



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
July 16, 2018
10:00 am - noon
CIC Room - City Hall

Approval of Minutes from the June 18th Council Finance Committee Meeting.

- | | | |
|-------------------------------|------------|-----------|
| 1. Audit Results Review | 20 minutes | T. Storin |
| 2. 2017 Fund Balance Review | 20 minutes | T. Storin |
| 3. Regional Wasteshed Project | 30 minutes | L. Smith |

Council Finance Committee
Agenda Planning Calendar 2018
RVSD 07/03/185 cnk

| | | | |
|-----------------|----------------------------|--------|-----------|
| Jul 16th | | | |
| | Audit Results Review | 20 min | T. Storin |
| | 2017 Fund Balance Review | 20 min | T. Storin |
| | Regional Wasteshed Project | 30 min | L. Smith |
| | | | |
| | | | |

| | | | |
|-----------------|-----------------------------|--------|----------|
| Aug 20th | | | |
| | Metro District Requests - 3 | 60 min | J. Birks |
| | HR Benefits Discussion | 30 min | T. Roche |
| | | | |
| | | | |

| | | | |
|----------------|--------------------------|-------|-----------|
| Sep 5th | | | |
| | Auditor Vendor Selection | 2 hrs | T. Storin |
| | | | |

| | | | |
|-----------------|---------------------------------------------------------------------|--------|---------------|
| Sep 17th | | | |
| | Fee Review – Fee Team, Development Fees, Utility PIFs, Step II CEFs | 60 min | J. Poznanovic |
| | | | |
| | | | |
| | | | |

| | | | |
|-----------------|--|--|--|
| Oct 15th | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Future Council Finance Committee Topics:



Finance Administration

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

970.221.6788
970.221.6782 - fax
fcgov.com

Finance Committee Meeting Minutes

06/18/18

10 am - noon

CIC Room - City Hall

Council Attendees: Mayor Wade Troxell, Ross Cunniff, Ken Summers

Staff: Darin Atteberry, Mike Beckstead, Kelly DiMartino, John Duval, Josh Birks, Patrick Rowe, Travis Storin, Jennifer Poznanovic, Carrie Daggett, Jo Cech, Zach Mozer, Katie Ricketts, Laurie Kadrach, Dean Klingner, Lawrence Pollack, John Voss, Noelle Currell, Gerry Paul

Others: Kevin Jones (Chamber of Commerce)
Dale Adamy (R1ST.org)
Gene Meyers (Thrive Home Builders)
Robert Rogers (White, Bear & Ankele)

Meeting called to order at 10:07 am by Mayor Troxell

Minutes approval for the May 21st 2018 Council Finance Committee Meeting. Ken Summers made a motion to approve the minutes and Ross Cunniff seconded the motion. The minutes from the May 21st Council Finance Committee meeting were approved unanimously.

A. Thrive / Waterfield Metro District Request

Josh Birks, Director of Economic Development
Patrick Rowe

EXECUTIVE SUMMARY

Thrive Home Builders is exploring the feasibility of constructing approximately 500 homes on property generally located at the northwest corner of Vine Drive and Timberline Road. The project could include as many as 50 lots dedicated for affordable construction. In addition, the project is evaluating the cost of delivery all units as US Department of Energy Certified Zero Energy Ready. As part of the evaluation, Thrive would like to consider using a Title 32 Metropolitan District to offset basic infrastructure costs enabling the delivery of energy efficient and affordable homes. The presentation will provide an overview of Thrive Home Builders, their approach to development, and a conceptual look at the proposed project and metro district.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does the committee support the continued consideration of a Metro District to support the proposed Waterfield project?

BACKGROUND/DISCUSSION

Thrive Home Builders (“Thrive”) is evaluating a significant project in Fort Collins, generally located at the northwest corner of Vine Drive and Timberline Road (see **Attachment 2 – Project Vicinity Map**). The project would construct approximately 500 homes in a new urbanist layout - alley loaded and walkable design. The project is evaluating the ability to deliver up to 50 affordable homes as well as constructing all 500 homes as U.S. Department of Energy Certified Zero Energy Ready homes.

Thrive is a Colorado grown company that has operated in the metro-Denver area for the past 20 years. Thrive is committed to building healthy, efficient, and local homes. They achieve this goal by:

- **Healthy** – All homes are constructed to the Environmental Protection Agency’s Indoor airPLUS program standards, include active radon ventilation systems, using advanced moisture management practices to reduce the likelihood of mold, and use low Volatile Organic Compound (“VOC”) products.
- **Efficient** – All homes are constructed to the U.S. Department of Energy Zero Energy Ready Home standard, achieve Energy Star Certified status, and include a RESNET HERS score – an independent energy rating that validates energy efficiency level.
- **Local** – Locally-sourced products are used when available – an example is blue-stained beetle kill pine.

Thrive also builds affordable homes. Thrive has been building affordable homes, meeting the Denver Inclusionary Housing guidelines including a deed restriction, for the past 12 years at the Stapleton Airport Redevelopment. Thrive has built over 380 affordable homes in the Stapleton project. In addition, they have constructed approximately 500 for-sale homes targeted at 80 percent of Area Median Income (“AMI”) at Belle Creek. In both projects, these homes deliver the same Zero Energy Ready features as Thrive uses in market rate housing, including trademark double walls, the ability to add solar panels, and other zero energy ready features.

PROJECT OVERVIEW

Thrive is evaluating a project to construct approximately 500 homes on 71 acres (net of the school site; 113 acres total) at the northwest corner of Vine Drive and Timberline Road (see **Attachment 2 – Project Vicinity Map**). The project, called Waterfield, will follow Thrive’s commitment to healthy, efficient, and local home construction, including all their normal standards and include raw water irrigation, comply with watersense standards, and re-plot the project to provide urban design and density, alleys, and walkable features (see **Attachment 3 – Thrive & Waterfield Background Materials**).

METRO DISTRICT

The Waterfield project has not currently entered the planning or development review process. Thrive has requested this early check-in with the Council Finance Committee because of their intent to apply for a Title 32 Metropolitan District (“Metro District”) to offset infrastructure costs.

The Metro District would be used to construct critical public infrastructure and other site costs reducing the overall development costs. By funding infrastructure costs with Metro District revenue, the project could deliver:

- Approximately 50 affordable homes,
- Zero Energy Ready certified homes throughout the project,
- A Watersense compliant project,
- New urbanist style design and density (nearly 498 homes planned compared to the current plat of 190 single family homes plus 9.9 acres of unplatted MMN zoned property), and
- Use of raw water for yard and common area irrigation.

These public benefits do not come without cost. Thrive has provided an estimate of the cost differential between their proposed project and the current code minimum requirements (see **Attachment 4 - Thrive vs. Code Builder Cost Analysis**). This analysis estimates a difference in cost of approximately \$46.4 million. When considering just lot preparation costs the total cost of Thrive’s approach is \$68,000 per lot compared to a code minimum of \$52,000 (See **Attachment 3 - Thrive & Waterfield Background Materials**) or a differential of approximately \$16,000 per lot. A Metro District could help to reduce this differential significantly.

Metro District revenues would be used to offset all or a portion of the cost differential by constructing critical public infrastructure and other infrastructure, and funding site preparation. Some portion of these costs may not comply with the current policy prohibiting the use of Metro District funds to construction “basic” infrastructure. However, the revised policy to be considered by City Council later this year allows for funding “basic” infrastructure if sufficient public benefit is delivered by the overall project proposal.

A comparison of the proposed use of Metro District revenues the currently adopted and proposed policy is provided below in **Table 1**.

Table 1
Metro District Policy Comparison

| | Project | Current | Proposed |
|----------------------|-------------------|------------------|--------------------------|
| Mill Levy Caps | <u>TBD</u> | 40 Mills | 50 Mills |
| Basic Infrastructure | Partially | Not favored | To enable public benefit |
| Eminent Domain | Will Comply | Prohibited | Prohibited |
| Debt Limitation | Will Comply | 100% of Capacity | 100% of Capacity |

| | | | |
|------------------------------------------|-------------------------|-----------------------------------|-----------------------------------|
| Dissolution Limit | Will Comply | 40 years | Removed (<i>Plan Specific</i>) |
| Citizen Control | Will Comply | As early as possible | As early as possible |
| Multiple Districts | Yes | Projected over an extended period | Projected over an extended period |
| Commercial/ Residential Ratio | 100% Residential | 90% to 10% | N/A |

The conceptual use of a Metro District at Waterfield does not comply with the City's existing policy. However, it represents an example of the type of project that would comply with the proposed policy revisions to be considered by City Council later this year.

Given the significant cost of completing the development review process and the estimated cost differential to develop the project as currently conceived by Thrive, the applicant requested this early preview to gain initial feedback.

Discussion / Next Steps:

MT: I'm familiar with Thrive's work and think they do good work. So, I am interested in investigating this style of residential development.

Ross: I heard there were some Council members that were interested in allowing Metro Districts in Residential areas along as Affordable Housing is included

Josh: You are correct. I think this project is a good example

Ross: I'm not really excited about a Metro District for residential. This could be a significant increase in property tax. If the goal is Affordable Housing, what is the net affordability? Are we targeting a certain AMI?

Josh: Must be 80% AMI or below

Ross: What about deed restrictions?

Josh: We haven't gotten into deed restrictions and how to handle foreclosures. There have been conversations that have included land trust models.

Ross: To target 80% AMI, what does that mean as far as the cost to the consumer?

Josh: I would rather the developer speak to the actual pricing.

Ken S: I am familiar with the Stapleton area and Metro districts are becoming more of a strategy for residential development. On slide 7 regarding the Metro district proceeds, what was used to come up with that number?

Josh: This is an estimate based on rough numbers based on a similar Mill levy, so these are not final numbers. They are just to show the magnitude of increasing the number of units.

Ross: Can you give more detail on the dissolution limit?

Josh: Dissolution Limit, current policy is that the Mill levy will dissolve in 40 years. The proposed change to the policy would allow that the service plan part of the Mill levy would be allowed to continue to provide maintenance to allow the Metro district to operate that. This would be at a smaller Mill rate. The proposed policy would cap the Mill rate at 50 Mills.

Ross: My heartburn is that if we allow Metro districts for residential areas, this could put too much burden on residents.

Josh: We have investigated local areas that have these styles of districts, like Aurora. The general nature of communities and whether they support their governments and how they provide service tends to correlate to voting for higher taxes.

Mayor Troxell: I appreciate that you highlighted the benefits of this project with regards to our goals. I am supportive of it going forward and having that broader conversation.

Ken S: What is the mix of the unit styles?

Josh: Variety of lot sizes, 20% attached product, mostly single family detached. The new plan has smaller lots for each single family, the previous plat had larger lots. It also includes a redesign around alley load and making the areas more walkable.

B. Historical Mid Cycle Appropriation Review

Mike Beckstead, CFO

No AIS

Discussion / Next Steps:

Mike B: The answer to the numbers for mid cycle appropriation is that it depends on what you are looking at. The number of Ordinances have decreased and so has the total amount of the Ordinances. Looking at just the General Fund Reserves, the number of Ordinances are mostly flat and the total amount is down.

Utility use of reserves distorts the numbers due to the large projects that have come through, it is best to remove their Ordinances out of the total trend.

Looking at Transportation, they have had some large projects that have increased their Ordinances depending on the year. There were some projects brought forward early to save money on the total cost of the project (like Vine & Lemay).

Capital Expansion Fund – The PFA payment is a normal process where we let the

Ross: The only concern that I have is to use a certain year as a “benchmark”. I am also concerned that just because the Ordinances have good stories, that we will get used to telling good stories to continue doing these mid cycle appropriations.

Mike B: We are aligned with your concerns. The Budget department scrutinizes all mid cycle appropriations to make sure there is a valid business need.

Ross: We also want to make sure that all projects/Ordinances are reviewed at a high level like the BFO process is.

Darin: I agree with your concerns.

Ken S: I appreciate Ross digging into this and getting the background on this issue.

Darin: I know we get a lot of questions about the City of Fort Collins’ bi-annual budget. Due to the misconception that there is zero flexibility.

Lawrence: He spends a lot of time explaining that our budget is flexible due to the off-year budget review and the mid year appropriations.

C. CEF Update (Fire Capital Expansion Fee)

Jennifer Poznanovic, Revenue and Project Manager

EXECUTIVE SUMMARY

Consulting firm Duncan Associates discovered there was a cell reference error in their formula used for the City’s 2017 Capital Expansion Fee (CEF) Study. This error caused the Fire CEFs to be overstated by 19%.

CEFs require City Council approval and City Council approved 75% of the proposed fee increases. CEF fee increases went into effect on October 1, 2017. Given the error in the Fire CEF calculation, current Fire CEFs are 90% instead of 75% of the corrected 2017 proposed fee level.

If the City is to issue refunds and lower the Fire CEFs to 75% of the corrected proposed fee increases, the current impact is approximately \$76,000 in refunds across approximately 370 permits that have been issued in full.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Which option does Council Finance Committee support?
 1. Refund & Adjust Fees
 - Adjust fees consistent with corrected calculations – required Ordinance
 - Appropriate funds from Fire CEFs for reimbursement permits paid back to October 1, 2017.
 2. Continue with current fees
 - Step I and step II of Fire CEF increases = 90% of the 2017 proposed fee level
- If Option 1, does Council Finance Committee support resolving both issues at the next available Council meeting?

BACKGROUND/DISCUSSION

In 2016, the City of Fort Collins contracted with consulting firm Duncan Associates to analyze methodology and update CEFs. CEFs require City Council approval and City Council approved 75% of the proposed fee increases. These fee increases went into effect October 1, 2017.

Fire Capital Expansion Fees

| Land Use Type | Unit | 2017 | | |
|----------------------------------|---------------|------------|----------|---------|
| | | Prior Fees | Proposed | Current |
| Residential, up to 700 sq. ft. | Dwelling | \$281 | \$502 | \$377 |
| Residential, 701-1,200 sq. ft. | Dwelling | \$357 | \$679 | \$509 |
| Residential, 1,201-1,700 sq. ft. | Dwelling | \$395 | \$739 | \$554 |
| Residential, 1,701-2,200 sq. ft. | Dwelling | \$410 | \$751 | \$563 |
| Residential, over 2,200 sq. ft. | Dwelling | \$440 | \$836 | \$627 |
| Commercial | 1,000 sq. ft. | \$339 | \$633 | \$475 |
| Industrial/Warehouse | 1,000 sq. ft. | \$80 | \$148 | \$111 |

*Prior Fees effective January 1, 2017 - September 30, 2017

Earlier this year, the Poudre Fire Authority (PFA) contracted with Duncan Associates to update their Fire Capital Expansion Fees (those that are not directly related to the City). Duncan Associates used data collected from the City's 2017 Capital Expansion Fee Study as a basis for starting the PFA study.

During their analysis, Duncan Associates discovered there was a cell reference error in their formula used for the City. This error caused the Fire CEFs to be overstated by 19% in the CEF Study. In the tables below, "Net Cost per Functional Population" of \$422 was calculated using "Net Replacement Cost" instead of "Net Replacement Cost Attributable to City". Correcting this error would result in a "Net Cost per Functional Population" of \$354. Duncan Associates confirmed that all other fees were calculated correctly.

Table 18. Existing Fire Cost per Service Unit

| | |
|-------------------------------------------------|--------------|
| Fire Facility Building Replacement Cost | \$49,278,152 |
| Fire Facility Land Cost | \$5,122,359 |
| Fire Vehicle Replacement Cost | \$14,126,633 |
| Total Replacement Cost | \$68,527,144 |
| - Outstanding Station 4 Lease Purchase Payments | -\$2,043,237 |
| Net Replacement Cost | \$66,483,907 |
| x City Share of Fire District Calls | 84.0% |
| Net Replacement Cost Attributable to City | \$55,846,482 |
| + Existing Functional Population (24-Hour) | 157,626 |
| Net Cost per Functional Population | \$422 |

Table 18. Existing Fire Cost per Service Unit - Corrected

| | |
|-------------------------------------------------|--------------|
| Fire Facility Building Replacement Cost | \$49,278,152 |
| Fire Facility Land Cost | \$5,122,359 |
| Fire Vehicle Replacement Cost | \$14,126,633 |
| Total Replacement Cost | \$68,527,144 |
| - Outstanding Station 4 Lease Purchase Payments | -\$2,043,237 |
| Net Replacement Cost | \$66,483,907 |
| x City Share of Fire District Calls | 84.0% |
| Net Replacement Cost Attributable to City | \$55,846,482 |
| + Existing Functional Population (24-Hour) | 157,626 |
| Net Cost per Functional Population | \$354 |

Given the error in the Fire CEF calculation, current Fire CEFs are 90% instead of 75% of the corrected 2017 proposed fee level. The next fee increase is anticipated for 2019 and would be updating all CEFs (Neighborhood Parks, Community Parks, Fire, Police and General Government) from 75% (step I) to 90% (step II) of the 2017 proposed fees.

| | | 75% of Proposed | | | |
|--------------------------------|----------------------------------|-----------------|------------------|-----------------------|--------------------|
| Fire Capital Expansion Fees | Land Use Type | Unit | 2017 Proposed | Proposed Corrected | Current Current |
| | Residential, up to 700 sq. ft. | Dwelling | \$502 | \$421 | \$377 |
| | Residential, 701-1,200 sq. ft. | Dwelling | \$679 | \$570 | \$509 |
| | Residential, 1,201-1,700 sq. ft. | Dwelling | \$739 | \$620 | \$554 |
| | Residential, 1,701-2,200 sq. ft. | Dwelling | \$751 | \$630 | \$563 |
| | Residential, over 2,200 sq. ft. | Dwelling | \$836 | \$701 | \$627 |
| | Commercial | 1,000 sq. ft. | \$633 | \$531 | \$475 |
| | Industrial/Warehouse | 1,000 sq. ft. | \$148 | \$124 | \$111 |

If the City is to issue refunds and lower the Fire CEFs to 75% of the corrected proposed fee increases, the current impact as of June 12, 2018 is approximately \$76,000 in refunds across approximately 370 permits that have been issued in full. Fees are paid upon issuance of building permit and there are currently approximately 120 applications. Numbers continue to grow as fees have not yet been changed.

