven, and April Randle. Staff present included: Municipal Court Clerk Carla Odell, Chief of Police Vernon Knuckles, Director of General Services/Interim Director of Public Works Casey Simpson, Refuse/Recycling Superintendent Colby Early, IT Director Jay Rohrer, Parks and Recreation Director Creighton Wright, Finance Director Randy Bailey, Interim Community and Economic Development Director/City Planner Jason Armstrong, Community and Economic Development Specialist Helen West, Library Director LeRoy Harris, Airport Director Jeremy Patton, Human Resources Director Matt Cashner, City Clerk Danielle Wells, City Manager Drew Sanders and City Attorney Patrick Coleman. There were 13 members of the public present in the audience.

Councilmember Lewis moved that Council approve the Agenda as presented for February 24, 2026. Councilmember Dobry seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

2. CONSENT AGENDA

- a. Approval of the minutes for the City Council meeting on February 10, 2026.
- b. Approval of the Expenditure List for February 24, 2026.
- c. Approval of Hotel and Restaurant Liquor License for Stonefish Sushi Management, LLC, DBA Stonefish Sushi, located at 16 West Main Street, Cortez.
- d. Approval of a Special Event Permit to allow The Cortez Area Chamber of Commerce to host an event on March 12, 2026, from 5:00-9:00 p.m., on the premises of 20 W. Main Street, Cortez.
- e. Approval of Hotel and Restaurant Liquor License for The Farm Bistro Cortez LLC, DBA The Farm Bistro, located at 34 West Main Street, Cortez.

Councilmember Dobry moved that Council approve the Consent Agenda. Councilmember DeHaven seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. PUBLIC PARTICIPATION

James McGinley asked whether the City of Cortez has a comprehensive financial plan, requesting clarification on whether such a plan exists. Charles Borchini questioned why excess collected revenues cannot be used to repair the south softball fields and why the incoming council cannot make decisions about taxes or changes instead of the current Council.

4. PRESENTATIONS: None ♦

5. PUBLIC HEARINGS

a. Ordinance No. 1359, Series 2026 presented by Drew Sanders, City Manager

The council held the second reading of an ordinance to implement a TABOR-required refund of a portion of Family Recreation Center sales tax revenue collected between 2022 and 2025, with City Manager Drew Sanders explaining that an overcollection issue—identified in September 2025 but originating from a 2018 ballot measure—requires a three-step correction process. He noted that the first step, correcting the tax rate going forward, was completed with Ordinance 1350, and that TABOR prohibits the City from retaining the excess funds, which may only be used for bond payments and facility maintenance. Sanders outlined the second step of determining the exact overcollection amount and establishing a refund plan, which, if this ordinance is passed, will be carried out through a City sales tax holiday from October 18 through December 31 of this year. This is designed to maximize benefit to local residents and businesses while ensuring the full refund obligation is met. The holiday applies only to the City's 3.85% sales tax and not the other tax districts in the area. The regular tax rate will resume normal collection on January 1, 2027. He acknowledged the burden placed on businesses and emphasized the City's commitment to supporting point-of-sale systems, coordinating public outreach with local chambers and CREA, and maintaining clear communication throughout the process.

The public comment period was opened. Carly Wolf asking whether the sales tax holiday would also remove the City's portion of tax from dispensary sales, and staff confirmed that it would. Another community member who did not share her name, asked which items are subject to City sales tax, whether the over collected funds could be redirected to recreation projects such as softball and baseball, whether de-brucing could apply to this situation, and whether voters could repurpose the funds through a ballot initiative. Staff and City Attorney Patrick Coleman explained that TABOR strictly prohibits using previously collected revenue for any purpose other than refunding it, and that de-brucing would only apply to future collections. The public comment portion of the hearing was closed.

Councilmembers acknowledged the community's desire for park and recreation funding but reiterated that this ordinance cannot address those needs, noting that future councils will need to prioritize such projects through the yearly budget process that occurs each fall. Staff clarified that the tax holiday applies only to the City's 3.85% sales tax, that taxable items follow existing code definitions, and that businesses can contact the Finance Department with operational questions as the City works to make implementation as simple as possible. Councilmembers expressed appreciation for staff's work in crafting a fair refund mechanism, recognized the burden placed on businesses, and noted that although the timing is difficult given underfunded parks and deferred maintenance, the tax holiday is the only practical solution under TABOR.

