

Finance Administration 215 N. Mason 2nd Floor PO Box 580 Fort Collins, CO 80522

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Finance Committee Meeting Minutes June 2, 2022, 4-6 pm Zoom

Council Attendees: Julie Pignataro, Kelly Ohlson, Emily Francis

Staff: Kelly DiMartino, Travis Storin, Tyler Marr, Carrie Daggett, John Duval,

Teresa Roche, Kelley Vodden, Caryn Champine, Dean Klingner, Monica Martinez,

Brad Buckman, Dana Hornkohl, Dillon Willett, Jeff Usher, Mark Laken, Ginny Sawyer, Jennifer Poznanovic, Nina Bodenhamer, Seve Ghose, Mike Calhoon, Kurt Friesen, Aaron Harris, Victoria Shaw, Gerry Paul,

Blaine Dunn, Randy Bailey, Trevor Nash, Amanda Newton, Jo Cech, Dave Lenz,

Sheena Freve, Zack Mozer, Molly Reeves, Erik Martin, Jackie Thiel,

Javier Echeverria, Lindsay Ex, Honore Depew, Beth Yonce, Carolyn Koontz

Others: Emily Gallichotte, Resident

Jacy Marmaduke, Coloradoan

Kevin Jones, Chamber

Meeting called to order at 4:00 pm

Approval of minutes from the May 5, 2022, Council Finance Committee Meeting. Kelly Olson moved for approval of the minutes as presented. Emily Frances seconded the motion. Minutes were approved unanimously via roll call by; Julie Pignataro, Kelly Ohlson and Emily Francis.

A. Capital Projects – Inflationary Impacts (3 Projects)

Brad Buckman, City Engineer Monica Martinez, Manager, FP&A Dana Hornkohl, Director, Civil Engineering

EXECUTIVE SUMMARY

Three active transportation capital improvement projects are experiencing budget impacts due to inflationary pressures: Linden Street Renovation (Linden), South Timberline Corridor (Timberline), and Vine/Lemay/BNSF Intersection Improvements (Vine and Lemay). The cost to complete these projects now exceeds the appropriated budget. It is necessary to 1) reduce scope, 2) delay final delivery, and/or 3) secure additional funds to complete these projects. Reduction of scope will result in projects that do not meet established City standards for urban design and landscaping. Delaying final delivery until funding becomes available will negatively impact other transportation capital projects in the delivery pipeline. Staff is recommending supplemental appropriations totaling \$4,028,000 which would allow for completion of the three projects as intended when construction commenced. This request is coming before Council Finance Committee now to avoid additional cost impacts due to potentially pausing and restarting active construction projects.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Does Council Finance Committee support an off-cycle appropriation of Community Capital Improvement Project (CCIP) fund reserves to complete the Linden Street Renovation project?
- Does Council Finance Committee support off-cycle appropriations of the Transportation, Transportation Capital Expansion Fee (TCEF), and General fund reserves as well as CCIP Arterial Intersection fund to complete the South Timberline Corridor project?
- Does Council Finance Committee support off-cycle appropriations of the TCEF, General, and CCIP fund reserves as well as Conservation Trust fund to complete the Vine/Lemay BNSF Intersection Improvements project?

BACKGROUND/DISCUSSION

Beginning in the Summer of 2021, the nation, Colorado, and the Denver region began to experience significant inflation in construction costs (Attachments 1, 2, and 3). The two most recent Colorado Department of Transportation (CDOT) Colorado Construction Cost Index (CCI) reports indicated annual percentage changes of 17.45% (Q4 2021) and 31.79% (Q1 2022). These inflationary pressures are impacting three transportation capital improvement projects that are in active construction.

Linden Street Renovation

The Linden project will transform Linden Street between Jefferson and Walnut Streets into a "convertible street," a roadway that can be closed to vehicular and bicycle traffic and transformed into a pedestrian gathering space during specialty events. Construction was originally planned for 2020, with the entire project built at once. Due to the onset of the pandemic, construction was postponed and broken into two phases to minimize impacts to the businesses within the footprint of the project. Phase 1 construction was completed in 2021. Phase 2 began in February of this year and completion is anticipated in July. Staff anticipated that splitting the project into two phases would result in increased mobilization and oversight costs. An additional \$400,000 was appropriated to address this cost increase. Inflation began to rise as pricing was being finalized for Phase 2 construction in the Fall of 2021. Price increases for many unit price work items led to an increase of approximately \$500,000 to deliver the identified scope of work.

Staff has identified two alternatives to reach project completion:

- Option 1: Delay non-essential scope of work items until additional funding can be secured. Specifically, the temporary scope reduction could include seat wall caps and outdoor furniture. This option would result in the project not meeting the identified project goals within the promised timeframe, expose the remaining work to further inflation, and would impact the schedule and budget for other transportation capital projects in the design, acquisition, and construction pipeline.
- Option 2: Secure a supplemental appropriation to complete the identified scope of work on schedule.

	Project	Funding	TCEF	CCIP - Project Specific	TOTAL	Increase
	Linden Street	Existing	\$400,000	\$ 3,461,000	\$3,861,000	
ı	Renovation	Proposed	\$ -	\$ 500,000	\$ 500,000	13%
	velinyqrinii	Total	\$400,000	\$ 3,961,000	\$4,361,000	

Figure 1 - Linden Project Budget

South Timberline Corridor

The Timberline project is identified in the City's Master Street Plan. It will reduce congestion, improve safety, as well as enhance bicycle and pedestrian facilities along the corridor between Stetson Creek Road and Zephyr Road. Construction was set for two phases. Phase 1 included the structural road elements, box culverts for the Mail Creek Ditch and the Mail Creek Trail underpass. Ditch company requirements for water conveyance limited Phase 1 work to be substantially completed prior to April 15, 2022. Phase 1 work began in December 2021 and is anticipated to reach final completion in June 2022. Phase 2 included all remaining corridor improvements. This phase was partially funded by a Surface Transportation Block Grant (STBG) requiring concurrence from CDOT to advertise for construction that was not granted until February of 2022. This delay led to significant increases for most unit price work items totaling approximately \$2,148,000.

Staff has identified three alternatives to reach project completion:

- Option 1: Delay some scope of work items until additional funding can be secured. Specifically, the temporary scope reduction could include traffic signals, irrigation, landscaping, and/or reducing the length of corridor improvements. This option would result in the project not meeting the identified project goals within the promised timeframe, expose the remaining work to further inflation, and would impact the schedule and budget for other transportation capital projects in the design, acquisition, and construction pipeline. This option has several iterations where one or more elements could be funded by a supplement appropriation. It should be noted that some supplemental appropriation is required to move forward with construction, and the traffic signals are required for the corridor to function.
- Option 2: Delay all Phase 2 work until additional funding can be secured. This option would have similar impacts to Option 1 with increasing affects to pipeline projects' schedules and budgets.
- Option 3: Secure a supplemental appropriation to complete the identified scope of work on schedule. Please note that \$400,000 in CCIP Arterial Intersection Improvements funds are proposed as part of Option 3. These funds have already been appropriated but were originally intended for the College and Trilby Intersection Improvements project.

Project	Funding	STBG (Grant)	Trans. Fund	TCEF	Gen. Fund	Bridge Program	CCIP - Art. Int. Imp.	CCIP - Ped/Bike Gr. Sep. Cr.	CCIP - Ped. Sid.	Dev.	TOTAL	Increase
Cauth Timbondino	Existing	\$ 2,694,602	\$ 10,325	\$4,701,111	\$ -	\$265,000	\$ -	\$ 700,000	\$ 35,000	\$317,190	\$ 8,723,228	
South Timberline Corridor	Proposed	\$ -	\$ 200,000	\$ 774,000	\$774,000	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 2,148,000	25%
	Total	\$ 2,694,602	\$ 210,325	\$5,475,111	\$774,000	\$265,000	\$ 400,000	\$ 700,000	\$ 35,000	\$317,190	\$10,871,228	

Figure 2 - Timberline Project Budget

Vine/Lemay/BNSF Intersection Improvements

The Vine and Lemay project is the City's top transportation capital improvement project. The work includes construction of a new road and intersection slightly east of the original Vine Drive and Lemay Avenue intersection with a new bridge over the BNSF railway and existing Vine Drive. Primary construction began in April of 2021 with an accelerated schedule. Construction of most infrastructure elements was completed in December 2021 with the roadway opening several weeks ahead of schedule. Staff provided a memorandum updating City Council of the project budget in November 2021 (Attachment 4).

