

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
October 12, 2015 – Noticed Agenda Attached

Meeting Convened: 5:05 p.m. in the City Hall Auditorium

Meeting Adjourned: 7:37 p.m.

City Council Members present: All except Phyllis Norris and Barbara Traylor Smith

Staff present: Moore, Shaver, Lanning, Schoeber, Romero, Watkins, Camper, Bowman, Hazelhurst, Brinkman, Guillory, Valentine, Taylor, Rainguet, and Peterson

Also: Raftelis Financial Consultant representative: Rob Wadsworth, Dennis Simpson, and Harry Griff

Interim City Manager (ICM) Tim Moore reviewed the items on the agenda. He then deferred to Public Works Director Greg Lanning for a follow-up from the last workshop.

Agenda Topic 1. Budget - Water Enterprise Funds continued from October 5th

Water Fund

Mr. Lanning passed out four documents and reviewed them as follow-up from the last workshop on October 5th: the 2016 Water Fund Summary, Water Department Capital, forecasted Water Fund Balance with Proposed Options, and the FY-2000 – FY-2014 Water Rates and Water Fund Balances. He introduced the consultant in attendance, Rob Wadsworth with Raftelis Financial Consultants. At the previous workshop two financial plans for the water fund were presented; one cash funded, and one that included debt financing. Council asked for a third option that would include less debt financing which will be referred to as Option 3. Mr. Lanning gave a brief review of the first two options and said Staff met again with the consultants to formulate a 3rd option which would assign risk to not only optimize the capital plan but to consider the rate increase. Mr. Lanning went through past rate increases and what they currently are. He related this to a graph provided to Council on historic trends.

Council President Pro Tem Chazen asked about the spikes in the graph. Mr. Lanning said those were debt financing and explained the debt financing at those times and the projects that were completed.

Mr. Lanning explained how they came up with the debt portion of their figures and the differences in those projects and how they were able to reduce the figures and come up with scenario 3. Mr. Wadsworth explained minimum operating reserves of 25% and recommended they be increased to 30% which is an industry standard and due to uncertainty in revenues.

Discussion ensued regarding how scenario 3 was brought forward, if there was any grant funding available, rates, the use of 4,000 gallons per month, the Gunnison Round Table, and if there were possible federal monies available. Mr. Lanning said he and his Staff would like to recommend scenario 3, but it will still come back to Council later in the final budget acceptance.

Councilmember Kennedy thanked Staff for coming back with the 3rd scenario, it had everything he had asked about; keeping rates down and the major filters in.

Councilmember McArthur explained his reasoning with liking scenario 2 with the risk of debt, risk of infrastructure, and rates.

Councilmember Boeschstein likes scenario 3. His priorities are not increasing homeowner's rates immediately, focusing on immediate priority projects which include the Purdy Mesa Dam and stressing water conservation with the citizens.

Councilmember Taggart's concern is to realistically operate within the \$5.9 million project budget and asked if those items will get done in the first two years. Mr. Lanning responded yes. Councilmember Taggart said he liked scenario 3.

Additional discussion ensued regarding water conservation; the City cannot count on a Department of Local Affairs (DOLA) grant and will only get one shot at debit financing. They questioned if \$1.1 million is enough for any of the other projects.

Council President Pro Tem Chazen asked Mr. Lanning what he needs from Council. Mr. Lanning responded direction to proceed. All Council members present agreed on scenario 3.

Follow-up to the Budget Balancing Discussion of Operations, Capital, and Economic Development

ICM Moore said this is a follow-up from the previous workshop regarding General Fund; the Staff has checked to see if other revenues could be found.

Financial Operations Director Jodi Romero presented a new budget spreadsheet for the General Fund Balancing Summary dated 10/12/2015 that was created by the Department Head team. Ms. Romero explained the changes in the 2016 requested number, the additional budget revisions, and then the revised 2016 requested figures. Those revisions in revenues include ambulance transports fees which amounts to \$136,674; other charges for services is \$10 for Spring Clean-Up fees for 25,000 accounts, and additional Parks and Recreation fees for a total of \$282,570; fines and forfeitures based on a 5% increase in Municipal Court fees; \$25,000 based on an increase in Fire Prevention/Inspection/Burn Permit fees; and there will be an increase in the Interfund charges with an approved rate increase in utility funds if approved by Council. These changes total a \$474,419 increase in revenue. Expenses reviewed were Labor and Wages; it was decided not to fill three open positions in 2016 which are the Management and Legislative Liaison, a Crime Analyst, and a six month Project Engineer position. This

reflected \$262,039 in saved expenses. Information Technology reduced their budget by \$114,179 that was charged out to the General Fund. These adjustments resulted in \$850,637 in savings. Ms. Romero said there have been no assumptions of how Council would like to allocate those funds.

