

**FRUITA CITY COUNCIL  
REGULAR MEETING  
SEPTEMBER 1, 2015**

**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, Joel Kincaid and Bob Fuller. Mayor Buck called the meeting to order at 7:00 p.m.

Mayor Buck asked if there were any corrections or additions to the agenda. City Manager Mike Bennett stated that there were not.

**3. AGENDA – ADOPT/AMEND**

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

**4. PROCLAMATIONS AND PRESENTATIONS**

There were no proclamations or presentations on the agenda.

**5. PUBLIC PARTICIPATION**

Mrs. Vera Mulder stated that she wanted to make the City Council a proposition. She said that the Children's Nature Center will be moving and she thinks this is an awful thing for the City to let happen because Dinosaur Journey has plans for improvement. Mrs. Mulder stated that the John McConnell Math & Science Center has been successful in raising money to go forward with what they are doing.

Mrs. Mulder said that Fruita doesn't have money for this and doesn't have money for that and certainly not to clean up the mess of the old sewer lagoons. She asked the City Council to give Janet Gardner that property (the sewer lagoons) for a dollar, a hundred dollars or five hundred dollars and attach some stipulations to that because she feels that once Janet Gardner has the land in her possession, she can garner grants and support money that she has no way of touching right now.

Mrs. Mulder said the City of Fruita could write a contract and give Janet Gardner conditional use or ownership of the land, for example, the City could say that in fifteen or twenty years from now, if that land isn't cleaned up and the institution hasn't laid a foundation, then the property would revert back to the City. She asked what the City would lose.

Mrs. Mulder continued that the City of Fruita has the chance to have three incredible things in Fruita that would put it on the map because Fruita can't seem to get businesses here and seems to be a bed and breakfast for everybody else.

Mrs. Mulder said that making this (an educational complex consisting of Dinosaur Journey, the Math & Science Center and the Children's Nature Center) would draw people from all over.

Mrs. Mulder said she was really appealing to the City Council to use their good common sense and do this because there would be nothing to lose.

Mrs. Mulder stated that her son, his wife and her grandkids came to Fruita from Minneapolis, MN where the educational system is phenomenal because the state puts any extra money back into the schools. She continued that her son and his wife travel extensively with the kids and they have seen lots of things, but they went to Dinosaur Journey and the Children's Nature Center and they said they have never been to a place where they received so much attention and education as the Children's Nature Center. Mrs. Mulder said, (to the Council) "don't commit the mortal sin of letting that (Children's Nature Center) institution go."

There were no further comments from the public.

## **6. CONSENT AGENDA**

- A. MINUTES - A REQUEST TO APPROVE THE MINUTES FROM THE AUGUST 18, 2015 CITY COUNCIL MEETING**
- B. NO COAST SUSHI:**
  - 1) A REQUEST TO APPROVE A SIDEWALK RESTAURANT PERMIT APPLICATION FROM UMIN CHU, LLC DBA NO COAST SUSHI LOCATED AT 229 E. ASPEN AVENUE**
  - 2) A REQUEST TO APPROVE A MODIFICATION OF LIQUOR LICENSE PREMISES FOR A BEER AND WINE LIQUOR LICENSE FOR UMIN CHU, LLC DBA NO COAST SUSHI LOCATED AT 229 E. ASPEN AVENUE TO ALLOW ALCOHOL ON A SIDEWALK RESTAURANT**
- C. BOARDS AND COMMISSIONS REAPPOINTMENT – A REQUEST TO APPROVE THE REAPPOINTMENT OF JIM MORRIS TO THE BOARD OF ADJUSTMENTS FOR ANOTHER THREE YEAR TERM TO EXPIRE IN SEPTEMBER OF 2018**
- D. RESOLUTION 2015-23 – A REQUEST TO APPROVE A RESOLUTION RECOGNIZING SEPTEMBER 14 – 20, 2015 AS “COLORADO CITIES AND TOWNS WEEK”**

- E. CONDITIONAL USE PERMIT – A REQUEST TO APPROVE A CONDITIONAL USE PERMIT FOR ILLUSIONS BRIDAL LOCATED AT 816 GRAND AVENUE**
- F. CONDITIONAL USE PERMIT – A REQUEST TO APPROVE A CONDITIONAL USE PERMIT FOR QUALITY SHEET METAL LOCATED AT 816 GRAND AVENUE**
- G. CONDITIONAL USE PERMIT – A REQUEST TO APPROVE A CONDITIONAL USE PERMIT FOR THE EQUINE FACILITY AT 1679 RUBY LEE DRIVE**

Mayor Buck opened the Consent Agenda for public comments. Hearing none, she referred to the City Council.

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

## **7. PUBLIC HEARINGS**

There were no Public Hearings on the agenda.

## **8. ADMINISTRATIVE AGENDA**

### **A. PUBLIC WORKS DIRECTOR KEN HALEY**

#### **1) GRAND VALLEY REGIONAL DRAINAGE UPDATE**

Public Works Director Ken Haley gave the Council a PowerPoint presentation regarding an update on the Grand Valley Regional drainage situation. He noted that he had given the Council a presentation in June of 2015 and he wanted to give an update of what has happened since then.

