

**GRAND JUNCTION CITY COUNCIL
MINUTES OF THE REGULAR MEETING**

August 18, 2008

The City Council of the City of Grand Junction convened into regular session on the 18th day of August 2008 at 7:04 p.m. in the City Auditorium. Those present were Councilmembers Bonnie Beckstein, Teresa Coons, Jim Doody, Bruce Hill, Doug Thomason, Linda Romer Todd, and Council President Gregg Palmer. Also present were City Manager Laurie Kadrich, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Palmer called the meeting to order. Councilmember Hill led in the Pledge of Allegiance. The audience remained standing for the invocation by Retired Pastor Mark Harris.

Council Comments

Councilmember Thomason expressed appreciation to all those that were involved in the Riverside Parkway. He has driven it and it is a winner.

Council President Palmer agreed saying he too drove the Parkway and it was gratifying to him to see all the people traveling it.

Councilmember Coons thanked those that attended the ribbon cutting for the new Chipeta Elementary School. The great grandson of Chipeta (the wife of Chief Ouray) was at the ribbon cutting and presented a picture of his grandmother that will hang at the school. This school is another example of partnership with the City; that partnership allowed the school to build a bigger gymnasium and a multi-purpose room.

Councilmember Doody announced his 22nd wedding anniversary.

Citizen Comments

There was none.

City Council/City Manager Meeting Schedule Review

Laurie Kadrich, City Manager, reviewed the upcoming meeting schedule.

CONSENT CALENDAR

Councilmember Coons read the Consent Calendar and then moved that items 1 through 3 be approved. Councilmember Thomason seconded. The motion carried by roll call vote.

1. **Minutes of Previous Meetings**

Action: Approve the Minutes of the August 4, 2008 and the August 6, 2008 Regular Meetings

2. **Setting a Hearing on Zoning the Schuckman Annexation, Located at 231 28 ½ Road** [File #ANX-2008-018]

Request to zone the 0.87 acre Schuckman Annexation, located at 231 28 ½ Road, to R-4 (Residential 4 du/ac).

Proposed Ordinance Zoning the Schuckman Annexation to R-4 (Residential 4 DU/Ac), Located at 231 28 ½ Road

Action: Introduction of a Proposed Ordinance and Set a Hearing for September 3, 2008

3. **Setting a Hearing on Zoning the Fournier Annexation, Located at 2132 Rainbow Ranch Drive** [File #ANX-2008-111]

Request to zone the 3.27 acre Fournier Annexation, located at 2132 Rainbow Ranch Drive, to R-4 (Residential 4 du/ac).

Proposed Ordinance Zoning the Fournier Annexation to R-4 (Residential 4 DU/Ac), Located at 2132 Rainbow Ranch Drive

Action: Introduction of a Proposed Ordinance and Set a Hearing for September 3, 2008

ITEMS NEEDING INDIVIDUAL CONSIDERATION

Change Order for Removal of Asbestos Contaminated Soil at the Former Steam Plant, Located at 531 South Avenue

Asbestos contaminated soil was removed from the 1.36 acre site at 531 South Avenue under contract with LVI Environmental Services, Inc. in preparation for construction of the new Grand Valley Transit Transfer Station and office building. The quantity of contaminated materials (soil and concrete) removed was approximately 5,900 tons, which is 3,300 tons over the original contract quantity estimated at 2,600 tons.

Trent Prall, Engineering Manager, presented this item. He reviewed the history of the site briefly and concluded that, as of today, the City has completed its obligation with the Steam Plant property and it will be transferred to Mesa County for the Grand Valley

Transit transfer station. The entire site had to be lowered by an additional two feet and the foundation had to be removed. All of that material had to be trucked out, wrapped and contained, thus the cost overruns.

Mr. Prall explained the funding source for the cost overruns. There are some monies allocated for the Big Pipe Project in 2007 that can be carried forward to cover some of these cost overruns.

Councilmember Thomason asked if the site has been certified as clean. Mr. Prall advised that it has been certified by the EPA.

Council President Palmer asked how this huge overrun occurred, why wasn't the contamination caught early on. Mr. Prall explained how that can occur. Council President Palmer inquired as to the cost of the property. Mr. Prall said it was donated but there were some closing costs. City Attorney Shaver advised the closing and assessment costs were under \$20,000. The property had significant environmental issues with PCBs co-mingled with uranium mill tailings and asbestos.

Councilmember Todd noted it is not unusual with commercial properties. It is, however, unfortunate.

