



FRUITA CITY COUNCIL
JULY 21, 2020
7:00 P.M.

Public Link to Meeting

When: July 21, 2020 7:00 PM Mountain Time (US and Canada)

Topic: City Council Meeting – 7/21/2020

The link to join the meeting electronically will be posted on 7/21/20 prior to the meeting at www.fruita.org/covid19 under City Council meetings. You may also contact the City of Fruita at (970) 858-3663 for information to connect to the meeting.

- 1. INVOCATION AND PLEDGE OF ALLEGIANCE**
- 2. CALL TO ORDER AND ROLL CALL**
- 3. AGENDA - ADOPT/AMEND**
- 4. PROCLAMATIONS AND PRESENTATIONS**
 - A. PRESENTATION – An update from Colorado Parks and Wildlife Area Manager Kirk Oldham
- 5. PUBLIC PARTICIPATION**

This section is set aside for the City Council to LISTEN to comments by the public regarding items that do not otherwise appear on this agenda. Generally, the City Council will not discuss the issue and will not take an official action under this section of the agenda. **Please limit comments to a five-minute period.**
- 6. CONSENT AGENDA**

These are items where all conditions or requirements have been agreed to or met prior to the time they come before the Council for final action. These items will be approved by a single motion of the Council. Members of the Council may ask that an item be removed from the consent section and fully discussed. All items not removed from the consent section will then be approved. A member of the Council may vote no on specific items without asking that they be removed from the consent section for full discussion. Any item that is removed from the consent agenda will be placed at the end of the regular agenda.

 - A. MINUTES:
 - 1) A request to approve the minutes of the July 6, 2020 Special City Council (Virtual) Meeting
 - 2) A request to approve the minutes of the July 7, 2020 Regular City Council (Virtual) Meeting

- B.** LIQUOR LICENSE RENEWAL – Approving the renewal of a Hotel & Restaurant Liquor License for Dragon Treasure Restaurant located at 576 Kokopelli Blvd.
- C.** LIQUOR LICENSE RENEWAL – Approving the renewal of a Beer & Wine Liquor License for Bestslope Coffee Co. located at 129 N. Peach St.
- D.** BOARDS AND COMMISSIONS APPOINTMENT – A request to approve the appointment of Kayla Brown to the Fruita Tourism Advisory Council to fill the Director of the Fruita Chamber of Commerce position to fulfill an unexpired term to expire in January of 2023
- E.** FINANCIAL REPORTS – A request to approve the June 2020 Financial Reports
- F.** ORDINANCE 2020-02 – First Reading – An introduction of an Ordinance amending Chapter 28 of Title 2 and Chapter 11 of Title 9 of the Fruita Municipal Code to provide for more efficient enforcement of and monetary penalties related to public nuisance violations for publication of public hearing on August 4, 2020
- G.** RESOLUTION 2020-28 – A request to approve the First Release of the Subdivision Improvements Agreement for the Garden Estates Subdivision

7. ADMINISTRATIVE AGENDA

- A.** 2019 FINANCIAL STATEMENTS - Presentation of the 2019 Financial Statements and Fiscal Health Analysis – Finance Director/City Clerk Margaret Sell
- B.** 2019 FINANCIAL STATEMENTS - Presentation of Auditor’s Report of the Financial Statements for the year ending 12/31/2019, Lisa Chadwick, Audit Principal, Steinkirchner, Davis & Co., PC

8. CITY MANAGER’S REPORT

9. COUNCIL REPORTS AND ACTIONS

- A.** Council Reports and Actions
- B.** Executive Session – Discussion and possible action to consider a motion to convene in Executive Session regarding personnel issues under C.R.S. Section 24-6-402(4)(F) in order to discuss the City Manager’s Informal Review

10. ADJOURN



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MIKE BENNETT, CITY MANAGER

DATE: JULY 21, 2020

RE: PRESENTATION – AN UPDATE FROM COLORADO PARKS AND WILDLIFE AREA MANAGER KIRK OLDHAM

BACKGROUND

Colorado Parks and Wildlife Area Manager Kirk Oldham will present an update on the changes to the Loma Boat Launch.

No action is necessary.

**FRUITA CITY COUNCIL
SPECIAL MEETING (VIRTUAL)
JULY 6, 2020
12:00 P.M.**

1. CALL TO ORDER AND ROLL CALL

Mayor Joel Kincaid called the Regular Meeting of the Fruita City Council to order at 12:00 p.m. The meeting was held with virtual access provided through Zoom.

Present via teleconference:

Mayor Joel Kincaid
City Councilor Ken Kreie
City Councilor Karen Leonhart
City Councilor Kyle Harvey
City Councilor Heather O'Brien

Absent:

Mayor Pro Tem Lori Buck
City Councilor Matthew Breman

Also present:

City Manager Mike Bennett
City Clerk/Finance Director Margaret Sell
Management Analyst Shannon Vassen
Deputy City Clerk Deb Woods
City Attorney Paul Wisor
Members of the public

2. AGENDA – ADOPT/AMEND

Mayor Kincaid asked if there were any changes to the agenda. City Manager Mike Bennett stated that there were no changes to the agenda.

- **COUNCILOR O'BRIEN MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCILOR KREIE SECONDED THE MOTION. THE MOTION PASSED WITH FIVE YES VOTES.**

3. COUNCIL REPORTS AND ACTIONS

- 1) **MEMORANDUM OF UNDERSTANDING – A REQUEST TO APPROVE A MEMORANDUM OF UNDERSTANDING REGARDING ALLOCATION AND DISBURSEMENT OF CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT (CARES ACT) FUNDS WITH MESA COUNTY, THE CITY OF GRAND JUNCTION, TOWN OF PALISADE, TOWN OF COLLBRAN AND TOWN OF DEBEQUE**

Finance Director/City Clerk Margaret presented the Memorandum of Understanding agenda item. She explained that the State of Colorado is appropriating \$13.2 million of CARES spending to Mesa County and that the county and its municipalities have created a Memorandum of Understanding (MOU) to disburse those funds among all entities. In order for the City of Fruita to receive reimbursement of an allocation of about \$1.1 million, the City must opt-in to the program by July 7, 2020 and enter into the MOU between the county and all other municipalities. Reimbursement requests will be administered through the Colorado Department of Local Affairs (DOLA).

Mrs. Sell continued that the MOU spells out the understanding that the City of Fruita will spend those funds according to the CARES Act requirements. To be eligible for reimbursement, the expenses:

1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. Were not accounted for in the budget most recently approved as of March 27, 2020 for the local government; and
3. Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020 (collectively, "Eligible Expenses").

Mrs. Sell went on to explain that the MOU goes on to say that any funds that the City of Fruita hasn't expended by October 31st will be made available to any other entities for their use. The funds will then revert back to the state at the end of the year.

Mayor Kincaid asked for clarification that the City of Fruita would be getting reimbursed for expenses incurred. Mrs. Sell confirmed this to be correct, as long as the expenses are eligible under the CARES Act and either were or will be spent by the City prior to the end of the year.

Mayor Kincaid said it was his understanding that the City Council would have to transfer funds within the budget and Mrs. Sell clarified that she wasn't sure if the Council had already accounted for some of those expenses with the reduction that was approved at the last Council meeting and were transferred to Contingency accounts, so there still could be a need to transfer those funds back so they can be used for the purpose that they were intended.

Mayor Kincaid asked if the other municipalities had already signed the MOU and City Attorney Paul Wisor explained that the other municipalities also had to opt-in by no later than tonight (July 6, 2020) if they haven't done so already.

- **COUNCILOR LEONHART MOVED TO APPROVE THE MOU WITH MESA COUNTY AND OTHER MUNICIPALITIES IN MESA COUNTY REGARDING THE ALLOCATION AND DISBURSEMENT OF CARES ACT FUNDS. COUNCILOR KREIE SECONDED THE MOTION. THE MOTION PASSED WITH FOUR YES VOTES.**

City Manager Mike Bennett noted that staff had sent out an updated Council packet and agenda for the following evening (July 7, 2020) that includes an update from Jeff Kuhr, Director of Mesa

County Public Health, on Mesa County's status with respect to COVID-19. He suggested that the Council members think about questions they may be receiving from the public and businesses about the current or next stages of the county's re-opening plan to ask Mr. Kuhr.

4. ADJOURN

With no further business before the Council, the meeting was adjourned at 12:12 p.m.

Respectfully submitted,

Debra Woods
Deputy City Clerk
City of Fruita

DRAFT

**FRUITA CITY COUNCIL
VIRTUAL MEETING
JULY 7, 2020
5:00 P.M.**

1. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Joel Kincaid gave the Invocation and the Pledge of Allegiance was recited.

2. CALL TO ORDER AND ROLL CALL

Mayor Kincaid called the Regular Meeting of the Fruita City Council to order at 7:01 p.m. The meeting was held with virtual access provided through Zoom.

Present via teleconference:

Mayor Joel Kincaid
City Councilor Ken Kreie
City Councilor Kyle Harvey
City Councilor Matthew Breman
City Councilor Karen Leonhart

Excused Absent:

Mayor Pro Tem Lori Buck
City Councilor Heather O'Brien

Also present via teleconference:

City Manager Mike Bennett
City Clerk/Finance Director Margaret Sell
Management Analyst Shannon Vassen
Mesa County Public Health Director Jeff Kuhr
Planning & Development Director Dan Caris
City Attorney Paul Wisor
Members of the public

3. AGENDA – ADOPT/AMEND

Mayor Kincaid asked if there had been any additions or changes to the agenda. City Manager Mike Bennett noted that the packet was revised and posted to the City's website the previous day (July 6, 2020) to include the addition of a presentation from Jeff Kuhr, Director of Mesa County Public Health.

- **COUNCILOR BREMAN MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCILOR KREIE SECONDED THE MOTION. THE MOTION PASSED WITH FOUR YES VOTES.**

4. PROCLAMATIONS AND PRESENTATIONS

A. PRESENTATION – AN UPDATE ON COVID-19 FROM MESA COUNTY PUBLIC HEALTH DIRECTOR JEFF KUHR

Mr. Kuhr presented an update on Mesa County’s numbers for the COVID-19 pandemic and the “Protect Our Neighbors” phase of reopening.

Mr. Kuhr provided many figures on testing and the qualifications that Mesa County must satisfy in order to be granted a variance at the highest level, which is when the county would be allowed to open nearly everything to 50% capacity or 500 people, whichever is lower (currently the cap is at 175 people). If the county maintains its percentages for a four-week period, the capacity can increase by 5% every four weeks. The facts and figures he presented can be found at <https://health.mesacounty.us/>.

Mr. Kuhr also gave an overview of the current concerns of the Public Health Department including:

- Attracting people into Mesa County
- Bars in the county
- Live music
- Large gatherings (such as graduation parties and the Fourth of July)
- Non-compliance with social distancing rules
- Mask use/rules

Attorneys, the Grand Junction Chamber, Daily Sentinel and various businesses are currently working with Public Health on a mask campaign to try to move the focus from a public health order perspective to one of best practices and avoiding liability suits.

Mr. Kuhr said that the Health Department’s message has always been about the following five things:

- Six feet of social distance
- Washing hands and surfaces often
- Wearing masks in public
- Staying home when sick
- If a person has symptoms, they need to get tested in order to contain the spread

Mr. Kuhr took questions from the City Council.

There was discussion concerning the possibility of a requirement of wearing face masks. Mr. Kuhr promoted a position of balance right now because a requirement of masks would create more divide in the community; it would make people angry, defiant and could be alienating. Instead, Mr. Kuhr

suggested advocating for the above five items instead of singling out the issue of wearing a mask. He did suppose that if there were to be a requirement, it would be better to come from the Public Health Department than it would from a municipality.

In regards to opening schools in the fall, Mr. Kuhr stated that neither the Public Health Department nor the School District have been authorized to make any sort of local decision on that, but that he certainly hopes to be able to open schools up. He added that he believes it can be accomplished by minimizing risk in the schools. He announced that there is soon going to be a drill related to scenarios with sick kids and how to manage those effectively.

Mr. Kuhr stated that the goals of Mesa County Public Health are to keep Mesa County open, stay safe and act responsibly with the end goal of either having a vaccine or a medicine to lessen the symptoms of those who are sick.

5. PUBLIC PARTICIPATION

Mayor Kincaid gave attendees who had joined the meeting virtually instructions on how to submit public comments. Shannon Vassen confirmed that there were no requests from the public to speak.

6. CONSENT AGENDA

A. MINUTES:

- 1) A REQUEST TO APPROVE THE MINUTES OF THE JUNE 2, 2020 REGULAR CITY COUNCIL MEETING**
- 2) A REQUEST TO APPROVE THE MINUTES OF THE JUNE 16, 2020 REGULAR CITY COUNCIL MEETING**

B. LIQUOR LICENSE AND TASTINGS PERMIT RENEWALS – A REQUEST TO APPROVE THE RENEWAL OF A RETAIL LIQUOR STORE LICENSE, WAREHOUSE STORAGE PERMIT AND TASTINGS PERMIT FOR IN THE MIDDLE LIQUORS LOCATED AT 303 US HIGHWAY 6 & 50

C. LIQUOR LICENSE AND SIDEWALK RESTAURANT PERMIT RENEWALS – A REQUEST TO APPROVE THE RENEWAL OF A HOTEL & RESTAURANT LIQUOR LICENSE AND SIDEWALK RESTAURANT PERMIT RENEWAL FOR ROME INC., DBA FIESTA GUADALAJARA FRUITA LOCATED AT 103 US HIGHWAY 6 & 50

D. LIQUOR LICENSE RENEWAL – A REQUEST TO APPROVE THE RENEWAL OF A HOTEL & RESTAURANT LIQUOR LICENSE FOR STRAYHORN GRILL LOCATED AT 456 KOKOPELLI BLVD., UNIT J

Mayor Kincaid opened the public hearing on the Consent Agenda. After Mr. Vassen confirmed that he did not see any members of the public asking to comment, Mayor Kincaid closed the public

hearing and invited the Council to ask questions, comment, remove Consent items for further discussion or make a motion to approve.

- **COUNCILOR LEONHART MOVED TO APPROVE THE CONSENT AGENDA AS PRESENTED. COUNCILOR BREMAN SECONDED THE MOTION. THE MOTION PASSED WITH FOUR YES VOTES.**

7. PUBLIC HEARINGS

A. LEGISLATIVE HEARINGS

- 1) **RESOLUTION 2020-27 – SUPPLEMENTAL APPROPRIATION TO THE 2020 BUDGET TO APPROPRIATE ADDITIONAL FUNDS FOR THE 16 ROAD RAIL CROSSING IMPROVEMENTS PROJECT AND ARTS AND CULTURE BOARD EXPENSES – FINANCE DIRECTOR/CITY CLERK MARGARET SELL**

Finance Director Margaret Sell presented Resolution 2020-27, a budget amendment that appropriates \$200,000 for the 16 Road Rail Crossing Improvements Project that is being funded in part through a grant of \$50,000 from the Mesa County Federal Mineral Lease District (MCFMLD) and \$121,700 of Development Impact Fees (including interest earned) that the City has collected.

In addition, the annual Art Stroll Gala event raised about \$17,000 earlier this year and the City is appropriating some of those funds to pay for expenses associated with the event and an “Art for Kids” project that the Fruita Arts and Culture Board sponsored.

Mr. Bennett added that the City was very fortunate to receive the MCFMLD grant because there were a number of applications including a very large request from the City of Grand Junction. Fruita’s project rated the highest in applicability and so the City received the full request of \$50,000 while the City of Grand Junction was able to receive the remainder at a reduced amount.

Mr. Bennett noted that the businesses in the Fruita Business Park brought the project to the City’s attention. He also explained that once the funding is secured, it requires working with the Railroad, who actually completes the project in a two-year window. He said it will be a great amenity to the entry of the business park.

- **COUNCILOR BREMAN MOVED TO ADOPT RESOLUTION 2020-27 – AMENDING THE 2020 BUDGET TO APPROPRIATE ADDITIONAL FUNDS IN THE CAPITAL PROJECTS FUND FOR THE 16 ROAD RAIL CROSSING IMPROVEMENTS PROJECT AND IN THE GENERAL FUND FOR THE ARTS AND CULTURE BOARD EXPENSES. COUNCILOR LEONHART SECONDED THE MOTION. THE MOTION PASSED WITH FOUR YES VOTES.**

8. ADMINISTRATIVE AGENDA

A. UPDATE ON POSSIBLE MUNICIPAL CODE AMENDMENTS TO ADDRESS PUBLIC NUISANCE ISSUES – PLANNING & DEVELOPMENT DIRECTOR DAN CARIS

Planning & Development Director Dan Caris presented an update on potential Municipal Code amendments that would specifically address weed abatement issues and formalize the process for staff to be able to assess fines for non-criminal offenses instead of having to go to court with each violation in order to rectify a weed/brush problem.

Mr. Caris said staff was looking not for immediate formal action by the Council but rather for direction to be able to proceed with presenting the First Reading of an Ordinance to amend the Code at the first Council meeting in August (tentative).

Mr. Caris described the burdensome summons and complaint process with the court that involves extensive staff time and legal fees under the current provisions of the Fruita Municipal Code. This process can take two months before a weed issue gets settled. The expense that the City incurs is then billed to the property owner and sometimes filing a lien on the property is necessary.

Mr. Caris said that staff is instead proposing to institute a \$100 fine/ticket for a first weed violation, \$200 for the second violation and \$250 for the third violation with seven-day intervals between the issuance of a ticket and a court date. A property owner would have the opportunity to rectify the issue prior to the court date and if they do, staff would then issue a letter to the court asking that the case be dismissed.

Mr. Caris stressed that it was not staff's intention to go directly with a punitive approach; staff really tries to work with people. He commended Code Enforcement Officer David Oliver, who is ex-law enforcement and has done an amazing job of being accommodating to property owners while still achieving a high level of voluntary compliance. Dave also works with the District Court to utilize folks that have community service to do.

Mr. Caris pointed out that the proposed process would be much quicker than the process that is in place currently.

City Attorney Paul Wisor advised that this approach is very common with many other municipalities across Colorado and that it does provide for more efficiency both in terms of staff time and legal fees.

Mr. Bennett pointed out that the City already uses the proposed process in other public nuisance abatement issues besides weeds and brush such as abandoned cars or visible trash and debris on property in Fruita.

Mr. Caris reminded the Council that weeds are the number one complaint that City staff receives from the public.

Councilor Leonhart asked if there was a common or particular reason that some people are non-compliant (such as a lack of resources).

Mr. Caris stated that in the City of Fruita's Budget, there is an "Environmental Clean Up" line item of \$2,000 to \$2,500 for hardship cases and that staff is usually able to stay within that budget every year. These funds are only used to rectify situations for property owners who are elderly or have medical issues and can also be used for projects like the neighborhood clean-up effort that was completed at the Red Cliffs Mobile Home Park a few months ago.

Mr. Bennett added that the proposed process is only for those property owners who ignore the notices from the City, will not accept any assistance from staff and just won't move forward at all to comply. In these cases, staff doesn't get anywhere using the current process under the Code. When the proposed method of issuing fines is used for other nuisance violations, the City starts to see compliance occur. Mr. Bennett said that the hope is that staff never has to collect a fine or go to court because the ultimate goal is compliance.

Councilor Kreie asked if there was a standard or a definition of "brush" in the Municipal Code and how it is quantified. Mr. Caris said he would prefer that the Code Compliance Officer show the Council some pictures of brush that would be in violation of the Code rather than trying to explain it verbally. Mr. Wisor pointed out that Fruita Municipal Code Section 8.04.010 does contain definitions of "brush, rubbish and weeds" that have been in the Code since 1965 and was most recently updated in 2007.

Mr. Caris said he wanted to impress upon the Council that people have different versions of landscaping such as what is deciduous and what is not and he thinks that a visual presentation to the Council would be more helpful than reviewing the different types of plant origins and what the City deems as acceptable or overgrown.

Councilor Kreie asked if overgrowth onto sidewalks and sight triangles are part of the public nuisance section in the Code. Mr. Caris responded that there are different rights and provisions that the City has to abate weeds that are impeding onto roadways and creating an unsafe situation and that this most often happens with absentee homeowners and/or with overgrowth that happens once the irrigation season begins.

Councilor Kreie supposed staff was using state weed lists and he could think of a couple of instances where he knows people who are growing tamarisk trees in their yard that are well-maintained but is also a terrible weed for this area. He asked if staff would require that the tamarisk trees get removed if the City were to get a complaint.

Mr. Caris said he didn't think that would be the approach that staff would use because more often than not, pruning would be the preferred method of resolving the issue. He added that a lot of that is kind of "in the eye of the beholder" and so he thought that showing some of the examples with photos would help the Council understand what staff is talking about when it comes to public nuisance weeds.

Mr. Wisor responded to Councilor Kreie and said that someone could point to the current Municipal Code and point out that (under the public health definition), "if a weed is injurious, it needs to be removed," so the City certainly could make someone remove their tamarisk if they wanted to, but staff would be more likely to take a less harsh approach first.

Mr. Caris added that some of those things happen on joint property lines that are not actually visible from the public right-of-way and those are civil issues between property owners and are not issues that the City would take up. He cautioned everyone to be careful on how to adjudicate those because he didn't want the City to become the "arm" of an HOA or be in the middle of a property dispute.

Mr. Caris said that a lot of time when noxious weeds are involved, staff asks the division of Mesa County that handles that to provide the City of Fruita with a written interpretation of what they see and then staff can stand behind the Ordinances put into place.

Councilor Kreie asked Mr. Caris if he thought staff would stand a pretty good chance at getting the weed and brush problems corrected. Mr. Caris said he thinks the tiered fines of \$100, \$200 and \$250 set forth a clear path to get the issue rectified even if staff does have to get the court involved and/or file a lien on the property.

Mr. Caris reiterated that the current process takes anywhere from two to three months and that the proposed process would really expedite things.

Councilor Kreie said he would like clarification on the process, but that adding "teeth" to the current regulations in the Code would be a good thing.

The Council reached consensus that they would like staff to proceed with putting the First Reading of an Ordinance on the agenda for the second meeting in July (July 21st).

Mr. Wisor noted that the Mayor neglected to open the public hearing on the previous agenda item:

RESOLUTION 2020-27 - SUPPLEMENTAL APPROPRIATION TO THE 2020 BUDGET TO APPROPRIATE ADDITIONAL FUNDS FOR THE 16 ROAD RAIL CROSSING IMPROVEMENTS PROJECT AND ARTS AND CULTURE BOARD EXPENSES

Mayor Kincaid opened the public hearing on Resolution 2020-27. There were no comments from the three (3) members of the public in attendance through Zoom. Mr. Wisor added that he had the attendee list up during that particular agenda item and no one raised their hand to speak during the presentation, so he believes that there were no members of the public who wished to comment on the issue. Mayor Kincaid closed the public hearing on Resolution 2020-27.

9. CITY MANAGER'S REPORT

City Manager Mike Bennett presented the following updates:

- Earlier that morning, Finance Director Margaret Sell was able to submit Fruita's opt-in application for the CARES Act funding and that all municipalities in the county were able to approve the MOU. Staff received a copy of the completed MOU with all the signatures and that was the last step that must be done.

- On the July workshop agenda, staff will be bringing a draft of Boards and Commissions policies that will go to Council for formal action at the first meeting in August that will clarify the following:
 - Boards and Commissions members cannot serve on a Board/Commission if they have a relative on City Council or that is a City staff member,
 - Members cannot serve more than two (2) consecutive terms,
 - Members cannot have relatives on the same Board/Commission and
 - Members can only serve on one Board/Commission at a time.
- There is a Special City Council workshop meeting scheduled for Monday, July 13th from 7:00 to 9:00 pm at the Fruita Community Center Gymnasium where the Council will listen to representatives from Black Citizens and Friends of Mesa County, Right and Wrong Grand Junction (RAW) and a coach from Colorado Mesa University, all of whom will participate in dialogue with Council. There will be chairs set up at least six feet apart in a circular fashion with chairs also spaced out for audience members.
- The Downtown Advisory Board canceled their meeting for the following day because too many members are unable to attend.
- There is a Special City Council joint workshop meeting with the Parks and Recreation Advisory Board on July 23rd and the agenda will be sent out likely at the beginning of next week. The purpose of the meeting is to receive the results of the survey that was sent to the public related to the Parks, Health, Recreation, Open Space and Trails (PHROST) Master Plan.
- Earlier in the day, Mike and Joel gave Senator Gardner a tour of the Fruita Community Center (FCC) along with Management Analyst Shannon Vassen and Recreation Superintendent Tom Casal. The Senator was in town making many visits to places that have received Land Water Conservation Fund (LWCF) grant money. The two LWCF projects in Fruita include the original Fruita City park (at the location of the FCC) and the outdoor swimming pool. The requirement for perpetual outdoor recreation at the location of the FCC was transferred to the Lila Wills property at Little Salt Wash Park. Senator Gardner met with many other groups in relation to a bill he is co-sponsoring that will be going through the House after passing the Senate to permanently fund the LWCF, which has run out of funding.
- There will be large military-type tents outside of a few Lower Valley Hospital/Family Health West facilities in town for the purpose of COVID-19 testing of FHW residents and employees. The Fruita Police Department was also invited to get tested if they wish.
- Chamber Business After Hours will be held on Thursday, July 9th from 5:30 to 7:00 at Dinosaur Journey. RSVPs are required because there is limited capacity due to COVID-19.
- Staff will have a full financial report at the next regular City Council meeting on July 21st. Sales tax numbers have come in right around 15% above last year for the month of May, but there are many other revenue sources that are down.

Mayor Kincaid stated that Councilor Heather O'Brien had requested that the Council have a discussion about the invocation and moment of silence that are held prior to Council meetings. Mayor Kincaid requested that this discussion be added to the July workshop agenda.

10. COUNCIL REPORTS AND ACTIONS

COUNCILOR KEN KREIE

Ken reiterated that the Downtown Advisory Board meeting had been postponed until August so he would have more to report then.

COUNCILOR KYLE HARVEY

Kyle reported that he attended the first Task Force meeting on Tuesday, June 30th. This Task Force is being put together to address racism as well as other social injustices throughout the Grand Valley. Grand Junction City Councilwoman Anna Stout was there, as were representatives for all the municipalities, Mesa County, CMU and other organizations throughout the community. Kyle said the big topics included brainstorming what the mission and vision for the group would be, and from that, two subcommittees were formed to both draft the mission and vision statements and By-laws for the group. The Task Force will continue to meet on the second and fourth Thursdays of every month at 6:00 p.m. The next meeting will be held at the Lincoln Park barn on July 23rd and Kyle said he planned on attending that. The hope is that the locations of the meetings will be rotating throughout the community, including in Fruita if possible. Kyle added that it seems to be a promising and worthwhile effort made up of a lot of great people and that it is great to see some action steps already coming from it.

COUNCILOR MATTHEW BREMAN

Matthew stated that there hasn't been a Grand Junction Economic Partnership (GJEP) meeting since his last report to the Council. The July meeting was canceled because so many people are traveling; however, GJP did conduct a survey of different businesses with a broad spectrum of "size of business industry," in terms of the impact of COVID-19 on their business. GJEP will compile the data, create a report and a forecast and Matthew said he would share it with the Council members after receiving it.

COUNCILOR KAREN LEONHART

Karen reported that the Livability Commission had met and that Shannon had done a great job of updating everything because the board has not met for quite a while. The meeting employed a combination of virtual participants as well as some members who had shown up in person at the Fruita Civic Center. The board talked about the following ideas for the CARES Act funding:

- Shade options
- Ventilation upgrades at the FCC
- Bathroom on the second story of the FCC

Karen also reported that the Museum of Western Colorado Board of Directors would not be meeting for a couple weeks, but that the Fruita Police Commission would be meeting on Wednesday, July 15th.

MAYOR JOEL KINCAID

Joel reported that the Tourism Advisory Board met recently and talked about the 3rd Phase of reopening Colorado and what the Colorado Tourism Advisory Council is recommending such as in-state travel only.

Joel also reported that CMU ran their first race on their new track. They had an “Invite Mile,” and the women broke the Colorado record for the mile.

Joel noted that staff had earlier in the day emailed the Council a list of the City’s vacancies on Boards and Commissions. He asked the Council members to look at it and help recruit applicants when they could. Joel also reminded staff that they should still have the Planning Commission applicants from a couple of months ago that could be included in the list of potential candidates for the two vacancies on the Planning Commission.

Joel reported that the Fruita Area Chamber of Commerce Board of Directors would be meeting the following morning.

City Attorney Paul Wisor gave the Council instructions on how to convene into Executive Session by clicking on another Zoom link that had been emailed to them for their own secure connection. He noted that there is no formal requirement for the Council to adjourn out of the open meeting, so when the Executive Session was over, that would be the end of the meeting. Paul added that he would be asking everyone to confirm that the purposes of the Executive Session were met and that no other items were discussed outside of those purposes, which will be part of the official record and will conclude the meeting.

- **COUNCILOR BREMAN MOVED TO CONVENE IN EXECUTIVE SESSION FOR THE PURPOSE OF DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND INSTRUCTING NEGOTIATORS UNDER C.R.S. SECTION 24-6-402(4)(E) AND RECEIVING LEGAL ADVICE FROM THE CITY ATTORNEY PURSUANT TO C.R.S. SECTION 24-6-402(4)(B), EACH RELATED TO THE MATTER OF JACKSON VS. FRUITA. COUNCILOR KREIE SECONDED THE MOTION. THE MOTION PASSED WITH FOUR YES VOTES.**

The Council convened into Executive Session at 8:50 p.m.

Respectfully submitted,

Debra Woods
Deputy City Clerk
City of Fruita



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: DEBRA WOODS, DEPUTY CITY CLERK

DATE: JULY 21, 2020

RE: LIQUOR LICENSE RENEWAL – A REQUEST TO APPROVE THE RENEWAL OF A HOTEL & RESTAURANT - MALT, VINOUS AND SPIRITUOUS LIQUOR LICENSE FOR DRAGON TREASURE LOCATED AT 576 KOKOPELLI BLVD.

BACKGROUND

The Hotel/Restaurant Liquor License for the Dragon Treasure Chinese Restaurant located at 576 Kokopelli Blvd. is up for renewal. Their current license expires on **August 21, 2020**.

The Police Department report indicates there has been nothing of concern that would hinder the renewal. There are no current TIPS certificates on file in the City Clerk's Office.

The following information is provided as background on the liquor license renewal process:

Pursuant to State Statutes, the local licensing authority (City Council) may cause a hearing on the application for renewal to be held. No renewal hearing shall be held until a notice of hearing has been conspicuously posted on the licensed premises for a period of ten days and notice of the hearing has been provided the applicant at least ten days prior to the hearing. The licensing authority may refuse to renew any license for good cause, subject to judicial review.

This item is placed on the agenda for the Council to determine if there is any cause for a hearing to be held on the renewal of the liquor license. If there is no cause for a hearing, the City Council should approve the renewal of the existing license. If there is cause for a hearing, the City Council should set a date to hold a quasi-judicial hearing to determine if there are sufficient grounds for suspension or revocation of the liquor license. The City Council may also temporarily suspend any license, without notice, pending any prosecution, investigation or public hearing. No such suspension shall be for a period of more than 15 days.

FISCAL IMPACT

None.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The City of Fruita is charged with protection of the public health, safety and welfare. The review and renewal of liquor licenses ensures that licensed establishments are operating by the rules and regulations adopted by the City and State concerning the sale or service of beer and alcoholic beverages.

OPTIONS AVAILABLE TO THE COUNCIL

- Renew the Hotel/Restaurant Liquor License
- Schedule a hearing date to determine if there is good cause for the license to be suspended or revoked.

RECOMMENDATION

It is the recommendation of staff that the Council move to:

RENEW THE HOTEL AND RESTAURANT LIQUOR LICENSE FOR DRAGON TREASURE LOCATED AT 576 KOKOPELLI BLVD.

Submit to Local Licensing Authority

**DRAGON TREASURE
576 KOKOPELLI BLVD
Fruita CO 81521**

Fees Due	
Renewal Fee	500.00
Storage Permit \$100 X _____	\$
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X _____	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
Amount Due/Paid	\$

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Retail Liquor or Fermented Malt Beverage License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name ONNIE & ZHONG INC			Doing Business As Name (DBA) DRAGON TREASURE	
Liquor License # 03-08533	License Type Hotel & Restaurant	Sales Tax License # 04125649	Expiration Date 08/21/2020	Due Date 07/07/2020
Business Address 576 KOKOPELLI BLVD Fruita CO 81521			Phone Number 9708588655	
Mailing Address 576 KOKOPELLI BLVD Fruita CO 81521			Email Jerryzhu.0819@gmail.com	
Operating Manager Jiang Zhu	Date of Birth 08/19/1986	Home Address 1094 Red Sky Rd Fruita CO 81521	Phone Number 970-858-8655	
1. Do you have legal possession of the premises at the street address above? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the premises owned or rented? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Rented* *If rented, expiration date of lease <u>2027</u>				
2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
3a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
3b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
4. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No New SBA Loan				
5. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
7. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

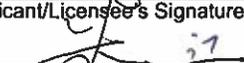
Tax Check Authorization, Waiver, and Request to Release Information

I, Jiang Chu am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Onnie + Zhong Inc (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101. et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

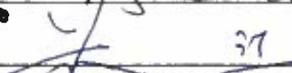
Name (Individual/Business) <u>Onnie + Zhong Inc</u>		Social Security Number/Tax Identification Number <u>32-0038309</u>	
Address <u>576 Kokopelli Blvd</u>			
City <u>Fruita</u>		State <u>CO</u>	Zip <u>81521</u>
Home Phone Number		Business/Work Phone Number <u>970-858-8655</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>Jiang Chu</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) 			Date signed <u>07/01/20</u>

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Affirmation & Consent

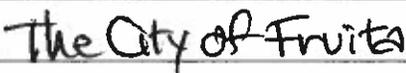
I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business	Title
Jiang Chu	President
Signature	Date
	07/01/20

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

Local Licensing Authority For	Date
The City of FrUITA	
Signature	Title
	JOEL KINCAID, MAYOR
	Attest

**CITY OF FRUITA
MEMORANDUM**

TO:	FRUITA POLICE DEPARTMENT
FROM:	DEBRA WOODS, DEPUTY CITY CLERK
DATE:	JULY 6, 2020
RE:	HOTEL RESTAURANT LIQUOR LICENSE RENEWAL

License Information

Licensee:	Dragon Treasure Chinese Restaurant
Location:	576 Kokopelli Blvd.
Type of License:	Hotel/Restaurant
Expiration Date of Current License:	August 21, 2020
City Council Hearing Date:	July 21, 2020
DUE DATE FOR POLICE REPORT:	July 17, 2020

Tips certificates on File

Employee:	Date:	Exp
(None Current)		

Report of Fruitā Police Department

A)	Have there been any reported violation(s) of the Liquor or Beer Code in the last year?	Yes	<input checked="" type="radio"/> No
B)	Have there been any incidents reported to the Police Dept in the last year that would pertain to the liquor license and the establishment's control of alcoholic beverages and their patrons?	Yes	<input checked="" type="radio"/> No
C)	Are there other concerns that need to be brought to the attention of the City Council?	Yes	<input checked="" type="radio"/> No

Please attach documentation to support the above noted violation(s), incidents or comments.

Signed <i>Paula Rajewich</i>	Date <i>7-7-20</i>
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FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: DEBRA WOODS, DEPUTY CITY CLERK

DATE: JULY 21, 2020

RE: LIQUOR LICENSE RENEWAL - APPROVING THE RENEWAL OF A BEER AND WINE – MALT & VINOUS LIQUOR LICENSE FOR BESTSLOPE COFFEE COMPANY LOCATED AT 129 N. PEACH ST.

BACKGROUND

The Beer and Wine Liquor License for Bestslope Coffee Company located at 129 N. Peach St. is up for renewal. Their current license expires on **August 22, 2020**.

The Police Department report indicates there has been nothing of concern that would hinder the renewal. There are no current TIPS certificates on file at the City Clerk's Office.

The following information is provided as background on the liquor license renewal process:

Pursuant to State Statutes, the local licensing authority (City Council) may cause a hearing on the application for renewal to be held. No renewal hearing shall be held until a notice of hearing has been conspicuously posted on the licensed premises for a period of ten days and notice of the hearing has been provided the applicant at least ten days prior to the hearing. The licensing authority may refuse to renew any license for good cause, subject to judicial review.

This item is placed on the agenda for the Council to determine if there is any cause for a hearing to be held on the renewal of the liquor license. If there is no cause for a hearing, the City Council should approve the renewal of the existing license. If there is cause for a hearing, the City Council should set a date to hold a quasi-judicial hearing to determine if there are sufficient grounds for suspension or revocation of the liquor license. The City Council may also temporarily suspend any license, without notice, pending any prosecution, investigation or public hearing. No such suspension shall be for a period of more than 15 days.

FISCAL IMPACT

None.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The City of Fruita is charged with protection of the public health, safety and welfare. The review

and renewal of liquor licenses ensures that licensed establishments are operating by the rules and regulations adopted by the City and State concerning the sale or service of beer and alcoholic beverages.

OPTIONS AVAILABLE TO THE COUNCIL

1. Renew the Beer and Wine Liquor License.
2. Schedule a hearing date to determine if there is good cause for the license to be suspended or revoked.

