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**CITY COUNCIL AGENDA
WEDNESDAY, MARCH 25, 2020
250 NORTH 5TH STREET
6:00 PM – SPECIAL MEETING – CITY HALL AUDITORIUM**

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

Call to Order, Pledge of Allegiance, Moment of Silence

Citizen Comments - SUSPENDED

Until further notice the City Council will, in the interest of public health and safety, be changing its procedure for Council meetings. City Council may hold virtual meetings appearing by telephone or video conferencing. The City is endeavoring to provide alternatives to in-person attendance for City Council, City staff and members of the public to prevent the possible spread of COVID-19.

In lieu of in person attendance, the public may listen to/view Council meetings on television on Charter channel 191 or online via live streaming at www.gjcity.org. The public may contact City Council and/or City staff by e-mail regarding items on an agenda at www.gjcity.org. Electronic communications will be distributed to the person(s) to whom addressed and Council and staff will try and respond as quickly as possible.

For information about COVID-19 and the City's planning and preparedness in response to the virus outbreak, please go to www.gjcity.org.

REGULAR AGENDA

If any item is removed from the Consent Agenda by City Council, it will be considered here.

1. Other Action Items

- a. An Emergency Supplemental Ordinance to Appropriate \$4,400,000.00 from the City General Fund Reserve to Support the City's Economic Stimulus and Recovery Response Fund in the City of Grand Junction, Colorado

2. Other Business

3. Adjournment



Grand Junction City Council

Regular Session

Item #1.a.

Meeting Date: March 25, 2020

Presented By: Greg Caton, City Manager

Department: City Manager's Office

Submitted By: Jodi Romero, Finance Director

Information

SUBJECT:

An Emergency Supplemental Ordinance to Appropriate \$4,400,000.00 from the City General Fund Reserve to Support the City's Economic Stimulus and Recovery Response Fund in the City of Grand Junction, Colorado

RECOMMENDATION:

Staff recommends adoption of the emergency ordinance.

EXECUTIVE SUMMARY:

The purpose of this item is to adopt an emergency ordinance that creates an emergency fund for expenditures related to economic stimulus and recovery.

BACKGROUND OR DETAILED INFORMATION:

The coronavirus pandemic has created challenges for the Grand Junction community by causing both a public health and economic crisis locally. This crisis is formalized by the following declarations:

- On March 10, 2020, Governor Polis issued an Executive Order declaring a State of Emergency in response to the novel coronavirus of 2019 (COVID-19) pandemic.
- On March 13, 2020 President Trump declared a national emergency in response to the COVID-19 pandemic.
- On March 23, 2020 the Grand Junction City Council declared a local emergency due to the health and economic impacts of the COVID-19 pandemic.

The City of Grand Junction understands that some individuals in Grand Junction have been negatively impacted by losing their jobs. As a part of a comprehensive economic

response to the COVID-19 pandemic, the City of Grand Junction is implementing creative solutions to real problems.

Pursuant to the local declaration of emergency, and by and with this emergency ordinance, the City is authorized to assist persons impacted by complying with the Federal, State or local public health official's imposition or recommendation of social distancing, self-quarantine, business closures and other measures related to COVID-19 that have direct and indirect impacts on business and economic conditions.

This emergency supplemental appropriation provides, upon passage of the ordinance, for the disbursement of funds to set up the City Economic Stimulus and Recovery Response Fund. The Fund will add \$4,400,000 to the General Fund 100 for the emergency, temporary employment by the City of up to 400 persons for up to 90 days to perform necessary maintenance, repair and improvement of City parks, trails and facilities that has heretofore not been completed, been deferred or otherwise has not been accomplished.