Councilmember Coons said the advantage that there is property that is usable with the alternative being an unusable site, basically a superfund site.

Council President Palmer noted that it is a significant contribution to Grand Valley Transit.

Councilmember Thomason moved to authorize the City Manager to execute a change order to LVI Environmental Services, Inc. increasing the contract amount from \$99,899 to \$236,993 and approve a project budget adjustment from \$180,555 to \$368,084. Councilmember Beckstein seconded the motion. Motion carried.

Change Order No. 1 for the 23 Road Sewer Improvement District

This change order will cover additional costs incurred during construction of a bore under Highway 340 at 23 Road needed for completion of the 23 Road Sewer Improvement District. This is a Septic System Elimination Program project.

Trent Prall, Engineering Manager, presented this item. He explained how this situation occurred that is creating the need for a change order. Geotechnical inspections were made on both sides of the highway but the bore proved different soils. They encountered rock when they tried a directional bore. Next they tried an auger bore but the rocks were too large so they ended up hand tunneling the bore.

He suggested that the costs not be passed on to just this sewer improvement district but rather charge trunk extension fees to a broader area in that vicinity.

Councilmember Todd asked if those fees would be charged out in today's dollars. Mr. Prall explained that in the past they have charged the true cost rate plus 4% interest. In 1992 the trunk extension fund was put in place which kept the fees at a level rate. In this case, there will probably be some interest component, probably on a per acre basis based on the actual cost.

Councilmember Todd moved to authorize the City Manager to execute Change Order No. 1 for the 23 Road Sewer Improvement District to M.A. Concrete Construction, Inc. in the amount of \$105,725.20. Councilmember Coons seconded the motion. Motion carried.

Final Change Order for the Ranchmen's Ditch Flood Control Project, Phase 1

This change order will cover additional costs incurred during construction of Phase 1 of the Ranchmen's Ditch Flood Control Project. The additional costs to the project are attributed to poor sub-grade within the Mesa Mall parking lot that resulted in failure of the asphalt paving with the parking lot.

Trent Prall, Engineering Manager, presented this item. He noted that the change order is 1.6% of the original contract amount. He described the route of the pipe in this phase, across the Mesa Mall parking lot and through some difficult terrain. Heavy truck traffic in the Mesa Mall parking lot resulted in more pavement replacement than anticipated. There was another area at the interchange that had to be stabilized. There were savings in Phase II that can be applied to this change order.

Councilmember Thomason inquired when the Phase II contract will be final. Mr. Prall said it is close, they don't anticipate much difference from the estimate.

Councilmember Coons moved to authorize the City Manager to execute the final change order for Phase 1 of the Ranchmen's Ditch Flood Control Project to Scott Contracting in the amount of \$107,606.43. Councilmember Thomason seconded the motion. Motion carried.

Public Hearing—The Shady Acre Annexation and Zoning, Located at 528 29 Road [File # ANX-2008-159]

Request to annex and zone 1.25 acres, located at 528 29 Road to R-8 (Residential 8 du/ac). The Shady Acre Annexation consists of one parcel and includes a portion of the 29 Road right-of-way.

The public hearing was opened at 7:38 p.m.

Greg Moberg, Planning Services Supervisor, presented this item. He described the site, the location and the request. He entered the Staff Report and attachments into the record. He noted the Planning Commission did recommend approval.

Tom Dixon, representing Valley Investment, the applicant, said it is a straight forward request so he would defer to Staff's presentation. He can answer any questions. There were none.

There were no public comments.

The public hearing was closed at 7:39 p.m.

a. Accepting Petition

Resolution No. 115-08—A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Shady Acre Annexation, Located at 528 29 Road Including a Portion of the 29 Road Right-of-Way is Eligible for Annexation

b. Annexation Ordinance

Ordinance No. 4276—An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Shady Acre Annexation, Approximately 1.25 Acres, Located at 528 29 Road and Including a Portion of the 29 Road Right-of-Way

c. Zoning Ordinance

Ordinance No. 4277—An Ordinance Zoning the Shady Acre Annexation to R-8 (Residential 8 du/ac), Located at 528 29 Road

Councilmember Todd moved to adopt Resolution No. 115-08 and Ordinance Nos. 4276 and 4277 and ordered them published. Councilmember Hill seconded the motion. Motion carried by roll call vote.

