



# FRUITA COLORADO

## Weekly Info Update



To: MAYOR AND CITY COUNCIL  
From: MIKE BENNETT, CITY MANAGER  
Date: JUNE 14, 2019  
Re: WEEKLY INFORMATION UPDATE

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### **Monday's City Council Meeting**

Just a quick reminder, our City Council meeting next week is scheduled for Monday instead of Tuesday due to the CML Conference. There are nine items on the consent agenda and no legislative hearings scheduled. There are three quasi-judicial hearings, one Liquor License Application for Karma Kitchen and two Planning and Development Items.

### **City of Fruita Credit Rating Upgrade**

The City of Fruita received an upgrade in the unenhanced Bond Rating from A+ to AA- with a stable outlook for the 2019 Sales and Use Tax Refunding Bonds from S&P Global Ratings. The ratings reflect S&P's assessment that Fruita has an adequate economy, strong management with good financial policies, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, adequate debt and contingent liability position, and strong institutional framework. A copy of the press release and full credit report are attached below. Kudos to everyone's efforts to make this happen!

### **Introducing Online Utility Payments**

Coming soon...Fruita residents will have the ability to pay their utility bills online! 24/7 online access will be available to residents with options to pay via credit card, debit card, or eCheck. A convenience fee will apply to online payments. This option will be available through a link from the City's website at [www.fruita.org](http://www.fruita.org) or by visiting [www.colorado.gov/payment/cityoffruita](http://www.colorado.gov/payment/cityoffruita). The City will continue to offer the following utility payment options as well:

- in person at the Fruita Civic Center,
- by automatic payment – a direct ACH debit from your checking account,
- your bank's bill payment services,
- payment drop boxes located on the north side of the Fruita Civic Center and at the Fruita City Market,
- or by traditional mail.

We are excited to offer this new payment option for utility billing and hope it offers a convenient way to make bill paying a bit easier.

*Honor the Past – Envision the Future* **FRUITA**

### **Warning: Dangerous High-Water Conditions (continued)**

Rising water levels continue to create potentially dangerous river conditions. A flood advisory warning remains for the Gunnison River above Mesa County and the Colorado River near the Utah border. The Colorado Riverfront Trail remains closed in multiple sections throughout the valley, and in Fruita, is closed at Reed Wash where the trail underpasses I-70. **For information on current river conditions and safety hazards**, please visit the [Mesa County Emergency Preparedness website](#).

### **Fruita in Motion Story Map Update (continued)**

Want to keep up to date with the Fruita in Motion/Comprehensive Plan progress? The Story Map, Public Engagement Summary and Dates, and the virtual open houses have all been updated at [fruitainmotion.org](http://fruitainmotion.org). Check it out [here](#)! The Steering Committee met last night to tackle tough issues regarding growth and will meet again Thursday, June 13 at 5:30 pm.

### **General Updates**

- Country Jam is this weekend!
- Happy Father's Day!
- Family Health West has announced the retirement of Mark J. Francis and has appointed Dr. Korrey Klein as the new President and CEO. The full press release is provided below.
- In May 2019, Fruita residents recycled 53 tons of cans, bottles, paper, and cardboard. The full report is provided below.
- The next AGNC Board Meeting is scheduled for Wednesday, June 26, 2019 from 9:00 a.m. to 1:30 p.m. at the Ralph Stocker Stadium Hospitality Suite. If you are interested in attending, RSVP [here](#).
- Dave, Ken Haley, and I attended the 521 Drainage Authority Board meeting on Wednesday. Three of the five partnering agencies have appointed new representatives to the board and much of the meeting was spent reviewing the unification study that has been worked on over the last 6 months. The board did not appear to have consensus on the next steps moving forward but are continuing to work together to find a viable solution.
- The next City Link is being sent to the designer and printer for editing and distribution.
- Food Truck Friday drew a large crowd last week.
- We have joined the Alliance for Innovation as an organization, which I was a part of for years at a previous City. Membership provides a large amount of resources for all departments, professional development, and we will soon begin an innovation assessment and create an innovation team to go through ongoing training.
- Mayor Pro Tem Buck and I participated in a focus group with D51 regarding high school needs and a possible ballot request to help meet those needs at all high schools.
- Thank you for your participation in the joint City Council – Board of Education workshop Monday night. I have offered any assistance the BOE would need when they discuss the requested sidewalk extension to the full Board as well as coordinating schedules for a fall meeting and update on the new Elementary School.
- Next week, Union Pacific will be completing track maintenance and improving crossing at railroads in Fruita. The crossing at Mesa Street will be closed on Tuesday, June 18th, and the Greenway Drive Crossing at Coulson Street will be closed on Wednesday, June 19th.

