

A Message from the Mayor



City Councilmembers Jim Doody, Bennett Boeschstein, Laura Luke, Mayor Tom Kenyon, Teresa Coons, Mayor Pro Tem Bill Pitts, and Sam Susuras

As Mayor of the City of Grand Junction, I am pleased to present to you the City of Grand Junction 2012 Calendar and Annual Report. This beautiful publication serves not only a useful purpose as an event calendar and information source, but also as a report back to you on how your tax dollars have been used by the City. It is the City's goal to be transparent in our operation, and this report is but one part of that goal.

I would like to take this opportunity to share a few thoughts with you on the City organization and some of what 2011 brought our way.

In 2011 we welcomed three new members to our City Council. With them came new thoughts, new hopes, and new ways of looking at things. This type of change is refreshing and reminds us all that we are here to serve a varied and unique community, and that the strength of the decision-making process is in the diverse views and opinions that can be brought to the table in working toward a common goal. The title of this year's calendar is "A community of bold, yet quiet beauty", and it well depicts the Grand Junction that we are all privileged to represent.

This last year was a time of hope for economic recovery. It was slow to start and even slower to gain steam. Despite the sluggish economic situation and the tenuous forecasts for improvement, this Council made it a priority to push forward capital projects so that we could create jobs in this community and stimulate the local economy. Employment is the life blood of any economy, both in terms of spending capacity and the ripple effect it creates, so this was a priority on which we were not willing to compromise. The stadium renovation, 29 Road overpass, Downtown uplift and public safety facilities projects all created jobs in our community in 2011.

Although we have been moving forward with spending on capital projects, the City's leadership has done a great job of keeping a close eye on expenditures within their departments and in being resourceful and creative in continuing to come up with even more efficient ways of providing critical services to the taxpayers of this community. I am pleased to tell you that the City of Grand Junction is fiscally sound and we continue to retain a \$20M fund balance. I am proud of the work being done by the departments and divisions of the City, and I am honored to work with over 600 of some of the most dedicated employees you can find anywhere. You have my word that we are working together to provide the most effective and high quality services that can be provided to you, and if you don't think we are, please let us know.

As you thumb through the Calendar and Annual Report you won't be able to help but appreciate what a special community Grand Junction is. From the charitable community fundraisers to the family style special events to the breathtaking environment – Grand Junction truly is a community of bold, yet quiet beauty, and it is our hope that 2012 brings new prosperity to add to that beauty.

Regards,

Tom Kenyon, Mayor
City of Grand Junction

Highlights of 2011...

In 2011, we began to see some slow recovery in our local economy. Although we learned that Grand Junction had experienced the most significant percentage job loss in the country in the previous year, an air of hope remained as if to say, "This community has been through this before." City leaders continued to focus on making sure our customers were receiving the quality services that positively impact our community and sustain the quality of life we experience in Grand Junction. We continued our efforts to stimulate the economy through job development by pushing forward capital projects to put people to work, and we kept a watchful eye on economic indicators, and used a cautious and conservative hand in budgeting.

Although the economy continues to be slow to recover, there were still many things that took place during 2011. The following provides a brief summary of some of the more significant occurrences that took place during the course of the year:

In 2011, the City's desire to move more toward a CNG-fueled fleet took one more step toward reality thanks to some generous grant programs and community partners. A CNG slow-fill station was opened to fuel City fleet vehicles along with Mesa County CNG-fueled GVT busses that are on order. The slow-fill station construction was coupled with a fast-fill CNG station for public use. The public station is operated by Monument Clean Fuels and is open 24 hours a day. ~ Bennett Boeschstein, Jim Doody and Laura Luke were sworn in as the newest members of City Council as we said goodbye to departing term-limited Councilmembers Bruce Hill and Gregg Palmer and

Councilmember Bonnie Beckstein submitted her resignation. ~ Tom Kenyon was selected as Mayor and Bill Pitts agreed to serve alongside him as Mayor Pro Tem for the year. ~ After many years of public safety services being provided out of cramped and inadequate facilities, ground was broken for construction of a new police and 911 building. The project, which is being funded by COP's (certificates of participation), began to address a long-standing need while at the same time creating jobs in the community. Fire Station #1 and fire administration offices will be re-built following completion of the police and 911 building. ~ The second phase of the Downtown Uplift was completed. Funded primarily by the Downtown Association and the property owners in the area, the project beautified the east end of the Main Street Shopping Park and brought several new amenities to the Downtown experience. ~ The VCB helped promote the 100th Anniversary of the Colorado National Monument to tourists and partnered with the Downtown Development Authority and Colorado National Monument on the Monumental Classic Car Tour. ~ Renovation to the Stocker Stadium/Suplizio Field sports complex got underway in anticipation of a completion date of early 2012. The project, which is being constructed in partnership with JUCO, Colorado Mesa University, School District #51, and Mesa County, is being funded by COP's (certificates of participation), the JUCO Committee, lottery proceeds, and other community contributions. It too, just like the public safety facilities project, created a number of jobs in our local construction industry. ~ Fire administration and Fire Station #1 packed their bags and moved temporarily to the City's Municipal Services Campus at 333 West Avenue. The location will serve as home for