As of January 2022, the primary remaining work for this project included urban design elements, Art in Public Places, irrigation, landscaping, and work needed to complete the pedestrian underpass (future northeast trail system) at the north end of the project. Pricing for irrigation and landscape elements had not been set at this

time. Surging inflation greatly affected the unit prices for this work. The delivery team conducted a significant review of the irrigation and landscaping work to lower cost and increase value. Even after this effort, the estimated cost for this work exceeded the identified budget by \$570,000. The underpass completion also experienced significant cost overruns. These increases were due to its late inclusion in the design effort coupled with the accelerated schedule. All the underpass design criteria and elements had not been accounted for in the original estimate leading to costs that exceeded the budget by roughly \$790,000. The total amount needed to complete the project is approximately \$1,380,000.

Staff has identified two alternatives to reach project completion:

- Option 1: Delay non-essential scope of work items until additional funding can be secured. Specifically, the temporary scope reduction could include irrigation and landscaping. This option would result in the project not meeting the identified project goals within the promised timeframe, expose the remaining work to further inflation, and would impact the schedule and budget for other transportation capital projects in the design, acquisition, and construction pipeline.
- Option 2: Secure a supplemental appropriation to complete the identified scope of work on schedule.

The Conservation Trust Fund is shown as contributing towards the supplemental appropriation proposed in Option 2. These funds would be used to cover a portion of the cost overrun associated with the pedestrian underpass. Park Planning and Development has identified \$242,000 that could be allocated for this effort. These funds were originally identified for the Power Trail at Harmony Grade Separated Crossing project. This reallocation impacts the overall funding for the Power Trail project, but the current budget shortfall exceeds this amount.

Please note that the memorandum to City Council dated November 3, 2021 (Attachment 4) covers estimated construction costs. The table below includes all projects costs including design and acquisition.

Project	Funding	Trans. Fund	TCEF	Gen. Fund	CCIP - Project Specific	PPD (Cons. Trust)	KFCG	Utilities	вов	CCIP - Ped/Bike Gr. Sep. Cr.	TOTAL	Increase
Vine/Lemay/BNSF	Existing	\$1,220,020	\$11,930,369	\$7,247,965	\$ -	\$1,000,000	\$1,373,240	\$ 850,000	\$4,602,036	\$ 500,000	\$28,723,630	
Intersection	Proposed	\$ -	\$ 427,500	\$ 427,500	\$ 283,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ 1,380,000	5%
Improvements	Total	\$1,220,020	\$12,357,869	\$7,675,465	\$ 283,000	\$1,242,000	\$1,373,240	\$ 850,000	\$4,602,036	\$ 500,000	\$30,103,630	

Figure 3 - Vine and Lemay Project Budget

Summary

If inflationary impacts continue, delaying the identified work will result in additional cost increases to these projects and future transportation capital projects. Supplemental appropriations granted to complete all work now will ensure that fully realized projects are completed as promised for the community.

If it is decided that portions of the work on these projects should be delayed until additional funding can be identified, the result would likely impact the delivery schedule for the following projects that are currently working towards final design and construction. It should be noted the projects below are already suffering from inflationary pressures outside the potential impacts from the proposed supplemental appropriations.

- College and Trilby Intersection Improvements
- Power Trail at Harmony Grade Separated Crossing
- Siphon and Union Pacific Overpass
- Laporte Corridor Improvements Fishback to Sunset
- College and Drake Intersection Improvements

Transportation capital improvement projects managed by the Engineering Department are just one area within the City facing inflationary pressure. Materials and services are experiencing significant price escalations across the entire organization. By way of examples:

- The Streets Department is managing asphalt cost increases between 12% to 40%.
- Transfort anticipates fuel costs to increase approximately 30% this fiscal year.
- Traffic Operations has noted an increase of approximately 31% for traffic poles and associated materials.
- Light & Power transformer costs as discussed at the May Finance Committee meeting

The Finance Department will come before the committee next month with additional information on inflationary impacts to capital projects from across the City's portfolio. There is time sensitivity to the three projects requesting additional appropriations above as they are currently under construction, whereas there is more flexibility to discuss systemwide pressures at the July Finance Committee meeting.

Summary of requested supplemental appropriations for all three projects.

• Transportation Fund Reserves: \$200,000

• TCEF Reserves: \$1,201,500

• General Fund Reserves: \$1,201,500

CCIP Reserves: \$783,000

Conservation Trust Fund: \$242,000

CCIP – Arterial Intersection Improvements: \$400,000

• Total: \$4,028,000

Summary of Existing Funding and Proposed Supplemental Appropriations

Project	Funding	STBG (Grant)	Trans. Fund	TCEF	Gen. Fund	CCIP - Project Specific	PPD (Cons. Trust)	Bridge Program	KFCG	Utilities	вов	CCIP - Art. Int. Imp.	CCIP - Ped/Bike Gr. Sep. Cr.	CCIP - Ped. Sid.	Dev.	TOTAL	Increase
Linden Street	Existing	\$ -	\$ -	\$ 400,000	\$ -	\$ 3,461,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,861,000	
Renovation	Proposed	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	13%
Renovation	Total	\$ -	\$ -	\$ 400,000	\$ -	\$ 3,961,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,361,000	l i
Cauth Timbonino	Existing	\$ 2,694,602	\$ 10,325	\$ 4,701,111	\$ -	\$ -	\$ -	\$265,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 35,000	\$317,190	\$ 8,723,228	
South Timberline Corridor	Proposed	\$ -	\$ 200,000	\$ 774,000	\$ 774,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 2,148,000	25%
Corridor	Total	\$ 2,694,602	\$ 210,325	\$ 5,475,111	\$ 774,000	\$ -	\$ -	\$265,000	\$ -	\$ -	\$ -	\$ 400,000	\$ 700,000	\$ 35,000	\$317,190	\$10,871,228	
Vine/Lemay/BNSF	Existing	\$ -	\$1,220,020	\$11,930,369	\$7,247,965	\$ -	\$1,000,000	\$ -	\$1,373,240	\$ 850,000	\$4,602,036	\$ -	\$ 500,000	\$ -	\$ -	\$28,723,630	
Intersection	Proposed	\$ -	\$ -	\$ 427,500	\$ 427,500	\$ 283,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380,000	5%
Improvements	Total	\$ -	\$1,220,020	\$12,357,869	\$7,675,465	\$ 283,000	\$1,242,000	\$ -	\$1,373,240	\$ 850,000	\$4,602,036	\$ -	\$ 500,000	\$ -	\$ -	\$30,103,630	
	Existing	\$ 2,694,602	\$1,230,345	\$17,031,480	\$7,247,965	\$ 3,461,000	\$1,000,000	\$265,000	\$1,373,240	\$ 850,000	\$4,602,036	\$ -	\$ 1,200,000	\$ 35,000	\$317,190	\$41,307,858	
TOTAL	Proposed	\$ -	\$ 200,000	\$ 1,201,500	\$1,201,500	\$ 783,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 4,028,000	10%
	Total	\$ 2,694,602	\$1,430,345	\$18,232,980	\$8,449,465	\$ 4,244,000	\$1,242,000	\$265,000	\$1,373,240	\$ 850,000	\$4,602,036	\$ 400,000	\$ 1,200,000	\$ 35,000	\$317,190	\$45,335,858])

DISCUSSION / NEXT STEPS:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Does Council Finance Committee support an off-cycle appropriation of Community Capital Improvement Project (CCIP) fund reserves to complete the Linden Street Renovation project?
- Does Council Finance Committee support off-cycle appropriations of the Transportation, Transportation Capital Expansion Fee (TCEF), and General fund reserves as well as CCIP – Arterial Intersection fund to complete the South Timberline Corridor project?
- Does Council Finance Committee support off-cycle appropriations of the TCEF, General, and CCIP fund reserves as well as Conservation Trust fund to complete the Vine/Lemay BNSF Intersection Improvements project?

Julie Pignataro; how many construction projects do we have going on right now?