## Administration/Finance

- **Bond Refunding Update.** The City also received updated preliminary numbers for the bond refunding. The numbers we have been working from were last ran in February. Interest rates have decreased dramatically since February which, in addition to the rating upgrade, has led to an increase in the overall savings on the bond issue. A summary of changes includes:
  - The overall savings is \$5.9 million compared to the \$4.8 million in the February run
  - The present value savings is \$3 million compared to \$1.9 million.
  - The percentage savings of refunded bonds is 24.72% compared to 15.44%.
  - The City is gaining about \$1 million in additional savings compared to the February number runs we have been working from.
  - The average annual debt service payment is \$740,000 compared to \$791,000 (an additional annual savings of \$50,000).
  - Overall debt service (principal and interest) is \$15 million compared to \$16 million in February and compared to \$21 million on our current outstanding bonds
  - Par amount of the refunding bonds is \$10.1 million compared to \$12.2 million in February.
  - Net interest cost is reduced 50 basis point (1/2%) from 3.56% to 3.06% since February.The Preliminary Official Statement (POS) will be posted 6/19, pricing will occur on 6/26 and we should close on the bonds on 7/9.
- **2020 Budget.** Staff has prepared a draft 2020 Budget Calendar as is in the processing of finalizing the calendar and dates. We are looking at scheduling a workshop on July 30 (5<sup>th</sup> Tuesday) with the City Council to assess and discuss community needs, priorities, challenges, and opportunities to ensure that resources are directed in a manner consistent with the assessment in the 2020 Budget.

## Human Resources/Tourism

- Today, three of our employees graduated from the Grand Valley Leadership Academy! Congratulations to Billie Nix, Chris Dehmel, and Kelli McLean on graduating! The Grand Valley Leadership Academy is a collaborative professional development series sponsored by the City of Grand Junction and Community Hospital. Grand Valley Leadership Academy was established in 2007 as a way to provide current and future leaders the chance to enhance their leadership capabilities and apply their knowledge to their jobs. The City of Fruita has participated in the Grand Valley Leadership Academy for the last four years.



- The St. Mary's Bloodmobile will be at the Civic Center on June 25, 2019 from 1:30 to 3:30 p.m. accepting donations.

### **Parks and Recreation**

- Staff continues to monitor the Riverfront trail and it is still closed where Reed Wash underpasses I-70. We will reopen the trail when the water is off, and it has been cleaned of dirt and silt. Again, it is expected that this will be an extended closure of this section.
- Staff has been participating in the interview process for the new Mesa County Trails Coordinator Position, which will be a part of the Mesa County Public Health. The City of Fruita is excited about this position because there will be a person dedicated to trail development and trail maintenance in the valley.
- We met with the Fruita Trails Initiative partners this week and are setting in motion plans for trail maintenance crew to work for 6-8 weeks in the fall via the Conservation Corps.

### **Planning & Development**

To see active reviews of current projects, you may visit: <https://www.fruita.org/cd/page/current-development-projects>

#### **Major/ Minor Subdivisions:**

- Iron Wheel Major Subdivision final plat/plan application under review.
- Garden Estates Final Plat (located at 910 Adams Drive, south of I-70 and west of 18 Road in Fruita, Colorado.)
- Grand Valley Estates 2 Final Plan/Final Plat (1849 J 2/10 Rd)
- Bradyville Annexation & Zoning Petition (1897 L Rd)
- Legacy 3 PUD Preliminary/Final Plan (1101 Kiefer Ave)
- Oak Creek Estates Final Plan/Final Plat (1149 18 ½ Rd & 1840 K 4/10 Rd)

#### **Site Design Review:**

- Raptor Rd Storage (614 Raptor Rd Storage) is ready to pick up their planning clearance.
- Colorado Canyons (Family Health West) is far along on the construction of the hospital expansion.
- Einstein's Bagels/Qdoba: (401 Jurassic Ave #B) has received their planning clearance and has started construction.

