

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
October 19, 2015 – Noticed Agenda Attached

Meeting Convened: 5:00 p.m. in the City Hall Auditorium

Meeting Adjourned: 9:10 p.m.

City Council Members present: All except Barbara Traylor Smith

Staff present: Shaver, Moore, Taylor, Machado, Meyerann, Bowman, Romero, Valentine, Hazelhurst, Carruth, Watkins, Lanning, Mendelson, Finlayson, McInnis, and Peterson

Also: Visitor and Convention Bureau Board Members: Brad Taylor, Billie Witham, Don Bramer, and Susie Kiger; Gregg Palmer, Harry Griff, Dennis Simpson, and Ted Ciavonne

Interim City Manager (ICM) Tim Moore opened the meeting and then deferred to Parks and Recreation (P&R) Director Rob Schoeber and Recreation Superintendent Traci Wieland.

Agenda Topic 1. Budget

Las Colonias Park

Mr. Schoeber reviewed a Pro Forma handout and presented a slide show on the Las Colonias Amphitheater to help answer questions raised at earlier meetings and noted, if the project is approved, revenue could begin to be realized in 2017. He then highlighted the amphitheater's potential revenue, which would include alcohol and concession sales for both the City and external event coordinators, and the estimated economic impact events would have on the community (calculations were derived using an economic formula customized for the Grand Junction Visitors and Convention Bureau (VCB)); he felt the numbers presented were conservative. Mr. Schoeber also reviewed the proposed P&R Operating and Maintenance budget and explained this included all park facilities; at least two thirds of these costs would be needed even if the amphitheater was not built. He introduced Ted Ciavonne, Ciavonne, Roberts & Associates, Inc., who explained how the seating capacity was determined, that it would vary depending on the type of event, and how this facility would differ from other local venues.

Questions were raised regarding how outside alcohol would be kept out of amphitheater events (security would inspect coolers), who would be responsible for promoting and managing events and what constraints grant funding may have on these options (to be determined), if public interest had specifically been assessed for the amphitheater (per City processes, a community meeting was held), and if funds could be budgeted for multiple years rather than just one (yes).

Discussion then ensued as to why the amphitheater phase had been moved up in priority, and if it should be a separate project from the rest of the Las Colonias projects. It was explained that the amphitheater was made more of a priority because the Park as a whole would be less expensive to complete if the amphitheater was built first, some funding opportunities are available for the amphitheater now, and DOLA grant funds may not be available in coming years. Also, if grant funds were awarded for the planning process, the City would be in a more favorable position to be awarded

funds for its implementation which makes the timing of this request even more critical. Ms. Weiland explained which grant funds the Park would be eligible to apply for, which grants would apply to the planning and implementation phases, the application submission time lines, grant award dates, and confirmed and projected partner contributions.

Councilmember Kennedy said he felt the purpose of this request was for Council to show whether or not it supported the project by giving P&R direction as to whether or not they should apply for grant funding.

Councilmember Taggart said at this point, this request is budget neutral; only if grant and partner funds become available should this project proceed.

Council President Norris was concerned other Las Colonias projects would be stalled if the focus was only on the amphitheater. Councilmember Boeschstein mentioned the outdoor learning project would be eligible for grant funds soon and noted Mr. Schoeber said, as opportunities become available P&R will look toward completing other phases of the Park.

Councilmember Chazen expressed concern that this project was not being looked at within the full context of the budget and said there were more pressing concerns such as upgrading the water system which was a priority; the City could only apply for the DOLA grant for either the Park or the water system and he felt the funds would be better spent on the water system.

It was decided to proceed with the grant application process to see how much funding was available.

Remaining Enterprise Funds

Visitor and Convention Bureau (VCB) and Two Rivers Convention Center (TRCC)

Barb Bowman, VCB Manager, thanked those that helped prepare the report, acknowledged the VCB Board Members in attendance, and introduced Mistalynn Meyeraan, VCB Marketing and Public Relations Coordinator, Joni Fraser, Two Rivers and Convention Center (TRCC) Finance Technician, and Stuart Taylor, TRCC Services Manager. She began by saying the VCB was asking for a \$58,500 increase in their Operating Budget and also has a capital request. Under the 2015 Operating Budget, 49% was spent on marketing, labor was decreased, and more money was allotted to research and marketing. She reviewed the value of 2015's advertising and marketing efforts and noted key performance indicators are strong. Lodging Tax is projected to increase 4% over 2015.

Ms. Meyeraan said the VCB's website tracking software along with major national stories about the area were two main reasons VCB's public relations did so well.

Ms. Bowman highlighted VCB's areas of growth and noted Staff and the Board continues to look for other revenue sources as well as develop a strategic plan. She then outlined ongoing and upcoming challenges: the TRCC subsidy by the VCB, low average daily hotel rates, and the ability to maximize sales.

