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**GRAND JUNCTION CITY COUNCIL
MONDAY, JULY 1, 2024
WORKSHOP, 5:30 PM
FIRE DEPARTMENT TRAINING ROOM
625 UTE AVENUE**

1. Discussion Topics

- a. Fire Collective Bargaining Ordinance
- b. 2025 Council Budget Priorities
- c. Tax Exemption on Second-Hand Goods
- d. Cannabis Ordinance Modification(s)

2. City Council Communicaton

- a. 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. 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 1, 2024
Presented By: Bryson Rasmussen
Department: Fire
Submitted By: Ken Watkins, Fire Chief

Information

SUBJECT:

Fire Collective Bargaining Ordinance

EXECUTIVE SUMMARY:

The Grand Junction Professional Firefighter's Local 2808 will present information on its request that the City Council consider an ordinance allowing for collective bargaining.

BACKGROUND OR DETAILED INFORMATION:

Representatives of Local 2808 approached City Council with a request that it consider an ordinance that would provide for a collective bargaining process between the City and Local 2808. Representatives from Local 2808 will be in attendance to present the Local position.

Local 2808 was formed in 1980 and is affiliated with the International Association of Firefighters and the Colorado Professional Firefighters Association. In 2018, the GJFD and Local 2808 established a Memorandum of Understanding between the two entities and acknowledged communication parameters.

The City Council will not be receiving information or recommendation(s) from the Staff on July 1st, but will as part of the consideration of the 2025 budget development and planning and prioritization for 2025 and beyond.

FISCAL IMPACT:

No Fiscal Impact - Information Only

SUGGESTED ACTION:

No Action - Information From Local 2808 Only

Attachments

None



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: July 1, 2024
Presented By: Andrea Phillips, Interim City Manager
Department: City Manager's Office
Submitted By: Jennifer Tomaszewski, Finance Director

Information

SUBJECT:

2025 Council Budget Priorities

EXECUTIVE SUMMARY:

This is time for City Council to discuss Preliminary 2025 Budget Considerations

BACKGROUND OR DETAILED INFORMATION:

At the June 3, 2024, Council Workshop, staff presented early consideration topics for the 2025 Budget. Staff also proposed preparing a future Council Budget Policy Document, which they are currently in the process of drafting, following the Governmental Finance Officer Association (GFOA) guidelines. From the June 3 workshop, the Council directed staff to bring the 2025 considerations back for further discussion in another workshop.

Early consideration topics for Council included:

- Early Revenue Forecasts
- Operational Cost Increases
- Public Safety
- Housing
- Economic Development
- Non-Profit Funding Awards and Allocations Based on Strategic Priorities
- Projects and Initiatives with funding which has not yet been identified
- Future Debt Issuances

As staff begin to develop the 2025 Recommended Budget which will be presented to Council in the upcoming October workshops, staff will utilize the current Strategic Framework approved by Council for the 2024-2026 budgets. However, early direction

from Council will also help guide staff in allocating the current resources to the operational needs of the organization and the services we provide to the community, while also considering Council priorities for new initiatives.

There are several important projects and initiatives that the Council, City staff and community partners are developing or are currently in process, which will be instrumental for the future of Grand Junction, and potential future revenues which will be generated in upcoming years, such as Dos Rios, the Western Slope Metro District development, and the Community Recreation Center, to name a few. In the last several years, the City has also identified large one-time funding resources towards important community priorities such as housing. For example, in the 2024 Adopted Budget, \$6.4 million was identified from the American Rescue Plan Act (ARPA) funds and Dos Rios Property sales towards housing initiatives. While this was a large contribution towards an important need in the community, it was funded with one-time funds.

At the same time, while early operational revenue forecasts anticipate mild growth for 2025, operational costs are anticipated to increase at a higher rate than revenue growth. In these gap years, until the City begins seeing the impacts of these potential future revenues, staff will prioritize operational needs, while seeking Council guidance to prioritize limited resources towards other priorities and initiatives.

FISCAL IMPACT:

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

SUGGESTED ACTION:

This item is for discussion purposes.

