



Town Hall - 551 Hot Springs Blvd.
Pagosa Springs, CO 81147

MINUTES

Pagosa Springs Area Tourism Board Meeting
October 6, 2025 @ 4:00 PM

A regular meeting of the Pagosa Springs Area Tourism Board was called to order on October 6, 2025, at 4:00 PM in the Town Hall - 551 Hot Springs Blvd. .

BOARD PRESENT: Board Member Johnson, Board Member Lucero, Board Member Dufour, Council Member Williams, Shane Prince, Sarah Mashue, and Board Member Ranson

BOARD ABSENT: Board Member Marchand and Board Member Scull

1. REMOTE PARTICIPATION – The public is highly encouraged to join via Zoom conference call as space is limited in the meeting room

Join Zoom Meeting By Computer - <https://zoom.us/j/84965276510>
Dial by Phone - 1-669-900-6833 US - Meeting ID: 849 6527 6510

I. CALL MEETING TO ORDER

II. PUBLIC COMMENT – *Please sign in to make public comment*

1. **No public comment.**

III. OLD BUSINESS

1. 2026 Budget Discussion

Town Manager David Harris thanked the Tourism Board for coming to the meeting. The budget is balanced structurally, is conservative and responsible, follows financial policies, maintains current service levels, and focuses on priorities. With this process we will establish the tax rate and fee schedule, sustain operations, and fund capital projects in line with Council goals and objectives. Town Council went through strategic planning in march and came up with Vision 2050: We are an engaged community with access to natural spaces, opportunities for sustainable growth and respect for our heritage. The Vision 2050 Priority Goals: cultural infrastructure with inviting spaces, downtown is the center of gravity, residents are involved in Town's activities and direction, necessary infrastructure, growth is planned, sustainable, and beneficial to our residents. For Goals and Objectives, the Sanitation District is the top priority along with workforce housing, traffic management/parking/road maintenance, parks and trails, and geothermal system. The proposed budget and discussions include not only the budget but also capital improvements, the mill levy tax rate, fee schedule, holiday schedule, and financial policies. We are looking at a 2.7% COLA for all staff and a 1% Longevity, additional CRA match of 1% or 0.5% for FPPA, and 8% health insurance rate increase. So, Town Contribution for Police is 16% and all other staff 16.2%. Budget Highlights include the US 160 Construction project, sewer system upgrades and repairs, streets overlay and chip seal, two patrol vehicles, Town Hall security items, AC units and transfer switch for Community Center, river access improvements, Yamaguchi park irrigation, 1st St Pedestrian bridge, East Gateway Park, broadband management, IT, equipment, computers, radios, tasers. For 2026 All Funds Budget total proposed revenues are \$17,414,619 and expenses are \$22,107,837. In 2025 the expenses and revenues were both estimated around \$24 million. The majority of expenses in 2025 and 2026 has to do with the CDOT Reconstruction project. We are pulling money out of our savings because the expenses are higher than the revenue but we always try to maintain our 3% operating reserve and

whatever is left over will be our capital reserve. The budget does not include the upcoming vote. Lodgers Tax is about 9.4% of the total budget. The 2026 Lodgers tax revenue is \$1.66 million. The Tourism Admin budget shows an increase of \$210,976 due to benefits previously discussed, visa transaction data, blue room research, and board insurance increase. The Tourism Marketing budget shows a decrease of \$88,884 because some of the items that used to be in this budget were move into Tourism Admin. It also includes salary and benefit increases, website upgrades, adding AI tool, \$250k for Main St Downtown construction, downtown shuttle and transit app. For the Visitor Center budget we see an increase of \$7,855 for software cost increases. Director clarified iDSS was moved to VC expenses. The town is investing about \$7.7 million for the construction project including fire hydrants, sewer and geothermal lines, street lights, engineering, sidewalks, temporary parking lots and signage, toilets, etc. We put away money knowing these projects were coming but things have come with a much higher price tag. We have a deficit of about \$1.8 million. One option would be to pull a loan but we are holding off on pulling that trigger until after this election. There are many costs we are covering from the capital fund and general fund to pay for sanitation. If the vote passes we will replenish or pay off those loans to those other funds and make up some of that deficit. Most of the expenses are showing in 2025 because most of the utilities are on the North side of the road. There will be another budget workshop tomorrow, another one with public hearing 10/21/25, and 11/6/25 will be a special council meeting for public hearing and adoption and budget goes into effect 1/1/26.

Board Member Prince asked if we are being asked to approve a \$36,000 deficit? What are we looking to accomplish? Town Clerk Hessman answered with the changes in insurance, salary and match increases and wayfinding it is a deficit of \$64,470. You are budgeting to spend that much more than your revenues but we are estimating to carry over \$1.6 million. So the fund balance to start with is \$1.6 million and you will still end with \$1.58 million. When we do budgets you can't spend more than what you have in fund balance + revenues - expenditures so your ending balance needs to be more than zero and yours is \$1.58 million at the end of 2026. We also have a 3 month operating reserve which is approximately \$430,000. You won't know what your revenue is until you get further into the year. We budgeted to end 2025 with \$1.1 million and we are actually estimating to end with \$1.6 million based on more revenue and a little less expenditures. So it is not uncommon to approve a budget that spends into those carryover funds. Rep John Ranson asked if that includes the \$500,000 set aside for the multipurpose pavilion? April answered, no, those funds are in a trust fund set aside for a future event venue. Board Member Mashue asked about the amount of blue room research increasing by \$5,000 since the last meeting. Director said the amount of \$30,000 on the spreadsheet at the last meeting was incorrect. She got the invoice and it is \$35,000 which is the amount approved by Town Council last year.

Council Member Williams moved to approve the 2026 Lodging Tax Budget Shane Prince seconded.

Carried.

IV. NEXT TOURISM BOARD MEETING NOVEMBER 5th AT 4:00 PM

V. ADJOURNMENT