



Finance Administration
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Council Finance Committee Hybrid Meeting
CIC Room / Zoom
March 20, 2024
4:30- 7:00 pm

Council Attendees: Emily Francis, Kelly Ohlson, Tricia Canonico, Mayor Jeni Arndt via phone

Staff: Kelly DiMartino, Tyler Marr, Travis Storin, Dean Klingner, Leann Williams, Victoria Shaw

Denzel Maxwell, Lawrence Pollack, Ginny Sawyer, Adelle McDaniel, Brad Buckman, Brian Hergott, Brian Tholl, Cortney Geary, Dave Lenz, Jeff Rochford, Jill Wuertz, Zack Mozer, Tyler Stamey, Terri Runyan, SeonAh Kendall, Ryan Malarky, Peggy Streeter, Nina Bodenhamer, Monica Martinez, Mallory Gallegos, Lockie Woods, Jacob Castillo, Cortney Geary, Julia Feder, Chief Bergsten, Patti Forsythe, Chris Martinez, Carolyn Koontz

Others: Bill Salmon, PFA Board Member

Meeting called to order at 4:30 pm

Approval of minutes from February 23rd, 2024, Council Finance Committee Meeting.
Kelly Ohlson moved for approval of the minutes as presented. Emily Francis seconded the motion.
The minutes were approved unanimously via roll call by; Emily Francis, Kelly Ohlson.

A. 2024 Reappropriation

Lawrence Pollack, Budget Director

Review of the 2024 Reappropriation Ordinance to appropriate prior year reserves.

EXECUTIVE SUMMARY

The purpose of this item is to reappropriate monies in 2024 that were previously authorized by City Council for expenditures in 2023 for various purposes. The authorized expenditures were not spent or could not be encumbered in 2023 because:

- There was not sufficient time to complete bidding in 2023 and therefore, there was no known vendor or binding contract as required to expend or encumber the monies; or

- The project for which the dollars were originally appropriated by Council could not be completed during 2023 and reappropriation of those dollars is necessary for completion of the project in 2024.

Additionally, there may have been sufficient unspent dollars previously appropriated in 2023 to carry on programs, services, and facility improvements in 2024 for those specific purposes.

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2023 and reflect no change in Council policies.

Monies reappropriated for each City fund by this Ordinance are as follows:

General Fund	\$2,498,249
Cultural Services Fund	55,000
Recreation Fund	251,064
Museum Fund	61,265
Transportation Services Fund	1,288,625
Water Fund	52,500
Data & Communications Fund	390,600
Total	<u>\$4,597,303</u>

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support moving forward with the 2024 Reappropriation Ordinance on the Consent Agenda at the April 2, 2024 Council meeting?

BACKGROUND/DISCUSSION

The Executive Team has reviewed the Reappropriation requests to ensure alignment with organization priorities and the Budget staff reviewed the requests to verify that all met qualification requirements. The 2024 Reappropriation requests are as follows, by fund:

GENERAL FUND

City Clerk’s Office

1) City Clerk Elections - \$188,375

Purpose for funds: This offer was developed to fund the 2023 regular municipal election on the presumption that a regular municipal election would occur in April of 2023 and would be conducted by the City Clerk's Office. City Council put a ballot question before the voters in November 2022 which changed the regular municipal election date to November in odd numbered years.

Reason funds not expensed in 2023: The 2023 election expenditures resulted in cost savings due to the election being coordinated with Larimer County in a November election and not conducted by the City.

The remaining funds are requested to be reappropriated to support the 2024 coordinated election, which will include the City's anticipated sales tax renewal ballot questions. A 2024 election was not fully budgeted in the 23-24 BFO cycle.

2) Legislative Management System Implementation - \$27,945

Purpose for funds: A legislative management system provides the backbone for how information about policy decisions gets to and from the City Council. Currently, the City uses an agenda management system

that is past its useful life for receiving ongoing support and updates from the vendor and is not as robust as newer solutions on the market. Implementation of a new legislative management system will provide the public with greater access to City legislative information, provide time savings for City staff and the Clerk's Office, and decrease demands on IT for setup and support.

Reason funds not expensed in 2023: The City's competitive selection process took place in the second half of 2023, resulting in a vendor engagement and the start of software implementation in the first quarter of 2024. Now with a vendor under contract, first-year costs have been priced at \$127,945, as compared to the original first-year project estimate of \$150,000 in 2023. No expenditures occurred in the first year of the project budget. This request is to reappropriate \$27,945 of the unspent \$150,000 to increase the 2024 budget to meet the new first-year software implementation cost. Year-two and annual ongoing costs of the Legislative Management System have been priced at \$89,600, as compared to the original project estimate budget of \$100,000 ongoing.

Community Development and Neighborhood Services

3) Administration of 1041 Regulations - \$320,000

Purpose for funds: Ordinance 2023-076 was adopted in June 2023 to ensure the City had adequate oversight of 1041 regulations by retaining the services of a third-party consultant to assist in the review of proposals and permit applications to conduct designated activities or develop within a designated area, and to conduct follow up inspections and monitoring related to issued permits.

Reason funds not expensed in 2023: Although several RFPs were initiated, followed by local vendor interviews, an RFP re-scoping exercise, direct outreach to out-of-state companies, and timeline extensions to the RFP, City Staff did not receive any proposals to contract services for this program. On January 4, 2024, the City Manager approved a hiring exception for a Classified FTE (1) for the purpose of administering 1041 regulations.

4) Rental Housing Services - \$65,000

Purpose for funds: Last year, City Council passed an ordinance that will require most housing providers to register their rental properties annually (exceptions are mobile home parks and owner-occupied rentals). They also approved staffing to develop educational opportunities and provide resources for both housing providers and tenants. This is an exciting opportunity for the City to be a partner to housing providers and tenants, and an active supporter of quality affordable rental housing in the community. This budget was designed to cover the startup costs of the program, including materials for new staff, for community consultants to build equity and inclusivity into the program, and to create communication materials for both housing providers and tenants.

Reason funds not expensed in 2023: Funding appropriation was delayed and hiring of the Rental Housing Manager was not complete until October of 2023, which left little time for expenditure of funds. These startup funds are critical for ensuring that the rental housing program is a success. If these funds are not appropriated, we will have reduced capacity for education and engagement with the thousands of community members who are part of the rental market. These funds are pivotal to the start-up phase of the program which was built to have higher hourly and consultant needs.

5) Digital Transformation (Licensing, Permitting, and Code Enforcement) - \$757,000

Purpose for funds: This project represents a vital opportunity to simplify, standardize, and improve processes in preparation for a dramatic and sustained increase in community demand for licensing and permitting. The current licensing and permitting environment relies on a patchwork of Accela-based

systems, spreadsheets, paper applications, and online forms. This means that customers must navigate multiple different systems and requirements depending on the specific license/permit they are seeking. In addition, process improvements and system changes within Accela currently require the investment of significant funding and rely on extensive IT support and use of third-party contractors. This initiative will include simplifying and standardizing business processes alongside the evaluation of optimal digital solutions to build a more holistic, customer-centered software ecosystem that incorporates a wider range of internal users. The result will be implementation of a more holistic, customer-centered software ecosystem to increase efficiency, advance accessibility, and improve the overall customer experience.

Reason funds not expensed in 2023: Project funds were partially encumbered (\$170,000) and spent (\$22,500) in 2023 to procure an additional contractor at the strong recommendation of the City's IT department, since the scope of the desired software functionality expanded significantly to include the needs of Utilities, Clerk, IT, and Community Development within this "digital transformation" priority. This contractor was utilized to synthesize needs from these multiple parties, to better ensure that the future software solution meets the project's vision, guiding principles, and key success factors, ultimately providing a more consistent user experience, and better internal coordination and efficiencies. With the expansion of the project scope, the selection contractors helped assemble a 600-page RFP which was released on January 12, 2024; and closed February 16, 2024. Initial vendor evaluation phase is in progress with procurement anticipated in May. The funds requested for reappropriation in 2024 are expected to be encumbered in 2024 with the selected vendor, and the work is expected to extend into 2025. The team anticipates that the remaining budget will be fully utilized for this phase of configuration and implementation. Future budget appropriations are anticipated for any expansion of the scope, additional implementation phases, necessary change management tasks, and ongoing maintenance and subscriptions for user and administrator accounts.

Economic Health Office

6) Placer AI Software - \$32,750

Purpose for funds: Placer AI is a location-based analytics company. Charting both foot and vehicular traffic, Placer data provides insight into how people move through the City. This data will be used to better understand and mitigate capital project construction impacts on local business, as well as assist in other economic development efforts like site selection and business retention.

Reason funds not expensed in 2023: This reappropriation is necessary because contract negotiations between Placer AI, City Purchasing, and CAO were not completed before the end of 2023.

7) Small Business Revolving Loan Fund - \$25,000

Purpose for funds: The accumulated economic development fund was set aside to create the City of Fort Collins Revolving Loan Fund for Small Businesses and Startup companies operating in Fort Collins. The City will use the funds to support program access to capital for small businesses in Fort Collins city limits, including those that have historically not had access to traditional financial capital markets.

