



Finance Administration
215 N. Mason
2nd Floor
PO Box 580
Fort Collins, CO 80522
970.221.6788
970.221.6782 - fax
fcgov.com

AGENDA
Council Finance & Audit Committee
August 11, 2021
3:00 - 5:00 pm

222 Laporte - Colorado River Community Room
Zoom Meeting <https://zoom.us/j/8140111859>

Approval of Minutes from the July 7, 2021 Council Finance Committee meeting.

- | | | |
|---------------------------------------------------|----------|--------------------------|
| 1. Carnegie Center Renovation | 30 mins. | J. McDonald
K. Mannon |
| 2. Laporte Multimodal / Siphon Ped/ Bike Overpass | 30 mins. | B. Buckman |
| 3. Future Capital Projects & Financing Options | 30 mins. | B. Dunn |

Other Business

Council Finance Committee
Agenda Planning Calendar 2021
RVSD 07/30/21 ck

Aug. 11th	2021		
	Carnegie Center Renovation	30 min	J. McDonald K. Mannon
	Laporte Multimodal / Siphon Ped/Bike Overpass	30 min	B. Buckman
	Future capital projects and financing options	30 min	B. Dunn

Sept. 1st	2021		
	2021 Annual Adjustment Ordinance	30 min	L. Pollack
	East Parks District Maintenance Facility	30 min	V. Shaw K. Friesen
	Utilities Water Supply Requirements Cash-in-lieu Rate Increase	45 min	D. Dustin L. Smith L. Hans

Oct. 6th	2021		
	GERP Review	30 min	B. Dunn
	Financial Policy Updates	30 min	B. Dunn

Nov. 3rd	2021		
	Utility Long-term Financial and Capital Improvement Plan (part 1/2)	60 min	L. Smith
	Front Range Financial Comparison	30 min	B. Dunn

Dec. 1st	2021		
	Utility Long-term Financial Plan and Capital Improvement Plan (part 2/2)	60 min	L. Smith

Future Council Finance Committee Topics:

- 2022 Development Review and Capital Expansion Fee Updates
- Golf Debt Issuance
- Revenue Diversification



Finance Committee Meeting Minutes
July 7, 2021
3:00 - 5:00 pm
Zoom Meeting

Council Attendees: Julie Pignataro, Kelly Ohlson, Emily Gorgol

Staff: Kelly DiMartino, Kyle Stannert, Travis Storin, John Duval, Jackie Kozak Thiel, Ginny Sawyer, SeonAh Kendall, Blaine Dunn, Kelley Vodden, Jordan Granath, Lawrence Pollack, Dave Lenz, Jo Cech, Zack Mozer, Victoria Shaw, Caroline Mitchell, Mike Calhoon, Kendra Boot, Drew Brooks, Dean Klingner, Phil Ladd, Lance Smith

Others: Kevin Jones, Chamber
Chris Telli, BKD LLP
Anna Thigpen, BKD LLP

Meeting called to order at 3:00 pm

Julie Pignataro; I would like to note for the record that I have conferred with the City Manager and the City Attorney and have determined that the Committee should conduct this meeting remotely because meeting in person would not be prudent for some or all persons due to a current public health agency recommendation.

Approval of minutes from the June 16, 2021, Council Finance Committee Meeting. Emily Gorgol moved for approval of the minutes as presented. Kelley Ohlson seconded the motion. Minutes were approved unanimously via roll call by; Julie Pignataro, Kelly Ohlson and Emily Gorgol.

A. Timberline Recycling Center Operations

Victoria Shaw, Manager, FP&A
Caroline Mitchell, Manager Environmental Sustainability

EXECUTIVE SUMMARY

When the Timberline Recycling Center opened in 2016 it added a new service to the community with the ability for community members to recycle items not previously accepted. Since opening, the site has expanded collection to include additional materials and implemented multiple cost saving actions. However, the overall markets for recycling commodities have also shifted and resulted in increased operational costs. The site is approaching 5 years of operations and staff is seeking guidance about how to approach a long-term operations model to balance cost and service.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee have feedback for staff as they develop the long-term operations model for the site?

BACKGROUND/DISCUSSION

Prior to 2016, everyday recyclable materials were accepted in a City run facility near Rivendell. These items were accepted for no charge and hauled through a contractor to the Larimer County Recycling facility. The City received rebates based on the commodity values of the accepted materials, however there was still a net cost to operate the facility.

In 2016, the collections for everyday materials moved to the new Timberline Recycling Center. Opening this facility also allowed the City to expand the types of materials it could receive for recycling with the addition of a hard-to-recycle yard. Entry to the hard-to-recycle yard costs \$5 per visit. Materials accepted in this yard include:

- ABOP- Antifreeze, Batteries, Oil, and Paint
- Aggregates/Ceramics
- Electronic Waste (subject to an additional fee)
- Organic Debris, such as yard trimmings, branches, and untreated lumber (subject to an additional fee)
- Scrap Metal

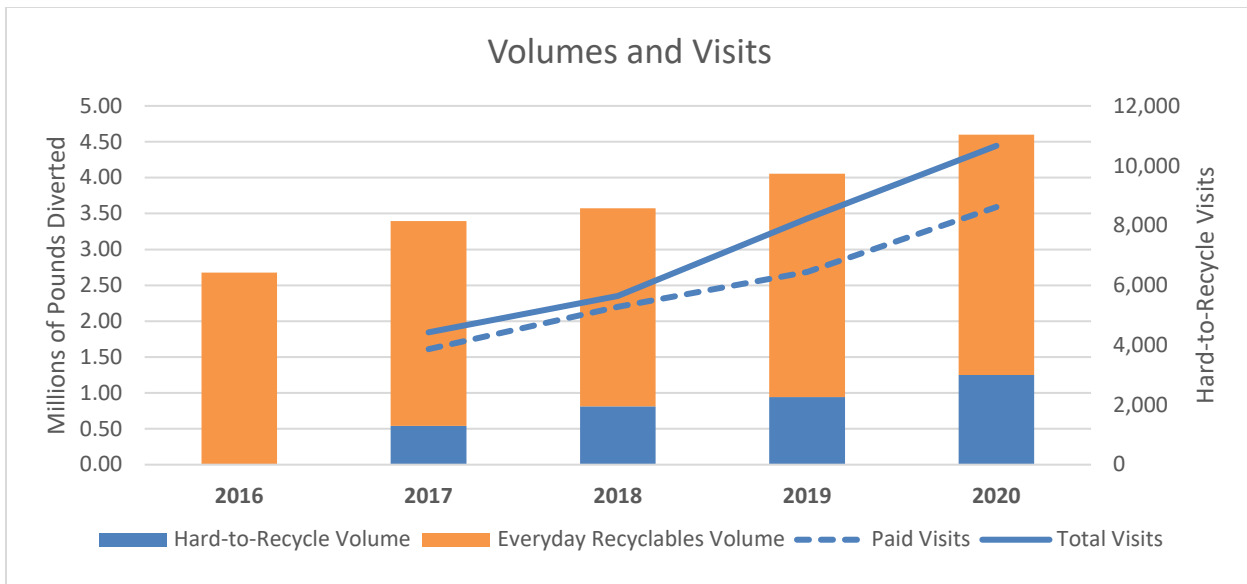
The hard-to-recycle yard is staffed on-site with two gate house attendants. The gatehouse attendants and hauling of materials for this yard is outsourced to a private vendor. The everyday recyclables yard is not staffed full-time on-site, but the site does benefit from volunteer program staffing and support from staff in Environmental Services Department. The hauling for materials is outsourced to a private vendor. Historically, the vendors for each side of the site were separate. A new agreement was reached in 2021 to consolidate to a single vendor, which will result in some cost savings.

Since opening, the TRC has added additional materials, including:

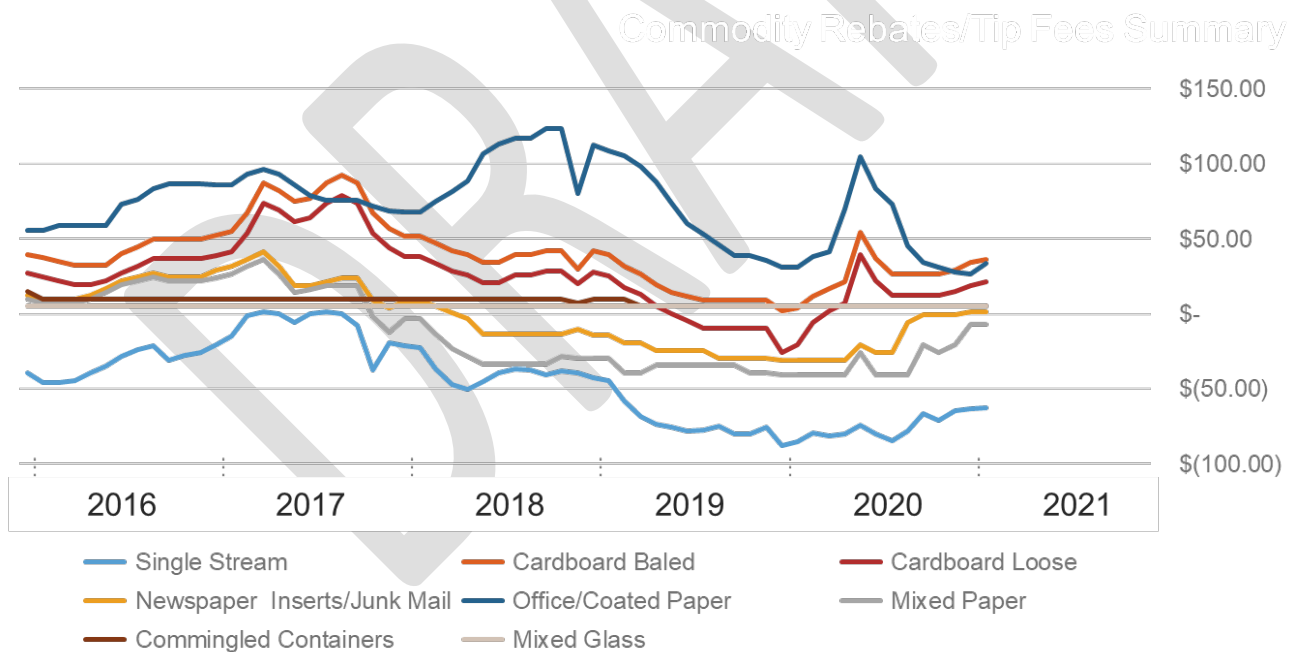
- Plastic Bags and Film
- Bulky Rigid Plastics
- Baling Twine
- Fire Extinguishers

The site has also offered special collection events. During those events, the site has accepted mattresses, box springs, documents requiring shredding, and furniture for reuse.

Usage of the site has been continually increasing. The point-in-time traffic counts conducted by staff indicate visits on the everyday recyclables side exceed 400 per day. Volumes on this side of the facility have increased an average of 5% per year since the site opened. Volumes on the hard-to-recycle side have increased an average of 33% per year. This growth reflected the ramp up in increased awareness and usage of the site. The chart below illustrates the increases seen in visits and materials collected.



In addition to the increases in volumes and visits, the site has also seen significant increases in the operating costs associated with recycling. Recycling markets offer rebates or charge tip fees based on the changes in commodity values. The below chart illustrates the volatility and changes in commodity values for everyday recyclables since the opening of the site.



