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**CITY COUNCIL AGENDA
MONDAY, APRIL 6, 2020
250 NORTH 5TH STREET
6:00 PM – SPECIAL MEETING – CITY HALL AUDITORIUM**

To become the most livable community west of the Rockies by 2025

Call to Order, Pledge of Allegiance, Moment of Silence

REGULAR AGENDA

If any item is removed from the Consent Agenda by City Council, it will be considered here.

- 1. Other Action Items**
 - a. An Emergency Ordinance to Make a Supplemental Appropriation of \$500,000.00 from the City General Fund Reserve to Support the City's #GJSTRONG Fund in the City of Grand Junction, Colorado
- 2. Adjournment**



Grand Junction City Council

Regular Session

Item #1.a.

Meeting Date: April 6, 2020

Presented By: Greg Caton, City Manager

Department: City Manager's Office

Submitted By: Jodi Romero

Information

SUBJECT:

An Emergency Ordinance to Make a Supplemental Appropriation of \$500,000.00 from the City General Fund Reserve to Support the City's #GJSTRONG Fund in the City of Grand Junction, Colorado

RECOMMENDATION:

Staff recommends adoption of the ordinance.

EXECUTIVE SUMMARY:

The purpose of this item is to adopt an emergency ordinance for expenditure for the expenses related to providing basic needs of food and shelter.

BACKGROUND OR DETAILED INFORMATION:

On March 10, 2020, Governor Polis issued an Executive Order declaring a State of Emergency in response to the novel coronavirus of 2019 (COVID-19) pandemic

On March 13, 2020 President Trump declared a national emergency in response to the COVID-19 pandemic.

On March 23, 2020 the Grand Junction City Council declared a local emergency due to the health and economic impacts of the COVID-19 pandemic.

Pursuant to the local declaration of emergency, and by and with this Ordinance, the City is authorized to assist persons impacted by complying with the Federal, State or local public health official's imposition or recommendation of social distancing, self-

quarantine, business closures and other measures related to COVID-19 that have direct and indirect impacts on business and economic conditions.

The temporary assistance afforded by this ordinance includes the creation of an emergency fund (“#GJSTRONGFUND” or “Fund”) in the City’s budget for expenditure for the expenses directly and indirectly related to providing basic needs of food and shelter, in collaboration with the Western Colorado Community Foundation (“WCCF”) in the City of Grand Junction.

FISCAL IMPACT:

This supplemental appropriation adds \$500,000 to the General Fund 2020 budget and creates an emergency fund for expenditure for the expenses directly and indirectly related to providing the basic needs of food and shelter in collaboration with the Western Colorado Community Foundation (“WCCF”) in the City of Grand Junction.

The 2020 financial impact for the City of Grand Junction from the COVID-19 pandemic has been analyzed by estimating the net impact to the General Fund Reserve based on reduced revenues due to the economic crisis and corresponding reduction in expenses based on spending measures implemented by the City organization. The impact is based on current information and is calculated using minimums and maximums to anticipate a range of potential impact as follows. Note that this analysis does not include expenses funded separately by the First Responder Tax.

REVENUES: The potential reduction of General Fund revenues was calculated using minimum and maximum assumptions based on the type of revenue (ie. sales tax, ambulance transport, recreation fees, etc.). For example, sales and use taxes which are the majority revenue source for the General Fund were estimated at a minimum of a 10% reduction to a maximum of 25%. For comparison, during the last recession sales and use tax revenues dropped by the most significant amount in a 30 year period falling by 21% over a two year period. Using a 25% reduction also equates to losing an entire quarter of revenues. For other revenues such as property taxes, a reduction range of 5% to 10% was used. In total the estimate for revenue reduction ranges from \$6.5 million to \$15.7 million.