Mr. Haley said that between March and May of 2015, staff worked with a whitepaper group that included different entities in the valley. They discussed how to best handle regional drainage. The recommendations of that group were to have one drainage entity handle all the drainage systems including maintaining drains, drainage Master Plans, irrigation return and seep, floodplain management, water quality and capital projects. The group recommended that the one entity be the Grand Valley Drainage District (GVDD).

Mr. Haley continued that on June 16, 2015, staff brought the matter to the City Council and the Council passed a motion that “the Fruita City Council support moving forward to the next step in the discussions with the concept of forming one regional drainage entity under Title 37 and expanding the drainage district.”

Mr. Haley's presentation included a timeline that was discussed during the whitepaper conversations. He pointed out that June 22, 2015 was the deadline to make the decision to form the drainage authority under either Title 37 or Title 29 of the Colorado Revised Statutes.

Mr. Haley said that the next step in the process was to set up committees to discuss the big policy issues such as what the boundaries of the organization would be and how those would work, how the representation and leadership of the board would look, how funding would be obtained for the organization, how the legal and logistic aspects would come into play, and how to implement the entire program.

Mr. Haley continued that the GVDD set up a series of committee meetings, the first of which was in July. Three separate committees were formed: the Financial Plan Committee, the Governance and Communication Committee and the Operations, Expansion and Logistics Committee. Representatives from Fruita on these committees included City Engineer Sam Atkins (Financial Plan), Councilor Bob Fuller (Governance & Communication) and Public Works Director Ken Haley (Operations, Expansion & Logistics). Each committee met once in July and on July 21<sup>st</sup>, the GVDD notified the committee members that they were moving forward with implementing fees in January of 2016. Mr. Haley said this was somewhat contradictory to what the committees had been discussing.

Mr. Haley said that at this time, a lot of the committee members were pretty confused on why the GVDD was moving forward without the support of the committee members and without full recommendations from those committees.

Mr. Haley said the reason this will impact Fruita is because the GVDD's boundaries go from Palisade to Fruita north of the Colorado River. In District 1 (at the west end of the valley), the boundary encompasses all of the City of Fruita with the exception of the Kingsview Subdivision on the south side. He continued that when the GVDD talks about implementing fees within their existing boundary, it means that Fruita residents will be impacted and responsible for paying those fees.

Mr. Haley continued that on August 6, 2015, County Commissioner Scott McInnis and Grand Junction City Councilman Duncan McArthur wrote a letter to the GVDD Board which stated that if the Board does move forward with the implementation of the fees, they would like some representation on the Board and involvement in how it moves forward. The GVDD then responded back the following week asking the City of Grand Junction to support them in moving forward with the current board and the implementation of fees. That same week, Scott McInnis and Duncan McArthur sent a letter to the GVDD Board suggesting that maybe they have a third party such as the Department of Local Affairs (DOLA) come in to facilitate and do an evaluation on what would be the best makeup of the board. Mr. Haley said that there had been other correspondences during this time, as well as press releases.

Mr. Haley said it was his understanding that DOLA responded that they were not interested in or were not the best suited for being a facilitator for the forming of the drainage authority.

Mr. Haley said that regardless of all this, he still has hope and that the main goal is still the same; the hard part is how to get there. He said the main issues that haven't been grasped yet are board representation, the implementation logistics and how the organization will be funded.

Mr. Haley said that since the GVDD notified everyone that they were moving forward with the implementation of fees in January of 2016, none of the committees have met and haven't been involved in discussions. He continued that the GVDD plans to have an ad hoc committee meeting on September 3<sup>rd</sup> to discuss the implementation of fees and to get feedback. Mr. Haley noted that an ad hoc committee is not something that Fruita has participated in up to this point because the committee members were focused on the whitepaper timeline.

Councilor Bonar noted that the fee Resolution (proposed by the GVDD) was continued to the next meeting of the GVDD Board, which will be held on September 9<sup>th</sup>. He added that the board was also holding a workshop session on September 2<sup>nd</sup>.

Mr. Haley said that the fee Resolution shows that every residential property in Fruita will essentially be assessed \$36 per year. For all new houses, there will be a \$963 impact fee. For the City of Fruita's facilities, the fees would be based on impervious area and would total upwards of \$23,000 in 2016. He continued that these fees would be charged to everybody including non-profits and tax-exempt organizations. School District 51 would be responsible for over \$100,000 in storm water fees next year. There have been some discussions about rebates.

Councilor Fuller asked if the fee being charged would be for storm water management or irrigation and seep.

Mr. Haley responded that the GVDD's Financial Plan that they are presenting has two sides: 1) Operational General Fund expenses (which are funded by mill levy that is currently in place and generates roughly \$1.7 million per year) and 2) an Enterprise Fund, which is where the impact fees and storm water fees would go. The Enterprise Fund would fund capital improvements such as operating and maintaining additional drainage infrastructure, as well as personnel and equipment.

