

**FRUITA CITY COUNCIL
REGULAR MEETING
NOVEMBER 3, 2015**

1. INVOCATION AND PLEDGE OF ALLEGIANCE

The Invocation was given and the Pledge of Allegiance was recited.

2. CALL TO ORDER AND ROLL CALL

Council members present were Bruce Bonar, Mel Mulder, Kyle Harvey, Stacey Mascarenas, Joel Kincaid and Bob Fuller. Mayor Buck called the meeting to order at 7:02 p.m.

Mayor Buck asked if there were any corrections or additions to the agenda. City Manager Mike Bennett stated that there were not.

3. AGENDA – ADOPT/AMEND

- **COUNCILOR BONAR MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCILOR MULDER SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

4. PROCLAMATIONS AND PRESENTATIONS

A. SWEARING IN OF OFFICER TONY GIANINETTI TO THE FRUITA POLICE DEPARTMENT

Fruita Police Chief Judy Macy introduced the newest member of Fruita's Police Department, Tony Gianinetti. Officer Gianinetti grew up in Meeker, graduated from Meeker High School, spent one year at Adams State College, was hired by the Craig Police Department in 2008 and remained there until 2014. During that time, he worked as a Patrol Officer, a School Resource Officer, and an Investigator for crimes against children. Chief Macy said Officer Gianinetti comes to Fruita with a lot of good experience and that he will be a great asset to Fruita.

Deputy City Clerk Debra Woods administered the oath of office to Officer Gianinetti. His wife, Ashley pinned on his badge.

B. PROCLAMATION – PROCLAIMING NOVEMBER 17, 2015 AS *COLORADO PREMATURETY AWARENESS DAY* IN THE CITY OF FRUITA TO BE ACCEPTED BY WESTERN COLORADO MARCH OF DIMES EXECUTIVE DIRECTOR TERRI JONES OR BOARD MEMBER KRISTI POLLARD

Councilor Mascarenas read the Proclamation, which was accepted by Terri Jones and Kristi Pollard of Western Colorado March of Dimes. Ms. Pollard thanked the Council for the Proclamation and stated that the March of Dimes provides a really neat opportunity to support healthy moms and babies by working toward fighting prematurity. She said the March of Dimes is encouraging

businesses to “go purple” on March 17, 2016 and that she has purple light bulbs if anyone wanted one. She said people could also wear purple on that day in recognition of the effort.

Executive Director Terri Jones stated that the efforts of the March of Dimes in Mesa County are affecting children and the community on a daily basis. She thanked the City Council for the Proclamation and their time.

5. PUBLIC PARTICIPATION

American Legion Jr. Vice Commander and Fruita citizen Lou Brackett said he wanted to bring to everyone’s attention that on Veterans’ Day, November 11, 2015, there will be a number of activities that will be held on behalf and in support of the veterans and their families. On Saturday, November 7th, there will be a parade in downtown Grand Junction at 2:00 p.m. On November 11th, there will be a ceremony at the Veterans’ Cemetery in Grand Junction and at 1:00 – 9:00 p.m., there will be a music and art extravaganza sponsored by the Veterans’ Art Center held at the Avalon Theatre. The event is free and open to the public, and will include entertainment and recognition of veterans.

Councilor Kincaid noted that on November 11th, A Taste of Heaven Catering (located on North Avenue) will be doing a free lunch for veteran from 11:30 to 2:00 p.m.

Mr. Brackett added that there are a number of restaurants and other businesses that are supporting veterans during that week. He asked that people to take note of the events in the Daily Sentinel and participate as much as they can.

There were no further comments from the public.

6. CONSENT AGENDA

- A. MINUTES - A REQUEST TO APPROVE THE MINUTES FROM THE OCTOBER 20, 2015 CITY COUNCIL MEETING**
- B. LIQUOR LICENSE RENEWAL – A REQUEST TO APPROVE THE RENEWAL OF AN OPTIONAL PREMISES – MALT, VINOUS AND SPIRITUOUS – LIQUOR LICENSE FOR ADOBE CREEK NATIONAL GOLF COURSE LOCATED AT 876 18 ½ ROAD**
- C. LIQUOR LICENSE RENEWAL – A REQUEST TO APPROVE THE RENEWAL OF A HOTEL AND RESTAURANT – MALT, VINOUS AND SPIRITUOUS – LIQUOR LICENSE FOR DRAGON TREASURE CHINESE RESTAURANT LOCATED AT 576 KOKOPELLI BLVD.**
- D. ORDINANCE 2015-16 – FIRST READING – AN INTRODUCTION OF AN ORDINANCE REPEALING AND REENACTING SECTION 9.01.034 OF THE FRUITA MUNICIPAL CODE CONCERNING PEDDLING AND SOLICITATION AND REPEALING SECTION 9.01.037 OF THE FRUITA MUNICIPAL CODE**