RECOMMENDATION

It is the recommendation of staff that the Council move to:

RENEW THE BEER AND WINE LIQUOR LICENSE FOR BESTSLOPE COFFEE COMPANY LOCATED AT 129 N. PEACH ST.

Submit to Local Licensing Authority

**BESTSLOPE COFFEE CO.
506 EAST PABOR AVENUE
Fruita CO 81521**

Fees Due	
Renewal Fee	351.25
Storage Permit \$100 X _____	\$
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X _____	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
Amount Due/Paid	\$ <u>351.25</u>

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Retail Liquor or Fermented Malt Beverage License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name BESTSLOPE COFFEE COMPANY, LLC			Doing Business As Name (DBA) BESTSLOPE COFFEE CO.	
Liquor License # 03-06696	License Type Beer & Wine (city)	Sales Tax License # 303543210000	Expiration Date 08/22/2020	Due Date 07/08/2020
Business Address 129 NORTH PEACH STREET Fruita CO 81521			Phone Number 9707730443	
Mailing Address 506 EAST PABOR AVENUE Fruita CO 81521			Email tom@bestslopecoffee.com	
Operating Manager Tom Griffith	Date of Birth 2/03/1984	Home Address 1130 Alexander Ct Fruita, CO 81521		Phone Number 970-773-0443
1. Do you have legal possession of the premises at the street address above? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the premises owned or rented? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Rented* *If rented, expiration date of lease 04/2021				
2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
3a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
3b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
4. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
5. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
7. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business	Title
Thomas Griffith	Owner
Signature	Date
	7/7/2020

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules. Therefore this application is approved.

Local Licensing Authority For	Date	
The City of Fruita		
Signature	Title	Attest
	JOEL KUNZALD, MAYOR	

Tax Check Authorization, Waiver, and Request to Release Information

I, Thomas Griffith am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Bestslope Coffee Company (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101. et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>Bestslope Coffee Company</u>		Social Security Number/Tax Identification Number <u>81-1277787</u>	
Address <u>129 N Peach St.</u>			
City <u>Fruita</u>		State <u>CO</u>	Zip <u>81521</u>
Home Phone Number <u>970 773 0443</u>		Business/Work Phone Number <u>970 639 8622</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>Thomas Griffith</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <u>[Signature]</u>			Date signed <u>7/7/2020</u>

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

**CITY OF FRUITA
MEMORANDUM**

DATE:	JULY 8, 2020
TO:	FRUITA POLICE DEPARTMENT
FROM:	DEBRA WOODS, DEPUTY CITY CLERK
RE:	BEER AND WINE LIQUOR LICENSE RENEWAL
Licensee:	Bestslope Coffee Company
Location:	129 N. Peach St.
Type of License:	Beer and Wine
Expiration Date of Current License:	August 22, 2020
City Council Hearing Date :	July 21, 2020
DUE DATE FOR POLICE REPORT:	July 17, 2020

Tips certificates on File

Employee: (None current)	Expiration Date:
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Report of Fruita Police Department

A)	Have there been any reported violation(s) of the Liquor or Beer Code in the last year?	Yes	<input checked="" type="radio"/> No
B)	Have there been any incidents reported to the Police Dept in the last year that would pertain to the liquor license and the establishment's control of alcoholic beverages and their patrons?	Yes	<input checked="" type="radio"/> No
C)	Are there other concerns that need to be brought to the attention of the City Council?	Yes	<input checked="" type="radio"/> No

Please attach documentation to support the above noted violation(s), incidents or comments.

Signed

Paula Rajewich

Date 7-9-20



AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL
FROM: DEBRA WOODS FOR MAYOR KINCAID
DATE: JULY 21, 2020
RE: BOARDS AND COMMISSIONS APPOINTMENT – A REQUEST TO APPROVE THE APPOINTMENT OF KAYLA BROWN TO THE FRUITA TOURISM ADVISORY COUNCIL (FTAC) DIRECTOR OF THE FRUITA CHAMBER OF COMMERCE POSITION TO FULFILL AN UNEXPIRED TERM TO EXPIRE IN JANUARY OF 2023

BACKGROUND

Fruita Tourism Advisory Council (FTAC) by-laws Section III.(A) (amended, passed and adopted by the City Council on April 17, 2018) states that the membership shall consist of representatives of various tourism industries and the Director of the Fruita Area Chamber of the Commerce.

When former Chamber of Commerce Director Jennifer Seal left her position with the Chamber, it created a vacancy for the Chamber's liaison seat on the FTAC. In the interim, Kodi Imondi, of Imondi Wakezone and President of the Fruita Area Chamber Board of Directors was appointed to the Fruita Tourism Advisory Council as a Fruita Chamber representative to fulfill the unexpired vacant seat left by Jennifer Seal, whose term was to expire in January of 2023.

On July 13, 2020, the new Director of the Fruita Area Chamber of Commerce Kayla Brown submitted her application for appointment to the board to fulfill the Chamber Director seat on the board. Subsequently, Kodi Imondi submitted her resignation to vacate the seat so that Kayla Brown may be appointed to it pursuant to the board's by-laws.

In accordance with the Fruita City Charter, Kayla Brown must be appointed by the Mayor with approval of the Council. Mayor Kincaid recommends that Kayla Brown be appointed to the FTAC as the Director of the Fruita Chamber member on the board.

If Kayla Brown is appointed, there will be no remaining vacancies on the Tourism Advisory Council.

FISCAL IMPACT

N/A

APPLICABILITY TO CITY GOALS AND OBJECTIVES

Boards and Commissions provide valuable input to the City and help establish goals and objectives. They provide a link between citizens of Fruita and city government.

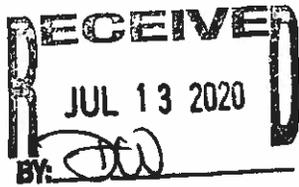
OPTIONS AVAILABLE TO THE COUNCIL

1. Appoint Kayla Brown to the Fruita Tourism Advisory Council as the Director of the Fruita Area Chamber of Commerce member pursuant to the board's by-laws.
2. Do not Appoint Kayla Brown to the Fruita Tourism Advisory Council as the Director of the Fruita Area Chamber of Commerce and leave the seat vacant.

RECOMMENDATION

It is the recommendation of Mayor Kincaid that the City Council by motion:

- **APPROVE THE APPOINTMENT OF KAYLA BROWN TO THE FRUITA TOURISM ADVISORY COUNCIL (FTAC) DIRECTOR OF THE FRUITA CHAMBER OF COMMERCE POSITION TO FULFILL AN UNEXPIRED TERM TO EXPIRE IN JANUARY OF 2023**



**CITY OF FRUITA
BOARDS AND COMMISSIONS
MEMBERSHIP APPLICATION**

BOARD OR COMMISSION: Fruita Tourism & Advisory Council & Downtown Advisory Board

NAME: Kayla Brown

MAILING ADDRESS: 1748 10 Rd.

	City	State	Zip
RESIDENCE ADDRESS:	<u>Mack</u>	<u>CO</u>	<u>81525</u>

PHONE NUMBER:	<u>970-773-4482</u>	<u>970-858-3894</u>
	Home	Work

E-MAIL ADDRESS: kayla@fruitachamber.org

How long have you been a resident of Fruita? 4 years - Currently in Mack

Occupation/Employer: Fruita Area Chamber of Commerce

List any volunteer and/or work experience:

Fruita Chamber Ambassador 1 year
Girl Scouts of Colorado - 4 years

Are you presently serving on a board or commission? If so, which one(s)?

No

Why do you want to be a member of this board or commission?

In my profession, I am an advocate for the business community. I would like to continue to advocate for our local businesses and develop a strong relationship with my town.

List any abilities, skills, or interests which are applicable to the board or commission for which you are applying.

I enjoy planning events and have a lot of experience with managing budgets.

**City of Fruita
Boards and Commissions Application
Page 2**

Are you committed to attending meetings?

Yes

No

Are you committed to serving an entire term?

Yes

No

Please specify any activities which might create serious conflict of interest if you should be appointed to a particular board or commission. (If unsure, please call the City Manager's office at 858-3663)

Fruita Fall Festival is a busy time for my profession. September may pose some conflicts for attending meetings, but I should be able to manage.

List any licenses, certificates or other specialized training applicable to the board or commission for which you are applying.

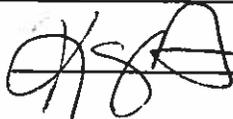
NA

Additional information or references you believe may be helpful in considering your application.

Per Mike Bennett, as the Fruita Chamber Director, the FTAC bylaws indicate a position on the council for me.

I am unsure if there would be any conflicts in the Downtown Advisory Board, but I am definitely interested in being part of it if there are no concerns.

Signature



Date 7-2-2020

All applicants are strongly encouraged to attend a regularly scheduled meeting of the board or commission for which they are applying. Frequent non-attendance may result in termination of the appointment.

ATTACHMENTS TO APPLICATION MUST BE LIMITED TO TWO PAGES

Please feel free to submit a resume along with this application. Application and any attachments should be returned to the Fruita City Council c/o the City Clerk, 325 E. Aspen, Fruita, CO 81521. Although we have indicated the best time to apply for a particular board, we accept applications for any of the boards year-round. Thank you.

Kodi Imondi
691 Granite Drive
Fruita, CO 81521

City of Fruita
325 East Aspen
Suite 155
Fruita, CO 81521

To whom it may concern,

Please accept this as my notice of resignation as the Fruita Area Chamber of Commerce representative serving on the Fruita Tourism Advisory Council, effective immediately. Kayla Brown will be stepping into my position, as she is the new Fruita Chamber Executive Director.

Thank you for the opportunity to serve our wonderful community.

Sincerely,
Kodi Imondi



FRUITA

COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR
FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK
DATE: JULY 21, 2020
RE: FINANCIAL REPORTS FOR JUNE 2020

BACKGROUND

Sales, Use Tax and Lodging Tax Revenues – May 2020.

The following chart provides a comparison between 2019 and 2020 sales tax, use tax and lodging tax revenues thru May 2020. Overall tax revenues are up \$165,295 from the prior year and up \$231,098 over budgeted amounts. The month indicated represents the month of sales, not when collected by the City.

Summary of Sales and Use Tax Revenues - Jan thru May 2020					
Type	Month	Percent (%) Change		Dollar (\$) Change	
		Month	Y-T-D	From prior year	Between actual and budget
City Sales Tax (2%)	May-20	19%	27%	\$ 224,290	\$ 255,606
Use tax on Motor Vehicles (2%)	May-20	-61%	-24%	\$ (70,741)	\$ (79,165)
Use tax on Building Materials (2%)	May-20	19%	11%	\$ 11,611	\$ 40,993
Lodging Tax - (3%)	May-20	-64%	-47%	\$ (17,837)	\$ (20,188)
County Sales Tax	May-20	-5%	2%	\$ 20,730	\$ 32,899
Public Safety Tax	May-20	0%	-2%	\$ (2,758)	\$ 954
				\$ 165,295	\$ 231,098

The following table shows a 5-year history of sales and use tax revenues by business type. Retail trade, including remote retailers and the oil and gas industry have seen significant increases. Utilities, communications, lodging and rental/leasing have decreased from the prior year.

Sales and Use Tax Revenues by Category (3%) January thru May								
Description	2016	2017	2018	2019	2020	1 yr % Chg	1 yr \$ Chg	% of 2020 Total
Sales taxes								
Other Services	15,813	18,885	17,459	19,990	22,000	10%	2,010	1%
Other Miscellaneous	21,938	15,816	17,047	24,452	41,791	71%	17,339	2%
Manufacturing	8,447	12,612	9,210	20,202	44,824	122%	24,622	2%
Wholesale Trade	4,144	13,769	13,015	28,907	52,981	83%	24,074	3%
Rental and Leasing	41,742	33,250	46,459	61,683	49,858	-19%	(11,825)	2%
Communications	65,384	66,693	75,674	63,091	61,966	-2%	(1,125)	3%
Oil and Gas	3,804	6,765	35,313	41,384	90,505	119%	49,121	4%
Utilities	110,836	113,352	101,647	131,864	113,440	-14%	(18,424)	5%
Lodging	35,719	39,374	42,665	45,326	32,151	-29%	(13,175)	2%
Food	210,578	225,687	235,651	272,506	253,467	-7%	(19,039)	12%
Retail Trade	398,735	447,442	468,515	526,728	809,586	54%	282,858	39%
Subtotal	917,140	993,645	1,062,655	1,236,133	1,572,569	27%	336,436	75%
Use taxes								
Vehicles	293,922	359,965	342,398	451,313	345,202	-24%	(106,111)	16%
Building materials	144,870	65,557	242,444	157,404	174,820	11%	17,416	8%
Subtotal	438,792	425,522	584,843	608,717	520,023	-15%	-88,695	25%
Total	1,355,932	1,419,167	1,647,498	1,844,850	2,092,592	13%	247,741	100%
Online sales				24,965	78,209	213%	53,244	5%

Community Center Fund – May 2020. The combination of the 1% city sales and use tax revenues for the month of May reflect a 4% decrease from 2019 revenues and a 13.4% year to date increase.

Revenue vs Expense by Account Type – June 2020. This report presents summary information on revenues and expenses and budget comparisons for all funds. The report includes revenues and expenses by category or type of revenue/expense and by department. The following is a summary of the report by fund showing actual revenues and expenses as a percentage of budget.

Revenues and Expenses as Percentage of Budget June 2020		
Column	Revenues as a % Budget	Expenses as a % of Budget
General Fund	55%	41%
Conservation Trust Fund	47%	0%
Marketing	17%	38%
Community Center	40%	40%
Capital Projects	20%	17%
Debt Service	50%	28%
Devils Canyon Center	0%	0%
Irrigation Water	50%	61%
Sewer	52%	57%
Trash	43%	42%
Fleet Maintenance Fund	100%	50%
Total	48%	42%

Lodger's Tax Detail – April 2020

The following chart shows a breakdown of the Lodger's Tax collected from hotels, motels and campgrounds, and vacation rentals by owner (VRBO's).

2020 City Lodging Tax - 3% (125-3134)					
	Hotels & Campgrounds		VRBO'S		Monthly Total
	Revenue	% of Total	Revenue	% of Total	
Jan	3,261	91%	313	9%	3,573
Feb	3,657	91%	362	9%	4,019
Mar	4,457	95%	220	5%	4,677
Apr	2,166	94%	139	6%	2,305
May	5,094	92%	419	8%	5,513
TOTAL	18,634	93%	1,453	7%	20,087

FISCAL IMPACT

None.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

These reports provide financial information to the Council to monitor the City's financial position and may be used as a tool to hold staff accountable for accomplishing goals and objectives set forth in the Budget.

OPTIONS AVAILABLE TO COUNCIL

Approval of Financial Reports

Approval of Financial Reports with clarification on specific items

RECOMMENDATION

It is the recommendation of staff that the Council by motion:

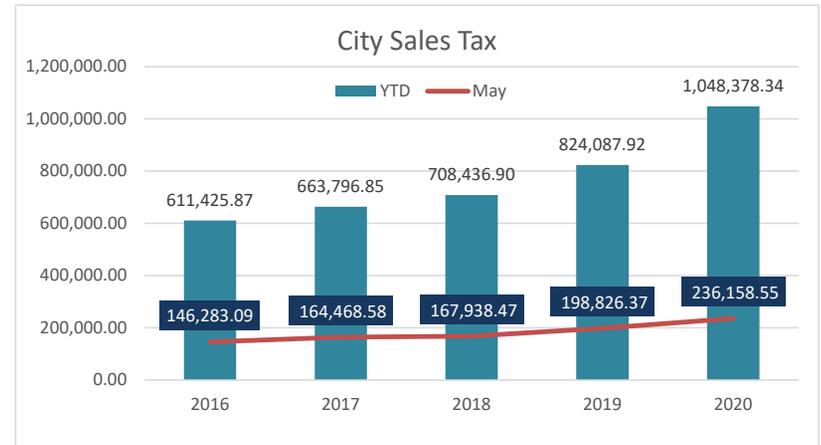
ACCEPT THE JUNE 2020 FINANCIAL REPORTS AS PRESENTED

CITY SALES AND USE TAX REPORTS

City Sales Tax - 2% General Fund (110-3131)							
	2016	2017	2018	2019	2020	\$ Variance	% Variance
Jan	102,654.47	110,073.96	116,622.91	124,973.08	190,392.44	65,419.36	52.35%
Feb	109,027.57	106,532.67	106,634.80	144,100.65	167,749.86	23,649.21	16.41%
Mar	122,491.87	139,574.31	159,114.23	165,160.52	242,722.52	77,562.00	46.96%
Apr	130,968.87	143,147.33	158,126.49	191,027.30	211,354.97	20,327.67	10.64%
May	146,283.09	164,468.58	167,938.47	198,826.37	236,158.55	37,332.18	18.78%
Jun	143,707.98	160,573.33	174,498.93	197,471.05			
Jul	119,795.39	142,369.41	163,430.68	190,974.84			
Aug	142,278.27	144,989.26	175,336.63	200,644.07			
Sep	126,602.05	148,777.11	181,109.36	193,024.68			
Oct	128,845.80	147,596.93	204,845.74	205,934.68			
Nov	116,101.47	144,996.46	153,890.31	192,966.14			
Dec	120,203.83	137,020.73	159,113.63	208,689.86			
TOTAL	1,508,961	1,690,120.08	1,920,662.18	2,213,793.24	1,048,378.34	224,290.42	27.22%
%	3.09%	12.01%	13.64%	15.26%			

2020 Budget= \$2,130,000, 3.8% decrease from 2019 Actual Revenues

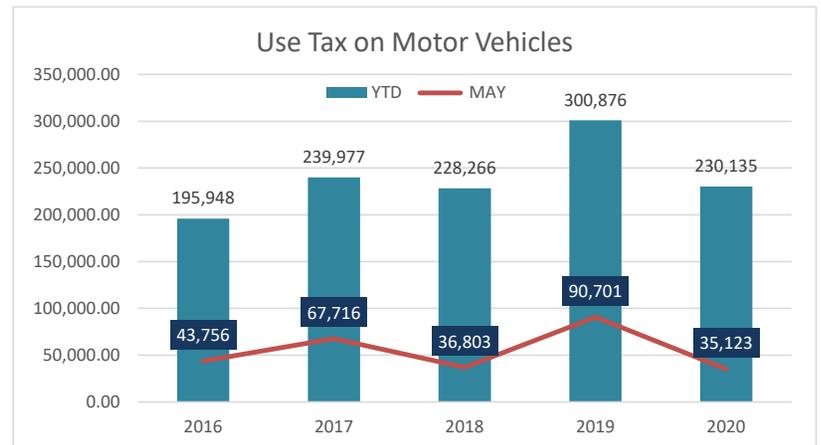
May	611,425.87	663,796.85	708,436.90	824,087.92	1,048,378.34	224,290.42	27.22%
3%	917,138.81	995,695.28	1,062,655.35	1,236,131.88	1,572,567.51	336,435.63	27.22%



Use Tax on Motor Vehicles - 2% General Fund (110-3132)							
	2016	2017	2018	2019	2020	Variance	% Change
JAN	28,122.91	43,562.42	41,597.40	59,067.65	44,776.20	-14,291.45	-24.20%
FEB	36,471.71	45,398.99	42,294.19	35,431.97	59,554.07	24,122.10	68.08%
MAR	40,528.67	52,721.40	46,660.84	56,995.69	53,618.86	-3,376.83	-5.92%
APR	47,068.73	30,578.05	60,910.43	58,679.47	37,062.83	-21,616.64	-36.84%
MAY	43,755.86	67,716.13	36,802.77	90,700.80	35,122.84	-55,577.96	-61.28%
JUN	63,513.86	51,241.39	74,048.50	52,822.10			
JUL	54,218.60	52,317.23	72,501.97	67,463.71			
AUG	45,673.29	61,190.50	37,103.59	66,028.27			
SEP	44,344.61	71,360.98	62,407.47	46,789.04			
OCT	36,179.44	62,492.61	75,929.88	51,469.53			
NOV	43,817.97	39,313.29	41,987.01	58,715.01			
DEC	49,627.81	61,912.59	36,418.95	46,583.89			
YTD	533,323.46	639,805.58	628,663.00	690,747.13	230,134.80	(70,740.78)	-23.51%
%	-3.59%	19.97%	-1.74%	9.88%			

2020 Budget = \$710,000 - 2.8% increase from 2019 Actual revenues

May	195,947.88	239,976.99	228,265.63	300,875.58	230,134.80	-70,740.78	-23.51%
3%	293,921.82	359,965.49	342,398.45	451,313.37	345,202.20	-106,111.17	-23.51% for chart only

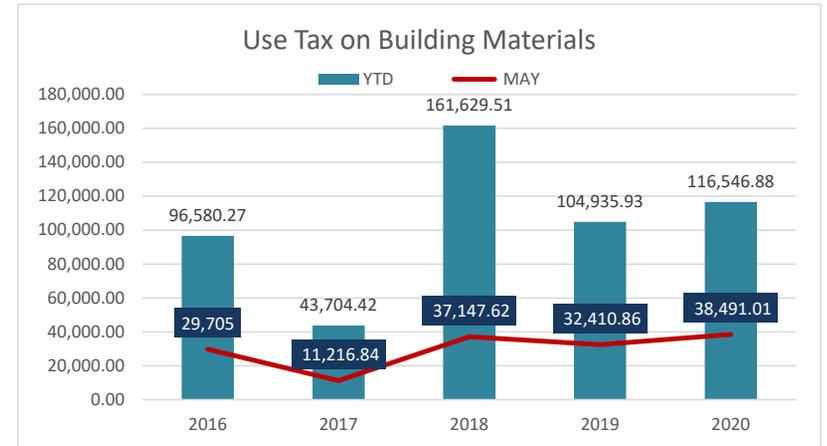


CITY SALES AND USE TAX REPORTS

Use Tax on Building Materials - 2% General Fund (110-3133)							
	2016	2017	2018	2019	2020	Variance	% Change
JAN	3,256	11,966.68	40,827.15	19,357.85	14,922.55	-4,435.30	-22.91%
FEB	14,608	3,788.29	24,414.67	19,056.71	10,930.68	-8,126.03	-42.64%
MAR	14,726	3,558.90	38,328.55	9,936.56	41,435.81	31,499.25	317.00%
APR	34,284	13,173.71	20,911.52	24,173.95	10,766.83	-13,407.12	-55.46%
MAY	29,705	11,216.84	37,147.62	32,410.86	38,491.01	6,080.15	18.76%
JUN	12,847	4,893.13	105,602.45	26,190.88			
JUL	13,948	7,689.06	15,634.23	16,836.31			
AUG	8,117	32,557.34	18,073.99	8,864.92			
SEP	49,757	7,864.41	19,407.92	3,865.13			
OCT	7,553	11,756.71	12,148.65	16,537.07			
NOV	10,586	35,906.06	19,278.98	12,122.45			
DEC	3,731	2,702.11	9,762.50	19,073.22			
YTD	203,118	147,073.24	361,538.23	208,425.91	116,546.88	11,610.95	11.06%
%	93.87%	-27.59%	145.82%	-42.35%			

2020 Budget = \$150,000 - 28% decrease from 2019 Actual revenues

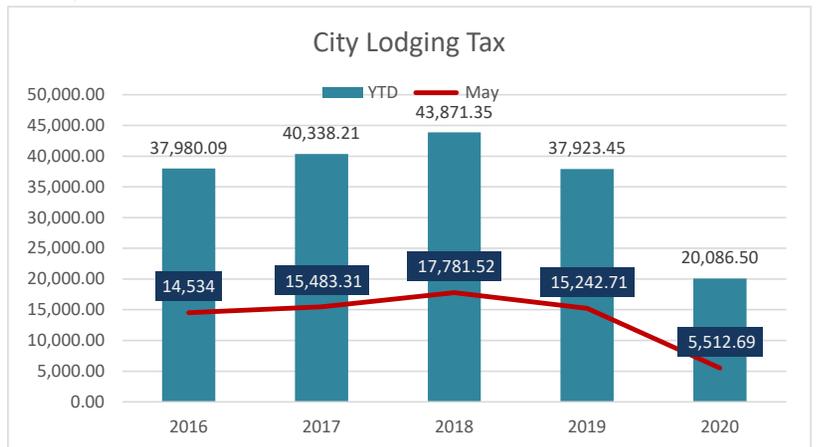
	96,580.27	43,704.42	161,629.51	104,935.93	116,546.88	11,610.95	11.06%
May	96,580.27	43,704.42	161,629.51	104,935.93	116,546.88	11,610.95	11.06%
	3%	144,870.41	65,556.63	242,444.27	157,403.90	174,820.32	17,416.43



City Lodging Tax - 3% (125-3134)							
	2016	2017	2018	2019	2020	Difference	%
Jan	3,010	2,341.15	3,540.60	2,611.13	3,573.20	962.07	36.84%
Feb	3,650	3,694.45	3,635.19	3,774.09	4,018.26	244.17	6.47%
Mar	7,755	7,910.90	8,698.52	8,249.09	4,677.20	-3,571.89	-43.30%
Apr	9,031	10,908.40	10,215.52	8,046.43	2,305.15	-5,741.28	-71.35%
May	14,534	15,483.31	17,781.52	15,242.71	5,512.69	-9,730.02	-63.83%
Jun	14,672	16,653.43	17,755.34	22,312.67			
Jul	12,858	12,908.87	10,384.16	15,335.70			
Aug	12,210	13,751.20	17,768.30	12,712.49			
Sep	14,162	15,445.86	16,495.92	9,427.07			
Oct	7,155	10,637.39	10,668.75	18,400.75			
Nov	7,801	6,251.33	7,492.25	6,398.12			
Dec	4,009	4,895.53	4,288.01	4,558.22			
TOTAL	110,846	120,881.82	128,724.08	127,068.47	20,086.50	-17,836.95	-47.03%
%	3.89%	9.05%	6.49%	-1.29%			

2020 Budget = \$135,000 - 6.2% increase from 2019 actual revenues

	37,980.09	40,338.21	43,871.35	37,923.45	20,086.50	-17,836.95	-47.03%
May	37,980.09	40,338.21	43,871.35	37,923.45	20,086.50	-17,836.95	-47.03%

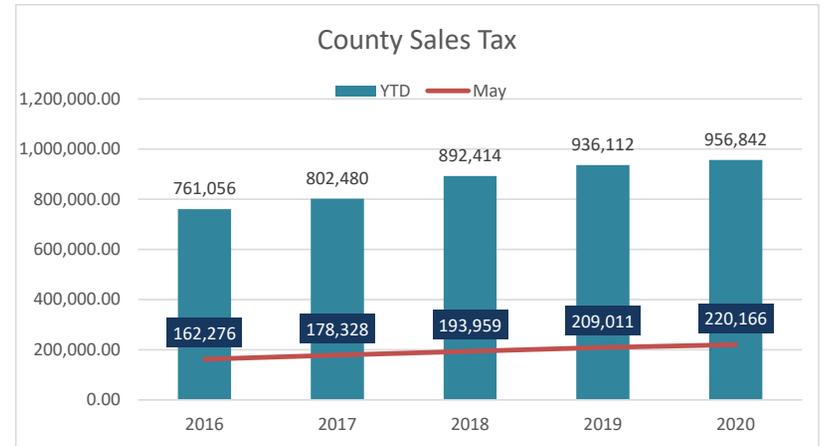


CITY SALES AND USE TAX REPORTS

County Sales Tax - 2% (110-3130)								
	2016	2017	2018	2019	2020	\$ Variance	% Variance	
Jan	143,234	136,307.24	146,939.45	168,991.80	178,526.13	9,534.33	5.64%	
Feb	140,143	142,434.80	176,530.32	161,231.36	181,438.93	20,207.57	12.53%	
Mar	155,984	172,028.79	185,516.49	198,980.47	188,855.08	-10,125.39	-5.09%	
Apr	159,418	173,380.86	189,469.26	197,897.18	187,855.58	-10,041.60	-5.07%	
May	162,276	178,328.17	193,958.66	209,011.45	220,166.38	11,154.93	5.34%	
Jun	177,343	193,003.33	208,276.71	213,850.33				
Jul	150,781	178,723.35	189,768.49	210,475.42				
Aug	173,860	188,794.09	199,733.45	216,142.51				
Sep	164,869	186,027.87	195,797.26	206,870.89				
Oct	156,670	173,689.04	188,033.02	210,951.31				
Nov	157,683	174,721.72	184,074.04	204,326.68				
Dec	182,095	203,167.47	215,052.48	233,401.07				
TOTAL	1,924,355	2,100,606.73	2,273,149.63	2,432,130.47	956,842.10	20,729.84	2.21%	
%	-2.79%	9.16%	8.21%	6.99%				

2020 Budget=\$2,400,000, 1.3% decrease from 2019 actual revenue

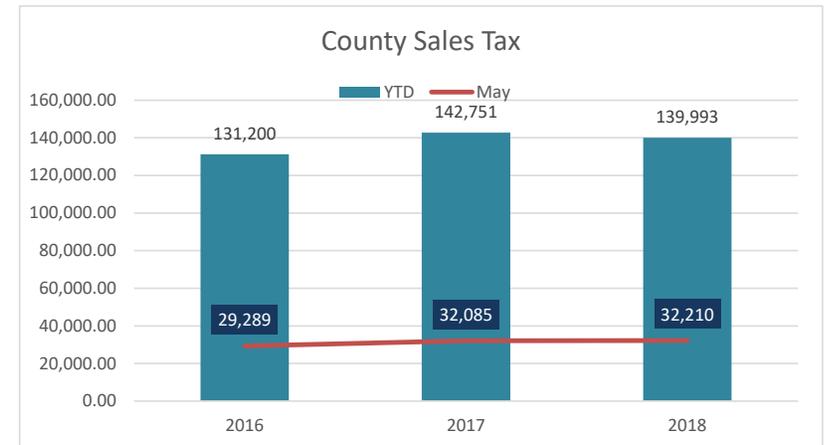
May	761,055.50	802,479.86	892,414.18	936,112.26	956,842.10	20,729.84	2.21%
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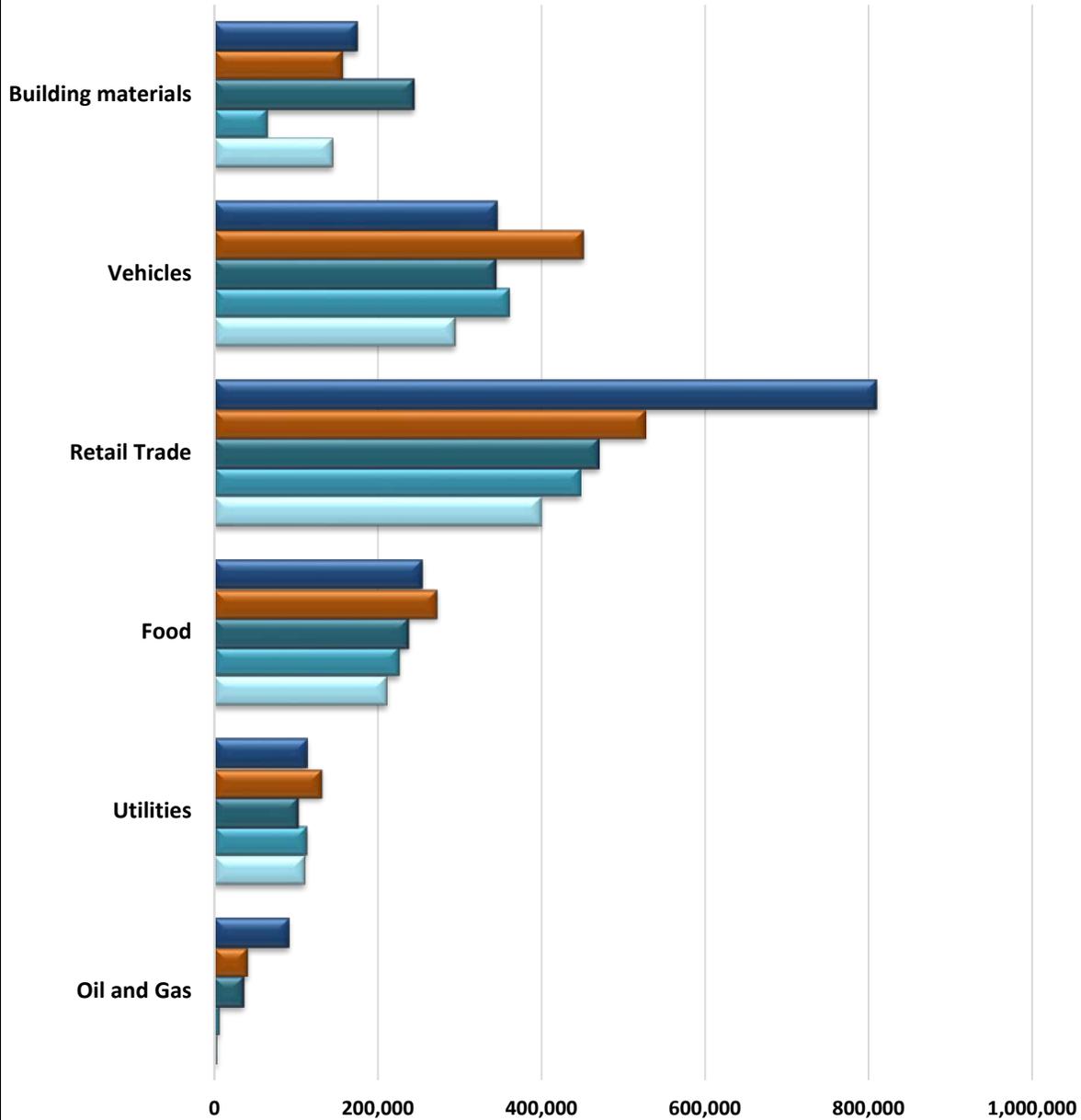
County Sales Tax - 0.37% Public Safety Tax (110-3129)								
	2016	2017	2018	2019	2020	\$ Variance	% Variance	
Jan			23,704.20	25,508.99	26,762.07	1,253.08	4.91%	
Feb			23,956.30	24,195.07	26,744.72	2,549.65	10.54%	
Mar			25,560.92	30,317.68	26,640.82	-3,676.86	-12.13%	
Apr			28,690.41	30,643.86	27,635.27	-3,008.59	-9.82%	
May			29,288.65	32,085.32	32,210.15	124.83	0.39%	
Jun			30,517.49	32,143.50				
Jul			28,181.20	31,495.72				
Aug			29,822.85	32,200.79				
Sep			29,235.41	31,197.04				
Oct			27,412.35	31,996.22				
Nov			27,259.12	30,373.05				
Dec			32,203.19	35,263.78				
TOTAL	0.00	0.00	335,832.09	367,421.02	139,993.03	-2,757.89	-1.93%	
%				9.41%				

2020 Budget=\$358,000, 2.6% decrease from 2019 actual revenue

May	0.00	0.00	131,200.48	142,750.92	139,993.03	-2,757.89	-1.93%
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City 3% Sales and Use Tax by Top 6 Industries Year to Date History thru May 2020



	Oil and Gas	Utilities	Food	Retail Trade	Vehicles	Building materials
2020	90,505	113,440	253,467	809,586	345,202	174,820
2019	41,384	131,864	272,506	526,728	451,313	157,404
2018	35,313	101,647	235,651	468,515	342,398	242,444
2017	6,765	113,352	225,687	447,442	359,965	65,557
2016	3,804	110,836	210,578	398,735	293,922	144,870

■ 2020
 ■ 2019
 ■ 2018
 ■ 2017
 ■ 2016

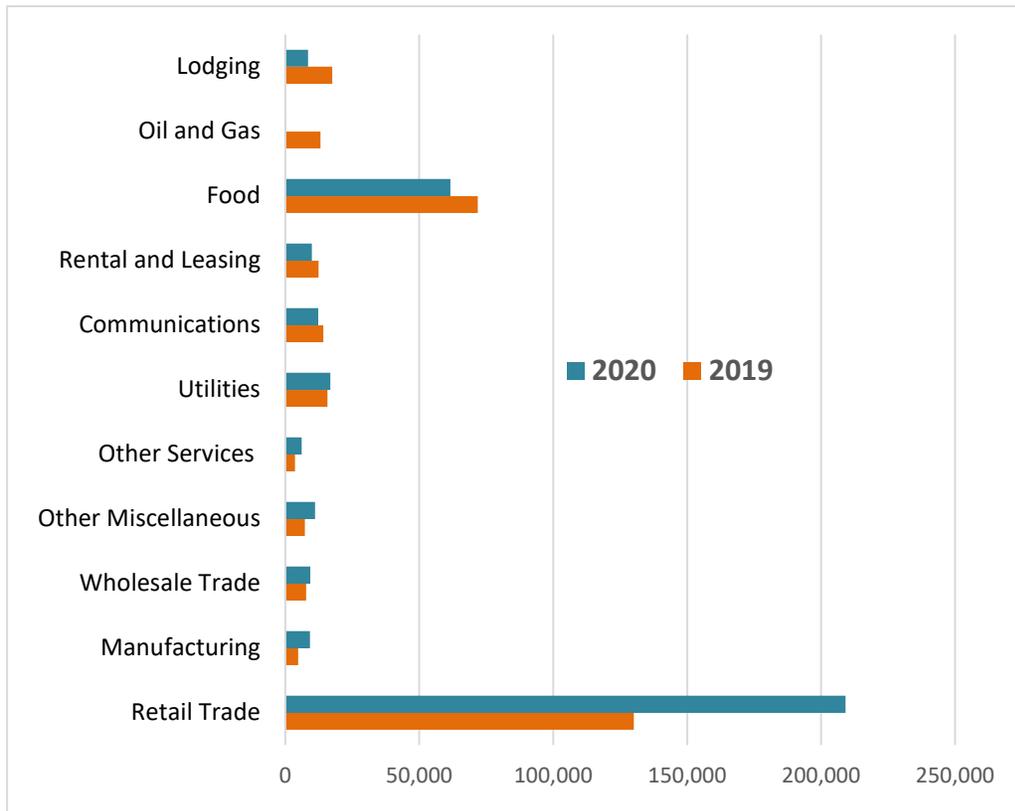
Sales and Use Tax Revenues by Category (3%)

