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**GRAND JUNCTION CITY COUNCIL
MONDAY, JULY 15, 2024
WORKSHOP, 5:30 PM
FIRE DEPARTMENT TRAINING ROOM
625 UTE AVENUE**

1. Discussion Topics

- a. Business License Program Discussion
- b. I-70 Interchange at 29 Road
- c. Council Policies-Draft Budget Policy
- d. Orchard Mesa Pool Discussion

2. City Council Communication

An unstructured time for Councilmembers to discuss current matters, share ideas for possible future consideration by Council, and provide information from board & commission participation.

3. Next Workshop Topics

4. Other Business

What is the purpose of a Workshop?

The purpose of the Workshop is to facilitate City Council discussion through analyzing information, studying issues, and clarifying problems. The less formal setting of the Workshop promotes conversation regarding items and topics that may be considered at a future City Council meeting.

How can I provide my input about a topic on tonight's Workshop agenda?

Individuals wishing to provide input about Workshop topics can:

- 1. Send input by emailing a City Council member ([Council email addresses](#)) or call one or more

members of City Council (970-244-1504)

2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.

3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 5:30 p.m. at City Hall) and provide comments during “Public Comments.”



Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: July 15, 2024
Presented By: Andrea Phillips, Interim City Manager
Department: City Manager's Office
Submitted By: Andrea Phillips, Interim City Manager

Information

SUBJECT:

Business License Program Discussion

EXECUTIVE SUMMARY:

The purpose of this discussion is to present the basics of a city general business license program, including the costs and benefits, and to gauge whether Council is interested in proceeding towards development of such a program.

BACKGROUND OR DETAILED INFORMATION:

A business license is a common tool in many municipalities to determine who is conducting what type of business within a city's boundaries. The City currently does not have a general business license program and, therefore, does not have knowledge of businesses coming and going in the community unless the establishment collects and remits sales tax, has a liquor or marijuana license, or other types of special license. This issue came to the forefront several months ago when skilled gaming establishments opened up to the chagrin of neighboring businesses. Staff researched the issue and provided general information to Council in a memo in January 2024 (see attached). Grand Junction is one of only a handful of communities of our size that do NOT have a business license program.

Typically managed as an annual process, the business license provides many benefits to both the community, individual businesses, the city's economic development and business partners, and to the City itself. Some are listed as follows:

1) Enhances public safety: The license program provides an early touch point for business owners early on in the process of setting up a business within the city. When the City is aware early on that a business is looking to locate in a particular building, it can help trigger early life, health and safety inspections that provide information on fire and building code requirements. Also, if incidents like fires, damage, evacuations, or

theft do occur, emergency personnel will have an active database of contact information from which to draw from for business contacts. On an annual basis, the City would have an ability to verify the contact information to keep it current.

2) Serves as an initial point of contact for city services, requirements and information for new businesses or those who are new to the area. The business license is typically the touchstone through which the city can share information on sales tax licensing, liquor licensing, planning and building code requirements and information, fire inspections, emergency contact information, and more. In times of crisis, the city could access this information to share updates with the business community. Also, by reaching out to businesses, they can receive information about business requirements and resources early on, rather than having surprises later on after they have invested significant time and money in a building/location. The Community Development Department could have an early discussion with a potential business on any change of use requirements, planning clearances, or other remodeling/addition conversations that could be very helpful to all parties. Through the business license process we can ensure that the business is also in a location that is zoned correctly.

3) Provides information about the city and its economic development partners on the current economic climate, trends, employees, and more. Currently, there is no way to truly know and understand who is doing what type of business in the Grand Junction community. If an establishment does not collect sales tax, or has a liquor or marijuana or other type of specialty license, the City, GJEP, the Chamber and others have no information about the number and type of businesses operating in the community. This information could be useful for many purposes to further understand our business community, communicate with them more holistically, and to be able to understand and react to trends to help support and our diverse economic base.

4) Provides sales tracking for businesses who are exempted from charging sales tax on second-hand goods. At the July 1 Council Workshop at which staff was directed to move forward with implementing an exemption for non-profits selling secondhand goods, the discussion on how to capture the sales information was discussed. A business license could serve as a reporting mechanism for those businesses and nonprofit retailers, even though they are not collecting and remitting sales tax.

5) Enhances the legitimacy of businesses and ensures that bad actors are dealt with appropriately. If nuisance violations exist, or illegal activity is occurring, nearby businesses and residents may feel harmed by this. A business license is not only a good communication tool, it can help with enforcement of city ordinances. This can help create a healthy business environment for all.