CONCERNING LOITERING FOR PUBLICATION OF PUBLIC HEARING ON DECEMBER 1, 2015

- E. ORDINANCE 2015-17– FIRST READING – AN INTRODUCTION OF AN ORDINANCE REPEALING SECTION 2.19.030 OF THE FRUITA MUNICIPAL CODE CONCERNING CANDIDATE NOMINATION PROCEDURES FOR MAIL BALLOT ELECTIONS FOR PUBLICATION OF PUBLIC HEARING ON DECEMBER 1, 2015**
- F. RESOLUTION 2015-25 – A REQUEST TO APPROVE A RESOLUTION TO APPROVE A SUPPLEMENTARY SUBDIVISION IMPROVEMENTS AGREEMENT AND A FIRST RELEASE OF THE SUBDIVISION IMPROVEMENTS AGREEMENT FOR PHASE 2A OF THE BRANDON ESTATES FILING 1 SUBDIVISION**

Mayor Buck opened the Consent Agenda for public comments, of which there were none. She then stated that she wanted to remove Consent Agenda Item 6(F) (Brandon Estates SIA) for further discussion because Community Development Director Dahna Raugh had a quick update for the Council. The item was moved under Public Hearings as Item 7(A).

Councilor Mascarenas asked if staff had received any public comment on either of the ordinances on the Consent Agenda. City Clerk/Finance Director Margaret Sell responded that it was the first reading of Ordinance 2015-17 regarding Candidate Nomination Procedures for Mail Ballot Elections, which would be advertised for public hearing on December 1, 2015. She said she had not received any public comment. Chief Judy Macy stated that she had not received any comments on the first reading of Ordinance 2015-16 regarding Peddling, Solicitation and Loitering except from the City Attorney.

Councilor Mascarenas asked if the Police Commission would be seeing the Ordinance Chief Macy referred to. Chief Macy said she would show it to them.

- **COUNCILOR KINCAID MOVED TO APPROVE THE CONSENT AGENDA AS AMENDED. COUNCILOR FULLER SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

7. PUBLIC HEARINGS

- A. RESOLUTION 2015-25 – A REQUEST TO APPROVE A RESOLUTION TO APPROVE A SUPPLEMENTARY SUBDIVISION IMPROVEMENTS AGREEMENT AND A FIRST RELEASE OF THE SUBDIVISION IMPROVEMENTS AGREEMENT FOR PHASE 2A OF THE BRANDON ESTATES FILING 1 SUBDIVISION (REMOVED FROM THE CONSENT AGENDA)**

Community Development Director Dahna Raugh stated that the Brandon Estates Subdivision is currently under construction and the developers have completed all of the improvements to Phase 2a with the exception of portions of the irrigation system. The developers are asking that the

Subdivision Improvements Agreement (SIA) have a first release for the improvements that have been completed and allow the irrigation to be completed under a supplemental SIA.

Mrs. Raugh continued that she had the Escrow Agreement for over \$45,000 for the warranty on the improvements that are completed and the irrigation portions that aren't completed are estimated to cost \$10,000. She said she had another Escrow Agreement for \$11,000, which is 110% of the improvements to also account for the future warranty on those improvements.

Mrs. Raugh said that the additional SIA requires that the irrigation system be completed in March of 2016. Staff has been discussing the issue with the applicants for several weeks and due to some issues with the design of the irrigation system, the completion of the irrigation system was delayed. Mrs. Raugh stated that staff believes that it would be appropriate in this particular circumstance to allow the completed improvements to begin the warranty period and do a supplemental SIA for the irrigation system. She added that staff doesn't think that the irrigation issue should hold up the ability to build houses and sell lots in this phase of the subdivision.

Mrs. Raugh noted that there was a Resolution included in the Council packets that accomplishes what she just spoke about and that staff was recommending approval of the Resolution as presented.

Mayor Buck said she thinks that the release of the SIA was a reasonable thing to do, but she wanted to go on record that Brandon Estates is one of the last neighborhoods (if not the last neighborhood) to get irrigation water in the spring and by the time the subdivision gets it, everyone's yards are usually burning up by then. She said she wondered if there was any type of assurance that could be given should the vault be connected into the system and then not work. She asked what are the assurances that the water won't be delayed another week or two.

Mayor Buck also asked if the irrigation system has to only be *completed* by March but not necessarily tested by then as well.

Mrs. Raugh responded that according to the SIA, the irrigation is supposed to be completed by March and if it isn't and the Council doesn't feel confident that the developer will accomplish the completion, the City can take action to access the \$10,000 of escrowed money to complete the improvements, although it may take some time to do that.

Robert Jones of Vortex Engineering (representative for the applicant) stated that his firm has been working closely with staff on the irrigation issue by modifying designs to get things completed. He said at this point, over 90% of the irrigation system improvements have already been completed. Left to be completed are the sump pump lift station and controls, as well as the plumbing to the existing pump house. The vault has been completed. Mr. Jones said there was a small amount of labor that needs to be done; probably in reality two to four weeks' worth of work. He added that in regards to testing the system, it will have to be closely coordinated with the HOA when water is available in the canal.

Mr. Jones continued that he wasn't certain why Brandon Estates would be the last subdivision to get irrigation water because they are one of the first ones on the Encanto line. He said he believes with

the modifications that have been done, there is no reason that Brandon Estates will have to be last to get irrigation water.

