

**GRAND JUNCTION CITY COUNCIL**  
**MINUTES OF THE REGULAR MEETING**  
**DECEMBER 7, 2016**

The City Council of the City of Grand Junction convened into regular session on the 7<sup>th</sup> day of December, 2016 at 7:00 p.m. Those present were Councilmembers Bennett Boeschstein, Chris Kennedy, Duncan McArthur, Rick Taggart, Barbara Traylor Smith, Martin Chazen, and Council President Phyllis Norris. Also present were City Manager Greg Caton, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Norris called the meeting to order. Council President Norris led the Pledge of Allegiance which was followed by a moment of silence.

**Proclamations**

**Proclaiming December 7, 2016 as “National Pearl Harbor Remembrance Day” in the City of Grand Junction**

Councilmember Kennedy read the proclamation. Lori A. Lohar, Grand Junction Veterans Health Care System Associate Medical Center Director, and Paul Sweeney, Grand Junction Veterans Health Care System Customer Relations Service/Alternate Patient Advocate Chief, were present to receive the proclamation. Ms. Lohar thanked Council.

**Proclaiming December 18, 2016 as “International Day of the Migrant” in the City of Grand Junction**

Councilmember Chazen read the proclamation. Crystal Ruiz, Hispanic Affairs Project (HAP) Committee Member, and Tom Aker, HAP Director, and Estella Ruiz, HAP Organizer, were present to accept the proclamation. Ms. Crystal Ruiz thanked the City Council and noted this is the eleventh year this has been recognized in the City of Grand Junction. She noted the contributions of those that come into the Grand Valley from around the world. Estrella Ruiz read a note from Karalyn Dorn, Palisade Child and Migrant Services Executive Director, which expressed Ms. Dorn’s gratitude for recognition of the dedication, commitment, and hard work of the migrants from other countries who have come to the community.

**Certificate of Appointment****To the Grand Junction Housing Authority Board**

Councilmember Traylor Smith presented Ivan Geer with his Certificate of Appointment to the Housing Authority. Mr. Geer thanked the City Council for the appointment.

**Citizen Comments**

There were none.

**Council Reports**

Councilmember McArthur said on November 14<sup>th</sup> through 19<sup>th</sup> he attended the conference for the National League of Cities (NLC) in Pittsburg, Pennsylvania, where he attended a presentation regarding Homeless Veterans and met with Amtrak Officials. On November 30<sup>th</sup> he attended a presentation at Mind Springs Health.

Councilmember Boeschstein attended the groundbreaking ceremony for Las Colonias Amphitheater mentioning that is a great project and will be an asset to the community.

Councilmember Chazen said on December 1<sup>st</sup> he attended the Municipalities Dinner with discussions regarding financing options for the 911 Communications Center. On December 2<sup>nd</sup> he attended the City of Grand Junction Fire Department Awards and Pinning Ceremony.

Councilmember Kennedy on said on December 1<sup>st</sup> he also attended the Municipalities Dinner.

Councilmember Traylor Smith said on November 30<sup>th</sup> she attended a presentation at Mind Springs Health regarding expansion of the facility.

Councilmember Taggart said on December 1<sup>st</sup> he attended an Airport Task Force Committee meeting; also on that day he attended the Municipalities Dinner, and on December 6<sup>th</sup> he toured the Mind Springs Health facility.

Council President Norris said on December 1<sup>st</sup> she attended the Municipalities Dinner and stated the importance of the 911 Communications Center to the City.

**Consent Agenda**

Councilmember Kennedy moved to adopt the Consent Agenda items #1 through #3. Councilmember Boeschstein seconded the motion. Motion carried by roll call vote.

**1. Approval of Minutes**

- a. Minutes of the November 2, 2016 Regular Meeting

**2. Resolution**

- a. Resolution No. 51-16 – A Resolution Concerning the Issuance of a Revocable Permit to JDC Real Estate, LLC, Located at 1141 Gunnison Avenue

**3. Set Public Hearings**

- a. Quasi-judicial
  - i. McHugh Annexation, 115 Vista Grande Road (Set Hearing for January 18, 2017)
    - Resolution No. 52-16 – Referring a Petition for Annexation
    - Proposed Ordinance Annexing Territory
  - ii. Freedom Heights Annexation, Public Right-of-Way for 26 Road, Located North of H Road (Set Hearing for January 18, 2017)
    - Resolution No. 53-16 – Referring a Petition for Annexation
    - Proposed Ordinance Annexing Territory

**Sole Source Contract for the Purchase of Hydrogen Sulfide Removal Media for Persigo Wastewater Treatment Plant**

The Persigo Wastewater Treatment Plant is producing Compressed Natural Gas (CNG) from the methane gas produced at the treatment plant. This CNG fuel is used to fuel the Grand Valley Transit busses and mutable City and County vehicles. One of the requirements for using this fuel is that the gas is cleaned of any impurities that could damage the engines in these vehicles. Hydrogen Sulfide is one of the impurities that has to be filtered out of the gas and requires a filter media to perform this task.