A business license program is commonly managed through municipal finance departments. However, City Clerk's offices may oversee the program in some cities. Upon preliminary review of this program, as Grand Junction self-collects sales tax, staff would currently propose that the Finance Department manage this program should the

Council determine it would like to move forward. The City utilizes the GenTax System, which is the system through which the City administers the sales tax program, and may also have the capability to administer business licenses, as well. More information would need to be researched, such as, but not limited to, any legislative requirements, implementation and annual costs to operate the program, fee structures, municipal code changes, outreach to the business community, timing of implementation, etc. The goal of implementing a business license program is not to generate additional revenue to the City, but simply to cover the costs of the program. A nominal initial fee and annual renewal should be considered. Typical business license fee ranges from \$10-\$100 per year in many communities.

Next Steps

If Council is interested in pursuing a program, staff will bring back more details on resources needed, an implementation timeline, and possible code revisions.

FISCAL IMPACT:

Resources for a business license program are TBD. Staff recommends that fees be minimal but seek to cover the cost of managing the program.

SUGGESTED ACTION:

For discussion purposes.

Attachments

1. Municipal Business Licensing 01.11.2024

Memorandum

TO: Members of City Council
FROM: Greg Caton, City Manager
Amy Phillips, City Clerk
Jennifer Tomaszewski, Finance Director
DATE: January 11, 2024
SUBJECT: Overview of Colorado Municipal Business License Practices

This memorandum is intended to provide City Council with a brief summary of the rationale for requiring business licenses, potential impacts, and business license practices in select municipalities across Colorado.

Business License Background – Municipalities may implement business licensing for several reasons and there are pros and cons to pursuing this approach, as well as additional considerations dependent on the specific requirements and fees associated with business licensing. Adopting business licenses can aid cities in understanding local economic development and current conditions by providing a tracking mechanism for the type of businesses operating in the city that sell taxable items or provide services via their Standard Industrial Classification (SIC) or North American Industry Classification System (NAIC) code. Business licenses can also assist finance departments, community development, and police by providing an accurate database of property/business owner names and contact information. Additionally, Fire Departments can better serve businesses through automatic fire code inspections when a business files for a business license, ensuring that business locations are code-compliant initially rather than in later annual inspections. Providing upfront inspections improves the safety of the community and reduces potential frustration from businesses. Finally, business licenses can assist other departments such as planning, procurement, and legal as a repository for contracts, insurance certificates, and items required of businesses by staff.

Impacts – Impacts involved with business licensing requirements include additional program costs to create, administer, and manage a business license program. There are added annual costs to businesses, which may result in concern, though fees are generally low. While business license fees can vary significantly by municipality, in the sample of cities researched, the fees ranged from \$0 - \$100+ and typically require annual renewal. Given the low fees typically set for this type of license, revenues generated are minor but can offset the administrative cost of the program. Implementing a business license program will also aid tax collection efforts, consumer protection, and provide a mechanism to ensure businesses are adhering to laws and standards.

Business License Practices – The structure of a business license requirement varies by municipality. Sometimes, the sales tax license is combined with the business license, whereas some municipalities require a separate business license. Requirements and fees can also differ significantly based on the type of business. Additionally, while most municipalities researched require a business license for all businesses operating within the city's jurisdiction, some also have licensing requirements for businesses outside city limits but doing business within the city.

*C: John Shaver, City Attorney
Department Directors*

Attachment:

- Research on Municipal Business License Requirements

Municipality	Population	Required for all Businesses in City Limits	Required for Certain Business Types Only	Combined with Sales Tax License	Require Business- Specific Licenses	Business License Fees (Separate or Combined)	Renewal Frequency
Colorado Springs	472,688.00	no	yes	no	yes	\$110-\$500	yearly
Arvada	120,492.00	yes	no	yes	yes	\$ -	non-expiring
Westminster	113,479.00	yes	no	yes	yes	\$ -	yearly
Centennial	110,831.00	yes	no	yes	yes	\$ -	yearly
Boulder	107,353.00	yes	no	yes	yes	\$10+	yearly
Greeley	107,348.00	yes	no	yes	yes	\$60+	yearly
Montrose	20,648.00	no	yes	yes	yes	\$ -	yearly
Durango	19,223.00	yes	no	yes	yes	\$50+	yearly
Fruita	13,406.00	yes	no	yes	yes	\$15+	yearly
Palisade	2,584.00	yes	no	yeas	yes	\$50+	yearly