The City Manager shall offer temporary employment to persons to perform work which may include but not be limited to:

- crack fill operations
- alley clean up; cutting weeds, litter removal, and grading
- street clean up; trash removal, hand sweeping, cleaning roundabouts, islands and barriers
- transportation and traffic; street light verifications, sign reflectivity
- storm water infrastructure; ditch, culvert and catch basin maintenance
- sidewalk repair and maintenance; identify and mark trip hazards, grinding sidewalks
- landscape maintenance; planting, nursery operations, turf and field maintenance
- sanitation; replacing trash can lids
- graffiti removal
- painting; buildings, fences, sign posts and other maintenance of City facilities
- cleaning street art
- Riverfront cleanup and maintenance
- installation of fitness stations in park
- trail, playground, and park maintenance
- tamarisk removal
- scanning and archiving records
- vehicle washing and detailing
- assistance in vehicle parts shop
- water meter replacements
- any other work deemed necessary and appropriate by the City Manager in light of need, social distancing and other protocols now in place or applicable to the mitigation of the spread of COVID-19.

This action is unprecedented; however, it is wholly consistent with the City's Strategic Plan. The adoption of this ordinance furthers the City's partnership with the community.

FISCAL IMPACT:

This emergency supplemental appropriation provides, upon passage of the ordinance, for the disbursement of funds to set up the City Economic Stimulus and Recovery Response Fund. The Fund will add \$4,400,000 to the General Fund 100 for the emergency, temporary employment by the City of up to 400 persons for up to 90 days to perform necessary maintenance, repair and improvement of City parks, trails and facilities that has heretofore not been completed, been deferred or otherwise has not been accomplished.

The 2020 financial impact for the City of Grand Junction from the COVID-19 pandemic has been analyzed by estimating the net impact to the General Fund Reserve based on reduced revenues due to the economic crisis and corresponding reduction in expenses based on spending measures implemented by the City organization. The impact is based on current information and is calculated using minimums and maximums to anticipate a range of potential impact as follows. Note that this analysis does not include expenses funded separately by the First Responder Tax.

REVENUES: The potential reduction of General Fund revenues was calculated using minimum and maximum assumptions based on the type of revenue (ie. sales tax, ambulance transport, recreation fees, etc.). For example, sales and use taxes which are the majority revenue source for the General Fund were estimated at a minimum of a 10% reduction to a maximum of 25%. For comparison, during the last recession sales and use tax revenues dropped by the most significant amount in a 30 year period falling by 21% over a two year period. Using a 25% reduction also equates to losing an entire quarter of revenues. For other revenues such as property taxes, a reduction range of 5% to 10% was used. **In total the estimate for revenue reduction ranges from \$6.5 million to \$15.7 million.**

EXPENSES: Over a month ago, the City Manager instituted slowing of spending in order to prepare for an expected revenue reduction. The potential spending savings for General Fund expenses was also calculated using minimum and maximum assumptions. The largest expense for the General Fund is labor, and based on a detailed analysis to project labor savings due to vacancies and a hold on some position hiring, potential savings range from \$2 million to \$3 million. For other expenses such as operating and internal service charges including technology and fleet, a savings range of 5% to 10% was used. **In total the estimate for expense savings ranges from \$4.2 million to \$6.8 million.**

NET IMPACT TO GENERAL FUND RESERVE BALANCE: Combining the estimated range of revenue reductions with the estimated expense savings results in a **net impact or use of General Fund Reserve between \$2.3 million and \$8.9 million.**

GENERAL FUND RESERVE: The General Fund Reserve at 12/31/2019 (pre-audit) is projected to be \$29.2 million. The General Fund Reserve Policy sets a minimum reserve at 20% of operating expenses and authorizes the City Council to use funds above the minimum for the purposes described here as emergency economic stimulus and recovery response. Based on the net impact described above, the **funds available above the minimum reserve (after the use of reserve for the economic impact) ranges from a high of \$14.2 million to a low of \$6.5 million.** Therefore based on this analysis there is sufficient funds available to fund the City Economic Stimulus and Recovery Response Fund as proposed.

SUGGESTED MOTION:

I move to (adopt/deny) Ordinance No. 4914, an Emergency Supplemental Ordinance to appropriate \$4,400,000.00 from the City General Fund Reserve to Support the City's Economic Stimulus and Recovery Response Fund in the City of Grand Junction, Colorado on final passage and order final publication in pamphlet form.

