

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY

AUGUST 31, 2026

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

City Councilmembers Present: Councilmembers Robert Ballard (virtual), Scott Beilfuss, Cody Kennedy, Jason Nguyen, Anna Stout, and Mayor Pro Tem Ben Van Dyke. Mayor Laurel Lutz was absent.

Staff present: City Manager Mike Bennett, Interim City Attorney Jeremiah Boies, Deputy City Manager Kimberly Bullen, Chief Financial Officer Jay Valentine, Housing Specialist Paul Stahlke, Deputy City Clerk Misty Williams and City Clerk Selestina Sandoval.

1. Discussion Topics

a. Housing Action Plan Revised Draft

Key Points:

- Mollie Fitzgerald of Root Policy reviewed revisions to the Housing Action Plan based on previous Council discussion and stakeholder feedback.
- The proposed Housing Advisory Board was removed, with targeted stakeholder engagement preferred instead of creating a formal board.
- The strategy to explore additional housing revenue and financing options was moved to years four through six of the plan.
 - Staff clarified that “explore” does not commit Council to a tax, fee, or other dedicated funding source.
 - Any future funding proposal would require separate Council direction and consideration.
- Feedback from the Grand Junction Housing Authority was incorporated, particularly emphasizing stakeholder partnerships and engagement in implementation.
- A new annual prioritization framework was added to help Council evaluate housing initiatives based on available funding, grants, staff capacity, and current priorities.
 - The framework is intended as guidance and does not obligate future Councils to specific actions or expenditures.
- The summary of previous Housing Needs Assessment was moved to the appendices, as requested by Council.
- Council expressed general support for moving the revised plan forward.
- Next Steps: DOLA will complete its preliminary review, public comments will continue to be accepted, and the plan will be returned to Council for a public hearing and formal adoption consideration.

b. Budget Process & Focus Overview

Key Points:

- Staff provided an overview of the 2027 budget process and the City's developing structural financial challenges.
- Departments have completed operational presentations, budget submissions, and detailed line-item reviews.
- Staff will work through prioritization and balancing during September.
- The recommended budget will be presented during October workshops, followed by additional discussion and formal adoption proceedings beginning in November.
- Staff reported a current \$6 million General Fund structural gap before considering approximately:
 - \$7 million in one-time requests; and
 - \$7.9 million in requested new personnel costs, including approximately \$5.5 million related to public safety.
- Staff emphasized that the deficit is structural rather than cyclical, with recurring expenditures increasingly exceeding recurring revenues.
- The City's recurring operating margin has declined each year since 2021.
- Previous use of one-time funding strategies has helped balance individual budgets but contributed to pressures in subsequent years.
- Major budget pressures include:
 - Increasing compensation and employee benefit costs;
 - Public safety staffing and service demands;
 - Growth and annexation creating additional ongoing service obligations;
 - Aging fleet and infrastructure;
 - Increasing technology costs;
 - State mandates without corresponding funding;
 - Dos Rios debt obligations; and
 - Costs associated with providing rural fire and EMS services.
- Staff noted that the First Responder Fund will require General Fund support beginning in 2027 because dedicated revenues are no longer sufficient to cover expanded public-safety costs.
- Employee health insurance was identified as another significant financial pressure.
 - The City's transition to a self-funded insurance model has saved an estimated \$5.8 million compared with remaining fully insured.
 - However, the insurance fund was initially funded below recommended levels and claims have exceeded projections.
 - Staff discussed potentially using a portion of General Fund reserves to restore an appropriate insurance reserve.
 - Staff emphasized that this would be a one-time correction and that fund balance should not be relied upon for recurring operating expenses.
- Council discussed the long-term sustainability of the City's regional fire and EMS service model.
- Staff indicated discussions with regional partners have begun and that a more formal outside study is anticipated as part of future recommendations.

- Staff plans to provide the Rural Fire District the required two-year notice to renegotiate the existing agreement.
 - Staff clarified that the notice would not mean the City intends to discontinue service, but would provide the opportunity to develop a more financially sustainable arrangement.
- Staff emphasized that both immediate budget balancing and longer-term structural changes will be necessary.
- Next Steps: Staff will return in October with specific recommendations for balancing the 2027 budget and addressing longer-term structural issues.

c. Financial Policies & Reporting Overview

Key Points:

- Staff presented a new quarterly financial reporting tool intended to provide Council and the public with a more accessible, high-level view of the City's financial position.
- Staff noted that the City's comprehensive annual financial report contains extensive financial information but can be difficult for the general public to navigate.
- The new report is designed as a more understandable overview and will be updated quarterly.
- Similar to other City dashboards, the report is intended to be a living tool that can be refined based on Council, staff, and public feedback.
- Staff also reviewed the City's financial policies, which have been consolidated into a single document and are reviewed as part of the City's annual audit process.
- A new debt policy was added in response to previous Council discussions regarding appropriate parameters for City debt.
 - The policy establishes a framework for evaluating debt rather than imposing rigid limits.
 - Staff explained that debt is generally intended for long-term financing of capital projects, not as a means of addressing an ongoing structural operating deficit.
 - Before recommending debt, staff would evaluate financing alternatives, financial impacts, the type of debt proposed, existing debt obligations, repayment schedules, and effects on the overall budget.
- Staff discussed debt burden as a percentage of revenues as one indicator for evaluating financial capacity.
- Based on guidance referenced during the presentation, debt below 10% of revenues is generally viewed as conservative; 10–15% warrants closer scrutiny; and higher levels can reduce budget flexibility.
- The City's current debt burden was reported at approximately 7.96% of revenues, or approximately 8.59% when including the Dos Rios obligation that the City is paying.
- Council emphasized that the policy should preserve flexibility in available financing options, including tools such as Certificates of Participation.
 - Staff confirmed that the policy was intentionally kept high-level rather than overly prescriptive so that financing options remain available when appropriate.
- Staff emphasized that flexibility is paired with greater structure and transparency: future debt recommendations should show Council how proposed debt affects the City's total

debt load, revenues, repayment schedules, existing obligations, and overall budget capacity.

- The discussion also distinguished between debt supported by a dedicated voter-approved revenue source and financing that requires existing City revenues to be redirected toward new debt payments.
- Council expressed support for the additional structure and transparency, noting its usefulness for both Council and the public in light of recent questions regarding City debt.

2. Council Communication

- Councilmember Stout will be out for the September 16, 2026, regular meeting.
- Councilmember Kennedy stated he had been appointed as the Colorado Basin Roundtable Municipal Representative by the Mesa County Commissioners.
- Councilmember Beilfuss requested more information on Flock Cameras.
- Councilmember Van Dyke gave an update on the Downtown Development Authority Terminal Project and the Business Incubator.

3. Next Workshop Topics

City Manager Bennett summarized list of next workshop topics.

- September 14: Water Supply Element of the Comprehensive Plan, Local Preference for Procurements and Data Centers
- He requested that the October 19th workshop be moved to October 26th to allow more time for balancing and presenting the budget. Council agreed to the change.

4. Other Business

- The request was approved for issuance of a social proclamation for International Overdose Awareness Day.
- The request was approved for issuance of a social proclamation for White Cane Day.
- The interview team for the Grand Junction Housing Authority shared who they were recommending for appointment and the reasoning for their choice.

5. Adjournment

There being no further business, the workshop was adjourned at 7:50 p.m.