



**GRAND JUNCTION CITY COUNCIL
MONDAY, MAY 15, 2017**

**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. Discussion Topics

- a. Broadband Project Discussion
- b. Board and Commission Assignments for City Council
- c. Discussion of Fees and Rates Philosophies and Review of Staff Recommendations for 2018

2. Next Workshop Topics

3. Other Business



Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: May 15, 2017

Presented By: Greg Caton, City Manager

Department: City Manager

Submitted By: Greg Caton, City Manager

Information

SUBJECT:

Broadband Project Discussion

EXECUTIVE SUMMARY:

At the March 13, 2017 Workshop, City Council directed the City Manager to meet with incumbent providers in order to better understand how the City may foster the growth of high-speed Broadband. The results of those meetings will be discussed and staff will look for direction from City Council.

BACKGROUND OR DETAILED INFORMATION:

In April 2015, Grand Junction voters approved an override of Colorado Senate Bill 05-152 by a majority of 77% which allows the City to use City resources and infrastructure to provide broadband capabilities that compete with private providers. As a result of that override, City Council directed staff to explore a public-private-partnership that would accomplish the following goals: The City would have substantial ownership of a fiber optic network that would pass every home and business within the City limits. The City would partner with a company or multiple companies to provide broadband services. Broadband services would be available to residences for \$50-80 per month and to businesses for under \$300 per month. Although staff was able to provide a project that met the objectives of the project, City Council voted 5-2 not to continue with the selected firm, and asked staff for to meet with firms for alternative solutions.

The City Manager and staff met with CenturyLink, Fujitsu, Emery Telecom, Charter Communications, and Utopia Fiber. Each firm was provided an overview of the City of Grand Junction's broadband goals and recent City Council direction to identify partnership opportunities to meet the needs of the community.

CenturyLink

CenturyLink indicated that local gaps in coverage may be addressed by leveraging the City's fiber infrastructure and conduit networks (both existing and future) to help expand network reach, exploring partnership opportunities that would include financial incentives, determining consumer demand, and assisting with a joint marketing effort.

This would be used to help offset higher deployment costs, accelerate broadband deployment, or provide broadband economic development grants for recruiting job-creating prospects, expand businesses or jump start entrepreneurial opportunities.

CenturyLink has a current network consisting of a mix of copper and fiber optic cable with a large footprint in the City of Grand Junction. The company shared a map of their fiber infrastructure, which passes homes and businesses throughout the city to bring a variety of connectivity and bandwidth speeds. Fiber is available to most business parks and is within reach of most businesses. CenturyLink's broadband practice is to deploy fiber in all new residential subdivisions or "greenfield" areas of the city.

CenturyLink indicated areas where business and Multi-Tenant-Units have gigabit speeds, and these are currently available in the downtown business district.

CenturyLink reiterated that for most small to medium sized businesses, 100 mbps is currently the predominant speed requested by the business customer. In addition, investments are being considered for late 2017 or 2018 to increase bandwidth speeds to between 40 and 100 mbps for residential customers, based upon customer demand.

Recently announced, CenturyLink's FiberHoods initiative is in a testing phase within the company footprint. This pilot program will be introduced locally, and is intended to bring up to gigabit speeds to areas of Grand Junction. This program is also intended as a partnership whereby the City and CenturyLink will work together on the marketing and financial aspects of the development, with the intent of assessing any risk and determining any financial contributions by getting customer commitments before the project begins. It is scale-able to meet the broadband speeds and the price customers are willing to pay in certain neighborhoods or areas of the city. The broadband needs differ among customers and areas, and this initiative can be tailored to the demographics as defined by geographic location.

CenturyLink highlighted elements of the initiative, and has offered to make available a broadband subject-matter expert from corporate headquarters to present the specifics to city staff and the city council for further review and consideration. This pilot program is currently being launched in Orange Beach, Alabama.

Emery Telecom

Emery Telecom is a telecommunications company, which provides Phone Service, DSL Service, Cable TV and Cable Internet to much of eastern and south eastern Utah, with recent investment in western Colorado. They have a focus on larger business customers, cell phone towers and other easily accessible customers. Emery indicated no immediate plans to serve residential customers, but did not dismiss partnership opportunities with the City.

Emery hopes to soon complete a fiber connection that would reach from Salt Lake City, through Grand Junction, to the Denver area. Our local community may benefit with the reduction in wholesale pricing and increased competition in the area. The City may be able to enable the growth of Emery's network through the issuance of licences or a franchise agreement.

Fujitsu

Fujitsu has experience in building fiber optic networks throughout the world, and has continued to show interest in partnering with the City of Grand Junction to provide a fiber-to-the-premise solution. Fujitsu continues to explore ways to define the risk and reward for the venture, and to explore a partnership structure that would meet the City's and Fujitsu's governance and practices. Fujitsu envisions a City-owned, open access network suitable for multiple services providers.

The City and Fujitsu must first understand and agree to basic terms and conditions of the project's financial structure. Fujitsu is open to exploring differing pricing structures, which may include a shared risk scenario whereby some of their compensation would come downstream through a form of bond, revenue share, or other. The economics of the project will determine the feasibility of Fujitsu to pursue deferred or delayed payment mechanisms.