Greg Lanning, Public Works Director, introduced the item and explained why this request is for a sole source contract. He provided details of the hydrogen sulfide filtering process noting he is pleased with the usage of CNG fuel for City and County vehicles. CNG production has exceeded their expectations. Mr. Lanning said of the three options for hydrogen sulfide removal, the media available through Unison Solutions, Inc. is the least expensive and superior to other similar products.

Councilmember Traylor Smith asked if the requested \$67,904 is an annual amount. Mr. Lanning answered yes, the two major processes are replaced twice a year and this amount is for the entire year.

Councilmember Boeschstein thanked Mr. Lanning for his continuing efforts furthering the use of CNG fuel which has received national recognition.

Councilmember Chazen moved to authorize the Purchasing Division to purchase hydrogen sulfide removal media from Unison Solutions, Inc. for the Persigo Wastewater Treatment Plant in the estimated aggregate annual amount of \$67,904. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

**Public Hearing Ordinance No. 4725 – An Ordinance Expanding the Boundaries of and Including Property Located at 401 Colorado Avenue into the Downtown Grand Junction Business Improvement District**

The City received a petition from the Estate of Nancy B. Foltz, Robert W. Foltz, and Cyrene M. Foltz, the property owners of 401 Colorado Avenue, asking to be included into the Downtown Grand Junction Business Improvement District. The current business at this location is Grassroots Cycles.

The public hearing was open at 7:28 p.m.

Allison Blevins, Downtown Grand Junction Business Improvement District (DGJBID) Director, explained the reason this property should be included in the DGJBID, identified the owners, and the use of the building.

Councilmember Boeschstein asked why the Museum of Western Colorado has not been included into the DGJBID. Ms. Blevins said the Museum is a nonprofit organization and does not want the added expense of DGJBID fees. She also stated because the Museum of Western Colorado is considered a community asset of the Downtown District, so it is already included in DGJBID's marketing.

Councilmember Chazen thanked Ms. Blevins for her hard work and bringing the new property into the DGJBID.

Council President Norris asked if anyone has objections to the inclusion of the property into the Downtown Business Improvement District.

There were no public comments.

The public hearing was closed at 7:30 p.m.

Councilmember Chazen moved to adopt Ordinance No. 4725 – An Ordinance Expanding the Boundaries of and Including Property Located at 401 Colorado Avenue into the Downtown Grand Junction Business Improvement District on final passage and ordered final publication in pamphlet form. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

**Public Hearing – Connor Annexation, Located at 2839 Riverside Parkway**

A request to annex and zone 6.35 +/- acres from County RSF-R (Residential Single Family- Rural) to a City R-5 (Residential – 5 du/ac) zone district.

The public hearing was opened at 7:31 p.m.

Scott D. Peterson, Senior Planner, presented this item. He described the site, the location, and the request. He stated the property owner requested annexation into the city limits in order to subdivide the existing property to create a free-standing lot for the existing single-family home and a second lot to market and sell in anticipation of future residential subdivision development. Mr. Peterson said a neighborhood meeting was held on August 1, 2016 with neighborhood homeowners, the applicant's representative, and the City Project Manager. He said no major objections to the proposed annexation were received, however the neighborhood homeowners had concerns regarding the proposed overall density that the area could have when the remaining acreage is developed. The Planning Commission recommended approval of the zoning request at the Planning Commission meeting on November 8, 2016.

Mr. Peterson provided an overview of the property and described the surrounding zoning and uses. He said the request meets the goals of the Comprehensive Plan and the Zoning and Development Code rezone criteria.

Councilmember McArthur asked if all the access and circulation to the property will be to the west. Mr. Peterson said there are property connections through the east and west as well as access via C  $\frac{3}{4}$  Road.

