

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

August 30, 2010

The City Council of the City of Grand Junction convened into regular session on the 30th day of August 2010 at 7:04 p.m. in the City Auditorium. Those present were Councilmembers Bonnie Beckstein, Bruce Hill, Tom Kenyon, Bill Pitts, and Council President Teresa Coons. Councilmembers Gregg Palmer and Sam Susuras were absent. Also present were City Manager Laurie Kadrich, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Coons called the meeting to order. Councilmember Hill led the Pledge of Allegiance followed by an invocation by Associate Pastor J. P. Mertens, Canyon View Vineyard Church.

Certificate of Appointment

Ken Henry was present to receive his Certificate of Appointment to the Riverfront Commission. Mr. Henry thanked the Council for the opportunity and lauded the efforts of the Riverfront Commission.

Council Comments

President of the Council Teresa Coons advised that the Wednesday night meeting will be a workshop rather than a formal meeting. It will be at 7:00 p.m. and will be broadcasted. The purpose is to discuss the retail sales of medical marijuana and the second half of the meeting will be discussion on Amendments 60 and 61 and Proposition 101. It will be a Council discussion and no formal action will be taken.

Secondly, Council President Coons noted that, although many serious issues have been coming before the community, she was recently reminded of what a wonderful place this is to live. This last week-end she ran a half marathon between Telluride and Ouray (Mt. Sneffels Education Foundation Run.) Then she went rafting on the Colorado River. It was a good reminder of what a wonderful place this is.

Citizen Comments

There were none.

CONSENT CALENDAR

Councilmember Kenyon read the Consent Calendar and then moved that the Consent Calendar Items #1 through #8 be adopted. Councilmember Beckstein seconded the motion. Motion carried by roll call vote.

1. **Minutes of Previous Meetings**

Action: Approve the Minutes of the August 16, 2010 and the August 18, 2010 Regular Meetings

2. **Setting a Hearing on the Issuance of Certificates of Participation through the Grand Junction Public Finance Corporation to Finance Certain Improvements to Suplizio Field**

A first and second reading and public hearing on an ordinance will be held to consider the proposed execution and delivery of one or more series of Certificates of Participation (COP's) in an aggregate principal amount not to exceed \$7,800,000.

The COP's represent assignments of the right to receive certain revenues pursuant to a Lease Purchase Agreement between the Grand Junction Public Finance Corporation, a Colorado non-profit corporation, as lessor and the City as lessee. The proceeds will be used to finance the construction of certain improvements to Sam Suplizio Field. The improvements include, replacing the existing press boxes, adding concourse and concession areas and adding box seating.

Proposed Ordinance Authorizing the Execution and Delivery of a Ground and Improvement Lease Agreement, a Lease Purchase Agreement, a Continuing Disclosure Certificate, an Official Statement, and Related Documents by the City; Approving the Forms of Related Documents; and Providing for Other Matters Relating Thereto

Action: Introduction of a Proposed Ordinance and Set a Hearing for September 13, 2010

3. **Setting a Hearing on the Issuance of Certificates of Participation through the Grand Junction Public Finance Corporation to Finance Certain Improvements to Construct Public Safety Buildings**

This item introduces an ordinance on August 30 and if passed for publication sets a public hearing on September 13, 2010 to consider the proposed execution and delivery of one or more series of certificates of participation in an aggregate principal amount not to exceed \$36,300,000. These certificates represent assignments of the right to receive certain revenues pursuant to a Lease Purchase Agreement between the Zions First National Bank, as lessor, and the City, as lessee. The proceeds will be used by the City to finance the construction of a police station, emergency communication center and the possible remodel of the

existing shops building to serve as Fire Station #1 and the Fire Administration building.

Proposed Ordinance Authorizing the Execution and Delivery of a Ground and Improvement Lease Agreement, a Lease Purchase Agreement, a Continuing Disclosure Certificate, an Official Statement, and Certain Related Documents by the City; Approving the Forms of Related Documents; and Providing for Other Matters Relating Thereto

Action: Introduction of a Proposed Ordinance and Set a Hearing for September 13, 2010

4. **Setting a Hearing on the Annexation of the Cris-Mar Enclave, Located North and East of 29 Road and F Road** [File #ANX-2010-110]

A request to annex 108.62 acres of enclaved property, located north and east of 29 Road and F Road. The Cris-Mar Enclave consists of 265 parcels, along with 21.94 acres of public right-of-way.