Most materials offer significantly lower rebate values than they held in 2016. Some materials, such as mixed paper, have even shifted to requiring an additional tip fee instead of a rebate. This has led to challenges in containing the cost of services at the Timberline Recycling Center. Currently the site is not able to operate at existing service levels within its allocated budget.

Staff continues to evaluate cost savings opportunities on an on-going basis. In the past, the following actions were implemented to reduce costs:

- Purchased Baler (Used to condense plastic film and significantly reduce pick up costs)
- Awarded Grant money to pay to replace 1 compactor
- Negative utility bills due to solar installation
- Volunteer program hours reduce staff time
- County alternative corrections for some site clean-up/maintenance
- Changed security vendor to lower costs

As part of the ongoing evaluation of opportunities, staff conducted an internal analysis to determine if other operations models could result in cost savings without disrupting service levels. Staff gathered cost estimates from various City departments and similar facilities which operate in neighboring communities.

The analysis identified that there is a spectrum of changes that could be considered when approaching the long-term operations for the site. The below table features some of the findings for potential operating models, along with cost and service level considerations.

	Status Quo (contract hauling and site staffing)	Contract hauling, site staffing in-house	Bring hauling and site staffing in-house
Degree of change	None	Medium	Highest
Annual Operations Cost	~\$300K	Minimal	Up to 30% Savings
New Capital Investment	Existing Asset Replacement	+\$85K	+\$350K
Service Level Control	Medium	High	High
Flexibility	Low	Medium	High

Separate from this evaluation, an RFP process was completed to consolidate the vendors for the site. This action will result in some operational cost savings starting in the 2nd half of 2021.

Next step:

- Staff will conduct an analysis on the service levels provided to the community, including a deeper dive into financial modeling to inform future decision making.
- Staff will apply an equity lens to an evaluation of current operations and future opportunities for the Timberline Recycling Center.

Discussion / Next Steps:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee have feedback for staff as they develop the long-term operations model for the site?

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Flexibility	Low	Medium	High

Julie Pignataro; one of the priorities on the Council Priority list is recycling education

Jackie Kozak Thiel; there are six in the draft list that relate to waste – two more directly related to this topic

Julie Pignataro; because it takes effort to go this center you are probably seeing less contamination because it is not as convenient as single stream residential pick up

How is the contamination rate at TRC?

What are the current educational practices and opportunities?

Caroline Mitchell; to add some context - there is less contamination at the TRC than we would see in a single stream collection because folks have to separate the materials out and they are making the effort to go to the site.

Education – folks have lots of questions – staff on site – we have staff at the Hard to Recycle site – would like to expand - more ownership - we have volunteers on-site and they are interacting with the public and answering questions - education through signage on site and through interactions

Julie Pignataro; why is mixed glass so stable?

Caroline Mitchell; that is due to the fact that we have a full recyclable system for mixed glass in Colorado.

From exterior market forces - goes to Momentum Recycling Facility in Broomfield where it is sorted into very specific categories and then it is shipped to Rocky Mountain Bottling in Wheatridge who provides glass to Coors or Owens Illinois in Windsor, so we have a closed loop - very different level of stability than other materials.

Julie Pignataro; I am curious about the Eco-Cycle model in Boulder as I understand that they do hard to recycle items such as styrofoam - Is that something we are thinking about at all?

Victoria Shaw; we do not have a price for styrofoam because it is not a municipally run facility unlike Longmont and Loveland – data was not available to us since it is done through a non-profit but there might be some willingness to share for a greater good-outcome - styrofoam has a lofty price tag associated with it as well

Caroline Mitchell; agree that Eco-Cycle is more different from Fort Collins than the Loveland and Longmont models – we can dig deeper – Eco-Cycle operates the site on their own and they receive a subsidy from the city of Boulder every year as part of their operations and they also partner with an electronics recycler to dismantle their recycled electronics on site as a revenue generating arm – a more multi-faceted that we currently have at the TRC.

Julie Pignataro; I like the option of Bringing hauling and site staffing in-house
I would like to explore that model more – I still have a lot to learn - appreciate you applying the equity lens but you could not use transit to haul stuff to the TRC. If there is any option to use any of the Covid funds we are receiving to enhance the site?

Travis Storin; we might have a difficult time drawing a nexus to a Covid driven impact since we observed these changes prior to the pandemic but we can certainly ask the question of our technical advisors.

Kelly Ohlson; I have been championing local recycling since the late 70's -Strategic Alignment was moved over to the climate change action plan – acknowledge that It is part of the climate change action plan.
The Eco-Cycle model in Boulder started over 40 years ago - they were asked every year by the Boulder city council – how much do you need to make this work? Our model is a basic city service - Boulder was a lightning strike - I also support bringing hauling and site staffing in house and would like staff to drill down on this option. Annual operations cost savings up to 30% - one-time costs are not our problem - Service level control is high And Flexibility is high - that is the option I hope we drill down on – new energy and new focus and by showing support at recycling center – so glad you brought this to us and that you are thinking about these things.

Julie Pignataro; adding that I like that this is more room to deal with fluctuations in the local market and the opportunity to innovate as well.

Emily Gorgol; recycling is great but looking at commodity rebates - recycling is becoming a thing of the past and places that Individual responsibility on addressing the massive waste issue - looking at what we are getting back it doesn't look like recycle is the way to address waste anymore – when you look at the trends across - we are having issues with recycling plastic with China rejecting it and I think that problem is only going to grow. I do think it is great to have the recycling center, but my concern is putting so much money into the center and not looking at the future big picture of how we are actually going to address waste.

How are we working with other industries to close the loop on other commodities (example of mixed glass)
What if we used Covid dollars as an incubator program to help businesses to come up with those ideas?
Similar to the housing conversation. How do we actually use dollars to stimulate something that we need to refresh? My concern is that it doesn't look like in the long term where the economy and market are going.
I think it is an essential city service – look at moving it inhouse – would like to spend dollars to look at what are we looking for in the future?

Kelly Ohlson; I agree completely - Five Rs; Reduce, Reuse, Repair, Rot, Recycle
21st century solid make – we can't handle making manufacturers responsible from creation to end production which will involve state and federal level
I want to get there equal to on the rethinking and reducing the waste

What do we have local influence and control over – more forward thinking?

Caroline Mitchell; we have passed legislation at the state level through Recycle Colorado which Fort Collins is a member of that is working to bring more of those recycling markets here to Colorado. There is a market development project going on that we are supporting. Maine just adopted state level extending proof of responsibility – which means helping to give the incentives for manufacturers of products to design with recycling in mind. Recycle Colorado is working with other organizations to consider introducing similar legislation in the next session – and it is part of Council's adopted legislative policy agenda.

Jackie Kozak-Thiel; thank you for the clarity and alignment – continue to pursue what the business model could look like if we brought it in house- Think about investment in future proofing - Impacts the overall progress - climate future impacts - circular economy was one as well - enhance the site - Innovate Fort Collins Challenge to advance climate action work – a local company Spring Back Colorado Mattress Recycling Project was awarded one of the innovation grants so great opportunity to build on that and to continuing to apply an equity lens on the site and waste approaches. Great feedback – thank you

B. 2020 Audit Results

Blaine Dunn, Accounting Director
Kelley Vodden, Controller
Chris Telli, Partner, BKD LLP
Anna Thigpen, Director, BKD LLP

SUBJECT FOR DISCUSSION

Independent Auditors' Report on 2020 Financial Statements
Independent Auditors' Report on Compliance for Major Federal Programs

EXECUTIVE SUMMARY

BKD will be presenting an overview of the *Report to Council*. This report covers the audit of the basic financial statements and compliance of the City of Fort Collins for year-end December 31, 2020.

NOTE: The Comprehensive Annual Financial Report has been sent to the printer, but the printing has not yet been completed. We will get hard copies distributed as soon as they are available. A copy of the report can be found online here: fcgov.com/finance/files/cafr-2020.pdf

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Staff seeks input on areas of priority or concern, other than those established in this Report to the City Council, for matters of recordkeeping and/or the City's internal control environment.

Otherwise, there are no specific questions to be answered as this is a 2020 year-end report.

BACKGROUND/DISCUSSION

In compliance with *Government Auditing Standards*, the City undergoes an independent external audit on an annual basis. BKD finalized its financial statement audit and compliance report on June 25, 2021, and the firm is required to report the results of the audit to those charged with governance.

Attachment 1 to this agenda item contains the full report, and findings of note are summarized below:

Significant Issues Discussed with Management (Attachment 2, page 4):

City management and the audit team discussed the transfer out of the Old and New Retirement Health Savings Plan from the Pension and Other Employee Benefit Trust Funds. BKD agreed with the treatment of the transfer out.

Other Findings (Attachment 2, pages 6-7):

Other findings/deficiencies identified by the auditors but not rising to the level of a significant deficiency can be found in the Report to the City Council. Staff will provide a written response to the audit findings at a fourth quarter Council Finance Committee meeting.

Discussion / Next Steps;

Julie Pignataro; what is the path to correction? Will those things remain deficiencies until we get budget to correct them?

Anna Thigpen; certain items that realistically due to budget, staffing constraints, physical location that the city will not be able to fix. We feel comfortable that all responsible parties are aware of the risk. It doesn't make sense to continue to communicate every year. If facts and circumstances change to where we believe there might be increased risk compared to 2019 and 2020 we would revisit that. The intent is to leave the communication where it is.

Kelly Ohlson; what happened in the 2019 - 2020 issues.

What ones were resolved – make me a little more comfortable - I know that these are minor categories

What is wrong with going back more years – why do they just go away even if they are not resolved?

Chris Telli; several have been resolved / corrected. The one item that we consider to be corrected is to move the data center until there is enough budget etc. – risk will always exist. Both the primary and the secondary data center are within 5 miles (close proximity of each other).

Kelly Ohlson; I consider that one finished and off the table

Chris Telli; there is one item that we would like to see corrected and we will report back to you next year on the status.

We greatly appreciate the staff's time and commitment and effort.

Travis Storin; a lot goes into this audit – it is a culmination of 6+ months of work
Stewardship is something that the staff takes very seriously.

C. 2021 Winter Storm Clean Up Appropriation

Mike Calhoon, Director of Parks

Kendra Boot, City Forester

EXECUTIVE SUMMARY This report will update Council Finance Committee on the response to the March 13th and 14th spring snowstorm and the associated direct and redeploy costs associated with the recovery.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support the request for an appropriation of direct costs in response to the March 13-14, 2021, snowstorm?

BACKGROUND/DISCUSSION The snowstorm began Saturday, March 13, 2021, and lasted through Sunday, March 14, 2021. During that time 25+ inches of heavy, wet snow fell across the city. Moisture content in the snow was in excess of 3-inches. The hardest hit area (bullseye) was bordered by Riverside and Taft on the east and west and Vine and Prospect on the north and south.

There was substantial damage to trees throughout Fort Collins that impacted rights-of-way, residential areas, City trees, City parks, cemeteries, golf courses and downtown Fort Collins. The organization quickly transitioned from snow removal to debris cleanup mode to clear roads of debris and address critical safety hazards.

The City provided curbside branch pickup in the bullseye and offered two locations for citizens to drop off branches free of charge. A contractual arrangement was completed with Hageman Earth Cycle to provide a site on the east side of town. On the west side of town, Colorado State University allowed the use of the old Hughes Stadium site for a branch drop-off. The drop-off sites were open for six weeks to allow residents to clean and haul their branches for recycling. Grinding operations have been completed with two free mulch giveaways being completed. Over 1200 vehicles/trailers were filled with recycled mulch during these giveaways.