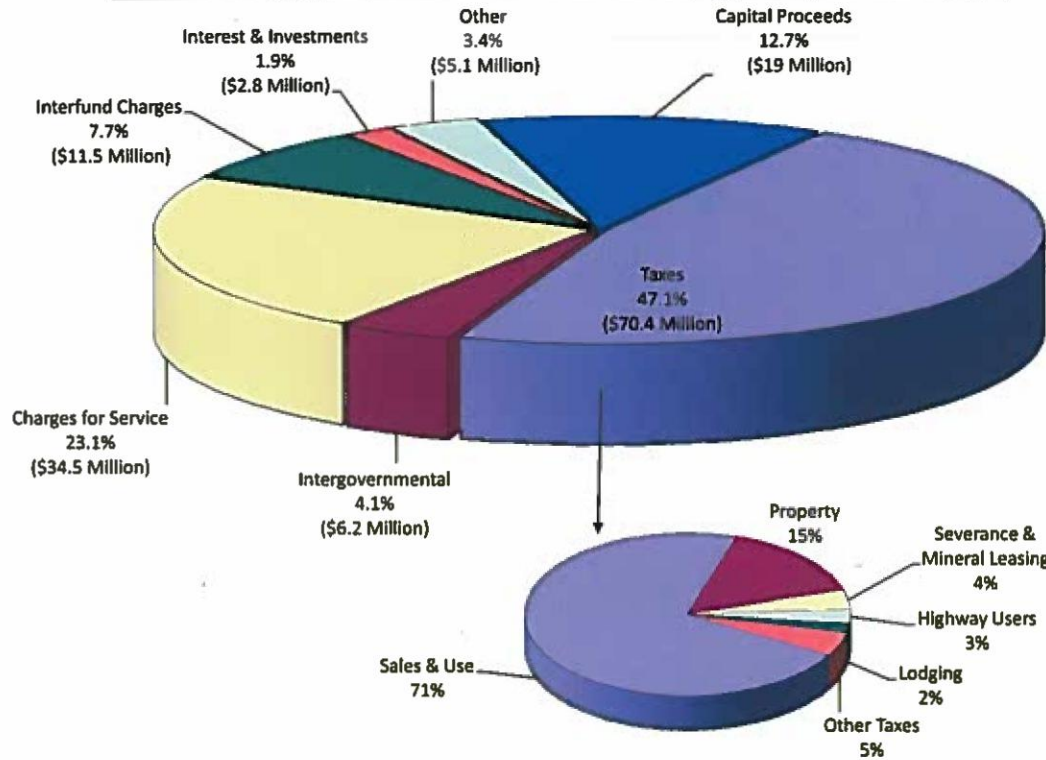
Station #1 until mid-2012, and for fire administration until completion of construction on the new police and 911 building. ~ The Police Department focused the expertise of three specially trained officers on the issue of vagrancy and repeat offenders among the homeless community. The Homeless Outreach Team, HOT, began to see positive results in a very short time and is working with many community groups toward a community solution to a complex problem. ~ Excessively high spring runoff resulted in localized flooding and damage to the Riverfront Trail, where a complete washout occurred in an area near the Glacier Ice Arena resulting in the closure of portions of the trail to users. Temporary repairs were made to the trail, but permanent solutions are still under consideration, and have become more complicated due to changes in the river's flow. ~ The City launched a new website, designed to create a simpler and more efficient user experience for our customers, and a more timely flow of information. The site receives more than 2,000,000 hits per year. ~ Despite the best efforts of the Grand Junction Fire Department a piece of Grand Junction's history was lost in the White Hall fire. ~ Construction of the 29 Road overpass drew to a close, completing a much-anticipated connector route between north and south over the railroad tracks. The \$19 million project created work for many people over a two-year period of time.

It is clear that 2011 was a busy year, and a year that continued to be filled with cautious hope for an improved economy. All of the events of the previous year played a role in shaping our community's history. We share with all of you in looking forward to 2012 with hope and optimism.

