

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
October 17, 2016 – Noticed Agenda Attached

Meeting Convened: 5:35 p.m. in the City Hall Auditorium

Meeting Adjourned: 8:37 p.m.

City Council Members present: All except Councilmembers Boeschstein and Kennedy;
Councilmember Traylor Smith arrived at 6:35 p.m.

Staff present: Caton, Moore, Shaver, McInnis, Hazelhurst, Romero, White, Camper, Watkins, Lanning, Schoeber, Wieland, Vendegna, Mendelson, Valentine, Starr, Brinkman, Kovalik, Taylor, Machado, Bowman, Meyerann, and Tuin

Also: Amy Hamilton (Daily Sentinel), Dennis Simpson, Bruce Lohmiller, and Richard Swingle.

Council President Norris called the meeting to order.

Agenda Topic 1. Budget Overview, Departmental Presentations, Economic Development, and Capital

City Manager Caton noted this is a continuation of the October 3rd Workshop budget discussions and reviewed the agenda. He then introduced Greg Lanning, Public Works Director.

Water and Trash Overview

Mr. Lanning explained that different aspects of Public Works are in various funds. He then reviewed the divisions and positions within the Water Department and showed the physical area serviced by that Division. He noted there are no proposed changes; the 9.5% rate increase will follow the financial plan, but rates will remain lower than other providers.

Mr. Lanning next reviewed the current operations of the Solid Waste Division. He mentioned a rate increase is planned for 2017, but the amount will in part be determined by a proposed landfill increase by the County and therefore not be finalized until that amount is known. These rates will also remain lower than other local providers.

Councilmember Chazen asked if the reserves are sufficient. Mr. Lanning said yes.

Council President Norris asked if the City's lower rates are artificially low and causing issues with other businesses. Darren Starr, Streets and Solid Waste Manager, said the fund goal for Solid Waste is to maintain 15% of operating expenses in reserve to allow for unseen circumstances and at the end of 2016 the fund will have \$1.1 million. He explained City rates typically set the tone for other providers and he anticipates private rates to increase in response to the City's rate increase.

Councilmember Taggart felt the margins for the fund balance are too tight and suggested rates be competitive and not just based on reserve balance needs. He then suggested the Spring Clean-up and Leaf Pick-up programs be charged to the Solid Waste Fund.

City Manager Caton said these charges can be moved upon direction from Council and then explained government rates are typically based on operational costs and fund balance and capital needs; government doesn't depreciate assets or typically operate for profit. It was also noted that the two programs benefit the City at large, not just the ratepayers.

Councilmember Chazen suggested fully loading the Fund and then asked why the Internal Service Charge Funds are up 50%.

City Manager Caton said the increase reflects the increased Enterprise Fund charge back (based on a Colorado Municipal League allocation rate and a recommendation from Raftelis Financial Consultants, Inc.) for business services (discussed at the October 3rd Workshop) and are fair and competitive. Jodi Romero, Financial Operations Director, said best practices, including those from the Government Finance Officers Association, were used to help determine the increased rate.

Councilmember Chazen felt only an external analysis would show if these charges were competitive. City Manager Caton said for Persigo an RFP (request for proposal) could be issued for a study to determine appropriate charge backs which would also be a good comparison for the other Enterprise Funds.

Parks and Recreation

Rob Schoeber, Parks and Recreation (P&R) Director, introduced P&R Managers, reviewed their new mission statement and tag line, current staffing, operations, and Department functions. He noted Intergovernmental Agreements are in effect with the Town of Palisade (for pool operations) and for all trails within the City's jurisdiction, there are four Boards associated with P&R, the 2017 P&R budget decreased by 5%, and the Golf Fund (an Enterprise Fund) decreased by 2%. He then detailed changes to golf fees, new golf passes, and social media marketing. Major 2017 projects are Las Colonias (Phase II), Stocker Stadium turf replacement, Riverfront Trail Maintenance, tennis court improvements, and Lincoln Park Pool covers.