Costs associated with the response and recovery:

Direct Costs	\$306,819
Redeploy Costs	\$238,133
Total Storm Costs	\$544,952

Discussion / Next Steps;

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support the request for an appropriation of direct costs in response to the March 13-14, 2021, snowstorm?

Emily Gorgol; I support the appropriation. I want to thank everyone for your great work – it was a true rapid response – a great job! I met so many people who were amazed that 1) the city was plowing streets and driveways and 2) that the city was offering free branch drop off. One piece of feedback - renters had a hard time working with landlords especially with landlords out of state.

Kelly Ohlson; I support the allocation of funds.

Julie Pignataro; I support the appropriation. I appreciate the lessons learned – keep being more dynamic and figuring it out.

D. Transfort ARPA

Drew Brooks, Director, Transit

SUBJECT FOR DISCUSSION Transfort – CRRSAA & ARP Funding Proposed Projects

EXECUTIVE SUMMARY

At the June 15th City Council Meeting, Council adopted Ordinance No. 073, 2021, appropriating \$8.9 million in grant funding from the CRRSAA & ARP grant programs to the Transfort budget. These funds are provided at 100% Federal share and do not require any local matching funds. Staff committed to presenting a program of projects for these funds to the Council Finance committee and the Transportation board.

The strategy for these projects include a focus on safety and security improvements, as well as typical operating and maintenance expenses. The program also accounts for general funds, replaced by these Federal grants, to be placed in Transfort reserves as local grant match for anticipated grant applications for Transit Master Plan build out projects.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Staff presents these projects for discussion and input from Council before the grant execution deadline of the end of the Federal Fiscal Year, September 30th, 2021.

BACKGROUND/DISCUSSION

On June 15th, Council adopted Ordinance No. 073, 2021, appropriating \$8.9 million in CRRSAA and ARP funds designated for Transfort through the Federal Transit Administration (FTA) 5307: Urbanized Area Formula Program and 5310: Enhanced Mobility of Seniors and Individuals with Disabilities grant programs. (see attached previous AIS, follow up memo, fact sheets, and adopted ordinance).

The following table provides an overview of the total appropriation:

Funds Provided by FTA	
FY21 CRRSAA 5307 Funds	\$1,477,651.00
FY21 CRRSAA 5310 Funds	\$31,597.00
FY21 ARP 5307 Funds	\$8,933,175.00
FY21 ARP 5310 Funds	\$31,598.00
Total Funding Provided	\$10,474,021.00
Less local dollars pass through to North Front Range Metropolitan Planning Organization (NFRMPO)	\$(1,377,623.00)
Less local dollars pass through to Berthoud Area Transit System (BATS)	\$(185,111.00)
Net Transfort Financial Impact	\$8,911,287.00

CRRSAA Funding

The table below provides a brief overview of projects for which the Transfort 5307 CRRSAA apportionment will be allocated:

2021 CRRSAA 5307		
	Federal	Project Type
Total Allocation	\$ 1,257,621	
1% Security Projects	\$ 12,576	Security Improvements
Operations	\$1,245,045	Future Grant Match

The majority of this grant will fund normal Transfort operational expenses to include payroll and typical administrative expenses. FTA requires that 1% of all 5307 funds be spent on Security related projects, which will include technology improvements, such as camera upgrades, Transit Service Officer (TSO) salaries, and security services contracts.

As outlined in the June 15th appropriation, these funds will replace \$1.2 million in general funds previously appropriated in the 2021 budget process. The \$1.2 million in general funds has been appropriated to a new Transfort reserve account specifically allocated for future grant match. A discussion of possible future grants for which these funds may be used will be discussed later in this memo.

The 5310 portion of the CRRSAA grant (\$26,892) will be combined with the 5310 portion of the ARP grant (\$26,893), and previously apportioned 5310 grants, to fund a technology project to install mobile & touchless fare systems in all Dial-a-Ride vehicles. This system is currently in use on Transfort fixed route buses and will provide a safer, more sanitary fare system for customers and staff.

ARP Funding

The table below provides a brief overview of projects for which the Transfort 5307 ARP apportionment will be allocated:

2021 ARP 5307		
	Federal	Project Type
Total Allocation	\$ 7,599,880	
Transfort Maintenance Facility (TMF)		Safety
Safety Improvements	\$ 4,800,000	Improvements
1% Security Projects	\$ 75,999	Security Improvements
Maintenance Technicians	\$ 276,773	Maintenance
Operations	\$ 1,723,227	Future Grant Match
Preventative Maintenance - Vehicles	\$ 400,000	Future Grant Match
Preventative Maintenance - Facilities	\$ 323,881	Future Grant Match

A detailed explanation of each project is as follows:

A significant portion of this grant, \$4.8 million, will be used for critical safety improvements to the Transfort Maintenance Facility (TMF) located in south Fort Collins on Portner Rd. Transfort is currently installing a new methane detection system at TMF to replace a system that has exceeded useful life and is no longer functional. This critical and required system is designed to alert operations and maintenance staff of any compressed natural gas emissions in the event of a leak or other failure of bus and fueling systems. While performing the engineering and design work for this project, it was found that the older HVAC system, and many electrical components for the building, could no longer support the new methane detection system. This crucial project will upgrade the HVAC system and electrical components to be in compliance with the methane detection system and provide a safe work environment for operations and maintenance staff, as well as the nearby community. This project was previously included as a 2022 Budget Offer and if unfunded, would have required staff to seek additional grant funding that would require at least a 20% local match.

As mentioned above regarding the CRRSAA grant, FTA requires that 1% of all 5307 funds be spent on security related projects, which will include technology improvements, such as camera upgrades, Transit Service Officer salaries, and security services contracts.

Currently, maintenance for most Transfort shelters and bus stops are contracted for service as part of the existing advertising agreement. This agreement sunsets at the end of 2021. Through a competitive Request for Proposal (RFP) process, Purchasing and Transfort staff received no proposals that met the current need for shelter and bus stop maintenance through a similar agreement to the sunseting contract. Initial staff analysis determined that there was a 60% savings to bringing bus stop maintenance “in house” by purchasing needed snow removal equipment and hiring internal staff as opposed to contracting these services outside of the advertising agreement. Funding this project for one year using ARP dollars will allow staff to further evaluate maintenance needs and provide a detailed budget offer for 2022. This project was previously included as a 2022 Budget Offer and if unfunded, would have required staff to seek additional grant funding that would require at least a 20% local match.

The remaining projects proposed of this grant will fund normal Transfort operational expenses to include payroll and typical administrative expenses, as well as maintenance expenses for vehicles and facilities. As with the previously described CRRSAA grant funding, these funds will replace \$2.4 million in general funds previously appropriated in the 2021 budget process. At the end of the 2021 budget year, the remaining \$2.4 million in general funds will revert to the new Transfort reserve account specifically allocated for future grant match.

To further advance the Transit Master Plan adopted by Council in 2019, Transfort currently has several large projects in various stages of development that will soon be eligible for Federal grants but will require at least a 20% local match. These projects include, but are not limited to:

- West Elizabeth Bus Rapid Transit (BRT) – This project is currently in the 30% design phase and should be eligible for a Small Starts Grant in the next 12 months. Small Starts is the same Federal grant program that funded MAX.
- North Transit Maintenance Facility – Further expansion of service will require a new bus maintenance facility to the north of town. The current facility on Portner Rd. is beyond capacity and requires significant retrofit to support the conversion of the fleet to zero-emission vehicles over the next fifteen years.
- North College Bus Rapid Transit (BRT) – A current Transit Oriented Development study is being performed for the North College area. This study is expected to complete in the next 18 months and will provide preliminary work for the extension of MAX service to north College.

Recent discussions with FTA have informed staff that projects are more attractive for grant funding if the grantee can point to previously allocated funding sources for local match.

Discussion / Next Steps;

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Staff presents these projects for discussion and input from Council before the grant execution deadline of the end of the Federal Fiscal Year, September 30th, 2021.

Emily Gorgol; thank you for the presentation and all the work! Would the electronic fare for dial-a-ride collection be the only option?

Drew Brooks; it would be the preferred option because we would like to keep people as safe possible by having the touchless payment method, but it will not be the only option for fare collection.

Emily Gorgol; I was expecting to see more focus on shelters and ADA accommodations at bus stops -some bus stops are not as comfortable as they don't have shelters

Drew Brooks; our goal is to be 100% ADA assessable – we are currently at 85% now. We have a budget offer To use some local dollars to purchase right of way - we can't use federal dollars for purchase of right of way – only local dollars

Emily Gorgol; what about adding more shelters?

Drew Brooks; we have standards-for the service level at certain stops – we look at that annually We look at trip generators - an area where we know more folks with disabilities use We would definitely look ridership - if it increases at a certain stop

Emily Gorgol; if bus stops aren't very comfortable then we won't get the numbers to get the shelter in place

Drew Brooks; a valid point - our routes do move from time to time - we sometimes aren't sure if the route will continue - one-time costs are close to \$30k - then maintenance. We could look a little deeper from an equity perspective and see if there may be other things to consider when we look at those locations.

Emily Gorgol; especially in the winter – wanting people to feel like they have a place

Kelly Ohlson; when ridership went way down due to Covid, did we furlough folks? How many transit service officers do we have and why do we need them?

Drew Brooks; we did not furlough folks – in order to promote physical distancing on the buses we added buses to certain routes that we kept in service so we could have more space - we reduced our service on certain routes and put taxi service in place so people could get around on the routes that we suspended - and put all of our resources on our most heavily used routes. Since we did not do any furloughing of employees, we don't have as many restrictions on how we spend these funds.

We have 5 transit service officers who handle enforcement on Max such as dealing with general disturbances and behavioral issues on the routes that the drivers can't handle themselves. Typically, a transit agency has

20% of their hours covered with transit officers - we have 6% of our service hours covered by transit officers. Very needed and very busy.

Kelly Ohlson; maintenance of bus shelters - I hope we head to doing this in house -we have more control and profit is not built into the costs. You show 1.5 FTEs contracted snow removal

Drew Brooks; the contracted snow removal is for these incredibly large storms – that is when we will need extra contracted help.

Kelly Ohlson; redoing the electrical and HVAC system in the building is almost \$5M?

Drew Brooks; it is a very large cost - just the air handlers alone are \$3M because we are going from a gas fired system to an all-electric system. I have sticker shock on that as well.

Meeting adjourned at 4:55 pm

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Jim McDonald, Cultural Services Director
Ken Mannon, Operations Services Director

Date: August 11, 2021

SUBJECT FOR DISCUSSION

Appropriate Community Capital Improvement Program Funds (CCIP) of \$2,218,000 for the renovation of the historic Carnegie Library (Carnegie Center for Creativity).

EXECUTIVE SUMMARY

With the passing of the 2015 Community Capital Improvement Program Ballot Measure (Building on the Basic 2), the Carnegie Center for Creativity was scheduled for renovation beginning in 2024. With projected inflation per the ballot materials, the approved total allotment is \$2,218,000. The ballot measure also included five years of Operations and Maintenance support of \$25,000 per year.

