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**AGENDA**  
**Council Finance & Audit Committee**  
**June 2, 2022**  
**4:00 - 6:00 pm**  
Zoom Meeting <https://zoom.us/j/8140111859>

Approval of Minutes from the May 5, 2022, Council Finance Committee meeting.

- |   |          |                                     |
|---|----------|-------------------------------------|
| 1. Capital Projects – Inflationary Impacts (3 projects) | 30 mins. | B. Buckman<br>M. Martinez           |
| 2. Sustainable Funding Update                           | 60 mins. | G. Sawyer<br>J. Poznanovic          |
| 3. Parks Design Standards Review                        | 30 mins. | K. Friesen<br>V. Shaw<br>M. Calhoon |

Other Memo Attached: 401(a) Restated Adoption Agreements

**Council Finance Committee**  
**Agenda Planning Calendar 2022**  
**RVSD 05/12/22 ts**

<b>June 2<sup>nd</sup></b>	<b>2022</b>		
	Capital Projects – Inflationary Impacts (3 projects)	30 min	B. Buckman M. Martinez
	Sustainable Funding Update	60 min	J. Poznanovic G. Sawyer
	Parks Design Standards Review	30 min	K. Friesen V. Shaw M. Calhoon

<b>July 7<sup>th</sup></b>	<b>2022</b>		
	Rudolph Farms - Metro District	30 min	C. Frickey
	Capital Projects – Inflationary Impact (All projects)	45 min	D. Lenz S. Freve
	Grocery Tax Rebate Program	30 min	J. Poznanovic N. Bodenhamer

<b>August 1<sup>st</sup></b>	<b>2022</b>		
	Annual Financial Audit Results	25 min	B. Dunn
	2021 Fund Balance Review	30 min	B. Dunn
	E. Mulberry Planning: Phasing and Funding	60 min	D. Lenz S. Tatman-Burruss

<b>Sept. 1<sup>st</sup></b>	<b>2022</b>		

<b>Oct. 6<sup>th</sup></b>	<b>2022</b>		

<b>Nov. 3<sup>rd</sup></b>	<b>2022</b>		





Finance Committee Meeting Minutes  
May 5, 2022, 4-6 pm  
Zoom

Council Attendees: Julie Pignataro, Kelly Ohlson, Emily Francis, Susan Gutowsky

Staff: Kelly DiMartino, Travis Storin, Kyle Stannert, Tyler Marr, Carrie Daggett, John Duval, Teresa Roche, Chirs Martinez, Kevin Wilkins, Gerry Paul, Blaine Dunn, Randy Bailey, Trevor Nash, Amanda Newton, Renee Callas, Jo Cech, Amanda King, Sarah Meline, Jackie Thiel, Javier Echeverria Diaz, Claudia Menendez, SeonAh Kendall, Rachel Askeland, Kevin Wilkins Beth Yonce, Beth Rosen, Brittany Depew, Dave Lenz, Sheena Freve, Zack Mozer, Molly Reeves, Lawrence Pollack, Rachel Springob, Victoria Shaw, Caryn Champine, Monica Martinez, Marcy Yoder, JC Ward, Lance Smith, Adam Bromley, Judy Hueser, Tracy Ochsner, Erik Martin, Brian Hergott, Ingrid Decker, Patty Netherton, Carolyn Koontz

Others: Kevin Jones, Chamber

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Meeting called to order at 4:00 pm

Approval of minutes from the April 7, 2022, Council Finance Committee Meeting. Kelly Ohlson 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. Recovery Plan - 2022 Mid-Cycle Appropriation**

Blaine Dunn, Accounting Director  
Jo Cech, Fiscal Recovery Manager  
Sarah Meline, Recovery Policy & Engagement Specialist

**SUBJECT FOR DISCUSSION**

Review of 2022 Mid-Cycle ARPA Appropriation for Recovery Efforts

**EXECUTIVE SUMMARY**

City staff are seeking a mid-cycle appropriation of \$4.1M of the Organization's remaining \$19.9M of American Rescue Plan (ARPA) Funds to support pandemic recovery efforts. These projects were reviewed and selected by the Recovery Executive Lead Team because they address immediate needs for both community and enterprise recovery.

**GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**



Does Finance Committee support bringing forward the proposed 2022 Mid-Cycle ARPA Appropriation for first reading on May 17, 2022.

#### **BACKGROUND/DISCUSSION**

The federal American Rescue Plan Act established \$1.9 trillion in COVID-19 relief funding, including \$350 billion State and Local Fiscal Recovery Funds (SLFRF) to aid state and local fiscal recovery. \$28.1M of SLFRF has been allocated to the City of Fort Collins. These funds are designed to provide flexibility so that each recipient can meet unique local needs, including support for the communities and businesses hardest hit by the pandemic.

In May of 2021, City Council allocated approximately \$4.2M of the \$28.1M SLFRF funds to be spent over the following 12-18 months for short-term response efforts. City Council also approved an additional \$4.0M of ARPA fund allocations in the 2022 Budget. A summary of ARPA projects funded to date can be found in Attachment 1.

The remaining \$19.9M of funds are expected to be used to achieve priorities laid out in the City's Adopted Recovery Plan through 2022 mid-cycle and 2023-2024 budget appropriations. At the request of Council, staff have brought forward project proposals to be considered for 2022 mid-cycle ARPA funding to address immediate recovery needs. Eighteen specific projects were submitted to the Recovery Executive Lead Team to review. The Team reviewed and ranked all eligible projects (those eligible to be funded with SLFRF funds per Treasury rules).

Ranking was based on immediate need, rather than the value of the project for achieving recovery. All offers were deemed appropriate for achieving recovery.

Ten high-ranked projects were selected to move forward for Finance Committee review, and lower ranked projects encouraged to be submitted as offers for the 23/24 Budgeting for Outcomes (BFO) process.

The ten high-ranked projects are listed below, and a full breakdown of the projects, including brief descriptions, can be found in Attachment 2.

<b>Project Name</b>	<b>Cost</b>	<b>FTE Requested</b>
<b>Crisis Communication Plan</b>	\$130,000	0
<b>Heartside Hill</b>	\$1,100,000	0
<b>Indigenous Community Relations Specialist</b>	\$313,217	1
<b>Rapid Rehousing</b>	\$201,000	0
<b>Neighborhood Resilience Projects</b>	\$40,000	0
<b>Capital Project Business Liaison</b>	\$275,000	1
<b>Recovery Administration Funding</b>	\$250,000	3*
<b>HR Staff Support</b>	\$268,000	3
<b>COVID-Related Workspace and Workload Adjustments</b>	\$1,300,000	0
<b>Cybersecurity Upgrade Planning</b>	\$275,000	0
*FTEs already approved, not counted in total FTEs	<b>\$4,152,217</b>	<b>5</b>

Some of the proposed projects include requests for contractual FTEs. The need for the FTEs is due to:

- Ongoing impacts of the City's hiring freeze in 2020-2021 and a high turnover rate,
- additional administrative needs for the implementation of recovery programming,
- and increased need for engagement and relationship building with the community to provide support and build resilience.

#### GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Finance Committee support bringing forward the proposed 2022 Mid-Cycle ARPA Appropriation for first reading on May 17, 2022?

#### DISCUSSION / NEXT STEPS:

Kelly Ohlson; regarding slide #9 (see below)

City of Fort Collins		Reference Attachment 2	
		Mid-Cycle Project Breakdown	
		9	
Project Name	Recovery Theme	Cost	FTE Requested
Crisis Communication Plan <sup>+</sup>	Health	\$130,000	0
Heartside Hill <sup>+</sup>	Equity & Community Resilience	\$1,100,000	0
Indigenous Community Relations Specialist <sup>+</sup>	Equity & Community Resilience	\$313,217	1
Rapid Rehousing <sup>+</sup>	Equity & Community Resilience	\$201,000	0
Neighborhood Resilience Projects <sup>+</sup>	Equity & Community Resilience	\$40,000	0
Recovery Administration Funding	Equity & Community Resilience	\$250,000	3*
Capital Project Business Liaison <sup>+</sup>	Economic Recovery	\$275,000	1
HR Staff Support	Economic Recovery	\$268,000	3
COVID-Related Workspace and Workload Adjustments	Economic Recovery	\$1,300,000	0
Cybersecurity Upgrade Planning	Economic Recovery	\$275,000	0
*FTEs already approved, not counted in total FTEs <sup>+</sup> Community-focused		<b>TOTAL</b>	<b>\$4,152,217</b>
			<b>5</b>

Recovery Administrative Funding – are the 3 FTEs listed contractual and are they permanent or temporary resources and why do we need 3 FTEs in administration?

Jo Cech; all Recovery Administrative positions are contractual and will end in 2024. This funding requires an enormous amount of bureaucracy due to the federal requirements including the audit and compliance reporting, connections of vetting programs, the work that must be done to vet every single person who gets funding from us and well as sub recipients who are receiving funding and acting in our stead. The 3 positions

include; a Data Analyst to help with the recovery reporting, a Policy Engagement Specialist as well as Jo's position.

Kelly Ohlson; are these a continuation of existing positions?

Jo Cech; yes

Kelly Ohlson; are the HR staff support FTEs contractual as well?

Jo Cech; yes

Blaine Dunn; a point of clarification, any positions associated with ARPA funding will be contractual positions and will end in 2024 when the ARPA spend is finished. If we were to continue any resources after that time, they would need to be through a different funding source and that would need to go through the full BFO process.

Kelly Ohlson; I am more concerned about marginalized communities and lower income households I saw 8 FTEs for the bureaucracy and not much going to the people who need the recovery – but you have addressed most of my concerns. What is COVID Related Workspace and Workload Adjustments which is a \$1.3M item listed on slide 9?

Tyler Marr; we know that is a large dollar item and the title might be a little wonky and not clear. This is largely around physical space and our ability to handle our covid work environment. The first piece is to retrofit several of our conference rooms in City Hall to accommodate hybrid meetings. We currently have a very limited number of conference rooms that can accommodate hybrid meetings. The second piece is to retrofit our workplace environment. We have teams deciding that certain people will be primarily remote, and they need hybrid workspaces to come into. There is a pilot project in there to retrofit part of the HR office area to accommodate hoteling and hot desking (capital improvement) There are also a number of WIFI upgrades both at the Lincoln Center and across some recreation locations. We need some pretty significant upgrades there - public facing spaces. We recognize that this is a high dollar item, but we are trying to chip away at some real needs as we move into this permanent hybrid environment.

Kelly Ohlson; I am good with what was presented.

Emily Francis; I have some of the same concerns at Kelly about some of the budget offers - I also saw the large dollar amount going to community support for Covid Recovery - I understand that we need help getting this off the ground – I don't like seeing \$4M going to Administration not direct support. I understand although I am not excited about some of these

It would be helpful in the materials to have more information about what the projects are and what they are getting us to and the different buckets where we are allocating dollars and how they are advancing the items in our ARPA Strategic Plan and also keeping in mind what is coming down the line.

Blaine Dunn; we have that information and can add it to the full Council packet.

Emily Francis; In Ordinance 79, we funded the ForFortCollins.com website. Is that funded with these dollars or what is happening with that?

SeonAh Kendall; the ForFortCollins.com site is going through a website re-evaluation – we will be adding items such as the multi-cultural business and entrepreneurial center resources and scheduling - those are things that were funded, and we are in the process of utilizing in the 2022 budget. They were funded through 2022 with the first appropriation and we will be putting in a budget offer for 2023 -2024 to continue that site as well as the multi-cultural and entrepreneurial center. There were other websites that our partners funded.

Emily Francis; there is a comment about the Parklane Mobile Home Park – we don't know if the purchase has gone through yet because the request for support was more for infrastructure updates – so that is not a time sensitive item right now.

JC Ward; the offer was accepted from the non-profit group, and they still have some significant infrastructure asks which we knew was going to be a heavy lift especially with some of the asphalt pavement and concrete curbs that they need installed – so there was some information about that sent through as a memo with those general buckets and the price ranges they were looking at. In doing a quick review, those items do look like they would be ARPA eligible and the timeline of this was a little long to try to get them into this process, but Jo did a great job to keep flagging this as potentially ARPA funding eligible. They were not put into a BFO offer because this was after the submission deadline, but I would defer to Jo and Blaine to talk about what that might look like if we wanted to put that into a request.

Blaine Dunn; it will depend on timing of when they would need that money for infrastructure improvements and what that looks like - so if they need that upstream of the BFO process – we likely would be coming back to this committee and to Council for an additional supplemental appropriation but if they are able to wait until the beginning of next year we could work on putting a BFO offer ready to put that into the cycle.

Emily Francis; I just don't want to lost sight of this or for it to get lost because it doesn't fit into our regular city process -please keep an eye on this and bring it back as needed.

Julie Pignataro; how do the FTEs translate into a salary - it showed an equivalent of 2 ½ years. How did those translate into salaries?

Jo Cech; they come in an offer, and we go back to the offer owner and ask them to break out how much is salary and benefits – I have a separate spreadsheet that covers all of the FTE expense for salary and benefits. The Indigenous Community Relations Specialist is the only FTE other than the Recovery Admin FTES that runs through 2024.

Travis Storin; to summarize, there is a desire for added detail for the 10 projects (Attachment #2 is too brief) More commentary similar to what we put forth with BFO offers in the fall - We have that detail and will provide it for the packet for May 17<sup>th</sup>.

Julie Pignataro; somewhere closer to a paragraph

Emily Francis; and include how it ties into our adopted plan for ARPA dollars and advancing that

Travis Storin; one point of clarification as a follow on to Blaine's comments around contractual versus classified positions - there is one notable exception around hiring with ARPA dollars where we did do it on a classified basis and that is the mental health response team within police. Those are not contractual employees and we wanted to be very transparent about that last Fall when Council approved that because when ARPA funding runs

out, we would be looking for most likely General Fund ongoing in order to ensure the continuity of that program within Police Services.

## **B. Municipal Court Supplemental Appropriation**

Judge Jill Hueser

Brian Hergott, Lead Sr. Facilities Project Manager

Ingrid Decker, Sr. Assistant City Attorney

Tracy Ochsner, Interim Ops Services Director

### **EXECUTIVE SUMMARY:**

Municipal Court and the City Attorney's Office are jointly requesting \$700,000.00 in appropriations from General Fund Reserves to address urgent needs at 215 N Mason.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

Does Council Finance support the appropriations of funds to address the urgent needs for Municipal Court and the City Attorney's Office?

### **BACKGROUND/DISCUSSION**

Municipal Court was moved into its current location at 215 N Mason in 2007 when the Justice Center became over-crowded and required the court to vacate the space. This location was available at the time, was empty and could provide a temporary court space with minimal renovations. There have been minimal space changes since 2007 to address safety and security needs, but little to address growth needs. The City has spent a total of \$637,350 over the last 15 years (including initial move-in costs), but court caseloads have continued to grow and expand programming, and the Court and the City Attorney's Office (which is responsible for the prosecution function and needs office/workspace at Municipal Court) have hired more staff to handle these caseloads.

Municipal Court has put in BFO offers in the past to address these issues, but no funding has been awarded. Staff again plans to submit two new offers this year requesting funding for a plan that would address projected needs for a 15- or 30-year time horizon. Both of these options would require more than doubling the current space and will be multimillion dollar projects. While we work through the long-term plan, we need to address some urgent needs so that we can provide a higher standard of public access and service, meet current hearing schedules, and provide appropriate space for the increased staff. As it stands, both the Court and the City Attorney's Office have staff funded and ready to onboard who do have a workspace, and we do not have adequate space for defendants to discuss their cases with prosecutors without their conversations being overheard. We continue to address the safety and security needs for employees and the public.

In 2021 Clark Enersen completed a thorough study of the Court's current space and future space needs. They identified the current space size and its limitations and developed both 15 year and 30-year plans addressing standard space requirements for courts.

The plan we bring before you today will address our urgent needs and get us by for an interim period while phasing and final plans are approved and can move forward. The planned renovations to be completed with these funds are aligned with the plans from Clark Enersen so that they will be incorporated into the final plan. However, they do not address any renovations to the courtroom.

Staff is requesting the \$700,000.00 in appropriation from General Fund Reserves to address these urgent needs which will allow us to properly serve the community and begin work towards a plan that will fully meet the Court's needs in the near future.

## **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

Does Council Finance support the appropriations of funds to address the urgent needs for Municipal Court and the City Attorney's Office?

## **DISCUSSION / NEXT STEPS:**

Emily Francis; I am a yes – Can you share why we were asked to leave the Justice Center?

Jill Heuser; In 2007 we were kicked out of the justice center as they were running out of space. We had a courtroom there but they decided they needed it for state court.

Emily Francis; have we revisited conversations with them about space recently?

Jill Heuser; we have – they have had bond measures fail a couple of times for expansion - they actually kicked out their probation department recently and added 2 new judges in the legislative session last year so they are looking to add another courtroom.

Emily Francis; the AIS mentions a 15 year and a 300-year plan – is the long term intention for you to stay in the space you are currently using?

Jill Hueser; the 30 year plan requires building an extension on the building – after Ops Services assessment, we have been told we should plan on staying in our current building long term

Emily Francis; previous BFO offer wasn't moved forward? We have needed updates to this building for a long time - wondering what held up the BFO offers

Jill Hueser; The BFO lead team asked up to come back with a detailed plan that would meet our needs for a longer period of time - I don't know what the result was prior to me becoming judge.

Kelly Ohlson; I am fine with what is presented

Staff was right to say give us your long-term plan – we are not tearing out in four years what we just put in. I prefer the 30-year plan – 15 is still a short time frame

Julie Pignataro; I am supportive as well – confirming that the Civic Center Master plan does not include a justice center?

Brian Hergott; we are still working through the space planning exercise for the new municipal building - We have come up with a plan where they can stay at 215 Mason

Julie Pignataro; I have heard overwhelming support from Council to do what we can to modernize and make the justice center more user friendly.

Jill Hueser; I agreed with the BLT Lead Team in let's do this right the first time. If this is approved, you won't see us coming back in a few years - I am very confident that if we go forward with one of the plans it will last for the amount of time that we are asking for.

## **C. Light & Power Supplemental Appropriation**

Adam Bromley, Interim Deputy Director, Utilities

Lance Smith, Director, FP&A

### **EXECUTIVE SUMMARY**

Based on information from vendors of distribution transformers, it is necessary to either scale back the number of transformers the City will purchase this year or request an additional appropriation to maintain the expected transformer demand for both growth as well as prudent asset replacements. A reduction in the number of transformers purchased could negatively impact new development and system reliability. Staff is recommended a supplemental appropriation of \$1,432,000 which would allow for more transformers to be ordered in 2022 to be delivered as soon as they are available, likely in late 2023 at the earliest.

Looking toward future growth a new substation will be necessary to adequately serve the northeast areas of the City as those areas are developed. A supplemental appropriation is also being requested to order the two substation transformers that will be needed to serve this load growth. Again, this supplemental appropriation rather than waiting for additional funds to become available in early 2023 will allow these transformers to be delivered within the next 3 years. Staff is proposing to bring forth an appropriation ordinance which also includes \$2,234,000 for two substation transformers.

The total supplemental appropriation being proposed for your consideration is for \$3,666,000.00.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

Does Council Finance Committee support an off-cycle appropriation of L&P reserves to procure enough distribution transformers so that L&P can support new construction and necessary replacements through 2024? In addition, does Council Finance Committee support an off-cycle appropriation of L&P reserves to begin the procurement process for two (2) substation transformers that will be used to complete the construction of a new substation that serves Northeast Fort Collins?