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: July 15, 2024

Presented By: Trenton Prall, Engineering & Transportation Director, John Shaver, City Attorney

Department: Engineering & Transportation

Submitted By: Trent Prall, Engineering and Transportation Director

Information

SUBJECT:

I-70 Interchange at 29 Road

EXECUTIVE SUMMARY:

Mesa County and the City of Grand Junction have been working collaboratively on the development of the 29 Road corridor as a major arterial for over 25 years. More recently, staff has been working with the Federal Highway Administration (FHWA) and Colorado Department of Transportation (CDOT) on the planning, environmental, and permitting components for the proposed interchange with I-70. Colorado State Transportation Commission approval will be sought later this summer, followed by FHWA consideration/approval of the Interstate Access Request this Fall.

The consideration of funding/the funding strategy for the interchange is an important consideration for the City Council. If the City Council commits to the proposed draft intergovernmental agreement (IGA) the City will be agreeing, subject to annual appropriation, to participate in the repayment of the \$80 million debt necessary to build the project. The IGA is an important step in Mesa County's consideration of referring a ballot measure to the November 5, 2024, election. That ballot measure, if approved by the voters, will be for the issuance of bonds to finance the I-70 Interchange at 29 Road and the associated reconstruction of 29 Road from the interchange to Patterson Road. The IGA draft is attached.

BACKGROUND OR DETAILED INFORMATION:

Since the 1990s, an interchange at 29 Road has been identified in local and regional plans as a way to enhance connectivity as part of a larger plan to provide connections in and around Grand Junction. The proposed interchange improvements, in coordination with other regional improvements, would complete the transportation loop around Grand Junction, provide critical community access, support economic growth

opportunities, and improve local and regional connectivity. Some of the efforts to evaluate and develop an interchange at 29 Road have included the following.

- 1999 Identified the need for an I-70 interchange in northeast Grand Junction
- 2018 Studied the benefits and potential environmental impacts of a 29 Road interchange
Positioned the City and County for future state and federal funding opportunities
- 2022 Developed vision and goals for future design concepts with local governments
Built consensus and documented key issues and opportunities with business, school, economic development, airport, and planning organizations
- 2023-2024 Planning, environmental, transportation system level analysis, and permitting / State Transportation Commission approval

The process to complete the analysis, develop a preliminary and final design, and develop a funding model has been ongoing with the most recent estimated cost for construction of the I-70 Interchange at 29 Road, and the associated road improvements along 29 Road between I-70 and Patterson Road being \$80 million.

PURPOSE OF PROJECT

The purpose of the Project is to enhance the eastern Grand Valley transportation network between the I-70 Business Loop East Interchange and Horizon Drive Interchange to:

1. Improve local and regional connectivity;
2. Addressing limited regional transportation network connectivity with access to/from I-70 between I-70 Business and Horizon Drive interchanges;
3. Extending the functional longevity of the existing transportation system connecting to I-70.
4. Provide enhanced access to planned land use surrounding I-70 in Grand Junction, Colorado
5. If built, the Project will improve access to I-70 by providing transportation infrastructure needed to accommodate planned land use surrounding I-70, and specifically, the future Matchett Park and the associated Community Recreation Center, and provide transportation infrastructure needed to accommodate projected and regional traffic demands.

FISCAL IMPACT:

The City Council will need to determine that the commitment of funding is necessary/within the City's current and future financial capacity. The estimated annual debt service is \$2.5 million dollars which will be paid from the City 0.75 percent sales tax capital fund. The sales tax capital fund generates approximately \$20 million per year, of which \$13 million pays for existing annual debt service, ongoing street maintenance, and other economic development priorities, with \$7 million available for capital projects. If the City moves forward with this project, there would be a reduction to \$4.5 million per year available for other capital needs.

SUGGESTED ACTION:

For the July 15, 2024 work session, the *Suggested Action* is Council discussion. If the Council determines that the commitment of funding is necessary/within the City's current and future financial capacity and supports the proceeding with the Project then the IGA would be referred to a regular Council meeting for adoption by Resolution.

Attachments

1. IGA-29 Road 20240710

1 **INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF**
2 **GRAND JUNCTION AND MESA COUNTY RELATING TO A**
3 **PROPOSED 29 ROAD INTERCHANGE ADDITION TO INTERSTATE 70**
4 **(I-70)**

5
6 THIS AGREEMENT, entered into this ___ day of _____, 2024,
7 pursuant to 29-1-201 *et seq.*, C.R.S., by and between THE CITY OF GRAND
8 JUNCTION, COLORADO, a home rule municipal corporation, hereinafter referred
9 to as the “City”; and MESA COUNTY, State of Colorado, hereinafter referred to as
10 the “County” and collectively referred to as the “Parties”.