Attachments

None



Grand Junction City Council

Workshop Session

Item #1.c.

Meeting Date: July 1, 2024

Presented By: Andrea Phillips, Interim City Manager, Jennifer Tomaszewski, Finance Director

Department: Finance

Submitted By: Jennifer Tomaszewski, Finance Director

Information

SUBJECT:

Tax Exemption on Second-Hand Goods

EXECUTIVE SUMMARY:

Based on the request from Councilmember Kennedy for consideration of a sales tax exemption for secondhand stores, City staff brought forward information to assist Council with the discussion which was presented at the January 8, 2024, City Council Workshop. As an outcome of that meeting, a subsequent memo was submitted to Council on January 19, 2024, followed by an additional Council Workshop on March 18, 2024. Staff was directed to provide additional information as an outcome of the March 18 workshop, which is provided in this report.

BACKGROUND OR DETAILED INFORMATION:

The purpose of this report is to provide City Council additional information requested from the March 18 Council workshop for the following items:

- Implementation of exemption for 501(c)3 non-profit organizations and fiscal impact
- Options for tracking exemption for 501(c)3 non-profit organizations
- Temporary vs. permanent exemption and recommended Municipal Code changes
- Timeline for implementation

Implementation of exemption for 501(c)3 non-profit organizations and fiscal impact

The Council directed staff to review the consideration of exempting only 501(c)3 non-profit organizations, rather than all businesses that sell secondhand goods. There was

also Council discussion regarding exempting all non-profit organizations, for ease of implementing this, and the possibility of requiring non-profits to continue collecting sales tax on new items.

If the Council directs staff to move forward, staff recommend exempting only those non-profit organizations registered in the City tax system as “used merchandise retailers.” This would reduce unintended lost sales tax revenues for other non-profit organizations that report sales tax revenues which are outside the scope of secondhand sales. In 2023, non-profit organizations reported over \$1 million in sales tax revenue. Of that, approximately \$400,000 was from those “used merchandise retailers.”

Due to the complexity of defining categories of goods which are considered secondhand, the necessary amendments to the Grand Junction Municipal Code (GJMC) to define them, and subsequently regulating the amendments, staff recommends that Council consider a blanket exemption for only the “used merchandise retailer” 501(c)3 non-profit organizations. Should the Council prefer to continue collections for new goods, further direction would be necessary to define secondhand goods.

Options for tracking exemption for 501(c)3 non-profit organizations

The Council directed staff to review options for tracking (or not tracking) these exemptions. Staff identified three options:

Option 1: Create a new tax return limited only to those eligible non-profit organizations. The new tax return would minimize the number of businesses reporting the exemption, reduce ineligible exemption use, and would reduce resources to administer it. This option provides more ability to track and report impacts of the exemption, if used. This option, however, would not integrate with the State Sales and Use Tax system (SUTS). Therefore, these non-profit organizations would be required to file returns within the City of Grand Junction's local GenTax system.

Another item for consideration is that there is currently no language in the GJMC requiring businesses to file sales tax returns when they are no longer collecting sales tax. Should staff create the new tax return and/or processes to track impacts, there is no guarantee the City will still be able to quantify impacts unless GJMC amends the existing language to require reporting.

Option 2: Implement the exemption using the existing sales tax returns online, while adding another exemption line within the existing return form. All businesses would have access to this exemption, with the potential for unintended use. This option would require additional resources to administer, the potential to further reduce and/or delay revenue collections, and would require an increased volume of business audits to regulate.

Option 3: The third option is to make no changes to existing returns. However, there would be no mechanism for the City to regulate these exemptions, and there would be

no information to report the actual impacts of exemptions on sales tax revenues. This would complicate future audits and could still impact other businesses self-implementing the exemption.

Temporary vs. permanent exemption and recommended Municipal Code changes

Council discussed options for considering either a temporary (with a sunset) or permanent exemption. Should the Council wish for this exemption to be permanent, it would necessitate an Ordinance to amend the existing language, among other potential considerations. Otherwise, should the Council prefer a temporary exemption, it would require a resolution with a sunset timeline. Staff are reviewing GJMC and identifying required changes should the Council decide on a permanent exemption.