### **BACKGROUND/DISCUSSION**

#### **Distribution Transformers**

In the last six weeks or so, L&P staff has engaged with the distribution transformer manufacturer industry to better understand the significant price increases to the transformers that we typically purchase. The main drivers of the price increases are related to supply chain issues mainly related to shortages and/or significant inflationary pressures for almost all raw materials used to construct a distribution transformer including transformer core steel and aluminum secondary winding supplies. While some manufacturers are better off than others, simply due to their buying power and existing contracts in these markets, these supply chain issues have far-reaching impacts to prices, lead times, labor and transportation costs, and production capacity. What we're hearing from the industry related to supply chain issues suggests that these price increases and extended lead times will definitely endure the short term (i.e., through 2023) and will likely continue into a longer term, if not permanent, scenario.

L&P typically purchases a year's worth of transformers in advance; L&P uses the economic order quantity estimating methodology using historical usage data for each stock number along with known future work order needs to arrive at the quantity for purchase for each year. This methodology works really well when lead times are reasonable (i.e., 10-20 weeks) or if lead time increases changed very gradually. Depending on the specific needs of the transformer design, lead times can be 3-5 times longer than what we saw at this time last year, which does not provide enough time to react adequately. There are quite a few new developments and capital projects on the horizon so we can assume that new construction needs will not go away in the near future. L&P projects that current stock levels could last until next summer or fall (2023) if we are very intentional with how we use units that we have. However, because lead times for the transformers we use the most often are greater than 1.5 years, we need to order as many as we can now to make sure that they arrive close to when we're projecting the existing stock to run out.

Based on historical usage and projected needs, L&P staff has identified three transformer models (specific size and type) with the highest likelihood of use prior to the end of 2023. Staff intends to utilize existing budget appropriated for one order of the single most used transformer type and size (single phase submersible). The requested supplemental appropriation will fund an additional quantity of that same transformer type and size as well as necessary quantities of the other two transformer models with the highest usage (three phase pad mounted, 75 kVA and 150 kVA). Because we are relying on existing stock in the other transformer models and we will need to stay ahead of the long lead times moving into the future, orders for all transformer models will need to be placed at the beginning of 2023 and 2024 in order to receive those transformers in 2024 and 2025. This will change the estimated budget for transformers that was originally planned in the Capital Improvement Plan (CIP) and 2023/24 BFO offer. All of these changes are shown in the table below.

	2022
2022 Transformer Order Total Cost	\$2.225 M
2022 Transformer Budget	\$0.793 M
<b>Supplemental Appropriation</b> Request to fulfill Total Cost	<b>\$1.432 M</b>

	2023	2024
Transformer Budget Planned in CIP	\$1.132 M	\$1.260 M
Updated BFO Offer for Transformer Budget	\$4.123 M	\$3.749 M

Staff has done enough research to feel confident that these orders along with a supplemental appropriation for additional orders will supplement existing stock levels so that L&P can continue to serve existing and new development. Staff also has contingency plans in place to ensure delivery of electric service to new and existing customers.

#### Substation Transformers

Anticipated annexations and growth in NE Fort Collins will require a new to supply electric capacity to new customer loads so as to not overburden existing substations in the surrounding areas. A new substation will allow for Light & Power to continue to operate the system at our current substation and feeder design standards which guarantee high reliability and stability. Typically, each substation comprises two substation power transformers and substation switchgear. This new substation is a planned project in the Capital Improvement Plan (CIP) that was scheduled for the 2023/24 budget cycle.

Due to price increases and lead times for distribution transformers, staff was concerned that power transformers would have similar supply chain issues. Upon reaching out to the manufacturer that provided



power transformers to L&P in the recent past, we found that there are similar supply chain issues affecting power transformer manufacturers. Lead times for these power transformers are longer than 3 years at this point; however, prices didn't increase in the same manner. In order to avoid even longer delays for these transformers, a supplemental appropriation to begin the procurement process immediately is prudent.

The lead times of these transformers does change the trajectory of the substation construction schedule and associated purchases of other high dollar materials (i.e., switchgear). The same amount of capital dollars is proposed to complete construction of the new substation; however, it will be allocated different than what was planned for in the CIP. The table below shows what was planned for in the CIP and what changes to that plan are if supplemental appropriation and BFO offer are approved.

	2022	2023	2024
2021 Capital Improvement Plan		\$6.649 M	\$3.761 M
Supplemental Appropriation/Updated BFO offer	\$2.234 M	\$0.300 M	\$7.876 M

The following table shows where L&P reserves are and will be after these supplemental appropriations:

DESCRIPTION	TOTAL
Year-End 2020 Total Reserves	\$48.7 M
Minimum Required	(\$8.0 M)
Appropriated	(\$17.1 M)
Year-End 2020 Reserves Available	\$23.4 M
2021 Preliminary Additions	~ \$19 M
Year-End 2021 Reserves Available	~\$42 M
Connexion Funding	(\$20 M)
Transformers	(\$3.6 M)
Remaining Reserves	~\$18.4 M

#### GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee support an off-cycle appropriation of L&P reserves to procure enough distribution transformers so that L&P can support new construction and necessary replacements through 2024?

In addition, does Council Finance Committee support an off-cycle appropriation of L&P reserves to begin the procurement process for two (2) substation transformers that will be used to complete the construction of a new substation that serves Northeast Fort Collins?

#### DISCUSSION / NEXT STEPS:

		Staff Recommendation	7
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	2022
Total Estimated Cost	\$2.225 M
Budget	\$0.793 M
Additional Funds Needed	\$1.432 M

	2023	2024
Existing BFO Offer	\$1.132 M	\$1.260 M
Updated BFO Offer	\$4.123 M	\$3.749 M

		Substation Transformer Background	8
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#### L&P Substation Design

- Includes two substation transformers, one switchgear
- Provides contingency for issues in field, other substations, etc.

#### Substation Transformer History

- Last procurement/installation: ~2011
- Estimated inflated cost: >\$1M per unit
- Historical Lead Time: > 1 year
- L&P will submit a BFO offer to fund substation land acquisition and substation materials, construction in 2023-24 budget cycle

#### Recent Manufacturer Quote (3/4/2022)

- Cost: \$0.972 M
- Lead Time: >3 years (Q3 2025)



Distribution Transformers: ~\$1.432 M

Substation Transformers: ~\$2.234 M

**Total Off-Cycle Appropriation from Reserves: ~\$3.666 M**

### **L&P Forecasted Rates and Debt Issuance**

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate Increase	2.0%	3.0%	4.1%	4-5%	4-5%	3-5%	2-3%	2-3%	2-4%	2-5%
Debt Issued (\$M)		\$55.0								

- Only debt issuance necessary for electric infrastructure is projected in 2023
- Use of Available Reserves could defer this issuance for a year or possibly two
- Delaying improvements related to the Mulberry Annexation could also delay this issuance
- Remaining near term debt capacity is available for Transformers

On April 14<sup>th</sup>, we received unanimous support from the Energy Board to move forward with both supplemental appropriations from reserves.

Julie Pignataro; I am a yes to both – my main concern was the health of the reserves, but I understand why we need to do this.

Adam Bromley confirmed that the minimum required fund balance is \$8M and the remaining available balance after these appropriations would be \$18M

Julie Pignataro; do transformers wear out? Are we replacing them or are these new?

Adam Bromley; they do have useful life and depending on several different factors we do proactively replace Substation transformers are built, and they have mechanisms in place that help extend their life They are a high dollar item and are critical

Julie Pignataro; are transformers recyclable?

Adam Bromley; we send them to the company we contract with, and they do all of the necessary recycling and scraping.

Julie Pignataro; and the cost is fixed when you buy them no matter how long it takes to get here?

Adam Bromley; this is unprecedented in the industry – this specific scenario - once we make that purchase and we are under contract with the manufacturer the cost is fixed however we could see that shift a bit – they may come back with some T&Cs saying they might need to change the prices because of the long lead times but we haven't seen that play out yet.

Lead times were still relatively short at the end of 2021.

Lead times went from 10-20 weeks turnaround to 80-90 weeks (3-4 times longer lead time)

Trying to buy more upfront to make sure we have what we need going forward.

Emily Francis; I am a yes to both - this makes sense due to lead times etc.

Have you talked about projecting the use of transformers – our projected use for electrification of homes and businesses and EV charging

Adam Bromley; we are just starting to understand how that is going to affect our planning and design processes The transformers will be adequate and we do have the ability to upsize a transformer if we need to - if there is too much load on a certain area – with electrification we are also looking at trying to shift some of the loads to different times to even things out so you are not always hitting that transformer with tons of load all at the same time – spread out throughout the day which will take some planning and technology to do that well. The transformers we are putting out there are going to be able to handle the electrification, but we are going to need to update some of our processes.

Emily Francis; what is the life span of a transformer?

Adam Bromley; it can be 40 years, but some are shorter, and some are longer – a lot depends on what happens in the vault environment – water, loading and other factors impact life span as well. In general, 40 years is where we are seeing that cut off.

We are trying to integrate what we are seeing with electrification into our planning processes There are some unknowns as part of that – load factor involved with the new heat pumps – what will EVs look like on the system –there is some work to do in order to understand what the future looks like and trying to incorporate that into our planning and designing processes.

Kelly Ohlson; yes and yes – a very thorough presentation

**OTHER BUSINESS:**

Travis Storin; I did want to highlight following up on the discussion at Council Tuesday evening that the Grocery Tax Rebate Program is scheduled to come back to this committee in July.

Meeting Adjourned at 5:25 pm



## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Brad Buckman, Monica Martinez, Dana Hornkohl

**Date:** June 2, 2022

### **SUBJECT FOR DISCUSSION**

Capital Projects – Inflationary Impacts (3 projects)

### **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 Renovation	Existing	\$400,000	\$3,461,000	\$3,861,000	13%
	Proposed	\$ -	\$500,000	\$500,000	
	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
South Timberline Corridor	Existing	\$ 2,694,602	\$ 10,325	\$4,701,111	\$ -	\$265,000	\$ -	\$ 700,000	\$ 35,000	\$317,190	\$ 8,723,228	25%
	Proposed	-	\$ 200,000	\$ 774,000	\$774,000	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 2,148,000	
	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	BOB	CCIP - Ped/Bike Gr. Sep. Cr.	TOTAL	Increase
Vine/Lemay/BNSF Intersection Improvements	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	5%
	Proposed	\$ -	\$ 427,500	\$ 427,500	\$ 283,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ 1,380,000	
	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%.
- Transport 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	BOB	CCIP - Art. Int. Imp.	CCIP - Ped/Bike Gr. Sep. Cr.	CCIP - Ped. Sid.	Dev.	TOTAL	Increase
Linden Street Renovation	Existing	\$ -	\$ -	\$ 400,000	\$ -	\$ 3,461,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,861,000	13%
	Proposed	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	
	Total	\$ -	\$ -	\$ 400,000	\$ -	\$ 3,961,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,361,000	
South Timberline Corridor	Existing	\$ 2,694,602	\$ 10,325	\$ 4,701,111	\$ -	\$ -	\$ -	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 35,000	\$ 317,190	\$ 8,723,228	25%
	Proposed	\$ -	\$ 200,000	\$ 774,000	\$ 774,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 2,148,000	
	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 Intersection Improvements	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	5%
	Proposed	\$ -	\$ -	\$ 427,500	\$ 427,500	\$ 283,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380,000	
	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	
TOTAL	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	10%
	Proposed	\$ -	\$ 200,000	\$ 1,201,500	\$ 1,201,500	\$ 783,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 4,028,000	
	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	

## **ATTACHMENTS**

- 1.** Engineering News Record, Construction Cost Index History – As of May 2022
- 2.** Engineering News Record, City Cost Index – Denver – As of May 2022
- 3.** Colorado Department of Transportation, Colorado Construction Cost Index Report, Calendar Year 2022, First Quarter
- 4.** Memorandum to City Council, Question Regarding the Lemay Avenue Realignment Project Financial Forecast, dated November 3, 2021.





06-02-2022

## Capital Projects Inflationary Pressures

Presented by:

Brad Buckman  
City Engineer

Monica Martinez  
Financial Planning & Analysis  
Manager

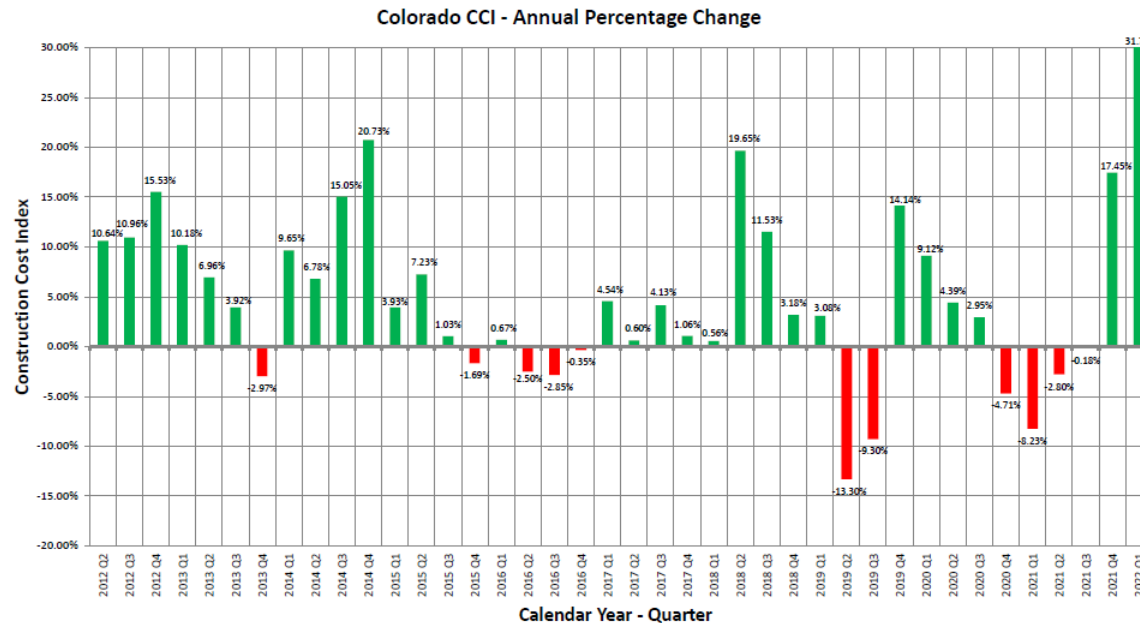
Dana Hornkohl  
Capital Projects Manager



1. Does Council Finance Committee support an off-cycle appropriation of Community Capital Improvement Project (CCIP) fund reserves to complete the Linden Street Renovation project?
2. 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?
3. 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?



## National, State, and Regional Construction Cost Indices



ENR'S CONSTRUCTION COST INDEX HISTORY (1908-2022)

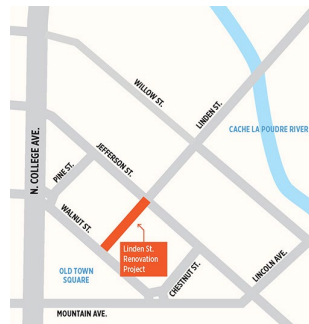
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	12555.55	12683.97	12791.43	12898.96	13004.47							
2021	11627	11698	11749	11849	11989	12112	12237	12463	12464	12464	12464	12464
2020	11392	11396	11397	11412	11418	11436	11439	11455	11499	11539	11539	11539

ENR COST INDEXES IN DENVER (1978-2022)

YEAR	MONTH	BCI	%CHG	CCI	%CHG
2022	May	6269.45	+16.5	8589.63	+10.4
2022	April	6233.95	+17.2	8554.13	+10.8
2022	March	6191.70	+17.2	8511.88	+10.8
2022	February	6110.37	+16.2	8430.55	+10.1
2022	January	6021.13	+14.9	8418.76	+10.2
2021	December	5948.13	+14.3	8345.76	+9.8
2021	November	5871.97	+12.8	8269.59	+8.7
2021	October	5830.22	+12.4%	8227.84	+8.5%
2021	September	5781.97	+11.6	8179.59	+7.9
2021	August	5714.19	+1.09	8138.79	+7.4
2021	July	5546.00	+7.0	7943.60	+4.8
2021	June	5536.25	+7.0	7933.85	+4.8

1. 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

- Transform Linden Street to “convertible street”
- Construction originally planned for 2020
- Construction postponed and broken into two phases to minimize impacts
- Phase 1 2021
- Phase 2 began in February, completion is anticipated in July
- Inflation impacted Phase 2 pricing
- Additional ~\$500,000 needed to deliver identified scope of work





- Project identified on Master Street Plan
- Reduce congestion, improve safety, enhance bicycle/pedestrian facilities
- Stetson Creek Road and Zephyr Road
- Phase 1 Mail Creek Ditch box and Mail Creek Trail underpass, began December 2021
- Phase 2 remaining corridor improvements, CDOT approval February of 2022
- Inflation impacted Phase 2 pricing
- Additional ~\$2,148,000 needed to deliver identified scope of work





- Primary construction began April 2021, most infrastructure completed December 2021, road opened ahead of schedule
- January 2022 remaining work included urban design elements, Art in Public Places, irrigation, landscaping, and pedestrian underpass work
- Inflation impacted pricing for irrigation/landscape
- Underpass experienced cost overruns, late inclusion into project, needed elements not included in budget
- Additional ~\$1,380,000 needed to deliver intended scope of work



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

- Option 1
  - Delay non-essential scope of work items until additional funding can be secured
  - Temporary scope reduction could include seat wall caps and outdoor furniture
- Option 2
  - Secure a supplemental appropriation to complete the identified scope of work on schedule

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
South Timberline Corridor	Existing	\$ 2,694,602	\$ 10,325	\$ 4,701,111	\$ -	\$ 265,000	\$ -	\$ 700,000	\$ 35,000	\$ 317,190	\$ 8,723,228	25%
	Proposed	\$ -	\$ 200,000	\$ 774,000	\$ 774,000	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 2,148,000	
	Total	\$ 2,694,602	\$ 210,325	\$ 5,475,111	\$ 774,000	\$ 265,000	\$ 400,000	\$ 700,000	\$ 35,000	\$ 317,190	\$ 10,871,228	

- Option 1
  - Delay some scope of work items until additional funding can be secured
  - Temporary scope reduction could include traffic signals, irrigation, landscaping, and/or reducing the length of corridor improvements
  - Several iterations, one or more elements funded
  - Some supplemental appropriation is required to move forward with construction
  - Traffic signals are required
- Option 2
  - Delay all Phase 2 work until additional funding can be secured
- Option 3
  - Secure a supplemental appropriation to complete the identified scope of work on schedule

Project	Funding	Trans. Fund	TCEF	Gen. Fund	CCIP - Project Specific	PPD (Cons. Trust)	KFCG	Utilities	BOB	CCIP - Ped/Bike Gr. Sep. Cr.	TOTAL	Increase
Vine/Lemay/BNSF Intersection Improvements	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	5%
	Proposed	\$ -	\$ 427,500	\$ 427,500	\$ 283,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ 1,380,000	
	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	

- Option 1
  - Delay non-essential scope of work items until additional funding can be secured
  - Temporary scope reduction could include irrigation and landscaping
- Option 2
  - Secure a supplemental appropriation to complete the identified scope of work on schedule

# Proposed Supplemental Appropriations

- Proposing supplemental appropriations from a mix of funding sources that reflect the original funding sources, funding sources intended for transportation capital improvement projects, as well as the general fund.
- Supplemental appropriations granted to complete all work now will ensure that fully realized projects are completed as promised for the community.
- Addressing these project needs with a supplement appropriation will minimize any potential impact to additional transportation capital projects in the delivery pipeline.

