INTRODUCTORY SECTION
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August 2, 2021

To the Honorable Mayor, Members of the City Council,  
City Manager, and Citizens of the City of Grand Junction:

It is with great pleasure that I present the Comprehensive Annual Financial Report (Annual Report) for the City of Grand Junction (City), for the year ended December 31, 2020. State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. However, due to staff turnover and shortage, an extension was granted until September 30, 2021. This Annual Report is hereby issued and submitted to you for the fiscal year ended December 31, 2020 in accordance with these requirements.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City’s internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management’s knowledge and belief, this financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by Haynie & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City, for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor has concluded, based upon the audit, that there is a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended December 31, 2020 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction. The City’s MD&A is found immediately following the report of the independent auditors.
PROFILE OF THE GOVERNMENT

The City of Grand Junction was first settled in 1881 and incorporated in 1882. It became a home rule city in 1909 by adopting its own charter pursuant to Article XX of the Constitution of the State of Colorado. The City operates using the Council-Manager form of government.

The City provides a full range of services including public safety (police, fire, emergency medical services, and ambulance transport); public works (highways, streets, sanitation, and water); culture-recreation (parks, cemeteries, swimming pools, golf courses, and general recreation); planning; destination marketing; and general administrative services. The relative department sizes in terms of personnel are depicted in the 2021 Authorized Fulltime Employee Positions by Department chart.

Blended component units, although legally separate entities, are part of the primary government’s operations in substance and are included as part of the primary government. Accordingly, the Ridges Metropolitan District and Grand Junction Public Finance Corporation are reported as debt service funds of the City. In late summer of 2019, the City Council authorized the organization and establishment of the City of Grand Junction Dos Rios General Improvement District (GID) to fund the infrastructure improvements to a riverfront development. The GID is reported in the December 31, 2020 financial report as a blended component unit.

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Downtown Development Authority is reported as a discretely presented component unit.

The City currently occupies a land area of 42.14 square miles and serves an estimated population of 64,191 people. The City is granted the authority to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales, use, and lodging tax. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by City Council.

The City’s policy-making and legislative authority is vested in a City Council consisting of seven members, one of which is elected Mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City Attorney, and Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of City Council, for overseeing the day-to-day operations of the City, and for appointing the directors of the various departments. City Council is elected on a non-partisan basis. Council members serve four-year staggered terms with three or four council members elected every two years. Five of the council members must live in one of the five districts but are elected city-wide. The two remaining council members are elected at large.

As a supplement to internal controls, the City maintains comprehensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget ordinance. Appropriations for all funds lapse at year-end. Although the budget enacted by City Council is at the fund level, the City prepares a line item budget by department for control at the line item level. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is established at the individual fund level. Department directors have the authority to reallocate the distribution of budget amounts within the major
category of operating expenditures within their department. Budget reallocations between major expenditure categories or within the major categories of personnel and capital require City Manager approval. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are not an actual use of appropriations. Therefore, open encumbrances at year-end, for which the expenditure has not yet occurred, either become expenditures against the new year’s appropriation or are cancelled.

Budget to actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major and non-major governmental funds this comparison is presented in the other funds' statements subsection of this report, starting on page 100.

FACTORS AFFECTING FINANCIAL CONDITION

The City is located on the I-70 corridor about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley, known as the Grand Valley, formed at the junction of the Gunnison and Colorado Rivers surrounded by a majestic mesa, the desert mountains of the Book Cliffs, and the red rocks of the Colorado National Monument. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Correspondingly, Grand Junction is the regional hub for retail, banking and financial services, healthcare, higher education, social services, and public safety for a large population. Established by years of community economic development and private enterprise marketing, the area is home to manufacturing, agriculture, outdoor recreational service, and energy exploration industries that provide for a diverse economic base.

The mild climate and proximity to a great variety of outdoor activities year-round have made Grand Junction both a vacation destination and a retirement community. A 3% lodging tax, passed by the voters and implemented in 1990, funds the promotion of the Grand Valley as a tourism destination. An additional 3% lodging tax was approved by the voters and began in 2019. This 3% is shared between Visit Grand Junction, Grand Junction Regional Air Service Alliance, and Greater Grand Junction Sports Commission for promotion of marketing for tourism including sports related tourism as well as in support of direct air service in Grand Junction.

