

October 3, 2022

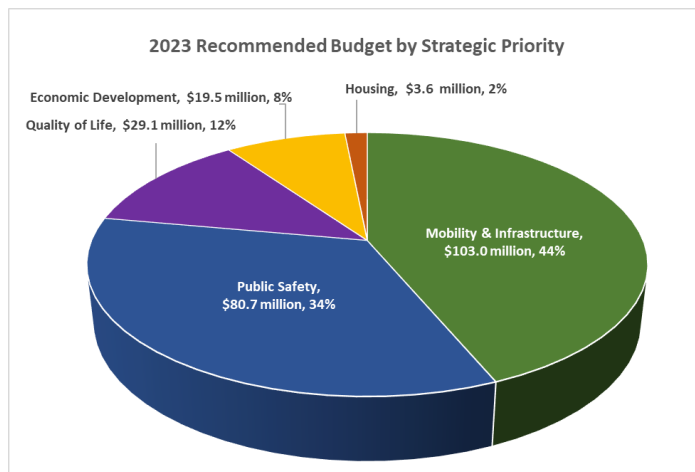
To the Honorable Members of City Council:

It is my pleasure to present the 2023 Recommended Budget for the City of Grand Junction. The budget is the highest expression of the City Council’s policies and decision making; it articulates the initiatives, investment, and services provided by and through elected officials and staff. The 2023 Recommended Budget totals \$235.9 million (\$235,861,400), a \$1.7 million, or 0.7% decrease from the 2022 Adopted Budget of \$237.5 million. This net decrease is primarily due to a decrease in capital projects planned for 2023 as compared to 2022 offset by increases in labor and operating budget. Increases in labor are due to new positions and wage increases. Increases in operating expenses is due to new programs such as affordable housing and the infill incentive, equipment needs, and overall cost increases for supplies and system maintenance, as well as increases in internal support services for fleet, facilities, and fuel. The 2023 Recommended Budget is not only balanced, but the General Fund has a surplus of \$344,308. The projected 2023 ending General Fund balance is \$39.7 million which includes \$4.1 million in restricted funds and \$24.8 million in minimum reserve. The budget represents the allocation of resources to achieve the goals identified by the City’s Comprehensive Plan and the City Council’s strategic priorities.

The City organization proudly continues to serve this community within the traditional lines of public safety, public works, parks, recreation, community development, and utilities. Beginning in 2022 and now continuing in 2023, the City’s service delivery model has been significantly enhanced in the areas of affordable housing, sustainability, and community engagement. The City’s financial position remains strong, and staff has developed this annual financial plan for the City that is reflective of the strategic and long-term vision of the City Council to serve the community in 2023.

2023 Recommended Budget & Strategic Priorities

The City Council’s strategic priorities serve as a guide for the City Council and staff for a period of two years. The priorities are developed by City Council based off of the long-term vision provided by the City’s Comprehensive Plan. The strategic priorities of *Mobility & Infrastructure*, *Economic Development*, *Housing*, *Public Safety*, and *Quality of Life* shape the development of the City’s budget each year.



Budget Development Process

The development of the 2023 Recommended Budget is a several-month process that includes all city departments and involves 30 plus employees for a total of over 3,000 hours of staff time.

The process begins when staff engages with key partners in the community to develop a sense for the local economy and current market conditions and trends. This information is used to develop revenue forecast models that aid in the development of the budget. Although City Council and staff receive input from the community year-round, the staff also hosts community budget discussions which provides another opportunity for input during the budget development process.

Through the budget process, staff develops labor, operating, and capital budgets culminating in a detail line-item review of each Department Budget by the City Manager and an internal review team. Three budget workshops are scheduled with City Council and supporting detail budget documents are provided for each workshop and available to the public online.

The City Council authorizes the Annual Budget through the appropriation of spending at the fund level. The Fund Balance Worksheet, as part of the supporting documentation, displays the City's total budget, as well as the total appropriation of the budget. The 2023 Recommended Budget of \$235.9 million is presented with the internal service operations of Information Technology, Fleet, Insurance, and Facilities budgeted in each Department's expenses. There were two public presentations and hearings for public input during the adoption process.

Revenue Indicators

Prior to the COVID-19 pandemic, the Grand Junction economy had seen a significant improvement with increased commerce and continued diversification of industries. Low unemployment (pre COVID-19), added jobs, and an increasing labor force had infused wages and spending up until March of 2020. The City has made considerable progress through public/public and public/private partnerships to make investments the community that will strengthen the City's regional, State, and national presence and positively impact revenue generation. These efforts positioned the City to withstand the pandemic and economic downturn in 2020. In 2021, the City experienced a significant recovery in retail activity and resulting revenues which has continued into 2022. The job and real estate market have maintained strength in 2022, and there are indicators for continued growth into the future including expected population increases, continued residential development, new regional retailers, continued expansion of Colorado Mesa University campus, private development of the riverfront, and sustained diversification of the economy.

Taxes, Fees, & Rate Revenue

Sales and use tax revenues are the major source of revenues for general government operations and general government capital. The majority of that revenue is derived from the City's 3.25% sales and use tax. In 2022, staff budgeted a 5% increase in sales tax revenues and are currently meeting those projections. Staff expects to end 2022 at 4% to 5% above budget and are budgeting a 3.75% sales tax

increase for 2023. As an enhancement to compliance efforts, the Finance Department and City Clerk's Office will convert 3 unfilled positions to 1 licensing compliance position. This position will be responsible for licensing and compliance of businesses that are required to have a sales tax license and/or a liquor license.

In November of 2017, Mesa County voters authorized a 0.37% increase in County sales tax dedicated to public safety, with the City receiving 6.97%. Mesa County receives 84% and the other public safety agencies receive a combined 16%. The City expects to receive approximately \$862,000 in 2023 from this tax and it is used to cover a portion of the City's Police and Fire Departments Communication Center costs. The City's share of this tax covers approximately 28% of those costs, where all of the other entities had all costs covered and additional funds available for other public safety needs. In April of 2019 voters authorized a .5% sales tax for the expansion of First Responder services. These revenues are currently being used to construct, equip, and staff three new fire stations, and increase staffing (with equipment) in the Police Department to respond to existing and growing calls for service.

Lodging tax revenues are the primary revenue source for Visit Grand Junction, which receives 4.25% of the total 6% lodging tax. The lodging industry was one the most significantly impacted by activity restrictions because of the pandemic. Visit Grand Junction (Visit GJ) continues to maximize consumer's high intent to travel by optimizing data-driven marketing strategies, which allow for better-informed marketing decisions, and a consistent and sustainable science-based approach to destination management overall. This formula has proven successful in driving new tourism revenue to the community and assisting stakeholders with their own ongoing recovery from the pandemic. This also boosted Grand Junction's room demand and Visit GJ continues to encourage hoteliers to capitalize on the opportunity by increasing room rates. As a result, average daily rate (ADR) has increased consistently over the last few years. The economic recovery of Grand Junction's hotels and tourism industry has gained considerable momentum in 2021 and 2022. Visit Grand Junction will continue to closely monitor industry projections and consumer behavior and sentiment, while adjusting marketing strategies and advertising accordingly. Staff expects lodging tax revenues to end the year 17% above 2021 and are budgeting a 9% increase for 2023.

In April of 2021, voters approved the retail sale of Cannabis in the City of Grand Junction with a special tax rate authorized between 5% and 15%. This year City Council passed a 6% special sales tax on the retail sale of Cannabis as well as the licensing and regulatory rules and procedures. It is expected that the licensing will be completed this year, with ten businesses being licensed and beginning sales in first quarter of 2023. To remain conservative, staff budgeted an estimate of 9 months of retail activity resulting in total special Cannabis tax revenue including the State share of \$1.88 million. The City will also receive the regular City sales tax of 3.25% on all retail sales of Cannabis. The 2% portion of the City's sales tax rate on Cannabis sales that will go to the General Fund will be earmarked to be used for affordable housing. In addition to these funds for affordable housing, in November of this year, there are two ballot questions authorized by City Council that if passed will provide resources towards affordable housing. A 1% lodging tax and an 8% excise tax on short term rentals is estimated to generate a total of \$1,063,000 and is included in budgeted revenue.