Staff time estimated to issue 500 refunds is approximately 40 minutes per refund across two departments. 30 minutes per refund in Community Development and Neighborhood Services and 10 minutes per refund in Accounting. This is approximately 330 hours or 40 days.

Current Fire CEFs are at 90% instead of 75% of the corrected 2017 proposed fee level. Staff recommends to continue Fire CEFs at the 90% fee level instead of the 75% fee level.

Discussion / Next Steps:

Darin: Mike, the last time we spoke, were we thinking of giving refunds?

Mike: We spoke with the CAO, they said we could use the 90% level.

Darin: Council adopted the 75% level, is that correct? It sounds like Council has prerogative to authorize refunds. My thinking is to understand what Council wanted and maintain trust with the residents.

Ross: I would say Option 1, the refunds, as soon as possible. I think it would be good to be aware of the staff time cost to show our commitment to making this right and maintain our integrity.

John D: The only legal issue was, is this still a legal fee? The answer was yes, no matter what percentage we decided to be at, as long as it stayed below 100%.

Ken S: How did the miscalculation occur?

Mike B: The Ordinance that Council passed included a fee amount, not a percentage. So, when Staff calculated the percentage they were using incorrect base amounts. This will require an Ordinance to appropriate out of this fund to issue refunds. We will then come back to Council this fall to talk about increasing the fees to the 90% level as long as other Development Review fees.

Ross: Follow up question, I assume that we will verify the calculations ahead of time.

Mike B: Yes we will do that.

Ross: Who is going to receive the refund since the developer has already been reimbursed by the buyer of the house.

Darin: Our thought is that we will reimburse the one who wrote the check.

John D: The market sets the price of the house, it doesn't necessarily include the development fees.

D. Parking Sensor Project - Downtown Parking Sensor and Technology Project Financial Update
Dean Klingner, Interim Director, Transport and Parking Services

EXECUTIVE SUMMARY

The purpose of this item is to discuss an upcoming Council item to combine previously appropriated funds and appropriate additional funds from Parking Reserves into a single capital project fund to complete the Downtown Parking Sensor and Technology project and to appropriate 1% of the project to Art in Public Places.

The project includes installing sensors and new payment technology in the three downtown parking structures and in approximately 3000 on-street parking spaces. This technology will allow Parking Services to collect occupancy and turnover rate data to improve management of Downtown parking. The sensors will link to the **FC Parking application** and show where available parking spaces are located. Phase I was completed in 2017 and installed the sensor and payment technology in the Firehouse Alley Parking Structure.

Funds for the remainder of the project include: \$750k in General Fund (appropriated in 2017 for this purpose as a part of Ordinance 154, 2017); 2017-18 Budget Offer 73.3 (\$84,692, and \$90,083); and Parking Fund Reserves.

The estimated cost for the project is \$1.2M. Installation of parking sensors in the Old Town Parking Structure and the Civil Center Parking Structure has been initiated with the previously appropriated funds. The additional funds are necessary to complete the on-street portion of the project. The anticipated project completion date is by the end of 2018.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support this item going forward on the Consent agenda, June 19th, 2018?

BACKGROUND/DISCUSSION

The Downtown Plan, adopted in 2017, includes a comprehensive parking dialogue and several policies related to communication and improved parking management. The parking sensor technology effort stitches together some of these policies into one cohesive project and parking system in Downtown. With the introduction of the FC Parking App and sensors, the parking public will be able to find available parking in ~3,000 on-street spaces, 3 parking structures, and 3 parking lots. Additionally, the app allows payment in the parking structures and will facilitate the Pay-to-Stay option on-street. The following Downtown Plan policies are being implemented with this project:

- Policy TP 2b: Parking Utilization Data -- Implement a system to collect parking utilization data on occupancy and turnover, and communicate parking availability to the public.
- Policy TP 2c: Parking Enforcement Adjustments -- Explore adjusting enforcement of 2-hour limited parking spaces to weekends and evenings after 5 p.m., and permit an extension of the 2-hour limit.
- Policy TP 3a: Real-Time Travel Information -- Explore opportunities to continue, enhance and add real-time travel information (e.g., transit, parking availability).

The opportunity to implement new technology in Downtown came with the development of the Firehouse Alley Parking Structure. Utilizing our existing license plate recognition (LPR) technology, which is used to enforce on-street time limits, we can remove the gates on the parking garages and install a pre-pay system with the options of paying at a pay station or by the FC Parking App. The removal of the gates eliminates delays exiting the garages and gate repair and maintenance, and reduces staffing needs at the structures.

Financial Summaries

Funding

| | |
|-----------|----------------------------------------------------|
| \$750,000 | Previously Appropriated, Ordinance 154, 2017 |
| \$90,083 | Previously Appropriated, 2017-18 Budget Offer 73.3 |
| \$359,917 | Proposed to be Appropriated from Parking Reserves* |

| | |
|-------------|---------------|
| \$1,200,000 | Project Total |
|-------------|---------------|

* Includes \$84,622 previously appropriated with 2017-18 Budget Offer 73.3, but returned to Parking Reserves

Installation Expenses

| | |
|-----------|----------------------------------------------------------|
| \$466,000 | Civic Center Parking Structure Technology Retrofit |
| \$256,000 | Old Town Parking Structure Technology Retrofit |
| \$466,000 | Installation of on-street sensors and support technology |
| \$12,000 | Art in Public Places |

| | |
|-------------|---------------|
| \$1,200,000 | Project Total |
|-------------|---------------|

*\$191,000 Firehouse Alley Parking Structure technology; completed in 2017 and funded as a part of the construction

On-Going Annual Expenses

| | |
|-----------|--------------------------------------------------------|
| \$140,000 | On-Street Sensors and supporting technology |
| \$60,000 | Parking Structures (all three) |
| -\$46,000 | Savings from Parking Gates and Pay Machine Maintenance |

| | |
|-----------|--------------------------------|
| \$154,000 | Total Estimated on-going costs |
|-----------|--------------------------------|

*Attrition of Parking Attendants has resulted in additional operational savings

Discussion / Next Steps:

Mayor Troxell: I am familiar with the one that CSU uses. Will it minimize the circulation time to find a parking space? Have you talked with CSU since they use Way to Park? They have different time limits at different lot and you can extend the time if you are within the time limit? There also seems a lot of infrastructure that will be required.

Laurie K: The long term plan is to have an adjustable rate parking system that can be adapted depending on the time of day, if there is an event occurring in the area and for holidays. This will enable the entire area to have different rates of parking.

Darin: the sensors allow us to have baseline data to know what the actual parking turn-over is, which we don't currently have. This will allow us to know what to recommend for the differential parking rates.

Dean K: Real time parking availability is a major short term goal to enable residents and visitors to find parking quickly.

Mayor T: how are they powered?

Dean K: Each of the sensors have lithium batteries that have about a 5 year life span. There is a solar panel that powers the data relay for each set of sensors.

Mayor T: what about if they get dirty or damaged?

Dean K: We have spoken with local cities that have to deal with snow plows and construction. They mount the sensors flush with the road surface to enable snow plows. In the parking structures, they are installed slightly above the surface level since we don't need to deal with snow plows.

Ross: I am in favor of this moving forward. I have heard concerns with constituents that are not comfortable with using an app on your smartphone. How are we going to help them pay for parking?

Dean K: We will still have kiosks available to pay by credit card.

Darin: This style of change to pay ahead will help decrease the wait time to leave after a major event. We currently have up to an hour wait time to pay and leave parking structures, which is frustrating.

Mayor T: Are we using a provider for the app or is it ours?

Dean K: The app is from the provider. We are not currently charging a fee to use the app like CSU does and this does drive the ongoing annual cost. We could look into charging a fee to recoup part of the cost for the app.

E. CFC Auditor Selection - Selection of independent auditor for City, PFA, and Library

Travis Storin, Accounting Director

John Voss, Controller

EXECUTIVE SUMMARY

The purpose of this item is to solicit consensus from the Committee regarding:

- The process for selecting an independent auditor for an up-to five-year period
- Potential Code modifications to resolve public disclosure limitations and increase transparency with respect to audit selection
- Perspective on the candidacy of incumbent firms

A Request for Proposal (RFP) will be issued this summer for audit services. The process is designed to ensure that the selected firm meets the City's requirements and has the knowledge, experience, and reputation in auditing similar entities.

An annual external audit by an independent CPA firm is required by Statute, Charter, debt covenants, and virtually all grant agreements.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Staff seeks input on:

- Evaluation criteria for selection of the independent auditor
- Desired modification to historical processes for selection, if any
- Support for Code amendment to allow Committee participation in an open public meeting

BACKGROUND/DISCUSSION

Code Amendment

Current City Code precludes the Committee from holding a meeting to interview service providers. Code Section 8-158(f) limits public disclosure of interview information, while City Charter Article II, Section 11 and Code Section 2-31 preclude the use of executive session for this purpose. In order to allow the interview process to remain with the Committee, Staff recommends modifying Section 8-158(f) for audit services specifically to allow the interviews to be conducted in public before the Committee.

Auditor Rotation

Multi-year contracts are limited to 5 years by City Code. The City does not have a mandatory auditor rotation policy and would allow evaluation of the incumbent.

GFOA best practice guidance acknowledges that private sector and publicly-traded, SEC filing entities have rotation practices mandated by regulatory authorities or their own bylaws. In the public sector, GFOA cautions that sometimes it is difficult to get enough qualified responses if the incumbent is disallowed.

The below table shows a 30-year history of audit firms the City has engaged.

| | | | | | |
|------|------------------------|------|-------|------|--------------------|
| 1983 | Ericson, Hunt, Spelman | 1995 | Bondi | 2007 | Bondi |
| 1984 | Ericson, Hunt, Spelman | 1996 | Bondi | 2008 | McGladrey & Pullen |
| 1985 | KPMG | 1997 | Bondi | 2009 | McGladrey & Pullen |
| 1986 | KPMG | 1998 | Bondi | 2010 | McGladrey |
| 1987 | KPMG | 1999 | Bondi | 2011 | McGladrey |
| 1988 | Price Waterhouse | 2000 | Bondi | 2012 | McGladrey |
| 1989 | Price Waterhouse | 2001 | Bondi | 2013 | McGladrey |
| 1990 | Price Waterhouse | 2002 | Bondi | 2014 | McGladrey |
| 1991 | Price Waterhouse | 2003 | Bondi | 2015 | McGladrey |
| 1992 | Price Waterhouse | 2004 | Bondi | 2016 | RSM (McGladrey) |
| 1993 | Bondi | 2005 | Bondi | 2017 | RSM (McGladrey) |
| 1994 | Bondi | 2006 | Bondi | | |

Timeline and Process

Staff proposes to release a Request for Proposal (RFP) in July. The proposed evaluation criteria, all to be equally weighed at 25% and in no particular order, would be:

- Scope of proposal
- Assigned personnel qualifications
- Cost and work hours
- Firm capability & reputation

A staff committee, including staff members from City, Library and PFA would evaluate written proposals and recommend the top 2-3 firms for presentation to the Finance Committee.

Interviews would be conducted at the September Finance Committee meeting with the City Purchasing Director serving as Purchasing Agent and facilitator. The Committee's recommendation would be presented to the full Council for adoption via Resolution, thereby authorizing the Purchasing Agent to enter into an agreement with the awarded firm for the 2018 fiscal year audit, renewable annually through the 2022 audit.

Discussion / Next Steps:

Ken S: does the same team do the audit each year?

Travis: The management team from the company is the same and the staff rotates by about 50%. There are 4 Auditors, 2 of the Auditors are returning and 2 are new.

We have no concern with RSM's quality of work. We just want to ensure the best possible Audit and that we satisfy independence in fact and appearance.

Ross: Yes to question 1. I agree with doing a rotation, whether it be every 5 years or 10 years. Yes, I support the timeline.

Ken S: I agree with Ross. I'm not sure if I'm comfortable with a proposal by the incumbent (RSM)? Since we are looking at enforcing turn-over, that might not be appropriate.

Mayor Troxell: I am supportive of what needs to be done.

Travis: I should mention that the URA, Library and PFA use our Auditor selection, so this would affect them as well.

OTHER BUSINESS:

Ordinance 82:

Mayor Troxell: Ordinance 82 regarding Bloomberg. Regarding donative giving. Are we meeting the objective of the donor with regards to the Ordinance? Who is maintaining that relationship?

Mike B: We are just starting this conversation on how best to handle donations & grants holistically as a City especially as we start and ramp up City Gives. As we setup the endowment fund, whether this rolls up onto the endowment fund, we aren't sure yet.

Mayor Troxell: I want to make sure that this becomes more strategic as we fund things through partnerships.

Mike B: I hadn't really thought about grants with regards to donor relationships. We want to manage key relationships with grantors. On the grant side we track on the commitments and make sure we deliver, but we don't do a good job of maintaining the relationship with the donor.

Darin: Historically we have looked at these transactionally instead of part of an ongoing relationship. There has been an BFO Offer written for CityGives. Moving from a transaction basis to a relationship basis will be beneficial to all parties involved.

Ken S: That why they call it Friend-raising.

Meeting adjourned at 11:41 am.

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Travis Storin, Accounting Director
Jim Burke, Assurance Senior Manager, RSM US LLP

Date: July 16, 2018

SUBJECT FOR DISCUSSION

Independent Auditors' Report on 2017 Financial Statements
Independent Auditors' Report on Compliance for Major Federal Programs

EXECUTIVE SUMMARY

RSM will be presenting the *Report to the City Council*. This report covers the audit of the basic financial statements and compliance of the City of Fort Collins for year-end December 31, 2017.

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 2017 year-end report.

BACKGROUND/DISCUSSION

Every year the City is required to be audited in compliance with *Government Auditing Standards*. RSM finalized its financial statement audit and compliance report on June 19, 2018 and the firm is required to report the results of the audit to those charged with governance.

There were no findings identified related to Federal grants in the Compliance Report. Financial misstatements identified by the auditors that were deemed immaterial for adjustment and control deficiencies identified by the auditors can be found in the Report to the City Council, Exhibit A. Staff will provide a written response to the audit findings and misstatements at the October Council Finance Committee meeting.

ATTACHMENTS

1. Report to the City Council
2. Control Deficiency Letter
3. Single Audit Compliance Report
4. Comprehensive Annual Financial Report.

Hard copies will be distributed the week of July 19th.

The electronic version is available here for your reference;

<https://www.fcgov.com/finance/pdf/cafr-2017.pdf?1529706772>



RSM US LLP

555 17th St
Suite 1000

Denver, CO 80202

T +1 303 298 6400

F +1 303 298 6401

www.rsmus.com

June 19, 2018

To the Honorable Mayor and
Members of the City Council and City Manager
City of Fort Collins, Colorado

In planning and performing our audit of the financial statements of the City of Fort Collins, Colorado (the City) as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Following is a description of another identified deficiency in internal control that we determined did not constitute a significant deficiency or material weakness:

Customer Credit Card Processing

During our audit procedures we noted that bank balances for incoming credit card receipts are not properly balanced with the general ledger in a timely manner throughout the year. Further, while much of the activity is centralized with a single payment processor, some individual departments have selected different service providers than the rest of the City. Further, the City does not receive machine-readable files from any of its payment processors for loading to the general ledger. Instead the City relies on representatives keying the information to JD Edwards 1-2 business days later. We recommend that the City establish processes to ensure credit card receipt activity is interfaced with the general ledger and reconciled with the bank balances on a timely basis.

This communication is intended solely for the information and use of management, City Council, others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: John Voss, Controller

Date: July 16, 2018

SUBJECT FOR DISCUSSION: Status of Fund Balances and Working Capital

EXECUTIVE SUMMARY:

The attached presentation gives a status of fund balances and working capital. Fund balances are primarily considered for funding one-time offers during the Budgeting for Outcomes process. To a lesser extent, available monies are also used to fund supplemental appropriations between BFO cycles.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

None, this is an update for Council Finance Committee.

BACKGROUND/DISCUSSION

To aid in answering the question of what funding is available to support emerging issues and initiatives in the next budget cycle. In each fund the balances are shown vertically by the accounting classifications. The amounts are then additionally categorized into Appropriated, Available with Constraints, and Available for Nearly Any Purpose.

Appropriated, Minimum Policy or Scheduled is comprised of minimum fund balances established by policy, funds from the 2017 balance that have been appropriated in 2018, and amounts for projects specifically identified by voters. An example of the later is Community Capital Improvements Plan (aka BOB 2.0).

Available with Constraints are those balances available for appropriation but within defined constraints. An example is 4th of July donations. They are restricted for that purpose, but still available for appropriation.