As in the past, City management and leadership continue to support operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in City sales and use taxes, effective January 1, 1988, provides funds for capital investment, economic development, and important community programs. The sales and use tax revenues allocated to the general fund account for 59% of its ongoing revenues and fund general government operations such as police, fire, streets, and parks, as well as non-profit and community partnerships. In April of 2019, the voters approved a 0.5% First Responder tax to support the expansion of first responder services and capital investment for police, 9-1-1 dispatch, fire, and emergency medical services. The increase was effective January 1, 2020.

The 2020 Sales, Use, & Lodging Tax Collections chart shows the sales, use, and lodging taxes (accrual basis) and their proportionate size. Included in the City's share of County sales tax is the City's share of the Mesa County Public Safety Tax. The 3% lodging tax beginning in 2019 and the 0.5% First Responder Tax beginning in 2020 are not included in the collections chart and historical graph to maintain consistency with prior years. Historical Sales, Use, & Lodging Tax Collections graph shows the historical collections and growth since 2011. As seen below, tax revenues show growth from 2013 but decrease in 2016, with growth returning in 2017 through 2019. The slight decrease from 2019 to 2020 can be attributed to the COVID-19 Pandemic.
The Grand Junction Metropolitan Statistical Area (MSA), which includes the greater metro area inside Mesa County, has experienced population growth since its inception in 1995. However, as a result of the national recession, a significant reduction of oil and gas exploration in the area and a substantial decline in development and construction, Grand Junction experienced a 14% job loss between October 2008 and January 2010. Since that time, job recovery has been intermittent, and the average annual unemployment rate continued to decline to 3.3% at the end of 2019, hit a high of 12.8% during the COVID-19 Pandemic, and now is currently ranging between 6% and 7%. The recessionary job loss in 2009 and 2010 restricted consumer spending, resulting in significant declines in retail activity and tax revenues. Since 2011, with the exception of a cyclical dip in 2016 and the impact in 2020 from the Pandemic, revenues have recovered to pre-recession levels.

The City has continued to work toward diversifying its economic base and business climate. The quality of life offered in Grand Junction, which is critical to the attraction, motivation, and retention of skilled and talented workers, is appealing to businesses, individuals, and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, higher education opportunities, and quality medical services make the Grand Junction area a good choice for relocation.

The City has historically leveraged public and private partnerships, as well as grant dollars, to make significant capital investments each year in the community. The citizens of Grand Junction have authorized new sources of revenue and debt issuance as well to continue building the necessary infrastructure and providing critical services in Grand Junction:

- In 2018, the City in partnership with the Downtown Development Authority and private entities began two significant economic development projects in the downtown area. The first is the development of a business park and completion of a recreation park at Las Colonias along the south downtown riverfront. This project was completed in 2020 and includes a river park. The City was successful in obtaining over $2.1 million in grants and private funding for the Las Colonias project. The second is the renovation and expansion of the Grand Junction Convention Center (GJCC), also completed in 2020. Construction for both projects totals $20 million of public investment expected to generate $30 to $40 million in private investment.

- In 2018, the City began plans for the re-development of another 60 acres of riverfront property west of the Las Colonias Park. The Riverfront at Dos Rios will be a mix of light industrial, outdoor recreation, commercial, and residential uses. Infrastructure for the project was started in 2019 and will be completed in 2021. A general improvement district was formed in order to fund the majority of the infrastructure improvements. The residential and commercial aspects of the project will be completed by private development beginning with the sale of the land in 2021. As part of the City’s project, an existing neighborhood park and trail were renovated to tie-in with a new bicycle playground located on the Riverfront at Dos Rios property which was completed in 2020. Total public investment of $14 million expected to generate over $100 million in private investment.

- In 2019, the City began work on the $2.7 million Monument Road Trail project that extends multi-modal access from the existing riverfront trail to one of the most popular off-road biking trailheads in Mesa County. This trailhead, known as the Lunch Loops, provides access to a vast network of trails on Bureau of Land Management lands. It also connects the surrounding amenities including downtown Grand Junction, Las Colonias Park, the Botanical Gardens, Connected Lakes, and surrounding neighborhoods. This project was 82% funded by grants and was completed in 2020.