Ms. Bowman then addressed opportunities noting how fortunate they are to have offices directly off of I-70, however they would like to develop a presence in other areas and, if the right location could be found, they would consider establishing a permanent downtown site. They are also considering a mobile Visitor's Center which they would like to park between TRCC and the three downtown hotels to

allow them better access to customers. Ms. Bowman then deferred to Ms. Meyeraan to address special events. They would like to increase the budget for special events to help promote and fund new area events and increase marketing and public relations. That would enable them to develop new key markets for direct advertising to help increase tourism during “shoulder” seasons.

Councilmember Taggart commented part of VCB’s revenue is received from Vendor Fees which was intended to help them pay the TRCC subsidy; he felt the Board should look at other ways to honor this commitment. Ms. Bowman responded that they are strategizing about that. He also suggested contacting trailer manufacturers directly for prices that may be more competitive for the mobile Visitor’s Center.

Council President Norris asked Ms. Bowman if the VCB still wants to relocate. Ms. Bowman deferred to VCB Board Chair Brad Taylor who said the VCB is housed at a prime location which is on City property and it was the City that considered the sale. Council President Norris said the VCB is very important to the City and their contributions were highly praised by the Economic Development consultant.

Councilmember McArthur asked if the current location was visible enough. Mr. Taylor said much of their signage needs to be improved. Ms. Bowman said they had not been able to afford new signage yet, but are looking toward new illuminated and digital signs.

Two Rivers Convention Center/Avalon Theatre

Stuart Taylor, TRCC Services Manager, mentioned FCI Constructors, Inc. won an award for their work on the Avalon Theatre Remodel and Renovation project. He thanked Council for approving and supporting that project. He then reviewed the TRCC budget and noted successful cost saving measures had been implemented for an annual savings of \$55,000 (turning off lights and using the Grand Junction Regional Center for laundry services). He provided the number of events that were scheduled at each facility and mentioned the “Dinner and a Movie” promotion had been a huge success with 80% increased attendance. Social events increased 160% most of which were booked at the Avalon; year to date, the Avalon’s revenues have exceeded expenses and the 4th quarter is their busiest season. Mr. Taylor said they had been working without both Event Coordinators due to transfers and leaves; these positions devote most of their time to planning events; they would like a position dedicated to sales and marketing in the future, but now they are using VCB and social media as much as possible. Currently, more conventions are scheduled for 2016 than were for all of 2015 and one of their biggest challenges is rising food costs, specifically eggs. This has necessitated creating new menus and adjusting prices in other areas to compensate. Other ongoing challenges for TRCC are maintaining and enhancing the facility and trespassing issues involving homeless and vagrants; the Avalon needs updated companion seating to meet ADA (American with Disabilities Act) standards and cellular shades that would allow increased outdoor terrace use.

Council President Norris asked for information on what it would cost to keep TRCC viable for the next 20 years. ICM Moore said a change order had been added to the Event Center Feasibility Study to include this information. Councilmember Taggart said the Avalon Theatre should also be included in the study since all downtown entities would work together, with or without a new event center.

Mr. Taylor said they encouraged Staff to attend training and stressed the importance of good customer service. Ms. Bowman said TRCC receives high customer service ratings, which is a selling point for the facility.

Councilmember Chazen asked what the projected net profit/loss is for 2015. Mr. Taylor said for both facilities it will be a loss of about \$400,000; he felt the Avalon would be more profitable in 2016.

Council President Norris expressed her concern regarding maintenance expenses for TRCC.

Councilmember Chazen asked if the proposed budget included any capital projects. Mr. Taylor said all proposed capital projects are on the "B" list. Councilmember Chazen asked if they had flexibility to restructure rates. Mr. Taylor said he felt the facility rate was at the top limit, but menu prices were adjusted as needed.

Councilmember Taggart noted TRCC and the Avalon are Enterprise Funds and felt profit and loss statements should have been submitted along with a strategic plan for Council to review. He stressed facility rates need to be reevaluated; other businesses respond to rising costs and so should they.

Councilmember McArthur asked if a rate study had been done. Mr. Taylor said a 10% rate increase was implemented in 2014 and it takes about two years to fully realize the increase due to contract terms.

Don Bramer, VCB Board member, said he had hotels associated with convention centers across the country and most convention centers do not turn profits, however, they contribute to an area's quality of life and are economic development drivers for other businesses.

Golf Courses

Rob Schoeber, P&R Director, said the Lincoln Park and Tiara Rado Golf Courses include a heavier debt service but have lighter labor costs; the proposed budget for both courses is \$1,880,000 which is down from previous years mainly due to decreased labor costs. Some highlights included: tournament and concession revenues are up, Mike Mendelson, Golf Professional, implemented many junior programs, and junior rounds are up by 800 year-to-date. Mr. Schoeber said after their 2015 debt payments are made a \$38,000 fund balance is projected; this will be the first year he has anticipated a fund balance and they will continue to make this a priority to make funds available for future capital projects.