Fujitsu proposes to evaluate the design, build, and operations and maintenance costs for the anticipated project, as well as timeline and schedule. The City's role would be to contract with Fujitsu to perform an Engineering Design Study to define the exact structure and amounts of the project. This study would be led by Fujitsu and would include input from many facets of the Grand Junction team including the City Manager and Broadband team, as well as the City's legal and financial advisor. The study will allow mutual development of exact costs, Optimal Phase Design and work with Municipal Capital Markets to determine the least risk financing based on the principle of success based investment. The partners would then collaboratively define and agree to the financial economics of the network post implementation and the sustainability of the annualized revenues, and determine the willingness of existing service providers to invest in the infrastructure. An evaluation of new service providers would be done to gauge interest in the city-owned network and create competitive service offerings to the

benefit of the City constituency.

Charter Communications

Charter presented a multi-layered proposal that would upgrade its internet offerings to residential and small/medium sized business (SMB) in the City of Grand Junction. This proposal would lift Grand Junction into the same speed and price category as Dallas, New York and Los Angeles, at no additional cost to customers; a 1 Gbps internet service to multi-tenant sites; and wireless internet services to SMBs that would provide a new high-speed option for downtown shoppers and diners. Charter's proposal for residential internet speed increases and SMB wireless offerings would be available to all customers within Charter's footprint, and not offered in only specific neighborhoods.

There was also a lengthy discussion on how a possible public/private partnership model could be structured that would reduce both one-time and recurring costs for businesses requiring enterprise level connectivity (both downstream and upstream), but who do not fit the traditional enterprise business profile. This proposal would be competitively neutral and potentially available to any provider. The City and Charter will continue to discuss the specifics of the proposal in an effort to forge a partnership between the private sector and the City to grow Grand Junction's internet ecosystem.

UTOPIA Fiber

The meeting with UTOPIA will occur on May 15, so a verbal update will be provided at the workshop.

FISCAL IMPACT:

N/A

SUGGESTED ACTION:

After updates and discussion, staff looks forward to receiving direction from City Council regarding next steps.

Attachments

None



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: May 15, 2017

Presented By: City Council

Department: City Manager

Submitted By: Stephanie Tuin, City Clerk

Information

SUBJECT:

Board and Commission Assignments for City Council

EXECUTIVE SUMMARY:

Annually, the City Council reviews and determines who on the City Council will represent the City Council on various boards, committees, commissions, authorities, and organizations.

BACKGROUND OR DETAILED INFORMATION:

The City Council assigns its members to represent the governing body on a variety of Council appointed boards, committees and commissions as well as a number of outside organizations.

FISCAL IMPACT:

Not applicable.

SUGGESTED ACTION:

Determine who will serve on each board, commission or authority as the Council representative and direct Staff to bring forward a resolution for formal action on May 17, 2017.

Attachments

1. City Council Formal Assignments Completed Worksheet

CITY COUNCIL FORMAL ASSIGNMENTS

Individual Members are assigned for each of the following:

Board/Organization	Meeting Day/Time/Place	2016 Assignments/Number of Years Served	2017 Assignments
Associated Governments of Northwest Colorado (AGNC)	3rd Wednesday of each month @ 9:00 am different municipalities	Martin Chazen/4 yrs	Duncan McArthur
Downtown Development Authority/Downtown BID	2 nd and 4 th Thursdays @ 7:30 am @ DDA Offices, 437 Colorado, BID board meets monthly 2 nd Thursday	Martin Chazen/4 yrs	Bennett Boeschstein, Phyllis Norris Chris Kennedy Barbara Traylor Smith Duke Wortmann
Grand Junction Housing Authority	4 th Monday @ 5:00 pm @ GJHA Offices at 8 Foresight Circle	Barbara Traylor Smith/4 yrs	Phyllis Norris
Grand Junction Regional Airport Authority	Usually 3 rd Tuesday @ 5:15 pm @ City Hall Auditorium (workshops held the 1 st Tuesday when needed)	Rick Taggart/2yrs	Rick Taggart
Parks Improvement Advisory Board (PIAB)	Quarterly, 1 st Tuesday @ noon @ various locations (usually Hospitality Suite)	Barbara Traylor Smith/2yrs as alt. 2 yrs as primary Alternate – Phyllis Norris/2 yrs	Rick Taggart Barbara Traylor Smith Duke Wortmann
Parks & Recreation Advisory Committee	1 st Thursday @ noon @ various locations (usually at Parks Administration Offices)	Chris Kennedy/2 yrs	Barbara Traylor Smith Duke Wortmann
Riverfront Commission	3 rd Tuesday of every other month @ 5:30 p.m. in Training Room A, Old Courthouse	Bennett Boeschstein/6 yrs while on Council, 5 yrs prior as a citizen	
Mesa County Separator Project Board (PDR)	Quarterly @ Mesa Land Trust, 1006 Main Street	Bennett Boeschstein/6 yrs	Barbara Traylor Smith
Grand Valley Regional Transportation Committee (GVRTC)	4 th Monday every other month @ 3:00 pm @ GVT Offices, 525 S. 6 th St., 2 nd Floor	Phyllis Norris/4 yrs	Bennett Boeschstein
Grand Junction Economic Partnership	3rd Wednesday of every month @ 7:30 am @ GJEP offices, 122 N. 6 th Street	Barbara Traylor Smith/2 yrs	Chris Kennedy Rick Taggart Barbara Traylor Smith Duke Wortmann
Colorado Water Congress	Meets 3-4 times a year in Denver	Duncan McArthur/2 yrs	Duncan McArthur
Colorado Municipal League Legislative Liaison			Duncan McArthur
5-2-1 Drainage Authority	Meets quarterly, generally the 4 th Wednesday of month at 3:00 p.m. in Old Courthouse in Training Rm B	Duncan McArthur/4 yrs	Bennett Boeschstein, Phyllis Norris
Club 20	The board of directors	Rick Taggart/2 yrs	Rick Taggart

	meets at least annually. The time and place for board meetings are determined by the Executive Committee.		
Orchard Mesa Pool Board	Meets twice a year of each month at 8:00 A.M. at a designated location.	Duncan McArthur/2 yrs	