Attachments

1. ORD-Emergency Appropriation032220

ORDINANCE NO. _____

**AN EMERGENCY SUPPLEMENTAL ORDINANCE TO APPROPRIATE \$4,400,000.00
FROM THE CITY GENERAL FUND RESERVE TO SUPPORT THE CITY'S
ECONOMIC STIMULUS AND RECOVERY RESPONSE FUND
IN THE CITY OF GRAND JUNCTION, COLORADO**

RECITALS:

On March 10, 2020, Governor Polis issued an Executive Order declaring a State of Emergency in response to the novel coronavirus of 2019 (COVID-19) pandemic

On March 13, 2020 President Trump declared a national emergency in response to the COVID-19 pandemic.

On March 23, 2020 the Grand Junction City Council declared a local emergency due to the health and economic impacts of the COVID-19 pandemic.

Pursuant to the local declaration of emergency, and by and with this emergency ordinance, the City is authorized to assist persons impacted by complying with the Federal, State or local public health official's imposition or recommendation of social distancing, self-quarantine, business closures and other measures related to COVID-19 that have direct and indirect impacts on business and economic conditions.

The temporary assistance afforded by this ordinance includes the creation of an emergency fund ("Economic Stimulus and Recovery Response Fund" or "Fund") in the City's budget for expenditure for the expenses directly and indirectly related to economic stimulus and recovery in the City of Grand Junction.

The City Manager is authorized to expend the Fund for temporary employment of unemployed City residents experiencing job loss, reduction in hours and/or other significant economic disruption, hardship or consequences. The Fund shall be solely expended by the City for and in response to unemployment because of the declared COVID-19 emergency.

The City of Grand Junction has the authority pursuant to its Charter, ordinances and law to declare a state of emergency when it appears that the general health, safety and welfare of the inhabitants of the City are threatened. The threats of the COVID-19 virus emergency are not just related to people's health but instead, and possibly to a much greater extent, relate to their economic health and well-being.

Given the unprecedented economic impacts, some of which are known and some of which remain unknown, of the COVID-19 outbreak on the local, regional, State and national economy the City Council finds and determines that an emergency appropriation is necessary, proper and that adoption of this ordinance will further the general health, safety and welfare of the community.

This ordinance appropriates a certain sum of money to defray the expenses and liabilities of the Fund. Furthermore, the 2020 budget shall be deemed to be amended for labor, equipment and capital expenses for the performance of projects that persons employed pursuant to the Fund may perform, all as specifically or generally stated in the ordinance.

Supplemental appropriations are required to ensure adequate appropriations by fund. If a new project or spending is authorized by City Council a supplemental appropriation is required for the legal authority to spend the funds. This ordinance confirms that authority and the City Manager is directed to forthwith develop and implement a plan for the expenditure of the Fund.

This emergency supplemental appropriation provides, upon passage of the ordinance, for the disbursement of funds to set up the City Economic Stimulus and Recovery Response Fund. The Fund will add \$4,400,000 to the General Fund 100 for the emergency, temporary employment by the City of up to 400 persons for up to 90 days to perform necessary maintenance, repair and improvement of City parks, trails and facilities that has heretofore not been completed, been deferred or otherwise has not been accomplished.

The City Manager shall offer temporary employment to persons to perform work which may include but not be limited to:

- crack fill operations,
- storm water infrastructure (ditch, culvert and catch basin) maintenance,
- sidewalk repair and maintenance,
- landscape maintenance, planting, nursery operations, turf and field maintenance,
- graffiti removal,
- painting (buildings, fences, sign posts) and other maintenance of City facilities,
- cleaning street art,
- Riverfront cleanup and maintenance, and
- any other work deemed necessary and appropriate by the City Manager in light of need, social distancing and other protocols now in place or applicable to the mitigation of the spread of COVID-19.