Mr. Haley noted that there were a couple of different versions of GVDD's Financial Plan because they are trying to decide whether to take on a debt service plan to do some big capital projects up front or not. He said the Financial Plan that was in his presentation did not include any debt service and that capital projects in this plan include the Buthorn Drain Phase 1, Buthorn Drain Phase 2, Appleton Drain, Carpenter Drain and 29 Road Drainage. Mr. Haley noted that none of these capital projects are located in Fruita.

Mr. Haley said he was not looking for any direction from Council yet; he was just getting a lot of questions about what is going on, so he was giving the Council the opportunity to get caught up on some of the things that have been happening.

Councilor Fuller asked if the columns in the Financial Plan were annual. Mr. Haley confirmed that they were.

Councilor Fuller noted that according to the Financial Plan, in the year 2016, the GVDD would have an ending balance of \$1,503,000 in the Enterprise Fund but they were going to spend \$50,000 on capital improvements. He asked where the other \$1,450,000 was going. Mr. Haley said he did not know the answer to Mr. Fuller's question. He added that City Engineer Sam Atkins was on the Financial Planning Committee, so possibly he knew more about it.

Mr. Atkins said it appears that the GVDD would be banking the revenue early and because the capital improvements were large dollar amounts, they weren't able to immediately fund the projects. He said it would take a couple of years before they would actually be able to start on the projects. Mr. Atkins added that the estimated cost of starting the Buthorn Drain project was \$5 million, so it would take time to build up the money to pay for it.

Mayor Buck asked if federal, state and county properties were going to be subject to the storm water fees as well. Mr. Haley confirmed this to be true.

Councilor Mascarenas asked if churches would be included as well and Mr. Haley responded that they would.

Councilor Mascarenas asked Mr. Haley if he had estimated costs of the fees for churches in Fruita.

Mr. Haley said he did not have this information specific to churches, but that was something he could look into.

Mr. Atkins explained that the fees will be based on an equivalent residential unit of 2,500 square feet of impervious surface (which includes the rooftop and pavement). The square footage would be divided by 2,500 and results in the \$3 per month fee that is being proposed. If a property were 5,000 square feet, the fee would be about \$6 per month. This formula is being used for both residential and commercial properties.

Councilor Mascarenas asked if businesses would have to pay the mill levy property tax that they already pay (which is higher than residential) as well as the additional storm water fee. Mr. Haley confirmed that this was what GVDD was proposing.

Councilor Fuller stated that it seems as though the impervious surface calculation is designed to manage storm water and not necessarily irrigation. He asked if this was correct. Mr. Haley confirmed that this is correct. He said the mill levy would take care of the irrigation and return flow and the impact and storm water fees would handle the drainage.

Councilor Fuller said then, presumably, the capital improvement projects funded by the Enterprise Fund will be only for storm water management. Mr. Haley responded that this was the intent.

Councilor Fuller asked if the Buthorn Drain was an irrigation ditch. Mr. Haley said the drain does have some tail water in it, but it is a capacity improvement that has been caused by development over time and increased flows.

Mayor Buck noted that the average taxpayer is going to get hit with the implementation of a storm water fee because not only do they pay property taxes, the City is going to have to reduce its services by \$23,000, the county is going to reduce their services by however much they have to pay and it seems like the regular Joe is just going to get hammered.

Councilor Fuller added that the City of Fruita is being charged a fee without having any control over the funds use and therefore, the City is being taxed without representation.

Councilor Bonar said that the reason that the fee Resolution wasn't signed at the last GVDD meeting was because he was concerned about double taxation and the impact on the school district and others. He continued that it is very messy; the Uniformity Principle applies to taxes and fees within the state and it says that you cannot charge different entities different rates for a tax or a fee and you cannot exempt different groups without exempting everybody or charging everybody the same, so the easy way isn't easy.

Councilor Fuller responded that churches are exempt from property taxes and therefore, they do not pay a mill levy. Councilor Bonar agreed that this is correct. Councilor Fuller said they were still going to be forced to pay the storm water fee. Councilor Bonar again agreed that this was correct.

Councilor Bonar continued that in regards to the school district, there is a precedent in Champion, Illinois to give an education credit to the school district and the rationale is that the school district participates in public education to make people aware of the function of the storm water system and why it is important. He added that this would enable the storm water enterprise to rebate to the school district the cost of the fees, which is a legally defensible way to reimburse the school district and minimize the impact on them.

Councilor Bonar said that there is also the issue of the municipalities, particularly Palisade and Fruita, who are entirely within the GVDD's boundaries. He stated that the City spends roughly \$12,000 per year on maintenance of storm water facilities and the anticipated municipal fees would be roughly \$20,000 to \$24,000. The proposal that Councilor Bonar said he heard about is that if the City enters into an Intergovernmental Agreement (IGA) with the GVDD for the handling of storm water, then the City would not have to pay the usual \$12,000 in maintenance fees and there would be ways to offset the costs of the newly implemented fees. Councilor Bonar said he has not seen the numbers to satisfy him that this is possible, but this is what has been proposed. He said this is what is happening now; trying to figure out how to make this work.

