

**FRUITA CITY COUNCIL  
MAY 3, 2016  
7:00 P.M.**

**1. INVOCATION AND PLEDGE OF ALLEGIANCE**

**2. CALL TO ORDER AND ROLL CALL**

**3. AGENDA - ADOPT/AMEND**

**4. PROCLAMATIONS AND PRESENTATIONS**

- A. PROCLAMATION – Proclaiming May 9 – 23, 2016 as “Paint the Town Purple Days” in the City of Fruita to be accepted by Terri Wannamaker and/or Kathie Isles on behalf of the American Cancer Society
- B. PROCLAMATION – Proclaiming the week of May 8 – 14, 2016 as “Hospital Week” in the City of Fruita to be accepted by Family Health West CEO Mark Francis
- C. PROCLAMATION – Proclaiming the week of May 6 – 12, 2016 as “Nurses’ Week” in the City of Fruita to be accepted by Family Health West Executive Vice President Lori Randall

**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. A Single **Public Hearing** will be opened for all items on the Consent Agenda. These items will be approved by a single motion of the Council. The Mayor will ask if there is anyone present who has objection to such procedure as to certain items. Members of the Council may also 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 – A request to approve the minutes from the April 19, 2016 City Council meeting
- B. RESOLUTION 2016-17 – A request to approve a Resolution transferring budgeted and appropriated moneys from the General Fund Contingency Account to Non-Departmental expenses to defray drainage fees for the City of Fruita for the 2016 Fiscal Year
- C. LETTER OF SUPPORT – A request to approve a letter of support for the Monument View Montessori Charter School in the City of Fruita

## 11. PUBLIC HEARINGS

Public Hearings are the formal opportunity for the city council to LISTEN to the public regarding the issue at hand. For land use hearings and liquor license hearings; the Council is required to act in a quasi-judicial capacity. When acting as a quasi-judicial body, the Council is acting in much the same capacity as a judge would act in a court of law. Under these circumstances, the judicial or quasi-judicial body must limit its consideration to matters which are placed into evidence and are part of the public record. The council must base their decision on the law and evidence presented at the hearing.

- 1) **Applicant Presentation (15 minutes max)** The petitioner is asked to present the proposal. Presentations should be brief and to the point and cover all of the main points of the project.
- 2) **Staff presentation (15 minutes max)** Staff will present the comments and reports received from review agencies, and offer a recommendation.
- 3) **Public Input (limit of 5 minutes per person.** If two people in the audience are willing to cede their time to the speaker, that speaker may receive a total of 10 minutes, referred to as banking time). People speaking should step up to the microphone and state their name and address. Speakers should be to the point and try not to repeat the points others have made.
- 4) **Applicant Rebuttal (limited to 5 minutes)** The Mayor will ask for the applicant's rebuttal. During this brief time, the applicant should answer the questions raised by the public.
- 5) **The hearing is then closed to public comments.**
- 6) **Questions from the Council.** After a Council member is recognized by the Mayor, they may ask questions of the staff, the applicant, or the public.
- 7) **Make a motion.** A member of the City Council will make a motion on the issue.
- 8) **Discussion on the motion.** The City Council may discuss the motion.
- 9) **Vote.** The City Council will then vote on the motion.

### A. City Manager Mike Bennett

- 1) **ORDINANCE 2016-01 – Second Reading – A request to continue the public hearing on an Ordinance amending Chapter 17.41 of the Fruita Land Use Code, Sign Code to June 7, 2017 (continued from the February 2 and March 1, 2016 Council meetings)**

## 12. COUNCIL REPORTS AND ACTIONS

- A. Appointment, Execution of Contract and swearing in of Fruita Municipal Court Judge
- B. Appointment of Council liaison positions to various Boards and Commissions
- C. Council Reports and Actions

## 13. ADMINISTRATIVE AGENDA

### A. Community Development Director Dahna Raugh

- 1) **ORDINANCE 2016-06 – First Reading – An introduction of an Ordinance amending Section 17.07.070(H) of the Fruita Land Use Code of the Fruita Municipal Code concerning Fences for publication of public hearing on June 7, 2016**

### B. City Clerk/Finance Director Margaret Sell

- 1) **Presentation and Discussion of the 2015 Financial Statements and other relevant information**

### C. Human Resources Director Odette Brach

- 1) **Human Resources and Marketing & Promotion Update**

**14. CITY MANAGER'S REPORT**

**15. ADJOURN**



## **PROCLAMATION**

### **American Cancer Society Paint the Town Purple**

**WHEREAS**, Paint the Town Purple is an activity of the American Cancer Society that promotes cancer awareness, gives individuals and communities an opportunity to fight back against the cancer, and

**WHEREAS**, money raised during Paint the Town Purple of Fruita, CO supports the American Cancer Society's mission of saving lives and creating a world with less cancer and more birthdays – by helping people stay well, by helping people get well, by finding cures for cancer and by fighting back; and

**WHEREAS**, the American Cancer Society funded more than \$150 million in cancer research last year through money raised in communities across the United States.

**NOW, THEREFORE, BE IT RESOLVED**, that the Fruita City Council does hereby proclaim May 9<sup>th</sup> through May 23<sup>rd</sup>, 2016 as:

#### **"PAINT THE TOWN PURPLE DAYS"**

In Fruita, CO and encourage citizens to help finish the fight against cancer by participating in the **PAINT THE TOWN PURPLE** activities May 9<sup>th</sup> through May 23<sup>rd</sup>, 2016 and especially in the relays on June 10<sup>th</sup> and 11<sup>th</sup>, 2016.

**IN WITNESS WHEREOF**, I have hereunto set my hand and cause to be affixed the official seal of the City of Fruita this 3<sup>rd</sup> day of May, 2016.

\_\_\_\_\_  
Lori Buck, Mayor of the City of Fruita



# PROCLAMATION

## *Hospital Week in the City of Fruita*

**WHEREAS**, National Hospital Week is May 8-14, 2016 and individuals all across the country will be celebrating this time-honored event;

**WHEREAS**, Fruita is honored to be home of the Colorado Canyons Hospital and Medical Center, provided by Family Health West, whose mission is “As a community-based nonprofit organization, Family Health West is committed to providing a Continuum of Care enhancing our community’s quality of life through professional health care and related services;” and

**WHEREAS**, Family Health West has been taking care of families in the lower valley community since 1946 and is one the largest employers in Mesa County; and

**WHEREAS**, in July 2009, Family Health West constructed a new hospital that included an emergency department, inpatient services, surgical services and a variety of outpatient services to meet the needs of the community, in addition to the established residential services that are offered at the Oaks, the Willows and the Courtyard Care Center Nursing Home; and

**WHEREAS**, the hard working people of Family Health West deserve widespread regard and appreciation for keeping our community healthy:

**NOW THEREFORE** be it known that on this 3<sup>rd</sup> day of May, I, Lori Buck, Mayor of Fruita, do hereby declare May 8-14, 2016, to be “Hospital Week” in the City of Fruita, Colorado and urge residents to express their appreciation for the dedicated men and women at Family Health West who give their all to help make our community healthy.

---

Lori Buck, Mayor of the City of Fruita

# PROCLAMATION

## *Nurses' Week in the City of Fruita*

**WHEREAS**, since 1991, National Nurses' Week is celebrated annually from May 6, also known as National Recognition Day for Nurses, through May 12, the birthday of Florence Nightingale, the founder of modern nursing; and

**WHEREAS**, National Nurses Week is a time of year to reflect on the important contributions that nurses make to provide safe, high-quality health care; and

**WHEREAS**, nurses are known to be patient advocates, acting fearlessly to protect the lives of those under their care; and

**WHEREAS**, nurses represent the largest single component of the health care profession, with an estimated population of 3,100,000 registered nurses in the United States and over 100 working for Family Health West and other health care professionals in the Lower Valley area; and

**WHEREAS**, nurses are leading in the delivery of quality care in a transformed health care system that improves patient outcomes and safety; and

**WHEREAS**, nurses are the cornerstone of the public health infrastructure promoting healthy lifestyles and educating communities on disease prevention and health promotion;

**NOW THEREFORE** be it resolved that:

The City of Fruita supports the goals and ideals of National Nurses Week, as founded by the American Nurses Association and recognizes the significant contributions of nurses to the health care system of the United States and to the Lower Valley area of Mesa County and encourages our citizens to observe National Nurses Week with appropriate recognition to demonstrate the importance of nurses to the everyday lives of patients and families.

---

Lori Buck, Mayor of the City of Fruita

**FRUITA CITY COUNCIL  
REGULAR MEETING  
APRIL 19, 2016**

**1. INVOCATION AND PLEDGE OF ALLEGIANCE**

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

**2. CALL TO ORDER AND ROLL CALL**

Council members present were Bruce Bonar, Mel Mulder, Kyle Harvey, Stacey Mascarenas and Joel Kincaid. Mayor Buck called the meeting to order at 7:04 p.m.

Mayor Buck asked if there were any corrections or additions to the agenda.

Deputy City Clerk noted that the Council minutes from the April 5, 2016 Council meeting were being added to the Consent Agenda (Old Business) for approval. The minutes had been e-mailed out to the Mayor and City Council members earlier that day for them to review before the meeting.

**3. AGENDA – ADOPT/AMEND**

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

**4. PROCLAMATIONS AND PRESENTATIONS**

- A. PROCLAMATION – PROCLAIMING MAY 1, 2016 THROUGH MAY 8, 2016 AS “DAYS OF REMEMBRANCE” IN THE CITY OF FRUITA IN MEMORY OF THE VICTIMS OF THE HOLOCAUST AND IN HONOR OF THE SURVIVORS TO BE ACCEPTED BY DAVID EISNER ON BEHALF OF CONGREGATION OHR SHALOM**

Mayor Buck read the Proclamation, which was accepted by David Eisner on behalf of Congregation Ohr Shalom.

Mr. Eisner thanked the City of Fruita and Mayor Buck because for the past six or seven years he has come to the Council to present the same request for the proclamation and the City has honored his request every year. He said he thinks it is critical that we continue as a society to keep the memories alive of the terrible time of the Holocaust and destruction to mankind so that hopefully someday we can say it will never happen again.

Mr. Eisner invited the public to attend a candlelight vigil to be held on the evening of May 4, 2016 at 7:45 p.m. at Ohr Shalom, 441 Kennedy Avenue in Grand Junction.

**B. PRESENTATION – FRUITA MONUMENT HIGH SCHOOL TEACHER CHERYL TENNANT WILL GIVE A PRESENTATION REGARDING THE COLORADO PROSTART PROGRAM AT FMHS (INVITED BY COUNCILOR MASCARENAS)**

Councilor Mascarenas read the Proclamation, which was accepted by Ms. Cheryl Tennant, who manages the Colorado ProStart Program at FMHS, which is for business management and culinary art students, as well as hospitality management. Ms. Tennant has been teaching the class for four years, although the program has been in Colorado for 19 years. She said she brought the program back to FMHS four years ago when the school saw a need for a career-driven path program in the family consumer sciences division.

Ms. Tennant pointed out that School District 51 is currently financially needy and the class is taught in an old 1960's home economics room. She continued that they are looking for all ways to get donations together and they are inviting the community to help earn money to bring the kitchen up to restaurant industry standards.

Ms. Tennant noted that the ProStart Program is huge across the state and there are lots of scholarships involved. Students can walk out of the program with up to 15 college credits and right into a career, or they can continue in a hospitality industry program in up to 75 different universities across the United States.

Ms. Tennant brought four students to the Council meeting and asked them to explain what the program has done for them.

Ms. Tennant noted that the class brought some treats for the Council that they made earlier in the day and she also handed out brochures about the ProStart Program that have her school phone number on them. She asked that if the Council members had access to anybody or any ideas that could help with updating the kitchen at the high school, to please call her.

Councilor Mascarenas asked Ms. Tennant if other area high schools have the ProStart Program. Ms. Tennant responded that the program used to be at Grand Junction High School, but it moved to Palisade when the teacher of the program moved there, so Palisade and Fruita are the only local high schools that currently have it. She added that there are only 31 high schools in the state of Colorado that have the ProStart program and she feels that Fruita is very lucky to have it here.

The students then explained what they have learned in the class including everything from how to cook to business management. The students give presentations to other classes, giving the students experience in public speaking. The students said that they can receive certifications, which will be useful in their future job seeking efforts.

The students competed at a state conference, at which they won gold, so they will be going to nationals this summer.

The students noted that the ProStart Program is growing and that it would help if the kitchen at the high school was upgraded a little, although they are making do with what they have.



All the students expressed that the program has helped them branch out and become more outgoing.

Councilor Mascarenas stated that the students were awesome and that Ms. Tennant was amazing. She said Fruita is so lucky to have such a great high school with good kids that represent the City so well.

## **5. PUBLIC PARTICIPATION**

Fruita Area Chamber of Commerce Director Frank Ladd stated that the Chamber wanted to acknowledge the time and dedication that outgoing Councilors Mulder and Mascarenas have put in during their terms on the Council serving the citizens and community of Fruita. He thanked them both and wished them well in the next chapters of their lives.

Mr. Ladd also welcomed and congratulated the newly elected Council members: Lou Brackett, Dave Karisny, Ken Kreie and Joel Kincaid. He also thanked Mayor Buck for stepping up to lead the City Council and the community for another term.

Mr. Ladd stated that the Fruita Chamber of Commerce is very confident that Fruita has the correct team in place to move forward.

Mr. Ladd presented outgoing City Council member Stacey Mascarenas with an appreciation plaque from the Chamber. Stacey has been the liaison to the Fruita Chamber for nearly eight years and Mr. Ladd said she has been the conduit between the City and the Chamber, keeping both informed and up to date. Mr. Ladd added that Stacey has been level-headed, a steadying influence and a good friend. He thanked her for a job well done.

There were no further comments from the public.

## **6. OLD BUSINESS - CONSENT AGENDA**

- A. MINUTES – A REQUEST TO APPROVE THE MINUTES FROM THE MARCH 15, 2016 CITY COUNCIL MEETING**
- B. PROMOTIONAL ASSOCIATION/Common Consumption Area Certification Request – Not Submitted Due to the Reconsideration of the Cost Effectiveness of Doing One Event (Gear Up Festival)**
- C. RESOLUTION 2016-13 – A REQUEST TO APPROVE A RESOLUTION APPROVING THE 1<sup>ST</sup> RELEASE OF THE SUBDIVISION IMPROVEMENTS AGREEMENT (SIA) FOR THE LEGACY II PUD SUBDIVISION**
- D. MINUTES – A REQUEST TO APPROVE THE MINUTES FROM THE APRIL 5, 2016 COUNCIL MEETING (ADDED TO THE AGENDA)**

Mayor Buck opened the public hearing on the Consent Agenda. Hearing no comments from the public, she referred back to the City Council.

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

## **7. OLD BUSINESS – COUNCIL REPORTS AND ACTIONS**

### **A. SELECTION OF MUNICIPAL COURT JUDGE**

Mayor Buck explained for those in the audience that the City recently needed to find a new Municipal Court Judge. Interviews with three candidates were held the previous week.

Councilor Bonar stated that the Council interviewed three very fine candidates and that he thinks any of the three would have been an excellent choice. He added that in his opinion, Dan Robinson stood out as the most qualified candidate, so he suggested that the Council offer him the position.

Councilor Mascarenas concurred with Councilor Bonar. She said the City would be well-served by any of the three candidates, but given Dan's experience and passion for kids, she would support offering him the position.

Councilor Harvey said he agreed with the choice of Dan Robinson. Councilors Mulder and Kincaid said they felt the same.

- **COUNCILOR BONAR MOVED TO INSTRUCT THE MAYOR AND CITY MANAGER TO NEGOTIATE A CONTRACT WITH DAN ROBINSON WITH THE ASSISTANCE OF CITY STAFF TO BRING TO THE COUNCIL FOR FORMAL APPROVAL ON MAY 3, 2016. COUNCILOR MULDER SECONDED THE MOTION. THE MOTION PASSED WITH FIVE YES VOTES.**

### **B. COUNCIL REPORTS AND ACTIONS (FROM OUTGOING COUNCILORS MULDER AND MASCARENAS)**

#### COUNCILOR MULDER

Councilor Mulder stated that the 5-2-1 Drainage Authority would be having their annual meeting the following day at 2:00 p.m. at the Courthouse training room and he would be attending on behalf of the City of Fruita.

#### COUNCILOR MASCARENAS

Councilor Mascarenas reported that she attended the Southside Marketplace meeting, who is preparing for their huge event on July 3<sup>rd</sup>. There were about 500 people who attended the event last year and Councilor Mascarenas said she wouldn't be surprised at all if there were at least 1,000

there this year. She said the group is better organized and the event will be even bigger with a street closure.

Councilor Mascarenas asked if perhaps the City could get recycling bins on the venue.

Councilor Mascarenas stated that she would continue to go to the meetings as a representative of Family Health West, but she asked if Tom Casal, Facility Manager at the Fruita Community Center could start attending the meetings as well to help with logistical matters such as security.

The Southside is also holding another big event to be held on December 3<sup>rd</sup> – a “Christmas Chocolate Walk” (very much like Trick or Treat Street). Councilor Mascarenas asked if the City would be putting up Christmas lights in South Fruita, as was discussed previously by the Council. The Southside group would like the lights left up year-round. They also may look at creating an Entertainment District.

Councilor Mascarenas added that the owners of Kannah Creek Brewing Company West are very engaged already; they were present at the last Southside Marketplace meeting because they want to be very involved.

Councilor Mascarenas continued that the whole purpose of the July 3<sup>rd</sup> event is to bring families to the area to have fun and play games, but that the restaurants and other businesses will be open, so there will not be any food vendors. She said that there will be two separate modes of transportation where people can park on the north side of Fruita and be brought over the highway on a bus.

Councilor Mascarenas pointed out that putting some focus on south Fruita has been a goal of both the City and the Chamber and said that the Council would be hearing a lot more about the Southside Marketplace in the future via advertising on postcards and the radio.

Councilor Mascarenas said there will be a lot of opportunities for the south side to strengthen its relationship with the City.

## **8. PRESENTATION TO OUTGOING CITY COUNCIL MEMBERS**

Councilor Mulder thanked past and present Fruita City Councils for their patience, understanding knowledge and ability to communicate. He also thanked all Department Directors and City Manager Mike Bennett for his ability to lead the City of Fruita. He thanked City Clerk/Finance Director Margaret Sell for her years and years of budget preparations through good times, bad times and mediocre times, adding that somehow, the City has managed to stick to the budgets.

Councilor Mulder thanked City Attorney Ed Sands for his legal advice, Odette Brach for her Human Resources leadership, Public Works Director Ken Haley for his engineering and public works expertise, and Parks and Recreation Director Ture Nycum for leading the Fruita Community Center into the solid position it is in now. He said that Frank Ladd was doing a wonderful job for the Chamber of Commerce and then he recognized City Engineer Sam Atkins and Community Development Director Dahna Raugh.

Councilor Mulder stated that he was kind of sad to retire his iPad at the meeting because it wasn't until about six or eight months ago that he got used to it. He thanked Deputy City Clerk Deb Woods for providing clear, concise and updated information and support to the Council and City Manager.

Councilor Mulder said he was going to need the Council's support, suggestions and input in the not too distant future when he will be running for County Commissioner. He stated that he wasn't sure who he was running against, but that he himself was an honest and straight-forward person.

Councilor Mulder said that Fruita makes the council-manager form of government work and that the City is an example of what can happen when everybody works together.

Councilor Mascarenas stated that City staff is amazing and that one of the things that she is most proud of is how the City has been able to get so much done; the Community Center, the Wastewater Treatment Facility, and the Police Department and Public Works/Parks shops renovations. She said that Fruita is the coolest place to live and she has always been proud to be a representative of the Fruita City Council.

Councilor Mascarenas continued that she tried to make the most of everything with all of her various interests such as the Chamber and the Grand Valley Regional Transportation Committee and that doors had been opened for her by serving on the Council. She added that her involvement in the Meth Task Force and child abuse prevention were also things she really loved and that she was looking forward to continuing to represent citizens of Fruita and the lower valley at Family Health West.

Councilor Mascarenas concluded that it has been such an honor to serve and she is thrilled that she gets to continue to do it in a different capacity. She added that she would likely be giving the Council reports and updates on Family Health West and that she will probably be on a committee or two.

Councilor Mascarenas also thanked her husband for stepping up to help at home when she has been so busy.

Councilor Mulder wished Lou Brackett, Ken Kreie and Dave Karisny good luck with carrying the work forward.

Mayor Buck thanked both Councilors Mulder and Mascarenas. She said that she believes everyone tends to think they know what is right and good and letting other ideas and opinions in is sometimes uncomfortable, but that's what makes the Fruita City Council work, because putting all the different ideas from different people together is what Fruita is all about.

Mayor Buck presented Councilors Mulder and Mascarenas with plaques of appreciation from the Fruita City Council for their years of service.

## **9. RECESS (REFRESHMENTS WILL BE SERVED)**

*The meeting went into recess at 7:32 p.m. The meeting reconvened at 7:50 p.m.*

## **10. NEW BUSINESS**

### **A. SWEARING IN OF NEWLY ELECTED COUNCIL MEMBERS AND MAYOR**

Mayor Pro Tem Bruce Bonar called the meeting back to order. City Clerk/Finance Director Margaret Sell administered the Oath of Office (Mayor) to Mayor Buck. Mayor Buck took her seat on the dais.

Mrs. Sell then administered the Oath of Office (Council Members) to Dave Karisny, Lou Brackett, Ken Kreie and Joel Kincaid. They took their seats on the dais.

### **B. NEW BUSINESS – CONSENT AGENDA**

- 1) LIQUOR LICENSE RENEWAL – A REQUEST TO APPROVE THE RENEWAL OF A HOTEL AND RESTAURANT – MALT, VINOUS AND SPIRITUOUS LIQUOR LICENSE FOR FIESTA GUADALAJARA LOCATED AT 103 U.S. HIGHWAY 6 & 50**
- 2) LIQUOR LICENSE RENEWAL – A REQUEST TO APPROVE THE RENEWAL OF A BEER AND WINE LICENSE FOR CAMILLA’S KAFFE LOCATED AT 206 E. ASPEN**
- 3) BOARDS AND COMMISSIONS APPOINTMENT – A REQUEST TO APPROVE THE APPOINTMENT OF DONNA STRATTON TO THE DOWNTOWN ADVISORY BOARD FOR A THREE YEAR TERM TO EXPIRE IN APRIL OF 2019**
- 4) BOARDS AND COMMISSIONS REAPPOINTMENT – A REQUEST TO APPROVE THE REAPPOINTMENT OF MICHELLE MELGARES TO THE FRUITA TOURISM ADVISORY BOARD FOR ANOTHER THREE YEAR TERM TO EXPIRE IN APRIL OF 2019**
- 5) LICENSE AGREEMENT WITH THE PUBLIC SERVICE COMPANY – A REQUEST TO APPROVE THE LICENSE AGREEMENT WITH THE PUBLIC SERVICE COMPANY OF COLORADO TO CONSTRUCT AND MAINTAIN INFRASTRUCTURE ACROSS THE PUBLIC SERVICE COMPANY’S HIGH PRESSURE GAS LINE AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT**
- 6) MARCH 2016 FINANCIAL REPORTS – A REQUEST TO APPROVE THE MARCH 2016 FINANCIAL REPORTS**

Mayor Buck opened the public hearing on the Consent Agenda. Hearing no comments from the public, she referred back to the City Council.

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

## **11. PUBLIC HEARINGS**

There were no public hearing items on the agenda.

## **12. ADMINISTRATIVE AGENDA**

### **A. CITY MANAGER MIKE BENNETT**

#### **1) CURRENT PROJECTS AND GOALS OVERVIEW**

City Manager Mike Bennett congratulated each of the newly elected Council members and Mayor and said he looked forward to working with each of them.

Mr. Bennett stated that the City of Fruita has a lot going on right now, so he wanted to give the new Council an idea of a general overview of the many projects and goals that the City has been working on and will have coming up.

Mr. Bennett's PowerPoint presentation included a list of updates from various City departments, as well as training and goal setting sessions scheduled for the upcoming Council meetings through June. He explained that in regards to goal setting, typically soon after a new Council is seated every two years, the Council goes through a process to revisit the City goals and establish the goals for the next two years. He noted that there would be a goal setting "kick off" session at a Council workshop meeting where the Council will spend an hour or two reviewing goals, getting an idea of where the City needs to be in the future and how to accomplish that. The goal setting process is proposed to be wrapped up at the Council workshop session in June so that it can be applied to the budget process that begins around the first of July.

Mr. Bennett stated that as part of the goal setting process, he would like to have the Council experience the growing activity of river rafting in Fruita. He said he met with Rim Rock Adventures and talked to them about the Council taking a raft trip together, which would be something that the Council could promote to others after experiencing it themselves.

Mr. Bennett said that if the Council were interested in doing that, he was proposing that the trip be taken in June before the workshop session on June 28<sup>th</sup>. He noted that the Ruby Horsethief Canyon run would last from about 7:45 a.m. until 3:00 – 4:00 p.m.

Mayor Buck noted that this idea came about because the bulk of the outdoor recreation trade shows that she and Mr. Bennett attended largely included the sport of paddle boating, and that she had never tried it and wouldn't be able to make any kind of recommendations about how and where to do it on the Colorado River.

Mr. Bennett suggested that the Council members and Mayor coordinate a date for the raft trip via email and discussions at future workshop sessions and that a week day would be best to schedule it if possible.

Mr. Bennett's presentation also included the seven main goals in the Council's 2014 Goal Statement, which Mr. Bennett said he was happy to report that the Council and staff have worked really hard on achieving many of them. He noted that the Goal Statement on the City's website went into much more detail with action steps associated with each of the goals.

Mr. Bennett said that staff has also really worked hard on why Fruita exists as a City, why does the City provide the services it provides, and why certain goals are important to the City. Staff has then looked at how and what needs to be done to achieve the goals. A guiding principle for staff has been the act of measuring and reporting the City's performance.

Mr. Bennett said staff has narrowed down the goals into some functional areas and created two teams that focus on a lot of the goals. They also picked three measurable things to focus on as staff and to work towards - spurring 25 new jobs by January of 2017, facilitating development at the Greenway Business Park, south Fruita and downtown and increasing the lodging tax back to \$100,000 + per year. Mr. Bennett noted that the lodging tax goal did occur in 2015 and staff hopes it continues to grow.

Mr. Bennett covered some of the specific things staff has worked on (and continues to work on) that fit the goals and current things going on in Fruita such as:

- A new City website
- Priority-Based Budgeting
- Continued increases in revenues at the Fruita Community Center
- Continued recognition for being ranked as the safest cities in the state (Mr. Bennett credited the Fruita Police Department)
- Replacement of part of the stage and canopy at Civic Center park and the acquisition of a new, retractable cover for it
- Improvements on J 2/10 Road (including underground utilities, storm drain and widening the north side with a sidewalk and bike lane and in conjunction with Mesa County)
- Replacement of the Mulberry Street sewer lines
- Interior improvements at the Public Works/Parks City shops
- Improvements at Reed Park
- Increasing tourism and economic development by creating a formal partnership with the local office of the BLM (staff now meets with the BLM monthly)
- Working with BLM and COPMOBA to find funds to pay for environmental studies that are being completed right now to construction about six additional miles of trail at the Kokopelli Trailhead
- Looking at grant opportunities to do plans for 18 Road and event space on BLM land
- Continuing to nourish and add special events in Fruita
- Recognition for outdoor recreation opportunities
- First phase of the downtown improvements (widened sidewalks and expanded area for more outdoor seating)

- Functional art such as a new bike corral just to the east of Aspen Street Coffee
- Exploring options for artistic trash cans, recycle bins and solar tables for downtown
- Grant funds were awarded for the design phase of Phase 2 of the downtown improvements (south Mesa Street and from Circle Park going west in front of City Market)
- Gateway Enhancement Project (grant funds were also awarded for design work)
- Marketing and promotion of the Greenway Business Park (68 acres ready-to-build)
- Extension of the Colorado Riverfront Trail (Kokopelli Section)
- Lower Little Salt Wash Trail connection (to connect north and south Fruita)
- Opportunities for redevelopment of the old lagoon property (a \$5,000 grant has been awarded to match the City's \$5,000 for a total of \$10,000 for a redevelopment plan)

Mr. Bennett said the City has a lot of opportunity to see some complimentary growth for the community that will maintain the feel of Fruita. He said staff is seeing an uptick in interest in the City, which is good to see. He added that staff is working with the Grand Junction Economic Partnership GJEP and interns from the Leeds School of Business to consolidate information about Fruita that can be used as marketing and promotional tools. Internally, staff has been working on diving into all current processes including development processes to work with potential businesses that may come to Fruita.

Mr. Bennett concluded that his presentation was a broad spectrum of the work that is happening in Fruita right now and how they relate to the goals, as well as the progress that is being made. He said he was looking forward to working with the new Council to take it to the next level as well.

Councilor Karisny thanked Mr. Bennett for his overview and said that he believes the Council will have a smooth transition. He added that the thought giving the new Council the information a piece at a time over a couple of months sounds like a good plan.

Mr. Bennett introduced the new Council to Fruita's City Attorney, Ed Sands. Mr. Sands said he was looking forward to getting to know the new Council members. He stated that his practice is in Rifle and he has represented the City of Fruita since the early 1980s. Mr. Sands said the growth he has seen over the years is smart growth and throughout it all, the City has protected the residents from unpaved streets and half-finished developments because staff has the protections in place to make sure the City grows well.

Mr. Sands continued that about 80% of his practice is representing municipalities; he also represents the Towns of Palisade, De Beque, Dinosaur and Eagle. He said he hasn't been attending Fruita City Council meetings regularly, but that he is more than happy to attend any meeting if the Council feels he needs to be there for some issue, especially if there is a heavy development agenda.

Mr. Sands said that he would be preparing a memorandum for all of the Council members regarding legal issues that they need to know concerning Executive Sessions, personnel matters and other things. He added that anytime the Council has a question or legal issue, by all means he is available by phone or email at any time.

Mr. Sands commented that municipalities all over the state are trying to emulate Fruita; Eagle is constantly mentioning Fruita as a town that they would like to follow in developing trails and



recreational tourism. He also said the Council has a tremendous staff that they could be proud of. He asked if anyone had any questions. Mayor Buck thanked Mr. Sands for his time.