EXPENSES: Over a month ago, the City Manager instituted slowing of spending in order to prepare for an expected revenue reduction. The potential spending savings for General Fund expenses was also calculated using minimum and maximum assumptions. The largest expense for the General Fund is labor, and based on a detailed analysis to project labor savings due to vacancies and a hold on some position hiring, potential savings range from \$2 million to \$3 million. For other expenses such as operating and internal service charges including technology and fleet, a savings range of 5% to 10% was used. In total the estimate for expense savings ranges from \$4.2 million to \$6.8 million.

NET IMPACT TO GENERAL FUND RESERVE BALANCE: Combining the estimated range of revenue reductions with the estimated expense savings results in a net impact or use of General Fund Reserve between \$2.3 million and \$8.9 million.

GENERAL FUND RESERVE: The General Fund Reserve at 12/31/2019 (pre-audit) is projected to be \$29.2 million and based on the 2020 Adopted Budget would increase to \$29.4 million with a 20% reserve calculated as \$15.2 million. However based on the net impacts calculated above the General Fund reserve at 12/31/2020 could range from \$27.1 million to \$20.5 million. The General Fund Reserve Policy sets a minimum reserve at 20% of operating expenses and authorizes the City Council to use funds above the minimum for the purposes described here as emergency economic stimulus and recovery response. Based on the expense reductions described above, the 20% reserve calculation ranges from \$14.5 million to \$14 million and the resulting funds available above the minimum reserve (after the use of reserve for the economic impact) ranges from a high of \$12.6 million to a low of \$6.5 million. Therefore based on this analysis there is sufficient funds available to fund \$500,000 in the emergency fund as described above.

SUGGESTED MOTION:

I move to (adopt/deny) Emergency Ordinance No. 4915, an ordinance to make a supplemental appropriation of \$500,000.00 from the City General Fund Reserve to support the City's #GJSTRONG Fund in the City of Grand Junction, Colorado on final passage and order final publication.

Attachments

1. #GJStrong Fund Summary
2. ORD-EMERGENCYCOVID Supplemental Appropriation040320#GJSTRONG (002)

#GJStrong Fund

So many businesses and people in Grand Junction are being impacted by the health and economic crisis resulting from the COVID19 pandemic, here and across the State of Colorado and the country.

The City Council has articulated the need for the City of Grand Junction to dedicate funds for emergency response services to assist meeting basic human needs in light of the fast-moving and sweeping impacts of COVID-19. People are losing their jobs, and the nonprofit organizations are seeing a huge demand for services to meet basic needs related to food and shelter.

The purpose is *to provide emergency funding to relieve the stress and strains that local nonprofits are facing in light of new and emerging needs resulting from the COVID19 pandemic and the sudden and dramatic escalation in demand for services.* A primary goal is to keep nonprofit organizations who are struggling to meet the basic needs stay open and able to expand or reorganize operations to best meet the sudden and unprecedented demands.

The City of Grand Junction will appropriate \$500,000.00 for an emergency basic needs fund – the #GJStrong Fund - the Funds will be available only to qualified 501c3 nonprofit organizations providing basic needs of food and shelter who have a Grand Junction address. Funds can be used for general support or special needs related to the COVID19 pandemic - supplies, support to cover salaries to maintain adequate staffing for operations, *etc.*

The Western Colorado Community Foundation (WCCF) has agreed to utilize a simple Rapid Response Application, which when the funds are available, will be widely advertised to eligible organizations through multiple channels. Nonprofits will have 7 to 10 days to apply. Applications will be reviewed within three days of the deadline, and applicants will be notified by email of application status within a week. The exact timeframe for the process will be finalized as soon as possible.

In accordance with the New Fund Agreement to be negotiated and entered into by the WCCF and the City, the WCCF will provide administrative support and funding recommendations for this #GJStrong Fund process, including managing the online application, reviewing proposals, selecting projects and determining grant award amounts, issuing grant checks and monitoring use of funds. The WCCF will be compensated in a lump sum in the amount of \$2000.00

The Western Colorado Community Foundation is a regional charitable foundation based in Grand Junction that manages 25+ individual grant application processes for its donors and communities each year. The WCCF has a professional Director of Grants and several other program staff who will be involved in this process. In 2019, the Community Foundation managed over \$86 million in total assets and distributed \$4.5 million in grants and scholarships through its multiple competitive application processes.