Project	Funding	STBG (Grant)	Trans. Fund	TCEF	Gen. Fund	CCIP - Project Specific	PPD (Cons. Trust)	Bridge Program	KFCG	Utilities	BOB	CCIP - Art. Int. Imp.	CCIP - Ped/Bike Gr. Sep. Cr.	CCIP - Ped. Sid.	Dev.	TOTAL	Increase
Linden Street Renovation	Existing	\$ -	\$ -	\$ 400,000	\$ -	\$ 3,461,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,861,000	13%
	Proposed	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	
	Total	\$ -	\$ -	\$ 400,000	\$ -	\$ 3,961,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,361,000	
South Timberline Corridor	Existing	\$ 2,694,602	\$ 10,325	\$ 4,701,111	\$ -	\$ -	\$ -	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 35,000	\$ 317,190	\$ 8,723,228	25%
	Proposed	\$ -	\$ 200,000	\$ 774,000	\$ 774,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 2,148,000	
	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 Intersection Improvements	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	5%
	Proposed	\$ -	\$ -	\$ 427,500	\$ 427,500	\$ 283,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380,000	
	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	
TOTAL	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	10%
	Proposed	\$ -	\$ 200,000	\$ 1,201,500	\$ 1,201,500	\$ 783,000	\$ 242,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 4,028,000	
	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	



## Scope and Schedule



- Projects will not meet the identified project goals within the promised timeframes

## Additional Inflation



- Delaying portions of the identified work may result in additional cost, such as remobilization, in addition to greater inflation costs

## Future Project Impacts



- Diverting funds from future projects to address all or part of these immediate needs would impact the schedule and budget for projects in the design, acquisition, and construction pipeline

# QUESTIONS?



# THANK YOU!

For Questions or Comments, Please Contact:

Brad Buckman, Monica Martinez, Dana Hornkohl

[bbuckman@fcgov.com](mailto:bbuckman@fcgov.com), [mmartinz@fcgov.com](mailto:mmartinz@fcgov.com), [dhornkohl@fcgov.com](mailto:dhornkohl@fcgov.com)



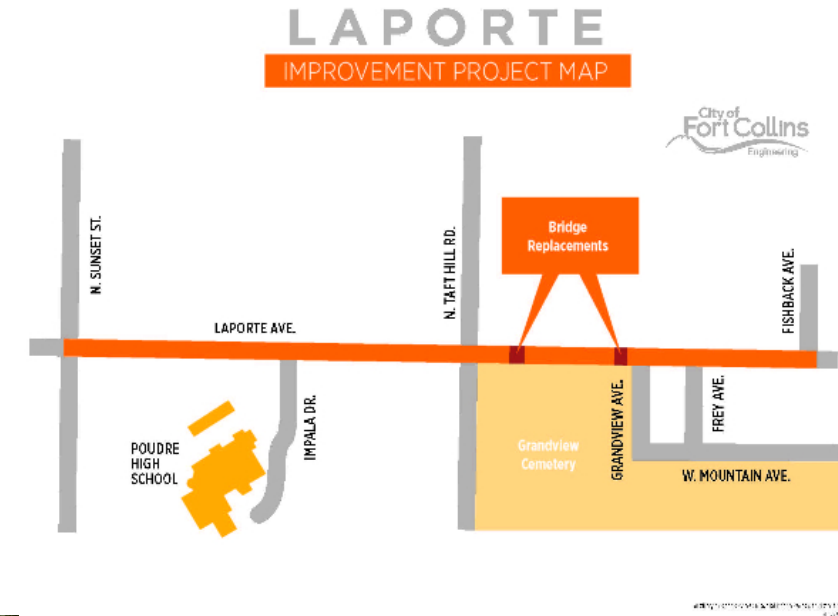




# Backup Slides



- 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



## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Ginny Sawyer, Sr. Project Manager  
Jennifer Poznanovic, Sr. Revenue Manager

**Date:** June 2, 2022

**SUBJECT FOR DISCUSSION:** Sustainable Funding Update

### **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	¼ Cent Sales Tax (dedicated, ongoing or repurpose)	\$9M+	<ul style="list-style-type: none"><li>• <b>\$30.67</b> average per/year for a resident</li><li>• Sales tax on food would remain at 2.25%</li><li>• Visitors also impacted</li></ul>
Property Tax	1 Mill Property Tax	\$3.5M	<ul style="list-style-type: none"><li>• Residential annual increase of <b>\$21.45</b></li><li>• Commercial annual increase of <b>\$87.00</b></li></ul>
	2 Mill Property Tax	\$7M	<ul style="list-style-type: none"><li>• Residential annual increase of <b>\$42.90</b></li><li>• Commercial annual increase of <b>\$174.00</b></li></ul>
	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"><li>• Residential annual increase of <b>\$64.35</b></li><li>• Commercial annual increase of <b>\$261.00</b></li></ul>
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User Fee	\$5 Monthly User Fee	\$4M	<ul style="list-style-type: none"><li>• <b>\$60</b> annually/resident</li></ul>
	\$10 Monthly User Fee	\$8M	<ul style="list-style-type: none"><li>• <b>\$120</b> annually/resident</li></ul>
	Commercial User Fee	TBD	<ul style="list-style-type: none"><li>• TBD for commercial properties in Fort Collins</li></ul>

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.

### **ATTACHMENTS** (numbered Attachment 1, 2, 3,...)

1. Sustainable Funding Update (PPT)



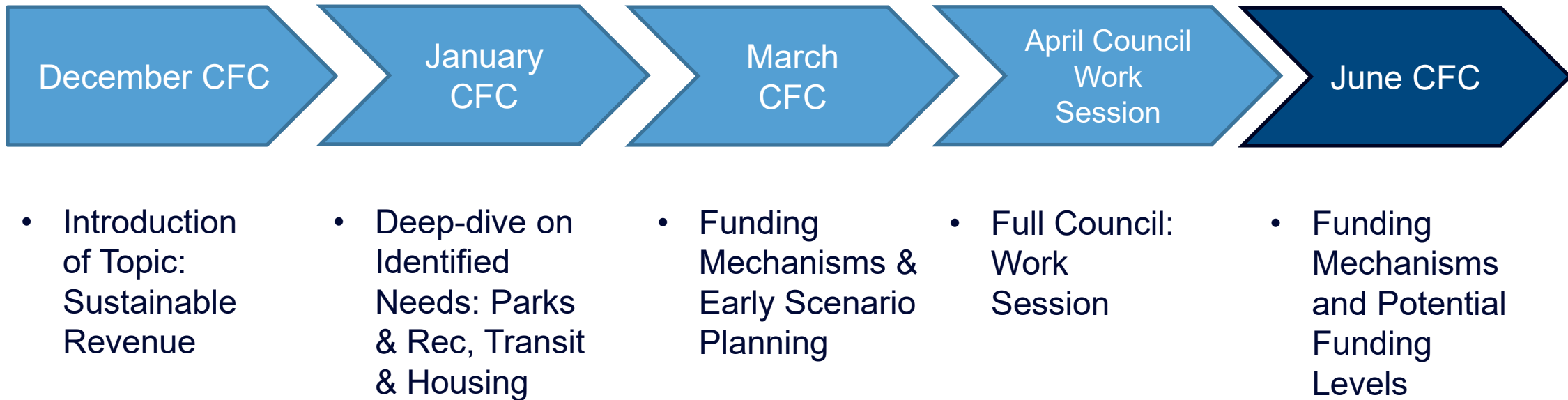


# **SUSTAINABLE FUNDING UPDATE**

## **Council Finance Committee**



## Sustainable Funding Work-to-Date





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?

## PARKS



Masterplan Projects  
\$8-12M Annual Gap

## TRANSIT



Masterplan to Build Out  
Projects  
\$8-10M Annual Gap

## HOUSING



To Achieve 10%  
Affordable Housing Stock  
\$8-9.5M Annual Gap

## CLIMATE



To Accelerate Community  
Transition From Fossil  
Fuels  
\$6M+ Annual Gap

## Annual Revenue Gap

**\$30M to \$38M+**

	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

Funding Option	Mechanics	Considerations
<b>Property Tax</b>	<ul style="list-style-type: none"> <li>A mill is 1/10<sup>th</sup> of a penny</li> <li>\$1.00 revenue for each \$1,000 of assessed value</li> <li>Residential assessment rate = 7.15%</li> <li>Commercial assessment rate = 29.0%</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval required</b></li> <li>Less Volatile than Sales Tax</li> <li>Current City mill levy of 9.797 not increased since 1992</li> <li>Property values have increased; not the City's mill levy</li> </ul>
<b>Sales Tax</b>	<ul style="list-style-type: none"> <li>Increase sales tax by ¼ cent</li> <li>Captures revenue from residents &amp; visitors</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval required</b></li> <li>Funded by both residents &amp; visitors</li> <li>Volatile during a recession</li> </ul>
<b>Excise Tax</b>	<ul style="list-style-type: none"> <li>An excise tax is a legislated tax on specific goods or services at purchase such as fuel, tobacco, and alcohol</li> <li>City of Boulder implemented a sugar sweetened beverage tax of \$0.02 per fluid ounce in 2016; Fort Collins estimate of \$4M+</li> <li>Other potential products: Beverages in plastic containers, marijuana</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval required</b></li> <li>Revenue impacted by sales/recession</li> </ul>
<b>User Fee</b>	<ul style="list-style-type: none"> <li>Monthly fee applied to residential &amp; commercial utility bill</li> <li>Fees must be reasonably related to the actual cost of the program or service funded by the fee</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval NOT required</b></li> <li>Flat fee would have disparate impact on residents with lower income levels</li> </ul>
<b>Capital Expansion Fee</b>	<ul style="list-style-type: none"> <li>Fees are collected for the purpose of funding additional improvements required to address the impact of growth within the city as population increases</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval NOT required</b></li> <li>Reconfigured fees do not fall within the current standard models for capital expansion fees</li> </ul>

Category	Funding Mechanism	Annual Revenue Estimate	Resident Impact
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	2 Mill Property Tax	\$7M	<ul style="list-style-type: none"> <li>• Residential annual increase of <b>\$42.90</b></li> <li>• Commercial annual increase of <b>\$174.00</b></li> </ul>
	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"> <li>• Residential annual increase of <b>\$64.35</b></li> <li>• Commercial annual increase of <b>\$261.00</b></li> </ul>
Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"> <li>• <b>\$5 per \$100 purchase</b> in Fort Collins</li> <li>• Visitors also impacted</li> </ul>
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	Commercial User Fee	TBD	<ul style="list-style-type: none"> <li>• TBD for commercial properties in Fort Collins</li> </ul>
Capital Expansion Fee	Reconfigure or Establish New Fee	\$2M	<ul style="list-style-type: none"> <li>• TBD for residential and commercial permit fees</li> </ul>

**\$10M to \$20M**  
Additional Revenue

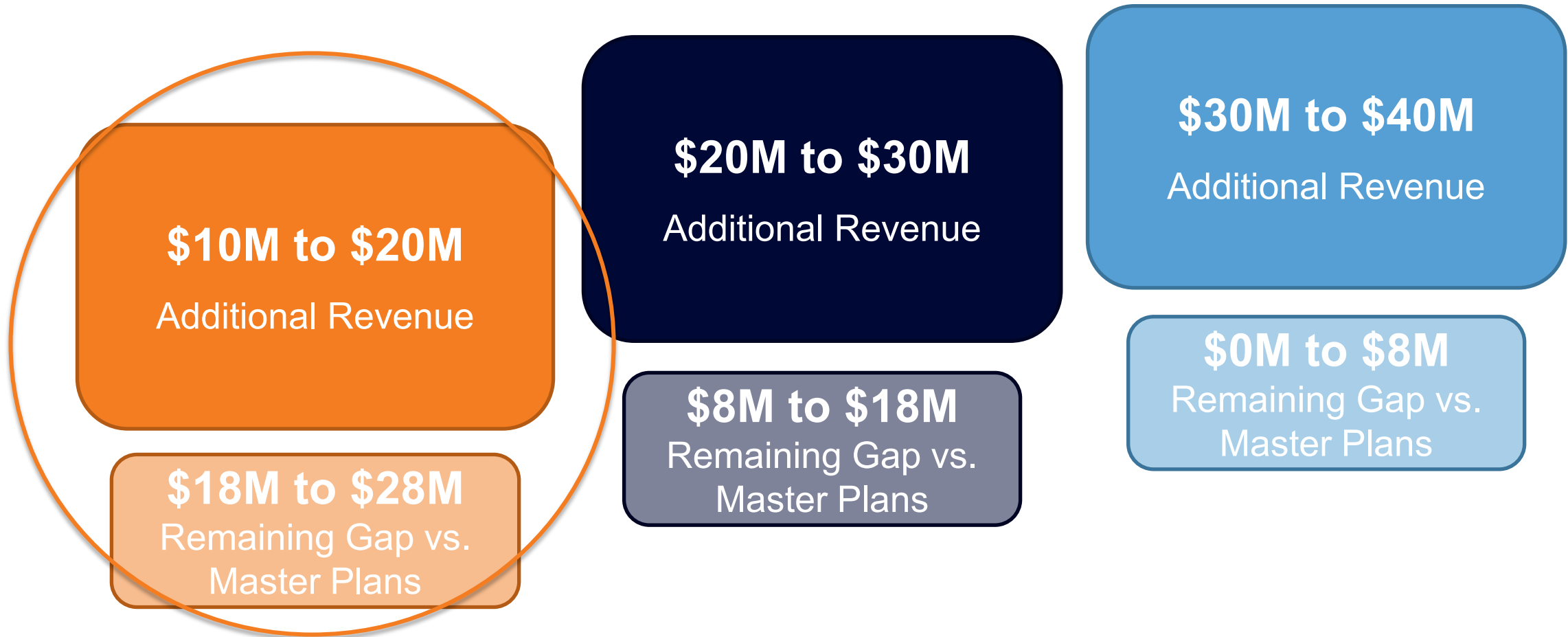
**\$18M to \$28M**  
Remaining Gap vs.  
Master Plans

**\$20M to \$30M**  
Additional Revenue

**\$8M to \$18M**  
Remaining Gap vs.  
Master Plans

**\$30M to \$40M**  
Additional Revenue

**\$0M to \$8M**  
Remaining Gap vs.  
Master Plans



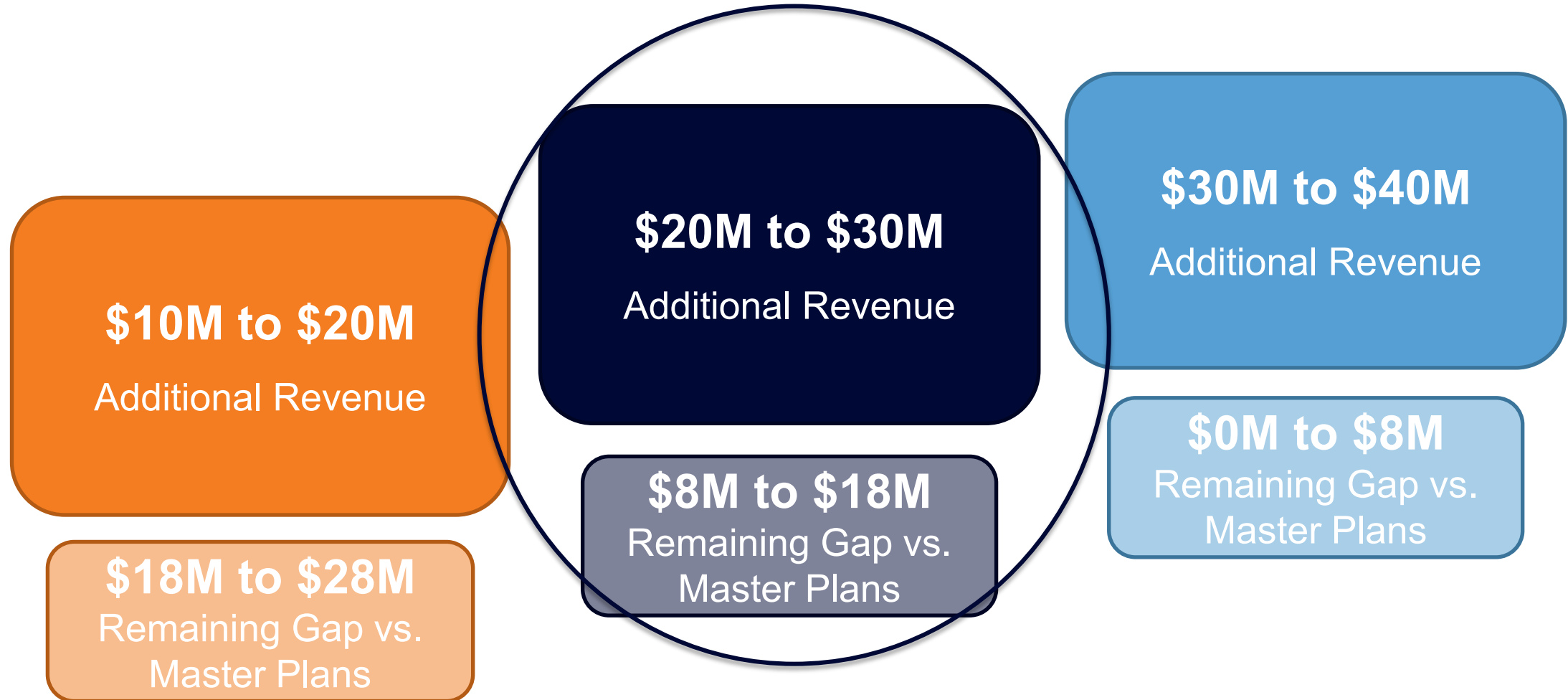
Category	Funding Mechanism	Annual Revenue Estimate	Stakeholder Impact
Sales Tax	¼ Cent Sales Tax (dedicated, ongoing or repurpose)	\$9M+	<ul style="list-style-type: none"> <li>\$30.67 average per/year for a resident</li> <li>Sales tax on food would remain at 2.25%</li> <li>Visitors also impacted</li> </ul>
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	Commercial User Fee	TBD	<ul style="list-style-type: none"> <li>TBD for commercial properties in Fort Collins</li> </ul>
Total	Sales Tax 3.85%	\$15M	<ul style="list-style-type: none"> <li>\$162.90 net annual increase per resident</li> </ul>



Category	Funding Mechanism	Annual Revenue Estimate	Stakeholder Impact
Sales Tax	¼ Cent Dedicated Sales Tax	\$9M+	<ul style="list-style-type: none"> <li>\$30.67 average per/year for a resident</li> <li>Sales tax on food would remain at 2.25%</li> </ul>
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Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"> <li>\$3 to \$5 per \$100 purchase in Fort Collins</li> <li>Visitors also impacted</li> </ul>
User Fee	\$5 Monthly User Fee	\$4M	<ul style="list-style-type: none"> <li>\$60 annually/resident</li> </ul>
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	Commercial User Fee	TBD*	<ul style="list-style-type: none"> <li>TBD for commercial properties in Fort Collins</li> </ul>
Total	Sales Tax 3.85%	\$14M**	<ul style="list-style-type: none"> <li>\$120 net annual increase per resident</li> </ul>