### **13. COUNCIL REPORTS AND ACTIONS**

#### **A. ELECTION OF A MAYOR PRO TEM**

Mayor Buck said that everyone on the Council was qualified to be Mayor Pro Tem, but that when she missed a few meetings and Mayor Pro Tem Bruce Bonar picked up the slack, he did a great job and she would certainly support the idea of him being Mayor Pro Tem if he so chooses.

Councilor Bonar responded that he would accept a nomination for Mayor Pro Tem again. Mayor Buck asked if any of the other Council members were interested in the position.

- **COUNCILOR KINCAID MOVED TO NOMINATE BRUCE BONAR AS MAYOR PRO TEM. COUNCILOR BRACKETT SECONDED THE MOTION. THE MOTION PASSED WITH SIX YES VOTES.**

#### **B. COUNCIL REPORTS AND ACTIONS**

##### COUNCILOR BONAR

Councilor Bonar reported that one of biologists he works with asked if the City of Fruita was aware of the new osprey nest on one of the towers east of the CoOp grain elevator.

Mayor Buck asked if this was going to be a problem with putting up a new banner on the grain elevator and Councilor Bonar responded that the nest is not on the grain elevator itself; it is on the tower east of there.

##### COUNCILOR HARVEY

Councilor Harvey reported that the Downtown Advisory Board is scheduling another banner making party to take place on May 13, 2016 at 6:00 p.m. at Cavalcade. Mayor Buck asked how the first banner making party went. Councilor Harvey said he thought there were four people in attendance. Cullen Purser (in the audience) said it was really a fantastic start and there were many good ideas.

Councilor Harvey also reported that the Downtown Advisory Board also touched on the question of whether or not to continue with Fruita Fourth Fridays. The board feels maybe it has served its purpose now that things in downtown are busier in general and it may be redundant to keep pushing it. He added that no final decision has been made; the board is interested in talking about it more and seeing if there are alternatives they should focus on.

Councilor Kreie noted that when the idea of Fruita Fourth Fridays was first hatched, there was really nothing going on in Fruita.

COUNCILOR KINCAID

Councilor Kincaid stated that the logo concept designs was one of the things that the Council would still be working on. He talked with Josh at the Western Colorado Community College (WCCC) to give some direction, but there wasn't much to give, so the Council would like see it on another agenda.

Councilor Kincaid continued that the Fruita Tourism Advisory Council, Odette Brach and Mr. Bennett had a conference call with Aha Consulting about moving the tourism site over the same platform that the City uses. They received a bid that was a little higher than was budgeted, so the board is going to discuss it again. Mr. Kincaid said it was his opinion that it would be a smart move to switch the site over to Aha.

Councilor Kincaid noted that he would not be present at the April Council workshop meeting and he wondered if he should phone conference in to the meeting for the discussion about the Council liaison appointments to the City's Boards and Commissions.

Mayor Buck said she was not going to be present at the workshop, either.

Councilor Kincaid said the Tourism Advisory Council had another meeting later in the week and there were a few things on the agenda: Cobb & Associates new members have been very attentive, which was positive, but the board still had some things to work through because the contract with Cobb will officially be up at the end of the year, so the board will need to decide how to proceed.

MAYOR BUCK

Mayor Buck stated that in regards to the Boards and Commissions Council liaisons appointments, she thought that the draft that Mr. Bennett provided could be reviewed by all and the appointments could be settled mainly via email over the next week or two so that the official appointments could be done at the first Council meeting in May.

Mayor Buck said that the Museum of Western Colorado's position for Fruita on their board was a non-voting one, so she didn't think it required a Council member and that a City staff person could attend those meetings. She continued that the Purchase of Development Rights Board does require a voting member from Fruita, but they don't meet very often, so she asked the Council members to think about whether this board would be something they might be interested in.

Mayor Buck continued that the Colorado Municipal League (CML) is a non-voting position, but that they did have very good information. She said that in regards to the Associated Governments of Northwest Colorado (AGNC), Fruita has not been voting on any of their issues at all, but apparently Fruita's position is a voting one. She said she feels that the AGNC is a whole level of information that she quite frankly did not want to deal with and asked Mr. Bennett to confirm that Fruita's seat on the board did require an elected official. Mr. Bennett said he wasn't 100% sure.

Mayor Buck said she didn't realize that the Riverfront Commission seat was a non-voting position. She said that she would remain on the Grand Junction Economic Partnership (GJEP) Board.

Mayor Buck added that she would like to keep staff in the positions for the various other boards at the bottom of the list if that was okay.

She asked if Councilor Karisny was okay with the proposed appointments. Councilor Karisny responded that he was certainly familiar with three of the positions, but he thought the GVRTC might be something for another person.

He said he thought he was probably the right fit for the 5-2-1 Drainage Authority since he knows where they are at with things. Councilor Karisny said he would like to stay on the Planning Commission unless Councilor Brackett was interested, but he wasn't sure about the CML Policy Committee. He did say that the Riverfront Commission sounded interesting to him, too.

Mayor Buck noted that she would be attending a GJEP meeting the following day, as well as the Arbor Day Celebration at the Fruita Police Department at 4:00 p.m.

## **11. ADJOURN**

With no further business before the Council, the meeting was adjourned at 9:00 p.m.

Respectfully submitted,

Debra Woods  
Deputy City Clerk  
City of Fruita



# AGENDA ITEM COVER SHEET

---

**TO: FRUITA CITY COUNCIL AND MAYOR**  
**FROM: MARGARET SELL, CITY CLERK/FINANCE DIRECTOR**  
**DATE: MAY 3, 2016**  
**RE: RESOLUTION 2016-17 TRANSFERRING FUNDS FROM THE GENERAL FUND AND CONTINGENCY ACCOUNT TO NON-DEPARTMENTAL EXPENSES FOR STORMWATER UTILITY FEES**

## **BACKGROUND**

The Grand Valley Drainage District has created a stormwater utility and implemented a utility fee for the purposes of stormwater management including maintenance of existing drainage district facility, capital improvements and stormwater quality management. This budget amendment transfers \$13,000 from the city's General Fund contingency account for the fee assessed against various properties owned by the City of Fruita. A future budget amendment will transfer a portion of this fee to other funds to accurately reflect expenses associated with these funds (Sewer Fund - \$2,150, Community Center Fund \$2,425, Devils Canyon Center - \$1400). The City has billed the Museum for the fees associated with the Devils Canyon Center.

## **FISCAL IMPACT**

This budget amendment will reduce the contingency account in the General Fund by \$13,000 from \$224,000 TO \$211,000.

## **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

The City Council identified the analysis of stormwater, drainage and flooding issues as a goal in 2014 for the purpose of evaluating the pros and cons of a potential fee and providing a standard of maintenance for land adjacent to washes.

## **OPTIONS TO THE COUNCIL:**

1. Approve the budget amendment
2. Disapprove the budget amendment

## **RECOMMENDATION:**

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

**ADOPT RESOLUTION 2016-17 TRANSFERRING FUNDS FROM THE GENERAL FUND CONTINGENCY ACCOUNT TO NON-DEPARTMENTAL EXPENSES FOR STORMWATER UTILITY FEES**

**RESOLUTION 2016-17**

**A RESOLUTION TRANSFERRING BUDGETED AND APPROPRIATED MONEYS  
FROM THE GENERAL FUND CONTINGENCY ACCOUNT TO  
NONDEPARTMENTAL EXPENSES TO DEFRAY DRAINAGE FEES FOR THE  
CITY OF FRUITA FOR THE 2016 FISCAL YEAR**

**WHEREAS**, the Grand Valley Drainage District has established a stormwater utility fee for the purposes of stormwater management which includes maintenance of the existing drainage conveyance system, capital improvements for the drainage system and mangement of stormwater quality, and

**WHEREAS**, this fee is applicable to certain properties owned by the City of Fruita and include city buildings including leased property, parks, trails and other parcels of property, and

**WHEREAS**, this is a newly assessed fee and was not included in the 2016 Budget, and

**WHEREAS**, funds are available in the General Fund contingency account to cover the drainage impact fee for 2016.

**NOW, THEREFORE, BE IT RESOLVED BY THE FRUITA CITY COUNCIL TO  
TRANSFER FUNDS AS FOLLOWS:**

**Section 1:** The sum of \$13,000 is hereby transferred from the General Fund Contingency account to Drainage Fees in Non-Departemental expenses.

**PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL THIS  
3<sup>rd</sup> DAY OF MAY, 2016**

ATTEST:

CITY OF FRUITA

---

City Clerk

---

Lori Buck, Mayor



---

---

<b>AGENDA ITEM COVER SHEET</b>
--------------------------------

---

---

**TO: Fruita City Council and Mayor**

**FROM: Mike Bennett, City Manager**

**DATE: May 3, 2016**

**RE: Letter of Support for the Monument View Montessori Charter School**

**BACKGROUND**

Melanie Harmon, owner and head teacher at Fruita Montessori, Emilie Wilkins, owner of Moab Montessori Center and the parents at both schools are working together to bring a Montessori Charter School to Fruita. They have submitted a charter application to the State of Colorado in March, and will be traveling to Denver for an interview on May 10th. They hope to know by July if the Charter is approved. The group feels it is imperative the school receive Charter status (state funding) so that children in our community may attend the school tuition free.

The group's vision is to offer additional options to the community for education. Montessori style education offers a child-centered approach to learning. Monument View Montessori will serve preschool and elementary students in the first few years, eventually growing to serve preschool through 12th grade. In the past few months, the current Montessori preschool here, Fruita Montessori, has outgrown its current building and will be moving to 2025 L Road, a house on 12 acres in May, to accommodate more students as well as provide an agricultural learning environment.

Attached is the email City Manager Mike Bennett received requesting that the City Council consider a letter of support as well as a draft letter of support.

**FISCAL IMPACT**

There is no direct fiscal impact to the City, simply a request for a letter of support.

## **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

Additional education options add to the quality of community that we value and strive to promote in the City of Fruita. This would be an additional option in the community that complements the City's efforts and goals.

## **OPTIONS AVAILABLE TO COUNCIL**

1. Approve the Mayor to sign the letter of support on behalf of the City Council.
2. Approve the letter of support with suggested changes.
3. Deny the letter of support.

## **RECOMMENDATION**

Staff recommends that the City Council approve the letter of support and authorize the Mayor to sign on behalf of the City Council.



325 E Aspen  
Suite 155  
Fruita CO 81521

Phone:  
970-858-3663

Fax:  
970-858-0210

E Mail  
fruita@fruita.org

Web Site  
fruita.org

City Manager's Office  
970-858-3663

City Clerk/Finance  
970-858-3663

Community  
Development  
970-858-0786

Engineering  
970-858-8377

Human Resources  
970-858-8373

Public Works  
970-858-9558

Recreation Dept.  
970-858-0360

May 3, 2016

Colorado Board of Education

To Whom It May Concern:

This letter has been approved by the City Council of Fruita, Colorado at the May 3, 2016, City Council meeting by unanimous vote. The purpose of this letter is to publicly express our support for the future Monument View Montessori School in Fruita, Colorado. We urge the Colorado Board of Education to approve the pending application for the Charter.

We support and applaud the efforts of Melanie Harmon, owner and head teacher at Fruita Montessori, Emilie Wilkins, owner of Moab Montessori Center and the parents at both schools who are working together to bring a Montessori Charter School to Fruita.

While the city does not have a direct role with education, we strive to be a strong partner of local education efforts as it is a critical component of our community. This is why our City Manager is a Board Member of the District 51 Foundation and also why we believe that it is important for residents of the Fruita community to have options when it comes to education. We feel the Montessori style education offers a positive, unique option for Fruita school-aged students and their families. Having additional education options in Fruita is not only good for school age youth, but is attractive to young families and supports the city's efforts to attract residents and businesses alike.

Thank you for your consideration of this Charter request.

Sincerely,

Mayor Lori Buck  
Mayor Pro-tem Bruce Bonar  
Councilman Joel Kincaid  
Councilman Kyle Harvey  
Councilman Dave Karinsny  
Councilman Ken Kreie  
Councilman Lou Brackett



## Debra Woods

---

**From:** Ellen Robinson [ellenlynnrobinson@gmail.com]  
**Sent:** Thursday, April 28, 2016 3:01 PM  
**To:** Mike Bennett  
**Subject:** Proposed Charter School in Fruita

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Mike,

Thanks for your message today. Here's more information about Monument View Montessori Charter School for you and the City Council...

Melanie Harmon, owner and head teacher at Fruita Montessori, Emilie Wilkins, owner of Moab Montessori Center and the parents at both schools are working together to bring a Montessori Charter School to Fruita. We submitted a charter application to the State of Colorado in March and will be traveling to Denver for an interview on May 10th. We should know by July if the Charter is approved. It is imperative that the school receive Charter status (state funding) so that children in our community may attend the school tuition free.

Our vision is to offer the community a different approach to education. Montessori style education offers a child-centered approach to learning. For more information about Montessori style education, please visit the website: <http://www.monumentviewmontessori.org/videos>

Monument View Montessori will serve preschool and elementary students in the first few years, eventually growing to serve preschool through 12th grade. In the past few months, the current Montessori preschool here, Fruita Montessori, has outgrown it's current building and will be moving to 2025 L Road, a house on 12 acres in May, to accommodate more students as well as provide an agricultural learning environment.

Other communities have seen charter schools attract young families, help stabilize real estate markets and help local businesses thrive. We feel that Monument View Montessori Charter School would be a wonderful addition to our outstanding community.

We are in need of support from local leaders and businesses at this time. A letter stating your support for the charter school in Fruita is a great way to show your support. The letter may be addressed to the Colorado Board of Education. A brief description of your role within Fruita's community and the impact you think a charter school could have here is a great starting point. Please email letters to [ellenlynnrobinson@gmail.com](mailto:ellenlynnrobinson@gmail.com)

Feel free to contact Melanie Harmon, [melanieharmon@fruitamontessori.com](mailto:melanieharmon@fruitamontessori.com) or Ellen Robinson, [ellenlynnrobinson@gmail.com](mailto:ellenlynnrobinson@gmail.com) for more information.

Thank you for your time,  
Ellen Robinson



---

---

<b>AGENDA ITEM COVER SHEET</b>
--------------------------------

---

---

**TO:** Fruita City Council and Mayor

**FROM:** Mike Bennett, City Manager

**DATE:** May 3, 2016

**RE:** Ordinance 2016-01, 2<sup>nd</sup> Reading, An Ordinance Amending Chapter 41, Sign Code, of the Fruita Land Use Code (Application #2015-12)

**BACKGROUND**

The first reading of this proposed Ordinance to amend the Sign Code was held on January 5, 2016. The second reading was scheduled for February 2, 2016, but was continued to March 1, 2016, to allow time for more public comments. The Ordinance again was continued to May 3, 2016, to allow time for more public comments and a new local business group in the downtown that was forming to consider proposed changes. Staff has received no additional official public comments at this time.

There are three main reasons for considering amendments to the Sign Code at this time. The first concern is that, due to a recent US Supreme Court decision, the content of signs cannot be regulated as it could be considered a violation of free speech rights. A good 'rule of thumb' is that if you have to know what the sign says in order to determine how the sign is regulated, then the regulation most likely violates free speech rights. This can be resolved by adding this sentence to the regulations: "Any sign authorized by this Chapter may contain non-commercial copy in lieu of any other copy."

The second concern is regulating the off-premise signs that currently are being displayed in all commercial areas of the city including signs in the public right-of-way. Off-premise signs are defined as a sign that directs attention to a commercial business, commodity, service or entertainment conducted, sold or offered at a location other than the premises on which the sign is location. During the first reading of this Ordinance on January 5, Council discussed these issues. The purpose of this discussion focuses mainly on providing five (5) feet of minimum width clear for traffic circulation on the public sidewalks and addressing the volume of signs in the downtown area.

The third concern is addressing signs affixed to a fence or other structure used as part of a permitted sidewalk restaurant (as per Chapter 12.14 of the Municipal Code) and including these to be considered on-premise signs.

Attached is a red-lined version of the sign code containing proposed changes. Amendments have been made to the proposed language based on the Council's past discussions and based on the type of signs that staff has seen displayed in the past few months. It should be noted that these proposed changes are significantly different from what staff originally proposed and discussed with business owners based on the feedback from City Council during the discussion on January 5<sup>th</sup> and in the City Council Workshop on April 26.

Late last year, staff spoke with many Fruita businesses about signs that are being displayed off-premise in the public right-of-way and on private property and how the proposed amendments to the sign regulations would affect the signs being displayed. Because there appears to be a need to change the proposed amendments, staff would like the opportunity to re-visit with local businesses to discuss the concerns that have arisen with the volume of signs, and signs or other objects blocking the required space for pedestrians on the public walkways, and the proposed amendments to sign regulations. Staff recommends that the Ordinance be continued to the June 7, 2016, City Council public hearing to allow time for staff to discuss changes to the sign code with the business community.

City Council discussed during the April 26 Workshop that it would be important for staff to first communicate with the business community mainly impacted by the proposed changes regarding the proposed changes to obtain feedback prior to the May 24 Council Workshop, and subsequent second reading at the June 7 Council meeting.

### **FISCAL IMPACT**

No significant fiscal impact is expected to result from these proposed amendments because most of the amendments are intended to allow many of the signs that are currently being displayed.

### **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

One of the current City Council's goals is a commitment to review the Land Use Code to help ensure that the regulations reflect the best promotion of the public health, safety, and welfare and improve the fiscal sustainability of the community. The proposed amendments to the Sign Code are intended to help support local businesses while ensuring the best promotion of public health, safety and welfare.

### **OPTIONS AVAILABLE TO COUNCIL**

1. To continue the 2<sup>nd</sup> Reading of Ordinance 2016-01, An Ordinance Amending Chapter 41, Sign Code, of the Fruita Land Use Code to the June 7, 2016, City Council public hearing.
2. Consider a different time frame for the entire process.
3. Approval of Ordinance 2016-01, 2<sup>nd</sup> Reading, An Ordinance Amending Chapter 41, Sign Code, Of the Fruita Land Use Code, with or without changes.
4. Denial of the proposed Ordinance.

### **RECOMMENDATION**

Staff recommends that the City Council move to continue the 2<sup>nd</sup> Reading of Ordinance 2016-01, An Ordinance Amending Chapter 41, Sign Code, of the Fruita Land Use Code to the June 7, 2016, City Council public hearing.

**ORDINANCE 2016-01**

**AN ORDINANCE AMENDING CHAPTER 41, SIGN CODE,  
OF THE FRUITA LAND USE CODE**

**WHEREAS**, there is a need to amend Fruita's regulations regarding signs to address a recent United States Supreme Court decision regarding signs, and to address the growing number off-premise signs and signs in the public right-of-ways around the city, and

**WHEREAS**, there is a need to clarify and improve other sections of the Sign Code, and

**WHEREAS**, the Fruita Planning Commission held a public hearing on December 8, 2015, regarding proposed amendments to the Sign Code and recommended approval of the proposed amendments with no specific changes, and

**WHEREAS**, a public hearing was held before the Fruita City Council on January 5, 2016, and February 2, 2016, May 3, 2016, and June 7, 2016, regarding the proposed amendments to the Sign Code.

**NOW THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRUITA COLORADO AS FOLLOWS:**

**SEE ATTACHED LANGUAGE**

(The attached language will be inserted here before the 2<sup>nd</sup> reading of this Ordinance.)

**PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL, THIS  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

City of Fruita

ATTEST:

\_\_\_\_\_  
Lori Buck, Mayor

\_\_\_\_\_  
City Clerk

Changes to the language are shown in **red letters** for additions, **red strikeout** for deletions, and comments are shown in **[red brackets]** and are not intended to be part of the amended language.

**Chapter 17.41**  
**SIGN CODE**

**Section:**

<b>17.41.010</b>	<b>Purposes</b>
<b>17.41.020</b>	<b>Sign Permits and Administration</b>
<b>17.41.030</b>	<b>Enforcement and Penalties</b>
<b>17.41.040</b>	<b>Exempt Signs</b>
<b>17.41.050</b>	<b>Prohibited Signs</b>
<b>17.41.060</b>	<b>Measurement of Sign Area, Height and Construction</b>
<b>17.41.070</b>	<b>Sign Illumination</b>
<b>17.41.080</b>	<b>Sign Installation and Maintenance</b>
<b>17.41.090</b>	<b>Standards for Specific Types of Signs</b>
<b>17.41.100</b>	<b>Sign Standards by Zone</b>
<b>17.41.110</b>	<b>Creative Signs</b>
<b>17.41.120</b>	<b>Bus Shelter and Bench Advertising</b>

**17.41.010 PURPOSES.** The standards and requirements contained in this Chapter are intended to coordinate the use, placement, physical dimensions, and design of all signs within the City of Fruita. The purposes of these standards are to:

- A. Recognize that signs are a necessary means of visual communication for the convenience of the public and for the benefit of businesses, and
- B. Provide a reasonable balance between the right of an individual to identify his or her business and the right of the public to be protected against the visual discord resulting from the unrestricted proliferation of signs and similar devices, and
- C. Protect the public from damage or injury caused by signs that are structurally unsafe or obscure vision of motorists, bicyclists or pedestrians or conflict with traffic signals or signs, and
- D. Provide flexibility within the sign review/approval process to allow for unique circumstances and creativity.

**17.41.020 SIGN PERMITS AND ADMINISTRATION.** Any sign authorized by this Chapter may contain non-commercial copy in lieu of any other copy.

- A. Sign Permit Required. To ensure compliance with the regulations of this Chapter, a sign

permit shall be required in order to erect, move, alter, reconstruct or repair any permanent or temporary sign, except signs that are exempt from permits in compliance with Section 17.41.040 (Exempt Signs). ~~Separate planning clearances for signs requiring a building permit will be required.~~ Changing or replacing the copy on an existing lawful sign shall not require a permit, provided the copy change does not change the nature of the sign or render the sign in violation of this Chapter.

B. Application for a Sign Permit.

1. Sign Permit Application Requirements. Applications for sign permits shall be made in writing on forms furnished by the Community Development Department.
2. Staff Review and Approval. When the Community Development Department staff has determined the application to be complete, the Community Development Department shall review the sign permit in accordance with requirements of this Code and approve, approve with conditions or deny the sign permit.

C. Appeal of Sign Permit Decision. Any appeal of the Community Development Department's decision on a sign permit shall be made to the City Council as provided in Section 17.05.060 of this Title.

D. Sign Variances.

1. Applicability. A sign variance is an exception from the numerical requirements of this Chapter.
2. Procedure. Sign variances are reviewed and acted upon at a public hearing before the City Council.
3. Approval Criteria. The City Council may approve a sign variance request upon finding that the sign variance application meets or can meet the following approval criteria:
  - a. That the sign variance granted is without substantial detriment to the public good and does not impair the intent and purposes of this Title and the Master Plan, including the specific regulation in question;
  - b. By reason of exceptional narrowness, shallowness, depth, or shape of a legal lot of record at the time of enactment of this Title, or by reason of exceptional topographic conditions or other extraordinary and exceptional situation or condition of such property, the strict application of the subject regulation would result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon the owner of such property;

- c. A sign variance from such strict application is reasonable and necessary so as to relieve such difficulties or hardships, and the sign variance will not injure the land value or use of, or prevent the access of light and air to, the adjacent properties or to the area in general or will not be detrimental to the health, safety and welfare of the public;
  - d. That the circumstances found to constitute a hardship are not due to the result or general conditions throughout the zone, was not induced by any action of the applicant, and cannot be practically corrected, and;
  - e. That the sign variance granted is the minimum necessary to alleviate the exceptional difficulty or hardship.
4. Final Decision. Any decision of the City Council shall be final, from which an appeal may be taken to a court of competent jurisdiction, as provided in accordance with Section 31-23-307, C.R.S.

~~5. Reconsideration of Denial of Sign Variance. Whenever the City Council denies an application for a sign variance, such action may not be reconsidered by the Council for one (1) year unless the applicant clearly demonstrates that circumstances affecting the subject property have substantially changed, or new information is available that could not with reasonable diligence have been presented at the previous hearing. [This section is redundant with section 17.05.080.]~~

#### **17.41.030 ENFORCEMENT AND PENALTIES.**

- A. Penalties. Violations of this Chapter shall be subject to the administrative and civil remedies and criminal penalties set forth in the Fruita Municipal Code, including Section 17.01.100.
- B. Removal of illegal signs in the public right-of-way. The City of Fruita may cause the removal of any sign within the public right-of-way or on property that is otherwise abandoned that has been placed there without first complying with the requirements of this Chapter.
- C. Storage of removed signs. Signs removed in compliance with this Section shall be stored by the City of Fruita for thirty (30) days, during which they may be recovered by the owner only upon payment to the City of Fruita for costs of removal and storage. If not recovered within the thirty (30) day period, the sign and supporting structure shall be declared abandoned and title shall vest with the City of Fruita. The costs of removal and storage, up to thirty (30) days, may be billed to the owner. If not paid, the applicable costs shall constitute a lien against the property, and may be certified to the County Treasurer for collection in the same manner as delinquent ad valorem taxes, as authorized by law.

**17.41.040 EXEMPT SIGNS.** The following types of signs are exempt from the permit



requirements of this Chapter and may be placed in any zone subject to the provisions of this Chapter. Such signs shall otherwise be in conformance with all applicable requirements contained in this Title. Signs shall not interfere with traffic signs or the sight distance triangle at intersections. Evidence of the property owner's permission to install a sign may be required. All other signs shall be allowed only with a permit and upon proof of compliance with this Chapter. These exempt signs are permitted in addition to other signs permitted by this Chapter.

- A. Signs in the public right-of-way unless permitted by this Title and specifically permitted by the governmental entity controlling the right-of-way (City of Fruita, Colorado Department of Transportation, etc.)
- B. Signs that are not visible beyond the boundaries of the lot or parcel upon which they are located and/or from any public thoroughfare or right-of-way shall be exempt from the provisions of this Chapter, except that such signs shall be subject to the safety regulations of the City's building codes adopted pursuant to Title 15 of the Fruita Municipal Code.
- C. ~~Address. Non-illuminated signs not to exceed two (2) square feet in area which identify the address and/or occupants of a dwelling unit or of an establishment. [This sign is the same as an Identification Sign, and "Address sign" is used only twice in the entire Land Use Code - once in the definitions in Chapter 3 and once in Chapter 7. Staff is preparing amendments to these chapters of the Code also to resolve this issue.]~~
- ~~D.~~ Architectural features. Integral decorative or architectural features of buildings so long as such features do not contain letters, trademarks, moving parts or lights.
- ~~ED.~~ Art. Integral decorative or architectural features of buildings and works of art so long as such features or works do not contain letters, trademarks, moving parts or lights.
- ~~FE.~~ Building Identification, Historical Markers. Non-illuminated signs which are permanently affixed to buildings or structures for the purpose of identifying the name of a building, date of erection or other historical information.
- ~~GF.~~ ~~Civic club and religious off premises signs limited to four (4) square feet and limited to five (5) per organization.~~
- H. Construction. Temporary construction signs advertising the development or improvement of a property by a builder, contractor or other person furnishing service, materials, or labor to the premise during the period of construction, development or lot sales shall be allowed provided that:
  - 1. Signs in conjunction with any single family residential use shall not exceed eight (8) square feet each;
  - 2. Signs in conjunction with all other uses shall have a maximum area of thirty-two (32)

square feet each;

3. Only one (1) such sign oriented per street front per premises shall be erected. Any two (2) such signs located on the same premises shall be located at least one hundred (100) feet apart as measured by using a straight line;
4. Such signs shall not be illuminated;
5. Such signs shall only appear at the construction site; and
6. Such signs shall be removed within seven (7) days after completion of the project;
7. Such signs shall be erected only after submittal of a land development application for the subject property.

**IG.** Courtesy. Signs which identify, as a courtesy to customers, items such as credit cards accepted, redemption stamps offered, menus or hours of operation; limited to one (1) such sign for each business or use, not to exceed four (4) square feet per face or eight (8) square feet in total area. One flashing or blinking sign of this type may be permitted to be displayed in a window on the ground floor provided the sign is no larger than four square feet in area.

**JH.** Decorations (Holiday). Temporary decorations or displays, when such are clearly incidental to and are customarily and commonly associated with any national, State, local or religious holiday or celebration; provided that such signs shall be displayed for not more than sixty (60) days in any one (1) year.

**KI.** Directional. On-premises directional and instructional signs not exceeding six (6) square feet in area each.

**LJ.** Doors. Signs affixed to door which identify the name and/or address of an establishment limited to four (4) square feet.

**MK.** Flags. Flags, crests or banners of nations, or organizations of nations, or states and cities, or professional fraternal, religious, civic organizations, or generally accepted military service related flags (i.e. POWs) except when displayed in connection with commercial promotion.

**N.** ~~Garage, Estate, Yard Sale or Farm Auction. Such signs shall be displayed no more than three times per year per dwelling unit for a period not to exceed three (3) days. [This conflicts with the requirements for Temporary Use Permits and is redundant with Temporary Signs (defined below). You can have signs with a temporary use, and garage sales and similar do not require a temporary use permit or a sign permit (unless it is an unusually large or long garage sale).]~~

**OL.** Hazards Signs. Temporary or permanent signs erected by the City of Fruita, public utility.

companies, oil and gas companies, or construction companies to warn of danger or hazardous conditions, including signs indicating the presence of underground cables, gas lines and similar devices.

**M.** Identification/Address. Non-illuminated signs not to exceed two (2) square feet in area which identify the address and/or occupants of a dwelling unit or of an establishment. An Identification/Address sign that contains only the address number(s) of the property may be larger than two square feet only if necessary for the numbers to be visible from the public right-of-way.

**PN.** Memorial. Memorial signs, plaques or grave markers which are non-commercial in nature.

**QO.** Merchandise. Merchandise, pictures or models of products or services which are incorporated as an integral part of a window display. This is different from a Window Sign which requires a sign permit.

**RP.** Political Signs. Political signs displayed on private property in accordance with an official election or signs erected on behalf of candidates for public office and ballot issues provided:

1. The total area of all such signs on a lot does not exceed ~~sixteen (16)~~ thirty-two (32) square feet;
2. All such signs may be erected no sooner than sixty (60) days in advance of the election for which they were made;
3. The signs are removed within seven (7) days after the election for which they were made; and
4. The property owner upon whose land the sign is placed shall give written permission for the placement of said signs and will be responsible for violations.

