To access the Agenda and Backup Materials electronically, go to www.gjcity.org

GRAND JUNCTION CITY COUNCIL
MONDAY, JANUARY 8, 2024
WORKSHOP, 5:30 PM
FIRE DEPARTMENT TRAINING ROOM AND VIRTUAL
625 UTE AVENUE

1. **Discussion Topics**

    a. CMU Proposal

    b. Tax-Exemption for Secondhand Stores

2. **City Council Communication**

    An unstructured time for Councilmembers to discuss current matters, share ideas for possible future consideration by Council, and provide information from board & commission participation.

3. **Next Workshop Topics**

4. **Other Business**

What is the purpose of a Workshop?

The purpose of the Workshop is to facilitate City Council discussion through analyzing information, studying issues, and clarifying problems. The less formal setting of the Workshop promotes conversation regarding items and topics that may be considered at a future City Council meeting.

How can I provide my input about a topic on tonight's Workshop agenda?
Individuals wishing to provide input about Workshop topics can:

1. Send an email (addresses found here https://www.gjcity.org/313/City-Council) or call one or more members of City Council (970-244-1504);

2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.

3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 6 p.m. at City Hall) and provide comments during "Public Comments."

Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: January 8, 2024

Presented By: City Council

Department: City Council

Submitted By: Johnny McFarland, Asst. to the City Manager

Information

SUBJECT:

CMU Proposal

EXECUTIVE SUMMARY:

CMU has proposed a partnership with the City to fund a Mental Health Provider Retention program. The proposal requests a one-time contribution by the City of $500,000. Funds would be used to incentivize qualified individuals to remain in Grand Junction by providing financial assistance to attract and retain mental health social workers in the nonprofit sector to address local mental healthcare needs.

BACKGROUND OR DETAILED INFORMATION:

Colorado Mesa University (CMU) has proposed a partnership with the City to develop a Masters of Social Work Student Loan Repayment Program to provide financial support to CMU MSW graduates committed to working in nonprofit organizations within the Grand Junction community. The program will offer eligible applicants financial assistance annually for three years. The goal is to attract and retain mental health social workers and address the significant need for mental health services in the City.

The program would award successful applicants $10,000 annually for three years as long as they remain employed in the local mental healthcare field. Funding would be disbursed subject to performance review and verification of continued employment with a Grand Junction-based nonprofit. Participation would be limited to ten participants per year initially and may be renewed after the initial three-year period based on success and impact on the community.

CMU requests $500,000 to seed the program, beginning with 10 applicants in year one and adjusting as funding allows.

FISCAL IMPACT:

There is no fiscal impact as a result of this discussion.

SUGGESTED ACTION:

This item is for Council discussion only.

Attachments

1. MSW Partnership Proposal 11.29.23

GROWING OUR OWN: MENTAL HEALTH PROVIDER RETENTION PARTNERSHIP PROPOSAL
DECEMBER, 2023

Needs of Western Colorado

In Western Colorado, the Community Health Needs Assessment (CHNA) clearly shows that the demand for mental health providers is high. The use of mental health crisis services has doubled in the past two years. Unfortunately, the region has only six designated psychiatric beds per 100,000 residents. On average, there are 8-12 people on the wait list for inpatient psychiatric care at all times. Residents of Mesa County reported several barriers to accessing mental health services including wait time (62%), lack of access to desired providers (25.1%), and inability to access outpatient mental health services (81%). Between 2017 and 2020, the Mesa County Sheriff's Office experienced a 164% increase (from 331 to 873) in reported incidents with "mentally unstable subjects." This challenge impacts every law enforcement agency in the Grand Valley and underscores a substantial need for mental health services in the region.

Additional findings from the CHNA show 37% of local high school students reported extreme, long-lasting feelings of sadness or hopelessness. In addition, 8.6% of students reported a suicide attempt, compared to 7.6% of students in the state of Colorado. In our community alone, the overall suicide rate (34.7 per 100,000 people) is more than double the rate of the nation (13.4 per 100,000) according to the Colorado Department of Public Health and Environment.