Councilmember Taggart said he would like to know if there were any follow-up reports regarding concerns expressed at the neighborhood meeting about rezoning. Mr. Peterson said the applicant is requesting R-5 zoning as a compromise to the neighborhood density concerns.

There were no public comments.

The public hearing was closed at 7:40 p.m.

Councilmember Traylor Smith moved to adopt Resolution No. 54 16 – A Resolution Accepting a Petition for the Annexation of Lands to the City of Grand Junction, Colorado, Making Certain Findings, and Determining that Property Known as the Connor Annexation, Located at 2839 Riverside Parkway, is Eligible for Annexation, to adopt Ordinance No. 4726 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Connor Annexation, Located at 2839 Riverside Parkway, Consisting of One Parcel of Land, and No Dedicated Right-of-Way, and adopt Ordinance No. 4727 – An Ordinance Zoning the Connor Annexation to R-5 (Residential - 5 du/ac), Located

at 2839 Riverside Parkway on final passage and ordered final publication in pamphlet form. Councilmember Kennedy seconded the motion. Motion carried by roll call vote.

**Public Hearing – Ordinance No. 4728 – An Ordinance Amending and Reinstating Section 3.12.070 of Title 3 of the Grand Junction Municipal Code Concerning the Exemption from Sales Tax of Seller Installed Aircraft Parts**

This is an amendment and reinstatement to the Grand Junction Municipal Code concerning the exemption from sales tax of seller installed aircraft parts. The proposed ordinance amending the Code has a three-year sunset clause at which time City Council will evaluate the effectiveness of the ordinance and may or may not extend the exemption.

The public hearing was opened at 7:41 p.m.

Kristi Pollard, Executive Director of Grand Junction Economic Partnership (GJEP), presented this item and explained the history of this item and why the exemption should be reinstated. She provided an overview and details of the economic benefits of the Grand Junction Regional Airport. Ms. Pollard stated the purpose for the sales tax exemption is for Grand Junction to remain competitive with similar markets while benefiting from the return on investment. Ms. Pollard introduced Dave Krogman, General Manager of West Star Aviation.

Mr. Krogman stated West Star Aviation has been with the Grand Junction Regional Airport for 60 years and employs over 420 aviation professionals nationwide. He said this tax exemption has provided opportunities for West Star Aviation to offer nationally competitive pricing. He provided aerial views of the Grand Junction West Star Aviation facility, from past to present, pointing out the company's growth. Mr. Krogman provided examples of competing markets which have offered tax exemptions and grants to competitors by other municipalities. He encouraged Council to consider continuing the approval of sales tax exemption.

Councilmembers Traylor Smith, Taggart, Boeschstein, Chazen and Council President Norris stated support of the sales tax exemption.

Councilmember Kennedy said although he supports this exemption, he questioned what the economic impact is for lost revenue as opposed to the return on this tax exemption investment. Ms. Pollard said aviation is a very competitive industry and other municipalities are offering this type of exemption which could take West Star Aviation and other possible similar industry away from Grand Junction because it would be more cost effective. She said she believes that the increase in sales tax revenue from the jobs created is a large offset to the loss of sales tax revenue from the exemption.

Kip Turner, Grand Junction Regional Airport Executive Director, said he is in total support of the tax exemption and listed several competitive markets that have implemented this exemption permanently, which sends a message to the aviation industry that these municipalities want their business. He would like the aviation industry to consider Grand Junction Regional Airport as their home for aerospace and aviation.

There were no other public comments.

The public hearing was closed at 8:10 p.m.

Councilmember Taggart moved to adopt Ordinance No. 4728 – An Ordinance Amending and Reinstating Section 3.12.070 of Title 3 of the Grand Junction Municipal Code Concerning the Exemption from Sales Tax of Seller Installed Aircraft Parts on final passage and ordered final publication in pamphlet form. Councilmember Chazen seconded the motion. Motion carried by roll call vote.

**Public Hearing – Ordinance No. 4729 – An Ordinance Amending Title 3, Section 3.12, Sales and Use Tax, of the Grand Junction Municipal Code Concerning Sales Tax Exemption for Sales Made by Schools, School Activity Booster Organizations, and Student Classes or Organizations**

This is an amendment to the Grand Junction Municipal Code concerning the exemption of sales made by schools. In April of 2013, Council adopted a temporary exemption for sales made by schools and school related programs. This exemption conformed with a similar State of Colorado exemption that was adopted in 2008.