Available for Nearly Any Purpose are balances that are available for appropriation at the discretion of the City Council.

ATTACHMENTS

- A. PowerPoint presentation highlights
- B. PowerPoint presentation full



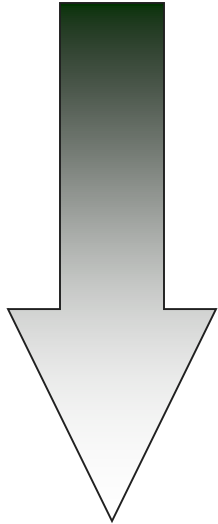
Status of Fund Balances

John Voss, Controller

July 16, 2018

- Types of constraints
- Availability of restricted balances
- Review fund balances
- Using fund balances in the budget process

most
constrained



least
constrained

Non-spendable

- Non-liquid in form (inventory, long-term receivables)
- Legally or contractually required to be maintained intact (permanent endowments)

Restricted

- Externally enforceable legal restrictions (TABOR emergency reserve, debt covenants, re-development agreements, IGA's)

Committed

- Constraint formally imposed at the highest level of decision making authority through Ordinance (Capital Expansion fees, Neighborhood Parkland fees)

Assigned

- Intended to be used for specific purposes (Affordable Housing, Camera Radar, Encumbrances)

Unassigned

- Available for any City purpose
- Reported only in the General Fund except in cases of negative fund balance

Available but with some constraints

- Keep Fort Collins Great (KFCG) categories are restricted but available as defined in the ballot language
- Udall Endowment interest is restricted but available to be appropriated for maintenance and improvements of Udall Natural Area

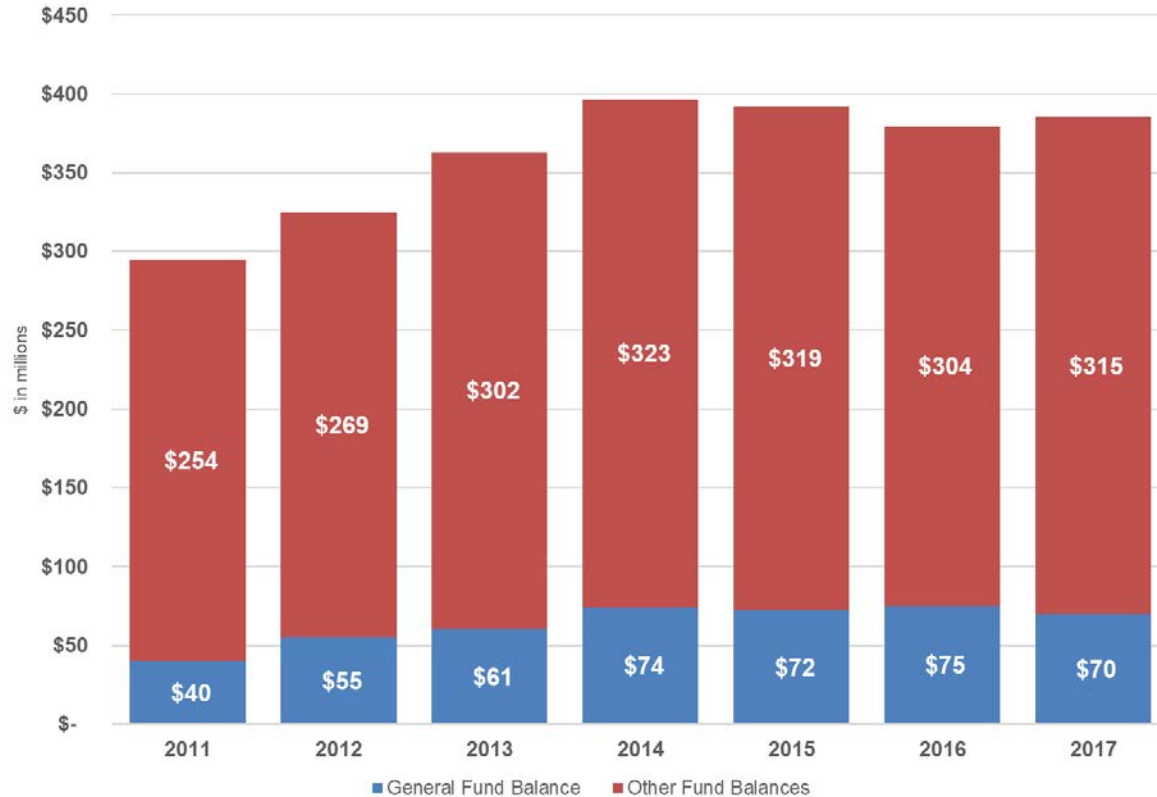
Available for nearly any purpose

- Funds available at the discretion of the City Council for any *municipal purpose*

All City Funds

| | 2016 | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|--------------------------------|-----------------|-----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| General Fund | \$ 74.9 | \$ 69.8 | \$ 53.5 | \$ 4.9 | \$ 11.4 |
| Capital Expansion Fund | 21.1 | 17.8 | 4.0 | 13.8 | - |
| Sales & Use Tax Fund | 1.2 | 0.7 | 0.7 | - | - |
| GID #1 Fund | 0.6 | 0.8 | 0.2 | 0.6 | - |
| Keep Fort Collins Great Fund | 15.4 | 12.7 | 9.1 | 3.6 | - |
| Community Capital Imprvmt Plan | 6.8 | 8.0 | 7.8 | 0.2 | - |
| Neighborhood Parkland Fund | 10.2 | 9.7 | 4.9 | 4.8 | - |
| Conservation Trust Fund | 2.5 | 3.0 | 2.3 | 0.7 | - |
| Natural Areas Fund | 16.0 | 16.8 | 13.4 | 3.4 | - |
| Cultural Services Fund | 2.4 | 2.6 | 1.0 | 0.5 | 1.1 |
| Recreation Fund | 2.7 | 2.3 | 0.5 | 1.8 | - |
| Cemeteries Fund | 0.6 | 0.7 | 0.5 | 0.2 | - |
| Perpetual Care Fund | 1.8 | 1.9 | - | 1.9 | - |
| Museum Fund | 0.9 | 0.9 | 0.2 | 0.7 | - |
| Transit | (1.8) | 4.2 | 4.2 | - | - |
| Street Oversizing | 19.6 | 25.1 | 6.6 | 18.5 | - |
| Transportation | 17.6 | 15.4 | 4.6 | - | 10.8 |
| Parking Fund | 1.5 | 1.8 | 0.4 | 0.5 | 0.9 |
| Capital Projects Fund | 19.9 | 17.6 | 15.1 | 2.5 | - |
| Golf Fund | 0.5 | 0.4 | 0.3 | 0.1 | - |
| Light & Power Fund | 36.8 | 33.5 | 28.0 | 5.5 | - |
| Water Fund | 52.1 | 61.6 | 39.5 | 22.1 | - |
| Wastewater Fund | 40.6 | 41.4 | 21.4 | 20.0 | - |
| Storm Drainage Fund | 18.1 | 17.4 | 9.9 | 7.5 | - |
| Equipment Fund | 4.6 | 2.0 | 0.9 | 1.1 | - |
| Self Insurance Fund | 1.6 | 1.6 | 1.5 | 0.1 | - |
| Data & Communications Fund | 4.1 | 3.7 | 1.4 | - | 2.3 |
| Benefits Fund | 4.9 | 9.3 | 5.9 | 3.4 | - |
| Utility Customer Service Fund | 2.0 | 2.6 | 0.4 | 2.2 | - |
| TOTAL | \$ 379.2 | \$ 385.3 | \$ 238.2 | \$ 120.6 | \$ 26.5 |

Fund Balance Trends



General Fund - Year End 2017 - \$69.8

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|-----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Assigned - Minimum 60 day Policy | \$ 25.8 | \$ 25.3 | \$ 25.3 | \$ - | \$ - |
| Non-spendable | | | | | |
| Advances | 5.1 | 4.9 | 4.9 | - | - |
| Landbank inventory | 1.8 | 1.5 | 1.5 | - | - |
| Restricted | | | | | |
| TABOR Emergency | 6.7 | 6.9 | 6.9 | - | - |
| Police Programs | 0.8 | 0.9 | - | 0.9 | - |
| Donations & Misc | 0.8 | 0.9 | | 0.9 | - |
| Economic Rebates | 3.0 | 2.6 | 0.4 | 2.2 | - |
| DDA/Woodward Debt | 2.3 | 0.7 | - | 0.7 | - |
| Committed | | | | | |
| Traffic Calming | 0.2 | - | - | - | - |
| Culture & Recreation | 0.3 | 0.2 | - | 0.2 | - |
| Assigned | | | | | |
| Prior Year Purchase Orders | 4.2 | 4.3 | 4.3 | - | - |
| Manufacturing Use Tax Rebate | 0.7 | 0.7 | 0.7 | - | - |
| Council Priorities set aside | 3.3 | 1.0 | - | - | 1.0 |
| Recession Contingency | 4.4 | 4.4 | 1.0 | - | 3.4 |
| Camera Radar | 1.1 | 0.9 | 0.1 | - | 0.8 |
| Affordable Housing Land Bank | 0.3 | 1.3 | - | - | 1.3 |
| Waste Innovation | 0.2 | 0.2 | 0.1 | - | 0.1 |
| Reappropriation | 1.3 | 1.0 | 1.0 | - | - |
| Budgeted use of reserves | 5.9 | 7.3 | 7.3 | - | - |
| Unassigned | 6.7 | 4.8 | - | - | 4.8 |
| Year End Total | \$ 74.9 | \$ 69.8 | \$ 53.5 | \$ 4.9 | \$ 11.4 |

\$500K Transit Bus Replacement
\$500K Southridge Golf Irrigation

General Fund Balances

- \$4.9 loaned to URA (Advances)
- \$1.5 Land-bank program, estimated market value
- \$6.9 is an emergency reserve required by TABOR, equal to 3% of qualified governmental revenue
- \$0.9 restricted to Police Programs for Drug Task Force
- \$0.9 restricted by donor for various purposes (Horticulture, Udall Endowment, etc)
- \$2.6 is restricted to Economic Incentive Rebates
- \$0.7 is for debt contingency on DDA debt obligation to Woodward
- Traditionally fund balances are assigned for camera radar and photo red-light, public safety dispatch system, affordable housing and waste innovation
- \$1.0 is set aside for the re-appropriation process

Keep Fort Collins Great Fund - Year End 2017 - \$12.7

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|---------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Street Maintenance | 4.0 | 3.6 | 3.5 | 0.1 | |
| Other Transportation | 2.2 | 1.9 | 1.8 | 0.1 | |
| Police Services | 4.0 | 3.7 | 1.3 | 2.4 | |
| Fire & Emergency Services | 0.6 | 0.2 | - | 0.2 | |
| Parks & Recreation | 1.8 | 1.5 | 0.9 | 0.6 | |
| Other | 2.8 | 1.8 | 1.6 | 0.2 | |
| Year End Total | \$ 15.4 | \$ 12.7 | \$ 9.1 | \$ 3.6 | |

- \$3.6M is available in the 2019-2020 BFO process

Transportation Fund - Year End 2017 - \$15.4

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Assigned | | | | - | |
| Prior Year Purchase Orders | 0.9 | 0.3 | 0.3 | - | |
| Capital Projects | 0.6 | 1.4 | 1.4 | - | |
| Harmony Road | 5.7 | 5.7 | - | - | 5.7 |
| Transportation Surplus | 10.4 | 8.0 | 2.9 | - | 5.1 |
| Year End Total | \$ 17.6 | \$ 15.4 | \$ 4.6 | \$ - | \$ 10.8 |

- \$5.7M may be reassigned but is intended to be used for Harmony Road improvements.
 - Residual of the \$13.5 million from State when ownership transferred to City
- \$5.1M can be made available in the 2019-2020 BFO process

Capital Project Fund - Year End 2017 - \$17.6

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Building Community Choices (BCC) | 1.6 | - | - | - | |
| Building on Basics (BOB) | 7.2 | 6.8 | 4.3 | 2.5 | |
| Misc. projects | 1.3 | 2.5 | 2.5 | - | |
| Woodward Loan Proceeds left | 0.3 | - | - | - | |
| Donations and Grants | 1.0 | 2.4 | 2.4 | - | |
| Committed | | | | | |
| General Fund Supported Projects | 8.5 | 5.9 | 5.9 | - | |
| Year End Total | \$ 19.9 | \$ 17.6 | \$ 15.1 | \$ 2.5 | \$ - |

- Building on Basics (BOB) is expected to have \$2.5M available for capital projects, after all projects on the original ballot are completed

Light & Power Fund - Year End 2017 - \$33.5

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Minimum Policy - 25% Operations | \$ 6.7 | \$ 8.4 | \$ 8.4 | \$ - | |
| Prior Year Purchase Orders | 1.4 | 1.4 | 1.4 | | |
| Approved Capital Projects | 7.9 | 7.8 | 7.8 | | |
| Budgeted in 2018 | 14.1 | 10.4 | 10.4 | | |
| Available for capital and operations | 6.7 | 5.5 | - | 5.5 | |
| Year End Total | \$ 36.8 | \$ 33.5 | \$ 28.0 | \$ 5.5 | \$ - |

- Continue to invest in capital assets, in part by using working capital

Water Fund - Year End 2017 - \$61.6

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 25% Operations | \$ 5.1 | \$ 5.0 | \$ 5.0 | \$ - | |
| Restricted | | | | - | |
| Debt | 0.3 | - | - | - | |
| Assigned | | | | | |
| Prior Year Purchase Orders | 0.4 | 0.4 | 0.4 | | |
| Approved Capital Projects | 36.5 | 33.5 | 33.5 | | |
| Budgeted in 2018 | 1.7 | 0.6 | 0.6 | - | |
| Available for capital and operations | 8.1 | 22.1 | - | 22.1 | |
| Year End Total | \$ 52.1 | \$ 61.6 | \$ 39.5 | \$ 22.1 | \$ - |

- Increase in part due to water rights contributed by developers before ordinance change went into effect. Capital contribution of \$10.8 M in 2017 compared to \$7.3 M in 2016.

Wastewater Fund - Year End 2017 - \$41.4

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 25% Operations | \$ 3.1 | \$ 3.5 | \$ 3.5 | \$ - | |
| Restricted | | | | - | |
| Debt | 0.2 | - | - | - | |
| Assigned | | | | - | |
| Prior Year Purchase Orders | 0.7 | 0.3 | 0.3 | - | |
| Approved Capital Projects | 14.7 | 10.8 | 10.8 | - | |
| Budgeted in 2018 | 8.1 | 6.8 | 6.8 | - | |
| Available for capital and operations | 13.8 | 20.0 | - | 20.0 | |
| Year End Total | \$ 40.6 | \$ 41.4 | \$ 21.4 | \$ 20.0 | \$ - |

Storm Drainage Fund - Year End 2017 - \$17.4

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 25% Operations | \$ 1.4 | \$ 1.7 | \$ 1.7 | \$ - | |
| Restricted | | | | | |
| Debt | 0.3 | - | - | - | |
| Assigned | | | | | |
| Prior Year Purchase Orders | 0.1 | 0.1 | 0.1 | - | |
| Approved Capital Projects | 8.3 | 7.0 | 7.0 | - | |
| Budgeted in 2018 | 3.2 | 1.1 | 1.1 | - | |
| Available for capital and operations | 4.8 | 7.5 | - | 7.5 | |
| Year End Total | \$ 18.1 | \$ 17.4 | \$ 9.9 | \$ 7.5 | \$ - |



Status of Fund Balances

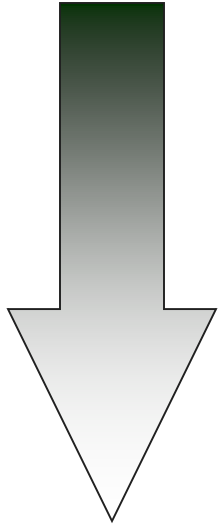
John Voss, Controller

July 16, 2018

- Types of constraints
- Availability of restricted balances
- Review fund balances
- Using fund balances in the budget process

Fund Balance Definitions

most
constrained



least
constrained

Non-spendable

- Non-liquid in form (inventory, long-term receivables)
- Legally or contractually required to be maintained intact (permanent endowments)

Restricted

- Externally enforceable legal restrictions (TABOR emergency reserve, debt covenants, re-development agreements, IGA's)

Committed

- Constraint formally imposed at the highest level of decision making authority through Ordinance (Capital Expansion fees, Neighborhood Parkland fees)

Assigned

- Intended to be used for specific purposes (Affordable Housing, Camera Radar, Encumbrances)

Unassigned

- Available for any City purpose
- Reported only in the General Fund except in cases of negative fund balance

Available but with some constraints

- Keep Fort Collins Great (KFCG) categories are restricted but available as defined in the ballot language
- Udall Endowment interest is restricted but available to be appropriated for maintenance and improvements of Udall Natural Area