Timeline for Implementation

At the March 18 workshop, there was discussion regarding the potential effective date for implementation being either July or October 2024, to allow for the start at the beginning of a quarter. The option for the 2025 budget was also discussed. However, the Council directed staff to bring back options for 2024 implementation.

The timeline will be dependent on decisions from the Council, any required GJMC revisions, necessary outreach, and the administrative changes required as a result of Council direction.

FISCAL IMPACT:

There is no fiscal impact related to this item.

SUGGESTED ACTION:

This item is for discussion purposes only.

Attachments

None



Grand Junction City Council

Workshop Session

Item #1.d.

Meeting Date: July 1, 2024
Presented By: John Shaver, City Attorney, Selestina Sandoval, City Clerk
Department: City Attorney
Submitted By: Selestina Sandoval

Information

SUBJECT:

Cannabis Ordinance Modification(s)

EXECUTIVE SUMMARY:

On April 6, 2021, the voters approved referred measures 2A and 2B. The approval of those measures provided the City Council an opportunity to allow for and regulate and establish tax rates and regulations for the retail cannabis industry in Grand Junction. The regulations allowed for 10 cannabis licenses. Five businesses have been licensed and opened, and the other five are in various stages of opening.

BACKGROUND OR DETAILED INFORMATION:

Ordinance No. 5064 was adopted on April 8, 2022, to amend Title 5, creating Chapter 13 in the Grand Junction Municipal Code to allow certain marijuana, also known as cannabis, uses, licenses and regulations in the City of Grand Junction. Per Section 5.13.022, the Requirements of Issuance of a License include:

(e) At the time of issuance of a License, the Applicant has paid all fees and intends to commence operation within 12 months of selection in the random selection process; the Hearing Officer may extend the period for the Applicant to commence operation for a period not to exceed 24 months from the date of selection in the random selection process, if the Applicant petitions the Authority for an extended commencement date and after a hearing, the Hearing Officer finds good cause to grant the extension.

The Randomized Selection process took place on March 30, 2023, and ten businesses were selected. Those are:

1.	Colorado Weedery - 879 Struthers Avenue, Unit A	Opened 11/1/2023
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2.	Native Roots Grand Junction - 683 Horizon Drive #110	Opened 12/6/2023
3.	Grand Junction Greenery - 762 Horizon Drive	Opened 11/13/2023
4.	Canna Care, LLC - 2730 US Highway 50	Extension Approved to 10/31/2024
5.	The Garage - 545 Colorado Avenue	Opened 4/8/2024
6.	The Green Horizon - 739 Horizon Drive, Unit B	Extension Approved to 9/24/2024
7.	The Buzz - 1022 N 3rd Street	Extension Approved to 3/30/2025
8.	Golden Rookie, LLC - 605 Grand Avenue	Extension Approved to 11/22/2024
9.	Lucky Me Dispensary - 2648 Patterson Road	Opened 10/10/2023
10.	Kai Dispensary - 914 South Avenue	Extension Approved to 3/30/2025 (Building from the ground up)

Because the status of five of the approved businesses is uncertain, and the unopened businesses are well into the 24-month extension period, the City staff is requesting that the City Council provide direction on possible amendment(s) to the Code in the event that the extension period expires before all 10 of the businesses are open and fully operational.

Options include:

1. Monitor the status of "openings" and report back to the Council at or near year's end;
2. Develop an ordinance to amend the Code to provide additional time for extension(s). If this option is selected, the staff will recommend that the amendment(s) allowing for further extension(s) includes criteria;
3. Develop an ordinance to amend the Code to reduce the cap to the number of businesses open when the latest of the current extended licenses expire;
4. Develop an ordinance to amend the Code to retain the cap, but delay the opportunity to apply for "vacated" licenses until some future time;
5. Commit to the cap and open an application period after each vacancy/extension expires.

FISCAL IMPACT:

There is no immediate fiscal impact from/regarding this matter.

SUGGESTED ACTION:

For discussion purposes only.

Attachments

None