Reason funds not expensed in 2023: \$25,000 is set aside each year to cover administrative and marketing costs of the third-party and City Economic Health Office. The Revolving Loan Fund was not launched at the end of Q4, 2023, so these funds need to be reappropriated and held for a Q1/Q2 2024 launch of the fund.

Emergency Preparedness and Security (EPS)

8) Security Technology for Emergency Preparedness - \$13,456

Purpose for funds: This offer provides funding for security technology upgrades to Community Services public facilities, with priorities being set by Community Services staff in conjunction with EPS. Specifically, this reappropriation request is to finish security camera infrastructure projects at Northside Aztlan, Museum of Discovery, and the Lincoln Center.

Reason funds not expensed in 2023: Security cable installation at the three forementioned public facilities was planned and contracted in 2023. However, the projects were not completed until late 2023 and early 2024 due to schedule coordination with contractors. Three invoices for the completed work have been received and are scheduled to be paid in 2024, totaling \$13,456.

Environmental Services

9) CivicSpark Fellowship for Our Climate Future - \$22,800

Purpose for funds: This Fellowship provides an opportunity for an early-career professional to work full-time in local government, partially subsidized by the federal AmeriCorps program, through a nonprofit called CivicWell. The City's contribution is roughly the same as what has been historically allocated for a part-time program assistant, thanks to the partnership with CivicWell. Typically, the 11-month Fellowship runs from September to August of the following year and there is a slight discount if the funds are paid in full at the start of the contract period.

Reason funds not expensed in 2023: This cycle, the placement was shortened to a three-quarter placement, beginning in January 2024. This resulted in a timing issue for funding held in 2023 for the 2023-24 cohort. We are requesting the 2023 funds be reappropriated to support the original request that historically would have been funded in full beginning in Q4, 2023.

Municipal Court

10) Larimer County Jail Contract - \$18,260

Purpose for funds: Through an annual contract with Larimer County, the City of Fort Collins is provided joint use of the Jail and Larimer County Sheriff services. Instead of paying per bed space used, per bond issued at the jail, and per in-custody hearing held, the City pays a set price for the use of these services. In 2023, City reserved two bed spaces per day to ensure there was space available if a Municipal Court defendant upon conviction of an applicable municipal ordinances or a finding of contempt of court by a Judge was sentenced to serve jail. The Court held approximately 140 in-custody hearings involving over 800 cases and used approximately 900 jail bed spaces in 2023. Accordingly, the City's reserved bed spaces for 2024 has increased from two to three bed spaces per day, as it had been prior to 2023.

Reason funds not expensed in 2023: The 2023 Annual Jail Services contract with Larimer County totaled \$106,500, while the Municipal Court budgeted \$125,000 in 2023 for this service. For 2024, the contract was raised to \$195,000 while our budget is only \$130,000. To offset this difference, we are requesting the 2023 savings to be reappropriated to the 2024 budget.

11) Opioid Relief Fund - \$75,000

Purpose for funds: To date, the City has received a total of \$170,169 as part of a national opioid settlement. The Council Finance Committee and City Council supported an appropriation of \$75,000 in August 2023 to establish a municipal drug court program that would provide evidence based problem-solving court practices. No expenditure occurred in 2023 as part of the new Drug Court program.

Reason funds not expensed in 2023: Municipal Court is in the process of hiring 1 FTE Probation Officer. Because this program is one of the first in its kind for a Municipal Court in Colorado, the Court is carefully

vetting potential candidates and their qualifications to make sure that the creation of this program is considered a best practice from the start. The position was originally planned to start in 2023 but is now anticipated to start in the second quarter of 2024.

Police Information Systems

12) Northern Colorado Regional Communication Network (NCRCN) Radio Redundancy- \$30,000

Purpose for funds: This reappropriation is for additional needed radio infrastructure to create redundancy to the communication system within the Northern Colorado Radio Communication Network.

Reason funds not expensed in 2023: In 2023, ORD 41 was approved to fund needed repairs on the radio towers on top of Poudre Valley Hospital and just north of Horsetooth Mountain, however, there is a final phase of this project that is necessary to close weaknesses in the communication system. This last phase will create redundancy between the 911 call center and Platte River Power Authority so that communication could continue if the existing fiber node wasn't functioning. This will be completed by Q3 of 2024.

Police Office of the Chief

13) City Give - Rifle Plates - \$102,563

Purpose for funds: This reappropriation is for the remaining portion of a charitable gift designated by the donor as a demonstration of appreciation for Police Services to be used toward personal protection equipment.

Reason funds not expensed in 2023: In 2022 and 2023 Police Services purchased personal protection equipment for all applicable officers. The Chief of Police continues to explore ways to spend the remaining amount that will meet the current needs of Police Services and also honor the donor's designated intent.

14) Santa Cops Donation - \$500

Purpose for funds: In 2023 ORD 093 was approved by Council as a part of the City Give program. This donation was made by Santa Cops to help purchase gifts for kids in need during the holidays.

Reason funds not expensed in 2023: Changes in programming resulted in the donation not being deployed in 2023. The funds will be used in 2024 per the designated intent.

Police Patrol

15) Police Handheld Radios - \$620,000

Purpose for funds: In 2023 ORD 108 was approved by Council in September to purchase handheld radios for Police Services as a critical piece of equipment to be effective in providing safety for the community.

Reason funds not expensed in 2023: Because of the size of the order that was placed in the later part of 2023 and the extensive process to get all of the radios ready for use, the payment will not be made until the early part of 2024.

Social Sustainability

16) Electrical Vehicle (EV) Infrastructure Offset Credits - \$199,600

Purpose for funds: These funds address the cost differential between current Colorado Housing and Finance Authority requirements and the updated Building Code requirements for Electric Vehicle (EV) infrastructure for affordable developments. The program provides cost-sharing of these additional infrastructure requirements by providing credits of flat fees calculated per project based on eligible parking spaces.

Reason funds not expended in 2023: Two developments were awarded these EV credits in 2023. All future affordable housing developments will be built to the standards in the 2021 Building Code and will therefore qualify for this incentive. Amounts will vary depending on the number of parking spaces per development.

CULTURAL SERVICES & FACILITIES FUND

Cultural Services – Gardens on Spring Creek

17) The Gardens on Spring Creek Nutrien Donation - \$55,000

Purpose for funds: Nutrien donated \$100,000 to The Gardens on Spring Creek in 2023 which is designated for supporting healthy eating programs, including exterior capital improvements of the Outdoor Teaching Kitchen at The Gardens.

Reason funds not expended in 2023: The donation from Nutrien was appropriated in April 2023. The donor did not place a deadline for expending the funds. In some cases, in 2023, purchases were held up trying to get pricing quotes from vendors. Gardens staff have been looking at best uses for the funds going forward.

In 2023 The Gardens used the donation funds to hold cooking classes for adults and for summer camp, purchased supplies for the outdoor kitchen, and completed minor capital work including new locks, concrete and engraving work, and water heater and weather-stripping repairs. The Gardens is working with City Give so that the next time a donation of this type is received the funds will be put into a non-lapsing business unit.

RECREATION FUND

Recreation

18) EPIC Asset Repair & Replacement - \$251,064

Purpose for funds: 2023 Offer 43.16 proposed three projects to address severe facility maintenance issues at EPIC. The offer was then scaled down to include only one of the projects to address drainage of the EPIC Pool deck. Low spots and inadequate slopes cause water to create puddles and not drain properly. To improve the safety and comfort of pool users it is necessary to rework the deck tile so water that splashes onto the deck will flow to one of the existing deck drains. EPIC was designed to be a competitive pool, but because of this issue some outside groups no longer want to use EPIC for swim meets as it does not meet their standards.

While the pool deck remains a high priority, further assessment is needed to capture the full scope of repairs that are necessary along with budgeting for the total repair. We would like to shift these funds in 2024 to the second priority listed in Offer 43.16 of replacing the flooring that surrounds the ice rinks.

Reason funds not expended in 2023: Project became underfunded due to escalated costs in 2023. \$13,316 had been spent on Project Management fees assessing the deck in 2023.

MUSEUM FUND

Cultural Services – FC Museum of Discovery

19) The Museum of Discovery Artifact Housing Furniture - \$61,265

Purpose for funds: This offer will provide funds to purchase and install a collections storage system and special archival quality equipment and supplies at the Fort Collins Museum of Discovery (FCMoD). This enhancement includes a one-time expense for the purchase, delivery and installation of shelving and cabinetry custom designed for specific types of artifacts and contract staff to move and rehouse artifacts using specialized supplies including general conservation materials such as ethafoam, buffered tissue, and acid free archival boxes.

As the artifact collection continues to grow the need to complete the buildout of the storage furniture is reaching critical mass. Approximately half of the collection's storage furniture is installed and is safely housing historical collections owned by the City of Fort Collins. It is important to properly house historic collections like the one held at FCMoD to industry standards to preserve history and to help the community to tell stories of all and our place in time. The Archive & Collections are a valuable community resource, they are accessible and free for any member of the public.