Dana Hornkohl; we currently have three capital transportation capital projects underway that are suffering inflationary impacts and are budget stressed.

Julie Pignataro; how many projects in total are underway across the city?

Brad Buckman; the projects we are discussing today are specifically from the Capital Group in Engineering. Different departments are executing other projects across the city.

Julie Pignataro; you mentioned additional BFO offers for other projects for cost increases due to inflation

Brad Buckman; the projects being brought forward today are under construction and projects in the pipeline will be addressed with BFO offers for inflationary impacts. For example, the Utilities Service Area has a portfolio of projects that are experiencing inflationary impacts.

Julie Pignataro; do we expect that other projects will be coming forward with similar appropriation requests in the next few months?

Travis Storin; there is a risk of seeing similar requests from other parts of the city. We plan to come back to Council Finance in July to expand this topic beyond project specific conversations. In the case of these three projects, we are discussing today, we have shovels in the ground, so we need to talk now.

Julie Pignataro; on these construction projects, how much of a swing in budget do we anticipate on the low and high end?

Dana Hornkohl; we are typically budgeting between 10-15% for contingency once we reach construction to cover unforeseen needs or potential small scope changes that are encountered because of field changes.

Julie Pignataro; in the case of these three projects, we are going beyond those percentages. The 25% on the Timberline project is alarming. Can we go into more depth as to why the Timberline Project impact is so much higher?

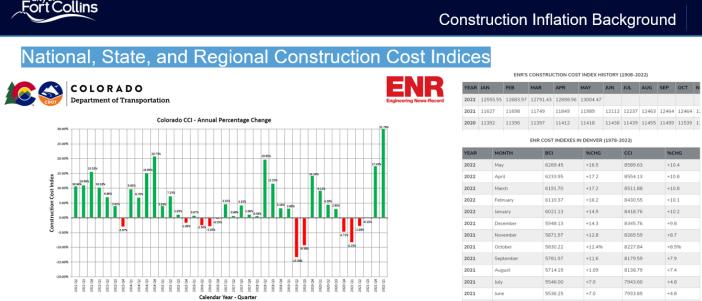
Dana Hornkohl; it is later in the inflationary surge than the other two projects - the costs were set at the latest and had the most inflationary impact — we also compared that to other roadway construction projects that were let in the same period in our area through Region 4 of CDOT and increases of between 20-30% have been experienced for most projects during that time and very few have been awarded due to this. While it was extraordinary it was not uncommon for that period of time.

Julie Pignataro; where would additional future funding come from?

Dana Hornkohl; primarily we have resources from CCIP (Community Capital Improvement Program) through 2025 that could augment these funds to help get these projects to the finish line but those have mostly been earmarked to other projects that are in the pipeline so we would be delaying those other projects. Those CCIP funds would need to be unearmarked and then applied to these projects.

Travis Storin; CCIP (Community Capital Improvement Program) consists of the ¼ cent tax that goes toward capital specifically - historically about 50% of that over all 10-year tax has gone to transportation type projects whether sidewalks or multimodal or arterial intersections.

Julie Pignataro; how are we applying lessons learned to future projects? The annual percentage change on slide 3 (see below) – the highs are higher, and the lows are lower – are we going to have a bigger swing in the future or what kind of plans does your department have as a result of what has happened?



- Colorado Department of Transportation, Colorado Construction Cost Index Report, Calendar Year 2022, First Quarter
- 2. Engineering News Record, Construction Cost Index History As of May 2022
- 3. Engineering News Record, City Cost Index Denver As of May 2022

Dana Hornkohl; I think paying closer attention to inflation and the trends that are related to construction. We are paying attention to three primary indices and the level of inflation across all three Indices doesn't always agree although they are trending in the same direction – I think paying closer attention to those indices and factoring that into all of our estimates as we reach 30%

Kelly Ohlson; I believe some of these projects were bid before inflation pressures really hit. Weren't parts of South Timberline and parts of Vine & Lemay bid before inflation took off?

Dana Hornkohl; that is correct, in the case of South Timberline, Phase 1 work was bid, awarded and underway well in advance and Phase 2 work was bid directly during the inflationary surge period. For Vine & Lemay, the majority of the construction infrastructure work related to the roadway was well before the surge. The inflationary impacts did apply to landscaping and irrigation and those prices had not been set until this same period (January and February 2022) and that leads directly to why there are insufficient funds to complete that particular portion of work for Vine & Lemay.

Kelly Ohlson; let's say a project was fairly bid and then inflation hit, why is that our responsibility as a city to bear the additional costs due to inflation? It doesn't work the other way – your data showed there was deflation of 10% some time and we didn't get a 10% discount. Does the city always bear the brunt of increased inflation, or do we have legal documents that protect us?

Travis Storin; I will speak to the city-wide view, often times we will see these contracts are developed as costs plus around the materials portion of these contracts. There are limited contractual tools available to protect the city and pass that risk to the contractor. Gerry Paul, our Purchasing Director is on the line and can provide some examples or context around how we manage primarily materials cost inflation.

Gerry Paul; CM/GC is a Contract Manager / General Contractor form of cost-plus contracts which are based on actual costs plus a markup and as part of that process; 30% design, 60% design and 90% design and at each of those points they are going out and getting quotes and estimates of what the costs will be, and costs are not locked in until we reach 90% design.

Vine & Lemay - landscaping and irrigation prices were not locked in until 90% design which was after the inflation surge hit

ACTION ITEM

Kelly Ohlson; would like to see a 1 - 2-page memo describing how we do our major projects and is that is the way

-90% of city and state governments do it? Normally what the 10-15% contingency is for if we decide we want to do something different - contingency is different than things getting more expensive. Would like to have information for Council in 1-2 months on how we actually bid and how we protect the taxpayers.

Gerry Paul; I will take the lead to follow up to provide an overview of the city-wide approach to capital contracting and I will work with Brad Buckman and his team. I think what we are doing is very similar to other municipalities where some jobs are firm fixed price bid and others are cost plus depending on the project.

Travis Storin; we could have that for the July 7th Council Finance Committee discussion around inflation. We could also include an overview of the different types of contracts that we do and why a certain tool is selected for a certain project.

Kelly Ohlson; That sounds good - doesn't need to be sooner than that - we are talking big picture - I support the funding and I think we just finish the projects doing the best we can and being as fiscally responsive as possible.

Did we explore wildlife crossing at either of these two projects (Vine & Lemay or South Timberline)? Colorado probably has 10 of them and maybe 10 more in the works - Were they needed anywhere?

Dana Hornkohl; I will get the answer and follow up.

Kelly Ohlson; does either project add road capacity?

Dana Hornkohl; in the case of Timberline, yes additional capacity is added as part of this project.

Kelly Ohlson; I don't want to hear that we don't add road capacity anymore because we actually do.

Kelly Ohlson; your charts show 10-15% inflation in many cases, but our fees we added based on inflation (adjusted annually) were 2%. In the future can we use the same data for construction projects that we use for fees - fees are not based on construction inflation

Travis Storin; the fees we charge for impact fees so capital expansion across police, fire, general government, and parks – the assumptions that are used in developing those fees, pricing those fees should track with what we are doing on the project side. The transportation capital expansion fee tracks to the construction cost index, the other fee components do not – they follow the traditional consumer price index – that is adjusted annually And then every 4 years – we do a fee study that comes through Council Finance Committee where we can update any of the underlying assumptions within the fee development - fees should come up for adoption in January 2023 – you are right, there is a conversation worth having around fee inflation assumptions that are used on the revenue side versus the cost side

Kelly Ohlson; I don't want the high number used for the construction cost and the low number used for fee increase.

What are the conservation trust fund dollars being used for?

Dana Hornkohl; it is only being used for the trail portion planned for the underpass under Vine & Lemay which is part of the future Northeast trail system.

Kelly Ohlson; I support funding so we can complete these projects

Emily Francis; I know we didn't see this coming, but I am concerned about how many projects we are going to see impacted by inflation and if we fully fund this how does that impact fully funding of future projects that come to us. I don't think we have enough information to understand the tradeoff of partially funding. For the Linden Street project, I see seat wall caps and outdoor furniture - does that really cost \$500K?