11
12 **WHEREAS**, a study was conducted in 2018 through 2020 to investigate the need
13 and overall vision for improved access to I-70 between Horizon Drive and I-70B in
14 Grand Junction; and,

15
16 **WHEREAS**, an interchange at 29 Road has long been identified in local and regional
17 plans as a way to enhance connectivity, as part of a larger plan to provide connections
18 in and around Grand Junction; and,

19
20 **WHEREAS**, a new interchange along I-70 between Horizon Drive and I-70B
21 provides:

- 22 ● A new direct connection between US 50 and the major east-west route – I-70;
- 23 ● Improved access to and from I-70 for residents and businesses to the south,
24 decreasing traffic congestion within the City and unincorporated Mesa County,
25 increasing public safety, and increasing transportation efficiencies throughout
26 the area;
- 27 ● An opportunity to integrate development and infrastructure near the Grand
28 Junction Regional Airport into the surrounding community;
- 29 ● An incentive for new economic development in the Grand Valley by opening
30 direct and convenient access to commercial property north of I-70 and leading
31 traffic to businesses along Patterson Road and North Avenue; and,

32
33 **WHEREAS**, 29 Road has been found to be the preferred location for an interchange
34 to provide these and additional benefits to the transportation system and the public
35 that uses that system; and,

36 **WHEREAS**, County will be placing a ballot measure before the voters in 2024 to
37 authorize, when appropriate, the issuance of up to \$80 million in County bonded
38 indebtedness to cover the anticipated costs of constructing an interchange at 29 Road
39 (the “Interchange Project”); and,
40

41 **WHEREAS**, City desires to support the County in its efforts to secure voter approval
42 to issue such bonded indebtedness up to \$80 million for the Interchange Project; and,
43

44 **WHEREAS**, the public safety, infrastructure and economic needs of Mesa County
45 would be enhanced if the City and County worked in partnership to accomplish the
46 construction of the Interchange Project.
47

48 **NOW THEREFORE**, in consideration of the mutual covenants and
49 obligations herein expressed, and other good and valuable consideration the receipt
50 and sufficiency of which is hereby acknowledged, the Parties hereto state and agree as
51 follows:
52

53 1. Purpose.

54 The purpose of this Agreement is to take certain actions to implement the
55 Interchange Project, of which one such action is the conditional facilitation of
56 City participation in funding of the Interchange Project including the City
57 acknowledging the County that if the voters pass a measure authorizing
58 bonding authority for the County to issue debt for the Interchange Project that
59 City will, subject to annual appropriation, share equally in the cost of issuing
60 bonds as well as repayment of the County bonds. If grant funds are awarded
61 to/for the Interchange Project the City will share equally in the application of
62 those funds to reduce the debt.
63

64 2. Scope of Work.

65 The City and County will determine the scope of work for the Interchange
66 project with that scope of work to include engineering design and construction
67 as to all improvements including, but not limited to, all street, roadway and
68 intersection improvements, acquisition of property and property interests
69 necessary for the Interchange Project including easements, etc. where
70 necessary, as well as relocations and new construction. The scope of work will

71 also include all wet utilities (sewer, water, and reclaimed water) and dry utilities
72 (telephone, cable, electric, gas), grading, drainage, Corps of Engineers 404
73 issues, geotechnical investigations, environmental issues (including Endangered
74 Species), excavation and fill, testing, Resource Area, transit or multimodal areas,
75 landscaping, street lighting, and any other improvements agreed to by the City
76 and County.
77

78 The Parties agree that the scope of work will consist of the necessary or
79 required components for a new intersection at U.S. Interstate 70 and 29 Road
80 and all work necessary for existing 29 Road to receive and manage the added
81 traffic anticipated by the construction of the Interchange Project. The scope of
82 work is depicted and more fully described in _____ attached hereto,
83 marked as Exhibit “A” or “Scope of Work” or “SOW” and by this reference
84 incorporated herein. The cost of changes or additions, if any, to the SOW after
85 the SOW has been agreed to by the City and County will be the sole financial
86 responsibility of the party making the addition(s).
87

Commented [JS1]: Not attached/not reviewed approved
as of 10 July 2024

88 3. Construction.

