

**FRUITA CITY COUNCIL
WORKSHOP
SEPTEMBER 26, 2023
6:30 P.M.**

CALL TO ORDER AND ROLL CALL

The workshop of the Fruita City Council was called to order at 6:30 p.m. by Mayor Joel Kincaid. City Council members present were Mayor Pro Tem Matthew Breman and City Councilors Jeannine Purser, James Williams, Amy Miller, Ken Kreie and Aaron Hancey.

City Staff present were City Manager Mike Bennett, Assistant City Manager Shannon Vassen, Communications and Engagement Specialist Ciara DePinto and Deputy City Clerk Deb Woods.

AGENDA ITEMS

1. PRESENTATION AND OVERVIEW OF CITY MANAGER'S 2024 RECOMMENDED BUDGET (CITY MANAGER MIKE BENNETT) (6:30 – 7:30 PM)

City Manager Mike Bennett provided 2024 Budget highlights as follows:

Municipal Election – For the third time in a row, the City of Fruita will conduct its own Municipal Election. Funding in the amount of \$25,000 has been budgeted for equipment rental, printing, posting and other expenses related to administering the election.

Continued investments in road, bridge and sidewalk infrastructure – The quality of City streets and limiting traffic congestion were the two top goals identified by the public in the 2021 Community Survey. Over the past couple of years, the City of Fruita has invested significant funds and reserves to achieve these goals. Projects and Capital Projects in the 2024 Budget continue these investments for transportation and multi-modal improvements. These projects that can be achieved for the upcoming year include:

- **19 Road Improvements** - \$6.0 million has been budgeted for improvements to 19 Road to include widening and adding a through turn lane, adding a pedestrian path on 19 Road, drainage improvements and more. It is estimated that construction will begin in the fall and the project will be complete in 2025.
- **Road Overlays** - \$560,000 has been budgeted for road overlays, which is an increase of \$260,000 from the prior year.
- **Chip Sealing** – Funding for chip sealing includes \$210,000 and this additional \$60,000 will help to double chipseal South 19 Road on the south side of Fruita.
- **Sidewalk Improvements** - \$50,000 has been budgeted for a safety project at Pabor Avenue and Sycamore Way, along with \$100,000 for annual sidewalk replacement throughout Fruita.
- **Street Striping** - \$71,500 has been budgeted to contract out street striping.

Downtown Improvements – After completing the Mulberry Plaza last year, additional improvements to downtown Fruita are included in the proposed budget including:

- **Self-Cleaning Restroom** - \$350,000 has been budgeted to add a self-cleaning restroom in downtown Fruita. These restrooms will provide additional options during special events and throughout the year.
- **Additional Parking** - \$10,000 has been budgeted to lease a parking lot on North Mulberry Street to allow for temporary overflow parking and minor maintenance expenses. Additionally, Fruita residents and guests will be able to use the newly acquired parking lot on South Mulberry Street next year.
- **Reed Park Renovation** – Construction of the improvements to Reed Park (a project carried over from the 2023 Budget) are estimated to be complete in 2024. Bids will be received by October 13, 2023, which will give staff exact construction costs.
- **South Mesa Street Improvements** – Also carried over from the prior year, significant multi-modal improvements to South Mesa Street between Circle Park and Highway 6 & 50. This also includes a replacement of the Orangeburg sewer line and timing is subject to the Colorado Department of Transportation since it is largely funded with a CDOT grant.

Ongoing Emphasis on Critical Sewer and Wastewater Projects – In 2023, Public Works staff completed several key and important projects for sewer and at the Wastewater Reclamation Facility. This continues into 2024 with two important projects that were identified in the Sewer Needs Assessment. These projects are:

- **Downtown Sewer Improvements** – Included in the proposed Budget is the First Phase of sewer improvement to the downtown service area starting at Greenway Drive to Highway 6 & 50. This sewer line is showing significant signs of deterioration and needs to be replaced to avoid further damage to the existing concrete line.
- **Kingsview Lift Station** – The Kingsview Lift Station (which was installed in 1995) will be replaced as it is showing signs of deterioration.