The public hearing was opened at 8:11 p.m.

Jodi Romero, Financial Operations Director, provided the history of the exemption and stated the request for this exemption was from School District 51. She said this is an amendment to the Grand Junction Municipal Code allowing the exemption of sales made by schools, booster organizations, student classes or organizations. Ms. Romero stated the sales tax exemption would allow more resources to be applied to several programs within School District 51. She said Ordinance No. 4729 will create a permanent exemption in the tax code.

Councilmember Kennedy asked if District 51 has tax exemption nonprofit status. Ms. Romero said District 51 has tax exempt status as a purchaser, not having to pay sales tax on items purchased but that does not exempt their sales.

There were no public comments.

The public hearing was closed at 8:15 p.m.

Councilmember Kennedy moved to adopt Ordinance No. 4729 – A Ordinance Amending Title 3, Section 3.12, Sales and Use Tax, of the Grand Junction Municipal Code Concerning Sales Tax Exemption for Sales Made by Schools, School Activity Booster Organizations, and Student Classes or Organizations on final passage and ordered final publication in pamphlet form. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

### **Public Hearing – 2017 Budget Presentation and Enacting Legislation**

This request is to appropriate certain sums of money to defray the necessary expenses and liabilities of the accounting funds of the City of Grand Junction based on the 2017 recommended budget.

The public hearing was opened at 8:16 p.m.

City Manager Greg Caton presented the 2017 Budget and highlighted some of the changes. He provided an overview of the purpose of a budget and stated that he is a budget reviewer for the Government Finance Officers Association (GFOA) and was able to incorporate some of the best practices he has observed into the City's budget process. City Manager Caton discussed the City's fiscal responsibility and the City budget process. He stated ways the City has reduced expenses while implementing the Council's priorities of Public Safety, Infrastructure, and Economic Development. City Manager Caton said that although there was a reduction in the City's labor force, no sworn police officers or fire positions were eliminated. He listed the positions added to the City's Public Safety Force: four police officer positions; three 911 dispatcher positions; and three emergency medical positions along with improvements to the Emergency 911 system.

City Manager Caton said the City's Street infrastructure budget has been increased by 25%. He provided an example of the City's infrastructure improvements, which will implement preventative maintenance, a cost saving procedure over the long term.

City Manager Caton said some recommendations from the North Star Destination Strategies Report were implemented for economic development and will provide a framework for partnership with the economic partners within the business community.

City Manager Caton said through a decrease in labor and operating costs, the 2017 City Budget has a surplus for the projected ending fund balance. He provided a year over year comparison for the years of 2016 and 2017.

City Manager Caton stated sales and use tax are the major revenue streams for the City's General Fund which supports general government and City operations. He said



there is still some decline anticipated for the remainder of 2016 regarding projected annual revenue.

Councilmembers Traylor Smith, Chazen, Boeschstein, Kennedy, Taggart, McArthur and Council President Phyllis Norris thanked staff for their hard work on balancing the City's Budget.

Councilmember Taggart expressed concern regarding the lack of sales tax collected on all internet sales and encouraged a solution.

There were no public comments.

The public hearing was closed at 9:05 p.m.

Councilmember Kennedy moved to adopt Ordinance No. 4730 – An Ordinance Appropriating Certain Sums of Money to Defray the Necessary Expenses and Liabilities of the City of Grand Junction, Colorado and the Downtown Development Authority for the Year Beginning January 1, 2017 and Ending December 31, 2017 on final passage and ordered final publication in pamphlet form. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

Councilmember Chazen moved to adopt Resolution No. 55-16 – A Resolution Adopting Fees and Charges for Water, Wastewater, Solid Waste, Two Rivers Convention Center, Avalon Theatre, Golf, and Ambulance Transport. Councilmember McArthur seconded the motion. Motion carried by roll call vote.

Councilmember Traylor Smith moved to adopt Resolution No. 56-16 – A Resolution Levying Taxes for the Year 2016 in the City of Grand Junction. Councilmember Kennedy seconded the motion. Motion carried by roll call vote.

Councilmember Kennedy moved to adopt Resolution No. 57-16 – A Resolution Levying Taxes for the Year 2016 in the Downtown Development Authority. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

### **Non-Scheduled Citizens & Visitors**

There were none.

### **Other Business**

There was none.

**Adjournment**

The meeting was adjourned at 9:07 p.m.

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Stephanie Tuin, MMC  
City Clerk