As confirmed by City Council this summer, all rates, fees, and charges are based on the set of philosophies which vary based on considerations such as the benefit to the overall community, cost recovery models, comparison to the market and other entities, as well as legal considerations. Water

and Sewer rates are based on rate studies and long-term financial plans. The recommended changes to fees and charges this year include modest changes (between 3% to 5%) to development review fees and sports facility rentals. In October of 2019, City Council adopted an increase to the Transportation Capacity Fees (TCP) to be phased in over a four-year period. There was also an inflationary adjustment authorized beginning in 2023 which is the fourth and final year of the phase-in. For example, the TCP fee for the most common size single-family home will increase to \$5,700 in 2023 (compared to \$4,200 in 2022). Consistent with the phased fee schedule implementation, non-residential uses will also see an increase in TCP fees. These increases occur two times a year; January 1 and July 1. Also as approved by City Council in 2019 Parks Impact Fee will increase to \$1,204 for a single-family home in 2023 (compared to \$734 in 2022). This is the final year of phase-in for those fees as well. There is no change in Police and Fire impact fees which were fully implemented (no phase-in) in 2022.

Rates and charges in Enterprise Funds will increase as follows. Water rate changes include a recommended 2% increase on base rates (less than 3,000 gallons of water use per month), and an increase of 7% for higher water usage tiers to promote water conservation. A rate increase of 10% is recommended for bulk water and 5% for Raw Water, as well as a 3% increase in water tap fees. A rate increase of 5% is recommended for Ridges Irrigation which applies to both residential and commercial users. New permit fees are included for the graywater control program ranging from \$50 for single-family outdoor irrigation uses to \$400 for non-single-family, indoor toilet/urinal flushing, and outdoor irrigation uses. As recommended by the recently completed rate study, sewer rates will be increased 5.3%, as well as a 6.2% increase in the plant investment fee for a single-family home of \$5,544 in 2023. In 2022 the City brought the recycling operation in-house and has been making plans for improvement and enhancement of these services. The first phase of a new curbside and green waste program will begin in 2023. This program will begin with limited areas throughout the City and will have rates that incentivize recycling within those area with one new smaller option of containers. It is recommended that the customer can choose between a 96-gallon trash container at \$25/month, a 64-gallon at \$15.75/month or a 48-gallon at \$11.50/month. For those customers outside the pilot program area, a 64-gallon trash container will increase to \$14.25/month from \$13.25/month and a 96-gallon container will increase to \$19.75/month from \$18.25/month. These price increases will help cover rising costs of collection.

Budget Themes

Throughout the development of the 2023 Recommended Budget, departments each discuss their plans and project priorities over the next year in alignment with City Council's strategic priorities. In addition to a focus on Council priorities, three themes emerged that provide supplementary insight into the spending priorities of the budget.

Enhancing Service Through Employee Investment

Ensuring the successful implementation of Council's goals and priorities relies on high-quality staff. A well-equipped staff helps to increase service capacity to the community and provide internal support for projects and planning. The City continues to experience labor challenges including difficulty recruiting and retaining qualified talent. Consequently, the budget reflects continued and enhanced investment in talent development, recruitment, and support for existing employees.

There are 23 new positions proposed in the 2023 Recommended Budget which are strategically chosen to provide added support in several departments to increase their service capacity, allowing them to complete ongoing maintenance projects and develop new programs and services. In 2022, the City started the year with 772 position, adding new positions throughout the year to meet changing needs, priorities, and service expansion. With the purchase of CRI Recycling, opening of the Child Learning Center, added public safety personnel and more resources toward planning and housing the total position count is currently 801 with a proposed total count of 824 in 2023.

Next year, the City will embark on a Commercial Driver License (CDL) training initiative to train two employees as CDL instructors, allowing the City to hire experienced but not yet commercially licensed drivers then train and certify them in-house. The City is also committed to its existing partnership with CMU for an internship program. The 2023 Recommended Budget includes 17 total internship positions in a variety of departments throughout the organization. The City also plans to expand partnerships with AmeriCorps and continue the Best and Brightest Management Fellowship program which will offer training and learning opportunities for interns and a graduate student. Additionally, enhancements to the existing Tuition Reimbursement program for employees to encourage continued growth, learning and promotional opportunities is proposed. Also included in the 2023 Recommended Budget is \$1.4 million toward Citywide Training and Development to continue expanding the knowledge and expertise of employees in their respective fields.

Planned in the 2023 Budget are wage and benefit enhancements. Based on a two-year negotiation with the City's healthcare provider and strategic planning, premiums for 2023 will remain relatively flat for employees. The City will continue to emphasize health and wellness focused on expanding services offered at the employee Health and Wellness Center and the Employee Wellness Program. This includes an ongoing effort to mitigate rising health costs by increasing clinic hours which promotes increased engagement, better patient response time, and avoidance of urgent care visits. To ensure the City remains competitive in attracting and retaining talent, a proposed 3% step increase on acceptable performance evaluations is proposed in the 2023 Budget. Additionally, funding for one-time compensation for employees is included. Due to recruiting and retaining challenges in the Police Department which are not unusual and being experienced by agencies nationwide, a 9% compensation increase above the 3% step increase for sworn positions will be funded by the First Responder Tax. Dispatch positions will also receive a higher wage increase. The City also opened a Child Learning Center this year which makes high-quality childcare services available to employees. Employees are absolutely integral to the high level of service expected in the community and the 2023 Recommended Budget reflects the City's continued commitment to their work.

Community Collaboration and Engagement

Beyond providing services, ensuring the City works to strengthen community collaboration and engagement emerged as another important theme. Regular engagement with the community is essential to developing projects and initiatives that best reflect the values and needs of residents. The City has a long history of embracing community engagement through its appointed boards and commissions, open-houses, community input sessions and citizen engagement in project planning. In 2022 for example, an American Rescue Plan Advisory Committee was appointed by City Council to determine how best to allocate \$9 million in federal relief funds in the community. Likewise, community

collaboration, particularly with state and local partners, the private sector and many nonprofit organizations in the community, has long-remained essential to success.

In the spirit of the City's core value of continuous improvement, and with new projects and service areas planned in the 2023 Recommended Budget, the City will expand opportunities for public engagement and community collaboration efforts. These efforts include a newly created Communications and Engagement Department which has already begun work to bridge connections in the community, expand outreach to underrepresented groups, assist with translation services, increase awareness of city projects, and assist other departments with effective community engagement events. This department also expanded an online platform which provides an overview of key city projects and offers community members the opportunity to provide input on key projects throughout the year. Other new opportunities anticipated to enhance the City's engagement efforts include the creation of a permanent Council-appointed Housing Advisory Board, community feedback and open houses for Community Recreation Center Planning and the creation of a temporary Bike/Ped Advisory Committee to advise on the development of a Bike and Pedestrian Plan. The City also plans to continue its long-standing partnerships with CMU, GJEP, the Chamber of Commerce, local non-profits, and many other community organizations.

Exceptional Service to Meet Current and Future Growth

The community continues to experience significant growth which not only presents an opportunity to enhance and expand existing services but to evaluate new services that meet the needs and expectations of residents. With growth comes a higher demand for adequate transportation, housing, public safety, and other key services. The 2023 Recommended Budget reflects a commitment to exceptional service and planning for the future by prioritizing projects designed to handle current and future growth, evaluating ways to improve existing programs and services and implementing new strategies as necessary.

The budget recommendations include transportation expansion and maintenance projects using voter-authorized transportation expansion funds and dedicated maintenance funds. Mobility improvements are also proposed to build and improve infrastructure that supports alternative modes of transportation. This work is designed to increase the drivability of the City over the coming years while promoting safety and access for pedestrians and cyclists. Addressing the increasing housing pressures and homelessness in the community also remains an important priority for the City. The new positions created with dedicated funding are focused on implementing strategies to combat housing pressures and homelessness. By building affordable housing production in 2023 and developing partnerships and resources to reduce homelessness, these positions will work to mitigate the community impacts of homelessness in the city.

Expanding recycling services and formalizing a sustainability plan and electric-vehicle plan are also proposed in the 2023 Recommended Budget. Improved recycling combined with these two plans will help the City prepare for continued environmental pressures and emerging markets while simultaneously building long-term resiliency throughout the community.

