

**GRAND JUNCTION CITY COUNCIL
WORKSHOP SUMMARY**

NOVEMBER 15, 2004

The City Council of the City of Grand Junction, Colorado met on Monday, November 15, 2004 at 7:01 p.m. in the City Hall Auditorium to discuss workshop items. Those present were Councilmembers Harry Butler, Cindy Enos-Martinez, Dennis Kirtland, Bill McCurry, Gregg Palmer, Jim Spehar and President of the Council Bruce Hill.

Summaries and action on the following topics:

1. **UPCOMING APPOINTMENTS TO BOARD & COMMISSIONS:** In anticipation of upcoming appointments to the Visitor and Convention Bureau Board of Directors, Historic Preservation Board and Commission on Arts and Culture, City Council will discuss specific issues relating to each board. City Clerk Stephanie Tuin discussed the three different boards with the City Council and advised that once applications close on December 1st, she will be scheduling interviews, possibly the week of December 6th. For Historic Preservation Board, all applications will be distributed to Council for selection. The Arts Commission applications will not close until January 15th so interviews will not be until the end of January.

Action Summary: City Council was fine with the proposed schedule for interviews and selections.

2. **2005 BUDGET PRESENTATION & REVIEW:** Staff presented the 2004-2005 Biennial Budget Review as outlined in the budget book provided. City Manager Kelly Arnold introduced the presentation and lauded the efforts of Administrative Services Director Ron Lappi, his staff and other participants such as Seth Hoffman, Dave Varley and department heads.

City Manager Kelly Arnold addressed the pay plan and the planned 2.4 % increase. This is not the year that a salary study takes place.

Medical insurance premiums are expected to increase by 11.2% and dental insurance by 9%. This is greater for both than anticipated. Medical insurance is partially self-funded.

No new positions were approved for 2005. There may be a reduction in staff in Public Works as a result of vacancies that will not be filled. The number of staff per 1,000 Capita has gone down from the early 1990's. Councilmember Palmer inquired is that in the same range as other municipalities in Grand Junction's population range. City Manager Kelly

Arnold said the culture here such as this City may be high in some areas. Councilmember Kirtland noted that stand alone cities like Grand Junction tend to have higher number of employees because the City is responsible for more services and actually serve the greater service area of the valley.

TABOR limits will result in overage of around \$300,000 to \$400,000 which will be refunded on property tax bills. The concern is using the Boulder CPI for future calculations which is currently a negative number.

The General Fund, due to the quick recovery from the economic downturn, good management practices and unanticipated revenue (severance tax) will have \$5.2 million in carryover.

Administrative Services Director Ron Lappi reviewed sales tax growth since 1989, noting the worst year since 1989 was 2003 but 2004 was a year old recovery and looks as though it will end with sales tax up around 8%.

The Old Hire Fire Pension Plan is not fully funded and the defined annual contribution is \$334,000 for the next 20 years.

Administrative Services Director Ron Lappi then directed Council's attention to the overall changes for expenditures and revenues for both 2004 and 2005.

Councilmember Palmer questioned the increase in Police overtime budget when the department is fully staffed. Administrative Services Director Ron Lappi explained that is the amount of the change, the entire amount is around \$700,000. Councilmember Palmer asked if it would be more efficient to hire more staff. Administrative Services Director Ron Lappi said that overtime would go up if there is more personnel due to court time, training, and special duty. There were a number of injuries and illnesses this year which partially accounts for the overtime.

Police Captain Harry Long said there are other factors and many other things to consider.

Council President Hill called a recess at 8:27 p.m.

The meeting reconvened at 8:45 p.m.

DDA Executive Director Harold Staf reviewed the DDA budget. Their revenues will be up and the staff is down to one person (himself). Administrative Services Director Ron Lappi noted that the DDA is no longer in the red and the reduction in staff has helped.

Councilmember Spehar inquired what will happen when the Downtown Partnership funding agreement expires. Administrative Services Director Ron Lappi advised they are working on creating a Business Improvement District to create a permanent funding stream. DDA Executive Director Harold Stalf said they will be concentrating on a formation of the BID starting in January.

Next, Administrative Services Director Ron Lappi addressed enterprise funds. The solid waste fund is performing just as predicted as per the budget. The joint sewer fund is requiring adjustments because they overestimated the revenues and the expense increased due to the new IGA's with the special districts. Those two combined reduces the fund balance by \$1.8 million, and the fund balance still is at \$3.7 million.