89 Subject to the provisions of Colorado law and the Charter and ordinances of
90 the City, the Parties will cooperate in identifying and agreeing to the process for
91 selecting and payment of design professionals and contractors for the
92 Interchange Project, cooperate in the preparation, review, approval and
93 issuance of all project construction plans, drawings and specifications;
94 and, share equally in the costs of design professionals and contractors and
95 establish all elements of the SOW. .
96

97 4. 2024 Ballot Measure. County agrees to submit the Ballot Question attached
98 hereto and marked as Exhibit “B” to the voters of Mesa County at the General
99 election to be held on November 5, 2024, seeking authority to issue bonded
100 indebtedness of up to \$80 million dollars.

101 Exhibit B

102 WITHOUT RAISING TAXES SHALL MESA COUNTY DEBT BE
103 INCURRED FOR THE PURPOSE OF ACQUIRING, DESIGNING,
104 CONSTRUCTING, RENOVATING AND IMPROVING AN
105 INTERCHANGE AT THE INTERSECTION OF U.S.

106 INTERSTATE 70 (I-70) AND 29 ROAD AND ACQUIRING
107 PROPERTY AND PROPERTY INTERESTS ALONG 29 ROAD
108 TO PATTERSON ROAD NECESSARY TO ACCESS THE
109 IMPROVED INTERCHANGE; SUCH DEBT TO BE INCURRED
110 UP TO \$ _____, WITH A REPAYMENT COST OF
111 \$ _____; SUCH DEBT TO CONSIST OF REVENUE BONDS
112 PAYABLE FROM ANY LEGALLY AVAILABLE REVENUE OF
113 THE COUNTY, WHICH BONDS MAY BEAR INTEREST AT A
114 MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO
115 EXCEED _____ % PER YEAR, MATURE, BE SUBJECT TO
116 REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE
117 ISSUED AT SUCH TIME, AT SUCH PRICE (AT, ABOVE OR
118 BELOW PAR) AND CONTAINING SUCH TERMS, CONSISTENT
119 WITH THIS QUESTION, AS THE BOARD OF COUNTY
120 COMMISSIONERS MAY DETERMINE; AND SHALL THE
121 PROCEEDS OF SUCH BONDS AND ANY REVENUE USED TO
122 PAY SUCH BONDS, AND INVESTMENT INCOME THEREON,
123 BE COLLECTED, RETAINED AND SPENT BY THE COUNTY
124 AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT
125 REGARD TO ANY SPENDING, REVENUE-RAISING, OR
126 OTHER LIMITATION(S) CONTAINED WITHIN ARTICLE X,
127 SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY
128 OTHER LAW?

- 129
- 130 5. Finding of Best Interests; Public Purpose. The Parties, pursuant to the
131 Constitution, Colorado law and the Charter and ordinances of the City, and in
132 accordance with the respective resolutions adopted by the City Council and the
133 Board of County Commissioners approving the execution and delivery of this
134 Agreement find that this Agreement is necessary, convenient, and in furtherance
135 of the publics' purposes and is in the best interests of the Parties and the
136 communities and the people that they serve.
- 137
- 138 6. Declaration of the City's Intent to Participate in the Payment of the Debt.
139 It is the present intention and expectation of the City Council to appropriate or
140 provide funds as requested, within the limits of available funds and revenues, but

141 this declaration of intent shall not be binding upon the City Council or any future
142 City Council in any fiscal year. Any payment(s) made pursuant to this
143 Agreement shall constitute annually appropriated expenditures of the City.

144 If the voters approve the 2024 Ballot question and the County issues up to \$80
145 million dollars in indebtedness (“Bonded Indebtedness”), on an annual basis the
146 City Manager, in accordance with Paragraph 59 of the City Charter, will prepare
147 and submit to the City Council a request for an appropriation or provision of a
148 sufficient amount of funds to pay 50% of the Bonded Indebtedness (“City
149 Annual Interchange Project Debt Payment”) incurred by County as the same is
150 described in the Official Statement (“OS”) for the issuance.

151 Any sum annually appropriated or provided by the City Council for the City
152 Annual Interchange Project Debt Payment shall be paid to the County and
153 deposited in the Mesa County I-70 Interchange Project Debt Service Fund and
154 shall be paid by the County to service the Bonded Indebtedness and shall not be
155 applied to any other purpose(s).

