

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
September 28, 2015 – Noticed Agenda Attached

Meeting Convened: 5:08 p.m. in the City Hall Auditorium

Meeting Adjourned: 8:25 p.m.

City Council Members present: All except Chris Kennedy

Staff present: Moore, Shaver, Lanning, Schoeber, Romero, Watkins, Camper, Conant, Valentine, Evans, McInnis, Tuin

Also: Vara Kusal and Dennis Simpson

Agenda Topic 1. Continuation of Budget Workshop from September 25, 2015

Interim City Manager Tim Moore reported that based on discussion from the Friday budget meeting, Staff looked at a 10% increase in fees across the board. The resulting additional revenue would be \$180,000. He then asked Internal Services Manager Jay Valentine to present an option relative to the Riverside Parkway funds.

Internal Services Manager Jay Valentine reviewed a spreadsheet that he put together regarding the Riverside Parkway fund. He was looking at debt management and strategies for reducing the fund. He provided the history and background on decisions made for the repayment of the debt. He compared Grand Junction's economy's decline currently with where it was in 2007 which included growth rate, job growth, unemployment rate, annual wage income rate, and investment interest yield rates. He questioned if it still made sense paying off the Riverside Parkway debt with Capital Improvement Project (CIP) funds.

City Attorney Shaver advised Council that they do have the flexibility to revisit the amount that is budgeted for the payment for the Riverside Parkway debt. He referred to the ballot question from 2007 which did not include any reference to early repayment of the Riverside Parkway debt. The original timetable for the Riverside Parkway debt to be paid off was the year 2024. The accelerated payoff would be 2020 or 2021 based on the current economic factors. There was some discussion regarding the annual payment and where those funds come from. Council asked what the \$3.8 million would be used for if the Riverside Parkway debt was paid off early. Interim City Manager Moore said they would want to look at economic development, the capital program, and important operational items.

City Attorney Shaver handed out a copy of the ballot from the April 4, 1989 General Municipal Election. He explained that in 1989, the voters approved that the City Sales Tax be retained at its current level, which included the 3/4% sales tax. The 3/4% is typically the CIP fund. However, the language on the ballot suggests that there could be operational uses of those revenues including support for economic development. Financial Operations Director Jodi Romero clarified that historically a percentage of this portion of the sales tax has contributed to economic development.

Interim City Manager Moore stated that the bare bones operational and capital budgets are close to balancing but the gaping hole is economic development funding.

Council President Norris referenced the "B" list for capital and stated that there are some items on that list and operationally that need to be moved up.

There was discussion regarding what happens to the TABOR excess funds if the Riverside Parkway debt is paid off in 2020 and Council questioned if the citizens would feel that Council broke their promise if the funds were not used for early repayment even though that specific language was not in the ballot question. Council was not in favor of the proposal to use the Riverside Parkway funds.

Council then discussed needing comparisons for the last three years on revenues and expenditures, analyzing productivity and efficiencies, looking at alternatives, utilizing Conservation Trust Funds for operations, sustainable funding for 911, cutting some funding to other entities, creation of a fire district, creation of a drainage district, and being more aggressive in seeking grant funding.

Staff advised that it is anticipated there will be additional fund balance at the end of 2015 and asked if Council would agree to use those funds to help balance the budget. City Council was in favor of using the fund balance of \$369,000 towards balancing the 2016 budget instead of rolling it into reserves.

Interim City Manager Moore asked City Council for feedback on the economic development portion of the budget. Areas that Council felt should be cut were Housing Resources and Kids Voting; areas agreed to be reduced were Sponsorships (by ½), Mesa Land Trust (reduce to \$5,000), and the Young Entrepreneur Academy (reduce to \$4,000); areas moved to the "B" list were Arts Commission Grants, Business Incubator Center Makerspace, and the Grand Junction Economic Partnership's job incentive funding; Western Slope Center for Children – the SANE Coordinator - is to be moved into Police Department operations, and the Sports Commission is to be removed from the "B" list. The total amount that they were looking at cutting from the economic development fund is approximately \$150,800. There is still a \$569,000 request from Grand Junction Economic Partnership (GJEP) on the "B" list and Interim City Manager Moore suggested to Council that GJEP should be actively seeking funding from other sources to fund this request.

Councilmember Traylor Smith recommended reaching out to CMU and suggesting that the City's \$500,000 a year be refinanced and extended from a fifteen year commitment to a twenty year commitment. It was also discussed looking at the transfers to other entities, specifically looking at the vendor fees and using that as a dedicated revenue source to economic development.

City Council was in favor of reviewing payments to the DDA and the VCB to see if they could get by with a one-time reduction in order to partially fund the gap in the economic development fund.

Interim City Manager Moore polled Council for their opinion to charge a \$10 to \$20 fee to each household for the "Spring Cleanup Program". The majority of Council was in favor of pursuing that fee.

City Council felt that for next year's budget they should look at what other municipalities are charging for different services and also look at shared functions with the County and other local municipalities.

Council discussed not implementing the \$400,000 in the budget for the 1.2% wage increase for employees. Some wanted to reserve it in the budget and then Council could revisit implementation midyear 2016. Human Resources Supervisor Laura Conant advised that the 1.2% is only a placeholder to keep from falling behind the market and that a full market study would be conducted in 2016. There was further discussion regarding whether the \$400,000 should be kept in the budget or not, looking at staffing efficiencies, performance evaluations, and the difference between performance based wage increases versus market study based wage increases. The majority of Council was in favor of cutting the \$400,000 out of the department budgets.

Council asked that, with the items discussed at this meeting, the Financial Operations Department update the budget to see if it balances, and if not, bring it back to another workshop.

Other Business

Councilmember McArthur asked about the Events Center Kickoff Meeting on September 30th. Interim City Manager Moore explained that it is the consultant's introduction to the City and to see what the City is doing and wanting.

Board Reports

There were none.

Adjourn

With no other business, the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, SEPTEMBER 28, 2015**

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

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

- 1. Continuation of Budget Workshop from September 25, 2015**
- 2. Other Business**
- 3. Board Reports**