Councilmember Chazen asked what fees go into the Parks Development Fund. Ms. Romero said those are Open Space Fees. He then asked what fees go into Parkland Expansion Fund. Ms. Romero said animal control/dog park fees.

Councilmember Chazen asked if the balance in the Conservation Trust Fund could be moved to help pay for the Turf Replacement project. Mr. Schoeber explained those funds are being held in reserve since bids may come in higher than projected and if the partners are not able to contribute as much as anticipated. He said the finalized bid amount, partner contributions, and if grant funds will be awarded will not be known until 2017; there are two potential grants. City Manager Caton explained this project may not qualify for a grant and this amount may be needed to bridge that gap.

Councilmember Taggart asked if a contingency was budgeted in case the golf courses are not able to open in February. Mr. Schoeber said historically, the courses have opened in February. City Manager Caton explained labor reductions, staff adjustments for a late start, capital improvement changes, and marketing strategies that will provide flexibility noting these changes will position the courses for an increased market share in the coming years. Mr. Schoeber added adjustments to the golf loan payment would provide the most flexibility due to the other cuts.

Councilmember Chazen asked if there is any money in the budget for studies that could lead to a capital project. Mr. Schoeber said not in 2017.

Convention and Visitor Services

Convention and Visitor Services Director Debbie Kovalik gave the budget overview noting the Lodging Tax is projected to increase 5% and reduced staffing (due to a vacancy that won't be filled) will keep their budget flat. She provided additional information on tourism data, awards, and projections noting almost 90% of the budget goes toward operating expenses which includes marketing, advertising, website, sales, special events, and programs. She detailed the Avalon Theatre and Two Rivers Convention Center's (TRCC) 2016 and 2017 bookings.

City Manager Caton mentioned Grand Junction is a finalist for the 2020 Colorado Municipal League Conference.

Ms. Kovalik said since the RFP for TRCC is still in process they are included in the 2017 budget and includes increases for facility rental fees and service club meals and will keep the operating budget flat.

BREAK

Ms. Kovalik showed a short promotional video.

Councilmember Taggart asked why fee increases were not included in the revenue projection. City Manager Caton said since they have not been approved they were not included.

Councilmember Taggart requested the same approach be used for each presentation.

Councilmember Chazen asked why the liquor line item increased. Stuart Taylor, Convention Services Manager, said this had been calculated incorrectly in the past, but was corrected for 2017.

Councilmember Chazen then asked what the revenue projections are for the Avalon Theatre. Ms. Kovalik said 2015 was the Avalon's first full year and more events were held than projected, but fewer events were held and fewer people attended the movie nights in 2016 which is why a \$26,000 loss is projected for 2017. She noted the opportunity is in food and beverage service.

Councilmember McArthur asked where the amphitheater will be listed for budget purposes. City Manager Caton said for now it will be included in P&R, but it has been suggested to move all rental facilities together for centralized event booking.

Councilmember Chazen asked why the Avalon is not turning a profit. Mr. Taylor said the biggest decrease has been in wedding receptions, but four have already been booked for 2017.

Municipal Court

Municipal Court Judge Care McInnis reviewed the Court's mission and operations budget.

Councilmember McArthur asked where Animal Control funds pass through to. Judge McInnis said it goes to the County.

Judge McInnis noted budget reductions, cost savings, proposed fees, efficiencies, and that she is working with the County to implement self-sustaining probation and auto call reminders (both at no

cost). She requested the budget include an increase for judicial time, from .53 FTE (full time equivalent) to .9 FTE, in order to meet State standards.

Councilmember McArthur asked what the 16% increase over the City Managers budget covers. Judge McInnis said it covers the increase in paid time for the .9 FTE. Councilmember McArthur asked what accounted for the decrease in the number of cases. Judge McInnis felt it was due to tickets being processed through diversion and the School District's Pathways Program.

Council President Norris questioned since the proposed Court budget is \$73,000 more than the City Manager's budget which was balanced, how would the additional expense be covered.

