

## GRAND JUNCTION CITY COUNCIL READINESS SUMMARY

### August 19, 2013 – Noticed Agenda Attached

Meeting Convened: 11:30 a.m. in the Administration Conference Room

Meeting Adjourned: 1:21 p.m.

Council Members present: All Councilmember present. Staff present: Englehart, Shaver, Schoeber, Moore, Watkins, Romero, Kovalik, Valentine, Tice-Janda, Rainguet, and Tuin.

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#### Agenda Topic 1. 2014 Capital Discussion

City Manager Englehart distributed an agenda, introduced the topic, reviewed how the budget was developed in the past, and how the 2013 budget was developed based on sales tax collections being up. Staff has tracked many economic indicators and there has been some recovery but certainly Grand Junction is still behind nationally and statewide. He suggested that, as a starting point, the City Council consider starting the budget based on flat revenues for 2014; either flat as compared to the 2013 budget or flat as compared to the 2013 actuals.

Councilmembers mentioned many factors that supported taking the most conservative approach (flat as compared to 2013 actuals) such as school enrollment is down, many citizens have left to find employment in other areas, that new regulations will be in effect as of January 2014 (Affordable Care Act and the Consumer Protection Act), and continued competition in surrounding communities. The consensus was to go forward with that basis for revenues.

Council President Susuras inquired how that will affect the implementation of the second half of the market adjustment for employees. City Manager Englehart said that will be a \$750,000 expense amounting to about a 2.5% increase overall bringing salaries to the 2002 level. They anticipate a 9.3% increase in health care costs. There is no plan to add Staff and will continue to look at ways to absorb duties with attrition.

Councilmembers Norris and Boeschstein said they are not comfortable with cutting in the area of salaries, cuts should be found in other places as the employees have already been affected by the declining budgets.

Reserves were discussed with the Council consensus being a \$18.5 million reserve (General Fund) at a minimum. A more favorable scenario was maintaining the projected \$20.7 million reserve and using the difference for economic development. Councilmember Chazen suggested that additional funding should come from operations, even if harsh decisions, including layoffs, need to be made.

Funding for the Avalon Theatre project was discussed and how the City would make up the shortfall if the grant was not awarded and/or the Foundation was not successful in their fundraising. A discussion of naming rights ensued with Council being in favor of administration of that opportunity being their responsibility.

City Manager Englehart then addressed the main three areas for capital funding: streets, fire, and police and the specific projects. Chip and seal seemed to be a good option for preserving the streets and the City has committed to a study of the street conditions in order to plan for the future. Fire Chief Watkins then laid out various scenarios for building and relocating fire stations. The estimated cost of land for a fire station is \$300,000 and the cost of construction is \$2.4 million.

Councilmember Chazen brought up the possibility of selling City owned properties to raise revenue. Several properties were mentioned and City Manager Englehart said he will bring the list of surplus City properties forward for Council to review.

Regarding capital expenditures for the Police Department, there are the awnings for police vehicle parking, the large vehicle storage building, and the training facility in Whitewater. Funding for the training facility was discussed.

On the operational side, the police officers hired under the COPS grants will have to now be funded by the City; \$210,000 in 2014 and \$300,000 in 2015 will have to be budgeted.

That concluded the capital discussion.

#### Agenda Topic 2. Other Business

With no other business, the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL  
READINESS SESSION**

**MONDAY, AUGUST 19, 2013, 11:30 A.M.  
ADMINISTRATION CONFERENCE ROOM  
2<sup>ND</sup> FLOOR, CITY HALL  
250 N. 5<sup>TH</sup> STREET**

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

- 1. 2014 Capital Discussion**
- 2. Other Business**