Other service improvements are also focused on Public Safety, which includes bringing mental health clinicians on-board as City employees to further enhance the Police Co-Responder program. In 2023

there are also proposed positions to increase staffing for parking enforcement and parks patrol which will support downtown parking availability and add an additional layer of safety and enforcement at City-owned parks. Improved service delivery in Fire and EMS is also proposed in 2023 through the addition of new personnel, seven fire stations on-line (with the next opening in 2024) and adding the equipment and ambulances necessary to meet the growing demand for Fire and EMS services. With continued growth comes tremendous opportunity for the City to enhance service level, expand programs and explore new avenues that will ensure Grand Junction remains a great place to live far into the future.

Growth & Demographics

The US Census Bureau has the most current (2021) City of Grand Junction population estimate at 66,964, which is a 1.78% increase over the 2020 population estimate. The City of Grand Junction has grown by at least an estimated 1.5% every year since 2017, except for 2019. This continues to exceed rates of growth exhibited in Grand Junction from 2010 to 2014 which hovered around 1% and exceeds the State Demographer's estimate of an average 1.08% in the current decade. If the actual growth rate reflects the State Demographer's estimate, the City will grow to approximately 75,000 people by 2030. The City's population has more than tripled since 1970 and at the projected rate of growth the City will reach a population of 100,000 in the next 30 years (2050). The 2020 Census counted 155,703 persons living in Mesa County, a 6.1% increase from the 2010 US Census and is projected to increase to a population of 236,000 by 2050. 78% of the growth in Mesa County between 2010 and 2020 occurred in the City of Grand Junction. Demographic trends include:

- Home prices continue to rise-although likely not as steeply moving into 2023
- Population growth is seeing a slowing for births and increasing for deaths
- Migration is slowing in Colorado.
- Labor is tight and Colorado as a state is not as competitive. Jobs are growing but slowing.
- An increase in racial and ethnic diversity continues.
- Grand Junction is growing faster than the remainder of the county, making it a larger share of the total county population: 36% in 2000 to 42% in 2020.
- The employment base within the County is diversifying beyond the oil and gas industry. Jobs in the County are concentrated in Health Services, Retail Trade, Accommodation and Food Services while the largest drivers in the economy are from Regional Services, Retirees, and Government.

2023 Budget by Strategic Priority

Strategic Priority – Mobility & Infrastructure

One of the core functions of the City is to maintain its street infrastructure. Street maintenance is also a key component of the capital improvement program as represented by the more than \$33 million invested in improving the condition of City street infrastructure between 2017 and 2022. Over 65% of the City's street network had a treatment over the last six years. The condition of the streets is measured regularly using a Pavement Condition Index (PCI) which is a numerical index between 0 and 100 used to indicate the general condition of a pavement section, with 100 being a newly constructed

road. The higher the overall PCI, the less expensive the network is to maintain. The goal of the program was to move the City from a PCI of 69 to a more sustainable 73 or higher. A complete PCI survey on the street network will be completed this fall to verify a PCI of 73. At this higher PCI, the City should be able to maintain its streets with more frequent, less expensive chip seals and overlay projects which will reduce the likelihood of significant pavement deterioration and expensive reconstruction costs.

With the passage of ballot initiative in fall of 2019 to authorize debt issuance for transportation, the City has authorization to increase transportation capacity with the investment of \$70 million in 11 different locations. In 2023, the widening of 24 Road and G Roads will be completed following the completion of the bridge replacement over North Leach Creek. F ½ Parkway will also start construction in late 2023 with completion anticipated in 2024. The 2023 Recommended Budget includes \$25 million for improvements that will add capacity to the street network thereby minimizing motorist delays. In recent years, Council has focused a portion of the direct distribution of the Community Development Block Grant (CDBG) program dollars toward sidewalk improvements that improve safety along key walking routes around schools and neighborhoods. In 2023, the City will construct new curb, gutter and sidewalks along the west side of 27 Road on Orchard Mesa between Hwy 50 and B ½ Road where there are currently no pedestrian facilities.

The City will continue to ensure that existing infrastructure is adequately maintained, and that the construction of future infrastructure is completed with fiscal responsibility. The City understands the current condition of its infrastructure and performs maintenance and construction accordingly. In 2023, the City will continue its emphasis on curb, gutter, and sidewalk replacements as \$420,000 is included in the 2023 Recommended Budget for this program. Maintenance of the City's transportation network will remain a priority in 2023 although it will shift into maintaining the new pavement condition index (PCI) achieved over the last six years.

In 2023, the City will continue the implementation phase of the Parks, Recreation and Open Space Master Plan. This plan lays out \$157 million in needs for the portion of the community's infrastructure that is Parks and Recreation; much of it relates to trails and open space. Projects being planned in 2023 are reflected in the capital section, and several that relate to mobility including replacement of asphalt trail with concrete. Multi-modal transit promotes environmental sustainability and healthy lifestyles.

Also included in public input thus far is a desire for the City to continue to focus on improving bicycling and walking infrastructure such as the recent striping of buffered bike lanes on 1st Street, Main Street and the construction of bike lanes along Redlands Parkway. Additional emphasis will be on green paint and thermoplastic on bike lanes to help draw more attention to the bicyclists and improve safety. The Bike/Ped plan will help guide and prioritize improvements to the transportation network. Additionally, the City will add a new street sweeper focused specifically on bike lanes.

The City is planning to launch a Shared Micromobility Pilot Study. Shared micromobility refers to a system of either docked or dockless devices that are part of a commercial fleet and that are available to multiple users for short-term rental. Users are able to locate, reserve, and unlock devices for use and pay for and conclude trips via a smartphone application on their personal mobile device. The City will solicit up to three companies through the Request for Proposals process. The pilot study will have a one-year performance period and will be governed by a Pilot Agreement with an anticipated launch date of April 2023.

Maintenance of the City's water infrastructure assets is critical to delivering high quality, reliable drinking water. Ongoing repair and maintenance of the City's distribution system and water treatment plant equipment is critical and the focus of the Utilities' asset management program in 2023 will be to increase preventative maintenance activities and reduce the amount of corrective or reactive maintenance activities that may cause an interruption to service. Over \$600,000 is included in the 2023 Recommended Budget for repairs, upgrades, and maintenance to systems and plant, as well another \$3.7 million in capital replacement and improvements. Three positions in Water will be added in 2023, two in maintenance and a Water Conservation Specialist.

Maintenance of the City's wastewater infrastructure assets is critical to delivering reliable wastewater treatment and the return of clean water to the Colorado River. Like water, the focus of the Utilities' asset management program will be to increase preventative maintenance activities and reduce the amount of corrective or reactive maintenance activities that may cause an interruption to service. The 2023 Recommended Budget includes \$615,000 for equipment repair and replacement as well as \$17.9 million in capital improvements of the system and expansion/rehabilitation of the plant.

The 2023 Recommended Budget includes three new positions for sewer: an Operations Support Engineer, a Collections Crew Lead, and an Equipment Operator. The Collections Crew Leader coupled with a new equipment operator position will form another crew to clean and maintain the sewer system to help attain the goal of a 5-year preventative maintenance interval.

Strategic Priority – Economic Development

Visit Grand Junction is the City's Destination Marketing Organization (DMO). Destination management principles are the foundation for the strategies Visit GJ develops in order to attract visitation, from outside of Mesa County, to the Grand Junction area. Visit Grand Junction continues data-driven marketing strategies and enhancement of its data platform, as technology continues to evolve at a rapid pace, to guide the department's destination marketing and management strategies. Visit GJ's marketing strategies for 2023 will include engaging with multiple adtech companies on the same campaigns in order to triangulate data and achieve enhanced validity, remove bias, and provide improved results.

Guided by the advice of the Visit Grand Junction Advisory Board of Directors, Visit GJ has rebuilt and enhanced the former Expand the Tent marketing services program to a more equitable structure, so that all tourism-related businesses within Mesa County have an opportunity to partner with Visit GJ and receive the same marketing services and benefits as tourism-related businesses within Grand Junction city limits. The new program allows tourism-related events and businesses outside Grand Junction city limits including lodging, restaurants, retail, attractions, events, craft beverages, product sales, and services. The hospitality businesses can participate in the program for an affordable annual fee, currently established at \$350 per year. A lodging business outside city limits must also contribute an additional 6 % of overnight lodging sales to match the current Grand Junction lodging tax. The new program, named the Grand Junction Area Tourism Membership, adopted by the Grand Junction City Council in April 2022, provides a plethora of data and marketing services that help tourism businesses align with Visit Grand Junction's strategies, while increasing their presence in the marketing landscape and furthering their success.