City of Grand Junction Budget

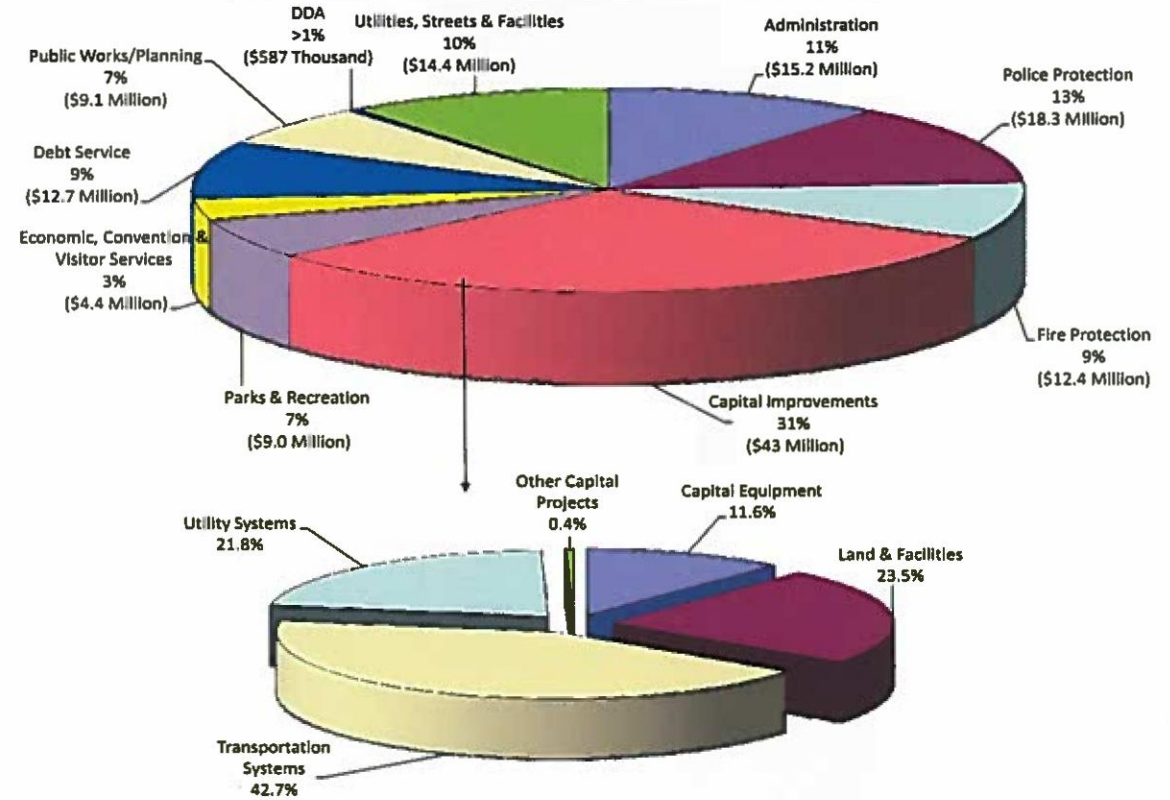
Where the Money Comes From...

The main source of revenue the City uses for general government is generated from taxes. Over the last five years, an average of seventy-one percent has been in the form of sales and use tax with only 18% of that amount being paid by Grand Junction residents.



Where the Money Goes...

Capital Improvements of streets, parks, utility systems and other infrastructure are a major category of expenditure, accounting for 88% of the total general government expenditures averaged over five years.



Budget Message from the City Manager

Dear members of the Grand Junction community,

It is October 2011 and once again we are busy preparing next year's budget for 2012. As I reflect upon this same time last year, we recognize some improvements in our local economy. For example, general retail activity has increased and the energy industry is making capital investments in expanded operations. However, the overall unemployment rate remains high with 1 in every 10 people out of a job and many others underemployed. The development and construction sector remains weak with \$22 million less in construction dollars being spent so far this year and I expect this to decline even further and into 2012. Along with declining Federal and State shared

revenues and unfunded mandates, we continue to be watchful over our capacity to operate services within existing revenues. Further significant declines could result in less service to the community.