Councilmember Lewis moved that Council approve, on second and final reading, Ordinance 1359, Series 2026, an ordinance amending Section 9-26 of Chapter 9, Article II, Division 3 of the Cortez City Code by enacting subsection (C) in order to effect a TABOR refund of a portion of the Family Recreation Center Sales Tax Revenue that was collected by the City in 2022 through 2025. Councilmember DeHaven seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

b. Ordinance No. 1356, Series 2026 presented by Jeremy Patton, Airport Director

Airport Director Jeremy Patton reported that Cortez Real Estate Holding Company LLC is prepared to break ground on North Lot 9 after staff contacted all individuals on the hangar waitlist, several of whom deferred, were not ready, or did not respond. CRE has worked with a contractor over the past six months to design a 70'x80' (approximately 6,000 sq. ft.) hangar with apron access, occupying a total leased area

of about 9,500 sq. ft., which is the final available site on that side of the property. The lease rate is \$0.45 per square foot, generating \$3,206 in revenue from March through December 2026 and approximately \$4,275 annually thereafter, with future adjustments tied to CPI. The applicants were present in the audience. The public comment period was opened; no input was received, and this portion of the hearing was closed.

Councilmember Randle moved that City Council approve on second and final reading, Ordinance No. 1356, Series 2026, an ordinance approving a 40-year Land Lease Agreement between the City of Cortez and Cortez Real Estate Holding Company LLC, for the purpose of hangar construction on Hangar Lot N9. Councilmember Spruell seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

- c. Resolution No. 5 Series 2026 presented by: Jason Armstrong, Interim Director of Community & Economic Development/City Planner

The Council held a public hearing on a Conditional Use Permit for a religious land use and a Special Exception for off-street parking at 28 East Montezuma Street. Interim Community & Economic Development Director Jason Armstrong explained that the Catholic Church is consolidating lots and rebuilding after demolishing the building 40 E. Montezuma. Staff recommended the CUP to the applicant to provide flexibility during the permitting process of the new building. A fire inspection determined that if the maximum occupancy was reached across each building, which is unlikely to occur, 125 off-street parking spaces would be required. The site currently provides about 20 spaces, including ADA parking. The church has operated since the early 1900s without reported neighborhood complaints and surrounding streets have historically accommodated peak parking demand. Staff recommended approval and the Planning and Zoning Commission unanimously supported the request. The applicant was present for the hearing. The public comment period was opened; no input was received, and this portion of the hearing was closed.

Councilmember Lewis moved that the City Council approve Resolution No. 5, Series 2026, a resolution approving the conditional use permit and special exception for a religious use on property located at 28 East Montezuma Street, zoned Single-Family 1 (R-1), through City Council Resolution No. 5, Series 2026 with the condition as stated in the resolution. Councilmember DeHaven seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

6. UNFINISHED BUSINESS: None

7. NEW BUSINESS

- a. Resolution No. 7, Series 2026 presented by Jason Armstrong, Interim Community & Economic Development Director/City Planner

City Council was informed that Resolution 2, Series 2026 contained an incorrect project description for the 2026 CLG grant. The resolution referenced archaeological survey work from prior years instead of the actual 2026 project, which is to inventory eight commercial properties and four schools. Staff submitted the grant application with the correct scope by the February 20 deadline and requested approval of Resolution 7, Series 2026 to formally amend and correct Resolution 2.

Councilmember Dobry moved that City Council approve Resolution No. 7, Series 2026, a resolution amending Resolution 2, Series 2026. Councilmember Keefauver seconded the motion and the vote was

as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

- b. Ordinance No. 1357, Series 2026 presented by Jason Armstrong, Interim Community & Economic Development Director/City Planner

City Council previously adopted Ordinance 1354, Series 2026, designating the building at 245 East Montezuma Avenue as an historic resource. It was later determined that the ordinance listed an incorrect legal description. The ordinance identified the property as Lots 5–6, but the correct legal description is Lots 1–2, Block 4, Coffins Addition. An amendment is needed to correct the record.

Councilmember Dobry moved that the City Council approve, on first reading, Ordinance No. 1357, Series 2026, amending Ordinance No. 1354, Series 2026, and set for second reading and a public hearing on March 10, 2026. Councilmember DeHaven seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

- c. Ordinance No. 1358, Series 2026 presented by Jason Armstrong, Interim Community & Economic Development Director/City Planner

City Council previously adopted Ordinance 1355, Series 2026, which designated the buildings at 410 East Empire Street as historic resources. It was later determined that the ordinance listed an incorrect legal description. The ordinance will need to be amended to reflect the correct description: Section 23, Township 36, Range 16, County of Montezuma, State of Colorado.