156
157 7. City’s Obligation Expressly Limited. In accordance with this Agreement the City
158 may, subject to annual appropriation, share equally in the cost of issuing bonds
159 as well as repayment of the Bonded Indebtedness with the City payment(s), if
160 any, in an amount not to exceed \$40 million inclusive of issuance costs. Issuance
161 costs incurred in the securing of such Bonded Indebtedness may include, but are
162 not necessarily limited to, attorney’s fees, Municipal Advisor fees, brokerage fees
163 and any and all other costs incurred by County as a direct result of issuing such
164 Bonded Indebtedness. Notwithstanding the foregoing, the County may not
165 pledge, obligate or contract the City to pay any sum of money except as
166 specifically provided by this Agreement.

167
168 8. Not a General Obligation or Other Indebtedness or Multiple Fiscal Year Direct
169 or Indirect Debt or Other Financial Obligation of the City. This Agreement shall
170 not create, or be claimed or construed to create, within the meaning of the City
171 Charter or any constitutional debt limitation, including, without limitation,
172 Article X, Section 20 of the Colorado Constitution a general obligation or other
173 indebtedness or multiple year fiscal direct or indirect debt of other financial
174 obligation of the City. Neither does this Agreement obligate or compel the City
175 to make any payment(s) to the County Interchange Project Debt Service Fund

176 and/or Mesa County beyond that annually appropriated in the City Council's
177 sole discretion.

178
179 9. Severability. If any section, paragraph, clause, or provision of this Resolution
180 shall for any reason be held to be invalid or unenforceable, the invalidity or
181 unenforceability of such section, paragraph, clause, or provision shall not affect
182 any of the remaining provisions of this Resolution, the intent being that the same
183 are severable.

184
185 10. No Agency or Employment. Any person(s) employed by either City or County
186 for the performance of work arising out of or under this Agreement shall be the
187 employee(s) of the respective employer and not an agent(s) or employee(s) of the
188 other.

189
190 11. No Delegation Without Prior Consent. Neither party may assign or delegate this
191 Agreement or any portion thereof without the prior written consent of the other
192 Party.

193
194 12. Not an Enforceable Contract. This Agreement, which evidences a moral
195 obligation but not an enforceable contract represents an understanding by and
196 between the Parties. Notwithstanding the expression of that understanding in
197 the form of an Agreement, it is not enforceable at law and/or in equity and
198 therefore provides no express or implied remedies. Only an instrument in
199 writing signed by the Parties may amend this Agreement.

200
201 13. Construction. The traditional rule that ambiguities shall be construed against the
202 drafter is waived.

203

204 Mesa County

205

206 _____
207 Bobbie Daniel
208 Chair, Mesa County Board of Commissioners

209

210

211 Attest:

212

213 _____

214 Bobbie Jo Gross

215 Clerk and Recorder

216

217

218 City of Grand Junction

219

220 _____

221 Abram Herman

222 President of the City Council

223

224 Attest:

225 _____

226 Selestina Sandoval

227 City Clerk

228

DRAFT



Grand Junction City Council

Workshop Session

Item #1.c.

Meeting Date: July 15, 2024
Presented By: Andrea Phillips, Interim City Manager
Department: City Manager's Office
Submitted By: Jennifer Tomaszewski, Finance Director

Information

SUBJECT:

Council Policies-Draft Budget Policy

EXECUTIVE SUMMARY:

Draft policy for Council discussion.

BACKGROUND OR DETAILED INFORMATION:

At the June 3, 2024, Council Workshop, staff presented early consideration topics for the 2025 Budget, which included bringing back to Council a draft budget policy. Utilizing the Government Finance Officer Association's recommended guidelines for best practices in drafting financial policies, staff present a *Draft Budget Preparation and Monitoring Policy* for Council review and discussion.

FISCAL IMPACT:

There is no fiscal impact as a result of this discussion.

SUGGESTED ACTION:

This item is for discussion purposes.

Attachments

1. DRAFT BUDGET POLICY TO COUNCIL_2024.07.15

CITY OF GRAND JUNCTION ANNUAL BUDGET PREPARATION AND MONITORING POLICY

OBJECTIVE

The purpose of this policy is to establish parameters and provide guidance governing the budget for the City of Grand Junction, and to provide transparency in the preparation, adoption, execution, and amendments to the City's annual budget. This policy ensures that the budget process aligns with public finance best practices and supports the strategic priorities of the City Council.

OVERVIEW

The City Manager is the designated Budget Officer and is responsible for submitting the annual budget to the Grand Junction City Council.