Ad Hoc Committees	Date/Time	2016 Council Representative	2017 Representative
Avalon Theatre Committee	Third Thursday at 8:00 a.m.	Bennett Boeschstein/4 yrs	Bennett Boeschstein
Council Agenda Setting Meeting	Wednesday before next City Council Meeting in the a.m.	Mayor Pro Tem/Marty Chazen 4 yrs	Bennett Boeschstein
Homeless/Vagrancy Committee	Meets as needed and scheduled	Duncan McArthur, Bennett Boeschstein, Marty Chazen/4 yrs	Bennett Boeschstein
Property Committee	Meets as needed and scheduled	Barbara Traylor Smith, Bennett Boeschstein/2 yrs	Bennett Boeschstein
Zoning and Development Code Review*	Meets as needed and scheduled	Duncan McArthur, Bennett Boeschstein/1+ yrs	Bennett Boeschstein, Duncan McArthur
Regional Communication Center Committee	Meets as needed and scheduled	Phyllis Norris, Chris Kennedy/1 yr	

Other Boards

Board Name	Date/Time	2016 Council Representative Who Attends Regularly	2017 Representative who attends regularly
Associated Members for Growth and Development (AMGD)	1 st Wednesday, 7:30 a.m., Realtors Association Offices, 2743 Crossroads Blvd.	Duncan McArthur is facilitator, Open to all	Duncan McArthur is facilitator, Open to all
Building Code Board of Appeals *	As needed	NA	NA
Commission on Arts and Culture *	4 th Wednesday of each month at 4:00 p.m.	Bennett Boeschstein	Bennett Boeschstein
Forestry Board *	First Thursday of each month at 8:00 a.m.	NA	NA
Historic Preservation Board *	1 st Tuesday of each month at 4:00 p.m.	Bennett Boeschstein	Bennett Boeschstein
Homeless Coalition	Meets on the third Thursday of the month at 10:00 a.m. at St. Mary's Pavilion	Duncan McArthur, Bennett Boeschstein	Duncan McArthur, Bennett Boeschstein
Horizon Drive Association Business Improvement District	3 rd Wednesday of each month at 10:30 a.m.	Bennett Boeschstein	Bennett Boeschstein Duke Wortmann

*			
Persigo Board (All City and County Elected)	Annually and as needed	All	All
Planning Commission *	2 nd and 4 th Tuesday at 6:00 p.m.	NA	NA
Public Finance Corporation *	Annual meeting in January	NA	
Ridges Architectural Control Committee *	As needed	NA	
Riverview Technology Corporation *	Annual meeting in January	Bennett Boeschstein	Bennett Boeschstein
State Leasing Authority *	2 nd Tuesday in January, other times as needed	NA	NA
Urban Trails Committee *	2 nd Tuesday of each month at 5:30 p.m.	Bennett Boeschstein	Bennett Boeschstein
Visitor and Convention Bureau Board of Directors *	2 nd Tuesday of each month at 3:00 p.m.	NA	NA
Zoning Code Board of Appeals *	As needed	NA	NA

*No Council representative required or assigned - City Council either makes or ratifies appointments - may or may not interview dependent on particular board



Grand Junction City Council

Workshop Session

Item #1.c.

Meeting Date: May 15, 2017

Presented By: Greg Caton, City Manager, Jodi Romero, Finance Director

Department: Finance

Submitted By: Jodi Romero, Finance Director

Information

SUBJECT:

Discussion of Fees and Rates Philosophies and Review of Staff Recommendations for 2018

EXECUTIVE SUMMARY:

As discussed in the 2017 budget process, staff has conducted a comprehensive review of rates and fees across all departments of the organization. The rates and fees for services are based on a set of philosophies. Those philosophies will vary based on considerations such as benefit to the overall community, cost recovery models, comparison to the market and other entities, as well as legal considerations. During the review, staff has developed recommendations for changes to existing rates and fees as well as identified opportunities for new charges beginning in 2018.

BACKGROUND OR DETAILED INFORMATION:

Nearly 25 years ago when the City Ordinances were recodified, it was established through resolution that fees and charges would be set by resolution of the City Council. At that time, there were approximately 35 types of rates and fees, today the Parks and Recreation Department alone has over 60 rates and fees and the City has over 150 separate charges. With Council support of the philosophies, staff can appropriately implement rates and fees by including any changes in the annual budget process.

The attached report will provide by department some historical perspective, the philosophies behind the rates and fees, and examples of proposed changes for 2018. We will also provide an index with a comprehensive listing of rates and fees for reference. Recommended changes are proposed to be effective January 1, 2018 and if approved by Council will be included in budgeted revenue for 2018.

There are some rates and fees that will come to Council separately including proposed parking rates associated with change in the downtown area. These are expected to be heard at the June 7th City Council meeting. Utility rates which are determined based on rate studies, long term financial plans, and comparison to market will be discussed during the 2018 budget process. Also, because impact fees such as transportation capacity and open space are directly related to capital projects, those fees will be discussed during the capital portion of the budget process.