Currently, the building is closed to the community due to budget reductions. Additionally, the elevator in the building is to be upgraded to meet ADA standards beginning this year. With the building closure and the elevator construction currently underway, staff recommends commencing the renovation work in 2021 to leverage the current situation and minimize future closure time.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee support bringing forward an appropriation to Council to renovate the historic Carnegie Library (Carnegie Center for Creativity) beginning in 2021 instead of 2024?

BACKGROUND/DISCUSSION

In April 2015, the voters of Fort Collins passed a 10-year quarter-cent tax renewal dedicated to community improvements (Building on the Basics 2). Improvements included ongoing funds to support affordable housing, intersection improvements, bicycle infrastructure, implementation of Nature in the City and the renovation of the historic Carnegie Library. Authorizing Ordinance No. 013, 2015 stated “This project will renovate the historic 1904 Carnegie library building to enhance its use as a Community Center. The Center will host special events, community meetings, art exhibits and symposiums in the heart of Downtown.”

The historic 1904 Carnegie building is one of the oldest, continuously operating public buildings in Fort Collins, designated a local Historic Landmark District by Resolution in 1978. The building is also a contributing structure to the Laurel School Historic District, National Register

10/3/1980, 5LR.463. The building is now the Carnegie Center for Creativity and offers an affordable community-focused cultural space for gallery exhibitions, performances, classes and special events. It also serves as the home and studio of Fort Collins Public Media and the Fort Collins Downtown Creative District on the lower level.

The project focuses on infrastructure and historic restoration to ensure the building will continue to function as a public resource into the future. Some of the work to be completed includes:

- Uncover and restore windows
- Add a main staircase to connect floors
- Renovate and add restrooms
- Upgrade electrical and fiber
- Rehabilitate and improve mechanical systems
- Restore interior floors and finishes
- Restore and repair exterior masonry, eaves and cornice
- Address Americans with Disability Act (ADA) needs
- Address drainage issues

ATTACHMENTS

CCIP Revenue & Project Projections

PPT Presentation

Final project list, 2016-2025 CCIP, as of 2015:

Project	2015 Project Cost	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Inflation	O & M	Project Cost + Inflation + O&M
1 - Affordable Housing Fund	\$ 4,000	200	250	250	400	400	500	500	500	500	500						\$ -	\$ -	\$ 4,000
2 - Arterial Intersection Improvements	\$ 6,000	350	350	400	400	400	400	400	800	1,200	1,300						\$ -	\$ -	\$ 6,000
3 - Bicycle Infrastructure Improvements	\$ 5,000	300	350	350	350	350	350	350	500	800	1,300						\$ -	\$ -	\$ 5,000
4 - Bike/Ped Grade Seperated Crossing Fund	\$ 6,000	1,500	0	0	2,000	0	0	0	1,300	1,200	0	20	20	20	20	20	\$ -	\$ 100	\$ 6,100
5 - Bus Stop Improvements	\$ 1,000	100	100	100	100	100	100	100	100	100	100						\$ -	\$ -	\$ 1,000
6 - Carnegie Bldg Renovation	\$ 1,700	0	0	0	0	0	0	0	0	2,218	25	25	25	25	25		\$ 518	\$ 125	\$ 2,343
7 - City Park Train	\$ 350	350	0	0	0	0	0	0	0	0	0						\$ -	\$ -	\$ 350
8 - Club Tico Renovation	\$ 250	250	0	0	0	0	0	0	0	0	0						\$ -	\$ -	\$ 250
9 - Downtown Poudre River - Kayak Park	\$ 4,000	0	4,244	50	50	50	50	50	0	0	0						\$ 244	\$ 250	\$ 4,494
10 - Gardens on Spring Creek Visitor's Center	\$ 2,000	0	0	2,185	40	40	40	40	40	0	0						\$ 185	\$ 200	\$ 2,385
11 - Lincoln Ave. Bridge	\$ 5,300	2,730	2,811	36	36	36	36	36	0	0	0						\$ 241	\$ 180	\$ 5,721
12 - Linden St. Renovation	\$ 3,000	0	0	0	563	2,898	12	12	12	12	12						\$ 461	\$ 60	\$ 3,521
13 - Nature in the City	\$ 3,000	200	200	200	200	200	250	300	300	400	750	100	100	100	100	100	\$ -	\$ 500	\$ 3,500
14 - Pedestrian Sidewalk / ADA-Compliance	\$ 14,000	1,000	1,000	1,100	1,100	1,100	1,200	1,200	1,500	2,400	2,400						\$ -	\$ -	\$ 14,000
15 - SE Community Center with Pool	\$ 14,000	0	0	0	0	0	0	2,460	15,201	230	230	230	230	230			\$ 3,661	\$ 1,150	\$ 18,811
16 - Transfort Bus Fleet Replacement	\$ 2,000	0	0	500	0	0	0	500	0	0	1,000						\$ -	\$ -	\$ 2,000
17 - Willow Street Improvements	\$ 3,070	0	0	765	2,667	11	11	11	11	11	0						\$ 362	\$ 55	\$ 3,487
Inflation	\$ 80	\$ 405	\$ 250	\$ 360	\$ 398	\$ -	\$ 460	\$ 3,201	\$ 518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,672		
Operations & Maintenance (O&M)	\$ -	\$ -	\$ 86	\$ 126	\$ 137	\$ 149	\$ 149	\$ 63	\$ 253	\$ 267	\$ 375	\$ 375	\$ 375	\$ 145	\$ 120		\$ 2,620		
Yearly Project Expenditure + Inflation + O&M	\$ 6,980	\$ 9,305	\$ 5,936	\$ 7,906	\$ 5,585	\$ 2,949	\$ 5,959	\$ 20,264	\$ 9,071	\$ 7,617	\$ 375	\$ 375	\$ 375	\$ 145	\$ 120				\$ 82,962
Projected Annual Revenue	\$ 7,426	\$ 7,615	\$ 7,808	\$ 8,006	\$ 8,209	\$ 8,418	\$ 8,631	\$ 8,850	\$ 9,075	\$ 9,306	\$ -	\$ -	\$ -	\$ -	\$ -				\$ 83,345
Funds Remaining	447	(1,690)	1,872	100	2,624	5,469	2,673	(11,414)	4	1,689	(375)	(375)	(375)	(145)	(120)				383
Bob II Reserve Balance	447	(1,243)	628	728	3,352	8,821	11,493	80	84	1,773	1,398	1,023	648	503	383				383



Carnegie Center for Creativity Renovation

Appropriate CCIP Funds to Begin Renovation in 2021

Jim McDonald, Cultural Services Director

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08-11-2021

Does Council Finance Committee support bringing forward an appropriation of \$2,218,000 to Council to renovate the historic Carnegie Library (Carnegie Center for Creativity) beginning in 2021 instead of 2024?

Project	2015 Project Cost (000's)	Project Cost + Inflation + O&M (000's)
1 - Affordable Housing Fund	\$ 4,000	\$ 4,000
2 - Arterial Intersection Improvements	\$ 6,000	\$ 6,000
3 - Bicycle Infrastructure Improvements	\$ 5,000	\$ 5,000
4 - Bike/Ped Grade Seperated Crossing Fund	\$ 6,000	\$ 6,100
5 - Bus Stop Improvements	\$ 1,000	\$ 1,000
6 - Carnegie Bldg Renovation	\$ 1,700	\$ 2,343
7 - City Park Train	\$ 350	\$ 350
8 - Club Tico Renovation	\$ 250	\$ 250
9 - Downtown Poudre River - Kayak Park	\$ 4,000	\$ 4,494
10 - Gardens on Spring Creek Visitor's Center	\$ 2,000	\$ 2,385
11 - Lincoln Ave. Bridge	\$ 5,300	\$ 5,721
12 - Linden St. Renovation	\$ 3,000	\$ 3,521
13 - Nature in the City	\$ 3,000	\$ 3,500
14 - Pedestrian Sidewalk / ADA-Compliance	\$ 14,000	\$ 14,000
15 - SE Community Center with Pool	\$ 14,000	\$ 18,811
16 - Transfort Bus Fleet Replacement	\$ 2,000	\$ 2,000
17 - Willow Street Improvements	\$ 3,070	\$ 3,487
Total	\$ 74,670	\$ 82,962

- Voter-approved taxes for capital projects date back to 1973
- Current 0.25% tax, Community Capital Improvement Program (CCIP) runs from 2016-2025
- Composed of 17 different projects or initiatives
- **For 2016-2020, City has collected \$42.1M actual vs. \$35.7M projected**

- With the passing of the 2015 Community Capital Improvement Program Ballot Measure, the Carnegie building was scheduled for renovation beginning in 2024.
- With projected inflation per the ballot materials, the approved total allotment is \$2,218,000. The ballot measure also included five years of Operations and Maintenance support of \$25,000 per year.
- Currently, the building is closed to the community due to budget reductions. Additionally, the elevator in the building is to be upgraded to meet ADA standards beginning this year.
- The 2019 FoCo Creates Arts and Culture Master Plan includes a strategy to “Explore opportunities to capitalize on the renovation of the Carnegie Center for Creativity in 2024, developing the facility into a hub for community cultural organizations and creative industries.”

- In 2015, the estimated project cost was \$2 million. It was estimated that approximately \$300,000 was needed to be raised to complete the project.
- An architectural firm will be engaged to review the program, analyze the original cost estimates given current conditions, and provide new estimated project costs.
- The renovation will be supported by a modest corresponding capital campaign in partnership with City Give. Financial support to supplement the renovation and future programming of the Creative Center will be sought from mission-aligned individual donors, regional foundations, state government and national funders.
- With the building closure and the elevator construction currently underway, staff recommends commencing the renovation work in 2021 to leverage the current situation and minimize future closure time.

Does Council Finance Committee support bringing forward an appropriation of \$2,218,000 to Council to renovate the historic Carnegie Library (Carnegie Center for Creativity) beginning in 2021 instead of 2024?



Council Finance Committee – 11 August 2021

STAFF:

Tim Sellers
Dan Woodward

SUBJECT

Appropriation of the Multimodal Options Fund Grant, the Transportation Alternatives Program Grant, the Revitalizing Mainstreet Grant, and Transportation Capital Expansion Fee funds for the Laporte Avenue Multi-Modal Improvement Project. Additionally, appropriation of Transportation Capital Expansion Fee funds and Multimodal Options Fund Grant to the Siphon Pedestrian Overpass Project.

EXECUTIVE SUMMARY

The purpose of this item is to seek support from the Council Finance Committee to in order to bring a full appropriation to Council to receive federal funds for the Laporte Avenue Multi-Modal Improvement Project (Laporte Project). This item will also appropriate \$390,000 from the Transportation Capital Expansion Fee (TCEF) into the Capital Projects fund for the Laporte Avenue Multi-Modal Improvement Project. The City was awarded a Multimodal Options Fund (MMOF), as well as a Transportation Alternatives Program (TAP) grant for the Laporte Project. These funds will be used for design, any necessary property acquisition, and construction of roadway improvements along Laporte Avenue from Fishback Avenue to Sunset Street, excluding the bridges and roadway crossing the New Mercer Canal north of Grandview Cemetery. The bridges and roadway north of Grandview Cemetery are being replaced as part of a separate capital project using local Bridge Program funding.

In addition, this item will enable the city to receive federal funds for the Siphon Pedestrian Overpass Project (Siphon Project) by appropriating \$500,000 from the TCEF as local matching funds for the project's MMOF grant.