Reason funds not expensed in 2023: The furniture was received in late 2023 and the Museum needs to use the remaining funds for staffing to set up the new furniture and make sure that all artifacts are properly handled and stored.

TRANSPORTATION FUND

Streets

20) Roof Replacement for Salt Barn - \$185,000

Purpose for funds: The purpose of this request is to reappropriate \$185,000 for the Streets Department Salt Barn roof replacement. The existing EPDM (ethylene propylene diene terpolymer) roof has been leaking, the membrane has become de-laminated from the substrate, and the roof is well past its life. Additionally, the interior leaks of the roof at the perimeter; the scuppers and downspout collector heads are also leaking. These leaks and the freeze/thaw cycling during the winter months are causing damage to the interior and exterior of the brick structure of the historic building.

Reason funds not expensed in 2023: The Streets Department and Operation Services conducted a thorough review of concerns arising from the roof of the Salt Barn due to the severe weather events during the Spring and Summer of 2023. The structural age of the facility required an asbestos test prior to obtaining a quote, adding additional time to the project. Once the quotes were received the total cost of the roof exceeded the Request For Proposal (RFP) work order on-call max of \$120,000. As a result, an RFP or bidding process needs to be completed for the roof which could not be completed by the end of 2023.

21) Centre Avenue Paving Project - \$657,000

Purpose for funds: The purpose of this request is to reappropriate \$657,000 from the 2023 Street Maintenance Program (SMP) budget to cover the costs of the Centre Avenue project which was scheduled to be completed in 2023. This project includes an asphalt overlay of three streets: Centre Avenue between Prospect Road and Worthington Circle, Worthington Avenue between Centre Avenue and Drake Road, and Research Boulevard between Centre Avenue and Drake Road.

Reason funds not expensed in 2023: The Centre Avenue project was scheduled to be repaved in 2023 during the summer when CSU was on break to minimize the impact to the students and faculty since this project is adjacent to the CSU campus. The project was postponed to 2024 to coordinate with the pedestrian and bicycle underpass project that goes under Prospect Road (just west of Centre Avenue). The Prospect Road underpass project was delayed and completed as CSU returned to school in August. To minimize the traffic impact to CSU, the Centre Avenue project was postponed to the following year.

22) MAX/BRT Bus Line Pavement Upgrade - \$366,625

Purpose for funds: The purpose of this request is to reappropriate \$366,625 from the 2023 Street Maintenance Program (SMP) budget to cover the costs of the Mason BRT/ MAX project which was scheduled to be completed in 2023. The work was not completed north of Mountain Avenue to Maple Street in 2023.

Reason funds not expensed in 2023: This project was delayed due to contract negotiations with BNSF. Work ceased as the winter and colder temperatures shut down the project towards the end of the 2023 construction season. This final phase of the project includes an asphalt overlay and concrete improvements on Mason Street between Mountain Avenue and Maple Street. These last two blocks of work will complete the approved 2023 Asset Management Enhancement Offer 7.12 – Street Maintenance Program – MAX/ BRT Bus Line – Downtown Concrete Pavement Upgrade project.

Traffic

23) Neighborhood Traffic Mitigation Program Project Construction - \$80,000

Purpose for funds: Traffic in neighborhoods can affect the quality of life for residents, bicycles, pedestrians, as well as drivers. The Neighborhood Traffic Mitigation Program is a collaborative effort between neighborhoods and City staff to implement traffic calming options. In 2023, Traffic received \$150,000 funding for traffic calming devices and an additional \$65,000 funding for medians and/or pedestrian refuge islands, sidewalk curb extensions and traffic diverters in order to achieve a more "complete streets" approach to traffic calming. The offer included funding for professional (consulting) services and funding for the construction of traffic mitigation devices on neighborhood streets. Traffic is requesting \$80,000 to be re-appropriated from the 2023 budget to construct these mitigation improvements.

Reason funds not expensed in 2023: Due to staffing changes and consultant availability, design of the mitigation improvements for Stuart and Stover was not started until fall. Survey and design will be completed in the Spring of 2024, and the construction will start in the summer/fall.

WATER FUND

Utilities Water Resources

24) Northern Integrated Supply Project (NISP) Response & Engagement - \$52,500

Purpose for funds: Since 2008, the City has developed and contributed science-based input to the various planning stages of the Northern Integrated Supply Project (NISP) project with the goal of minimizing adverse impacts on the Poudre River and the Fort Collins community. The City's efforts have resulted in positive changes to this project which are reflected in the NISP operations and mitigation plan. Funding from this 2022 offer is intended to provide technical consulting and engineering support to inform the City's engagement in future NISP planning efforts. Specifically, City staff will engage in NISP adaptive management and master planning stakeholder processes; however, additional technical and consulting support will be needed to achieve the desired outcomes. Funds from this offer would support: 1) Water resources engineering and analysis to advise the NISP flow operations and ensure the proposed flow mitigation program is realized; 2) Advisement for the development of NISP's proposed Master Plan and Adaptive Management Program; and 3) Additional discipline-specific representation on technical advisory groups and input for project infrastructure proposed within the City limits.

Reason funds not expensed in 2023: The NISP project Record of Decision (ROD) was released in late 2022, and Northern Water's Adaptive Management and River master Planning discussions with Poudre basin stakeholders did not commence until Q3 of 2023. To date, however, there has only been one meeting to restart the planning process. More active engagement is expected in 2024, per communication from Northern Water. City staff will continue to respond to the project timeline and engagement process that Northern Water develops for their project. Funds from this budget offer will be used for the original intended purpose of developing science-based input with the assistance from technical and engineering consultants, on how the NISP project impacts should be managed, mitigated and monitored.

DATA AND COMMUNICATIONS FUND

Information Technology

25) GIS Cloud Modernization - \$90,600

Purpose for funds: The GIS Cloud Modernization support efforts to modernize the existing ArcGIS Enterprise Portal implementation. This work will simplify and stabilize the existing platform in order to reduce the support required from IT to maintain this system. This also frees resources to focus on higher value work. The modernization will reduce the support needed for the GIS infrastructure while ensuring the stability, availability, and security of the environment for its 1121 users. Migrating existing solutions onto ArcGIS Online where appropriate, establishing GIS Governance, implementing advanced monitoring, deprecating outdated applications, and upgrading to current versions of software will allow for reduced confusion and application fatigue. There is a need to work with other teams, including IT Security, to make sure this solution meets all requirements.

Reason funds not expensed in 2023: These funds were not fully expended in 2023, as the team spent the beginning of the year focusing on procuring an Esri Advantage Program that provides guidance and assistance with accomplishing the identified modernization efforts. Efforts in 2023 were focused on the first stage of upgrading the ArcGIS Enterprise platform to the current version. As this is a planned multi-year project, activities in 2024 will be focused on establishing governance for GIS, implementing advanced monitoring of the system, deprecating the use of applications that are no longer supported by Esri, and continuing the process to upgrading to the current versions of all applications on the platform.

26) ERP System Replacement - \$300,000

Purpose for funds: This offer will identify the components necessary for the City to implement a modernized ERP ecosystem, accounting for all readiness components, and will focus on the first two phases necessary to transform our business processes into a modern solution while minimizing customizations that exponentially increase implementation and support costs. To succeed this must become a business-led, technology-enabled transformation and we must plan this modernization in six key phases: 1) discovery and planning, 2) business process transformation, 3) design and development, 4) change management and training, 5) testing and implementation, and 6) operational support. Maintaining our current platform amplifies the need for high-touch, manual support. A new ERP solution will implement industry best practices necessary to standardize and streamline processes, reduce costly customization, address talent resiliency while improving our risk management, and disaster recovery practices, and ensure compliance with our pending end-of-life support. Also, implementing a standard solution will reduce the 32+ interfaces necessary to support today.

Reason funds not expensed in 2023: These funds were not expended in 2023, as the team was focusing efforts on aligning with the following statement from the original offer: "To succeed, this must become a business-led, technology-enabled transformation...". Efforts in 2023 were focused on transforming this into a business-led plan by coordinating with outside vendors and multiple counties and municipalities, such as Alight, Denver, Boulder, and Kitsap County, who walked Finance, HR, and IT staff through their unique experiences with previous implementations to help the City prepare for ERP preparation and replacement, before the City spends any of the allocated and future funds.

For 2024, continuation of this work includes hiring a consultant to facilitate a collaboration effort between the key City departments to provide strategic planning, readiness, change management planning, business process review, data considerations, and other key initiatives required to develop and support the business processes to be served by a future ERP system.

FINANCIAL/ECONOMIC IMPACTS

This Ordinance increases 2024 appropriations by \$4,597,303. A total of \$2,498,249 is requested for reappropriation from the General Fund, \$1,288,625 is requested from the Transportation Fund, and \$810,429 from other funds. Reappropriation requests represent amounts budgeted in 2023 that could not be encumbered at year-end. The appropriations are from prior year reserves.