Fruita as an Employer of Choice – The City of Fruita continues to attempt to retain and recruit high-quality, innovative and performing employees as this is how the organization will improve and continue to provide essential and excellent core services. An overview of personnel changes in the Budget include:

- **Market Increase** – Continued implementation of the market-based pay plan and rewarding staff that go above and beyond. All full-time employees are budgeted to receive an 8% increase from the prior year. The year-over-year market change was 8% in the data.
- **Pay for Performance** – Employees that received an “Exceeds Expectations” will receive a one-time bonus for their work throughout 2023 (16 out of 84 full-time employees)
- **Benefit Increases** – The City of Fruita’s health insurance increased 6.5% and dental insurance increased 5%.
- **New Positions** – There are five new positions in the 2024 Budget, two of which are new and three are reclassifications of existing positions. These include:
 - **Finance Manager** – This position will overlap with the Finance Director to ensure an easy transition and continuity of operations when the current Director retires.
 - **Procurement and Contracts Specialist** – To help all City Departments with purchasing, contract and grant management.
 - **Human Resources Analyst** – To help with day-to-day HR functions as the City continues to grow.

- **Public Works Maintenance Worker** – A full-time position to replace two vacant seasonal positions that were not filled throughout the year.
- **Parks Maintenance Worker** – A full-time position to replace two vacant seasonal positions that were not filled throughout 2023.
- **Possible new Police Officer - Not included, but will watch as recruitment efforts evolve and public safety revenue increases**
- **Retirement Contribution** – No changes to the City of Fruita's contribution for retirement as the City will contribute 4.5% to employees retirement plans and an additional 1.5% if the employee also contributes.
- **Quality of Place and Community Wellness** – The City of Fruita also continues to focus on quality of place and improving community wellness for residents and visitors. Project included in the 2024 Budget for this (outside of the larger projects found in the Strategic Plan) include:
 - Increased entertainment for Fruita special events such as Mike the Headless Chicken Festival, Thursday Night Concert Series and micro-events
 - The final steps of the Broadband Middle-Mile Project: By next year, Fruita residents will have access to symmetrical gigabyte internet service (end of second quarter).
 - Installation of a Vault Toilet at Snooks Bottom
 - Design of the Colorado Riverfront Trail Underpass at Highway 340 and the Colorado River (continued from the prior year)
 - Several new pieces of replacement equipment at the Fruita Community Center including the heater replacement for the indoor and outdoor pool, chemical controllers and exercise equipment
 - Increased property cleanup funding and resources for Neighborhood Services to help keep Fruita clean and beautiful (*from \$4,000 to \$20,000*)
 - Increased funding for the 911 Communications Center in the amount of \$340,000 (13% increase)

Fee Increases –

- Included in the recommended budget are fee increases to help with the provision of government and core services. Notable fee increases include:
 - Sewer – 3% increase from the prior year
 - Fruita Community Center passes – a \$1 increase on passes. This is the first time the fee has been increased since 2017 despite the increased cost of operations.
 - Trash Collections – A 6.7% in monthly charges increase (this is a pass-through fee from Waste Management)

Other: Not yet in the draft Budget or Note

- **Artwork** – Funding for artwork – seeking process for RFP to get two murals in downtown
- **Misters in Plaza** – (With existing budget most likely)
- **Innovation Team** – Possible funding for Innovation Team, but want it to get up and running first – could occur with amendments if needed
- **Council Pay** – This is the proposed budget with \$50 increase per month for each category based on comparables Shannon did with similar sized cities – for discussion at the October workshop meeting