FISCAL IMPACT:

The fiscal impact of changes to fees and charges effective January 1, 2018 will be incorporated into the 2018 revenue budget development.

SUGGESTED ACTION:

After discussion of fees and rate philosophies, staff looks forward to receiving direction from Council regarding future implementation of changes to fees and charges.

Attachments

1. Fees and Rates Memo



CITY MANAGER'S OFFICE

Memorandum

TO: Mayor and City Council
FROM: Greg Caton, City Manager
Jodi Romero, Finance Director
DATE: May 12, 2017
SUBJECT: Rates and Fees Philosophies

As indicated in the 2017 Budget Transmittal Letter, staff has conducted a comprehensive review of rates and fees across all departments of the organization. As Council is well aware we provide a wide array of services to the community from public safety to wastewater treatment, and rates and fees for those services are based on a set of philosophies. Those philosophies will vary based on considerations such as benefit to the overall community, cost recovery models, comparison to the market and other entities, as well as legal considerations. During the review, staff has developed recommendations for changes to existing rates and fees as well as identified opportunities for new charges.

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Nearly 25 years ago when the City Ordinances were re-codified it was established through resolution that fees and charges would be set by resolution of the City Council. At that time, there were approximately 35 types of rates and fees, today the Parks and Recreation Department alone has over 60 rates and fees and the City has over 150 separate charges. With Council support of the philosophies, staff can appropriately implement rates and fees by including any changes in the annual budget process.

Police Department

Philosophy:

The philosophical basis that supports how fees are established at the Police Department is depicted by a pyramid. The base of GJPD's pyramid consists of the core public safety services provided to the community. This includes Patrol teams, Investigations, and the Communications Center. In addition, this layer includes the Bomb Squad that covers Eastern Utah and Western Colorado, and the SWAT team. These services are considered the minimum requirements to ensure the safety of our community. Also included in the base level of service funded by tax dollars are "Additional Citizen Services". These include services such as Community Relations Unit, School Resource Officers, Records and Victim Advocacy Program, just to mention a few. These functions provide customer service to the community, support and enhance core services.

The other level of GJPD's pyramid is made up of customized services provided to the public, such as background checks, bicycle registrations and VIN inspections, etc. For services that fall under the Colorado Open Records Act, GJPD follows the same fee structure as the City Clerk's office, which are based on legal limits. Other fees are charged in order to recover costs such as VIN inspections and copies of CDs and DVDs.



Changes for 2018:

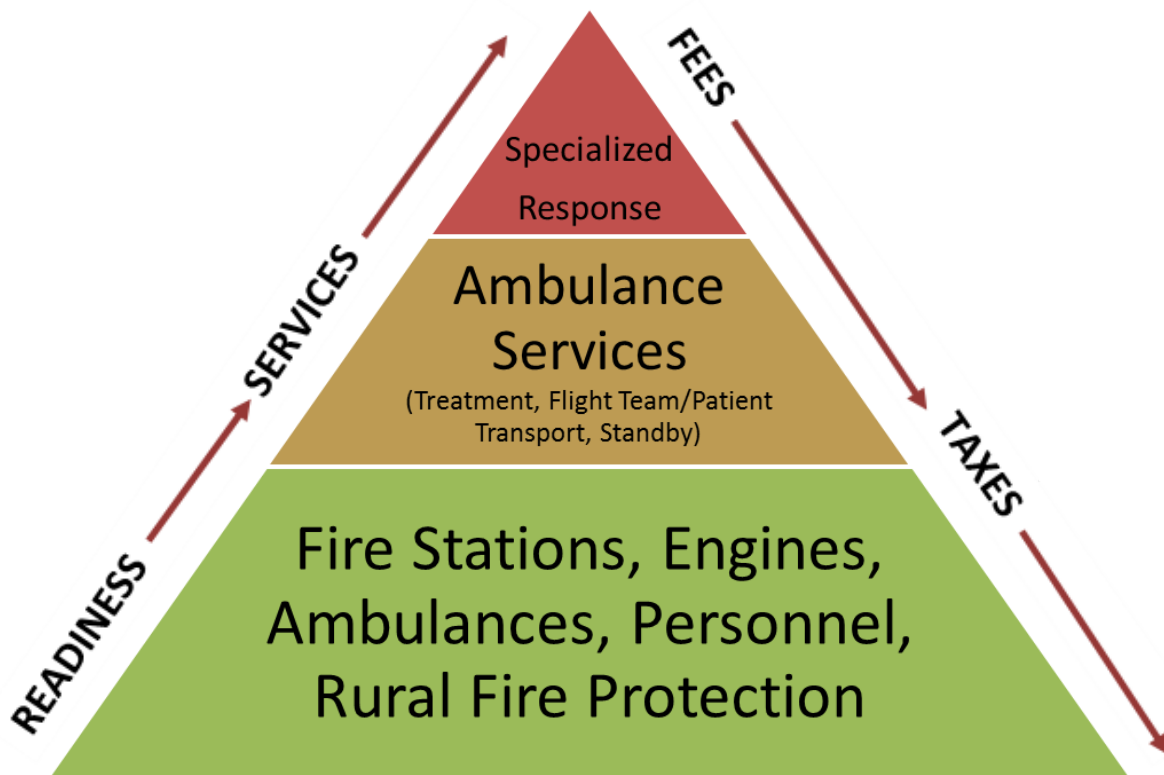
Proposed changes have resulted due to a change in workload priorities and to maintain consistency:

- Change in revenue - GJPD has historically charged for false security alarms in order to incentivize businesses to maintain their equipment, thereby not placing a demand on police response to false, equipment error, alarms. Our experience with these charges (after four free false alarms, businesses are charged \$15 per incident) is they do not provide enough deterrent for many businesses. Additionally, a review of payment history shows these fees are not always paid. A secondary issue is the extreme incidents of false alarms. Over a four year period GJPD responded to 9,314 alarms of which 20 proved to be valid, a more than 99% error rate. The combination of these factors led us to modify our response to alarms this year. The call is still taken, however, patrol only responds to a limited number of alarms that meet a set of criteria. This modified response will not only reduce the work load on patrol, it will also limit the number of alarms we are able to charge the false alarm fee.
- Fee Change – There is a voluntary Golf Cart License fee in the structure that is \$10 for three years. In 2016, we collected \$20. This fee will be eliminated.
- Fee Change – Currently we do not charge Registered Sex Offenders to pay for their annual registration requirement. However, the Mesa County Sheriff's Office is instituting a fee beginning November 1, 2017. The fee is the maximum allowed by the State: \$75 for initial and \$25 for reregistration. It is our belief that we need to maintain consistency with this fee structure. If the County is charging and the City is not, it has the potential to force sex offenders into the City limits. We anticipate this will increase revenue by \$6,900 per year.
- Change in process - Pawn Shop Brokers and Second Hand Dealers are charged for business licenses. GJPD collects this fee, when voluntarily submitted by the business. However, we operate off of a list and send those that do not pay to the Legal Department. We are looking to coordinate the annual billing of these licenses with other current licensing operations in the organization.

Fire Department

Philosophy:

Industry wide, fire department funding has primarily been through property tax dollars however the City's property tax generates about half of the funding of the department. Also as departments began to provide more diverse services they began to charge fees for these services. As the various fee types have increased, it is important to reflect on what is provided through taxes vs through fees. As budgets have grown tighter and new tax or increased taxes have become scarcer, the fire service has begun looking at taxes covering the cost of "readiness", i.e. fire stations, personnel, apparatus and equipment needed to respond to the incident. Fees are then considered to cover the actual service or response. The Grand Junction Fire Department applies this philosophy as depicted by the pyramid below.



Fees

The Grand Junction Fire Department charges three main types of fees - ambulance service and transport, response cost recovery and fire prevention services.

Ambulance fees consist of ambulance transportation fees paid by Medicare, Medicaid, health insurance and private pay. Because of contractual write-offs and bad debt, the amount the City actually receives is usually less than what is billed for the transport. The fees are set annually by the Mesa County Commissioners through a formula that is based on healthcare CPI and range from \$777 - \$1,155 per transport.

In addition, the department charges for medical standby services at special and sporting events, patient treatment and release and patient, flight team transportation and a loaded mileage fee to offset vehicle costs. Medical standby fees are paid for by the event or sponsoring organization and are based on an hourly charge for the personnel and vehicle. The patient treatment and release fee is charged to patients where we provide treatment on scene but the patient doesn't need transported or refuses transport. The fee is to cover medical treatment and supplies or medications that the patient has received.

The department charges cost recovery fees for hazardous material incidents and wildland fire response. These incidents are time intensive and the charges are based on the actual cost of personnel, vehicle expenses and expendable supplies. Vehicle costs are based on standard rates provided by the Colorado Division of Fire Prevention

and Control and personnel and supply costs are actual. The department considered a number of other incident types for cost recovery, primarily based on time intensive incidents or those that are human caused. A request for information through the Colorado State Fire Chiefs resulted in nine fire departments stating that they charge for response to motor vehicle accidents, including services for patient extrication, traffic control and scene clean up. In addition, the department's third party billing firm stated that they bill this type of cost recovery fee for 33 other departments

The department charges a number of fire prevention fees that are primarily paid by developers, architectural and design firms and construction and fire safety contractors. The fees are to help off-set the cost of providing fire prevention services, including construction plan review, code compliance and inspection. Fee increases and introduction of new fees are based on an industry survey of other fire departments providing these services including; Montrose, Longmont, Loveland, Durango and South Metro. Many of these fees were increased in 2016 so the department is recommending that roughly half of the fire prevention fees receive an incremental increase for 2018.

Changes for 2018:

Standby services, flight team transportation, patient treat and release, and mileage were last increase 2016 so the department is recommending an incremental 5% increase for 2018 with an estimated additional revenue of \$63,000.

New Cost Recovery Fees:

Traffic Accident Response Fee \$255 per accident – Charged for fire engine response and services at a motor vehicle accident. Fee is based on cost recovery of personnel and vehicle expenses. Estimated revenue of \$46,000

Brush Fire Response Fee \$530 per hour (1 hour minimum) - Charged for response to brush fire that is caused by violation of the outdoor burning ordinance, including burning without a permit. Fee is based on cost recovery for personnel and vehicle expenses. Estimated revenue of \$17,000

Fire Extinguisher Training \$15 per participant - Charged to businesses or organizations to provide participants a basic working knowledge of how to store, visually inspect, utilize, and provide professional servicing for fire extinguishers. The course also covers fire evacuation planning, and encourages the use of other fire alerting and suppression systems as needed by the audience. The fee pays for the use of a charged extinguisher in the course, instruction time, and certificates of completion for all successful participants. Estimated revenue of \$3,000

New Cost Recovery Fees (*Considered but **Not Recommended*):**

Structure Fire Response Fee \$1,177 (1 hour minimum). Charged for response to structure fire. Fee is based on cost recovery for personnel and vehicle expenses. Many homeowner insurance policies have this coverage; however, the department could not find any evidence of the fee being charged in Colorado.

