

CITY COUNCIL WORKSHOP SUMMARY
January 13, 2020

Meeting Convened: 5:35 p.m. in the City Hall Auditorium

Meeting Adjourned: 7:27 p.m.

City Councilmembers present: Kraig Andrews, Chuck McDaniel, Phyllis Norris, Phil Pe'a, Anna Stout, Duke Wortmann, and Mayor President Rick Taggart.

Staff present: City Manager Greg Caton, City Attorney John Shaver, Finance Director Jodi Romero, General Services Director Jay Valentine, Senior Assistant to the City Manager Greg LeBlanc, and City Clerk Wanda Winkelmann.

Mayor Taggart called the meeting to order.

Agenda Topic 1. Discussion Topics

a. Transportation Expansion Debt Discussion

On November 5, 2019, City voters authorized the City to issue debt for transportation expansion projects. D.A. Davidson is the City's underwriter and in coordination with staff has developed a financing and debt issuance plan.

The financing and debt issuance plan takes advantage of historically low interest rates by refinancing the City's current Riverside Parkway 2012 Bonds and issuing new debt for the first phase or \$50 million (of a total \$70 million) in expansion projects.

Kyle Thomas Senior Vice President, D.A. Davidson provided a summary of the next steps and noted that the ratings will be published tomorrow. The City of Grand Junction is in the top-tier of municipalities in terms of its rating. The existing debt service structure for the Riverside debt are between 4.5-5%.

The next step is for this item to be formally considered by City Council at the January 15 Regular City Council meeting.

b. Vending Machine Tax Policy Discussion

On November 29, 2019, the City received a request to reinstate an ordinance exempting from City sales tax certain foods sold from coin operated machines also referred to as vending machines. Approval of the ordinance would align the City's tax rules for sales through vending machines with the State of Colorado and Mesa County.

In February 2014, City Council adopted Ordinance 4621 which temporarily amended the City's Sales and Use Tax Ordinance to exempt from City sales tax certain food products sold through "money operated machines", also known as vending machines. The ordinance included a sunset of three years to allow City Council the option of making it permanent or taking no action which resulted in the expiration of the exemption.

Currently the City requires City sales tax to be charged on all sales (greater than 15 cents) through coin operated machines.

The State and County exempt food sold through coin operated machines. The State and County do not consider the following items food, and therefore are subject to State and County tax when sold through vending machines:

- Carbonated Water
- Soft Drinks
- Chewing Gum
- Candy
- Prepared Salads
- Packaged and Unpackaged Cold Sandwiches
- Hot or Cold Beverages Served in Unsealed Containers or Cups

Recently the City Council adopted standardized definitions that are consistent with the State's definition of food and non-food items such as candy and soft drinks which will be helpful should the Council choose to reinstate the exemption. Reinstatement would exempt from City sales tax certain foods sold through coin operated machines, however, the above items, which are commonly sold in that manner, would still be subject to City sales tax. Because the type of items sold from vending machines are not differentiated on sales tax returns, it is difficult to estimate lost revenue from reinstating this exemption. Total sales tax revenue from the Vending Industry is estimated at approximately \$9,000 per year.

Support was expressed for an ordinance to be placed on the January 15 agenda that would align the City's definitions of food with Mesa County and the State.

c. Holiday Parking Program in Downtown

DDA Executive Director Brandon Stam provided an overview of the program. The City of Grand Junction and Downtown Grand Junction implemented a holiday parking program in 2017 in order to prevent challenges that were occurring from free parking that had historically occurred during the holidays. The new program entailed all parking parameters being enforced, however 50% of the fee revenue collected from parking meters from Thanksgiving through New Year's Day, including the ground floor of the parking garage, was donated to United Way of Mesa County. This recommendation continued into 2018 and is the same approach implemented this holiday season between November 27 and December 31, 2019.

Discussion ensued about how United Way was selected as the agency to receive the proceeds and the possibility of creating an application process so that those organizations whose work benefits downtown could apply for an award. It was suggested that the DDA accept the applications and make the award.

Mr. Stam will discuss this option with the DDA Board. Mr. Caton noted that the proceeds collected in 2019 will still go to the United Way and this new process will begin with the 2020 holiday season.

d. City Council Policies

Mr. Caton noted that City Council has three policies (Agenda, Travel, and Proclamation Process) and tonight's discussion will focus on what changes, if any, Council would like to make to the policies. Recent inquiry by some members of Council about finalizing these drafts has initiated this discussion. These draft policies guide the actions of City Council and provide a framework for efficient communication with citizens and City staff.

The current travel policy permits Council members to attend two national conferences per year. It was noted that, if every member of Council did attend two national conferences per year, the annual travel budget of \$17,000 would be exceeded. Support was expressed for changing the policy to state that any travel over \$1,000 would be reviewed with the City Council, and travel shall not exceed what has been budgeted. It was suggested that the last paragraph in the policy regarding Councilmember informing staff of their work schedules, business trips, and vacations be moved to a different policy.

The agenda policy was discussed, particularly the procedure about placing an item on the agenda. It was noted that the Agenda Committee may place or remove an item on the agenda, or at least four members of Council may direct the City Manager to place an item on the agenda. It was suggested it would be helpful to discuss possible agenda topics at the end of a workshop. This time could also be used to discuss board reports. City Manager Caton will bring back suggested changes to the workshop agenda to facilitate this discussion.

City Council noted they support the Proclamation process policy as presented in the agenda materials regarding requests for proclamations and the designation of proclamations as either civic or social. Civic proclamations (those which pertain to holidays or issues of local significance) are read and presented at City Council meetings and one representative is designated to receive the proclamation. The preferred number of civic proclamations read at a meeting is no more than three. Social proclamations are those which pertain to awareness issues or topics championed by service clubs. These proclamations are mailed to the requester or issued at the event.

It was suggested it would be helpful for City Council to brainstorm those policies that Council should consider.

Agenda Topic 2. Next Workshop Topics

City Manager Caton noted the topics for the February 3 Workshop are updates on recycling and a presentation from Colorado West Land Trust.

Due to Presidents Day, the February 17 Workshop is canceled.

3. Other Business

Discussion ensued about:

- A possible future conversation with Catholic Outreach. Mayor Taggart will follow up with a phone call to Sister Karen.
- The benefits of providing board reports via email vs. an oral report at a Workshop.
- The role of a Councilmember who is a voting member of a board and whether their actions are based on their position as a member of City Council or as a member of the board.

Adjournment

The Workshop adjourned at 7:27 p.m.