In addition, Visit GJ arranged for tourism businesses inside and outside the city limits (who formalize a partnership via the membership), to have access to a new service administered by Destination Travel

Network (DTN). They provide digital marketing solutions for tourism businesses seeking resources to keep up with an ever-changing marketing and technological landscape. Services include but are not limited to, designing and hosting a custom website, reputation management, blog writing, data reporting, search engine optimization, and search engine marketing.

A new mobile technology platform has been developed and will be fully implemented in 2023. The application incentivizes residents and guests to enjoy outdoor activities and encourages trail disbursement throughout the Grand Junction area. Visit GJ will also be designing a new website to replace its outdated site which can no longer accommodate necessary upgrades. The new site will enhance the user experience by providing relevant and dynamic content to highlight and effectively communicate Grand Junction's brand, lifestyle, and experiences.

Partnerships with City departments also remains a focus, building on many successes in 2022 including creating the 12 panels for the remodeled Lincoln Park stadium and entryway signage into the City of Grand Junction. Visit GJ designed an original and timeless entryway sign which captures Grand Junction's railroad and industrial history, the confluence of the Colorado and Gunnison Rivers, open landscapes, and the spirit of the destination brand and community. City Council approved the design, and completion of the signs is expected by spring 2023.

Visit GJ will continue to develop and maintain mutually beneficial collaborations with local and regional partners. With Grand Junction's brand now in focus, Visit GJ will maximize its outreach efforts to organizations and businesses within the community to provide professional insight and awareness into how they can represent and communicate Grand Junction's brand. Visit GJ continues to support the Greater Grand Junction Sports Commission by incorporating destination marketing strategies and strengthening the community's brand to enhance awareness of regional sporting events and tournaments in the Grand Junction area. Regional partnerships include campaigns with Colorado's Mountains & Mesas region, Dinosaur Diamond, Grand Circle, projects with other destination marketing organizations, and strategic partnership opportunities with the Colorado Tourism Office.

A chief economic development strategy increasingly employed in Grand Junction is the development of outdoor recreation. Outdoor recreation relies heavily on trails and open space. Additional capital expansions are also on the horizon with phase II of the Monument Connect trail from the Lunch Loop trailhead to the intersection of South Camp and Monument Road, which was funded in part by GOCO in 2022 and is planned for 2023 construction. Likewise, in 2023, the City is planning on submitting a grant to Great Outdoors Colorado (GOCO) to build in 2024 the current and only gap in the Riverfront trail from Palisade to Fruita at C ½ road. This approximate 1.5 miles of river trail would further the economic development brought by trails by making Grand Junction more attractive to visitors and new residents as well as improving mobility.

Another engine of economic development is the Lincoln Park Stadium and Canyon View Park that serve as site for large tournaments throughout the year. The renovation of the stadium, completed in 2022 in close partnership with Grand Junction Baseball (JUCO), Colorado Mesa University (CMU) and School District #51, continues to earn praise from partners, user groups and the community at large. The renovated Stadium is anticipated to expand the economic impact of the Stadium with the continued growth of the JUCO tournament and expanded use with larger crowds at events that are better served in the improved facility. The Grand Junction Rockies will also see new ownership. This ownership has some of the same ownership as the Legends Complex in Windsor. The team will be renamed and be

under this new ownership for the 2023 season. Staff expects to work with the new team to expand game attendance.

The continued effort to diversify our economy is tied directly to the City's progress with revitalizing the riverfront at Dos Rios and Las Colonias. The Amphitheatre at Las Colonias is a community hub with 2022 being the busiest concert year yet. 2023 is anticipated to continue upon this trajectory. With additional improvements planned for the rest of 2022 and into 2023, from new shade shelters, to completing the revegetation project to the Zipline, Las Colonias will continue to grow as a regional destination. New for 2022 and perhaps into 2023, a public market is being considered to add additional activity to the increasing number of services and amenities being brought to Las Colonias. At Dos Rios in 2022 and 2023, there is significant vertical construction of a mixed-use development as well as additional public park amenities funded in part by a \$400,000 grant from the Department of Local Affairs. The destination playground will be complete in early 2023. The splash park and riverfront improvements are set for 2023 completion as well.

Within the City Council's budget for 2023 is a total of \$6.5 million for economic development. This includes \$2.3 million to the Economic Development Partners, \$1.8 million to the Downtown Development Authority (DDA), and \$2.4 million for infill incentives. The funding for the Economic Development Partners comes from the City's .75% sales tax as well as the vendors fee cap. The partners include Colorado Mesa University, Grand Junction Area Chamber of Commerce, the Business Incubator, Grand Junction Economic Partnership, Western Colorado Latino Chamber of Commerce, and Industrial Development Incorporated. The DDA funding is comprised of the City's sales tax TIF (\$876,257), as well as the City's contribution towards the Las Colonias and Grand Junction Convention Center projects (\$954,921). In addition to this direct funding the DDA also receives another \$153,811 in City property tax TIF that is distributed to the DDA through the Mesa County Treasurer's Office. In September of this year, City Council adopted a new corridor infill incentive program to encourage infill near the City's center. Funds from the sale of Dos Rios properties have been earmarked for 2023 for these incentives.

Strategic Priority – Housing

The City will continue to focus efforts in 2023 in expanding services in housing affordability and the unhoused with the addition of a team member that focuses on the unhoused and related issues. This addition adds to the growth of the Housing division that hired its first ever Housing Manager in 2022 and a Housing Specialist position. The Community Development department will continue to build capacity through the AmeriCorps program that assists in placing talented civic-minded persons in capacity-building roles. The Department will continue to leverage general fund and grant resources to implement adopted housing strategies and has estimated potential new tax revenues as well as the \$1 million committed (but not yet used) by City Council in 2022 to provide a total of nearly \$2.6 million to fund implementation strategies such as land banking, affordable housing unit production incentives and incentives for accessory dwelling units.

Relying on local expertise, City Council created the American Rescue Plan Advisory (ARPA) Committee to recommend how \$9 million should be allocated. The ARPA Committee received 29 applications from community partners with nearly \$30 million in funding requests. The committee members have finalized their funding recommendations to Council with a focus on six major projects that, if approved, will

create long-lasting, sustainable capital and program improvements for local organizations in the three identified areas.

The challenges of homelessness and how to best approach a community-centered solution continue and is an issue that is being addressed by several Departments including Police, Fire, Community Development, and Parks and Recreation. The Community Outreach Unit in the Police Department interacts routinely not only with the homeless/houseless population within the City, but also with the many organizations who provide services to this same population. As the City expands and works to address affordable housing, including opportunities to appropriately shelter the homeless/houseless, the Police Department Community Outreach Unit will participate as a resource as necessary to assist. In addition to these efforts and to improve health and safety of the homeless/houseless population there are funds in the budget to support monthly rentals of sanitation facilities in various locations around the City as well as funding for camp cleanups.

The Parks and Recreation Department partners with both the Police and Fire Departments at its facilities and for its programs to provide services to those experiencing homelessness. Police contacts with the homeless population has increased at several park locations as have camping in the parks overnight. In response, Parks and Recreation plans to continue increasing communication with the Police Department into 2023 as well as working with an outside security company to provide lock ups at night in the parks. Activation of parks by providing more upgraded amenities, also improves the comfort of users within the park through increased active recreation. New for 2023, design is proposed on a new expert level skate and bike park at Emerson Park, one of the four original historic parks in Grand Junction. The goal with the project is to fill a gap in service that the skating and bike park community is increasingly advocating for. The improved working relationship with these user groups have created fertile grounds to plan for the reactivation of this park.

In addition to these efforts, over \$300,000 is recommended in the non-profit funding for Grand Junction Housing Authority, Homeward Bound, Habitat for Humanity, Housing Resources of Western Colorado, and The House (Karis Inc.).

Strategic Priority – Public Safety

Working with the Parks and Recreation Department, efforts will continue to better ensure the parks are free from criminal activity to make them more accessible and attractive to all city residents. The utilization of Crime Prevention Through Environmental Design (CPTED) strategies, combined with the installation of the Advanced Real Time Crime Center cameras, will be part of the overall strategy in which the Police Department participates. The community continues to see sizeable increases in the instance of vandalism. Increased efforts between PD and Parks and Recreation to address this growing issue includes funding in the 2023 budget towards beautification and safety, address graffiti, and repair damage.