Dana Hornkohl; there are seat walls that are planned around some of the planters at the ends and in the middle section of the street – the seat wall caps are one of the more expensive elements going around those - Those are the two primary or highest costs items that would be short changed if we were unable to complete the project.

Emily Francis; for South Timberline it says 'remaining improvements' – So, if we didn't want to fund the entire amount - What is the gap? What are you suggesting that we do not fund?

Dana Hornkohl; essentially there are three items on Timberline that we have the option of funding or not funding which include; traffic signals, irrigation and landscaping with the traffic signals being integral to the work. We could fund just the traffic signals and not the irrigation and landscaping

Emily Francis; so, what does that mean for the project? that it just doesn't look as nice? What are we delaying? Is it just aesthetics? How do we get that funding? For Vine & Lemay – is that the whole underpass as well?

Brad Buckman; the underpass at Vine & Lemay is currently funded - the additional funds that are needed for Vine & Lemay would be totally applied to the irrigation and landscaping. The project budget did have sufficient continency funding to complete the underpass – the cost overruns that contributed were partially attributed to the underpass.

ACTION ITEM:

Emily Francis; for future conversations like this, it would be helpful to have information about different levels of not fully funding and what those tradeoffs involve.

Brad Buckman; for South Timberline, there was the difference between the signals and the landscaping and irrigation – the signals are absolutely needed – that difference is \$1.6M to get the project done with the signals. The additional \$500K (for a total of \$2.1M) is with the landscaping and irrigation which we view as integral to completing the project but not needed for traffic.

Emily Francis; that information would be so helpful so we understand what 70% funding might look like. It is only going to get more expensive. It sounds like we will look at this more holistically at the July Council Finance meeting about how we are looking at all of the budget items.

Travis Storin; that is correct - and moreover, those projects are further upstream in their design phases and are not yet in construction so there is a greater deal of flexibility around partial funding types of options as you describe versus the projects in front of you today which are currently in construction and needed to jump to the front of the conversation.

Emily Francis; that makes sense - there are a whole list of projects that are going to be impacted. Does that mean that if we say yes we are going to go ahead with funding these, does that mean we are going to have to look at funding for the projects listed as well?

Travis Storin; I don't think we can speak with certainty to that level, there are conversations around the scoping, design, and partial funding rather than us simply saying we have double digit inflation, and we need to ask Council for a bigger appropriation. To what extent to the other projects fall into the categories, I can't speak to that at this point.

ACTION ITEM;

Kelly Ohlson; a request for July or August - Can we have a list of the major transportation projects we anticipate in the next 5 years as things stand now? What department owns the Mulberry project and why is that different that Vine / Lemay and South Timberline? Who handles what transportation projects? When you are replacing bridges, resurfacing the road, and adding bike lanes, a lot of us think of that as a transportation road project.

Brad Buckman; Mulberry is a combination within PDT of Streets, Traffic, FC Moves and Engineering. A consolidated transportation projects. The three projects we are talking about today are Engineering projects.

Kelly Ohlson; so, who is overseeing that one? So, a bit confusing when we are told there are only three in the pipeline, what we drive on Mulberry and have to go another way – we see that as a street project and then today we are told these are the only three.

Dean Klingner; Mulberry is confusing, we completed a project on Mulberry in the last few years that really did change the way the transportation operated, and that project is completed. What is going on with Mulberry right now that is causing the closures in an under-street Utilities project

Kelly Ohlson; so, is it Laporte that is going to replace two bridges?

Dean Klingner; for Laporte, that project is not currently in construction which may be causing some confusion.

Julie Pignataro;. I feel much better supporting Linden project and the Vine & Lemay overpass. I don't feel as good about supporting the whole Timberline project especially now knowing that it includes adding lanes. Obviously we are adding safety as well — to that point when I look at the back up slide (see below) the potential future project impacts - when you look at the pipeline. I hope that we are prioritizing things such as the Power Trail crossing, because maybe there wouldn't be as much traffic on Timberline if someone could actually ride their bike safely. Things that enable people to get around in ways other than a car



Potential Future Project Impacts

15

- Power Trail at Harmony Grade Separated Crossing
- Siphon and Union Pacific Overpass



- College and Trilby Intersection Improvements
- College and Drake Intersection Improvements



 Laporte Corridor Improvements – Fishback to Sunset

Julie Pignataro; I will support but this is not a good news item - I am supportive but very cautious — I appreciate, and I see that your whole department is being that way as well.

Emily Francis; I agree - I support Linden and the Vine /Lemay but I am also hesitant with South Timberline as well. Will we have information on how appropriating this might impact the other projects listed by the time it comes to Council?

Brad Buckman and Dana Hornkohl; absolutely

Brad Buckman; we definitely have a focus on bike and ped projects and multimodal projects. The South Timberline project is also multimodal – we are vastly improving the bike and pedestrian network there. We are adding a relatively short stretch of extra traffic capacity which is due to development in that area. We very much take your point and agree with the direction for sure.

Julie Pignataro; would be great to tie in how each of these projects meets Council's goals

Travis Storin - Summary of Discussion

- Consensus reached on bringing this forward to the full Council
- Good feedback around expectations for a fee study for future capital improvement fees
- A desire for an inventory of projects

Note; In each year's Budget document on page 30 you will see a map of all projects that are proposed regardless of the department they come from, and they are flagged by outcome area.

• Come forward with partial funding options in addition to the fully funded options

Julie Pignataro; will the information on page 30 of the budget document include who owns the project?

Travis Storin; it would be easy for us to add the Service Area to that map display in future budget documents.

Kelly Ohlson; and for July, to understand how we bid for projects and practices to protect the taxpayers and residents of Fort Collins as well as making sure we get an adequate number of bids.

Also, a simple chart of major construction projects that are coming in the next five years leading with transportation - just the best guess at that moment in time

B. Sustainable Funding Update

Ginny Sawyer, Sr. Project Manager Jennifer Poznanovic, Sr. Manager, Sales Tax & Revenue

EXECUTIVE SUMMARY

The purpose of this item is to continue the discussion on identifying practical and viable mechanisms to fund desired service outcomes for specific identified funding needs by highlighting specific mechanisms and the direct annual impacts to residents.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- 1. What questions does Council Finance Committee have on revenue mechanisms?
- 2. What funding level does Council Finance Committee want to target?
- 3. Does Council Finance Committee agree with proposed next steps?

BACKGROUND/DISCUSSION

Over the past several years, masterplan developments and updates have identified clear funding needs in the areas of parks and recreation, transit, and housing. Along with these needs and knowing the criticality of the City climate action goals, Council Finance Committee has asked for climate funding needs to be included in funding conversations. Annual shortfalls range from six to twelve million per area.

Funding needs identified and discussed previously:

- Parks & Recreation \$8 to \$12M annual shortfall (Parks & Recreation Master Plan)
- Transit \$8M to \$10M annual shortfall (Transit Master Plan)
- Housing \$8M to \$9.5M annual shortfall (Housing Strategic Plan)
- Climate \$6M+ annual shortfall (not all OCFs Big Moves have funding identified)

Staff continues to work with Council Finance Committee to further refine both the needs and the potential funding mechanisms to close the gaps. This work includes on-going Council Finance meetings, Work Sessions with the full Council, developing an engagement plan, and ultimate implementation.

The following bullets highlight workplan considerations:

- Clearly define and articulate revenue needs and level of service considerations
- Thoroughly research funding options including impacts and the context of existing and potential new tax measures (local and regionally)
- Recognize and work within the desire to keep overall tax burden as low as possible
- Consideration of existing dedicated tax renewals and associated election timelines

Timeline:

To date:

- December 2021: Begin discussions on identified funding gaps
- January 2022: Deeper dive with CFC on the projected gaps in each area
- March 2022: Meet with CFC to review all possible revenue mechanisms
- April 2022: Full Council work session to review work to date
- June 2022: CFC to discuss most feasible funding mechanisms and targeted funding amounts

Future

- Refine acceptable funding mechanisms
- Consider any voter approved mechanisms along election options

Engagement efforts

Potential Funding Mechanisms

Numerous potential funding mechanisms have been discussed with Council Finance Committee. Of those discussed previously, sales tax, property tax, user fees and excise taxes have emerged as the most feasible. The table below demonstrates the potential revenue gain along with any annual impact to residents.

