

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
October 13, 2014 – Noticed Agenda Attached

Meeting Convened: 5:05 p.m. in the City Auditorium

Meeting Adjourned: 8:25 p.m.

Council Members present: All Council. Staff present: Englehart, Shaver, Moore, Romero, Evans, Tice, Valentine, Starr, Watkins, Camper, Hazelhurst, Schoeber, Lanning, Kovalik, and Tuin.

Agenda Topic 1. The CMU presentation was removed from the agenda and will come back at a later date.

Agenda Topic 2. Budget Workshop

City Manager Rich Englehart introduced this item. He provided an update on the general fund: overall revenues were increased by 1%, labor cost will increase by less than 1% (that increase is due to health insurance increasing), internal service charges are expected to increase by 11%, mostly due to Public Safety infrastructure support; operating expense is expected to increase by 2%, part of that is the cost of the municipal election; and the subsidy to Two Rivers Convention Center is expected to increase.

Mr. Englehart advised that there will be more detail when the Council is reviewing the Capital agenda item. Staff has developed an “A” list and a “B” list where Council can move projects around. More detail on the operating budget will be provided at the November 17th Workshop.

City Council’s Economic Development Fund

Financial Operations Director Jodi Romero distributed worksheets on the 2014/2015 Economic Development, Partnerships, Sponsorships, and Memberships, a backup explanation sheet, and letters for new requests. The first eleven items are membership items and each one was discussed on the importance to City Council. Management and Legislative Liaison Elizabeth Tice mentioned the Colorado Communications and Utility Alliance is a new membership. She said Jim Finlayson, IT Manager, recommended the City’s involvement with this organization.

The next section listed economic development items as well as partnerships and sponsorships. Items 12 through 27 were discussed and Staff was directed as follows: #12, CMU Campus Expansion, defer to mid-year 2015, look at revenues at that point and decide; #13, CMU classroom building, - include; #14 Grand Valley Transit – include; #15 Downtown Business Improvement District – include; #16 Epic Rides, third year of three year commitment, – include but Council wants a report on the economic impact; #17 Standing Sponsorships – include; #18 One time items – nothing budgeted for 2015; #19 Housing Resources – include; #20 Kids Voting

– include; #21 Business Incubator – include, #22 Grand Junction Economic Partnership – include (City Manager said there will be a signed agreement this year); #23 Riverfront Commission – include; #24 Western Slope Center for Children – include; #25 Western Slope Center for Children for SANE Nurse – include; #26 Mesa Land Trust – include; and #27 Catholic Outreach for St. Martin project – pay out of this year's (2014) Economic Development contingency.

Items #28 through #31 are 2014 expenditures. Item #31, Foreign Trade Zone for \$50,000 was expected to be used in 2014 to hire a consultant familiar with the process of becoming a foreign trade zone. They will be able to analyze the risks, costs, and rewards.

Item #32, Commercial Catalyst Pilot Program, also known as the Façade Improvement Program, has 2014 and 2015 funding allocated and Council supported its funding. Item #33, the Economic Development Marketing Plan coming before Council on October 15th, has funding allocated in 2014. Item #34 is the Global Petroleum Conference in 2014 discussed at the October 6th workshop. Item #35, Mesa Land Trust for 2014, was for the Bookends Project. There is an additional request from them listed below for 2015 and a letter has been provided.

Item #36 is the Economic Development Contingency which could increase by whatever amount is left in 2014. Item #37 is the annual transfer of the sales tax increment (TIF) to the Downtown Development Authority (DDA) included here for discussion. The discussion was whether there may be more flexibility with the spending of the funds if they are not transferred to the DDA but spent on projects downtown by the City. TIF funds are restricted to public projects whereas the City spending is not. Ideas will be discussed with the DDA. It was left in for the time being.

Items #38 through #40, new Mesa Land Trust requests, were discussed by Council. The Council preferred project specific requests, so all the amounts will be taken off the list.