- **Proposition HH** – Council change to more \$
- **Legal** – Significant overage this year due to TMDL (\$25,000) and mountain properties (\$25,000) – Budget amendment at second meeting in October
- **Building Renovations**
- **Software Increases** – Tied to existing, new cloud-based finance system, STRs, Municipal Court, GASB for lease tracking
- **Engineering Services** – Need to contract to get through the bottleneck of work – CIP, project inspection/management, development review
- **Mountain Properties**
- **169 S. Mulberry**
- **Security Measures** - \$90,000 in Budget for Civic Center (\$60,000) and Fruita Community Center (\$30,000)

Grants Awarded this Year

- Awarded many grants to help with key projects in the Strategic Plan and other Master Plans including:
 - \$600,000 from the Colorado Department of Local Affairs for the Aeration Project at the Wastewater Reclamation Facility
 - \$160,000 from the Multi-modal and Mitigation Options Fund (MMOF) for the design of the Highway 340 Trail Connection at the Colorado River to expand the Colorado Riverfront Trail
 - In partnership with Mesa County Public Health and the Fruita Trails Initiative, received a \$250,000 grant from Colorado Parks and Wildlife to build out the professional contractor-built trails in the North Fruita Desert Master Plan
 - Received \$600,000 from the Great Outdoors Colorado for the construction of the Wheel Park at Reed Park
 - Awarded \$36,000 from the Colorado Department of Economic Development and International Trade (OEDIT), Outdoor Recreation Office for the production and printing of the Fruita + Palisade Gravel Adventure Guide. Was completed in the summer and is now available at local businesses throughout Mesa County and the state.
 - Obtained a \$300,000 supplemental award from the Department of Local Affairs for the H2S Sewer Mitigation Project.
 - Parks and Recreation was awarded \$4,000 from the Colorado Tree Coalition to plant trees at the Mulberry Street Outdoor Plaza.

Local and Regional Financial Outlook

For the 7th year in a row, the City of Fruita continues to see increases in local and regional sales tax collections. While this has slowed down compared to prior years, we continue to see increases in the largest sources of revenues for the City. As of the end of July 2023, a snapshot of fiscal indicators includes:

- City Sales tax revenues are trending 8% higher in 2023 than 2022 (2022 was 9% higher than 2021). Overall, the average percentage over the last six years has been 13%.
- County Sales tax revenues are trending 1% higher in 2023 over 2022 (2022 was 9% higher than 2021).

- Use tax on vehicles is trending at a decrease of 10% overall but is trending ahead of the 2023 Budget.
- Use tax on building materials is also trending at a decrease of 10% but is trending above Budget for 2023.
- Lodging tax is trending 5% higher in 2023 over 2022 (2022 was a record-breaking year for lodging tax collections).
- The county-wide public safety tax passed in the November 2017 election relieving the burden of funding the 911 Communication Center is trending 1% higher in 2023 over 2022. These funds have assisted in the expenses of additional officers over the past three years.

City Manager Mike Bennett asked the City Council what they want added to the calendar for discussion. These items included:

- Startup of “Winter Music Festival”
- All Funds Summary needs to be consolidated
- Connect PPTs to charts in Budget, tie to the numbers, do cost-benefit analysis of bigger highlights
- Need more detail about increases in Charges for Services – Fleet Services
- Identify connection of strategic area to sections of the Budget

2. BOARDS AND COMMISSIONS REVIEW FOLLOWING ALL BOARD UPDATES TO THE CITY COUNCIL (CITY MANAGER MIKE BENNETT) (7:30 – 8:30 PM)

Now that the City Council has received updates from the City’s Boards and Commissions, the Council needs to have a discussion about next steps in general for all boards and also those for certain individual boards that are more specific. City Manager Mike Bennett noted that staff has begun the process of creating a handbook that would be given to new Boards and Commissions members after they are appointed. There are a few boards that aren’t in need of direction from the Council or any other adjustments.

One new change will be that the Fruita Planning Commission will no longer have a Council Liaison position, so staff has initiated the Ordinance process to get the Municipal Code updated accordingly.

There was discussion about the overall success a few boards such as the Arts and Culture Board had with setting up a booth at the Fruita Farmers Market and staff and the Council would like to see other boards do the same next summer.