Technical Rescue Fee Unit & Personnel per hour – Technical rescue incidents are time and personnel intensive and result in decreased response capability for other incidents. Colorado hunting and fishing licenses have an amount dedicated for search and rescue, which the department considered as an opportunity to recover some of the costs for this type of response. Requests for reimbursement come through the county sheriff's office and currently Mesa County does not request these reimbursements.

New Fire Prevention Fees:

Underground Fire Line \$200 Previously this fee was charged through the Mesa County Building Department but this request would provide an individual permit through the fire department. Estimated revenue of \$4,800.

Indoor Pyrotechnics \$200 Indoor pyrotechnic displays require a higher degree of review than a typical fireworks display. This fee would cover the cost of that review and inspections. Estimated revenue of \$800.

Carbon Dioxide (CO2) Permit \$50 This fee would be charged to restaurants that have converted to large CO2 vessels for carbonated beverages. The larger vessels have a higher danger of asphyxiation and require a detector to alert for low levels of O2. Estimated revenue of \$13,000.

Hazardous Materials Tier II Permit \$400 (annual) This fee is charged to facilities that store or use large quantities of hazardous materials and are required to report to local and state agencies. There are approximately 50 of these facilities in our response area. The fee would be tied to an annual inspection to confirm completion of required reporting accurately and to off-set the cost of a web-based software to collect this information. Estimated revenue of \$20,000.

Environmental Records Research \$50 Fee is charged to insurance companies and environmental agencies requesting information pertaining to Phase One Assessments of real estate and property. The department receives approximately 60 requests per year to identify environmental spills, fires, hazardous materials, and outstanding fire inspection violations. Estimated revenue of \$3,000.

Parks & Recreation

History:

The City of Grand Junction has been a regional provider of parks and recreation services since its inception. Until 2007, the department charged a 20% higher fee to non-residents for participation in recreation programs and facilities. The elimination of the non-resident fee in 2007 allowed the department to provide better customer service while maintaining its presence as a regional hub. The department is also unique

because of its relationships with the local school district, university, and partner organizations. Recognizing the impact of fees on these organizations, the department works closely with each of them to determine fair and equitable fee structures for programs and facilities. Fees and charges are also reviewed annually by the Parks and Recreation Advisory Board and multiple levels of staff.

The reviews and comparisons conducted for facilities and programs are primarily localized to the Grand Valley or the Western Slope; however, due to the uniqueness of some facilities, comparison with Front Range communities is required to better evaluate price and structure. For the programs that may compete with private business, the fee structure is determined based on what would be generally acceptable as opposed to competitive.

Philosophy:

The City of Grand Junction's philosophy for setting fees is based on a Cost Recovery Pyramid model. The base level of the pyramid represents a majority of the Department. A majority of the programs and services offered in the base level are primarily subsidized by tax dollars. As progression is made up the pyramid, the level of subsidy decreases as the programs and services move from a community benefit to a higher individual benefit and the fees charged for the services and programs cover a larger portion of the cost. This foundation and upward progression is intended to represent the Department's core mission, while also representing a reflection of the diversity of programs and services the City offers.

Cost Recovery Pyramid:

Community Benefit: 0-35% cost recovery

At the base of the pyramid are programs that benefit the entire community, not individuals. Examples are access to parks, trails, community events, cultural arts, weed abatement, and special events. This also include the operation of the decades old agreement to operate the Senior Recreation Center. These programs or facilities have minimal or no fees.

Community/Individual Benefit: 36-75% cost recovery

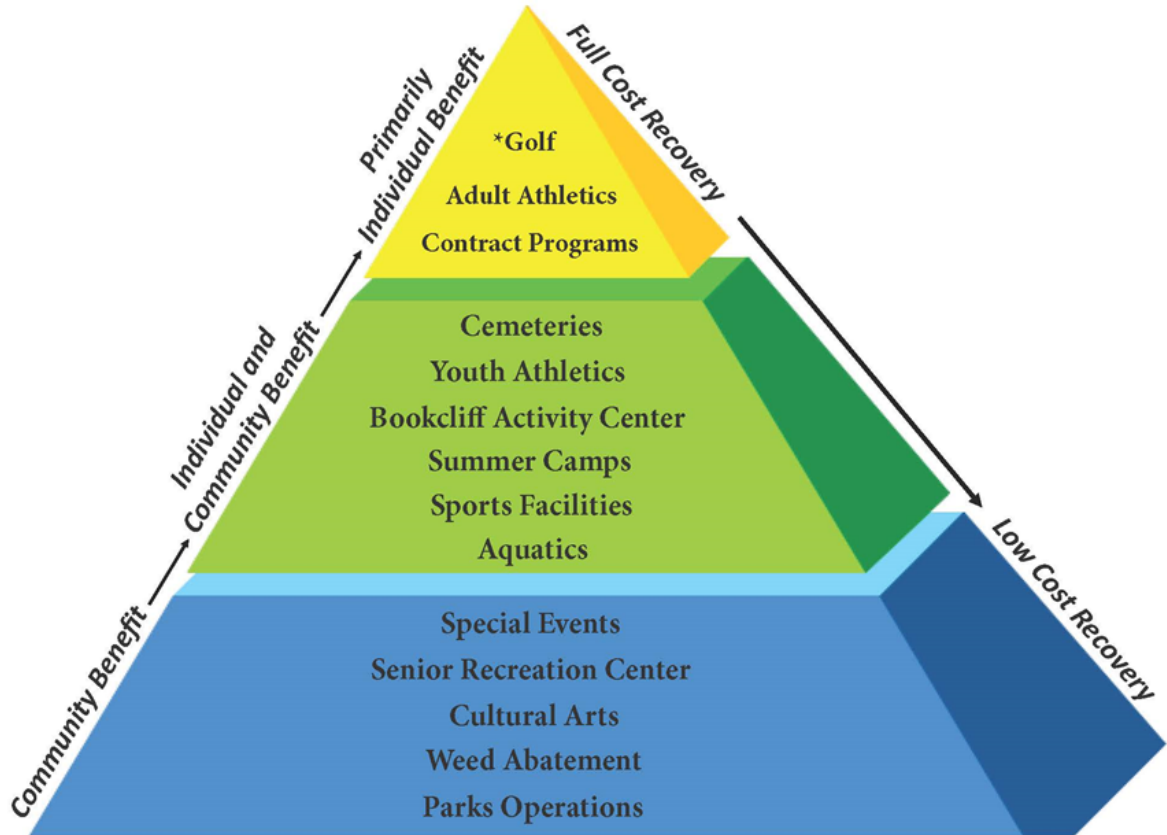
The middle level of the pyramid contains programs and services that benefit mainly the community but also individuals. These programs and services promote health and wellness activities and opportunities as well. Examples are aquatics, sports facilities, summer camps, Bookcliff Activity Center, cemeteries, and youth athletics.