Discussion ensued regarding Economic Development and how much of those funds others will be contributing, projects on the "B" list, the minimum reserve of \$18,500,000, the \$854,331 for Council to allocate where they choose, and adoption of the final budget. Council believes Staff did a very good job of finding additional revenues.

Council President Pro Tem Chazen said he would like to send these figures out to Council President Norris and Councilmember Traylor Smith who were not present. With the \$854,331 access in funds available, look at 50% to apply to the "B" list items or split the list and have Staff come back with recommendations.

Councilmember Taggart recommended the additional \$500,000 contribution to Colorado Mesa University (CMU) be revised mid-year. ICM Moore said Councilmember Traylor Smith also had this conversation with CMU President Tim Foster.

Council President Pro Tem Chazen asked to get this information out to everyone ahead of time and have Staff and Council bring recommendations to the October 19, 2015 Workshop.

Las Colonias Park

ICM Moore asked if Council wanted to wait on this discussion until all Council was present. It was decided to have a general discussion.

Councilmember Boeschstein referenced page 41 of the Economic Development Report that recommended moving forward aggressively with the development of the Riverfront area to stimulate development.

Councilmember McArthur stated he would still like to see a business plan, projected revenues, and maintenance costs provided for this project.

Parks and Recreation Director Rob Schoeber said the amphitheater has been mirrored with the Stadium Project; it is difficult to put numbers to it. The revenues would be to the community just like the fees to the stadium which are low compared to the benefits to the community.

Councilmember Taggart asked about the costs and maintenance. Mr. Schoeber said that was all in the Master Plan documents; several scenarios were presented previously at a workshop. Councilmember Taggart asked if the events could pay for the maintenance each year. Mr. Schoeber explained to Council that the promoters are responsible for their expenses (i.e. advertising and port-a-potties). He said the Council has spent two months getting the budget balanced and he would like to see the other contributor's commitments.

Councilmember Kennedy wants to commit to getting this park done. He sees this project outside of the General Fund with other revenue sources. He feels he is hearing excuses; a decision needs to be made.

There was discussion between all Council regarding the financing, the economic development plan, the phasing of Las Colonias, the Conservation Trust Funds (CTF), bringing back some of the "B" list items, changing the scope of work, compensation to employees, the affordability of doing Las Colonias now or at a later date, grants and funding sources, size of the amphitheater, and stimulating economic growth.

Councilmember Taggart would like to move forward in getting the dollars secured from all parties, so he would know that the community has committed.

Council President Pro Tem Chazen explained the commitments of the Downtown Development Authority (DDA).

Harry Griff, representing the Lions Club, said he has been following and tracking the process of this project. The Park itself will not produce any revenue but adding the amphitheater will generate revenue. No one is asking the City to spend \$4 million, these funds are leveraged. If the City does not get behind this project, no one else will. He has offered his services to help with the capital campaign. He believes the City will get an incredible return on this investment.

Council President Pro Tem Chazen said to bring it back to the October 19, 2015 Workshop and when the other two Councilmembers will be present.

Agenda Topic 2. Next Steps

ICM Moore went over the list of items still to address. Councilmember Traylor Smith will not be available for the October 19th Workshop but Council President Norris will be back.

City Attorney Shaver explained to Council how the adoption of the budget needs to happen and that the budget is not effective until 32 days after adoption.

Agenda Topic 3. Other Business

There was none.

Agenda Topic 4. Board Reports

There were none.

With there being no further business, the meeting adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, OCTOBER 12, 2015**

**WORKSHOP, 5:00 P.M.
CITY HALL AUDITORIUM
250 N. 5TH STREET**

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

1. Budget

- **Water Enterprise Funds including Water Rate Study (continued)**
- **Budget Balancing Discussion of Operations, Capital, and Economic Development**
- **Las Colonias Park**

2. Next Steps

- October 19th (regularly scheduled workshop) - Remaining Enterprise Funds, Internal Service Funds
- October 26th - Rates and Fee Change Listing (preparatory to the rates and fees resolutions)
- November 2nd (regularly scheduled workshop) - Budget Wrap, TABOR Calculation, Fund Balance Worksheet, Line Item Budget by Fund, Final ED Budget, Final Capital Worksheet
- November 4th CC Meeting - Adopt Rates and Fees Resolution, Set Public Hearing for Appropriation Ordinance
- November 18th - Public Hearing and Budget Adoption
- December 2nd - Mill Levy Adoption

3. Other Business

4. Board Reports