- Following voter authorization for a new First Responder Tax, the City began building one of three new fire stations in 2020. Fire Station 6 was completed and open for operation in November 2020.
In fall of 2019, voters authorized the City to issue new debt to fund $70 million in projects to expand and improve the City’s transportation infrastructure. Several projects were started in 2020 and will continue for the next several years.

In the Spring of 2020, the City immediately responded to community need resulting from the negative impacts of the COVID-19 Pandemic by authorizing over $1.1 million for basic community needs of food and shelter, business stabilization, and assistance for the area homeless shelter. The effort continued into 2021 with another $1 million authorized for community relief including assistance to non-profit organizations whose demand for services increased exponentially as a result of the Pandemic.

FUTURE OUTLOOK

The City of Grand Junction remains committed to providing high quality services and investing in the future of the community. The City’s goal is to serve its citizenry in the long-term while maintaining a sound financial position. As a result of strong financial leadership and management, S&P Global raised the long-term rating for the City to AA from AA- in 2020. Priorities shaping the future are economic development, public safety, investments in infrastructure, and planned growth and development. The City continues to foster strong community partnerships in the pursuit of these priorities.

In August of 2017, the City Council adopted the initial City of Grand Junction Strategic Plan (the Plan). The Plan is updated after each Council election in the spring of odd years and is used by elected officials to develop and implement high level policies and focus efforts. The purpose of the Plan is to inform and direct decision-making and budget priorities. The guiding principles of the plan are partnerships & intergovernmental relationships, fiscal responsibility, communication & engagement, and leadership. The cornerstones for the Plan are four strategic directives: diversification of our economic base; planning & infrastructure; public safety; and connectedness through community building. The City's 2021 budget was developed by allocating resources according to the Plan. Many of the aspects of the Plan have been long practiced through the extensive partnerships and investment in this community over many years as described further in the following.

The City works closely with community partners in economic development, including the Grand Junction Economic Partnership, Grand Junction Area Chamber of Commerce, Business Incubator, the Greater Grand Junction Sports Commission, Colorado Mesa University, and the Grand Junction Regional Air Service Alliance. The City has a department dedicated to destination marketing, and a 3% lodging tax is utilized for marketing the community, promoting tourism, and attracting conferences and conventions. An additional 3% lodging tax question went to voters in November 2018 and passed. The additional 3% was effective on January 1, 2019 and is meant to provide additional dedicated funds for promotion and marketing of tourism related activities, sports-related tourism, and direct air service in Grand Junction.

The Economic Development Plan, which was adopted in 2014, serves as a decision-making guide for City Council and firmly establishes City Council’s commitment to taking a lead role in promoting and funding economic development in the area. This plan establishes a strategy for improving business conditions and attracting and retaining employers while confirming the City’s standing as a viable, healthy, and safe community. As part of the strategy, the City has put into motion several action steps, including a branding and marketing analysis and exploration of foreign trade opportunities. The City Council authorized a limit on the vendor’s fee paid to businesses for the collection of City sales tax and dedicated the resulting available resources as a sustainable funding source for economic development. The most recent economic development opportunity involves the launch of the business park on the riverfront at Las Colonias. Also in process is the redevelopment of the riverfront west of Las Colonias at Dos Rios with a mix of recreational, retail, and residential uses. For years, the community has called for the revitalization of the riverfront, and through the leadership of the community, City Council, staff, and partners, the City will begin to take full advantage of the many amenities of the river.

The higher educational opportunities provided by Colorado Mesa University (CMU) are pivotal to the economic diversity and quality of life enjoyed by the residents of Grand Junction and the surrounding community. Over the last decade, CMU has embarked on a multi-year, multi-million campus expansion and renovation project. The City has supported this project through economic development contributions of $10.1 million through 2020, which
includes participating in the financing of a new academic classroom built in 2013. As funds are available and appropriated, the City has committed to ongoing support of $500,000 per year for the financing of the classroom building through 2026. In 2018, the City began a pilot program with CMU for a local scholarship program developed to provide the opportunity for a higher education degree for local high school graduates, and that support has continued with total contributions of $1.7 million through 2020. The City is committed to partnering with CMU to develop future City employees and keeping graduates in Grand Junction by funding CMU interns working for all departments of the City. Several of those interns and other CMU graduates have started their professional careers in Grand Junction by being hired as full time City employees.