#### **Other Land Use Applications:**

- Birchwood Conditional Use Permit for 5 horses in a Community Residential Zone
- Land Use Code Amendment: Public Purpose Subdivision: Location & Extent
- Quench Soda Shop Conditional Use Permit (132 W McCune Ave)
- Zeuner Conditional Use Permit for a VRBO

- Mesa Street Conditional Use Permit for VRBO

### **Public Works**

- Public Works continues to monitor Fruita #2 Reservoir daily due to the unplanned filling of the reservoir and unstable slope on the dam. The reservoir is steadily being drained and a siphon system was installed this week to aide in draining the reservoir quicker. Over the past week, approximately 24 acre-feet of water has been drained from the reservoir even with water flowing into the reservoir from snow melt. The low-level Emergency Action Plan will remain activated until the reservoir is completely drained.
- The Chamber of Commerce building experienced flooding in the basement last month and had reported that they continued to have moisture & odor issues. Public Works worked with the Chamber on remediation efforts this past week, which included removal of over 1,800 pounds of stored materials, ventilation of the area, and testing to ensure no health hazards are present. Thanks to the Chamber for their assistance and understanding.
- The wastewater operators have recently completed trial testing of alternative polymer additives and dosage rates in the treatment process that was successful in reducing the amount of polymer being used by approximately 20%. This preferred polymer material is slightly more expensive (4%) but should translate into cost savings and means less chemicals being used in the process. Great job to our wastewater team!

### **FRUITA IN THE NEWS (and regional news of impact to Fruita):**

- [Ranchers, Cyclists Reach Compromise Over Western Colorado Trail.](#)
- [More campsites likely coming to Rabbit Valley.](#)
- [Finding some new in the old.](#)
- [50 years of Special Olympics Colorado.](#)
- [An Inside Look at our 2019 Bike Test.](#)
- [GJ welcomes first Chicago flight.](#)
- [Portions of Riverfront Trail flood from runoff.](#)
- [County awards contract to build part of Plunge.](#)
- [With Colorado's snowpack still high, here's where rivers are nearing flood stage.](#)
- [Eight Rescued from Colorado River.](#)
- [Colorado's rivers are starting to swell – but there are still feet of snow left to melt in the high country.](#)
- [Lingering snow on Powderhorn bike trails.](#)
- [Country Jam good for business.](#)
- [Economics Professor Nathan Perry Present Quarterly County Economic Reports.](#)
- [How hot is Mesa County's housing market? Just look at the number of new homebuyers.](#)
- [7 best things to do in Colorado this Father's Day weekend, June 14,16, 2019.](#)

**UPCOMING EVENTS** *(Please let Deb know if you plan to attend so we can make sure to post if multiple council members plan to attend. Deb would also be happy to RSVP for you when needed.):*

- **June 15, 2019** – Golf Tournament Fundraiser (American Legion Post 2006) at 8:00 a.m. at Adobe Creek Golf Course.
- **June 20, 2019** – Riverfront Concert Series – Sonny Landreth at James M. Robb Fruita State Park, gates open at 5:30 p.m., show starts at 7:00 p.m. Tickets required.
- **June 20, 2019** – Thursday Night concert - Flat Top Seed (Blues/Rock) at 5:30 p.m. at Civic Center Park
- **June 22, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **June 24, 2019** – Fruita Chamber of Commerce State of the Community Breakfast at Lower Valley Fire District. [RSVP here.](#)
- **June 26, 2019** – Bike the Riverfront Trail with the City Manager – Meet at FCC at 4:30 p.m.
- **June 27, 2019** – Informational Panel Dedication and Appreciation Barbeque at the Colorado Welcome Center from 3:00 p.m. to 5:00 p.m. If interested in attending, RSVP by June 17, 2019.
- **June 27, 2019** – Riverfront Concert Series – Robert Earl Keen - at James M. Robb Fruita State Park, gates open at 5:30 p.m., show starts at 7:00 p.m. Tickets required.
- **June 27, 2019** – Thursday Night Concert - Centennial Band (American Classic) at 7:30 p.m. at Civic Center Park.
- **June 29, 2019** - Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **July 3, 2019** – Fruita 3rd of July Fireworks Display over Snooks Bottom at dusk.
- **July 4** - Independence Day - City offices closed and no Thursday night concert.
- **July 6, 2019** - Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **July 11, 2019** – Riverfront Concert Series – Tab Benoit at James M. Robb Fruita State Park, gates open at 5:30 p.m., show starts at 7:00 p.m. Tickets required. **We will also receive our Starburst Award on stage prior to the concert for the Kokopelli Section of the Colorado Riverfront Trail project.**
- **July 11, 2019** - Thursday Night Concert – Bluegrass Offenders (Bluegrass) at 7:30 p.m. at Civic Center Park.
- **July 13, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **July 18, 2019** – Thursday Night Concert – Frank Bregar Orchestra (Big Band) at 7:30 p.m. at Civic Center Park.
- **July 20, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **July 25, 2019** – Thursday Night Concert – Slim Pickins (Bluegrass) at 7:30 p.m. at Civic Center Park.
- **July 27, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **Aug. 1, 2019** – Thursday Night Concert – Oxymorons (Top 40/Rock Covers) at 7:30 p.m. at Civic Center Park.
- **Aug. 3, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **Aug. 8, 2019** – Thursday Night concert – The Williams Brothers Band (Blues Rock/Grit Country) at 7:30 p.m. at Civic Center Park.
- **Aug. 10, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.