Mayor Buck said this wasn't what she has been told; she heard that because Brandon Estates is the first one on the line, that the water has to get all the way to the other end and then back up to Brandon Estates before the water can be used. She asked Public Works Director Ken Haley if this was true.

Mr. Haley responded that historically, Brandon Estates Subdivision was the first tap off the Encanto line and in years past, it has always been a matter of building up enough pressure in the system to serve the subdivision. He continued that with the changes that the developer has made to the irrigation system (which involved changing the tap location on the line itself), the water comes out at a lower elevation and requires less head pressure. Also with the vault system, the water will fill up in the vault and therefore the water should potentially be available much sooner than it has been in the past.

Mayor Buck asked if the transition from using the vault to just going right out of the canal doesn't work, is there a master knob that could be shut off that will allow the water to go back to the canal until the repairs are made or if once the vault was filled, no more canal water would be accessed?

Mr. Jones explained that the way the system was designed, it will actually function regardless of whether or not the Encanto line is under a pressure condition or gravity condition. He said this is the reason there is a secondary lift station into the vault so that for the majority of the time, water will be transferred unpressured from Encanto and gravity-fed through the vault through the lift station into the vault. In the instance where water levels have dropped in the Encanto line (which is the problem that the subdivision is experiencing), the lift station will actually fill the vault and the main pump will be pulling water from the 60,000 gallon storage tank, which is sized to provide for several days worth of irrigating.

Councilor Fuller said it was a similar irrigation system to Wildwood Acres, which has a vault and the water continually flows into the vault and then flows out, so there's always sufficient water in the vault (unless the main line is cut off) to be able to water the lawns.

- **COUNCILOR MASCARENAS MOVED TO APPROVE RESOLUTION 2015-25 – A RESOLUTION OF THE FRUITA CITY COUNCIL TO APPROVE A SUPPLEMENTARY SUBDIVISION IMPROVEMENT AGREEMENT AND A FIRST RELEASE OF THE SUBDIVISION IMPROVEMENTS AGREEMENT FOR PHASE 2A OF THE BRANDON ESTATES FILING 1 SUBDIVISION. COUNCILOR FULLER SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

8. ADMINISTRATIVE AGENDA

A. CITY CLERK/FINANCE DIRECTOR MARGARET SELL

1) 2016 BUDGET PRESENTATION – GENERAL FUND OVERVIEW

Mrs. Sell noted that staff and the Council have been reviewing pieces of the 2016 Budget leading up to adoption in December. She said that the public hearing on the 2016 Budget would be held at the next Council meeting.

Mrs. Sell stated that the City's revenues in the General Fund are about \$7 million in the 2016 Budget, which reflects a 1% decrease from 2015 revenues. Expenses of almost \$7.8 million reflect a 6% decrease from the 2015 Budget. Available funds (Fund Balance) at the beginning of 2016 are estimated at almost \$5.9 million and the 2016 Budget uses about \$885,000, leaving a \$5 million Fund Balance at the conclusion of 2016 assuming that everything goes as budgeted.

Mrs. Sell said that of that Fund Balance, there are different components including Inventory (fuel), Reserves (\$400,000 as required by TABOR emergency reserves), Committed Operating Reserve (25% of the current year's expenses that is placed in reserves for operating expenses), Assigned Amounts (\$450,000 in health insurance), Vehicle Replacement (\$637,000), Other Miscellaneous (such as the Vietnam War Memorial, scholarships and senior programming) of \$22,000 and then Unassigned Reserves of \$1.8 million. Unassigned Reserves typically fund the City's Capital Projects. Mrs. Sell noted that there was \$450,000 at the end of this year that will be spent on next year's Capital Projects.

Mrs. Sell continued that General Fund revenues are primarily made up of tax revenues of \$5.8 million and which are budgeted to remain flat over the 2015 budgeted revenues. This is actually an increase of about 2% of what is expected to be received this year because the City is not making the budgeted revenue projections for 2015 with the decline in city sales tax revenues and use tax revenues.

Mrs. Sell showed itemization of the various sales tax revenues including county sales tax, for which there is an estimate of a 2% increase for the 2016 Budget. City sales tax revenues are budgeted at a 2% increase from the estimated revenues in 2015, use tax on vehicles is budgeted at a 1.6% increase, property tax is estimated at an increase of 3%, franchise fees at 2.5% and mineral lease and severance tax is projected to decrease 50% in 2016. Mrs. Sell noted that the state is currently projecting a 61% decline in severance tax revenues and a 17% - 20% decline in mineral lease tax revenues.

Mill levy assessed by the City for collection in 2016 is proposed to remain unchanged at 10.146 mills. The City of Fruita represents 14% of the total property tax from all the jurisdictions that have taxing authority within the City. The overlapping Mill Levy is a total of 71.628 mills.

Mrs. Sell showed a chart depicting the decline in use tax revenues which includes use tax on building materials and motor vehicles. Staff is projecting these to remain pretty flat from what the City is expected to receive in 2015.

Franchise fees are projected to decrease 6% from the budgeted revenues. Mrs. Sell noted that mainly the decrease that the City has seen in 2015 is due to the lower cost of natural gas, which means lower revenues, which means lower franchise fees because the fees are based on electric and gas revenues.