This action is unprecedented; however, it is wholly consistent with the City's *Strategic Plan*. The adoption of this ordinance furthers the City's partnership with the community. As stated in the *Plan* the City

“... views partnership in its broadest sense and not merely through the lens of delivering municipal services. Partnership with a common purpose is the key to success with public and private collaboration. Whether evaluating opportunities for shared services, partnering for economic development, or creating a shared vision for the future of our community, we recognize that our residents will be best served as we work together with other organizations to find solutions. We take every opportunity to celebrate past successful partnerships to build momentum for future collaboration.”

The adoption of this ordinance is fiscally responsible. In this time of emergency, it would in fact be irresponsible to not adopt this ordinance. The approval of the ordinance will help to stabilize some people and in turn some businesses and in turn blunt the impact of the emergency. According to City Council policy, City reserves are for a “rainy day”- the COVID-19 emergency

necessitates expenditure of reserves so in the near and longer term future the economy may recover faster and stronger than if the Fund is not expended. As stated in the *Plan*

“The foundation of effective local governance is trust. To continue to build the trust placed in us by our citizens, we must be responsible stewards of the resources entrusted to our care. Because of limited resources, we must be effective in prioritizing our spending to focus on the things that citizens have identified as most important. As we establish plans and priorities, we do so with an eye to the future. It is not enough to merely find a way to fund a new project or amenity. We must also ensure that we are planning for long-term ongoing operations and maintenance with each item that we prioritize.”

The adoption of this ordinance serves to communicate with and engage the community at a time and under circumstances of severe need. As stated in the *Plan* the City will act to “build trust and ensure we continue to focus limited resources on our community’s highest priorities.”

Appropriating funds to the Economic Stimulus and Response Recovery Fund is a high, if not highest priority of the community.

With the adoption of this ordinance the City Council is endeavoring to serve the people that make this community great. As stated in the *Plan*

“Grand Junction was founded by innovative leaders, ready to lead the way to a new future. Our city continues in that tradition of leadership today. We are not content to wait around for the future, but rather desire to actively shape it. Our City holds a key position in the region. We must be a driving force in issues of regional importance and play a leading role in the growth occurring on the Western Slope. We will do this by setting an example of how local government should operate – in our conduct, in our words, and in our ideas. The status quo will not satisfy us, nor will it work, as we continue to push ourselves outside of our comfort zone to be innovative leaders.”

At the March 23, 2020 public hearing the City Council considered the foregoing Recitals, the purposes of this Ordinance and the importance of it to the Community and determined that an appropriation in the sum of \$4,400,000 is necessary and proper given the current emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

That the following sum of money be appropriated from unappropriated fund balance and additional revenues to the Fund indicated for the year ending December 31, 2020, to be expended from such funds as follows:

Fund Name	Fund #	Appropriation
General	100	\$4,400,000.00

Applicability, declaration of emergency and effective date.

City Council hereby declares that a special emergency exists and that this ordinance is necessary to ensure the preservation of the peace and the public health, safety and welfare by effectuating the Council's publicly articulated purposes as stated herein and in the Declaration of Emergency of even date herewith.

In declaring a special emergency, and by and with the adoption of this ordinance, the City Council is conscientiously stewarding the public's funds by infusing funds into the economy through the emergency, temporary employment of persons experiencing job loss, reduction in hours and/or other significant economic disruption, hardship or consequences because of the declared COVID-19 emergency.

This Ordinance, immediately on its final passage, shall be recorded in the City book of ordinances kept for that purpose, authenticated by the signatures of the Mayor and the City Clerk. The full text of the amending ordinance, in accordance with the Charter of the City of Grand Junction, is to be published in full.

This Ordinance shall apply to the City of Grand Junction. This Ordinance shall take effect immediately upon passage and with the unanimous approval of City Council.

Severability.

This Ordinance is necessary to protect the public health, safety and welfare of the residents of the City. If any provision of this Ordinance is found to be unconstitutional or illegal, such finding shall only invalidate that part or portion found to violate the law. All other provisions shall be deemed severed or severable and shall continue in full force and effect.

Rick Taggart
President of the Council

ATTEST:

Wanda Winkelmann
City Clerk