- **Aug. 17, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **Aug. 24, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **Aug. 31, 2019** – Fruita Farmers Market at Civic Center Park, 8:30 a.m. to 12:30 p.m.
- **September 27-29, 2019** – Fruita Fall Festival, Downtown Fruita
- The Fruita Community Calendar is available on the website or at this [link](#).
- The **2019** Events Information is also available online [here](#).

CC. Department Directors



## Fruita, CO Bond Rating Raised To 'AA-' On Maintenance Of Very Strong Financial Position

June 11, 2019

CENTENNIAL (S&P Global Ratings) June 11, 2019--S&P Global Ratings raised its long-term rating to 'AA-' from 'A+' on Fruita, Colo.'s sales and use revenue bonds outstanding. At the same time, S&P Global Ratings assigned its 'AA-' long-term rating to the city's series 2019 sales and use tax revenue refunding and improvement bonds. The outlook is stable.

"The raised rating reflects our view of management's ability to maintain the city's very strong financial position, exemplified through maintenance of reserve in excess of 75%, and strong budgetary performance with surplus operating results in recent years," said S&P Global Ratings credit analyst Angel Bacio. "Our rating further reflects our opinions of the city's stable tax base and financial practices and policies that we view as good."

A 1% city sales tax and a debt service reserve that is funded at maximum annual debt service (MADS) secure the bonds. In addition to the sales tax pledge, a city bond ordinance provides for a moral obligation, whereby the city manager is required to submit to the city council a request to restore the debt service reserve to its requirement 90 days before debt service is due. Under the ordinance, the city council could, but is not required to, make an appropriation to restore the reserve to its full requirement. If the supplemental reserve is released from the pledge to bondholders, as permitted under circumstances described above, the same 90-day period to submit a request for a make-up appropriation to the city council will be required if the debt service reserve is below its MADS requirement. The enacted bond ordinance states that the city council's intention is to honor its moral obligation pledge, although it is not legally required to make such an appropriation, and it is not an event of default if it doesn't.

In our opinion, the rating reflects the stronger pledge of the moral obligation of the city, subject to annual appropriation, to replenish the required reserves in the reserve account to MADS.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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## Fruita, CO Bond Rating Raised To 'AA-' On Maintenance Of Very Strong Financial Position

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**Summary:**

**Fruita, Colorado; Moral Obligation;  
Sales Tax**

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Rationale

Outlook

## Summary:

# Fruita, Colorado; Moral Obligation; Sales Tax

### Credit Profile

US\$10.8 mll sales and use tax rev rfdg and imp bnds ser 2019 due 10/01/2039

*Long Term Rating* AA-/Stable New

Fruita GO (ASSURED GTY)

*Unenhanced Rating* AA-(SPUR)/Stable Upgraded

Many issues are enhanced by bond insurance.

## Rationale

S&P Global Ratings raised its long-term rating to 'AA-' from 'A+' on Fruita, Colo.'s sales and use revenue bonds. At the same time, S&P Global Ratings assigned its 'AA-' long-term rating to the city's series 2019 sales and use tax revenue refunding and improvement bonds. The outlook is stable.

The raised rating reflects our view of management's ability to maintain the city's very strong financial position, exemplified through maintenance of reserve in excess of 75%, and strong budgetary performance with surplus operating results in recent years. Our rating further reflects our opinions of the city's stable tax base and financial practices and policies that we view as good.