Category	Funding Mechanism	Annual Revenue Estimate	Resident Impact
Sales Tax	1/4 Cent Sales Tax (dedicated, ongoing or repurpose)	\$9M+	 \$30.67 average per/year for a resident Sales tax on food would remain at 2.25% Visitors also impacted
Property Tax	1 Mill Property Tax	\$3.5M	Residential annual increase of \$21.45Commercial annual increase of \$87.00
	2 Mill Property Tax	\$7M	Residential annual increase of \$42.90Commercial annual increase of \$174.00
	3 Mill Property Tax	\$11M+	Residential annual increase of \$64.35Commercial annual increase of \$261.00
Excise Tax	5% Tax on Specific Goods	\$5M	\$5 per \$100 purchase in Fort CollinsVisitors also impacted
User Fee	\$5 Monthly User Fee	\$4M	\$60 annually/resident
	\$10 Monthly User Fee	\$8M	\$120 annually/resident
	Commercial User Fee	TBD	TBD for commercial properties in Fort Collins

The mechanisms above include both taxes and fees. Taxes require voter approval and can be used for any public purpose authorized by City Council. Fees do not require voter approval and they can only be imposed on those likely to benefit from the service funded with the fee.

Targeted Funding Options

The identified funding gaps will likely be addressed utilizing multiple funding mechanisms.

For demonstration, staff has drafted five scenarios within the PowerPoint which target a diversity of funding sources totaling amounts between \$10M and \$40M. These scenarios are not intended to be final or recommended options. They are intended to demonstrate the flexibility and variable means and ways to add additional revenue to cover the identified gaps.

These scenarios do not tie a mechanism to a specific funding gap but instead focus solely on the funding mechanisms and targeted funding amounts. Future meetings will focus on the distribution of funds and service levels desired.

Proposed Next Steps

The staff project team will continue to meet and work with direction from Council Finance Committee to refine options. Council touchpoints will include regular updates at Council Finance Committee and an upcoming Work Session in the fall.

DISCUSSION / NEXT STEPS:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- 1. What questions does Council Finance Committee have on revenue mechanisms?
- 2. What funding level does Council Finance Committee want to target?
- **3.** Does Council Finance Committee agree with proposed next steps?

Julie Pignataro; I am fine – I would like to go for the highest level we might as well go big because we have a lot of shortfalls

On slide 5 (see below) Were the choices made a result of the discussion with the full Council? I am not seeing the connect



POTENTIAL FUNDING OPTIONS

	Mechanism	Annual Revenue Projection	Impact to Residents
1	Special districts (Library District Mill Levy 3.0)	\$11M+	Business, Resident
2	Property tax (Library District Mill Levy 3.0)	\$11M+	Business, Resident
3	Large emitters fee	\$11M+	Business
4	¼ cent sales tax base rate increase	\$9M+	Resident, Visitor
5	¼ cent additional dedicated sales tax	\$9M+	Resident, Visitor
6	Repurpose ¼ cent dedicated tax	\$9M+	Resident, Visitor
7	Excise tax on specific goods	\$5M	Resident, Visitor
8	Business occupational privilege tax (\$4 monthly/\$48 annually)	\$4M+	Business
9	Tax on services (i.e., haircuts, vet service, financial services, etc.)	\$4M+	Business, Visitor
10	User Fees (parks, transit) (\$5 monthly fee/ \$60 annually)	\$4M	Resident
11	Reconfigure capital expansion fees (Affordable housing)	\$2M	Business
12	Establish new capital expansion fees (Affordable housing)	\$2M	Business
13	Carbon Tax	\$2M	Business

Ginny Sawyer; yes, both with this Committee and the full Council that some of those other options weren't received as viable or we didn't get as much interest in those options. If we are mistaken – all of these are still on the table but for today's exercise we went with our traditional and standard options – we are better able to anticipate how much revenue we would get from them.

Julie Pignataro; I felt with the Large Emitter's Fee and the Carbon Tax we just weren't given enough information to make an educated guess on them.

Ginny Sawyer; we can revisit those – if I recall correctly, the large emitters who are required to report by the state were less than a handful in the city

Julie Pignataro; I am good with the bigger chunk and no questions on the next steps

Emily Francis; I agree with Julie, I didn't think the large emitter fee was taken off the table. At the work session, we were providing an update to Council and the community on what we were talking about instead of a hard no. I think Council is still interested in the Large Emitter Fee regardless of how it fits into meeting the funding gaps. I wonder if this could be done more quickly and separately – instead of having it be part of our overall funding – it seems like a different thing – more heavy industrial impact

Excise tax - is that usually on sugar sweetened beverages or tobacco?

Travis Storin; we also see that for marijuana and gas. The highway tax is an excise tax that we all pay at the pump. But you are correct, it is most often used as a form of a 'sin' tax. We have also talked about packaging and whether we would levy that kind of tax against plastic containers versus aluminum or glass containers as an option, however, it is usually attached to the good and not the packaging.

Emly Francis; I am not supportive of excise taxes as I think they disproportionately impact lower income communities more. I don't know if an excise tax that would kick in over a certain dollar amount is feasible for example the purchase of a new car over a certain dollar amount

John Duval; I would have to investigate that more, but I do think it is a possibility since it is a tax. You probably can make it somewhat progressive. I don't think it would be considered an income tax which municipalities cannot impose. Specific to a certain value for luxury cars – excise tax on luxury cars. I will look into this.

It is in the state constitution that we cannot impose an income tax. So that is one of the things with certain taxes, we need to be careful how we calculate and collect them and make sure they do not cross that line.

Travis Storin; around excise tax, we have heard the input from this committee loud and clear around disproportionate impacts and that is where the thinking spurred around looking at plastic versus other types of containers and marijuana - thinking that doesn't have quite the same demographic impact as alcohol, tobacco or sugar sweetened beverage would. Kelly has brought up some valid concerns around what that means to black market type activities and Jim Lenderts, our marijuana enforcement officer would be happy to come to a future Council Finance Committee meeting if that is a discussion we want to explore in greater detail.

Emily Francis; if we do have more information about the marijuana part and the impacts, I know that Denver has passed some as well - that data would be useful for a future meeting. I am still hesitant on the packaging - I think it is a good incentive, but I don't think it is incentive enough for the market to change to offer alternative packaging. More information here would be helpful in that space.

Finance committee had also requested that we look at a higher fee or tax based on the size of your home (square feet) – have we included any of that as well?

John Duval; I have not heard of a mil being applied to only a larger home (square footage or a certain appraised value), but it follows along with the idea of a luxury tax. We could look into that and see. On the fee issue, a higher fee for a greater square footage, we already have a capital expansion fees that are based on square footage. The higher the square footage the higher the fee. In assessing a fee, we have to calculate in a way that is reasonably related to the services that are provided to the fee payer. If we can make a connection between greater square footage to the fee payer getting more benefit then It is theoretically possible. We could look at that.

Emily Francis; I think Boulder has an increased fee for larger homes.

Travis Storin; I am presuming that this committee and by extension the full Council - that whichever mechanisms are selected, there is going to be a desire to devise the types of mechanisms that would defray costs to disproportionately low-income populations – that is probably further down the process than we are right now For example, If there is a desire around a ¼ cent sales tax, then we can really start to unpack what are the ways we can defray the impact that might have on disadvantaged populations.

Emily Francis; I guess my hesitancy is in choosing and then going down the path as it would be hard to go back as opposed to having preliminary information before selecting makes more sense to me.

I am with the middle or the higher category. My concern with the higher category is the high annual increase per resident – middle category is \$95 net increase versus a \$200 increase for the larger bucket. If there are more options under the higher funding option (\$30M-\$40M). I would take the lowest one off of the table and focus on the other two categories. The next steps are fine. More information on the marijuana would be useful Hesitant about packaging – market needs to change.

Timeline – what is our estimated goal of when we are thinking about getting something on the ballot?

Ginny Sawyer; looking at the options of when we could and then identifying what Council would like to put forward first. If we do a new dedicated or raise the sales tax or an excise tax, or a property tax - all those would have to go to the voters. So right now, it is landing on what are those preferred mechanisms and which makes sense and how the timeline looks - a lot will depend on November - if we eliminate an election, that will change the landscape as well.