Councilor Fuller said this really doesn't address the issue because it does not provide any control on behalf of the City of Fruita for turning over responsibility of storm water management to the GVDD.

Councilor Bonar said that in the IGA, the City could negotiate on how money is spent on behalf of the City of Fruita.

Councilor Fuller asked why the City of Fruita would do that.

Councilor Bonar asked why the City would not do that. He said that the City is already paying money, so why wouldn't it try to enter into agreement to say where the money is going.

Councilor Fuller responded that the City shouldn't do that because rather, they should maintain control over the City's own storm water management.

Councilor Bonar responded that the fees are coming and nobody can stop them.

Councilor Fuller said people could choose to not pay them. Councilor Bonar responded that that would be another story, but the bottom line is that the GVDD has the statutory authority to establish an enterprise within its boundaries and the statutory authority to charge a utility for the enterprise without violating TABOR and without going to the taxpayers. He said like it or not, it's happening.

Councilor Fuller said this was provided the County Clerk will allow the GVDD to bill for the fees. Councilor Bonar responded that up until two weeks ago, the County Assessor was fine with everything but the County Assessor has suddenly decided that it's not going to be possible because Scott McInnis said that the GVDD is using its leverage. The GVDD will therefore bill outside of the County Assessor's Office and the fees will not be part of property taxes.

Councilor Bonar continued that in regards to representation, the City of Fruita lives in District 1 of the GVDD and he is currently the elected representative for District 1. He said his term is up in April and anyone is certainly welcome to run for the seat or find a candidate to do so.

Councilor Fuller asked who was representing Palisade on the GVDD and Councilor Bonar said Dick Bowman was Palisade's representative on the board. Councilor Fuller asked if Mr. Bowman lives in Palisade and Councilor Bonar said he lives right on the outside of Palisade on the eastern end of the valley. Mark Harris represents the central part of the valley.

Councilor Fuller asked if the GVDD was not going to change its governance, then. Councilor Bonar said this is correct.

Councilor Mascarenas said she thought everyone was in agreement including the GVDD of the timeframe in that fees wouldn't be implemented until 2017 and that everyone would be working together as a community to achieve the goals. She said she is disappointed that this is not the case because now the goodwill and the trust are concerns and the citizens are going to be impacted. Councilor Mascarenas said that although the GVDD has its opinions and is receiving legal counsel, she is still going to wait and see how it will play out because there are still stories to be told.

Councilor Mascarenas added that Scott McInnis and Duncan McArthur really took the bull by the horns, but in her mind, it was supposed to be everybody in the valley working together.

Public Works Director Ken Haley said that as staff, he feels like the process in the committee meetings was being productive in helping move forward to the greater goal that everyone was trying to achieve.

Councilor Mascarenas said she was still hoping that the committees will continue meeting.



Mr. Haley responded that the GVDD was the one leading the committees, and they have since cancelled all the committee meetings.

Councilor Mascarenas asked if the committees could continue to meet and people could chose to attend or not. She said she didn't know if what GVDD was trying to do was possible without community and municipality support. She added that she was just still hopeful that the GVDD was going to be a team player.

Mr. Haley said that he thinks there are ways to work together on how the implementation will go, and that whether the fees start in 2016 or 2017, it probably really doesn't matter, even though it will be harder in some instances than the other. He continued that the hardest thing to face is telling the constituents and residents what the fee is for and how they are benefitting from it and what services they are being provided. Mr. Haley said the public education piece will be very important.

Councilor Fuller commented that the citizens of Fruita will not benefit from it because there are no Enterprise Fund projects in Fruita, so the City will have an Intergovernmental Agreement which will help to manage storm water, but he thinks that the City could do a better job than the GVDD because he feels that historically, this has been the case.

Councilor Fuller reiterated that the citizens will not see any benefit directly from the Enterprise Fund.

Councilor Bonar said that he believes that the first budgeted phase in the model is to pay for basin studies for the Little and Big Salt Washes and Adobe Creek, which were supposed to have been completed under the 5-2-1 Drainage Authority. (The studies were done for the eastern end of the valley but were never completed in Fruita). Councilor Bonar said these basin studies are necessary to determine what the storm water facility sizes need to be.

Councilor Fuller said the Financial Model does not say that.

Mr. Haley said that those drainage studies were cut from the current Financial Model.

Councilor Bonar said this was something that the City of Fruita could negotiate as part of the IGA between the City and the GVDD.

Mr. Haley said he knows that this has obviously turned into a political issue and he knows that Mesa County has pushed back and still wants to move forward towards having representation on the GVDD Board before they will support it.

Mayor Buck said she wanted to acknowledge that Councilor Bonar is in a very difficult position right now. She added that she appreciates what he is doing and that she believes he is doing what he thinks is right, and that it is just a hard situation right now.