**SQ.** Public Information Signs. Signs which identify restrooms, public telephones, or provide instructions as required by law or necessity, provided the sign does not exceed two (2) square feet in area and is non-illuminated. (This category shall be interpreted to include such signs as "restrooms," "self-service," and similar informational signs.)

**FR.** Religious Symbols. Religious symbols located on a building or lot used for organized religious purposes.

**US.** Regulatory Signs. Regulatory signs erected on private property identifying regulations specific to that property, such as "no trespassing" or "no smoking" signs, which do not exceed two (2) square feet per face or four (4) square feet in total surface area, limited to four (4) such signs per use or per building, whichever is the greater number.

**VT.** Real Estate Sale, Lease, Rent Signs. Temporary signs used to offer for sale, lease or rent land or buildings provided that such signs shall be no taller than six (6) feet, shall not be illuminated and shall be removed within seven (7) days after the real estate closing or lease transaction and:

1. One (1) on-premise sign per street frontage advertising real estate ("For Sale", "For Rent", "For Lease" or "For Development") not greater than eight (8) square feet in area in a residential zone and thirty-two (32) square feet in area in non-residential zones may be located on the property being advertised. If the property so advertised lies on a corner lot or double frontage lot, then a second sign may be oriented along the second street so long as the two signs are at least one hundred (100) feet apart as measured by the shortest straight line;
2. In addition to the on-premise real estate sign(s), a maximum of three (3) directional signs, each not exceeding four (4) square feet in area, shall be permitted off the subject premises. The message of said signs shall be limited to the name of the property or development being advertised, an address, a telephone number, a directional arrow, mileage to the subject property, and the terms "Lot/Home For Sale", "For Rent", "For Lease", "For Development", etc;
3. In addition to the signs identified in subsections a & b above, land containing not less than five (5) lots or one acre shall be allowed one sign per street entrance advertising the subdivision. Such signs may have a maximum sign area of thirty-two (32) square feet.

**WU.** Scoreboards. Scoreboards for athletic fields.

**XV.** Strings of Light Bulbs. Displays of string lights, provided:

1. They are decorative displays which only outline or highlight landscaping or architectural features of a building;
2. They are steady burning ~~clear, bulb~~ lights. No blinking, flashing, intermittent changes in intensity or rotating shall be permitted;
3. They are no greater in intensity than five (5) watts;
4. They shall not be placed on or used to outline signs, sign supports;
5. They shall not be assembled or arranged to convey messages, words, commercial advertisements, slogans and/or logos;
6. They shall not create a safety hazard with respect to placement, location of electrical cords or connection to power supply;

- ~~Y~~W. ~~Temporary Signs, On-Premise.~~ Two temporary signs (either attached or freestanding) are permitted per business (including institutional businesses and temporary uses such as garage sales and fruit stands) as long as the signs are brought indoors at the end of each business day. ~~For freestanding signs, the structure to which the temporary sign is attached must also be brought indoors at the end of each business day.~~ There are no size or height limits associated with these types of temporary signs.
- X. Temporary, Off-Premise. In lieu of on-premise temporary signs, one temporary off-premise portable freestanding sign is permitted in the public right-of-way directly abutting the subject property per each businesses or institutional use as long as the signs meet the following requirements:
1. The sign can be located only on the public right-of-way directly in the frontage ~~abutting the front~~ of the subject property.
  2. The sign height shall not exceed four (4) feet as measured from the ground;
  3. The sign size shall not exceed six (6) square feet;
  4. The sign cannot be placed on public art including pedestals, benches, seating walls, trash cans, landscaping (other than grass or gravel ground cover), utility structures, and similar items;
  5. Signs affixed to a fence or other structure used as part of a permitted sidewalk restaurant (as per Chapter 12.14 of the Municipal Code) are considered on-premise signs;
  6. The sign shall be brought indoors at the end of each business day;
  7. The sign shall not obstruct the clear sight for traffic at intersections and driveways;
  8. No sign shall be placed in a traffic lane for vehicles, including bicycle lanes;
  9. No sign shall be placed in a public parking space;
  10. A sign placed on public sidewalks must leave five (5) feet of minimum width clear for traffic circulation and if the sidewalk is less than five (5) feet in width, a sign cannot be placed on the sidewalk;
  11. ~~The sign cannot be located closer than twelve (12) inches from the curb, or if there is no curb, the sign must be located no closer than ten (10) feet from the edge of the roadway pavement.~~

**ZY.** Time and Temperature. Signs displaying time and temperature devices provided they are not related to a product and do not exceed sixteen (16) square feet in sign area and do not exceed eight (8) feet in height when freestanding.

**AAZ.** Traffic Control. Signs for the control of traffic or other regulatory purposes including signs for the control of parking on private property, and official messages erected by, or on the authority of, a public officer in the performance of his/her duty.

**BBA.** Vacancy and No Vacancy. The sign area of "vacancy" and "no vacancy" signs, cannot exceed three (3) square feet per face. Also, signs designed to indicate vacancy such as "yes," "no" or "sorry" shall also be exempt under the provisions of this subsection if they meet the area requirement.

**CCB.** Vehicular For Sale Signs. Motor vehicle for sale signs provided there is only one (1) sign per vehicle, the sign does not exceed two (2) square feet.

**DDC.** Vehicular Signs. Signs displayed on trucks, buses, trailers or other vehicles which are being operated or stored in the normal course of a business, such as signs indicating the name of the owner or business which are located on moving vans, delivery trucks, rental trucks and trailers and the like, shall be exempt from the provisions of this Chapter, provided that the primary purpose of such vehicles is not for the display of signs, and provided that they are parked or stored in areas appropriate to their use as vehicles.

**EED.** Vending Machine Signs. Vending machine signs provided that the advertisement upon the vending machine sign is limited to the product vended.

**17.41.050 PROHIBITED SIGNS.** The following signs are inconsistent with the purposes and standards in this Chapter and are prohibited in all zones:

- A. Flashing, rotating, blinking or moving signs, animated signs, signs with moving, rotating or flashing lights or signs that create the illusion of movement, ~~except for time and temperature devices and courtesy signs no larger than four (4) square feet when displayed in a window;~~ [This line is redundant with Section 17.41.070.E & G.]
- B. Any sign that is erected in such a location as to cause visual obstruction or interference with motor vehicle traffic, or traffic-control devices including any sign that obstructs clear vision in any direction from any street intersection or driveway;
- C. Mechanical or electrical appurtenances, such as "revolving beacons", that are designed to compel attention;
- D. Off-premises advertising signs except as specifically permitted by this Chapter ~~such as for temporary real estate directional signs;~~

- E. Any sign which interferes with free passage from or obstructs any fire escape, downspout, window, door, stairway, ladder or opening intended as a means of ingress or egress or providing light or air;
- F. Any sign located in such a way as to intentionally deny an adjoining property owner visual access to an existing sign;
- G. Vehicle-mounted signs, including but not limited to, signs painted on or attached to semi-trailers or cargo containers when exhibited on private property adjacent to public right-of-way for the purpose of advertising the business or services offered on the property.
- H. No single sign may measure more than three hundred (300) square feet regardless of size calculations otherwise contained in this Chapter.
- I. Searchlights;
- J. Signs with optical illusion of movement by means of a design which presents a pattern capable of reversible perspective, giving the illusion of motion or changing of copy;
- K. Wind signs;
- L. Any sign (together with its supporting structure) now or hereafter existing which, ninety (90) days or more after the premises have been vacated, advertises an activity, business, product or service no longer produced or conducted upon the premises upon which such sign is located. If the sign or sign structure is covered or the identifying symbols or letters removed, an extension of time may be granted by the Community Development Department Director upon good cause for such extension being shown. (This provision shall not apply to permanent signs accessory to businesses which are open only on a seasonal basis, provided that there is clear intent to continue operation of the business);
- M. Any sign or sign structure which:
  - 1. Is structurally unsafe;
  - 2. Constitutes a hazard to safety or health by reason of inadequate maintenance or dilapidation;
  - 3. Is not kept in good repair; or
  - 4. Is capable of causing electrical shocks to persons likely to come in contact with it; and
- N. Any sign or sign structure which:

1. In any other way obstructs the view of, may be confused with or purports to be an official traffic sign, signal or device or any other official sign;
2. Uses any words, phrases, symbols or characters implying the existence of danger or the need for stopping or maneuvering a motor vehicle;
3. Creates in any other way an unsafe distraction for motor vehicle operators; or
4. Obstructs the view of motor vehicle operators entering a public street from any parking area, service drive, private driveway, alley or other thoroughfare.

#### **17.41.060 MEASUREMENT OF SIGN AREA, HEIGHT AND CONSTRUCTION.**

- A. **Sign Surface Area.** The area of a geometric shape enclosing any message, logo, symbol, name, photograph or display face shall be measured using standard mathematical formulas.
- B. **Sign Support.** Supporting framework or bracing that is clearly incidental to the display itself shall not be computed as sign area.
- C. **Back-to-Back (Double-Faced) Signs.** Back-to-back signs shall be regarded as a single sign only if mounted on a single structure, and the distance between each sign face does not exceed two (2) feet at any point.
- D. **Three-Dimensional Signs.** Where a sign consists of one or more three-dimensional objects (i.e. balls, cubes, clusters of objects, sculpture), the sign area shall be measured as their maximum projection upon a vertical plane. Signs with three-dimensional objects that exceed a projection of six (6) inches from the sign face may be approved in compliance with Section 17.41.110, Creative Signs.
- E. **Sign Height.** The height of a sign shall be measured from the highest point of a sign to the natural ground surface beneath it.
- F. **Wind Load.** All exterior signs shall be engineered to withstand a minimum wind load of thirty (30) pounds per square foot.

#### **17.41.070 SIGN ILLUMINATION**

- A. Signs within five hundred (500) feet and in the direct line of sight of an existing residential structure or signs over ten (10) feet tall which are within five hundred (500) feet of and in the direct line of sight of the Fruita State Park are required to minimize light pollution impacts to the Fruita State Park and/or existing residential structures. A residence shall be deemed "existing" for purposes of this subsection if it has a valid building permit in effect for construction of said structure or if construction of said structure was complete on or prior to the effective date of this Chapter.



- B. All lighted signs shall have their lighting directed in such a manner as to illuminate only the face of the sign. When external light sources are directed at the sign surface, the light source must be concealed from pedestrians' and motorists' "lines of sight."
- C. Signs must be illuminated in a way that does not cause glare onto the street and adjacent properties. Signs shall be lighted only to the minimum level for nighttime readability.
- D. All lighted signs shall meet all applicable electrical codes and the electrical components used shall bear the label of an approval agency. Additionally, electrical permits shall be obtained for electric signs. When electrical service is provided to freestanding signs, all such electrical service shall be underground.
- E. Flashing, moving, blinking, chasing or other animation effects are prohibited on all signs except time and temperature signs and courtesy signs four (4) square feet or less in area when displayed in a window.
- F. Neon tubing is an acceptable method of sign illumination.
- G. Electronic message boards are permitted but the message can change only once every five (5) minutes and only one color light may be used at a time. Time and temperature signs and courtesy signs four (4) square feet or less in area when displayed in a window are exempt from this regulation. Electronic message boards using plasma technology are prohibited.

#### **17.41.080 SIGN INSTALLATION AND MAINTENANCE**

- A. Owners of projecting signs extending over public right-of-way shall be required to maintain public liability insurance in an amount to be determined appropriate by the City of Fruita, in which the City of Fruita is named as an "additional insured."
- B. The owner of a sign and the owner of the premises on which a sign is located shall be jointly and severally liable to maintain such sign, including any illumination sources in a neat and orderly condition, and in good working order at all times, and to prevent the development of any rust, corrosion, rotting or other deterioration in the physical appearance or safety of such sign. The sign must also be in compliance with all building and electrical codes adopted by the city and the State.
- C. The City of Fruita may inspect any sign governed by this Chapter and shall have the authority to order the repair, or removal of a sign which constitutes a hazard to safety, health or public welfare by reason of inadequate maintenance, dilapidation or obsolescence.

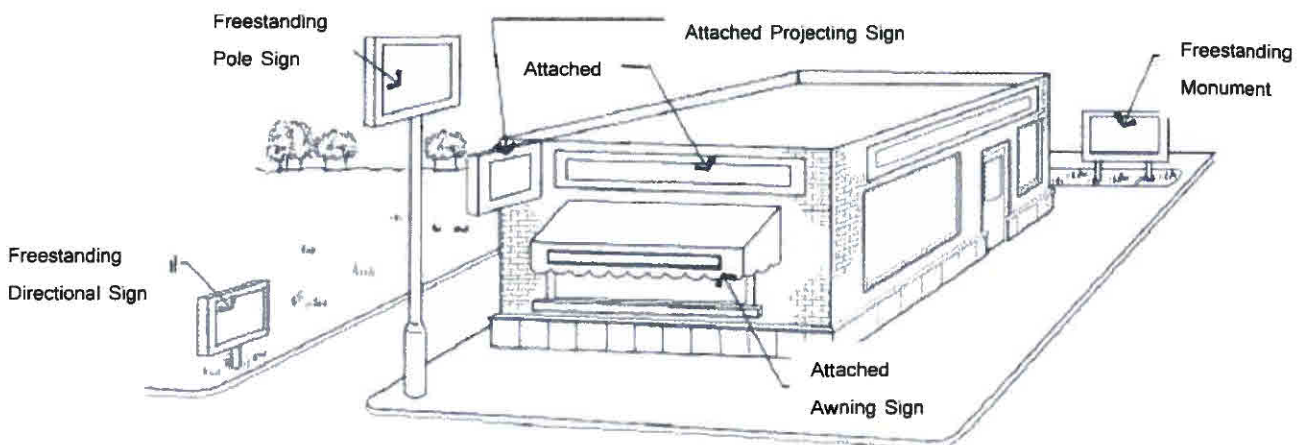
**17.41.090 STANDARDS FOR SPECIFIC TYPES OF SIGNS.** Any sign authorized by this Chapter may contain non-commercial copy in lieu of any other copy. [I know this is a repeat from above, but I think it is good to put this in again as a reminder to avoid free speech issues.]

- A. Attached sign types. The sum of all attached signs cannot exceed ten (10) percent of wall area to which the sign(s) is attached. Each building facade shall have its own separate and distinct sign allowance. The sign allowance per facade can only be used on that facade and shall not be transferred to any other facade.
1. Wall Signs. The sign shall not be placed to obstruct any portion of a window, doorway or other architectural detail. Wall signs shall not extend more than four (4) feet above the roof line of the portion of the building to which it is attached but in no case is the wall sign permitted to be above thirty-five (35) feet in height regardless of building height.
  2. Awning or Canopy Signs. ~~An awning or canopy sign is an attached sign projecting from and sheltering an area next to a building and supported entirely by the exterior wall of a building and composed of a covering of rigid or non-rigid material and/or fabric on a supporting framework that may be either permanent or retractable.~~ [This definition was moved to Chapter 3 of the Code which contains all definitions.]
    - a. Location. Signs may be placed only on awnings or canopies that are located on first or second story of a building. No awning or canopy sign shall project beyond, above or below the face of an awning or canopy.
    - b. Maximum area and height. Sign area shall comply with the requirements established by Section 17.41.100, Sign Standards by Zone ~~District~~. No structural element of an awning or canopy shall be located less than eight (8) feet above finished grade. ~~Awnings or canopies on which signs are mounted may extend over a public right-of-way no more than eight (8) feet from the face of a supporting building. No awning or canopy, with or without signage, shall extend above the roof line of any building.~~
  3. Window Signs. When a sign is painted on, applied or attached to or displayed in a window and is visible beyond the boundaries of the lot upon which the sign is displayed, the total area of such sign shall not exceed:
    - a. Fifty (50) percent of the window or door area at the ground floor level; and
    - b. Fifty (50) percent of the total allowable sign area for the premises.
  4. Projecting Signs. ~~A projecting sign is any sign supported by a building wall and projecting there from more than twelve (12) inches horizontally beyond the surface of the building to which the sign is attached.~~ [This definition was moved to Chapter 3 of the Code which contains all definitions.]

- a. Maximum area and height. Projecting signs shall not be higher than the wall from which the sign projects. Projecting signs must have eight (8) feet clearance from the ground below and may not extend more than six (6) feet from the building wall. The size of projecting signs is limited to sixteen (16) square feet.
- b. Sign structure. Sign supports and brackets shall be compatible with the design and scale of the sign.
- c. Quantity. The number of projecting signs is limited to one per business.

B. **Freestanding Signs.** ~~A freestanding sign is a sign which is supported by one (1) or more columns, uprights, poles or braces extended from the ground, or which is erected on the ground but does not include a sign attached to a building.~~ [This definition was moved to Chapter 3 of the Code which contains all definitions.]

1. Location. ~~The sign may be located only on a site frontage adjoining a public street.~~ No freestanding sign in any zone can be erected closer than eight (8) feet to any curblin ~~e~~ in the public right-of-way, nor closer than four (4) feet to any building. ~~With the exception of the DMU zone, No freestanding signs for in-non-residential zones land uses must not may~~ be located less than twenty-five (25) feet from any property line abutting a residential land use.
2. Maximum area and height. The sign shall comply with the height and area requirements established in Section 17.41.100, Sign Standards by Zone.



Different Types of Signs

C. Off-Premises Signs. Other than the off-premise signs permitted as identified in Section 17.41.040 regarding Exempt Signs, the only other off-premise signs permitted are Business District Identification signs. One Business District Identification sign (whether freestanding or attached) is permitted at each major entry point to a Business District for those businesses that do not have frontage on a State Highway. For the purposes of Business District Identification Signs, Business Districts and major entrance points to Business Districts are identified by Resolution of the City Council. This type of sign is permitted in addition to all other signs permitted on the property on which the sign is located.

1a. Freestanding: Limited to thirty-five (35) feet in height and three hundred (300) square feet in size.

2b. Attached: Limited to three hundred (300) square feet in size.

**17.41.100 SIGN STANDARDS BY ZONE**

A. Signs in the Monument Preservation (MP), Rural Residential (RR), Community Residential (CR), Large Lot Residential (LLR), South Fruita Residential (SFR), Community Services and Recreation (CSR), River Conservation (RC) zones and residential land use portions of the Community Mixed Use (CMU), and Downtown Mixed Use (DMU) zones shall be limited to:

Type of Sign	Number of Signs	Maximum Area (sq. ft.)	Maximum Height of Freestanding Signs
--------------	-----------------	------------------------	--------------------------------------

Type of Sign	Number of Signs	Maximum Area (sq. ft.)	Maximum Height of Freestanding Signs
Identification Sign (Freestanding or Attached Sign)	1 per single family or duplex unit	2 sq. ft.	4'
	1 per multi-family building	16 sq. ft.	6'
	1 per public or quasi-public use	<del>20</del> 32 sq. ft.	8'
	1 per subdivision entrance	32 sq. ft.	6'
Commercial Uses (legal nonconforming only)	1 per tenant space for attached signs 1 per lot or parcel for freestanding signs	1 sq. ft. for each lineal foot of building wall or frontage; 25 sq. ft. maximum	6'

B. Signs in the Tourist Commercial (TC), General Commercial (GC), Limited Industrial and Research and Development (LIRD) and non-residential **land use** portions of the Downtown Mixed Use (DMU) and Community Mixed Use (CMU) **Zzone Districts** shall be limited to all signs permitted in subsection A above and also the following:

Type of Sign	Number of Signs	Maximum Area (sq. ft.)***	Maximum Height of Freestanding Signs
--------------	-----------------	---------------------------	--------------------------------------

Type of Sign	Number of Signs	Maximum Area (sq. ft.)***	Maximum Height of Freestanding Signs
Freestanding *	1 per parcel per street frontage	0.75 sq. ft. per linear foot of street frontage per 2 traffic lanes; 1.5 sq. ft. per linear foot of street frontage when more than 2 traffic lanes	8' or up to 35'***
Attached (Wall, Window, Awning or Canopy, Projecting)	unlimited but total area of all attached signs cannot exceed the maximum square footage allowed	1.5 sq. ft. per linear foot of building façade	n/a

\* For parcels or lots with buildings that abut the entire street side property line, freestanding signs shall not be permitted along that street side. This currently includes most of the lots fronting Circle Park and Aspen Avenue from Circle Park to Peach Street.

~~When electrical service is provided to freestanding signs, all such electrical service shall be underground. [This is redundant with section 17.41.070.D.]~~

\*\* One Freestanding sign per lot or parcel up to thirty-five (35) feet in height is permitted for: **all** properties: zoned TC or LIRD; **properties** touching the right-of-way for Highway 6 & 50 or Highway 340 which are zoned TC, LIRD, GC, DMU or CMU, **orand**; **properties** zoned **DMU and** touching the right-of-way for Plum Street between Highway 6 & 50 and Aspen Avenue. Maximum size for freestanding signs taller than ten (10) feet is limited to two hundred (200) square feet.

\*\*\* For small buildings and/or lots, a minimum of fifty (50) square feet is permitted for an attached sign and fifty (50) square feet is permitted for a freestanding sign regardless of the width of the street frontage and/or building facade; however, all other requirements must be met.

C. Signs in the Agricultural Residential (AR) and Rural Estate (RE) Zone Districts shall be limited to:

1. All signs permitted in subsection A above, and;

2. One Identification Sign for agricultural land uses limited to:
  - a. Forty-eight (48) square feet in size whether attached or freestanding;
  - b. Freestanding sign limited to eight (8) feet in height with the setback from property lines equal to the height of the sign.
- D. Planned Unit Development and Conditional Use Signs. Planned Unit Developments and Conditional Use Permits shall have proposed signs reviewed and approved as part of the Planned Unit Development or Conditional Use Permit review process.

#### **17.41.110 CREATIVE SIGNS**

- A. Purpose. This Section establishes standards and procedures for the design, review and approval of creative signs. The purposes of this creative sign program are to:
  1. Encourage signs of unique design, and that exhibit a high degree of thoughtfulness, imagination, inventiveness, and spirit; and
  2. Provide a process for the application of sign regulations in ways that will allow creatively designed signs that make a positive visual contribution to the overall image of the City of Fruita, while mitigating the impacts of large or unusually designed signs.
- B. Applicability. An applicant may request approval of a sign permit under the creative sign program to authorize on-site signs that employ standards that differ from the other provisions of this Chapter, but comply with the provisions of this Section.
- C. Approval Authority. A sign permit application for a creative sign shall be subject to approval by the Planning Commission.
- D. Application Requirements. A sign permit application for a creative sign shall include all information and materials required by the City of Fruita, and the permit fee as determined by resolution of the City Council.
- E. Design Criteria. In approving an application for a creative sign, the Planning Commission shall ensure that a proposed sign meets the following design criteria:
  1. Design quality. The sign shall:
    - a. Constitute a substantial aesthetic improvement to the site and shall have a positive visual impact on the surrounding area;

- b. Be of unique design, and exhibit a high degree of thoughtfulness, imagination, inventiveness, and spirit; and
  - c. Provide strong graphic character through the imaginative use of graphics, color, texture, quality materials, scale, and proportion.
2. Contextual criteria. The sign shall contain at least one (1) of the following elements:
- a. Classic historic design style;
  - b. Creative image reflecting current or historic character of the City of Fruita;
  - c. Symbols or imagery relating to the entertainment or design industry; or
  - d. Inventive representation of the use, name or logo of the structure or business.
3. Architectural criteria. The sign shall:
- a. Utilize and/or enhance the architectural elements of the building; and
  - b. Be placed in a logical location in relation to the overall composition of the building's facade and not cover any key architectural features/details of the facade.

**17.41.120 BUS SHELTER AND BENCH ADVERTISING.**

- A. Advertising - Bus Shelters. Advertising on, or incorporated within, County or City approved transit shelters is permitted as long as the following requirements are met:
- 1. There is a written agreement between the bus shelter provider and all of the required permits have been obtained from the City of Fruita and Mesa County.
  - 2. The bus shelters are located only at designated bus stops on designated bus routes. As routes or stops change, bus shelters that are no longer on a designated route or bus stop must be removed within thirty (30) days following notice by the County and/or the City of Fruita requesting removal.
  - 3. Bus shelters are also subject to the following requirements:
    - a. Advertising shall be limited to two side panels on the bus shelter, each not more than forty-eight (48) inches wide and seventy-two (72) inches high; the advertising panels may be illuminated by "back lighting";
    - b. A third advertising panel may be provided along the rear of the bus shelter for



public service messages or other public purposes, as specified in the written agreement with the County and the City;

- c. A proposed maintenance schedule shall be included in the written agreement between the bus shelter provider and the County and the City. The permittee shall be responsible for all maintenance of the shelter including general repair, painting, removal of graffiti, and maintenance of lawn or landscaping around the shelter area. Failure to properly maintain the shelter or shelter area is cause for removal;
- d. All bus shelters shall be located on and anchored to a concrete pad or equivalent;
- e. Shelters should be located in the public right-of-way; in situations where the shelter is required to be located outside the public right-of-way, the Community Development Department may allow such location, provided written authorization of the owner of the private land has been obtained and any costs associated with obtaining the authorization has been paid;
- f. A planning clearance for a building permit shall be obtained for each bus shelter; all requirements of the Americans with Disabilities Act must be met;
- g. Where curb and gutter are present and the posted speed limit is thirty-five (35) miles per hour or less, the front of the shelter shall be set back a minimum of five (5) feet from the curb, unless otherwise authorized by the County and City's Community Development Department; in no case shall the setback be less than three and one-half (3 ½) feet from the curb;
- h. Where there is no curb and gutter or the posted speed limit is greater than thirty-five (35) miles per hour the front of the shelter shall be set back a minimum of ten (10) feet from the edge of pavement, unless otherwise authorized by the City's Community Development Department; in no case shall the setback be less than five (5) feet from the edge of pavement;
- i. The shelter shall not be located in a way which impedes pedestrian, bicycle, wheelchair, or motor vehicle travel, including the limitation of vehicular sight distance; vertical supports for the shelter shall be located no closer than one (1) foot from any sidewalk;
- j. Bus shelters with advertising are limited to the Tourist Commercial (TC), the General Commercial (GC), **Downtown Mixed Use (DMU)** and Limited Industrial and Research and Development (LIRD) zones and are allowed only on major collector, minor arterial, and major arterial streets and roads, as designated in **the Grand Valley Circulation Plan and** the City of Eruita Street

Classification and Traffic Control Plan, with the exception that such advertising bus shelters and benches shall not be allowed on the lots fronting on Circle Park and East Aspen Ave. from Circle Park on the west to Elm Street on the east, Mesa County School District No. 51 property, and on property operated by the Museum of Western Colorado; and

- k. Shelters located in the Tourist Commercial (TC), **Downtown Mixed Use (DMU)** and General Commercial (GC) zones are subject to the design standards of such zone. (See Chapter 17.11.)

B. Advertising - Bus Benches. Advertising on bus benches is permitted as long as the following requirements are met:

1. There is a written agreement between the bus bench provider and the County and the City and all of the required permits have been obtained from the County and City.
2. A single bench may be located only at designated bus stops along a designated bus route, subsequent to issuance of a permit by the County and the City's Community Development Department. A second bench may be allowed based on ridership data which demonstrates such a need. As routes or stops change, bus benches that are no longer along a designated route or bus stop must be removed within thirty (30) days following notice by the County and City.
3. Benches are also subject to the following conditions:
  - a. A site plan of the bench location, meeting the requirements of this Section, shall be submitted to the County and the City's Community Development Department for review and approval of planning clearance prior to placement of any bench. Additionally, all requests to locate a bench on State highways shall also be submitted to the Colorado Department of Transportation (C.D.O.T.) for review and approval;
  - b. Benches should be located within the public right-of-way; in situations where the bench is required to be located outside the public right-of-way the County and City's Community Development Department may allow such encroachment if it is the minimum amount necessary to site the bench, written authorization from the owner of the private land has been provided, and any costs associated with obtaining the authorization has been paid;
  - c. The bench may be oriented towards approaching traffic at an angle not to exceed thirty (30) degrees from parallel to the street frontage;
  - d. Where curb and gutter are present and the posted speed limit is thirty-five (35) miles per hour or less, the front of the bench shall be set back a

minimum distance of five (5) feet from the curb. The five (5) feet minimum distance may not be reduced;

- e. Where no curb and gutter is present or the posted speed limit exceeds thirty-five (35) miles per hour, the bench may be located at a distance no closer than ten (10) feet from the edge of pavement, unless otherwise authorized by the County and the City's Community Development Department; in no case shall the distance be reduced to less than five (5) feet from the street pavement. Bus benches must be located within twenty (20) feet of a bus stop. To the greatest extent possible, benches should not be located within the parkway between the road pavement/curb and sidewalk;
- f. The advertising panel shall be limited to a single face that must be oriented to the street. The sign face shall not exceed twelve (12) square feet in size with a maximum sign height of two (2) feet; the sign shall be non-illuminated and non-reflective;
- g. The bench may not be located in a manner which impedes pedestrian, bicycle, wheelchair, or vehicle travel including the limitation of vehicular sight distance. The bench shall be set back a minimum distance of one (1) foot from an adjacent sidewalk at it's nearest point;
- h. The permittee shall be responsible for all maintenance of the bench including general repair, painting, removal of graffiti, and maintenance of lawn or landscaping around the bench area. Failure to properly maintain the bench or bench area is cause for removal;
- i. Benches containing advertising are limited to major collector, minor arterials, and major arterials, as designated in the City's Street Classification and Traffic Control Plan;
- j. The design of benches obtained by the provider subsequent to the adoption of this Chapter shall be approved by the City;
- k. Bus benches with advertising are limited to Tourist Commercial (TC), General Commercial (GC), **Downtown Mixed Use (DMU)** and Limited Industrial and Research and Development (LIRD) zones and are allowed only on major collector, minor arterial, and major arterial streets and roads, as designated on the City's Street Classification and Traffic Control Plan, with the exception that such advertising benches shall not be allowed in the lots fronting on Circle Park and East Aspen Ave. from Circle Park on the west to Elm Street on the east, Mesa County School District No. 51 property, and on property operated by the Museum of Western Colorado; and

1. The City's Community Development Department may add additional requirements for design and placement of benches as necessary based on the site location including, but not limited to the following:
  - i. Construction of a concrete pad sufficient in size to accommodate the bench supports and two (2) feet of foot space along the front of the bench; and
  - ii. Securing the bench to concrete pads utilizing a "break-away" anchor design.