Councilmember Dobry moved that the City Council approve, on first reading, Ordinance No. 1358, Series 2026, amending Ordinance No. 1355, Series 2026, and set for second reading and a public hearing on March 10, 2026. Councilmember DeHaven seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

- d. Ordinance No. 1360, Series 2026 presented by Randy Bailey, Finance Director

The amendment to the 2026 adopted budget reflects updated financial information now available as FY2025 results are being finalized. Finance Director Randy Bailey outlined several adjustments driven by new grant awards and unused 2025 appropriations. Key additions include grants from the LOR Foundation for library youth programming, LPC Fast Track funding for a housing coordinator and AI pilot, an EPA Brownfield grant for airport asbestos abatement, an unbudgeted existing golf course maintenance personnel, and a DOLA water grant supporting the water distribution network master plan. Surplus FY2025 Equipment Fund revenue will fully fund the water truck replacement. Unused 2025 appropriations in the Street Improvement Fund will carry forward to complete repairs on 2nd, Pine, Oak, and 7th Streets, as well as Phase 2 of the Montezuma–Sligo drainage project, which is affected by pavement material shortages. Unused Water Fund appropriations will also carry forward to meet remaining project needs. The total supplemental appropriation request is \$676,117, funded primarily through grants, unused 2025 funds, and a limited draw on reserves. The net impact to FY2026 reserves is \$46,000, with all other adjustments covered by external or prior-year sources.

Councilmember DeHaven moved that City Council approve, on first reading, Ordinance No. 1360, Series 2026, an ordinance amending the 2026 budget as stated in the Ordinance, and set for second reading and a public hearing on March 10, 2026. Councilmember Dobry seconded the motion and the vote was as

follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

- e. Intergovernmental Agreement (IGA) with the Town of Dolores for Waste and Recycling Services presented by Casey Simpson, Interim Director of Public Works

The Town of Dolores identified a gap in local waste and recycling services and approached the City of Cortez to explore a partnership. An Intergovernmental Agreement (IGA) outlines Cortez's provision of curbside trash collection, free recycling, limited backhaul services, and access to dumpsters as a satellite operation separate from Cortez's primary system. The agreement is intended to improve service efficiency, reduce costs, and support regional environmental goals while maintaining Cortez's regulatory priorities. Cortez will incur minimal startup costs, with household fees set at \$31.75 per month, though an initial short-term fiscal impact of \$10,000–\$15,000 is expected as the service launches. Long-term financial effects are projected to be positive due to anticipated reimbursements from Colorado's Extended Producer Responsibility (EPR) program which could generate \$10,000–\$50,000 annually. Over time, the partnership is expected to yield annual savings, strengthen regional recycling standards, expand access to state funding, and support landfill longevity and sustainability efforts across Montezuma County.

Councilmember Keefauver moved that Council approve the IGA between the City and the Town of Dolores for Waste and Recycling Services and authorize the Mayor to sign the IGA on behalf of the City. Councilmember Lewis seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

8. DRAFT RESOLUTION/ORDINANCES: None

9. CITY ATTORNEY'S REPORT: None

10. CITY MANAGER'S REPORT:

- City Manager Drew Sanders attended the CML Legislative Workshop in Denver on Thursday, February 19, 2026 and the CML Policy Committee meeting on Friday, February 20, 2026.
- The first community outreach session for the four Cortez Charter ballot questions will take place this Thursday, February 26, 2026 at the Cortez Chamber of Commerce, 20 W. Main St., Cortez, CO. This will be an informational meeting for anyone who has questions regarding the charter amendments.
- Interviews for the Cortez Airport Director are slated for Friday, March 6, 2026. A community Meet & Greet is scheduled for Thursday, March 5, 2026 from 5:30 – 6:30 p.m. at City Hall, 123 Roger Smith Ave. in Council Chambers.

11. CITY COUNCIL COMMITTEE REPORTS

- a. Mayor's Report on Workshop/Special Meeting: Conducted an executive session for City Attorney Patrick Colman's annual review.
- b. Other Board Reports
 - i. Golf Advisory Committee – The committee met on February 20 at 9 a.m., where they finalized the Golf Area Survey to gather improvement feedback and reviewed the committee's annual plan. Weather permitting, the driving range will open February 28, and the course is scheduled to open March 6.

12. PUBLIC PARTICIPATION: None

13. OTHER ITEMS OF BUSINESS: None
14. The meeting was adjourned at 8:37 p.m.



Dennis Spruell, Mayor Pro Tem

ATTEST:



Danielle Wells, City Clerk