Intergovernmental revenues in the Budget for 2016 are at \$600,000 and account for about 9% of the total General Fund revenues. The most significant source of these revenues is the highway users' tax revenue that the City receives from the State of Colorado and is based on the number of registered vehicles in the jurisdiction and miles of street within the City. Intergovernmental revenues are budgeted to remain flat over 2015.

Severance and mineral lease tax revenues that the City will receive in 2015 are approximately \$300,000, and for 2016, the budgeted projected amount is \$150,000. These monies are primarily used to fund Capital Projects.

Councilor Fuller asked if the severance tax or mineral lease tax revenues were based on an actual decline in production in the state of Colorado. Mrs. Sell responded that there are a number of factors that go into the calculation: part of it is the decline in production, but part of it is also the number of employees in the gas industry that live in the City of Fruita, as well as the number of wells and permits that are issued in the county and the state as a whole. She pointed out that the City received almost \$800,000 in severance tax and mineral lease revenues in 2009 while only \$150,000 is projected for 2016, so this is a revenue source that should not be counted on for any operational costs. The decline does have an impact on the City's Capital Projects, however.

Mrs. Sell stated there are not a lot of changes in charges for services except for a few revenue adjustments. Park rental fees will be going up and the Administration Department will be implementing a new credit card payment convenience fee so that people can pay their utility bills online.

Fines, forfeits and assessments are essentially court revenues and penalty assessments that are issued by the Police Department and they also include Development Impact Fees. There are no revenues budgeted for Development Impact Fees for chip seal of city streets in 2016 as these funds have been depleted. Assessments for violation of municipal and state laws issued by the Fruita Police Department (including court costs) are budgeted to increase 4% from 2015 budgeted revenues.

Regarding licenses and permits, Mrs. Sell stated that Fruita's business license application fee has remained the same (\$25 per year) for over 30 years. She said she has been doing some research about what other communities charge and that it may be time for Fruita to consider an increase in the business license fee, although she wasn't sure if 2016 was the year to do that. Mrs. Sell said there may be a proposed increase instead for the 2017 Budget year.

Transfers from other funds are primarily transfers from Enterprise Funds to help offset costs for utility billing and financial administration, as well as audits and other things that aren't directly charged to the Enterprise Funds. Mrs. Sell said the main difference for these in the 2016 Budget is that there won't be any transfers from the Devil's Canyon Center Fund because of the elimination of the rent from Dinosaur Journey to the City of Fruita, which is about a \$28,000 impact on the budget.

Mrs. Sell stated that General Fund expenses of \$7.86 million are budgeted to decrease 6% in 2016 from the 2016 budgeted amounts. This includes several different categories such as Operating Expenses (the biggest percentage), Transfers and Capital Outlay.

Operating Expenses of \$6.67 million reflect a 2% increase over 2015 budgeted expenses and account for 85% of the total 2016 General Fund Budget. Transfers to other funds of \$722,500 represent 9% of the budget, and Capital Outlay of \$465,125 (includes new and replacement equipment) represents 6% of the General Fund Budget. Mrs. Sell noted that the City also transfers just under \$100,000 every year to the Community Center Fund as a subsidy for programs that were formerly accounted for in the General Fund before the Community Center was opened.

Mrs. Sell showed a graph illustrating the history of General Fund operating expenses from 2013 through the 2016 Budget. These expenses are projected to increase 2% in 2016.

Personnel services account for about 63% of the operating expenses including salaries and benefits. Some of the changes in next year's budget include a 4% health insurance premium increase (negotiated down from almost 8%) and an increase in salaries of 1% for a one-time bonus for employees. Mrs. Sell noted that staff hadn't worked out all the particulars of the bonus yet, but is looking at a one-time bonus for full-time employees and probably about half that amount for part-time employees that are working a certain number of hours over the course of the year.

Councilor Mascarenas said she noticed that available funds for health insurance decreased \$50,000 and asked how the funds would be made up to also cover the health insurance premium increase of 4%. Mrs. Sell responded that the health insurance reserves would cover those.

Purchased services are \$1.4 million and are budgeted to increase 1.5%. Significant changes in purchased services include:

- 911 Dispatch and Communication Center charges increase of \$7,075 (3%)
- Conservation Easement administration reduction of \$6,725 (49%)
- Website development reduction of \$14,000 (100%)
- Flood Plain map revision increase of \$15,000

Mrs. Sell pointed out that the increase of \$7,075 for the 911 Dispatch charges was down from the initially proposed increase of \$33,000. She also noted that the Conservation Easement Administration had a one-time increase to support Mesa Land Trust for a reduction in funds from Mesa County. The website development was a one-time expense in 2015, so that won't be included in the 2016 Budget and the flood plain map cost of \$15,000 is for an engineering study that will be completed next year.

Councilor Mascarenas asked if staff could do the flood plain map study in-house or if staff could get some assistance from Mesa County to do it. Public Works Director Ken Haley responded that the study is actually a FEMA process which will require surveying, and hydraulic mapping of the flood plain, which will be submitted to FEMA. Mr. Haley said this was beyond the ability of City staff, who has not talked to any other outside agencies about any opportunities for shared services.