May

Description	2019	2020	1 yr % Chg	1 yr \$ Chg
Sales taxes				
Retail Trade	130,092	209,162	61%	79,070
Manufacturing	4,802	9,234	92%	4,432
Wholesale Trade	7,766	9,371	21%	1,605
Other Miscellaneous	7,253	11,049	52%	3,796
Other Services	3,626	6,097	68%	2,471
Utilities	15,690	16,769	7%	1,079
Communications	14,165	12,288	-13%	(1,877)
Rental and Leasing	12,355	9,965	-19%	(2,390)
Food	71,840	61,670	-14%	(10,170)
Oil and Gas	13,127	138	-99%	(12,989)
Lodging	17,523	8,495	-52%	(9,028)
Subtotal	298,239	354,238	19%	55,999

Remote retailers	9,978	30,070	201%	20,092
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CITY SALES TAX	298,240	354,238
	(1)	0



General Ledger
Actual vs Budget Report

User: msell
Printed: 07/13/20 15:02:36
Period 06 - 06
Fiscal Year 2020



FRUITA

COLORADO

Sort Level	Description	Period Amt	End Bal	Budget	Variance	% ExpendCollect
110	General Fund					
000						
R01	Taxes	-749,231.87	-4,353,610.64	-7,763,300.00	-3,409,689.36	56.08
R02	Licenses and permits	-1,212.50	-12,970.00	-32,750.00	-19,780.00	39.60
R03	Intergovernmental revenue	-92,627.93	-295,193.10	-679,500.00	-384,306.90	43.44
R04	Charges for services	-6,516.00	-52,286.00	-183,350.00	-131,064.00	28.52
R05	Fines and forfeitures	-1,527.75	-8,463.73	-18,900.00	-10,436.27	44.78
R06	Interest	-18,712.36	-48,137.00	-60,000.00	-11,863.00	80.23
R07	Donations	-820.00	-44,242.07	-18,500.00	25,742.07	239.15
R08	Miscellaneous	-3,331.77	-28,835.80	-3,000.00	25,835.80	961.19
R09	Transfers from other funds	-60,125.00	-120,250.00	-240,500.00	-120,250.00	50.00
R10	Other financing sources	0.00	-29.15	0.00	29.15	0.00
R12	Rents	-1,959.01	-28,809.06	-36,000.00	-7,190.94	80.03
000		-936,064.19	-4,992,826.55	-9,035,800.00	-4,042,973.45	55.26
410	<i>General Government Department</i>					
E01	Personnel services, salaries	20,059.04	124,914.09	257,075.00	132,160.91	48.59
E02	Personnel services, benefits	5,110.33	34,545.04	65,300.00	30,754.96	52.90
E03	Purchased professional service	16,393.86	64,509.64	150,750.00	86,240.36	42.79
E04	Purchased property services	369.24	2,400.06	7,450.00	5,049.94	32.22
E05	Other purchased services	226.91	1,528.89	7,100.00	5,571.11	21.53
E06	Supplies	452.96	20,767.30	24,600.00	3,832.70	84.42
E08	Special projects	0.00	29,153.00	39,200.00	10,047.00	74.37
410	<i>General Government Department</i>	42,612.34	277,818.02	551,475.00	273,656.98	50.38
415	<i>Administration Department</i>					
E01	Personnel services, salaries	29,992.78	186,948.64	395,150.00	208,201.36	47.31
E02	Personnel services, benefits	8,558.18	63,109.54	130,925.00	67,815.46	48.20
E03	Purchased professional service	1,219.94	8,021.41	55,250.00	47,228.59	14.52
E04	Purchased property services	9,974.33	87,600.51	140,175.00	52,574.49	62.49
E05	Other purchased services	2,499.87	10,339.72	35,850.00	25,510.28	28.84
E06	Supplies	6,274.93	17,174.70	45,025.00	27,850.30	38.14
E07	Capital	2,325.00	11,025.00	17,800.00	6,775.00	61.94

Sort Level	Description	Period Amt	End Bal	Budget	Variance	% ExpendCollect
415	<i>Administration Department</i>	60,845.03	384,219.52	820,175.00	435,955.48	46.85
418	<i>Engineering Department</i>					
E01	Personnel services, salaries	17,302.48	111,627.29	225,000.00	113,372.71	49.61
E02	Personnel services, benefits	6,801.94	49,639.47	88,100.00	38,460.53	56.34
E03	Purchased professional service	2,170.49	5,030.00	7,900.00	2,870.00	63.67
E04	Purchased property services	2,237.40	3,737.40	4,200.00	462.60	88.99
E05	Other purchased services	99.02	485.58	3,250.00	2,764.42	14.94
E06	Supplies	103.55	802.79	4,700.00	3,897.21	17.08
418	<i>Engineering Department</i>	28,714.88	171,322.53	333,150.00	161,827.47	51.43
419	<i>Community Development Dpmt</i>					
E01	Personnel services, salaries	16,421.62	105,699.78	214,100.00	108,400.22	49.37
E02	Personnel services, benefits	6,907.88	47,633.15	86,325.00	38,691.85	55.18
E03	Purchased professional service	0.00	277.15	1,500.00	1,222.85	18.48
E04	Purchased property services	0.00	3,900.00	3,900.00	0.00	100.00
E05	Other purchased services	765.34	2,425.27	8,400.00	5,974.73	28.87
E06	Supplies	270.33	874.89	5,575.00	4,700.11	15.69
E08	Special projects	7,258.13	40,363.97	112,100.00	71,736.03	36.01
419	<i>Community Development Dpmt</i>	31,623.30	201,174.21	431,900.00	230,725.79	46.58
421	<i>Police Department</i>					
E01	Personnel services, salaries	93,534.99	611,023.41	1,278,450.00	667,426.59	47.79
E02	Personnel services, benefits	39,108.28	293,016.69	554,925.00	261,908.31	52.80
E03	Purchased professional service	300.00	2,268.97	16,025.00	13,756.03	14.16
E04	Purchased property services	1,667.84	82,054.37	100,150.00	18,095.63	81.93
E05	Other purchased services	27,248.97	154,239.37	348,400.00	194,160.63	44.27
E06	Supplies	4,653.18	21,290.07	75,900.00	54,609.93	28.05
E07	Capital	21,292.67	134,395.67	148,300.00	13,904.33	90.62
421	<i>Police Department</i>	187,805.93	1,298,288.55	2,522,150.00	1,223,861.45	51.48
431	<i>Public Works Department</i>					
E01	Personnel services, salaries	39,117.04	234,676.87	536,000.00	301,323.13	43.78
E02	Personnel services, benefits	15,142.94	124,765.46	230,900.00	106,134.54	54.03
E03	Purchased professional service	1,147.82	5,370.80	9,300.00	3,929.20	57.75
E04	Purchased property services	12,434.53	221,863.07	481,275.00	259,411.93	46.10
E05	Other purchased services	187.95	947.82	4,150.00	3,202.18	22.84
E06	Supplies	23,089.12	128,374.60	343,400.00	215,025.40	37.38
E07	Capital	2,465.22	20,879.14	130,800.00	109,920.86	15.96
431	<i>Public Works Department</i>	93,584.62	736,877.76	1,735,825.00	998,947.24	42.45
451	<i>Parks and Recreation Dept</i>					
E01	Personnel services, salaries	36,128.25	242,993.10	542,775.00	299,781.90	44.77

Sort Level	Description	Period Amt	End Bal	Budget	Variance	% ExpendCollect
E02	Personnel services, benefits	13,232.79	100,851.76	183,350.00	82,498.24	55.01
E03	Purchased professional service	145.49	16,072.92	27,050.00	10,977.08	59.42
E04	Purchased property services	5,000.93	85,805.83	145,850.00	60,044.17	58.83
E05	Other purchased services	214.06	1,495.78	5,750.00	4,254.22	26.01
E06	Supplies	7,913.79	59,130.89	139,625.00	80,494.11	42.35
E07	Capital	63.00	6,645.00	42,000.00	35,355.00	15.82
E08	Special projects	9,636.57	46,889.50	111,000.00	64,110.50	42.24
451	<i>Parks and Recreation Dept</i>	72,334.88	559,884.78	1,197,400.00	637,515.22	46.76
490	<i>Non-Departmental Expenses</i>					
E02	Personnel services, benefits	1,500.74	76.29	0.00	-76.29	0.00
E03	Purchased professional service	5,975.46	58,012.86	71,500.00	13,487.14	81.14
E04	Purchased property services	579.16	3,116.99	8,200.00	5,083.01	38.01
E05	Other purchased services	0.00	130,048.23	155,000.00	24,951.77	83.90
E08	Special projects	0.00	13,750.00	73,000.00	59,250.00	18.84
E11	Contingency	0.00	0.00	514,925.00	514,925.00	0.00
E12	Transfers to other funds	68,236.67	91,986.67	1,014,450.00	922,463.33	9.07
490	<i>Non-Departmental Expenses</i>	76,292.03	296,991.04	1,837,075.00	1,540,083.96	16.17
Revenue Total		-936,064.19	-4,992,826.55	-9,035,800.00	-4,042,973.45	-0.5526
Expense Total		593,813.01	3,926,576.41	9,429,150.00	5,502,573.59	0.4164
110	General Fund	-342,251.18	-1,066,250.14	393,350.00	1,459,600.14	-271.07

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Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
121	Conservation Trust Fund					
000						
R03	Intergovernmental revenue	-33,162.17	-66,029.67	-140,000.00	-73,970.33	47.16
R06	Interest	-10.48	-81.63	-100.00	-18.37	81.63
000		-33,172.65	-66,111.30	-140,100.00	-73,988.70	47.19
Revenue Total		-33,172.65	-66,111.30	-140,100.00	-73,988.70	-0.4719
Expense Total		0.00	0.00	0.00	0.00	0.0000
121	Conservation Trust Fund	-33,172.65	-66,111.30	-140,100.00	-73,988.70	47.19

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Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
124	Economic Development Fund					
000						
R09	Transfers from other funds	0.00	0.00	-69,600.00	-69,600.00	0.00
000		0.00	0.00	-69,600.00	-69,600.00	0.00
465	<i>Marketing Operations</i>					
E03	Purchased professional service	0.00	0.00	9,600.00	9,600.00	0.00
E08	Special projects	0.00	0.00	60,000.00	60,000.00	0.00
465	<i>Marketing Operations</i>	0.00	0.00	69,600.00	69,600.00	0.00
Revenue Total		0.00	0.00	-69,600.00	-69,600.00	0.0000
Expense Total		0.00	0.00	69,600.00	69,600.00	0.0000
124	Economic Development Fund	0.00	0.00	0.00	0.00	0.00

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Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
125	Marketing and Promotion Fund					
<i>000</i>						
R01	Taxes	-5,512.69	-24,644.72	-135,000.00	-110,355.28	18.26
R04	Charges for services	0.00	-122.00	0.00	122.00	0.00
R06	Interest	-4.09	-31.82	0.00	31.82	0.00
R09	Transfers from other funds	0.00	0.00	-12,000.00	-12,000.00	0.00
<i>000</i>		<i>-5,516.78</i>	<i>-24,798.54</i>	<i>-147,000.00</i>	<i>-122,201.46</i>	<i>16.87</i>
<i>465</i>	<i>Marketing Operations</i>					
E01	Personnel services, salaries	1,263.02	8,157.42	16,450.00	8,292.58	49.59
E02	Personnel services, benefits	296.12	2,006.69	3,850.00	1,843.31	52.12
E04	Purchased property services	26.98	161.69	1,800.00	1,638.31	8.98
E05	Other purchased services	40.00	17,540.00	50,000.00	32,460.00	35.08
E08	Special projects	500.00	28,000.00	33,000.00	5,000.00	84.85
E11	Contingency	0.00	0.00	41,900.00	41,900.00	0.00
<i>465</i>	<i>Marketing Operations</i>	<i>2,126.12</i>	<i>55,865.80</i>	<i>147,000.00</i>	<i>91,134.20</i>	<i>38.00</i>
Revenue Total		-5,516.78	-24,798.54	-147,000.00	-122,201.46	-0.1687
Expense Total		2,126.12	55,865.80	147,000.00	91,134.20	0.3800
125	Marketing and Promotion Fund	-3,390.66	31,067.26	0.00	-31,067.26	0.00

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Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
127	Community Center Fund					
000						
R01	Taxes	-132,034.56	-812,366.39	-1,501,500.00	-689,133.61	54.10
R04	Charges for services	-48,070.36	-294,519.29	-1,275,000.00	-980,480.71	23.10
R06	Interest	-6,665.09	-9,624.45	-1,250.00	8,374.45	769.96
R07	Donations	0.00	-2,625.00	0.00	2,625.00	0.00
R08	Miscellaneous	2,717.46	1,312.72	-1,000.00	-2,312.72	-131.27
R09	Transfers from other funds	-23,750.00	-47,500.00	-95,000.00	-47,500.00	50.00
R12	Rents	-2,385.42	-26,978.33	-71,200.00	-44,221.67	37.89
000		-210,187.97	-1,192,300.74	-2,944,950.00	-1,752,649.26	40.49
451	<i>Parks and Recreation Dept</i>					
E01	Personnel services, salaries	67,312.23	452,934.58	1,154,450.00	701,515.42	39.23
E02	Personnel services, benefits	15,856.14	133,815.04	258,425.00	124,609.96	51.78
E03	Purchased professional service	2,174.37	13,429.52	33,850.00	20,420.48	39.67
E04	Purchased property services	11,187.84	71,353.49	109,400.00	38,046.51	65.22
E05	Other purchased services	10.02	27,464.72	34,050.00	6,585.28	80.66
E06	Supplies	20,331.36	89,492.69	251,975.00	162,482.31	35.52
E07	Capital	4,958.86	64,175.25	213,600.00	149,424.75	30.04
E08	Special projects	2,542.20	12,702.19	25,000.00	12,297.81	50.81
E11	Contingency	0.00	0.00	302,050.00	302,050.00	0.00
E12	Transfers to other funds	120,183.32	359,050.00	718,100.00	359,050.00	50.00
451	<i>Parks and Recreation Dept</i>	244,556.34	1,224,417.48	3,100,900.00	1,876,482.52	39.49
Revenue Total		-210,187.97	-1,192,300.74	-2,944,950.00	-1,752,649.26	-0.4049
Expense Total		244,556.34	1,224,417.48	3,100,900.00	1,876,482.52	0.3949
127	Community Center Fund	34,368.37	32,116.74	155,950.00	123,833.26	20.59

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130	Capital Projects Fund					
000						
R06	Interest	-487.76	-9,247.35	0.00	9,247.35	0.00
000		-487.76	-9,247.35	0.00	9,247.35	0.00
733	<i>Sidewalk Replacement</i>					
E07	Capital	12,576.00	12,576.00	30,000.00	17,424.00	41.92
R05	Fines and forfeitures	-228.80	-827.80	0.00	827.80	0.00
R09	Transfers from other funds	0.00	0.00	-30,000.00	-30,000.00	0.00
733	<i>Sidewalk Replacement</i>	12,347.20	11,748.20	0.00	-11,748.20	0.00
735	<i>Overlays</i>					
E07	Capital	38.88	38.88	210,000.00	209,961.12	0.02
R09	Transfers from other funds	0.00	0.00	-200,000.00	-200,000.00	0.00
735	<i>Overlays</i>	38.88	38.88	10,000.00	9,961.12	0.39
736	<i>Business Park Improvements</i>					
E07	Capital	0.00	0.00	200,000.00	200,000.00	0.00
R03	Intergovernmental revenue	0.00	0.00	-50,000.00	-50,000.00	0.00
R11	Development impact fees	0.00	0.00	-121,700.00	-121,700.00	0.00
736	<i>Business Park Improvements</i>	0.00	0.00	28,300.00	28,300.00	0.00
737	<i>K.4 Road Improvements</i>					
E07	Capital	-8.00	21,043.29	688,000.00	666,956.71	3.06
R09	Transfers from other funds	-11,748.20	-11,748.20	-340,500.00	-328,751.80	3.45
R11	Development impact fees	-21,051.29	-21,051.29	-157,500.00	-136,448.71	13.37
737	<i>K.4 Road Improvements</i>	-32,807.49	-11,756.20	190,000.00	201,756.20	-6.19
742	<i>Hwy 340 and I-70 Improvements</i>					
E03	Purchased professional service	7,565.00	7,565.00	23,700.00	16,135.00	31.92
E07	Capital	0.00	0.00	55,525.00	55,525.00	0.00
R09	Transfers from other funds	-7,565.00	-7,565.00	-79,225.00	-71,660.00	9.55
742	<i>Hwy 340 and I-70 Improvements</i>	0.00	0.00	0.00	0.00	0.00

Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
749	<i>Department</i>					
E03	Purchased professional service	0.00	0.00	410,000.00	410,000.00	0.00
R03	Intergovernmental revenue	0.00	0.00	-205,000.00	-205,000.00	0.00
R09	Transfers from other funds	0.00	0.00	-205,000.00	-205,000.00	0.00
749	<i>Department</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
783	<i>Civic Center Improvements</i>					
E07	Capital	0.00	0.00	17,000.00	17,000.00	0.00
R09	Transfers from other funds	0.00	0.00	-17,000.00	-17,000.00	0.00
783	<i>Civic Center Improvements</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
790	<i>Kokopelli Trail</i>					
E07	Capital	22,517.95	320,263.95	590,000.00	269,736.05	54.28
R03	Intergovernmental revenue	-217,054.71	-320,242.67	-590,000.00	-269,757.33	54.28
790	<i>Kokopelli Trail</i>	<i>-194,536.76</i>	<i>21.28</i>	<i>0.00</i>	<i>-21.28</i>	<i>0.00</i>
841	<i>Big Salt Wash Trail</i>					
E07	Capital	0.00	25,173.47	27,000.00	1,826.53	93.24
R09	Transfers from other funds	-25,173.47	-25,173.47	-27,000.00	-1,826.53	93.24
841	<i>Big Salt Wash Trail</i>	<i>-25,173.47</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Revenue Total		-283,309.23	-395,855.78	-2,022,925.00	-1,627,069.22	-0.1957
Expense Total		42,689.83	386,660.59	2,251,225.00	1,864,564.41	0.1718
130	Capital Projects Fund	-240,619.40	-9,195.19	228,300.00	237,495.19	-4.03

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140	Debt Service Fund					
000						
R06	Interest	-405.87	-5,216.00	-13,000.00	-7,784.00	40.12
R09	Transfers from other funds	-118,683.32	-356,050.00	-712,100.00	-356,050.00	50.00
000		-119,089.19	-361,266.00	-725,100.00	-363,834.00	49.82
470	<i>Debt Service</i>					
E09	Debt service principal	0.00	0.00	320,000.00	320,000.00	0.00
E10	Debt interest & bond issuance	0.00	202,300.00	405,100.00	202,800.00	49.94
470	<i>Debt Service</i>	0.00	202,300.00	725,100.00	522,800.00	27.90
Revenue Total		-119,089.19	-361,266.00	-725,100.00	-363,834.00	-0.4982
Expense Total		0.00	202,300.00	725,100.00	522,800.00	0.2790
140	Debt Service Fund	-119,089.19	-158,966.00	0.00	158,966.00	0.00

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Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
210	Devils Canyon Center Fund					
<i>000</i>						
R06	Interest	-30.35	-236.26	0.00	236.26	0.00
R08	Miscellaneous	-1,666.61	-1,666.61	0.00	1,666.61	0.00
<i>000</i>		<i>-1,696.96</i>	<i>-1,902.87</i>	<i>0.00</i>	<i>1,902.87</i>	<i>0.00</i>
<i>450</i>	<i>DCC Administration</i>					
E12	Transfers to other funds	0.00	0.00	43,875.00	43,875.00	0.00
<i>450</i>	<i>DCC Administration</i>	<i>0.00</i>	<i>0.00</i>	<i>43,875.00</i>	<i>43,875.00</i>	<i>0.00</i>
Revenue Total		-1,696.96	-1,902.87	0.00	1,902.87	0.0000
Expense Total		0.00	0.00	43,875.00	43,875.00	0.0000
210	Devils Canyon Center Fund	-1,696.96	-1,902.87	43,875.00	45,777.87	-4.34

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Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
211	Irrigation Water Fund					
000						
R04	Charges for services	33.92	-60,683.97	-122,000.00	-61,316.03	49.74
R06	Interest	-4.08	-31.78	0.00	31.78	0.00
000		29.84	-60,715.75	-122,000.00	-61,284.25	49.77
431	<i>Public Works Department</i>					
E01	Personnel services, salaries	5,042.28	31,928.31	58,250.00	26,321.69	54.81
E02	Personnel services, benefits	2,723.42	19,247.91	24,425.00	5,177.09	78.80
E04	Purchased property services	0.00	2,100.00	2,100.00	0.00	100.00
E05	Other purchased services	619.68	2,593.73	8,400.00	5,806.27	30.88
E06	Supplies	292.59	11,506.10	15,125.00	3,618.90	76.07
E12	Transfers to other funds	2,625.00	5,250.00	10,500.00	5,250.00	50.00
431	<i>Public Works Department</i>	11,302.97	72,626.05	118,800.00	46,173.95	61.13
Revenue Total		29.84	-60,715.75	-122,000.00	-61,284.25	-0.4977
Expense Total		11,302.97	72,626.05	118,800.00	46,173.95	0.6113
211	Irrigation Water Fund	11,332.81	11,910.30	-3,200.00	-15,110.30	-372.20

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Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
212	Sewer Fund					
000						
R03	Intergovernmental revenue	0.00	-307,037.93	-342,225.00	-35,187.07	89.72
R04	Charges for services	-22,436.35	-1,846,800.04	-3,780,000.00	-1,933,199.96	48.86
R06	Interest	-1,600.60	-21,114.37	-45,000.00	-23,885.63	46.92
R08	Miscellaneous	-1,350.54	-2,970.54	-1,500.00	1,470.54	198.04
000		-25,387.49	-2,177,922.88	-4,168,725.00	-1,990,802.12	52.24
433	<i>Sewer</i>					
E01	Personnel services, salaries	38,877.44	271,616.85	605,075.00	333,458.15	44.89
E02	Personnel services, benefits	18,695.35	139,214.64	264,175.00	124,960.36	52.70
E03	Purchased professional service	3,487.88	12,339.06	51,500.00	39,160.94	23.96
E04	Purchased property services	1,884.49	38,546.48	56,000.00	17,453.52	68.83
E05	Other purchased services	6,057.51	71,200.35	163,100.00	91,899.65	43.65
E06	Supplies	33,583.69	158,327.83	342,600.00	184,272.17	46.21
E07	Capital	0.00	7,275.00	59,075.00	51,800.00	12.31
E09	Debt service principal	0.00	422,500.00	845,000.00	422,500.00	50.00
E10	Debt interest & bond issuance	0.00	237,063.34	474,150.00	237,086.66	50.00
E11	Contingency	0.00	0.00	76,100.00	76,100.00	0.00
E12	Transfers to other funds	41,250.00	82,500.00	165,000.00	82,500.00	50.00
433	<i>Sewer</i>	143,836.36	1,440,583.55	3,101,775.00	1,661,191.45	46.44
600	<i>Treatment System</i>					
E03	Purchased professional service	7,118.78	12,588.78	27,125.00	14,536.22	46.41
E07	Capital	145,099.00	145,099.00	323,725.00	178,626.00	44.82
600	<i>Treatment System</i>	152,217.78	157,687.78	350,850.00	193,162.22	44.94
601	<i>Lift Stations</i>					
E07	Capital	0.00	380.34	83,200.00	82,819.66	0.46
601	<i>Lift Stations</i>	0.00	380.34	83,200.00	82,819.66	0.46
602	<i>Lagoons</i>					
E07	Capital	0.00	0.00	100,000.00	100,000.00	0.00
602	<i>Lagoons</i>	0.00	0.00	100,000.00	100,000.00	0.00

Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
603	<i>Sewer Line Upgrades</i>					
E07	Capital	0.00	0.00	225,000.00	225,000.00	0.00
603	<i>Sewer Line Upgrades</i>	0.00	0.00	225,000.00	225,000.00	0.00
605	<i>Sewer Line Extensions</i>					
E07	Capital	1,900.00	1,547,480.66	1,625,750.00	78,269.34	95.19
605	<i>Sewer Line Extensions</i>	1,900.00	1,547,480.66	1,625,750.00	78,269.34	95.19
Revenue Total		-25,387.49	-2,177,922.88	-4,168,725.00	-1,990,802.12	-0.5224
Expense Total		297,954.14	3,146,132.33	5,486,575.00	2,340,442.67	0.5734
212	Sewer Fund	272,566.65	968,209.45	1,317,850.00	349,640.55	73.47

General Ledger
Actual vs Budget Report

User: msell
Printed: 07/13/20 15:02:36
Period 06 - 06
Fiscal Year 2020



FRUITA

COLORADO

Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
215	Trash Fund					
000						
R04	Charges for services	-547.92	-342,428.45	-805,000.00	-462,571.55	42.54
R06	Interest	-4.63	-36.06	0.00	36.06	0.00
000		-552.55	-342,464.51	-805,000.00	-462,535.49	42.54
432	<i>Sanitation Department</i>					
E05	Other purchased services	125,114.65	311,457.18	746,000.00	434,542.82	41.75
E12	Transfers to other funds	14,750.00	29,500.00	59,000.00	29,500.00	50.00
432	<i>Sanitation Department</i>	139,864.65	340,957.18	805,000.00	464,042.82	42.35
Revenue Total		-552.55	-342,464.51	-805,000.00	-462,535.49	-0.4254
Expense Total		139,864.65	340,957.18	805,000.00	464,042.82	0.4235
215	Trash Fund	139,312.10	-1,507.33	0.00	1,507.33	0.00

General Ledger
Actual vs Budget Report

User: msell
Printed: 07/13/20 15:02:36
Period 06 - 06
Fiscal Year 2020



FRUITA

COLORADO

Sort Level	Description	Period Amt	End Bal	Budget	Variance	% Expend/Collect
220	Fleet Maintenance Fund					
000						
R04	Charges for services	0.00	-329,775.00	-329,775.00	0.00	100.00
000		0.00	-329,775.00	-329,775.00	0.00	100.00
431	<i>Public Works Department</i>					
E01	Personnel services, salaries	9,842.63	63,078.16	137,400.00	74,321.84	45.91
E02	Personnel services, benefits	4,939.57	35,598.98	64,825.00	29,226.02	54.92
E03	Purchased professional service	0.00	481.00	1,500.00	1,019.00	32.07
E04	Purchased property services	200.84	13,058.66	32,300.00	19,241.34	40.43
E06	Supplies	4,787.01	49,042.36	91,750.00	42,707.64	53.45
E07	Capital	0.00	1,900.00	2,000.00	100.00	95.00
431	<i>Public Works Department</i>	19,770.05	163,159.16	329,775.00	166,615.84	49.48
Revenue Total		0.00	-329,775.00	-329,775.00	0.00	-1.0000
Expense Total		19,770.05	163,159.16	329,775.00	166,615.84	0.4948
220	Fleet Maintenance Fund	19,770.05	-166,615.84	0.00	166,615.84	0.00

General Ledger
Actual vs Budget Report

User: msell
Printed: 07/13/20 15:02:36
Period 06 - 06
Fiscal Year 2020



FRUITA

COLORADO

<u>Sort Level</u>	<u>Description</u>	<u>Period Amt</u>	<u>End Bal</u>	<u>Budget</u>	<u>Variance</u>	<u>% Expend/Collect</u>
	<i>Revenue Total</i>	-1,614,947.17	-9,945,939.92	-20,510,975.00	-10,565,035.08	-0.4849
	<i>Expense Total</i>	1,352,077.11	9,518,695.00	22,507,000.00	12,988,305.00	0.4229



FRUITA

COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: DAVID OLIVER, CODE COMPLIANCE OFFICER

DATE: JULY 21, 2020

RE: ORDINANCE 2020-02 – 1ST READING – AN ORDINANCE AMENDING CHAPTER 28 OF TITLE 2 AND CHAPTER 11 OF TITLE 9 OF THE FRUITA MUNICIPAL CODE TO PROVIDE FOR MORE EFFICIENT ENFORCEMENT OF AND MONETARY PENALTIES RELATED TO PUBLIC NUISANCE VIOLATIONS FOR PUBLICATION OF PUBLIC HEARING ON AUGUST 4, 2020.

BACKGROUND

The proposed amendments include changes to Chapter 28 of Title 2 and Chapter 11 of Title 9 within the Municipal Code. Chapter 28 of Title 2 sets forth procedures for noncriminal offenses but currently does not explicitly set forth procedures by which penalties may be assessed for nuisance violations. Additionally, Chapter 11 of Title 9 sets forth remedies for certain nuisances, including abatement and fines, but does not specifically identify a public nuisance as a noncriminal offense subject to the provisions of Chapter 28 of Title 2. Chapter 11 of Title 9. Those provisions only provide for the abatement of public nuisances through filing of a civil action. Currently the Code prohibits over growth of weeds and brush as a matter of public health and safety, but does identify such growth as a public nuisance.

The purpose for these proposed changes is to provide for a more efficient process to address public nuisances and to include excessive growth or weeds and brush as a public nuisance.

FISCAL IMPACT

Staff does not anticipate this amendment to create any negative fiscal impacts on the city. There are funds available in the property clean up budget that will allow work to get completed if necessary.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

This amendment will encourage property owners to clean up their properties in a more efficient manner and should protect quality of place.

OPTIONS AVAILABLE TO THE COUNCIL:

- Approve the proposed amendments.

- Approve the proposed amendments with conditions.

RECOMMENDATION:

It is Staff's recommendation the Council by motion:

APPROVE ORDINANCE 2020-02 – 1ST READING – AN ORDINANCE AMENDING CHAPTER 28 OF TITLE 2 AND CHAPTER 11 OF TITLE 9 OF THE FRUITA MUNICIPAL CODE TO PROVIDE FOR MORE EFFICIENT ENFORCEMENT OF AND MONETARY PENALTIES RELATED TO PUBLIC NUISANCE VIOLATIONS FOR PUBLICATION OF PUBLIC HEARING ON AUGUST 4, 2020.

ORDINANCE NO. 2020-02

AN ORDINANCE AMENDING CHAPTER 28 OF TITLE 2 AND CHAPTER 11 OF TITLE 9 OF THE FRUITA MUNICIPAL CODE TO PROVIDE FOR MORE EFFICIENT ENFORCEMENT OF AND MONETARY PENALTIES RELATED TO PUBLIC NUISANCE VIOLATIONS

WHEREAS, Chapter 28 of Title 2 of the City of Fruita (the “City”) Municipal Code (the “Code”) sets forth procedures for noncriminal offenses; and

WHEREAS, Chapter 28 of Title 2 of the Code does not explicitly set forth procedures by which penalties may be assessed for nuisance violations; and

WHEREAS, Chapter 11 of Title 9 of the Code sets forth remedies for certain nuisances, including abatement and fines, but does not specifically identify a public nuisance as a noncriminal offense subject to the provisions of Chapter 28 of Title 2; and

WHEREAS, Chapter 11 of Title 9 of the Code only provides for abate of public nuisances through filing of a civil action; and

WHEREAS, the Code prohibits overgrowth of weeds and brush as a matter of public health and safety, but does not identify such growth as a public nuisance; and

WHEREAS, to provide for a more efficient process to address public nuisances, and to include excessive growth or weeds and brush as a public nuisance, the City wishes to amend Chapter 28 of Title 2 and Chapter 11 of Title 9.

NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRUITA, COLORADO, THAT:

Section 1. Amendment to Chapter 2.28.190. Chapter 28.190 is hereby by amended by the following addition of subsection P:

- P. PURSUANT TO CHAPTER 9.11.110, THE CITY MANAGER OR A OFFICER OF THE CITY IS AUTHORIZED TO ISSUE A PENALTY ASSESSMENT NOTICE AND HAVE SAID PENALTY ASSESSMENT NOTICE PROCESSED BY THE MUNICIPAL COURT IN ACCORDANCE WITH THIS SECTION 2.28.190. THE PENALTY ASSESSMENT NOTICE ISSUED BY THE CITY MANAGER OR A CITING OFFICER SHALL BE A SUMMONS AND COMPLAINT CONTAINING IDENTIFICATION OF THE ALLEGED OFFENDER, SPECIFICATIONS OF THE OFFENSE AND THE APPLICABLE FINE AS SET FORTH IN SECTION 9.11.110, A REQUIREMENT THE OFFENDER PAY THE FINE OR APPEAR TO ANSWER THE CHARGE AS SET FORTH IN THE SUMMONS AND COMPLAINT AND A WAIVER OF THE RIGHT TO A HEARING ON THE OFFENSE SPECIFIED ON THE SUMMONS AND COMPLAINT. IF THE PERSON ISSUED A PENALTY ASSESSMENT NOTICE HEREUNDER

CHOOSES TO ACKNOWLEDGE THEIR GUILT, THEY MAY PAY THE SPECIFIED FINE IN PERSON OR BY MAIL WITH THE CLERK OF THE COURT ON OR BEFORE THE DATE SPECIFIED IN THE PENALTY ASSESSMENT NOTICE. UPON TRIAL, IF THE ALLEGED OFFENDER IS FOUND GUILTY, THE FINE IMPOSED SHALL BE THAT SET FORTH IN THE NOTICE OF THE OFFENSE FOR WHICH THE OFFENDER WAS FOUND GUILTY, BUT ADDITIONAL FEES AND COSTS PROVIDED IN THIS CHAPTER MAY BE ASSESSED IN ADDITION TO THESE FINES.

Section 2. Amendment to Chapter 9.11.030. Chapter 9.11.030 is hereby amended by the following addition of subsection BB”

BB. ALL WEEDS, BRUSH AND RUBBISH PROHIBITED BY CHAPTER 8.04.

Section 3. Amendment to Chapter 9.11.060. Chapter 9.11.060 is hereby amended as follows:

- A. UPON THE DISCOVERY OF ANY NUISANCE ON PUBLIC OR PRIVATE PROPERTY WITHIN THE CITY, THE CITY MANAGER OR A CITING OFFICER OF THE CITY SHALL NOTIFY THE OWNER OR OCCUPANT OF THE PROPERTY TO REMOVE AND ABATE FROM THE PROPERTY THE THING OR THINGS HEREIN DESCRIBED AS A NUISANCE WITHIN THE TIME SPECIFIED IN THE NOTICE.
 - 1. THE TIME FOR ABATEMENT OF A NUISANCE POSING AN IMMINENT DANGER OF DAMAGE OR INJURY TO OR LOSS OF LIFE, LIMB, PROPERTY OR HEALTH OR WHERE THERE IS AN ILLICIT DISCHARGE SHALL NOT EXCEED TWENTY-FOUR (24) HOURS.
 - 2. THE REASONABLE TIME FOR ABATEMENT FOR ALL OTHER NUISANCES SHALL NOT EXCEED SEVEN (7) DAYS UNLESS IT APPEARS FROM THE FACTS AND CIRCUMSTANCES THAT COMPLIANCE COULD NOT REASONABLY BE MADE WITHIN SEVEN (7) DAYS OR THAT A GOOD-FAITH ATTEMPT AT COMPLIANCE IS BEING MADE.
 - 3. IF THE OWNER OR OCCUPANT FAILS TO ABATE THE NUISANCE WITHIN THE TIME STATED IN THE NOTICE, THE CITY MANAGER MAY PROCEED TO HAVE THE NUISANCE REMOVED OR ABATED FROM THE PROPERTY WITHOUT DELAY.
 - 4. IN NO EVENT SHALL THE NOTICE DESCRIBED BY THIS SECTION BE REQUIRED FOR NUISANCES FOUND ON

PUBLIC PROPERTY OR FOR NUISANCES CREATED BY THE PLACEMENT OF EVICTED PROPERTY.

5. THE CITY MAY SERVE WRITTEN NOTICE TO ABATE BY ONE (1) OF THE FOLLOWING METHODS:
 - A. PERSONALLY DELIVERING A COPY OF THE NOTICE TO THE OWNER OF THE PROPERTY DESCRIBED IN THE NOTICE;
 - B. PERSONALLY DELIVERING A COPY OF THE NOTICE TO THE NONOWNER OCCUPANT OR RESIDENT OF THE PROPERTY DESCRIBED IN THE NOTICE AND MAILING A COPY OF THE NOTICE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE LAST KNOWN ADDRESS OF THE OWNER AS REFLECTED IN THE COUNTY REAL ESTATE RECORDS; OR
 - C. MAILING ONE (1) COPY OF THE NOTICE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND A SECOND COPY OF THE NOTICE BY REGULAR MAIL TO THE LAST KNOWN ADDRESS OF THE OWNER OF THE PROPERTY DESCRIBED IN THE NOTICE AS REFLECTED IN THE COUNTY REAL ESTATE RECORDS. IF THE PROPERTY IS UNOCCUPIED, A COPY OF THE NOTICE SHALL ALSO BE POSTED IN A CONSPICUOUS PLACE AT THE UNOCCUPIED PREMISES.
 - D. PERSONAL SERVICE SHALL BE DEEMED COMPLETE UPON THE DATE OF PERSONAL DELIVERY OR THREE (3) BUSINESS DAYS AFTER THE DATE OF MAILING AS REQUIRED HEREIN.