\*TBD targeting full replacement of existing ¼ cent tax

\*\*"New" funding toward four priorities

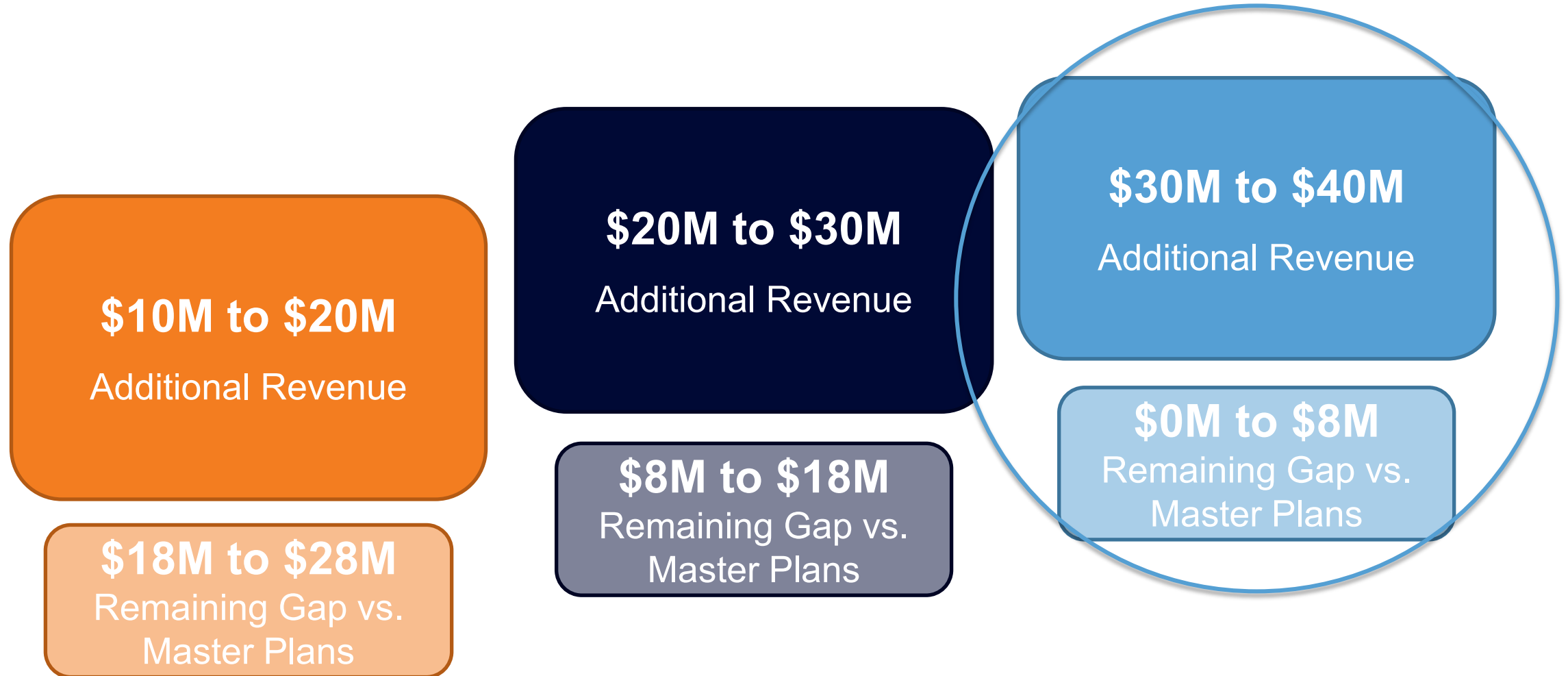


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Total	Sales Tax 3.85%	\$25M**	<ul style="list-style-type: none"> <li>\$184.35 net annual increase per resident</li> </ul>

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\*\*"New" funding toward four priorities

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	Commercial User Fee	TBD	<ul style="list-style-type: none"> <li>TBD for commercial properties in Fort Collins</li> </ul>
Total	Sales Tax 4.1%	\$25M	<ul style="list-style-type: none"> <li>\$95 net annual increase per resident + impact of excise tax</li> </ul>



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	Commercial User Fee	TBD*	<ul style="list-style-type: none"> <li>TBD for commercial properties in Fort Collins</li> </ul>
Total	Sales Tax 4.1%	\$34M**	<ul style="list-style-type: none"> <li>\$215 net annual increase per resident</li> </ul>



## Timeline Considerations

**2023**

- Potential April Election
- November Election

**2024**

- Existing Dedicated Tax Renewals
- November Election

**2025**

- Potential April Election
- November Election

**2026**

- November Election

## Continue City Project Team Meetings

- Regular Meetings
- Develop Project & Engagement Plan
- Further Research: Impacts, Timing, and Questions

## Standing Item on Council Finance Agenda

- Bi-monthly Agenda Item
- August/September Next Meeting
- Review Project Work and Findings

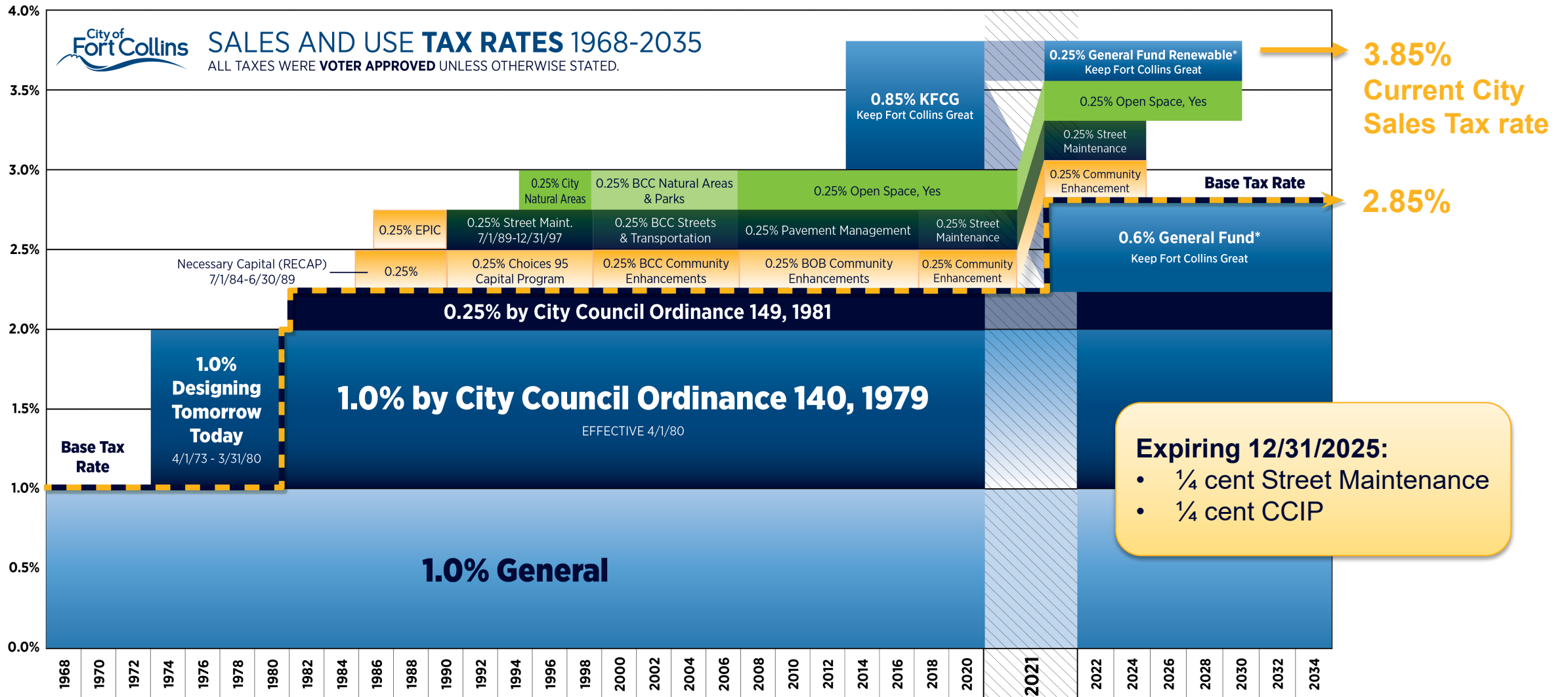
## Upcoming Council Work Session

- December 2022



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?

# Backup



REVISED FEB 2021

Auxiliary aids and services are available for persons with disabilities. V/TDD: 711 20-22927

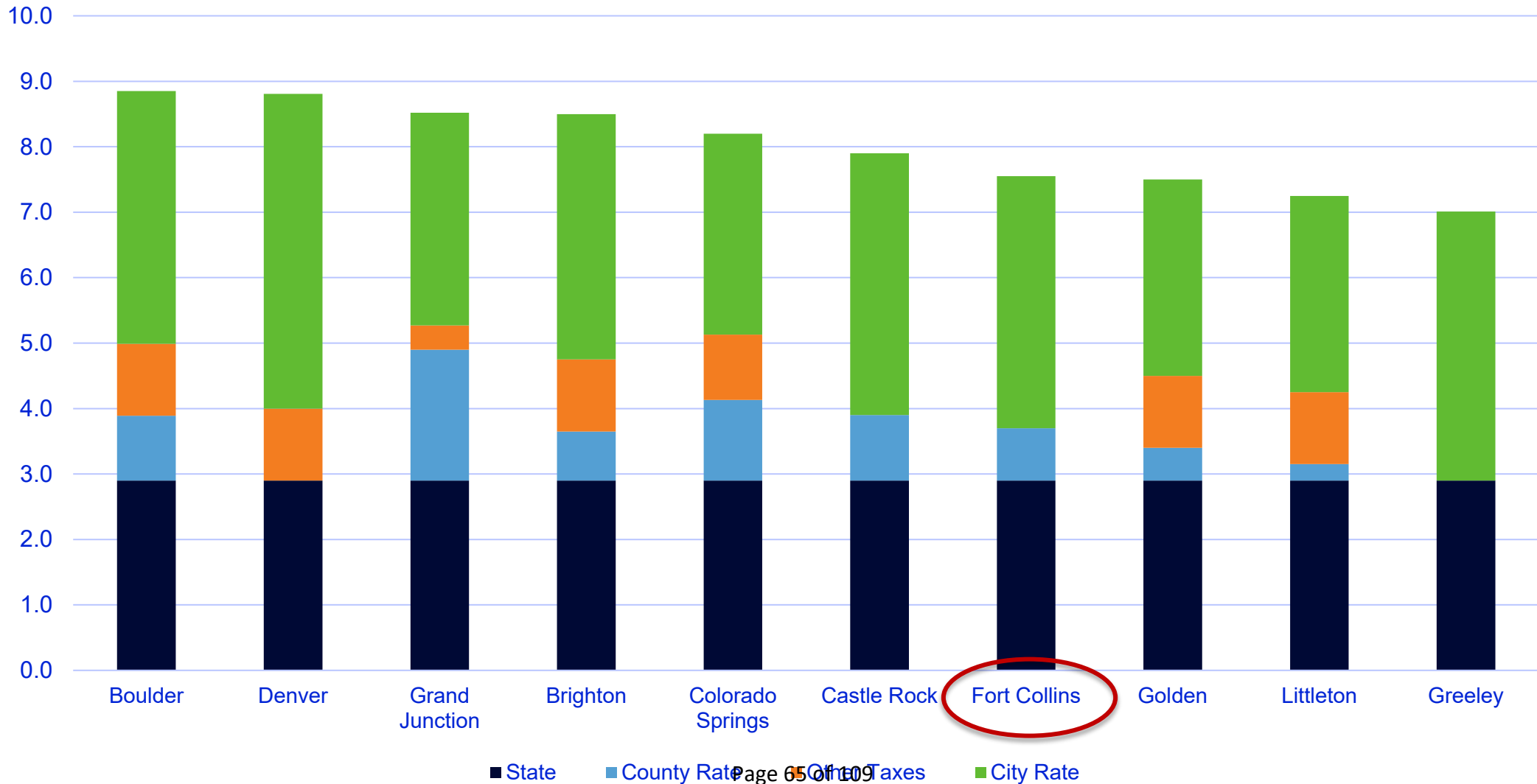
\* KFCG revenue replacement will continue the 0.85% tax by increasing the on-going tax rate by 0.60% and adding a renewable 0.25% tax through 2030.

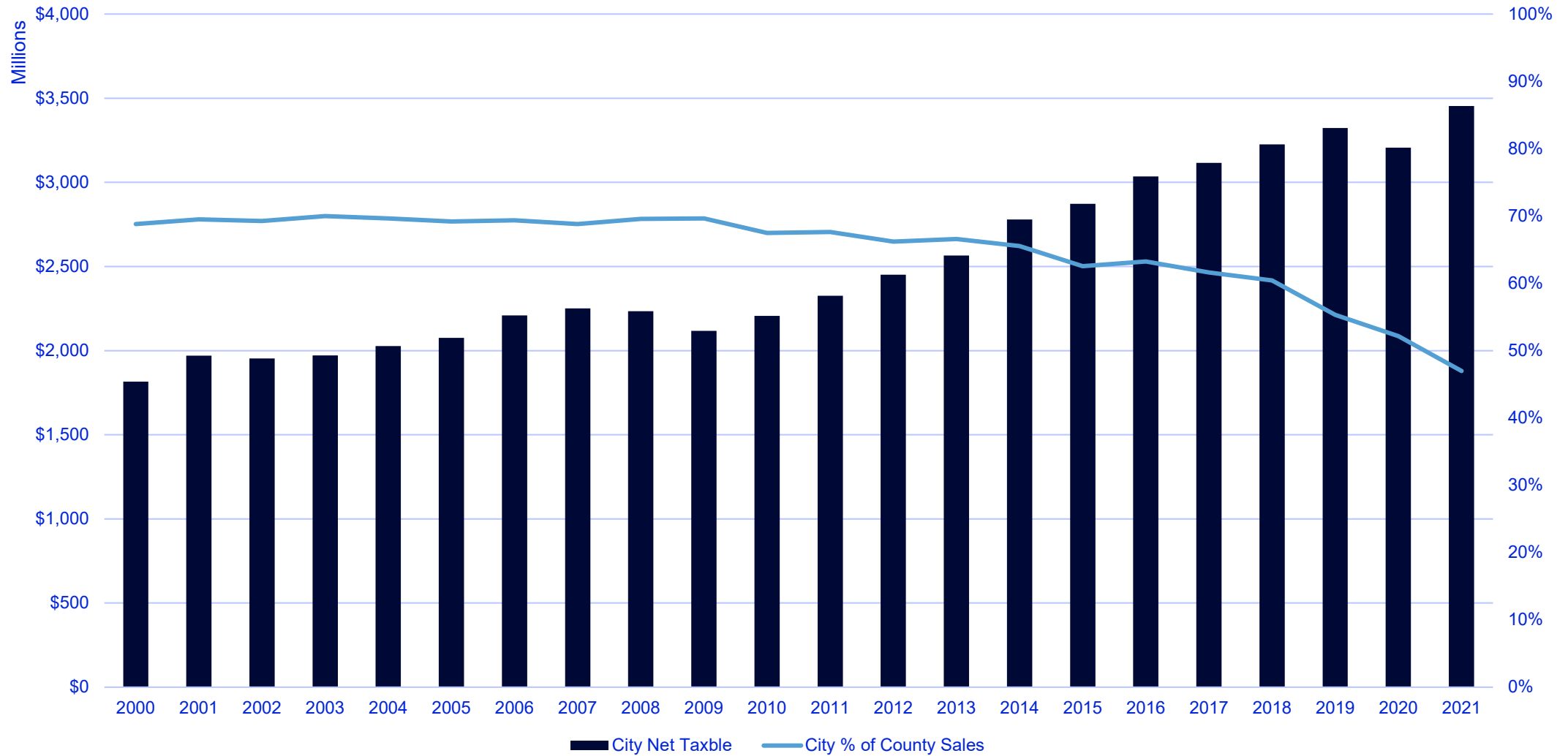
County	Population	Total County Mill Levy	State Rate	County Rate	Other Sales Taxes	City Rate	Seat	*Total Seat Rate
El Paso County	730,395	7.692	2.90	1.23	1.00	3.07	Colorado Springs	8.20
Denver County	715,522	--	2.90	0.00	1.10	4.81	Denver	8.81
Arapahoe County	655,070	13.013	2.90	0.25	1.10	3.00	Littleton	7.25
Jefferson County	582,910	24.578	2.90	0.50	1.10	3.00	Golden	7.50
Adams County	519,572	26.897	2.90	0.75	1.10	3.75	Brighton	8.50
Larimer County	359,066	22.458	2.90	0.80	0.00	3.85	Fort Collins	7.55
Douglas County	357,978	19.274	2.90	1.00	0.00	4.00	Castle Rock	7.90
Boulder County	330,758	24.771	2.90	0.99	1.10	3.86	Boulder	8.85
Weld County	328,981	15.038	2.90	0.00	0.00	4.11	Greeley	7.01
Mesa County	155,703	11.703	2.90	2.00	0.37	3.25	Grand Junction	8.52

\*All counties except Douglas and Larimer have other taxes that include transportation, culture and public safety



Total Tax Rates









## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

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

**Date:** June 2, 2022

**SUBJECT FOR DISCUSSION:** Park Design Guidelines and Standards

### **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?

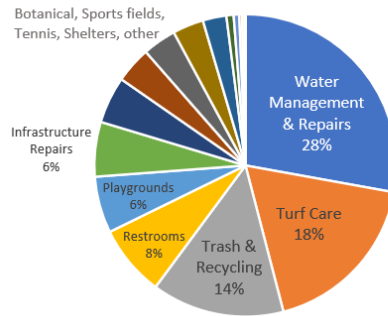
### **BACKGROUND/DISCUSSION**

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
    - 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)

## **ATTACHMENTS**

Attachment 1 – Park Design Guidelines and Standards Presentation

Attachment 2 – Park Operation & Maintenance Costs and Design Guidelines Memo



## Park Design Guidelines & Standards

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

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06-02-2022



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

## Park Costs and Benefits

- City of Fort Collins parks system includes over 50 parks and 45 miles of paved trails
  - 94% of respondents to city survey rate the quality of parks as very good or good
  - 97% responded that they should be supported at the same or more effort as a budget priority
- Park benefits are various and difficult to measure
  - Parks and recreation contribute to all 7 outcome areas
  - Parks foster a more resilient community
  - Improved physical and mental well-being
  - User needs and preferences continue to evolve
- Ownership costs include initial construction, ongoing O&M, and infrastructure replacement
  - All costs have increased over time due to several factors
  - Drivers for O&M costs by park include size, amenities, usage, and design
  - Park standards are established in master plan



## Operations & Maintenance Cost Drivers

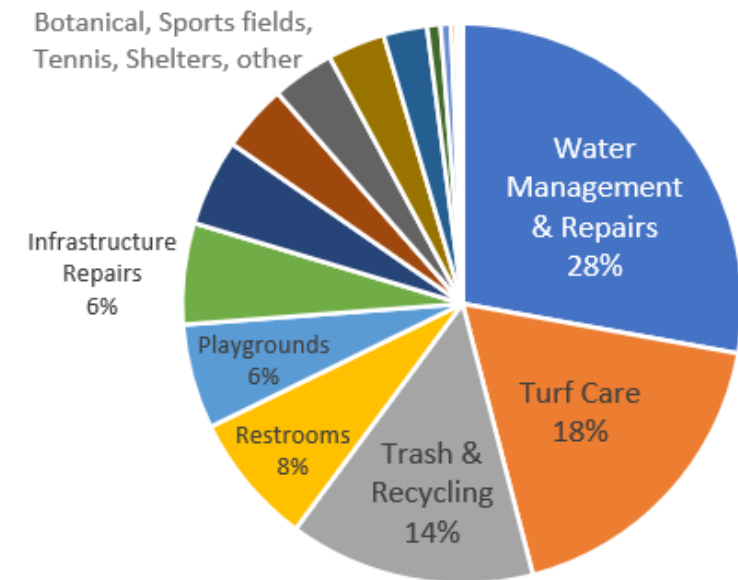
Costs are driven by

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

Park costs are be measured by various components:

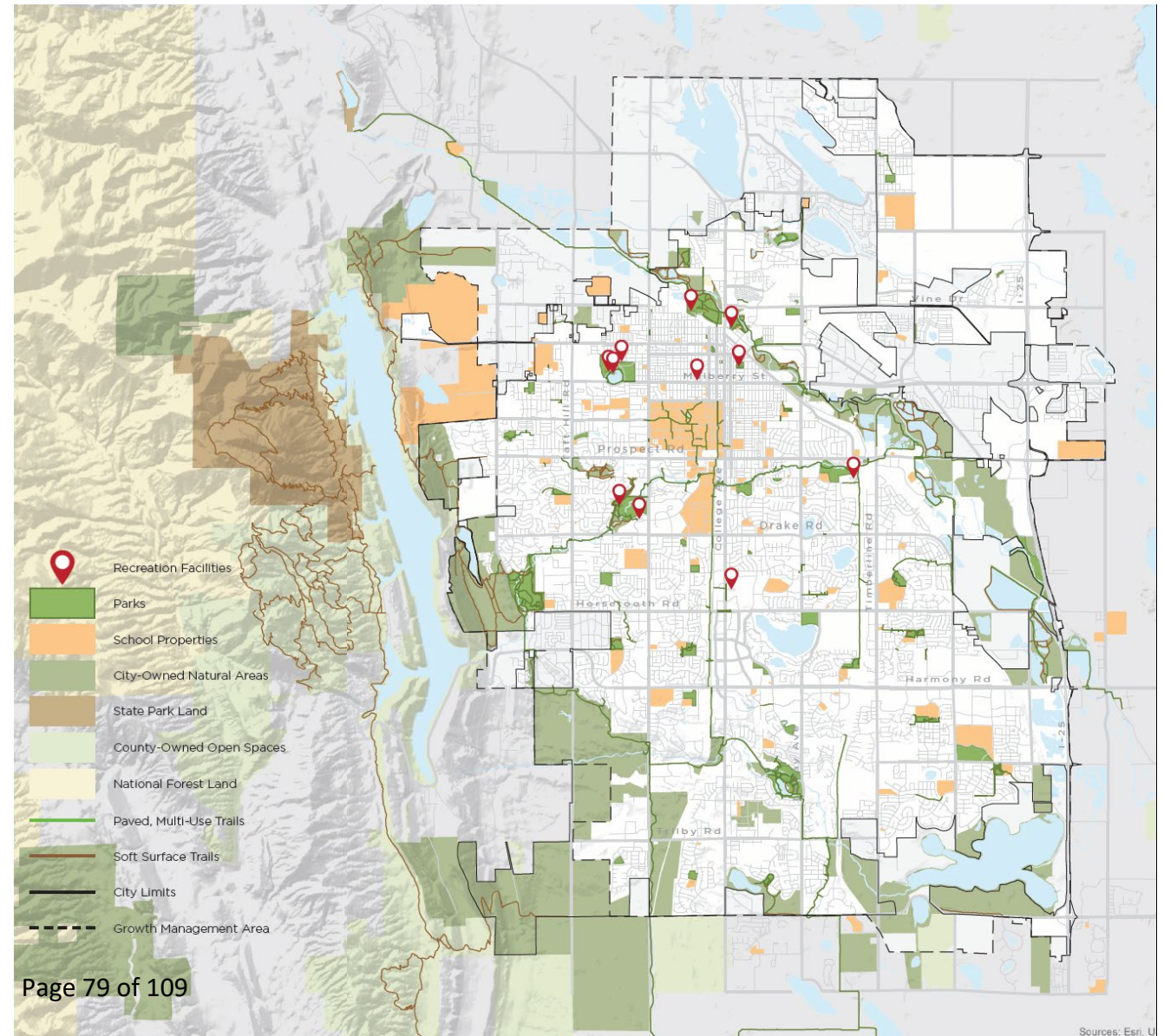
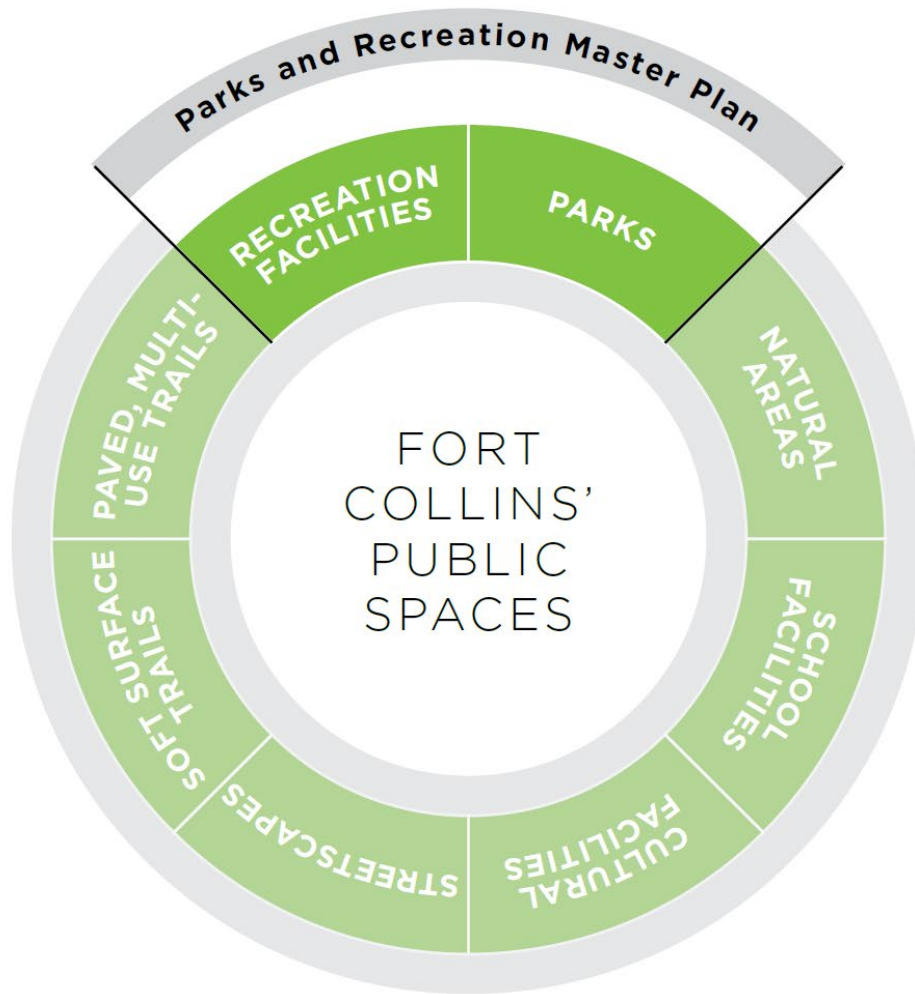
- Acreage
- Major Amenities
- Quantity of Minor Amenities

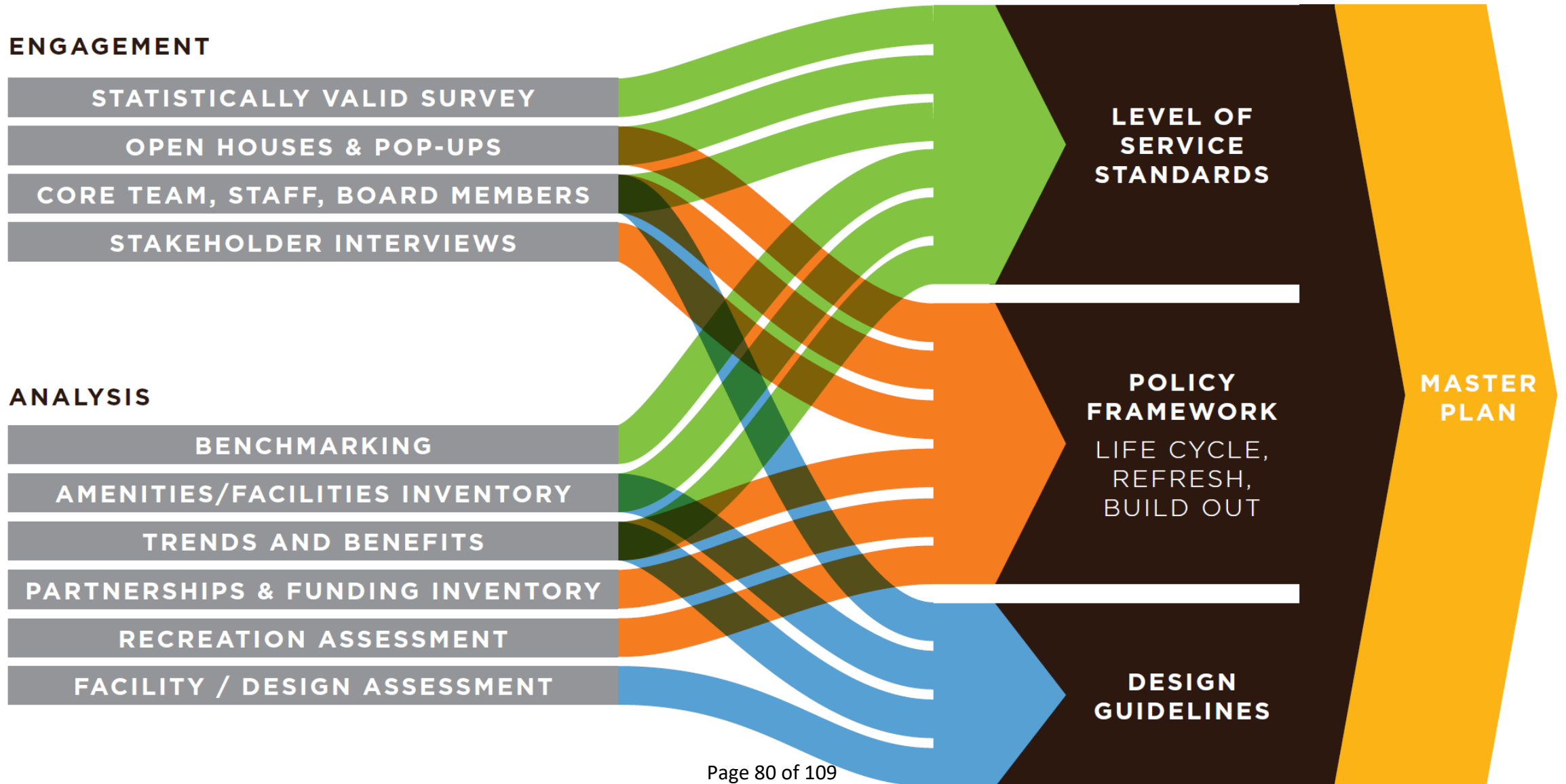
Costs of Neighborhood Park Maintenance





PARKS & RECREATION  
**MASTER PLAN**



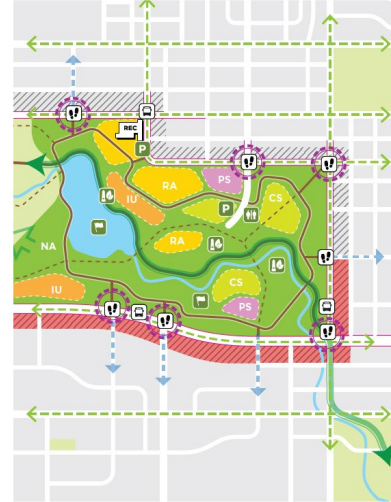




## Park Classifications

- community parks
- neighborhood parks
- schoolside parks *(new)*
- urban parks *(new)*
- plazas *(new)*
- mini parks *(new)*
- special use parks *(new)*

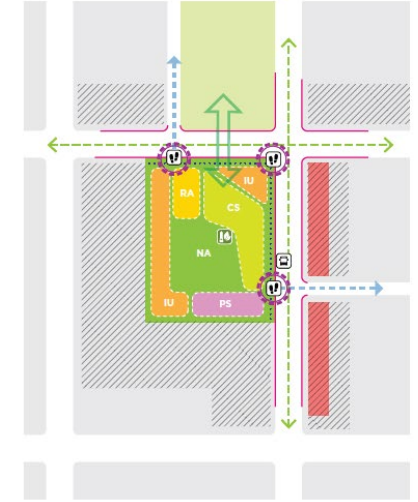
Community Park



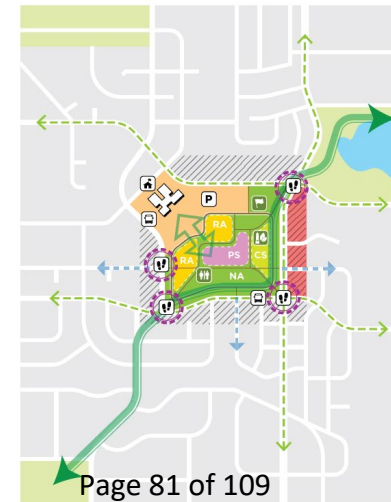
Neighborhood Park



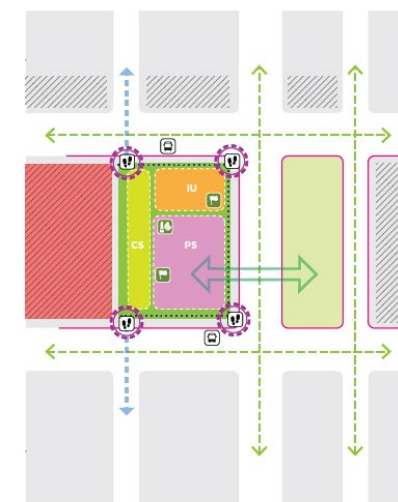
Urban Park



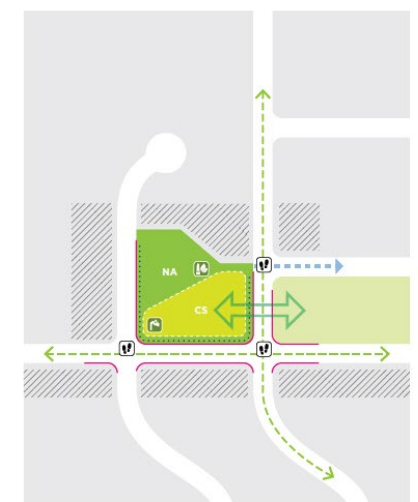
Schoolside Park



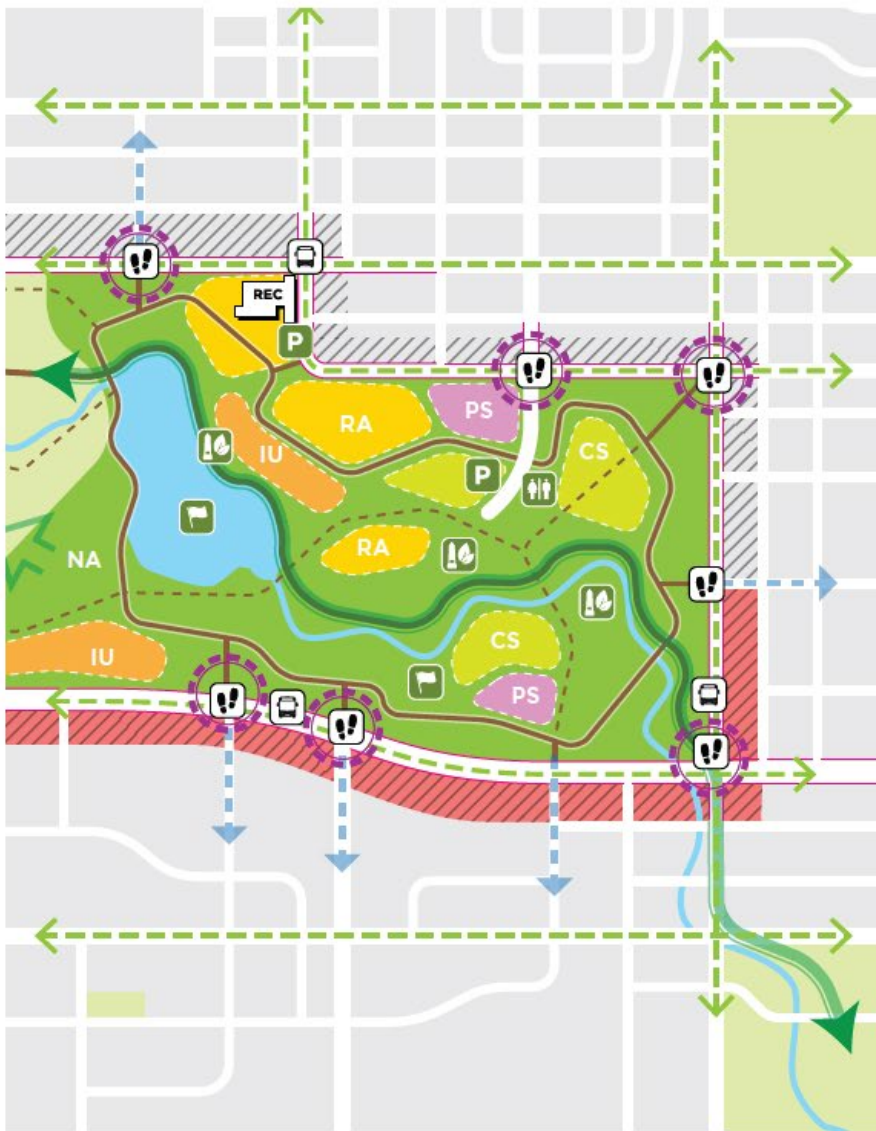
Plaza



Mini Park



## Community Park



IU

### Intensive Use Areas

Design spaces that can accommodate intensive use.

PS

### Programmable Spaces

Provide flexible open spaces that can be used as gathering spaces.

RA

### Recreation Areas

Provide areas and facilities that are specifically designed for recreation and are responsive to the needs of surrounding neighborhoods.

NA

### Natural System Areas

Define areas that focus on the enhancement and function of natural systems.

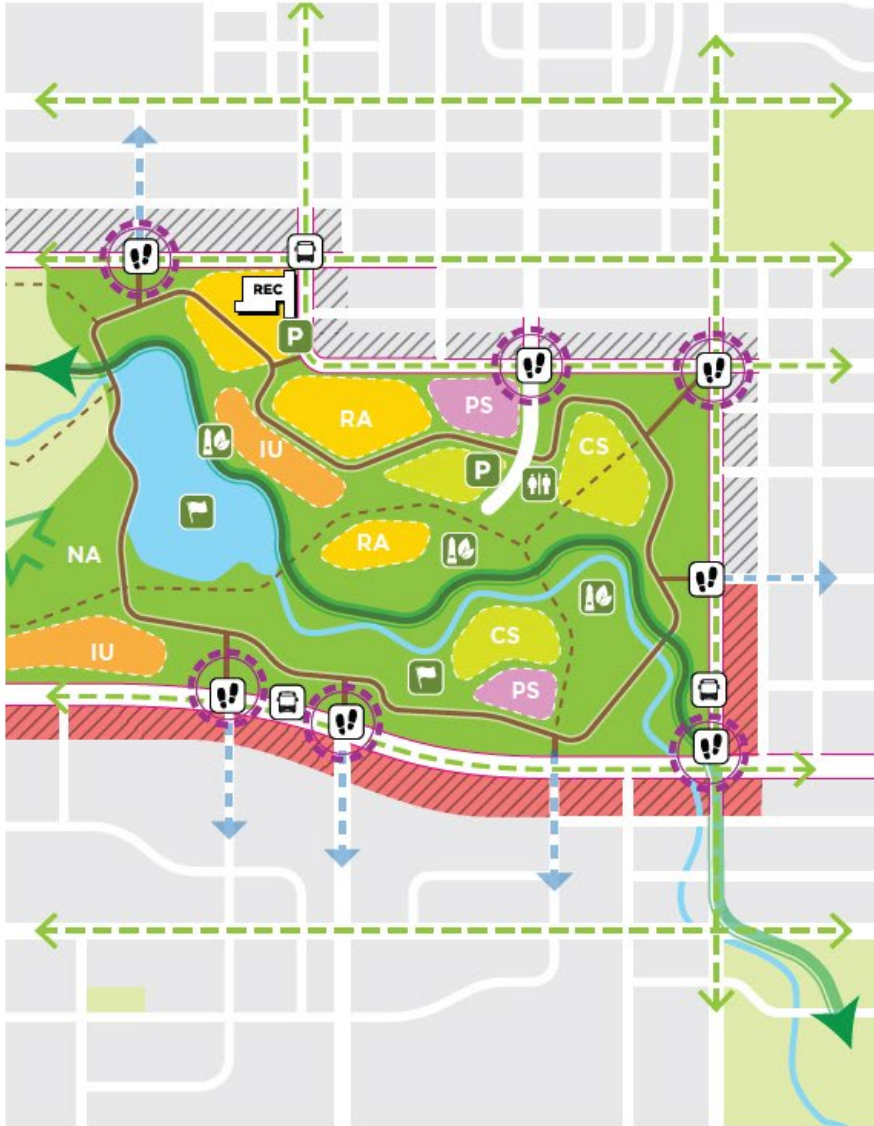
CS

### Casual Use Spaces


Provide areas that are specifically designed for casual, impromptu use.