The budget along with the annual appropriation ordinance, provides the basis for the control of expenditures. The State Constitution and the City Charter provide the basic legal requirements and timelines for the process. Council goals, ordinances and resolutions provide additional direction and respond to the needs of the community.

The City of Grand Junction budget document serves four major purposes:

- Policy Document – The budget establishes explicit service priorities.
- Operations Guide – It outlines the organizational units that will be responsible for achieving the service priorities and that will be accountable for spending.
- Financial Plan – The budget sets forth the City's taxing and spending direction.
- Communications Tool – The budget document allows for a transparent tool to communicate to the public how the City will serve the community.

SCOPE

The annual budget includes all funds and organizational units within the city. This includes general, special revenue, debt service, capital projects, enterprise, and internal service funds.

Component units are also included in the City of Grand Junction's budgeting process to ensure comprehensive financial planning and transparency.

The City of Grand Junction's Budget Document may include the following items:

1. Table of Contents
2. Budget Message
3. Community Profile
4. Budget Guide

5. Description of City Government
 - a. Organizational Chart
 - b. Departments and Divisions
 - c. Directory of City Officials
 - d. List of City Boards and Commissions
6. Budget Process
7. Financial Summary
8. Department Budgetary Summaries
 - a. Performance Measures
 - b. Objectives
 - c. Personnel listing
 - d. Budgetary information
9. Capital Improvement Plan and Project Descriptions
10. Special Revenue Funds
11. Debt Service Funds
12. Appendix with Position Classifications and Pay Plan
13. Glossary of Terms

LENGTH OF THE BUDGET PERIOD

The fiscal year of the City of Grand Junction is the calendar year. The budget is a one-year plan by which the City Council sets the financial and operational priorities for the City. However, as part of the budget process, the city forecasts multi-year financial plans for capital expenditures and operating personnel to provide a longer-term perspective.

BUDGET CALENDAR

The budget calendar is reviewed and updated annually by the Finance Department to ensure compliance with all applicable State Statutes. Departments and City Offices are expected to meet all deadlines as set forth in the calendar. In addition to these deadlines, a public hearing must be held to give the citizens of the City of Grand Junction the opportunity to express their views on the proposed budget.

Statutory deadlines:

- December 15th is the Statutory deadline for certification of all mill levies to the Board of County Commissioners.
- December 22nd is the Statutory deadline for the Board of County Commissioners to levy all taxes and certify the levies.
- On or before December 31, the City Council enacts an ordinance appropriating the budget for the ensuing fiscal year.

A detailed budget timeline for the budget development process is included in the annual budget document.

ROLES AND RESPONSIBILITIES

The determination of policy matters is the responsibility of City Council except as otherwise provided by the Charter. The Council also has the power to adopt the City's budget.

The City Manager is responsible to the Council for the proper administration of all affairs of the City and to that end has the power and is required to prepare the budget and submit it to the Council and is responsible for its administration after adoption.

The City Manager and Finance Director, the budget development team, along with the other department directors, develop the guidelines, consistent with the policies, to be used for budget preparation. During the development of the budget, various department and division representatives also provide expertise.

From May through September City staff from all departments and divisions aid in preparation of the budget requests for inclusion in the budget.

BASIS OF BUDGETING

The appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with Generally Accepted Accounting Principals (GAAP), except for the General Fund, the 0.75% Sales Tax Capital Improvement Fund, and the Parkway Debt Retirement Fund. These funds are prepared on the modified accrual basis of accounting, excluding specific basis differences for tax accruals and market value adjustments.

Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and amortization. The budget is prepared under the direction of the City Manager. Annual appropriations are adopted by resolution by the City Council and may not be exceeded on a total fund basis for the given budget cycle.

DEFINITION OF A BALANCED BUDGET

The city will adopt a structurally balanced budget, ensuring that recurring revenues are sufficient to cover recurring expenditures, which includes annual appropriations for funding long term liabilities, such as debt service, capital asset maintenance, and employee pensions. One-time revenues or use of available reserves above any minimum reserve requirements will only be used for non-recurring expenditures such as capital projects.

BUDGET FORM AND INFORMATION

The budget document will include estimated beginning fund balances, estimated resources (revenues and transfers in), estimated uses (expenditures and transfers out) and estimated year-end fund balances.

Actual prior-year data, current year adopted, and projected current-year results will be included for comparative purposes.