6. ANY WRITTEN NOTICE ISSUED PURSUANT TO SUBSECTION (B) ABOVE SHALL INCLUDE:
 - a. A DESCRIPTION OF THE NUISANCE;
 - b. A DATE BY WHICH THE NUISANCE MUST BE ABATED;
 - c. A STATEMENT INFORMING THE OWNER OR OCCUPANT THAT, IF THE NUISANCE IS NOT ABATED WITHIN THE TIME SPECIFIED, THE NUISANCE MAY BE ABATED BY THE CITY AND THE INDIVIDUAL MAY BE SUBJECT TO CIVIL ACTION OR PROSECUTION OF A NONCRIMINAL OFFENSE

FOR VIOLATING THE PROVISIONS OF THIS CHAPTER.

- d. A STATEMENT THAT, IF THE CITY ABATES THE NUISANCE, THE CITY IS ENTITLED TO RECOVER THE ACTUAL COST OF ABATEMENT, PLUS AN ADMINISTRATIVE FEE OF FIFTEEN PERCENT (15%) OF THE ABATEMENT COSTS.
- e. A STATEMENT THAT, IF THE COST OF ABATEMENT IS NOT PAID, A LIEN MAY BE PLACED UPON ANY PROPERTY ON WHICH THE ABATEMENT WAS PERFORMED. FAILURE TO SUBSTANTIALLY COMPLY WITH THIS NOTICE SHALL NOT INVALIDATE THE PROCEEDINGS.
- f. A STATEMENT THAT THE OWNER OR OCCUPANT OF THE PROPERTY, WITHIN THE PERIOD OF NOTICE, MAY PROTEST THE FINDINGS OF THE AUTHORIZED INSPECTOR PURSUANT TO SECTION C BELOW.

~~B.A.~~ IF, AFTER WRITTEN NOTICE HAS BEEN PROVIDED, THE OWNER OR OCCUPANT OF THE BUILDING OR PREMISES REFUSES OR FAILS TO ABATE THE NUISANCE IN THE TIME SPECIFIED IN THE NOTICE, AND IF THE CITY MANAGER ELECTS NOT TO SUMMARILY ABATE THE NUISANCE PURSUANT TO SECTION A HEREIN, THE CITY MANAGER MAY INITIATE A CIVIL ACTION IN MUNICIPAL COURT TO HAVE THE NUISANCE DECLARED AS SUCH BY THE COURT AND FOR AN ORDER ENJOINING THE NUISANCE AND AUTHORIZING ITS RESTRAINTS, REMOVAL, TERMINATIONS OR ABATEMENT. EXCEPT AS OTHERWISE MAY BE PROVIDED IN THIS CHAPTER, THE PRACTICE AND PROCEDURE IN AN ACTION TO ABATE A PUBLIC NUISANCE SHALL BE GOVERNED BY THE COLORADO RULES OF CIVIL PROCEDURE. AN ACTION TO ABATE A PUBLIC NUISANCE SHALL BE BROUGHT BY THE CITY ATTORNEY OR HIS DESIGNEE IN THE NAME OF THE STATE OF COLORADO AND THE CITY OF FRUITA. AN ACTION TO ABATE A PUBLIC NUISANCE, AND ANY ACTION IN WHICH A TEMPORARY RESTRAINING ORDER, TEMPORARY WRIT OF INJUNCTION, OR PRELIMINARY INJUNCTION IS REQUESTED, SHALL BE COMMENCED BY THE FILING OF A COMPLAINT, WHICH SHALL BE VERIFIED OR SUPPORTED BY AFFIDAVIT. A SUMMONS SHALL BE ISSUED AND SERVED AS IN CIVIL CASES. ALL COMPLAINTS OF NUISANCES MADE TO THE MESA COUNTY HEALTH DEPARTMENT, OR THE CITY MANAGER OR HIS AUTHORIZED

AGENT SHALL STATE THE NATURE OF SUCH NUISANCE; WHERE IT IS, GIVING STREET NAME AND NUMBER, THE NAME OF THE OWNER, AGENT OR OCCUPANT OF THE BUILDING OR LOT, IF KNOWN, AND THE NAME AND ADDRESS OF THE COMPLAINANT.

- C. THE OWNER, THEIR AGENT OR THE OCCUPANT OF THE PROPERTY SUBJECT TO A NOTICE OF ABATEMENT, WITHIN THE TIME STATED IN SUCH NOTICE FOR REMOVAL OF THE THING OR THINGS OR ABATEMENT OF THE CONDITIONS DESCRIBED THEREIN, MAY PROTEST THE FINDINGS OF THE CITY WITH RESPECT TO ANY MATTER STATED IN THE NOTICE, BY FILING A WRITTEN NOTICE OF PROTEST WITH THE MUNICIPAL COURT. THE MUNICIPAL COURT SHALL DELIVER A COPY OF THE PROTEST TO THE AUTHORIZED INSPECTOR WHO ISSUED THE NOTICE. UPON RECEIPT OF A NOTICE OF PROTEST, THE AUTHORIZED INSPECTOR SHALL FILE WITH THE MUNICIPAL COURT THE NOTICE TO ABATE AND THE WRITTEN NOTICE OF PROTEST. WITHIN TEN (10) DAYS AFTER RECEIPT OF THE PROTEST BY THE CITY, THE MUNICIPAL COURT SHALL SCHEDULE AND CONDUCT A HEARING ON THE PROTEST. AT THE HEARING, THE PROTESTING PARTY AND REPRESENTATIVES OF THE CITY SHALL APPEAR IN PERSON. BOTH PARTIES MAY BE REPRESENTED BY LEGAL COUNSEL. THE PARTIES SHALL HAVE THE RIGHT TO PRESENT EVIDENCE AND ARGUMENTS, TO CONFRONT AND CROSS-EXAMINE ANY WITNESS AND TO OPPOSE ANY TESTIMONY OR STATEMENT RELIED UPON BY AN ADVERSE PARTY. THE MUNICIPAL COURT MAY RECEIVE AND CONSIDER ANY EVIDENCE THAT HAS PROBATIVE VALUE COMMONLY ACCEPTED BY REASONABLE AND PRUDENT PERSONS IN THE CONDUCT OF THEIR AFFAIRS. ONCE THE MUNICIPAL COURT HAS SCHEDULED A HEARING ON THE PROTEST, WRITTEN NOTICE OF SUCH HEARING SHALL BE MAILED TO THE PROTESTING PARTY AND GIVEN TO THE AUTHORIZED INSPECTOR WHO SIGNED THE NOTICE OF ABATEMENT. SUCH NOTICE OF HEARING SHALL BE MAILED TO THE PROTESTING PARTY AND GIVEN TO THE AUTHORIZED INSPECTOR NOT LESS THAN SEVEN (7) DAYS PRIOR TO THE SCHEDULED HEARING. UPON THE FILING OF A WRITTEN PROTEST AS PROVIDED HEREIN, THE PERIOD OF TIME FOR REMOVAL OF THE THING OR THINGS OR ABATEMENT OF THE CONDITION DESCRIBED IN THE ORIGINAL NOTICE OF ABATEMENT SHALL BE EXTENDED UNTIL FINAL DISPOSITION OF THE PROTEST BY THE MUNICIPAL COURT, PLUS THE AMOUNT OF TIME GRANTED IN THE ORIGINAL NOTICE, OR AS OTHERWISE ORDERED BY THE MUNICIPAL COURT.

- ~~A. An action to abate a public nuisance under this Chapter shall be brought in Fruita Municipal Court.~~
- ~~B. Except as otherwise may be provided in this Chapter, the practice and procedure in an action to abate a public nuisance shall be governed by the Colorado Rules of Civil Procedure.~~
- ~~C. An action to abate a public nuisance shall be brought by the City Attorney or his designee in the name of the State of Colorado and the City of Fruita.~~
- ~~D. An action to abate a public nuisance, and any action in which a temporary restraining order, temporary writ of injunction, or preliminary injunction is requested, shall be commenced by the filing of a complaint, which shall be verified or supported by affidavit. A summons shall be issued and served as in civil cases.~~
- ~~E. All complaints of nuisances made to the Mesa County Health Department, or the City Manager or his authorized agent shall state the nature of such nuisance; where it is, giving street name and number, the name of the owner, agent or occupant of the building or lot, if known, and the name and address of the complainant.~~

Section 4. Amendment to Chapter 9.11.110. Chapter 9.11.110 is hereby amended as follows:

- A. For seizing and closing any building or premises as provided in this Chapter, or for performing other duties pursuant to the direction of the Court in accordance with the provisions of this Chapter, the City shall be entitled to a reasonable sum fixed by the Court, in addition to the actual costs incurred or expended.
- B. All fees and costs allowed by the provisions of this Section, the costs of a Court action to abate any public nuisance, and all fines levied by the Court in contempt proceedings incident to any action to abate a public nuisance shall be a first and prior lien upon any real property where the nuisance was located, and the same shall be enforceable and collectible by execution issued by order of the Court, from the property of any person liable therefor.
- C. Nothing contained in this Chapter shall be construed in such a manner as to destroy the validity of a bona fide lien upon real or personal property appearing of record prior to the recording of Court orders involving real estate as authorized under this Chapter.
- ~~D E.~~ In addition to the remedies set forth in ~~paragraphs (A) through (C) above~~ THIS SECTION, the assessment, together with up to fifteen percent (15%) for inspection and other incidental costs in connection therewith, shall be a

lien against each lot or tract of land until paid and shall have priority over all other liens except general taxes and prior special assessments. In accordance with Section 31-20-105, C.R.S., such assessment may be certified by the City Manager's designee to the Mesa County Treasurer, to be placed on the tax list for the current year, and collected and paid over in the same manner as provided by law for the collection of taxes. Any amount charged on the tax roll of the succeeding year, and any unpaid balance so carried over shall bear interest at the rate of eighteen percent (18%) per annum, until paid.

F. IN THE EVENT THE CITY MANAGER CHOOSES TO SUMMARILY ABATE A NUISANCE UNDER SECTION 9.11, THE AUTHOR OF THE NUISANCE, THE OWNER OR THE OCCUPANT OF THE PROPERTY SHALL BE LIABLE FOR THE ACTUAL COST OF ABATEMENT, PLUS AN ADMINISTRATIVE FEE EQUALING FIFTEEN PERCENT (15%) OF THE ABATEMENT COST. THE COSTS OF ABATEMENT MAY BE RECOVERED BY (1) A CLAIM FOR RESTITUTION IN A MUNICIPAL COURT PROCEEDING; (2) THE INSTITUTION OF A CIVIL ACTION FOR DAMAGES; OR (3) IF THE COSTS OF ABATEMENT HAVE NOT BEEN OTHERWISE COLLECTED, THE CITY MAY PREPARE A STATEMENT ENUMERATING THE ACTUAL COSTS OF ABATEMENT AND ANY OTHER ADMINISTRATIVE FEE AND COSTS AND FILE A FIRST AND PRIOR LIEN UPON THE PROPERTY RELATING BACK TO THE DATE UPON WHICH THE ABATEMENT WAS PERFORMED.

G. IN ADDITION TO THE ABATEMENT PROCEDURES SET FORTH IN THIS CHAPTER AND THE REMEDIES SET FORTH IN THIS SECTION, A VIOLATION OF THIS CHAPTER 9.11 SHALL CONSTITUTE A NONCRIMINAL OFFENSE SUBJECT TO THE PROCEDURES SET FORTH IN CHAPTER 2.28.190. THE CITY MANAGER OR CITING OFFICER OF THE CITY MAY, AT THEIR SOLE DISCRETION, DETERMINE TO ISSUE A PENALTY ASSESSMENT NOTICE FOR PUBLIC NUISANCES BASED ON THE FOLLOWING FINE SCHEDULE:

- 1. FIRST VIOLATION: ONE HUNDRED DOLLARS (\$100.00)
- 2. SECOND VIOLATION: TWO HUNDRED DOLLARS (\$200.00)
- 3. THIRD VIOLATION: TWO HUNDRED FIFTY DOLLARS (\$250.00)

EACH AND EVERY DAY DURING WHICH ANY NUISANCE CONTINUES SHALL BE DEEMED A SEPARATE OFFENSE AND

SHALL BE PROSECUTABLE AND PUNISHABLE AS A SEPARATE OFFENSE.

Section 5. Codification of Amendments. The codifier of the City's Code is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Code. The City Clerk is authorized to correct, or approve the correction by the codifier, of any typographical error in the enacted regulations, provided that such correction shall not substantively change any provision of the regulations adopted in this Ordinance. Such corrections may include spelling, reference, citation, enumeration, and grammatical errors.

Section 6. Violations Continue. Nothing in this Ordinance shall be construed to release, extinguish, alter, modify, or change in whole or in part any penalty, liability or right or affect any audit, suit, or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing which may have been incurred or obtained under any ordinance or provision hereby repealed or amended by this Ordinance. Any such ordinance or provision thereof so amended, repealed, or superseded by this Ordinance shall be treated and held as remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings and prosecutions, for the enforcement of such penalty, liability, or right, and for the purpose of sustaining any judgment, decree or order which can or may be rendered, entered, or made in such actions, suits or proceedings, or prosecutions imposing, inflicting, or declaring such penalty or liability or enforcing such right, and shall be treated and held as remaining in force for the purpose of sustaining any and all proceedings, actions, hearings, and appeals pending before any court or administrative tribunal.

Section 7. Severability. If any provision of this Ordinance, or the application of such provision to any person or circumstance, is for any reason held to be invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable. The City Council hereby declares that it would have passed this Ordinance and each provision thereof, even though any one of the provisions might be declared unconstitutional or invalid. As used in this Section, the term "provision" means and includes any part, division, subdivision, section, subsection, sentence, clause or phrase; the term "application" means and includes an application of an ordinance or any part thereof, whether considered or construed alone or together with another ordinance or ordinances, or part thereof, of the City.

Section 8. Effective Date. This Ordinance shall take effect thirty (30) days after final adoption in accordance with Section 2.13(G) of the Fruita Home Rule Charter.

Section 9. Safety Clause. The City Council hereby finds, determines and declares that this Ordinance is promulgated under the general police power of the City, that it is promulgated for the health, safety and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The City Council further determines that the Ordinance bears a rational relation to the proper legislative object sought to be obtained.

Section 10. Publication. The City Clerk is ordered to publish this Ordinance in accordance with Chapter 2.13(F) of the Code.

**PASSED AND ADOPTED BY THE Fruita City Council
THIS AUGUST DAY OF 4TH, 2020.**

CITY OF FRUITA

Joel Kincaid, Mayor

ATTEST:

City Clerk



AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: PLANNING & DEVELOPMENT DEPARTMENT

DATE: JULY 21, 2020

RE: RESOLUTION 2020-28, A RESOLUTION OF THE FRUITA CITY COUNCIL APPROVING THE FIRST RELEASE OF THE SUBDIVISION IMPROVEMENTS AGREEMENT (SIA) FOR THE GARDEN ESTATES SUBDIVISION.

BACKGROUND:

This is a request for approval of the 1st Release of the Subdivision Improvements Agreement (SIA) (Reception # 2892592) for the Garden Estates Subdivision. The City Council approved the SIA for Garden Estates Subdivision on August 20, 2019. A request for first release has been received. The required improvements have been inspected and the improvements appear to have been completed as required by the subdivision approval and the SIA with the exception of the irrigation vault and landscaping.

The irrigation vault system was redesigned to include the additional capacity to handle the recently proposed Cider Mill subdivision. Since the vault system was redesigned, this caused a delay in the completion of construction of this particular element of the project. However, it is nearing completion. With that said, the developer has provided the city with an Irrigation Exhibit that includes the total cost of the newly designed irrigation vault and landscaping which will be included with this Resolution. The Land Use Code allows for the 1st Release of an SIA without landscaping improvements being completed for the tracts. Landscaping of all the tracts are still required to be installed. Once the irrigation vault system has been installed, inspected and approved by the City Engineer, the warrantee period for the irrigation vault system will begin and the total cost represented for the irrigation vault system will be decreased from \$26,500 to \$2,650 for the required 2 year warrantee period.

The SIA requires that upon the 1st Release, the developer retain ten percent of the cost of the required improvements for the subdivision for the required two-year warranty period. The two years allows the public improvements to go through at least one freeze-thaw cycle. The performance guarantee contains 100% of the cost of the irrigation vault system and landscaping

(\$26,500) and 10% of the cost of the completed improvements (\$57,657.57) for a total of \$84,157.57. Once the irrigation vault system has been installed, inspected and approved by the City Engineer, the performance guarantee will then be decreased to a total of \$60,307.57. This amount will be retained until the two year warranty period is expired.

After the two-year warranty period is complete, City Staff will conduct a final walk-through of the subdivision. The purpose of this walk-through is to ensure that all public improvements are free from defects in materials and workmanship.

FISCAL IMPACT

Approving a first release of a Subdivision Improvements Agreement has a fiscal impact on the City because the City would then be responsible for maintenance of the public improvements. Ten percent of the costs of all improvements in the subdivision is held by the City for two years to ensure defects in materials and workmanship for the improvements will be corrected. Within the two-year warranty period, the City will inspect the improvements and if found to be free from defects in materials and workmanship, a final release of the funding guarantee can be requested.

Additionally, impact fees are collected at the time of planning clearance to help offset the costs of development.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The process of approving and releasing Subdivision Improvements Agreements helps ensure that the City's goal of requiring development to pay its own way is met and that residents and taxpayers of the City are not subsidizing growth.

OPTIONS AVAILABLE TO COUNCIL

1. Adopt Resolution 2020-28, approving the 1st Release of the Subdivision Improvements Agreement for the Garden Estates Subdivision.
2. Direct staff to research any area of the improvements on which Council has concerns or questions.

RECOMMENDATION

Staff recommends that the City Council by motion:

ADOPT RESOLUTION 2020-28, A RESOLUTION OF THE FRUITA CITY COUNCIL APPROVING THE FIRST RELEASE OF THE SUBDIVISION IMPROVEMENTS AGREEMENT (SIA) FOR THE GARDEN ESTATES SUBDIVISION.

RESOLUTION 2020-28

**A RESOLUTION OF THE FRUITA CITY COUNCIL APPROVING THE FIRST
RELEASE OF THE SUBDIVISION IMPROVEMENTS AGREEMENT FOR THE
GARDEN ESTATES SUBDIVISION**

WHEREAS, the developer of the Garden Estates Subdivision entered into a Subdivision Improvements Agreement recorded in the records of the Mesa County Clerk and Recorder at Reception #2892592 to guarantee that required improvements would be completed within a certain time period, and

WHEREAS, the developer has requested a 1st release of the Subdivision Improvements Agreement and to start the two-year warranty period for the subdivision improvements, and

WHEREAS, improvements required by the Subdivision Improvements Agreement for the Garden Estates Subdivision have been inspected and have been sufficiently completed to allow a 1st release of the SIA with the exception of the irrigation vault and landscaping, and

WHEREAS, the irrigation vault was redesigned to handle additional capacity to serve an adjoining subdivision causing a delay in construction, and

WHEREAS, the developer has provided the city with an Irrigation Exhibit showing the costs for the redesigned irrigation vault system, and

WHEREAS, a bill of sale for the required public improvements that will belong to the City of Fruita has been provided and is attached as Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
FRUITA, COLORADO:**

Section 1. The required subdivision improvements for the Garden Estates Subdivision are approved for 1st release of the Subdivision Improvements Agreement with the exception of the costs for the irrigation vault.

Section 2. The City Council authorizes the City Engineer and the Planning Director to administratively allow the supplemental release of the costs for the irrigation vault while retaining the required 10% for the two-year warranty period.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF FRUITA,
COLORADO THIS 21st DAY OF JULY, 2020.**

ATTEST:

City of Fruita

Margaret Sell, City Clerk

Joel Kincaid, Mayor

Irrigation Exhibit

EXHIBIT B " __ On Site __ "

PROJECT:

Name of Subdivision: Garden Estates
 LOCATION: 910 Adams Drive
 Location of Subdivision

Wednesday, April 22, 2020

Intending to be legally bound, the undersigned Developer hereby agrees to provide throughout this Subdivision the following improvements in accordance with the City of Fruita or applicable special district standards.

Class of Improvements	Qty	Unit	Unit Cost	Total Cost	Compl. Date
(1) Mobilization		L.S.	\$5,000.00	\$0.00	1 year from date of approval
(2) Clearing and Grubbing		A.C.	\$500.00	\$0.00	1 year from date of approval
(3) Stormwater control - Outlet Structure		L.S.	\$5,000.00	\$0.00	
(4) Import Material		C.Y.	\$4.00	\$0.00	1 year from date of approval
SUB TOTAL				\$0.00	
(5) Sanitary Sewer					
Trenching		L.F.		\$0.00	(included in pipe cost)
Pipe, 8" dia. SDR-26 Sanitary Sewer Main		L.F.	\$30.00	\$0.00	1 year from date of approval
Manholes, 4' dia., standard		EA	\$3,000.00	\$0.00	1 year from date of approval
Manholes, _____' dia., drop		EA.		\$0.00	
Laterals, (service lines) 4" dia.		EA.	\$400.00	\$0.00	
Sewer accessories (lift station, holding tank sand/oil interceptors)				\$0.00	
Connect to Existing Manhole		Ea.	\$1,000.00	\$0.00	1 year from date of approval
Adjust Manhole Rims		Ea.	\$500.00	\$0.00	
Concrete Encasement		L.F.	\$20.00	\$0.00	1 year from date of approval
SUB TOTAL				\$0.00	
(6) Domestic Water					
Trenching		L.F.		\$0.00	(included in pipe cost)
Main, 4" dia.		L.F.	\$20.00	\$0.00	1 year from date of approval
Main, 8" dia.		L.F.	\$30.00	\$0.00	1 year from date of approval
Laterals (service lines)		L.F.	\$500.00	\$0.00	
Meter boxes		EA.	\$1,000.00	\$0.00	
Fire hydrants (Ts, valves, lateral)		EA.	\$4,750.00	\$0.00	1 year from date of approval
Valves - 8" Gate		EA.	\$1,200.00	\$0.00	1 year from date of approval
8" x 8" TEE		EA.	\$1,200.00	\$0.00	1 year from date of approval
Connect to Existing Main		EA.	\$1,500.00	\$0.00	
SUB TOTAL				\$0.00	Compl. Date
Class of Improvements	Qty	Unit	Unit Cost	Total Cost	
(7) Storm Sewer				\$0.00	
Pipe, culvert, 48" dia HDPE		L.F.	\$75.00	\$0.00	
Pipe, main, 24" dia. ADS		L.F.	\$36.00	\$0.00	
Pipe, main, 18" dia. RCP		L.F.	\$40.00	\$0.00	1 year from date of approval
Pipe, main, 24" dia. RCP		L.F.	\$56.00	\$0.00	
8" ADS Storm Drain Pipe		L.F.	\$15.00	\$0.00	1 year from date of approval
18" Flared end section		EA.	\$500.00	\$0.00	1 year from date of approval
48" Flared end section		EA.	\$2,000.00	\$0.00	
Drain inlet, single		EA.	\$1,000.00	\$0.00	1 year from date of approval
Drain inlet, double		EA.	\$2,000.00	\$0.00	
3x3 Area Inlet		EA.	\$1,000.00	\$0.00	
Junction Box, 3x3		EA.	\$2,500.00	\$0.00	
Junction Box, 3x5		EA.	\$4,000.00	\$0.00	

Manholes, standard, 4' dia.		Ea.	\$3,000.00	\$0.00	1 year from date of approval
Adjust Manhole Rims		Ea.	\$500.00	\$0.00	
Sidewalk Trough Drain		EA.	\$500.00	\$0.00	
Connect to existing Manhole		EA.	\$2,500.00	\$0.00	
Pump		L.S.	\$2,000.00	\$0.00	
Detention Area Outlet Structure		EA.	\$5,000.00	\$0.00	1 year from date of approval
Rip-Rap D ₅₀ = 6"		C.Y.	\$25.00	\$0.00	1 year from date of approval
Detention basin					
Excavation		L.S.	\$5,000.00	\$0.00	
Pipe, _____ dia.		L.F.		\$0.00	
Outlet boxes and controls		Ea.		\$0.00	
Manholes _____ dia.		Ea.		\$0.00	
Other				\$0.00	
SUB TOTAL				\$0.00	
(8) Irrigation					
Trenching				\$0.00	included in pipe cost
Connect to Existing Pipe		L.S.	\$500.00	\$0.00	1 year from date of approval
Gravity flow pipe, 6" dia. PVC		L.F.	\$4.00	\$0.00	1 year from date of approval
Pressure flow pipe, 4" dia. PVC		L.F.	\$3.00	\$0.00	1 year from date of approval
Fittings and Valves	1	L.S.	\$500.00	\$500.00	1 year from date of approval
Flow meter				\$0.00	
Risers and valves - Seivics		EA.	\$200.00	\$0.00	1 year from date of approval
Pumps and controls	1	L.S.	\$7,000.00	\$7,000.00	1 year from date of approval
Pumphouse				\$0.00	included in pumps and controls
Storage vault	1	L.S.	\$10,000.00	\$10,000.00	1 year from date of approval
Flow Meter and structure	1	L.S.	\$3,000.00	\$3,000.00	
PVC Irrigation Sleeves		L.F.	\$20.00	\$0.00	
(9) Landscaping					
Plant Materials and Planting	1	L.S.	\$6,000.00	\$6,000.00	1 year from date of approval
SUB TOTAL				\$26,500.00	
Class of Improvements	Qty	Unit	Unit Cost	Total Cost	Compl. Date
(9) Streets, On-Site					
2" PVC Utility sleeves		L.F.	\$15.00	\$0.00	1 year from date of approval
Xcel (Gas & Electric) Services		EA.	\$400.00	\$0.00	1 year from date of approval
Qwest and Bresnan Services		EA.	\$400.00	\$0.00	1 year from date of approval
Unclassified Embankment		C.Y.	\$4.00	\$0.00	1 year from date of approval
Unclassified Excavation		C.Y.	\$3.00	\$0.00	1 year from date of approval
Sub-base, thickness 6", Class VI		Tons	\$23.50	\$0.00	
Base course, thickness 12", Class VI		Tons	\$23.50	\$0.00	1 year from date of approval
Hot Bituminous Paving, Grading (3" thick)		Tons	\$95.00	\$0.00	1 year from date of approval
RO Curb & gutter, attached sidewalk, 7.0' wide		L.F.	\$20.00	\$0.00	
Drive Over Curb, Gutter, and Sidewalk (6.5' Wide)		L.F.	\$43.00	\$0.00	1 year from date of approval
Trail (7' wide gravel surface CL VI 6" thick)		Tons	\$23.50	\$0.00	
Sidewalk, unattached, 8 ft. wide		L.F.	\$16.00	\$0.00	
Sidewalk, unattached, 5 ft. wide		L.F.	\$10.00	\$0.00	
Concrete Drainage Pan (2' Wide, 4" Thick)		L.F.	\$20.00	\$0.00	1 year from date of approval
Pavement markings		L.S.		\$0.00	
HDCP ramps		S.F.	\$15.00	\$0.00	
Concrete Corner Filet		EA.	\$10,000.00	\$0.00	1 year from date of approval
Signage		EA.	\$400.00	\$0.00	1 year from date of approval
Miscellaneous				\$0.00	
Alley, 6"x20'		S.F.	\$10.00	\$0.00	

SUB TOTAL				\$0.00	
(10) Street Lights		EA.	\$1,500.00	\$0.00	1 year from date of approval
PVC Utility Sleeves		L.F.	\$15.00	\$0.00	
(11) Fencing, Type Vinyl, 6' Tall		L.F.	\$15.00	\$0.00	
(12) Public Parks & Open Spaces, (Exhibit B-)				\$0.00	
(13) Off-Site Streets (Exhibit B-)				\$0.00	
(14) Off-Site Storm Sewer (Exhibit B-)				\$0.00	
(15) Off-Site Sanitary Sewer (Exhibit B-)				\$0.00	
				\$0.00	
(17) Erosion Control, Seeding & Soil Retention				\$0.00	
Soil Retention Blanket		EA	\$ 1,500.00	\$0.00	1 year from date of approval
Earth Berm		LF	\$ 2.25	\$0.00	1 year from date of approval
Straw Bale Barrier		EA	\$ 200.00	\$0.00	1 year from date of approval
Temporary Diversion Channel		LF	\$ 2.00	\$0.00	1 year from date of approval
Inlet Protection		EA	\$ 300.00	\$0.00	1 year from date of approval
Watering (Dust Control)		LS	\$ 2,000.00	\$0.00	1 year from date of approval
Concrete Wash Out		LS	\$ 1,000.00	\$0.00	1 year from date of approval
Tracking Pad		LS	\$ 1,250.00	\$0.00	1 year from date of approval
(18) Removals					
Tree Removal		LS	\$1,500.00	\$0.00	1 year from date of approval
House & Garage Demo		LS	\$3,000.00	\$0.00	1 year from date of approval
SUB TOTAL				\$0.00	
					Compl. Date
Subtotal Construction Costs				\$26,500.00	
(18) MISCELLANEOUS ITEMS					
Construction staking/surveying	%	1.00%	\$26,500.00	\$ -	1 year from date of approval
Developer's inspection cost	%		\$26,500.00	\$ -	
General construction supervision	%		\$26,500.00	\$ -	
Quality control testing	%	2.00%	\$26,500.00	\$ -	1 year from date of approval
Construction traffic control	%	0.00%	\$26,500.00	\$ -	
City inspection fees	%	0.00%	\$26,500.00	\$ -	
As-builts	%	0.50%	\$26,500.00	\$ -	1 year from date of approval
Subtotal Part F - Miscellaneous Items				\$0.00	
Class of Improvements	Qty	Unit	Unit Cost	Total Cost	
Electric Service Facilities *		EA.	\$2,500.00	\$0.00	
Natural Gas Service Facilities *		EA.	\$500.00	\$0.00	
Telephone Facilities *		EA.	\$300.00	\$0.00	
Cable Television Service Facilities *		EA.	\$300.00	\$0.00	
SUB TOTAL				\$0.00	
Supervision of all installation (should normally not exceed 4% of total)					
TOTAL ESTIMATED COST OF IMPROVEMENTS					

AND SUPERVISION				\$26,500.00	
Performance Bond, Escrow Account, or Letter of Credit (110% of Total)				\$57,657.57	
TOTAL LETTER OF CREDIT AMOUNT				\$84,157.57	
* Show costs of installing gas, electric, phone and cable television improvements or provide evidence to the City that performance guarantees have been given directly to the utility companies involved.					Date

The above improvements shall be constructed in accordance with all City requirements and specifications, and conformance with this provision shall be determined solely by the City of Fruita or its duly authorized agent. The improvements shall be constructed in accordance with the time schedules shown above.

[Handwritten Signature]

Signature of Developer

ATTEST:

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

KIM A. KERK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #20064014738
My Commission Expires April 14, 2022

Subscribed and sworn to before me the 8th day of May, 2020, by
Darin Carel

WITNESS MY HAND AND OFFICIAL SEAL.

My commission expires: 04/14/2022
[Handwritten Signature]
Notary Public



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

DATE: JULY 21, 2020

RE: PRESENTATION OF THE 2019 FINANCIAL STATEMENTS AND FISCAL HEALTH ANALYSIS

BACKGROUND

The 2019 Financial Statements will be presented to the City Council. This overview is intended to provide information on the City's financial condition and a framework for upcoming discussions regarding the 2021 budget. A copy of the 2019 Financial Statements is attached for your information and review.

The Fiscal Health Analysis is a set of seven financial ratios developed by the Local Government Audit Division of the Office of the State Auditor to assess financial health. This information can assist the City in identifying areas to focus on for further examination and, if needed, take appropriate action. There is one missed benchmark (Expenditures per Capita) for the 3 year analysis (2017 thru 2019). Attached is a copy of the presentation that will be made at the meeting.

FISCAL IMPACT

N/A

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The State of Colorado and the Fruita City Charter require an annual audit of the City's financial statements. This ensures that the financial statements and financial condition of the City are accurately reported and provides for accountability of the finance functions of the City.

RECOMMENDATION:

No action required on this item.

2019 Financial Statements



FRUITA
COLORADO

*If you want to be successful,
KNOW what you are doing.
LOVE what you are doing.
BELIEVE in what you are doing.*
Will Rogers

325 E. ASPEN, FRUITA, COLORADO 81521

City of Fruita
General Purpose Financial Statements
 Fiscal Year Ended December 31, 2019
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City of Fruita
General Purpose Financial Statements
Fiscal Year Ended December 31, 2018

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INDEPENDENT AUDITOR’S REPORT

July 16, 2020

To the Honorable Mayor and City Council
City of Fruita, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruita, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Fruita, Colorado’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruita, Colorado, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-21 and 65-66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fruita, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, the budget to actual schedules on pages 71 -80, and the schedule of receipts and expenditures for roads, bridges, and streets, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the budget to actual schedules included in supplementary information, and the schedule of receipts and expenditures for roads, bridges, and streets, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.
Grand Junction, Colorado

Management's Discussion and Analysis

This discussion and analysis of the City of Fruita's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. Please read this in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$95.5 million (net position). The City's total net position increased \$2.6 million (3%) from the prior year.
- The city's *unrestricted net position* increased \$2.86 million (20%) from the prior year with \$2,239,657 of the increase attributed to governmental activities and \$617,345 to business-type activities.
- The Sewer Fund represents 95% of the net position of all proprietary funds. The unrestricted net position of the Sewer Fund of \$4,680,560 increased \$595,156 (15%) in 2019.
- The City's governmental funds reported combined ending fund balances of \$15.2 million, an increase of \$1.1 million (8%) in comparison with the prior year. Approximately \$8.6 million (57%) of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The unassigned fund balances for governmental funds increased \$2,034,688 (31%) from the prior year. Unassigned fund balance represents 114% of the total General Fund expenditures of \$7,567,519, including transfers out.
- City sales tax exceeded budget by 23% and prior year revenues by 15%. Retail trade increased \$208,415 (27%) from the prior year, food and lodging establishments increased \$56,623 (11%), and wholesale trade increased \$40,964 (179%). Other strong growth areas include manufacturing and information/communication services. City sales tax revenue from the oil and gas industry decreased \$94,181 (63%).
- New capital assets of \$2,726,702 were acquired in 2019. Of the amount, \$1,963,553 were for governmental activities and \$763,149 were for business-type activities. Significant capital events included Maple Street sewer and street improvements and capital contributions from new development.
- The city refunded the 2009 Sales and Use Tax revenue bonds. The refunding along with schedule debt payments resulted in total debt reduction of \$1,764,400 in 2019.

Management's Discussion and Analysis

- The City received an AA-/Stable rating on the 2019 Refunding and Improvement bonds and an upgraded general obligation rating of AA- (from A+) from S&P Global Rating in June 2019 based on maintenance of a very strong financial position. The upgraded rating was based on 1) an adequate economy, 2) strong management, 3) strong budgetary performance, 4) very strong budgetary flexibility, 5) very strong liquidity, 6) adequate debt and contingent liability profile and 7) a strong institutional framework.
- Events subsequent to the close of the current fiscal year of major significance include the COVID-19 pandemic and its short and long term financial impacts on the city's fiscal condition and sustainability. The strength of the city's financial condition at December 31, 2019 and performance during the first quarter of 2020 will help to offset some of the negative impacts. The City has responded to anticipated revenue losses by reducing expenditures and anticipates use of unassigned balances. The City will continue to closely monitor economic conditions, revenues, expenditures and community needs in order to take appropriate actions to maintain the City's ongoing fiscal sustainability and provide services to the community.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Fruita's basic financial statements. The city's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

- *The statement of net position* presents information on all the city's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.
- *The statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the

Management's Discussion and Analysis

timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, public safety (police), public works, storm water management, parks and recreation, community recreation center operations and marketing and promotion. The business-type activities of the city include the provision of irrigation water, sewer collection and treatment, trash collection and lease of the Devils Canyon Center.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- **Proprietary funds.** Proprietary funds are generally used to account for services for which the city charges customers – either outside customers or internal departments of the city.

Management's Discussion and Analysis

Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The city maintains the following two types of proprietary funds:

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The city uses enterprise funds to account for its Sewer, Irrigation Water, Trash and Devils Canyon Center activities.

Internal service funds. Internal services funds are used by the city to account for the costs of operating and maintaining vehicles and equipment. Because this service predominantly benefits governmental rather than business-type functions, it is included within *governmental activities* in the government-wide financial statements.

The city adopts an annual appropriated budget for its proprietary funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budget in the Other Supplementary Information.

- Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the city's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statement and accompanying notes, this report also presents *required supplementary information* and other *supplementary information* including budget comparison schedules, combining statements and the annual financial report for the use of revenues from the state highway user's tax fund.