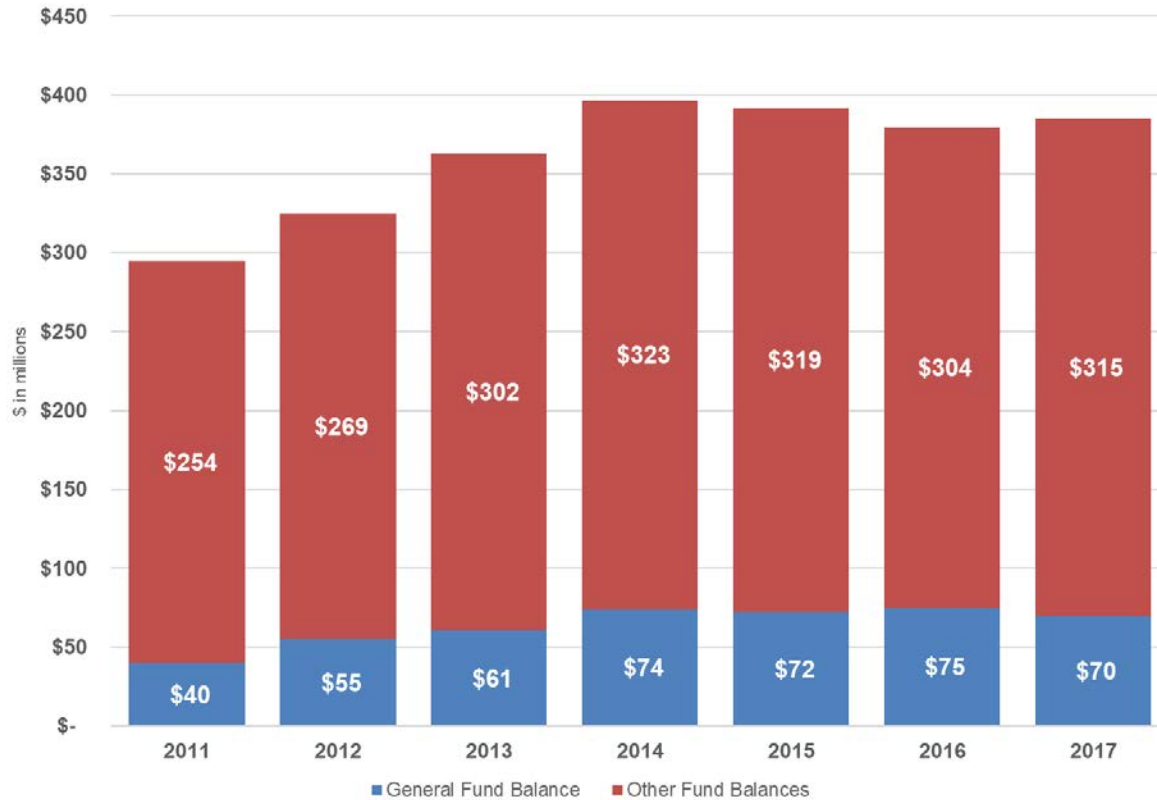
Available for nearly any purpose

- Funds available at the discretion of the City Council for any *municipal purpose*

All City Funds

| | 2016 | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|--------------------------------|-----------------|-----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| General Fund | \$ 74.9 | \$ 69.8 | \$ 53.5 | \$ 4.9 | \$ 11.4 |
| Capital Expansion Fund | 21.1 | 17.8 | 4.0 | 13.8 | - |
| Sales & Use Tax Fund | 1.2 | 0.7 | 0.7 | - | - |
| GID #1 Fund | 0.6 | 0.8 | 0.2 | 0.6 | - |
| Keep Fort Collins Great Fund | 15.4 | 12.7 | 9.1 | 3.6 | - |
| Community Capital Imprvmt Plan | 6.8 | 8.0 | 7.8 | 0.2 | - |
| Neighborhood Parkland Fund | 10.2 | 9.7 | 4.9 | 4.8 | - |
| Conservation Trust Fund | 2.5 | 3.0 | 2.3 | 0.7 | - |
| Natural Areas Fund | 16.0 | 16.8 | 13.4 | 3.4 | - |
| Cultural Services Fund | 2.4 | 2.6 | 1.0 | 0.5 | 1.1 |
| Recreation Fund | 2.7 | 2.3 | 0.5 | 1.8 | - |
| Cemeteries Fund | 0.6 | 0.7 | 0.5 | 0.2 | - |
| Perpetual Care Fund | 1.8 | 1.9 | - | 1.9 | - |
| Museum Fund | 0.9 | 0.9 | 0.2 | 0.7 | - |
| Transit | (1.8) | 4.2 | 4.2 | - | - |
| Street Oversizing | 19.6 | 25.1 | 6.6 | 18.5 | - |
| Transportation | 17.6 | 15.4 | 4.6 | - | 10.8 |
| Parking Fund | 1.5 | 1.8 | 0.4 | 0.5 | 0.9 |
| Capital Projects Fund | 19.9 | 17.6 | 15.1 | 2.5 | - |
| Golf Fund | 0.5 | 0.4 | 0.3 | 0.1 | - |
| Light & Power Fund | 36.8 | 33.5 | 28.0 | 5.5 | - |
| Water Fund | 52.1 | 61.6 | 39.5 | 22.1 | - |
| Wastewater Fund | 40.6 | 41.4 | 21.4 | 20.0 | - |
| Storm Drainage Fund | 18.1 | 17.4 | 9.9 | 7.5 | - |
| Equipment Fund | 4.6 | 2.0 | 0.9 | 1.1 | - |
| Self Insurance Fund | 1.6 | 1.6 | 1.5 | 0.1 | - |
| Data & Communications Fund | 4.1 | 3.7 | 1.4 | - | 2.3 |
| Benefits Fund | 4.9 | 9.3 | 5.9 | 3.4 | - |
| Utility Customer Service Fund | 2.0 | 2.6 | 0.4 | 2.2 | - |
| TOTAL | \$ 379.2 | \$ 385.3 | \$ 238.2 | \$ 120.6 | \$ 26.5 |

Fund Balance Trends



General Fund - Year End 2017 - \$69.8

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|-----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Assigned - Minimum 60 day Policy | \$ 25.8 | \$ 25.3 | \$ 25.3 | \$ - | \$ - |
| Non-spendable | | | | | |
| Advances | 5.1 | 4.9 | 4.9 | - | - |
| Landbank inventory | 1.8 | 1.5 | 1.5 | - | - |
| Restricted | | | | | |
| TABOR Emergency | 6.7 | 6.9 | 6.9 | - | - |
| Police Programs | 0.8 | 0.9 | - | 0.9 | - |
| Donations & Misc | 0.8 | 0.9 | | 0.9 | - |
| Economic Rebates | 3.0 | 2.6 | 0.4 | 2.2 | - |
| DDA/Woodward Debt | 2.3 | 0.7 | - | 0.7 | - |
| Committed | | | | | |
| Traffic Calming | 0.2 | - | - | - | - |
| Culture & Recreation | 0.3 | 0.2 | - | 0.2 | - |
| Assigned | | | | | |
| Prior Year Purchase Orders | 4.2 | 4.3 | 4.3 | - | - |
| Manufacturing Use Tax Rebate | 0.7 | 0.7 | 0.7 | - | - |
| Council Priorities set aside | 3.3 | 1.0 | - | - | 1.0 |
| Recession Contingency | 4.4 | 4.4 | 1.0 | - | 3.4 |
| Camera Radar | 1.1 | 0.9 | 0.1 | - | 0.8 |
| Affordable Housing Land Bank | 0.3 | 1.3 | - | - | 1.3 |
| Waste Innovation | 0.2 | 0.2 | 0.1 | - | 0.1 |
| Reappropriation | 1.3 | 1.0 | 1.0 | - | - |
| Budgeted use of reserves | 5.9 | 7.3 | 7.3 | - | - |
| Unassigned | 6.7 | 4.8 | - | - | 4.8 |
| Year End Total | \$ 74.9 | \$ 69.8 | \$ 53.5 | \$ 4.9 | \$ 11.4 |

\$500K Transit Bus Replacement
\$500K Southridge Golf Irrigation

General Fund Balances

- \$4.9 loaned to URA (Advances)
- \$1.5 Land-bank program, estimated market value
- \$6.9 is an emergency reserve required by TABOR, equal to 3% of qualified governmental revenue
- \$0.9 restricted to Police Programs for Drug Task Force
- \$0.9 restricted by donor for various purposes (Horticulture, Udall Endowment, etc)
- \$2.6 is restricted to Economic Incentive Rebates
- \$0.7 is for debt contingency on DDA debt obligation to Woodward
- Traditionally fund balances are assigned for camera radar and photo red-light, public safety dispatch system, affordable housing and waste innovation
- \$1.0 is set aside for the re-appropriation process

Capital Expansion Fund - Year End 2017 - \$17.8

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|-----------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Committed | | | | | |
| General Government | 9.7 | 11.0 | 1.0 | 10.0 | |
| Police | 0.9 | 0.8 | - | 0.8 | |
| Fire | 1.7 | 0.8 | - | 0.8 | |
| Community Parkland | 8.8 | 5.2 | 3.0 | 2.2 | |
| Year End Total | \$ 21.1 | \$ 17.8 | \$ 4.0 | \$ 13.8 | \$ - |

- Monies collected on building permits, revenue varies greatly with development activity
- Must be used for new and/or expanding facilities
- \$1.0 in loans to the URA (RMI2) in General Government
- Police monies used for debt on police headquarters
- \$2.2 is for remaining two planned Community Parks (East and Northeast)

Sales & Use Tax Fund - Year End 2017 - \$.7

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|-----------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | - | |
| Natural Areas | 1.2 | 0.7 | 0.7 | - | |
| Year End Total | \$ 1.2 | \$ 0.7 | \$ 0.7 | \$ - | \$ - |

- Sales Tax for Natural Areas deposited here according to ballot language
 - Residual balance of \$0.7 owed to Natural Areas. 2017 revenue exceeded appropriations needed to make transfers.
 - Will be addressed in annual year end adjustment ordinance in September 2018.

General Improvement District #1 Fund - Year End 2017 - \$0.8

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|-----------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Committed | | | | | |
| Capital Improvements | 0.6 | 0.8 | 0.2 | 0.6 | |
| Year End Total | \$ 0.6 | \$ 0.8 | \$ 0.2 | \$ 0.6 | \$ - |

- Property tax based - 4.924 mill levy generates about \$290k annually

Keep Fort Collins Great Fund - Year End 2017 - \$12.7

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|---------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Street Maintenance | 4.0 | 3.6 | 3.5 | 0.1 | |
| Other Transportation | 2.2 | 1.9 | 1.8 | 0.1 | |
| Police Services | 4.0 | 3.7 | 1.3 | 2.4 | |
| Fire & Emergency Services | 0.6 | 0.2 | - | 0.2 | |
| Parks & Recreation | 1.8 | 1.5 | 0.9 | 0.6 | |
| Other | 2.8 | 1.8 | 1.6 | 0.2 | |
| Year End Total | <u>\$ 15.4</u> | <u>\$ 12.7</u> | <u>\$ 9.1</u> | <u>\$ 3.6</u> | |

- \$3.6M is available in the 2019-2020 BFO process

Community Capital Improvement Plan - Year End 2017 - \$8.0

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|---------------------------------|---------------|---------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Restricted | | | | | |
| Available for ballot projects | 0.7 | 0.2 | - | 0.2 | |
| City Park Train | 0.4 | 0.4 | 0.4 | | |
| Club Tico Renovation | 0.2 | 0.0 | 0.0 | | |
| Poudre River Proj (CCIP only) | - | 4.2 | 4.2 | | |
| Nature in the City | 0.2 | 0.2 | 0.2 | | |
| Affordable Housing Fund | 0.2 | 0.5 | 0.5 | | |
| Arterial Intersection Imprvmnt | 0.3 | 0.5 | 0.5 | | |
| Bicycle Infrastructure Imprvmnt | 0.3 | 0.2 | 0.2 | | |
| Bike/Ped Grade Separated Cross | 1.5 | 1.4 | 1.4 | | |
| Bus Stop Improvements | 0.1 | 0.0 | 0.0 | | |
| Lincoln Avenue Bridge | 2.9 | 0.4 | 0.4 | | |
| Year End Total | \$ 6.8 | \$ 8.0 | \$ 7.8 | \$ 0.2 | \$ - |

- Project-by-project amounts represent unspent funds already appropriated

Neighborhood Parkland Fund - Year End 2017 - \$9.7

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Committed | | | | | |
| Neighborhood Parks | 10.1 | 9.6 | 4.8 | 4.8 | |
| Assigned | | | | | |
| Prior Year Purchase Orders | 0.1 | 0.1 | 0.1 | - | |
| Year End Total | <u>\$ 10.2</u> | <u>\$ 9.7</u> | <u>\$ 4.9</u> | <u>\$ 4.8</u> | <u>\$ -</u> |

- \$4.8 is for future neighborhood parks

Conservation Trust Fund - Year End 2017 - \$3.0

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|-------------------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Parks, Rec & Open Space Capital Imp | 2.5 | 3.0 | 2.3 | 0.7 | |
| Year End Total | \$ 2.5 | \$ 3.0 | \$ 2.3 | \$ 0.7 | \$ - |

- City has primarily used these monies for trails

Natural Areas Fund - Year End 2017 - \$16.8

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Natural Areas | 15.4 | 14.7 | 11.3 | 3.4 | |
| Assigned | | | | | |
| Prior Year Purchase Orders | - | 0.2 | 0.2 | - | |
| Capital Projects | 0.6 | 1.9 | 1.9 | - | |
| Year End Total | <u>\$ 16.0</u> | <u>\$ 16.8</u> | <u>\$ 13.4</u> | <u>\$ 3.4</u> | <u>\$ -</u> |

- Annual Revenue about \$14.5 M.
- Major funding sources:
 - About 60% comes from City quarter cent sales tax, expires at end of 2030
 - About 34% comes from County Open Space tax, expires at end of 2043
 - Revenue sharing to municipalities will drop from 58% to 50% beginning in 2019

Cultural Services & Facilities Fund - Year End 2017 - \$2.6

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|---------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Opera Donation | 0.1 | 0.1 | - | 0.1 | |
| Committed | | | | | |
| Art in Public Places | 0.5 | 0.5 | 0.1 | 0.4 | |
| Assigned | | | | | |
| Cultural Services Surplus | 1.8 | 2.0 | 0.9 | - | 1.1 |
| Year End Total | <u>\$ 2.4</u> | <u>\$ 2.6</u> | <u>\$ 1.0</u> | <u>\$ 0.5</u> | <u>\$ 1.1</u> |

- Annual funding sources of \$4.5 M
- Major funding sources:
 - About 70% comes from fees and charges
 - About 30% comes from general fund contribution

Recreation Fund - Year End 2017 - \$2.3

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|-----------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Assigned | | | | | |
| Recreation Programs | 0.2 | - | - | - | |
| Recreation Surplus | 2.5 | 2.3 | 0.5 | 1.8 | - |
| Year End Total | \$ 2.7 | \$ 2.3 | \$ 0.5 | \$ 1.8 | \$ - |

- Annual funding sources of \$6.9 M
- Major funding sources:
 - About 90% comes from fees and charges
 - About 10% comes from general fund contribution
- Note that Recreation programs are also supported by KFCG tax, but in the KFCG Fund
 - half of the parks and recreation allocation in 2017 was about \$1.5 M

Cemeteries Fund - Year End 2017 - \$0.7

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|-----------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Assigned | | | | | |
| Cemeteries Surplus | 0.6 | 0.7 | 0.5 | 0.2 | |
| Year End Total | <u>\$ 0.6</u> | <u>\$ 0.7</u> | <u>\$ 0.5</u> | <u>\$ 0.2</u> | <u>\$ -</u> |

Perpetual Care Fund - Year End 2017 - \$1.9

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|-----------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Perpetual Care | <u>1.8</u> | <u>1.9</u> | <u>-</u> | <u>1.9</u> | |
| Year End Total | <u>\$ 1.8</u> | <u>\$ 1.9</u> | <u>\$ -</u> | <u>\$ 1.9</u> | <u>\$ -</u> |

- To be used to maintain the cemeteries once on-going operations cease

Museum Fund - Year End 2017 - \$0.9

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|---------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Assigned | | | | | |
| Cultural Services Surplus | 0.9 | 0.9 | 0.2 | 0.7 | |
| Year End Total | <u>\$ 0.9</u> | <u>\$ 0.9</u> | <u>\$ 0.2</u> | <u>\$ 0.7</u> | <u>\$ -</u> |

- Annual funding sources of \$1 M
 - 100% is general fund contributions.
 - Fees at the museum belong to the non-profit partner, as outlined in IGA.