Public Hearing—Approving the Service Plan for the Proposed Redlands Mesa Metropolitan District, Including an Intergovernmental Agreement

Approving the Service Plan for the Redlands Mesa Metropolitan District ("District"). The District is being created for financing public improvements on the land within the District and also possible improvements on the City's property commonly referred to as Painted Bowl.

The public hearing was opened at 7:41 p.m.

John Shaver, City Attorney, presented this item. He described the request and the purpose of the formation of such a District. Mr. Jim Marshal, the applicant, and his legal counsel Mary Ann McGeady, were present. City Attorney Shaver said it is his recommendation that Council approve the resolution which approves the Service Plan and the Intergovernmental Agreement.

Mr. Marshall declined to make any comments.

There were no public comments.

The public hearing was closed at 7:44 p.m.

Resolution No. 116-08—A Resolution Approving the Service Plan and Intergovernmental Agreement for the Redlands Mesa Metropolitan District

Councilmember Thomason moved to adopt Resolution No. 116-08. Councilmember Doody seconded the motion. Motion carried by roll call vote.

Set Ballot Titles for the Public Safety Initiative

The City Council will be considering possible ballot language to raise the City's sales and use tax by ¼% for the construction and operation of public safety facilities in the City. The City Council will also consider whether to approve a ballot question regarding the TABOR Amendment revenue limitation. If the City Council authorizes the ballot questions the ¼% tax will be repealed upon repayment of the Riverside Parkway debt.

Laurie Kadrach, City Manager, presented this item. She noted it was a continuation from an earlier workshop. She noted that the Council feels the Public Safety Initiative will help the City of Grand Junction become the most livable community west of the Rockies by the year 2025.

She presented the Preferred Funding Option. It will include two ballot questions; the first to add one-quarter percent increase in sales tax and second to relieve the City from the revenue restriction of the TABOR measure.

Ms. Kadrach reviewed how this will impact the citizens, including the one-quarter percent sales tax increase to be terminated once the funds to repay the Riverside Parkway debt have been accumulated. The Riverside Parkway could be paid off as soon as 2015, but the funds could actually be accumulated prior to that date.

Council President Palmer asked how retailers would know the tax is coming off to change their cash registers appropriately. Ms. Kadrich responded that there would be a “within 90 days” language and retailers would receive a notice as to what day to take the extra tax off.

Councilmember Todd asked if all retailers would have to change on the same day. City Attorney Shaver said no but must change by the 90th day.

Ms. Kadrich explained what TABOR is and the three prongs of that law: need voter approval for a tax increase, voter approval is needed to incur debt and the third prong is the revenue limitation. That revenue limitation is first based on the Denver-Boulder CPI. The City of Grand Junction’s growth is therefore tied to growth on the eastern slope. Grand Junction is the largest municipality in the State that has not lifted this revenue limitation.

Another component for that revenue limitation is based on growth which has helped Grand Junction because it is growing. That has allowed Grand Junction to keep a larger portion of the revenue but that will not continue. That limitation will also ratchet down when there is an economic downturn.

Council President Palmer asked Ms. Kadrich to explain excess revenue. Ms. Kadrich said it is not extra or excess, it is money coming in from people who are using the services in the community. Two services are greatly affected: the transportation network and the second are the public safety services. Keeping those revenues generated by those people using the services is reasonable.

Council President Palmer added that these are not new taxes, these are already collected. Ms. Kadrich agreed and said that currently the voters have granted the City the retaining of the revenue to pay off the Riverside Parkway debt.

Another component is that Grand Junction is still growing whereas other communities are built out to their boundaries.

Ms. Kadrich displayed a ten year projection and explained the financial picture for each year. The one-quarter percent sales tax will not pay for all of Public Safety, it will pay the debt service, but the General Fund will still be paying the bulk of the cost for public safety.

Councilmember Coons asked what portion of the City’s budget goes toward public safety. Ms. Kadrich replied 47% of the General Fund budget, not including capital expenses.

Ms. Kadrich said this information has been presented to a number of other entities and many have passed resolutions supporting the initiative.

Next, Ms. Kadrach presented the survey results from the professional surveying company.

Councilmember Beckstein asked the City Manager to describe what the community will be expecting for this initiative. Ms. Kadrach said there will be a new Police and Fire Administration building to include the Communication Center and the municipal court, a new downtown fire station, a storage annex to house the equipment of the Police Department, and a parking garage for the large tactical vehicles and the police vehicles.

Council President Palmer asked Ms. Kadrach to explain the polling results regarding the TABOR question. The restricted use of the TABOR funds was slightly less popular.