## Community Park



### CONTEXT

-  Mixed-Use
-  Building Frontage/Entrances
-  Streetscape Enhancements




### ACCESS AND CONNECTIVITY

-  Seamless Public Space
-  Street Grid Connectivity
-  Safe Pedestrian Access
-  Trail Connections
-  Trail Mode Separation
-  Bike Connections
-  Transit Connections
-  Shared Parking
-  Visible Frontage

### WAYFINDING

-  Gateways
-  Path Hierarchy
-  Support Facilities

### FEATURES

-  Natural or Historic Features
-  Loop Trail
-  Identity Features



## Neighborhood Parks

### Passive Recreation

- ☒ SEATING
- ☒ CASUAL USE SPACES
- ☒ COMMUNITY GARDENS
- ☒ INTERNAL WALKING TRAILS
- ☒ UNIQUE LANDSCAPE FEATURES
- ☒ NATURAL SPACES

### Active Recreation

- ☐ BIKING TRAILS
- ☒ OUTDOOR FITNESS / EXERCISE FACILITIES
- ☒ CREATIVE PLAY ATTRACTIONS
- ☒ PLAYGROUNDS
- ☒ RECTANGULAR FIELDS
- ☐ DIAMOND FIELDS
- ☒ BASKETBALL COURTS
- ☐ TENNIS/PICKLEBALL COURTS
- ☒ VOLLEYBALL COURTS
- ☐ WATER PLAY

### Facilities

- ☐ DOG PARKS
- ☒ INDIVIDUAL PICNIC / SITTING AREAS
- ☐ GROUP PICNIC AREAS
- ☒ PARK SHELTERS
- ☐ OUTDOOR EVENT SPACES
- ☒ RESTROOMS

## Community Parks

### Passive Recreation

- ☒ SEATING
- ☒ CASUAL USE SPACES
- ☒ COMMUNITY GARDENS
- ☒ INTERNAL WALKING TRAILS
- ☒ UNIQUE LANDSCAPE FEATURES
- ☒ NATURAL SPACES

### Active Recreation

- ☒ BIKING TRAILS
- ☒ OUTDOOR FITNESS / EXERCISE FACILITIES
- ☒ CREATIVE PLAY ATTRACTIONS
- ☒ PLAYGROUNDS
- ☒ RECTANGULAR FIELDS
- ☒ DIAMOND FIELDS
- ☒ BASKETBALL COURTS
- ☒ TENNIS/PICKLEBALL COURTS
- ☒ VOLLEYBALL COURTS
- ☒ WATER PLAY

### Facilities

- ☒ DOG PARKS
- ☒ INDIVIDUAL PICNIC / SITTING AREAS
- ☒ GROUP PICNIC AREAS
- ☒ PARK SHELTERS
- ☒ OUTDOOR EVENT SPACES
- ☒ RESTROOMS





## BASKETBALL



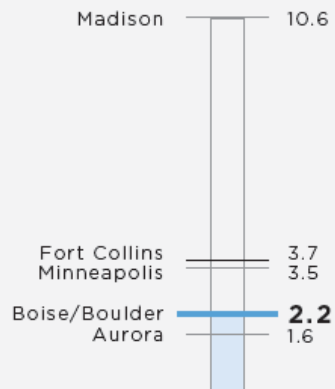
Number of Courts

**64** in 2020    **+8** by 2040

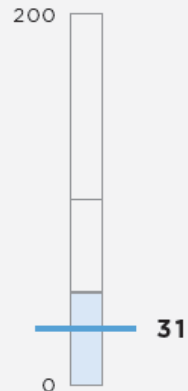
This diagram shows how the recommended level of service (LOS) visually relates to the current level of service.

These numbers indicate the current number of amenities and the number to be added by 2040.

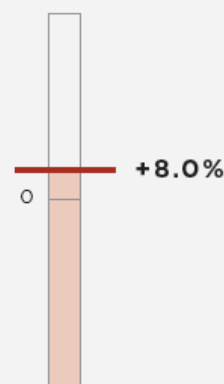
### Considerations



Peer Median



Priority Investment Rating



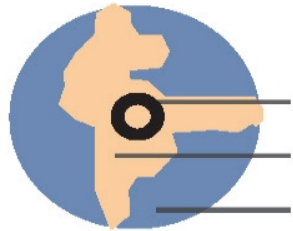
5-Year Change in Participation

These charts show the data that was used to build the recommended LOS. These data points are the peer median level of service, the priority investment rating, and the 5-year participation change.

## Basketball



**Park Amenity**  
Existing 10-Minute Walk  
Idealized 10-Minute Walk



**School Amenity**  
Existing 10-Minute Walk  
Idealized 10-Minute Walk



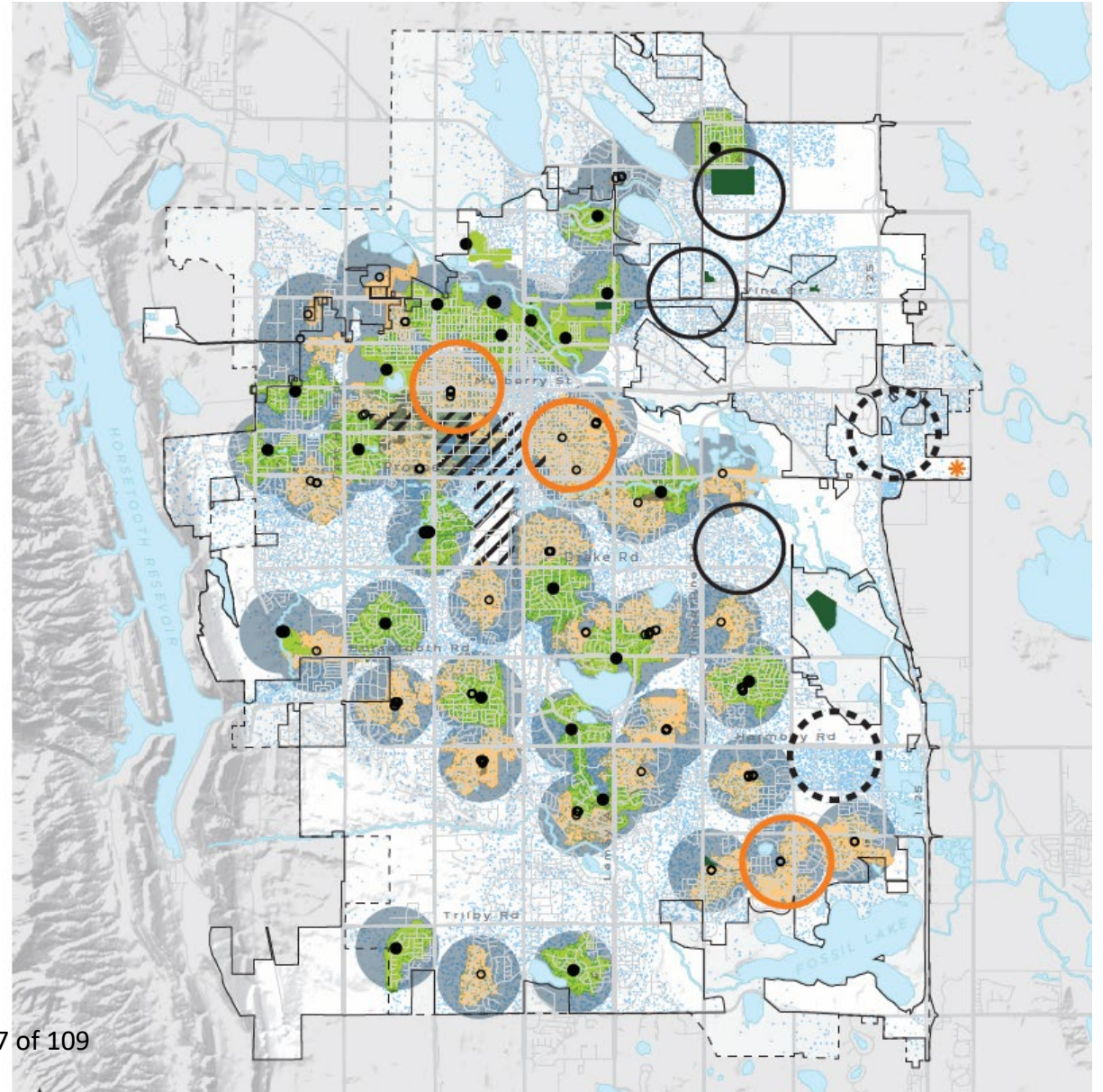
**Service Gap/ Potentially Filled  
by Securing Access to Existing  
School Amenity**



**Service Gap/ Potentially Filled by  
New Amenity in Planned Park**



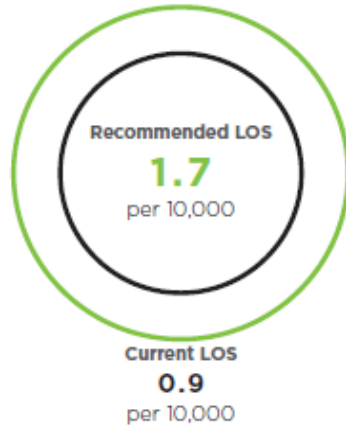
**Service Gap/ New Amenity  
Focus Area**





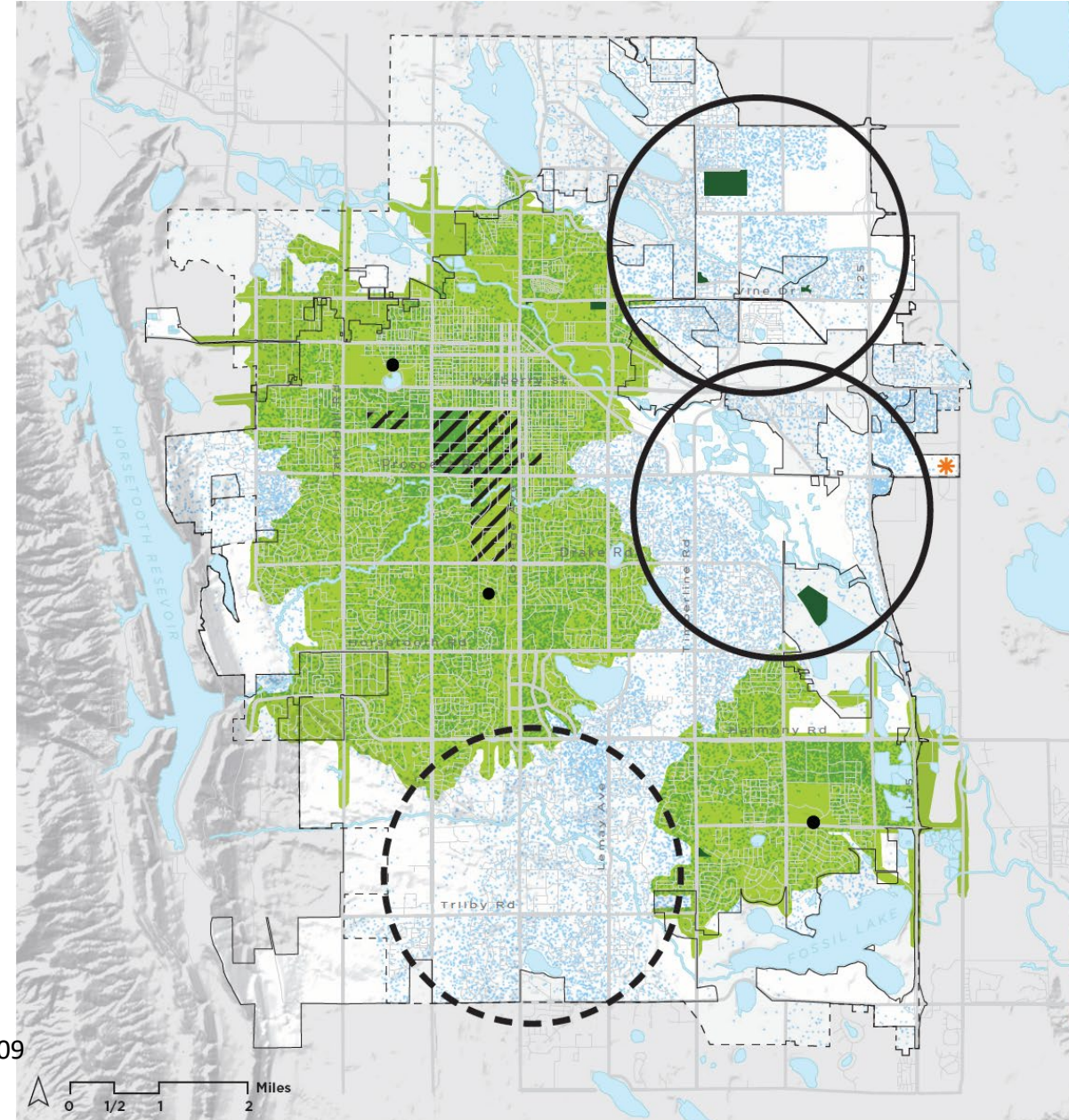
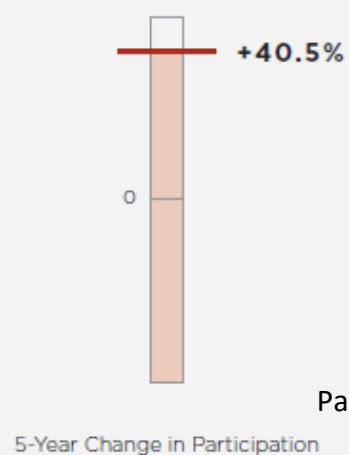
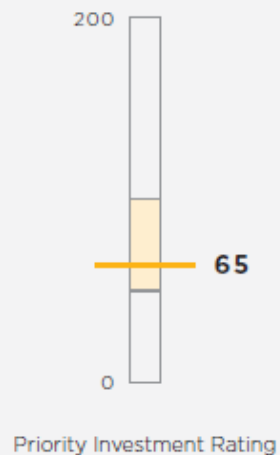
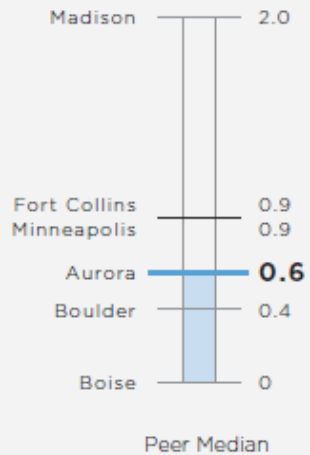
## PICKLEBALL COURTS

### Population-Based Standard

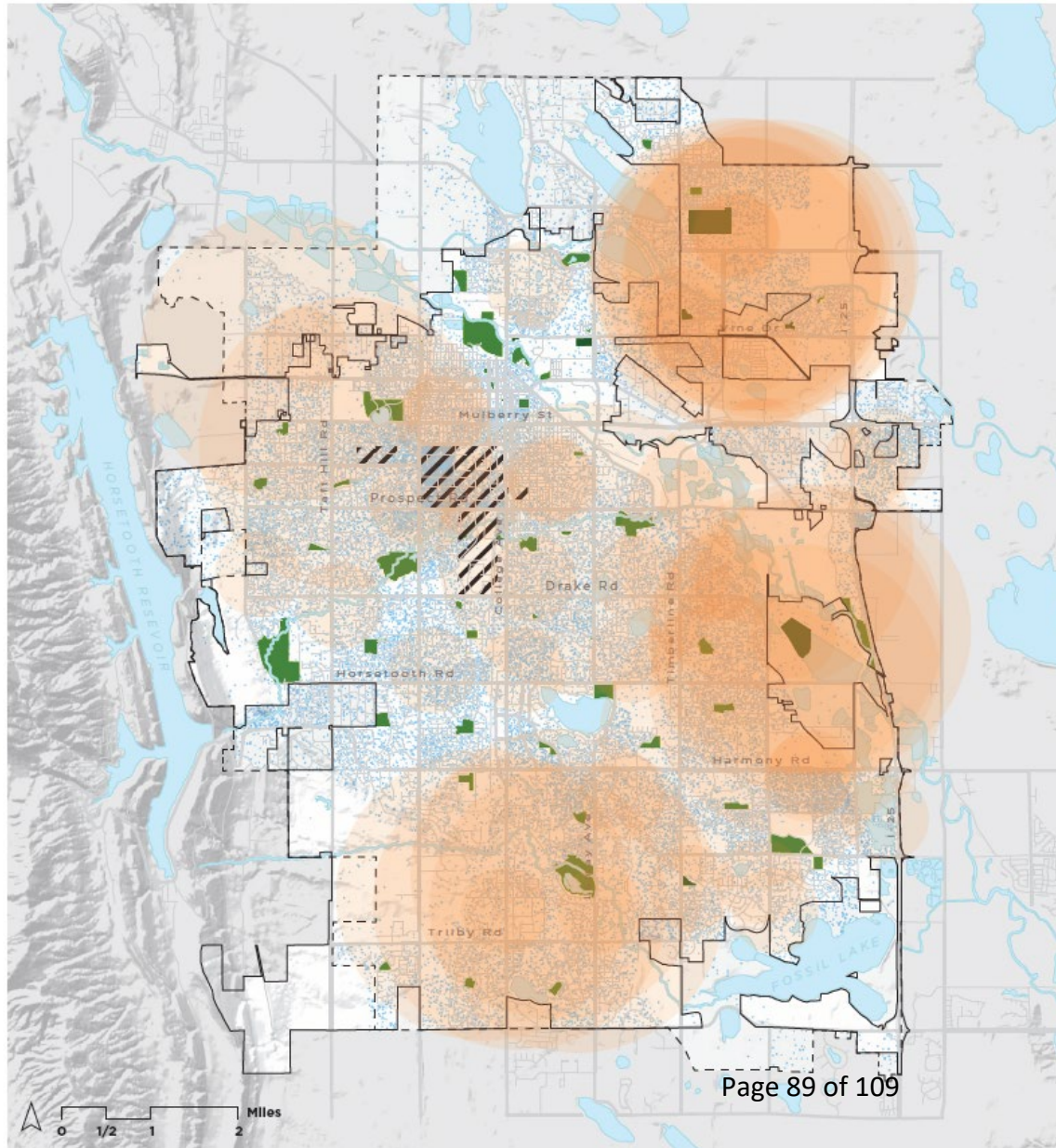


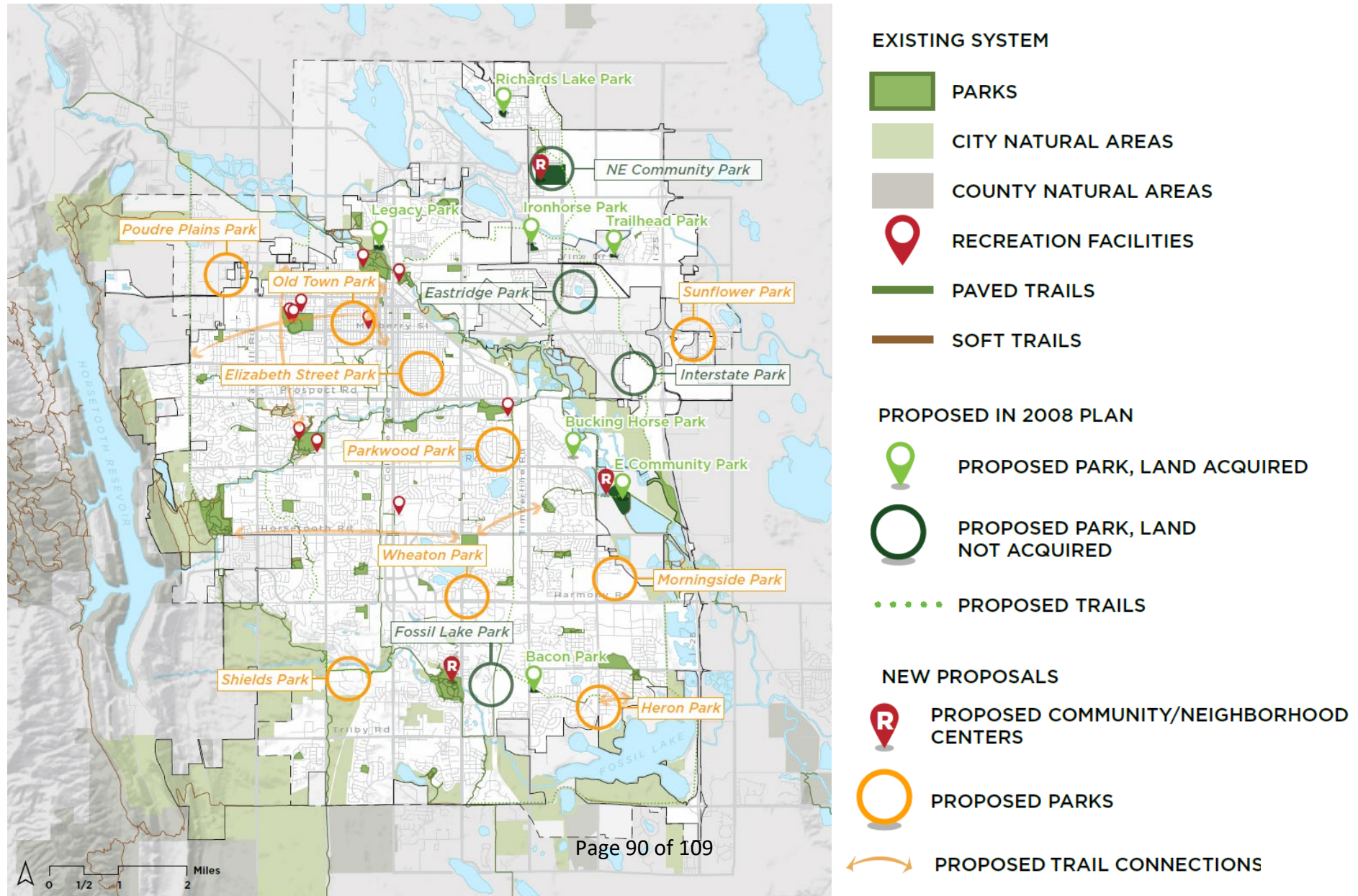
Number of Courts  
**8** in 2020  
**+13** by 2040