Under the 1998 Persigo Agreement with Mesa County, the City is required to annex all enclaved areas within five (5) years. The Cris-Mar Enclave has been enclaved since March 2, 2005.

a. Notice of Intent to Annex and Exercising Land Use Control

Resolution No. 35-10—A Resolution of the City of Grand Junction Giving Notice that a Tract of Land Known as Cris-Mar Enclave, Located North and East of 29 Road and F Road, Consisting of Approximately 108.62 Acres, will be Considered for Annexation to the City of Grand Junction, Colorado, and Exercising Land Use Control

Action: Adopt Resolution No. 35-10

b. Setting a Hearing on Proposed Ordinance

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Cris-Mar Enclave Annexation, Located North and East of 29 Road and F Road Consisting of Approximately 108.62 Acres

Action: Introduction of a Proposed Ordinance and Set a Hearing for October 18, 2010

5. **Setting a Hearing on the St. Martin's Place Veteran's Housing Rezone, Located at 415 S. 3rd Street** [File #RZ-2010-073]

Request to rezone 0.28 acres located at 415 S. 3rd Street from C-1, (Light Commercial) to B-2, (Downtown Business) zone district in anticipation of developing the properties for multi-family dwelling units for homeless veterans.

Proposed Ordinance Rezoning St. Martin's Place Veteran's Housing from C-1 (Light Commercial) to B-2 (Downtown Business), Located at 415 S. 3rd Street

Action: Introduction of a Proposed Ordinance and Set a Hearing for September 13, 2010

6. **CDBG Subrecipient Contracts for Funds and Projects with the Community Development Block Grant (CDBG) 2010 Program Year** [File #CDBG-2010-04; 2010-07; and 2010-09]

The Subrecipient Contracts formalize the City's award of a total of \$96,725 to various non-profit organizations allocated from the City's 2010 CDBG Program as previously approved by Council.

Action: Authorize the City Manager to Sign the Subrecipient Contracts with Mesa Youth Services, Inc. (Partners – Western Colorado Conservation Corps), Homeward Bound of the Grand Valley, and Grand Valley Catholic Outreach for the City's 2010 Program Year Funds

7. **Assignment of the City's 2010 Private Activity Bond Allocation to the Colorado Housing and Finance Authority**

Request approval to assign the City's 2010 Private Activity Bond (PAB) Allocation to the Colorado Housing and Finance Authority (CHFA) for the purpose of providing single-family mortgage loans to low and moderate income persons and families. The amount of this assignment would be "banked" towards a future partnership with CHFA for a multi-family rental housing project serving low and middle income families.

Resolution No. 36-10—A Resolution Authorizing Assignment to the Colorado Housing and Finance Authority of a Private Activity Bond Allocation of the City of Grand Junction Pursuant to the Colorado Private Activity Bond Ceiling Allocation Act

Action: Adopt Resolution No. 36-10 and Authorize the City Manager to Execute the Assignment

8. Downtown Uplift 500 and 600 Block Breezeway Construction Contract

This contract consists of a complete reconstruction of the Main Street 500 and 600 block breezeways including installation of new electrical panels to feed electricity to Main Street, new pedestrian lighting, construction of new plant beds, curb, gutter, and stucco wall surfacing. This is a prelude to the larger Downtown Uplift Main Street Phase II reconstruction project that is scheduled to continue in January 2011.

Action: Authorize the City Purchasing Division to Sign a Construction Contract for the Downtown Uplift Main Street 500 and 600 Block Breezeway Project with Martinez Western in the Amount of \$184,336.80

ITEMS NEEDING INDIVIDUAL CONSIDERATION**Contract Award for the Outsourcing of Printing and Mailing Services for Utility Bills**

In an effort to move toward a more cost effective and efficient method of distributing utility bills, Staff is requesting the printing and mailing of utility bills be outsourced. Outsourcing of utility bills will result in costs savings for the City. The Customer Service Division will provide an electronic file to the vendor who will print the information and mail invoices directly to individual customers.

Jim Finlayson, Information Technology Manager, presented the request to outsource the printing and mailing of the utility bills. He reviewed that the City converted to a new utility billing system a couple of years ago and at that time there was a printer under lease for printing the bills. Now the lease is expiring, so they took the opportunity to go out for bid for that service to determine if the City will save money by outsourcing the work. From the bids received, it appears there will be cost savings.

Councilmember Kenyon asked how much will be saved. Mr. Finlayson said about \$35,000 noting they expect to save on replacing the printer and they do expect to save on postage. The vendor can also save money for the City on envelopes and paper.

Councilmember Kenyon asked if this will cause Staff to lose jobs. Mr. Finlayson said no on the contrary, since Staff numbers have decreased anyway, this will allow existing Staff to better get their work accomplished.

Councilmember Kenyon asked if there were any local vendors that bid on the project.

Jay Valentine, Assistant Financial Operations Manager, said one local vendor responded. The City currently has a long standing relationship with that vendor and will

continue to use them for other mailing services. Councilmember Kenyon asked if the local vendor will lose some business with this award to which Mr. Valentine responded affirmatively.