Mrs. Sell continued that supplies are budgeted to decrease 1%. Significant changes in the supplies budget include:

- Election supplies increase of \$11,000 for the 2016 Municipal Election
- Fuel costs are budgeted to decrease \$14,525 (13%) based on the current price of fuel

Special Projects in the amount of \$140,500 are budgeted to increase 32% over 2015 budgeted expenses. Significant changes in Special Projects include:

- Economic development increase of \$7,425 (added to the City Manager's budget)
- Fireworks display increase of \$4,000 (for both traffic control and the cost to contract the fireworks)
- Priority-based budgeting increase of \$15,000 with grant revenue of \$11,250 offsetting the total cost
- Conceptual development plan for lagoon property of \$5,000
- Trail planning of \$5,000

Mr. Bennett noted that in the past years, the City has been able to purchase a certain amount of fireworks for that year that would carry over to the next year, but that has now caught up, so it will be the full cost in 2016.

Mrs. Sell continued that the priority-based budgeting is for consultation from an expert in Fort Collins that will provide some methods for evaluating all the City's programs. She said the Council would be seeing a letter of support to DOLA for a grant to offset approximately \$11,000 of that cost. Mr. Bennett added that he planned to talk a little bit more in detail at the next Council meeting about that and that is no timeline in submitting the grant application to DOLA.

Mrs. Sell noted that there has been a lot of talk about using the lagoon property for commercial development or recreational opportunities, so the conceptual development plan would help come up with some big-picture ideas for the use of the property in future years.

Contingency Funds of \$224,000 (3% of the General Fund operating expenses) are budgeted in 2016 for unanticipated expenses or revenue shortfalls. Use of contingency funds must be approved by the City Council.

The 2015 Budget includes \$465,125 in Capital Equipment acquisitions including:

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| • Weed sprayer on skid | \$3,200 (new) |
| • Computer software/CAD | 7,000 (new) |
| • Computer equipment/VDI server/software | 20,000 (new) |
| • Field Rake for Parks | 17,500 (replacement) |
| • Field Sprayer/Painter | 2,700 (replacement) |
| • Irrigation Pump | 2,500 (replacement) |
| • Computer Equipment | 32,000 (replacement) |
| • Patrol Car | 53,500 (replacement) |

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|----------------------------------|------------------------|
| • Truck, 4 x 4 | \$41,500 (replacement) |
| • Diaphragm pump | 2,350 (replacement) |
| • Street Sweeper | 225,350 (replacement) |
| • Boom and Flail for R-0-W mower | 57,325 (replacement) |

Mrs. Sell noted that the computer equipment/CAD will allow the City Engineer to actually do mapping and design in addition to the GIS software. The VDI server/software will benefit the Fruita Police Department by allowing them to communicate with the in-house server from their vehicles. Mr. Bennett added that this was tied to the changes regarding Fruita going through Mesa County for communications in the past. Fruita PD will now be able to communicate directly with Grand Junction and this is the last major step that Fruita has to take to have the direct path.

Mrs. Sell added that staff is also working with some of the other outside agencies such as Palisade and De Beque to potentially make the system available to them as well so that they don't have to put out the same hardware and software costs for at least a couple of years. She noted that Fruita uses the same IT staff that these entities use and this could help offset their costs as well. Mr. Bennett added that this would be similar to what the City of Fruita did with the Lower Valley Fire Protection District.

Mrs. Sell explained that the City's replacement equipment is equipment that is funded through the City's Capital Equipment Replacement Fund (CERF) program and includes equipment that needs to be replaced (listed above).

Mrs. Sell's presentation also included a chart of General Fund expenses by Department. The biggest categories for these expenses include Public Safety at 28%, Public Works at 22% and Parks and Recreation at 13%.

Available funds are budgeted at \$5 million as of December 31, 2016. Available funds include:

- Restricted funds of \$400,000 as required by TABOR for emergency reserves
- Committed funds of \$1.7 million are funds that can only be used for specific purposes as determined by formal action of the City Council and include the 25% operating reserve
- Assigned funds of \$1.1 million are funds assigned by the City Manager for specific purposes such as the Capital Equipment Replacement Fund (CERF), health insurance reserves and amounts designated for capital projects, as well as other uses
- Unassigned funds of \$1.8 million represent funds that are available for any purpose
- Non-spendable funds of \$2,098 represent amounts that are not in spendable form and include the inventory of fuel

Councilor Mascarenas asked what percentage of the total budgeted amount of available funds are made up of reserve funds. Mrs. Sell estimated that it would be about 65% for total reserves. She said committed reserves are about 25%, but then there are other reserves.

The summary of the City's use of Available funds in 2016 is as follows:

Unassigned – contingency	\$(179,325)
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Unassigned – capital projects	(176,923)
Operating reserve	48,125
Capital projects	(450,577)
Vehicle/Equipment replacement	(75,525)
Supplemental health insurance	(21,000)
Health insurance premiums	<u>(30,000)</u>
	\$(885,225)

Mrs. Sell explained that the supplemental health insurance program is where the City can offset a portion of the deductible for employees' health insurance costs. This has been done every year and is taken out of the supplemental health insurance. The health insurance reserve is estimated to be about \$450,000 at the end of 2016. Currently, it is about \$500,000. It was set aside several years ago and there were discussions about using that reserve to offset increases in health insurance over a period of time.

