

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

July 15, 2009

The City Council of the City of Grand Junction convened into regular session on the 15th day of July 2009 at 7:03 p.m. in the City Auditorium. Those present were Councilmembers Bonnie Beckstein, Teresa Coons, Tom Kenyon, Gregg Palmer, Bill Pitts, and Council President Bruce Hill. Councilmember Linda Romer Todd was absent. Also present were City Manager Laurie Kadrich, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Hill called the meeting to order. Councilmember Palmer led in the Pledge of Allegiance.

Certificate of Appointment

Peggy Page was present to receive her Certificate of Appointment to the Downtown Development Authority/Downtown Grand Junction Business Improvement District.

Presentation

Rob Schoeber, Parks and Recreation Director, was present to promote the USTA Tennis Award. Grand Junction is a top ten finalist. The top prize is a \$100,000 award to the community. He spoke about the voting process and how the judging takes place. He showed a short video that lauded the City's tennis program and encouraged everyone to go to the internet and vote. He listed the other finalists. The website address is www.besttennistown.com. He recognized those involved in putting the application together, especially Recreation Supervisor Traci Weiland. Voting is open for ten days which will narrow the contention to three. The three finalists are then invited to New York to make a presentation. Second place is \$50,000 and third place is \$25,000. Mr. Schoeber then invited Lena Elliot to address the City Council.

Lena Elliott thanked the City Council and said how their support put Grand Junction on the map in the tennis community. She said they are campaigning for votes.

Council President Hill asked Ms. Elliott to relate how the video plays into the competition. She told how the video came to be, noting the judging is 70% on the video.

The presenters were lauded and thanked.

Citizen Comments

There were none.

City Manager's Report

Laurie Kadrach, City Manager, presented the second fiscal report of the year. She reviewed what was presented at the last report in March 2009. The overview identified how sales and use tax revenues have declined and how the City has adjusted expenditures to address those reduced revenues. The budget has been reduced by \$7.5 million. The current staffing is at the same level that the City had in 2002.

Councilmember Pitts asked about the number of retirees that are anticipated in the next year that will also be filled internally from job shifts. City Manager Kadrach said they did have those numbers, but some have now delayed their retirement. Some of those positions can't be filled internally, such as firefighters and sworn police officers. The percentage is not large.

City Manager Kadrach reviewed in detail the personnel changes that have occurred City-wide. Originally it was thought the changes would be for three to six months. It is now thought it will be for a longer period of time.

Regarding revenues, only 33% of what was budgeted has been collected by mid-year. The revenues were not adjusted in the budget, but instead the City is making sure that expenditures do not exceed revenues.

For 2010, revenue projections are even less, so they will continue the hiring freeze and budget based on needs only.

The economic outlook for Colorado is that the economy will start to come out of the recession in early 2010, but since Grand Junction came into the recession later, it will likely come out of it later. City Manager Kadrach identified the activities that are down; energy industry, construction and development, versus the activities that place Grand Junction in the advantage – tourism, diversified job base, and attractive business environment. Since much of Grand Junction's sales tax is due to discretionary spending, that is way down and thus affects Grand Junction.

There are more people in town, but many do not have jobs, so unemployment is higher, however, the work force and number of jobs have also increased.

City Manager Kadrach then reviewed the efforts to obtain funding through the American Recovery and Reinvestment Act (ARRA) and other grant (non ARRA) funding.

Councilmember Palmer asked about a needs-based budget and how that is different from another budget. City Manager Kadrach said the budget has been needs-based the last two years. Previously the City budgeted two years ahead and had five and ten year capital plans.

Councilmember Palmer asked how the fact that 2010 will also be a tight year affect service delivery. City Manager Kadrach said they are looking at some service areas that may need to be reduced – one example is spring clean up. Council will then have the option of reducing those services or use fund balance to fund those programs.

Councilmember Kenyon expressed his disappointment at the long time frames the Recovery Act monies are being distributed. He said in his business, real estate, he and his colleagues do not see a quick recovery.

Councilmember Coons asked if the City has received some Recovery Act dollars. City Manager Kadrach said the City and County split \$500,000 in Public Safety, CDBG received \$98,000, and then there was some funding for the energy efficiency project.

That concluded the report.

CONSENT CALENDAR

There were no items for the Consent Calendar.