Kelly Ohlson; this is the most complex problem we have dealt with by far.

I thought staff was going to try to narrow those ranges on each of the four categories and then next to it, provide a feel in general of what we might get for that. Our goal in this category is this much money and this is approximately what you get for that amount. Is each of these categories going to have a specific funding source? If you get \$xx out of a 3 mil increase, does some go to affordable housing and some to transit?

Ginny Sawyer; in an effort to simplify this and break it off in chunks - what we tried to look at which mechanisms and how much we think the community will tolerate. If we do like the idea of a new dedicated, then our next step would be saying - here is what we think a new dedicated will bring in, how do we want to distribute these funds amidst our needs.. Maybe we should change our approach and look at how much money we want to put in each area and back into it that. As you said, this is complex, and this is one approach we took today.

Kelly Ohlson; You probably aren't going to ask for four increases on the same ballot. The reason it is complex is that you probably want to mix and match whatever funding sources we were successful at - to go into those various categories because, otherwise, some of the categories we have identified could get zero dollars and some could get 80% of their dollars.

Travis Storin; I think what you are describing Kelly, is how and to what extent will this funding meet our priorities and what are the outcomes that these dollars would drive. That is the critical path – that work does need to be a part of this equation. The approach today is around what are the tools we think are in play from the tolerance approach that Ginny mentioned - at some point, we will have to develop - for the tools that are selected as preferred by this committee, do we want to go the prescriptive route as was done for KFCG where we have prescriptive percentages going to services by that exact percentage or is it more open ended – like the CCIP where we develop a list of projects - this is the list for this ballot period and these funds can only be

used for these projects OR is it more open ended – it can only be used for these four categories but in a percentage that Council sees fit from budget year to budget year. Most assuredly, there will need to be a conversation on how and if we are narrowing down each of these funding sources to very specific uses or a broader set of criteria that Council wishes to adopt - no bones about it - that is critical path.

Kelly Ohlson; I thought I was favoring as one of the options, moving the street maintenance sales tax over to a monthly user fee on the utility bill - which would essentially free up another ¼ cent for additional expenditures — and be less regressive then adding another ¼ cent as it looks like the user fee is per resident and I am thinking it should say per household.

Travis Storin; \$10 monthly user fee would be per household NOT per resident.

Kelly Ohlson; unless we adjust for low-income households, this now looks more regressive than a sales tax increase where you also get the revenue from visitors to Fort Collins - I was a fan of moving the street tax to a fee - I am not there at this moment but will remain open. I want to refine the gaps of what we are actually going to spend and simply that.

I don't believe that the polluter tax was to be taken off the table — I think there was a difference of opinion, but there is a serious majority that would want that in the discussion phase of this. It could be related to climate change, to pollution, to the chemicals related to climate change. I would prefer something broader so we could address our air quality and climate change at the same time, and I would like that back in play. I would expand it to many more emitters, more types of pollutants and polluters, climate change. That is something we could pass, and it supports our climate and air quality goals. I would like to know how much we need in each of those areas and what we will get for it knowing that it may change. I don't think we took anything off the list. I am more interested in the property tax and the polluter tax. We have needs - let the voters decide. I am more in the middle category but am also open to the larger category.

Travis Storin - Summary of Discussion

- Our next step is coming back to Council Finance probably in September.
- We will bring back preliminary ways to defray the impact to lower income households
- Keep the polluter tax in the mix and bring back some considerations for the committee for a large emitter fee
- As we are reaching a consensus on the targeted funding levels, how much of each priority gets funded and what can be specially accomplished across the four categories at those levels of funding
- Support for the high and middle levels of funding (see slide below). Staff to come back with what the outcomes are that can be achieved in each of those funding cases across the four priorities.





Kelly Ohlson; I don't think we are limiting it to a large emitter fee because this is only 3-5 entities. (25 metric tons is the standard for being a high emitter). We want other options explored in that category

C. Park Design Guidelines & Standards

Kurt Friesen, Park Planning & Development Director Mike Calhoon, Parks Director Victoria Shaw, Community Services Finance Manager

EXECUTIVE SUMMARY

Parks operation & maintenance costs have increased over time due to several factors including price escalation/inflation, increased park usage, new amenities, and more inclusive design. The Parks & Recreation Plan adopted in 2021 provides the framework for development of the city parks system and recommendations both for existing and new parks. The plan includes key recommendations, park classification typologies, park design guidelines, typical amenities and level of service standards that guide the development of new parks, as well as inform improvements to existing parks. Recently constructed parks have incorporated many cost saving strategies to reduce long-term maintenance costs, however net maintenance costs have still increased.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

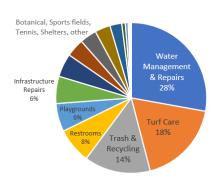
What additional information is Council Finance committee seeking regarding current park design guidelines and standards?

BACKGROUND/DISCUSSION

A memo to Council members was provided in the council packet in support of the Sustainable Funding work session on April 12, 2022 (Attachment 2). The memo provided an overview of current park maintenance and design practices, along with corresponding cost trends. This item provides additional detail on park design methodology, including standards and guidelines for parks.

Maintenance Cost Trends and Cost Reduction Strategies in New Parks

Parks maintenance costs are influenced by multiple variables, including the size of the park, number of amenities, level of usage, and complexity of design. The Parks department tracks costs for staff time and direct costs by park amenity, and breaks out maintenance costs for neighborhood parks into the following categories:



Costs of Neighborhood Park Maintenance

Overall, the ownership costs of neighborhood parks are categorized as follows:

- Size/Acreage of park: about 75% of park maintenance costs are tracked by the size/acreage of the park, such as water management, turf care, and trash & recycling, and snow/ice removal costs.
- Major features: 15% of average costs are attributed to whether the park has a playground and/or bathroom. These amenities require ongoing maintenance, but the costs will not scale with the size of the park.
- Volume of other amenities: 10% of average costs are driven by the quantity of fields, courts, or shelters.

In addition to inflation and price escalation pressures, newer features have also contributed to increased costs. For example, the inclusion of a loop walk has become standard among newer parks. The loop walk is one of the most used features by park visitors and provides improved access for Parks maintenance vehicles. However, these wider walks also require additional snow/ice removal which adds to ongoing maintenance costs.

In newer parks, numerous strategies to reduce maintenance costs have been incorporated, which include:

- More advanced, higher efficiency irrigation systems, resulting in decreased water usage and more efficient operations
- Post-tensioned concrete slabs for courts, significantly reducing ongoing court maintenance, increasing court life span, and reducing subsequent life cycle replacement costs.
- Large native seeded areas in parks, resulting in reduced irrigation demand after establishment
- Wider walks for convenient parks maintenance vehicle access and snow removal.
- 2-year maintenance and establishment conducted by contractor, ensuring park is in good working order when Parks maintenance staff takes over.
- Raw water usage significantly reduces irrigation costs over the life of the park
- Crime Prevention through environmental design (CPTED) principles to allow for seamless access and safety

In some cases, short term maintenance costs may increase. For example, native vegetation buffer areas require additional care and attention during the establishment period, typically in the first 5-8 years. After that, maintenance efforts for native areas subside and additional savings is incurred through reduced irrigation demand and required maintenance for these areas.

Parks & Recreation Plan Overview

An update to the Parks & Recreation Plan was completed in 2021, providing a robust vision and framework for development of parks and recreation facilities, programs, and amenities city wide. The plan is available here: https://www.fcgov.com/parksandrecplan/ There are three primary parts to the plan that inform park design standards:

- 1. Park Classifications, Guidelines and Typical Amenities. This section provides guidelines for development of parks, including 7 distinct park classifications, guidelines for developing each of these 7 park types, and typical amenities found in each park type. Design Guidelines are found on p.105 of the Parks & Recreation Plan.
- 2. Level of Service Standards. A city-wide level of service analysis identifies where key park amenities are needed today or will be needed as the city continues to grow. Both population and access standards are provided for major park amenities. Level of Service Standards are provided on p. 161 of the Parks & Recreation Plan.
- 3. *Policy Framework*. This section identifies a path forward for parks and recreation in Fort Collins, including 10 goals, with specific actions and methods for each goal. The policy framework can be found on p. 211 of the Parks & Recreation Plan.