There was a long discussion about the Downtown Advisory Board (DAB), who has met all of its original goals and has asked the Council for direction. City Council discussed inviting the current members of the DAB and a mixture of past DAB members, past Council members, or others who have strived to increase residential involvement in the community to participate in a working committee, appointed by City Council, to review the purpose and creation of a new “Localism Board.” Highlights of the discussion included:

- Focus on localism
- Recruit members
- Focus on downtown Fruita, but look for ways to expand to south Fruita
- Propose a budget for funding

- 81521 Thursdays and Trick or Treat Street
- Find a way to communicate with downtown businesses
- Look for ways to partner with other boards and commissions
- Updated Resolution and bylaws – Mike and Ciara to bring draft to board and Council
- Localism Board could help with micro events so not solely relying on City staff
- Want to make sure to not compete with the Chamber
- When creating new group, look at what Fruita already has to not duplicate efforts.
- City Council has to set direction. What is best for our citizens?
- Mission, vision and belief then the rest will follow
- Ordinance or Resolution to dissolve DAB
- DAB to finish small business Saturday and Christmas lighting

Discussion about the Historic Preservation Board included:

- Bring budget to Council to help fund projects
- Digitize Walking Tour brochure
- Trying to partner with Oral History Program
- Adding more interpretive signs downtown
- Staff Liaison Henry Hemphill to work with HPB to get display cases in Civic Center updated/begin rotation of displays

Discussion about the Livability Commission included:

- Doing research about all sorts of resources
- Wellness checks for seniors
- Meetings have mainly included listening to presentations.
- Resources for health, groceries, how to share with community – put into something for a presentation to Council through staff liaison

Discussion about the Tourism Advisory Council included:

- City hired Ammon Pierce – Parks and Rec Dept Marketing and Communications Coordinator will be working on events and bringing social media marketing inhouse
- Continued partnership with the Town of Palisade
- Vet new process for staple L-T events to be different than new events seeking grants
- Guerilla marketing
- Co-Op grain elevator – do we have plans for updating the banners?

Discussion about the Parks and Recreation Advisory Board included:

- Looking at how to revitalize Snooks Bottom – what is and isn't allowed
- Pursue ideas for Little Salt Wash Park expansion, open space, Snooks Bottom potential story walk like the one at the FCC/library
- Work on updating bylaws to bring back to Council
- Bids close on Reed Park improvements on October 13, 2023
- City is getting proposals for use of merry-go-round.
- Impact Fee Ordinance and when and how fees are spent

Discussion about the Planning Commission included:

- Linkage fee for short term rentals (STRs)
- Difference between commercial property tax and residential property tax and use that as a basis for an annual fee to STR owners
- FAQ question about ADUs and campers as STRs
- Software package for STRs
- Move forward with changes to the Land Use Code to include increased density, drawing redevelopment boundaries and implementing incentives and density bonus waivers
- Having the Mayor sign a letter of intent for possible DOLA grant funds

Discussion about the Arts & Culture Board included:

- They've got it dialed in.
- Need financial support
- Mark Mancuso is working with board to get costs for murals
- Council should fund them
- Engage kids as part of the Arts & Culture Board

Other miscellaneous discussion about Boards and Commissions included Councilor Purser wanting to allow family members to serve on some of the City's Boards and Commissions. Mayor Kincaid said he thought there could be an issue with perception of nepotism with the public. This will be an item for a future workshop agenda.

Councilor Miller said that since she will no longer be on the Planning Commission, there was only one board on which she will be a Liaison, so she was open to take a Liaison position on another board.

OTHER ITEMS (8:30 PM)

City Manager Mike Bennett reminded the City Council that on Thursday, September 28th, they were going to tour riverfront developments in western Colorado.

With no further business before the Council, the meeting adjourned at 9:23 p.m.

Respectfully submitted,

Deb Woods
Deputy City Clerk