INTERNAL SERVICES COST ALLOCATION

Internal Service operations, such as information technology, fleet, facilities, insurance, and dispatch provide critical support to the Departments of the City. By centralizing these services, the City can achieve economies of scale and cost savings as resources are pooled and managed more effectively. The full cost of support is allocated to each department based on the proportionate use of those services by the individual Department. This ensures that each department is accountable for the costs it incurs while maintaining transparency and fairness in resource distribution.

PERFORMANCE MEASUREMENT

Performance measures will be integrated into the budget to evaluate the efficiency and effectiveness of services. These measures will assist in resource allocation decisions and continuous improvement efforts.

MONITORING OF BUDGETS

The Finance department will provide quarterly financial reports to the GJCC including a review of funds and department performance against budget and analysis of significant variances. Department Directors are responsible for reviewing their budgets on a regular basis and investigating any unusual variances. The Department Director should submit a request for adjustment to the Finance Department for needed adjustments.

BUDGETARY LEVEL OF CONTROL & BUDGET TRANSFERS

Transfers Within a Fund

The level of budgetary control is established at the fund level. Departments are responsible for all expenditures made against appropriations within their fund and can allocate available resources within the fund. Reallocation of salary savings towards other costs within a department shall be approved by the City Manager with a recommendation from the Finance Director. The City Manager also has the authority to approve departmental expenses greater than the budget for that department so long as the overall expenses in the fund serving that department are less than the budgeted amount for the fund.

Any expenditure exceeding the budgeted amount for a fund requires formal approval from the City Council.

Transfers Between Funds

During the fiscal year, the Council may, by ordinance, upon the recommendation of the City Manager, transfer any unexpended and unencumbered appropriated amount or portion thereof from one fund to another fund.

CARRYOVERS

Carryovers for operating expenditures are generally not allowed except for projects, capital purchases and grants not complete by the end of the fiscal year. Operating exceptions may occur for significant contract services that carryover from one year to the next. Carryovers for capital improvement projects are allowed for projects that have started but are not complete by the end of the fiscal year. Only the amount remaining on the project or necessary to complete the project may be carried over into the impending budget year. The Finance Department will present any supplemental carryover requests to the GJCC by May for review and approval.

YEAR-END BUDGET SAVINGS

If the General Fund prior year-end results in a surplus in budget savings, after any prior year supplemental carry forward requests are approved, and if minimum reserve requirements are already met:

- 50% will be allocated to Council strategic Priorities, projects or unfunded initiatives (ie: housing, economic development, etc)
- 15% allocated towards a safety equipment replacement reserve
- 10% allocated to fund non-profits in the next budget cycle
- 25% towards General Fund Reserves

FUND BALANCES

Available fund balance is an important measure of economic stability. Each fund should maintain a fund balance at a level that will provide for a positive cash balance throughout the fiscal year and provide resources to sustain through unexpected occurrences in order not to jeopardize the financial position of the City.

Adequate fund balance levels preserve the credit worthiness of the City; provide working capital for the City to meet cash flow needs during the year; provide a comfortable margin of safety to address unanticipated expenditures, emergencies, and unexpected declines in revenue due to economic downturns; and provide a resource to stabilize fluctuations from year to year in the taxes paid by City taxpayers.

In order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain a sound bond rating, the City shall maintain a minimum policy

reserve in the General Fund as approved on August 1, 2018 Resolution No. 18-50, which established a “Minimum Reserve” at 25% of the current year’s adopted budget. The Minimum Reserve shall not be used for any purpose other than as allowed by Resolution No. 18-50 or as required by Article X, Section 20 §5 of the State Constitution (also known as the TABOR Amendment).

As part of the annual budget process, the Finance Department will estimate the surplus or deficit for the current year and prepare a projection of the year-end fund balances for all City funds subject to annual appropriation including the available general fund balance. Any anticipated balance in excess of the general fund minimum reserve policy balance may be assigned to other purposes. Fund balance may be used as appropriate (and approved by the GJCC) under sound management practices when current revenues are not adequate to cover current expenditures.

Withdrawal of any amount of available general fund balance that reduces the balance to less than the minimum amount shall be replenished in the next budget year.

Replenishment of minimum reserve fund balance may be accomplished through the control of operating expenditures, unexpected revenues sources, year-end budget surpluses, above average sales tax revenues, or increased property tax revenues.

The City will strive to maintain an adequate level of fund balance for its Enterprise Funds and Internal Service Funds for future capital needs, unforeseen circumstances, emergencies, through the utilization of Long-Term Financial Planning.