The Community Health Needs Assessment (2021) also reports 69% of respondents encountered barriers while trying to access mental health care services and identified they do not have permanent housing or are currently experiencing homelessness. Mesa County identified that residents are impacted by stacked disadvantages - e.g., those experiencing high rates of unemployment, single parent families, barriers to access to healthcare, barriers to education, limited food access, limited affordable housing, and poverty.

Shortage of Providers:

The shortage of providers exacerbates and amplifies the needs of community. At any given time, there are approximately 60-80 mental health positions open in the Grand Valley. As of November 20, 2023, there were 108 job postings on Indeed.com for mental health workers within 35 miles of Grand Junction. Due to the rural location, these positions remain without applicants for a long period of time. Simultaneously, according to the U.S. Bureau of Labor Statistics, the social work profession is projected to grow 7%, which is faster than average, by 2032.

CMU Response to Regional Need

The development of the Master of Social Work (MSW) program at CMU began in 2020 in response to the overwhelming needs of the region. The program was approved by the Higher Learning Commission in 2022 and is currently in candidacy status for accreditation by the Council on Social Work Education's Commission on Accreditation. The first cohort of students matriculated in Fall 2022. Ther MSW program has two entry points: The MSW Foundation program (2 years) for students with no prior social work background, and the MSW Advanced Standing program (1 year) for students with a prior social work degree. Anticipated program capacity is 36 students, graduating 24 advanced social workers each spring. Unfortunately, many program graduates leave the community after graduation in pursuit of higher pay and benefits.

Partnership Proposal

In order to incentivize qualified individuals to stay in Grand Junction and bring their skills to bear to meet our urgent community needs, CMU is proposing a partnership with the City of Grand Junction to develop the *Masters of Social Work Student Loan Repayment Program*, herein referred to as the "Program," to provide financial support to CMU MSW graduates committed to working in non-profit organizations within the Grand Junction community. The program will offer eligible applicants funding up to $10,000 per year for a duration of three years. This financial assistance is intended to help attract and retain mental health social workers in the non-profit sector to help address local mental healthcare needs. Given the cost of degree completion, the opportunity cost while enrolled, and the relatively low pay in the profession, many choose a different career path altogether, which makes it even more difficult for us to create a cadre of providers to work in our greatly understaffed region. This program will significantly reduce the educational costs for students while addressing local staffing shortages.

MSW Student Loan Repayment Program Parameters

Financial Assistance: Each successful applicant will receive funds up to $10,000 per year for three years so long as they remain employed in the local mental healthcare field. The funds will be disbursed annually, subject to a performance review and verification of continued employment within a Grand Junction-based non-profit.

Participant Cap: The program will be capped at 10 participants per year to ensure focused support and effective management. In subsequent years, the participant count may increase based on the number of eligible applicants and successful continuation into subsequent program years.

Program Duration: The program is designed to run for an initial three-year period, with an option for renewal based on its success and impact on the community.

Financial Responsibility: While the City of Grand Junction will provide the initial **one-time** seed money to launch the Program, the responsibility for fundraising, program management, and disbursement of funds will be undertaken by Colorado Mesa University. CMU commits to maintaining transparency and accountability in fund management, ensuring that the financial support reaches deserving individuals working in the non-profit sector.

Benefits of the Program

Community Impact: This new partnership encourages talented mental healthcare social workers to contribute to the local non-profit sector and enhances the capacity of non-profit organizations to address community mental healthcare needs.

Talent Retention: The partnership supports retention of skilled professionals within the Grand Junction area and fosters a sense of community and civic responsibility among participants.

Sustainable Development: The partnership strengthens the non-profit workforce, contributing to the long-term sustainability of local organizations.

Budget Overview

The initial **one-time** seed money requested from the City of Grand Junction for the Program's launch is $500,000. This funding will cover the financial assistance to the selected participants, assuming 10 qualified participants in Year 1, with slight attrition in subsequent years as well as new applicants in years two and three. If attrition is less than expected, the number of new applicants for years two and three can be reduced. CMU will cover administrative and promotional costs.