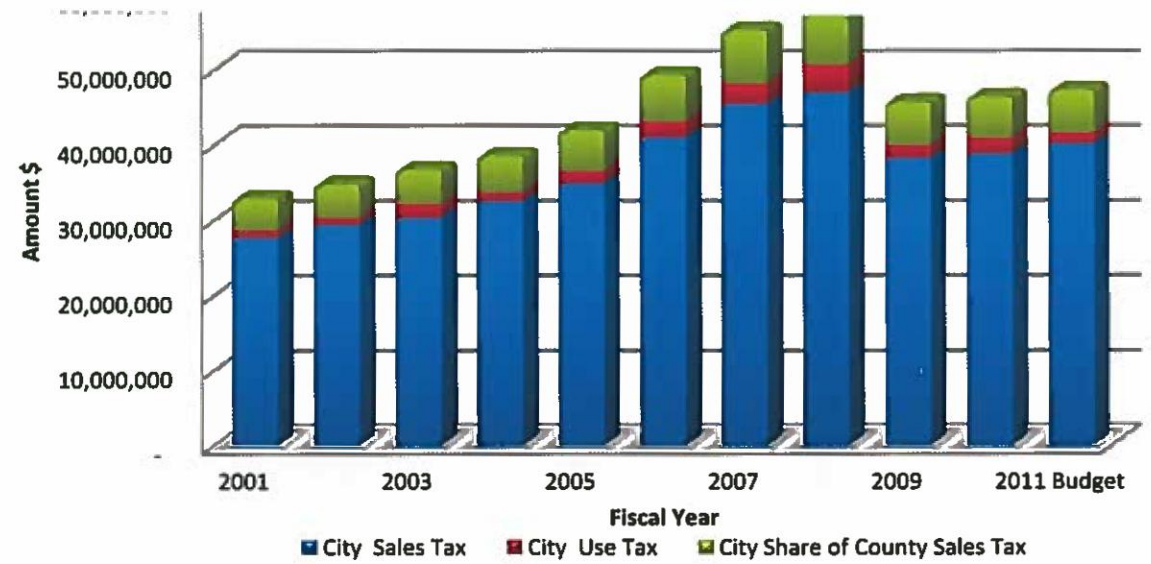
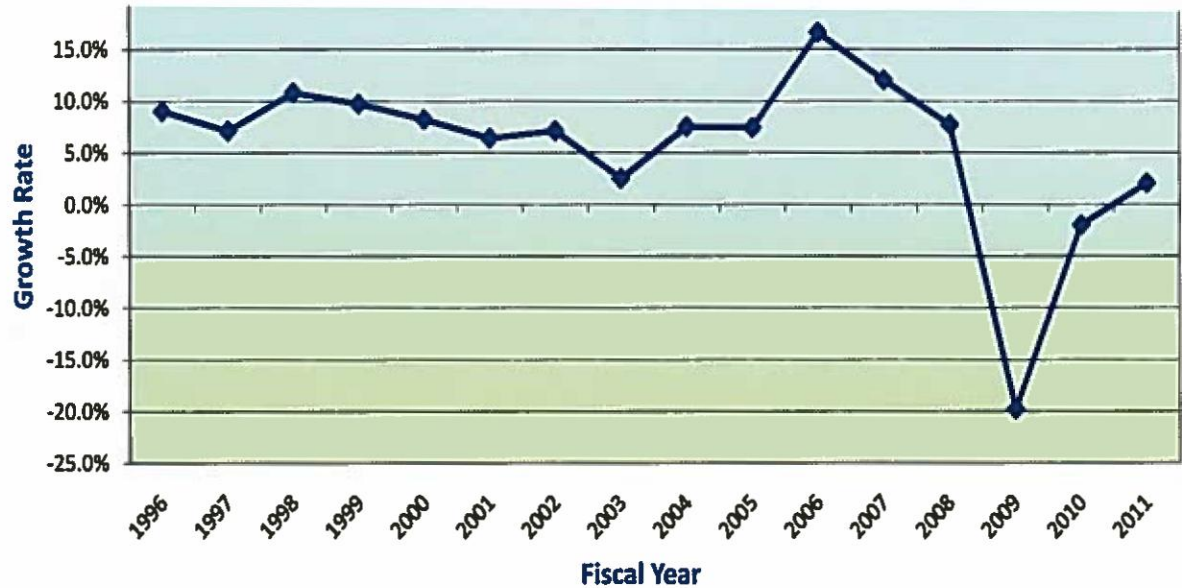
On the other hand, with the support of City Council, we continue to use tax dollars to invest in the local economy and take advantage of a favorable construction market. In 2011, with the help of private and public partners, we completed the 29 Road Bridge, continued replacement of water and sewer lines, began the renovation of Stocker Stadium/Suplizio Field, and made great progress on a new 911 and police building. Public safety improvements will continue in 2012 along with increased investments in outdated parks infrastructure and street overlays. In addition to our own capital projects the City has contributed towards the economic development of other projects and

programs in the Valley including multi-family residential, the Business Incubator, Grand Junction Economic Partnership and the Colorado Mesa University campus expansion. All of these projects and programs serve to help create jobs and stimulate our local economy.