Councilor Mascarenas said that she would like to sit down with Mrs. Sell and Human Resources Director Odette Brach to see where the City is at regarding health insurance and if employees are using the Access Clinic and how that program is working.

Mrs. Sell stated that the main thing staff is seeing in the increases in health insurance is related to prescriptions. She said prescription costs are almost half of what was paid out for health insurance claims.

Councilor Mascarenas asked if the health insurance provider uses Welldyne. Mrs. Sell stated that they do, and noted that as of January 1, 2016, the health insurance provider will be excluding Walgreens from their prescription services to try and control those costs.

Mrs. Sell stated that this was the snapshot of the General Fund, although there was a lot more detail involved with the various departments and goals they hope to accomplish next year.

Mrs. Sell also stated that she would be presenting the City's fee ordinance and asked if the Council had any issues or concerns with charging a convenience fee for online credit card payments. Currently, the City pays about \$2.60 per transaction and as a governmental entity, the City is allowed to offset the transaction fee by passing it on to the customer.

Councilor Mascarenas asked if this went against TABOR. Mrs. Sell responded that it would be an increase in revenue and if Fruita were not de-Bruced, it could potentially be a problem. She said she did not expect these revenues to be that significant, although the City does pay \$10,000 to \$15,000 per year in credit card transaction fees.

9. COUNCIL REPORTS AND ACTIONS

COUNCILOR KINCAID

Councilor Kincaid reported that at the last Tourism Advisory Council meeting, board members talked about all the changes they have been making to their budget. He said he sent all the

comments that were received on the logo design concepts to Josh from Western Colorado Community College and Josh responded that he felt bad for Fruita because everybody has valid points on why they like what they like. He said it was going to be a tough decision, if one is made. Councilor Kincaid said he'd really like to see the WCCC students work on the project through the rest of the semester and that he would be bringing more to the Council as it becomes available. He asked the other Council members if they preferred to meet with WCCC in person or if they wanted to keep sending comments via e-mail.

Mayor Buck said she felt that e-mail was the best way to communicate.

Councilor Kincaid said he has been impressed with what the students have done and he knows it's going to be a tough thing for the Council to agree upon.

Councilor Kincaid said he would let Mr. Bennett speak about the meeting that both of them had attended earlier in the day regarding economic development and the North Star/Chabin marketing efforts. He said his personal opinion was that the whole thing was running in circles.

COUNCILOR MASCARENAS

Councilor Mascarenas reported that she attended the Transportation Roundtable meeting on October 26th. Councilor Fuller attended as well and gave very good insight as far as what CML is looking at legislatively. She said there was a great attendance; Mike Lewis the Deputy Director of CDOT was there, as was the new Colorado Transportation Commissioner Kathy Hall, Senator Ray Scott, all three local Chambers of Commerce, all the Grand Valley Regional Transportation Committee (GVRTC) members, representatives from Colorado Mesa University, and local CDOT staff. Councilor Mascarenas said it was great to hear everyone's needs and it was interesting to hear from Senator Scott about budget shortfalls. Councilor Mascarenas said it is not likely that there will be a sales or gas tax increase and it sounds like the Transportation Commission is not going to entertain anything other than some potential bonding for a couple of projects. She said the outlook was kind of bleak and Senator Scott didn't really offer any words of hope. Councilor Mascarenas said it was clear that many decisions are made before the legislative session.

Councilor Mascarenas stated that the staff at GVRTC did a great job communicating their frustrations to Senator Scott such as the Davis-Bacon wages issue, which really hurts when funding is tight and the fact that there is a percentage on some of the big projects that use federal funds that must be spent on art. Councilor Mascarenas said when money was plentiful, that was a great idea, but not right now.

Councilor Mascarenas said it was interesting how CDOT talks quite a bit about the comparison to Utah at the state level because Utah is doing a lot of the state-of-the-art projects and is very focused on transportation.

Councilor Fuller noted that Utah has three times the budget that Colorado does for transportation.

Councilor Mascarenas agreed; saying she thought Utah has a \$3 billion budget while Colorado has a \$1.2 billion budget, so that does make a difference.

Councilor Mascarenas also reported that a few days later, she flew to Denver for the Transportation Summit, which she said was really interesting. She added that the U.S. Secretary of Transportation Anthony Fox was in attendance and was pretty blunt about our nation's disregard for transportation or at least not making it a higher priority. Governor Hickenlooper was in attendance at the meeting also, as were keynote speakers who are doing some amazing technical brainstorming. The CDOT Executive Director was also there, as was the Mayor of Denver.

Councilor Mascarenas continued that she went to two sessions out of four and a lot of it was based on technology. CDOT is going to be rolling out the RoadX project and Andie Staley will be the representative of RoadX for Region 3. Councilor Mascarenas said that CDOT is working with some private companies on trying to link semi trucks with Wi-Fi to save fuel and improve safety.