Discussion / Next Steps;

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support moving forward with the 2024 Reappropriation Ordinance on the Consent Agenda at the April 2, 2024 Council meeting?

Kelly Ohlson; a very clear and well done presentation – I am good with it- thank you.

Emily Francis; Larimer County Jail Contract (see below) why is it different?

Municipal Court

1) Larimer County Jail Contract - \$18,260

Purpose for funds: Through an annual contract with Larimer County, the City of Fort Collins is provided joint use of the Jail and Larimer County Sheriff services. Instead of paying per bed space used, per bond issued at the jail, and per in-custody hearing held, the City pays a set price for the use of these services. In 2023, City reserved two bed spaces per day to ensure there was space available if a Municipal Court defendant upon conviction of an applicable municipal ordinances or a finding of contempt of court by a Judge was sentenced to serve jail. The Court held approximately 140 in-custody hearings involving over 800 cases and used approximately 900 jail bed spaces in 2023. Accordingly, the City's reserved bed spaces for 2024 has increased from two to three bed spaces per day, as it had been prior to 2023.

Reason funds not expensed in 2023: The 2023 Annual Jail Services contract with Larimer County totaled \$106,500, while the Municipal Court budgeted \$125,000 in 2023 for this service. For 2024, the contract was raised to \$195,000 while our budget is only \$130,000. To offset this difference, we are requesting the 2023 savings to be reappropriated to the 2024 budget.

Lawrence Pollack; it is due to the number of beds – our utilization required more beds – usage has gone up

Emily Francis; for the Administration of the 1041 regulations (see below) – RFP to hiring someone \$350K

Community Development and Neighborhood Services

1) Administration of 1041 Regulations - \$320,000

Purpose for funds: Ordinance 2023-076 was adopted in June 2023 to ensure the City had adequate oversight of 1041 regulations by retaining the services of a third-party consultant to assist in the review of proposals and permit applications to conduct designated activities or develop within a designated area, and to conduct follow up inspections and monitoring related to issued permits.

Reason funds not expensed in 2023: Although several RFPs were initiated, followed by local vendor interviews, an RFP re-scoping exercise, direct outreach to out-of-state companies, and timeline extensions to the RFP, City Staff did not receive any proposals to contract services for this program. On January 4,

2024, the City Manager approved a hiring exception for a Classified FTE (1) for the purpose of administering 1041 regulations.

Tyler Marr; we brought that to Council as part of the 1041 Regulations being able to use a variety of external consultants to help with various components of 1041. Around Lawrence's point of it not all being personnel, being able to pull on an existing contracts that other pockets of the organization have, and yet, in part because of the expected work with NISP, we did not get the degree of response we would have expected for 1041, so we really had to pivot to a funded (ongoing for the first two years to see how it goes) contractual position – the model did shift from what was intended to be all 3rd party consultant work to needing to have someone in house and to leverage other existing contracts.

Tricia Canonico; re: Small Business Revolving Loan Fund (see below). Why was it not launched in Q4?

7) Small Business Revolving Loan Fund - \$25,000

Purpose for funds: The accumulated economic development fund was set aside to create the City of Fort Collins Revolving Loan Fund for Small Businesses and Startup companies operating in Fort Collins. The City will use the funds to support program access to capital for small businesses in Fort Collins city limits, including those that have historically not had access to traditional financial capital markets.

Reason funds not expensed in 2023: \$25,000 is set aside each year to cover administrative and marketing costs of the third-party and City Economic Health Office. The Revolving Loan Fund was not launched at the end of Q4, 2023, so these funds need to be reappropriated and held for a Q1/Q2 2024 launch of the fund.

Tyler Marr; the vendor said they could not provide the whole service. We are still interested in moving it forward with the loan fund and are looking for ways to proceed. We were down the road, very close to implementation and found out there was a fatal flaw in how they would ultimately deliver the program.

Travis Storin; we will move this forward to the full Council. This typically lands on the Consent Calendar and it is scheduled for April 2nd.

B. 2050 Tax Appropriations for 2024

Lawrence Pollack, Budget Director
Jacob Castillo, Chief Sustainability Officer

SUBJECT FOR DISCUSSION

2024 appropriation of the first year of the 2050 Tax for Parks, Recreation, Transit and Climate (2050 Tax)

EXECUTIVE SUMMARY

The purpose of this item is to appropriate the first year of the new 2050 Tax. In November 2023, Fort Collins voters approved this 0.5% Sales & Use Tax increase, which is dedicated to the areas of Parks, Recreation, Transit and Climate. This tax begins in 2024 and expires at the end of 2050.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- What questions does the Council Finance Committee have about the proposed projects for the first year of the new tax?
- Does the Committee support moving this item forward to the full Council for a work session scheduled for April 9, 2024?

BACKGROUND/DISCUSSION

At the December 2021 Council Finance Committee (CFC) meeting staff presented an item to discuss specific identified revenue needs and potential funding options. Multiple conversations occurred throughout 2022 at various CFC meetings. In 2023 the areas of need were focused on Parks, Recreation, Transit, Climate and Housing. Estimated annual shortfalls ranged from eight to nearly fifteen million per area, as follows:

- Parks & Recreation - \$8 to \$12M annual shortfall (Parks & Recreation Master Plan)
- Transit - \$8M to \$14.7M annual shortfall (Transit Master Plan)
- Climate - \$9.5M+ annual shortfall (Our Climate Future Plan)
- Housing - \$8M to \$9.5M annual shortfall (Housing Strategic Plan)

This topic eventually came in front of the full Council in 2023 and after a few Work Sessions, proposed funding for these items was determined. Council approved two ballot items to be referred to the voters of Fort Collins to fund these areas. Parks, Recreation, Transit and Climate were proposed to be funded from a dedicated 0.5% Sales Tax increase. In a departure from previous tax initiatives and renewals, this item was proposed for a 27-year period beginning in 2024 and expiring at the end of 2050. The other referral was for Housing needs, which were proposed to be funded by a Property Tax increase.

In November 2023, the voters of Fort Collins approved one of those initiatives, specifically the 0.5% Sales Tax outlined as follows:

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### **2023 Ballot Language:**

SHALL CITY OF FORT COLLINS TAXES BE INCREASED BY \$23,800,000 IN THE FIRST FULL FISCAL YEAR (2024), AND BY SUCH AMOUNTS COLLECTED ANNUALLY THEREAFTER, FROM A .50% SALES AND USE TAX BEGINNING JANUARY 1, 2024, AND ENDING AT MIDNIGHT ON DECEMBER 31, 2050, WITH THE TAX REVENUES SPENT ONLY FOR THE FOLLOWING:

- 50% FOR THE REPLACEMENT, UPGRADE, MAINTENANCE, AND ACCESSIBILITY OF PARKS FACILITIES AND FOR THE REPLACEMENT AND CONSTRUCTION OF INDOOR AND OUTDOOR RECREATION AND POOL FACILITIES,
- 25% FOR PROGRAMS AND PROJECTS ADVANCING GREENHOUSE GAS AND AIR POLLUTION REDUCTION, THE CITY'S 2030 GOAL OF 100% RENEWABLE ELECTRICITY, AND THE CITY'S 2050 GOAL OF COMMUNITY-WIDE CARBON NEUTRALITY, AND
- 25% FOR THE CITY'S TRANSIT SYSTEM, INCLUDING, WITHOUT LIMITATION, INFRASTRUCTURE IMPROVEMENTS, PURCHASE OF EQUIPMENT, AND UPGRADED AND EXPANDED SERVICES;

AND WHILE CITY COUNCIL MAY EXERCISE ITS DISCRETION IN DECIDING THE TIMING OF SPENDING FOR EACH CATEGORY, THAT SPENDING SHALL SUPPLEMENT AND NOT REPLACE THE CURRENT CITY FUNDING FOR THE SPECIFIED PURPOSES AND SHALL BE RECONCILED TO THE STATED PERCENTAGES BY THE END OF 2030, 2040, AND WHEN THE LAST REVENUES COLLECTED FROM THE TAX ARE SPENT, BUT THIS TAX SHALL NOT APPLY TO:

- ITEMS EXEMPT UNDER THE CITY CODE FROM CITY SALES AND USE TAX;
- FOOD FOR HOME CONSUMPTION; AND
- MANUFACTURING EQUIPMENT, BUT FOR THE USE TAX ONLY;

AND WITH ALL THE TAX REVENUES, AND INVESTMENT EARNINGS THEREON, TO BE COLLECTED, RETAINED, AND SPENT AS A VOTER-APPROVED REVENUE CHANGE NOTWITHSTANDING THE SPENDING AND REVENUE LIMITATIONS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

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Given the timing of the vote relative to the 2024 Annual Appropriation (2024 Budget) process, it was determined that the 2024 appropriation for the approved Sales Tax increase would be discussed as its own item early in the year. Staff has worked to identify specific projects for the first year of this tax, as detailed in the attached list of proposed projects. Knowing that staff is concurrently working on the 2025-26 City Manager's Recommended Budget to come to Council later this year, many of the proposed projects are one-time in nature, targeted to be substantially completed in 2024. Proposals of an ongoing nature are primarily for the staff needed to start this work and be positioned to execute the projects approved as part of the 2025-26 Budget.