Item #41, the Business Incubator Accelerator Program, was presented at the previous workshop, and is a new request. A more detailed letter, project description, and request was included in the handouts. Although some expressed a desire to have the project more fleshed out, the consensus was to keep it in the budget.

Item #42, the Grand Junction Sports Commission request, is for 2014 and will be discussed in more detail on November 3rd.

Councilmember Chazen expressed a desire to review the budget for the Commission on Arts and Culture grant program.

Councilmember Doody left the meeting.

Agenda Topic 4. Other Business

City Manager Englehart asked to address two items under Other Business to allow Management and Legislative Liaison Tice to make the presentation.

Wild Yellow Billed (WYB) Cuckoo Status

Ms. Tice advised the yellow billed cuckoo bird was recently added to the endangered list. The US Fish and Wildlife Service (USFWS) is proposing designating critical habitat areas across the nation. Nearly the entire Colorado River corridor is proposed for such designation from Palisade to Fruita. This would have a significant impact on the development of the entire area. The designation would increase costs and extend time for project approvals. Congressman Tipton sent a letter to the US Fish and Wildlife Service asking them to extend the comment period for 60 days. If the Service agrees, the City would have an opportunity to supply data. Ms. Tice stated USFWS hasn't taken into consideration the impact this would have on local development. Any project would need USFWS approval. There has been only one WYB cuckoo bird sighting in this area since 1987.

City Attorney Shaver said earlier this year there were changes to the rules on designations regarding destruction or adverse modification and those rules impact this proposed designation. Any comments submitted should be backed by scientific research.

Councilmember Boeschstein said he would bring this up to the Riverfront Commission noting that development of the Riverfront Trail took habitat into consideration when developing the trail.

Council agreed to send a letter supporting Congressman Tipton's request and to coordinate with Associated Governments of Northwest Colorado (AGNC).

Vendor Compensation Program

Ms. Tice distributed a sheet with more analysis regarding the sales tax vendor fee using a \$200 cap and a \$500 cap. The analysis included comparisons between local and non-local vendors, different collection zones, and different business types. Ms. Tice explained that for a change to happen by January 1, 2015, the process would seem rushed, businesses would have a short time to react to the change, and there is less time for educating the businesses on the change. She proposed studying the matter more in 2015 after implementation of the new sales tax collection software and then considering it for 2016. The Council agreed.

Agenda Topic 2. continued Capital Review

Councilmember Boeschstein asked if the City received a request from the Museum of Western Colorado. He noted the Museum has never received money from the City. There was

a mill levy voted on by the voters. There has been quite a debate on the funding. The County has decreased funds and they need help. City Manager Englehart will touch base with County Administrator Tom Fisher to see what the County is doing and then the director, Peter Booth, and bring it back to Council for consideration.

Financial Operations Director Romero introduced this item and explained the Capital projects sheets to Council distinguishing the "A" list from the "B" list for 2015. City Manager Englehart said that they can go through each line item noting Internal Services Manager Valentine has worked with each department on their requests. He advised there will be an opportunity for Council to adjust these items as they go through the lists.

Police Department. City Manager Englehart advised that the first item for Police is the Annex which would be more than just a garage for police equipment. The proposal is to spend \$150,000 in 2015 for planning, with a potential 50-50 Department of Local Affairs (DOLA) grant. The actual construction is in the 2016 budget. Police Chief John Camper advised that the plan is to store the large vehicles, house property and evidence storage, and possible SWAT training.

Other "A" list Police items are the fingerprint machine (current one past useful life), an evidence cabinet that prevents cross contamination of evidence, a forensic recovery evidence device (pulls information from hard drives), and software for logging property and evidence.

It was noted the body camera equipment was moved to 2016 as well as new patrol vehicles. Current police vehicles are replaced as needed through the replacement fund.