For 2012, I will again be presenting a conservative budget to City Council. The City's major source of revenue is sales and use taxes and today we are operating with the same amount of sales and use tax revenue that we had in 2006. Significant effort has been spent on projecting revenues for next year including working with new and existing businesses and industries to help forecast the economic activity for 2012. At this point we are not projecting increasing revenues for 2012 so we will propose 2011 actual revenues as a starting point for budget planning in 2012.

As we have for the last three years, we will operate within existing revenues, continue capital projects, and maintain or add to a \$20 million reserve balance. We have reduced City staff by 82 full-time positions since 2008, and do not expect to include any new positions in the 2012 budget. I have asked my leadership team and departments to evaluate sustainability, or in other words, what can we continue to do at this permanently reduced level of resources and staff? I am sure this is no different than what you have done for your own household or business, and it is the right thing for us to do as well.

Laurie M. Kadrich
Laurie M. Kadrich, City Manager

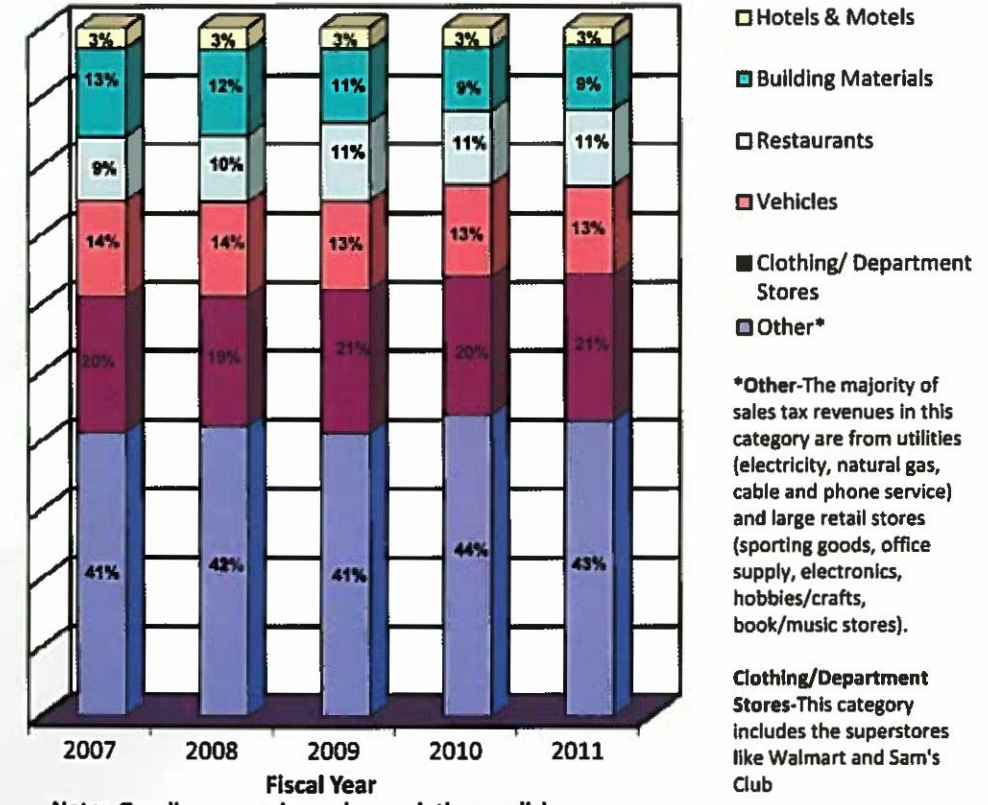


Monthly Cost of Service 2011 Estimated Operating Budget by Service Area



The average Grand Junction resident will pay \$570 in annual taxes received by the City, or \$47.50 per month, in support of all general government services provided by the City of Grand Junction. Economic, Convention and Visitor Services is not included here because the department is funded by lodging tax and service fees.

Sales Tax Revenue By Major Industry Type



Note: Gasoline, groceries and prescription medicine are not subject to City of Grand Junction sales tax

*Other-The majority of sales tax revenues in this category are from utilities (electricity, natural gas, cable and phone service) and large retail stores (sporting goods, office supply, electronics, hobbies/crafts, book/music stores).

Clothing/Department Stores-This category includes the superstores like Walmart and Sam's Club