

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY **June 3, 2024**

Meeting Convened: 5:30 p.m. The meeting was held in person at the Fire Department Training Room, 625 Ute Avenue, and live streamed via GoToWebinar.

City Councilmembers Present: Councilmembers Scott Beifuss, Cody Kennedy, Jason Nguyen, Dennis Simpson, Anna Stout, Mayor Pro Tem Randall Reitz and Mayor Abram Herman.

Staff present: Interim City Manager Andrea Phillips, City Attorney John Shaver, Assistant to the City Manager Johnny McFarland, Sustainability Coordinator Jenny Nitzky, Engineering and Transportation Director Trent Prall, Community Development Director Tamra Allen, Housing Manager, Finance Director Jennifer Tomaszewski, City Clerk Selestina Sandoval, and Deputy City Clerk Krystle Koehler.

1. Discussion Topics

a. Sustainability and Adaptation Plan

Staff have been working with consultants Design Workshop and Spirit Environmental to develop a Sustainability and Adaptation Plan for the City since May 2023. This plan is being developed in alignment with the One Grand Junction Comprehensive Plan and City Council's Strategic Outcome, Resource Stewardship. Staff and consultants will present the draft plan and will seek Council's feedback before the plan is considered for adoption. Staff and consultants will also present an overview of the public comment period and changes made since the Council last saw the draft.

Sustainability Coordinator Jennifer Nitzky and consultant Alison Cotey's presentation included discussion on the following:

Community Engagement:

- Extensive community involvement through surveys, public comment periods, open houses, and direct outreach to local organizations.
- Focus on inclusivity, including traditionally underrepresented groups and youth.

Focus Areas of the Plan:

- **Built Environment:** Focus on sustainable community design, including transportation networks and local food production.
- **Climate Resilience:** Strategies for adapting to environmental changes, including heat response planning and vulnerability assessments.
- **Energy Stewardship:** Emphasis on reducing energy consumption and transitioning to clean energy sources.
- **Waste Management:** Plans for systematic waste disposal and promoting recycling, including composting initiatives.
- **Water Conservation:** Strategies to enhance water efficiency and reduce consumption in a semi-arid climate.

- **City Leadership:** Establishment of a sustainability advisory board to oversee and prioritize sustainability actions.

Public Comment and Feedback:

- Themes from public feedback included clean energy, water conservation, integration of natural and built environments, and accessibility of sustainable practices.
- Document revisions included expanding equity considerations, refining energy stewardship language, and adjusting strategies in response to community input.

b. Impact Fee Study Project Update

The City's Municipal Code requires the City to update its impact fee study once every five years. The City's last fee study for transportation, police, fire, parks, and municipal facilities was completed in 2019. The City has contracted with TischlerBise to update its fee study and create a nexus study for an affordable housing linkage fee. Representatives from TischlerBise presented information about impact fees and the related process and timeline for completing these fee studies.

Community Development Director Tamra Allen, and Carson Bise and Julie Herlands of TischlerBise presented this item and the key points included:

- **Background on Previous Fees:** The city last updated its impact fees in 2019 based on a nexus study. Some fee categories, like police, fire, and municipal facilities, were adopted, while others were not.
- **Review Requirement:** The city mandates a review of impact fees every five years, leading to the current study to assess and potentially update fee categories.
- **Consultants' Expertise:** TischlerBise specializes in impact fees and infrastructure financing strategies, having worked extensively across various states, including Colorado.
- **Impact Fee Basics:** Impact fees are one-time payments imposed on new developments to fund growth-related infrastructure, ensuring that new growth pays its fair share of the cost.
- **Legal Requirements:** Impact fees must demonstrate nexus (connection to growth), proportionality (fair distribution among land uses), and benefit (direct benefit to new development).
- **Colorado Specifics:** Colorado law provides flexibility in determining which infrastructure categories impact fees can cover, requiring infrastructure to have a useful life of at least five years.
- **Calculation Methods:** Impact fees can be calculated based on past, present, or future infrastructure needs, ensuring that fees reflect current and future service levels.
- **Misconceptions Addressed:** They clarified misconceptions such as impact fees being a tax (they are not), and the perception that impact fees cover 100% of new infrastructure costs (they typically do not).
- **Fee Structure Recommendations:** TischlerBise recommended adjusting fees based on the size of residential units to better reflect their impact on infrastructure demand, promoting fairness and aligning with demographic data.
- **Study Process:** The current phase involves data collection, stakeholder meetings, and defining demand indicators for different land uses over the next 10-20 years. They will later present fee calculation options to the council for feedback.
- **Next Steps:** They plan to continue data collection, stakeholder outreach, and refine fee calculations before moving to the adoption process.

c. Streetlight Municipalization

Streetlight municipalization refers to the City taking ownership of the streetlights from the power utilities. For many years, the City has been interested in converting the Xcel and GVP streetlight systems to LED luminaires for energy savings, cost savings, reduced maintenance, better visual acuity, and the ability to monitor and control them remotely. The City recently commissioned a consultant-prepared feasibility study. The workshop will discuss the feasibility study findings as well as the next steps if the decision is to move forward with municipalization.