---

## AGENDA ITEM COVER SHEET

---

**TO: FRUITA CITY COUNCIL AND MAYOR**  
**FROM: MICHAEL BENNETT, CITY MANAGER**  
**DATE: MAY 3, 2016**  
**RE: APPOINTMENT, EXECUTION OF CONTRACT, SWEARING IN OF MUNICIPAL COURT JUDGE**

### **BACKGROUND**

The hiring process for the Municipal Court Judge is now completed. On March 15, 2016, City Council adopted a schedule for the Municipal Court Judge hiring process. The posting for the position was advertised beginning March 16, 2016 on the [www.fruita.org](http://www.fruita.org) as well as the Colorado Bar Association's website [www.cobar.org](http://www.cobar.org). A first review of applications took place at the March 29, 2016, Special Meeting of the City Council. Council determined candidates to interview and three finalist interviews took place on Monday, April 11.

At the April 19, 2016 meeting, City Council discussed the candidate interviews and made a selection of the final candidates, and set forth background checks and contract negotiations.

### **FISCAL IMPACT**

The position was posted at the amount budgeted to pay a Municipal Court Judge.

### **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

In addition to goals to provide a high quality of life and safe community, the City Charter sets forth, "The City Council shall appoint a municipal court judge who is licensed to practice law in the State of Colorado, who shall serve at the pleasure of the Council, subject to annual review. Compensation of the municipal judge shall be fixed by the Council."

### **OPTIONS AVAILABLE TO COUNCIL**

1. Appoint and execute contract for Daniel Robinson as Municipal Court Judge
2. Do not appoint and execute contract for Daniel Robinson as Municipal Court Judge.

### **RECOMMENDATION**

As per the City Charter, City Council may appoint and execute contract for Daniel Robinson as Municipal Court Judge. Deb Woods may administer Oath to Judge Robinson.

## **PERSONAL SERVICE AGREEMENT FOR MUNICIPAL JUDGE**

The City of Fruita, located at 325 E. Aspen, Suite 155, Fruita, Colorado, 81521 County of Mesa, State of Colorado, herein referred to as City, hereby retains Daniel R. Robinson of 2534 C ½ Road, Grand Junction, CO 81507, herein referred to as Judge.

### **SCOPE OF SERVICES**

Judge shall hear and try all alleged violations of ordinance provisions of the City of Fruita and any other matters delegated to municipal courts of record by Colorado law, and agrees to faithfully perform the duties of Presiding Municipal Judge of the Fruita Municipal Court assigned to him to the best of his ability. Judge shall maintain a license to practice law in the state of Colorado as required by the Fruita City Charter. Judge shall have all the judicial powers relating to the operation of the court, subject to any rules of procedure governing the operation or conduct of municipal courts promulgated by the Colorado Supreme Court and shall have the authority to issue local rules of procedure consistent with any rules of procedure adopted by the Colorado Supreme Court. Matters not provided for governing the operation of the municipal court in the Fruita Municipal Code and Fruita City Charter shall be governed by the provisions of C.R.S. 13-10-103 thru 13-10-125.

The schedule for municipal court sessions is established by Judge subject to availability of courtroom facilities, city staff, and with sufficient advance notice to the police department of any changes in the dates and times of court sessions.

The City Council may appoint Associate Judge(s) as may be necessary to perform the duties of Judge in the case of temporary absence, sickness, disqualification or other inability of Judge to act as Presiding Municipal Judge.

### **COMPENSATION**

Compensation shall be two thousand twelve dollars and twenty-two cents (\$2,012.22) per month based on court sessions generally being held four times per month. Compensation will be adjusted annually in the same manner and amount as cost of living adjustments are administered for city employees. Judge shall be considered an independent contractor and shall provide at his own cost any needs not specifically provided for hereunder. Nothing contained

## **PERSONAL SERVICE AGREEMENT FOR MUNICIPAL JUDGE (continued)**

in this Agreement shall be construed to create the relationship of employer and employee. Judge shall not be entitled to retirement, insurance or other benefits afforded to employees of City.

### **TERM**

This agreement shall be in effect for a two (2) year term from May 3, 2016 until May 2, 2018. Pursuant to the Fruita City Charter, Judge shall serve at the pleasure of the Fruita City Council and this Agreement may be terminated at any time by the Fruita City Council. Judge may terminate this Agreement upon sixty (60) days written notice to the Fruita City Council. At the termination of this Agreement in any manner, the payment to the Judge of compensation earned to the date of such termination shall be in full satisfaction of all claims against City under this Agreement.

### **ANNUAL REVIEWS**

The Fruita City Council shall conduct an annual review of the Judge pursuant to Article V of the Fruita City Charter. The annual review shall occur no later than May 3 of each year. The procedure for the annual review shall be established by the City Council and may include publication and/or posting of a notice to the public to invite comment on the performance of Judge. The Fruita City Council shall also conduct an informal review of Judge in November of each year.

### **OFFICE AND EQUIPMENT**

City shall provide Judge with suitable courtroom facilities including necessary books, supplies, uniforms and furniture for the proper conduct of the business of the court as determined by the City. City shall also provide a municipal court clerk and bailiff to assist the Judge with municipal court proceedings and operations. The municipal court clerk and bailiff shall have such duties as delegated by law and court rule and shall work with the Judge for the efficient and effective administration and operation of Municipal Court. Judge shall work with the supervisors of the court clerk and/or bailiff to address any issues with the provision of said services.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Lori Buck  
Mayor



\_\_\_\_\_  
Daniel R. Robinson  
Municipal Judge

ATTEST:

\_\_\_\_\_  
Margaret Sell  
City Clerk





---

## AGENDA ITEM COVER SHEET

---

**TO:** FRUITA CITY COUNCIL AND MAYOR  
**FROM:** DEBRA WOODS, DEPUTY CITY CLERK  
**DATE:** MAY 3, 2016  
**RE:** SETTING BOARDS AND COMMISSIONS LIAISON POSITIONS

### **BACKGROUND**

Boards and Commissions Council liaison positions are appointed following the regular municipal election held every two (2) years. At the City Council workshop session of April 26, 2016, the Council discussed which Council members are interested in being appointed to which Boards.

Attached is the list of the City of Fruita's Boards and Commissions and which Council members would like to be appointed to them.

### **RECOMMENDATION**

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

**APPROVE THE APPOINTMENTS OF THE COUNCIL LIAISON POSITIONS AS RECOMMENDED BY MAYOR BUCK AND AS PER THE ATTACHED LIST**

<b>Board or Commission</b>	<b>Current Council Liaison</b>	<b>Newly appointed Council Liaison</b>
<b>Board of Adjustments</b> Meets on an as-needed basis	Bruce Bonar	Bruce Bonar
<b>Historic Preservation</b> Meets on the first Monday of the month at 5:30 p.m. at the Fruita Civic Center	Bruce Bonar	Bruce Bonar
<b>Parks and Recreation Board</b> Meets on the first Thursday of the month at 6:00 p.m. at the Fruita Community Center	Joel Kincaid	Lou Brackett
<b>Planning Commission</b> Meets on the second Tuesday of the month at 7:00 p.m. at the Fruita Civic Center	Mel Mulder	Dave Karisny
<b>Police Commission</b> Meets on the third Wednesday of the month at 7:00 p.m. at the Police Services Building – Jan, Mar, May, July, Sept, Nov only (every other month)	Lori Buck	Lou Brackett
<b>Senior Task Force</b> Meets on the second Wednesday of the month at 1:00 p.m. at the Fruita Community Center	Lori Buck	Lori Buck
<b>Tourism Advisory</b> Meets on the fourth Thursday of the month at 11:00 a.m. at the Fruita Civic Center	Joel Kincaid	Joel Kincaid
<b>Arts and Culture Board</b> Meets on the second Wednesday of month at 5:00 p.m. at the Fruita Community Center	Kyle Harvey	Kyle Harvey
<b>Downtown Advisory Board</b> Meets on the second Wednesday of the month at 6:00 p.m. at the Fruita Civic Center (Rotary Room)	Kyle Harvey	Ken Kreie

<b>Grand Valley Regional Transportation Commission</b> Meets on the fourth Monday of the month at 3:00 p.m. at the Transit Facility @ 525 S. 6 <sup>th</sup> St, 2 <sup>nd</sup> Floor	Stacey Mascarenas	Dave Karisny
<b>Chamber of Commerce</b> Meets on the second Wednesday of the month at 7:00 a.m. at the Colorado Canyons Hospital Boardroom	Stacey Mascarenas	Joel Kincaid
<b>5-2-1 Drainage Authority</b> Meets on the fourth Wednesday of the month at 3:00 p.m. at Mesa County Courthouse at 544 Rood Ave., Training Room B	Mel Mulder	Dave Karisny
<b>Museum of Western Colorado Board of Directors (as non-voting representative of Fruita)</b> Meets on the fourth Tuesday of the month at 4:00 p.m. at Museum of the West - 462 Ute Ave. in GJ or other facilities	Joel Kincaid	Joel Kincaid
<b>MEETING DATES AND TIMES TO BE DETERMINED</b>		
<b>Purchase of Development Rights</b>	Bob Fuller	Bruce Bonar
<b>CML Policy Committee</b>	Bob Fuller	Mike Bennett
<b>AGNC</b>	Bob Fuller	Ken Kreie
<b>Riverfront Commission</b>	Bob Fuller	Kyle Harvey
<b>GJEP Board</b>	Lori Buck	Lori Buck
<b>BLM NW Regional Advisory Council</b>	Lori Buck	Lori Buck

Board/Commission	Current Liaison / Appointment	Proposed	Requires Elected Official?	Voting or Non-voting	Meeting Time
Board of Adjustments	Bruce Bonar	Bruce	Yes	Non-voting	As needed
Historic Preservation	Bruce Bonar	Bruce	Yes	Non-voting	1st Mon/month/5:30pm/CC
Parks & Recreation	Joel Kincaid	Lou	Yes	Non-voting	1st Thurs/month/6pm/FCC
Planning Commission	Vacant (Mel)	Dave	Yes	Non-voting	2nd Tues/month/7pm/CC
Police Commission	Lori Buck	Lou	Yes	Non-voting	3rd Wed/every other month/7pm/Police Dept.
Senior Task Force	Lori Buck	Lori	Yes	Non-voting	2nd Wed/month/1pm/FCC
Tourism Advisory	Joel Kincaid	Joel	Yes	Non-voting	4th Thurs/month/11am/CC
Arts & Culture	Kyle Harvey	Kyle	Yes	Non-voting	2nd Wed/month/5pm/FCC
Downtown Advisory	Kyle Harvey	Ken	Yes	Non-voting	2nd Wed/month/6-8pm/CC
Grand Valley Regional Transportation	Vacant (Stacey)	Dave	Yes	Voting	4th Mon/month/3-5pm/RTPO in GJ 525 S. 6th St.
Chamber of Commerce	Vacant (Stacey)	Joel	Yes	Voting	2nd Wed/month/7-8:30am/Colorado Canyons Board rm.
5-2-1 Drainage Authority	Vacant (Mel)	Dave	Yes	Voting	~3rd Wed/month (has been sporadic)/GJ @MC or City of GJ
Museum of Western Colorado	Joel Kincaid	Joel	No	Non-voting	4th Tues/month/Museum in GJ/1x/yr. at Cross Orch. & Dino
Purchase of Development Rights (MLT)	Vacant (Bob)	Bruce	Yes	Voting	Quarterly, or as needed
CML Policy Committee	Vacant (Bob)	Mike	CC or Mngr	Recommending	February, October, December in Denver; June at CML conf.
AGNC	Vacant (Bob)	Ken	Yes	Voting	4th Mon/month/different cities/9am-1:30pm
Riverfront Commission	Vacant (Bob)	Kyle	No	Non-voting	3rd Tues/month.5:30pm/old Co. Courthouse 544 Rood in GJ
GJEP Board	Lori Buck	Lori	No	Voting	3rd Wed/month/7:30-9am/GJEP offices in GJ
BLM NW Regional Advisory Council	Lori Buck	Lori	N/A	Voting	

**\*For information sake:**

Colorado Canyon's Association	Ture Nycum	Ture	No	Voting	2nd Tues/month/5pm/location varies
Greater Grand Junction Sports	Ture Nycum	Ture	No	Voting	Monthly, but no set schedule yet
District 51 Foundation	Mike Bennett	Mike	No	Voting	3rd Thurs/month/11:30am/at Schoold District
Outdoor Recreation Coalition Advisory	Mike Bennett	Mike	No	Advisory	As needed
Communication Center Board	Judy Macy	Judy	No	Voting	2nd Thurs/month/
Enterprise Zone	Dahna Raugh	Dahna	No	Voting	Quarterly or as needed



---

---

<b>AGENDA ITEM COVER SHEET</b>
--------------------------------

---

---

**TO:** Fruita City Council and Mayor

**FROM:** Community Development Department

**DATE:** May 3, 2016

**RE:** Ordinance 2016 - 06, 1<sup>st</sup> Reading, An Ordinance of the Fruita City Council Approving Amendments to Section 17.07.070.H, Fences, of the Fruita Land Use Code

**BACKGROUND**

At the April 5, 2016, City Council public hearing, the Council approved changes to Chapter 7 of the Land Use Code with the exception of Section 17.07.070.H, which identifies requirements for fences. Council had several concerns about fences that were necessary to explore in more detail and directed staff to further revise the language for fences to address their concerns. Based on the Council's discussion, the language for fences has been amended to address Council's concerns and is attached.

Paragraph 11 has been added to address the issue regarding fences in the front yards of property with frontage along major roadways (Frontage Road, Highway 6 & 50, and Highway 340). Paragraph 12 was added to make it clear that decisions regarding fence permits may be appealed to the City Council.

At the March 8, 2016, Planning Commission public hearing, the Commission recommended approval of changes to Chapter 7 of the Code with the condition that the Council consider all the issues discussed at the Planning Commission hearing. A draft of the minutes to the Planning Commission meeting during which this issue was discussed is attached.

One member of the public was at the Planning Commission public hearing to speak about amendments to the Land Use Code. Included with the Council's information packets is a letter and pictures from Mr. Brouse requesting an amendment to fence regulations to allow a 6-foot tall privacy-fence in the front yards of certain properties. The Planning

Commission discussed Mr. Brouse's concerns, but did not provide a specific recommendation for the City Council on this particular issue.

### **FISCAL IMPACT**

Although the amendments to the Land Use Code regarding fence regulations are not expected to have an immediate fiscal impact, these amendments are intended to clarify the Code, resolve conflicts, and other potential problems which are expected to have an overall positive fiscal impact on the city in the long term.

### **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

One of the current City Council's goals is a commitment to review the Land Use Code to help ensure that the regulations reflect the best promotion of the public health, safety, and welfare. The proposed amendments to resolve conflicts and other potential problems are intended to better promote the public health, safety and welfare.

### **OPTIONS AVAILABLE TO COUNCIL**

1. Approval of Ordinance 2016-06, 1<sup>st</sup> Reading, An Ordinance of the Fruita City Council Approving Amendments to Section 17.07.070.H, Fences, of the Fruita Land Use Code
2. Denial of the proposed Ordinance.
3. Continue the proposed Ordinance to a later date.

### **RECOMMENDATION**

Staff recommends that the City Council move to publish a synopsis of

Ordinance 2016-06, 1<sup>st</sup> Reading, An Ordinance of the Fruita City Council Approving Amendments to Section 17.07.070.H, Fences, of the Fruita Land Use Code

for the City Council public hearing on June 7, 2016.

**Ordinance 2016-06**

**AN ORDINANCE OF THE FRUITA CITY COUNCIL APPROVING AMENDMENTS TO SECTION 17.07.070.H, FENCES, OF THE FRUITA LAND USE CODE**

**WHEREAS**, there is a need to amend Fruita's regulations regarding fences to address several concerns and to clarify requirements, and

**WHEREAS**, the Fruita Planning Commission held a public hearing on March 8, 2016, regarding proposed amendments to Chapter 7 of the Fruita Land Use Code, including Section 17.07.070.H regarding fence requirements, and

**WHEREAS**, a public hearing was held before the Fruita City Council on March 1, 2016, April 7, 2016, May 3, 2016, and June 7, 2016, regarding proposed amendments to fencing requirements in the Fruita Land Use Code.

**NOW THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRUITA COLORADO AS FOLLOWS:**

**SEE ATTACHED LANGUAGE**

(The attached language will be inserted here before recording this Ordinance.)

**PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL, THIS  
\_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

City of Fruita

ATTEST:

\_\_\_\_\_  
Lori Buck, Mayor

\_\_\_\_\_  
City Clerk

PROPOSED CHANGES TO FENCING REQUIREMENTS  
IN THE FRUITA LAND USE CODE

Additions are shown in **red letters**. Deletions are shown in **red-strikeout**.  
Comments/questions which are not intended to be part of the amendments  
are shown in **[red brackets]**.

H. Fences. The purpose of this Section is to ensure fences erected within the city do not impede traffic safety, do not conflict with applicable codes, and impose no deleterious effect on any neighborhood. A Planning Clearance shall be required before erecting, moving or altering a fence in the city. Fences shall conform to the following requirements:

1. No fence shall be erected in such location upon any lot or property in a manner constituting a traffic hazard because of obstruction of view. The City of Fruita Design Criteria and Construction Specifications Manual and the City of Fruita Land Use Code shall be used as the criteria for determining compliance. No fence shall be constructed to within four (4) feet of or prevent access to any fire hydrant, utility pedestal, vault, cabinet, or similar feature.
2. Fences shall be constructed of durable materials, which may include but are not limited to, wire (e.g., chain link), vinyl-coated wire, wrought iron, wood, extruded plastic (e.g., from fence manufacturer), and other materials similar in appearance and durability. Unacceptable materials that are visible to the public include: glass, tires, razor wire, barbed wire and/or concertina wire, junk, and any material that presents a public health or safety hazard.

The prohibition on razor wire, barbed wire, concertina wire and similar wire fences does not apply to the ~~LIndustrial RD~~ zones provided that **there are not** more than three (3) strands **or one (1) coil of barbed wire atop a fence and the fence is located at least five (5) feet from the public right-of-way.** ~~is allowed and~~ The wires are not counted in the height calculation. ~~Similarly, where razor wire is permitted, only one coil of razor wire is allowed atop a fence.~~ Electric and barbed wire fencing is allowed in zones, which allow large animals (such as horses, cows and sheep) only when properly installed and necessary to contain large animals, **and the fence must be located no closer than ten (10) feet to the public right-of-way.**

3. There shall be no fence or wall erected which exceeds six (6) feet in height **as measured from the natural grade (except as permitted in subsection 76 below), as measured from the natural grade, except w**Where the city has approved construction of a retaining wall, the height of the retaining wall shall not be included in the height of the fence. An increase of up to two (2) inches is allowed when spacing for drainage under a fence is needed. ~~The Community Development Director may approve an increase in fence or wall height where a unique feature of the property or a permitted use warrants such an increase and the increase is not detrimental to surrounding public or private properties.~~



4. Except as allowed for corner lots (subsection 5 below), fences in the required front yard setback shall not exceed thirty-six (36) inches in height; however, such fences may be increased to forty-eight (48) inches maximum height if the fence material is at a ratio of not less than half open space to half closed space for every square foot for that part of the fence extending above thirty-six (36) inches in height. Examples of fence types that would typically comply include: chain link, picket, split rail, and similar fences.
5. On corner lots, solid fences up to six (6) feet in height within a street side front yard setback may be permitted ~~only on the one street frontage that does not contain a driveway, and~~ provided the fence ~~conforms to~~ does not encroach into the required clear sight triangle. ~~and is not within ten (10) feet of any driveway (driveways both on and off the subject property) when the fence is less than 10 (ten) feet from the public sidewalk or edge of pavement where no sidewalk exists.~~ [Some driveways in the older parts of the city are right against a property line, and neighbors constructing fences on adjacent property could create a clear sight for traffic problem. This section was added to help resolve this issue. For new construction, driveways are required to be at least five feet from property lines.]
6. Fences in excess of six (6) feet shall comply with applicable building codes and all required setbacks for primary buildings, as applicable. Fences in ~~LRD~~ zones may exceed six (6) feet as provided for in subsection ~~32~~ above.
7. Fences in zones which permit a zero building setback must meet design standard requirements of Chapter 11 of this Title.
8. A gated fence across a driveway must be designed so that the longest vehicle using the driveway can completely clear the traveled way of the public street when the gate is closed. [This was copied directly from the Fruita Engineering Design Criteria and Construction Specifications Manual.]
89. Where a fence is proposed in conjunction with a development or change in use, the location, height, materials, and detailing of the fence may be subject to other requirements or limitations to ensure consistency with the purposes of this Title, ~~compatibility with adjacent properties (Section 17.07.080), and other applicable standards (e.g., City of Fruita Design Criteria and Construction Specifications, Building Codes, and Colorado Department of Transportation or Mesa County standards, as applicable in Fruita).~~
910. All fences shall be properly maintained by the owner so as to not become a public nuisance or hazard.
11. For properties fronting on major arterial roadways as identified in the Fruita Master Plan, ~~up to fifty percent (50%) of the front property line along the roadway is permitted to be fenced as long as the fence does not encroach into the clear site~~

~~triangle ing is at least twenty (20) feet from all driveways (driveways both on and near the property where the fence is to be constructed).~~ [Major arterial roadways currently include the following: Frontage Road, Highway 6 & 50, and Highway 340.

12. Any appeal of the City Manager's decision on a fence permit shall be made to the City Council as provided in Section 17.05.060 of this Title.

Daryl Brouse  
612 I-70 Frontage Road  
Fruita, Colorado 81521  
June 6, 2015

Dahna Raugh  
Community Development Director  
City of Fruita  
325 E. Aspen, STE155  
Fruita, Colorado 81521

Dear Dahna Raugh

I would like to request a change b made in Rules and Regulations for Fences. As more amenities are added to the City of Fruita, sometimes those amenities cause another effect on the current set of rules. Case in point, the Rules and Regulations state no privacy fences are to be built in front yards of home. Attached is a picture of our view from the back yard of our home where we like to sit in the early morning and evenings. Before the pedestrian and bike path was built we could do that without very many people looking in on us. Now with greatly increased number of users, which I support and glad to see the path being used, we do not have that privacy now that we once had.

My request would be to change the Rules & Regulation so that we could have some of the front fence line be replaced with a six foot white privacy fence and a gate at the east end so to have access to ditch sump. The fence material would match existing back fence of property and also would match the fence used along path at the Stone Mountain Sub-Division. Then the balance of the fence line would be built using white two rail thirty-six inch high rail fence. This shorter height fence will be used primarily from the driveway entrance pass the front face of our house. The shorter fence has to be used to provide safety for those using the path. Please look at the pictures for clarification of the above written statement.

Sincerely,



Daryl Brouse  
Home Owner





Two rail white fence in front of house



Install gate for Sump Access

Louis Brackett- I second.

Mike Joseph- We have a motion and a second.

6 yes votes to deny; motion passes.

Application #: 2016-01  
 Applicant: City of Fruita  
 Application Name: Amendment to Chapter 7 of the Land Use Code  
 Application Type: Amendment  
 Description: This is a request to amend Chapter 7, Zoning Uses & General Requirements

Dahna Raugh- Staff is the applicant on this one. Would you like me to go over all the changes that I have addressed in the staff report or would you like to go ahead and start asking questions.

\*\*There was a discussion about the fence requirements. No big changes to the fence requirements but we did have a letter from Daryl Brouse (612 I-70 Frontage). He has some special circumstances with his property and would like to be heard about it. Mike Joseph feels that there is really no way to write the code to allow for Mr. Brouse to have a fence in his front yard. There was some discussion about the pictures that were provided to the Planning Commission that show Mr. Brouse's property and where his issue is with why he wants to have a fence in his front yard.

- Mr. Brouse's home has 3 lot lines and the front yard is adjacent to the new pedestrian trail along the I-70 Frontage, which takes away a lot of the homes privacy.

\*\*Planning Commission decided to review the Chapter 7 by pages. So for the purpose of minutes, there will be bullet points regarding the page numbers that were talked about.

Page 12 and 13

- Needs to be alphabetized

Page 13 and 14

- There is no difference in the Industrial uses when it comes to Indoor and Outdoor Storage. It needs to be either all indoors or all outdoors.

Page 24

- Accessory dwelling units were discussed if someone were to buy 2 lots next to each other and you have a house on one and want to put an accessory dwelling unit on the other then we would have them fill out a Lot Combining Form, which is a recorded document, which states that the 2 lots act as one.

Page 27

- #5, Solid fences on corner lots. The fence needs to be 10 feet from any driveway, and has to be 10 feet or more away from any public sidewalk. You can put a privacy fence on your secondary front yard.

- Dahna gave some examples about how different lots are oriented and how the new language will apply.

**\*\*Some discussion about residential landscaping about the requirement to have 1 tree planted in the front yard within 6 months of the issuance of the Certificate of Occupancy.**

Page 29

- Storage in residential yards. 17.07.070 (K)
- Mike Joseph has some concerns about the regulations for storage in the front yards of residential zones. (see page 28 and 29 17.07.070 (K)). Mike is concerned about the keeping of almost anything in the front yard, especially building materials and parts of vehicles. Mike doesn't want the changes requested and would like it to be kept so that it can be enforced.
- After taking this language around to Staff and to a City Council Workshop, this is the language that we have come up with. If the Planning Commission would like to make recommendations, Staff are all for it.
- Janet Brazfield said that she doesn't have a problem with having storage in a residential zone but only if it is behind a fence of some kind so it cannot be seen from the right-of-way.
- Planning Commission made a suggestion to separate out vehicle storage from the storage of building materials and vehicle parts.
- Mike Joseph mentioned that adopting the new language under section 17.07.070 (K) would take away a tool that the City has to enforce storage issues.

Page 31

- Large vehicles or heavy equipment stored on smaller residential lots.
- Dahna talked about how the new rule will help home occupations with having some large vehicles and some heavy equipment to be kept on their property when they need it.

Page 45

- 17.070.090 (C) allows a use that was legally established to continue to be used without any unnecessary burden if something were to happen to the use that limited or stopped the use entirely. For example, if an industrial use in the downtown mixed-use zone were to burn down, the property owners could rebuild and continue the use without a Conditional Use Permit. However, any expansion or significant changes were to occur. A Conditional Use Permit would then be required.

Dave Karisny- Mr. Chair, I move that we approve the review of Chapter 7 of the Land Use Code and direct the Planning Director to share what has been discussed and reconsider what has been discussed by the Planning Commission. Particularly section 17.07.070 (K).

Louis Brackett- I second.

6 yes votes; motion passes.



Councilor Bonar said he was trying to establish that the circumstances for this property have not established the requisite parameters to be grandfathered, so allowing the applicant to withdraw the application for a Conditional Use Permit makes no commitment towards the use of this property for the next person who leases the building; they are going to have to go through the same process with the same rules. He said he didn't think the Council was in danger of setting a precedent by allowing the applicant to withdraw.

Councilor Mascarenas said she was curious about the adjacent properties and whether they have Conditional Use Permits. Mrs. Raugh responded that some of them do, and some are grandfathered in. She said that Wildcat Rentals is not an industrial service; it's a retail/rental service business, which is permitted in the Downtown Mixed Use Zone without a Conditional Use Permit.

Mayor Buck asked Mr. Strand if he wanted to withdraw his Conditional Use Permit application or if he wanted to let it ride. Mr. Strand responded that he didn't imagine he would get his \$575 back, so this was a good question.

Mayor Buck pointed out that the City had to put in a lot of staff hours on the request and the purpose of the fee is to cover the extra staff hours.

Mr. Strand said it made no difference to him; he didn't choose to withdraw, he just won't further push the application.

Councilor Bonar asked Mr. Strand to withdraw the application so that the Council did not have to make a motion to deny the request.

Mr. Strand said he guessed he would withdraw, then.

Mayor Buck thanked Mr. Strand for attending the meeting and wished him luck in his new space. Councilor Mascarenas thanked him as well.

## **2) ORDINANCE 2016-04 – SECOND READING – A REQUEST TO APPROVE AN ORDINANCE AMENDING CHAPTER 17.07 OF THE FRUITA LAND USE CODE CONCERNING ZONING – USES AND GENERAL REQUIREMENTS**

Community Development Director Dahna Raugh gave staff's presentation. She stated that the Ordinance contained many amendments to Chapter 07 of the Land Use Code, which is the section that deals with all the different zones, what uses are permitted in the zones, density, dimensional standards and all supplemental standards that apply to various uses.

Mrs. Raugh went over the major changes in the Land Use Code. The first change is to remove the Tourist Commercial Zone and change all of it to General Commercial Zone. She explained that these two zones are so much the same out of the 159 different land uses, there are only 17 differences and most of those are related to Conditional Use Permits. The setbacks are almost exactly alike and staff can't even identify any non-conforming things that would result.

Another change is to remove the River Corridor Zone. There is only one of these zones in the City of Fruita that was established about five or six years ago. It is the area next to the old sewer lagoons. It is publicly owned for a trail that could easily be rezoned Community Services and Recreation, which is what all of the public lands in Fruita are zoned.

Another recommended change is changing the name of Fruita's Industrial Zone. There is one Industrial Zone called "Limited Industrial and Research and Development," and since Fruita accepts all kinds of industrial because its zoning code has the same industrial land uses permitted anywhere pretty much anywhere in the United States. The businesses that are stinky, dirty, smoky or otherwise objectionable are the uses that would require Conditional Use Permits, so the Council still has the ability to deny certain land uses if they are incompatible with the City of Fruita overall. Thus, staff is recommending that the name "Limited Industrial and Research and Development" be changed to just "Industrial." Mrs. Raugh said this would result in less confusion now and in the future.

Mrs. Raugh stated that in Table F of Section 07.060, it looks like there are many changes there, but basically what staff is trying to do is alphabetize it to make it match Chapter 4, which describes what all the different uses are. She explained that this is mostly just clarification and not any big changes with the exception of the Downtown Mixed Use Zone.

Mrs. Raugh continued that when the Master Plan was updated in 2008 and the Land Use Code was amended to implement the Master Plan in 2009, there was a concern for the strip of Grand Avenue because in the late 1970s, it was zoned industrial. A little bit of industrial happened there and the City quickly realized that this was a problem because the industrial zone only lasted about a year or two and then went to General Commercial and then it landed on Downtown Mixed Use. Up until 2009, the Downtown Mixed Use zone didn't allow any industrial service-type businesses even though there were lots of them there grandfathered in.