Management's Discussion and Analysis

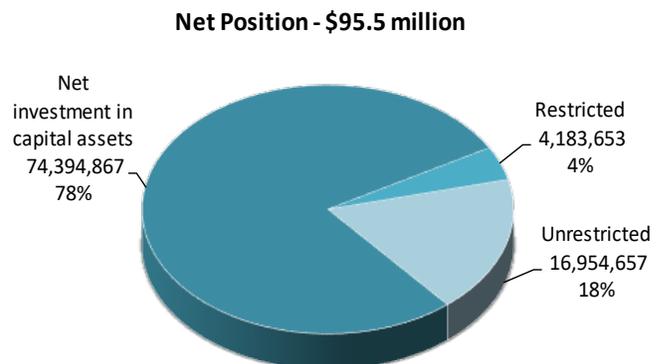
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The city's assets exceeded its liabilities and deferred inflow of resources by \$95.5 million. The following table presents an analysis of the city's net position as of December 31, 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 18,730,425	\$ 17,310,184	\$ 6,616,503	\$ 6,464,131	\$ 25,346,928	\$ 23,774,315
Capital assets	63,480,937	63,846,169	39,391,926	40,014,783	102,872,863	103,860,952
Total assets	82,211,362	81,156,353	46,008,429	46,478,914	128,219,791	127,635,267
LIABILITIES						
Current and other liabilities	2,343,160	2,376,636	413,502	871,812	2,756,662	3,248,448
Long term liabilities	11,403,997	12,332,059	17,111,901	17,942,047	28,515,898	30,274,106
Total liabilities	13,747,157	14,708,695	17,525,403	18,813,859	31,272,560	33,522,554
TOTAL DEFERRED INFLOWS OF RESOURCES						
	1,414,054	1,166,747	-	-	1,414,054	1,166,747
NET POSITION						
Net investment in capital assets	52,076,937	51,514,110	22,317,930	22,072,737	74,394,867	73,586,847
Restricted	3,265,917	4,299,161	917,736	962,303	4,183,653	5,261,464
Unrestricted	11,707,297	9,467,640	5,247,360	4,630,015	16,954,657	14,097,655
TOTAL NET POSITION	\$ 67,050,151	\$ 65,280,911	\$ 28,483,026	\$ 27,665,055	\$ 95,533,177	\$ 92,945,966

The following chart shows the components of net position as of December 31, 2019.

The largest portion of the city's net position (78%) reflect its investment of \$74.4 million in capital assets (e.g., land, buildings, machinery, vehicles, equipment and infrastructure), less any related outstanding debt that was used to acquire those assets. The city uses these capital assets to provide a variety of services to its citizens. Accordingly,



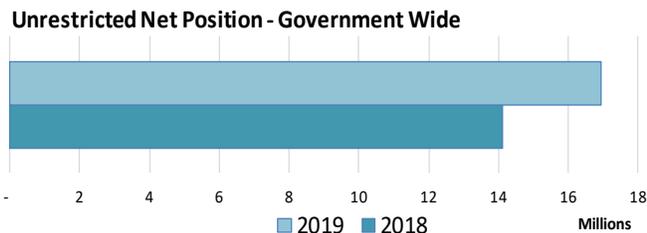
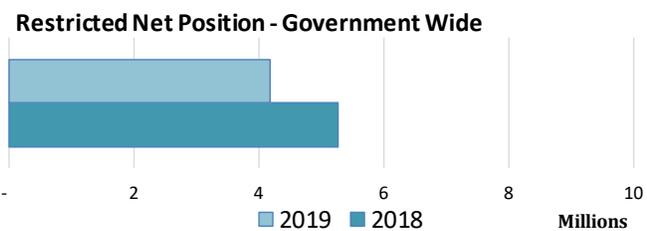
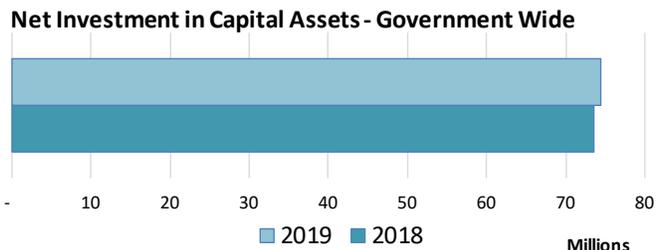
Management's Discussion and Analysis

these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's net investment in capital assets of \$74.4 million increased \$808,020 (1%) from the prior year.

An additional portion of the city's net position of \$4.2 million (4%) represents resources that are subject to restrictions on how they may be used. Restricted net assets decreased \$1.1 million (20%) from the prior year.

The remaining balance of \$17 million (18%) is unrestricted and may be used to meet the city's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$2.86 million (20%) from the prior year.



At the end of the current fiscal year, the city reports positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Analysis of Changes in Net Position

The city's overall net position increased \$2.6 million (3%) from the prior fiscal year. The following table shows changes in net position for 2018 and 2019. This increase is explained in the governmental activities and business-type activities discussion following the table.

Management's Discussion and Analysis

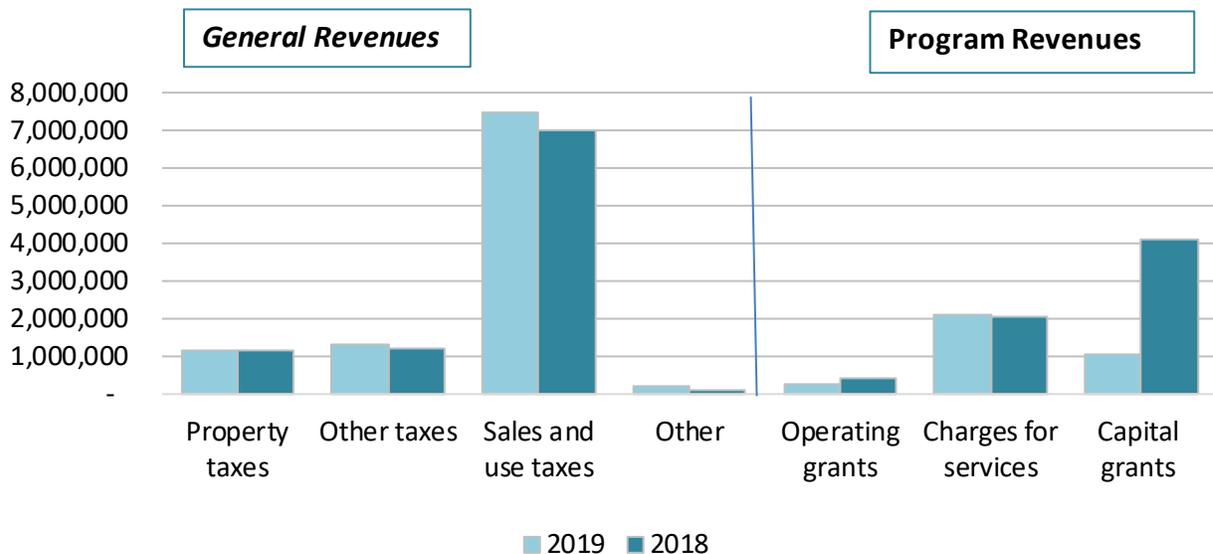
CHANGES IN NET POSITION						
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
<u>Program revenues</u>						
Charges for services	\$ 2,117,692	\$ 2,055,466	\$ 4,810,836	\$ 4,793,383	\$ 6,928,528	\$ 6,848,849
Operating grants & contributions	282,108	403,344	-	-	282,108	403,344
Capital grants & contributions	1,057,896	4,120,819	106,685	352,533	1,164,581	4,473,352
<u>General revenues:</u>						
Property taxes	1,167,209	1,146,137	-	-	1,167,209	1,146,137
Sales and use taxes	7,469,001	6,975,277	-	-	7,469,001	6,975,277
Other taxes	1,338,846	1,235,863	-	-	1,338,846	1,235,863
Other	221,929	116,606	83,279	75,047	305,208	191,653
Total revenues	13,654,681	16,053,512	5,000,800	5,220,963	18,655,481	21,274,475
Expenses:						
General government	2,414,850	2,015,969	-	-	2,414,850	2,015,969
Marketing & promotion	119,594	114,905	-	-	119,594	114,905
Parks and recreation	3,702,926	3,433,070	-	-	3,702,926	3,433,070
Public works	2,556,469	2,618,947	-	-	2,556,469	2,618,947
Public safety	2,290,320	2,323,431	-	-	2,290,320	2,323,431
Interest on long-term debt	1,027,282	892,403	-	-	1,027,282	892,403
Sewer	-	-	3,090,575	3,026,956	3,090,575	3,026,956
Trash	-	-	715,841	676,501	715,841	676,501
Devils Canyon Center	-	-	37,552	38,937	37,552	38,937
Irrigation water	-	-	112,861	96,435	112,861	96,435
Total expenses	12,111,441	11,398,725	3,956,829	3,838,829	16,068,270	15,237,554
Increase (decrease) in net position before transfers	1,543,240	4,654,787	1,043,971	1,382,134	2,587,211	6,036,921
Transfers	226,000	229,114	(226,000)	(229,114)	-	-
Increase in net position	1,769,240	4,883,901	817,971	1,153,020	2,587,211	6,036,921
Net position - beginning	65,280,911	60,397,010	27,665,055	26,512,035	92,945,966	86,909,045
Net position - ending	\$67,050,151	\$65,280,911	\$28,483,026	\$27,665,055	\$95,533,177	\$92,945,966

Governmental Activities. Governmental activities increased the City's net position by \$1.8 million (3%) for the year ended December 31, 2019. Key elements of the change in net position are as follows:

Revenues of \$13.7 million decreased \$2.4 million (15%) in 2019. General revenues increased 8% and program revenues decreased 47%.

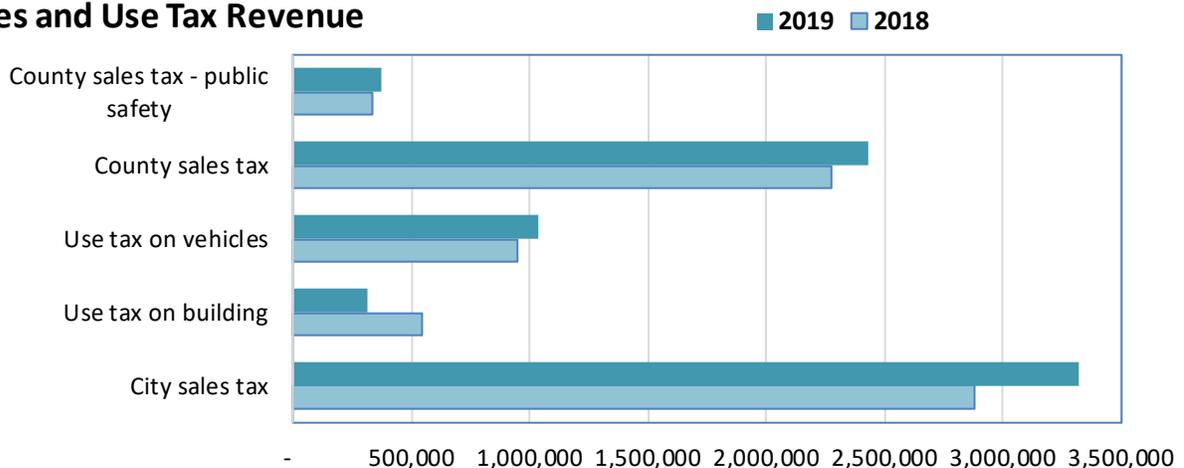
Management's Discussion and Analysis

Governmental Activity Revenues by Source



General revenues of \$10.2 million consist primarily of taxes and increased \$723,102 million from the prior year with increases in sales and use tax accounting for \$493,724 (68%) of this increase. The following chart shows changes in general revenues from sales and use taxes.

Sales and Use Tax Revenue



Program revenues of \$3.5 million decreased \$3.1 million from the prior year. This decrease was due primarily to reductions in capital grants associated with capital projects of \$3,062,923. Charges for services increased \$62,226 (3%) and operating grants decreased \$121,236 (30%).

Management's Discussion and Analysis

Expenses of \$12.1 million increased \$712,716 (6%) in 2019. Changes in expenses from the prior year include:

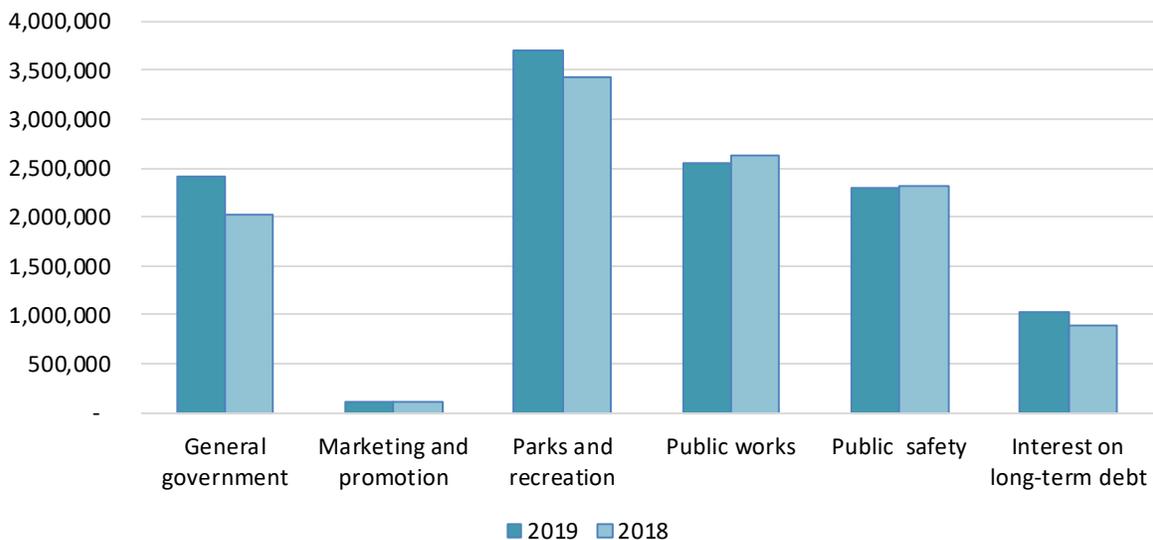
Increases:

- General government programs of \$2.4 million increased \$398,881 (20%).
- Parks and recreation programs of \$3.7 million increased \$269,856 (8%).
- Interest on long-term debt of \$1 million increased \$134,879 (15%).
- Marketing and promotion programs of \$119,594 increased \$4,689 (4%).

Decreases:

- Public works programs of \$2.6 million decreased \$62,478 (2%).
- Public safety programs of \$2.3 million decreased \$33,111 (1%).

Governmental Activity Expenses by Program



Transfers. Transfers from business-type activities to governmental activities of \$226,000 decreased \$3,114 (1%) from the prior year.

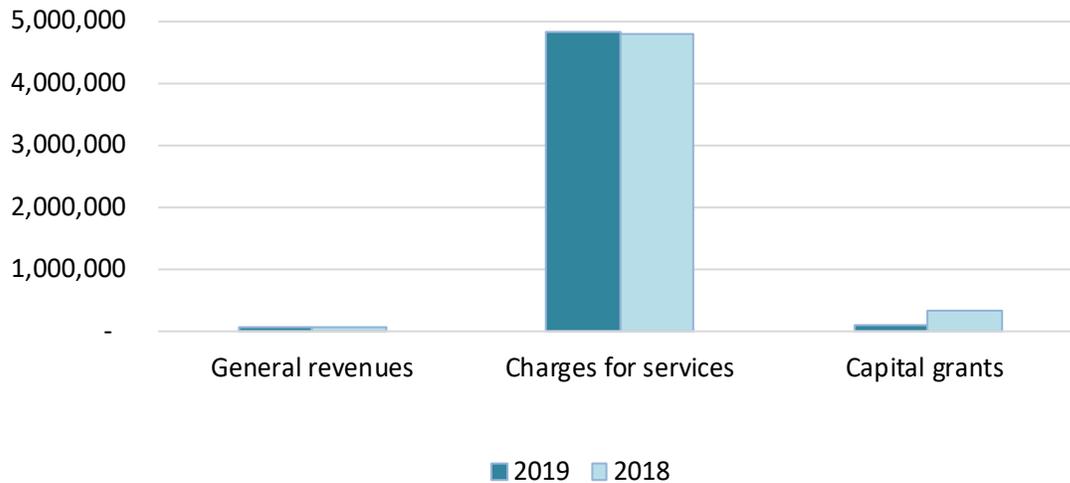
Business-type Activities. Business-type activities increased the City's net position by \$817,971 (3%) for the year ended December 31, 2019. Key elements of the change in net position are as follows:

Revenues of \$5 million decreased \$220,163 million (4%) in 2019. General revenues are less than 2% of the total revenues for business-type activities and increased \$8,232 (11%). Program revenues decreased \$228,395 (2%). This decrease is primarily due to a reduction in plant

Management's Discussion and Analysis

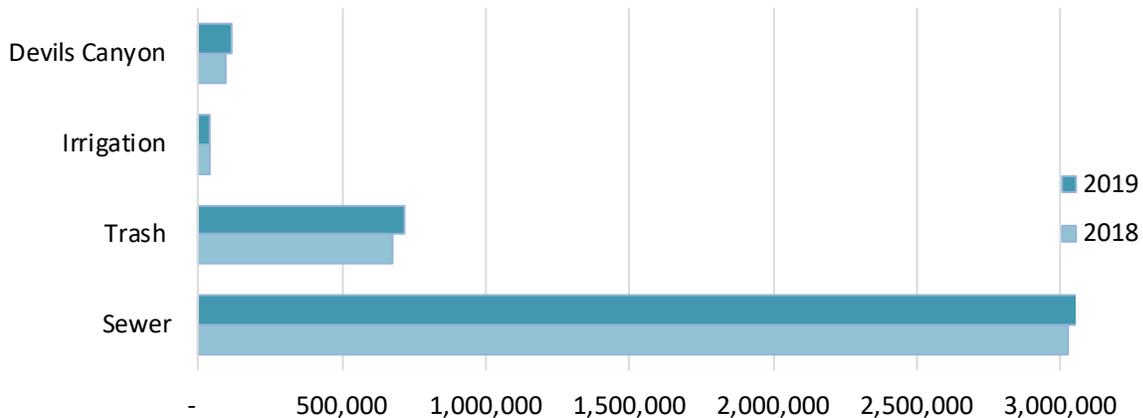
investment fees collected and a reduction in contributed capital from new development.

Business-type Activity Revenues by Source



Expenses of business-type activities of \$4 million increased \$118,000 (3%) in 2019. The following chart shows these expenses by activity.

Business-type Activity Expenses by Program



Sewer program expenses account for 78% of the total expenses for business-type activities and increased \$63,619 (2%) for the year ending December 31, 2019. Trash program expenses of \$715,841 increased \$39,340 (6%) and was due to an increase in the cost of services provided through a private contractor.

Transfers. Transfers to governmental activities of \$226,000 decreased 1% over the prior year.

Management's Discussion and Analysis

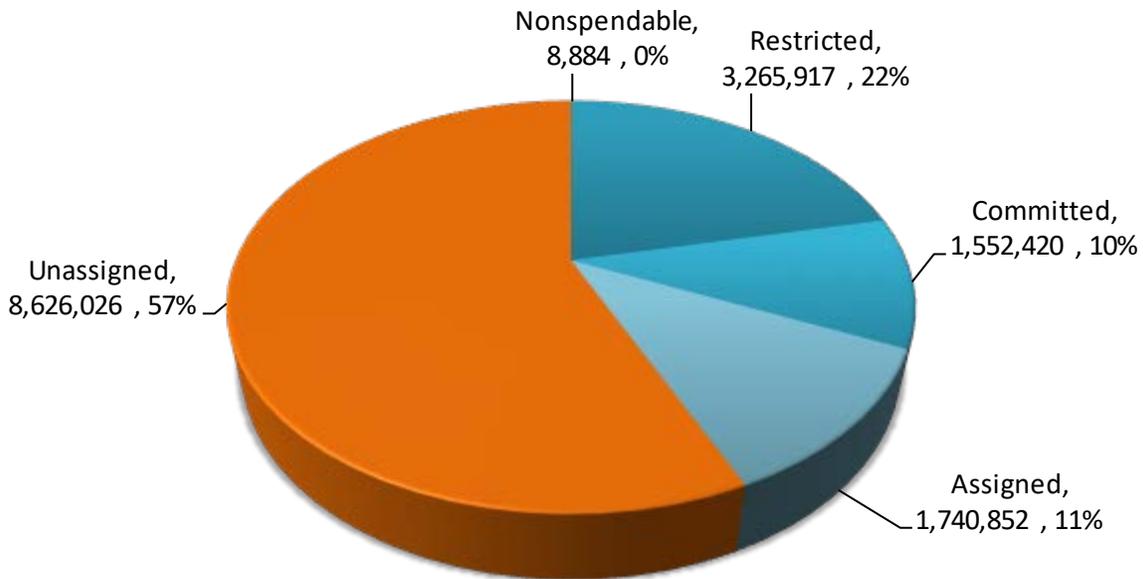
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Fruita uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Fruita's governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the City's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund Balances. As of December 31, 2019, the City's governmental funds reported combined ending fund balances of \$15,194,099, an increase of \$1,078,521 (8%) in comparison with the prior year. Approximately 57% of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City's discretion.

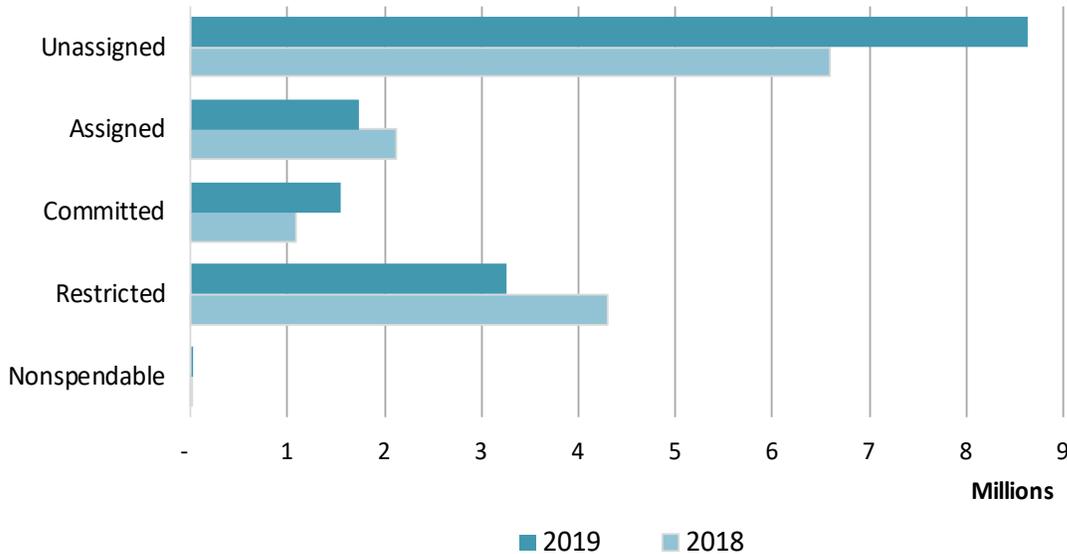
Fund Balance of Governmental Funds - \$15.2 million



Components of fund balance include non-spendable, restricted, committed, assigned and unassigned amounts. The following information highlights the \$1,078,521 (8%) increase in fund balances from the prior year.

Management's Discussion and Analysis

Governmental Funds Changes in Fund Balances



- Non-spendable fund balance of \$8,884 includes the inventory of fuel and stockpiles of dirt and rock for future capital projects and represent less than 1% of the fund balances.
- Restricted fund balances of \$3,265,917 represent 21% of the total fund balance and are amounts restricted for specific purposes by ordinance, state statute or constitutional or charter provisions. Special revenue funds report their balances as restricted for the purpose of that fund. Restricted fund balances decreased \$1,033,245 (24%) from the prior year. This reduction is due to a decrease of \$2,016,188 in funds set aside for the 2009 Sales and Use Tax Revenue Bonds for the Fruita Community Center due to the refunding of these bonds in 2019. This decrease was offset by increases of \$805,253 in the amount restricted for use in the Community Center Fund, an increase of \$95,452 for the public safety reserve resulting from the public safety tax imposed by the County in 2018 and increases in restricted funds of \$82,238 for marketing, parks and open space and streets.
- Committed fund balances of \$1,552,400 million (10% of the total fund balance) represents the amount in the Community Center Fund committed to the 25% operating reserve and commitment of fund balance for Community Center building and equipment replacement. The committed fund balance increased \$458,370 (42%) from the prior year primarily due to the transfer in of the \$500,000 supplemental bond reserve on the 2009 Sales and Use Tax revenue bonds no longer required due to the

Management's Discussion and Analysis

refunding and subsequent transfer of these funds back to the Community Center Fund.

- Assigned fund balances of \$1,740,852 (11% of the total fund balance) are amounts assigned by the City Council or City Manager for specific purposes. The assigned fund balance decreased \$382,182 (18%) from the prior year. The following table shows the changes in assigned fund balances and reflects the use of or addition to these funds pursuant to budget policies of the city.

Assigned Fund Balances				
	2019	2018	\$ Change	% Change
Capital projects	279,008	153,157	125,851	82%
Health insurance reserve	328,880	393,026	(64,146)	-16%
Replacement reserves	962,043	836,973	125,070	15%
Subsequent year expenses	101,000	674,005	(573,005)	-85%
Other	69,921	65,873	4,048	6%
Total Assigned Balances	1,740,852	2,123,034	(382,182)	-18%

- Unassigned fund balances of \$8,626,026 (57% of the total fund balance) represents amounts available for spending at the City's discretion. The unassigned fund balances increased \$2,034,688 (31%) from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 114% of the total General Fund expenditures of \$7,567,519, including transfers out while total fund balance represents 143% of the same amount.

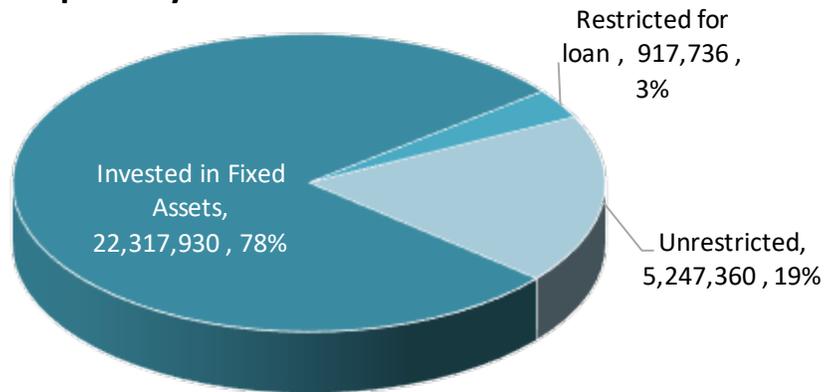
Proprietary funds

The city's proprietary fund statements provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Net Position. The net position of all proprietary funds was \$28,483,026 at year end, an increase of \$817,971 (3%). Components of net position include amounts invested in fixed assets (net of related debt), amounts restricted for loan covenants, and unrestricted amounts.

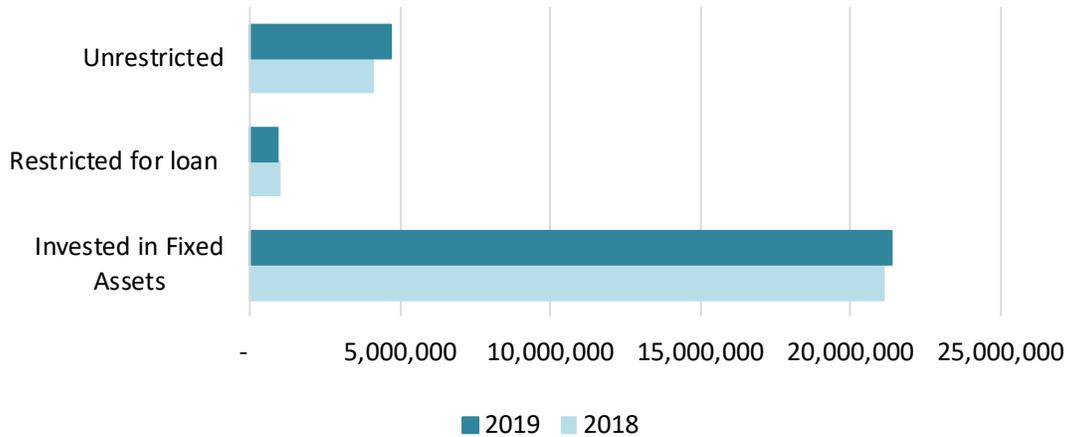
Management's Discussion and Analysis

Net Position - Proprietary Funds



The Sewer Fund represents 95% of the net position of all proprietary funds. The net position of the Sewer Fund of \$26,954,134 reflects an increase of \$792,195 (3%) from the prior fiscal year.

Sewer Fund Net Position



- Invested in fixed assets, net of related debt represents capital assets of \$21,355,838 net of depreciation and the debt associated with the wastewater reclamation facility, and represents 79% of the net position of the Sewer Fund. The investment in capital assets increased \$241,606 from the prior year.
- Restricted for loan covenants represents funds restricted by loan covenant documents for the wastewater treatment facility loan in the amount of \$917,736, a decrease of \$44,567, and represents 3% of the net position. Restricted amounts include a 25% operating reserve and a portion of the following years principal and interest payments on the loan.

Management's Discussion and Analysis

- Unrestricted net position of \$4,680,560 increased \$595,156 (15%) in 2019 and represents 17% of the net position for the Sewer Fund. Unrestricted net position includes \$1,383,566 designated for facility and vehicles and equipment replacements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. Differences between the General Fund original budget and the final amended budget include revisions to both projected revenues, expenditures, and other financing uses as noted in the following table.

General Fund Budgetary Changes			
Description	Original Budget	Final Budget	Change in Budget
Revenues	\$ 7,997,000	\$ 8,074,400	\$ 77,400
Expenses	(7,893,180)	(8,013,280)	(120,100)
Other Financing Uses	(826,000)	(822,350)	3,650
Excess revenues (expenses)	\$ (722,180)	\$ (761,230)	\$ (39,050)

These revisions were made to account for revenues and expenses associated with:

- Insurance payments and repairs to the Old Fruita Bridge due to fire damages,
- Capital and special projects not completed in the prior year as anticipated (Lagoon Redevelopment plan, North Fruita Desert master plan, Hwy 340 roundabouts),
- Land Use Code Update funded by grant funds,
- Special event expenses offset by donations, and
- Contributions from outside agencies and use of designated fund balance for scholarships and senior center programs.

Final budget compared to actual results.

General Fund Budget to Actual Highlights				
Description	Final Budget	Actual	Variance	% of Variance
Revenues	\$ 8,074,400	\$ 9,040,232	\$ 965,832	38%
Expenses	(8,013,280)	(6,995,056)	1,018,224	41%
Other Financing Uses	(822,350)	(293,414)	528,936	21%
Excess revenues (expenses)	\$ (761,230)	\$ 1,751,762	\$ 2,512,992	100%

Management's Discussion and Analysis

Revenues of \$9,040,232 exceeded of budgeted revenues by \$965,832, a 38% variance. The most significant differences between budgeted and actual revenues are summarized below.

Revenue Source	Budgeted revenues	Actual revenues	Variance	% Chg
City sales tax	\$ 1,796,000	\$ 2,213,793	\$ 417,793	23%
Use taxes	835,000	899,173	64,173	8%
County sales tax	2,238,000	2,432,130	194,130	9%
Intergovernmental revenue	763,225	872,251	109,026	14%
	<u>5,632,225</u>	<u>6,417,347</u>	<u>785,122</u>	<u>14%</u>

City sales tax exceeded budget by 23% and prior year revenues by 15%. This indicates a continuation of improvement in the local economy with a strong tourism component and implementation of the Wayfair decision affecting sales tax collections. The General Fund receives 2/3 of the city sales tax revenue with the remaining 1/3 restricted for the Community Center Fund. The following numbers represent the city sales tax revenue allocated to the General Fund.

Retail trade increased \$208,415 (27%) from the prior year, food and lodging establishments increased \$56,623 (11%), and wholesale trade increased \$40,964 (179%). Other strong growth areas include manufacturing and information/communication services. City sales tax revenue from the oil and gas industry decreased \$94,181 (63%).

The 2019 budgeted sales tax revenues anticipated the decline in oil and gas activity. However, the implementation of sales tax collections based on where the goods/services are delivered (destination sourcing) in 2019 was not included in budget projections. The initial implementation date of December 1, 2018 was extended to March 31, 2019 and then again to May 31, 2019 to simplify and streamline sales tax collection laws. In 2019, sales tax collections on the "remote sellers" accounted for \$118,811 (5%) of the city sales tax revenues.

Use tax revenues exceeded budget by 8% but were down 9% from the prior year. The city imposes a 3% use tax on vehicles and building materials. Use tax on building materials accounted for \$58,425 (91%) of the variance in budget to actual revenues for use tax. The city budgets use tax on building materials conservatively as it can vary significantly from year to year. Any excess revenues are then attributed to fund balances at year end and available for use for one-time expenses versus allocating them for ongoing operational expenses. The City issued 62 planning clearances for new residential construction 2019 (compared to 93 permits in the prior year) and one commercial permit for new construction.

Management's Discussion and Analysis

County sales tax revenue exceeded budgeted amounts by \$194,130 (9%) and was 7% higher than the prior year. This increase in revenue indicates that the regional economy is continuing to improve as well as the local Fruita economy.

Intergovernmental revenues exceeded budget by 14% and were 19% higher than the prior year. Severance tax and mineral lease revenue, similar to use tax on building materials, are budgeted conservatively as they tend to fluctuate significantly from year to year and are tied to the oil and gas industry. These revenues exceeded budget by \$125,629 (126%). Another significant component of intergovernmental revenues includes highway users tax funds (HUTF) distributed by the State. These revenues exceeded budget by \$80,375 (19%). This increase was due to a special distribution from the State and not part of their original revenue projects for 2019. Decreases in intergovernmental revenues include grant revenues budgeted but not received due to timing of projects for which the grants were awarded.

Expenses of \$6,995,056 (excluding other financing uses) were under the final budgeted amount of \$8,013,280 by \$1,018,224 (13%). There were no expenses in excess of budget on a department wide basis. The following table shows the variances between budget and actual expenses by department.

Department	Budgeted expenses	Actual expenses	Difference	% (Under) Over
General government	\$ 497,875	\$ 474,548	\$ (23,327)	-5%
Administration	791,555	750,088	(41,467)	-5%
Community development	518,625	383,589	(135,036)	-26%
Public safety	2,313,600	2,122,225	(191,375)	-8%
Public works	1,748,895	1,604,006	(144,889)	-8%
Parks and recreation	1,214,800	1,064,535	(150,265)	-12%
Non-departmental	491,600	319,630	(171,970)	-35%
Capital outlay	436,330	276,435	(159,895)	-37%
Total operating expenses	\$ 8,013,280	\$ 6,995,056	\$ (1,018,224)	-13%

Community development expenses were under budget by 26%. This difference was due to timing of expenses associated with the Community Plan update Land Use Code update. The Land Use Code update was initially scheduled to begin in late 2019. However, it was postponed until completion of the Community Plan in early 2020.

Non-departmental expenses were under budget by 35%. This difference was due to unspent contingency funds for general operations and economic development.

Management's Discussion and Analysis

Capital outlay expenses were under budget by 37%. This difference was due to savings on capital equipment purchases and timing of purchases, specifically patrol vehicles which were ordered in early 2019 but not received until the following year.

Parks and Recreation expenses were under budget by 12%. This difference was due to timing of expenses associated with the development of PHROST (Parks, Health, Recreation, Open Space and Trails) Master Plan. The project was initially budgeted for 2019 but not started until 2020.

All other departments were individually under budget by 0% to 10% and cumulatively account for 26% of the difference between budgeted and actual expenses.

Other Financing Sources (Uses) include special transactions which are not considered operating revenues and expenses. These include transfers to and from other funds, insurance damage awards, proceeds from sale of capital assets and other special revenue or expense items. Other financing sources (uses) had a favorable budget variance of \$528,936. This variance from budget to actual was primarily due to a reduction in transfers to the capital projects fund due to savings in capital project costs and timing of capital projects.

Other Financing Source (Use)	Budgeted expenses	Actual expenses	Difference	% (Under) Over
Transfers in	\$ 226,000	\$ 226,000	-	0%
Transfers out	(1,082,750)	(572,463)	510,287	-47%
Insurance damage awards	34,400	40,653	6,253	N/A
Sale of capital assets	-	12,396	12,396	100%
Total other financing uses	\$ (822,350)	\$ (293,414)	\$ 528,936	-64%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City's capital assets for governmental and business-type activities as of December 31, 2019 were \$102,872,863, net of accumulated depreciation. Capital asset include land, buildings, machinery, equipment, vehicles, park and recreation facilities, roads, highways, wastewater reclamation facility, sewer collection lines, and irrigation distribution system.