STAFF RECOMMENDATION

Staff supports bringing forward an appropriation to Council.

BACKGROUND/DISCUSSION

Laporte Avenue between Fishback Avenue and Sunset Street is a two-lane arterial roadway. Most of the roadway within the Project limits lacks adequate bicycle and pedestrian facilities including sidewalk, bike lanes, curb and gutter. The roadway experiences heavy bicycle and pedestrian traffic especially with Poudre High School, and many residential neighborhoods and businesses being located adjacent to the Project limits. Several near misses and at least one serious vehicle-pedestrian accident have occurred within the Project limits. The corridor currently experiences a higher-than-expected volume of traffic accidents due to the lack of adequate infrastructure. Laporte Avenue is master planned to be on the City's low-stress bicycle network.

The Project will address the safety concerns and lack of multi-modal infrastructure. In 2019, the City applied for two grants: a federal Transportation Alternatives Program (TAP) grant and a state Multi-Modal Options Fund (MMOF) grant. In early 2021 the City applied for the Revitalizing Mainstreet (RMS) Grant, and anticipates award of this grant in fall of 2021. In 2020 the TAP and MMOF funds were awarded to the City through the North Front Range Metropolitan Planning Organization (NFRMPO) and CDOT for the design, right-of-way acquisition, and construction of the Project. The MMOF, TAP funds are available immediately. Local funds from TCEF will be used for grant matching funds for the TAP grant and the MMOF grant.

Funds from all three grants are ineligible for use toward public art. Community Capital Improvement Program (CCIP) local funds are eligible for Art in Public Places (APP), and have been appropriated for APP.

It's not currently anticipated, but if right-of-way acquisition will be required for construction of the Project, Staff will bring authorization for acquisition to City Council.

The Siphon Project is a connecting trail to the Power Trail, which is a multi-use recreational and commuter trail connecting the Spring Creek Trail at the north end to the Fossil Creek Trail at the south end. Between Harmony Road and Trilby Road, there is no safe or legal way to get from east of the Union Pacific Railroad tracks to the Power Trail. Users must travel either to Harmony Road or Trilby Road and cross the tracks at the roadway crossing. There is evidence of trail users crossing the railroad tracks at unauthorized locations between Harmony and Trilby. The need for a grade separated crossing between Harmony and Trilby is amplified with the number of schools and residential subdivisions on both sides of the railroad tracks.

The Siphon Project will design, acquire right-of-way, and construct a pedestrian overpass for the Power Trail crossing the Union Pacific Railroad Tracks as well as a trail east of the railroad tracks to connect the Power Trail to the residential road network.

The City submitted applications for two grants in 2019: The Multi-Modal Options Fund (MMOF) and Transportation Alternatives Program (TAP). The City was not awarded TAP funds for the Project but was awarded MMOF funds through the North Front Range Metropolitan Planning Organization (NFRMPO) for design, right-of-way acquisition, and construction of the Project.

Staff anticipates bringing future items to City Council, as needed which may include; authorization to acquire right-of-way and Union Pacific Railroad easement.

CITY FINANCIAL IMPACTS

The following is a summary of the funding anticipated for design, right-of-way acquisition, and construction for both of these Projects:

Funding Summary			
Laporte Avenue Multi-Modal Improvement Project	Funds to be Appropriated for Laporte		
	TAP Grant	\$ 750,000	To be appropriated
	MMOF Grant	\$ 250,000	To be appropriated
	TCEF	\$ 390,000	To be appropriated
	Revitalizing Mainstreet Grant (RMS)	\$ 1,437,500	To be appropriated
	Total funds to be Appropriated for Laporte	\$ 2,827,000	To be appropriated
	Other Local Funds		
	Community Capital Improvement Program (CCIP)	\$ 300,000	Previously appropriated
	Total Current Project Budget	\$ 3,127,000	
Siphon Pedestrian Overpass Project	Funds to be Appropriated for Siphon		
	TCEF	\$ 500,000	To be appropriated
	MMOF	\$ 500,000	To be appropriated
	Total funds to be Appropriated for Siphon	\$ 1,000,000	To be appropriated
	Other Local funds		
	Community Capital Improvement Program (CCIP)	\$ 2,200,000	Previously appropriated
	Park Planning and Development	\$ 850,000	Previously appropriated
	Total Current Project Budget	\$ 4,050,000	
	Transfer to Art in Public Places	\$ 35,500	1% of total from local funds
	Total Funds Appropriated	\$ 3,827,000	To be appropriated

BOARD OR COMMISSION RECOMMENDATION

Staff have not yet presented to any boards or commissions for the Siphon Project specifically. However, the Siphon Pedestrian Overpass Project was identified as a high priority bicycle and pedestrian grade separated crossing through a Bicycle/Pedestrian Grade Separated Prioritization Study (Study). The Study was presented to various boards and commissions.

Staff plans to present information on the Siphon Project to various boards and commissions including the Transportation Board, Bicycle Advisory Committee, and Commission on Disabilities.

The Laporte Project was presented to the Transportation Board as well as the Bicycle Advisory Committee in 2019.

PUBLIC OUTREACH

Staff have discussed these Projects and presented concept drawings at a high level with interested citizens at several public outreach events in the past. As these Projects moves forward, a website will be available to the public and Staff will develop a comprehensive communication plan.

ATTACHMENTS

None.



Grant Funding – Laporte Multimodal and Siphon Overpass

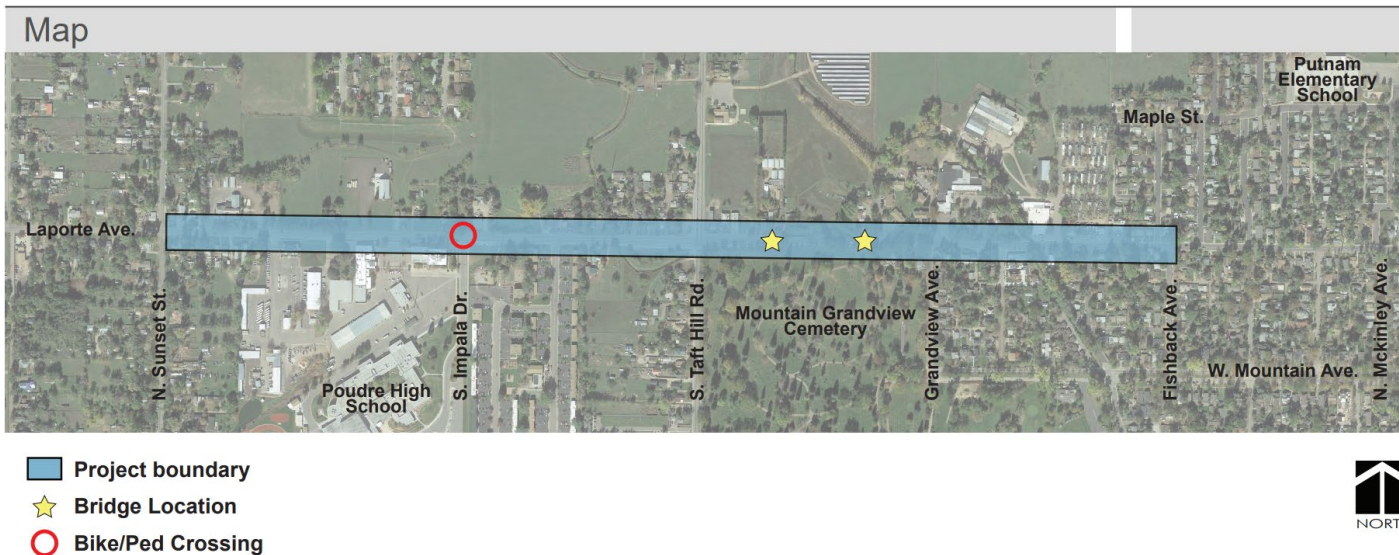
Brad Buckman & Dan Woodward

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08-11-21

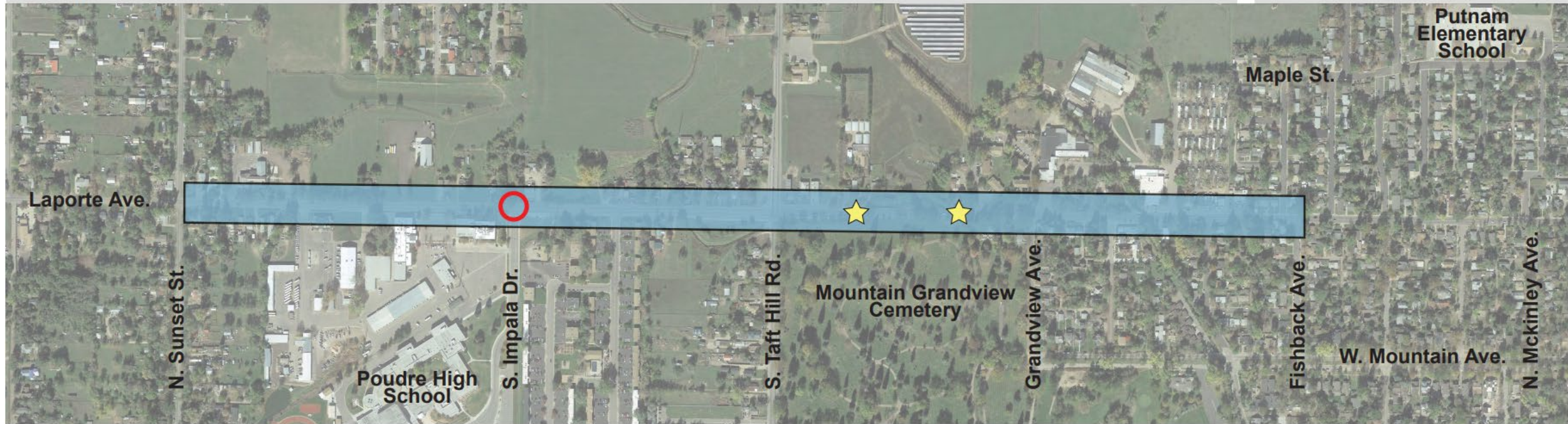
Does the Council Finance Committee support bringing a Fall 2021 appropriation of Transportation Capital Expansion Fee (TCEF) reserves, as well as various grants for the design, design, right-of-way acquisition, and construction for the Laporte Project and the Siphon Project

Laporte Avenue Multi-Modal Improvement Project



Laporte Avenue Multi-Modal Improvement Project

Map



- Project boundary
- Bridge Location
- Bike/Ped Crossing



Current Conditions

- Two lane arterial roadway
- Lacks adequate bicycle and pedestrian facilities
- Heavy bicycle and pedestrian traffic (proximity to Poudre High School)
- Higher than expected volume of traffic accidents
- On the City's low-stress bicycle network