### Considerations





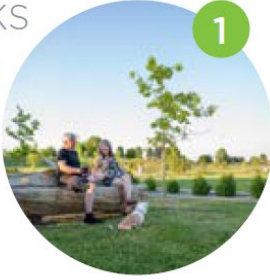






PARKS

**Provide equitable access to parks.**



RECREATION

**Provide equitable access to recreational experiences.**



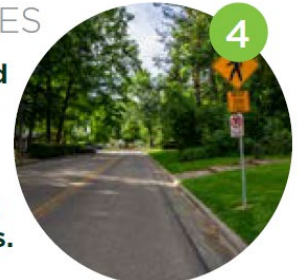
TRAILS

**Expand the active transportation network to support access.**



RESOURCES

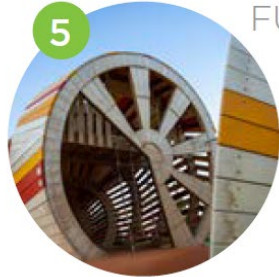
**Protect and enhance natural and historic resources in parks.**



5

FUNDING

**Ensure the financial sustainability of parks and recreation.**



6

PARTNERSHIPS

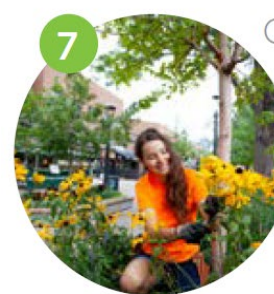
**Strengthen partnerships to leverage resources for mutual benefit.**



7

OPERATIONS & MAINTENANCE

**Ensure parks, paved trails, and recreation facilities are operated and maintained efficiently and to defined standards.**



ECONOMIC HEALTH

**Promote the synergy between parks, recreation, and economic health.**



8

COMMUNICATION

**Improve marketing and communication to enhance operations and user satisfaction.**



9

DESIGN

**Elevate the design of and connection to nature in parks and recreation facilities.**



10

SAFETY

**Continue to enhance safety and security in all parks and facilities.**

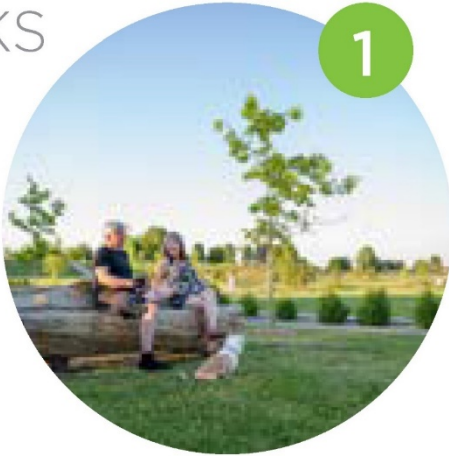


11

## Goals

### PARKS

**Provide equitable access to parks.**



### RESOURCES

**Protect and enhance natural and historic resources in parks.**



### DESIGN

**Elevate the design of and connection to nature in parks and recreation facilities.**



## Actions

Expand the usability of existing parks

Integrate natural resources and natural resource interpretation into the design of parks

Develop a unified design language for parks that is flexible enough to allow for individualized park identities

## Methods

Seek opportunities to enlarge or add space for community gardens and urban agriculture in parks

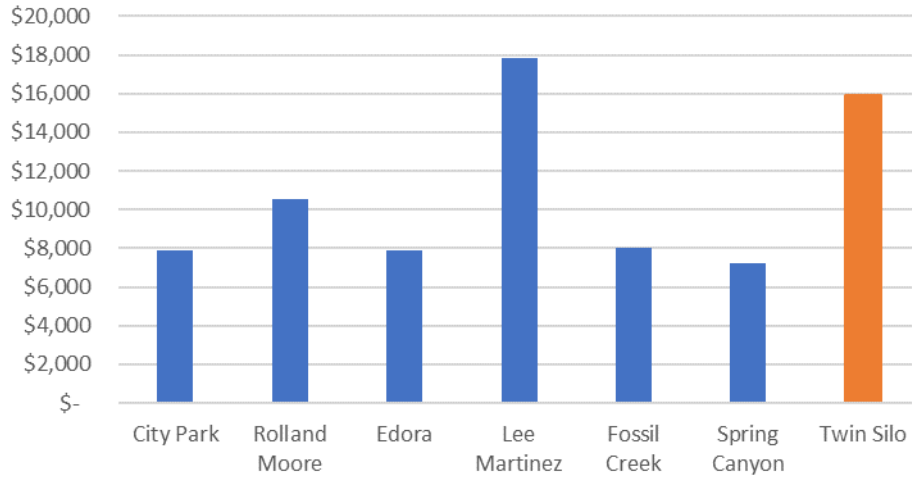
Integrate native plants and plants with high pollinator value to increase the ecological value and biodiversity of parks

Identify elements such as signage, lighting and plantings that can be standardized across all parks to increase efficiency and create a cohesive identity.

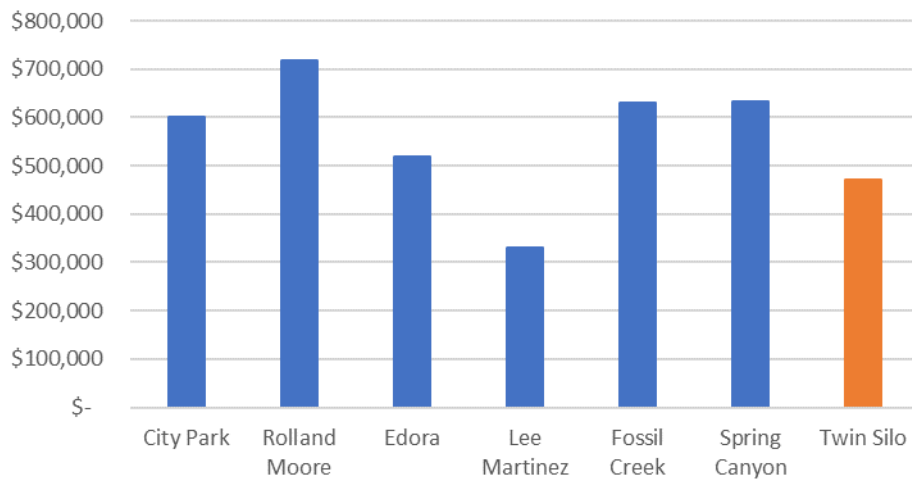


## Twin Silo Park

Cost per Acre



Annual Cost



MAINTENANCE  
COST INCREASE



Custom playground inspection costs

Native seed establishment

Agrarian plantings/horticulture

MAINTENANCE  
COST  
MITIGATION



Natural water feature

Post tensioned concrete courts

Concrete parking/ shared & reduced parking footprint

Pea gravel in dog park

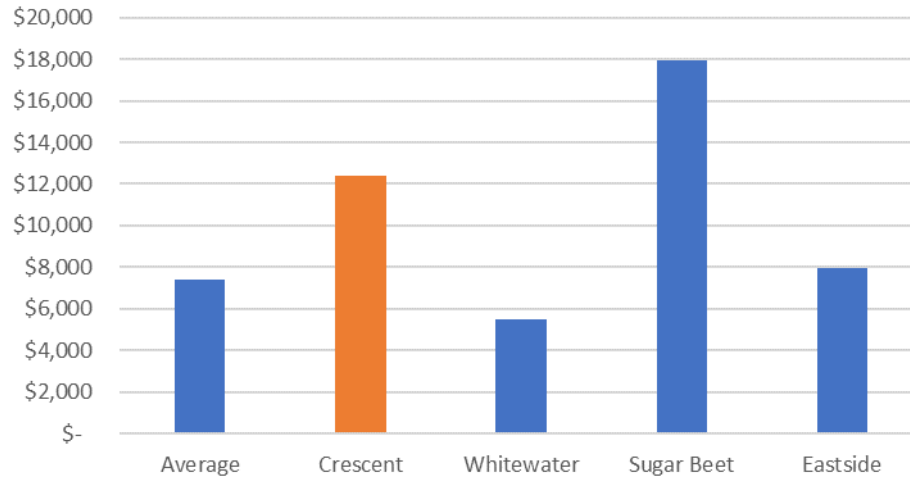
Wide concrete walks for efficient access & snow removal