In 2009, the Land Use Code was amended to put the Conditional Use Permit back in, hoping that the City would have some businesses that could be compatible with the area, but staff is finding that to be a problem (as was just witnessed with the Helsinki Customs and Repair application). Staff is recommending that the Conditional Use be removed again, especially considering that the area is zoned Downtown Mixed Use and the problems that are occurring there could spread throughout the Downtown Mixed Use zone and cause an even bigger problem.

Mrs. Raugh continued that in the Density and Dimensional Standards table, it reflects the removal of the Tourist Commercial and River Corridor Zones. The only other change there is to increase lot coverage in the Community Residential Zone by 5% because it is becoming evident that there are some people that can't even get a shed on their property. The 5% extra will help with this issue.

Staff is also making some changes in the Downtown Mixed Use, Community Mixed Use and General Commercial Zones so that they are not conflicting with Chapter 11 (Design Standards) regarding setbacks and things like that. In the Supplemental Zoning Standards for Home Occupations, staff recommends adding businesses that are absolutely not permitted as Home Occupations such as things that create biohazard waste (dentists, doctors and tattoo parlors, etc.) and also other Home Occupations that just don't meet the standards.

Mrs. Raugh said that under the Supplemental Standards Section G, (the section that provides exceptions to height limits for things like church spires and flagpoles), the existing code is a bit confusing and there are no limits on certain things which staff thinks there should be. There is always the variance option if someone wants something much higher.

There are also some changes to Section F regarding fences. Mrs. Raugh said that staff has talked to the Council on more than one occasion regarding amendments to the code and specifically, fences. She continued that at the last Council workshop session, fences were discussed quite a bit and staff has been struggling with how to amend the code such that any issue that comes up regarding fences can be dealt with somehow, including very unique situations. She said that one of the options that was discussed is to have new language dealing with exceptions; not necessarily exceptions that rise to the level of a variance and would go to the Board of Adjustment, but perhaps something of a lesser standard. Mrs. Raugh stated that staff is still very much struggling with that, so the same language that was seen at the workshop was in the proposed Ordinance. She added that if the Council believes that this language needs to be amended to have some sort of a middle level exception, staff recommends that the changes to the Land Use Code be approved with the exception of the section regarding fences and that the Council allow that portion to be continued for one month. There would then be another Ordinance that would go before the Council that would deal specifically with that one section and another section that has the same kind of issue: Section K that deals with Storage of Vehicles on residential and agricultural properties.

Mrs. Raugh continued that the language that was in front of the Council was very similar to what was at the Council workshop. She noted that in Section K (Page 28), paragraph 1 of the Supplemental Standards, there was a typographical error that staff would correct (tracks, not tracts). She also stated that in paragraph 2, there is a line that says, "similar items may be stored on property used mainly for residential purposes as long as the storage is at least ten (10) feet from the *property lines abutting* public right-of-way," and that the words "*property lines abutting*" can be deleted because they don't seem to add any clarification.

Mrs. Raugh stated that on the next page (29 of the Ordinance) in Item 3, staff had taken out the word "non farm" to try to clarify that people cannot have more than one "non farm" vehicle not having current license plates, but staff was now recommending to leave in the word "non farm." On Item 4, staff had added the words "used mainly for agricultural purposes," but now staff wanted to remove those words.

Mrs. Raugh said these were the four changes that staff was recommending to this Section and she was hoping it would resolve any concerns Council has, but if it doesn't, staff is recommending that the Section be removed for now and moved to the next Council meeting for further discussion.

Councilor Kincaid asked for clarification about whether the word "non farm" would be left in or not because it was crossed out in the proposed Ordinance. Councilor Bonar explained that the word would not be changed; it would be left in.

Mr. Bennett stated that in Section K, if the Council was comfortable, there were four changes staff was recommending that weren't included in the packet that the Council had in front of them. He listed these as:

- The type-o in Section K 1 regarding tracks
- In Section K(2), staff would like to remove the words “the property lines abutting” (this was covered in the workshop, but was not removed as it should have been before the Council packet went out)
- In Section K(3), staff would like to keep the word “non farm” in the language so that it would fit in with the workshop discussion regarding “project vehicles”
- In Section K(4), staff would like to remove the words “used mainly for agricultural purposes”

Mr. Bennett continued that in Section H concerning fences, staff believes they can figure out a way to put something in the language that would allow for unique situations such as the property along Highway 6 & 50 where their front yard by definition is really kind of a side/backyard, even though there are not a lot of properties that fall into this type of category.

Mr. Bennett said that the Council could approve the Ordinance with those changes included in the motion and then at the April 19<sup>th</sup> Council meeting, staff could bring the language to add into Section H (concerning fences).

Councilor Bonar said he was fine with all of the changes to Section K. He continued that with the discussion on exception language in Section H (fences), he would point out that when the Council revised the Sign Code, appeals of staff decisions in the Sign Code now go to the City Council and not the Board of Adjustment, so this could be another situation where there could be language that says that exceptions can be granted or denied by the staff and that those specific decisions could be appealed to the City Council rather than the Board of Adjustment.

Councilor Bonar continued that a follow-up question would be that if the Council was okay with that, do they approve Section H as it stands with direction to staff to bring an amendment that adds that language or does the Council want to pull Section H from the proposed Ordinance and consider that section at a completely different meeting with a new Ordinance?

Councilor Kincaid said he would prefer to pull Section H and Councilor Mulder agreed.

Mrs. Raugh continued with staff's presentation. She said that in 2009 when the Land Use Code was revised, this was the first time the City adopted a procedure for temporary uses. She noted that this has been tested and the changes reflect the way that it is actually working.

Mrs. Raugh said there was also a drastic change to the existing section on outdoor lights. The lighting standards were causing a lot of problems for developers because the code didn't address LED lights and other types of new lighting technology, so now the code will base the lighting standards on an overall lumen count. Staff has actually been using this and has found that it is working pretty well.

Mrs. Raugh said that staff also tried to clarify information regarding legal non-conforming uses.

At the March 8, 2016 Planning Commission public hearing, the Commission recommended approval of all of the changes to the code with the condition that the Council consider all the issues discussed by the Planning Commission at the public hearing. Just like the City Council, their

biggest concerns were fences and the storage of motor vehicles on residential and agricultural properties. Mrs. Raugh stated that the Council had the Planning Commission minutes in their Council packets.

Mrs. Raugh stated that there was one member of the public at the Planning Commission meeting to speak out about amendments; it was a Mr. Browse, who has a triangle-shaped piece of property and would like to have the ability to have a fence in what is technically the front yard. The Planning Commission did not make any specific recommendation regarding fences or Mr. Browse's particular issue. There were no other public comments received by the Community Development Department.

This concluded Mrs. Raugh's presentation.

Mayor Buck asked how Mr. Browse's fence was being handled; she asked if he had to wait until the code was amended before moving forward. Mrs. Raugh responded that staff had a problem with what was the Land Use Code says and cannot make approval based on guessing what the City Council may or may not do. Mayor Buck said that the Council was working on it and will get it fixed as soon they possibly can.

Mayor Buck opened up Ordinance 2016-04 to a public hearing.

Mr. Daryl Browse stated that he lives on the frontage road and that it's been a pleasure to be there ever since the property has been in existence. He continued that when he built the place, there was a lot of discussion about how the house had to be set. He said that he ended up setting it the best way that everyone thought was the proper position and everything was fine until he started getting an influx in traffic from the new pedestrian path.

Mr. Browse continued that he is in support of the pedestrian path all the way and thinks it is something that is needed, but what it happening is that it has basically opened up his backyard and eliminated all his privacy. He said he has been working with the Planning Department to get a fence put up.

Mr. Browse said he was very concerned about protecting his safety, so he didn't want the house blocked with a high fence, nor does he want the driveway blocked. He said he's already had to cut weeds down to back out of the driveway and bicycles do go through there, which is fine, but he doesn't want any obstructions there. He said he wanted the fence further east on his property where he can sit in his backyard and not have to look at everybody and have them and their dogs getting in his yard.

Mayor Buck said she could relate to Mr. Browse's situation 100%.

Mr. Browse added that trash is now coming into his yard and it just would be nice to have a little bit of privacy back there and he just wanted to get it resolved.

Mr. Ray Ricker, 2415 Red Ranch Road in Grand Junction, stated that he represented the owners of the 25 acres west of the bicycle/pedestrian trail and they were looking at possibly doing an RV park

just west of the floodplain, which is not allowed in the City's Industrial zones. He said that perhaps in the Land Use Code, the City could allow a Conditional Use Permit for an RV park. Mr. Ricker said all of the properties there are either on the floodway or floodplain.

City Manager Mike Bennett said that if he understood correctly, where Mr. Ricker would like to do an RV park is in the Industrial zone and the Land Use Code does not allow for these types of uses. He continued that the request to the Council would be to add in a Conditional Use Permit in the Industrial Zone.

Mr. Bennett said that currently, Fruita's Industrial zone does not have a lot of industrial facilities, but eventually in time, there could be factories and other types of things that fit the Industrial Zone that might not be the best neighbor to a camping spot. He said that if the Council were to approve Conditional Use Permits in this zone, the applicant would need to be made fully aware of potential industrial uses in the future.

Mr. Bennett continued that the zoning of the Industrial area was consciously thought out; it goes between the highway and the interstate and moves west and that staff can see this area being built-out over time. He said the area being discussed would need to have infrastructure brought in for industrial to be built (the PabCo area would likely develop first) but that the Council needed to keep in mind that this is an Industrial Zone. Mr. Bennett said if the Council wanted to add the option for Conditional Use Permits in this zone, at least there would be the ability to give notice to any particular applicant that industrial uses could appear later on.

Councilor Bonar said he thought this would be okay, particularly if in the stipulation of a Conditional Use Permit, it establishes that the industrial zone cannot be used to deny compatibility to industrial use. He said he was trying to figure out where in 17.07.060(F) that should go and if it should say that RV parks are permitted as a Conditional Use in an Industrial Zone.

Mrs. Raugh responded that she would actually be amending the Land Use/Zoning Table to add a "C" (allowed by Conditional Use Permit only) in the table next to the category "Campgrounds & Recreational Vehicle Parks" if the Council decided it was okay to allow this.

Councilor Harvey said he thought it was a good idea and Councilor Mascarenas agreed.

Mayor Buck asked if anyone else wished to speak about the proposed changes to Chapter 17.07 of the Land Use Code. Hearing none, she closed the public hearing and referred back to the Council.

**• COUNCILOR BONAR MOVED TO APPROVE ORDINANCE 2016-04 – AMENDING CHAPTER 17.07 OF THE FRUITA LAND USE CODE AS PRESENTED WITH THE FOLLOWING CHANGES:**

- 1. THAT SECTION 17.07.070(H) – THE FENCE SECTION – BE REMOVED AND STAFF BE INSTRUCTED TO CRAFT LANGUAGE ABOUT EXCEPTIONS FOR EXCEPTIONAL CONDITIONS AND PRESENT THAT AS AN ORDINANCE AMENDING SECTION (H) AT THE COUNCIL MEETING IN ONE MONTH**

2. **THAT THE TABLE IN SECTION 17.07.060(F) BE AMENDED TO PERMIT AN RV PARK IN INDUSTRIAL ZONE AS A CONDITIONAL USE PERMIT**
3. **IN SECTION 17.07.070(K)(1), THE WORD “TRACTS” SHOULD BE SPELLED “TRACKS”**
4. **IN SECTION 17.07.070(K)(2), REMOVE THE WORDS, “THE PROPERTY LINES ABUTTING”**
5. **IN SECTION 17.07.070(K)(3), RESTORE THE WORDS, “NON FARM”**
6. **IN SECTION 17.07.070(K)(4), REMOVE THE WORDS, “USED MAINLY FOR AGRICULTURAL PURPOSES.”**

**COUNCILOR HARVEY SECONDED THE MOTION. THERE WERE FIVE YES VOTES.**

## **8. ADMINISTRATIVE AGENDA**

There were no Administrative agenda items on the agenda.

## **9. CITY MANAGER’S REPORT**

Mr. Bennett said he wanted to make sure the Council was aware that the Municipal Court Judge interviews were scheduled for Monday, April 11<sup>th</sup> from 6:00 to 8:30 p.m. and that the successful City Council candidates will also be invited.

Mr. Bennett continued that on Thursday, April 14<sup>th</sup>, the City will be hosting an Open House at the Fruita Community Center at 5:30 p.m. to discuss plans on the Kokopelli section of the Riverfront Trail. Letters are being sent to property owners that are along that trail to make sure that they are aware of the meeting. Staff did meet with the Mr. and Mrs. Bittle earlier that day and told them of the plans, with which they are okay.

On Friday, April 15<sup>th</sup>, there will be another Open House to gather feedback on improvements to Reed Park. The City was unsuccessful with a grant request for those improvements last year, and staff wants to get more feedback before pursuing future grant opportunities. To make it fun, at 7:00 p.m. following the meeting, there will be a “Movie in the Park” (Open Season 3).

Mr. Bennett said that for the Reed Park meeting, staff will hand out a very simple one-page questionnaire for people to fill out with their feedback. It also gives them the opportunity to draw something if they like, but it has a few questions about the desired types of amenities.

Mr. Bennett also mentioned that staff heard some good news on the grant application for the Kokopelli Trail section; the City of Fruita did make it through the first round through the Great Outdoors Colorado (GOCO) with the concept paper, so the City has been invited to submit a final project. He said that the odds of getting the grant award are better than most of the time, so staff is hopefully looking forward to being successful.



## AGENDA ITEM COVER SHEET

---

**TO: FRUITA CITY COUNCIL AND MAYOR**  
**FROM: MARGARET SELL, CITY CLERK/FINANCE DIRECTOR**  
**DATE: MAY 3, 2016**  
**RE: PRESENTATION AND DISCUSSION OF THE 2015 FINANCIAL STATEMENTS AND OTHER RELEVANT INFORMATION**

### **BACKGROUND**

The field work and audit of the City's 2015 Financial Statements by the City's auditors (Dalby, Wendland and Co.) has been completed. An overview of the City's financial condition and 2015 Financial Statements will be presented to the Council. This overview is intended to provide information on the City's financial condition and a framework for upcoming discussions regarding the development of future goals for the city and 2017 budget process. The auditors are scheduled to present their findings to the City Council on June 21 and the financial statements will be scheduled for approval at that time.



# CITY OF FRUITA

## 2015 FINANCIAL STATEMENTS

We are each gifted in an important way.  
It is our privilege and our adventure  
to discover our own special light.  
~Mary Dunbar~

Photo Courtesy of: Wendy Huston

*Honor the Past ~ Envision the Future*

325 East Aspen, Suite 155 Fruita, Colorado 81521

City of Fruita  
**General Purpose Financial Statements**  
Fiscal Year Ended December 31, 2015

**TABLE OF CONTENTS**

---

	Page
<b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS</b> .....	iii
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b> .....	1
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Position .....	23
Statement of Activities .....	24
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	27
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	28
Statement of Net Position - Proprietary Funds.....	29
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	30
Statement of Cash Flows - Proprietary Funds.....	31
Statement of Fiduciary Net Position.....	33
Statement of Changes in Fiduciary Net Position .....	34
<b>NOTES TO FINANCIAL STATEMENTS</b> .....	37
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual –	
General Fund .....	67
Capital Projects Fund.....	68
Community Center Fund .....	69
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Debt Service Fund .....	73
Combining Balance Sheet - Nonmajor Governmental Funds .....	74
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual –	
Sewer Fund .....	76

City of Fruita  
**General Purpose Financial Statements**  
Fiscal Year Ended December 31, 2015

**TABLE OF CONTENTS (continued)**

---

Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual (continued)	
Trash Fund .....	77
Devils Canyon Center Fund .....	78
Irrigation Water Fund.....	79
Fleet Maintenance Fund .....	80
Schedule of Receipts and Expenditures for Roads, Bridges and Streets .....	81

# 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, 2015. Please read this in conjunction with the financial statements.*

## FINANCIAL HIGHLIGHTS

---

- ✦ At year end, the city's net position was \$82.9 million. Of this amount, 14% (\$11.7 million) represents unrestricted net position, which may be used to meet the city's ongoing obligations to the community. The city's unrestricted net position decreased 2% from the prior year. The unrestricted net position of governmental activities decreased 1% and business-type activities decreased 3%.
- ✦ Total fund balances of the General Fund of \$6.8 million reflect a decrease of 4.7% (\$335,314). The unassigned fund balance of the General Fund of \$1.6 million decreased 27% (\$580,258) from the prior year. The assigned fund balance of the General Fund increased 9% (\$260,815) and represents increases in amounts assigned for future capital projects and vehicle and equipment replacement reserves.
- ✦ The budget for the General Fund had a positive variance of \$1 million. Actual expenses accounted for 76% of this variance and were under budgeted amounts by \$751,047. Changes in other in other financing sources and uses make up the remaining 24% of the positive variance of \$238,862.
- ✦ City sales tax revenues decreased 7% in 2015 from the prior year negatively affecting the both the General Fund and Community Center Fund.
- ✦ The Fruita Community Center Fund had a positive addition to fund balances of \$60,951 in 2015. The decrease in sales and use tax revenues of 7% (\$77,044) was offset to some extent by a 5% increase in charges for services and other revenues. Expenses increased 3% (\$44,049) from the prior year and reflect costs associated with increased usage and expanded programming at the Fruita Community Center.
- ✦ The city invested \$3.6 million in capital projects and equipment in 2015. This includes \$3.3 million in governmental funds and \$236,715 in proprietary funds.
- ✦ The city retired \$699,498 in debt in 2015 which included \$57,577 in governmental funds and \$641,521 in proprietary funds.
- ✦ The net position of the Sewer Fund decreased 2% (\$481,943) and the unrestricted net position decreased 47% (\$1.6 million) primarily due to the restriction of \$1.35 million for future capital projects and equipment replacement.

# Management's Discussion and Analysis

## 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 of 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 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

# Management's Discussion and Analysis

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. 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

# Management's Discussion and Analysis

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.

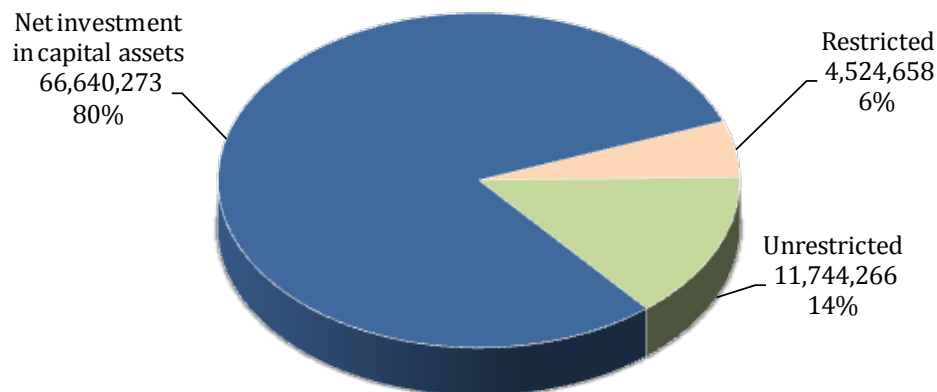
# Management's Discussion and Analysis

## 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 following table presents an analysis of the city's net position as of December 31, 2015. The city's assets exceeded its liabilities and deferred infollow of resources by \$83 million at the close of the current fiscal year.

CITY OF FRUITA NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
Current and other assets	\$ 14,040,223	\$ 14,377,610	\$ 5,560,120	\$ 5,622,948	\$ 19,600,343	\$ 20,000,558
Capital assets	58,421,184	56,792,197	40,938,255	41,972,696	99,359,439	98,764,893
Total assets	72,461,407	71,169,807	46,498,375	47,595,644	118,959,782	118,765,451
<b>LIABILITIES</b>						
Current and other liabilities	1,788,720	1,955,744	1,145,230	1,061,299	2,933,950	3,017,043
Long term liabilities	12,516,649	12,585,011	19,502,486	20,182,632	32,019,135	32,767,643
Total liabilities	14,305,369	14,540,755	20,647,716	21,243,931	34,953,085	35,784,686
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>						
	1,097,500	1,065,067	-	-	1,097,500	1,065,067
<b>NET POSITION</b>						
Net investment in capital assets	45,834,504	44,147,539	20,805,769	21,198,688	66,640,273	65,346,227
Restricted	3,702,459	3,807,960	822,199	809,981	4,524,658	4,617,941
Unrestricted	7,521,575	7,608,486	4,222,691	4,343,044	11,744,266	11,951,530
<b>TOTAL NET POSITION</b>	<b>\$ 57,058,538</b>	<b>\$ 55,563,985</b>	<b>\$ 25,850,659</b>	<b>\$ 26,351,713</b>	<b>\$ 82,909,197</b>	<b>\$ 81,915,698</b>

### Net Position - \$83 million





# Management's Discussion and Analysis

The largest portion of the city's net position (80%) reflect its investment of \$66.6 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, 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.

An additional portion of the city's net position of \$4.5 million (6%) represents resources that are subject to restrictions on how they may be used. The remaining balance of \$11.7 million (14%) is unrestricted and may be used to meet the city's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the city is able to report 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. Net investment in capital assets increased \$1.3 million (2%) from the prior year. The three most significant capital projects contributing to this increase in 2015 included the City Shop Expansion project (\$1.3 million), Ottley Avenue Infrastructure Improvement Project (\$771,510) and the Downtown Streetscape Improvement Project (\$482,145). Restricted assets of \$4.5 million decreased 2% (\$93,283) from the prior year. Unrestricted assets of \$11.7 million decreased 2% (\$207,264) from the prior year.

The above amounts for restricted and unrestricted net position for 2014 have been restated in this comparative analysis to accurately reflect the reclassification of certain components of net assets and provide an accurate comparison between the current and prior year. This reclassification does not have an affect on the total net position.

## **Analysis of Changes in Net Position**

The following table shows changes in net position for 2014 and 2015. The city's overall net position increased \$1 million, or 1%, from the prior fiscal year. This increase is explained in the governmental and business-type activities discussion following the table.

# Management's Discussion and Analysis

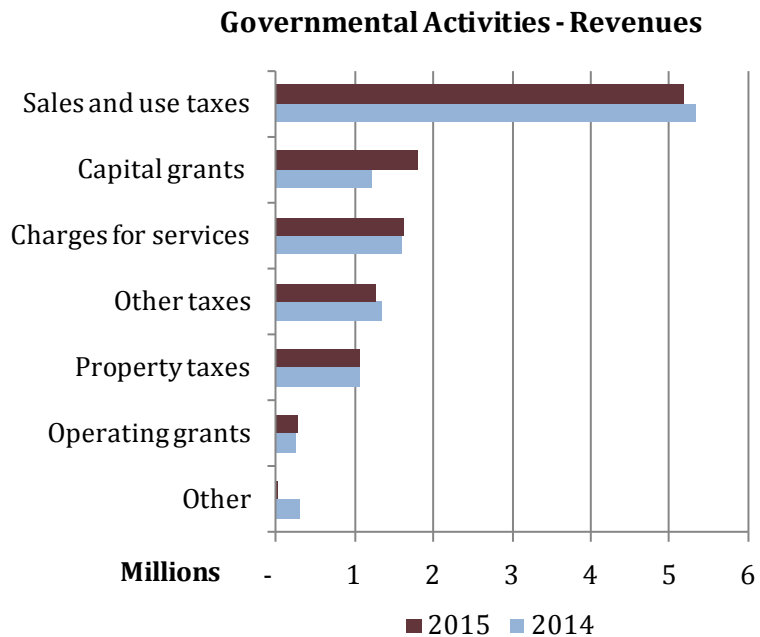
## CHANGES IN NET POSITION

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>						
<u>Program revenues</u>						
Charges for services	\$ 1,613,287	\$ 1,607,105	\$ 3,985,668	\$ 4,026,073	\$ 5,598,955	\$ 5,633,178
Operating grants and contributions	272,735	264,085	-	-	272,735	264,085
Capital grants and contributions	1,792,382	1,225,961	-	-	1,792,382	1,225,961
<u>General revenues:</u>						
Property taxes	1,062,935	1,078,635	-	-	1,062,935	1,078,635
Sales and use taxes	5,162,104	5,327,496	-	-	5,162,104	5,327,496
Other taxes	1,272,029	1,350,023	-	-	1,272,029	1,350,023
Other	31,099	317,746	5,998	6,382	37,097	324,128
Total revenues	<u>11,206,571</u>	<u>11,171,051</u>	<u>3,991,666</u>	<u>4,032,455</u>	<u>15,198,237</u>	<u>15,203,506</u>
<b>Expenses:</b>						
General government	1,877,459	2,039,997	-	-	1,877,459	2,039,997
Marking and promotion	105,152	104,202	-	-	105,152	104,202
Parks and recreation	3,014,137	2,977,080	-	-	3,014,137	2,977,080
Public works	2,376,046	2,264,871	-	-	2,376,046	2,264,871
Public safety	2,277,057	2,171,274	-	-	2,277,057	2,171,274
Interest on long-term debt	901,477	902,973	-	-	901,477	902,973
Sewer	-	-	2,894,941	2,891,766	2,894,941	2,891,766
Trash	-	-	634,266	614,323	634,266	614,323
Devils Canyon Center	-	-	39,252	65,463	39,252	65,463
Irrigation water	-	-	84,951	103,593	84,951	103,593
Total expenses	<u>10,551,328</u>	<u>10,460,397</u>	<u>3,653,410</u>	<u>3,675,145</u>	<u>14,204,738</u>	<u>14,135,542</u>
Increase (decrease) in net position before transfers	655,243	710,654	338,256	357,310	993,499	1,067,964
Transfers	839,310	465,687	(839,310)	(465,687)	-	-
Increase (decrease) in net position	1,494,553	1,176,341	(501,054)	(108,377)	993,499	1,067,964
Net position - beginning	<u>55,563,985</u>	<u>54,387,644</u>	<u>26,351,713</u>	<u>26,460,090</u>	<u>81,915,698</u>	<u>80,847,734</u>
Net position - ending	<u>\$57,058,538</u>	<u>\$55,563,985</u>	<u>\$25,850,659</u>	<u>\$26,351,713</u>	<u>\$82,909,197</u>	<u>\$81,915,698</u>

# Management's Discussion and Analysis

**Governmental Activities.** During the current fiscal year, net position for governmental activities of \$57 million reflect an increase of \$1.5 million (2.7%) from the prior fiscal year. This increase compares favorably to the \$1.1 million (2.0%) increase from 2013 to 2014. Revenues exceeded expenses by \$655,243 before transfers in from business-type activities of \$839,310.

Revenues in 2015 of \$11.20 million remained relatively flat compared to the prior year revenues of \$11.17 million for a total increase of \$35,520 (0.3%). While overall revenues saw little change, there were significant increases in program revenues which were offset by significant decreases in general revenues. An explanation of these changes follows:



Program specific revenues increased \$581,253 (19%) from the prior year with \$566,421 of this increase (96%) generated from capital grants and contributions. Capital grants and contributions vary from year to year based on capital projects constructed during the year. In 2015, this \$566,421 increase was primarily due to two factors:

- Acceptance by the city of public improvements from subdivision development and use of development impact fees for capital projects- \$390,246, and
- An increase of \$176,175 in grants awarded for specific capital projects in 2015.

General revenues decreased \$545,733 (6.8%) from the prior year. This decrease in general revenues is a result of the following three factors:

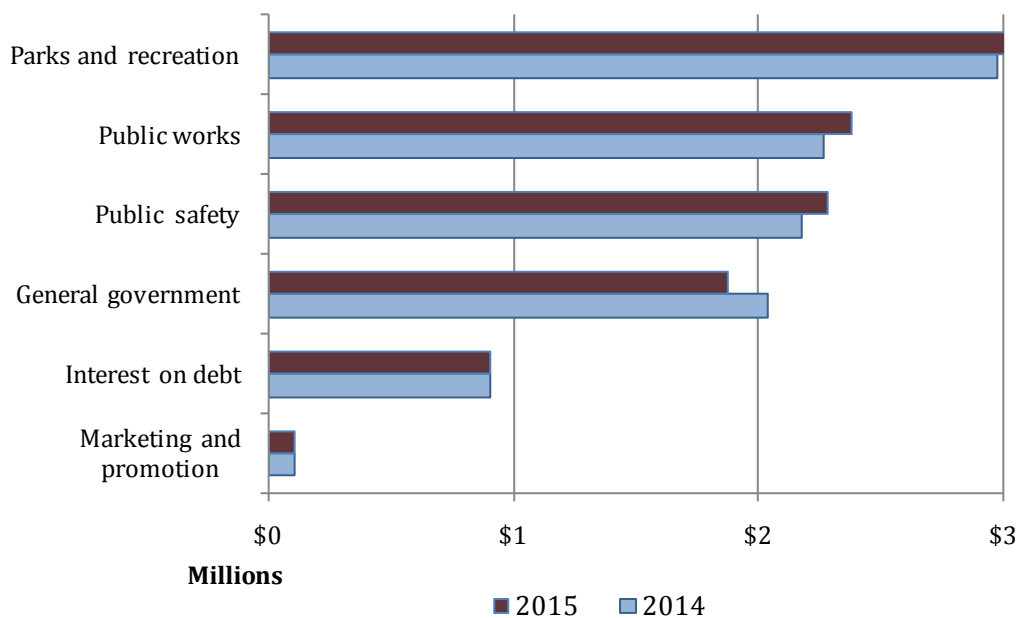
- Other revenues represent \$286,647 (53%) of this decrease. The city had some extraordinary revenues in 2014 including the sale of mountain water land and health insurance rebates which did not recur in 2015.
- City sales and use tax revenues decreased \$165,392 from the prior year and represents 30% of the overall decrease in general revenues. This decrease in

# Management's Discussion and Analysis

sales and use tax revenue is largely attributable the continuing decline in the oil and gas industry.

- Other taxes represent \$77,994 (14%) of the decrease from the prior year. This decrease is due to a reduction in severance and mineral lease tax revenues, once again due to the decline in the oil and gas industry, and a reduction in franchise fees which are based on a percentage or revenues on gas, electricity and cable television services.