ITEMS NEEDING INDIVIDUAL CONSIDERATION

Grand Valley Housing Strategy

The Grand Valley Housing Strategy is the product of a public-private initiative to create long-term, sustainable solutions for housing challenges in the Grand Valley. The Strategy addresses the full spectrum of housing needs in the Valley over the next 10 years.

Jody Kole, Grand Junction Housing Authority Executive Director and co-chair of the Grand Valley Housing Steering Committee, reviewed this item. Ms. Kole identified the committee members and other partners in this effort.

Ms. Kole then proceeded to review the Strategy developed and how quickly the housing landscape has changed. She addressed the market and how the cost of housing rapidly appreciated, exceeding the east slope markets by far. Using an affordability index, Grand Junction is higher than all metro areas with the exception of Boulder. Currently the average resident cannot afford an average home. Rents too have increased significantly. 53% of renters do not qualify for rental assistance and face very high rents. Even though there will be additional demand in the next ten years, rental rates do not support rentals that would encourage construction of such units. The study showed that there is a deficit of land zoned for building multi-family units.

Council President Hill asked for clarification on the graphs displayed. He asked if Ms. Kole is referring to the Growth Plan and how that compares to the proposed

Comprehensive Plan. Ms. Kole said she believes the consultants used the number of what is on the ground now, not what is projected in the Comprehensive Plan. Ms. Kole listed the barriers identified to an affordable housing delivery system.

She listed the recommendations: improve the process; community outreach; maximize resources, both public and private, to leverage investment; then focus, monitor, and adjust over time. She described specific ways to achieve these recommendations – fourteen specific points with the last one being to appoint a valley-wide task force to implements the recommendations.

Councilmember Kenyon thanked Ms. Kole and the whole committee for their work on this project as it is a big and complex issue. The report and the influence is already being felt in the Comprehensive Plan development. He supports the appointment of a task force to continue to study the situation.

Councilmember Coons asked for elected officials on the task force so it can carry out its role effectively.

Council President Hill advised this report did play a role in the Council's work on the Comprehensive Plan. If a task force is to be appointed, now is the time to do that. He encouraged a motion to that affect.

Councilmember Coons moved to authorize Staff to bring back a resolution to appoint a valley-wide task force to implement the recommendations of the Housing Strategy. Councilmember Kenyon seconded the motion. Motion carried.

Staff was encouraged to bring back a resolution in the next couple of weeks.

Non-Scheduled Citizens & Visitors

Duncan McArthur, 2837 Kelso Mesa Drive, wanted to supplement some comments relative to the housing issue. The affordability gap study said there is an \$80,000 gap on the price of a house and what people can afford. There have been drastic changes in the marketplace and prices have dropped. Land is one commodity that is local and not controlled by outside markets. It will continue to be difficult to do multi-family and apartment developments. Banks now own many lots. The bottom line is it will be difficult to produce the type of housing in demand. He disagreed with one of the premises the study presented; one impact on the market is the Persigo Plant. He then quoted a scholar that analyzed the marketplace which addressed this issue of the price of land. It is dependent exclusively on how the government puts artificial restrictions on the development of land.

Steve Kesler, facilitator for growth and developers in the valley, lauded the City Staff involved in this project. "Political will" comes up a lot and is not good without good leadership, but the Council has that. He underscored how important all these things are together. He thanked the City Council for what they do.

Jacob Richards, 629 Ouray, said homelessness is a housing strategy. The reason for homelessness is a housing problem. The opportunities are not available for the younger adults. There are many people who cannot afford more than \$200 a month for rent. The boarding houses that were available in years past are not available in this day. He supported the creation of a task force, but felt there should be either a homeless person or a homeless advocate on the task force.

H.R Gerard, homeless artist, appreciated the presentation but said homeless people need to live somewhere while they are homeless. He suggested that any landowner that allows the homeless to camp on their land, they should get a credit on their property taxes. He said that homeless people need a living wage. He suggested that any employer that employs ten percent homeless, they should get a tax break, an advantage, or preferential treatment. He had other ideas on employing the homeless such as working on distressed housing.

Other Business

There was none.

Adjournment

The meeting adjourned at 8:43 p.m.

Stephanie Tuin, MMC
City Clerk