A 1% city sales tax and a debt service reserve that is funded at maximum annual debt service (MADS) secure the bonds. In addition to the sales tax pledge, a city bond ordinance provides for a moral obligation, whereby the city manager is required to submit to the city council a request to restore the debt service reserve to its requirement 90 days before debt service is due. Under the ordinance, the city council could, but is not required to, make an appropriation to restore the reserve to its full requirement. If the supplemental reserve is released from the pledge to bondholders, as permitted under circumstances described above, the same 90-day period to submit a request for a make-up appropriation to the city council will be required if the debt service reserve is below its MADS requirement. The enacted bond ordinance states that the city council's intention is to honor its moral obligation pledge, although it is not legally required to make such an appropriation, and it is not an event of default if it doesn't.

In our opinion, the rating reflects the stronger pledge of the moral obligation of the city, subject to annual appropriation, to replenish the required reserves in the reserve account to MADS.

The ratings reflect our assessment of the following factors:

- Adequate economy, with projected per capita effective buying income at 89.5% of the national level and market value per capita of \$80,837;
- Strong management, with good financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level

#### Summary: Fruita, Colorado; Moral Obligation; Sales Tax

in fiscal 2018;

- Very strong budgetary flexibility, with a high available fund balance in fiscal 2018 of 122% of operating expenditures;
- Very strong liquidity, with total government available cash at 102.8% of total governmental fund expenditures and 13.4x governmental debt service, and access to external liquidity we consider strong;
- Adequate debt and contingent liability position, with debt service carrying charges at 7.7% of expenditures and net direct debt that is 128.8% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- Strong institutional framework score.

#### Adequate economy

We consider Fruita's economy adequate. The city, with an estimated population of 13,983, is located in Mesa County. The city has a projected per capita effective buying income of 89.5% of the national level and per capita market value of \$80,837. Overall, the city's market value grew by 11.2% over the past year to \$1.1 billion in 2018. The county unemployment rate was 4.1% in 2018.

The city is located in Mesa County in the west central portion of the state roughly 13 miles west of Grand Junction encompassing an area of roughly 7 square miles. The city's local economy is based on a mixture of tourism, recreation, oil and gas, and ranching/farming. Overall, the city has seen robust growth in terms of market values of roughly 23% over the last four years. Currently, management is projecting continued increases in the upcoming years as the city continues to see residential and commercial growth. Based on the trend and continued development, we view these expectations to be likely.

Residents of the city have various employment opportunities within the city, though the proximity to Grand Junction presents ample employment opportunities. Leading employers within the area are in education, health care, and government, all of which we believe to be stable.

#### Strong management

We view the city's management as strong, with good financial policies and practices under our Financial Management Assessment methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Some of management highlights include:

- Use of at least three years of historical information in the formulation of the upcoming years revenue and expenditure assumptions with the help of outside sources and a line-by-line approach to budgeting;
- Monthly reporting of budget-to-actual performance to the council with the ability to make amendments to the budget as needed;
- No formalized long-term financial planning outside of the budget year;
- Formalized long-term capital plan with sources and uses of funds identified and updated on an annual basis that goes out five years;

- Formalized investment management policy with monthly reporting of investments and holdings to the council;
- No formalized debt management policy, though it adheres to state guidelines; and
- Formalized fund balance policy to maintain 25% reserves for cash flow needs.

### **Strong budgetary performance**

Fruita's budgetary performance is strong in our opinion. The city had operating surpluses of 24% of expenditures in the general fund and of 14.7% across all governmental funds in fiscal 2018. Our assessment accounts for the fact that we expect budgetary results could deteriorate somewhat from 2018 results in the near term.

Based on historical performance and budgeting practices of the city, we believe it will likely maintain strong budgetary performance since it has consistently been able to outperform the budget and end with favorable operating results.

For fiscal 2018 (Dec. 31), the city's primary sources of revenue include sales and use taxes (64.7%) and property tax revenues (13.4%). We made adjustments for annually recurring transfers in and out of the general fund as revenues and expenditures, respectively. The city originally had budgeted for a slight negative net result of \$432,000, but ended better than budgeted and ended the year with a positive net result of \$1.7 million in its general fund (after adjustments for transfers). The city ended with a positive net result across total governmental funds of \$2.2 million. Management attributes the positive variance in conservative budgeting practices of the city.

For fiscal 2019, the city adopted budget calls for a \$772,000 general fund deficit, and, year to date, are trending positively. Based on historical performance, we believe the city will likely end the year with a positive variance. From a total governmental standpoint, we expect the city to report break-even net result after adjustments for one-time capital expenditures.