Councilor Mascarenas stated that Oregon is doing a pilot project (volunteer) where they put a device in your car that tracks Vehicle Miles Traveled and some people would see a savings by getting money back if they don't travel very much, and if a person travels over a certain amount, then they would have to pay a certain amount (although no one is required to pay during the pilot program). Oregon's legislative body is actually looking at enacting the program and making it a requirement. Councilor Mascarenas noted that private companies were at the Transportation Summit showing these types of different technologies that will be a part of the future of transportation.

COUNCILOR MULDER

Councilor Mulder noted that at about 10:00 p.m., the results of the Mesa County general election would be in and everyone would know whether the school board is going to be ongoing and perpetual or whether it's going to be settled, as well as the results concerning the TABOR question.

Councilor Mulder stated that he missed the Boards and Commissions Appreciation Night the previous night, but he understood the dessert was good and hoped everybody had a good time.

Councilor Mulder also stated that in regards to employee compensation, he thought Christmas Eve was a good time for it.

Councilor Mulder noted that the 5-2-1 Drainage Authority would be having their board meeting on the following Tuesday and asked if anyone had any input they wanted him to take to the meeting. He said the board would be discussing the fee structure, if the fees are in fact going to be implemented.

COUNCILOR BONAR

Councilor Bonar said that the pies were good at the Boards and Commissions Appreciation Night.

MAYOR BUCK

Mayor Buck asked if there were any other thoughts about the Christmas Eve thing. Councilor Kincaid said he thought it sounded good. Mayor Buck said she thought it was reasonable.

Mayor Buck noted that the attendance at the Boards and Commissions Appreciation events is getting lower and lower, so she would love for the Council members to talk to their board members and ask them what they want. She said one possibility could be that the Council members show up to each Board's meeting once per year with a tray of cookies or something.

Councilor Kincaid noted that the Police Commission was the only board that had all of its members attend the Boards and Commissions Appreciation Night.

Mayor Buck noted that the Police Commission only meets once every other month, so maybe it was a matter of being a time issue.

Mayor Buck requested feedback on the matter fairly soon.

Councilor Kincaid noted that there was only one member from the Parks and Recreation Advisory Board and two members from the Tourism Advisory Council attended the Appreciation Night. He added that the Tourism Board is actually having problems with getting board members to come to their regular meetings.

Councilor Harvey said that the Downtown Advisory Board's members all have young kids. Mayor Buck said that the members are supposed to bring their kids to the Appreciation Night. Councilor Harvey commented that he and his wife are constantly busy with their kids' various activities and it is difficult to find extra time, so he thought this could be part of the issue with that board.

Councilor Mulder asked if the Downtown Advisory Board had ordered the Christmas trees yet. Councilor Harvey responded that the Future Farmers of America (FFA) will be supplying the trees.

10. CITY MANAGER'S REPORT

City Manager Mike Bennett reported that the Mesa Land Trust Annual Open House 35th Anniversary Celebration would be held on Friday, November 6th.

Mr. Bennett said he wanted to emphasize a few events that would be coming up:

- On November 5th, Councilor Fuller, Mr. Bennett, Ture Nycum and Frank Ladd would be attending the Associated Governments of Northern Colorado (AGNC) Economic Development Summit.
- On November 12th, Mr. Bennett, Mayor Buck, Ken Haley and Ture Nycum would be meeting with officials from CDOT via video conference in response to a letter that Mayor Buck sent to the Governor related to all of Fruita's efforts with economic development and biking. This resulted in CDOT wanting to talk to the City of Fruita about those efforts.
- On that same day (November 12th), Luis Benitez will be in town to meet with the Grand Valley Outdoor Coalition, which is made up mainly of event organizers and businesses out of the Grand Junction area that are in the outdoor industry. Mr. Bennett explained that the Coalition is trying to convince elected officials in the valley to give outdoor recreation a

bigger voice in economic development. The Coalition's plan is to have this meeting in Grand Junction and then have another in Fruita next spring, as well as one in Palisade next fall. Mr. Bennett said he thinks it will be a great opportunity for Fruita to have the biggest showing to illustrate that Fruita considers outdoor recreation, economic development, quality of place and tourism a top priority. He asked that Council members try to attend. Many City staff members plan on attending.

Mr. Bennett said he was still pretty excited that Fruita won the "Best Adventure Town" in Colorado in the November issue of Outdoor Elevation Magazine.

Mr. Bennett noted that normally, the City Council does not hold a workshop session in December (due to the holidays) and added that because staff and the Council have already covered all the main areas of the budget, and because the public hearing on the budget would be at the next regular Council meeting, after which any requested changes could be made, he thought it would be all right to cancel the November workshop session as well. He said there were only a few items being considered for the agenda that could easily be moved to the January workshop session because they are not extremely time-sensitive.

Councilor Harvey said he would be in favor of cancelling the November workshop since he had holiday plans. Mayor Buck agreed. There were no objections from the other Council members.

Mr. Bennett said staff would move forward with cancelling the November Council workshop session.

Mr. Bennett continued that staff received fee notices from the Grand Valley Drainage District, which are not bills, but notices of what the drainage fees will look like for next year. The information that staff has at this point is that the GVDD will begin billing in February of 2016 and the City of Fruita will receive 55 bills for 55 various properties totaling \$19,485, which is a little less than the original estimate that staff received.