Park Classifications, Guidelines and Typical Amenities

In the past, only 2 primary classifications of parks were identified: neighborhood and community parks. The 2021 updated Parks & Recreation plan provides 7 total park classification types, both to clarify how existing parks function and to provide guidelines for future park typologies to meet the needs of current and future residents. For each park classification type, the Parks & Recreation plan provides a description, approximate size, anticipated length of visit, means of access, typical amenities, and a design guideline diagram outlining approximate use zones within the park. These zones of use include intensive use areas, programmable gathering spaces, recreation areas, casual use spaces, and natural system areas. Although not prescriptive, these guidelines provide a framework for new park development, as well as a tool for evaluating updates or improvements to existing parks. The 7 park classification types include:

- Community Park
- Schoolside Park
- Neighborhood Park
- Urban Park
- Plaza
- Mini Park

Level of Service Standards

Level of service standards help guide decisions about how many recreational amenities are needed and where. Population-based standards address how many amenities are needed and access-based standards address where amenities are needed, both now and in the future.

- Population Based Standards. Level of service expressed as a ratio of number of amenities to population. The
 current ratio is compared to a recommended ratio, which indicates whether additional amenities are
 needed
 - Several data points were considered in setting the recommended level of service standards, including the current level of service, the level of service of 5 peer cities (Aurora, Boise, Boulder, Madison, Minneapolis), national participation trends and community priorities.

- Depending on the park amenity, some data supports raising the current level of service, while other data supports maintaining or lowering the current level of service.
- Access Standards. Level of service standards expressed as a travel time within which residents should be
 able to get to a particular park amenity by a particular mode of transportation. Access standards indicate
 where new amenities, or better ways of accessing existing amenities, are needed.
 - Resident expectations of how close park amenities should be to their homes and the City's ability to provide these amenities, vary by type of amenity. Two tiers of access standards have been identified:
 - 10-Minute Walk Standard for amenities that have broad drop-in use, and are well used by children, including rectangular fields, playgrounds, and basketball courts
 - o 5-Minute Drive Standard for amenities that are used by a subset of residents, including pickleball courts, dog parks, community gardens, and diamond fields

Used in combination, the population-based standards provide a snapshot of the level of service provided by current park amenities and a road map for addressing the number and location of amenities in the future. The level of service standards can be used to help prioritize which actions will increase equitable access to recreational amenities for the most residents.

Level of service standards can and should change over time as industry trends change and demographic trends of the community change. Beginning on p. 168 of the Parks & Recreation Plan, a series of illustrative maps are provided identifying where new park amenities are needed city wide based on the level of service criteria.

Policy Framework

Key recommendations from the Policy Framework regarding park design standards include:

- Provide equitable access to parks through expanding the usability of existing parks, serve growing and
 under-served communities in established parts of the city by securing new parkland, and build new parks to
 serve newly developing parts of the city. Park spaces should be intentionally designed to support casual,
 impromptu use. Ensure that every park has a framework plan to identify the intended use and in what areas
 of the park those intended uses are meant to occur (Goal 1, Method 1.1, 1.2, 1.3, 1.4, Action 1.1.1).
- Protect and enhance natural, historic, and cultural resources in parks. This is accomplished through
 integrating native plants with high pollinator value to increase the ecological value and biodiversity of parks
 and by prioritizing the use of raw water or other irrigation systems that conserve water resources and build
 resiliency (Goal 4, Actions 4.1.3, 4.1.4)
- Elevate the design of parks by developing a unified design language that is flexible enough to allow for individual park identities. (Goal 10, Method 10.1)

DISCUSSION / NEXT STEPS:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

What additional information is Council Finance committee seeking regarding current park design guidelines and standards?

Kelly Ohlson; when was the Parks Master Plan adopted?

Kurt Friesen; it was adopted in January of 2021.

Kelly Ohlson; do we really need all those new parks and if so, why? So, we don't continue digging deeper holes in the future for operations and maintenance

Kurt Friesen; I think that is a question of prioritization and that is really what the plan is all about.

Level of service standards (some examples shown include 5 min drive / 10 min walk)

If we don't want to meet those level of service standards, then we could probably reduce the number of parks. We could think about how many amenities are appropriate in parks. We are trying to achieve a base line level of service across the city from the equity perspective.

Kelly Ohlson; Slide 4 (see below) great pie chart showing Costs of Neighborhood Park Maintenance. Have I seen this information / pie chart for community parks?



Park Design and Maintenance Costs

1

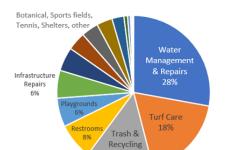
Operations & Maintenance Cost Drivers

Costs are driven by

- · Size of park
- Amenities & Park Complexity
- · Usage & Programming
- Proximity to Maintenance Facility
- Weather
- Vandalism

Park costs are be measured by various components:

- Acreage
- Major Amenities
- · Quantity of Minor Amenities



Costs of Neighborhood Park Maintenance

Victoria Shaw; we have included this information (pie chart) in a memo that went out to the full Council – but this slide (above) is just for neighborhood parks.

Kelly Ohlson; Do we have this slide for Community Park Maintenance?

Victoria Shaw: we do not but are happy to put one together

Kelly Ohlson; that would be helpful – what jumped out to me was 46% for turf and water - almost half - I don't know how you reduce trash and recycling and restrooms and then you are down to 6% or less for the different categories – looks like any future cost savings is in the turf and water piece

Mike Calhoon; you are spot on - new design standards for parks include softer edges and less turf. We are being very thoughtful about where the turf goes and minimizing that because that is a cost driver for us.

Kelly Ohlson; why do we use treated water in so many parks?

Kurt Friesen; we strive to provide raw water wherever we can - all but one of our community parks use raw water but with neighborhood parks it gets a little more challenging – within our city water district boundary, we have a fairly high amount that are on raw water but once we move outside of that boundary - there is a cost benefit analysis to be done simply given what it takes to deliver a small amount of raw water to a small park – We aren't seeing that is makes financial sense to do that (the benefit is bigger for larger parks)

Cresent Park is on raw water -

Mike Calhoon; driven by the geographic location of the parks in relation to where the ditches are – that is where you get into challenges. We may have a gap for a park, but we may not have an irrigation ditch that can feed it. Physical restrictions present challenges

Kelly Ohlson; when you mention integrate native plants and plants with high pollinator value - to increase ecological value and biodiversity of parks (which I am all for)

You don't mention any other diverse tree plantings or habitat plantings for wildlife – are we just simplifying for examples – do you look at other plantings for other things than pollinators?

Kurt Friesen; we are thinking holistically about those native zones as ecosystems - we want to select plants that work together whether it be a ground cover up to the trees so the plants that we introduce on those edges particularly in the neighborhood parks— there are trees, shrubs and grasses that fit within that low water use perspective and provide all the things you are mentioning.

Emily Francis; this is so helpful to see the whole picture – with the same caveat as Kelly, I love parks and all the benefits they provide; however, we keep digging ourselves into this hole.

What is the city's goal for levels of service and how residents are ranking things?

Kurt Friesen; level of service is really the analysis presented - several factors; peer city analysis, how do we measure up to other communities and what they are doing, participation rates fluctuate so that factors in, and it speaks to preferences, the main thing that informs that portion of the analysis is the statistically valid survey that was done as part of our Parks & Recreation Plan as well as stakeholder outreach. Those are the pieces that really inform the level of service, how we want to provide park amenities, how many and where they go and then when it comes to satisfaction the annual survey goes out city wide.

Kelly DiMartino; Emily, if part of your question, do we have a target for resident satisfaction in our survey numbers - we do not have a standard target that we set for resident satisfaction. Some of our departments through our Community Dashboard or our Strategy Maps that we do, they do set targets, but we don't have a standard target established.

Emily Francis; thank you – I think the 94% satisfaction level with parks is great and we have many competing priorities, so you look at – I was curious about whether all departments are aiming for the same satisfaction level as that is what dictates where our funding is allocated.

When we talk about those access-based standards, do we consider the type of housing that is in that area - when we talk about equity in the plan, apartments and townhomes and parts of town that have a higher concentration of those would need parks with more open space – when we talk about access-based standards, is that taken into account?