Primarily Individual Benefit: 76-100% cost recovery

The highest level of the pyramid contains programs and service that benefit specific groups or individuals and include adult athletics, special interest programs, contract programs, and the golf courses, which are considered enterprise funds.

Cost Recovery Philosophy

Parks, Recreation, and Golf



* Enterprise Fund

Changes for 2018:

Several changes were made to the 2018 fee structure including the addition of an administrative fee category. This category is primarily items that are pass-through costs such as security or traffic control, costs that are a percentage of an already established fee, and direct costs such as lost keys. New fees include the hourly rental fee for the Amphitheater and a fee for additional marketing use of the Lincoln Park marquee. Increased fees include the elimination of the non-prime fee for shelters, increased hourly fees at the Barn and the Hospitality Suite, the hourly fee for Stocker Stadium, and green fees at the golf courses. The total additional revenue for the General Fund in 2018 is estimated to be \$52,000.

Community Development Department

History:

The Community Development Department collects a variety of fees for the development review services that it provides. Fees are collected by application, clearance or permit

type as well as specific fees for engineering inspection. Most fees have not been updated since approximately 2000 in concert with a significant land use code revision with the exception of engineering inspection fees that were last revised in 2008. The Department's review of development projects focuses on projects that adhere to adopted development standards and ranges from highly technical review of such items as drainage and floodplains to other standards related to site design items such as landscaping, circulation and parking.

Philosophy:

The Community Development Department is sensitive to the local economy and the impact fees can have on development activity. The Department's philosophy is to set fees that are balanced in comparison to other entities in the region and to offset some, but not all development-related review costs.

Changes for 2018:

Staff is recommending the elimination of several fees that only require a brief consultation and have a minimal impact on workload. Some examples of recommended eliminations are fees for demolition permits, interior remodels, change of use, and home occupation permits.

Another example of no fee relates to annexation. In most cases annexation is required of property owners due to the Persigo IGA. As such, staff recommends maintaining a no-cost option for this action excluding the cost to cover notices.

Because it has been over 15 years since the latest increase in planning fees, they have fallen behind comparable fees in the area. In order to begin working towards the comparable rates, staff recommends a 10% increase in fees.

Major Site Plan reviews generally take a significant amount of time for a project review and the complexity of the reviews are generally scalable to the square footage of the project being proposed. In an attempt to create some parity with the cost of projects that are equally complex (or simple), staff recommends looking at a tiered approach to Site Plan Review fee based on square footage of the proposed project.

Single Family planning clearances regularly require approximately an half hour of time from a planning technician or planner. Staff believes the proposed fee adjustment better aligns with the level of review required to process a clearance.

In addition to Application and Clearance fees, development projects are asked to pay Engineer Inspection Fees (if applicable), the cost of their required mailings, the cost of their required public notice signage as well as impact fees. Engineer inspections fees were last updated in 2008 and are proposed to see a similar increase of 10%. For projects that require the submittal of specific plans, including Grading and Drainage, drainage reports, utilities composite, traffic impact study and off-site improvement plans, fees are charged to review these specific plans. These fees were historically collected

to off-set the additional city engineering review time of these technical documents. Staff has proposed an approximate 10% increase to these fees, but would also has identified there may be an opportunity to simplify this approach to collecting fees.

The net revenue impact from the increase in fees and the elimination of fees is estimated to be \$17,000.

Municipal Court

Philosophy:

Municipal Court's fees and charges are set based on a combination of cost recovery, comparison to other jurisdictions, and accumulation of funds to provide assistance to financially challenged defendants in the court system.

Changes for 2018:

Municipal Court fees for court costs and deferred judgements were increase by 30% in 2016, and the trial costs were increase by 10% in 2016. Municipal Court has not previously charged for payment plans, and recommends a \$25 fee to recoup the administrative costs of tracking a case from start to finish. Estimated revenue is \$8,100.