Councilmember Chazen asked if any other fees will be implemented to help offset the additional cost. Judge McInnis noted the ACLU (American Civil Liberties Union) is reviewing fees to make sure they are appropriate; she suggested a surcharge for each case and designating Municipal Court as the court of record for traffic cases so fines are not capped at \$300.

City Attorney Shaver said a new designation for a court of record would require an ordinance to amend the Code.

Council President Norris suggested discussing all aspects the Court's budget to ensure appropriate fees are in place.

City Manager Caton said he recommends the City Manager's budget; he noted the bulk of these increases are additional compensation for Judge McInnis, however if Council feels there needs to be a correction in relation to hours worked, he has some strategies to cover the costs.

Councilmember Traylor Smith asked if Judge McInnis has documentation to justify the FTE increase. Judge McInnis said for the past two years she has informally tracked her time and the decreased case load has not reduced her work time.

There was discussion regarding exempt versus non-exempt status in the State. City Attorney Shaver said these categories are based on the Federal Fair Labor Standards Act.

Capital Budget

City Manager Caton mentioned most of Capital was reviewed in the Department overviews.

Councilmember Taggart asked that Road Maintenance Funding be discussed to see if there should be a ballot question in 2017. City Manager Caton said this is scheduled to be discussed during the November 2nd regular meeting. He noted that January 18th is the deadline to certify a question for the City's April 2017 election.

Councilmember Chazen asked if the \$2.2 million reserve in the 401 is earmarked for anything. Internal Services Manager Jay Valentine said it is being set aside for a 2018 Information Technology rewire in City Hall and the amount is sufficient.

Councilmember Chazen then asked if the Fleet replacement reserves are sufficient. Mr. Valentine said the \$1.7 million is sufficient for needed 2017 replacements.

Councilmember Chazen noted there is not a line item for Capital Improvements for buildings. Mr. Valentine said \$250,000 has been set aside in 2017 to help address these issues.

City Manager Caton said early next year a 10-15 year Capital Improvement Plan will be addressed.

Economic Development (ED)

City Manager Caton said these items were, for the most part, budgeted as requested.

There was discussion regarding the HomewardBound (HB) request of \$24,000 and how these operational requests should be budgeted. It was agreed HB should apply for a Community Development Block Grant to help bridge the gap between their requested amount and what was budgeted; \$24,000 of their budgeted request will be removed from the ED list.

The Mesa Land Trust (MLT) request of \$20,000 for trail access from downtown to the Lunch Loop trail head was also talked about. Concern was expressed that conservation easements may be enforced along this access trail and that MLT might have other projects in mind after this. City Attorney Shaver said the City acquired rights-of-way along Monument Road from private land owners and he felt this trail would be a continuation of the same type of acquisitions. City Manager Caton noted a FLAP (federal lands access program) grant for this project was not awarded to the City and that he would follow up with MLT regarding future projects.

A conversation regarding funding for the Arts Commission centered around the Commission forming a 501(c)(3) so they could change their funding model rather than base their entire budget on the City. City Attorney Shaver explained the "1% for the Arts" development fee is to provide funding for art projects from construction of City buildings and said an incentive can be donated by the City to the Commission for agreeing to pursue a new organizational and funding model. It was agreed to fund them for 2017 and direct them to pursue a new model for future years.

Another discussion was about who should support Special Olympics (Sports Commission, VCB, and/or the City).

With no further business the meeting was adjourned.



**GRAND JUNCTION CITY COUNCIL
MONDAY, OCTOBER 17, 2016**

**PRE-MEETING (DINNER) 5:00 P.M. ADMINISTRATION CONFERENCE ROOM
WORKSHOP, 5:30 P.M.
CITY HALL AUDITORIUM
250 N. 5TH STREET**

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

- 1. Budget Overview, Departmental Presentations, Economic Development, and Capital**

- 2. Next Workshop Topics**

- 3. Other Business**