Mr. Mendelson said he worked with the VCB and the Denver Golf Expo regarding promotional opportunities and is working on an adaptive golf partnership with the Grand Junction Veterans Health Care System to encourage people with disabilities to golf.

Mr. Schoeber mentioned proposed increases for green fees and cart rates and reviewed area green fees; when carts are replaced they plan for the new ones to have a GPS (global positioning system) feature.

Councilmember Chazen asked how the golf scheduling software program was working. Mr. Mendelson said it had improved the process, but they have been glitches and an upgrade is needed.

Creating an executive course at Lincoln Park and how to cultivate younger golfers was also discussed.

Parking Fund

Jay Valentine, Internal Services Manager, introduced this item. He said the Downtown Development Authority (DDA) was included and agreed to share the cost for the Downtown Parking Study; he explained the scope of the study, why the DDA was asked to be included, and noted parking meter rates had not been adjusted for quite a while, but there were differing views as to what rates should be and how they affect businesses. The Fund's biggest expenses are debt service and labor which includes parking meter enforcement (Police Department), maintenance (Internal Services), and program supervision (Purchasing); this Fund makes enough money to service the debt, but not enough to truly generate revenue which is tied to the rates.

Mr. Valentine said the City would benefit if the DDA took responsibility for the Parking Fund, specifically in regard to debt. Council President Norris asked, if the DDA did, would they refinance the debt and repay the City. Mr. Valentine said the Parking Study will be beneficial in answering many of these types of questions.

Councilmember Chazen asked if there was a Capital Reserve for meter replacements and/or building improvements. Mr. Valentine said no and explained the City does not have sole control of parking rates; too many people have a stake in how much is charged and whether or not to offer free Holiday and Main Street parking. He mentioned they are looking toward debit card replacement meters.

City Attorney Shaver noted the Parking Garage has a condominium association tied to it and they are creating a Capital Reserve for the garage.

Mr. Valentine went over the Garage's maintenance concerns specific to the City: the elevator, the pay meter machine, and light fixtures. Councilmember Chazen then asked if the condominium association's reserve was sufficient for other needed improvements. Mr. Valentine said at this time, yes.

Councilmember McArthur suggested installing metered locking bicycle stands to help lessen parking demands and create an incentive to bike to work and events.

Councilmember Taggart asked for a P&L statement for this Fund and suggested making the Parking Garage easier to use; citizens have told him they don't understand the pay system.

Information Technology

Jim Finlayson, Information Technology (IT) Director, introduced this item and noted each department budgets for a piece of IT. IT's main expenses are labor and benefits, licensing, and maintenance contracts for hardware and software (which is not shared with other departments), and equipment replacement. Mr. Finlayson said 2016 capital projects, air conditioning for the Police Department's IT room and storage arrays, will come from the Fund balance, but will need to be repaid. The Fund will also cover expenses to move the data center in City Hall and explained why 2016 is a good time for this project.

Councilmember Chazen asked if IT had an emergency, would the Fund balance be sufficient. Mr. Finlayson said if IT experienced a major catastrophe, the \$500,000 balance would not be enough.

Council President Norris expressed concern that labor cuts in IT would limit their ability to expand at a time when more is expected from them. Mr. Finlayson said the cut in labor was for the 1.2% salary increase and did not cut positions, however it has been difficult for Staff to cover things like equipment replacements. Councilmember Kennedy asked if IT had a lot of turnover. Mr. Finlayson said his Staff wants to work in Grand Junction and salaries have remained competitive so that has not been an issue. However, a large number of Staff are getting close to retirement age so a lot of experience will be lost when they do.

Mr. Finlayson explained why a municipality and its needs are vastly different from private sector businesses; they are a combination of at least eight different businesses all with different software, requirements, and storage demands. He also noted work on the Wireless Master Plan and Economic Development has required more hours from the IT Department.

There was no further business. The meeting adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, OCTOBER 19, 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. Budget

- **Las Colonias Park**
- **Remaining Enterprise Funds**
- **Internal Services Funds**
- **Staff Recommendation of Capital**

2. Next Steps

- October 26th - Rates and Fee Change Listing (preparatory to the rates and fees resolutions)
- November 2nd (regularly scheduled workshop) - Budget Wrap, TABOR Calculation, Fund Balance Worksheet, Line Item Budget by Fund, Final ED Budget, Final Capital Worksheet
- November 4th CC Meeting - Adopt Rates and Fees Resolution, Set Public Hearing for Appropriation Ordinance
- November 18th - Public Hearing and Budget Adoption
- December 2nd - Mill Levy Adoption

3. Other Business

4. Board Reports