### **Very strong budgetary flexibility**

Fruita's budgetary flexibility is very strong, in our view, with a high available fund balance in fiscal 2018 of 122% of operating expenditures, or \$8.6 million. We expect the available fund balance to remain above 75% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

Based on the current budget for the fiscal 2019, we believe the city's available fund balance as a percentage of expenditures will remain very strong. The city currently has no plans to draw down on fund balance, so our expectations is that fund balance will remain in excess of 75%

### **Very strong liquidity**

In our opinion, Fruita's liquidity is very strong, with total government available cash at 102.8% of total governmental fund expenditures and 13.4x governmental debt service in 2018. In our view, the city has strong access to external liquidity if necessary.

We believe that the city has strong access to external liquidity since it has issued debt in the last 10 years. We do not expect its cash position, with respect to its total governmental expenditures and debt service, to change much during the next two years. Rather, we believe it will remain very strong. We understand that the city currently does not have any potential contingent liabilities that could have an adverse impact on its cash position. The city invests in highly rated securities. Therefore, we do not consider the city's investments aggressive.



### **Adequate debt and contingent liability profile**

In our view, Fruita's debt and contingent liability profile is adequate. Total governmental fund debt service is 7.7% of total governmental fund expenditures, and net direct debt is 128.8% of total governmental fund revenue. Overall net debt is low at 2.3% of market value, which is in our view a positive credit factor. We understand that the city currently does not have any plans to issue additional debt and management has confirmed that it does not use alternative financing.

The city made its full annual required pension contribution in 2018. The city maintains two defined-contribution retirement plans for various classes of employees to include the city of Fruita Retirement Plan and Fruita Police Department Retirement Plan.

### **Strong institutional framework**

The institutional framework score for Colorado cities and towns is strong.

## **Outlook**

The stable outlook reflects our view that the city is likely to maintain strong budgetary performance with maintenance of very strong reserves, so we do not expect to revise the ratings within the two-year outlook period.

### **Downside scenario**

A lower rating is possible if the city were to have weak or very weak budgetary performance causing a decline in reserves to levels we no longer consider very strong and in excess of 75%.

### **Upside scenario**

While unlikely, a higher rating is possible if the city's economic metrics to include income levels and market value per capita were to increase to levels commensurate with those of higher-rated peers.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.



**Summary: Fruita, Colorado; Moral Obligation; Sales Tax**

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## NEWS RELEASE

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Date: June 14, 2019

### FOR IMMEDIATE RELEASE

#### FAMILY HEALTH WEST ANNOUNCES RETIREMENT OF MARK J. FRANCIS AND APPOINTMENT OF DR. KORREY KLEIN AS NEW PRESIDENT & CEO

Fruita, CO – The Lower Valley Hospital Association, dba Family Health West, Board of Trustees announces the retirement of President and CEO Mark J. Francis and the selection of Dr. Korrey Klein as its new President and Chief Executive Officer. The announcement was made Friday morning to almost 600 staff members of Family Health West.

Dr. Klein will succeed current President and CEO, Mark J. Francis, who is retiring mid-September after an extraordinary 40 year career in the Grand Valley. Mr. Francis co-founded and retired after 25 years of service from Francis Constructors, Inc., now known as FCI Constructors, Inc., then transitioned into the healthcare industry in 2003 as the President and CEO of Community Hospital. He began consulting for Family Health West in 2008 and has served as President and CEO since 2012. He was instrumental in the design and construction of the new 16-bed hospital in 2008, its expansion to 25-beds in 2017, and soon to be completed 20,000 square foot Medical Center. Mark has been a leader and advisor for many healthcare operations such as HopeWest, Colorado Hospital Association, Western Healthcare Alliance along with his many volunteer and civic passions that include the Grand Junction Rotary Club and Museums of Western Colorado. Mark will stay on to assist Dr. Klein with the transition until the opening of the Medical Center in September 2019 and intends to volunteer with the Family Health West Foundation and their fund raising activities. "To retire knowing I have elevated the organization to the heights of being the most preferred healthcare system on the Western Slope, is quite gratifying. However, I am looking forward to spending more time with my beautiful wife and sweetheart Debb, my 6 children and 6 grand kiddos," said Mark J. Francis. "I am leaving the organization in the best hands possible along with the leaders and staff who truly make Family Health West the best place to receive care; to practice medicine; and the best place to work."