	Year 1	Year 2	Year 3
New Applicants	10	10	10
Continuing Applicants		8	12
Cost (Loan Repayment)	$100,000.00	$180,000.00	$220,000.00

Timeline

December 2023:	Proposal Approval by Grand Junction City Council
January 2024:	Launch of Program Application Process
March 2024:	Application Deadline
April 2024:	Selection and Announcement of Program Participants
May 2024:	Disbursement of Funds to Participants

Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: January 8, 2024

Presented By: Cody Kennedy, Councilmember

Department: City Manager's Office

Submitted By: Jennifer Tomaszewski

Information

SUBJECT:

Tax-Exemption for Secondhand Stores

EXECUTIVE SUMMARY:

Staff received a request from a Councilmember for discussion related to the consideration of a sales tax exemption for secondhand stores. Staff prepared additional information to assist with this discussion.

BACKGROUND OR DETAILED INFORMATION:

Based on the request for consideration of a sales tax exemption for secondhand stores, City staff brought forward additional information to assist with the discussion.

The City collects approximately $675,000 in sales tax per year from approximately 32-34 businesses. These consist of various business types, including pawn shops, high-end antique stores, thrift stores, used sports equipment and game stores, clothing consignment, and auction, and estate sales businesses.

The City Municipal Code identifies items already considered exempt from sales tax. Below are a few of these exemptions, which are listed in Municipal Code section 3.12.070, including:

- All sales of food
- Utilities (such as electricity and gas)
- Sale and purchase of medical supplies
- Direct sale to charitable organizations in conduct of its functions and activities
- Sales made by schools, school activity booster organizations, and student classes if proceeds are used for the benefit of the school or student organization.

It's also important to note that Municipal Code section 3.12.050 states:

"The sales tax levied by GJMC 3.12.030(a) shall apply to the purchase price of the following:
(a) Tangible personal property that is sold, leased or rented, ***whether or not such property has been included in a previous taxable transaction****."*

The last item to consider relates to the 2024 budget. Given the recent changes from the Colorado Legislature special session, which resulted in an estimated decrease in property tax revenues of $600,000, this would further impact the deficit created going into the 2024 budget.

FISCAL IMPACT:

No fiscal impact at this time. This report is for discussion purposes only.

SUGGESTED ACTION:

Staff has no recommendation at this time. This item was presented for discussion purposes and information only.

Attachments

1. The Second Hand Tax Plan
2. 2nd Hand Tax Plan Grant Funding Opportunities 2024.01.03
3. Second Hand Tax Plan 2023.12.18

The Second Hand Tax Plan

Goal: encourage reuse by Grand Junction residents and those who shop in Grand Junction by lowering the effective cost of second hand goods.

Experiment Structure: For a defined period of time, eliminate city sales tax for qualifying items. Observe whether or not sales of secondhand goods increase more than overall sales for the city of Grand Junction. Using reasonable and agreed-to assumptions, estimate the amount of waste diverted from a landfill and estimate carbon emission reduction associated with this diversion. Using this data, determine whether there is a positive, neutral or negative impact to Grand Junction citizens, Grand Junction waste management facilities, and the environment in general.

Qualifying items: any item with a sales price under $5,000 that has previously been sold in a retail setting where sales tax was collected.

- **Includes** consignment sales, antique sales, and items donated to and sold through charity shops.
- **Does not include** items that have been used but not yet sold. For example, a "homemade" blanket used by the person who created it and then sold would not be considered under this program.
    - **Note:** Gear Junction & Grand Valley books both claim it is relatively easy to segregate new vs. used items at the cash register
- **Does not include** items donated to charity organizations by retailers that have not yet been sold. For example, new mattresses sold at Goodwill or unsold clearance items donated to charity shops.
- **Does not include** online purchases of any kind (ThredUp, Poshmark, Ebay, Etc). This program applies only to in-store purchases.

