

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
October 26, 2015 – Noticed Agenda Attached

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

Meeting Adjourned: 8:50 p.m.

City Council Members present: All, Barbara Traylor Smith (arrived at 5:05 p.m. and left at 8 p.m.), Duncan McArthur (left at 6:29 p.m.)

Staff present: Moore, Shaver, Valentine, Romero, Schoeber, Taylor, Bowman, Kovalik, McInnis, Stavast, Barker, Camper, Lanning, Carruth, Hazelhurst, Watkins, and Peterson

Also: Dennis Simpson

Interim City Manager (ICM) Tim Moore began the meeting. He said Grand Junction Economic Partnership asked Council President Norris to sign a letter of support for a ProStar Geocorp (PSGC) grant application; he read the request, explained they were not asking for monetary support, said the grant would be used for early capital and retention projects, described PSGC's type of business (mapping of subsurface conditions), and mentioned the City had worked with them previously.

ICM Moore said Councilmembers McArthur and Traylor Smith would be attending the National League of Cities' Congress of Cities and would not be at the November 2nd workshop or the November 4th regular meeting; to ensure a quorum, he confirmed that the other Councilmembers would be attending those meetings.

ICM Moore asked Council if the Budget Wrap Up could be moved to November 16th to allow Staff more time to compile requested information. Financial Operations Director Jodi Romero explained the proposed timeline for the public hearing. Councilmember Taggart expressed concern that if an issue arose, this schedule would not allow enough time for it to be addressed. He suggested scheduling the Wrap Up on November 9th and all agreed.

Councilmember Taggart asked that a workshop still be held November 2nd to discuss another topic which he did not disclose. ICM Moore said he and Councilmember Taggart would discuss this later.

Councilmember McArthur mentioned he needed to leave the meeting at 6:30 p.m. in order to attend the Orchard Mesa Sanitation District meeting.

Agenda Topic 1. Budget

Internal Services Funds (ISF) continued from October 19th

Fleet

Internal Services Manager Jay Valentine introduced this item. He described how Staff is structured and noted a swing shift had been added in 2014 to better accommodate vehicle maintenance services which has worked well. The largest portion of this Fund is used for capital replacements and fuel; he listed the Fund's other expenses.

Councilmember McArthur asked if users were charged back for Fleet services and parts. Mr. Valentine said they are and explained the charge back and fleet replacement processes; he noted the annual cost accruals for Fleet had been reduced to reflect a maintenance rather than growth level. If some replacements needed to be accelerated, the accrual rates would be adjusted.

Councilmember Chazen asked if the proposed reserve figure would be adequate. Mr. Valentine said it was. Councilmember Chazen then asked if the cost for Compressed Natural Gas (CNG) stations came out of this Fund and if the City's current CNG fuel capacity was sufficient for current needs. Mr. Valentine said the current capacity should be sufficient through 2017, but if the City and Grand Valley Transit continue to grow their CNG fleet, another fueling station will be needed. However, a solution other than the City building a new station should be considered.

Council President Norris asked if this Fund was used for new fire equipment; she felt funds should be set aside in anticipation of building a new fire station. Mr. Valentine said this is a replacement fund; new purchases would come out of the Capital Improvement Fund, however this could be changed.

Councilmember McArthur asked if grants were available for fire equipment purchases. Fire Chief Ken Watkins said the Federal Government has an Assistance to Firefighters Grant, but it is very difficult to be awarded funds for vehicles from this grant; the State only offers a grant for Wildland vehicles. He also noted the City's Capital Plan included provisions for a new station.

Councilmember Boeschstein thanked Staff for their work in transitioning to CNG vehicles; he then asked if there was a goal to transition the entire fleet to CNG. Mr. Valentine said the initial goal was only to replace the highest mileage and use vehicles with CNG which has been accomplished. However, CNG is not the best option for all uses so each vehicle's use will be reviewed; the Parking Attendant Car, for example, is fully electric.

Mr. Valentine explained how vehicle maintenance and replacement schedules were determined and noted Fleet Services works hard to extend the life of each vehicle; he detailed how much time is spent on maintenance, the technician productivity rate, the fleet availability rate, how scheduled maintenance and emergency repairs are logged, the part demand fill rate, and that they are downsizing the fleet.

Councilmember Chazen noted the real age of the fleet is increasing, but the reserves continued to be calculated for optimal age and asked how this is reconciled. Mr. Valentine said accrual rates, maintenance, and replacements were being kept flat for 2016 because they have been able to keep up; the Replacement Committee reviews and rates each vehicle in five categories to determine when they should be replaced.

Concerns were expressed that the Reserve and Fund balance will lag behind future needs if it is not increased in future years.

Facilities

Mr. Valentine presented this item and noted two changes: Facilities is now a part of the ISF and the utility expenses, although charged back to each department, are paid through this account. He then explained the Facilities Condition Index (FCI) program which was implemented in 2015 after an extensive facility inventory of all City buildings including Two Rivers Convention Center and the Avalon

Theatre. He suggested detailing this system at another workshop in order to better explain how building maintenance and repairs are calculated and prioritized.