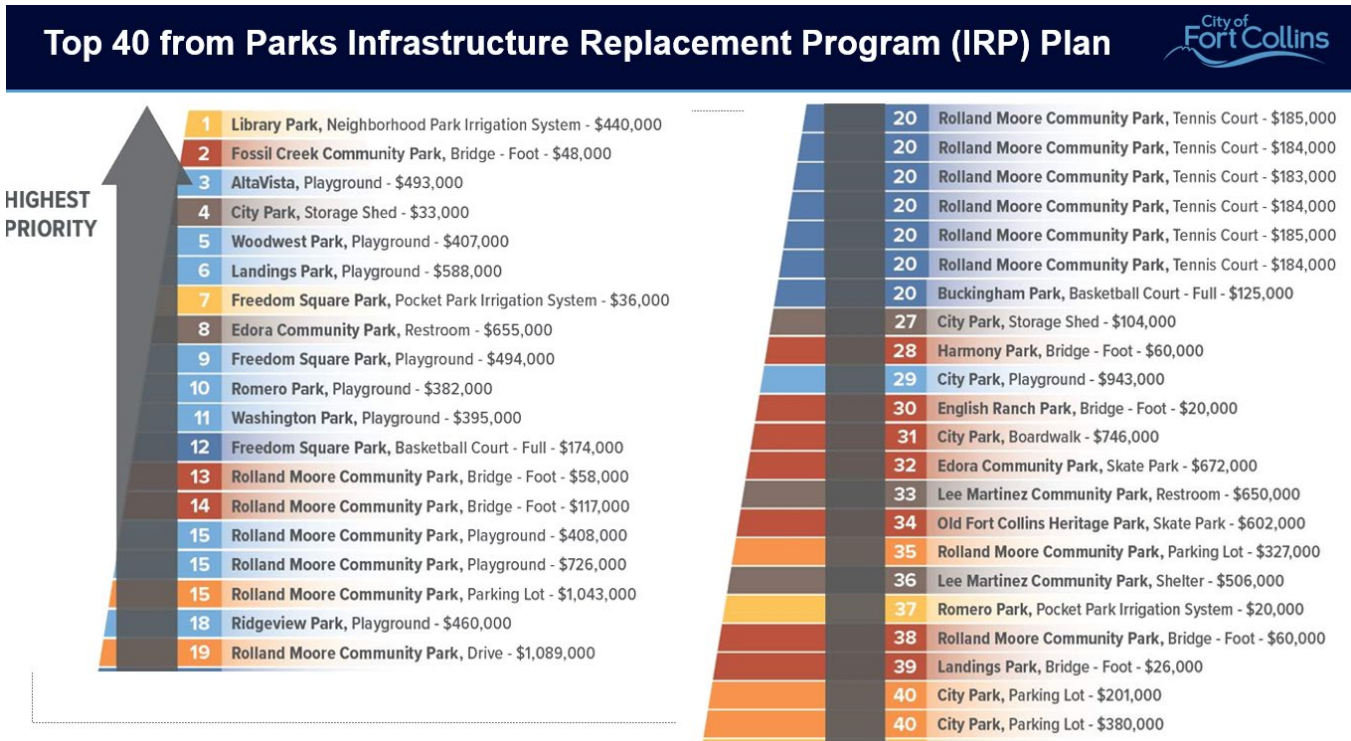
Discussion / Next Steps;

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- What questions does the Council Finance Committee have about the proposed projects for the first year of the new tax?
- Does the Committee support moving this item forward to the full Council for a work session scheduled for April 9, 2024?

Travis Storin; West Elizabeth TRT is going to be a very different project financially than MAX was – MAX was \$87M and the city went out of pocket less than \$4M. Most of our local match requirements were met by right of way and land contributions. West Elizabeth will be much more cash intensive – probably a \$100M project for which we will go out of pocket at least \$20M. The play here is a set aside of a lot of this transit money for a period of 4-5 years in preparation for the West Elizabeth project.

Kelly Ohlson; love the parks chart (slide #17 - see below). What does the chart add up to? Looks like \$16M -



Dean Klingner; Lots of the Top 40 are relatively small projects. This data is from a much more detailed infrastructure replacement plan that shows the annual needs over decades.

Victoria Shaw; our current deferred gap is approximately \$30M - Top 40 prioritized under the criteria we currently have.

Kelly Ohlson; a bit of good news – is staffing stays constant and we don't have the supply chain issues we have had in the past, these should move pretty fast – this is 3-year list. There is a lot that is going to be seen in the first few years of the project. Things will be happening pretty rapidly - this isn't going to take 5-10 years.

Dean Klingner; in the offer that is proposed for Parks there is a dual approach to get things out the door that you can, staffing to start ramping up a program - excited about these things happening quickly –

Travis Storin; geographic sprawl as well - trying to hit all the corners of the community.

Kelly Ohlson; what is on the recreation list?

Leann Williams; the recreation list will be just as expensive with the age of our assets - we are coming up with our plan that lays out priority projects. The Senior Center is aging, our ice system is the original from the 80s as well. That is not a cheap system to replace in terms of the chillers.

Foothills Activity Center

- Multipurpose room gymnasium door

Senior Center

Partner projects with Ops Services:

- Lobby flooring & office security door

Pottery Studio

- Kiln replacement

The Farm

- Make 2024 BFO offer whole

City Park Pool

- Design for slide and play structure replacement

Rolland Moore Tennis Complex

Partner project with Parks:

- Pro shop and restroom replacement

EPIC

- Ice Flooring
- Dasher boards

Partner projects with Ops Services:

- Pool shell
- Pool deck
- ICE chiller system upgrade and replacement
- Staff office security door

NACC

- Front Desk Renovation
- Volleyball Nets

7

Lawrence Pollack; depending on the debt service rate, amount and duration terms for the bonding - debt service could cost anywhere from \$1.4 -0 \$3M depending. We need to make sure we are conscious of that so we have this dedicated funding source.

Leeann Williams; we plan to have a prioritized list like Parks within the next year. We plan to hire a 3rd party just like Parks did – could take up to a year to look at and evaluate all of our assets. Once we get the funding and get a consultant on board hopefully by the end of this year and then have our plan in place within the next year.

Tricia Canonico; I appreciate the thoughtful approach.
Are we calling it the SE Recreation or SE Community Center?

LeeAnn Williams; we have been referring it to as the SE Community Center as we are full partners with the Library and with PSD.

Mayor Arndt; back to transit - Are we considering micro transit, smaller buses that are more nimble and can move people around quickly and maybe don't require a CDL?

Kaley Zeisel; we are in the process of launching an optimization study assessing our current service as well as the Transit Master Plan to determine the most optimal way to deliver service to the community with an emphasis on micro transit. How we could potentially leverage micro transit to potentially expand our options.

Tyler Marr; Council was intentional last night as you adopted the Strategic Plan around the objective for Transfort specifically and how we are going to optimize to achieve that objective.

Emily Francis; the infrastructure replacement program is helpful to see. Rolland Moore Park has been an issue- dedicating some funding to addressing those issues would be a priority of mine. When we get to the work session, it will be good to look at what is equitable as far as infrastructure or a more holistic approach. I would like to see more detail in the budget offer. The offers for Climate and Transit are a little more detailed about what the money would be going toward. I know the concern about geographic sprawl, but north Fort Collins is quite older than south Fort Collins so I would expect to see heavier funding to north Fort Collins where the infrastructure is older. I see that Rolland Moore makes up about 1/3 of the list. North FoCo has missed out on a lot of updates.

Tricia Canonico; I met with Kaley in the fall and remembered a mention of a micro transit grant of around \$60K.

Kaley Zeisel; we have a \$60K micro transit grant and that will be a portion of the funding for the optimization study which we are rolling in with the micro transit study to take a holistic approach.

Kelly Ohlson; \$20M of local dollars along with federal dollars. What is going to be different for the average person in Fort Collins because we are dropping \$20M of local dollars. Can someone give me a high level response of how the world will change with the equivalent of MAX but on South Elizabeth

Travis Storin; West Elizabeth is by far the most dense in terms of residents in Fort Collins and the bus usage demand is higher there than any other part of town and our data tells us that. Multiple full buses go by while people are still waiting. Kaley may want to speak to the design and the guideway principles and the frequency of service in a way that compares the existing service on West Elizabeth with what we have been able to achieve on Mason St.

Kaley Zeisel; in terms of frequency, our most frequent service along that corridor is currently 15 minutes. This will have at its peak times, 7-minute headways. It is not just transit infrastructure, it is also bike and pedestrian improvements, safety and intersection improvements. At the western most terminus, we will have the Foothills Station. Right now we have multiple routes that go through that corridor and they often loop around as there is not a good way to turn around at the end so it will be realignments as well. Increased bike, pedestrian and transit infrastructure as well as increased frequency.