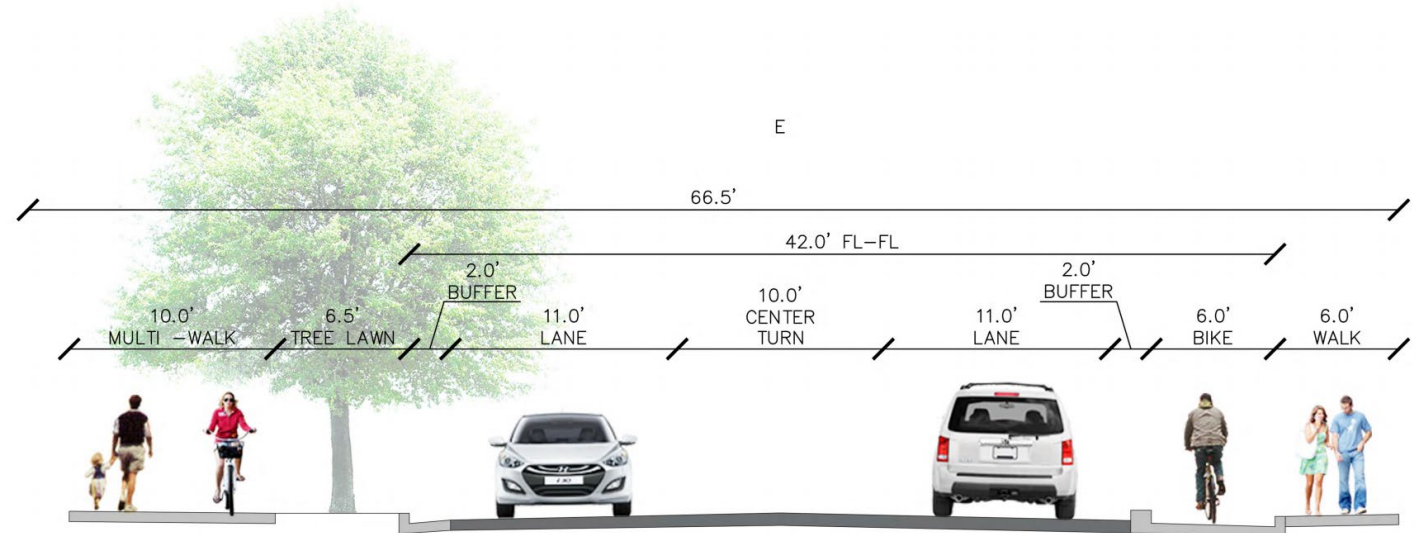


Laporte Avenue Multi-Modal Improvement Project



Laporte Avenue Multi-Modal Improvement Project

- Project adds bike lanes and sidewalk throughout the corridor
- Funds will be used for design and construction

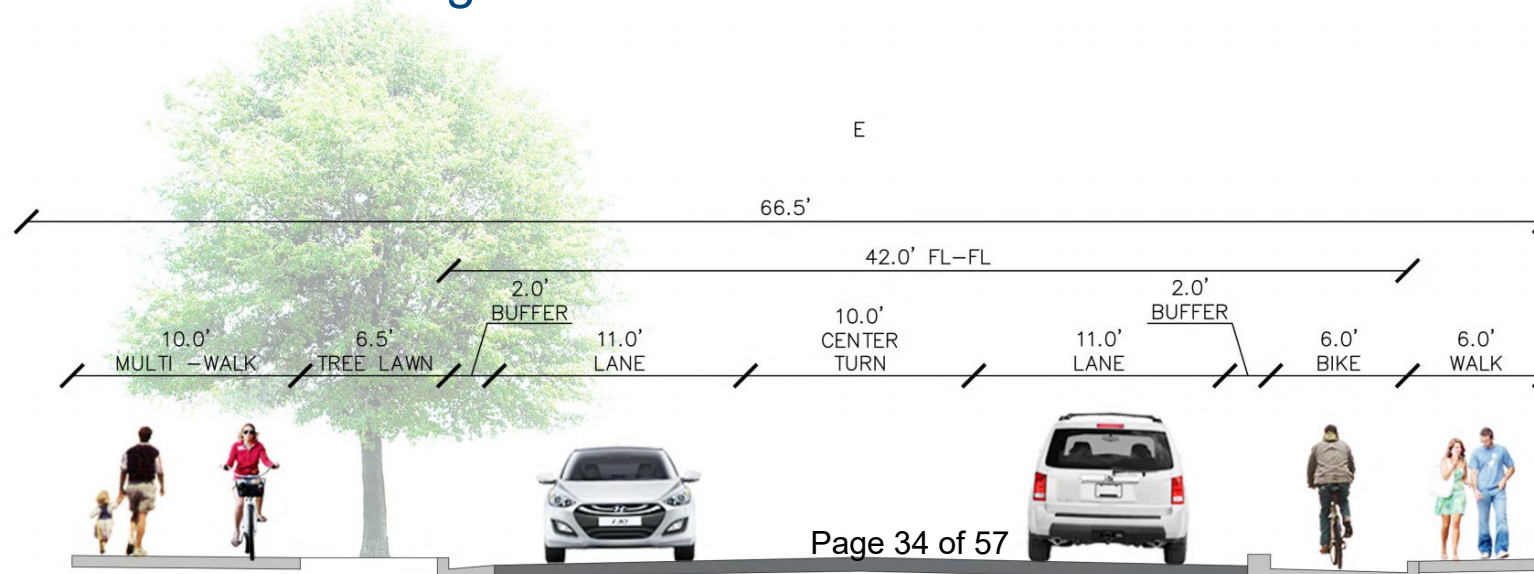


Project Budget:

- \$3,127,000 with proposed appropriation for design and construction
- \$2,437,500 is from grants
 - TAP grant (2019): \$750,000
 - MMOF grant (2019): \$250,000
 - Revitalizing Mainstreet Grant (anticipated 2021): \$1,437,500
- \$690,000 from local funds

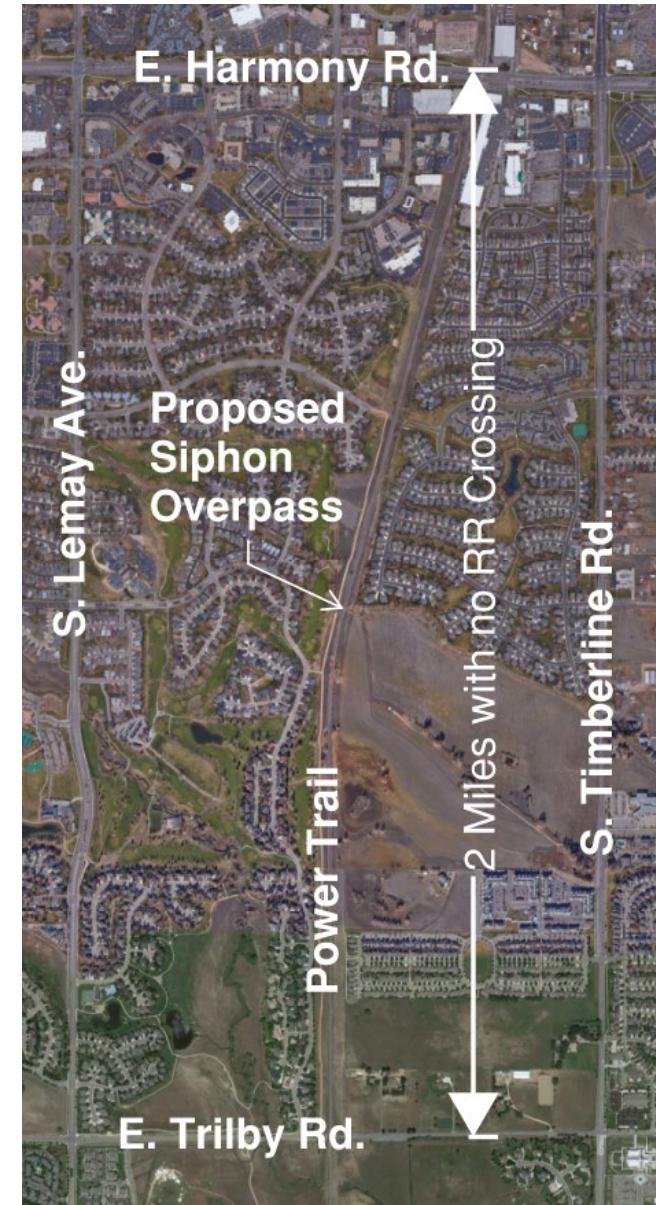
Schedule:

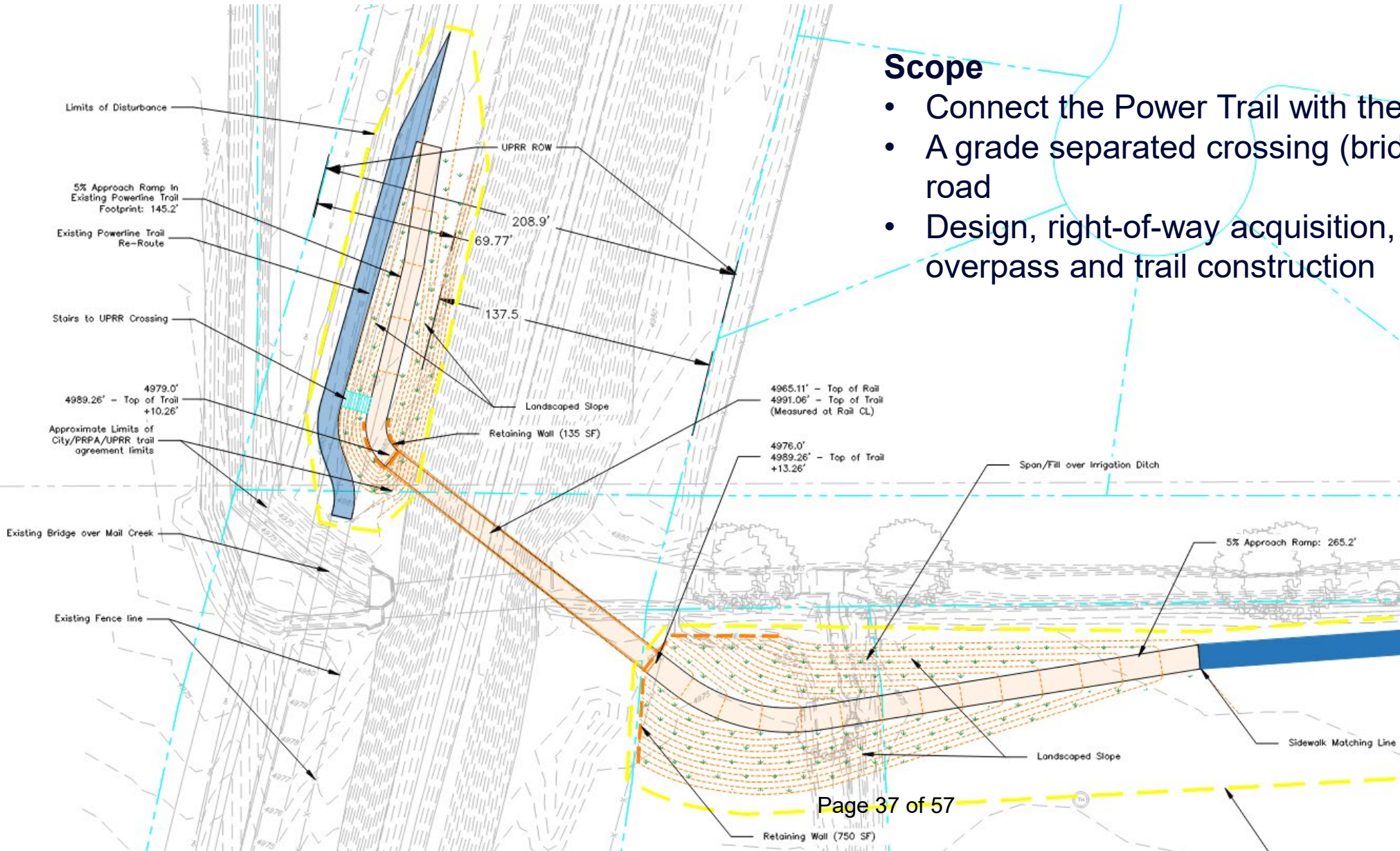
- The intent is to develop the design to a 100% by spring of 2022
- Construction to begin summer of 2022