The Lincoln Park Golf fund had a revenue reduction of \$100,000 but likewise reduced expenses. The same is true at Tiara Rado, both are staying within their budgets. City Manager Arnold noted that the downturn in popularity is the trend. Other activities have become more popular. The proposed rate increases were already planned. City Manager Kelly Arnold noted that other options will be tried such as twilight and corporate rates.

Two Rivers had a large subsidy in 2003 and it is hoped that the subsidies will be reduced for 2004 and 2005. Councilmember Spehar asked how the Avalon subsidy was going down. Administrative Services Director Ron Lappi said a part of it was their allocation of staff. Parks & Recreation Director Joe Stevens said that the Cinema at the Avalon wants to renew next year. The wild card is the utilities. The capital improvement subsidies are separate and must be matched by the Avalon foundation.

The Visitors Convention Bureau and the Water Fund have little change. The Solid Waste Fund is performing as predicted. Swimming pools are both subsidized; the Orchard Mesa Pool is joint with the County, and the revenues were down. The Parking Fund is building up for the parking garage downtown. The fund balance is now at \$777,711. The equipment fund balance is maintained. The self insurance fund will experience some increase in the premiums.

The Capital Improvements Fund for 2004 spending will be \$16.5 million and \$17.5 million in 2005. For the two year period, it is expected to reach \$104 million including the Riverside Parkway; 42% of the budget is spent on major capital improvements. There has been \$1,000,000 programmed in 2005 for the Crime Lab at city shops. The plan solves three of the facility problems but does not address the Public Safety facility.

One of the last things for Council to discuss is the Outside Funding Requests, and another is the funding of the Strategic Plan. There is a list of additional requests for Council to consider in the book provided.

Assistant to the City Manager Sheryl Trent advised that a CDBG grant for Riverside School will be applied for and will include an amount from Council's \$120,000 set aside for neighborhood programs. The request to the City will be \$38,500. Councilmember Spehar noted there may be competition for CDBG funds. Councilmember Palmer asked if the School District is contributing. Assistant to the City Manager Sheryl Trent said the School District will be making a cash contribution to the architectural work in the amount of \$10,000.

The Riverfront Commission is asking for financial support for the Legacy Coordinator in the amount of \$3,500. It can be reviewed annually or it can be put into the Parks & Recreation operating budget. Council President Hill and Councilmember Spehar are concerned that GOCO is going in a different direction. City Manager Kelly Arnold had the same concerns and suggested the Council have more conversations with the group. Council postponed a decision until that could occur.

The next request is from Homeward Bound for an operating contribution. Councilmember Spehar stated they helped them one time in an emergency situation and they do not want to get into routine funding. Councilmember Butler disagrees because it is a need. Councilmember Palmer agreed there are needs but it is not the City's role. Councilmember Kirtland said he would like to keep an open mind on it. Administrative Services Director Ron Lappi said Council usually resists supporting ongoing operating requests. Councilmember Kirtland noted to make it a part of the Strategic Plan discussions scheduled for the following day. Councilmember Spehar agreed with Councilmember Kirtland and same with the next request to put it in the context of a Strategic Plan discussion.

That concluded the budget presentation.

Council President Bruce Hill stated there were other requests from Administrative Services Director Ron Lappi regarding Partners in exchange for work at parks, and Assistant City Manager Dave Varley of United Way also submitted a request. Administrative Services Director Ron Lappi also noted there is a \$32,000 request from the Forest Service for some work on the watershed. City Manager Kelly Arnold noted that is in the water fund.

Councilmember Spehar stated that the Council is in good shape and doing a good job at meeting the needs of the City, also with the capital

expenditures, which will be a major boost to the economy along with the School District bond issue.

Action Summary: Council thanked the Staff for the presentation. The additional requests will be discussed at the Strategic Plan meeting scheduled for the next morning.

CONVENE INTO SPECIAL SESSION AT 9:49 P.M.

COUNCILMEMBER SPEHAR MOVED TO GO INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS UNDER SECTION 402 (4)(F)(I) OF THE OPEN MEETINGS LAW RELATIVE TO CITY COUNCIL EMPLOYEES AND TO DETERMINE THE CITY'S POSITION AND TO INSTRUCT THE CITY'S NEGOTIATORS REGARDING THE FIRE DISTRICT CONTACT PURSUANT TO SECTION 402 4 E OF THE COLORADO'S OPEN MEETINGS LAW. COUNCILMEMBER BUTLER SECONDED. MOTION CARRIED.

ADJOURN

The meeting adjourned into Executive Session at 9:50 p.m.