Mr. Bennett reviewed the status of the branding effort in the valley. The Economic Development (ED) Partners (GJEP, Business Incubator, the cities, Mesa County and the Chamber) were meeting and subsequently giving their input on branding, which was that it would make sense if the intent and the goal of the study done by Chabin Concepts and North Star Resource Group is an economic development brand for the region; that it should be something that all the entities would easily be able to fit under and not be specific to one entity. The ED Partners made the pitch that the name "Colorado's Grand Valley" would be something that all entities could be a part of, but somewhere along the line, North Star presented to the City of Grand Junction's City Council that everybody was on board with the name "Greater Grand Junction Region."

Mr. Bennett continued that there was a Marketing Committee made up of a small group of professionals in the area (including Councilor Kincaid) that was asked to be a "sounding board" for what North Star was presenting. He noted that the committee was not given a lot of direction on what to do and they were begin asked to make decisions, although they pointed out that they were supposed to be just a "sounding board."

Mr. Bennett said that one of the City Council members from Grand Junction (Rick Taggart) realized that the branding name of “Greater Grand Junction Region” was not the ED Partners’ recommendation, so a meeting was called for the Marketing Committee and the ED Partners and it was unanimous that the preferred marketing name would be “Colorado’s Grand Valley.” Mr. Bennett added that they didn’t even have North Star present the logos or anything and were going to go the City of Grand Junction’s City Council to inform them that the Marketing Committee and the ED Partners were not on board with the name “Greater Grand Junction Region,” which seemed to be a miscommunication somewhere along the line.

Councilor Kincaid said that the Marketing Committee’s whole point was that the recommendation for the name would be “Western Colorado” or something that was more regional, but then when the presentation was made, it was obvious that it was very pinpointed towards the City of Grand Junction. He added that North Star was arguing with the Marketing Committee that they had approved the name “Greater Grand Junction Region,” and North Star’s representative did not want to change it because he said there was a reason they did it that way. Councilor Kincaid said he felt that it wasn’t about what the Marketing Committee or the ED Partners wanted, it was about what North Star wanted and this was his biggest problem with it.

Councilor Kincaid noted that it was the City of Grand Junction and Mesa County who paid for the study done by Chabin Concepts/North Star. He said this why the ED Partners and the Marketing Committee felt that if Grand Junction wanted to use the name “Greater Grand Junction Region,” then that was their right, and this is probably where the confusion came in as to whether all entities were in support of it or not.

Mr. Bennett agreed and stated that although all entities were invited to give their feedback, they were still saying that ultimately, it was the people who were paying for the study that should make the decision and that would be respected. He added that the entities opinion would be however, that they are probably not going to use the name “Greater Grand Junction Region” very often.

Mayor Buck noted that the Economic Roundtable meeting was scheduled for the following day and asked if anyone else was attending. She said she and the City Manager would be attending and the intent was to say, “here’s what we were told we needed to do, now how are we going to pay for it?” She said she wondered if the name was going to be changed to something like “Colorado Grand Valley” that there would be a request that the City of Fruita figure out a way to put a little money towards the study as well.

Councilor Fuller announced that effective at the end of the year 2015, he was going to be resigning from the Fruita City Council. He said he would be putting his house on the market soon because he and his wife are moving to Pueblo to help care for her parents.

Mayor Buck stated that Councilor Fuller was a very valuable part of the City Council team.

Councilor Mulder said that now that gasoline was approaching the \$1.99 mark, he wondered if the City of Fruita ought to at least talk about putting a penny per gallon gas tax on gasoline in Fruita.

Councilor Bonar said he thought that would have to go to a vote of the people. City Clerk Margaret Sell said she didn't know if the City could do that, but it would be a TABOR tax issue.

Councilor Bonar asked that if there was a consensus to move forward with that (assuming it was legally permissible and economically feasible) and it could be placed on the April municipal election ballot, what would the timeline be in order to get that accomplished?

Mrs. Sell responded that it might even be too late to get the question on the ballot because the City would need to adopt an Ordinance first, unless the City Council wanted to adopt an Emergency Ordinance. She said it would be difficult to do because staff would also need to do more research and added that it was something that she had never seen done in her tenure of being employed with the City.

Councilor Mulder noted that the state put a \$0.10 per gallon tax without even publicizing it.

Councilor Bonar said he was asked by someone how many signatures are needed on a petition for a citizen ballot initiative and what the timeline and process was on that.

Mrs. Sell responded that the number of signatures required is based on a percentage of the number of voters from the last election, which she would have to research.

Councilor Bonar asked Mrs. Sell to research it and send him the information.

Mrs. Sell noted that with a citizen-initiated ordinance, the City Council has the option of approving an initiative ordinance or referring it to the voters, except that if it was a TABOR or tax issue, the Council could put the question on the ballot, but could not just approve it themselves.

11. ADJOURN

With no further business before the Council, the meeting was adjourned at 8:29 p.m.

Respectfully submitted,

Debra Woods
Deputy City Clerk
City of Fruita