Current Conditions

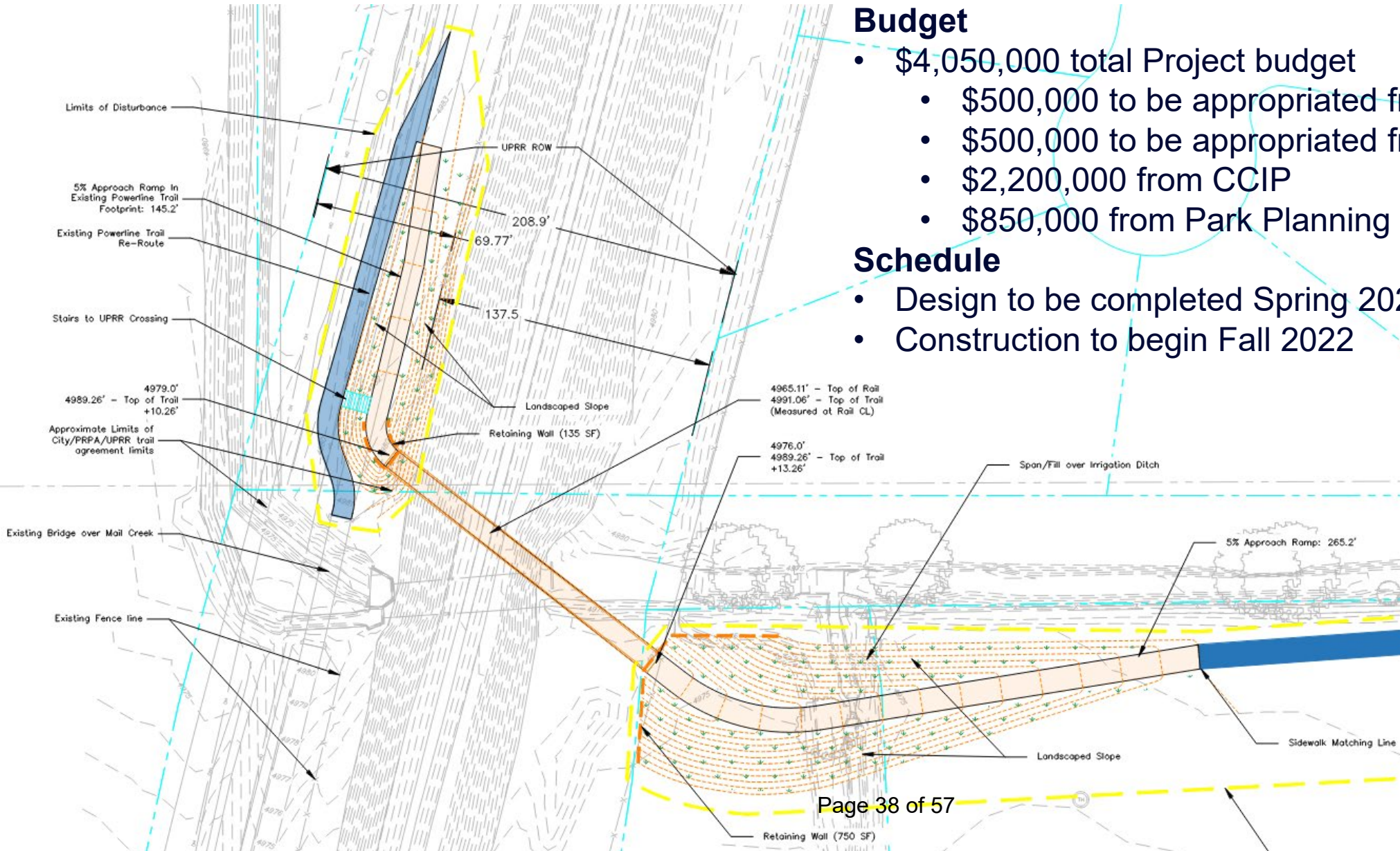
- 2 miles between Harmony and Trilby, no safe or legal way to cross the railroad
- Evidence of unauthorized track crossings
- Several nearby residential subdivisions and schools on both sides of tracks





Scope

- Connect the Power Trail with the trails to the east
- A grade separated crossing (bridge) over the rail road
- Design, right-of-way acquisition, pedestrian overpass and trail construction



Budget

- \$4,050,000 total Project budget
 - \$500,000 to be appropriated from MMOF grant
 - \$500,000 to be appropriated from TCEF
 - \$2,200,000 from CCIP
 - \$850,000 from Park Planning Department

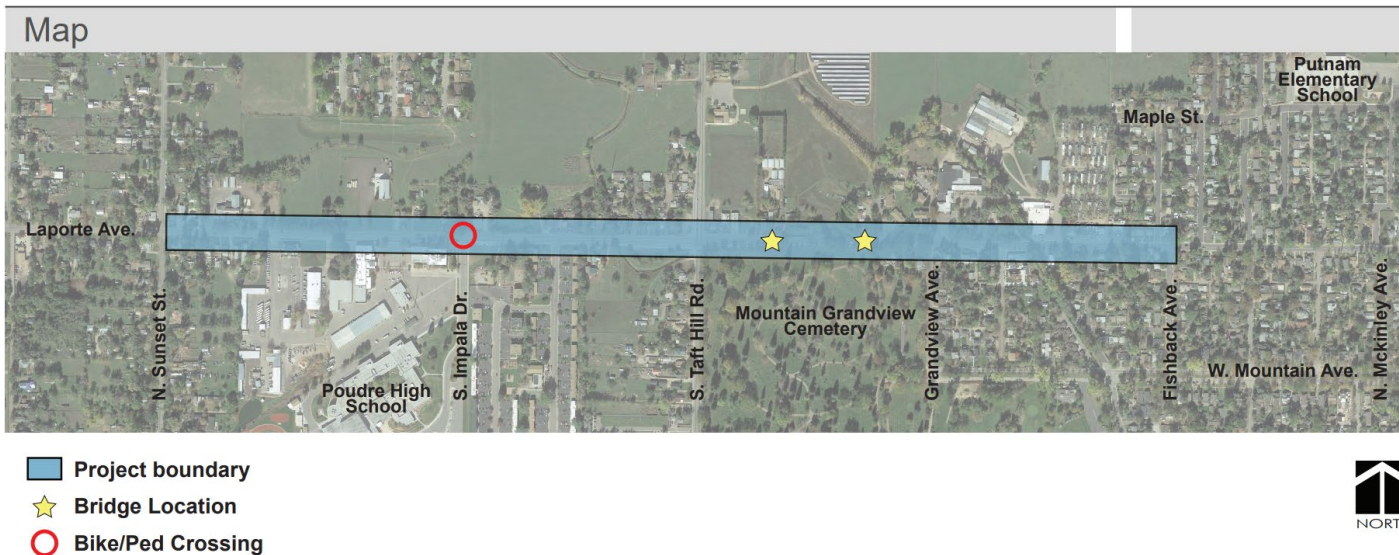
Schedule

- Design to be completed Spring 2022
- Construction to begin Fall 2022

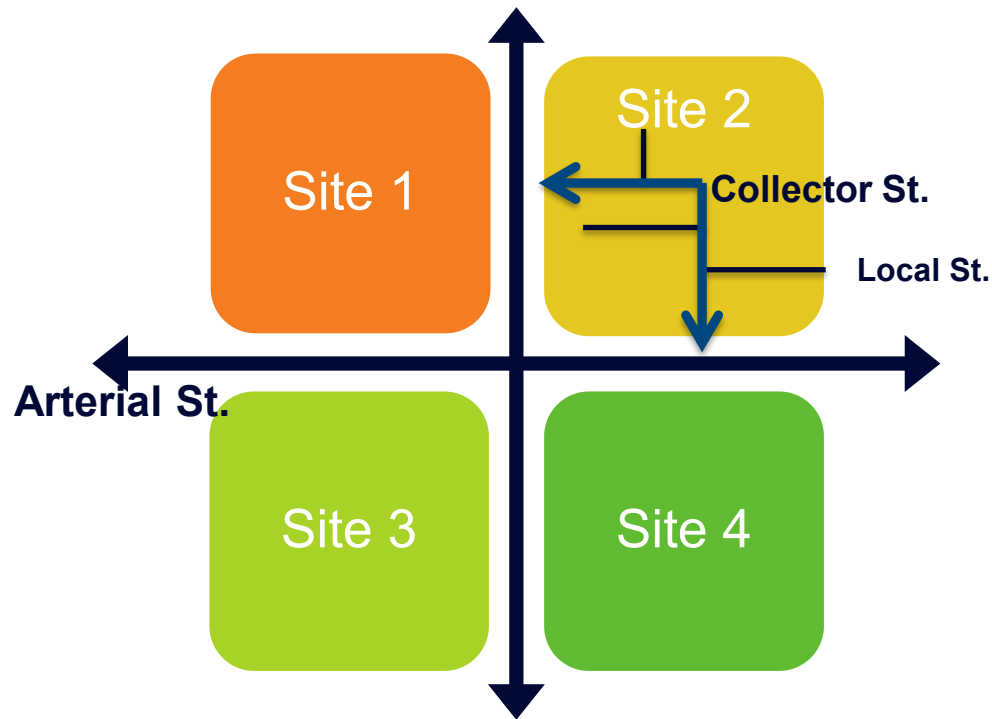
Funding Summary			
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	Total funds to be Appropriated for Laporte	\$ 2,827,000	To be appropriated
	Other Local Funds		
	Community Capital Improvement Program (CCIP)	\$ 300,000	Previously appropriated
	Total Current Project Budget	\$ 3,127,000	
	Transfer to Art in Public Places	\$ 6,900	1% of total from local funds
Siphon Pedestrian Overpass Project	Funds to be Appropriated for Siphon		
	TCEF	\$ 500,000	To be appropriated
	MMOF	\$ 500,000	To be appropriated
	Total funds to be Appropriated for Siphon	\$ 1,000,000	To be appropriated
	Other Local funds		
	Community Capital Improvement Program (CCIP)	\$ 2,200,000	Previously appropriated
	Park Planning and Development	\$ 850,000	Previously appropriated
	Total Current Project Budget	\$ 4,050,000	
	Transfer to Art in Public Places	\$ 35,500	1% of total from local funds
	Total Funds Appropriated	\$ 3,827,000	To be appropriated

Does the Council Finance Committee support bringing a Fall 2021 appropriation of Transportation Capital Expansion Fee (TCEF) reserves, as well as various grants for the design, design, right-of-way acquisition, and construction for the Laporte Project and the Siphon Project

Laporte Avenue Multi-Modal Improvement Project







- Reimbursement to Developers for constructing improvements beyond “local street”
- Contributions to Capital Projects
 - Complete Streets
 - Multimodal Improvements
 - Transit
 - Intersections/Signals