Fire Department. Fire Chief Watkins provided an update on the station relocation project. The 2015 budgeted amount is for construction, fixtures, and equipment, not for fire apparatus. Right now they are working with an architect on cost savings in the plans. The potential DOLA grant was talked about at the Colorado Municipal League (CML) meeting. These grants are highly competitive right now; there were 41 requests. City Manager Englehart said the City has maximized its cash match dollars for this application. What is not taken into account is the sale of the existing station to Persigo. He noted that DOLA likes the fact that the City is relocating a building to improve service delivery.

Councilmember Boeschstein asked if this is the proto-type building so the City will be able to re-use this design over again. Chief Watkins said yes, that is part of the proposal. The only thing that could change would be the bays on the building, which side of the building they would be located on due to design and location.

Councilmember Chazen asked about any carry-over in the Capital fund. The response was there is none; all has been allocated.

Council President Norris asked about the quick response vehicle on the "B" list. Chief Watkins said this is item #42. Currently they are driving a pick-up truck; it works okay, but a smaller SUV would work best. Chief Watkins said Council President Norris maybe referring to Item #72 on

the 2016 line items which would be a vehicle used for “house calls”. Internal Services Manager Valentine is trying to create a revenue stream for such a service first.

The hydraulic stretchers on the “B” list are at end of useful life but they have in-house folks who are working to keep these going. The amount budgeted replaces all 8 of them. There is a potential for a 50/50 grant. The fire pump pit is to test the pumps. They had one at Fire Station No. 1 but due to the remodel and expansion they no longer have it. Currently they hire a contractor once a year to do the testing. The proposal on the list is an in-house project where Public Works does the design.

Public Works Department. Greg Lanning, Public Works Director, began his presentation with a powerpoint presentation and handout. He reviewed the Pavement Conditions Index (PCI) and provided examples of different levels of pavement condition. He noted seventy-five percent of the roads are in good shape. Then he went into the primary components of Street Maintenance including crackfill, chipseal, and then the overlays. Mr. Lanning suggested there may be a level of paving that could be done cost effectively in-house advising that this small niche of work will not be a threat to any contactors. The overlay budget request is \$2 million; there is an additional \$500,000 on the “B” list. There is also an amount for chipseal and crackfill. There was a discussion on whether these amounts are sufficient to maintain the current road condition. Mr. Lanning noted that there will be a slight decrease in the index annually at these spending levels. However, the City will employ a number of cost saving measures such as coordinating with the utility funds on line replacements so those enterprise funds help pay, trying a micro surface technique, using the rejuvenation product tested this year, and doing in house “micro” paving as well as piggybacking with Mesa County when possible.

City Manager Englehart noted that with the \$500,000 campus expansion funds being deferred, that amount can be added to the overlay budget.

Lastly, Mr. Lanning noted the two utility enterprise funds, water and sewer, will continue to replace aging lines as their capital projects.

City Manager Englehart brought up the stormwater Leech Creek project. The National Guard worked on the project three years, 3-4 weeks each time, and it is still far from complete. Staff estimates it will cost \$525,000 to finish it. The project needs to be completed to avoid a catastrophic spill over. There were three spillovers this year. The National Guard will not be able to come back as they have other commitments but their efforts had a \$650,000 value. City Manager Englehart said he will bring this back to the Council for consideration at final balancing.

Councilmember Traylor Smith left the meeting at 8:30 p.m.

Agenda Topic. Other Business continued.

Utilities Engineer Bret Guillory updated the City Council on the construction of the biogas pipeline. He said they are currently working with a design contractor and received a \$500,000 grant which should be finalized in the next week. Final completion should be the end of February or the first part of March.

City Manager Englehart suggested the November 3rd workshop start at 3:00 p.m. instead of 5:00 p.m. to allow a longer period of time for budget discussion including a portion of the operating budget.

With no other business, the meeting adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, OCTOBER 13, 2014**

**WORKSHOP, 5:00 P.M.
CITY AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

- 1. GJ Sports Commission – CMU Presentation**

- 2. Budget Workshop**
Capital
City Council's Economic Development Fund

- 3. Board Reports**

- 4. Other Business**