Tyler Marr; I think we are close to 100% design on the project and I know visuals can be so helpful. Kaley, I think you could do a really good staff report at a work session so the full council understands what this 9 figure project looks like and what we are marching toward.

April 9th Work Session – We will see how feasible it is to do a geo map around parks. We heard loud and clear about defining equity.

CLIMATE

Jacob Castillo

Climate Funds Criteria 

- Directly aligned with Our Climate Future
- No brand-new programs
- Possible to be executed in 2024 and to continue in future years
- Can help tell a powerful story about direct community benefit of the new revenue
- One-time offers only (ongoing offers should use 2025/2026 BFO process)
- Will not disrupt or takeaway from other existing commitments

Recommended project funding 

Recommended Offers by Big Move	Recommended 2024 Funding
4 - Convenient Transportation Choices	\$ 632,000
Implement bicycle infrastructure as determined in the Active Modes plan (Centre Ave)	\$ 350,000
Mobility Hubs Plan development	\$ 200,000
Implement bicycle infrastructure as determined in the Active Modes plan (Laporte Ave)	\$ 57,000
Transportation Emissions Reduction Strategy Tool development	\$ 25,000
6 - Efficient, Emissions Free Buildings	\$ 1,650,000
Introduce new capital for utilities Epic Loans program	\$ 600,000
Comprehensive exterior lighting retrofits at City Recreation Centers	\$ 500,000
Fund Healthy Homes Program	\$ 250,000
Expand Mobile Home Park Mini-grant through Neighborhood Services	\$ 200,000
Identify and determine critical support needed to upgrade under-resourced buildings, focusing on commercial /MF buildings	\$ 100,000
7 - Healthy, Affordable Housing	\$ 400,000
Launch grants to offset utility fees for affordable housing development, particularly electric and water	\$ 400,000
9 - Healthy Local Economy and Jobs	\$ 35,000
Expand Scholarship Program for Builders and Building Industry to meet new industry techniques and future codes	\$ 35,000
10 - Zero Waste Economy	\$ 75,000
Business support for plastic and styrofoam transition through NocoBIZ Connect	\$ 75,000
12 - 100% Renewable Electricity	\$ 250,000
Repair Riverside Community Solar Array	\$ 250,000
13 - Electric cars and fleets	\$ 200,000
Replace existing Parks Utility Carts with electric Utility carts	\$ 200,000
Grand Total	\$ 3,242,000

Discussion / Next Steps for Climate:

See slide #16 below

Kelly Ohlson; why are some of the ones I like the most on the elective list? The Poudre River Health Assessment as an example. This is not competing. It was a ballot approved measure so why the elective offers?

Jacob Castillo; when we applied the criteria, the other 14 items scored higher but we knew these had high value and may be of interest to Council. We wanted to make sure you saw everything that was considered and leave it to your prerogative to advance these should you so choose.

Kelly Ohlson; solid waste, recycling and reuse and reducing – huge part of my policy life and you can barely see it on the chart.

Honore Depew; we are thinking about those investments that could be needed in the context of the regional waste shed conversation you will be having next week as well as the council priority for accelerating zero waste policies and infrastructure. Based on the criteria for what is shovel ready within the next 6 months. Some of the projects did not meet that criteria.

Kelly Ohlson; I was the one who suggested the indoor air quality things many years ago. I am confused as it says to have ongoing funding for the program but we currently have the program so I am missing something.

Honore Depew; this is about scaling up the award winning and very effective Healthy Homes program and air quality. The ballot language speaks to reducing climate pollution, greenhouse gas emissions and air pollution so it stays true to both of those. This is about accelerating and scaling up.

“Elective” funding opportunities



Elective Offers	2024 Recommended funding	
11 - Healthy Natural Spaces	\$	385,000
Poudre River Health Assessment	\$	300,000
Soapstone Prairie Grazing Plan	\$	35,000
Update trash/recycle cans in the City of Fort Collins Natural Areas, to wildlife safe cans.	\$	50,000
12 - 100% Renewable Electricity	\$	250,000
Add Solar PV System at City Facility - new fueling canopy and shop expansion at Wood Street	\$	250,000
Grand Total	\$	635,000

16

Kelly Ohlson; the big Laporte Ave project but we didn't include the painting of stripes for bikes - \$57K

Cortney Geary; the project from Fishback Ave. west to Sunset St. includes raised and separated bike lanes. This project that we are proposing for funding would be to the east of that from Fishback Ave to Wood St. so will fill in the final gap and bike facilities on Laporte Ave.

Emily Francis; The Poudre River Assessment - for the work session, I don't understand how it meets the language of advancing reduction of greenhouse gases reduction and renewable -

Julia Feder; the river health assessment framework is a tool that has been developed to help give us a snapshot of river condition and we are coordinated so we are doing this from the headwaters to the confluence with the South Platt River. Locally in Fort Collins, we use this as our primary tool to help us to prioritize what sections of the river are going to be up for restoration. The restoration work primarily focuses on increasing riparian habitat including that important river canopy and the forest surrounding it. We are focused on how we look at carbon sequestration as one of those measures over time and what we are doing to increase carbon capture. The example that was given was the work that was done at Kingfisher Point Natural Area. This is a project that was done within the last 10 years. We have already had a 70% increase in soil carbon rates and our goal is to have a 300% increase by 2030.

Kelly Ohlson; it might be good to bring this type of information to work session so the council can see how it fits with the ballot language.

Emily Francis; in Denver, when they did the rebate program for e-bikes, their climate tax was very popular. Did we consider doing something similar?

Honore Depew; that has definitely been in the conversation, and we know it was really popular and it can drive some of that mode shift away from single occupancy vehicles for those short trips around town and with the battery powered bikes you can get a little more distance than you can – we also tried within this first mini BFO offer.

Emily Francis; is there something we would need to fund to prepare for a rebate program like that?

NOTE: due to audio issues, I could not hear what Emily said next.

Travis Storin; we do have the e bike program set up on the Get FoCo app – I don't have the particulars such as eligibility off hand though. Cortney - could this be a viable candidate for a 2025-26 BFO offer?

Cortney Geary; we have done e-bike giveaways at a smaller scale all through funding from the state through the Colorado Energy Office – we have facilitated the state rebate program that is also available for low-income residents – we realize that some of the programs have shifted capacity away from other projects. I would want to take back to the team to evaluate to determine if we would need any additional staff capacity. We weren't prepared to apply for this year as a shovel ready project.

C. Poudre Fire Authority Intergovernmental Agreement

Dave Lenz, FP&A Director

SUBJECT FOR DISCUSSION

Update to the Amended and Restated Intergovernmental Agreement between the City of Fort Collins and the Poudre Valley Fire Protection District (dated July 15, 2014) that established the Poudre Fire Authority.

EXECUTIVE SUMMARY

The City of Fort Collins ("City") and the Poudre Valley Fire Protection District ("District") established the Poudre Fire Authority ("PFA") with an Intergovernmental Agreement ("IGA") in 1981. This agreement was further adjusted in 1983 and 1987 to include a revenue allocation formula ("RAF"). This agreement was further amended and restated in 2014 to include an update to the RAF and Support Services provided to PFA by the City. The full 2014 amended and restated IGA including the RAF (Exhibit A) and Support Services provided (Exhibit B) is included as Attachment 1.

In early 2023, the City and PFA began discussions about revisiting the agreement to update the understanding of the costs and details of the services provided under the terms of the agreement. The intent is to update the existing Support Services provided (Exhibit B), with detailed understanding of the cost of services being provided either in kind or through direct charges. Additionally, the goal is to make adjustments as necessary to the RAF (Exhibit A) to reflect the updated level of services provided, and to account for changes impacting the underlying Property Tax and Sales Tax funding sources. This includes an updated analysis of the relative risk sharing of the funding mechanisms. Staff intend for agreed upon updates to the IGA be completed for inclusion in the 2025/26 Budgeting for Outcomes (BFO) cycle.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

What questions does the committee have related to the update of the IGA, the RAF or the Support Services provided?

Does the committee have additional items that they would like to see included or discussed in the update of the full IGA?

BACKGROUND/DISCUSSION

During the second quarter of 2023, City and PFA staff began the joint review of the Support Services Provided in Exhibit B. This effort involved over 30 collaborative meetings with both City and PFA personnel. The interviews and analysis involved investigation on the scope of services being provided by City personnel, including support areas that were not specifically outlined in Exhibit B as services to be provided. Additionally, certain services had transitioned to PFA over the ensuing time since the agreement update in 2014. In all instances, efforts were made to identify the time and costs involved in each City or PFA department providing the support.

Preliminary costing of the services provided indicates the City provides PFA with approximately \$728,000 annually of in-kind costs and an additional \$3.5 million in direct charges (\$3.0 million is for Benefits and Wellness). PFA’s cost of services provided is estimated at approximately \$452,000 annually (\$320,000 is for two positions – IT Analyst III and Battalion Chief - Emergency Management). Functional breakout of the costs is highlighted below.