Capital asset additions for the year ended December 31, 2019 included the following:

Management's Discussion and Analysis

Capital Asset Additions

Governmental Funds		Proprietary Funds	
Overlays	\$ 18,391	WWTF improvements - bar screen	\$ 64,551
Maple Street improvements	361,455	WWTF Blower modifications	27,930
Drainage improvements	1,800		
Kokopelli trail	3,592	H2S Mitigation	94,055
Park improvements & equip	118,721	Lift station electrical (SH340)	32,792
FCC equipment	57,248	Maple street sewer replacement	300,579
Building improvements	26,423	Cedar/Aspen sewer improvements	23,866
Sidewalk improvements	31,215	SH 6 Sewer extension	27,546
Crosswalk improvements	12,121	Equipment	45,739
Computer equipment	46,324	Computer equipment - SCADA	5,321
Mobile equipment	223,238	DCC roof replacement	47,850
Equipment/Furniture	8,220	Capital contributions	
Capital contributions:		Oak Creek Estates	66,963
Oak Creek Estates	687,693	Brandon Estates F3 P2C	14,593
Brandon Estates F3 P2C	135,102	Mulberry Alley	11,364
Mulberry Alley	57,210		
Olga Anson Park irrig	4,800		
Parking lot at FCC	170,000		
Total	\$ 1,963,553	Total	\$ 763,149

Depreciation expense of \$3,680,965 included \$2,308,169 million in governmental activities, including the internal service fund and \$1,372,796 in business type activities. The City disposed of \$300,307 in capital assets with a book value of \$20,616

Long-term Debt. At the end of the current fiscal year, the City of Fruita had total debt outstanding of \$28.7 million. Of this amount, \$17.1 million is a loan backed by user fees and charges of the sewer system, \$11.2 million represents bonds backed by sales and use tax revenues, \$176,073 is backed by a performance obligation of the City to provide future irrigation water on Pinyon Mesa, and \$163,693 is for compensated absences payable from future revenues of the City. The City of Fruita's total debt decreased by \$1,764,400 in 2019.

The City received a long-term rating of AA-/Stable on the 2019 Sales and Use Tax Refunding and Improvements bonds and received an upgraded rating of AA-(SPUR)/Stable for general obligations of the City. The upgraded rating was based on 1) an adequate economy, 2) strong management, 3) strong budgetary performance, 4) very strong budgetary flexibility, 5) very strong liquidity, 6) adequate debt and contingent liability profile and 7) a strong institutional framework.

Management's Discussion and Analysis

Additional information on the City of Fruita's long-term debt obligations can be found in Note 3.E. to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Governmental Funds.

2020 General Fund Budget. The original 2020 Budget assumed minimal growth in the local economy. Budgeted revenues were projected to decrease 3% from actual 2019 revenues. However, due to the impacts of the COVID-19 pandemic which have affected the global economy, it is anticipated that 2020 revenues will be revised downward to reflect current economic conditions. Both the short and long-term financial impacts of COVID-19 are not yet known. Stay-at-home orders and business closures were required by the state and county governments in order to reduce and prevent the spread of the virus in March of 2020. The most current data available for city sales tax revenues (generated for March sales and received in May) is up 47% over the prior year and 1st quarter sales, use and lodging tax revenues were up a combined total of 15% over the prior year. It is anticipated that these revenues will decline significantly in April and this decline will continue to some extent for the remainder of the year. The City has identified expenditure reductions and use of fund balances to offset the anticipated revenue decreases for the 2020 Budget and will continue to monitor revenues to see if additional reductions are needed.

2020 Community Center Fund Budget. The original 2020 Budget assumed an 18% decrease in revenues. This decrease was primarily attributed to non-recurring revenues received in 2019 from refunding of the bonds. The COVID-19 pandemic will have significant impacts on the Community Center revenues in 2020 as it is subject to the same sales and use tax revenue reductions anticipated in the General Fund, as well as loss of revenues from user fees and charges due to closure of the facility in March, April and May. The facility was allowed to reopen at reduced capacity in late May and anticipates resuming monthly billings in June. However, the City anticipates reduced user fees and charges due to concerns over transmission of the virus that will last throughout the rest of the year. The City furloughed part time staff at the facility and identified other reductions in expenses to help offset some of the revenue loss, in addition to anticipated use of fund balances.

Marketing and Promotion Fund Budget. The original 2020 Budget assumed a 6% increase in lodging tax revenues. This increase was primarily attributed to increases in tourism and it's impact on the local economy. The COVID-19 pandemic has hit the lodging industry especially hard with the stay-at-home orders and concerns over transmission of the virus. Reductions in expenses have been identified and use of fund balances are anticipated.

Management's Discussion and Analysis

The voter's approved a ballot question at the April 2020 election to increase lodging tax from 3% to 6%, effective January 1, 2021. The additional 3% lodger's tax is to be used for economic development and parks, trails, open space and public places.

Enterprise Funds.

User charges in the utility funds (sewer, trash and irrigation) are established to cover operating and capital costs. Rate increases went into effect on January 1, 2020 for these services. Monthly trash collection charges increased \$0.50 (4%), sewer charges increased \$1.00 (2%) per month, the annual fee for the in-city irrigation system increased \$10 (8%) and the annual rate increased \$40 (40%) for those using the Encanto irrigation system. It is anticipated that COVID-19 pandemic will have a negative impact on sewer revenues from commercial customers but that this impact will not be significant. Expenditure reductions have been identified to offset anticipated revenue losses. The City has also suspended late fees and penalty charges for delinquent accounts but anticipates this charge will be reinstated in June or July.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Fruita's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 325 E. Aspen, Fruita, Colorado, 81521.

Basic Financial Statements

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City of Fruita, Colorado
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 13,121,108	\$ 5,049,177	\$ 18,170,285
Receivables	1,446,904	649,590	2,096,494
Intergovernmental receivable	1,473,203	-	1,473,203
Inventories	13,357	-	13,357
Restricted assets:			
Restricted cash	2,675,853	917,736	3,593,589
Capital assets (net of accumulated depreciation)			
Land	8,483,012	1,046,173	9,529,185
Source of supply	-	14,712	14,712
Buildings, net	15,068,079	652,612	15,720,691
Systems, net	30,966,659	37,160,213	68,126,872
Machinery and equipment, net	8,963,187	518,216	9,481,403
Construction in progress	-	-	-
Total Assets	<u>82,211,362</u>	<u>46,008,429</u>	<u>128,219,791</u>
LIABILITIES			
Accounts payable and other current liabilities	372,660	193,666	566,326
Accrued interest payable	101,150	197,553	298,703
Compensated absences payable	141,411	22,283	163,694
Customer deposits payable	28,842	-	28,842
Unearned revenues	1,699,097	-	1,699,097
Noncurrent liabilities:			
Due within one year (bonds and notes)	331,457	845,000	1,176,457
Due in more than one year (bonds and notes, net)	11,072,540	16,266,901	27,339,441
Total Liabilities	<u>13,747,157</u>	<u>17,525,403</u>	<u>31,272,560</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	1,414,054	-	1,414,054
Total Deferred Inflows of Resources	<u>1,414,054</u>	<u>-</u>	<u>1,414,054</u>
NET POSITION			
Net investment in capital assets	52,076,937	22,317,930	74,394,867
Restricted for:			
Debt service	757,839	917,736	1,675,575
Marketing and promotion	152,421	-	152,421
Community center	1,228,436	-	1,228,436
Parks and open space	256,271	-	256,271
Streets and drainage	303,224	-	303,224
Public safety	167,726	-	167,726
Emergency reserves	400,000	-	400,000
Unrestricted	11,707,297	5,247,360	16,954,657
Total Net Position	<u>\$ 67,050,151</u>	<u>\$ 28,483,026</u>	<u>\$ 95,533,177</u>

The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES		a	b	c			
General government	\$ 2,414,850	\$ 256,055	\$ 75,924	\$ -	\$ (2,082,871)	\$ -	\$ (2,082,871)
Marketing and promotion	119,594	127,045	-	-	7,451	-	7,451
Parks and recreation	3,702,926	1,566,789	73,075	-	(2,063,062)	-	(2,063,062)
Public works	2,556,469	103,572	-	1,057,896	(1,395,001)	-	(1,395,001)
Public safety	2,290,320	9,411	1,824	-	(2,279,085)	-	(2,279,085)
Interest on long-term debt	1,027,282	54,820	131,285	-	(841,177)	-	(841,177)
Total governmental activities	<u>12,111,441</u>	<u>2,117,692</u>	<u>282,108</u>	<u>1,057,896</u>	<u>(8,653,745)</u>	<u>-</u>	<u>(8,653,745)</u>
BUSINESS-TYPE ACTIVITIES							
Sewer	3,090,575	3,853,546	-	106,685	-	869,656	869,656
Trash	715,841	785,049	-	-	-	69,208	69,208
Devils Canyon Center	37,552	55,561	-	-	-	18,009	18,009
Irrigation water	112,861	116,680	-	-	-	3,819	3,819
Total business-type activities	<u>3,956,829</u>	<u>4,810,836</u>	<u>-</u>	<u>106,685</u>	<u>-</u>	<u>960,692</u>	<u>960,692</u>
Total government	<u>\$ 16,068,270</u>	<u>\$ 6,928,528</u>	<u>\$ 282,108</u>	<u>\$ 1,164,581</u>	<u>(8,653,745)</u>	<u>960,692</u>	<u>(7,693,053)</u>
General Revenues:							
					1,167,209	-	1,167,209
					7,469,001	-	7,469,001
					225,629	-	225,629
					494,375	-	494,375
					411,302	-	411,302
					207,540	-	207,540
					207,134	70,369	277,503
					14,795	12,910	27,705
					226,000	(226,000)	-
					<u>10,422,985</u>	<u>(142,721)</u>	<u>10,280,264</u>
					1,769,240	817,971	2,587,211
					<u>65,280,911</u>	<u>27,665,055</u>	<u>92,945,966</u>
					<u>\$ 67,050,151</u>	<u>\$ 28,483,026</u>	<u>\$ 95,533,177</u>

The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	Major Funds				Nonmajor Funds	Total
	General	Capital Projects	Community Center	Debt Service	Other	
					Nonmajor Funds	
ASSETS						
Cash and investments	\$ 9,901,055	\$ 193,464	\$ 2,575,244	\$ 9,639	\$ 411,209	\$ 13,090,611
Accounts receivable	25,200	3,092	-	-	-	28,292
Taxes receivable	1,414,054	-	-	-	4,558	1,418,612
Due from other funds	-	-	-	-	-	-
Intergovernmental receivables	1,249,083	-	224,120	-	-	1,473,203
Inventories	13,357	-	-	-	-	13,357
Restricted cash	167,014	1,700,621	60,018	748,200	-	2,675,853
Total Assets	<u>12,769,763</u>	<u>1,897,177</u>	<u>2,859,382</u>	<u>757,839</u>	<u>415,767</u>	<u>18,699,928</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	270,572	790	76,951	-	15,523	363,836
Due to other funds	-	-	-	-	-	-
Deposits payable	27,267	-	1,575	-	-	28,842
Unearned revenues	212,724	1,486,373	-	-	-	1,699,097
Total Liabilities	<u>510,563</u>	<u>1,487,163</u>	<u>78,526</u>	<u>-</u>	<u>15,523</u>	<u>2,091,775</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable property tax revenue	1,414,054	-	-	-	-	1,414,054
Total deferred inflows of resources	<u>1,414,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,414,054</u>
Fund Balances:						
Nonspendable:	8,884	-	-	-	-	8,884
Restricted:						
Debt Service	-	-	-	757,839	-	757,839
Marketing	-	-	-	-	152,421	152,421
Community center	-	-	1,228,436	-	-	1,228,436
Parks and open space	-	8,448	-	-	247,823	256,271
Streets and drainage	7,767	295,457	-	-	-	303,224
Public safety	167,726	-	-	-	-	167,726
Emergency reserve	400,000	-	-	-	-	400,000
Committed:	-	-	1,552,420	-	-	1,552,420
Assigned:						
Equipment replacement reserve	962,043	-	-	-	-	962,043
Subsequent year expenses	101,000	-	-	-	-	101,000
Health insurance reserve	328,880	-	-	-	-	328,880
Capital projects	172,899	106,109	-	-	-	279,008
Scholarship Program	27,365	-	-	-	-	27,365
Art Acquisition Fund	32,863	-	-	-	-	32,863
War memorial maintenance	8,515	-	-	-	-	8,515
Court appointed counsel	1,178	-	-	-	-	1,178
Unassigned:						
Unassigned	6,877,495	-	-	-	-	6,877,495
Operating reserve	1,748,531	-	-	-	-	1,748,531
Total fund balances	<u>10,845,146</u>	<u>410,014</u>	<u>2,780,856</u>	<u>757,839</u>	<u>400,244</u>	<u>15,194,099</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,769,763</u>	<u>\$ 1,897,177</u>	<u>\$ 2,859,382</u>	<u>\$ 757,839</u>	<u>\$ 415,767</u>	<u>\$ 18,699,928</u>

The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
RECONCILIATION OF BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds	\$ 15,194,099
Capital assets used in governmental activities, excluding internal service funds of \$19,726, are not financial resources and, therefore, are not reported in the funds.	63,480,937
Internal service funds are used to charge the costs of fleet maintenance to individual funds. The current assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	21,673
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds other than internal service fund amounts (\$4,371).	(11,646,558)
Net position of governmental activities	<u><u>\$ 67,050,151</u></u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**GOVERNMENTAL FUNDS**

For the year ended December 31, 2019

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Capital Projects	Community Center	Debt Service	Other Nonmajor Funds	
REVENUES						
Taxes:						
Property	\$ 1,167,209	\$ -	\$ -	\$ -	\$ -	\$ 1,167,209
City sales	2,213,793	-	1,106,896	-	-	3,320,689
County sales	2,432,130	-	-	-	-	2,432,130
County sales - Public safety	367,421	-	-	-	-	367,421
Use tax	899,173	-	449,589	-	-	1,348,762
Other	594,569	-	-	-	127,045	721,614
Licenses and permits	33,885	-	-	-	-	33,885
Intergovernmental revenues	872,251	25,827	-	131,285	147,933	1,177,296
Charges for services	205,726	-	1,236,319	-	155	1,442,200
Fines, forfeitures, assessments	21,226	117	-	-	-	21,343
Investment earnings	108,150	32,052	7,586	85,091	276	233,155
Rents and royalties	40,041	-	64,948	-	-	104,989
Donations	45,011	2,758	2,375	-	-	50,144
Miscellaneous	39,647	-	6,647	-	-	46,294
Total revenues	<u>9,040,232</u>	<u>60,754</u>	<u>2,874,360</u>	<u>216,376</u>	<u>275,409</u>	<u>12,467,131</u>
EXPENDITURES						
Current:						
General government	474,548	-	-	-	-	474,548
Administration	750,088	-	-	-	-	750,088
Community development	383,589	-	-	-	-	383,589
Marketing and promotion	-	-	-	-	119,594	119,594
Public safety	2,122,225	-	-	-	-	2,122,225
Public works	1,604,006	63,686	-	-	-	1,667,692
Parks and recreation	1,064,535	-	1,823,639	-	-	2,888,174
Non-departmental	319,630	-	-	-	-	319,630
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	8,981	970,647	-	979,628
Bond issuance costs	-	-	-	131,890	-	131,890
Capital outlay	276,435	547,296	85,018	-	-	908,749
Total expenditures	<u>6,995,056</u>	<u>610,982</u>	<u>1,917,638</u>	<u>1,102,537</u>	<u>119,594</u>	<u>10,745,807</u>
Excess (deficiency) of revenues over expenditures	<u>2,045,176</u>	<u>(550,228)</u>	<u>956,722</u>	<u>(886,161)</u>	<u>155,815</u>	<u>1,721,324</u>
OTHER FINANCING SOURCES (USES)						
Insurance rebates and awards	40,653	-	-	-	-	40,653
Sale of capital assets	12,396	-	2,400	-	-	14,796
Bond proceeds	-	-	100,000	10,015,000	-	10,115,000
Payment to escrow agent - refunded bond	-	-	-	(12,180,000)	-	(12,180,000)
Bond premium	-	-	9,376	1,171,326	-	1,180,702
Bond discount	-	-	(395)	(39,559)	-	(39,954)
Transfers in	226,000	580,458	598,726	403,206	12,000	1,820,390
Transfers (out)	(572,463)	-	(403,206)	(500,000)	(118,721)	(1,594,390)
Total other financing sources (uses)	<u>(293,414)</u>	<u>580,458</u>	<u>306,901</u>	<u>(1,130,027)</u>	<u>(106,721)</u>	<u>(642,803)</u>
Net change in fund balances	<u>1,751,762</u>	<u>30,230</u>	<u>1,263,623</u>	<u>(2,016,188)</u>	<u>49,094</u>	<u>1,078,521</u>
Fund balances - beginning	9,093,384	379,784	1,517,233	2,774,027	351,150	14,115,578
Fund balances - ending	<u>\$ 10,845,146</u>	<u>\$ 410,014</u>	<u>\$ 2,780,856</u>	<u>\$ 757,839</u>	<u>\$ 400,244</u>	<u>\$ 15,194,099</u>

The notes to the financial statements are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 1,078,521
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays, net of the internal service fund, in the current period.

Capital expenditures	908,749
Depreciation expense (excluding internal service)	(2,305,424)

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

(20,617)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

1,054,804

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, where these amounts are amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:

Principal repayments on non-monetary performance obligation	11,016
Principal repayments on special revenue bonds	12,144,970
Bonds proceeds from refunding of special revenue bonds	(10,115,000)
Amortization of premiums and discounts on special revenue bonds	(1,112,924)

Some expenses reported in the statement of activities do not require the use of

current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences (excluding internal service fund)	6,798
Accrued interest payable	118,347

Change in net position of governmental activities	<u>\$ 1,769,240</u>
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The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2019 (With comparative totals for 2018)

	Business-type Activities - Enterprise Funds								Governmental Activities	
	Major Fund		Non-Major Funds						Totals	Fleet Maintenance Internal Service Fund
	Sewer		Trash		Devils Canyon Center		Irrigation Water			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	
ASSETS										
Current assets:										
Cash and investments	\$ 4,481,352	\$ 4,213,133	\$ 154,129	\$ 139,507	\$ 234,864	\$ 226,578	\$ 178,832	\$ 176,093	\$ 5,049,177	\$ 30,497
Interest receivable	-	-	-	-	-	-	-	-	-	-
Accounts receivable	522,220	496,348	124,240	118,992	-	-	2,676	2,729	649,136	-
Intergovernmental receivable	454	128,448	-	-	-	-	-	-	454	-
Total current assets	<u>5,004,026</u>	<u>4,837,929</u>	<u>278,369</u>	<u>258,499</u>	<u>234,864</u>	<u>226,578</u>	<u>181,508</u>	<u>178,822</u>	<u>5,698,767</u>	<u>30,497</u>
Non-current assets:										
Restricted cash:										
WWTF loan covenants	917,736	962,303	-	-	-	-	-	-	917,736	-
Customer deposits	-	-	-	-	-	-	-	-	-	-
Capital assets										
Land	764,010	764,010	-	-	225,514	225,514	56,649	56,649	1,046,173	-
Source of supply	-	-	-	-	-	-	14,712	14,712	14,712	-
Buildings, net	30,771	32,747	-	-	620,833	610,535	1,008	2,095	652,612	-
Systems, net	37,118,349	37,640,544	-	-	-	-	41,864	47,271	37,160,213	-
Equipment, net	516,704	605,767	-	-	-	-	1,512	1,729	518,216	19,726
Construction in progress	-	13,210	-	-	-	-	-	-	-	-
Total capital assets, net	<u>38,429,834</u>	<u>39,056,278</u>	<u>-</u>	<u>-</u>	<u>846,347</u>	<u>836,049</u>	<u>115,745</u>	<u>122,456</u>	<u>39,391,926</u>	<u>19,726</u>
Total non-current assets	<u>39,347,570</u>	<u>40,018,581</u>	<u>-</u>	<u>-</u>	<u>846,347</u>	<u>836,049</u>	<u>115,745</u>	<u>122,456</u>	<u>40,309,662</u>	<u>19,726</u>
Total assets	<u>44,351,596</u>	<u>44,856,510</u>	<u>278,369</u>	<u>258,499</u>	<u>1,081,211</u>	<u>1,062,627</u>	<u>297,253</u>	<u>301,278</u>	<u>46,008,429</u>	<u>50,223</u>
LIABILITIES										
Current liabilities:										
Accounts Payable	67,458	522,671	120,117	113,543	-	-	6,091	4,059	193,666	8,824
Compensated absences	20,550	20,045	-	-	-	-	1,733	1,686	22,283	4,278
Notes payable - current maturity	492,917	455,000	-	-	-	-	-	-	492,917	-
Total current liabilities	<u>580,925</u>	<u>997,716</u>	<u>120,117</u>	<u>113,543</u>	<u>-</u>	<u>-</u>	<u>7,824</u>	<u>5,745</u>	<u>708,866</u>	<u>13,102</u>
Current liabilities payable from restricted assets:										
Accrued interest payable from restricted cash	197,553	209,808	-	-	-	-	-	-	197,553	-
Notes payable from restricted cash	352,083	325,000	-	-	-	-	-	-	352,083	-
Total current liabilities payable from restricted assets	<u>549,636</u>	<u>534,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,636</u>	<u>-</u>
Noncurrent liabilities:										
Notes payable (net of premium)	16,266,901	17,162,047	-	-	-	-	-	-	16,266,901	-
Total noncurrent liabilities	<u>16,266,901</u>	<u>17,162,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,266,901</u>	<u>-</u>
Total liabilities	<u>17,397,462</u>	<u>18,694,571</u>	<u>120,117</u>	<u>113,543</u>	<u>-</u>	<u>-</u>	<u>7,824</u>	<u>5,745</u>	<u>17,525,403</u>	<u>13,102</u>
NET POSITION										
Invested in capital assets, net of related debt	21,355,838	21,114,232	-	-	846,347	836,049	115,745	122,456	22,317,930	19,726
Restricted for loan covenants	917,736	962,303	-	-	-	-	-	-	917,736	-
Unrestricted:										
Designated for capital projects	-	-	-	-	-	-	-	-	-	-
Designated for health insurance reserve	-	-	-	-	-	-	-	-	-	-
Designated for equipment replacement	1,383,566	1,474,452	-	-	-	-	-	-	1,383,566	-
Other unrestricted	3,296,994	2,610,952	158,252	144,956	234,864	226,578	173,684	173,077	3,863,794	17,395
Total net position	<u>\$ 26,954,134</u>	<u>\$ 26,161,939</u>	<u>\$ 158,252</u>	<u>\$ 144,956</u>	<u>\$ 1,081,211</u>	<u>\$ 1,062,627</u>	<u>\$ 289,429</u>	<u>\$ 295,533</u>	<u>\$ 28,483,026</u>	<u>\$ 37,121</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the year ended December 31, 2019 (With comparative totals for 2018)

	Business-type Activities - Enterprise Funds								Governmental	
	Major Fund		Non-Major Funds					Totals	Fleet Maintenance	
	Sewer		Trash		Devils Canyon Center		Irrigation Water		Internal Service	
	2019	2018	2019	2018	2019	2018	2019	2018	Fund	
OPERATING REVENUES										
Charges for services	\$ 3,377,093	\$ 3,276,555	\$ 785,049	\$ 743,488	\$ 47,850	\$ 1,386	\$ 116,680	\$ 115,869	\$ 4,326,672	\$ 290,531
Other revenues	9,488	2,351	-	-	7,711	-	-	-	17,199	-
Total operating revenues	<u>3,386,581</u>	<u>3,278,906</u>	<u>785,049</u>	<u>743,488</u>	<u>55,561</u>	<u>1,386</u>	<u>116,680</u>	<u>115,869</u>	<u>4,343,871</u>	<u>290,531</u>
OPERATING EXPENSES										
Personnel services	788,792	723,027	-	-	-	-	81,254	65,866	870,046	170,207
Purchased services	220,772	238,300	715,841	676,501	-	1,386	11,358	11,153	947,971	21,857
Supplies	311,340	309,445	-	-	-	-	13,538	12,654	324,878	95,722
Depreciation	1,328,533	1,290,736	-	-	37,552	37,551	6,711	6,762	1,372,796	2,745
Total operating expenses	<u>2,649,437</u>	<u>2,561,508</u>	<u>715,841</u>	<u>676,501</u>	<u>37,552</u>	<u>38,937</u>	<u>112,861</u>	<u>96,435</u>	<u>3,515,691</u>	<u>290,531</u>
Operating income (loss)	737,144	717,398	69,208	66,987	18,009	(37,551)	3,819	19,434	828,180	-
NONOPERATING REVENUES (EXPENSES)										
Intergovernmental revenue	13,765	131,489	-	-	-	-	-	-	13,765	-
Investment income	69,629	68,758	88	88	575	573	77	77	70,369	-
System development contributions	92,920	221,044	-	-	-	-	-	-	92,920	-
Gain (Loss) on disposal of equipment	12,910	5,551	-	-	-	-	-	-	12,910	-
Interest expense and amortization	(441,138)	(465,448)	-	-	-	-	-	-	(441,138)	-
Total nonoperating revenues (expenses)	<u>(251,914)</u>	<u>(38,606)</u>	<u>88</u>	<u>88</u>	<u>575</u>	<u>573</u>	<u>77</u>	<u>77</u>	<u>(251,174)</u>	<u>-</u>
Income (Loss) before contributions and transfers	485,230	678,792	69,296	67,075	18,584	(36,978)	3,896	19,511	577,006	-
Capital contributions - tap fees	466,965	653,734	-	-	-	-	-	-	466,965	-
Transfers out	(160,000)	(160,000)	(56,000)	(55,000)	-	(4,114)	(10,000)	(10,000)	(226,000)	-
Change in net position	792,195	1,172,526	13,296	12,075	18,584	(41,092)	(6,104)	9,511	817,971	-
Net position - beginning	<u>26,161,939</u>	<u>24,989,413</u>	<u>144,956</u>	<u>132,881</u>	<u>1,062,627</u>	<u>1,103,719</u>	<u>295,533</u>	<u>286,022</u>	<u>27,665,055</u>	<u>37,121</u>
Net position - ending	<u>\$ 26,954,134</u>	<u>\$ 26,161,939</u>	<u>\$ 158,252</u>	<u>\$ 144,956</u>	<u>\$ 1,081,211</u>	<u>\$ 1,062,627</u>	<u>\$ 289,429</u>	<u>\$ 295,533</u>	<u>\$ 28,483,026</u>	<u>\$ 37,121</u>

The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended December 31, 2019 (With comparative totals for 2018)

	Business-type Activities - Enterprise Funds								Governmental Activities	
	Major Fund Sewer		Trash		Non-Major Funds Devils Canyon Center		Irrigation Water		Totals	Fleet Maintenance Internal Service Fund
	2019	2018	2019	2018	2019	2018	2019	2018	2019	
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts from customers	\$ 3,360,709	\$ 3,265,339	\$ 779,801	\$ 740,971	\$ 55,561	\$ 1,386	\$ 116,733	\$ 116,127	\$ 4,312,804	\$ -
Cash from interfund services	-	-	-	-	-	-	-	-	-	290,531
Payments to suppliers	(515,690)	(565,194)	(709,267)	(671,729)	-	(1,386)	(24,469)	(25,248)	(1,249,426)	(118,020)
Payments to employees	(785,458)	(719,971)	-	-	-	-	(79,602)	(65,232)	(865,060)	(168,131)
Net cash provided by operating activities	<u>2,059,561</u>	<u>1,980,174</u>	<u>70,534</u>	<u>69,242</u>	<u>55,561</u>	<u>-</u>	<u>12,662</u>	<u>25,647</u>	<u>2,198,318</u>	<u>4,380</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Operating transfers	(160,000)	(160,000)	(56,000)	(55,000)	-	(4,114)	(10,000)	(10,000)	(226,000)	-
Net cash used by non-capital financing activities	<u>(160,000)</u>	<u>(160,000)</u>	<u>(56,000)</u>	<u>(55,000)</u>	<u>-</u>	<u>(4,114)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(226,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Capital contributions - plant investment fees	466,965	653,734	-	-	-	-	-	-	466,965	-
Capital contributions - grants	141,760	3,041	-	-	-	-	-	-	141,760	-
Gain/loss on sale of equipment	12,910	6,550	-	-	-	-	-	-	12,910	-
Principal paid on capital debt	(780,000)	(730,000)	-	-	-	-	-	-	(780,000)	-
Interest paid on capital debt	(503,539)	(524,206)	-	-	-	-	-	-	(503,539)	-
Purchase of capital assets	(1,083,634)	(1,003,924)	-	-	(47,850)	-	-	-	(1,131,484)	-
Net cash provided (used) by capital and related financing activities	<u>(1,745,538)</u>	<u>(1,594,805)</u>	<u>-</u>	<u>-</u>	<u>(47,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,793,388)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES										
Interest received on investments	69,629	68,758	88	88	575	573	77	77	70,369	-
Net cash provided by investing activities	<u>69,629</u>	<u>68,758</u>	<u>88</u>	<u>88</u>	<u>575</u>	<u>573</u>	<u>77</u>	<u>77</u>	<u>70,369</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	223,652	294,127	14,622	14,330	8,286	(3,541)	2,739	15,724	249,299	4,380
Cash and cash equivalents, January 1 (including \$962,303 in the Sewer Fund reported in restricted accounts)	<u>5,175,436</u>	<u>4,881,309</u>	<u>139,507</u>	<u>125,177</u>	<u>226,578</u>	<u>230,119</u>	<u>176,093</u>	<u>160,369</u>	<u>5,717,614</u>	<u>26,117</u>
Cash and cash equivalents, December 31 (including \$917,736 in the Sewer Fund reported in restricted accounts)	<u>\$ 5,399,088</u>	<u>\$ 5,175,436</u>	<u>\$ 154,129</u>	<u>\$ 139,507</u>	<u>\$ 234,864</u>	<u>\$ 226,578</u>	<u>\$ 178,832</u>	<u>\$ 176,093</u>	<u>\$ 5,966,913</u>	<u>\$ 30,497</u>

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended December 31, 2019 (With comparative totals for 2018)

	Business-type Activities - Enterprise Funds								Governmental Activities	
	Sewer		Trash		Non-Major Funds		Irrigation Water		Totals	Fleet Maintenance
	2019	2018	2019	2018	Devils Canyon Center	2018	2019	2018	2019	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:										
Operating income (loss)	\$ 737,144	\$ 717,398	\$ 69,208	\$ 66,987	\$ 18,009	\$ (37,551)	\$ 3,819	\$ 19,434	\$ 828,180	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:										
Depreciation and amortization expense	1,328,533	1,290,736	-	-	37,552	37,551	6,711	6,762	1,372,796	2,745
(Increase) decrease in accounts receivable	(25,872)	(13,567)	(5,248)	(2,517)	-	-	53	258	(31,067)	-
Increase (decrease) in deposits payable	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	19,252	(15,857)	6,574	4,772	-	-	475	(1,619)	26,301	(132)
Increase (decrease) in compensated absences payable	504	1,464	-	-	-	-	1,604	812	2,108	1,767
Total adjustments	<u>1,322,417</u>	<u>1,262,776</u>	<u>1,326</u>	<u>2,255</u>	<u>37,552</u>	<u>37,551</u>	<u>8,843</u>	<u>6,213</u>	<u>1,370,138</u>	<u>4,380</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,059,561</u>	<u>\$ 1,980,174</u>	<u>\$ 70,534</u>	<u>\$ 69,242</u>	<u>\$ 55,561</u>	<u>\$ -</u>	<u>\$ 12,662</u>	<u>\$ 25,647</u>	<u>\$ 2,198,318</u>	<u>\$ 4,380</u>
Schedule of non-cash capital and related financing activities										
Contributions of capital assets	92,920	221,044	-	-	-	-	-	-	92,920	-

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2019

	<u>Agency Fund</u>	<u>Money Purchase Plan and Trust Fund</u>	<u>Retirement Trust Fund</u>
ASSETS			
Cash and cash equivalents	\$ 50,377	\$ -	\$ -
Investments at fair value	-	3,268,439	1,876,435
Total assets	<u>50,377</u>	<u>3,268,439</u>	<u>1,876,435</u>
LIABILITIES			
Accounts payable	<u>50,377</u>	-	-
Total liabilities	<u>50,377</u>	-	-
NET POSITION			
Held in trust for:			
Pension benefits	-	3,268,439	1,876,435
Total net position	<u>\$ -</u>	<u>\$ 3,268,439</u>	<u>\$ 1,876,435</u>

The notes to the financial statements are an integral part of this statement

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended December 31, 2019

	<u>Money Purchase Plan and Trust Fund</u>	<u>Retirement Trust Fund</u>
ADDITIONS		
Employer contributions	\$ 109,851	\$ 117,115
Plan member contributions	98,507	-
Roll over from City Retirement Plan	-	-
Total contributions	<u>208,358</u>	<u>117,115</u>
Investment Earnings		
Net investment gain (loss)	<u>511,335</u>	<u>326,124</u>
Total Additions	<u>719,693</u>	<u>443,239</u>
DEDUCTIONS		
Benefits	491,006	71,580
Roll over to Money Purchase Plan	-	-
Administrative expenses	<u>4,075</u>	<u>1,224</u>
Total Deductions	<u>495,081</u>	<u>72,804</u>
Change in net position	224,612	370,435
Total net position - beginning	<u>3,043,827</u>	<u>1,506,000</u>
Total net position - ending	<u>\$ 3,268,439</u>	<u>\$ 1,876,435</u>

The notes to the financial statements are an integral part of this statement

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

- 1.A. Reporting Entity
- 1.B. Basis of Presentation
- 1.C. Measurement Focus
- 1.D. Basis of Accounting
- 1.E. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

Note 2: Stewardship, Compliance and Accountability

- 2.A. Budgetary Information
- 2.B. Excess of Expenditures Over Appropriations

Note 3: Detailed Notes on All Funds

- 3.A. Cash and Investments
- 3.B. Interfund Transfers
- 3.C. Capital Assets
- 3.D. Unearned Revenues
- 3.E. Long-term Liabilities

Note 4: Retirement Plans

- 4.A. City of Fruita Retirement Plan
- 4.B. Fruita Police Department Retirement Plan

Note 5: Public Entity Risk Pool

Note 6: Contingent Liabilities

- 6.A. Risk Management
- 6.B. Pending Litigation

Note 7: Conduit Debt Obligations

Note 8: Operating Lease

Note 9: Tax, Spending and Debt Limitations

Note 10: Subsequent Events

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City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

1.A. Reporting Entity

The City of Fruita, Colorado was established in 1884 and operates under a City Council Manager Home Rule form of government with six elected council members, an elected mayor and an appointed manager. The City's financial statements include the accounts and operations of all City functions. The City provides the following services: public safety, street maintenance and improvements, community development, parks, culture and recreation programs, irrigation, trash collection, sewer service, fleet maintenance services, marketing and promotion, and general administration. The City also owns and operates a community recreation center including indoor and outdoor pools and leases a facility to the Museum of Western Colorado for use as a dinosaur museum. The City of Fruita, Colorado is the primary government. The City has no component units.

1.B. Basis of Presentation

The City's basic financial statements consist of government-wide statements and fund financial statements.

Government-wide Financial Statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the City as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and intergovernmental revenues, from business-type activities, generally financed with user fees charged to external customers. Fiduciary funds are excluded from the government wide statements.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end. The assets and liabilities of the internal service fund for fleet maintenance are incorporated into the governmental activities in the statement of net position.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each activity of the business-type activities of the City. Direct expenses are those that are clearly identifiable with a

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

specific function. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each business activity is self-financing or draws from the general revenues of the City. Transfers between funds within governmental activities have been eliminated.

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions used to finance operational activities; and 3) capital grants and contributions which fund the acquisition, construction rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to specific uses.

Other revenue sources, including taxes, not properly included with program revenues are reported as general revenues of the City.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statement for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are reported as non-major funds in aggregate. Enterprise funds are reported in individual columns under the major or non-major headings to provide consistency in reporting.

The City reports the following major funds:

Governmental Funds. Governmental funds are those through which most governmental functions are financed. Reporting focuses on the sources, uses and balances of current financial resources. The following are the City's major governmental funds.

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Community Center Fund - The Community Center Fund is used to account for operations of the community recreation center. A one percent city sales and use tax was approved in 2009 to provide funding for debt payments and operational costs. A portion of this tax (60%) will expire in 30 years or upon payment of the debt, whichever comes first. The remaining tax (40%) will continue as an operational subsidy for the community center.

Capital Projects Fund - The Capital Projects Fund is used to account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds. Revenue is primarily derived from transfers from the General Fund and grant revenues. Other sources of revenues include transfers from other funds and

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

development impact fees.

Debt Service Fund – The Debt Service Fund is used to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years, other than long-term debt accounted for in enterprise and internal service funds.

Proprietary Funds. Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise funds and internal service funds. The following is the City's major proprietary fund.

Sewer Fund - The Sewer Fund accounts for all activities associated with providing sewer collection and treatment to customers within the sewer service area. It is predominately self-supported by user charges and plant investment fees.

Additionally, the City reports the following fund types:

Internal Service Funds are established to account for services required by other funds on a cost reimbursement basis. The city has an internal service fund that accounts for fleet maintenance services provided to other departments or agencies of the City.

Agency Fund - The agency fund is used to account for resources legally held in trust for use by the local school district to purchase land and other uses.

Retirement Trust Funds - The retirement trust funds are used to account for activities of the City of Fruita Employees Retirement Plan and the Fruita Police Department Retirement Plan which accumulates resources for retirement benefit payments to qualified City employees.

1.C. Measurement Focus

The measurement focus determines what is measured.

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus which includes fixed assets and long-term debt. All assets, liabilities and deferred outflows/inflows of resources are included in the statement of net position. The statement of activities reports revenues and expenses as changes in net position.

Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus which includes available financial resources but does not measure long-term assets and liabilities. With this measurement focus, only current

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

assets and deferred outflows of resources and current liabilities and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources and uses of current financial resources. This approach differs from the way the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements include a reconciliation with brief explanations to better understand the difference between the governmental-wide statements and the governmental fund statements.

Proprietary fund financial statements are reported using the economic resources measurement focus which is the same method used for the government-wide financial statements. The statement of net position includes all assets and deferred outflows of resources and all liabilities and deferred inflows of resources. The statement of changes in net position present increases (revenues) and decreases (expenses) in net position. The statement of cash flow provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1.D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fund financial statements use the modified accrual basis of accounting for governmental funds and proprietary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions. Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the year when use is first permitted, matching requirements, in which the City must provide local

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available before it can be recognized. The City defines availability for intergovernmental revenues as 120 days and all others as 90 days of year end. Under the modified accrual basis, the following revenue sources are susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1.E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Cash and investments. The City's cash includes cash on hand and deposits with banks and other financial institutions. Investments are reported at fair value. The City Charter authorizes the City to invest in any manner that is permitted by Colorado State Statutes.

Receivables. Receivables on the statement of net position include accounts receivable from customers, and taxes receivable including lodging tax and property taxes.

Interfund balances. Current receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments.

Taxes receivable on the balance sheet include property taxes and lodging taxes. Property taxes as set by the City Council are collected by the County Treasurer. Property taxes may be paid in installments with one-half of the total amount due payable on February 28 and the second half payable on June 15, or they may be paid in full by April 30. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represent 2019 taxes collectible in 2020 and are shown as a deferred inflow of resources. Liens on property for delinquent utilities and weed removal must be filed with the Mesa County Treasurer by November 1 for collection in the following fiscal year.

Intergovernmental receivables. Intergovernmental receivables include amounts due from federal, state, county or other governmental entities for sales and use taxes and grants.

Inventories. The inventory in the General Fund consists of fuel and dirt/rock stockpile to be consumed by the City's departments and is valued at cost which approximates market, using the first-in, first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Restricted cash. Restricted cash includes unearned revenue specific to development impacts and amounts restricted for debt service pursuant to bond covenants.

NOTES TO FINANCIAL STATEMENTS

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Capital assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as equipment purchases with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years, and construction projects or infrastructure assets which have a cost of more than \$10,000 and a useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest on debt for construction in progress is capitalized. Gains or losses on dispositions of property and equipment are included as other financing sources/uses.

Land, source of supply and construction in progress assets are not depreciated. All other assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Distribution and collection system	5 - 50
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Infrastructure	20 – 40

Compensated absences payable. The City provides full time employees with vacation and sick leave benefits. An employee may accumulate and carry forward one year’s accumulation of vacation leave. Sick leave may be accumulated up to 2,080 hours. The City pays a terminating employee for all accumulated vacation time. The City does not pay any amounts for accumulated sick leave when employees separate from service with the City. Compensated absences are accrued when incurred in the government-wide, and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example as a result of an employee’s resignation or retirement.

Unearned revenue. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Development impact fees are recognized as unearned revenue when collected and are classified as revenue when improvements are constructed, and expenses have occurred. In addition, payment of utility charges for which services have not yet been rendered are included in unearned revenue and then allocated to the various enterprise funds when service has been delivered.

Long term liabilities. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund.

NOTES TO FINANCIAL STATEMENTS

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Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred outflows/inflows of resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources (revenue) in the period they are collected.

Net position. Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Net position flow assumption. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund balance flow assumptions and policies. In the fund financial statements, governmental funds report non-spendable, restricted, committed, assigned or unassigned fund balances. When funds from more than one classification are available, the order of spending of resources will be restricted, committed, assigned and unassigned.

Fund balances are classified as non-spendable when they are non-spendable in form or legally or contractually required to be maintained intact.

City of Fruita, Colorado
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Fund balances are classified as *restricted* when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, laws and regulations of other governments or by law through constitutional provisions or enabling legislation.

Fund balances are classified as *committed* when constraints placed upon the use of resources are adopted by the City Council. Once adopted, the limitation imposed by remains in place until a similar action is taken to remove or revise the limitation.

Fund balances are classified as *assigned* when constraints placed upon the use of resources are imposed by the City Manager or authorized by the City Council. Assigned fund balances represent the City's intent for future use of financial resources that are subject to change. Assigned fund balances in special revenue funds will include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that fund.

The residual fund balance that does not meet any of the above criteria is classified as *unassigned*. The City will only report a positive unassigned fund balance in the General Fund.

Operating revenues and expenses. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer fund, trash fund, irrigation fund and fleet maintenance fund are charges to customers for sales and services. The principal operating revenue of the Devils Canyon Center Fund is lease revenues for use of the facility. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

System development contributions. System development contributions in proprietary fund financial statements arise from outside contributions of capital assets such as sewer collection lines construction for new subdivisions or other development.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
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NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2.A. Budgetary Information

Annual budgets are adopted on a modified accrual basis for all governmental funds, proprietary funds and internal service funds. The schedule of revenues, expenditures and changes in net position – budget to actual for proprietary funds include adjustments from the budgetary basis to the accrual basis of reporting found in the statement of revenues, expenses and changes in net position. Fiduciary funds for the employees’ retirement plan and the agency trust fund for school land dedication fees are not budgeted.

On or before the last day of August of each year, all departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. On or before the 1st day of October, the proposed budget is presented to the City Council for review. The Council holds public hearings and a final budget must be prepared and adopted not later than December 15 in order to meet the statutory deadline for certification of the mill levy to the County.

On or before December 31, the City Council enacts a resolution appropriating the budgets for the ensuing fiscal year. The City Council may amend the appropriation resolution upon notice of a public hearing at any time during the year and increase appropriations upon certification by the City Manager that excess revenues are available. The Council may also make emergency appropriations by emergency ordinance, and in the event there are insufficient revenues for the emergency appropriation, the Council may authorize, by emergency ordinance, the issuance of short-term notes.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department and program for control at the line item level. The City Manager has the authority to reallocate the distribution of budgeted amounts at the department level.

Transfers of appropriations between departments or funds require approval of the City Council.

Supplemental appropriations approved by the City Council in 2019 resulted in budget amendments as follows:

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	<u>Original Budget</u>	<u>Supplemental Appropriations</u>	<u>Final Budget</u>
<i>Governmental Activities</i>			
General Fund	\$ 8,945,180	\$ 150,850	\$ 9,096,030
Conservation Trust	80,000	40,000	120,000
Marketing & Promotion	136,000	-	136,000
Community Center	2,872,125	103,750	2,975,875
Capital Projects	2,625,000	732,700	3,357,700
Debt Service	1,003,500	13,441,500	14,445,000
<i>Business-type Activities</i>			
Enterprise Funds:			
Devils Canyon Center	-	43,875	43,875
Irrigation Water	114,500	-	114,500
Sewer	3,666,300	1,724,500	5,390,800
Trash	770,000	5,000	775,000
Internal Service Funds:			
Fleet Maintenance	302,800	-	302,800
	<u>\$ 20,515,405</u>	<u>\$ 16,242,175</u>	<u>\$ 36,757,580</u>

2.B. Excess of Expenditures Over Appropriations

Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated. The City did not have any funds with expenses in excess of amounts appropriated.

NOTE 3. DETAILED NOTES ON ALL FUNDS

3.A. Cash and Investments

The composition of all cash and investments held by the City at December 31, 2019 and 2018 is as follows:

City of Fruita, Colorado
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	2019	2018
Cash on hand	\$ 1,600	\$ 1,600
Deposits:		
Cash in checking account(s)	6,243,320	3,618,658
Certificates of deposit	1,810,506	1,772,940
Money market funds	4,098,352	3,587,120
Investment pools:		
CSAFE Cash	2,151,288	1,848,142
CSAFE Colorado CORE	3,869,684	3,318,242
COLOTRUST PLUS+	3,639,501	3,595,509
Retirement fund investments	5,144,874	4,549,827
Total cash, deposits and investments	\$ 26,959,125	\$ 22,292,038

3.A.1. Unrestricted and Restricted Cash and Investments

A summary of Cash and Investments for the City, including the Fiduciary Funds, are as follows:

	2019	2018
Cash and investments	\$ 18,170,285	\$ 13,192,236
Restricted cash and investments	3,593,589	4,540,305
Cash and investments in fiduciary funds	5,195,251	4,559,497
	\$ 26,959,125	\$ 22,292,038

Restricted cash and investments are recorded for the following purposes:

	2019
<u>Governmental Funds:</u>	
General Fund - Development impact fees	\$ 167,014
Community Center Fund - Project funds	60,018
Capital Projects Fund - Development impact fees	1,700,621
Debt Service Fund bond reserves	748,200
Total Governmental Funds	2,675,853
<u>Enterprise Funds:</u>	
Sewer Fund - Loan covenants	917,736
Total Restricted Cash	\$ 3,593,589

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3.A.2. Deposits. Colorado State Statutes, specifically the Public Deposit Protection Act (PDPA), requires all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral for any amounts in excess of the required Federal Deposit Insurance Corporation (FDIC) amount, having a market value in excess of the 102% of the aggregate uninsured deposits. At December 31, 2019, the City’s bank balances were \$12,494,900 of which \$500,000 was covered by FDIC and \$11,994,900 was collateralized under PDPA.

3.A.3. Investments. Colorado statutes specify investments meeting defined rating and risk criteria in which local government may invest which include the following investments with terms of five years or less:

- Obligations of the United States and certain U.S. government agency securities
- Local government investment pools
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Guaranteed investment contracts
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Banker’s acceptances of certain banks
- Certain money market funds

As of December 31, 2019, the City has the following investments:

Money market funds	\$ 4,098,352
Local government investments pools	9,660,473
Total Investments	<u>\$ 13,758,825</u>

The City’s investments include the external investment pool Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (COLOTRUST). CSAFE and COLOTRUST are local government investment pool trust funds registered with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act. Financial statements for each pool are available on their websites: (CSAFE) www.csafe.org and (COLOTRUST) www.colotrust.com.

The CSAFE Cash investments are valued at \$1 net asset value (NAV) per share and is calculated on an amortized cost basis which approximates fair value as provided for by GASB Statement 79. There are no limitations or restrictions on participant withdrawals. The CSAFE Cash Fund is rated AAAM by Standard & Poor’s Global which is the highest principal stability fund rating assigned by S & P Global Ratings. As of December 31, 2019, the City had \$1,889,375 in CSAFE Cash investments.

The CSAFE Colorado CORE’s investments are valued at \$2 NAV per share with a slightly longer

NOTES TO FINANCIAL STATEMENTS

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weighted average maturity than the CSAFE Cash investments and is calculated on a fair value basis as provided for by GASB Statements 31 and 72. Participants are limited to three redemptions per month per account in this investment. Colorado CORE Fund is rated AAf/S1 by Fitch which indicates the highest underlying credit quality for a fixed-income fund. As of December 31, 2019, the City had 1,934,842 shares with a value of \$3,869,684 in CSAFE CORE investments.

The COLOTRUST investments are valued at \$1 net asset value (NAV) per share and is calculated on the most recent bid price or yield equivalent as obtained from one or more market makers for securities for which market quotations are readily available with all other securities and assets valued at fair market value determined in good faith. A twenty-four hour notice period is required on withdrawals of one million dollars or more and suspension or postponement of payment may be imposed in the event of certain conditions such as a state of war or any financial emergency situation. There are no limitations or other restrictions on participant withdrawals.

COLOTRUST PLUS+ is rated AAAM by Standard & Poor's Global which is the highest principal stability fund rating assigned by S & P Global Ratings. As of December 31, 2019, the City had \$3,639,501 in COLOTRUST investments.

Assets of the Retirement Trust Fund and Fruita Police Department Money Purchase Pension Plan are invested by the International City Manager's Association Retirement Corporation.

Custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The City's investments are not deemed to be exposed to custodial credit risk because they are held by the City or the City's custody agent in the City's name.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City of Fruita manages its exposure to fair value losses arising from increasing interest rates by adhering to Colorado statutes which do not allow investment maturities to exceed five years unless specifically authorized by the governing body. The City Council has not authorized longer maturities.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Foreign currency risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. All the City's investments are denominated in U.S. currency and, therefore, not subject to foreign currency risk.

City of Fruita, Colorado
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Fair Value Hierarchy. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs.

3.B. Interfund Transfers

Fund	Transfers in:					Transfers out
	General	Capital Projects	Community Center	Debt Service	Nonmajor Govern-mental	
General	\$ -	\$461,737	\$ 98,726		\$ 12,000	\$ 572,463
Community Center	-			403,206		403,206
Debt Service	-		500,000			500,000
Nonmajor Governmental	-	118,721				118,721
Sewer	160,000					160,000
Trash	56,000					56,000
Irrigation Water	10,000					10,000
Total transfers in	<u>\$226,000</u>	<u>\$580,458</u>	<u>\$598,726</u>	<u>\$403,206</u>	<u>\$ 12,000</u>	<u>\$ 1,820,390</u>

During the year transfers are used to 1) move revenues from proprietary funds to the general fund to offset administrative costs associated with the activities of the proprietary funds including billing for services, financial administration such as payroll processing, accounts payable, investments, auditing and general oversight and planning of proprietary fund activities, 2) move general fund resources to provide an annual subsidy to the community center fund based on the historic funding of program activities from the general fund prior to creation of the community center, 3) move sales and use tax revenues from the community center fund to the debt service fund to fund debt service principal and interest payments, 4) move bond reserve funds no longer required to the Community Center Fund, and 5) move funds to the capital projects fund for various capital projects.

3.C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows.

City of Fruita, Colorado
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	<u>Governmental Activities</u>			Ending Balance
	Beginning Balance	Increases	Decreases	
<u>Capital assets, not being depreciated</u>				
Land	\$ 8,366,452	\$ 116,560	\$ -	\$ 8,483,012
Total capital assets not being depreciated	<u>8,366,452</u>	<u>116,560</u>	<u>-</u>	<u>8,483,012</u>
<u>Capital assets, being depreciated</u>				
Buildings and other structures	21,154,098	198,398	(17,804)	21,334,692
Infrastructure	38,782,732	1,196,820	-	39,979,552
Machinery and equipment	14,808,544	451,775	(241,067)	15,019,252
Total capital assets being depreciated	<u>74,745,374</u>	<u>1,846,993</u>	<u>(258,871)</u>	<u>76,333,496</u>
<u>Less accumulated depreciation for:</u>				
Buildings and other structures	(5,637,651)	(646,766)	17,804	(6,266,613)
Infrastructure	(8,007,623)	(1,005,270)	-	(9,012,893)
Machinery and equipment	(5,620,383)	(656,133)	220,451	(6,056,065)
Total accumulated depreciation	<u>(19,265,657)</u>	<u>(2,308,169)</u>	<u>238,255</u>	<u>(21,335,571)</u>
Total capital assets being depreciated, net	<u>55,479,717</u>	<u>(461,176)</u>	<u>(20,616)</u>	<u>54,997,925</u>
Governmental activities capital assets, net	<u>\$ 63,846,169</u>	<u>\$ (344,616)</u>	<u>\$ (20,616)</u>	<u>\$ 63,480,937</u>

Assets for governmental activities include internal service fund capital assets of \$19,726, net of depreciation. Decreases in net capital assets represent the sale and disposal of unused assets. Depreciation expense was charged to functions/programs of governmental activities as follows:

<u>Governmental activities</u>	
General government	\$ 108,301
Park and recreation	788,142
Public works	1,226,642
Public safety	182,339
Capital assets held by the government's internal service fund are charged to various functions based on their usage of assets	<u>2,745</u>
Total depreciation expense - governmental activities	<u>\$ 2,308,169</u>

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
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	Beginning Balance	Business-type Activities		Ending Balance
		Increase	Decrease	
<u>Capital assets, not being depreciated</u>				
Land	\$ 1,046,173	\$ -	\$ -	\$ 1,046,173
Source of supply	14,712	-	-	14,712
Construction in progress	13,210	-	(13,210)	-
Total capital assets not being depreciated	<u>1,074,095</u>	<u>0</u>	<u>(13,210)</u>	<u>1,060,885</u>
<u>Capital assets, being depreciated</u>				
Buildings	1,643,406	47,850	-	1,691,256
Wastewater treatment facility	28,837,192	171,208	-	29,008,400
Distribution and collection system	21,299,554	529,609	-	21,829,163
Machinery and equipment	1,723,021	14,482	(41,436)	1,696,067
Total capital assets being depreciated	<u>53,503,173</u>	<u>763,149</u>	<u>(41,436)</u>	<u>54,224,886</u>
<u>Less accumulated depreciation for:</u>				
Buildings	(998,029)	(40,615)	-	(1,038,644)
Wastewater treatment facility	(4,914,144)	(756,566)	-	(5,670,710)
Distribution and collection system	(7,534,787)	(471,853)	-	(8,006,640)
Machinery and equipment	(1,115,525)	(103,762)	41,436	(1,177,851)
Total accumulated depreciation	<u>(14,562,485)</u>	<u>(1,372,796)</u>	<u>41,436</u>	<u>(15,893,845)</u>
Total capital assets being depreciated, net	<u>38,940,688</u>	<u>(609,647)</u>	<u>-</u>	<u>38,331,041</u>
Business-type activities capital assets, net	<u>\$ 40,014,783</u>	<u>\$ (609,647)</u>	<u>\$ (13,210)</u>	<u>\$ 39,391,926</u>

3.D. Unearned Revenues

Governmental funds report *unearned revenue* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the governmental funds were as follows:

<u>General Fund</u>	<u>Unearned</u>
Impact fees for chipseal	\$ 159,248
Unallocated utility billing receipts	53,476
Total General Fund	<u>212,724</u>
<u>Capital Projects Fund</u>	
Grants and donations	89,657
Impact fees for open space, road and drainage improvements	1,396,716
Total Capital Projects Fund	<u>1,486,373</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 1,699,097</u>

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
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3.E. Long-term Liabilities

3.E.1 Changes in Long-term Liabilities. Changes in long term obligations of the City for the year ended December 31, 2019, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
Revenue bonds					
2009 FCC Bonds	\$ 12,180,000	\$ -	\$ (12,180,000)	\$ -	\$ -
Discount on bonds	(64,647)	64,647	-	-	-
Premium on bonds	29,617	-	(29,617)	-	-
2019 FCC Refunding Bonds	-	10,115,000	-	10,115,000	320,000
Discount on bonds	-	974	(39,954)	(38,980)	-
Premium on bonds	-	1,180,702	(28,798)	1,151,904	-
Performance obligation note	187,089	-	(11,016)	176,073	11,457
Compensated absences	148,154	213,683	(220,427)	141,410	-
Governmental activity long term liabilities	<u>\$ 12,480,213</u>	<u>\$ 11,575,006</u>	<u>\$ (12,509,812)</u>	<u>\$ 11,545,407</u>	<u>\$ 331,457</u>

The internal service fund predominately serves the governmental funds. Accordingly, their long-term liabilities are included as part of the above totals for governmental activities. At year end, \$4,278 of internal service funds compensated absences are included in the above amounts. For governmental funds, the General Fund and the Fruita Community Center Fund have typically been used to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Business-type activities:</u>					
Loans payable					
Sewer WWTF	\$ 17,240,000	\$ -	\$ (780,000)	\$ 16,460,000	\$ 845,000
Premium on loan	702,047	-	(50,146)	651,901	-
Compensated absences	21,731	38,361	(37,809)	22,283	-
Business-type activity long term liabilities	<u>\$ 17,963,778</u>	<u>\$ 38,361</u>	<u>\$ (867,955)</u>	<u>\$ 17,134,184</u>	<u>\$ 845,000</u>

3.E.2 Special Revenue Bonds Payable

The City issued \$10,115,000 in sales and use tax revenue refunding bonds with an interest rate of 4% in 2019. The proceeds, along with additional funds of the City, were used to 1) refinance

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at a lower interest rate \$12,180,000 of outstanding 2009A and 2009B Sales and Use Tax Revenue Bonds, 2) fund a reserve account, 3) pay the issuance costs of the bonds and 4) provide \$100,000 in new project funds for the cost of constructing, equipping, maintaining and improving the community center.

The net proceeds of \$11,255,747 (including a \$1,180,702 premium and after payment of \$39,954 in underwriting fees) were deposited with an escrow agent and were used to redeem the outstanding bonds on October 1, 2019. The City provided \$2,320,479 in additional funds from the 2009AB debt service reserve fund (\$1,256,500), equity contribution (\$750,000) and budgeted sales and use tax revenues (\$313,979).

The refunding bonds were issued to reduce the total debt service payments over the next 20 years by \$5,033,258 and obtain an economic gain of \$3,001,951. The unenhanced rating published by Standard and Poor’s was upgraded in 2019 from an A+ Stable rating to an AA-Stable rating. Final maturity of the bonds is 2039. A debt service reserve fund was established in accordance with provisions of the bond ordinance in the amount of \$748,200.

The bonds are to be repaid through a one cent increase in sales and use tax was implemented in January of 2009 with revenues generated from the tax to be used specifically for operation and debt service payments on bonds issued for construction of a community recreation center.

The outstanding balance on these bonds at December 31, 2019 was \$10,115,000. The unamortized premium on the bonds is \$1,151,904 and the unamortized discount on the bonds is \$38,980. The outstanding notes and loans reported in the Statement of Net Position is reported net of these amounts. Interest expense and escrow agent fees on bonds payable for the year ended December 31, 2019 was \$970,647 in the Debt Service Fund.

Annual debt service requirements to maturity for special revenue bonds are as follows:

Year ended December 31	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2020	320,000	404,600	724,600
2021	350,000	391,800	741,800
2022	365,000	377,800	742,800
2023	385,000	363,200	748,200
2024	400,000	347,800	747,800
2025-2029	2,245,000	1,486,400	3,731,400
2030-2034	2,730,000	1,000,000	3,730,000
2035-2039	3,320,000	408,600	3,728,600
	<u>\$ 10,115,000</u>	<u>\$ 4,780,200</u>	<u>\$ 14,895,200</u>

3.E.3 Loans Payable

The City entered into a loan agreement in 2010 with the Colorado Water Resources and Power

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Development Authority to finance construction of a new wastewater treatment facility in the amount of \$21,830,000 at a net effective interest rate of 3.53%. The loan was issued with a premium of \$1,128,290 which covered costs of issuance and the underwriter’s discount of \$158,290 with the remaining \$970,000 deposited to the project construction fund for a total project construction fund of \$22,800,000. The net revenues of the sewer system are pledged as security for this loan.

The City is obligated under the agreement to make semi-annual payments each March 1, and September 1 beginning September 1, 2010 and ending September 1, 2032. The loan agreement requires compliance with specified covenants and obligations. In compliance with these requirements, the City has restricted \$917,736 of net position. This includes \$368,099 for the three-month operating reserve and \$549,637 as the pro rata amount reserved for the next principal and interest payments on the debt.

The outstanding balance on this note at December 31, 2019 was \$16,460,000. The unamortized premium on the loan for the wastewater treatment facility is \$651,901 and the outstanding notes and loans reported in the Statement of Net Position is reported net of this amount. Interest expense on loans payable for the year ended December 31, 2019 was \$491,284 in the Sewer Fund.

Year ended December 31	Business-type Activities		
	Principal	Interest	Total
2020	845,000	474,126	1,319,126
2021	910,000	442,544	1,352,544
2022	975,000	408,898	1,383,898
2023	1,045,000	373,208	1,418,208
2024	1,120,000	335,302	1,455,302
2025-2029	6,645,000	1,198,678	7,843,678
2030-2032	4,920,000	263,922	5,183,922
	<u>\$ 16,460,000</u>	<u>\$ 3,496,678</u>	<u>\$ 19,956,678</u>

3.E.4 Non-monetary Performance Obligation Note Payable

During 2013 the City entered into a performance obligation note agreement with parties for the exchange of untreated irrigation water from the City’s reservoirs on Pinyon Mesa as well as the future exchange of land and water rights owned by the City to the parties for improvements constructed by the parties to Reservoir #1 and Mirror Lake Reservoir #1.

The cost of improvements to the reservoirs was \$484,764 with interest compounded annually at 4%. In lieu of payment the City agreed to provide irrigation water to the parties at \$185 per acre foot with a minimum credit of 100 acre feet per year (\$18,500) for a period of up to thirty years (30) years and exchange land and water rights with a predetermined value to be credited against the cost of improvements as soon as practical to compensate the parties. Credits for

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
 December 31, 2019

exchange of water rights and land were applied to the nonmonetary amortization schedule in 2016. A credit of \$11,016 was applied to this obligation in 2019 for the conveyance of water. The following table assumes minimum credits for water usage in future years and will be adjusted annually to reflect actual water use. The outstanding performance obligation balance on this note is \$176,073 at December 31, 2019.

Year ended December 31	<u>Governmental Activities</u>		
	Non-monetary performance obligation		
	Principal	Interest	Total Credit
2020	11,457	7,043	18,500
2021	11,915	6,585	18,500
2022	12,392	6,108	18,500
2023	12,888	5,612	18,500
2024	13,403	5,097	18,500
2025-2029	75,500	17,000	92,500
2030-2032	38,518	2,560	41,078
	\$ 176,073	\$ 50,005	\$ 226,078

3.G. Fund Balance Classifications

Non-spendable fund balance of \$8,884 represents inventory of fuel and dirt/stone stockpiles.

Restricted fund balance of \$3,265,917 are amounts set aside for specified purposes as noted on the Balance Sheet by external creditors, grantors, contributors, laws and regulations.

Committed fund balance of \$1,552,420 represents amounts set aside in the Community Center Fund for the following purposes:

Committed for building and equipment replacement	\$ 1,094,241
Committed for 25% operating reserve	458,179
	\$ 1,552,420

Assigned fund balances of \$1,740,852 represent amounts designated for the purposes noted on the Balance Sheet.

Unassigned fund balances of \$8,626,026 include amounts not assigned to any specific purpose and funding of the 25% minimum fund balance (operating reserve) policy for the General Fund in the amount of \$1,748,531 as adopted by the City Council.

NOTE 4. RETIREMENT PLANS

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

Defined Contribution Plans. The City maintains two defined contribution retirement plans for various classes of employees. In a defined contribution plan, benefits depend solely on amounts contributed on the participants behalf plus investment gains and/or losses.

4.A. City of Fruita Retirement Plan

Effective January 1, 1974, the Fruita City Council adopted the City of Fruita Retirement Plan, a defined contribution retirement plan for full time employees. In January 2011, the contribution for full time police officers was transferred over to a separate 401 Defined Contribution Plan. ICMA Retirement Corporation is the trustee for the plan and the City Manager is the plan administrator. The City contributes 4 ½ percent of the amount of the employee's compensation as defined by the plan. The Plan may be amended by the City Council. As of December 31, 2019, the plan included 63 active participants with 52 contributing participants.

Vesting of the City's contribution is 50% at the completion of three years of service, 75% at the completion of four years of service and 100% at the completion of five years. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to offset future contributions and plan expenses. The City's payroll for all full-time employees eligible for the plan in 2019 was \$2,705,253. The total contribution to allocate for the plan year of 2019, was \$123,134. Forfeitures of \$13,283 were used to reduce contributions in 2019. Fair value of the plan investments at December 31, 2019 was \$1,876,435.

4.B. Fruita Police Department Retirement Plan

The Colorado legislature established a statewide benefit plan for all policemen hired after April 7, 1978 and for those hired on or before April 7, 1978 who choose to participate. All the City's police employees were covered by the plan administered by the State until January 1, 1989, when the funds were transferred to a defined contribution plan. In January 2011 these funds were transferred to the ICMA Retirement Corporation. Police officers are eligible to participate from the date of employment. The employee contributes 10 percent and the City contributes 8 percent of the employee's base salary, plus the 4 ½ percent retirement contribution previously made to the City of Fruita Retirement Plan. As of December 31, 2019, the plan included 17 active participants with 16 contributing participants.

The City's contribution for each employee becomes 20 percent vested at the completion of two years of service, 40 percent at the completion of three years of service, 60 percent at the completion of four years of service and 100 percent vested at the completion of five years of service. The employee is 100 percent vested in their contribution. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures may be refunded to the City or used to offset future contributions and plan expenses. The total payroll covered by the plan in 2019 was \$985,067. Contributions allocated for the plan year of

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

2019 were \$98,507 paid by the employees and \$123,134 paid by the City. Forfeitures of \$13,283 were used to reduce the employers contribution in 2019. Fair value of the plan investments at December 31, 2019 was \$3,268,439.

NOTE 5. PUBLIC ENTITY RISK POOL

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA provides workers compensation, property and casualty insurance coverage to the City. The coverages are provided through joint self-insurance, insurance and reinsurance, or any combination thereof. CIRSA's rate setting policies are established by the Board of Directors, in consultation with independent actuaries. The Board of Directors is elected by the membership for two-year terms. All actions of the membership require a 2/3 majority vote of all members present at a meeting. The City is subject to a supplemental assessment in the event of deficiencies and may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2019 limit CIRSA's per occurrence exposure to \$500,000 for workers' compensation coverage for all claims made by employees other than police officers and \$750,000 for claims made by police officers, \$1,000,000 for liability coverage, \$500,000 for property coverage, and \$150,000 for crime coverage, and provide coverage to specified upper limits.

As a member of CIRSA, the City owns a proportionate share of CIRSA's net position. The City's equity at December 31, 2019 in the property/casualty insurance pool is \$123,629 and \$247,760 in the workers' compensation pool.

The City Council approves the City's continued membership in CIRSA via their annual review of the City's budget.

NOTE 6. CONTINGENT LIABILITIES

6.A. Risk Management

The City is self-insured for property and liability insurance. As discussed in Note 6, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

The ultimate liability to the City resulting from claims not covered by CIRSA is not presently determinable. Management and the City's attorney are of the opinion that the outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

6.B. Pending Litigation

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations but does not currently have any outstanding claims. The City estimates that any potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

NOTE 7. CONDUIT DEBT OBLIGATIONS

The City sponsored Healthcare Revenue Bonds issued by the Lower Valley Hospital Association (LVHA) in 2017 for \$41,400,000 for the Colorado Canyons Hospital and Medical Center Project which included \$34,000,000 in tax-exempt bonds (Series 2017A) and \$7,400,000 in taxable bonds (Series 2017B) for the purpose of advance refunding the outstanding principal amount of the City's Revenue Bonds, Series 2008, financing the costs of constructing, renovating, improving and equipping certain hospital facilities (new money project), funding a Reserve Fund, reimbursing LVHA for certain capital expenditures made prior to issuance of the bonds that relate to the new money project, funding a capitalized interest fund, and paying costs of issuing the bonds. As of December 31, 2019, there was a principal amount payable of \$40,825,000. These revenue bonds do not constitute debt of the City of Fruita and the City assumes no financial obligation for this bond issue. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 8. OPERATING LEASES

The City entered into a ten-year operating lease as a lessor on January 1, 2015 with a nonprofit corporation for the use of a building, grounds and equipment to be used as a quality science/learning center. Rental payments of \$57,600 are to be made annually by the nonprofit corporation to the City and may be offset by various operating expenses including repairs and improvements to the building pursuant to the terms of the lease agreement. In 2019, \$9,750 of rental payments were offset by operating expenses, and the remaining \$47,850 was offset by building improvements with the replacement of the roof and roof parapet repairs.

Information for the building on lease is as follows:

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

Cost of building	\$ 1,560,776
Accumulated depreciation	<u>939,943</u>
Carrying Amount	<u><u>\$ 620,833</u></u>

NOTE 9. TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayer’s Bill of Rights (TABOR) which has several limitations including revenue raising, spending abilities, debt limitations and other specific requirements of state and local governments.

Future spending and revenue limits are determined based on the prior year’s “Fiscal Year Spending” adjusted for allowable increases based upon information and local growth.

Revenues from the City’s Lodger’s Tax accounted for in the Marketing and Promotion Fund and 1% of the City’s sales and use tax revenues dedicated and accounted for in the Fruita Community Center Fund are voter approved revenue changes and exceptions to the revenue and spending limits of TABOR. In addition, an election was held in April 2018 and voters again approved a measure to allow the City to keep and retain all revenues, including grants, in excess of the fiscal year spending limit for the purpose of implementing the City’s capital improvement plan, including the maintenance of capital improvements until December 31, 2024.

TABOR requires the establishment of an emergency reserve of at least 3% of fiscal year spending (excluding bonded debt service). These emergency reserves are restricted in use. This reserve is noted as part of the restricted fund balance/net position of the City.

The amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations for the amendment’s language in order to determine its compliance.

NOTE 10. SUBSEQUENT EVENTS

In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been mandates from federal, state and local authorities resulting in closures of local and regional businesses including the Fruita Community Center, loss of jobs in the region and anticipated overall decline in economic activity. The ultimate impact of COVID-19 on the financial performance of the City is not reasonably estimable at this time but the City continues to monitor and adjust revenues and expenses as necessary to ensure the ongoing fiscal stability of the city.

Required Supplementary Information

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**GENERAL FUND**

For the year ended December 31, 2019

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Taxes:				
Property	\$ 1,166,750	\$ 1,166,750	\$ 1,167,209	\$ 459
City sales	1,796,000	1,796,000	2,213,793	417,793
County sales	2,238,000	2,238,000	2,432,130	194,130
County sales - public safety	329,000	329,000	367,421	38,421
Use tax	835,000	835,000	899,173	64,173
Other	578,750	578,750	594,569	15,819
Licenses and permits	31,250	31,250	33,885	2,635
Intergovernmental revenue	713,500	763,225	872,251	109,026
Charges for services	181,850	190,525	205,726	15,201
Fines and forfeitures	18,400	18,400	21,226	2,826
Investment earnings	55,000	55,000	108,150	53,150
Rents and royalties	36,000	36,000	40,041	4,041
Donations	14,500	33,500	45,011	11,511
Miscellaneous	3,000	3,000	39,647	36,647
Total revenues	<u>7,997,000</u>	<u>8,074,400</u>	<u>9,040,232</u>	<u>965,832</u>
EXPENDITURES				
Current:				
General government	457,875	497,875	474,548	23,327
Administration	790,055	791,555	750,088	41,467
Community development	418,625	518,625	383,589	135,036
Public safety	2,313,275	2,313,600	2,122,225	191,375
Public works	1,717,775	1,748,895	1,604,006	144,889
Parks and recreation	1,170,875	1,214,800	1,064,535	150,265
Non-departmental	601,600	491,600	319,630	171,970
Capital equipment	423,100	436,330	276,435	159,895
Total expenditures	<u>7,893,180</u>	<u>8,013,280</u>	<u>6,995,056</u>	<u>1,018,224</u>
Excess (deficiency) of revenues over (under) expenditures	<u>103,820</u>	<u>61,120</u>	<u>2,045,176</u>	<u>1,984,056</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	226,000	226,000	226,000	-
Transfers out	(1,052,000)	(1,082,750)	(572,463)	510,287
Insurance rebates and damage awards	-	34,400	40,653	6,253
Sale of capital assets	-	-	12,396	12,396
Total other financing sources and (uses)	<u>(826,000)</u>	<u>(822,350)</u>	<u>(293,414)</u>	<u>528,936</u>
Change in fund balance - budgetary basis	<u>\$ (722,180)</u>	<u>\$ (761,230)</u>	<u>\$ 1,751,762</u>	<u>\$ 2,512,992</u>

See accompanying independent auditor's report.

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
COMMUNITY RECREATION CENTER SPECIAL REVENUE FUND
For the year ended December 31, 2019

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
City sales	\$ 898,000	\$ 898,000	\$ 1,106,896	\$ 208,896
Use tax	417,500	417,500	449,589	32,089
Charges for services	1,322,000	1,322,000	1,236,319	(85,681)
Investment income	1,500	1,500	7,586	6,086
Rents and royalties	57,500	57,500	64,948	7,448
Donations	-	-	2,375	2,375
Miscellaneous	-	-	6,647	6,647
Total revenues	<u>2,696,500</u>	<u>2,696,500</u>	<u>2,874,360</u>	<u>177,860</u>
EXPENDITURES				
Current				
Recreation	2,011,375	2,012,125	1,823,639	188,486
Debt service expenses	-	-	8,981	(8,981)
Capital expenses	135,700	238,700	85,018	153,682
Total expenditures	<u>2,147,075</u>	<u>2,250,825</u>	<u>1,917,638</u>	<u>333,187</u>
Excess of revenues over expenditures	<u>549,425</u>	<u>445,675</u>	<u>956,722</u>	<u>511,047</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	95,000	698,750	598,726	(100,024)
Transfers out	(725,050)	(725,050)	(403,206)	321,844
Bond proceeds, project funds	-	-	100,000	100,000
Bond premium	-	-	9,376	9,376
Bond discount	-	-	(395)	(395)
Sale of capital assets	-	-	2,400	2,400
Total other financing sources (uses)	<u>(630,050)</u>	<u>(26,300)</u>	<u>306,901</u>	<u>333,201</u>
Change in fund balance - budgetary basis	<u>\$ (80,625)</u>	<u>\$ 419,375</u>	<u>\$ 1,263,623</u>	<u>\$ 844,248</u>

See accompanying independent auditor's report.