Statistics about waste in the US and Carbon Emissions for various items

Textiles (1): https://theroundup.org/textile-waste-statistics/

- The US generates just over **17 million tons** of textile MSW (Municipal Solid Waste) per year, according to the most recent EPA data.
- That is around **112lb per person**, according to the latest census statistics.
- In the US, **66%** of all unwanted clothes and textiles are landfilled.
- Less than **15%** are recycled.
- The rest (**19%**) are burned.

Textiles (2): end of Wasteland Chapter 5 "If we are able to create a proper circular economy when it comes to clothing, we wouldn't need to produce more clothes for the next thirty years…there are enough clothes produced already."

Jeans(1): https://www.thecommons.earth/blog/understanding-the-carbon-footprint-of-denim

- "…research estimates suggest that a single pair of jeans can have a carbon footprint ranging from 33 to 80 kilograms of CO2 equivalent emissions."

o Jeans (2): https://www.oxfam.org.uk/media/press-releases/making-the-jeans-owned-by-brits-produced-co2-equivalent-to-flying-around-the-world-more-than-2300-times/

- "The figures are astonishing – who knew **making a pair of brand new jeans is like driving 60 miles** in terms of global warming. Continuing on this road is just not sustainable for the planet and everyone who lives on it."
- "According to the latest Levi's estimates (2015, p. 1 of the Appendix), the *lifecycle* **CO2e emissions associated to each pair of jeans amounts to 33.4 kg CO2e; of those, 16.2 kg CO2e** are estimated by Levi's to be *manufacturing emissions* (i.e. created across the stages of fibre, fabric assembly, cut, sew and finish, sundries and packaging)."

Books: https://www.newscientist.com/lastword/mg24933211-400-is-it-better-for-the-planet-to-read-online-or-in-a-paper-format/

- "**A typical paperback book has a climate impact similar to that of watching 6 hours of TV, at around 1 kilogram of carbon dioxide equivalent (CO_2e)**. This unit is a measure of carbon footprint, expressed in terms of the amount of carbon dioxide that would have the same impact over a 100-year period."

Bikes (1): https://road.cc/content/feature/carbon-footprint-bike-294925

- Modone carbon frame: 197kg CO2e
- Average Trek: 174kg CO2e

Bikes (2): drone footage of bike graveyard: https://www.youtube.com/watch?v=Xlms-8zEcCg

Furniture: https://www.cnn.com/style/article/fast-furniture-problem-for-our-planet/index.html

- Americans threw away 12 million tons of furniture in 2018; 80% ended up in a landfill
- That is approximately 73 pounds per person per year

Potential Local Benefits:

- Decrease in local landfill waste
- Increase in sales and profits for retailers selling second hand goods
- Decrease in cost for local residents (lower sales tax plus average lower costs for second hand vs. new goods)
- Increase in local sales due to incentive to buy local and not online
- Increase in income for people who sell clothes via consignment
- Increase in donations to charitable shops
- New option to market Grand Junction as a shopping destination
- Some offset for residents to the tax increase implemented for the rec center
- An opportunity for Grand Junction to set a new trend; to the best of my limited research all states charge sales tax on second hand items. There is one program in Southern California that does not charge sales tax on items purchased at charity shops, so long as the mission of the shop falls within a defined set of guidelines
- https://www.cdtfa.ca.gov/lawguides/vol2/suta/165-0000-all.html#165-0096

Potential regional/global benefits

- Decrease in carbon emissions from fewer items in landfill
- Decrease in carbon emissions from fewer new items produced
- Incentive for retailers to purchase higher quality goods that have resale value rather than following the "fast fashion" trend
- Incentive for county and state governments to consider reducing sales tax on second hand goods. Note: County and state governments may have a higher incentive to do this since they hand back excess money anyway; it would make sense for them to selectively lower taxes that benefit lower income groups.