46 This ordinance appropriates a certain sum of money to defray the expenses and liabilities of the
47 Fund. Furthermore, the 2020 budget shall be deemed to be amended for the expenditure of
48 money for the Fund, all as specifically or generally stated in this Ordinance.

49

50 Supplemental appropriations are required to ensure adequate appropriations by fund. If a new
51 project or spending is authorized by City Council a supplemental appropriation is required for
52 the legal authority to spend the funds. This Ordinance confirms that authority and the City
53 Manager is directed to forthwith develop and implement a plan for the expenditure of the Fund.

54

55 This emergency supplemental appropriation provides, upon passage of the Ordinance, for the
56 disbursement of funds to the #GJSTRONGFUND. The Fund will add \$500,000.00 to the
57 General Fund 100 of the City budget for emergency, temporary assistance with the basic needs
58 of food and shelter. The appropriation shall be allocated such that:

59

60 a) the Fund will be dedicated to support emergency response services to assist meeting basic
61 human needs in light of the fast-moving and sweeping impacts of COVID-19. People have lost,
62 and will be losing jobs, and the nonprofit organizations are seeing increased demand for services
63 to meet basic needs related to food and shelter.

64

65 b) the Fund will provide emergency funding to alleviate some demands and assist local non-
66 profits addressing new and emerging needs resulting from the COVID19 pandemic and the
67 sudden and dramatic escalation in demand for services.

68

69 c) the primary goal of the Fund is to keep nonprofit organizations, who are struggling to meet
70 people's basic needs, open and able to expand or reorganize operations to best meet the sudden
71 and unprecedented demand for services, and,

72

73 d) the appropriation will be available only to qualified 501c3 nonprofit organizations providing
74 basic needs of food and shelter that serve the Grand Junction community. The Fund may be used
75 for general support or special needs related to the COVID19 pandemic - supplies, support to
76 cover salaries to maintain adequate staffing for operations, *etc.*

77

78 The Western Colorado Community Foundation has agreed to utilize a simple Rapid Response
79 Application, which when the Fund is available, will be made available to eligible organizations,
80 which will have 7 to 10 days to apply. Applications will be reviewed within three days of the
81 application deadline, and applicants will be notified by email of application status within a week.

82

83 In accordance with the *New Fund Agreement* to be negotiated and entered into by the WCCF and
84 the City, the WCCF will provide administrative support and funding recommendations for this
85 #GJStrong Fund process, including managing the online application, reviewing proposals,
86 selecting projects and determining grant award amounts, issuing grant checks and monitoring use
87 of funds. The City Council authorizes the City Manager, with the consultation of the City
88 Attorney, to negotiate and sign a *New Fund Agreement* with WCCF for the purposes described in
89 this Ordinance.

90

91 The WCCF will be compensated in a lump sum in the amount of \$2000.00. The City Manager is
92 authorized to pay that sum for the services of WCCF.

93

94 Furthermore, the City Manager shall, within sixty days of the effective date of this Ordinance,
95 inform the City Council on the effectiveness of the Ordinance at achieving its stated purposes
96 and protecting the general health, safety and welfare of the residents of the City.

97

98 This action is unprecedented; however, it is wholly consistent with the City's *Strategic Plan*.

99 The adoption of this ordinance furthers the City's partnership with the community. As stated in
100 the *Plan the City*

101 " ... views partnership in its broadest sense and not merely through the lens of delivering
102 municipal services. Partnership with a common purpose is the key to success with public
103 and private collaboration. Whether evaluating opportunities for shared services,
104 partnering for economic development, or creating a shared vision for the future of our
105 community, we recognize that our residents will be best served as we work together with
106 other organizations to find solutions. We take every opportunity to celebrate past
107 successful partnerships to build momentum for future collaboration."