Councilor Fuller said he thought Councilor Bonar has presented the GVDD's position accurately and correctly, and that is what the City Council was looking for. He said his concern is that in the absence of a consensus on the Council to provide Councilor Bonar with some direction as to what

the City of Fruita would like to see, that Councilor Bonar is pretty much playing it by ear, although he has certainly defended the City's position admirably up to now based on what he's been able to do.

Councilor Bonar advised everyone to be well aware that he makes no commitments on behalf of the City of Fruita while he is serving on the GVDD board and also to be aware that he has the interest of Fruita and the lower valley in mind as well as the rest of the GVDD in making decisions. He said he has to balance what he thinks needs to be done with what he thinks needs to be done and he is trying.

He added that part of the difficulty in the process at the moment was one vision of a single drainage responsibility covering the entire 5-2-1 Drainage Authority perimeter. He said the real sticking point is how to get there and the GVDD's management has come up with a sequential, manageable expansion plan of what can be done now to bring in the money and then the expansion can progressively occur as opposed to having a single drainage authority up and running on day one with a 5-2-1 governance. Councilor Bonar said the GVDD feels that it didn't work last time, so why would anyone think it would now?

Councilor Bonar continued that there were negotiations between parties that he was not a part of to work the differences out, but it became clear that Mesa County was not a viable partner. He said at the same time, there are people sitting in a meeting complaining about flooding that's taking place on their property because of an undersized culvert and Mesa County is telling them to talk to the GVDD, who says they can't help because they don't have the authority or the money to do that.

Councilor Bonar said Mesa County said they are not willing to discuss fees until after the November 2016 Election. At this point, the GVDD said they do not need Mesa County to do what they can do to handle storm water within their own boundaries. Councilor Bonar said if any of the other entities want to participate, participation is welcome and through IGA's, mutually acceptable ways to expand the service can be found. He made the comment that "you can't eat an elephant all at once, you eat it one bite at a time."

Councilor Mascarenas asked for clarification that Councilor Bonar's position is not representing the Fruita City Council. She said she needed to know that because the City Council did pass a Resolution contradicting Council Bonar's position. Councilor Bonar confirmed that this was correct. He said he is telling the Fruita City Council what he has observed in meetings that he attended while not being a Fruita City Councilor and that he was trying to give as much insight as he could and answer any questions asked of him. He said they are two different hats that he has to wear.

City Manager Mike Bennett said that he asked Mr. Haley to give the update on the Grand Valley regional drainage because there have been a lot of questions and there is a lot to it, so it's hard to cover simply in weekly updates. Mr. Bennett said he wanted to make sure that everybody was up to speed on the timeline from the last update in June to this point. He added that he has shared with some City Councilors that from the staff's perspective, staff was hopeful when they were working together in the committees, but now other factors have come into play.

Mr. Bennett continued that in an ideal world, when you have a utility or a multi-jurisdictional governmental entity that is covering across boundaries, the protocol would be that there would be one IGA that everyone was a part of, but there are many factors at play that make this a little more difficult in this point in time. He said this is one of the reasons that staff hasn't jumped into any kind of negotiations yet. He said that currently, staff is evaluating the City's cost, but essentially is watching from the sidelines because there is no active committee for the City to be a part of. Mr. Bennett said staff is definitely paying attention to what is going on, but it is not the City's role to lead the process. He added that when the fees are assessed and the GVDD takes on its additional responsibilities, if it comes down to a situation where no one is working together, then the City will absolutely have to look out for its own interests.

Councilor Fuller asked if staff had seen a draft of an IGA from the GVDD. Mr. Bennett responded that he believed the GVDD's attorney sent it to the City of Fruita's attorney Ed Sands, but he hadn't heard from Mr. Sands about yet and he would be following up on it. Mr. Bennett stated he thought the GVDD's attorneys sent IGA to the other entities as well.

Councilor Mascarenas asked if any of the other entities had entered into any IGA with the GVDD and Mr. Bennett said they had not as far as he was aware. Councilor Bonar said that the IGAs were sent out to solicit feedback in how to draft the Resolution going forward. He added that after the Resolution has been passed, then the entities can negotiate the actual IGAs.

Councilor Bonar further stated that the IGAs that were sent to Ed Sands (who represents both Fruita and Palisade) and John Shaver (the City of Grand Junction's attorney) did not contain specifics but rather more generalities and not the beginnings of negotiations.

Councilor Fuller asked if the City of Fruita would then have the opportunity to negotiate after the fee is set in stone. Councilor Bonar said he wouldn't use the term "set in stone." He said once the Resolution is passed to implement a fee, the fee can be changed by Resolution, as can other details.

Councilor Fuller said the fee has to be uniform, so if it's based on a logical square footage, then the formula must apply to every entity inside the boundary. Councilor Bonar said this is correct. Councilor Fuller said there was no real negotiating, then.

Mr. Bennett said he did receive earlier that day from the GVDD a draft Resolution that they will be discussing at the upcoming meetings.