Kurt Friesen; I think the 10-minute walk speaks to that directly and is a great equity index for us - regardless of where I might live in the city, if I can walk to a park that is a great equalizer and something we all want to be able to do. If we can achieve that metric, everyone should have equal access to that amenity.

Emily Francis; I am going to politely disagree with you - I have a yard and space — apartment complexes don't have that luxury, so when we talk about access to amenities and use of space — the housing type greatly impacts how people use space and parks differently. When we are talking about how we build community, where we build larger community parks as opposed to smaller, neighborhood pocket parks, to me, if we are prioritizing and equity is at the forefront, the larger community parks and more access to space would be located near higher density units. When we talk about prioritization and standards and how people use space, we really need to consider housing type and neighborhood access. Twin Silos is a beautiful park — a lot of the homes in the area have huge yards whereas Hickory Mobile Home Park has small homes and a tiny park with very low amenities. Doesn't seem equitable if we look at housing type. To the bigger question — do we need to build all of these parks and then prioritizing them — how are we looking at how we prioritize where we build parks and what type we are building?

Do we have a policy or standard on the percentage of new parks we are building that utilize native seed or the more natural system use, or does it just depend on the park?

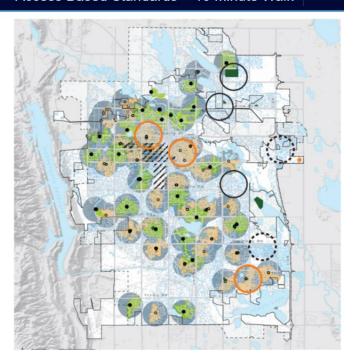
Kurt Friesen; level of service analysis – for new parks, we are trying to limit turf to recreational fields. The level of service analysis, having recreational fields is a need city wide. When we are designing new parks, we are incorporating a field with turf area only to the boundaries of that field. The plan also speaks to revisiting older parks – maybe reducing the irrigation footprint for those parks by incorporating some of those native edge conditions. Every new park that we have built in the last eight years has been largely native except for that irrigated turf field.

Emily Francis; my feedback would be - as we are looking at this very large funding gap, we really do need to think about how many parks we need, the level of service, where and how many we are building, how much of the park's costs are in our control (water and turf management) and how we are changing where we are going with that. Can you remind me if we take school fields into account when we look at access?

Kurt Friesen; that is a key part of our discussion around our parks and recreation planning effort – trying to build better relationships with the schools is key in unlocking access for certain community members. Some school playgrounds and fields are not fully accessible. If we could incorporate a better relationship with the school district and work in a way to make more those more accessible really helps us meet that the service levels standard. We want to have a better relationship with the school district







Kurt Friesen; (see above) the orange circle indicates a school site that would fill a level of service gap (basketball court) without building anything new.

Access standard of universal access can be met if we can work with the school district on granting access. Some schools lock the gates and there is no access. Lower the level of service – the 3.7 includes the schools

Julie Pignataro; this has been super informative - I live close to Spencer Park and I have never seen a single person standing or sitting or using – there is nothing there except an old milkhouse

Mike Calhoon; that would have been considered a mini park in our old classification system When we did our costing years ago – we broke them into community and neighborhood parks and internally the staff would refer to the Freedom Squares and Spencer's as mini parks. When we did the parks and recreation master plan and we came up with these classifications, it was officially designated.

Julie Pignataro; is there an easy answer to how we got to where we are today where there is such a shortfall? Was it a shortfall for operations and maintenance that we are trying to make up for?

Mike Calhoon; I'd like to break the answer into three pieces;

- Parks are purchased, designed, and built with impact fees.
 We are pretty good impact fees when parks are designed and built
- 2) O&M money for the day-to-day operations.

 We are pretty good with O&M even though it keeps going up because we add more parks.

3) Infrastructure replacement money which we are talking about in the sustainable funding effort Our gap is here - we tried to work hard over the last 20 years

We established the Lifecycle Fund and we initially put \$500K aside for infrastructure replacement. We tried many times to incrementally increase that, but we never could increase it because of competing demands on the budget. Right now, we are at \$660K

One reason for that is that we added a 1\$ fee on reservations which brings in about \$40K per year We have not been able to keep up with funding this piece.

ACTION ITEM:

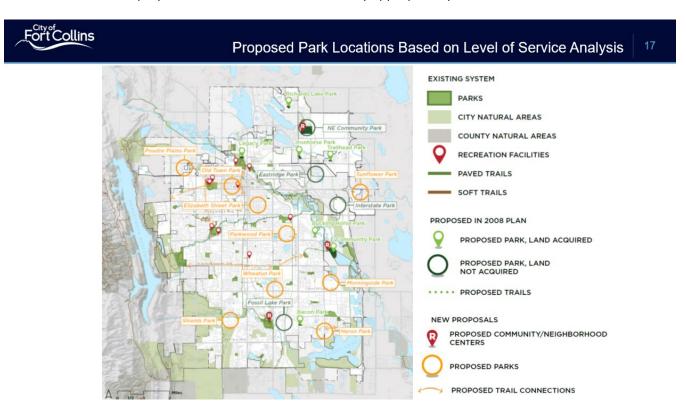
Julie Pignataro; reiterating what Kelly said earlier - it would be so helpful to have a slide like we have for neighborhood parks for all types of parks including how much new parks cost.

And for the Infrastructure replacement piece - How long do you anticipate it would take to get there- so these things are on the radar way ahead of time.

Do we have an idea of how many of these different types of parks will need to be created?

Kurt Friesen; in the plan, it is around 20. Many of the parks were recommended in the 2008 plan (see slide below) green circle

Right now, that is the focus of my team – we want to make sure that we get the parks that have been planned for years. The other parts are about filling the gaps and many of those are within existing developments – it will be a lot harder for us to find land. That is what we are prioritizing right now, is seeking to make sure that we are meeting the goals of the 2008 plan and then focusing on some of the internal parks which may be smaller. We want to think about equity and how we serve the community appropriately.



Even a bench at Spencer Park would be great - maybe there are limitations due to the historic milk house there Looking at your map my district #2 looks like a park desert - we do have a lot of schools so maybe that is where people spend a lot of their time.



Kelly Ohlson; (see slide 17 above) If I heard correctly, some of the big circles in the SE part of town may never come to fruition due to lack of land. Still trying to close the gaps on some geographic deserts but those parks are not necessarily going to be built – a wish list

Kurt Friesen; I wouldn't consider it a wish list - as with any master plan this is aspirational – the ideal state for the city of Fort Collins. Right now, we are prioritizing those that were identified in the 2008 plan. They are not in a specific area of town – so that is priority #1. Then infill – then we start to explore new park locations as illustrated in the orange circles (see above)

Kelly Ohlson; I know we just adopted a Parks Master Plan – asking for evolution as we go forward knowing there are some restraints and really looking at what type of housing is there and who needs the bigger parks the most. We can all get better collectively on making sure we are looking at that. A lot of people have more resources to access parks – focus on people who don't have access to – lower income communities – make that a high priority. Evolution of thought on a fairly quick timetable when decisions have to be made.

Kurt Friesen; that is definitely part of our thinking - we are impact fee driven – approaching our design holistically

Kelly Ohlson; 10 years ago – the people we contracted with, and our own employees were mowing right up to the edge of waterways – not good for the wildlife and more expensive - fertilizing right up to the edge as well - Do we still have the induvial maintenance maps for each park?

Mike Calhoon; we have maps for each of our parks - and incorporated 'no mow zones' to provide those buffers in a more casual way than what we would do with park design.

We used to mow Edora and Spring Creek right to the edge of the water - we don't do that anymore and in fact use the maps as a training tool. We also address the 'why' by creating those buffers we are filtering stormwater, reducing our irrigation footprint, providing pollinator habitat. We explain this when we are doing training with our staff.

OTHER BUSINESS:

Travis Storin; HR Memo 401(a) was included in your packets. We are providing this to Council Finance before it goes to the full Council in case there are questions. I labeled something of a formality in keeping our retirement plans compliant with Pension Protection Act requirements. Historically we have given Council Finance the opportunity to review before it goes to the full Council.

Meeting adjourned at 6:30 pm