Supplementary Information

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City of Fruita, Colorado
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Conservation Trust</u>	<u>Marketing and Promotion</u>	
ASSETS			
Cash and cash equivalents	\$ 247,823	\$ 163,386	\$ 411,209
Taxes receivable	-	4,558	4,558
Total Assets	<u>\$ 247,823</u>	<u>\$ 167,944</u>	<u>\$ 415,767</u>
LIABILITIES			
Accounts payable	-	15,523	15,523
Total Liabilities	<u>-</u>	<u>15,523</u>	<u>15,523</u>
FUND BALANCE			
Restricted	247,823	152,421	400,244
Assigned	-	-	-
Total Fund Balances	<u>247,823</u>	<u>152,421</u>	<u>400,244</u>
Total Liabilities and fund balance	<u>\$ 247,823</u>	<u>\$ 167,944</u>	<u>\$ 415,767</u>

See accompanying independent auditor's report.

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2019

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Conservation Trust</u>	<u>Marketing and Promotion</u>	
REVENUES			
Taxes			
Lodger's tax	\$ -	\$ 127,045	\$ 127,045
Investment income	199	77	276
Intergovernmental revenue	147,933	-	147,933
Charges for services	-	155	155
Donations	-	-	-
Total revenues	<u>148,132</u>	<u>127,277</u>	<u>275,409</u>
EXPENDITURES			
Current			
Marketing and promotion	-	119,594	119,594
Parks and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>119,594</u>	<u>119,594</u>
Excess (deficiency) of revenues over (under) expenditures	148,132	7,683	155,815
OTHER FINANCING SOURCES			
Transfers in	-	12,000	12,000
Transfers out	<u>(118,721)</u>	<u>-</u>	<u>(118,721)</u>
Change in fund balance - budgetary basis	<u>\$ 29,411</u>	<u>\$ 19,683</u>	<u>\$ 49,094</u>

See accompanying independent auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2019

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 1,600,000	\$ 2,219,300	\$ 25,827	\$ (2,193,473)
Fines, forfeitures, assessments	-	-	117	117
Development impact fees	-	-	-	-
Donations	-	-	2,758	2,758
Investment earnings	-	-	32,052	32,052
Total revenues	<u>1,600,000</u>	<u>2,219,300</u>	<u>60,754</u>	<u>(2,158,546)</u>
EXPENDITURES				
Current:				
Lagoon redevelopment	100,000	134,000	63,686	70,314
Capital Outlay				
Marketing/Signage	-	725	-	725
Street improvements	2,445,000	2,506,875	423,183	2,083,692
Drainage improvements	-	1,800	1,800	-
Parks and recreation	80,000	714,300	122,313	591,987
Total expenditures	<u>2,625,000</u>	<u>3,357,700</u>	<u>610,982</u>	<u>2,746,718</u>
Deficiency of revenues under expenditures	(1,025,000)	(1,138,400)	(550,228)	588,172
OTHER FINANCING SOURCES				
Transfers in	1,025,000	1,135,875	580,458	(555,417)
Change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ (2,525)</u>	<u>\$ 30,230</u>	<u>\$ 32,755</u>

See accompanying independent auditor's report.

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND
For the year ended December 31, 2019

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 250,000	\$ 250,000	\$ 131,285	\$ (118,715)
Investment earnings	28,450	28,450	85,091	56,641
Total revenues	<u>278,450</u>	<u>278,450</u>	<u>216,376</u>	<u>(62,074)</u>
EXPENDITURES				
Debt service				
Principal retirement	125,000	-	-	-
Interest and fiscal charges	878,500	689,500	970,647	(281,147)
Bond issuance costs	-	229,500	131,890	97,610
Contingency	-	226,000	-	226,000
Total expenditures	<u>1,003,500</u>	<u>1,145,000</u>	<u>1,102,537</u>	<u>42,463</u>
Deficiency of revenues under expenditures	(725,050)	(866,550)	(886,161)	(19,611)
OTHER FINANCING SOURCES (USES)				
Transfers in	725,050	725,050	403,206	(321,844)
Transfers out	-	(600,000)	(500,000)	100,000
Bond proceeds	-	10,800,000	10,015,000	(785,000)
Payment to escrow agent - refunded bonds	-	12,650,000	12,180,000	470,000
Bond premium	-	700,000	1,171,326	471,326
Bond discount	-	(50,000)	(39,559)	10,441
Change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 23,358,500</u>	<u>\$ 22,343,812</u>	<u>\$ (74,688)</u>

See accompanying independent auditor's report.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CONSERVATION TRUST SPECIAL REVENUE FUND
For the year ended December 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 130,000	\$ 130,000	\$ 147,933	\$ 17,933
Investment income	-	-	199	199
Total revenues	130,000	130,000	148,132	18,132
EXPENDITURES				
Current				
Culture and recreation	-	-	-	-
Capital outlay				
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
Change in net position - budgetary basis	130,000	130,000	148,132	18,132
OTHER FINANCING USES				
Transfers out	(80,000)	(120,000)	(118,721)	1,279
Change in fund balance - budgetary basis	\$ 50,000	\$ 10,000	\$ 29,411	\$ 19,411

See accompanying independent auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
MARKETING AND PROMOTION SPECIAL REVENUE FUND
For the year ended December 31, 2019

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Lodger's tax	\$ 124,000	\$ 124,000	\$ 127,045	\$ 3,045
Investment income	-	-	77	77
Charges for services	-	-	155	155
Donations	-	-	-	-
Total revenues	<u>124,000</u>	<u>124,000</u>	<u>127,277</u>	<u>3,277</u>
EXPENDITURES				
Current				
Marketing and promotion	<u>136,000</u>	<u>136,000</u>	<u>119,594</u>	<u>16,406</u>
Total expenditures	<u>136,000</u>	<u>136,000</u>	<u>119,594</u>	<u>16,406</u>
Deficiency of revenues under expenditures	(12,000)	(12,000)	7,683	19,683
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,683</u>	<u>\$ 19,683</u>

See accompanying independent auditor's report.

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
SEWER FUND
For the year ended December 31, 2019

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 356,000	\$ 13,765	\$ (342,235)
Charges for services	3,355,000	3,355,000	3,377,093	22,093
Investment income	60,000	60,000	69,629	9,629
Capital contributions - tap fees	330,000	330,000	466,965	136,965
Miscellaneous	100	100	9,488	9,388
Gain on sale of equipment	-	-	12,910	12,910
Total revenues	<u>3,745,100</u>	<u>4,101,100</u>	<u>3,949,850</u>	<u>(151,250)</u>
EXPENSES				
Personnel services	829,800	829,800	785,458	44,342
Purchased services	264,300	252,324	220,607	31,717
Supplies	355,300	330,800	311,340	19,460
Special Projects	-	170	165	5
Debt service:				
Principal retirement	780,000	780,000	780,000	-
Interest and fiscal charges	503,550	503,550	503,539	11
Capital expenses	773,350	2,534,156	609,168	1,924,988
Contingency	-	-	-	-
Transfers out	160,000	160,000	160,000	-
Total expenses	<u>3,666,300</u>	<u>5,390,800</u>	<u>3,370,277</u>	<u>2,020,523</u>
Change in net position - budgetary basis	<u>\$ 78,800</u>	<u>\$ (1,289,700)</u>	<u>\$ 579,573</u>	<u>\$ 1,869,273</u>
Adjustments from budgetary basis to GAAP				
Deduct depreciation			(1,328,533)	
Deduct loss on sale of equipment			-	
Deduct change in compensation payable			(3,334)	
Add change in accrued interest payable			12,255	
Add contributions from development			92,920	
Add principal retirement			780,000	
Add capital expenses			609,168	
Add premium on bonds			50,146	
Change in net position - GAAP basis			<u>\$ 792,195</u>	

See accompanying independent auditor's report.

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
TRASH FUND
For the year ended December 31, 2019

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 770,000	\$ 775,000	\$ 785,049	\$ 10,049
Investment income	-	-	88	88
Total revenues	770,000	775,000	785,137	10,137
EXPENSES				
Purchased services	714,000	719,000	715,841	3,159
Transfers out	56,000	56,000	56,000	-
Total expenses	770,000	775,000	771,841	3,159
Change in net position - budgetary basis	\$ -	\$ -	\$ 13,296	\$ 13,296
Adjustments from budgetary basis to GAAP Basis to arrive at change in net position			-	
Change in net position - GAAP basis			\$ 13,296	

See accompanying independent auditor's report.

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
DEVILS CANYON CENTER FUND
For the year ended December 31, 2019

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 47,850	\$ 47,850
Investment income	-	-	575	575
Miscellaneous	-	-	7,711	7,711
Total revenues	-	-	56,136	\$ 56,136
EXPENSES				
Purchased services	-	-	-	-
Transfers out	-	43,875	-	43,875
Total expenses	-	43,875	-	43,875
Change in net position - budgetary basis	\$ -	\$ (43,875)	\$ 56,136	\$ 100,011
Adjustments from budgetary basis to GAAP				
Basis to arrive at change in net position				
Deduct depreciation			(37,552)	
Change in net position - GAAP basis			\$ 18,584	

See accompanying independent auditor's report.

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
IRRIGATION WATER FUND
For the year ended December 31, 2019

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 114,500	\$ 114,500	\$ 116,680	\$ 2,180
Investment income	-	-	77	77
Total revenues	<u>114,500</u>	<u>114,500</u>	<u>116,757</u>	<u>2,257</u>
EXPENSES				
Personnel services	78,250	78,250	79,603	(1,353)
Purchased services	11,300	11,300	11,358	(58)
Supplies	14,950	14,950	13,538	1,412
Capital equipment	-	-	-	-
Contingency	-	-	-	-
Transfers out	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenses	<u>114,500</u>	<u>114,500</u>	<u>114,499</u>	<u>1</u>
Change in net position - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	\$ 2,258	<u>\$ 2,258</u>
Adjustments from budgetary basis to GAAP Basis				
to arrive at change in net position				
Deduct change in compensation payable			(1,651)	
Deduct depreciation			<u>(6,711)</u>	
Change in net position - GAAP basis			<u>\$ (6,104)</u>	

See accompanying independent auditor's report.

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FLEET MAINTENANCE FUND
For the year ended December 31, 2019

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 302,800	\$ 302,800	\$ 290,531	\$ (12,269)
Other revenues	-	-	-	-
Total revenues	<u>302,800</u>	<u>302,800</u>	<u>290,531</u>	<u>(12,269)</u>
EXPENDITURES				
Personnel services	188,150	183,650	168,131	15,519
Purchased services	33,300	22,845	21,857	988
Supplies	81,350	96,305	95,722	583
Capital equipment	-	-	-	-
Total expenditures	<u>302,800</u>	<u>302,800</u>	<u>285,710</u>	<u>17,090</u>
Change in net position - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	\$ 4,821	<u>\$ 4,821</u>
Adjustments from budgetary basis to GAAP basis to arrive at change in net position				
Add capital expenses			-	
Deduct change in compensation payable			(2,076)	
Deduct depreciation			<u>(2,745)</u>	
Change in net position - GAAP basis			<u>\$ -</u>	

See accompanying independent auditor's report.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: Fruita
	YEAR ENDING : December 2019

This Information From The Records Of (example - City of _ or County of _) Prepared By: _____
Phone: _____

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,122,038
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	521,940
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	45,016
2. General fund appropriations	664,985	b. Snow and ice removal	11,140
3. Other local imposts (from page 2)	716,229	c. Other	224,907
4. Miscellaneous local receipts (from page 2)	4,562	d. Total (a. through c.)	281,063
5. Transfers from toll facilities		4. General administration & miscellaneous	349,501
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	387,363
a. Bonds - Original Issues		6. Total (1 through 5)	2,661,905
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,385,776	b. Redemption	
B. Private Contributions	728,270	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	547,860	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,661,905	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,661,905

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	2,661,905	2,661,905		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	690,747	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	1,470
5. Specific Ownership &/or Other	25,482	g. Other Misc. Receipts	3,092
6. Total (1. through 5.)	716,229	h. Other	
c. Total (a. + b.)	716,229	i. Total (a. through h.)	4,562
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	494,375	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	53,485	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	53,485	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	547,860	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		111,760	111,760
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		537,180	537,180
(2). Capacity Improvements			0
(3). System Preservation		449,198	449,198
(4). System Enhancement & Operation		23,900	23,900
(5). Total Construction (1) + (2) + (3) + (4)	0	1,010,278	1,010,278
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,122,038	1,122,038
			(Carry forward to page 1)
Notes and Comments:			



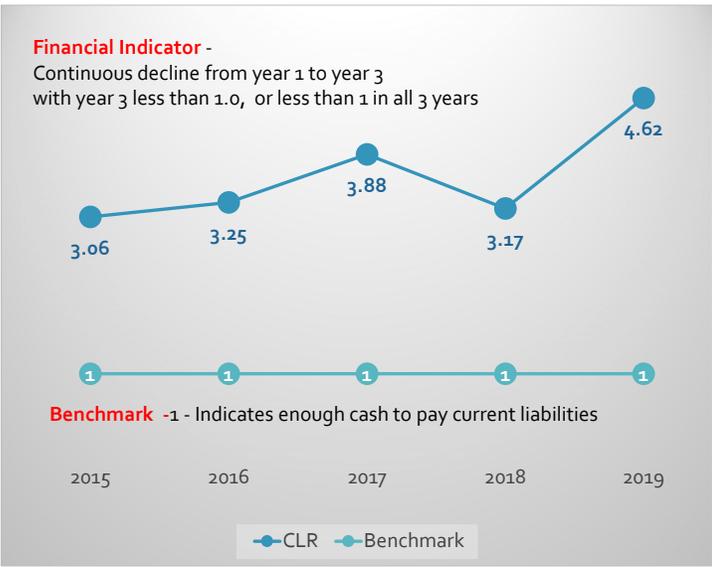
FYE 2019

Fiscal Health Analysis

1

Cash to Liabilities Ratio

Is there enough cash to pay current liabilities?



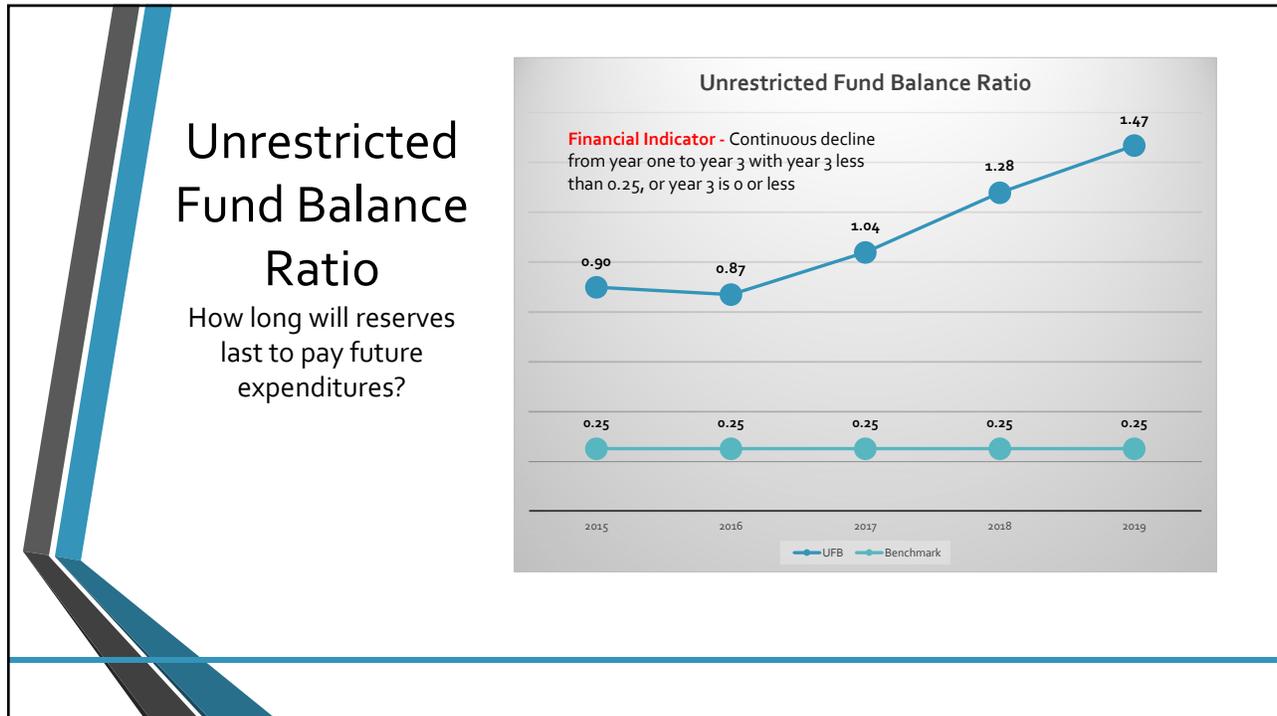
Financial Indicator -
Continuous decline from year 1 to year 3 with year 3 less than 1.0, or less than 1 in all 3 years

Year	CLR	Benchmark
2015	3.06	1
2016	3.25	1
2017	3.88	1
2018	3.17	1
2019	4.62	1

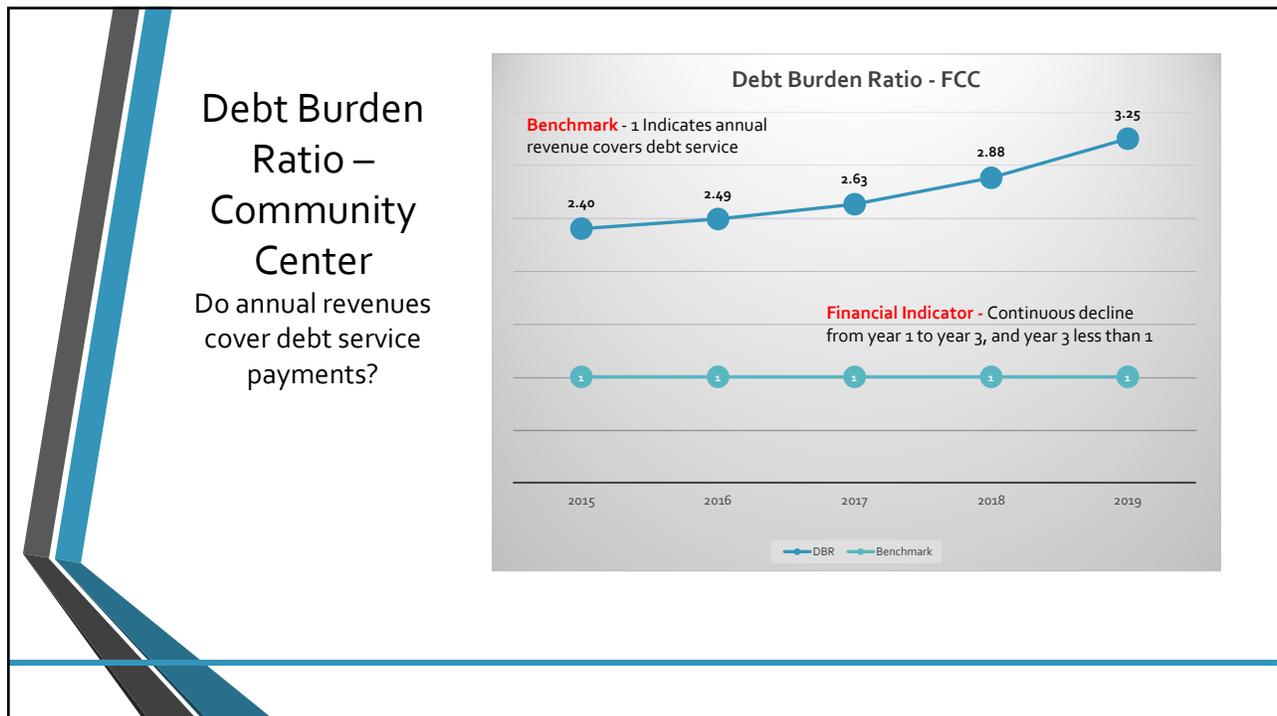
Benchmark - 1 - Indicates enough cash to pay current liabilities

Legend: CLR (blue line), Benchmark (teal line)

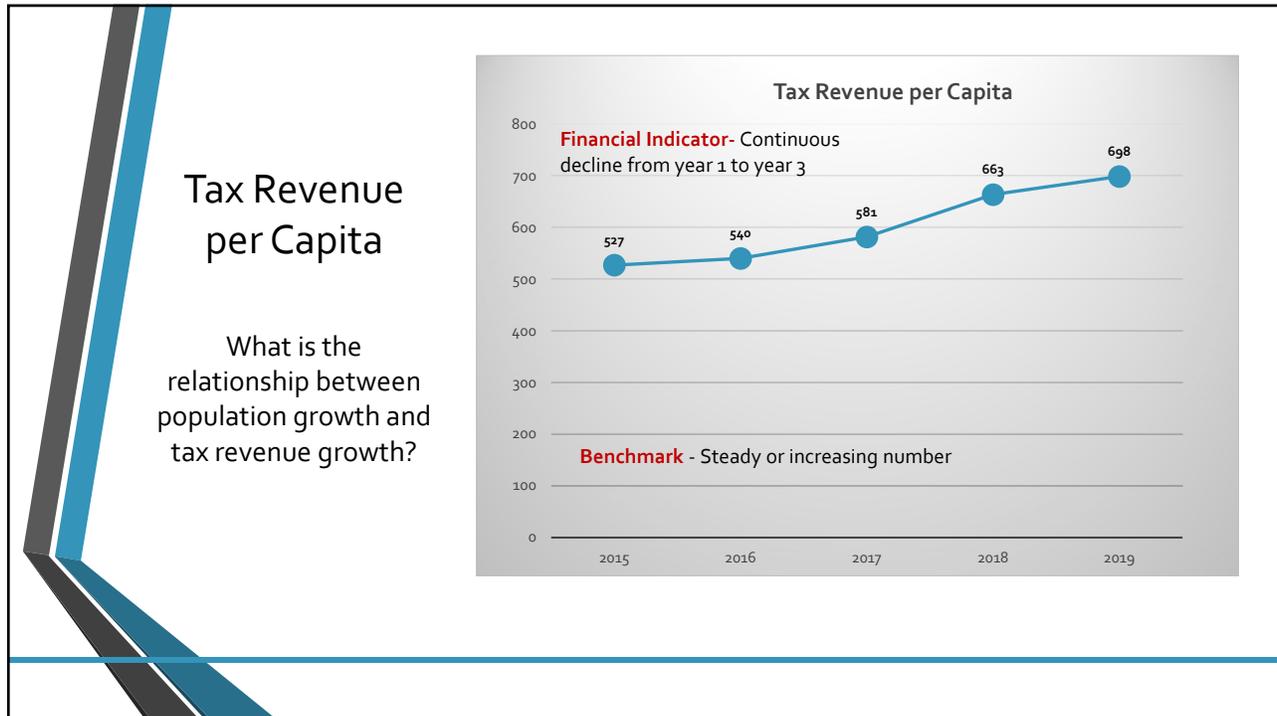
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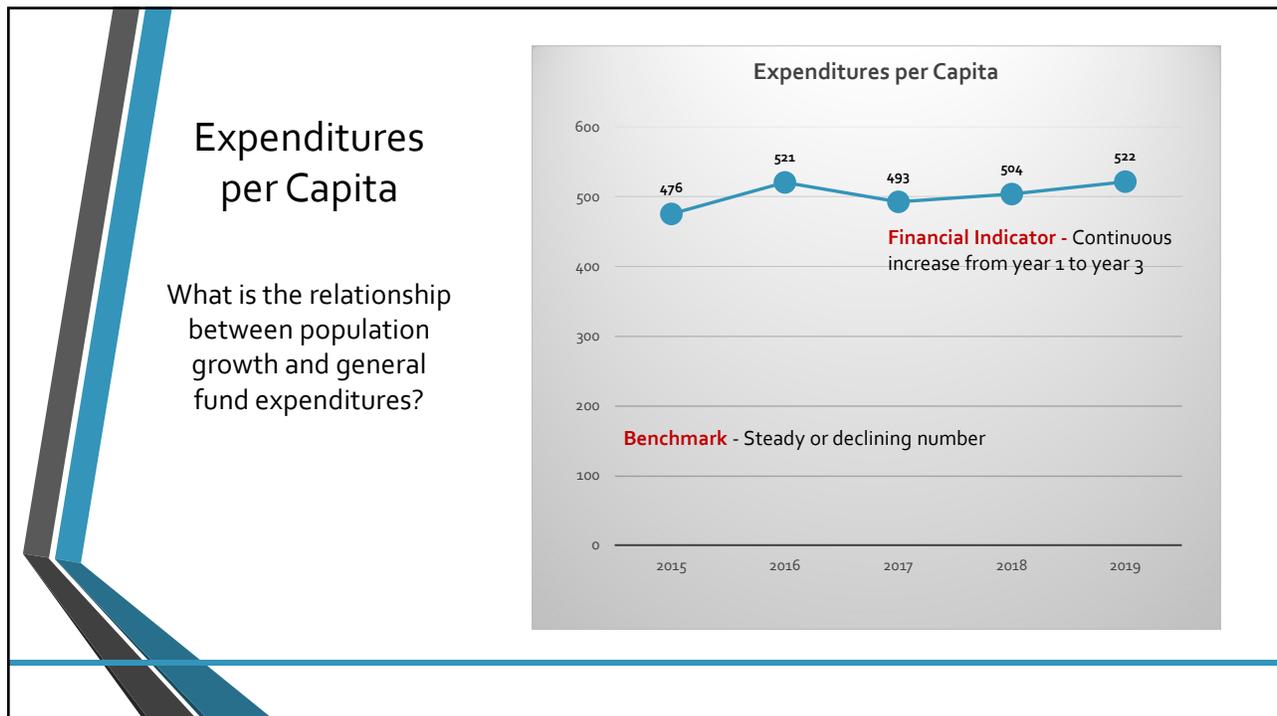
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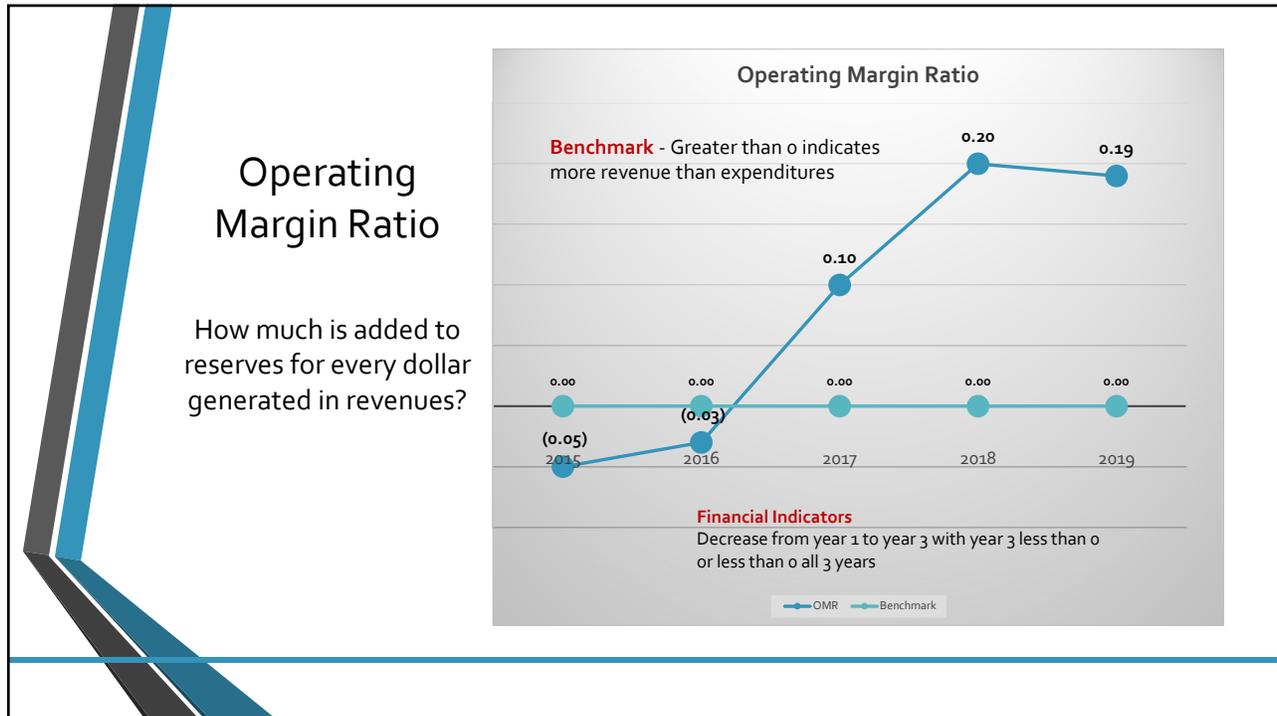
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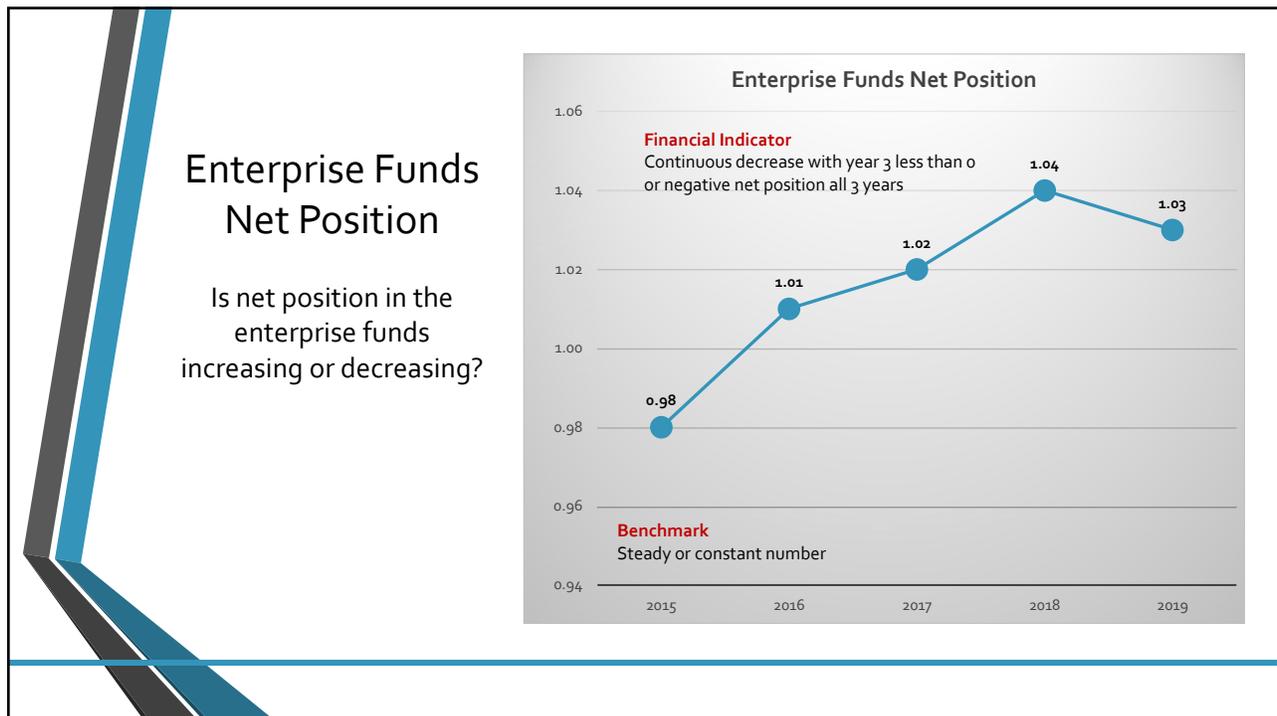
5



6



7



8



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

DATE: JULY 21, 2020

RE: PRESENTATION OF AUDITORS REPORTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 12/31/2019, LISA CHADWICK, AUDIT PRINCIPAL, STEINKIRCHNER, DAVIS & CO., PC

BACKGROUND

The field work and audit of the City's Financial Statements have been completed by Chadwick, Steinkirchner, Davis and Co., PC (CSD) and Lisa Hemann with CSD will present the Independent Auditor's Report.

FISCAL IMPACT

N/A

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The State of Colorado and the Fruita City Charter require an annual audit of the City's financial statements. This ensures that the financial statements and financial condition of the City are accurately reported and provides for accountability of the finance functions of the City.

OPTIONS AVAILABLE TO THE COUNCIL:

- Approve the Financial Statements for Fiscal Year 2018 and accept the auditor's report
- Request additional information

RECOMMENDATION:

It is the recommendation of City Staff that the Council move to:

APPROVE THE CITY OF FRUITA 2019 FINANCIAL STATEMENTS AND ACCEPT THE AUDITORS REPORT



FRUITA

COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR
FROM: DEBRA WOODS, DEPUTY CITY CLERK
DATE: JULY 21, 2020
RE: DISCUSSION AND POSSIBLE ACTION TO CONSIDER A MOTION TO CONVENE IN EXECUTIVE SESSION REGARDING PERSONNEL ISSUES UNDER C.R.S. SECTION 24-6-402(4)(F) IN ORDER TO DISCUSS THE CITY MANAGER'S INFORMAL REVIEW

BACKGROUND

The City Council has reason to convene in Executive Session to discuss a personnel matter. To convene in executive session, state law requires that a motion with specific language requesting the executive session be passed with 2/3 of the governing body voting in the affirmative for said motion.

FISCAL IMPACT

N/A

APPLICABILITY TO CITY GOALS AND OBJECTIVES

N/A

OPTIONS AVAILABLE TO THE COUNCIL

N/A

RECOMMENDATION

It is the recommendation of the Fruita City Staff that the Council:

MOVE TO MEET IN EXECUTIVE SESSION TO DISCUSS PERSONNEL ISSUES UNDERSTANDING THAT DISCUSSIONS OF SUCH ISSUES IN EXECUTIVE SESSION ARE SPECIFICALLY PERMITTED BY THE STATE'S OPEN MEETING LAW CRS 24-6-402(4)(F) IN ORDER TO DISCUSS THE CITY MANAGER'S INFORMAL REVIEW

ANNOUNCEMENT NO. 1

***ANNOUNCEMENT TO BE MADE BY CHAIRMAN
AT THE BEGINNING OF THE EXECUTIVE SESSION
(MAKE SURE THE TAPE RECORDER IS TURNED ON;
DO NOT TURN IT OFF DURING THE EXECUTIVE SESSION
UNLESS SO ADVISED BY LEGAL COUNSEL.)***

It's July 21, 2020 and the time is _____. For the record, I am the Mayor, Joel Kincaid. As required by the Open Meetings Law, this executive session is being electronically recorded.

Also present at this executive session are the following persons:

_____.

This is an executive session for the following purpose:

To discuss issues related to personnel matters understanding that discussions of such issues in Executive Session are specifically permitted by the State's Open Meeting Law CRS 24-6-402(4)(F) to discuss the City Manager's Informal Review.

I caution each participant to confine all discussion to the stated purpose of the executive session, and that no formal action may occur in the executive session.

If at any point in the executive session any participant believes that the discussion is going outside the proper scope of the executive session, please interrupt the discussion and make an objection.

**EMPLOYEE AGREEMENT – AMENDMENT
JULY 31, 2018**

This Employee Agreement – Amendment is made and entered into this 31st day of July 2018, by and between the City of Fruita, Colorado, a municipal corporation hereinafter called “Employer” and Michael Bennet, hereinafter called “Employee” and amends the Employee Agreement – Amended, dated February 2, 2016, as amended on July 19, 2016 and July 31, 2018.

WHEREAS, the Employer and Employee desire to amend the February 2, 2016 agreement, as amended, to change the dates of the formal performance evaluation and informal performance review.

NOW, THEREFORE, Section 6 – Performance Evaluation of the February 2, 2016 Employee Agreement – Amended, is hereby amended to read as follows: (~~existing language~~, **ADDED LANGUAGE**)

SECTION 6. PERFORMANCE EVALUATION

- A. Employee shall receive a formal annual performance evaluation pursuant to Article IV of the Fruita City Charter. The formal performance evaluations shall occur ~~no later than the annual renewal date specified in Section 2, paragraph D of this Agreement.~~ **IN JANUARY OF EACH YEAR.** The Council may define such goals and performance objectives it determines necessary for the proper operation of the Employer and shall further establish a relative priority among those various goals and objectives. The goals and objectives shall generally be attainable within the time limitations specified and within the available financial resources provided in the annual budget.
- B. In addition, Employee shall also receive an informal performance review by Council in ~~January~~ **JULY** of each year.

Section 2: All other provisions of the Employee Agreement – Amended dated February 2, 2016, as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Fruita has caused this amendment to the Employee Agreement – Amended to be signed and executed in its behalf by its Mayor, and duly attested by its City Clerk, and Employee has signed and executed this Agreement, both in duplicate, the day and year first above written.

THE CITY OF FRUITA

Michael Bennett

By: _____
Joel Kincaid, Mayor

Attest: _____
Margaret Sell, City Clerk

ANNOUNCEMENT NO. 2

***ANNOUNCEMENT TO BE MADE BY THE CHAIRMAN
BEFORE CONCLUDING THE EXECUTIVE SESSION
(WHILE THE TAPE RECORDER IS STILL ON)***

I hereby attest that this recording reflects the actual contents of the discussion at the executive session and has been made in lieu of any written minutes to satisfy the recording requirements of the Open Meetings Law.

_____ I will have the Deputy City Clerk retain the recording for a 90-day period.

***OR
(if Executive Director was the
subject of the session and
was not present at the session)***

_____ I will retain the tape in my possession for a 90-day period.

The time is now _____, and we now conclude the executive session and return to the open meeting.

(turn off tape and return to open meeting)