Council President Coons asked why all the bidders who were qualified for the RFP, with the exception of the one local bidder, were out of state. Mr. Finlayson replied that primarily the companies that do this type of volume work have agreements with the postal service and have the software and equipment to do the work cost effectively. The City is a small customer for these vendors. The local vendor was able to provide the mailing service but could not provide the printing service.

Councilmember Beckstein moved to authorize the Purchasing Division to award a contract to The Master's Touch, LLC of Spokane, Washington in the amount of \$167,565 for printing and mailing services with the note that the actual contract amount may vary depending on discounted postage rates available. Councilmember Pitts seconded the motion.

Councilmember Kenyon said normally he would be pleased to contract out business, especially saving the City money, however, with the current recessionary situation, he is concerned about not keeping the services inside the community as much as possible.

Motion carried by roll call vote 4 to 1 with Councilmember Kenyon voting NO.

Contract Revision for Compressed Natural Gas Fast-Fill Station

This contract revision will provide the design and infrastructure for a new Fast-Fill addition to the Compressed Natural Gas (CNG) Fueling Station approved by City Council on August 2, 2010. This Fast-Fill addition will provide a fueling point for public and private vehicles utilizing the CNG technology.

Laurie Kadrich, City Manager, addressed the question of why there is an amendment to the contract for the project that was before the City Council just a few weeks ago. She explained that an opportunity has evolved for the City to enter into a public/private partnership that will expand the scope of the project to allow for public use of the facility. Through the Governor's office and funding from Encana, this change to the facility is possible. A change will allow the same contractor to construct the additional fill station and get it rolled out at the same time.

Councilmember Pitts asked where the station will be located. City Manager Kadrich said it is on the shops' property in the same vicinity as the E-85 tanks; however, the exact location is still being determined.

Council President Coons asked if it will be the same location as the Slow-Fill Facility. City Manager Kadrich said there will be a private side for the Slow-Fill and a public area for the Fast-Fill side.

Jay Valentine, Assistant Financial Operations Manager, elaborated on this item. There was only one vendor for the Slow Fill station. The respondent is very reputable and they have been great to work with. The difference is the configuration of the Fast-Fill station. It will fill slower than gasoline. A Fast-Fill station just opened in Vernal, Utah so this will add another facility for natural gas between California and Denver. The private partners would have a card and the public sector would use a credit card. This is an exciting opportunity. It is important not to overbuild so they will start out with a two-hose system but will be able to expand to a four-hose system.

Councilmember Kenyon stated it seems it is a good idea for the City to get started in this but he hopes at some point the City wouldn't be the only game in town. He would hope there would be conversion to the private sector. Mr. Valentine said he agrees; the barrier to building a private facility is the infrastructure costs versus the demand.

Councilmember Kenyon said he would expect future contract revisions as there will be things not understood at this point. He encouraged the City to move forward. Mr. Valentine said the City will still be working on capturing the methane gas at Persigo too.

Council President Coons asked if the two grants will cover the entire cost of this portion of the facility. Mr. Valentine said it will cover the entire cost.

Councilmember Beckstein said she sits on the Grand Valley Transit board and two replacement buses will be on CNG. She said it will work for local government to kickstart the program and continue to encourage fleet trucks to be equipped to accept natural gas as well as continuing to encourage the private sector.

Mr. Valentine added that it will also be good to have the Fast-Fill system so they can top off tanks which can't be done with the Slow-Fill system.

Councilmember Kenyon asked if the City can count on the Governor's grant. Mr. Valentine confirmed that it can be counted on.

Councilmember Hill moved to authorized the City Purchasing Division to sign a contract revision for the CNG Fast-Fill Station Project with Gas Energy Systems, Inc. in the amount of \$223,115. Councilmember Pitts seconded the motion. Motion carried by roll call vote.

Non-Scheduled Citizens & Visitors

Frank Goff, president of Mail Managers, stated his company has been providing the City with mail services for at least twenty years. He said he currently mails all of the tax bills for the County which is over 80,000. The City is currently getting the lowest postage rate possible so he does not agree the City will save on postage with the utility bills. He said the Request for Proposal (RFP) was poorly written and very unclear. The answers to his questions were vague. Goal 12 of the Comprehensive Plan is being a regional provider of goods and services and he did not feel the award to a company in Spokane met the Comprehensive Plan goals. He questioned the savings of \$35,000 as he only heard a savings of \$1100 per month for a printer. He asked about the time for mailing; will that result in a loss cash flow for the City? He noted it will also cause a loss of \$7,000 in payroll in the City.

Other Business

There was none.

Adjournment

The meeting adjourned at 7:43 p.m.

Stephanie Tuin, MMC
City Clerk