- One time development impact fee collected to mitigate impacts to the existing transportation network
 - Fee is proportional to anticipated impact
- Supports growth related infrastructure improvements which add capacity to the system
 - Reimbursement to Developers
 - Contributions to transportation capital improvements
- Fees cannot be used for improvements which solely benefit an adjacent development, existing deficiencies, and for maintenance

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Blaine Dunn, Accounting Director

Date: August 11, 2021

SUBJECT FOR DISCUSSION

Future capital projects and financing options

EXECUTIVE SUMMARY

There are several large projects being considered in the next five to ten years that will likely need debt financing. In an ideal world new debt service would perfectly dovetail with completion of other debt service. Ongoing money is freed up when debt service discontinues. The information provided shows the current debt position of the governmental funds and discusses different scenarios around financing the civic center masterplan.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Inform and educate the Council Finance Committee on current debt balances and annual debt service
2. Gather feedback on potential projects and scenarios presented

ATTACHMENTS

1. PowerPoint Presentation



Future Capital Projects and Financing Options

- Blaine Dunn, Accounting Director

- August 11, 2021

- Inform and educate on current debt balances and annual debt service
- Feedback on potential projects and scenarios presented

- Policy
 - Governmental Funds – Annual debt service will not exceed 5% of revenues
 - Enterprise Funds – Debt managed to maintain a credit score of at least A rating
- Types of Debt Issued
 - General Obligation Bond – backed by credit and taxing power of City
 - Must be approved by voters
 - Currently no General Obligation bonds outstanding
 - Last GO bond issued in 1993
 - Revenue Bond - Backed by revenue of specific project, tax increment district, enterprise fund, etc.
 - Only specific revenue can be used to repay
 - Does not require approval of voters
 - Last revenue bond issued in 2003
 - Lease Purchase – Certificate of Participation (COP) or Assignment of Lease Payments (ALP)
 - Does not require approval of voters
 - Asset is used as collateral

- 2012 COPs - \$34.4M Issuance; 1.82% Interest Rate (Refinance of 2004 COPs – Original issuance of \$48.6M)
 - Soapstone Natural Area - \$7.9M
 - Police Building - \$25.2M
 - Streets Deicing Facility - \$1.3M
 - Matures 2026
- 2017 COPs - \$8.4M Issuance; 2.48% Interest Rate
 - Firehouse Alley
 - DDA contributes to the annual payments
 - Matures 2027
- 2019 COPs - \$23.9M Issuance; 3.02% Interest Rate
 - I/25 & Prospect interchange - \$16.2M
 - Police Training Facility - \$7.7M
 - Matures 2038

\$37M Currently Outstanding; Average of \$4.67M Annual Debt Service

			in 000s																	
Debt and Type	Project	Funding Souce	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
2012 COP's	Police Building	General Fund	1,564	1,561	1,554	1,551	1,552	1,547												
	Police Building	Capital Exp. Fund	375	375	375	375	375	375												
	Streets Storage Building	Transptn. Fund	134	136	144	141														
2017 COP's	Firehouse Alley	General Fund	661	661	661	660	658	661	658											
	Firehouse Alley	DDA	300	300	300	300	300	300	300											
2019 COP's	Police Training	General Fund	547	547	547	547	546	546	547	547	546	547	547	561	532	547	547	547	547	547
	Prospect / I-25	General Fund	1,141	1,141	1,142	1,142	1,140	1,140	1,142	1,142	1,140	1,141	1,141	1,170	1,111	1,141	1,142	1,141	1,142	1,141
Total Debt Service			4,722	4,721	4,722	4,715	4,571	4,570	2,648	1,689	1,687	1,688	1,688	1,730	1,643	1,688	1,689	1,688	1,690	1,688

- Civic Center Masterplan
 - \$60 - \$100 Million needed
- Southeast Recreation Center
 - \$10 - TBD Million
- Hughes Land Acquisition
 - \$9 - TBD Million
- Utility Enterprise needs will be presented to Finance Committee as part of the Capital Improvement Plan later this year

Costs of New Buildings

Building	New SF	\$/SF	\$/SF	Cost (Construction)		Soft Costs %	Total Project Cost	
				Low	High		Low	High
New Building	93000	450	500	\$41,850,000	\$46,500,000	30%	\$54,405,000	\$60,450,000
Year	Escalation (%)	Escalation (\$)					Escalation (\$)	
2022	6%	\$2,511,000	\$2,790,000	\$44,361,000	\$49,290,000	30%	\$57,669,300	\$64,077,000
2023	6%	\$2,661,660	\$2,957,400	\$47,022,660	\$52,247,400	30%	\$61,129,458	\$67,921,620
2024	6%	\$2,821,360	\$3,134,844	\$49,844,020	\$55,382,244	30%	\$64,797,225	\$71,996,917
2025	6%	\$2,990,641	\$3,134,844	\$52,834,661	\$58,517,088	30%	\$68,685,059	\$76,072,214
2026	6%	\$3,170,080	\$3,322,935	\$56,004,740	\$61,840,023	30%	\$72,806,163	\$80,392,029
Total		\$14,154,740	\$15,340,023	\$56,004,740	\$61,840,023		\$72,806,163	\$80,392,029

Costs of Renovations

Building	Renovated SF	\$/SF	\$/SF	Cost (Construction)		Soft Costs %	Total Project Cost	
				Low	High		Low	High
215	40000	75	125	\$3,900,000	\$6,500,000	30%	\$5,070,000	\$8,450,000
222	41624	10	15	\$499,488	\$749,232	30%	\$649,334	\$974,002
300B	18568	175	200	\$4,224,220	\$4,827,680	30%	\$5,491,486	\$6,275,984
300A	20863	175	200	\$4,746,333	\$5,424,380	30%	\$6,170,232	\$7,051,694
Total				\$13,370,041	\$17,501,292		\$17,381,053	\$22,751,680

- Global Assumptions
 - Lower range of costs to renovate existing buildings was used
 - For new buildings mid point of estimated costs is used
 - Use \$500k per year from General Government Capital Expansion Fee (CEF) revenue towards debt payment
 - Use \$15M of Gen. Gov. CEF Reserves towards projects
 - 30 year term for new Civic Center debt
- Scenario 1: Start construction in 2027 when 2012 COP's are paid off (Total cost \$91.6M)
 - Complete construction of new buildings and renovation on old buildings
 - Borrow \$76.6M for remainder of costs – Interest projection of 2.98% used
- Scenario 2: Start construction in 2022 and refinance current debt (Total cost \$76.9M)
 - New term for refinanced debt would be 20 years – Interest rate of 2.22% used
 - Complete construction of new building and renovation on old buildings
 - Borrow \$61.9M for remainder of costs – Interest projection of 2.48% used

- Global Assumptions
 - Lower range of costs to renovate existing buildings was used
 - For new buildings mid point of estimated costs is used
 - Use \$500k per year from General Government Capital Expansion Fee (CEF) revenue towards debt payment
 - Use \$15M of Gen. Gov. CEF Reserves towards projects
 - 30 year term for new Civic Center debt
- Scenario 3: Start construction in 2022 (Total cost \$60.8M)
 - Complete construction of new buildings **only**
 - \$15M of Gen. Gov. CEF could be used for renovations
 - Borrow \$60.8M for costs of new building – Interest of 2.48% used

in 000s

Debt	Project	Funding Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	... *	2056
Current Debt																							
2012 COP's	Police Building	General Fund	1,564	1,561	1,554	1,551	1,552	1,547															
	Police Building	Capital Exp. Fund	375	375	375	375	375	375															
	Streets Storage Building	Transptn. Fund	134	136	144	141																	
2017 COP's	Firehouse Alley	General Fund	661	661	661	660	658	661	658														
	Firehouse Alley	DDA	300	300	300	300	300	300	300														
2019 COP's	Police Training	General Fund	547	547	547	547	546	546	547	547	546	547	547	561	532	547	547	547	547	547			
	Prospect / I-25	General Fund	1,141	1,141	1,142	1,142	1,140	1,140	1,142	1,142	1,140	1,141	1,141	1,170	1,111	1,141	1,142	1,141	1,142	1,141			
Existing Debt Service Obligations			4,722	4,721	4,722	4,715	4,571	4,570	2,648	1,689	1,687	1,688	1,688	1,730	1,643	1,688	1,689	1,688	1,690	1,688			
New Debt	Civic Center Redesign	General Fund							3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396
	Civic Center Redesign	General Gov CEF							500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
		New Debt Service							3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896
		Total Debt Service								6,544	5,586	5,583	5,584	5,584	5,627	5,540	5,584	5,585	5,584	5,586	5,584	3,896	3,896

*All debt service between 2039 and 2056 remains the same

- Could pay off 2012 and 2017 COPs early with reserves to move forward construction

Will need \$1M of GF reserves/one-time in 2027

Will need \$1M additional on-going GF Revenue 2028 and beyond (over current levels)

in 000s

Debt	Project	Funding Souce	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	... *	2051
Current Debt																								
2012 COP's	Police Building	General Fund	1,564																					
	Police Building	Capital Exp. Fund	375	375	375	375	375	375																
	Streets Storage Building	Transptn. Fund	134	136	144	141																		
2017 COP's	Firehouse Alley	General Fund	661																					
	Firehouse Alley	DDA	300	300	300	300	300	300	300															
2019 COP's	Police Training	General Fund	547																					
	Prospect / I-25	General Fund	1,141																					
Existing Debt Service Obligations			4,722	811	819	816	675	675	300															
New Debt	Civic Center	General Fund		2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449	2,449
	Civic Center	General Gov CEF		500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
2022 COP Refi	Refi	General Fund		2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	
		New Debt Service		5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	2,949	2,949
		Total Debt Service	4,722	5,876	5,883	5,881	5,739	5,739	5,364	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	2,949

*All debt service between 2041 and 2051 remains the same

Need additional \$650k of GF ongoing revenue
Refinanced debt will not mature until 2040

in 000s

Debt	Project	Funding Source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	...*	2051
Current Debt																							
2012 COP's	Police Building	General Fund	1,564	1,561	1,554	1,551	1,552	1,547															
	Police Building	Capital Exp. Fund	375	375	375	375	375	375															
	Soapstone etc	Natural Areas Fund																					
	Streets Storage Building	Transp'tn. Fund	134	136	144	141																	
2017 COP's	Firehouse Alley	General Fund	661	661	661	660	658	661	658														
	Firehouse Alley	DDA	300	300	300	300	300	300	300														
2019 COP's	Police Training	General Fund	547	547	547	547	546	546	547	547	546	547	547	561	532	547	547	547	547	547			
	Prospect / I-25	General Fund	1,141	1,141	1,142	1,142	1,140	1,140	1,142	1,142	1,140	1,141	1,141	1,170	1,111	1,141	1,142	1,141	1,142	1,141			
	Existing Debt Service Obligations		4,722	4,721	4,722	4,715	4,571	4,570	2,648	1,689	1,687	1,688	1,688	1,730	1,643	1,688	1,689	1,688	1,690	1,688			
New Debt																							
		General Fund		2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401
		General Gov CEF		500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
		New Debt Service		2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901
		Total Debt Service	4,722	7,622	7,623	7,616	7,472	7,471	5,548	4,590	4,587	4,589	4,589	4,631	4,544	4,588	4,590	4,588	4,590	4,589	2,901	2,901	2,901

*All debt service between 2039 and 2051 remains the same

Does not address existing building renovations - Will need additional \$3M of on-going revenue in short term

- Questions?
- Feedback on potential projects and scenarios presented