108

109 The adoption of this ordinance is fiscally responsible. In this time of emergency, it would in fact
110 be irresponsible to not adopt this ordinance. The approval of the ordinance will help to stabilize
111 some people and in turn some businesses and in turn blunt the impact of the emergency.

112 According to City Council policy, City reserves are for a "rainy day"- the COVID-19 emergency
113 necessitates expenditure of reserves so in the near and longer term future the economy may
114 recover faster and stronger than if the Fund is not expended. As stated in the *Plan*

115 "The foundation of effective local governance is trust. To continue to build the trust
116 placed in us by our citizens, we must be responsible stewards of the resources entrusted
117 to our care. Because of limited resources, we must be effective in prioritizing our
118 spending to focus on the things that citizens have identified as most important. As we
119 establish plans and priorities, we do so with an eye to the future. It is not enough to
120 merely find a way to fund a new project or amenity. We must also ensure that we are
121 planning for long-term ongoing operations and maintenance with each item that we
122 prioritize."

123

124 The adoption of this ordinance serves to communicate with and engage the community at a time
125 and under circumstances of severe need. As stated in the *Plan the City* will act to "build trust
126 and ensure we continue to focus limited resources on our community's highest priorities."

127 Appropriating funds to the #GJSTRONGFUND is a high, if not highest priority of the
128 community.

129

130 With the adoption of this Ordinance the City Council is endeavoring to serve the people that
131 make this community great. As stated in the *Plan*

132 "Grand Junction was founded by innovative leaders, ready to lead the way to a new
133 future. Our city continues in that tradition of leadership today. We are not content to wait
134 around for the future, but rather desire to actively shape it. Our City holds a key position
135 in the region. We must be a driving force in issues of regional importance and play

136 a leading role in the growth occurring on the Western Slope. We will do this by setting an
137 example of how local government should operate – in our conduct, in our words, and in
138 our ideas. The status quo will not satisfy us, nor will it work, as we continue to push
139 ourselves outside of our comfort zone to be innovative leaders.”

140

141 At an April 6, 2020 meeting the City Council considered the foregoing Recitals, the purposes of
142 this Ordinance and the importance of it to the Community and determined that an appropriation
143 in the sum of \$500,000.00 is necessary and proper given the current emergency.

144

145 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF**
146 **GRAND JUNCTION, COLORADO:**

147

148 That the following sum of money be appropriated from unappropriated fund balance and
149 additional revenues to the Fund indicated for the year ending December 31, 2020, to be
150 expended from such funds as follows:

151

152

153 Fund Name	Fund #	Appropriation
154 General	100	\$500,000.00

155

156 Applicability, declaration of emergency and effective date.

157

158 City Council hereby declares that a special emergency exists and that this ordinance is necessary
159 to ensure the preservation of the peace and the public health, safety and welfare by effectuating
160 the Council's publicly articulated purposes as stated herein and in the Declaration of Emergency.

161

162 In declaring a special emergency, and by and with the adoption of this ordinance, the City
163 Council is conscientiously stewarding the public's funds by infusing funds to temporarily
164 support people's food and shelter needs resulting because of significant economic disruption,
165 hardship or consequences of the declared COVID-19 emergency.

166

167 This Ordinance, immediately on its final passage, shall be recorded in the City book of
168 ordinances kept for that purpose, authenticated by the signatures of the Mayor and the City
169 Clerk. The full text of the amending ordinance, in accordance with the Charter of the City of
170 Grand Junction, is to be published in full.

171

172 This Ordinance shall apply to the City of Grand Junction. This Ordinance shall take effect
173 immediately upon passage and with the unanimous approval of City Council.

174

175 Severability.

176

177 This Ordinance is necessary to protect the public health, safety and welfare of the residents of the
178 City. If any provision of this Ordinance is found to be unconstitutional or illegal, such finding
179 shall only invalidate that part or portion found to violate the law. All other provisions shall be
180 deemed severed or severable and shall continue in full force and effect.

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189 ATTEST:

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191

192 Wanda Winkelmann

193 City Clerk

Rick Taggart
President of the Council

DRAFT