Preliminary - Cost of City Services to PFA			
Service Area	Annual In-Kind Costs	Annual Charged	Total Cost of Services Provided
Finance	\$182,115	\$18,402	\$200,517
Human Resources	\$145,963	\$2,969,712	\$3,115,675
Information Technology	\$191,481	\$47,000	\$238,481
Police - Dispatch	\$159,462	\$207,229	\$366,691
Op Services	\$5,390	\$194,643	\$200,033
All Other	\$43,215	\$20,000	\$63,215
Total	\$727,626	\$3,456,986	\$4,184,611

Preliminary - Cost of Services Absorbed by PFA	
Service	Cost
Emergency Management	\$176,214
Finance	\$12,976
Risk Management	\$23,296
Human Resources	\$91,402
Information Technology	\$144,275
Miscellaneous	\$3,576
Total	\$451,739

The RAF specifies how both the City and the District make contributions to the PFA. The district’s contribution is annually through the mill levy and the City’s contribution is through a combination of a portion of the City’s base sales and use tax revenue and 67.5% of the City’s property tax revenue. The City’s contributions are based on the biennial budgeted amounts for Sales/use and property taxes. These amounts are not adjusted for actual collections (*please refer to Exhibit A of the IGA for the RAF calculation details*).

In the 2023 Budget, the City's contributed approximately \$35.9 million in revenue sharing to PFA (\$19.2 million in property tax and \$16.9 million in sales/use tax, less \$0.2 million for PFA contribution agreements). For the 2024 budget, the revenue contribution increased to approximately \$38.7 million (\$21.7 million in property tax and \$17.3 million in sales/use tax, less \$0.3 million in PFA contribution adjustments). The District contributed \$8.8 million in 2023 and \$12.4 million in 2024.

City and PFA staff have begun evaluating the existing RAF. Goals of this evaluation are to align the updated costs of service with the existing funding mechanism, memorialize the Keep Fort Collins Great (KFCG) 0.6% base rate increase, consider the concept of a "risk corridor" to share revenue risks and opportunities, and add further definition around future growth and annexations.

The work plan is centered fostering agreement between city and PFA staff on the scope and structure of the services to be provided in Exhibit B, determination of the of the form and extent of compensation for both parties, identifying needed service level agreements, and the adjustments needed to the RAF. Work to date has highlighted the desire to create named administrators from each party to the agreement and to include more specificity as to the timing and structure of future agreement updates (i.e. – contract re-openers).

NEXT STEPS/PATH FORWARD

The goal is to complete the update of the IGA for inclusion in the 2025/26 BFO Cycle. City and PFA staff are working jointly to reach common understanding on terms and conditions to include in an update to bring to both the City Council and District Board for approval. Tentative schedule for moving forward:

April 23, 2024: Work Session with City Council and District Board - inputs
June 6, 2024: Council Finance Committee - recommendation
June 18, 2024: City Council Adoption consideration - 1st reading
July 2, 2024: City Council Adoption consideration - 2nd reading

Concurrent with this schedule are regular updates by PFA to the District Board.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

What questions does the committee have related to the update of the IGA, the RAF or the Support Services provided?

Does the committee have additional items that they would like to see included or discussed in the update of the full IGA?

Discussion / Next Steps

Kelly Ohlson; I have wanted this discussion for a long time. I proudly served on the board for 4 years and chaired it as well. I think the goal should be clarity and fairness on what we charge each party and what their responsibilities are. I don't like the windfall not being somewhat shared on the property tax and some of the other things in funding. I would like to focus on the fair share payment. I don't know how the Library District works but the preliminary costs of city services to PFA are approximately \$727K so that is not recovered. One of the reasons I don't think that is fair is that the Natural Areas is not an enterprise fund, yet they are charged for all of these things, which has been a point of contention for me since 1993. Natural Areas are charged for most things on this list even though they are not an enterprise fund which is hypocritical – not about PFA but it is about the city organization. Yet, here is another organization, which technically is not part of the city that

wanted to separate from the city at one point and join the district. If Natural Areas has to pay all of these things, some entity that isn't part of the city should have to pay their fair share.

Cost of services absorbed by PFA (see slide #s 10 and 11 below)

Exhibit B Update: Cost of City Services 

Preliminary - Cost of City Services to PFA			
Service Area	Annual In-Kind Costs	Annual Charged	Total Cost of Services Provided
Finance	\$182,115	\$18,402	\$200,517
Human Resources	\$145,963	\$2,969,712	\$3,115,675
Information Technology	\$191,481	\$47,000	\$238,481
Police - Dispatch	\$159,462	\$207,229	\$366,691
Op Services	\$5,390	\$194,643	\$200,033
All Other	\$43,215	\$20,000	\$63,215
Total	\$727,626	\$3,456,986	\$4,184,611

Exhibit B Update: Cost of Services Absorbed by PFA 

Preliminary - Cost of Services Absorbed by PFA	
Service	Cost
Emergency Management	\$176,214
Finance	\$12,976
Risk Management	\$23,296
Human Resources	\$91,402
Information Technology	\$144,275
Miscellaneous	\$3,576
Total	\$451,739

If they need extra Information Technology (IT) for their organization as they are not part of the city. I don't understand why that cost is absorbed by PFA if that is a cost of doing business. Why would that be something that counts in their benefit.

Dave Lenz; these are preliminary and we are working with both sides on final costs. We are looking at the position that was added and if there are similar services that are provided to other groups like the Police or is it very specific to a fire application. We are still working on that item.

Kelly Ohlson; Police is part of the city and PFA is not part of the city - I would prefer it be part of the city but it is not, so I am not understanding...

Travis Storin; on the overall backdrop of your comments, what you are observing are some of the reasons we are bringing this to you. I think both sides are acknowledging that there are things in this agreement that made sense in 1981 and do not make sense now. In 1981 we entered into an agreement that said the City will continue doing your technology needs as well as your personnel and administration needs. Those needs have undoubtedly evolved over the last 43 years. They have taken on additional expertise and the agreement says all else equal we would have been providing those services – missing out on 43 years of technological evolution.

Kelly Ohlson; I just want a fairness level of who should be paying for what since they are not art of the city. What arrangement do we have with the Library District? Do we absorb costs that the Library District should be paying?

Travis Storin; the IGA agreement with the Library District is written with them paying costs on an estimated basis similar to the techniques with PFA. They pay for the privilege of using our email servers, our benefits portfolio and our financial systems at cost.

Kelly Ohlson; they asked to not be part of the city so, why would the city be subsidizing them?

Travis Storin; we are recovering all of our costs.

Kelly Ohlson; if we ended up owing them money every year, I would be for that. I just want some balance sheet items figured out. I read that the District can adjust the mil levy – I thought mil levy adjustments required a vote.

Patti Forsythe; the district voters voted for an adjustment. The IGA states that 10.595 is the base mil and the district is contributing more to PFA with the mil levy adjustment.

Emily Francis; we had an agreement that has been updated since 2014. In that agreement the city said it would provide human resources services, but the city could not add the capacity that they needed, so they had to hire their own human resources. The calculation hasn't been updated in awhile to accurately reflect the cost sharing which is what we are doing now. Is that accurate?

Travis Storin; that is fair to say – there are questions of origin within your statement. For example, PFA has a different retirement package and our HR team said that was a level of complexity we don't support for the rest of the city organization. So it is a question of who is bearing that cost and right now, you are spot on, the agreement says we will do it but have not been able to so they have taken on costs.

Kelly Ohlson; I think it is a good thing that we are examining this agreement.

Travis Storin; we have a similar environment set up on April 23rd with the two boards. That will be the front bookend of the dialog because a lot more work needs to take place. We plan to bring legal documents for Council and Board approval over the mid-summer timeframe.

Emily Francis; I did have one more question around the work session with the district - traditionally we don't have IGA discussions in public.

Travis Storin; these IGAs, particularly this one are really tricky from a staff standpoint to get everyone's permission that, yes it is ok that we are going to do this work. Each entity is to be defending their own interests. This is to bring this above board and to say, we are doing this work right now. Is it going to be a surprise when we say we want to look at who pays for what or who shares in which revenue? To be honest, it has been extraordinarily tricky in the past to navigate that.

Kelly Ohlson; we are doing this because it wasn't all done necessarily correctly – maybe it fit the time. We could use all kinds of analogies to different groups in the country who have not been treated fairly and now we know better. Maybe it worked then – but not now – we want to make it a 2024 agreement and I want to make it clear that we are only here because PFA is agreeing with this effort and wanting to get this right. The Chief has been very supportive of making this right and fair. Thank you for that. I also look forward to seeing more detail around the dollars. How close are we to right on the Library District? We are not after perfection, but are we close to recovering our costs? They wanted to be separate and with separate you get responsibilities as well as benefits. Would like to add to our plate sometime, looking at the old Natural Area thing –they not an enterprise fund, but they get charged for many of these things on this list which I have never understood.

Emily Francis; is Natural Areas the only other department?