As indicated by surveys and through dialogue with the Grand Junction community, public safety is recognized as one of the foundations of a livable community, primary responsibilities of local government, and key to economic health. City Council remains committed to addressing future public safety needs and improvements in fire and emergency medical services coverage. In April 2019, the voters approved a 0.5% First Responder Tax. The tax was effective January 1, 2020 and will fund the construction, staffing, and operation of three new fire stations that have been identified as a need since 2004. It will also fund additional sworn police positions in order to increase proactive policing and reduce response times, as well as telecommunicator positions in the communication center that serves all law enforcement and fire services in Mesa County.

One of the City’s ongoing and major priorities is the preservation and improvement of the transportation infrastructure. The City has over 1,100 lane miles of streets infrastructure to maintain. The City has a sophisticated pavement management program that evaluates the condition of the roadways and designs an overlay schedule accordingly. The City’s continuing infrastructure improvements are funded to a great extent by the three-quarter percent increase in the sales tax rate in 1988. This dedicated revenue stream is used for long-range capital planning efforts; however, because the City is still growing and the related infrastructure is not complete, the capital needs far outweigh the capital resources. City Council has recently identified an increased investment in maintenance and reconstruction of existing street infrastructure as one of the top three capital priorities, and in April of 2017, the voters authorized the use of the Taxpayer Bill of Rights Amendment (TABOR) excess dollars to be allocated to street infrastructure improvements through 2022.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4th Avenue to the intersection of 27½ Road and D Road. The most recently completed section extends from Highway 50 on Orchard Mesa over the I-70 Business Loop with the 29 Road viaduct. The final connection will extend to a new interchange at I-70. Recently, City Council authorized a preliminary environmental study as a joint project with Mesa County for the proposed interchange at 29 Road and I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services. Additional transportation capacity improvement projects are needed in order to ensure that citizens, businesses, and visitors can move around the community with relative ease. In April of 2019, a 0.25% sales tax increase for the capacity expansion of the transportation infrastructure was not approved by the voters. Following the vote, City Council and staff presented to the citizens an alternative solution that did not involve a sales tax increase. In November 2019, the voters authorized the City to issue up to $70 million in debt to fund transportation expansion projects. In addition, the voters authorized the use of TABOR excess toward payment of that debt from 2023 through 2037. Those major expansion projects will be completed over a six-year period.

Historically, City Council has committed funding for major maintenance and improvement projects for the City’s existing 30 developed parks. The purchase and development of the 114-acre regional Canyon View Park began in 1996 with major softball and soccer facilities. Improvements continued with the addition of a baseball field, tennis courts, several restroom facilities, and a complete playground renovation. This park serves as the main venue for athletic events for school and community leagues of all ages with an average of 45,000 hours reserved annually. In addition, the park is used nearly every day of the year by community members utilizing the dog park, walking trails, basketball courts, and other non-competitive amenities. With nearly one million visits to the park facility each year, it is clearly a significant asset to the regional community and the City’s park system.

After significant community involvement and dialogue, a master plan was developed and adopted by City Council for the 207-acre Matchett Park in the northeast area of the City which will represent the third regional park for the

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City. In addition, the City has over 20 miles of developed trails and has partnered with Mesa Land Trust in the acquisition of land to facilitate the development of walking and bike trails along Monument Road. In 2018, as part of a "grass-roots" effort, a community/recreation center feasibility study (fully funded through private donations and grant dollars) was conducted, and resulted in a recommendation to City Council from a community advocacy group to place a funding question on the April 2019 ballot. This measure was not authorized by the voters. The community, City Council, and staff continue to explore options for funding a community/recreation center.

As discussed previously, the City is serving the community through the redevelopment of the riverfront along the Colorado River. The City has acquired land in the south downtown riverfront area that was previously the site of wrecking yards and mill tailings disposal. These areas have been cleaned up and are continuing to be improved. In 2014, the City began phase one of the development of the 150-acre Las Colonias Park, which is the second regional park in the community. The park objectives are to provide additional recreational facilities, beautify the entrance to the City, and improve flood control for the area. Prior to 2020, several components of the master plan for Las Colonias had been completed, including the botanical gardens, a disc golf course, a native arboretum, and an amphitheater and slough. The final improvements, including a dog park, festival area, and river park, were completed with the completion of the business park in 2020.