Transit Fund - Year End 2017 - 4.2

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|--------------------------|-----------------|---------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Transit Surplus(Deficit) | (1.8) | 4.2 | 4.2 | - | |
| Year End Total | \$ (1.8) | \$ 4.2 | \$ 4.2 | \$ - | \$ - |

Transportation CEF Fund - Year End 2017 - \$25.1

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Street Oversizing Surplus | 17.7 | 18.5 | - | 18.5 | |
| Assigned | | | | | |
| Capital Projects | 1.9 | 3.9 | 3.9 | - | |
| Prior Year Purchase Orders | - | 0.1 | 0.1 | - | |
| Budgeted in 2018 | - | 2.6 | 2.6 | - | |
| Year End Total | \$ 19.6 | \$ 25.1 | \$ 6.6 | \$ 18.5 | \$ - |

- Previously known as Street Oversizing Fund

Transportation Fund - Year End 2017 - \$15.4

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Assigned | | | | - | |
| Prior Year Purchase Orders | 0.9 | 0.3 | 0.3 | - | |
| Capital Projects | 0.6 | 1.4 | 1.4 | - | |
| Harmony Road | 5.7 | 5.7 | - | - | 5.7 |
| Transportation Surplus | 10.4 | 8.0 | 2.9 | - | 5.1 |
| Year End Total | \$ 17.6 | \$ 15.4 | \$ 4.6 | \$ - | \$ 10.8 |

- \$5.7M may be reassigned but is intended to be used for Harmony Road improvements.
 - Residual of the \$13.5 million from State when ownership transferred to City
- \$5.1M can be made available in the 2019-2020 BFO process

Parking Fund - Year End 2017 - \$1.8

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | - | |
| CC Parking Garage IGA | 0.7 | 0.8 | 0.3 | 0.5 | |
| Assigned | | | | - | |
| Prior Year Purchase Orders | 0.1 | - | - | - | |
| DT Parking | 0.7 | 1.0 | 0.1 | - | 0.9 |
| Year End Total | <u>\$ 1.5</u> | <u>\$ 1.8</u> | <u>\$ 0.4</u> | <u>\$ 0.5</u> | <u>\$ 0.9</u> |

- \$0.9 M available for future budget offers
- \$0.5 M available for Civic Center Parking Structure as outlined in IGA with Larimer County

Capital Project Fund - Year End 2017 - \$17.6

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Restricted | | | | | |
| Building Community Choices (BCC) | 1.6 | - | - | - | |
| Building on Basics (BOB) | 7.2 | 6.8 | 4.3 | 2.5 | |
| Misc. projects | 1.3 | 2.5 | 2.5 | - | |
| Woodward Loan Proceeds left | 0.3 | - | - | - | |
| Donations and Grants | 1.0 | 2.4 | 2.4 | - | |
| Committed | | | | | |
| General Fund Supported Projects | 8.5 | 5.9 | 5.9 | - | |
| Year End Total | <u>\$ 19.9</u> | <u>\$ 17.6</u> | <u>\$ 15.1</u> | <u>\$ 2.5</u> | <u>\$ -</u> |

- Building on Basics (BOB) is expected to have \$2.5M available for capital projects, after all projects on the original ballot are completed

Golf Fund - Year End 2017 - \$0.4

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|-------------------------------------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Minimum Policy - 12.5% Operations Assigned | \$ 0.7 | \$ 0.3 | \$ 0.3 | \$ - | |
| Prior Year Purchase Orders | 0.1 | - | - | - | |
| Available for capital and operations | (0.3) | 0.1 | - | 0.1 | - |
| Year End Total | <u>\$ 0.5</u> | <u>\$ 0.4</u> | <u>\$ 0.3</u> | <u>\$ 0.1</u> | <u>\$ -</u> |

- City Council lowered the Policy Minimum to 12.5% from 25% in 2017

Light & Power Fund - Year End 2017 - \$33.5

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 25% Operations | \$ 6.7 | \$ 8.4 | \$ 8.4 | \$ - | |
| Prior Year Purchase Orders | 1.4 | 1.4 | 1.4 | | |
| Approved Capital Projects | 7.9 | 7.8 | 7.8 | | |
| Budgeted in 2018 | 14.1 | 10.4 | 10.4 | | |
| Available for capital and operations | 6.7 | 5.5 | - | 5.5 | |
| Year End Total | \$ 36.8 | \$ 33.5 | \$ 28.0 | \$ 5.5 | \$ - |

- Continue to invest in capital assets, in part by using working capital

Water Fund - Year End 2017 - \$61.6

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 25% Operations | \$ 5.1 | \$ 5.0 | \$ 5.0 | \$ - | |
| Restricted | | | | - | |
| Debt | 0.3 | - | - | - | |
| Assigned | | | | | |
| Prior Year Purchase Orders | 0.4 | 0.4 | 0.4 | | |
| Approved Capital Projects | 36.5 | 33.5 | 33.5 | | |
| Budgeted in 2018 | 1.7 | 0.6 | 0.6 | - | |
| Available for capital and operations | 8.1 | 22.1 | - | 22.1 | |
| Year End Total | \$ 52.1 | \$ 61.6 | \$ 39.5 | \$ 22.1 | \$ - |

- Increase in part due to water rights contributed by developers before ordinance change went into effect. Capital contribution of \$10.8 M in 2017 compared to \$7.3 M in 2016.

Wastewater Fund - Year End 2017 - \$41.4

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 25% Operations | \$ 3.1 | \$ 3.5 | \$ 3.5 | \$ - | |
| Restricted | | | | - | |
| Debt | 0.2 | - | - | - | |
| Assigned | | | | - | |
| Prior Year Purchase Orders | 0.7 | 0.3 | 0.3 | - | |
| Approved Capital Projects | 14.7 | 10.8 | 10.8 | - | |
| Budgeted in 2018 | 8.1 | 6.8 | 6.8 | - | |
| Available for capital and operations | 13.8 | 20.0 | - | 20.0 | |
| Year End Total | \$ 40.6 | \$ 41.4 | \$ 21.4 | \$ 20.0 | \$ - |

Storm Drainage Fund - Year End 2017 - \$17.4

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|----------------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 25% Operations | \$ 1.4 | \$ 1.7 | \$ 1.7 | \$ - | |
| Restricted | | | | | |
| Debt | 0.3 | - | - | - | |
| Assigned | | | | | |
| Prior Year Purchase Orders | 0.1 | 0.1 | 0.1 | - | |
| Approved Capital Projects | 8.3 | 7.0 | 7.0 | - | |
| Budgeted in 2018 | 3.2 | 1.1 | 1.1 | - | |
| Available for capital and operations | 4.8 | 7.5 | - | 7.5 | |
| Year End Total | \$ 18.1 | \$ 17.4 | \$ 9.9 | \$ 7.5 | \$ - |

Equipment Fund - Year End 2017 - \$2.0

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|------------------------------------------------------|---------------|---------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Minimum Policy - 8.3% Operations Assigned | \$ 0.6 | \$ 0.8 | \$ 0.8 | \$ - | |
| Prior Year Purchase Orders | 0.1 | 0.1 | 0.1 | - | |
| Equipment surplus | 3.9 | 1.1 | - | 1.1 | - |
| Year End Total | \$ 4.6 | \$ 2.0 | \$ 0.9 | \$ 1.1 | \$ - |

- Equipment Replacement – \$1.1 M is for replacement of vehicles and equipment for Police, Forestry, Parks, Building Inspection, and Code Compliance

Self Insurance Fund - Year End 2017 - \$1.6

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|------------------------------------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Minimum Policy - 25% Operations Committed | \$ 1.1 | \$ 1.2 | \$ 1.2 | \$ - | |
| Self Insurance surplus | 0.4 | 0.4 | 0.3 | 0.1 | |
| Assigned | | | | - | |
| Prior Year Purchase Orders | 0.1 | - | - | - | |
| Year End Total | <u>\$ 1.6</u> | <u>\$ 1.6</u> | <u>\$ 1.5</u> | <u>\$ 0.1</u> | <u>\$ -</u> |

- Loss fund reserves have declined significantly over the last 8 years due to a major settlement and planned use of reserves

Data and Communications Fund - Year End 2017 - \$3.7

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|------------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Assigned | | | | | |
| Prior Year Purchase Orders | 0.5 | 0.3 | 0.3 | - | |
| Data & Communication Surplus | 3.6 | 3.4 | 1.1 | - | 2.3 |
| Year End Total | \$ 4.1 | \$ 3.7 | \$ 1.4 | \$ - | \$ 2.3 |

Benefits Fund - Year End 2017 - \$9.3

| | 2016 Total | 2017 Total | Appropriated, Min. Policy, or Scheduled | Available but with some Constraints | Available for Nearly Any Purpose |
|-----------------------------------------------------|---------------|---------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| Policy minimum - 30% Operations Assigned | \$ 6.5 | \$ 5.9 | \$ 5.9 | \$ - | |
| Benefit Surplus | (1.6) | 3.4 | - | 3.4 | - |
| Year End Total | \$ 4.9 | \$ 9.3 | \$ 5.9 | \$ 3.4 | \$ - |

- After two years below policy minimums, the fund balance is now in compliance.

Utility Customer Service Fund - Year End 2017 - \$2.6

| | <u>2016 Total</u> | <u>2017 Total</u> | <u>Appropriated, Min. Policy, or Scheduled</u> | <u>Available but with some Constraints</u> | <u>Available for Nearly Any Purpose</u> |
|----------------------------|-----------------------|-----------------------|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Assigned | | | | - | |
| Prior Year Purchase Orders | 0.6 | 0.3 | 0.3 | - | |
| Unrestricted | 1.4 | 2.3 | 0.1 | 2.2 | |
| Year End Total | <u>\$ 2.0</u> | <u>\$ 2.6</u> | <u>\$ 0.4</u> | <u>\$ 2.2</u> | <u>\$ -</u> |

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Honore Depew, Environmental Planner, Sustainability Services

Date: July 16, 2018

SUBJECT FOR DISCUSSIONRegional Wasteshed Project

EXECUTIVE SUMMARY Council reviewed recommendations for new solid waste infrastructure and policy during a May work session and gave direction for staff to draft an intergovernmental agreement (IGA) with Larimer County, which would formalize the recommendations, and requested additional analysis. Council will be discussing the IGA outline and reviewing impact analysis during a work session on August 14.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does Council Finance Committee have feedback on the financial aspects of the project?
2. Does Council Finance Committee need additional information as Council moves towards consideration of an Intergovernmental Agreement and ordinance?

BACKGROUND/DISCUSSION

History of Council Involvement

Staff provided updates on this project to City Council at a regular meeting in January 2017, a Futures Committee meeting in April 2017, and at work sessions in January and May of 2018. In addition, Fort Collins City Council is represented on the Policy Advisory Committee of the Wasteshed Coalition by Mayor Troxell and Councilmember Cuniff.

Wasteshed Coalition Background

Because the Larimer County Landfill is forecast to reach capacity by 2025, staff and elected officials from the Cities of Fort Collins and Loveland, Larimer County, and the Town of Estes Park formed the North Front Range Wasteshed Coalition in 2015 to plan for the future of waste material handling in the region. Recommendations in the Solid Waste Infrastructure Master Plan (SWIMP) are the culmination of more than two years of work by the Coalition.

In 2017, Larimer County engaged the consulting firm HDR, Inc. to provide:

- detailed reporting of current regional solid waste volumes and future projections
- consideration of emerging technologies for resource recovery
- triple-bottom line and market analysis of infrastructure options
- example agreements and policies to support new facilities

Eleven possible solid waste infrastructure options were identified as potential pieces of a long-term waste material management system, once the Larimer County Landfill is closed. Each element has been closely reviewed by the Coalition and will be published in June 2018 as a Solid Waste Infrastructure Master Plan.

Coalition Recommendations

Five new facilities were selected for recommendations based on capital costs, timeframe to complete, cost-benefit ratio, and projected tipping fees:

| Recommended Facilities | Capital Cost | Tip Fee* | Years to Build |
|--------------------------------------------------------------|--------------|----------|----------------|
| New County Landfill | \$11.7M | \$14 | 6 |
| Central Transfer Station | \$15.8M | \$29 | 5 |
| Yard Waste Composting Facility | \$11.8M | \$38 | 4 |
| Food Waste Composting Facility | | \$38 | 2 |
| Construction and Demolition (C&D) Debris Processing Facility | \$13.7M | \$37 | 4 |

*Estimated tip fees in 2017 dollars

Locations

All of the proposed facilities except a new landfill could be co-located in the undeveloped section of the current Larimer County landfill site on South Taft Hill Rd. A modern, sanitary landfill could be developed on a section of land owned by the County north of Wellington and would predominantly accept trash from the Central Transfer Station (including landfill waste from Fort Collins). The Transfer Station would provide the same or more convenience to customers with a redesigned entry point and traffic control.

Capital Cost

Most of the capital investment needed for the recommended facilities would come from an existing fund balance Larimer County has accumulated for infrastructure replacement, with the remainder being financed by the County. Because the Solid Waste Division is operated as an enterprise fund, no tax revenue is included in these projections and there is no expectation of municipal financial investment.

Facility Construction Timeline

One of the primary goals adopted by the Coalition is to have replacement facilities operational before the Larimer County landfill stops accepting waste in 2025. The projected development schedule for the new facilities includes design, permitting, and construction.

Supportive Policy: Process Controls

The Coalition is recommending several process controls to be implemented throughout the Wasteshed. A solid waste process control is a rule that governs the way waste materials may be collected, handled, or disposed. The recommended process controls are in alignment with adopted goals for increased diversion, are anticipated to drive economic development in the region, and are designed to support the financial viability of new facilities. The proposed process controls are:

- 1) Flow Control for Construction and Demolition Debris
 - a. All mixed waste from building projects over 1,000sf must be sent to a County-owned processing facility.
- 2) Flow Control for Single-Stream Recyclables

- a. Residential and business recycling must be sent to a County-owned recycling transfer or recovery facility.
- 3) Waste Stream Ban on Yard Trimmings
 - a. Green waste such as branches, leaves, and grass clippings must not be sent to landfills.

Intergovernmental Agreement

To facilitate implementation of the recommended infrastructure and policy, an intergovernmental agreement is needed that would likely include the following elements:

- County commits to finance and construct facilities
- Municipalities commit to adopt rules for waste handling
- Coordinated data collection and education
- Formation of an Advisory Board

Summary

Unprecedented regional collaboration for solid waste planning, spurred by the Larimer County Landfill nearing capacity, has yielded a recommended infrastructure master plan to divert significant waste from landfills without capital investment needed from the City of Fort Collins. To support this project, the role of municipalities in the region is to adopt specific policies that would ensure the economic viability of County-built resource recovery facilities. The proposed facilities are projected to recover as much as 40% of what is currently landfilled in the Wasteshed, delivering useable products back into the regional economy and helping Fort Collins meet its goals for Zero Waste.

ATTACHMENTS

1. Public Meeting Boards
2. Presentation



WELCOME

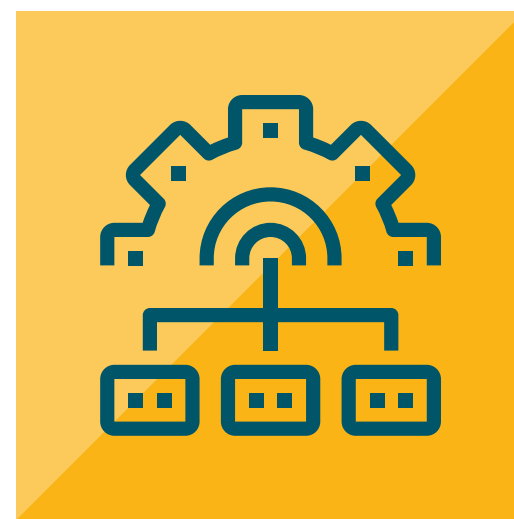
NFRWASTESHEDPUBLICMEETING.COM

North Front Range Regional Wasteshed Planning Study

PHASE 2

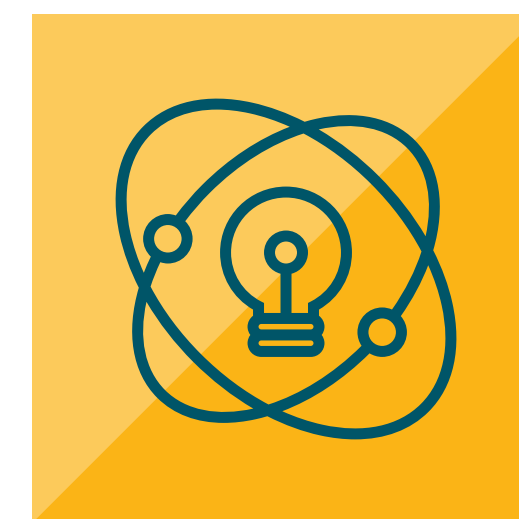
GOALS

ESTABLISHED AUGUST 2017



Establish regional materials management system

- › 390k tons landfilled/year in 2017 with a goal of 540k tons/year by 2025
- › Proposed system would divert ~40%



Implement programs and facilities

- › Materials Recovery Facility Transfer Station
- › New County Landfill
- › Central Transfer Station
- › Yard Waste Organics Processing Facility
- › Food Waste Compost: Static Aerated Bins
- › Construction & Demolition (C&D) Processing Facility



Achieve regional waste diversion/reduction goals

- › Diversion/reduction of 40% by 2025 for total material currently received at the Larimer County Landfill



Conduct consistent public education and outreach

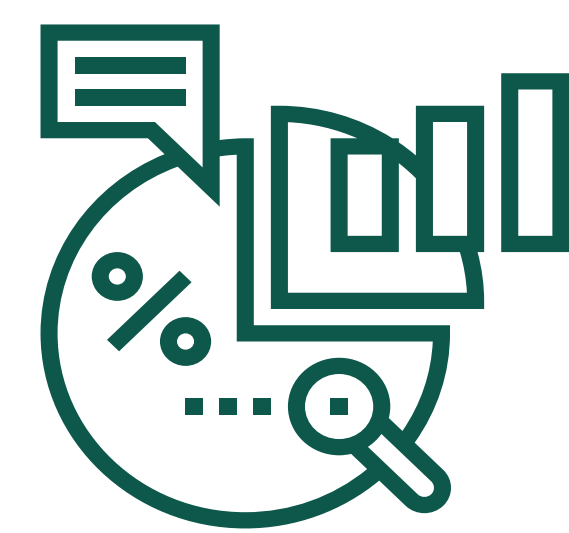
- › Coalition implements consolidated education programs with haulers

FOR ADDITIONAL BACKGROUND INFORMATION OF THE WASTESHED PLANNING STUDY, PLEASE JOIN US FOR A PRESENTATION THAT IS SCHEDULED TO RESTART EVERY 15 MINUTES



OUR COALITION

AREA MUNICIPALITIES THAT SHARE THE NORTH FRONT RANGE REGIONAL
WASTESHED SELECTED REPRESENTATIVES TO HELP INFORM THE STUDY



TECHNICAL ADVISORY COMMITTEE

Larimer County

- › Todd Blomstrom
- › Stephen Gillette
- › Ron Gilkerson

City of Fort Collins

- › Honore Depew
- › Susan Gordon
- › Caroline Mitchell

City of Loveland

- › Mick Mercer
- › Tyler Bandemer

Town of Estes Park

- › Frank Lancaster

Facilitation

- › Martin Carcasson -
Colorado State University



POLICY ADVISORY COMMITTEE

Larimer County

- › Steve Johnson

City of Fort Collins

- › Wade Troxell
- › Ross Cunniff

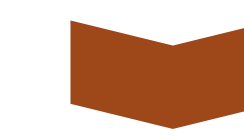
City of Loveland

- › Leah Johnson

Town of Estes Park

- › Ken Zornes

STAKEHOLDER ADVISORY GROUP



THE COALITION ACTIVELY ENGAGED THIS GROUP MADE UP OF REPRESENTATIVES FROM THE FOLLOWING:



Local Business

- › Waste Haulers
- › Uncle Benny's
- › Biochar Now
- › Etc.