Councilor Bonar said he believes there is a clause in the Resolution that requires a review at the end of the first year to look at whether the model needs to be adjusted.

Councilor Mulder noted that the 5-2-1 has a special meeting come up on September 16<sup>th</sup> from 2:00 to 4:00 pm at the County building and Fruita does still have an IGA with the 5-2-1 Drainage Authority. He continued that he was quite sure that Scott McInnis and Duncan McArthur would be providing their comments about what they want to see. Councilor Mulder said he just wanted to point out that the 5-2-1 was still in the background and the IGA with Fruita was voted on only six months ago.

Mr. Haley said the 5-2-1 is still doing what it needs to do as far as water quality aspects and maintaining that and this won't change until the alternate entity takes over. He said the 5-2-1 is required by state regulations to fulfill these obligations. Mr. Haley reminded everyone that the City of Fruita does currently contribute about \$5,000 to the 5-2-1 Drainage Authority every year. He noted that once the GVDD takes control, the 5-2-1 Drainage Authority will be dissolved.

Councilor Harvey asked if Scott McInnis and Duncan McArthur were on any of the GVDD's committees. Councilor Fuller stated that Mr. McInnis was on the Governance Committee with him.

Councilor Harvey asked if the County Commissioner was representative of what the committees were actually talking about and looking to do. Councilor Fuller said it was in line with what had been flushed out in the whitepaper and Tim Ryan was also on the Governance Committee and did not raise any objections to the direction in which the committee was leaning. He said this was appointed representation from the various municipalities and the county. Councilor Fuller said this was all he could say and then it was dissolved and the GVDD went their own way.

Mr. Haley noted that the Governance Committee that Councilor Fuller was on was the only committee that had elected officials on it. The other two committees (Financial Planning and Operations and Logistics) were all made up of staff members.

Councilor Harvey asked if the different committees were communicating. He said he just wondered how it got to the point where all of a sudden, there is an e-mail blast from Mesa County.

Mr. Haley said he believes there were a lot of discussions going on outside of those committee meetings that he and others were not privy to.

Mr. Bennett noted that each of the committees only met once. Mr. Fuller added that the idea was that a facilitator was present (at least at the Governance Committee) and it was his intent to provide a written summary of the conversations, and this was to then be disseminated to all the members of the committee, which never happened, so there is no record of the conversations that took place (at least at the Governance Committee meeting). Mr. Haley said the same was true of the committee that he was on (Operations and Logistics).

Councilor Mulder asked Mr. Haley if he was still on the Technical Advisory Committee for the 5-2-1 Drainage Authority. Mr. Haley said he is. Councilor Mulder asked if Mr. Haley had been to a meeting recently regarding what is occurring. Mr. Haley said he would be attending a meeting of the 5-2-1 at the end of the week and they would be talking about the issues.

## **9. COUNCIL REPORTS AND ACTIONS**

### **COUNCILOR KINCAID**

Councilor Kincaid reported that the Fruita Tourism Advisory Council met the previous week and they still have some concerns. One of these concerns is that tourism is over budget in about ten different categories and most of them are in the management and planning section. The budget currently has \$5,700 available for the rest of the year. \$3,000 was spent on search engine

optimization. The City's marketing firm, Cobb & Associates, did not have any good answers for why that is happening.

Councilor Kincaid continued that tourism website visits were down 28% year-to-date from last year as of April. In May, the visits were down 3.6%. In June, the visits were up 5% and in July, they were up 30%. In August, the visits were up 70%. Councilor Kincaid said that \$4,700 was spent on Facebook ads (that wasn't spent last year) and Google display ads ran another \$2,700 (that also wasn't spent last year). Mayor Buck asked if Cobb & Associates went and spent the money on their own. Councilor Kincaid said that those items were in the budget, but the search engine optimization should have been started in January, but that still hasn't occurred and Cobb & Associates has not had a good reason why.

Councilor Kincaid continued that the Tourism Advisory Board has communicated to Cobb & Associates that they need to get on their game because there is one year left on their contract. Cobb & Associates says that effective April 21<sup>st</sup>, Google changed they changed their algorithm, so that is why the visitation numbers are down. Councilor Kincaid said this doesn't make sense, so a lot of the Tourism board members had some things to say that needed to be said.

Cobb & Associates has also said that the organic search is down 41% compared to 59% last year. Councilor Kincaid said that if no money was paid for any advertising, the numbers this year would have been 2,951 visits in July, but they are at 2,911 so visits are down by 40 without paying for advertising. Cobb & Associates also said they think the tourism website needs to be redesigned again onto a Wordpress platform, but Councilor Kincaid said it was just redesigned last year, so the board told them they were not interested in doing that.

Councilor Kincaid said that the board's concern is that Cobb & Associates is over budget in management and planning because it's money that's not going towards the marketing that the City needs done.

Mayor Buck asked where the money for the Interbike e-mail blasts was coming from. Councilor Kincaid responded that the Human Resources Director has some budget line items for signage that probably won't be used this year, so it will come out of that. He explained that the Tourism Advisory Board has been discussing doing an e-mail blast to about 2,000 attendees at the Interbike show and probably 200 of those recipients are decision makers that the board wants to target.