Recruitment has been and continues to be one of the highest priorities of the Police Department. Given the challenges that came with 2020, including the pandemic, civil unrest, and legislation in the State of Colorado that created a difficult atmosphere for policing, attracting new applicants to a job that few people find desirable is a difficult undertaking. The GJPD has extremely high standards for its employees, and while there are shortages, the organization stands firmly on the quality over quantity principle.

Therefore, the extensive hiring process already in place will continue to serve as the guide for who is hired. Finishing the calendar year of 2022 and leading into 2023, it is the goal of the Police Department to ensure that Patrol staffing is enhanced to appropriate levels, and then the critical support units can be built out strategically as staffing allows.

As the labor force has changed and hiring for sworn positions has become more difficult, the opportunity to consider new methods to accomplish the public safety mission of the Police Department has allowed for the hiring of civilians to complement current patrol efforts. Specifically, the use of Police Service Technicians and expansion of that program provides a response to some calls for service which may not require a sworn police officer. In particular, a program to have Police Service Technicians respond to non-injury crashes on the public roadways, as well as assist with other non-emergent calls for service allows for Patrol officers to continue to respond to higher priority, in-progress calls that may involve immediate risk to life or property. Expansion of the Police Service Technicians in Investigations will expand the role of intelligence sharing, particularly between the Investigations and Patrol Sections with the Drug Task Force. With \$200,000 funding in the budget, the Police Department will continue to explore options for a red light camera program to enhance safety in our community.

While the difficulties of hiring sworn and dispatch personnel are significant in the current labor market, the situation has allowed for the expansion and growth of opportunities for civilian personnel that serve other key functions within the Police Department. In 2022, two Civilian Managers were hired to address specific needs within the organization, particularly in technology, civilian, and building oversight. With hiring those managers, they were assigned duties that used to be distributed to several sworn managers before, thus accomplishing the two-fold task of allowing internal growth and opportunity for civilian personnel as well as freeing time for sworn supervisors to attend to immediate needs with front-line sworn personnel.

The Police Department's Co-Responder Unit, which began in 2018, has had a tremendous impact on how services are provided to those who may be suffering from a mental health crisis. Initially a cooperative effort between the Police Department, the Mesa County Sheriff's Office and Mind Springs, the initiative has now evolved to a singular model housed within the Police Department. Still utilizing the officers and clinician model of field response, the Police Department has now moved to hire clinicians as Police Department employees, rather than contracting with an outside service provider. By having a total of three clinicians, one of which will provide case management, the consistency and camaraderie of the team can be strengthened that much more.

As the community continues to grow, the Fire Department is experiencing a 17% increase in calls for service and estimates that this increase will continue in 2023. Medical services represent the highest level of service demand, and the department is continuing with the next phase of the multi-year EMS plan to manage this increase in call volume. In 2023 the second "impact ambulance" will be added. The impact ambulance is a 12-hour unit that is in service during the highest call demand times. The department will also add an ambulance at Fire Station 5. This ambulance will improve service in the Redlands and assist the entire response system. The EMS plan also emphasizes our commitment to paramedic level service on all apparatus through either recruitment or training. In 2023, the department will continue to support five employees in their second semester of paramedic school and send nine additional firefighters and emergency medical technicians to paramedic school.

Personnel safety is critical to delivering fire and emergency medical services and additional safety enhancements will be made in 2023. The department will expand the duties of the three EMS Officer positions by converting these positions to Safety and Medical Officer roles. These positions will be responsible for safety oversight on critical incidents and medical supervision on medical calls. The department will continue to replace a significant amount of firefighter personal protective equipment (PPE) that is reaching the recommended replacement date. In addition, the department will complete its purchase of additional PPE to ensure that every member of the department has two sets PPE. This purchase will ensure that each employee will have PPE when one of their sets is being washed or repaired. This new PPE integrates the newest technology to minimize the firefighter's exposure to harmful carcinogens. PPE dryers will be added to all stations to reduce the turnaround time to dry the gear.

Equipment enhancements include updating specialized technical rescue equipment and the addition of medical training equipment to simulate real emergencies. The addition of new narcotic medication vaults will enhance security and storage of medications used to treat EMS patients. In Fire, the department will be adding advanced communication systems to the breathing apparatus worn by captains and scene supervisors. The department will apply for a grant to purchase specialized washing and decontamination machines to properly clean the carcinogens from self-contained breathing apparatus equipment. A new river rescue boat will replace an outdated unit to provide quicker response and safety for responses on the river.

The Fire Station 7 project will move forward with securing land for the station, purchase of equipment for the fire truck, and ordering of the ambulance. This fire station will provide quicker response times and a higher level of service to the Northwest area of the City. Fire Station 5 will also receive a minor remodel of the office area and physical fitness/training room. The department is also updating the station alerting systems in the older stations with newer technology to ensure that the systems are more efficient and can meet the growing needs.

As the community and built environment continues to grow, it's important that the department provide timely and efficient service to the building and contractor community. The department will add a Fire Prevention Inspector/Investigator position to assist in providing timely and adequate inspections of businesses and to coordinate and complete required fire investigations.

The Fire Department has had a great deal of success with intern programs and has been proud to help develop individuals for a career while also providing value to the community. Fire will continue to develop our relationship with the CMU Social Worker program through internships in the department's Community Assistance Referral and Education Services Program. This program connects individuals to services to reduce the use of 911 services for non-emergent needs. The department is also planning a new internship with an emphasis in community risk reduction and wildfire outreach.

Strategic Priority – Quality of Life

As part of the City's overall sustainability initiatives, the Recycling division will implement the first phase of a new curbside dual stream recycling and green waste program in 2023. This first phase of the program will include residents residing in the Redlands/South Camp area, downtown, and certain neighborhoods north of the City. Rates for this new program will incentivize recycling by basing the

monthly fee on the size of trash container the customer requests. This “Pay as You Throw” approach incentivizes recycling through a utility model similar to how you pay for electricity– the more trash generated, the more a customer pays for service. Since recycling service will be included with all trash service, residents will be offered a choice of three different container sizes for trash collection with the smallest container costing the least. The new program will provide an economic incentive to waste less and recycle more.

The Fleet Services division will ramp up sustainability efforts in 2023 by increasing the use of alternative fuels, electric vehicles and sustainable technologies. \$3.3 million is included in the proposed budget to replace gas and diesel burning engines with renewable fuel options that include electric, hybrid and compressed natural gas (CNG). The CNG vehicles will be fueled with the methane gas produced as result of the anaerobic digestion process at the Persigo Wastewater Treatment Plant. In 2023, vehicles fueled by CNG are expected use over 120,000 gallons of fuel. By using CNG close to 1,200 metric tons of carbon dioxide (CO2) will be eliminated, thus reducing greenhouse gas emissions and the reliance on fossil fuels.

Sustainability efforts in the Facilities division will include energy efficiency upgrades that primarily include lighting upgrades to LED in City buildings. Savings in energy costs will amount to approximately \$45,000 per year, a project payback period of less than 6 years.

Parks and Recreation will deepen its contribution to sustainability to protect the environmental benefits brought by the 37,000 public trees cared for by the forestry work group. 2021 and 2022 saw threats to the urban tree canopy increase with exceptional drought and the proliferation of pests such as lilac ash borer and ash bark beetle. In 2022 the City offered a financial assistance program (Root for our Trees) to private property owners for treatment of their ash trees. Continuing in 2023, the department is responding by shifting efforts towards the most effective known treatment: trunk injection, which protects from pests for 3 years. The 2023 Budget proposes continuation of the Root for our Trees program to partner with private property owners and provide trunk injection to trees ash trees. This provides visible maintenance and in some cases improvement of tree health.

This year a contract was secured to provide sustainable resource management and weed mitigation through goats. For 2023, this effort is expected to expand to reduce weeds in the riverfront area in an environmentally friendly way.