Municipal Court is recommending the adoption of two new surcharges earmarked for use in the operation of the Municipal Court for the following; assisting the Court in distinguishing between those defendants that truly cannot comply with orders of the Court and those choose not to do so; and to provide defendants who do not qualify for court appointed counsel under current guidelines, legal direction which would aid the Judge in resolving the case. The estimated revenue is \$66,000.

City Clerk

Philosophy:

The City Clerk's Office has a limited number of fees that are charged to citizens. There are Open Records Request Fees, Liquor License Fees, Liquor Occupation Tax Fees, and Auditorium Use Fees. The philosophy supporting most of these fees is a combination of law and cost recovery.

Changes for 2018:

The City Clerk's Office is responsible for responding to requests for information under the Colorado Open Records Act. By law, certain fees and charges can be assessed for the research, collection, compiling, redacting, and copying of such records for the requestor. Currently the City is not charging the maximum allowed by State Law. The proposal is to charge the amount allowed and include a provision for the regular

adjustment of the fee. By law, the first hour of research and collection is free.
Estimated revenue of \$200.

There are no proposed changes to liquor license fees and liquor occupational tax fees, because the liquor license fee is set by State law and although the liquor occupational tax for the City is one of the lowest in the State it would require a vote to increase.

The City Hall Auditorium is available for use by the public Monday through Saturday 7:30 a.m. 10:00 p.m. If the use is on a weekend, or if the users need the audio visual (AV) equipment after regular business hours there are fees assessed unless it is a bona fide government agency. We are currently charging \$20 per hour for using the room on the weekends and an additional \$20 per hour if using the equipment after business hours. It is recommended to increase the fees to \$30 per hour in order to recover costs.

If the user group is a for-profit entity, there are additional charges. Another exception is if a group begins using the room more than twice per month.

Estimated revenue of \$443.

Two Rivers Convention Center and Avalon Theater-Pinnacle Venue Services

The following has been provided by Maria Rainsdon, General Manager

Booking and Rental of The Avalon Theatre and Two Rivers Convention Center:

With the overarching philosophy of yield management, we aim to:

- Sell the Right Product
- Sell it to the right person
- For the right price
- At the right time

Yield Management: How it achieves these goals

Yield management, also known as revenue management, seeks to maximize total profit by manipulating price and inventory availability for future bookings. Yield management orients room rental rates and other sources of revenue to demand. It is a marginal analysis of supply and demand with respect to price and inventory factors. The goal of yield management is to maximize revenues during the high traffic periods and maximize traffic during low revenue periods. It is a model based on facility history, where previous bookings are used to generate a revenue forecast, which when compared over time with actual revenues can be refined or enhanced through various pricing strategies.

1. Benefits of yield management

Using this model provides much greater flexibility in rate structures, which translates into booking the right business. Because we are not simply raising static rates across the board but varying the rates in either direction, we are able to maximize revenues and the amount of business booked especially during off peak periods. Managing the yield (value) within a finite amount of space by focusing on filling slower time periods and capitalizing on peak periods produces what we call the win/win scenario. This drives business to non-peak time periods; to lower demand space and drives higher revenues to peak periods for high demand (most popular) space.

2. How it works

Rental rates are transferred into a range of values for each space. The range represents non-peak to peak values.

Examples as they might apply in Grand Junction:

- In January 2017 we have two potential clients requesting rates. One is a consumer show organizer interested in a single April 2018 Saturday date; they would pay a greater rate for the space due to the prime date and the length of time they are holding the space. The second is a concert promoter interested in an August 2017 Tuesday date. The concert promoter may receive a lower rate for the same space because both Tuesday and August dates are low yield at our venue. The shorter booking window also contributes to the lower rate because there is less of a chance a better piece of business would also be interested in that date.
- Another example, a wedding booking on a Saturday night in prime wedding season might be asked to pay a higher rental rate and food minimum than a wedding the same week that takes place on a Sunday or Monday night. The range of rates helps accommodate budgets as well as fill our space on dates that are typically less in-demand.

Rental values within the yield management analysis are only one piece of the evaluation process. To gain a true picture of the financial impact of an event, the revenues from all sources, such as food and beverage or audio-visual support, are pooled and analyzed as a sum total. These projected revenues are then compared to past performance or the building history during that same time periods. This forecasting is essential. The event management software (Ungerboeck EBMS) is essential for tracking histories of rates and event profit, allowing for accurate forecasting of rate and facility use.

Historically, convention center pricing structures have been based on a “one rate for all” concept to limit any perceived favoritism or discrimination. This practice, closely followed by a passive sales effort, has been the primary reason for convention centers performing so poorly from a financial standpoint and limiting their effectiveness as a catalyst for the community. Given our ballroom may have a different value on a Monday

night versus a Saturday night or the Creek Rooms may be more expensive in April than it is in July, we have developed the following practices and procedures to eliminate all reasonable exposure:

- Redefine booking policy as a booking guideline
- Include in the booking guideline the evaluation factors discussed below:
 - Overall economic impact
 - Room-night generation
 - Amount of exhibition and meeting space required
 - Month of year
 - Day(s) of week
 - Time of day
 - Degree of cost sensitivity
 - Potential for repeat/referral business
 - Prestige factor
 - Attendance
 - Lead time of booking
- No quantifiable equation tied to evaluation factors, meaning rate range guidelines instead of a rate card.
- Turn down business reports to track business not booked for a variety of reasons
- Sales proposals approved by Sales and Marketing Manager/GM
- Contracts approved/signed by GMs
- Communicate yield management strategy in sales and marketing plan