In 2001, the City of Grand Junction completed a Parks, Recreation, and Open Space Master Plan (PROS) which was updated in 2011. This plan has served the community well with many components having been completed including the amenities already discussed. In 2020, the PROS plan was updated to provide clear direction for services, facilities, and amenities for the next 5 to 8 years. In order to ensure citizen involvement and stakeholder input, the City Council appointed a PROS Advisory Committee who was involved in each step of the process. City Council adopted the plan in January of 2021. In April 2021, voters authorized the City to allow retail sales of marijuana authorizing the dedicated use of those resources to fund the construction, operation, and maintenance of the highest priorities of the PROS plan.

The City is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One area of particular focus is the City’s Compressed Natural Gas (CNG) Program. The City’s CNG Program is threefold: transitioning the City’s fleet into natural gas vehicles, expanding the City’s CNG fueling station, and utilizing the Persigo Wastewater Treatment Plant component to convert excess digester gas (methane) into compressed natural gas to be used as a vehicle fuel (biogas). The system became operational in 2015 and has gained national recognition for innovation. The system also serves the Grand Valley Transit (GVT) who recently partnered with the City in a significant expansion of fueling stations. Currently, the equivalent of 400 gallons of gasoline is produced onsite daily and has offset the same volume use of diesel fuel. This has resulted in a carbon emission reduction of several million pounds per year. At this time, 76 CNG vehicles are realizing the cost savings and other additional benefits from using the biogas, and the City will continue to partner with GVT to enhance the investment in the CNG Program. The City is currently a subscriber to several solar gardens and has installed solar at several facilities including the Water Treatment Plant, Persigo Wastewater Treatment Plant, Grand Junction Convention Center, and the Visitor's Center. These combined efforts result in a significant reduction of energy usage and annual cost savings. Several other conservation programs have been successfully implemented including installing LED lights in facilities, traffic signals, pedestrian lights, and streetlights. Water conservation efforts in the City's parks and green spaces include transitioning many areas from turf to native landscaping.

The Comprehensive Plan was formally adopted in 2010 after a three-year staff and community effort and was reflective of the community’s values and vision at that time. A complete update of this plan began in 2019 and was completed in 2020 and formally adopted by City Council. A City Council appointed Advisory Committee provided guidance to staff and the consultant team throughout the process. This plan update engaged the community at all levels to articulate the community's values and visions of today. The plan serves as a guiding document for the City in decision making, policy making, and spending priorities. The plan establishes goals and policies that are critical in guiding land use, directing growth, and establishing a unified vision that focuses the community on how to maintain and enhance the quality of life that all residents desire and expect.

The City has a long-standing record of collaborative management and resource sharing with other agencies in the community and is committed to continuing and growing those relationships in the future. There are numerous examples of these alliances that result in added value to services as well as the highest and best use of resources.

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Public Safety: the City is the manager and a major partner agency in the E911 Regional Communication Center, which serves all law enforcement, fire, and emergency medical service responder agencies in Mesa County; the City of Grand Junction Police Department joins forces with the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency on the Western Colorado Drug Task Force, a partnership designed to fight the battles of drugs and drug related crimes on the frontlines; the City, Mesa County, the City of Fruita, and School District #51 provide a School Resource Officer Program to the schools in the valley; the Police Department provides all police services for CMU. Public Utility: the City and Mesa County have a jointly owned and managed sewer system that provides wastewater services to the larger urban area. Public Parks: the City of Grand Junction, Mesa County, School District #51, and Colorado Mesa University make use of and contribute to improvements of the sports complex and stadium in the heart of Grand Junction. Public Transportation: the City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route “circulator” which began servicing the core areas of the Grand Valley and outlying municipalities in 2000. The City contracts to provide maintenance and repair services for the CNG transit buses. Animal Control and Building Services: Mesa County is contracted by the City to provide professional services in animal control, as well as contractor licensing, building permitting, and inspection services.

In 2020, City Council committed over $2.2 million to direct support of the Business Incubator, Grand Junction Economic Partnership, and Grand Junction Area Chamber of Commerce. The support of this economic development partnership, including the addition of Western Colorado Latino Chamber of Commerce in 2021, will attract, retain, and expand new and existing businesses in Grand Junction now and into the future. The City also provides significant support to non-profit organizations in the community, committing over $430,000 in support of capital projects and events.