The Water Service division in the Utilities Department will add a Water Conservation Specialist in 2023 who will support water conservation efforts including graywater control, outreach to high water use customers, developing a turf replacement rebate program as well as other water-saving initiatives included in our Water Conservation Plan such as water audits and toilet rebate programs. Water Services will also connect with community organizations focused on water resources through participation in Colorado Dust on Snow, the Drought Response Information Project (DRIP), the Ruth Powell Hutchins Water Center, Colorado State of the River, Water Education Colorado, and the Children’s Water Festival. The 2023 Recommended Budget includes funding towards a partnership with the U.S. Forest Services for the fuels reduction program to protect the City’s watershed from the threat of forest fires.

Community Development recruited a new staff member as the City’s Sustainability Coordinator in 2022. This position will begin electric vehicle readiness planning in collaboration with Xcel Energy in late 2022

and this work will continue into early 2023. The 2023 budget also includes capital funding to leverage state grant dollars for the installation of two Level 3 supercharging stations, charging facilities that are generally lacking in Grand Junction, especially along the I-70 corridor.

Work will begin in 2022 to inventory greenhouse gas emissions that will serve as a baseline for the City's Sustainability Plan that will commence and is budgeted in 2023. The Plan will complement and expand upon the goals of the City's Comprehensive Plan and principle of Resource Stewardship, by developing goals, detailed strategies, and concrete measurements aimed at advancing a culture of sustainability to ensure that Grand Junction remains a healthy and vibrant place for generations to come.

The City Council has a history of supporting the non-profit organizations in this community through direct funding and allocation of Community Development Block Grant (CDBG) Funds. With the direction of Council, the City continues to refine the non-profit funding process including the definition of two different tiers (greater than \$50k and \$50k or less) and application requirements. Through media release, website presence, and direct communication thirty-nine agencies applied for tier 1 funding and twelve applied for tier 2 funding. After review of requests for alignment with the Council's strategic priorities, history of organization impact within the community, minimum request, and type of request (i.e. operating or one-time capital) staff is recommending total funding of \$878,221.

The programs and services offered in the Parks and Recreation department are essential to maintaining a high quality of life in the city. Popular programs are projected to continue to grow in 2023 including the adult softball, youth basketball, and summer camp which continue to see record breaking participation. The total participation is projected at over 164,000 participant visits in 2023, which averages to over 450 people per day throughout the year.

Through robust public engagement, the PROS Master Plan is a blueprint for the future of the parks, recreation, and open space system to meet the needs of a growing community. The plan identifies, among other things, the level of service across the parks and recreation system, identifies gaps and opportunities that support the progression of the system to build community and quality of life in Grand Junction. The Parks Master Plan was originally completed in 1992, and it was last updated in 2001. Implementing the PROS plan is a tremendous opportunity to ensure our system stays strong and keeps up with all the growth happening now and years to come. It also complements and grows out of the Comprehensive Plan.

The increased emphasis on weed abatement will continue in 2023 as the program returned to Public Works along with additional resources to address the City's various rights-of-ways and opens spaces. The Police Department Code Enforcement Division will provide enforcement of private property. Right of ways will be maintained by both Parks and Public Works depending on location and material in the right of way.

The City Communications and Engagement department responded to the need for increased inclusion in city government by creating a process for interpretation and translation. Staff can request written translation of materials for distribution at meetings and special events, mailed notifications, and flyers used for promotional purposes. In addition, interpretation resources for American Sign Language and those for whom English is a second language are available for in-person meetings and visits to City Hall or City offices where community members appear to request services, submit documentation, or pay bills. Technology is also being acquired to make interpretation available in the field for first responders

and parks and recreation staff as well as other City staff. In addition, specific outreach to Grand Junction's Spanish speaking community will continue in 2023.

The Communications and Engagement department is focused on increasing engagement in decisions that impact the quality of life of those living and doing business in the City of Grand Junction. That process includes a strategic approach to communications that includes developing a stakeholder database targeting key audience segments including mainstream media. While this is a focus for the entire communications team, the Community Engagement Specialist is tasked with building out specific communications strategies for City initiatives such as the Ped and Bike Plan, micromobility and the Community Recreation Center planning process.

The Information Technology (IT) department provides secure, reliable, and sustainable technology solutions that help the City of Grand Junction team to do their best work. Notable new projects include a cybersecurity enhancement implementation, fiber optic network infrastructure implementations and data center core system replacements. The IT team contributed to a Carrier Neutral Location (CNL) middle mile broadband project DOLA grant submission with the goal of bringing abundant, high-quality, resilient, and cost-effective broadband to City of Grand Junction residents, businesses, and government entities. If successful in receiving the DOLA grant, this CNL project will begin early 2023.

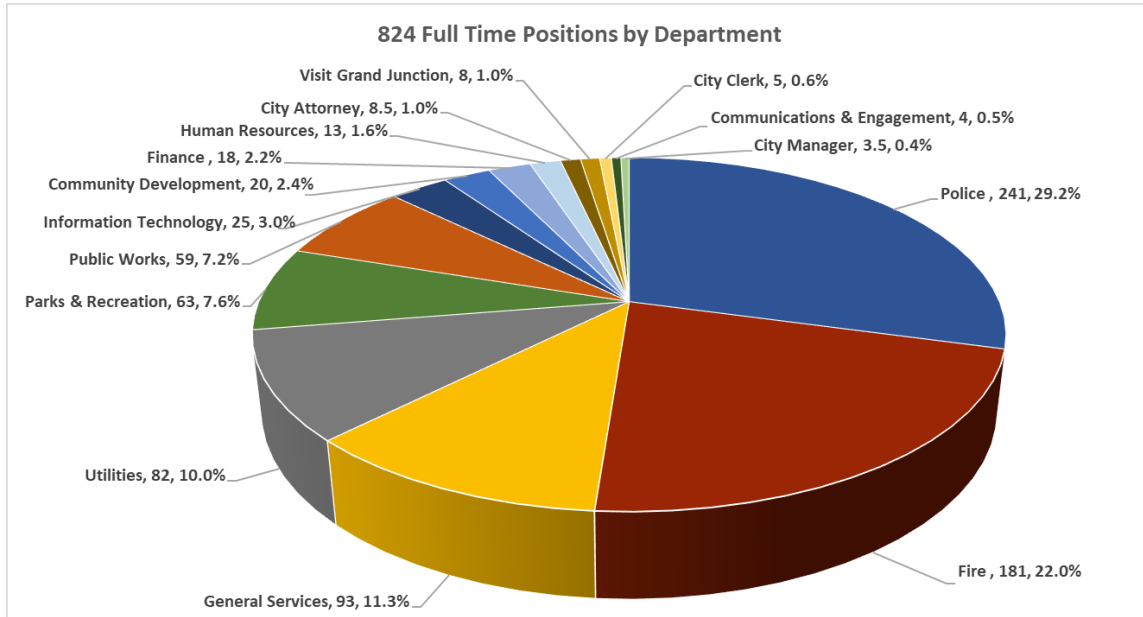
This year the City will be conducting its own Election in April 2023, which is different from prior years when the City contracted with Mesa County. Additional election support will be added to the City Clerk's team to help manage the election, secure election equipment and software, draft and implement procedures, and hire and train election judges. This year's Election will be held to elect three (3) Council members to four-year terms representing Districts B and C and one member At Large. Ballot questions could include asking voters to approve a Community Recreation Center. Participating in local Elections allows community members to feel heard and connected which parallels Council strategic priority Quality of Life.

On April 6, 2021, voters approved the legalization of Cannabis and also sales tax on cannabis sales, the revenue of which will mostly go to Parks and Recreation. With the granting of licenses approaching, this new dedicated revenue source for Parks and Recreation is nearing. Concurrently, the planning for the community's first possible Community Recreation Center (CRC) is nearing completion towards the end of 2022 which included significant community participation as well as advisory guidance and recommendations from the Parks and Recreation Advisory Board to City Council as the process develops. Almost half of the needed revenue for the CRC is secured with this new funding source. The City is on track to issued 10 new Retail Cannabis Stores licenses in 2022 and will continue to explore opportunities to implement additional types of Cannabis licenses in 2023.