Raw water irrigation source

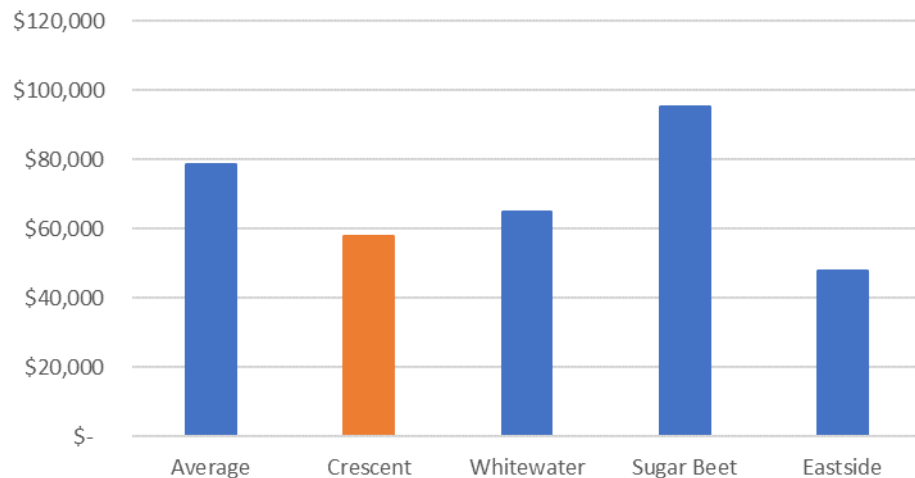
40% park non-irrigated

## Crescent Park

Cost per Acre



Annual Cost



MAINTENANCE  
COST INCREASE



Native seed & plant establishment



In ground restroom



Raw water irrigation source



High efficiency irrigation system



Post tensioned concrete courts



Wide concrete walks for efficient access & snow removal



Concrete edger



Maintenance shed on site



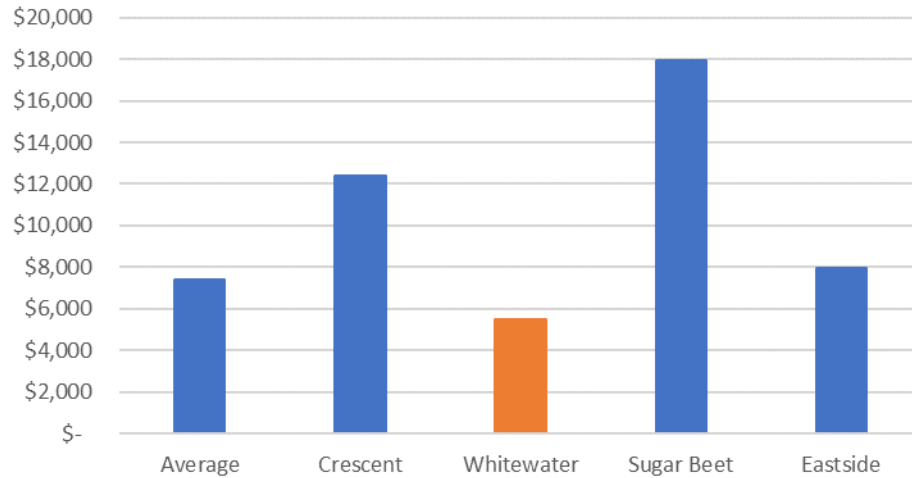
40% park native seed/reduced irrigation

MAINTENANCE  
COST  
MITIGATION

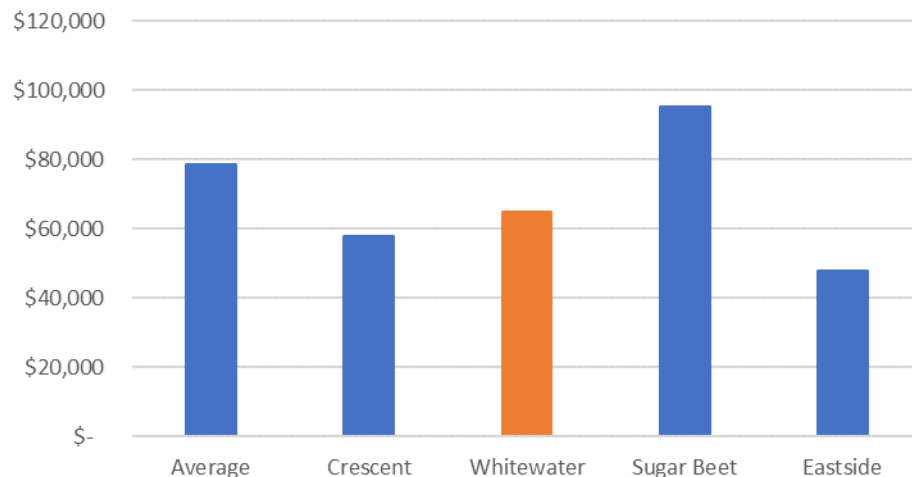


## Poudre River Whitewater Park

Cost per Acre



Annual Cost



MAINTENANCE  
COST INCREASE



**Native seed establishment**

**River edge maintenance**

MAINTENANCE  
COST MITIGATION



**Wide concrete walks for efficient access & snow removal**

**90% park native/reduced irrigation**

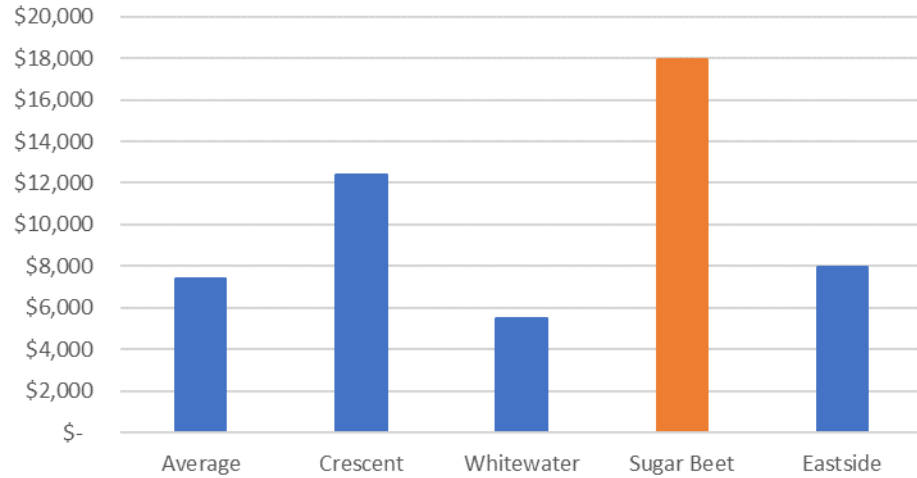
**High efficiency irrigation system**

**2-year maintenance and establishment by contractor**

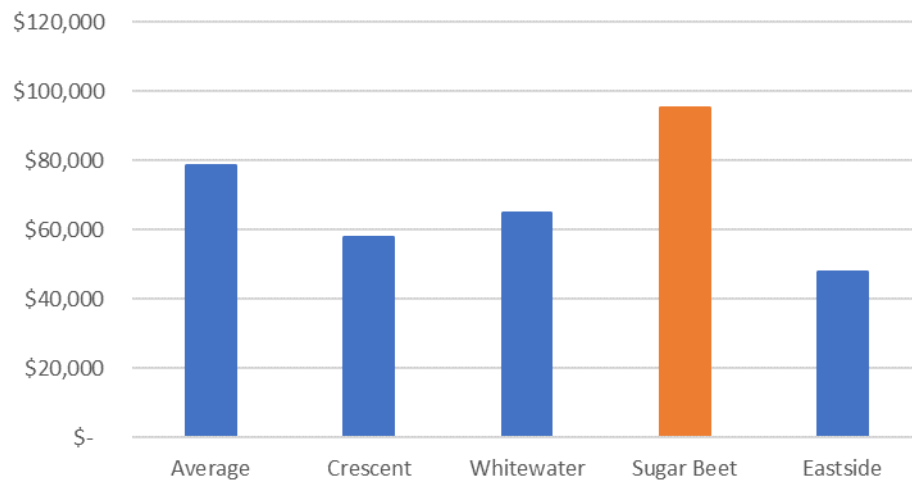


## Sugar Beet Park

Cost per Acre



Annual Cost



MAINTENANCE  
COST INCREASE



**Native seed & plant establishment**



**Wood play structure feature**



**High efficiency irrigation system**



**Wide concrete walks for efficient access & snow removal**



**Concrete edger**

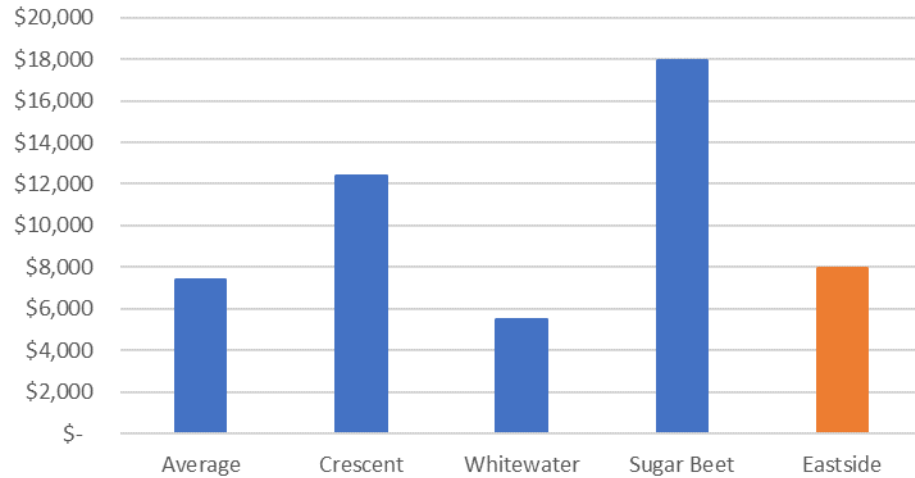


**40% park native seed/reduced irrigation**

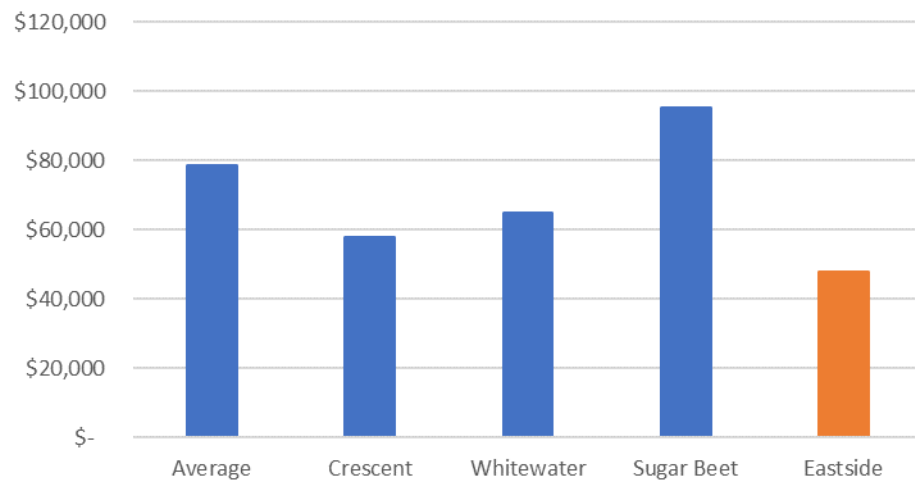


## Eastside Park Improvements

Cost per Acre



Annual Cost



MAINTENANCE  
COST INCREASE



**Native/xeric plant establishment**



**Wide concrete walks for efficient access & snow removal**



**Concrete edger**



**15% turfgrass reductions**



**2-year maintenance and establishment by contractor**



**Additional lighting reduces unsafe conditions & associated maintenance**

MAINTENANCE  
COST  
MITIGATION

## Traverse Park

Full Year of  
Maintenance Cost  
Data not yet Available



MAINTENANCE  
COST INCREASE



**Pump track maintenance**



**Crusher fine walks**



**Native seed & plant establishment**



**High efficiency irrigation system**



**HDPE irrigation mainline**



**Post tensioned concrete court**



**Wide concrete walks for efficient access & snow removal**



**Concrete edger**



**25% park native seed/reduced irrigation**



**2-year maintenance and establishment by contractor**

MAINTENANCE  
COST  
MITIGATION

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







**Parks Department**  
413 South Bryan Avenue  
PO Box 580  
Fort Collins, CO 80522  
**970.221.6660**  
970.221.6849 - fax  
[fcgov.com/parks](http://fcgov.com/parks)

Date: March 30, 2022

To: Mayor and City Council

From: Mike Calhoon, Director of Parks  
Kurt Friesen, Director of Park Planning and Development

Thru: Kelly DiMartino, Interim City Manager  
Kyle Stannert, Deputy City Manager  
Seve Ghose, Community Services Director

Re: Park Operation & Maintenance Costs and Design Guidelines

### **Bottom Line**

Park operation & maintenance costs have increased over time due to several factors including price escalation/inflation, increased park usage, added amenities, and more inclusive design.

### **Background**

The park system in Fort Collins is highly valued and heavily utilized as shown in results of the annual city survey- with 94% of respondents rating the quality of parks as very good or good and 97% indicating that they should be supported at the same or more effort as a budget priority. The system is comprised of over 50 parks and 45 miles of paved trails. Guided by the Parks & Recreation Plan, a distributed and interconnected system of parks has been realized throughout the city. In 2021, the Parks & Recreation Master Plan was updated with additional park classifications, design guidelines, level of service recommendations and goals, providing a road map for completion of the park system. The requests for amenities in parks are ever evolving and presents great opportunities as well as challenges.

As park infrastructure has aged, there is an urgent need to address deficiencies throughout the park system. As part of this effort, it is important to realize the differences between Infrastructure Replacement and Operations & Maintenance.

### **Operations & Maintenance**

Operations & Maintenance (O&M) includes year-round activities associated with keeping a site or amenity clean, safe, and functional for day-to-day use.

- Parks annual O&M costs are currently funded at ~\$12M annually, this funding is largely sufficient to meet O&M needs, with an annual gap of \$1.0M identified in the recent master plan. This gap could grow as new parks are built or if there is further price escalation/inflation.
- Examples of activities associated with O&M include:
  - Water Management/Repair such as activating/winterizing systems, program controllers, manage water, repair pipes/heads/valves

- Turf Care including mowing, prepping lines for play, dragging fields for even playability, inspect lighting, aeration, fertilization, equipment maintenance
- General upkeep, such as graffiti removal, vandalism repair, litter removal, inspecting sites for damage, maintain signs, equipment maintenance, training staff
- Snow removal from paved walkways and trails



Park maintenance is conducted via a system of satellite maintenance shops in defined park districts. Efficiencies gained by this approach include reduced carbon footprint, faster delivery of services, staff empowerment and growth, and higher level of O&M services. O&M is currently funded through the general fund as part of ongoing park maintenance offers submitted through the Budgeting for Outcomes (BFO) process.

### Infrastructure Replacement

Infrastructure Replacement is the removal and replacement of amenities in the parks system and bringing them up to today's standards, i.e. playgrounds, irrigation systems, tennis courts, etc. when regular maintenance can no longer keep them in a state of good repair..

- Currently there are over 1,200 items valued at over \$200 million in the inventory. Each item has a life span and when the time comes, it must be replaced.
- Potential new funding mechanisms for the Infrastructure Replacement Program are currently being considered alongside other City funding needs. A sustainable funding source is required to address the equity issues that are seen throughout the system pertaining to old vs. new parks.
- Examples of recent and ongoing Infrastructure Replacement projects include:
  - Playground replacement at Golden Meadows Park
  - Fossil Creek tennis court replacement
  - Addition of pickleball lines to Sugar Beet basketball court and Warren and Edora practice courts
  - Replacement of Library Park irrigation system





The below table shows differences between O&M vs. Infrastructure Replacement activities:

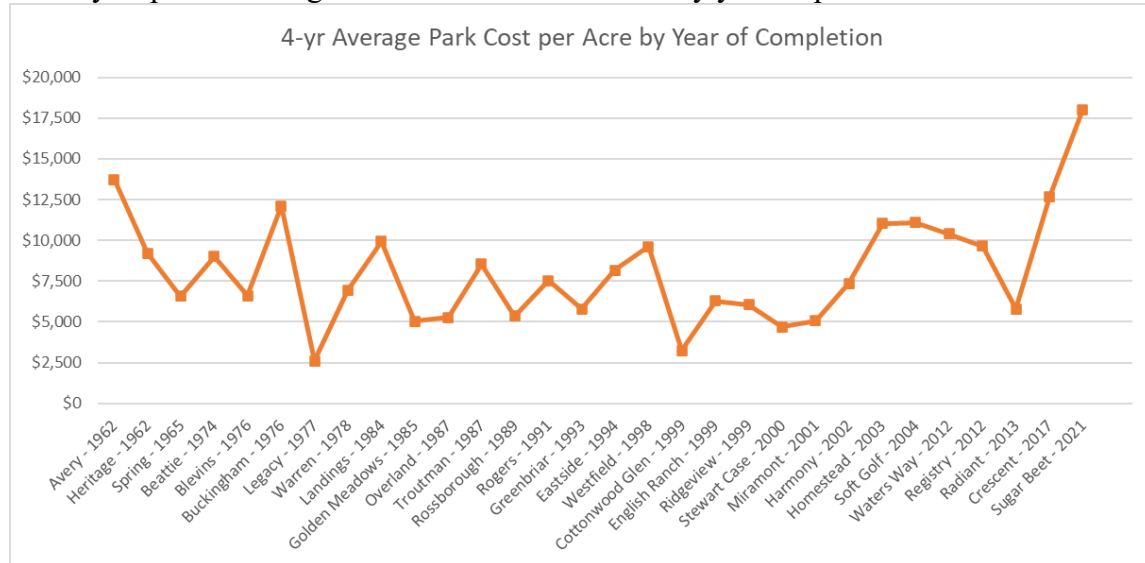
IRP Components (1,000+ assets)	Operations & Maintenance Examples	Infrastructure Repair & Replacement Examples (generally over \$5k)
Hardscapes	Snow removal, power washing plazas, sweeping debris	Repair sections of cracked walkways, bringing walkway slopes up to ADA standards, repaving parking lots
Playgrounds	Raking wood mulch (EWF) so that its even, picking up trash, safety inspections and minor repairs for normal wear and tear	Replacing equipment, changing surfacing from sand to ADA compliant material (EWF or PIP)
Fields	Mowing, prepping lines for play, dragging fields for even playability, inspect lighting, aeration, fertilization, equipment maintenance	Replacing fencing, lighting, scoreboards, full field renovations
Courts	Hanging wind screens, sweeping/power washing courts to remove debris, replacing nets	Conversion of courts from asphalt to post-tension concrete, new striping on courts, surfacing repairs, new posts, new LED lighting
Buildings	Clean and stock buildings/restrooms, trash removal, picnic table maintenance, power washing shelters, activating/winterizing drinking fountains	Minor renovations like roofing repairs and painting, major renovations like conversion of concession areas to satellite maintenance facility, full building replacements
Structures	Cleaning and stocking dog parks, activate/winterize/test interactive water features, weeding bike parks, replacing boards on pedestrian bridges,	Pedestrian bridge replacements, fencing repairs, water feature renovations, bike park renovations, pedestrian lighting replacement
Irrigation	Activate/winterize systems, program controllers, manage water, repair pipes/heads/valves	Full irrigation system renovation, replacement of water management equipment such as flow sensors, replacement of irrigation controllers
Water	Monitoring water deliveries, clearing ditches, weed and algae management, minor piping repairs, aeration equipment management	Dredging, headgate replacements, large piping replacements,
Trails	Snow removal, sweeping/cleaning trails, repairs to fencing	Replace sections of trails, replacement of fencing
General	Graffiti removal, vandalism repair, litter removal, inspecting sites for damage, maintain signs, equipment maintenance, training staff	Inspect asset inventory, prioritize repairs and replacements, project management work, training and compliance with current standards, coordination preventative maintenance activities with Operations & Maintenance staff, handoff for long term maintenance

Typically, park maintenance costs are characterized in cost/per acre. The size of a park has a direct impact on the cost per acre. The larger the park, the less it costs per acre to maintain, as most parks contain equitable amenities regardless of size. On average a community park costs approximately \$9,000/acre to maintain annually, and a neighborhood park approximately \$7,500/acre to maintain. The major drivers of the cost are:

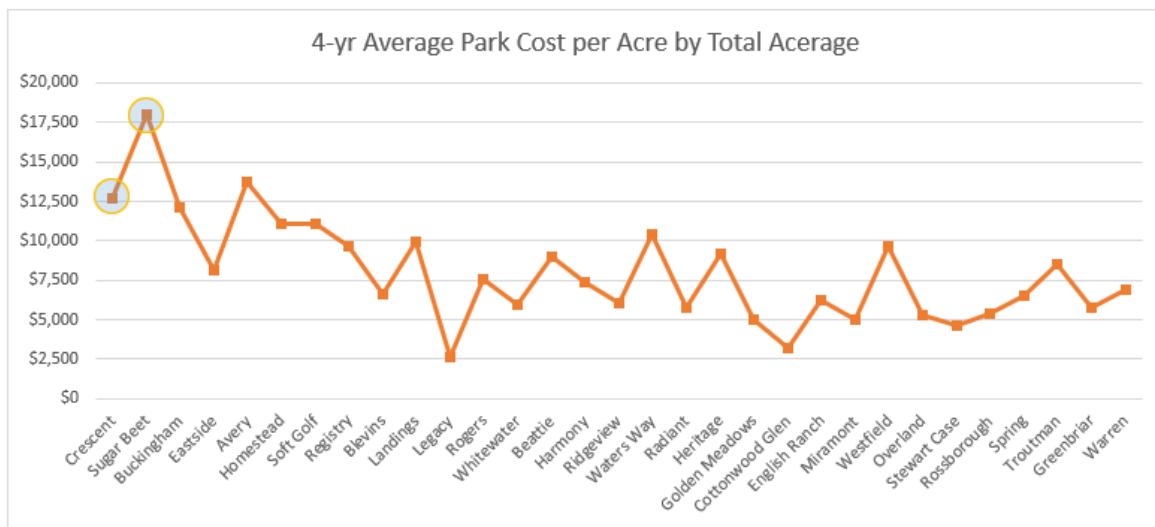
- Acreage- which drives costs of water management & repairs, turf care, and trash & recycling. Over  $\frac{3}{4}$  of O&M costs scale with the size of a park.
- Major Amenities- including whether or not the park has a playground or a bathroom. Maintenance of these features drives 15% of costs in a neighborhood park.

- Quantity of Minor Amenities- such as sports fields, shelters, and botanical features. Maintenance of these features drives the remaining 10% of O&M costs.

A summary of per acre Neighborhood Park O&M costs by year of park construction:



Although the two most recent parks are significantly higher than most parks, their per acre cost is also influenced by their smaller acreage. A summary of per acre Neighborhood Park O&M costs by size of park highlights these two most recent parks as the two smallest:



While direct comparisons of park maintenance costs are challenging due to varying definitions, overall when compared to other regional municipalities, the maintenance costs for the Fort Collins system appear to be in line with other park systems in the region.

## Design Guidelines

Approved in 2021, the Parks and Recreation Plan provides a comprehensive vision for Fort Collins parks and is the primary guiding tool for determining new park locations and amenities.

Key elements of the plan include:

- 7 park classifications- formerly there were only 2 (p.115)
- Design guidelines and typical amenities for each park classification (p.105)
- Population and access-based standards (10-minute walk and 5-minute drive) for major park amenities (p.161)
- 10 overarching goals that prioritize equity and inclusion, access to nature, and financial sustainability. (p.213) Linkage to Council priorities are highlighted in bold:
  1. Provide **equitable access to parks.**
  2. Provide **equitable access to recreational experiences.**
  3. Expand the active transportation network to **support access to parks and recreation.**
  4. Protect and enhance **natural, historic and cultural resources in parks** and increase related activities.
  5. **Enhance the financial sustainability of parks and recreation.**
  6. Strengthen partnerships to leverage resources for mutual benefit.
  7. Ensure parks, paved trails and recreation facilities are operated and **maintained efficiently and to defined standards.**
  8. Promote synergy between parks, recreation and economic health.
  9. Improve marketing and communication to enhance operations and user satisfaction.
  10. Elevate the design **and connection to nature** in parks and recreation facilities.

Both the executive summary and the full master plan can be accessed online at:

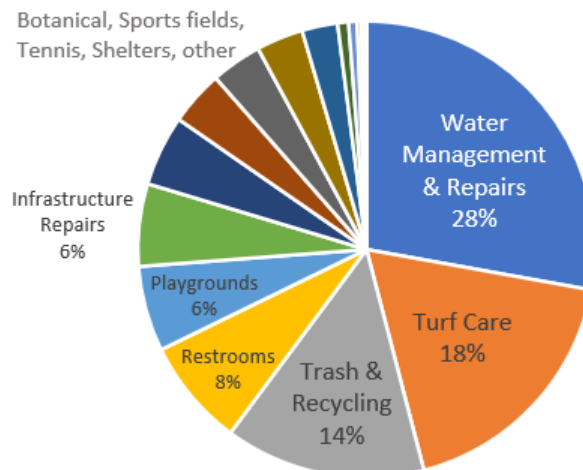
<https://www.fcgov.com/parksandrecplan/>

## Design Strategies to Reduce Maintenance Costs

New parks constructed over the last few years have incorporated many strategies to help reduce maintenance costs. These strategies include:

- More advanced, higher efficiency irrigation systems, resulting in decreased water usage
- Post-tensioned concrete slabs for courts, significantly increasing court lifespan
- 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
- The following chart illustrates the composition of costs associated with Neighborhood Park maintenance over the last 4 years:

## Costs of Neighborhood Park Maintenance



The addition of native seeded areas in parks significantly reduces irrigation demand but does require more maintenance than turf grass during the establishment period (approximately 5 years), then maintenance efforts subside after the seed is established. A key recommendation of the Parks and Recreation Plan is to revisit many of the older parks and increase the native vegetation in those parks, resulting in increased biodiversity, wildlife habitat, pollinator value and an improved natural experience for park users.

### Park Benefits

The benefits of parks are varied and difficult to measure but were obvious during the recent pandemic, as visitor usage increased significantly. Parks play an integral role in the health and well-being of the entire community offering a dose of “Vitamin N”- nature, as part of a holistic system of public spaces. Parks provide essential benefits, not just to residents, but also to the city’s environmental and economic well-being. Parks and Recreation contribute significantly to all of Fort Collins community priorities and all 7 outcome areas.

Traditionally, parks have focused on children and sports users primarily, as evidenced by the design of many of the older parks in the city. Today, parks are designed to provide benefit to all, including those who regularly walk a loop trail, sit and quietly reflect, enjoy a family gathering, or connect with nature. In addition, parks must evolve to meet the changing needs of users. Hammocking, slacklining, pump tracks and pickleball are all examples of new and emerging uses in parks that were uncommon only a few years ago, but now are mainstream activities.

Multiple studies reveal the importance of play in children’s lives, particularly in our media saturated society. Parks and playgrounds provide opportunities for children to safely take risks, expand their abilities and interact with other children from different backgrounds and cultures. Providing playgrounds that are challenging, unique and engaging is key to driving up park and playground participation and help keep children outside. The addition of natural play features also provides a wide variety of benefits.

Fort Collins' heritage is rich with many traditions. Parks provide a unique platform to celebrate and remember this legacy, such as the sugar beet workers (Sugar Beet Park) and the apple farmers (Twin Silo Park). Parks should be respites for escape and rejuvenation, but also respectfully acknowledge and remember those who have come before us to shape and build our community.

In summary, parks contribute significantly to create a more resilient Fort Collins in many ways, including:

- Reducing resource demands through decreased irrigation use
- Improving safety through stormwater detention and flood mitigation strategies
- Advancing environmental stewardship through enhanced wildlife habitat and improved water quality
- Contributing to economic health by promoting a high quality of life for residents
- Improving social equity by providing equal access to parks city wide

### **Next Steps**

City staff will bring a conversation about ongoing funding needs for various priorities, including parks and recreation funding, for Council consideration at the April 12 work session.







## MEMORANDUM

**DATE:** May 24, 2022

**TO:** Council Finance Committee

**THRU:** Kelly DiMartino, Interim City Manager  
Teresa Roche, HRE  
Travis Storin, CFO

**FROM:** Kelley Vodden, Compensation, Benefits, Wellness Director

**RE:** **401(a) Restated Adoption Agreements**

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A resolution will be presented to Council for adoption on consent at the June 21 Council meeting regarding the IRS regulations requiring the 401(a) retirement plans to be restated every six years. This restatement cycle is referred to as the "Third Cycle Restatement," and it is being done to incorporate all legislative and regulatory changes in the law since the last restatement, known as the Pension Protection Act Restatement. This IRS requirement applies to all 401(a) plans using preapproved plan documents. The City uses 401(a) plan documents preapproved by the IRS. Restating the plans is an administrative action and will have no financial impact on the City. The draft documents will be included in the June 21 Council packet for your review.

CC: Blaine Dunn, Accounting Director