Ms. Kadrach explained further the economic impact to the taxpayers of both questions.

Councilmember Todd asked if there will be additional needs in the year 2030. Ms. Kadrach said probably in 2020, this plan covers only the next ten years.

She then read the polling company's conclusion that there is a high level of support for the initiative and the funding.

If Council chooses to go forward, the Council will need to adopt a resolution setting the ballot titles. The second request is that Council adopt a resolution supporting the questions.

Ms. Kadrach presented the first proposed ballot question and explained the meaning of the Constitutional language. The second question is shorter, and again, Ms. Kadrach provided an explanation. The second question de-Bruce's all of the City's revenues and allows them to be used for not only repayment of the Public Safety Facility debt but for all governmental purposes.

There is no debt question because the debt instrument would be Certificates of Participation, like what was used for the CBI building, and voter approval is not needed.

Councilmember Todd asked about planning forward and the need to do so. Ms. Kadrach pointed out that this is not the City's only need, just like the Parkway was not the City's only transportation need. The City's budget is a maintenance budget; it is not a growth budget.

Councilmember Hill asked Ms. Kadrach to explain what would happen if 2A passes and 2B does not and vice versa. Ms. Kadrach said if 2B does not pass, and 2A does, the one-quarter percent sales tax would stay. If 2B passes and 2A does not, then the excess revenue could be retained for governmental purposes after the Riverside Parkway is paid off, but there would not be enough money to build the Public Safety Facility until much later.

Councilmember Hill asked what will happen if the TABOR law goes away completely. City Attorney Shaver responded that the 2B question would then be moot.

Councilmember Beckstein asked if removing this limitation, how does government not get out of control. Ms. Kadrach said the TABOR makes the assumption that whatever mechanisms were in place when it was passed (1992) were sufficient to meet the needs and the growth. That assumption is fundamentally flawed, using the Riverside Parkway as an example. It was also thought that Denver and Boulder would grow faster than Grand Junction and that index would benefit Grand Junction. That has not been the case.

The question has arisen about the growth of the number of employees. Ms. Kadrach said that City Council has kept the City Staff at the same ratio that was in place in 1992 and will continue to adopt budget in that same vein. This proposal does not give carte blanche to the City Manager.

Councilmember Beckstein asked what happens if there is an economic slowdown. Ms. Kadrach advised that the enterprise funds are very financially stable. There are systems in place to replace equipment and some savings. The City has also been setting aside monies over the years amounting to \$42 million but \$30 million was used for the Riverside Parkway. The City could set aside one to two million dollars per year but that will not be sufficient.

Ms. Kadrach expressed her appreciation of the community for their patience and their interest. Once the ballot titles are set, the City can no longer do outreach but will be available to respond and answer questions.

Councilmember Doody asked the two Chiefs to come forward and asked them to speak to what this will mean to the community if it were to pass.

Police Chief Bill Gardner said this is a landmark decision for not only the Grand Valley but also for the region. There is no doubt that the facilities are direly needed. From a public safety perspective, the plan for this facility will help keep this community safe, now and in the future.

Fire Chief Ken Watkins said this is a community of partners and they work daily with a number of partners. This project will take the City even further in that capacity. This initiative will bring both police and fire closer together. The decision is a great opportunity. This is the City's responsibility; government is formed for public safety.

Councilmember Todd expressed her delight in being part of the Council and having this opportunity to move the City into the future. She said the Council needs to be supportive and reach out to the outlying communities. She is supportive of both questions and

looking at relieving the City from the revenue limitation because of the needs that are evident in this community.

Councilmember Thomason thanked all of those that have participated in this process and stated it is not a tough decision. The questions as crafted make good sense and it is worthwhile for this community.

Councilmember Beckstein invited those that have not watched the video on Channel 12 on the current conditions at the police and fire departments to do so. She supports giving the employees the proper tools to do their job. This has been needed for a long time. The City Council wants to be good caretakers of the City dollars. She will support both questions.

Councilmember Coons noted that most people realize there is a need; the financing is the bigger question. The Council has looked at all the various options and that has been explained well. She is comfortable with the one-quarter percent sales tax because it does spread it out to all who use the City services. She supports relief from the revenue limitation; as she has talked to people on how the City spends its money. She is often asked why the City can't save. When she explains the City is not de-Bruced, some people are surprised and others are realizing what the limitation is doing to the City. The relief is gaining more favor. The sales tax makes a good bridge but the time to ask is now when the economy is good. She will support both questions.