Councilor Kincaid noted that there was a video created by Colorado Mesa University students where two guys were sitting on a bench in the Circle and they were talking about the "twelve-minute" rule where there is always something to do twelve minutes from Fruita, so they drive up to the Colorado National Monument. A decision was made that any videos must be approved by a committee before they get posted on the internet.

Councilor Kincaid said he has talked with the City Manager about the possibility of giving Cobb & Associates a smaller budget in 2016 while the City takes some of the money and does its own decision making for the spending of marketing funds.

Councilor Kincaid said he was also concerned when he heard Cobb & Associates say that Fruita's key tourism season is the summer. The board informed them that it is spring and fall, not summer. Councilor Kincaid said that Eric Mello had a good handle on Fruita's tourism, but with him and Terry leaving, there is a big gap at the marketing firm.

Councilor Mascarenas noted that Eric Mello is a professor at CMU who frequently uses Fruita as a subject for his classes. Councilor Kincaid said this is where the video came from that he spoke about; the class has a writer and a videographer.

Mr. Bennett said that the students have done a decent job; it's just that the video sent the wrong message for Fruita.

Mayor Buck asked if there was any money in the budget to replace the dinosaur banner on the grain elevator because it is getting very faded.

Councilor Kincaid said he recalled that the banner was very expensive. Mayor Buck said she recalled that the frame was approximately \$15,000 but that it was only a couple of thousand to replace the actual banner. Councilor Kincaid said the Tourism Board could look at that and see.

Mr. Bennett stated that he recently found out that the extra money in signage would not cover the whole e-mail blast to Interbike. He said it would cover a large portion, but not all of it.

Mayor Buck said she just wanted to put a "bug in the ear" for next year's budget that it would be great to replace the banner because it is looking pretty sad.

Councilor Kincaid concluded by saying that Cobb & Associates has done a great job over the last six years or so, but they have just been struggling to hit the mark since the latest transition.

#### COUNCILOR MASCARENAS

Councilor Mascarenas reported that she attended the Grand Valley Regional Transportation Committee (GVRTC) the previous Monday and the board is shooting for October 26, 2015 to have a roundtable workshop with state legislators, the Deputy Director of the Colorado Department of Transportation (CDOT) and legislative liaisons.

Councilor Mascarenas also reported that representatives from the Grand Junction Visitor and Convention Bureau (VCB) have been denied conferences because of the lack of public transportation such as a shuttle service from hotels. The VCB has made a plea to the Grand Valley Transit (GVT) to see if they would be a partner in providing transportation for conferences, but there are costs and man hours associated with that. Councilor Mascarenas said there have been discussions that folks could pay for the transportation via conference registration fees.

Councilor Mascarenas said that GVT ridership has been going down; however, revenue is going up. Overall, there has been a 12.5% increase in revenue and last month, there was a 52% increase in revenue. She explained that the reason for this is that now there is a fare box and GVT has an actual count of riders that they didn't have in the past. The ridership numbers of the past were

probably inflated because they couldn't keep track of how many people were actually riding the buses.

Councilor Mascarenas noted that she had a Chamber board meeting later in the week.

#### COUNCILOR HARVEY

Councilor Harvey stated that his board meetings would be held the following Wednesday. He said that as a side note, he had a friend in town who is a representative for the National Outdoor Leadership School (NOLS), which is an organization that takes youth out on adventures and teaches them all the right ways to do everything from camping to canyoneering, whitewater rafting, kayaking and other outdoor activities. NOLS was in Fruita because it is part of their territory and they went to the rock climbing place over by Discovery Kids. They have been trying to get in touch with CMU because they are looking for people to partner with in the valley. Councilor Harvey said the group was super impressed by Fruita; they thought it was the coolest place ever. NOLS is based out of Lander, WY, which is somewhat similar in size and downtown character to Fruita. Councilor Harvey said the group gave him some information that he would be passing along to the City Manager because he wondered if there was some way that the City could partner with NOLS in the future.

Councilor Harvey also noted that his gallery and bookstore opened and they did an interview with a literary website called [realpants.com](http://realpants.com), which is a serious and well-known site in the literary community. He added that in the interview, he promoted Fruita and since then, he has had people contacting the bookstore and checking out the town.

Mr. Bennett said he was going to add this in the Weekly Information Update. Councilor Mascarenas suggested that Mr. Bennett provide the link to the website so that Council members could share it.

Mr. Bennett said that Councilor Harvey did a great job explaining Fruita.

#### COUNCILOR MULDER

Councilor Mulder said he just wanted to reiterate what Mrs. Mulder said earlier about the Children's Nature Center and added that the center has made quite an impression on people. He said it is just too bad that something can't be worked out that would be suitable for everybody involved. Councilor Mulder stated that the Math & Science Center is going to be moving forward with or without Theresa, who has accepted another job for a non-profit organization. He just asked that the Council and staff keep in mind what Mrs. Mulder proposed.