Dr. Klein will serve as the organizations' 4<sup>th</sup> CEO since 1946. He succeeds Carol Rushhold, Dennis Ficklin and Mr. Francis. "The fact we've only had 3 CEOs since 1946 is a testament to the legacy Mark leaves behind. So, this decision and selection was not made lightly," said Board of Trustee Chair Blaine Buck. "We are excited that Dr. Klein shares the passion of his predecessors and will be ready to hit the ground running from day one."

Dr. Klein, a rural Colorado native, obtained a Bachelor of Science in Business Administration from Concordia University – Seward, Nebraska, in 2001. He obtained his Doctorate of Medicine in 2005 from the University of Colorado – School of Medicine and completed his residency in Grand Junction, Colorado, in 2008. After residency, Dr. Klein continued broad-spectrum Family

Medicine in Western Colorado, serving the Rifle, Grand Junction and Fruita areas and has been actively involved in healthcare administration activities. In September 2018, he joined Family Health West as the Vice President of Medical Services/Chief Medical Officer. "I am incredibly honored and humbled to be able to serve and expand Family Health West's Mission of providing cost effective, high value healthcare to the citizens of Fruita and the surrounding communities. I am passionate about what we are doing, and I look forward to bringing us into a new generation of healthcare."

Dr. Klein is married to a Grand Valley native and has two children. He loves to spend time with his family and is actively involved with his church, his son's school and many other community and non-profit organizations. He is a gifted piano player and loves to travel.

###

**About Family Health West**

The Spectrum of Care Family Health West offers ensures patients receive the best in health services through all stages of their lives. These services include: designated Critical Access 25-bed Hospital, Surgery, 24/7 Level IV Trauma and Emergency Care, Lab and Imaging Services, Wound Healing, Infusion services, Adult and Pediatric Rehabilitation – physical, speech, occupational, and respiratory therapies, Wellness, Secured and assisted living, Rheumatology at Arthritis Center of Western Colorado, Neuro and spinal care specialists at Atlas Arch Neurosurgery, Podiatry at Balanced Rock Foot & Ankle, Orthopedics and sports medicine at Monument Orthopedics and Sports Trauma, Pain management specialists at our Outpatient Procedure Center and RedRock Integrative Rehabilitation Medicine and comprehensive family medicine at Western Valley Family Practice. For more information on services, please call (970) 858-3900 or visit [www.fhw.org](http://www.fhw.org).



## May 2019 Recycling Benefits for the City of Fruita

In May 2019, we recycled 53 tons of cans, bottles, paper, and cardboard.

Recycling these materials will save the following resources:

### 587 Mature Trees

Represents enough saved timber resources to produce 7,271,200 sheets of printing and copy paper!

### 196 Cubic Yards of Landfill Airspace

Enough airspace to fulfill the annual municipal waste disposal needs for 251 people!

### 101,585 kWh of Electricity

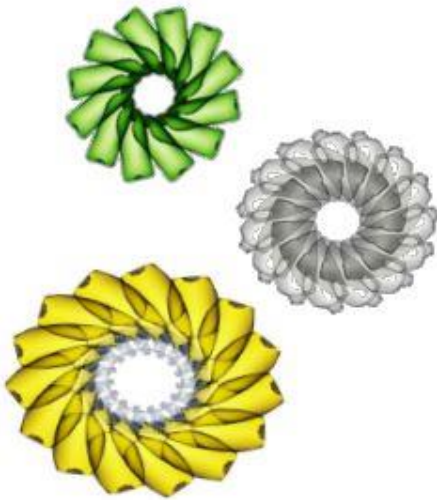
Enough power to fulfill the annual electricity needs of 9 homes!

### Avoided 149 Metric Tons of Greenhouse Gas Emissions

Recycling these materials helps create cleaner air!

### 291,293 Gallons of Water

Represents enough fresh water to meet the daily needs of 3,883 people!



Prepared by Waste Management

Sources: U.S. Environmental Protection Agency, International Aluminum Institute, National Association for PET Container Resources, Institute of Scrap Recycling Industries, Earth Works Group Recycler's Handbook, One Earth Recycle, Bring Recycling.org, National Recycling Coalition, US Forest Products Laboratory, and Waste Management. © Waste Management 2016





# WARNING



## High Water Danger

High water levels are creating potentially dangerous river conditions. Hazards will change day by day. Check conditions every time you raft.