From:	Greg Caton
To:	Jennifer Tomaszewski; Jay Valentine
Subject:	FW: 2nd Hand Tax Plan Grant Funding Opportunities
Date:	Wednesday, January 3, 2024 8:00:03 AM
Attachments:	image001.png

FYI

Thank you,
Greg

Greg Caton, ICMA - CM
City Manager
City of Grand Junction
O: 970-244-1502
gjcity.org | EngageGJ

From: Cody Kennedy <codyken@gjcity.org>
Sent: Wednesday, January 3, 2024 6:31 AM
To: Anna Stout <annas@gjcity.org>; Abe Herman <abeh@gjcity.org>; Jason Nguyen <jasonn@gjcity.org>; Randall Reitz <randallr@gjcity.org>; Scott Beilfuss <scottb@gjcity.org>; Dennis Simpson <denniss@gjcity.org>
Cc: Greg Caton <gregc@gjcity.org>; John Shaver <johns@gjcity.org>
Subject: 2nd Hand Tax Plan Grant Funding Opportunities

Fellow Council Members,

Here's a link to one of the grants I mentioned during our last workshop that could potentially offset lost revenue from the sale of used goods in our community.
https://www.epa.gov/inflation-reduction-act/inflation-reduction-act-community-change-grants-program

Inflation Reduction Act Community Change Grants Program | US EPA

EPA is seeking input on the Inflation Reduction Act Environmental and Climate Justice (ECJ) Program.

www.epa.gov

This grant would require the city to partner with a community-based organization

(CBO) to receive funding. One CBO that comes to mind is Recycle Colorado (https://www.recyclecolorado.org/). In November I toured the Mesa County Landfill and met a board member with Recycle Colorado during the tour and associated program. I shared the idea of the 2nd Hand Tax Plan with her and she was extremely receptive to the idea and offered to assist with the program.

This grant is designed to help "disadvantaged communities" and those communities "most adversely and disproportionately impacted by climate change, legacy pollution, and historical disinvestment." While I admittedly have no experience in writing grants, I do see the potential for Grand Junction to fit into these categories.

Thank you for your consideration.
Cody

Cody Kennedy

Grand Junction City Council District A

Together, let's do what's best for Grand Junction!

Jennifer Tomaszewski

From:	Cody Kennedy
Sent:	Monday, December 18, 2023 9:04 AM
To:	Council
Cc:	Greg Caton; John Shaver; Jennifer Tomaszewski
Subject:	Second Hand Tax Plan

Fellow Council Members,

I'm adding some information below for your review following regarding this evening's discussion of the Second Hand Tax Plan. My contention is the Second Hand Tax Plan is good for the community of Grand Junction and good for the environment, while asking that the city make a relatively minimal financial sacrifice.

This idea has stuck with me for almost a year, and is something I was thinking about prior to being elected to council. I see it as an experiment that provides a targeted tax cut to people in our community who may need it the most while incentivizing shoppers to consider purchasing items second hand, thereby helping the environment.

This tax cut would help the family who purchases school clothes or birthday presents for their kids from the Goodwill, and hit squarely on the second R of the "three R's" - reduce, **reuse** and recycle. And because information on sales transactions and inventory is readily available, we have a better chance of determining the actual financial and environmental impact of the program compared to other environmental programs already implemented by the city.

Our budget of $322.5 million in 2024 is well designed and balanced, and I'm not suggesting we find the $675K by cutting something important from that budget in the coming year. I propose we consider taking a serious look at potential grant funding through the EPA (see links below) or funding the tax cut out of pocket for 2024, perhaps by implementing a 50% cut in the first year, then 100% in 2025 and 2026, with a sunset provision in 2027. The sunset provision would allow a future city council to reconsider the actual costs vs the realized benefits of the proposal.

Beyond the economics of this proposal, I invite you to consider the message we send to our community by passing this tax cut. We are telling our community that those who may be economically disadvantaged are important and the City is looking for ways to help. We are also recognizing the need for Grand Junction to make choices that will positively impact our environment.

Thank you for your consideration.
Cody

Cody Kennedy
Grand Junction City Council District A
Together, let's do what's best for Grand Junction!

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