Councilmember Chazen asked if \$2.5 million needed to be saved each year in order to maintain all City buildings. Mr. Valentine said yes. Councilmember Chazen then asked if repair funds would come from capital or operating and if there were any reserve funds for repairs. Mr. Valentine said if projects are repaired one by one, the funds would come out of capital, but if funds could be accrued and projects scheduled it would come out of operating; there aren't any reserves now, but Facilities was moved to ISF to allow funds to be accrued.

Councilmember Boeschstein asked if an energy audit had been completed. Mr. Valentine said it had and items such as programmable thermostats were installed and as replacements are needed, other energy saving items are installed.

Mr. Valentine then reviewed the Utility Tracking system and noted it takes weather into account; the process has been streamlined with the departments paying into the Utility Interfund Charge which allowed Facilities to make one payment.

Concern was expressed that there are no reserve funds for repairs; it was agreed funds need to regularly be set aside for maintenance and capital replacements.

Insurance

Risk Manager Nathan Carruth presented this item, reviewed the coverage, and noted the Worker's Compensation (27%) and Property Causality and Liability (23%) premiums account for the major expenses. Discussion ensued regarding the definition of a seasonal employee and the cost of rehiring versus using contract or temporary staffing. It was felt a cost comparison should be done which would take into account issues such as training, employment laws and restrictions, OSHA (Occupational Safety and Health Administration) compliance, Worker's Compensation (WC), and unemployment and health insurance costs. Mr. Carruth said he would work on this project.

Mr. Carruth then reviewed the Internal Service Charges for insurance by Department and the Fund balance. He noted the Fund is healthy and reserves have been built into it to anticipate high insurance claims and/or uninsured costs; health insurance rebates were received in 2013 and 2014, but the fund has been reduced to pay health insurance claims. He explained health insurance funds, both rebates and premiums, are highly regulated as to how they can be used. A Reserve analysis was proposed to determine how much would be sufficient.

Mr. Carruth listed some challenges for this Fund: Colorado Public Safety Presumption Laws may be expanded due to Post Traumatic Stress Disorder claims, 30 % premium increase over past five years for WC Excess Insurance (during that time no claims were filed and the City's WC modifier was reduced to .76), Affordable Care Act compliance and costs, medical cost inflation, and cybercrime. He will work with Jim Finlayson, Information Technology Director, to find affordable cybercrime coverage.

Agenda Topic 2. Staff Recommendation of Capital

ICM Moore introduced this item and explained this information is Staff's response to Council's request to cut the Capital budget by \$400,000. The consensus was to hold off on projects until after the 1st Quarter and then evaluate year end balances and to bid out the Street Maintenance Overlay Project for

unit cost comparisons; it was hoped this project will cost less due dropping oil prices and provide the full reduction requested. If it doesn't, funds will be shifted from other areas to Streets to cover any shortfalls required for overlay projects. All agreed to reevaluate midyear to see if additional funds become available.

Rates and Fees Change Listing

ICM Moore introduced this item and said the Department Heads were here to present their suggestions in anticipation of bringing a resolution forward to Council that would set Rates and Fees.

Fire Department

Fire Chief Ken Watkins recommended increasing fees for Ambulance Services and Fire Prevention Services. He detailed some of the proposed fees and explained how the increases were determined; he noted most of these fees could be doubled and still be below what most municipalities charge. The projected increase from raising all of these fees would be about \$161,000.

All agreed to these increases.

Spring Clean-Up Program

ICM Moore reviewed the previous discussion regarding the implementation of a \$10 fee for the Spring Clean-Up program. It was then discussed how a fee could be fairly charged, enforced, and if changes to the program should be considered. It was agreed this was seen as a City service and is appreciated by the citizens. He then asked Council if they would like to pursue adding a fee. Discussion ensued regarding whether or not to keep the program, if a fee for this service should be added when many other fees are being increased, and who would collect the fee.

Public Works Director Greg Lanning mentioned a ¾ cent tax is already being collected per a 1989 Ordinance for services which included this program. Ms. Romero said this tax goes into a separate fund.

Council President Norris asked all fees and taxes be reviewed for the long term and then they would revisit this question.

Parks and Recreation (P&R)

Rob Schoeber, P&R Director, said based on previous feedback from Council a full audit will be conducted on all P&R fees. For 2016 he recommended fee increases in the following areas: the Hospitality Suite, the Pool and Waterslide (rentals, admission, shower facilities, and aerobics), Shelters, Licensing, Golf Green and Cart Fees (season and daily).

After discussing some of the proposed fee changes, it was decided Council would direct each Department Head as to what their net should be and each Director would then decide where and how adjustments would be made in their budget to achieve the requested net.

It was agreed P&R fees should be up by at least 2% overall from 2015. Mr. Schoeber will come back with a summary of changes that will achieve this goal.

With no further business, the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, OCTOBER 26, 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

- **Internal Services Funds continues (Fleet, Facilities, Insurance)**
- **Staff Recommendation of Capital**
- **Rates and Fee Change Listing (preparatory to the rates and fees resolutions)**

[Supplemental Documents](#)

2. Next Steps

- 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