Financial Overview

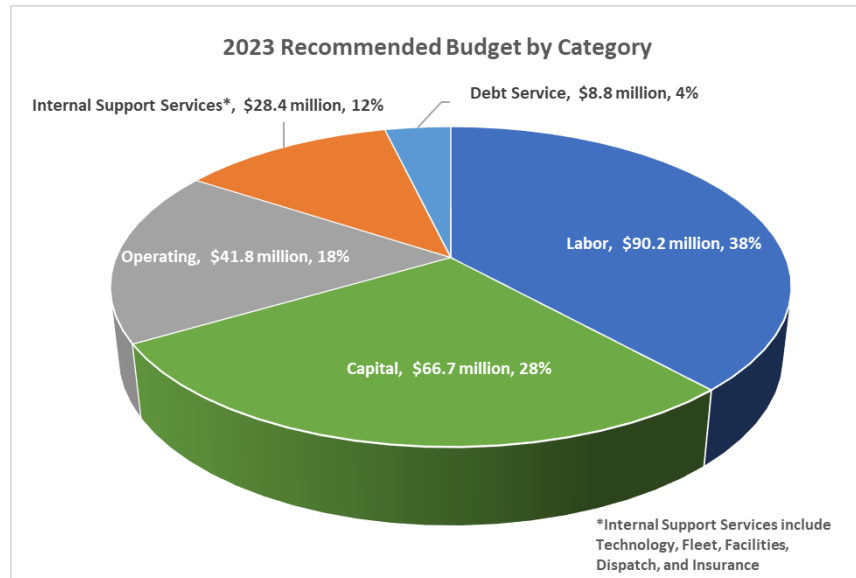
The total 2023 Recommended Budget for all funds is \$235.9 million. This recommended budget represents continued excellent service to the community with many new programs and initiatives as detailed in the strategic priorities' sections above. The following charts depict in graph form the key components of the budget.

The total recommended number of positions for 2023 is 824, with over half of those positions in public safety and 15% in utility and enterprise funds. Also provided is a chart showing current 2022 positions and recommended positions for 2023 by department.

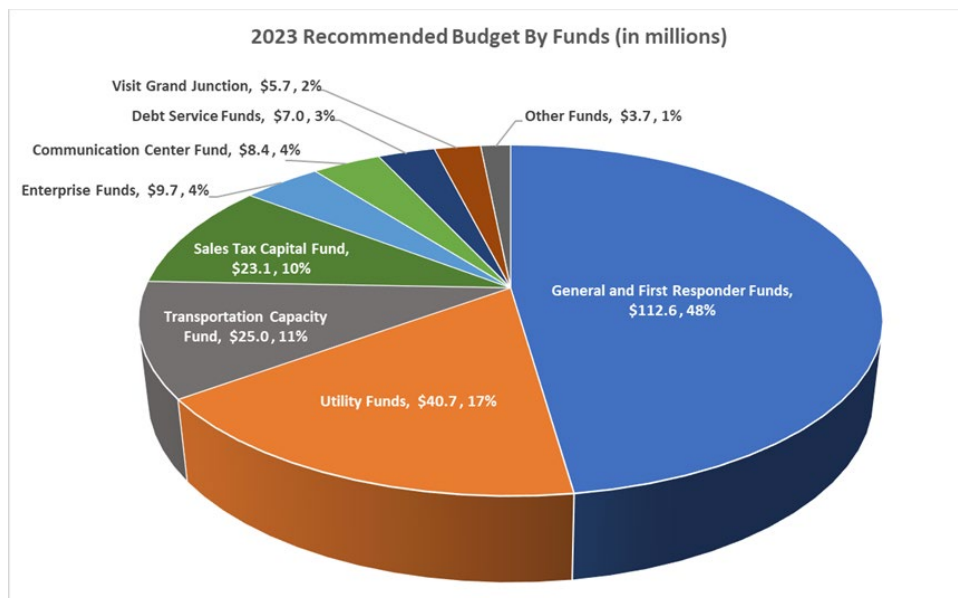


Department	Current 2022	2023
Police	237	241
Fire	180	181
General Services	86	93
Utilities	77	82
Parks & Recreation	63	63
Public Works	58	59
Information Technology	25	25
Community Development	18	20
Finance	17	18
Human Resources	13	13
City Attorney	6.5	8.5
Visit Grand Junction	8	8
City Clerk	5	5
Communications & Engagement	4	4
City Manager	3.5	3.5
Total Positions	801	824

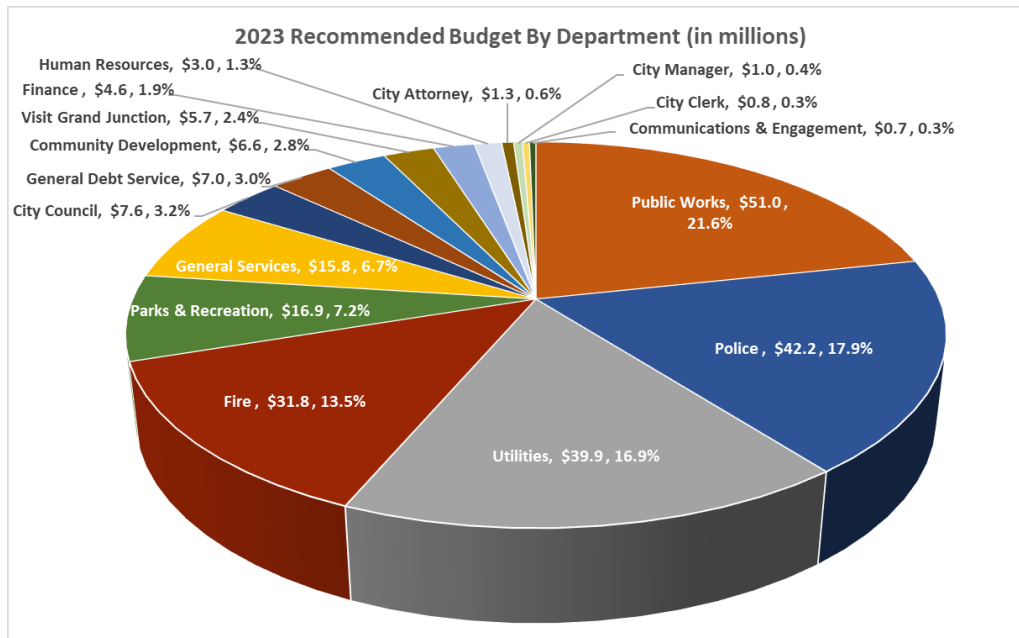
The City is a service provider and as such the largest portion of the budget is spent on people with labor comprising 38% of the total budget. The next largest portion represents the City’s continued capital investment in the community with 28% of the budget allocated to capital. 20% of the budget is the combined costs of operating and internal support service (information technology, fleet, facilities and utilities, dispatch, and insurance). The smallest portion of the budget is debt service at just 4% of the total budget.



The City’s budget is authorized at the Fund level by City Council through an appropriation ordinance. When demonstrated from a funds perspective the following chart shows that 48% of the budget is in the General and First Responder funds, followed by 17% in utility funds, a combined 21% in the two major capital funds of Transportation Capacity and Sales Tax Capital, with the remaining budget within the other enterprise and debt service funds as well as the Communication Center Fund and Visit Grand Junction Fund.



When capital projects are included, the largest total budget for 2023 is in the Public Works Department at 22% in particular due to the significant effort in expanding the City’s transportation expansion infrastructure. Next is the Police Department with 18% which includes the Regional Communication Center. Fire Department is 14% of the 2023 budget and the last of the three fire stations authorized with the First Responder Tax will be started in 2024. Utilities including water, sewer, and irrigation makes up 17% of the total budget. Water and Sewer funds typically have ongoing major capital improvement and system replacement projects each year. Parks & Recreation and the General Services department budgets make up 7% each, with the remaining 15% in the other 8 departments and areas of the budget such as City Council and debt service.



General Fund and First Responder Fund Highlights

The General Fund is the largest operating fund of the City. The General and First Responder funds both support the Police and Fire Departments and together are the largest combined funds of the City. Because of this, budget highlights are provided specifically for those funds. In Spring of 2019, the First Responder Sales Tax was authorized by the voters. A special revenue fund was established to budget and account for revenue from the new tax and expenses for expansion of First Responder services and facilities. For presentation and comparison purposes for this discussion, both Police and Fire Department operating budgets, are combined. Because City Council legally authorizes budget by fund, they will be separately presented on the Fund Balance Worksheet and separately appropriated.