**Governmental Activities - Expense Comparison**

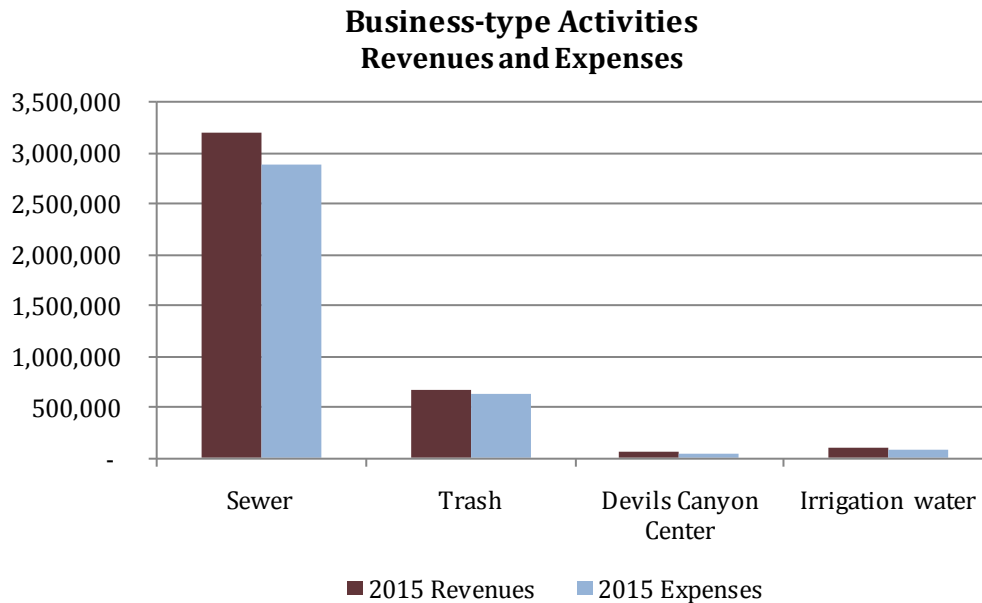


Expenses in 2015 of \$10.6 million increased \$90,931 (1%) from 2014 expenses of \$10.5 million. The 2014 expenses have been restated in this comparative analysis to accurately reflect the reclassification of certain components of expenses and provide an accurate comparison between the current and prior year. This reclassification reduces general government expenses and increases and parks and recreation expenses by \$685,450 but does not have any effect on the total net position.

Transfers. Transfers from business-type activities to governmental activities of \$839,310 were higher than prior years with an increase in transfers of \$373,623 over the prior year. This increase reflected a transfer from the Sewer Fund to the Capital Projects Fund for the expansion of the public works and parks maintenance facility expansion project.

# Management's Discussion and Analysis

**Business-type Activities.** During the current fiscal year, net position for business type activities of \$25.9 million reflect a decrease of \$501,054 (2%) from the prior fiscal year. Revenues exceeded expenses by \$338,256 before transfers to governmental funds of \$839,310. The following chart shows the revenues and expenses by utility type for 2015, excluding transfers to governmental activities.



**Revenues** in 2015 of \$4.0 million remained relatively flat compared to the prior year revenues with a total decrease of \$40,789 (1%). Revenues for business-type activities consist primarily of charges for services. The decrease in 2015 revenues was due to a \$138,600 reduction (39%) in revenue from sewer plant investment fees (capital contributions – tap fees) which is indicative of the continued slow down in new construction. This decrease was offset to some extent by increased revenues from monthly charges due to a larger customer base.

**Expenses** in 2015 of \$3.7 million also remained relatively flat compared to the prior year expenses with a total decrease of \$21,735 (0.6%).

**Transfers.** Transfers to governmental activities of \$839,310 increased 80% over the prior year. This increase was primarily due to a transfer from the Sewer Fund to the Capital Projects fund for a portion of the cost of the expansion of the Public Works and Parks Maintenance Facility.

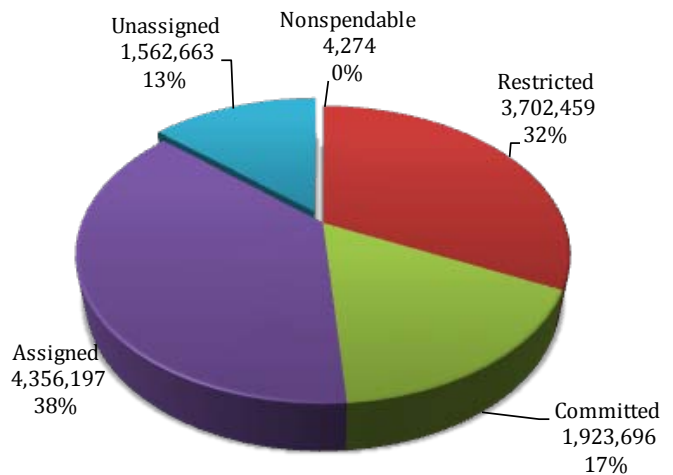
# Management's Discussion and Analysis

## 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 near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Fruita's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either the City of Fruita or an external party.

**Governmental Funds - \$11.5 million Fund Balance**

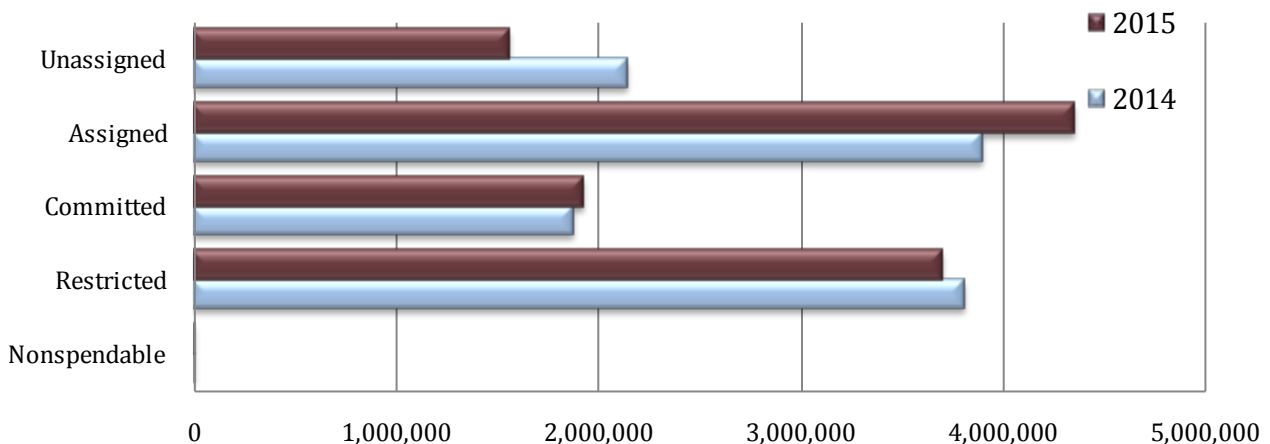


### **Fund balances.**

The City's governmental funds reported a combined year end fund balance of \$11.55 million, a decrease of 2% (\$184,441) from the prior year fund balance of \$11.73 million.

The following information highlights the changes in components of fund balance from the prior year.

**Governmental Funds - Changes in fund balance**



# Management's Discussion and Analysis

- Non-spendable fund balance includes the inventory of fuel (less than 1% of the fund balance) in the amount of \$4,274, an increase of 104% from the prior year.
- Restricted fund balances of \$3.7 million (32% of the total fund balance) 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 3% (\$105,501) from the prior year due to the use of restricted funds for chipsealing city streets in 2015 and assigning a portion of the restricted balance for the community center to subsequent year expenses.
- Committed fund balances of \$1.9 million (16% of the total fund balance) represent operating reserves and are in compliance with the City's operating reserve policy. This amount represents 25% of both the General Fund and Community Center Fund expenses, excluding transfers to other funds, for the 2015 fiscal year. Committed fund balance increased 2% (\$45,251) from the prior year.
- Assigned fund balances of \$4.4 million (38% of the total fund balance) are amounts assigned by the City Council or City Manager for specific purposes. The assigned fund balance increased 12% (\$453,891) from the prior year. The following table shows the changes in assigned fund balances from the prior year and reflects the use of or addition to these funds pursuant to budget policies as incorporated into the annual budget adopted by the city.

Assigned Fund Balances				
	2015	2014	+/-	% Change
Capital projects	748,943	718,942	30,001	4%
Health insurance reserve	500,902	573,084	(72,182)	-13%
Replacement reserves	1,487,005	1,304,250	182,755	14%
Subsequent year expenses	1,599,225	1,282,125	317,100	25%
Other	20,122	23,905	(3,783)	-16%
<b>Total</b>	<b>4,356,197</b>	<b>3,902,306</b>	<b>453,891</b>	<b>12%</b>

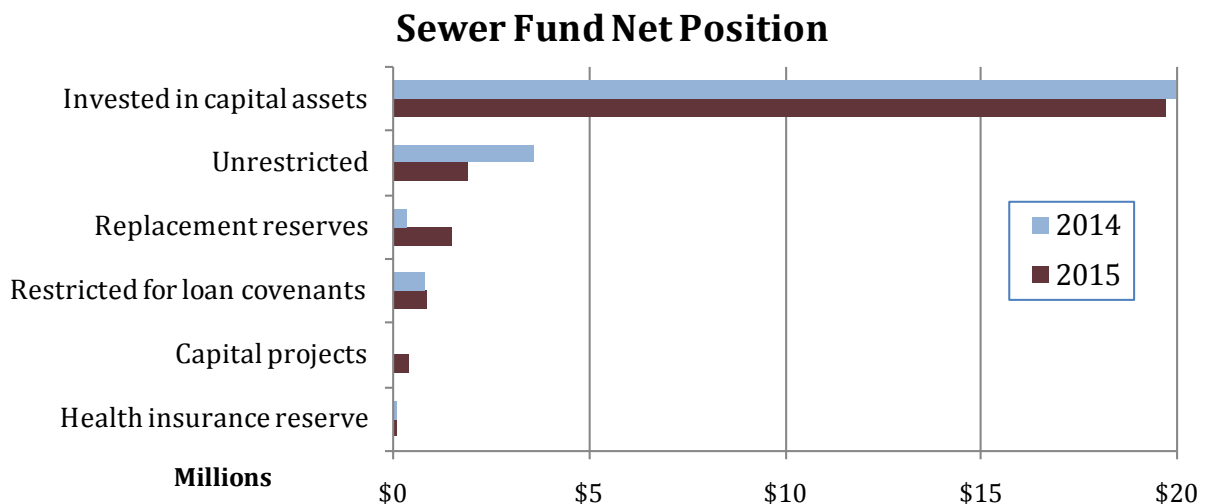
- Unassigned fund balances of \$1.6 million (13% of the total fund balance) are available for spending at the City's discretion. The unassigned fund balance decreased 27% from the prior year (\$580,258) and reflects the use of unassigned fund balance in the General Fund for capital projects in 2015.

# Management's Discussion and Analysis

## Proprietary funds

The city's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The following is an analysis of the net position of the Sewer Fund.

**Sewer Fund.** The total net position of the Sewer Fund of \$24.3 million decreased 2% (\$481,943) from the prior year. The following chart shows the various components of the net position.



The amount invested in capital assets of \$19.7 million decreased 2% decrease (\$345,982). This decrease is due to the difference in assets acquired in 2015 and the depreciation of assets of the Sewer Fund. The unrestricted net position of the Sewer Fund decreased 47% (\$1.6 million). In 2015, the city allocated \$1.35 million from unrestricted balance for the specific purpose of capital projects (\$350,000) and for wastewater treatment facility equipment replacements (\$1 million). These amounts are reflected with similar increases in the *replacement reserves* and *capital projects reserves* components of net position in the Sewer Fund. This reallocation of unstrericted fund balance does limit the flexibility for future use of these funds but ensures that funds are available for replacement of critical components associated with operations and maintenance of the treatment facility and sewer collection system. The remaining \$298,179 decrease in unrestricted net position is a result of a one time transfer from the Sewer Fund (\$605,510) for the public works and parks maintenance facility expansion capital project and accounts for the overall decrease in net position of \$481,943 noted above.



# Management's Discussion and Analysis

## GENERAL FUND BUDGETARY HIGHLIGHTS

**Original budget compared to final budget.** The city's final budget differs from the original budget in that it includes carry-forward appropriations for various capital projects and other supplemental appropriations approved during the year. During the year amendments were made to the General Fund budget and revenues were increased \$17,125, operational expenses increased \$29,325, and other financing uses (transfers to the Capital Projects Fund) increased \$250,225.

### **Final budget compared to actual results.**

Revenues of \$6.8 million received in 2015 were on target with budgeted amounts of \$6.8 million with actual revenues \$2,498 less than budgeted revenues. While revenues were on target with budget, there were some significant variances in individual revenue sources which require further analysis to determine potential future trends and impacts. The following table shows the most significant differences between budgeted and actual revenues for specific revenue sources:

<u>Revenue Source</u>	<u>Budgeted revenues</u>	<u>Actual revenues</u>
County sales tax	1,914,000	1,979,551
City sales tax	1,600,000	1,463,743
Use taxes	640,000	657,959
Intergovernmental revenue	665,500	770,154

City sales tax revenue was 8.5% lower than budgeted amounts and down 6.7% from the prior year. This decline in revenues from city sales tax was primarily related to reductions in sales tax revenues from energy and utility industries and follows the global trends in these industries. Sales tax revenue generated from other sectors of the local economy tended to remain stable or increase slightly over the prior year.

County sales tax revenue was 3.4% higher than budgeted amounts and prior year revenue. This increase reflects its more diversified economic base as compared to city sales tax.

Use tax revenues exceeded budget by 2.8%. These revenues were budgeted to decrease 9.5% from the prior years actual revenues. Use tax is collected on both motor vehicles and building materials. The city conservatively budgets use tax on building materials based on trends indicating the continuation of a more modest rate of growth and related new

# Management's Discussion and Analysis

construction.

Intergovernmental revenues exceeded budget by 15.7% but were down 6.8% from the prior year. A significant component of intergovernmental revenue includes severance and mineral lease tax revenues which were conservatively budgeted with the declines in the oil and gas industry.

Expenses of \$6.22 million were under the final budget amount of \$6.98 million by 8.9% (\$751,047). There were no expenses in excess of budget on a department wide basis for the current fiscal year. The following table shows the variances between budget and actual expenses by department.

<u>Expenditure Classification</u>	<u>Budgeted expenses</u>	<u>Actual expenses</u>	<u>Difference</u>
General government	\$ 345,900	\$ 329,617	\$ (16,283)
Administration	648,500	616,227	(32,273)
Community development	263,050	242,934	(20,116)
Public safety	2,197,710	2,078,108	(119,602)
Public works	1,648,375	1,527,343	(121,032)
Parks and recreation	976,350	925,121	(51,229)
Non-departmental	449,165	274,943	(174,222)
Capital outlay	446,075	229,785	(216,290)
	<u>\$ 6,975,125</u>	<u>\$ 6,224,078</u>	<u>\$ (751,047)</u>

*Non-departmental* expenses included an adjusted final budgeted contingency fund of \$171,740 which remained unspent at year end and in 2015 and accounts for 23% of the difference between budgeted and actual expenses.

*Capital outlay* includes budgeted funds for equipment that was ordered in 2015 but not delivered as of year end and these funds have been reappropriated for use in 2016..

Other Financing Sources (Uses) include special transactions which are not considered operating revenues and expenses. These include transfers to and from other funds, funding of reserves and other special revenue or expense items. Other financing sources (uses) were under budget by 17.5% (\$238,862). 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. A significant portion of these funds will be reappropriated for use in 2016 to complete the projects.

# Management's Discussion and Analysis

## Other Financing Sources (Uses)

	<u>Budgeted expenses</u>	<u>Actual expenses</u>	<u>Difference</u>
Transfers in	\$ 237,100	\$ 233,800	\$ (3,300)
Transfers out	(1,380,225)	(1,153,832)	226,393
Insurance damage awards	-	12,289	12,289
Reserves	(220,000)	(220,000)	-
Sale of capital assets	-	3,480	3,480
	<u>\$ (1,363,125)</u>	<u>\$ (1,124,263)</u>	<u>\$ 238,862</u>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

*Capital assets.* The City of Fruita's investment in capital assets for its governmental and business-type activities as of December 31, 2015, is \$99.4 million (net of accumulated depreciation), an increase of \$594,546. This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park and recreation facilities, roads, highways, the wastewater treatment plant and sewer collection lines and irrigation distribution system.

### City of Fruita's Capital Assets (net of depreciation)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 7,423,113	\$ 7,375,415	\$ 1,046,173	\$ 1,046,173	\$ 8,469,286	\$ 8,421,588
Source of supply	-	-	14,712	14,712	14,712	14,712
Buildings	17,147,381	16,433,458	767,221	807,836	17,914,602	17,241,294
Systems	27,018,506	25,828,291	38,694,372	39,609,702	65,712,878	65,437,993
Equipment	6,832,184	7,155,033	415,777	494,273	7,247,961	7,649,306
	<u>\$ 58,421,184</u>	<u>\$ 56,792,197</u>	<u>\$ 40,938,255</u>	<u>\$ 41,972,696</u>	<u>\$ 99,359,439</u>	<u>\$ 98,764,893</u>

Major capital asset events during the current fiscal year included the following:

- Expansion of the parks and public works maintenance facility (\$1,287,898)
- Ottley Avenue utility and road improvements (\$771,510)
- Downtown streetscape improvements (\$482,145)
- Overlays to various city streets (\$375,848)
- Contributions of public improvements from development - (\$372,097)
- Acquisition of equipment (\$284,628)
- Sewer line improvements in Mulberry (\$160,624)

# Management's Discussion and Analysis

Additional information on the City of Fruita's capital assets can be found in Note III.C to the Financial Statements.

***Long-term Debt.*** At the end of the current fiscal year, the City of Fruita had total debt outstanding of \$32,719,166. Of this amount, \$20,132,486 is debt backed by user fees and charges of the sewer system, \$12,374,966 is backed by a one cent city sales and use tax which is dedicated for the community center, and \$211,714 is backed by a performance obligation of the City to provide future irrigation water on Pinyon Mesa.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds	\$ 12,374,966	\$ 12,423,298	\$ -	\$ -	\$ 12,374,966	\$ 12,423,298
Performance obligation	211,714	221,359	-	-	211,714	221,359
Loans payable	-	-	20,132,486	20,774,007	20,132,486	20,774,007
<b>Total</b>	<b>\$ 12,586,680</b>	<b>\$ 12,644,657</b>	<b>\$ 20,132,486</b>	<b>\$ 20,774,007</b>	<b>\$ 32,719,166</b>	<b>\$ 33,418,664</b>

The City of Fruita's total debt decreased by \$699,498 during the current fiscal year. This decrease was due to regularly scheduled principal payments of \$689,853 on the outstanding debt, and a credit of \$9,645 for irrigation water usage for nonmonetary performance obligation debt for improvements to the City's reservoirs.

Pursuant to the Fruita City Charter, there is no limit on the amount of general obligation debt that can be issued except that said issuance must be approved by the voters. The City of Fruita maintains an "AA/stable" rating from Standard and Poor's Rating for the revenue bonds. Additional information on the City of Fruita's long-term debt obligations can be found in Note III E to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The 2016 Budget prioritizes the resources available to the city and sets a course of action to implement the goals set by the City Council. The following economic factors currently affect the City of Fruita and were considered in developing the 2016 fiscal year budget.

***Reductions in revenues.*** While striving to remain fiscally conservative, the city continues to have a bright future and is a desirable community to live, work and play. The decrease in city sales tax revenues, continued slow down in new construction and development, and reductions in oil, gas and utility sectors of the economy were significant factors in

# Management's Discussion and Analysis

developing the budget for 2016. The budget is conservative on both revenues and expenses to ensure that the city can sustain its' operations and continue to provide city services to the citizens of Fruita.

Capital investments. Past financial policies of the city have provided resources that allowed the city to maintain an aggressive capital improvements plan during the economic downturn. In the last ten years, the city has spent a significant amount of funds on capital projects, including two of the largest construction projects (Wastewater Treatment Facility and Fruita Community Recreation Center) in the city's history and incurred \$34.4 million of debt. With declining funds available in fund balances, it is unrealistic to continue funding capital projects at the same level as we have in the past. The city hopes to address funding of future capital projects by continuing its' efforts to leverage grant funds with city funds and continuing to set aside revenue on an annual basis from designated sources (severance and mineral lease tax revenues) for funding of future capital projects.

Economic development. The city formalized economic development efforts in 2015 to attract and retain businesses, with a special emphasis and focus on businesses involved with outdoor recreation. These efforts have involved partnerships with private land owners of commercial property in the city, cooperative efforts with GJEP (a regional economic development group) to market the city and attract businesses, attendance at outdoor recreation tradeshow to market the city and its' assets, and working with a number of public and private agencies and individuals to further these endeavors and work together for the betterment of the community. These efforts are producing interest and the city has received a number of positive inquiries and feedback. The city continues to place a high priority on these efforts in the 2016 Budget.

User fees and charges. User charges in the utility funds (sewer, trash and irrigation) are established to cover operating and capital costs. An analysis of wastewater treatment facility needs is included in the 2016 Budget and will be the basis for evaluating sewer rates and charges for future budgets. A decrease in monthly charges for trash collection of \$0.30 per month went into effect on January 1, 2016. This decrease was a result of extension of the existing contract for trash collection services and a reduction in the fuel surcharge for these services based on lower diesel fuel costs. Irrigation maintenance fees were increased \$10 per year for the 2016 irrigation season to cover increased costs associated with provide these services.

# *Management's Discussion and Analysis*

## **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, Ste 155, City of Fruita, Colorado, 81521.

# *Management's Discussion and Analysis*

This page intentionally left blank

# **Basic Financial Statements**



This page intentionally left blank

City of Fruita, Colorado  
**STATEMENT OF NET POSITION**  
December 31, 2015

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 8,189,926	\$ 4,157,235	\$ 12,347,161
Receivables	1,133,110	580,011	1,713,121
Intergovernmental receivable	1,409,016	-	1,409,016
Inventories	4,274	-	4,274
Restricted assets:			
Restricted cash	3,303,897	822,874	4,126,771
Capital assets (net of accumulated depreciation)			
Land	7,423,113	1,046,173	8,469,286
Source of supply	-	14,712	14,712
Buildings, net	17,147,381	767,221	17,914,602
Systems, net	27,018,506	38,694,372	65,712,878
Machinery and equipment, net	6,832,184	415,777	7,247,961
Total Assets	<u>72,461,407</u>	<u>46,498,375</u>	<u>118,959,782</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	305,724	258,036	563,760
Accrued interest payable	221,910	234,518	456,428
Compensated absences payable	121,925	22,001	143,926
Customer deposits payable	1,792	675	2,467
Unearned revenues	1,067,338	-	1,067,338
Noncurrent liabilities:			
Due within one year (bonds and notes)	70,031	630,000	700,031
Due in more than one year (bonds and notes, net)	12,516,649	19,502,486	32,019,135
Total Liabilities	<u>14,305,369</u>	<u>20,647,716</u>	<u>34,953,085</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	1,097,500	-	1,097,500
Total Deferred Inflows of Resources	<u>1,097,500</u>	<u>-</u>	<u>1,097,500</u>
<b>NET POSITION</b>			
Net investment in capital assets	45,834,504	20,805,769	66,640,273
Restricted for:			
Debt service	2,726,736	822,199	3,548,935
Marketing and promotion	82,791	-	82,791
Community center	26,698	-	26,698
Parks and open space	231,038	-	231,038
Streets	235,196	-	235,196
Emergency reserves	400,000	-	400,000
Unrestricted	7,521,575	4,222,691	11,744,266
Total Net Position	<u>\$ 57,058,538</u>	<u>\$ 25,850,659</u>	<u>\$ 82,909,197</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, 2015

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
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 1,877,459	\$ 134,577	\$ -	\$ -	\$ (1,742,882)	\$ -	\$ (1,742,882)
Marketing and promotion	105,152	106,898	-	-	1,746	-	1,746
Parks and recreation	3,014,137	1,207,577	25,268	121,378	(1,659,914)	-	(1,659,914)
Public works	2,376,046	138,868	-	1,664,956	(572,222)	-	(572,222)
Public safety	2,277,057	14,406	-	6,048	(2,256,603)	-	(2,256,603)
Interest on long-term debt	901,477	10,961	247,467	-	(643,049)	-	(643,049)
Total governmental activities	10,551,328	1,613,287	272,735	1,792,382	(6,872,924)	-	(6,872,924)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Sewer	2,894,941	3,104,700	-	57,810	-	267,569	267,569
Trash	634,266	693,006	-	-	-	58,740	58,740
Devils Canyon Center	39,252	30,800	-	-	-	(8,452)	(8,452)
Irrigation water	84,951	99,352	-	-	-	14,401	14,401
Total business-type activities	3,653,410	3,927,858	-	57,810	-	332,258	332,258
Total government	\$ 14,204,738	\$ 5,541,145	\$ 272,735	\$ 1,850,192	(6,872,924)	332,258	(6,540,666)
General Revenues:							
					1,062,935	-	1,062,935
					5,162,104	-	5,162,104
					300,912	-	300,912
					388,828	-	388,828
					400,569	-	400,569
					181,720	-	181,720
					15,330	5,998	21,328
					3,480	-	3,480
					12,289	-	12,289
					839,310	(839,310)	-
					8,367,477	(833,312)	7,534,165
					1,494,553	(501,054)	993,499
					55,563,985	26,351,713	81,915,698
					\$ 57,058,538	\$ 25,850,659	\$ 82,909,197

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

City of Fruita, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2015**

	Major Funds			Nonmajor Funds		Total
	General	Capital Projects	Community Center	Debt Service	Other Nonmajor Funds	
<b>ASSETS</b>						
Cash and investments	\$ 6,116,059	\$ -	\$ 1,013,800	\$ 671,210	\$ 362,619	\$ 8,163,688
Accounts receivable	30,319	-	-	-	-	30,319
Taxes receivable	1,097,500	-	-	-	5,291	1,102,791
Due from other funds	107,397	-	-	-	-	107,397
Due from other governments	814,510	398,662	133,727	62,117	-	1,409,016
Inventories	4,274	-	-	-	-	4,274
Cash - restricted	106,705	1,203,783	-	1,993,409	-	3,303,897
Total Assets	<u>8,276,764</u>	<u>1,602,445</u>	<u>1,147,527</u>	<u>2,726,736</u>	<u>367,910</u>	<u>14,121,382</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	231,621	22,899	42,690	-	856	298,066
Due to other funds	-	107,397	-	-	-	107,397
Deposits payable	2,155	-	(363)	-	-	1,792
Unearned revenues	141,437	925,901	-	-	-	1,067,338
Total Liabilities	<u>375,213</u>	<u>1,056,197</u>	<u>42,327</u>	<u>-</u>	<u>856</u>	<u>1,474,593</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable property tax revenue	1,097,500	-	-	-	-	1,097,500
Total deferred inflows of resources	<u>1,097,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,097,500</u>
Fund Balances:						
Nonspendable:						
Inventories	4,274	-	-	-	-	4,274
Restricted:						
Debt Service	-	-	-	2,726,736	-	2,726,736
Marketing	-	-	-	-	82,791	82,791
Community center	-	-	26,698	-	-	26,698
Parks and open space	-	42,902	-	-	188,136	231,038
Streets	216	234,980	-	-	-	235,196
Emergency reserve	400,000	-	-	-	-	400,000
Committed:						
Operating reserve	1,553,382	-	370,314	-	-	1,923,696
Assigned:						
Capital projects	670,577	78,366	-	-	-	748,943
War memorial maintenance	9,566	-	-	-	-	9,566
Health insurance reserve	483,037	-	17,463	-	402	500,902
Scholarship Program	8,959	-	-	-	-	8,959
Art Acquisition Fund	9	-	-	-	-	9
Senior Programs	1,588	-	-	-	-	1,588
Vehicle replacement reserve	915,755	-	571,250	-	-	1,487,005
Subsequent year expenses	1,194,025	190,000	119,475	-	95,725	1,599,225
Unassigned:	1,562,663	-	-	-	-	1,562,663
Total fund balances	<u>6,804,051</u>	<u>546,248</u>	<u>1,105,200</u>	<u>2,726,736</u>	<u>367,054</u>	<u>11,549,289</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,276,764</u>	<u>\$ 1,602,445</u>	<u>\$ 1,147,527</u>	<u>\$ 2,726,736</u>	<u>\$ 367,910</u>	<u>\$ 14,121,382</u>

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

City of Fruita, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2015**

---

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

Total fund balances of governmental funds	\$ 11,549,289
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds other than internal service fund amounts (\$24,758).	58,396,426
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 assets.	37,121
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 (\$6,217).	(12,924,298)
Net position of governmental activities	<u>\$ 57,058,538</u>

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

City of Fruita, Colorado  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the year ended December 31, 2015

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Capital Projects	Community Center	Debt Service	Other Nonmajor Funds	
<b>REVENUES</b>						
Taxes:						
Property	\$ 1,062,935	\$ -	\$ -	\$ -	\$ -	\$ 1,062,935
City sales	1,463,743	-	731,871	-	-	2,195,614
County sales	1,979,551	-	-	-	-	1,979,551
Use tax	657,959	-	328,980	-	-	986,939
Other	561,077	-	-	-	106,695	667,772
Licenses and permits	30,497	-	-	-	-	30,497
Intergovernmental revenues	770,154	1,274,710	-	247,467	121,379	2,413,710
Charges for services	152,706	-	1,038,301	-	203	1,191,210
Fines, forfeitures, assessments	44,044	-	-	-	-	44,044
Development impact fees	-	78,011	-	-	-	78,011
Investment earnings	12,430	1,981	20	10,450	-	24,881
Rents and royalties	32,131	-	43,927	-	-	76,058
Donations	18,171	3,000	1,239	-	-	22,410
Miscellaneous	7,629	-	16,796	-	-	24,425
Total revenues	<u>6,793,027</u>	<u>1,357,702</u>	<u>2,161,134</u>	<u>257,917</u>	<u>228,277</u>	<u>10,798,057</u>
<b>EXPENDITURES</b>						
Current:						
General government	329,617	-	-	-	-	329,617
Administration	616,227	-	-	-	-	616,227
Community development	242,934	-	-	-	-	242,934
Marketing and promotion	-	-	-	-	105,152	105,152
Public safety	2,078,108	-	-	-	-	2,078,108
Public works	1,527,343	8,496	-	-	-	1,535,839
Parks and recreation	925,121	-	1,465,083	-	-	2,390,204
Non-departmental	274,943	-	-	-	-	274,943
Debt service						
Principal retirement	-	-	-	50,000	-	50,000
Interest and fiscal charges	-	-	-	890,012	-	890,012
Capital outlay	229,785	3,078,581	16,175	-	-	3,324,541
Total expenditures	<u>6,224,078</u>	<u>3,087,077</u>	<u>1,481,258</u>	<u>940,012</u>	<u>105,152</u>	<u>11,837,577</u>
Excess (deficiency) of revenues over expenditures	<u>568,949</u>	<u>(1,729,375)</u>	<u>679,876</u>	<u>(682,095)</u>	<u>123,125</u>	<u>(1,039,520)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Insurance rebates and awards	12,289	-	-	-	-	12,289
Transfers in	233,800	1,731,356	95,000	713,925	-	2,774,081
Transfers (out)	(1,153,832)	-	(713,925)	-	(67,014)	(1,934,771)
Sale of capital assets	3,480	-	-	-	-	3,480
Total other financing sources (uses)	<u>(904,263)</u>	<u>1,731,356</u>	<u>(618,925)</u>	<u>713,925</u>	<u>(67,014)</u>	<u>855,079</u>
Net change in fund position	<u>(335,314)</u>	<u>1,981</u>	<u>60,951</u>	<u>31,830</u>	<u>56,111</u>	<u>(184,441)</u>
Fund balances - beginning	<u>7,139,365</u>	<u>544,267</u>	<u>1,044,249</u>	<u>2,694,906</u>	<u>310,943</u>	<u>11,733,730</u>
Fund balances - ending	<u>\$ 6,804,051</u>	<u>\$ 546,248</u>	<u>\$ 1,105,200</u>	<u>\$ 2,726,736</u>	<u>\$ 367,054</u>	<u>\$ 11,549,289</u>