### BEWARE



#### Swift Water, Dangerous Currents

Not all hazards can be seen from the surface, even gentle stretches of water can have dangerous undercurrents.



#### Debris and Tree Snags

It's creating dangerous undercurrents that can trap you underwater. Debris can also puncture rafts.



#### Cold Water Temperatures

Hypothermia is a very real concern. Water will be colder the deeper the River gets, creating a potentially deadly situation for even the strongest of swimmers.



#### Unstable Riverbanks

Ground can erode underneath, and breakaway without warning. If you're standing on it, you can get swept away.



### SAFETY



#### Always Wear a Life Jacket

This is NOT the year to skip wearing a life jacket! Life jackets are available to borrow for free at many boat ramps thanks to the Save-A-Life Jacket Program.



#### Use Proper Equipment

Pool toys and inner tubes on the river can kill you. Use equipment designed for the river, sub-standard equipment won't protect you from river hazards.



#### Raft Sober & with Friends

Rafting impaired puts your life at risk. Raft with others, not alone. A preferred minimum is three boats. Let someone know where you are going and when you expect to return.



**WHY FRUITA?** The City of Fruita focuses on three strategic outcomes built upon a base of providing quality core services.

**Quality of Place (QP)** The City of Fruita is a community where residents and visitors love where they are. The City strives to be a bike and pedestrian friendly community by providing a system of sidewalks, trails, and bike lanes that connect our parks, schools, neighborhoods, civic facilities, and commercial areas. We value safe neighborhoods, our geographic natural resources and landscapes, top tier education and healthcare, and we collaborate to provide quality essential infrastructure and services. We are an inclusive community of doers who enjoy active and healthy lifestyles.

**Economic Health (EH)** The City of Fruita strives to be financially sustainable by enabling a stable economy and supporting a diversity of businesses that offer well-paying jobs that attract educated employees. The City works to be fiscally responsible and continuously seeks ways to allocate resources to services and projects that have the highest impact on the City's priorities. We are the innovative leader for economic development in the Grand Valley.

**Lifestyle (L)** The City of Fruita fosters a fun and funky ambiance by celebrating the local arts, farm and ranching history, unique leisure opportunities, and family-friendly events and activities. As a city, we encourage a diversity of cultural opportunities, businesses, and recreational activities. We continue to improve and enhance recreational offerings from traditional to outdoor adventure sports and youth to adult activities. We are a family-friendly community with diverse cultural opportunities, businesses and recreational amenities where visitors feel like locals and locals play like visitors.





# FRUITA COLORADO



*City of Fruita staff strive to emulate these core behaviors in everything we do in order to show gratitude for public trust, build trust and maintain trust with the public, our partner agencies and with one another.*

## **We are Fruita. We are...**

**Fun**—This is such a critical behavior that impacts everything we do. If we are not having fun, we must ask why and recalculate and adjust. We must love what we do and where we work, live and play. We are positive and put forth focused effort to have a positive attitude. We are smiling. We are friendly. We enjoy serving the public and working together. We care about the experience those who interact with us internally and externally have.

**Respectful**—We are empathetic. We take an active interest in each other, residents, businesses and visitors. We listen. We talk one at a time. We compliment and build up others. We are tough on issues and easy on people. We recognize the role of City Council, Board and Commission Members, residents, supervisors, coworkers and customers. We are kind. We treat people with dignity. We embrace diversity and make every effort to think collectively.

**United**—We are a team. We focus on purpose and work together to achieve our goals. We communicate effectively with each other. We seek consensus, agree to disagree and move forward for the greater good. We support each other. We value partnerships that help us achieve our goals. We remember we are public stewards and serve. We are inclusive. We create synergy by recognizing our strengths and weaknesses and succeeding as a team.

**Innovative**—Simplicity is our key to innovation. We consider and explore alternatives to the way we've always done it. We are open to new ideas. We welcome calculated risk-taking and learning from our mistakes. We seek continuous improvement and welcome constructive feedback. We ask why and why not. We work to continually improve.

**Transparent**—We operate as an open book. We create, over communicate and reinforce clarity in our work. We are trustworthy. We assume a positive intent from others. We work with integrity. We seek ways to increase transparency internally and externally.

**Authentic**—We are unique. We are real. We are different. We are special. We are optimistic. We are exceptional and proud of it. We are comfortable being different. We are open-minded. We are honest. We embrace and value family. We live what we speak. We create clear expectations and work hard to manage those expectations.