Travis Storin; I could provide a list - it is not all departments but basically departments that have an independent revenue stream. You look at areas that are heavily tax payer funded, for example recreation is not charged to the same degree as the Golf Fund and Utilities as those are enterprise funds.

Emily Francis; would like to see those details – more holistic – how we determine those costs, etc.

Chief Bergsten; I want to thank Travis and Dave and before that Sheena. Initially, Kirsten who is ill and was not able to be here this evening and Patti had over 40 meetings with city staff. The transparency and the willingness to work together with Travis and his team has been really refreshing. We want to do this right and create instances where we can update this on a regular basis. There are a lot of things that have transpired over the last 10 years that just aren't relevant or the service demand has increased and the city hasn't been able to meet so we have filled in and some of the things the city has picked up we haven't been able to. It is good to be going through this process. This gives our district board a sense of security that everyone is being open and that we want the best for both organizations. Going forward, when we do something new I want to make sure it aligns as much as we can with the city. Originally, this was a city department and it merged with the district for efficiency for delivering services to the residents and for economy of scale –the right amount of money for the services being provided.

D. CCIP & Streets Maintenance Tax Renewals

Travis Storin, Chief Financial Officer

Ginny Sawyer, Policy & Project Manager

EXECUTIVE SUMMARY

Staff provided the full Council an overview of the history, use, and timelines of both the Street Maintenance Program (SMP) and the Community Capital Improvement Program (CCIP) taxes at the February 13, 2024 regular meeting. That meeting outlined the meeting cadence associated with referring these renewals to the November 2024 ballot. Multiple meetings with the Council Finance Committee (CFC) were included.

This first meeting of the CFC will focus on any questions the committee may have, the term of the SMP tax, and the process of developing a CCIP project list.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

What questions or concerns do CFC committee members have regarding possible extension of the term of the SMP tax to 15 or 20 years?

What questions or suggestions do CFC committee members have for developing a future CCIP project package for consideration?

Do CFC committee members support considering taking the CCIP renewal in 2025?

BACKGROUND/DISCUSSION

The City of Fort Collins has a 40+ year history of utilizing voter approved sales tax initiatives to fund major capital projects and to achieve and maintain an extensive transportation system. Starting in 1973, with a 7-year, one-cent tax that helped fund the Downtown Library, the Lincoln Center, City Hall, Mulberry Pool and other improvements, residents have continued to support sales tax capital programs to create the city we enjoy today.

The current initiatives, CCIP and the SMP, will expire on December 31, 2025. With only one annual election opportunity (November), staff had recommended seeking these tax renewals in 2024. Both programs are a dedicated ¼-cent sales tax which equated to 25 cents on a \$100 purchase. Over the 10-year program (2016-2025) each ¼-cent is estimated to generate approximately \$80.0 million for community-wide investments.

Staff continues to recommend referring the SMP in 2024, however, after considering the timeline on a number of possible projects staff would like to discuss the possible advantages of referring the CCIP in 2025. Advantages include a longer timeline for public engagement and time for further conversation and decisions on waste shed projects, the site plan for the Hughes property, and additional feasibility of both a bike park and additional pickleball facilities.

Elements of a Successful CCIP Package

The City of Fort Collins has had a successful track record of referring (and getting approval) of capital improvement dedicated taxes. The last two measures passed with 80% voter approval. Staff attributes this success to:

- Advancing projects from Master Plans that have been informed by community input.
- The items put forth represent community desires and priorities across broad geography, types of services, and personal passions.

- Community engagement helps to prioritize projects and programming.

There have also been lessons learned over time to mitigate risks, including:

- Adjusting for inflation and adding on years of operation and maintenance until a program/facility is established.
- Balancing flexibility and specificity to ensure voters get what the ballot promised while allowing for measured leeway to take advantage of unforeseen opportunities (grants, development, etc.)
- Avoiding singular projects that would absorb a majority of the funding.
- Solidifying a plan far enough in advance of referral to ensure adequate budgeting analysis and community awareness.

Next Steps

Based on CFC discussion and suggestions, staff will outline future agenda content and an engagement plan for public outreach.

Future Council engagement includes:

April 23 work session: Bring CFC recommendations of referral dates, SMP tax term. Review of engagement plan.

May CFC meeting: Confirm SMP referral actions. Start CCIP package development.

June 11 work session: Confirm SMP referral details. Consider CCIP progress.

July 16 work session: TBD

August 20 regular meeting: Refer ballot language for any 2024 measures.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

What questions or concerns do CFC committee members have regarding possible extension of the term of the SMP tax to 15 or 20 years?

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Discussion / Next Steps

Tricia Canonico: For the time being, I don't know if I would want Hughes to play a part here because it has been so dividing for our community. We saw that with the large emitter fee as an example, some of our community members not wanting to support that tax.

Do we know when the county is looking at putting the childcare tax on the ballot this year?

Kelly DiMartino; I think they are – there is a group and they call themselves the sandbox, which includes all of the interested parties. They have come together and I think they are getting close.

Tricia Canonico; I support moving it out to 2025 as it sounds like there may be too many competing tax measures on the ballot.

Emily Francis; I agree with Tricia. Hughes – not knowing what it is and the engagement around it - I would be worried about the timeline and just adding it in. I think 2025 makes sense. I think the things that we have heard support for like the bike park and pickleball, larger ideas could go on there. The childcare and then also under the Council priority of operationalizing housing sustainable funding is one of the things to look at and so, how would that play into potential funding and a tax?

Ginny Sawyer; a separate initiative or within a bucket in CCIP?

Emily Francis; I would say that to date, CCIP funding for affordable housing has not been sufficient. I was also looking at some of the capital type projects like Linden Street and thinking about council's priority of adaptive reuse in community hubs in neighborhoods. One of the big barriers to redeveloping that has been funding –and bringing those up to current standards – funding has been a huge barrier to get anything updated. Is there a way for CCIP to rejuvenate those neighborhood hubs that have not been updated for some time?

Travis Storin; when we talk about the engineering bucket that Ginny was referring to. We look at that as a viable way to address that piece. It is a very good question on housing. What could more CCIP funding do there relative to the \$4M over 10 years that we put in, which, when you think about the sustainable funding conversation last year now years later it sounds pretty scant

Emily Francis; I think it would be worth bringing in the affordable housing providers. Seeing what the gap is and what the city's responsibility is and if this is appropriate.

Kelly Ohlson; I think street maintenance would pass if we put it into perpetuity. I don't care if it is 20 or 25. A minimum of 20 – I would be fine with 25 – people like their streets maintained. Kelly Ohlson; I will support whatever the full Council comes up - 20 or 25. Regarding Hughes, it is all over the map – more than two sides to that particular issue.

Travis Storin; we know it is a council priority to have a site plan.

Ginny Sawyer; full site plan - soft trail and trail connections to the site –

Transportation/Engineering:

- Arterial improvements
- Bike infrastructure
- Sidewalk/ADA improvements
- Bus stop improvements and bus replacement
- Howes (street conversions)

Other Funds:

- Affordable Housing
- Nature in the City
- Active Mode Infrastructure

Capital Projects:

- Civic Center advancement
- Car (Trolley) Barn advancement
- Park Improvements (Martinez)
- Downtown Parks Shop
- Transfort maintenance site
- Lincoln Center (catering kitchen)
- Composting facility
- Trail strategic plan components
- River masterplan (another reach)
- LaPorte Avenue re-design
- Children's Garden renovation
- Mountain biking facility, site TBD
- Mulberry Pool Replacement
- Pickleball expansion

10

Slide #10 above

Kelly Ohlson; a composting facility - should be solid waste – might be things that are a higher priority. I think it was a little broader on the list. I can't argue with your logic of 2025 to get it right even though if we put something on the ballot – it might be as refined. Citizens group is renewing by the imitative method the natural areas tax in 2025- so this would be on the ballot too. I think they are complementary and not contradictory. You can build a positive momentum to put it in a framework. In 2014 which was not a pretty election cycle for things like this, the county tax, open space renewal – approximately 90% of districts in Fort Collins voted for natural areas. I just want people to have all of the information. In 1997, there were 3 taxes including street maintenance and we combined them all together and they passed overwhelmingly. I think your logic is sound.

Tricia Canonico; one question on street maintenance – are we going to hamstring ourselves by extending it too far or can we add to it to allow for a gradual increase in the tax, so it continues to be adequate?

Travis Storin; so, you are surfacing what I think is going to be a very interesting staff discussion. When we talk about perpetuity, in some respects, it could feel limiting if we don't think the current tax is going to meet the needs. There might actually still be an argument to stick with 20 which would allow us to reevaluate the toolkit- to determine if we need a different amount or different taxation. I think we are going to have a very lively debate on that question.

Tricia Canonico; are we looking at the amount that we are going after?

Travis Storin; on staff – we are a bit reluctant in practical terms, whether going for over ¼ cent would be advisable. A big part of that is the TABOR language. When we go with ¼ cent, we get to say 'without raising taxes'. If we went with a nickel more, it says will you approve this tax increase?

Meeting adjourned