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

City of Fruita, Colorado  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2015**

---

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

Net change in fund balances - total governmental funds	\$ (184,441)
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 capital outlays exceeded depreciation, net of the internal service fund, in the current period.	1,331,605
The net effect of various miscellaneous transactions involving capital assets (sales and donations) is to increase net position.	299,022
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 assets. This amount is the net effect of these differences in the treatment of long-term debt.	59,645
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.	<u>(11,278)</u>
Change in net position of governmental activities	<u><u>\$ 1,494,553</u></u>

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, 2015 (With comparative totals for 2014)**

	Business-type Activities - Enterprise Funds								Governmental Activities	
	Major Fund		Non-Major Funds						Totals	Fleet Maintenance
	Sewer		Trash		Devis Canyon Center		Irrigation Water			Internal Service Fund
	2015	2014	2015	2014	2015	2014	2015	2014	2015	
<b>ASSETS</b>										
Current assets:										
Cash and investments	\$ 3,685,459	\$ 3,815,418	\$ 94,811	\$ 87,658	\$ 229,554	\$ 224,754	\$ 147,411	\$ 132,850	\$ 4,157,235	\$ 26,238
Interest receivable	30	-	-	-	-	-	-	-	30	-
Accounts receivable	456,237	431,268	113,122	103,911	-	2,800	3,270	3,418	572,629	-
Special assessments receivable	-	821	-	-	-	-	-	-	-	-
Notes receivable	7,352	9,394	-	-	-	-	-	-	7,352	-
Total current assets	<u>4,149,078</u>	<u>4,256,901</u>	<u>207,933</u>	<u>191,569</u>	<u>229,554</u>	<u>227,554</u>	<u>150,681</u>	<u>136,268</u>	<u>4,737,246</u>	<u>26,238</u>
Non-current assets:										
Restricted cash:										
WWTF loan covenants	822,199	809,981	-	-	-	-	-	-	822,199	-
Customer deposits	675	675	-	-	-	-	-	-	675	-
Special assessments receivable	-	-	-	-	-	-	-	-	-	-
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	38,677	40,653	-	-	723,188	760,740	5,356	6,443	767,221	-
Systems, net	38,635,859	39,542,890	-	-	-	-	58,513	66,812	38,694,372	-
Equipment, net	415,777	494,273	-	-	-	-	-	-	415,777	24,758
Total capital assets, net	<u>39,854,323</u>	<u>40,841,826</u>	<u>-</u>	<u>-</u>	<u>948,702</u>	<u>986,254</u>	<u>135,230</u>	<u>144,616</u>	<u>40,938,255</u>	<u>24,758</u>
Total non-current assets	<u>40,677,197</u>	<u>41,652,482</u>	<u>-</u>	<u>-</u>	<u>948,702</u>	<u>986,254</u>	<u>135,230</u>	<u>144,616</u>	<u>41,761,129</u>	<u>24,758</u>
Total assets	<u>44,826,275</u>	<u>45,909,383</u>	<u>207,933</u>	<u>191,569</u>	<u>1,178,256</u>	<u>1,213,808</u>	<u>285,911</u>	<u>280,884</u>	<u>46,498,375</u>	<u>50,996</u>
<b>LIABILITIES</b>										
Current liabilities:										
Accounts Payable	151,328	109,386	106,242	101,918	-	-	466	-	258,036	7,658
Accrued interest payable	-	5	-	-	-	-	-	-	-	-
Compensated absences	20,325	16,698	-	-	-	-	1,676	1,516	22,001	6,217
Notes payable - current maturity	367,500	345,542	-	-	-	-	-	-	367,500	-
Total current liabilities	<u>539,153</u>	<u>471,631</u>	<u>106,242</u>	<u>101,918</u>	<u>-</u>	<u>-</u>	<u>2,142</u>	<u>1,516</u>	<u>647,537</u>	<u>13,875</u>
Current liabilities payable from restricted assets:										
Customer deposits payable	675	675	-	-	-	-	-	-	675	-
Accrued interest payable from restricted cash	234,518	239,726	-	-	-	-	-	-	234,518	-
Notes payable from restricted cash	262,500	245,833	-	-	-	-	-	-	262,500	-
Total current liabilities payable from restricted assets	<u>497,693</u>	<u>486,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,693</u>	<u>-</u>
Noncurrent liabilities:										
Notes payable (net of premium)	19,502,486	20,182,632	-	-	-	-	-	-	19,502,486	-
Total noncurrent liabilities	<u>19,502,486</u>	<u>20,182,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,502,486</u>	<u>-</u>
Total liabilities	<u>20,539,332</u>	<u>21,140,497</u>	<u>106,242</u>	<u>101,918</u>	<u>-</u>	<u>-</u>	<u>2,142</u>	<u>1,516</u>	<u>20,647,716</u>	<u>13,875</u>
<b>NET POSITION</b>										
Invested in capital assets, net of related debt	19,721,837	20,067,819	-	-	948,702	986,254	135,230	144,615	20,805,769	24,758
Restricted for loan covenants	822,199	809,981	-	-	-	-	-	-	822,199	-
Assigned for capital projects	350,000	-	-	-	-	-	-	-	350,000	-
Assigned for health insurance reserve	19,458	19,458	-	-	-	-	925	925	20,383	2,875
Assigned for vehicle replacement	390,000	285,000	-	-	-	-	-	-	390,000	-
Assigned for WWTF equipment replacement	1,090,775	45,775	-	-	-	-	-	-	1,090,775	-
Unrestricted	1,892,674	3,540,853	101,691	89,651	229,554	227,554	147,614	133,828	2,371,533	9,488
Total net position	<u>\$ 24,286,943</u>	<u>\$ 24,768,886</u>	<u>\$ 101,691</u>	<u>\$ 89,651</u>	<u>\$ 1,178,256</u>	<u>\$ 1,213,808</u>	<u>\$ 283,769</u>	<u>\$ 279,368</u>	<u>\$ 25,850,659</u>	<u>\$ 37,121</u>

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



City of Fruita, Colorado  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the year ended December 31, 2015 (With comparative totals for 2014)

	Business-type Activities - Enterprise Funds								Governmental	
	Major Fund		Non-Major Funds						Fleet Maintenance	
	Sewer		Trash		Devils Canyon Center		Irrigation Water		Totals	Internal Service
	2015	2014	2015	2014	2015	2014	2015	2014	2015	Fund
<b>OPERATING REVENUES</b>										
Charges for services	\$ 2,882,510	\$ 2,851,290	\$ 693,006	\$ 665,732	\$ 30,800	\$ 55,600	\$ 99,352	\$ 97,051	\$ 3,705,668	\$ 284,362
Other revenues	4,390	-	-	-	-	-	-	-	4,390	-
Total operating revenues	<u>2,886,900</u>	<u>2,851,290</u>	<u>693,006</u>	<u>665,732</u>	<u>30,800</u>	<u>55,600</u>	<u>99,352</u>	<u>97,051</u>	<u>3,710,058</u>	<u>284,362</u>
<b>OPERATING EXPENSES</b>										
Personnel services	623,897	599,332	-	-	-	-	56,373	66,023	680,270	182,770
Purchased services	218,890	209,238	634,266	614,323	1,700	2,911	7,185	8,590	862,041	1,896
Supplies	307,937	339,121	-	-	-	-	12,008	13,299	319,945	88,657
Special projects	-	-	-	-	-	25,000	-	-	-	-
Depreciation and amortization	1,174,073	1,161,348	-	-	37,552	37,552	9,385	15,681	1,221,010	1,884
Total operating expenses	<u>2,324,797</u>	<u>2,309,039</u>	<u>634,266</u>	<u>614,323</u>	<u>39,252</u>	<u>65,463</u>	<u>84,951</u>	<u>103,593</u>	<u>3,083,266</u>	<u>275,207</u>
Operating income (loss)	562,103	542,251	58,740	51,409	(8,452)	(9,863)	14,401	(6,542)	626,792	9,155
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Investment income	5,998	4,693	-	-	-	-	-	(16)	5,998	-
System development contributions	57,810	-	-	-	-	-	-	-	57,810	-
Gain (Loss) on disposal of equipment	-	1,705	-	-	-	-	-	-	-	-
Interest expense	(570,144)	(582,727)	-	-	-	-	-	-	(570,144)	(9,155)
Total nonoperating revenues (expenses)	<u>(506,336)</u>	<u>(576,329)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16)</u>	<u>(506,336)</u>	<u>(9,155)</u>
Income (Loss) before contributions and transfers	55,767	(34,078)	58,740	51,409	(8,452)	(9,863)	14,401	(6,558)	120,456	-
Capital contributions - tap fees	217,800	356,400	-	-	-	-	-	-	217,800	-
Transfers out	<u>(755,510)</u>	<u>(355,578)</u>	<u>(46,700)</u>	<u>(51,409)</u>	<u>(27,100)</u>	<u>(50,000)</u>	<u>(10,000)</u>	<u>(8,700)</u>	<u>(839,310)</u>	<u>-</u>
Change in net position	(481,943)	(33,256)	12,040	-	(35,552)	(59,863)	4,401	(15,258)	(501,054)	-
Net position - beginning	<u>24,768,886</u>	<u>24,802,142</u>	<u>89,651</u>	<u>89,651</u>	<u>1,213,808</u>	<u>1,273,671</u>	<u>279,368</u>	<u>294,626</u>	<u>26,351,713</u>	<u>37,121</u>
Net position - ending	<u>\$ 24,286,943</u>	<u>\$ 24,768,886</u>	<u>\$ 101,691</u>	<u>\$ 89,651</u>	<u>\$ 1,178,256</u>	<u>\$ 1,213,808</u>	<u>\$ 283,769</u>	<u>\$ 279,368</u>	<u>\$ 25,850,659</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, 2015 (With comparative totals for 2014)

	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
	2015	2014	2015	2014	2015	2014	2015	2014	2015	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Receipts from customers	\$ 2,861,931	\$ 2,862,880	\$ 683,795	\$ 660,662	\$ 33,600	\$ 62,400	\$ 99,500	\$ 97,126	\$ 3,678,826	\$ 284,362
Payments to suppliers	(586,584)	(497,157)	(629,942)	(610,641)	(1,700)	(27,911)	(19,193)	(21,889)	(1,237,419)	(88,815)
Payments to employees	(613,771)	(598,745)	-	-	-	-	(55,746)	(65,756)	(669,517)	(179,707)
Net cash provided by operating activities	<u>1,661,576</u>	<u>1,766,978</u>	<u>53,853</u>	<u>50,021</u>	<u>31,900</u>	<u>34,489</u>	<u>24,561</u>	<u>9,481</u>	<u>1,771,890</u>	<u>15,840</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>										
Operating transfers	(755,510)	(355,578)	(46,700)	(51,409)	(27,100)	(50,000)	(10,000)	(8,700)	(839,310)	-
Net cash used by non-capital financing activities	<u>(755,510)</u>	<u>(355,578)</u>	<u>(46,700)</u>	<u>(51,409)</u>	<u>(27,100)</u>	<u>(50,000)</u>	<u>(10,000)</u>	<u>(8,700)</u>	<u>(839,310)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>										
Capital contributions - plant investment fees	219,842	349,840	-	-	-	-	-	-	219,842	-
Gain on sale of equipment	-	1,705	-	-	-	-	-	-	-	-
Proceeds from special assessments	821	6,713	-	-	-	-	-	322	821	-
Principal paid on capital debt	(591,375)	(550,627)	-	-	-	-	-	-	(591,375)	-
Interest paid on capital debt	(575,357)	(587,884)	-	-	-	-	-	-	(575,357)	-
Purchase of capital assets	(83,706)	(646,726)	-	-	-	-	-	-	(83,706)	(9,400)
Net cash provided (used) by capital and related financing activities	<u>(1,029,775)</u>	<u>(1,426,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322</u>	<u>(1,029,775)</u>	<u>(9,400)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Interest received on investments	5,968	4,710	-	-	-	-	-	56	5,968	-
Net cash provided by investing activities	<u>5,968</u>	<u>4,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>5,968</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(117,741)	(10,869)	7,153	(1,388)	4,800	(15,511)	14,561	1,159	(91,227)	6,440
Cash and cash equivalents, January 1 (including \$810,656 in the Sewer Fund reported in restricted accounts)	<u>4,626,074</u>	<u>4,636,943</u>	<u>87,658</u>	<u>89,046</u>	<u>224,754</u>	<u>240,265</u>	<u>132,850</u>	<u>131,691</u>	<u>5,071,336</u>	<u>19,799</u>
Cash and cash equivalents, December 31 (including \$822,874 in the Sewer Fund reported in restricted accounts)	<u>\$ 4,508,333</u>	<u>\$ 4,626,074</u>	<u>\$ 94,811</u>	<u>\$ 87,658</u>	<u>\$ 229,554</u>	<u>\$ 224,754</u>	<u>\$ 147,411</u>	<u>\$ 132,850</u>	<u>\$ 4,980,109</u>	<u>\$ 26,239</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, 2015 (With comparative totals for 2014)

	Business-type Activities - Enterprise Funds								Governmental Activities	
	Sewer		Trash		Non-Major Funds		Irrigation Water		Totals	Fleet Maintenance
	2015	2014	2015	2014	Devils Canyon Center		2015	2014	2015	Internal Service Fund
	2015	2014	2015	2014	2015	2014	2015	2014	2015	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>										
Operating income (loss)	\$ 562,103	\$ 542,251	\$ 58,740	\$ 51,409	\$ (8,452)	\$ (9,863)	\$ 14,401	\$ (6,542)	\$ 626,792	\$ 9,155
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:										
Depreciation and amortization expense	1,174,073	1,161,348	-	-	37,552	37,552	9,385	15,681	1,221,010	1,884
(Increase) decrease in accounts receivable	(24,969)	11,590	(9,211)	(5,070)	2,800	6,800	148	75	(31,232)	-
Increase (decrease) in accounts payable	(56,130)	51,202	4,324	3,682	-	-	161	292	(51,645)	3,739
Increase (decrease) in compensation payable	6,499	587	-	-	-	-	466	(25)	6,965	1,062
Total adjustments	<u>1,099,473</u>	<u>1,224,727</u>	<u>(4,887)</u>	<u>(1,388)</u>	<u>40,352</u>	<u>44,352</u>	<u>10,160</u>	<u>16,023</u>	<u>1,145,098</u>	<u>6,685</u>
Net Cash Provided by (Used for)										
Operating Activities	<u>\$ 1,661,576</u>	<u>\$ 1,766,978</u>	<u>\$ 53,853</u>	<u>\$ 50,021</u>	<u>\$ 31,900</u>	<u>\$ 34,489</u>	<u>\$ 24,561</u>	<u>\$ 9,481</u>	<u>\$ 1,771,890</u>	<u>\$ 15,840</u>
<b>Schedule of non-cash capital and related financing activities</b>										
Contributions of capital assets	57,810	-	-	-	-	-	-	-	57,810	-

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, 2015**

	<u>Agency Fund</u>	<u>Money Purchase Plan and Trust Fund</u>	<u>Retirement Trust Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments at fair value	-	2,572,486	1,349,285
Accounts receivable	-	-	-
Total assets	<u>-</u>	<u>2,572,486</u>	<u>1,349,285</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Held in trust for:			
Pension benefits	-	2,572,486	1,349,285
Total net position	<u>\$ -</u>	<u>\$ 2,572,486</u>	<u>\$ 1,349,285</u>

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

City of Fruita, Colorado  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the year ended December 31, 2015**

	<b>Money Purchase Plan and Trust Fund</b>	<b>Retirement Trust Fund</b>
<b>ADDITIONS</b>		
Employer contributions	\$ 122,192	\$ 102,862
Plan member contributions	97,753	-
Roll over from Retirement Trust Fund	-	-
Total contributions	<u>219,945</u>	<u>102,862</u>
Investment Earnings		
Net investment gain (loss)	<u>(50,981)</u>	<u>(31,248)</u>
Total Additions	<u>168,964</u>	<u>71,614</u>
<b>DEDUCTIONS</b>		
Benefits	-	39,214
Administrative expenses	<u>4,585</u>	<u>1,154</u>
Total Deductions	<u>4,585</u>	<u>40,368</u>
Change in net position	164,379	31,246
Total net position - beginning	<u>2,408,107</u>	<u>1,318,039</u>
Total net position - ending	<u>\$ 2,572,486</u>	<u>\$ 1,349,285</u>

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

# **Notes to Financial Statements**

This page intentionally left blank

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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's major operations include public safety, street construction and maintenance, community development, parks, recreation programs, irrigation, trash collection, sewer service, and general administration. The City of Fruita, Colorado is the primary government. The City has no component units.

**B. Government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**C. Basis of presentation - government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.



City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**D. Basis of presentation - fund financial statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements 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 nonmajor funds in aggregate with the exception of the Debt Service Fund which is displayed in a separate column. Remaining enterprise funds are reported in individual columns under the Non-Major Funds heading to provide consistency in reporting.

The City reports the following 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 by voters 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 development impact fees.

The City reports the following 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

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

accounts for fleet maintenance services provided to other departments or agencies of the City.

*Agency Fund* - The agency fund is used to account for custodial functions for collecting and forwarding fees paid on new developments in lieu of dedication of land to the local school district.

*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 Money Purchase Pension Plan which accumulates resources for retirement benefit payments to qualified City employees.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfer in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement focus, basis of accounting and financial statement presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales tax, use tax, franchise fees, grant revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue sources. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and private purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilized the *accrual basis of accounting* for reporting its assets and liabilities.

**F. Budgetary information**

**1. Budgetary basis of accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, proprietary funds and internal service funds. Fiduciary funds for the employees' retirement plan and the agency trust fund for school land dedication fees are not budgeted. All annual appropriations lapse at fiscal year end.

On or before the last day of August of each year, all departments of the City submit

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

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 require approval of the City Council through adoption of a resolution amending the budget.

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

**1. Cash and cash equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

Investments are presented at fair value determined from quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State. The investment pools are similar to money market funds, with each share valued at \$1.

Colorado State Statutes authorize the City to invest in obligations of the United States or obligations unconditionally guaranteed by the United States, bonds of the

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

State of Colorado and its political subdivisions, certain obligations secured by mortgages, bankers acceptances, commercial paper, state investment pools, repurchase agreements, money market funds and guaranteed investment contracts.

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.

**3. Inventories**

The inventory in the General Fund consists of fuel 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.

**4. 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 in income.

Land and construction in progress are not depreciated. The other property, plant and equipment and infrastructure 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

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**5. *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.

**6. *Net position flow assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amount to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**7. *Fund balance flow assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amount to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, assigned fund balance is depleted first, followed by unassigned fund balance. Committed fund balance is applied last.

**8. *Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

In addition to committed and assigned fund balances, there is a nonspendable fund balance which represents amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance represents amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

The committed fund balance classification includes amount that can be used only for the specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The City Council has adopted a financial policy to maintain a minimum level of fund balance in both the general fund and community center fund as an *operating reserve*. The committed fund balance of \$1,923,696 represents the amounts set aside to serve as a financial cushion for use in emergency situations or when revenue shortages or budgetary imbalances arise pursuant to this policy. This amount represents approximately 25% of the current year's expenditures, excluding transfers, for the general fund and community center fund.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City Council or City Manager has adopted financial policies to:

- assign funds for *future capital projects* with a portion of funds received from mineral lease and severance tax payments.
- assign funds for *replacement of vehicles and equipment*. This amount is determined on an annual basis and is based on the estimated cost to replace vehicles and equipment over a ten year period with the difference between the actual cost for replacement in the current year and the target balance

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

added to (or deducted from) the vehicle replacement reserve. The intent of this reserve is to even out funding requirements on an annual basis for acquisition of capital equipment.

- assign funds for *health insurance* with funds generated through health insurance cost savings and refunds of health insurance premiums based on actual loss experience. These funds are assigned to help level out increases in health insurance costs, provide funds for health insurance risk payments, and provide funds for future self insurance and reduce the impact of health insurance costs on employees resulting from increases in health insurance deductibles.
- assign funds for *specific activities* which are usually associated with donations for specific purposes such as *war memorial maintenance*, a fee on recreation program registrations used to fund *scholarships*, donations from the senior can collection program for *senior recreational programs and amenities* in the senior area of the Fruita Community Center, and donations and unspent appropriations for the year for the arts and culture board for *acquisition of art*.
- assign funds *appropriated for expenditure in the subsequent year*.

Unassigned fund balance represents amounts that are available for any purpose.

## **H. Revenues and expenditures/expenses**

### **1. Program revenues**

Amounts reported as *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 or segment and 2)grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### **2. Property 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



City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

represent 2015 taxes collectible in 2016 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.

**3. *Compensated absences***

It is the City's policy to permit employees to accumulate earned but unused 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. A liability for accrued vacation is reported as incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations and retirements.

**4. *Proprietary funds operating and nonoperating 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.

**I. *Changes in classifications made to previously issued financial statements***

The components of restricted and unrestricted net position for governmental activities have been restated in the Management's Discussion and Analysis for the prior year to conform to the classification used in 2015 and provide an accurate comparison between the current and prior year.

In addition, expenses for governmental activities have been restated in the Management's Discussion and Analysis for the prior year to provide an accurate comparison between the current and prior year. This reclassification does not affect the total expenses or the total net position.

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$58,396,426 difference, net of internal service fund capital assets of \$24,758 are as follows:

Land	\$ 7,423,113
Buildings	20,850,698
Less: Accumulated depreciation - buildings	(3,703,317)
Machinery, equipment and vehicles	11,329,367
Less: Accumulated depreciation - machinery, equipment, and vehicles	(4,521,941)
Infrastructure systems	32,408,485
Less: Accumulated depreciation - infrastructure	<u>(5,389,979)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 58,396,426</u></u>

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of fleet maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.” The details of this \$37,121 difference are as follows:

Cash and investments	26,238
Capital assets	24,758
Accounts payable	(7,658)
Compensated absences payable	<u>(6,217)</u>
Net position of the internal service fund	<u><u>\$ 37,121</u></u>

The final element of that reconciliation explains that “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.” The details of this \$12,924,298 difference are as follows:

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

Bonds payable	\$ (12,415,000)
Add: Issuance premium (to be amortized over life of debt)	73,882
Less: Issuance discount (to be amortized as interest expense)	(33,848)
Performance obligation note payable	<u>(211,714)</u>
Subtotal of bonds and notes payable - current and non-current	(12,586,680)
Accrued interest payable	(221,910)
Compensated absences	<u>(115,708)</u>
Net long term liabilities adjustment to decrease <i>fund balance - total governmental funds</i> , to arrive at <i>net assets - governmental activities</i>	<u><u>\$ (12,924,298)</u></u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that “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 capital outlays exceeded depreciation expense in the current period.” The details of this \$1,331,605 difference are as follows:

Capital outlay reported in:	
Capital Projects	\$ 3,078,581
General Fund	229,785
Community Center Fund	<u>16,175</u>
Total capital outlay reported in governmental funds	3,324,541
Less: Depreciation expense, net of internal service fund	<u>(1,992,936)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ 1,331,605</u></u>

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (sales and donations) is to increase net position.” The details of this \$299,022 difference are as follows:

In the statement of activities, only the gain or <i>loss</i> 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.	\$ (15,265)
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.	<u>314,287</u>
Net adjustment to decrease <i>total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> .	<u>\$ 299,022</u>

Another element of that reconciliation states that “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 assets.” The details of this \$59,645 difference are as follows:

Principal repayments on non-monetary performance obligation	\$ 9,645
Principal repayments on special revenue bonds	<u>50,000</u>
Net adjustment to increase <i>total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 59,645</u>

Another element of that reconciliation states that “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.” The details of this \$(11,278) difference are as follows:

Compensated absences	\$ (10,077)
Accrued interest	468
Amortization of bond premiums	1,410
Amortization of bond discounts	<u>(3,079)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (11,278)</u>

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash deposits with financial institutions**

*Custodial credit risk for deposits.* The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's deposits are either covered by depository insurance or are collateralized under the Colorado Public Deposit Protection Act and are therefore not deemed to be exposed to the custodial credit risk. The City's deposits are governed by Colorado Statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. All deposits of the City are insured or collateralized with securities held by or for the entity. The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2015, \$803,336 of the City's deposits were covered by FDIC insurance and \$6,683,941 were collateralized under the PDPA.

**B. Investments**

*Custodial credit risk for investments.* The custodial credit risk for investments is the risk that, in the event of the failure of the counter party to a transaction, a government 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. 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

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

---

As of December 31, 2015, the City had \$8,968,440 in governmental and business type funds in several local government investment pools established for local governments in Colorado to pool surplus funds (CSAFE and Colotrust). These pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of these pools consist of U.S. Treasury and Agency securities, the highest rated commercial paper and repurchase agreements collateralized by U.S. Treasury and agency securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. Each pool is rated AAAM by Standard and Poor's. To obtain financial statements for CSAFE you may visit their website at [www.csafe.org](http://www.csafe.org). Colotrust's financial statements are available on their website at [www.colotrust.com](http://www.colotrust.com).

The above investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The composition of all cash and investments held by the City at December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Cash on hand:	\$ 1,600	\$ 1,600
Deposits:		
Cash in checking account(s)	2,717,673	2,847,426
Money market funds	3,507,543	3,427,575
Certificates of deposit	<u>1,278,676</u>	<u>1,344,307</u>
Total deposits	7,503,892	7,619,308
Investment pools	<u>8,968,440</u>	<u>8,962,446</u>
Total cash, deposits and investments	<u>\$ 16,473,932</u>	<u>\$ 16,583,354</u>

The captions on the statement of net assets of the City related to cash and investments are as follows:

	<u>2015</u>	<u>2014</u>
Cash and investments	\$ 12,347,161	\$ 12,519,830
Restricted Cash	<u>4,126,771</u>	<u>4,055,244</u>
	<u>\$ 16,473,932</u>	<u>\$ 16,575,074</u>

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

*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. More than five percent of the City's investments are in public entity investment pools. These investments are 54% of the City's total cash, deposits and investments at December 31, 2015.

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2015 was as follows.

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets, not being depreciated</u>				
Land	\$ 7,375,415	\$ 47,698	\$ -	\$ 7,423,113
Total capital assets not being depreciated	<u>7,375,415</u>	<u>47,698</u>	<u>-</u>	<u>7,423,113</u>
<u>Capital assets, being depreciated</u>				
Buildings and other structures	19,544,125	1,306,573	-	20,850,698
Infrastructure	30,421,715	1,986,769	-	32,408,484
Machinery and equipment	11,233,381	307,187	(175,406)	11,365,162
Total capital assets being depreciated	<u>61,199,221</u>	<u>3,600,529</u>	<u>(175,406)</u>	<u>64,624,344</u>
<u>Less accumulated depreciation for:</u>				
Buildings and other structures	(3,110,667)	(592,650)	-	(3,703,317)
Infrastructure	(4,593,424)	(796,554)	-	(5,389,978)
Machinery and equipment	(4,078,348)	(605,616)	150,986	(4,532,978)
Total accumulated depreciation	<u>(11,782,439)</u>	<u>(1,994,820)</u>	<u>150,986</u>	<u>(13,626,273)</u>
Total capital assets being depreciated, net	<u>49,416,782</u>	<u>1,605,709</u>	<u>(24,420)</u>	<u>50,998,071</u>
Governmental activities capital assets, net	<u>\$ 56,792,197</u>	<u>\$ 1,653,407</u>	<u>\$ (24,420)</u>	<u>\$ 58,421,184</u>

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

Assets for governmental activities include internal service fund capital assets of \$24,758 in internal service fund capital assets, net of depreciation. Decreases in net assets represent the sale and disposal of unused assets. Depreciation expense was charged to functions/programs of governmental activities as follows:

Governmental activities

General government	\$ 119,494
Park and recreation	622,220
Public works	1,054,644
Public safety	196,578
Capital assets held by the government's internal service fund are charged to various functions based on their usage of assets	1,884
<b>Total depreciation expense - governmental activities</b>	<b>\$ 1,994,820</b>

	Beginning Balance	Increase	Decrease	Ending Balance
<u>Business-type activities:</u>				
<u>Capital assets, not being depreciated</u>				
Land	\$ 1,046,173	\$ -	\$ -	\$ 1,046,173
Source of supply	14,712	-	-	14,712
Total capital assets not being depreciated	1,060,885	-	-	1,060,885
<u>Capital assets, being depreciated</u>				
Buildings	1,643,406	-	-	1,643,406
Wastewater treatment facility	28,066,958	-	-	28,066,958
Distribution and collection system	19,417,998	218,433	-	19,636,431
Machinery and equipment	1,501,435	18,282	(7,700)	1,512,017
Total capital assets being depreciated	50,629,797	236,715	(7,700)	50,858,812
<u>Less accumulated depreciation for:</u>				
Buildings	(835,570)	(40,615)	-	(876,185)
Wastewater treatment facility	(2,071,529)	(704,934)	-	(2,776,463)
Distribution and collection system	(5,803,725)	(428,829)	-	(6,232,554)
Machinery and equipment	(1,007,162)	(96,778)	7,700	(1,096,240)
Total accumulated depreciation	(9,717,986)	(1,271,156)	7,700	(10,981,442)
Total capital assets being depreciated, net	40,911,811	(1,034,441)	-	39,877,370
Business-type activities capital assets, net	<b>\$ 41,972,696</b>	<b>\$ (1,034,441)</b>	<b>\$ -</b>	<b>\$ 40,938,255</b>



City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

---

**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	\$ 106,490
Unallocated utility billing receipts	34,947
Total General Fund	141,437
 <u>Capital Projects Fund</u>	
Grant revenues for J.2 Road improvements	117,713
Impact fees for open space, road and drainage improvements	808,188
	925,901
 Total unavailable/unearned revenue for governmental funds	 \$ 1,067,338

**E. Long-Term Liabilities**

**1. Notes and loans payable**

During 1995 the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority in the amount of \$155,435. This loan was for the construction of the Kingsview sewer line extension. This loan was paid off in 2015 and has no outstanding balance at December 31, 2015.