Engineering and Transportation Director Trent Prall and RTE Energy Solutions Vice President Paul Vesel and Director of Operations Alexis Asselin Lauzon presented this item. The key points were as follows:

Financial Considerations:

- **Cost Savings:** Transitioning to municipal ownership is expected to yield significant savings, with operational costs projected to decrease from \$1.6 million annually to approximately \$351,000.
- **Investment and Savings:** Despite an initial investment estimated at \$11.5 million, the potential savings over a 20-year period are substantial, estimated between \$25 to \$34 million, depending on financing options.

Liabilities and Risks:

- **Infrastructure Buyback:** Excel is legally required to sell the infrastructure due to regulatory mandates. The cost per pole for the transfer is set at approximately \$720.
- **Maintenance and Liability:** While LED technology generally has low failure rates (0.1% to 0.3% per annum), the city would need to consider ongoing maintenance costs and potential liabilities such as pole knockdowns, typically covered by insurance.

Operational and Environmental Benefits:

- **Smart Controls and Efficiency:** Municipal ownership allows for the implementation of smart controls, potentially reducing energy consumption and operational costs.
- **Environmental Impact:** Switching to LED lighting is expected to significantly reduce greenhouse gas emissions by approximately 56,000 metric tons over the infrastructure's lifetime.

Regulatory and Financial Planning:

- **Public Utilities Commission (PUC):** Excel and other utilities are regulated by the PUC, ensuring that the process of infrastructure transfer is governed by established rules and rates.
- **Financial Mechanisms:** Options discussed include financing through Certificates of Participation (COPs), which are backed by the asset (street lights) and subject to annual appropriation for lease payments.

Next Steps:

- The immediate next step proposed is a \$350,000 separation study with Excel to evaluate the infrastructure's transfer logistics.
- Future decisions may involve further financial planning, including considerations for COPs or other financing methods, potentially subject to voter approval.

d. **Budget Policy Development and Preliminary 2025 Budget Considerations**

Staff is working towards development of a Budget Policy, which is recognized by the Government Finance Officers Association (GFOA) as a best practice for municipalities, as it establishes principles and strategies for budget planning and monitoring. As staff begins development of this policy, staff discussed the purpose of this policy, as well as major elements with City Council in order to gather feedback.

In addition, as staff begin the 2025 budget preparation processes, staff shared some of the early considerations going into the 2025 budget season.

This item was presented by Interim City Manager Andrea Phillips and included the following key points:

- **Budget Policy Development:** Planning to establish a budget policy aligning with GFOA best practices to set principles, timelines, roles, responsibilities, and guidelines for budget amendments and reporting.
- **Revenue Considerations:** Projecting revenues cautiously, with emphasis on sales tax, property tax, and potential impacts like exempting sales tax on secondhand goods and cannabis tax revenues.
- **Expenditure Prioritization:** Prioritizing expenditures based on community needs and strategic goals, focusing on housing initiatives, economic development projects, public safety staffing, and infrastructure needs.
- **Labor and HR Challenges:** Addressing labor cost concerns, particularly in public safety, with discussions on salary adjustments and staffing levels to mitigate recruitment and retention challenges.
- **Community Engagement:** Planning for community budget discussions, stakeholder engagement, and public presentations to gather feedback and ensure transparency throughout the budget process.
- **Financial Challenges:** Managing challenges such as escalating capital costs, increased service demands, potential impacts of collective bargaining, and rising insurance and contract costs.
- **Nonprofit Funding:** Managing high demand for nonprofit funding, exceeding available resources, with discussions on economic indicators, inflation, and borrowing costs influencing budget planning.

2. **City Council Communication**

City Manager Search Dates:

- Proposed dates for the city manager search interviews were discussed.
- Discussion is focused on possibly shifting the final interview date to after August 30th to accommodate everyone's schedules, with considerations for travel and prior commitments.

IGA from the County:

- John sent an email regarding an Intergovernmental Agreement (IGA) from the county concerning a 29-Road Interchange.

- There's ongoing discussion and potential revisions needed, clarified in a recent email, to be reviewed before the next meeting.

Orchard Mesa (OM) Pool Discussion:

- Mayor Herman shared communication attempts regarding the OM Pool with Mesa County Valley School District 51 and asked this item be placed on the next City Council regular meeting agenda to discuss possible next steps.

Interviews for Vacancies:

- Interviews are scheduled for a vacancy on the Grand Junction Housing Authority (GJHA) and two vacancies on the Planning Commission, with applications due by June 30th.
- Mayor Herman and Councilmember Stout agreed to conduct the Planning Commission interviews and Mayor Pro Tem Reitz and Councilmember Stout will conduct the GJHA Interviews.

Future Workshop Topics and Miscellaneous:

- Future workshop topics and scheduling were briefly discussed, with plans set for upcoming sessions.
- Additional memos and emails concerning Catholic Outreach's concerns were noted for review.

3. Adjournment

There being no further business, the Workshop adjourned at 9:55 p.m.