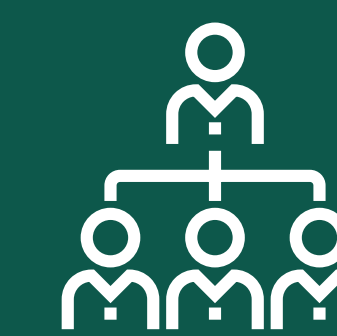
Community Groups

- › Sierra Club - Poudre Canyon
- › TYMA of the Rockies
- › Estes Park League of Women Voters
- › Etc.



Educational Institutions

- › Colorado State University
- › Poudre School District
- › Thompson School District



Boards & Commissions

- › Fort Collins Natural Resources Advisory Board
- › Larimer County Environmental Science Board
- › Fort Collins Chamber of Commerce



Regional Governance

- › Colorado Department of Public Health and Environment (CDPHE)
- › Wyoming Department of Environmental Quality

WHAT WE LEARNED FROM ADVISORY GROUP MEETINGS

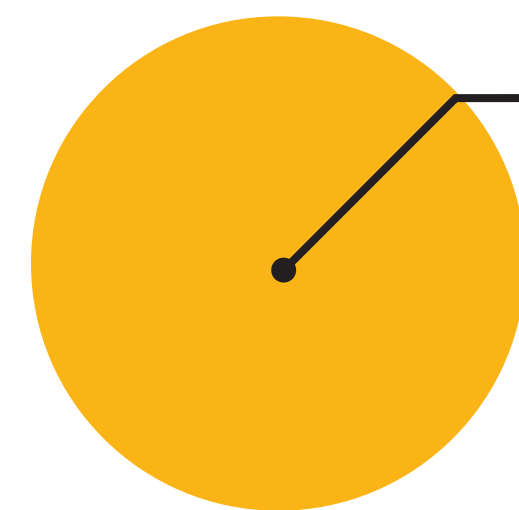
SIX MEETINGS TOOK PLACE BETWEEN MAY 2017 AND MARCH 2018



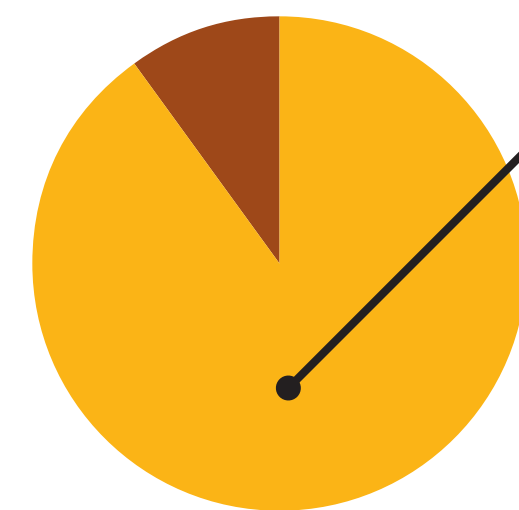
96% provided consensus to move forward with the five Infrastructure Recommendations



95% agreed to the proposed solid waste process controls for construction and demolition debris generated in Larimer County



100% agreed to the proposed process controls for yard waste generated in Larimer County



90% agreed to the proposed process controls for single stream recycling generated in Larimer County

PUBLIC OUTREACH



More Than 1,200

Larimer County residents responded to a survey regarding their recycling habits and attitudes in summer of 2016



4 public forums

were held in the fall of 2016

OUR COMPREHENSIVE WASTE SYSTEM



AFTER INTENSIVE DATA COLLECTION, THOROUGH ANALYSIS, AND STAKEHOLDER ENGAGEMENT, THE FOLLOWING FACILITIES ARE RECOMMENDED AS THE MOST FEASIBLE FOR THE WASTESHED TO MEET ESTABLISHED GOALS:





NEW COUNTY LANDFILL

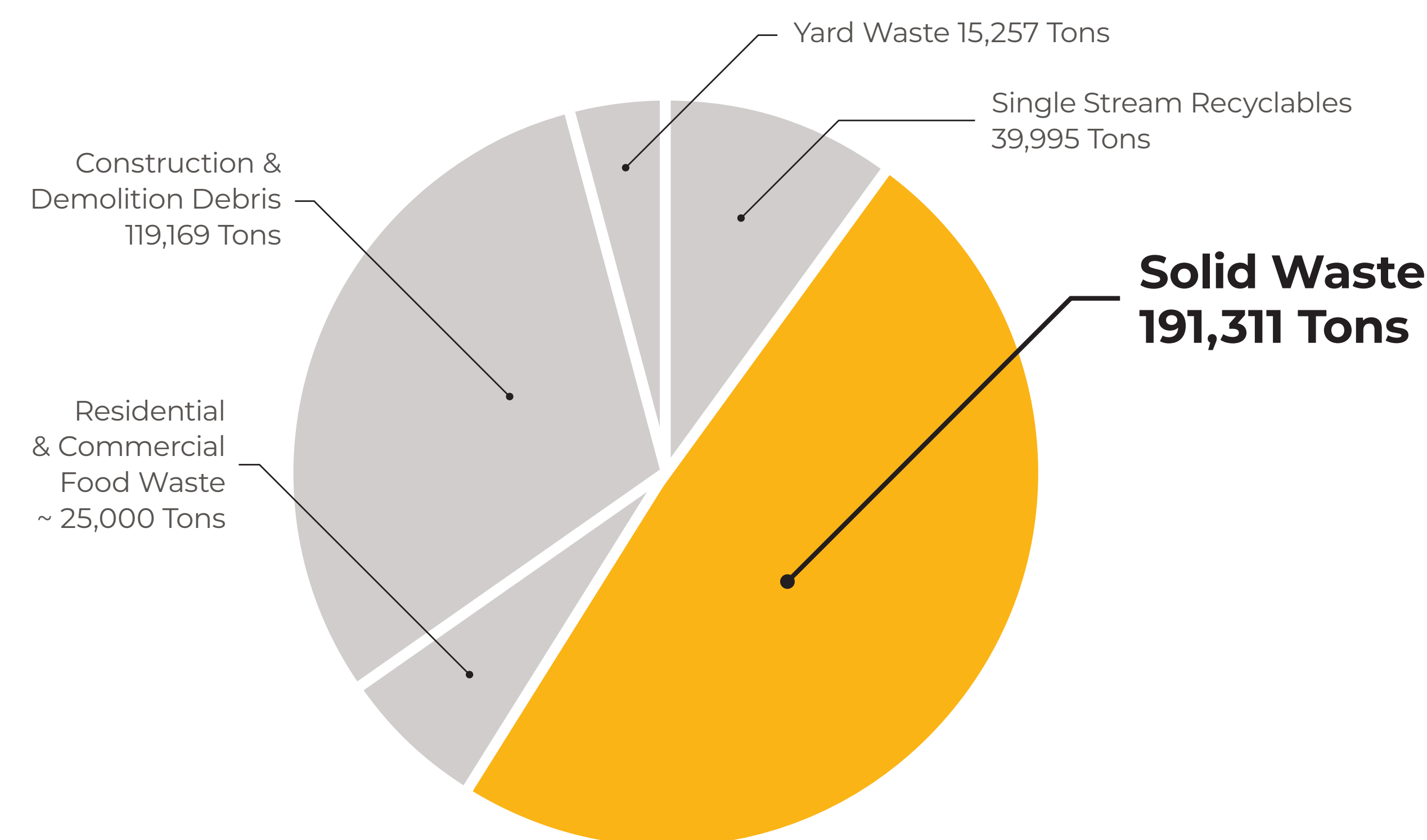
TO BE DEVELOPED IN THE NORTHERN PORTION OF THE COUNTY, SUBSEQUENT TO THE CLOSURE OF THE EXISTING COUNTY LANDFILL, AS A MULTI-FUNCTIONAL FACILITY TO DISPOSE OF SOLID WASTE MATERIALS BY BURYING AND COVERING WITH SOIL.



The future Larimer County Solid Waste Management Site has already been selected.

DATA BREAKDOWN

2016 Waste Composition and Characterization Analysis Numbers



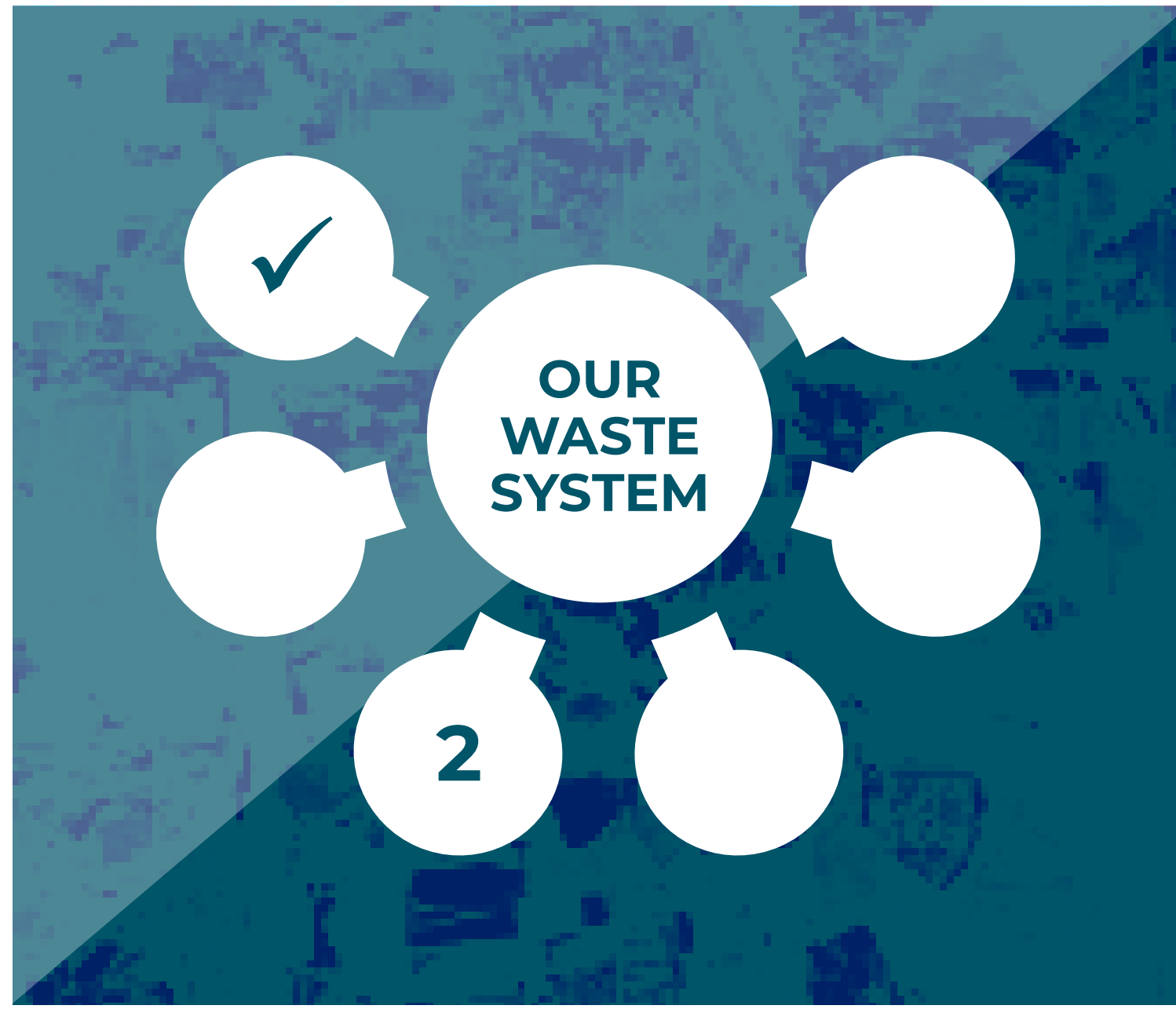
BENEFITS

- County owned **tract of land available** for environmentally sound facility
- First phase of landfill at **\$11.7m** can handle all solid waste generated in County
- Self-sustaining revenues** that support other County programs such as household hazardous waste, recycling, convenience centers, and public education
- Social, economic, and environmental monetary **benefits outweigh the costs**

RECOMMENDED PROCESS CONTROLS

Hauler licensing

- Pay as you throw, or PAYT, has a volume based pricing structure
- Potential bundling of recycling and trash collection for multi-family unit & single family residential customers
- Direct haul to the new landfill will be limited
- Landfill Gas Capture for Municipal Solid Waste collected in Larimer County



CENTRAL TRANSFER STATION

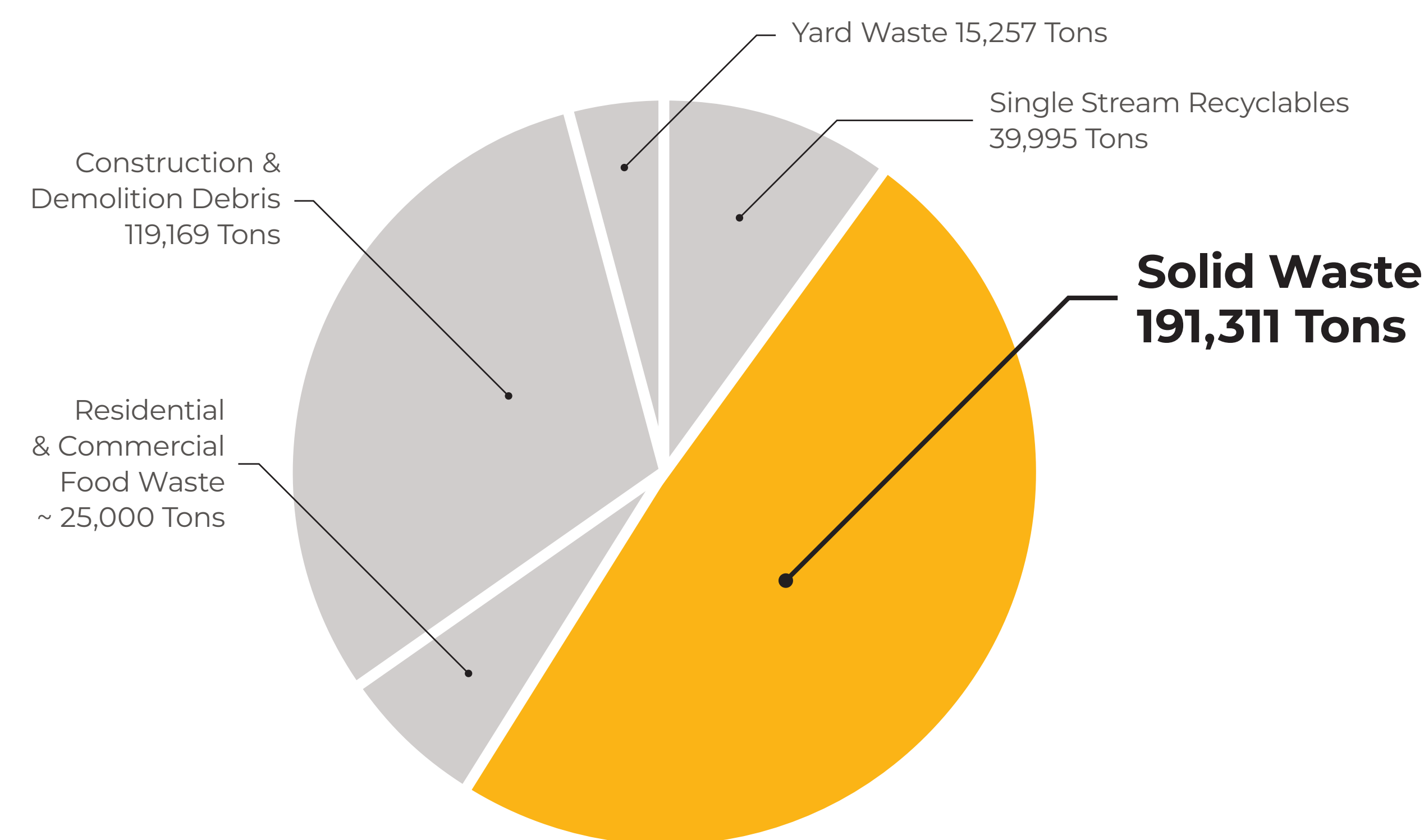
A FACILITY THAT RECEIVES MATERIALS FROM WASTE HAULERS AND THE PUBLIC TO BE TAKEN OFF-SITE ON A LARGER TRANSFER VEHICLE FOR TRANSPORT TO A SOLID WASTE HANDLING FACILITY LIKE A LANDFILL.