The recommended 2023 General Fund and First Responder fund budgets are \$101.9 million and \$10.7 million respectively for a total of \$112.6 million. This is an 11% increase, or \$10.9 million more than the 2022 Adopted Budget predominantly due to labor increases from new positions, wage increases, equipment, increase in funding for affordable housing (a portion of which is funded by potential new

resources pending the November ballot), and the addition of technology, fleet, and fuel costs for expansion of first responder services and facilities.

Resources were added in several areas to continue to expand the City's services and programs in line with City Council strategic priorities, as well as respond to a growing community. Revenues, primarily sourced by sales tax continue to show growth in 2022 over 2021 and a modest increase is projected for 2023. First responder revenues will support the continued addition of public safety positions and continue to build a fund balance to an estimated \$4.2 million at the end of 2023. This fund balance is planned and will be needed to fund the construction of the last fire station to start in 2024. The General Fund budget is balanced with sources exceeding uses and an estimated \$39.7 million fund balance including \$4.1 million in restricted funds (internal loans, Burkey Park, and Richmark Companies infill incentive) and a \$24.8 million minimum reserve at the end of 2023.

The following are key revenue provisions included in the Recommended 2023 General Fund and First Responder budgets:

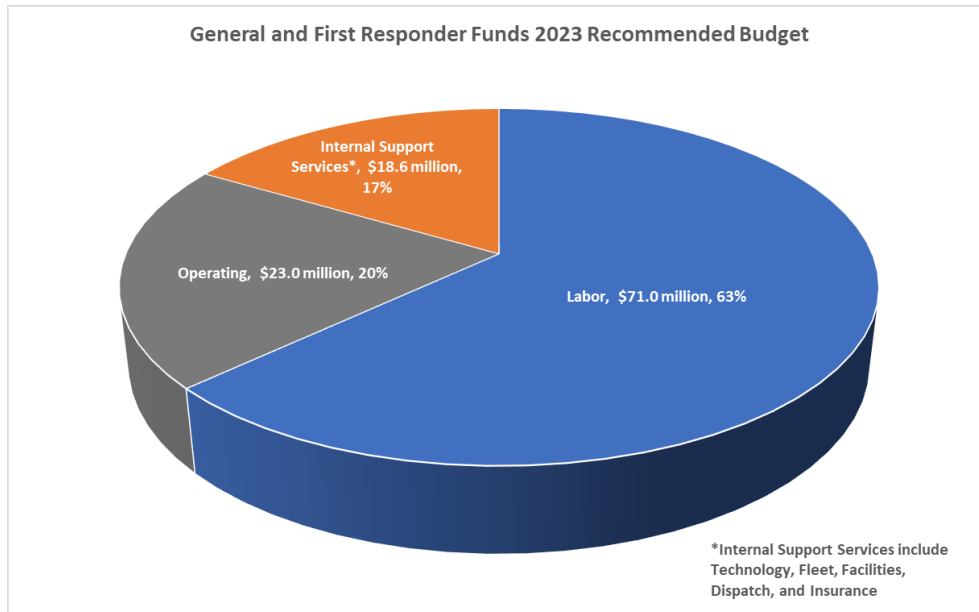
- Sales tax revenues projected at 3.75% above 2022 which are expected to be between 4% and 5% above 2021
- Property tax based on preliminary certifications is somewhat lower (-2%) than 2022; property taxes total \$9.4 million for the General Fund which is less than 10% of total revenue
- Increase in Rural Fire District contract revenues due to increase in assessed valuations
- Overall General Fund revenue increases 4.3% over estimated 2022 estimated revenue
- First Responder tax tracks with the City's main sales tax and is correspondingly projected at 3.75% above 2022 estimated revenues
- The City received a significant SAFER grant for a total of \$5.9 million for staffing the Fire Station #6; the grant runs to 2025 and \$2.2 million is budgeted for 2023

The following are key expenditure provisions included in the recommended General Fund and First Responder budgets:

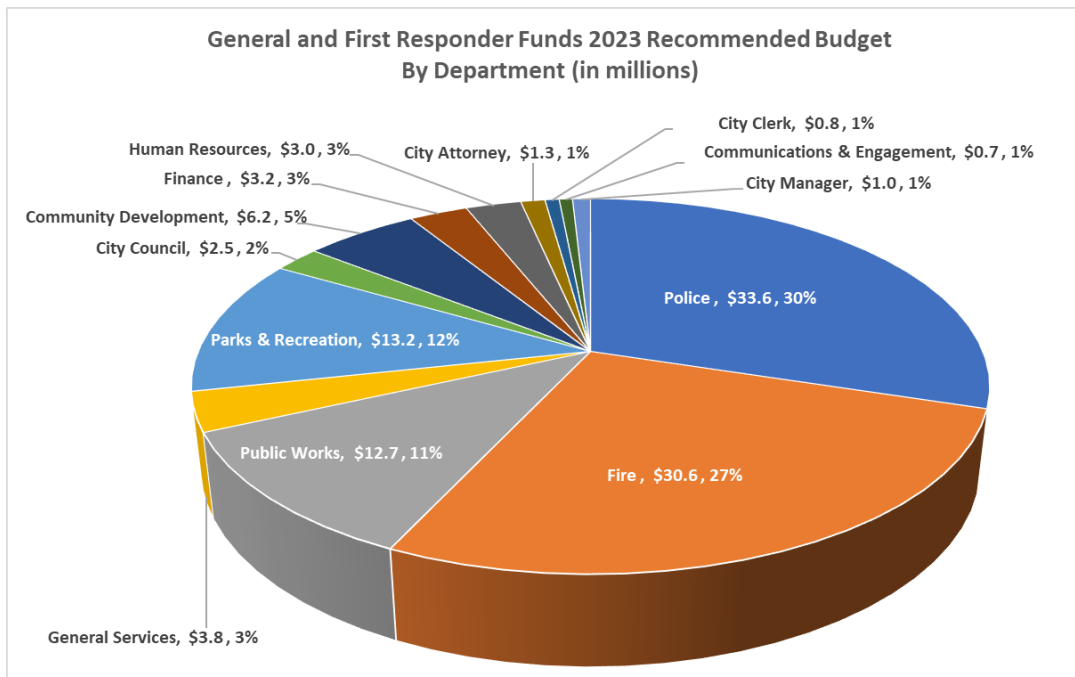
- Labor increases due to new positions (9), pay range and wage adjustments, continued implementation of first responder staffing, and positions for Council Strategic Priorities
 - 4 in Public Safety; 1 fire inspector and 3 parks patrol positions
 - 2 in the City Attorney's Office; staff attorney and administrative specialist
 - 2 in Community Development; planning manager and homelessness position
 - 1 in Finance; accountant
- Fleet, fuel, facilities, utilities, and technology to support growing staff, vehicles, and fire stations
- Affordable housing and homelessness budget \$2.6 million for contributions/initiatives (funded by \$1 million in 2022 funds plus additional new resources) and another \$500k in staffing and contract services

The following charts show the 2023 Recommended Budget of \$112.6 million for the General and First Responder Funds by category and Department. Because the City is a service organization, the majority of the General Fund and First Responder budgets are allocated to labor. The majority of operating costs are for support of affordable housing, non-profit organizations, specialized operating equipment,

utilities (streetlights), professional development, training, and contract services. The costs associated with providing internal support services to departments serving the community are comprised of dispatch, information technology, fleet, facilities (utilities), and insurance.



The largest departments are Police and Fire that comprise 57% of the General and First Responder Funds budget. This followed by Parks & Recreation and Public Works combining for 23%. These major operating departments make up 80% of the General and First Responder funds budget.

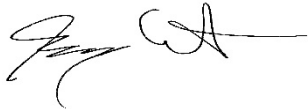


In summary, the budget represents the allocation of resources to achieve the City Council's Strategic Priorities. These are the highlights of the \$235.9 million 2023 Recommended Budget and is the framework for programs and service delivery to residents and community members now and into the future.

Acknowledgements

This budget document reflects the efforts of many long hours contributed by staff from all City departments and input generated by employees and City Council. Special recognition goes to the City's budget team for their extraordinary collaboration in preparing this recommended budget. The budget team consisted of Linda Longenecker, Matt Martinez, Johnny McFarland, Andrea Brush, Shelley Caskey, Ann Guevara, Brandon Hinze, Ashley McGowen, and Jodi Welch.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Greg Caton', with a long horizontal flourish extending to the right.

Greg Caton
City Manager