During 2010 the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority for construction of a new wastewater treatment facility in the amount of \$21,830,000. 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 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 \$822,199 of net position for debt service. This includes \$325,181 for the three month operating reserve and \$497,018 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, 2015 was \$19,280,000 and is included in the Sewer Fund.

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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 (Enochs Lake).

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 exchange of water rights and land were applied to the nonmonetary amortization schedule in 2015 resulting in an outstanding performance obligation balance on this note of \$211,714 at December 31, 2015. Future interest has been netted against future minimum water usage in the annual debt service requirements for governmental activities below.

Notes and loans currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Business-type activities		
Wastewater treatment facility	2.50%	19,280,000
Governmental activities		
Reservoir improvements	4%	<u>\$ 211,714</u>
Total notes and loans payable		<u>\$ 19,491,714</u>

Annual debt service requirements to maturity for notes and loans are as follows:

Year ended December 31	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	630,000	562,844	1,192,844
2017	680,000	543,956	1,223,956
2018	730,000	524,206	1,254,206
2019	780,000	503,540	1,283,540
2020	845,000	474,126	1,319,126
2021-2025	5,235,000	1,866,090	7,101,090
2026-2030	7,015,000	1,022,340	8,037,340
2031-2032	3,365,000	134,122	3,499,122
	<u>\$ 19,280,000</u>	<u>\$ 5,631,224</u>	<u>\$ 24,911,224</u>

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

---

The unamortized premium on the loan for the wastewater treatment facility is \$852,486 and the outstanding notes and loans reported in the Statement of Net Position is reported net of this amount. Interest expense on notes and loans payable for the year ended December 31, 2015 was \$570,144 in the Sewer Fund.

Year ended December 31	<u>Governmental Activities</u>		
	<u>Non-monetary performance obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Credit</u>
2016	10,031	8,469	18,500
2017	10,433	8,067	18,500
2018	10,850	7,650	18,500
2019	11,284	7,216	18,500
2020	11,735	6,765	18,500
2021-2025	66,105	26,395	92,500
2026-2030	80,427	12,073	92,500
2031	10,849	434	11,283
	<u>\$ 211,714</u>	<u>\$ 77,069</u>	<u>\$ 288,783</u>

A credit of \$228,920 was applied to this obligation in 2014 for the conveyance of land and water rights from the City in addition to the minimum water usage credit of \$18,500. The above table assumes minimum credits for water usage in future years and will be adjusted annually to reflect actual water use.

**2. Special Revenue Bonds**

During 2009 the City issued revenue bonds for the construction and operation of a community recreation center. With voter approval, 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 bonds were issued in the amount of \$12,565,000 in two series with \$2,440,000 in Series 2009A tax-exempt bonds and \$10,125,000 in Series 2009B taxable Build America Bonds. Bond proceeds in the amount of \$10,918,750 were deposited to the project construction fund and the remaining \$1,256,500 was deposited to the Debt Service Reserve Fund. In accordance with provisions of the bond ordinance, the City deposited an additional \$500,000 to a Supplemental Reserve Account. The bonds are rate AAA by Standard and Poor's with insurance from Assured Guaranty Corp. with an underlying rating of BBB+ from Standard and Poor's. Final maturity of the bonds is 2039.

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

Interest subsidy payments, also referred to as the Federal Direct Payments, are received from the United States Treasury for the Taxable Build America Bonds, Series 2009B, upon timely receipt of Form 8038-CP. The amounts of these direct payments was initially equal to 35% of the taxable interest on the Taxable Series 2009B bonds. However, sequestration by the Federal Government has resulted in a reduction in the interest subsidy for taxable bonds. The Bipartisan Budget Act of 2013 also extended sequestration on interest subsidy payments for an additional two years, from ten years to twelve years. The sequestration rate, or the amount by which the interest subsidy payments are reduced, will be set from time to time in the future.

In 2015, the sequestration percentage of 7.3% was applied to the interest subsidy payment. In 2016, the sequestration percentage of 6.8% will be applied to the interest payments.

At year end, the City had \$2,726,736 in fund balance restricted for debt service on these bonds. This includes \$1,756,500 in reserve and supplemental reserve funds, \$236,909 in the principal and interest sub-accounts which is the pro rata portion of the amount coming due on the bonds on the next principal and interest payment dates, net of the interest payment subsidy receivable at December 31, and an additional \$733,327 for future debt service payments.

Special revenue bonds currently outstanding are as follows:

Series	Description	Issue Amount	Maturity Date	Interest Rate	Outstanding Balance
2009A	Tax exempt Sales and Use Tax Revenue Bonds	\$ 2,440,000	2039	1.72% - 5.75%	\$ 2,290,000
2009B	Taxable Sales and Use Tax Revenue Bonds	10,125,000	2039	7.42% - 7.62%	10,125,000
Total					\$12,415,000

The unamortized premium and discount on the special revenue bonds is \$40,034 and the outstanding notes and loans reported in the Statement of Net Position is reported net of this amount.

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

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

	Principal	Interest	Federal Direct Payment*	Total - Net of Federal Direct Payment
2016	60,000	887,638	(248,467)	699,171
2017	75,000	885,238	(266,595)	693,643
2018	100,000	882,238	(266,595)	715,643
2019	125,000	877,988	(266,595)	736,393
2020	160,000	872,675	(266,595)	766,080
2021-2025	1,285,000	4,139,291	(1,254,546)	4,169,745
2026-2030	2,320,000	3,518,979	(1,037,436)	4,801,543
2031-2035	3,720,000	2,450,495	(663,467)	5,507,028
2036-2039	4,570,000	863,613	(226,696)	5,206,917
	<u>\$ 12,415,000</u>	<u>\$ 15,378,155</u>	<u>\$ (4,496,992)</u>	<u>\$ 23,296,163</u>

\*The 2016 Federal Direct Payment has been reduced by the 6.8% sequestration rate for 2016. Future federal direct payments have not been adjusted and reflect the original letter of credit amounts.

### 3. *Changes in long-term liabilities*

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Special revenue bonds	\$12,465,000	\$ -	\$ (50,000)	\$12,415,000	\$ 60,000
Deferred amount for issuance discount	(76,960)	3,078	-	(73,882)	-
Deferred amount for issuance premium	35,258	-	(1,410)	\$ 33,848	-
Total bonds payable	12,423,298	3,078	(51,410)	12,374,966	60,000
Performance obligation note	221,359	-	(9,645)	211,714	10,031
Compensated absences	109,847	182,669	(170,591)	121,925	-
Governmental activity long term liabilities	<u>\$12,754,504</u>	<u>\$ 185,747</u>	<u>\$ (231,646)</u>	<u>\$12,708,605</u>	<u>\$ 70,031</u>

The internal service fund predominately serves the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$6,217 of internal service funds

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Business-type activities:</u>					
Notes and loans	\$19,871,375	\$ -	\$ (591,375)	\$19,280,000	\$ 630,000
Deferred amount for issuance premium	902,632		(50,146)	852,486	50,146
Compensated absences	18,214	28,885	(25,098)	22,001	-
Business-type long term liabilities	<u>\$20,792,221</u>	<u>\$ 28,885</u>	<u>\$ (666,619)</u>	<u>\$20,154,487</u>	<u>\$ 680,146</u>

**IV. RETIREMENT PLANS**

**A. Defined Contribution Plans**

**1. *City of Fruita Retirement Plan***

Effective January 1, 1974, the City of Fruita adopted a defined contribution retirement plan (City of Fruita Employee's Retirement Plan) for full time employees with six months continuous service, excluding elected officials. Beginning in January 2011, the contribution for police officers was transferred over to their Money Purchase Pension Plan. The statement of fiduciary net assets and statement of changes in fiduciary net assets for the Retirement Trust Fund include the financial statements of the retirement plan. The City contributes 4 ½ % of the amount of the employee's compensation as defined by the plan.

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. ICMA Retirement Corporation is the trustee for the plan and the City Manager is the plan administrator. The total contribution to allocate for the plan year of 2015, including administrative expenses, is \$102,862. The City's total payroll for all employees in 2015 was \$4,204,164 of which \$2,263,582 was subject to this plan. The plan uses the accrual method of accounting similar to the method used for the proprietary funds. Fair value of the plan investments at December 31, 2015 was \$1,349,285. The investments consist of various funds offered by ICMA Retirement Corporation.

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**2. *Fruita Police Department Money Purchase Pension 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 of 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 makes a contribution of 10% and the City makes a contribution of 8% of the employee's base salary, plus the 4.5% retirement contribution previously made to the City of Fruita Retirement Plan.

The City's contribution for each employee (and interest allocated to the employee's account) becomes 20% vested at the completion of two years of service, 40% at the completion of three years of service, 60% at the completion of four years of service and 100% vested at the completion of five years of service. Any non-vested City contributions forfeited by an employee who leaves the City's employment are held in an investment account for the City. The City's policy is to use these forfeited contributions to reduce future contributions to the plan.

The total payroll covered by the plan in 2015 was \$977,531. Total contributions for the year ended December 31, 2015, were \$97,753 paid by the employees and \$122,192 by the City. Fair value of the plan investments at December 31, 2015 was \$2,572,486. The investments consist of various funds offered by ICMA Retirement Corporation.

**V. 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 2015 limit CIRSA's per occurrence exposure to \$500,000 for workers' compensation coverage, \$600,000 for liability coverage, \$500,000 for property coverage, and \$150,000 for crime

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

coverage, and provide coverage to specified upper limits.

As a member of CIRSA, the City owns a proportionate share of CIRSA's net assets. The City's equity at December 31, 2015 in the property/casualty insurance pool is \$127,375 and \$139,292 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.

## **VI. CONTINGENT LIABILITIES**

### **A. Risk Management**

The City is self-insured for property and liability insurance. As discussed in Note V, 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.

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 final outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

### **B. Pending litigation**

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

## **VII. OPERATING LEASE**

The City entered into a ten-year operating lease with a nonprofit corporation for the use of a building, grounds and equipment to be used as a quality science/learning center. This lease was renegotiated with a reduction in rental payments received in 2015 from \$57,600 to \$28,800 and elimination of rental payments in 2016. This reduction in rental payments



City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

is subject to certain conditions including use of a portion of the property by another entity and ongoing maintenance and upkeep of the facility.

**VIII. 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. An election was held in April 2012 and voters 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, 2018.

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 reserved net assets 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.

**IX. RESTRICTED NET POSITION AND SIMILAR FUND BALANCE LIMITATIONS**

Restricted net position in the amount of \$4,524,658 has been classified into the following categories.

*Debt service* - Net position identified as Debt Service in the amount of \$3,548,935 is restricted by bond ordinances for future debt service.

*Marketing and promotion* - Net position identified as Marketing and promotion in the amount of \$82,791 represents amounts collected from lodging tax and is restricted by ordinance for the purposes of marketing and promoting the city.

*Community center* - Net position restricted for Community Center in the amount of \$26,698 represent amounts collected from the one percent (1%) sales and use tax and user fees and is restricted by ordinance for operations of the Community Center.

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2015

---

*Parks and open space* - Net position restricted for parks and open space in the amount of \$231,038 represent interest earnings on development impact fees collected for the purposes of parks and open space and restricted by ordinance as well as lottery funds which are restricted by state statute for specific parks, recreation and open space projects.

*Streets* - Net position restricted for streets in the amount of \$235,196 represent interest earnings on development impact fees collected for the purposes of street improvements and restricted by ordinance for street improvements.

*Emergency reserves* - Net position restricted for emergency reserves in the amount of \$400,000 represents the TABOR emergency reserve required by the Colorado Constitution, Article X, Section 20.

**X. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

The Capital Projects Fund owed the General Fund \$107,397 at December 31, 2015 as a short term cash loan for grant revenues due but not received at year end. This balance will be repaid within one year.

The composition of interfund transfers for the year ended December 31, 2015 is as follows:

	<b>Transfers in:</b>				
	General Fund	Community Center Fund	Capital Projects Fund	Debt Service Fund	Total transfers out
<b><u>Transfers out:</u></b>					
General Fund	\$ -	\$ 95,000	\$ 1,058,832	\$ -	\$1,153,832
Community Center	-	-	-	713,925	713,925
Other governmental funds	-	-	67,014	-	67,014
Sewer	150,000	-	605,510	-	755,510
Trash	46,700	-	-	-	46,700
Devils Canyon Center	27,100	-	-	-	27,100
Irrigation Water	10,000	-	-	-	10,000
Total transfers in	<u>\$233,800</u>	<u>\$ 95,000</u>	<u>\$ 1,731,356</u>	<u>\$ 713,925</u>	<u>\$2,774,081</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,

City of Fruita, Colorado  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

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, and 4) move funds to the capital projects fund for various capital projects.

**XI. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through **May 19, 2015**, which is the date the financial statements were available to be issued and determined that no events have occurred that require disclosure.

# **Required Supplementary Information**

This page intentionally left blank

City of Fruita, Colorado  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the year ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 1,065,075	\$ 1,065,075	\$ 1,062,935	\$ (2,140)
City sales	1,600,000	1,600,000	1,463,743	(136,257)
County sales	1,914,000	1,914,000	1,979,551	65,551
Use tax	640,000	640,000	657,959	17,959
Other	584,000	584,000	561,077	(22,923)
Licenses and permits	29,100	29,100	30,497	1,397
Intergovernmental revenue	658,500	665,500	770,154	104,654
Charges for services	154,900	154,900	152,706	(2,194)
Fines and forfeitures	39,000	40,350	44,044	3,694
Development impact fees	52,025	52,025	-	(52,025)
Investment earnings	4,000	4,000	12,430	8,430
Rents and royalties	26,800	26,800	32,131	5,331
Donations	10,000	17,500	18,171	671
Miscellaneous	1,000	2,275	7,629	5,354
Total revenues	<u>6,778,400</u>	<u>6,795,525</u>	<u>6,793,027</u>	<u>(2,498)</u>
<b>EXPENDITURES</b>				
Current:				
General government	345,575	345,900	329,617	16,283
Administration	647,250	648,500	616,227	32,273
Community development	262,425	263,050	242,934	20,116
Public safety	2,179,350	2,197,710	2,078,108	119,602
Public works	1,637,350	1,648,375	1,527,343	121,032
Parks and recreation	965,850	976,350	925,121	51,229
Non-departmental	475,700	449,165	274,943	174,222
Capital equipment	432,300	446,075	229,785	216,290
Total expenditures	<u>6,945,800</u>	<u>6,975,125</u>	<u>6,224,078</u>	<u>751,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(167,400)</u>	<u>(179,600)</u>	<u>568,949</u>	<u>748,549</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	237,100	237,100	233,800	(3,300)
Transfers out	(1,130,000)	(1,380,225)	(1,153,832)	226,393
Insurance rebates and damage awards	-	-	12,289	12,289
Reserves	(220,000)	(220,000)	(220,000)	-
Sale of capital assets	-	-	3,480	3,480
Total other financing sources and (uses)	<u>(1,112,900)</u>	<u>(1,363,125)</u>	<u>(1,124,263)</u>	<u>238,862</u>
Change in net position - budgetary basis	<u>\$ (1,280,300)</u>	<u>\$ (1,542,725)</u>	<u>(555,314)</u>	<u>\$ 987,411</u>
Adjustments from budgetary basis to GAAP Basis to arrive at change in net position				
Add additions to reserves			<u>220,000</u>	
Change in net position - GAAP basis			<u>\$ (335,314)</u>	

See accompanying independent auditor's report.

City of Fruita, Colorado  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**CAPITAL PROJECTS FUND**  
**For the Year Ended December 31, 2015**

	<u>Budget</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget-</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental revenue	\$ 1,040,000	\$ 2,591,975	\$ 1,274,710	\$ (1,317,265)
Assessments and development impact fees	250,000	296,500	78,011	(218,489)
Donations	3,000	3,000	3,000	-
Investment earnings	-	-	1,981	1,981
Total revenues	<u>1,293,000</u>	<u>2,891,475</u>	<u>1,357,702</u>	<u>(1,533,773)</u>
<b>EXPENDITURES</b>				
Current:				
Downtown improvements design	-	-	-	-
I-70/SH 340 Gateway Enhancement	-	40,000	1,707	38,293
Greenway Business Park Rail Crossing	-	29,400	6,789	22,611
Family Health West improvements	-	-	-	-
Capital Outlay				
Mountain water system	-	-	-	-
Downtown improvements	650,000	511,475	482,145	29,330
Streets	1,530,000	1,530,800	1,175,350	355,450
Drainage Improvements	-	52,150	52,188	(38)
Parks and recreation	458,000	1,740,050	72,513	1,667,537
Building improvements	-	1,305,875	1,296,385	9,490
Total expenditures	<u>2,638,000</u>	<u>5,209,750</u>	<u>3,087,077</u>	<u>2,122,673</u>
Deficiency of revenues under expenditures	(1,345,000)	(2,318,275)	(1,729,375)	588,900
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,185,000	2,125,225	1,731,356	(393,869)
Change in net position - budgetary basis	<u>\$ (160,000)</u>	<u>\$ (193,050)</u>	1,981	<u>\$ 195,031</u>
Adjustments from budgetary basis to GAAP				
Basis to arrive at change in net position			-	
Change in net position - GAAP basis			<u>\$ 1,981</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, 2015**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
City sales	\$ 800,000	\$ 800,000	\$ 731,871	\$ (68,129)
Use tax	325,000	325,000	328,980	3,980
Charges for services	982,250	982,250	1,038,301	56,051
Investment income	-	-	20	20
Rents and royalties	35,000	35,000	43,927	8,927
Donations	-	825	1,239	414
Miscellaneous	-	4,700	16,796	12,096
Total revenues	<u>2,142,250</u>	<u>2,147,775</u>	<u>2,161,134</u>	<u>13,359</u>
<b>EXPENDITURES</b>				
Current				
Recreation	1,488,725	1,483,850	1,465,083	18,767
Capital expenses	9,500	20,000	16,175	3,825
Total expenditures	<u>1,498,225</u>	<u>1,503,850</u>	<u>1,481,258</u>	<u>22,592</u>
Excess of revenues over expenditures	<u>644,025</u>	<u>643,925</u>	<u>679,876</u>	<u>35,951</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Reserves	(25,000)	(25,000)	(25,000)	-
Transfers in	95,000	95,000	95,000	-
Transfers out	<u>(713,925)</u>	<u>(713,925)</u>	<u>(713,925)</u>	<u>-</u>
Total other financing sources (uses)	<u>(643,925)</u>	<u>(643,925)</u>	<u>(643,925)</u>	<u>-</u>
Change in net position - budgetary basis	<u>\$ 100</u>	<u>\$ -</u>	35,951	<u>\$ 35,951</u>
Adjustments from budgetary basis to GAAP Basis to arrive at change in net position				
Add additions to reserves			<u>25,000</u>	
Change in net position - GAAP basis			<u>\$ 60,951</u>	

See accompanying independent auditor's report.



This page intentionally left blank

## **Other Supplementary Information**

This page intentionally left blank

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, 2015**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 247,125	\$ 247,467	\$ 342
Investment earnings	5,250	10,450	5,200
Total revenues	<u>252,375</u>	<u>257,917</u>	<u>5,542</u>
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	50,000	50,000	-
Interest and fiscal charges	890,025	890,012	13
Total expenditures	<u>940,025</u>	<u>940,012</u>	<u>13</u>
Deficiency of revenues under expenditures	(687,650)	(682,095)	5,555
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	713,925	713,925	\$ -
Change in net position - budgetary basis	<u>\$ 26,275</u>	31,830	<u>\$ 5,555</u>
Adjustments from budgetary basis to GAAP Basis to arrive at change in net position		-	
Change in net position - GAAP basis		<u>\$ 31,830</u>	

See accompanying independent auditor's report.

City of Fruita, Colorado  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2015**

---

	<b>Special Revenue Funds</b>		<b>Total</b>
	<b>Conservation Trust</b>	<b>Marketing and Promotion</b>	<b>Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 278,236	\$ 84,383	\$ 362,619
Taxes receivable	-	5,291	5,291
Total Assets	\$ 278,236	\$ 89,674	\$ 367,910
<b>LIABILITIES</b>			
Accounts payable	-	856	856
Total Liabilities	-	856	856
<b>FUND BALANCE</b>			
Restricted	188,136	82,791	270,927
Assigned	90,100	6,027	96,127
Total Fund Balances	278,236	88,818	367,054
Total Liabilities and fund balance	\$ 278,236	\$ 89,674	\$ 367,910

See accompanying independent auditor's report.

City of Fruita, Colorado  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2015**

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Conservation Trust</u>	<u>Marketing and Promotion</u>	
<b>REVENUES</b>			
Taxes			
Lodger's tax	\$ -	\$ 106,695	\$ 106,695
Intergovernmental revenue	121,379	-	121,379
Charges for services	-	\$ 203	203
Total revenues	<u>121,379</u>	<u>106,898</u>	<u>228,277</u>
<b>EXPENDITURES</b>			
Current			
Marketing and promotion	-	105,152	105,152
Capital outlay			
Total expenditures	<u>-</u>	<u>105,152</u>	<u>105,152</u>
Excess (deficiency) of revenues over (under) expenditures	121,379	1,746	123,125
<b>OTHER FINANCING SOURCES</b>			
Transfers out	<u>(67,014)</u>	<u>-</u>	<u>(67,014)</u>
Change in net position (budgetary basis)	\$ 54,365	\$ 1,746	\$ 56,111
Adjustments from budgetary basis to GAAP basis to arrive at change in net position	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position (GAAP basis)	<u>\$ 54,365</u>	<u>\$ 1,746</u>	<u>\$ 56,111</u>

See accompanying independent auditor's report.

City of Fruita, Colorado  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**SEWER FUND**  
**For the year ended December 31, 2015**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 2,810,000	\$ 2,810,000	\$ 2,882,510	\$ 72,510
Investment income	4,300	4,300	5,998	1,698
Capital contributions - tap fees	264,000	264,000	217,800	(46,200)
Miscellaneous	100	100	4,390	4,290
Total revenues	<u>3,078,400</u>	<u>3,078,400</u>	<u>3,110,698</u>	<u>32,298</u>
<b>EXPENSES</b>				
Personnel services	666,750	669,700	620,270	49,430
Purchased services	243,125	252,700	218,890	33,810
Supplies	368,475	355,950	307,937	48,013
Debt service:				
Principal retirement	591,525	591,525	591,375	150
Interest and fiscal charges	575,375	575,375	575,357	18
Capital expenses	710,300	710,300	178,905	531,395
Reserves	1,395,000	1,395,000	1,500,000	(105,000)
Transfers out	150,000	765,000	755,510	9,490
Total expenses	<u>4,700,550</u>	<u>5,315,550</u>	<u>4,748,244</u>	<u>567,306</u>
Change in net position - budgetary basis	<u>\$ (1,622,150)</u>	<u>\$ (2,237,150)</u>	<u>\$ (1,637,546)</u>	<u>\$ 599,604</u>
Adjustments from budgetary basis to GAAP				
Deduct depreciation			(1,224,219)	
Add change in accrued interest payable			5,213	
Deduct change in compensation payable			(3,627)	
Add contributions from development			57,810	
Add addition to reserves			1,500,000	
Add principal retirement			591,375	
Add capital expenses			178,905	
Add premium on bonds			50,146	
Change in net position - GAAP basis			<u>\$ (481,943)</u>	

See accompanying independent auditor's report.

City of Fruita, Colorado  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**TRASH FUND**  
**For the year ended December 31, 2015**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	\$ 681,000	\$ 693,006	\$ 12,006
Investment income	-	-	-
Total revenues	<u>681,000</u>	<u>693,006</u>	<u>12,006</u>
<b>EXPENSES</b>			
Purchased services	631,000	634,266	(3,266)
Transfers out	50,000	46,700	3,300
Total expenses	<u>681,000</u>	<u>680,966</u>	<u>34</u>
Change in net position - budgetary basis	<u>\$ -</u>	<u>\$ 12,040</u>	<u>\$ 12,040</u>
Adjustments from budgetary basis to GAAP Basis to arrive			
Deduct depreciation		-	
Add capital expenses		-	
Change in net position - GAAP basis		<u>\$ 12,040</u>	

See accompanying independent auditor's report.



City of Fruita, Colorado  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**DEVILS CANYON CENTER FUND**  
**For the year ended December 31, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ 28,800	\$ 30,800	\$ 2,000
Investment income	-	-	-
Total revenues	<u>28,800</u>	<u>30,800</u>	<u>2,000</u>
<b>EXPENSES</b>			
Purchased services	1,700	1,700	-
Supplies	-	-	-
Special projects	-	-	-
Transfers out	27,100	27,100	-
Total expenses	<u>28,800</u>	<u>28,800</u>	<u>-</u>
Change in net position - budgetary basis	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Adjustments from budgetary basis to GAAP Basis to arrive at change in net position			
Deduct depreciation		(37,552)	
Add capital expenses		-	
Change in net position - GAAP basis		<u>\$ (35,552)</u>	

See accompanying independent auditor's report.

City of Fruita, Colorado  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**IRRIGATION WATER FUND**  
**For the year ended December 31, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ 95,500	\$ 99,352	\$ 3,852
Capital contributions - tap fees	-	-	-
Investment income	25	-	(25)
Total revenues	<u>95,525</u>	<u>99,352</u>	<u>3,827</u>
<b>EXPENSES</b>			
Personnel services	57,350	56,213	1,137
Purchased services	9,375	7,185	2,190
Supplies	14,150	12,008	2,142
Contingency	4,650	-	4,650
Reserves	-	-	-
Transfers out	10,000	10,000	-
Total expenses	<u>95,525</u>	<u>85,406</u>	<u>10,119</u>
Change in net position - budgetary basis	<u>\$ -</u>	<u>\$ 13,946</u>	<u>\$ 13,946</u>
Adjustments from budgetary basis to GAAP Basis to arrive at change in net position			
Deduct depreciation		(9,385)	
Deduct compensation payable		(160)	
Change in net position - GAAP basis		<u>\$ 4,401</u>	

See accompanying independent auditor's report.

City of Fruita, Colorado  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**FLEET MAINTENANCE FUND**  
**For the year ended December 31, 2015**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 275,525	\$ 284,925	\$ 284,362	\$ (563)
Other revenues	-	-	-	-
Total revenues	<u>275,525</u>	<u>284,925</u>	<u>284,362</u>	<u>(563)</u>
<b>EXPENDITURES</b>				
Personnel services	161,250	179,150	180,769	(1,619)
Purchased services	2,700	2,450	1,896	554
Supplies	107,400	93,925	88,658	5,267
Reserves	-	-	-	-
Contingency	-	-	-	-
Capital equipment	-	9,400	9,400	-
Total expenditures	<u>271,350</u>	<u>284,925</u>	<u>280,723</u>	<u>4,202</u>
Change in net position - budgetary basis	<u>\$ 4,175</u>	<u>\$ -</u>	\$ 3,639	<u>\$ 3,639</u>
Adjustments from budgetary basis to GAAP basis				
to arrive at change in net position				
Deduct loss on disposal of equipment			(9,155)	
Deduct depreciation			(1,883)	
Deduct compensation payable			(2,001)	
Add capital expenses			<u>9,400</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:  
City of Fruita  
YEAR ENDING :  
December 2015

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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,370,857
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	568,815
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	41,901
2. General fund appropriations	756,341	b. Snow and ice removal	15,140
3. Other local imposts (from page 2)	799,522	c. Other	251,026
4. Miscellaneous local receipts (from page 2)	114,669	d. Total (a. through c.)	308,067
5. Transfers from toll facilities		4. General administration & miscellaneous	92,557
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	373,931
a. Bonds - Original Issues		6. Total (1 through 5)	2,714,227
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,670,532	b. Redemption	
<b>B. Private Contributions</b>	220,411	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	823,284	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	2,714,227	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			2,714,227

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,714,227	2,714,227		(0)

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	12,599
1. Sales Taxes	553,187	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	75,959	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	2,070
5. Specific Ownership &/or Other	170,376	g. Other Misc. Receipts	100,000
6. Total (1. through 5.)	799,522	h. Other	
c. Total (a. + b.)	799,522	i. Total (a. through h.)	114,669
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	388,828	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	48,734	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	385,722	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	434,456	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	823,284	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		37,200	37,200
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		179,511	179,511
(2). Capacity Improvements			0
(3). System Preservation		1,147,358	1,147,358
(4). System Enhancement & Operation		6,788	6,788
(5). Total Construction (1) + (2) + (3) + (4)	0	1,333,657	1,333,657
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,370,857	1,370,857
			(Carry forward to page 1)

Notes and Comments:



---

## AGENDA ITEM COVER SHEET

---

**TO: FRUITA CITY COUNCIL AND MAYOR**  
**FROM: ODETTE BRACH, HUMAN RESOURCE DIRECTOR**  
**DATE: MAY 3, 2016**  
**RE: HUMAN RESOURCE AND MARKETING & PROMOTION UPDATE**

### **BACKGROUND**

Periodically, Department Directors present an update to provide City Council an overview of current goals and highlights specific to their department. Staff will present such update on Human Resources and Marketing & Promotion at the City Council meeting.

### **OPTIONS AVAILABLE TO COUNCIL**

This is an informational presentation and does not require any action from the Council.