Councilmember Doody recalled how this initiative evolved. He learned about TABOR during the formation of the question regarding the Riverside Parkway de-Brucing. He will support both questions.

Councilmember Hill said although this is not his preferred alternative, Council promptly supported the need for the public safety facilities. Then they turned to how to finance it. The money is in the budget if they do not do another capital project for the next ten years. He noted that no matter how the votes come out, the Council stands behind the majority decision. He agreed the bridge is needed. He said he looks for a positive outcome.

Council President Palmer agreed with Councilmember Todd's statements. Options and avenues have been explored and nothing is more important than the safety of the citizens and nothing is more difficult than to ask everyone to participate. He supports the two questions being presented.

Resolution No. 117-08—A Resolution Setting Titles and Submitting to the Electorate on November 4, 2008 Measures to Increase the Sales and Use Tax from 2.75% to 3.00% and to Retain and Spend Revenues as a Voter Approved Revenue Change as Defined by Article X, Section 20 of the Colorado Constitution

Councilmember Thomason moved to adopt Resolution No. 117-08. Councilmember Coons seconded the motion. Motion carried by roll call vote with Councilmember Hill voting NO.

Council President Palmer asked if the City Attorney wanted to address the other two pieces of TABOR that will stay in effect. City Attorney Shaver stated that there is a good explanation of TABOR and clearly an affirmation in the recitals of the resolution. Council President Palmer asked if the recitals would be in the ballot question. City Attorney Shaver confirmed that the recitals will not be in the ballot question.

Councilmember Todd said what is being put forth does not affect those two things and she doesn't feel an additional resolution is necessary.

Councilmember Thomason agreed.

City Attorney Shaver said he would draft it if desired. Council President Palmer said Council does not seem to want him to do that.

Non-Scheduled Citizens & Visitors

There were none.

Other Business

President of the Council Palmer said that, at pre-meeting, it was brought up that the zoning of the Brady Trucking parcel is lingering and Council wanted to discuss how to go forward.

Councilmember Hill recused himself and left the meeting.

City Attorney Shaver reviewed that a deadlock is not acceptable final action because the property needs to be zoned. Council could schedule the matter for an agenda and it could be discussed further or new evidence could be introduced. He asked for direction so the matter could be re-advertised. He recommended that Council direct Staff as to the type of information they would like to hear.

Councilmember Coons asked if reopening the hearing would be a public hearing or just Staff. City Attorney Shaver said it would generally be a public hearing but could be limited to relative to the new evidence.

Councilmember Todd asked how that testimony would be controlled. City Attorney Shaver said the Council may have to keep those testifying on point.

City Manager Kadrach said they could limit it to people speaking for or against relative to the specific site plan.

Councilmember Thomason asked what happens if they are deadlocked again. City Attorney Shaver said it could be remanded back to the Planning Commission or allow the applicant to consider some other zoning not previously considered.

Councilmember Beckstein asked if she can inquire about what led up to the request. City Attorney Shaver said they can ask but the determination is based on the criteria.

City Manager Kadrach offered to provide that chronological information prior to the meeting so Council can review it prior to the hearing.

Councilmember Beckstein asked if there is any relevance to the future development of Las Colonias Park. City Attorney Shaver said that is for the majority of the Council to determine; he urged Council to look at the specific criteria and the objective conditions.

Councilmember Beckstein said she has heard criticism based on speculation of what will be in Las Colonias Park.

Council President Palmer said that there has been a decision that there is going to be a Las Colonias Park.

Councilmember Beckstein said that there has not been a decision made as to what is going to be in Las Colonias Park. City Attorney Shaver said that there has been a plan presented to Council as to the development of the park and that has been adopted by the City Council.

City Manager Kadrach said the local group for the recreation center project came to Council asking to locate the recreation center there if they can get the financing within five years and the Council verbally said they would consider that because that would be a good way to be a partner in the project.

Councilmember Coons said she supports reopening a limited hearing and they can resolve what testimony to hear or not if they limit it to that zoning. She agrees the impasse needs to be broken and they need additional information to do that.

Councilmember Doody said he is concerned about seeing a site plan when it could be sold and something else goes there.

Council President Palmer concluded that the consensus is to rehear it and directed the City Attorney Shaver to provide some of this information to them ahead of time.

Adjournment

The meeting adjourned at 9:45 p.m.

Stephanie Tuin, MMC
City Clerk