The COVID-19 Pandemic presented many fiscal challenges to the City including a significant reduction of sales tax revenue during the months of business closures. Yet as a result of years of prudent planning, fiscal responsibility, and building the City’s General Fund reserves, the City was in a strong financial position going into the Pandemic. This enabled the City to avoid staff reductions and interruptions of service to the community and also allowed the City to provide significant financial assistance to businesses, non-profits, and the citizens during the downturn. Fortunately, because of the many advantages of living in Grand Junction, the City did not experience as much of a severe revenue loss as expected. This, combined with the immediate action taken to reduce expenses, allowed the City to add to the General Fund reserve balance in 2020. Looking forward, with continued strong leadership and sound fiscal responsibility, the City is in a good financial position moving into the future years and is poised to benefit from many years of planned and pro-active economic development.

FINANCIAL POLICIES

City Council provides policy direction to the City Manager, who guides the financial decisions of the organization. City Council’s policy direction is to further economic development by taking a more proactive role while continuing to coordinate with all community partners, invest in public infrastructure, continue to provide the essential services of public safety, improve sustainability, address community housing challenges, and operate within existing revenues and in the General Fund, and reserve at least 20% of the current year's adopted budget. City management has been successful in following City Council’s policy direction through responsive, conservative, and sound financial decisions. The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management, and reserves.

COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS

The Colorado Constitutional Amendment passed in November 1992, known as the Taxpayer Bill of Rights Amendment (TABOR), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In April 2007, Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess has been transferred to a debt service fund designated for payment of the Riverside Parkway bonds. In 2017, City voters authorized the use of those funds to be dedicated to street infrastructure improvements through 2022. In November 2019, the voters authorized the use of TABOR excess for the payment of debt for transportation expansion projects from 2023 through 2037. In November 2020, voters
authorized the City to collect, retain, and spend revenue the City receives for current and future governmental purposes without application of the TABOR revenue limitation. Per recitals in the resolution adopted by City Council setting the ballot question, the City will continue to fulfill its commitment to construct and maintain transportation improvements, continue to invest in City infrastructure, and deliver City services as previously approved by voters.

The City remains subject to other TABOR requirements. For example, TABOR requires that the City has elections if it wishes to change its tax policy or issue general government debt and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Junction for its comprehensive annual financial report (Annual Report) for the fiscal year ended December 31, 2019. This was the 36th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Report. The City’s submitted report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year. The City believes that our current Annual Report continues to meet the Certificate of Achievement Program’s requirements, and the report will be submitted to the GFOA to determine its eligibility for another certificate.

In 2020, the City was awarded the Distinguished Budget Presentation Award from the GFOA for the 2020 Budget Book. To receive this award, the City must prepare a budget book that reflects both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s best practices on budgeting. This was the second year in several that the City applied for the award. The City has again submitted the 2021 Budget Book for this award.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to Scott Rust, Deputy Finance Director and Ashley McGowen, Finance Supervisor as well as all members of the Finance Department who assisted in and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report, and their work is also appreciated. I thank the Mayor and City Council, as well as City Manager, Greg Caton, for their direction and support of being responsible financial stewards for the citizens of Grand Junction.

The City’s external auditors, Haynie & Company, P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2020.

Respectfully submitted,

Jodi Welch
Finance Director
Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grand Junction
Colorado

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill
Executive Director/CEO
Appointed Officials

Greg Caton City Manager
John Shaver City Attorney
Tammy Eret Municipal Court Judge

Department Directors

Jodi Welch – Finance
Shelley Caskey – Human Resources
Elizabeth Fogarty – Visit Grand Junction
Ken Watkins – Fire Chief
Ken Sherbenou – Parks & Recreation
Doug Shoemaker – Police Chief
Trent Prall – Public Works
Randi Kim – Utilities
Tamra Allen – Community Development
Jay Valentine – General Services
Wanda Winkelmann – City Clerk

Elected Officials

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<th>City Council</th>
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<td>At Large</td>
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<td>Anna Stout, Mayor Pro Tem</td>
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<td>May 2025</td>
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<tr>
<td>Randall Reitz</td>
<td>At Large</td>
<td>May 2025</td>
</tr>
</tbody>
</table>

Appointed Officials

Greg Caton
John Shaver
Tammy Eret

City Manager
City Attorney
Municipal Court Judge

Election District Boundaries