Images of example Central Transfer Station facilities.

DATA BREAKDOWN

2016 Waste Composition and Characterization Analysis Numbers



BENEFITS

- Continued **convenient disposal location** for existing customers — centrally located amongst high density population areas
- For **\$15.8m** various waste materials can be managed and provides flexibility for future changes in waste management
- Increases **collection efficiencies** for customers by consolidating waste in one location for eventual transfer
- Social, economic, and environmental monetary **benefits outweigh the costs**

RECOMMENDED PROCESS CONTROLS

Hauler licensing

- Pay as you throw, or PAYT, has a volume based pricing structure
- Potential bundling of recycling and trash collection for multi-family unit & single family residential customers
- Direct haul to the new landfill will be limited



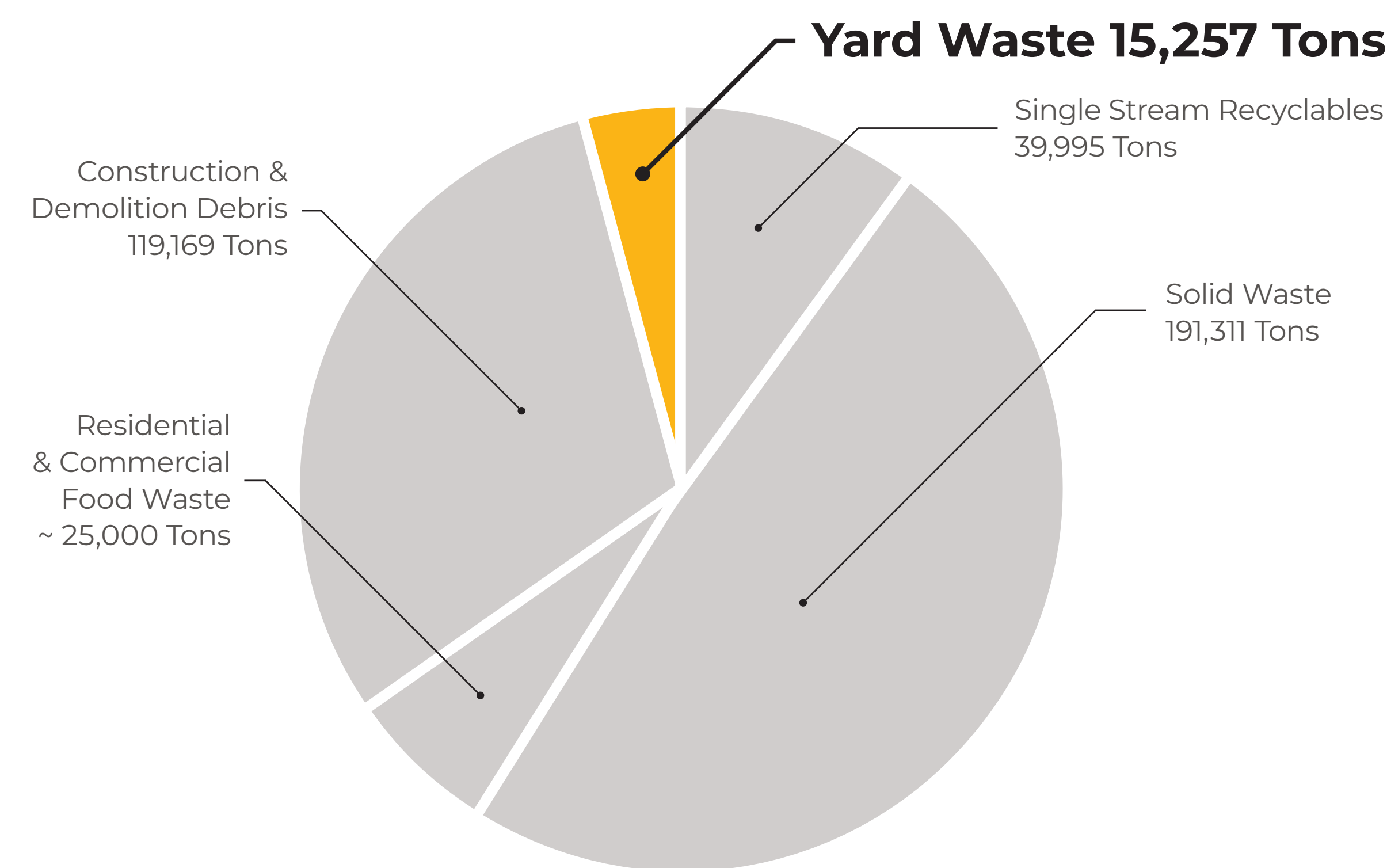
YARD WASTE ORGANICS PROCESSING FACILITY

A FACILITY THAT TAKES ADVANTAGE OF THE NATURAL PROCESS THAT CONVERTS ORGANIC MATERIAL INTO A STABLE RICH SOIL AMENDMENT.

- Aerobic composting places organics into windrows that aerate through turning the piles by machine, introducing oxygen and moisture.

DATA BREAKDOWN

2016 Waste Composition and Characterization Analysis Numbers



BENEFITS

- ▶ **Diverts 100% of yard waste** materials from being buried and creates compost for beneficial reuse
- ▶ At **\$11.8m** can handle yard waste from the County, Fort Collins and Loveland
- ▶ Provides compost material for use in **parks and recreational facilities**
- ▶ Compost **material available** for gardens, flower beds, landscaping, etc.
- ▶ Social, economic, and environmental monetary **benefits outweigh the costs**

RECOMMENDED PROCESS CONTROLS

▶ Hauler licensing

- Waste ban — prohibits disposal of yard waste in Municipal Solid Waste landfills into the waste stream
- Yard waste bundled with trash and recycling for single-family residential within certain, defined areas
- Commercial landscaping businesses required to be licensed



Images of example Yard Waste Organics Processing facilities.



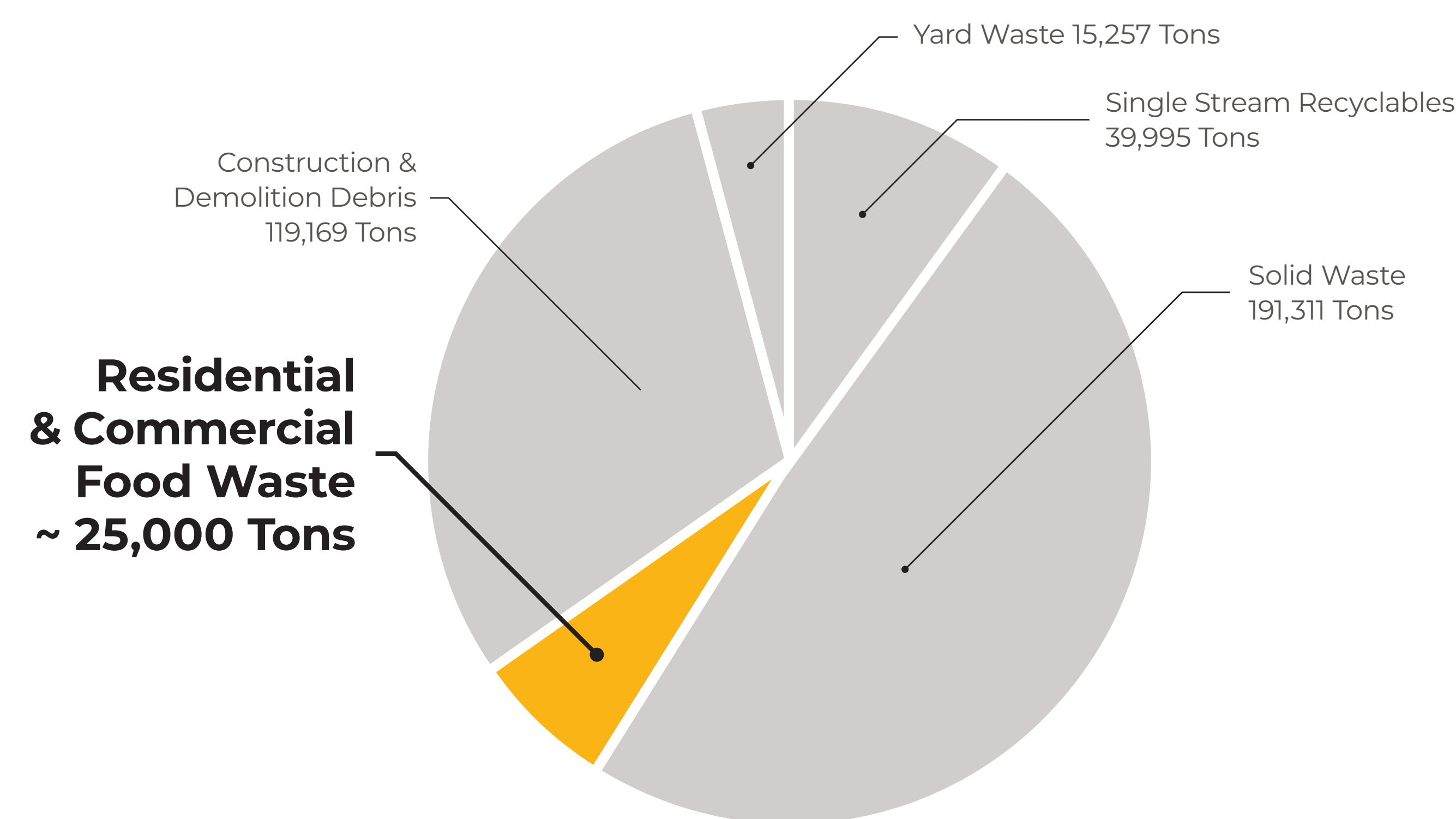
FOOD WASTE COMPOST: STATIC AERATED BINS

A FACILITY THAT USES AERATED PILES THAT DON'T NEED TO BE TURNED IS THE SIMPLEST AND MOST COST-EFFECTIVE APPROACH TO COMPOSTING LARGE VOLUMES OF ORGANIC WASTE MATERIALS.

- The Aerated Static process is the simplest and least cost approach to composting large volumes of organic waste materials.

DATA BREAKDOWN

2016 Waste Composition and Characterization Analysis Numbers



BENEFITS

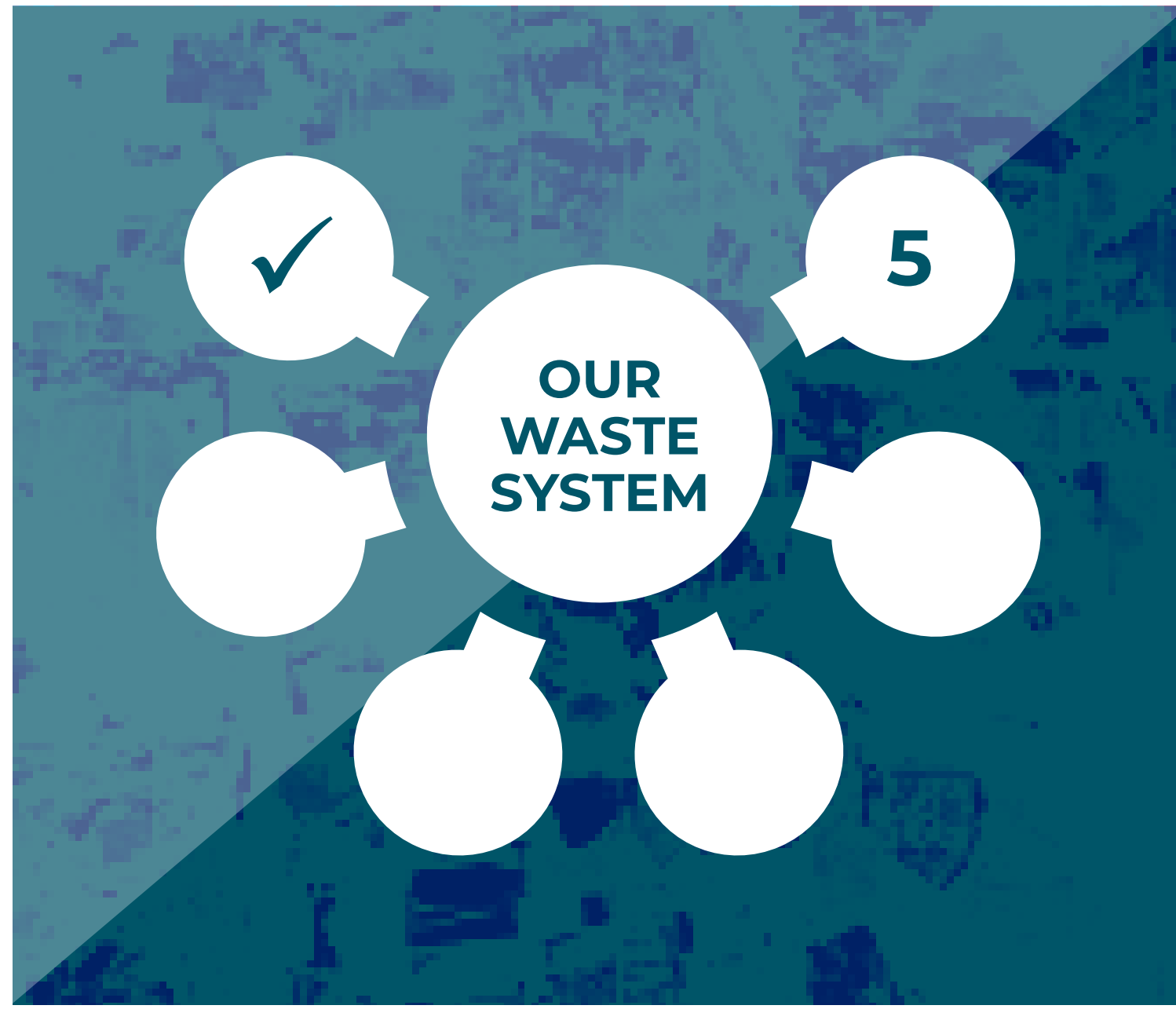
- ▶ **Diverts 100% of food waste collected** and segregated for nutrient rich material in composting with yard waste
- ▶ Provides compost material for use in **parks and recreational facilities**
- ▶ Compost **material available** for gardens, flower beds, landscaping, etc.
- ▶ Removes a major contributor to **greenhouse gas emissions** from landfills
- ▶ Social, economic, and environmental monetary **benefits outweigh the costs**

RECOMMENDED PROCESS CONTROLS

- ▶ **Hauler licensing**
- ▶ Process control requirements where **grocers send food scraps** to a permitted facility
- ▶ In the future, may consider process controls for **pre- and post-consumer food scraps**