#### COUNCILOR BONAR

Councilor Bonar reported that over the weekend, he enjoyed a rather tasty India Pale Ale called Johnny's American IPA, which was 4% alcohol. He said what was significant about this is that he bought it at the City Market, whom he thought had a 3.2% beer license. (Clerk's Note: Colorado Liquor Rules state that "No licensee shall sell, offer or expose for sale or distribute within the state

any fermented malt beverages in bottles or cans of less than thirty-three (33) ounces capacity unless said containers, or a label attached thereto, shall carry thereon, in clear and legible and indelible print a statement which clearly indicates that the beverage therein contains not more than 3.2% alcohol by weight *or 4% alcohol by volume*. The beverage Councilor Bonar referred to is 4% alcohol by volume and can be legally sold by stores with a 3.2% beer license.)

### MAYOR BUCK

Mayor Buck stated that Luis Benitez, the Head of the new Colorado Outdoor Recreation Industry Office for the state will be at the Interbike show with Governor Hickenlooper. Fruita Parks and Recreation Director Ture Nycum met Mr. Benitez over the weekend and he and Mayor Buck invited him to lunch on Tuesday to talk about Fruita. The Colorado Outdoor Rec Industry Office is making the Grand Valley the incubator site for the outdoor industry. Mayor Buck said she thought it would turn out to be a good thing.

### **10. CITY MANAGER'S REPORT**

Mr. Bennett stated that he would be in a meeting the following day with the Economic Development partners (Municipal and county managers, Business Incubator Center, and the Grand Junction Economic Development Partnership (GJEP)) to discuss the North Star study that was completed. Grand Junction and Mesa County contracted with North Star to do branding for the valley and after numerous meetings and everybody looking at different names to call the valley (e.g., Grand Valley, Mesa County, Greater Grand Junction, or western Colorado), North Star came in with their presentation to the Creative Marketing Committee (representatives from the various marketing firms in the valley) and basically all the messages that they had were based on Grand Junction. Mr. Bennett continued that the City of Grand Junction asked all of the Economic Development partners to mention this to their boards. North Star's position is that it would be out of the scope of work to change the focus at this point in time. Mr. Bennett said there was some discussion related to that; and obviously Mesa County and Grand Junction paid for the studies so they have the say in how it goes. However, they do want feedback from the other entities in the valley and Mr. Bennett said he was going to communicate (unless the Council disagrees) that Fruita was interested in a more valley-wide approach for a name rather than being Grand Junction specific. He said this is the same consensus from pretty much all the Economic Development partners.

Mr. Bennett also stated that in the City Link and the Weekly Information Update, there was an invitation to the Open House at the City Shops on September 15<sup>th</sup> before the next Council meeting. It's an Open House from 3:00 to 6:00 p.m. and there will be a ribbon cutting by the Federal Mineral Lease District, who helped fund the project along with the Department of Local Affairs (DOLA). Mr. Bennett noted that this will be Fruita's highlight event for the Colorado Municipal League's (CML's) "Colorado Cities and Towns Week." City vehicles and other equipment will be on display and there will be free hot dogs and tours of the new City Shops Facility at 900 E. Kiefer Avenue.

Mr. Bennett continued that he had an advertisement pop up in his newsfeed on Facebook that invited him to vote for Cortez to be the "Most Adventurous Town in Colorado." He said he clicked on it to find out more and learned that Fruita is in that same running, so he started sharing it with local people and businesses and got it on the tourism website. Fruita is currently up against Canon



City and for some reason, Fruita is in the “large city” category. Mr. Bennett said Fruita is by far in the lead in Round 1 and he suggested that people vote everyday and share it with others. The contest is sponsored by Elevation Outdoors Magazine and Mr. Bennett said he would send the link to the Mayor and Council members.

Mr. Bennett showed the Mayor and Council the City of Fruita’s new website on the video equipment in the Council room. He said that City staff worked on it and did a great job and that everyone seems to really like the clean look and feel of the site. Mr. Bennett asked that everyone let people know about a feature on the website called the “Community Calendar” where people can submit a community event such as an event where a band is playing. People can submit pictures with their events as well. The community events are submitted via e-mail to Deputy City Clerk Deb Woods, who will be responsible for approving the events.

Mr. Bennett reviewed the basics of the website for the Mayor and Council members. He noted that the Recreation and Events section of the website will see the most traffic (as it has in the past) but is much easier to use now.

Mr. Bennett noted that one new addition to the website is a social media section where there are a couple of Youtube channels that have videos about Fruita made by Cullen Purser and the “Why Fruita” videos he makes while meeting with people in the community. He said that more videos and other content will be added as time goes on.

Mr. Bennett asked the Mayor and Council to let staff know if they have any ideas or thoughts about the new website.

## **11. ADJOURN**

With no further business before the Council, the meeting was adjourned at 8:29 p.m.

Respectfully submitted,

Debra Woods  
Deputy City Clerk  
City of Fruita