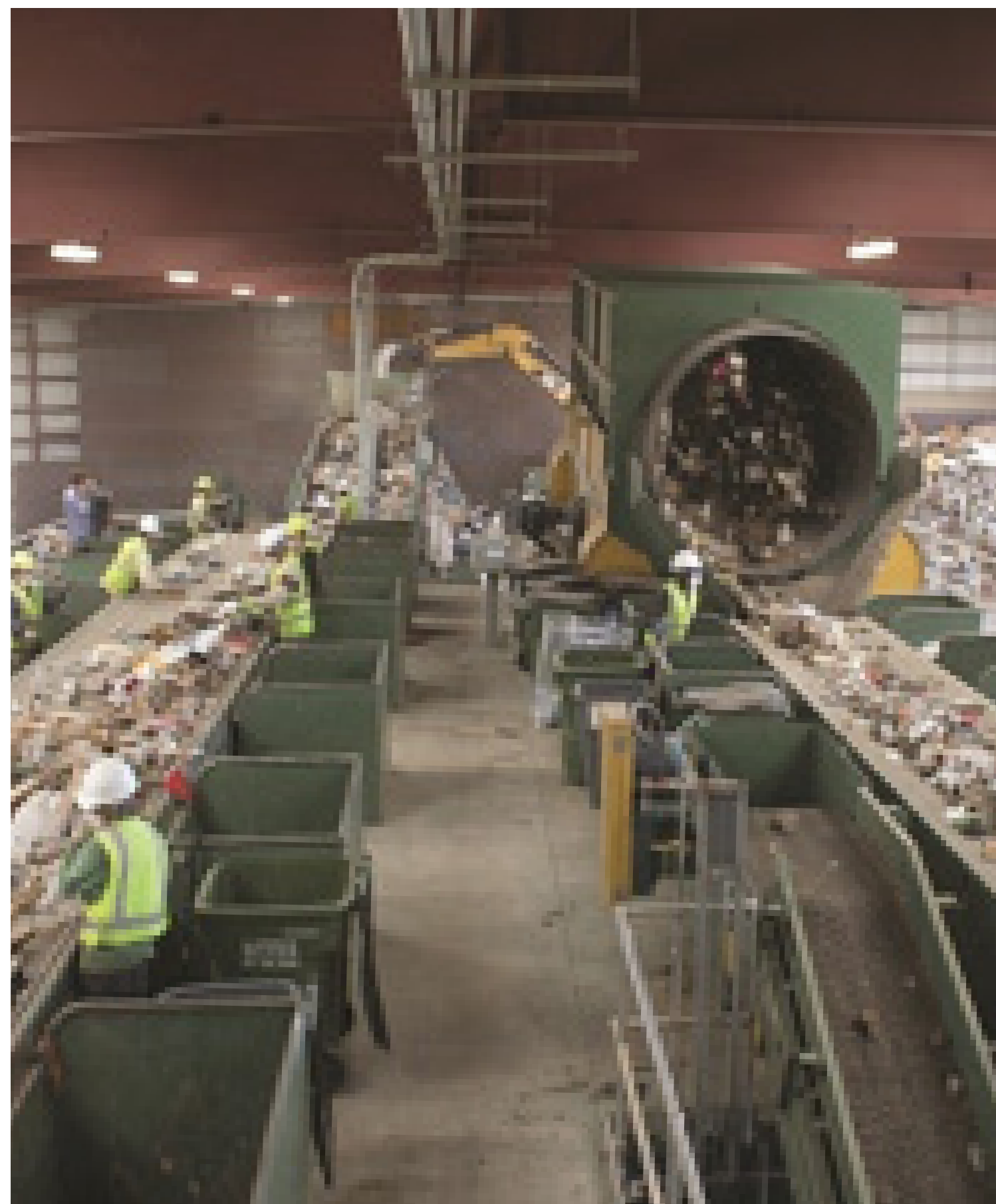
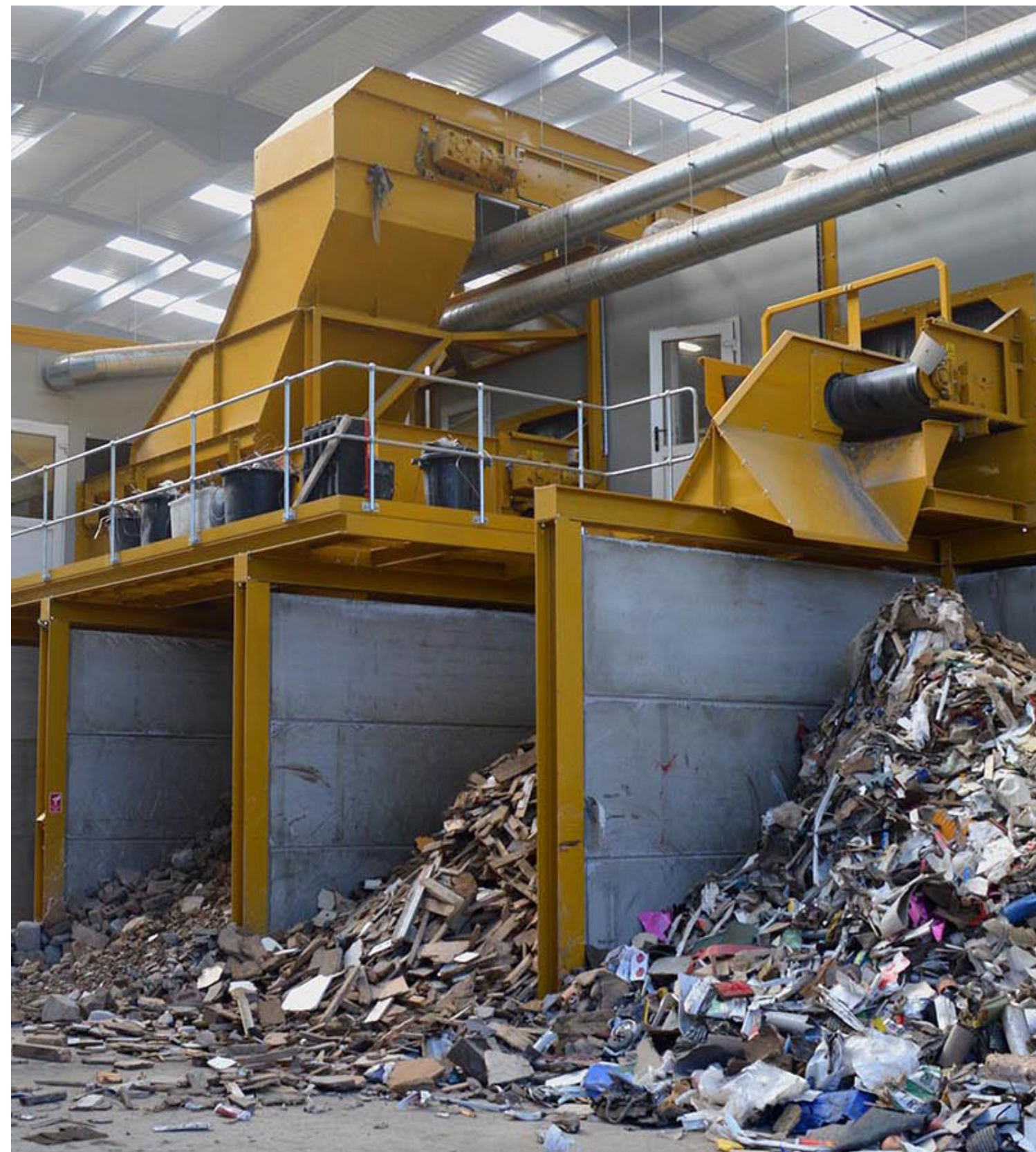


Images of example Food Waste Compost facilities and Static Aerated Bins.



C&D PROCESSING FACILITY

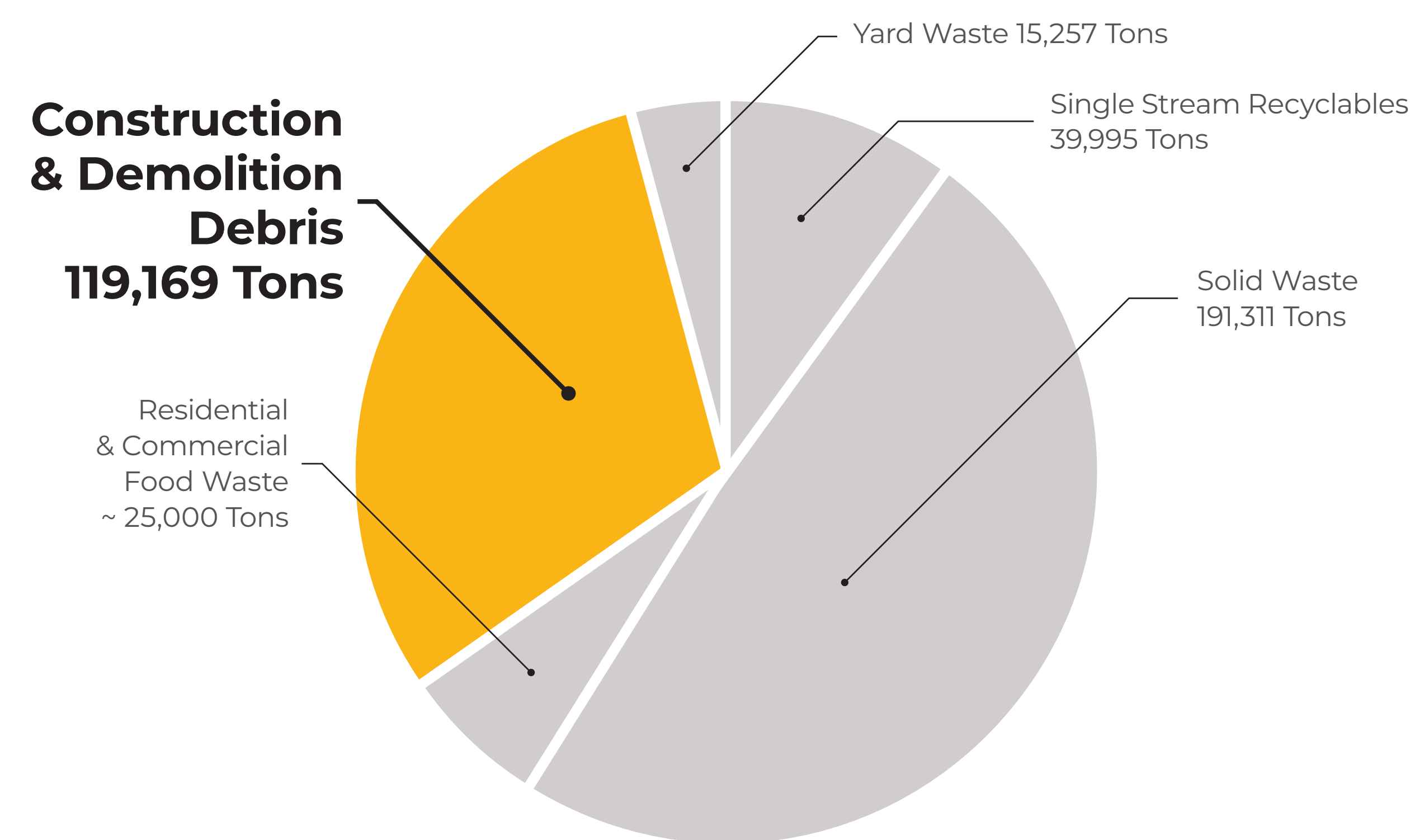
A CONSTRUCTION & DEMOLITION (C&D) PROCESSING FACILITY EXTRACTS WOOD, METAL, GYPSUM BOARD, CONCRETE AND OTHER CONSTRUCTION RELATED MATERIALS, AND PROCESSES FOR REUSE, RECYCLING, AND/OR COMPOSTING.



Images of example Construction & Demolition Processing facilities.

DATA BREAKDOWN

2016 Waste Composition and Characterization Analysis Numbers



BENEFITS

- › Diverts approximately **30% of the current waste stream** from being buried in the landfill
- › At **\$13.7m** can handle 30% of the waste stream
- › Segregated materials are **processed for end markets** for reuse or repurpose
- › **Creates jobs** and develops end markets for better management of resources
- › Provides **jobsite convenience** for builders to use mixed-material roll-offs
- › Social, economic, and environmental monetary **benefits outweigh the costs**

RECOMMENDED PROCESS CONTROLS

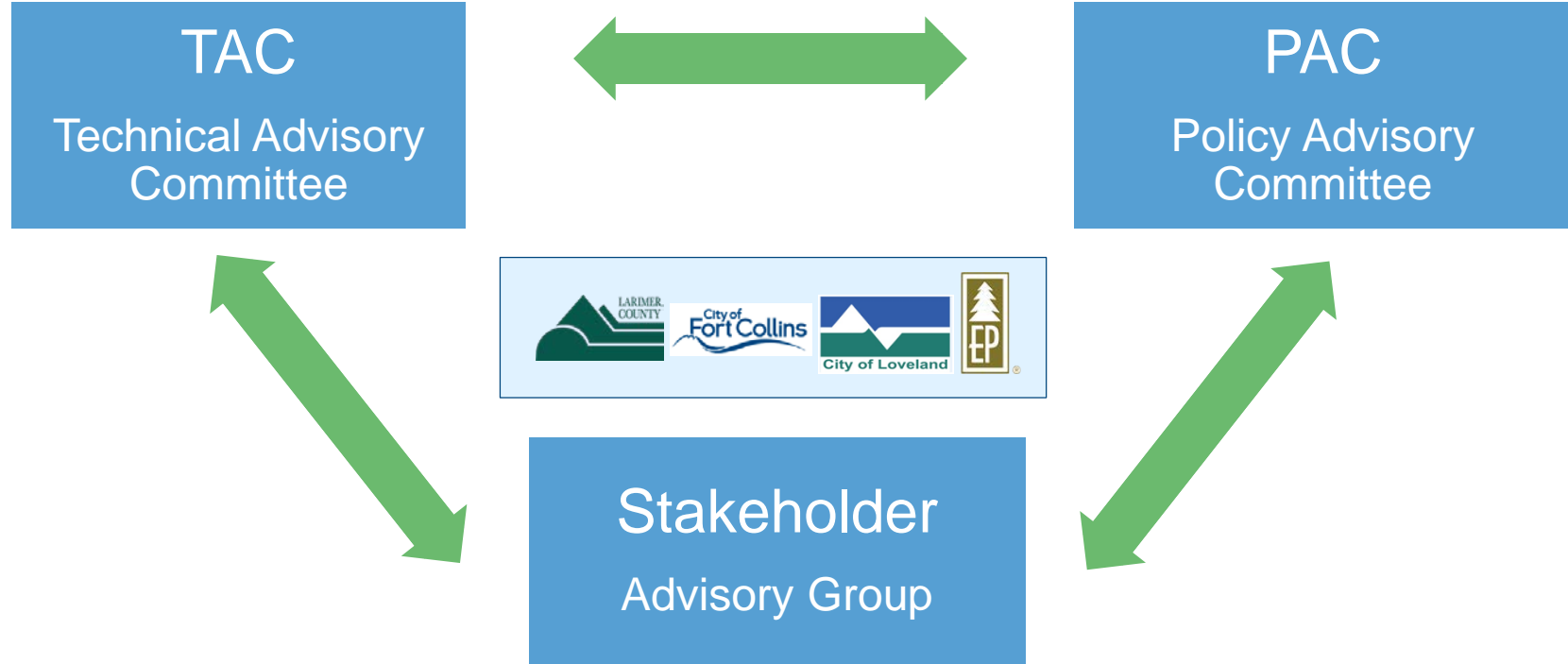
- › **Require the recycling** of metal, wood, cardboard, drywall and aggregate from construction and demolition sites
- › **Term limited flow control** of construction and demolition debris waste to County facility (10 years)
- › Would apply to all **residential and commercial** new buildings, and demolition



Regional Wasteshed Project

Honore Depew; Sustainability Services
Presentation to Council Finance Committee

1. Does Council Finance Committee have feedback on the financial aspects of the project?
2. Does Council Finance Committee need additional information as Council moves towards consideration of an Intergovernmental Agreement and ordinance?



Larimer County Capital Investments

| Recommended Facilities | |
|---------------------------------------------------------|-------------------------------------------------|
| New Landfill (or alternative disposal option) | \$11.7M (Equity – 1 st Phase) |
| Central Transfer Station | \$15.8M (Equity) |
| Yard Waste & Food Waste Composting Facilities | \$11.8M (Finance) |
| Construction & Demolition Debris Processing Facility | <u>\$13.7M</u> (Equity) |
| Total: | ~\$53M |

Several new large facilities with no capital expenditure from City

Recommended Facilities



**CENTRAL TRANSFER
STATION**



NEW LANDFILL



**YARD WASTE
COMPOSTING FACILITY**



**FOOD WASTE
COMPOSTING FACILITY**



**CONSTRUCTION & DEMOLITION
DEBRIS PROCESSING FACILITY**



**RECYCLING TRANSFER
UPGRADES**

Facility Build Timeline

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------------------------------------------------------|------|------|------|------|------|------|
| Central Transfer Station (Jan 2019–Jan 2023) | ✓ | ✓ | ✓ | ✓ | | |
| New County Landfill (Jan 2019–Jan 2024) | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Yard Waste Composting Open Windrow (Jan 2020–Jan 2023) | | ✓ | ✓ | ✓ | | |
| Construction and Demolition Waste Processing (Jan 2020–Jan 2023) | | ✓ | ✓ | ✓ | | |
| Food Waste Composting | | | | | | |

New infrastructure development takes a long time

- County commits to finance and **construct facilities**
- Municipalities commit to **adopt rules** for waste handling
- Coordinated **data collection** and **education**

Flow Control

Construction &
Demolition Debris

- Mixed loads
- 10-year term
- Jobsite convenience
- Market development

Flow Control

Mixed Recyclables

- “Single-stream” recyclables
- Residential and commercial
- Assured volumes attract investment

Waste Ban

Yard Trimmings

- Wood, branches, leaves, etc.
- Readily recyclable at multiple sites
- Generates finished compost

Estimated Tipping Fees

| Facility | Cost per ton |
|-------------------------|--------------|
| Current Landfill | \$22 |
| Transfer Station: Trash | \$29 |
| Compost: Yard | \$38 |
| Compost: Food | \$38 |
| Construction Debris | \$37 |

| City of Loveland Solid Waste | |
|-----------------------------------------------|-----------------------------------------------|
| Disposal Fee Increase (+50%) | Collection Fee Increase (+6%) |
| Trash Cart Rate (\$13.00 per month) | Trash Cart Rate (\$13.80 per month) |



Disposal fees are a small portion of service cost

- [illegible]

Anticipated Next Steps

| Q3 2018 | Q4 2018 | 2019 |
|--------------------------------------------------|-------------------------------------------|----------------|
| County Planning Commission Adopts Master Plan | | |
| August 14 Work Session | Council Considers IGA and Ordinance(s) | Implementation |

1. Does Council Finance Committee have feedback on the financial aspects of the project?
2. Does Council Finance Committee need additional information as Council moves towards consideration of an Intergovernmental Agreement and ordinance?

HONORE DEPEW

Environmental Planner

Sustainability Services Area

[City of Fort Collins](#)

222 Laporte Ave.

970-221-6604 office

hdepew@fcgov.com