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**AGENDA**  
**Council Finance & Audit Committee**  
**April 20, 2020**  
**10:00 am - noon**  
Zoom Meeting <https://zoom.us/j/8140111859>

Approval of Minutes from the March 16, 2020 Council Finance Committee meeting.

- |  |          |                            |
|--|----------|----------------------------|
| 1. 2020-2021 Budget & Federal /State Updates | 30 mins. | T. Storin<br>J. Birks      |
| 2. Streets & Traffic Backup Generators       | 30 mins. | B. Hergott<br>L. Schneider |
| 3. Wood St. SCO /NOC Renovation              | 20 mins. | A. Bromley                 |

Other Business;

Audit Communications Memo

**Council Finance Committee**  
**Agenda Planning Calendar 2020**  
**RVSD 04/10/20 CK**

<b>April 20<sup>th</sup></b>			
	2020-2021 Budget and Federal/State Updates	30 min	T. Storin J. Birks
	Streets & Traffic Backup Generators	30 min	K. Mannon J. Olson
	Wood St. SCO / NOC Renovation	20 min	A..Bromley

<b>May 18<sup>th</sup></b>			
	B-Dam Alternatives and Recommendation	30 min	T. Connor
	Utility Rebate Consolidation	20 min	J. Poznanovic
	Code revisions for Self Insurance fund	15 min	T. Storin J. Duval
	MMOF Grants	20 min	N. Currell

<b>June 15<sup>th</sup></b>			

<b>July 20<sup>th</sup></b>			
	BFO Assumption Review		L. Pollack

Future Council Finance Committee Topics:

- Park/Median Design Standards & Maintenance Costs – TBD
- Metro District Policy Update – TBD 2020
- Annual Adjustment Ordinance – Sep 2020



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## Finance Committee Meeting Minutes

March 16, 2020

10 am - 11:30 am

CIC Room - City Hall

Council Attendees: Mayor Wade Troxell, Ross Cunniff (via phone), Ken Summers

Staff: Darin Atteberry, Jeff Mihelich, Kelly DiMartino, Travis Storin, Nina Bodenhamer, Noelle Currell, Victoria Shaw, Ginny Sawyer, Carolyn Koontz

Others: Collin Garfield  
Kevin Jones, Chamber of Commerce

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Meeting called to order at 10:35 am

Approval of Minutes from the February 24, 2020 Council Finance Committee Meeting. Ken Summers moved for approval of the minutes as presented. Mayor Troxell seconded the motion. Minutes were approved unanimously.

### **A. Digital Equity Program Review**

Nina Bodenhamer, Director, City Give

#### **SUBJECT FOR DISCUSSION**

Digital Equity: A Blueprint for Income-Qualified Internet Rate

#### **EXECUTIVE SUMMARY**

The City of Fort Collins is committed to increasing digital equity and reducing the digital divide. Informed by community poverty benchmarks, today's presentation is a review of the blueprint for Digital Equity's overall program structure, suggested income eligibility, and compatibility with existing income-qualified City programs.

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

- Objective: Informational and Update Only
- Desired Outcome: Council input regarding Digital Equity's overall program elements and suggested income eligibility.

#### **BACKGROUND/DISCUSSION**

An income-qualified rate to increase the equitable access to the internet and reduce the digital divide is a Council and Leadership priority. Recommendations for a Digital Equity program includes three (3) core components:

1. Expanded Digital Access to Income-Qualified Households through:
  - Reliable, affordable access at high quality and high speeds.
2. Strengthened Digital Inclusion through:
  - Promotion and enrollment through the development of user-informed materials.
  - Outreach and enrollment via trusted community partners.
3. Coordination with Existing City Income Qualified Programs through:
  - Reduced enrollment barriers and complications for clients.
  - Leveraged operational efficiencies and economies.

The funding source for Digital Equity is 6% of Connexion revenue paid to the General Fund as payment in lieu of taxes (PILOT) which drives market parity. Digital Equity launch and reach will be metered by Connexion's build out and revenue.

## HOW IS POVERTY MEASURED?



### How is poverty measured?



#### Federal Poverty Level (FPL)

- Reflects income cutoff levels annually which are used to determine eligibility for Federal Programs.
- Issued by the U.S. Department of Health & Human Services
- Does account for variability in cost of living across broad regions of the country.

*Not typically used for regional poverty.*



#### Area Median Income (AMI)

- Income level that divides the population income distribution in one half: half of the population living above the amount, half living below.

*Factors local cost of living and a good estimate of regional buying power.*



#### Self Sufficiency Level, (SSI)

- Published by the Colorado Center on Policy & Law
- Calculates how much income a family must earn to meet basic needs without public or private assistance based on family composition in each of Colorado's 64 counties.

## DIGITAL EQUITY

### Discussion / Next Steps:

Ken Summers; what is the difference between these two organizations?

Southern Poverty Law Center and Colorado Center on Policy & Law

Nina Bodenhamer; similar name but different missions – Colorado Center for Policy & Law is an advocacy center for Colorado low and moderate income residents - they track and keep benchmarks on federal programs – how they track – they don’t actually touch any passthroughs - Southern Poverty Law Center -

Mayor Troxell; AMI - federally supported so they don’t go away and are consistent – how are they chartered?

Nina Bodenhamer; AMI is through HUD – how housing eligibility is established – it is state interpretation of federal housing guidelines – it is a pretty rock-solid measure – regional allocations of support assistance

Mayor Troxell; concern is that the advocacy should be a mission advocacy not a political one

Nina Bodenhamer; 20 years ago we didn’t have that in our vocabulary – Colorado Center for Policy & Law is using that as a benchmark – it is something to keep our eye on but not tether to – isn’t tied to any federal or state services.

High altitude – where do we land as a city in supporting our families in need – digital equity and digital inclusion

I-Q LANDSCAPE

A Family of 4, Fort Collins, CO

Sample Occupation	Hourly Salary	Annual Income	Income Qualification
Bank Teller; Utility Technician; Office Assistant; Certified Nursing Assistant; Housekeeper; Janitor	\$12.57	\$26,150	30% of AMI
PSD School Custodian; Credit Union Financial Specialist; City Office Support Specialist; Forestry Field Worker; Maintenance Technician	\$16.76	\$34,880	40% of AMI
PSD 1st through 4th year teacher with BA; Larimer County Accountant I, Civil Engineer I; Health Dept Social Worker; Accounting Clerk; Landscape Project Manager	\$20.96	\$43,600	50% of AMI
PSD 5th through 9th year teacher with BA or 1st through 6th year teacher with MA; Pharmacy Technician; CSU Financial Aid Counselor; County Employment Specialist	\$25.15	\$52,320	60% of AMI

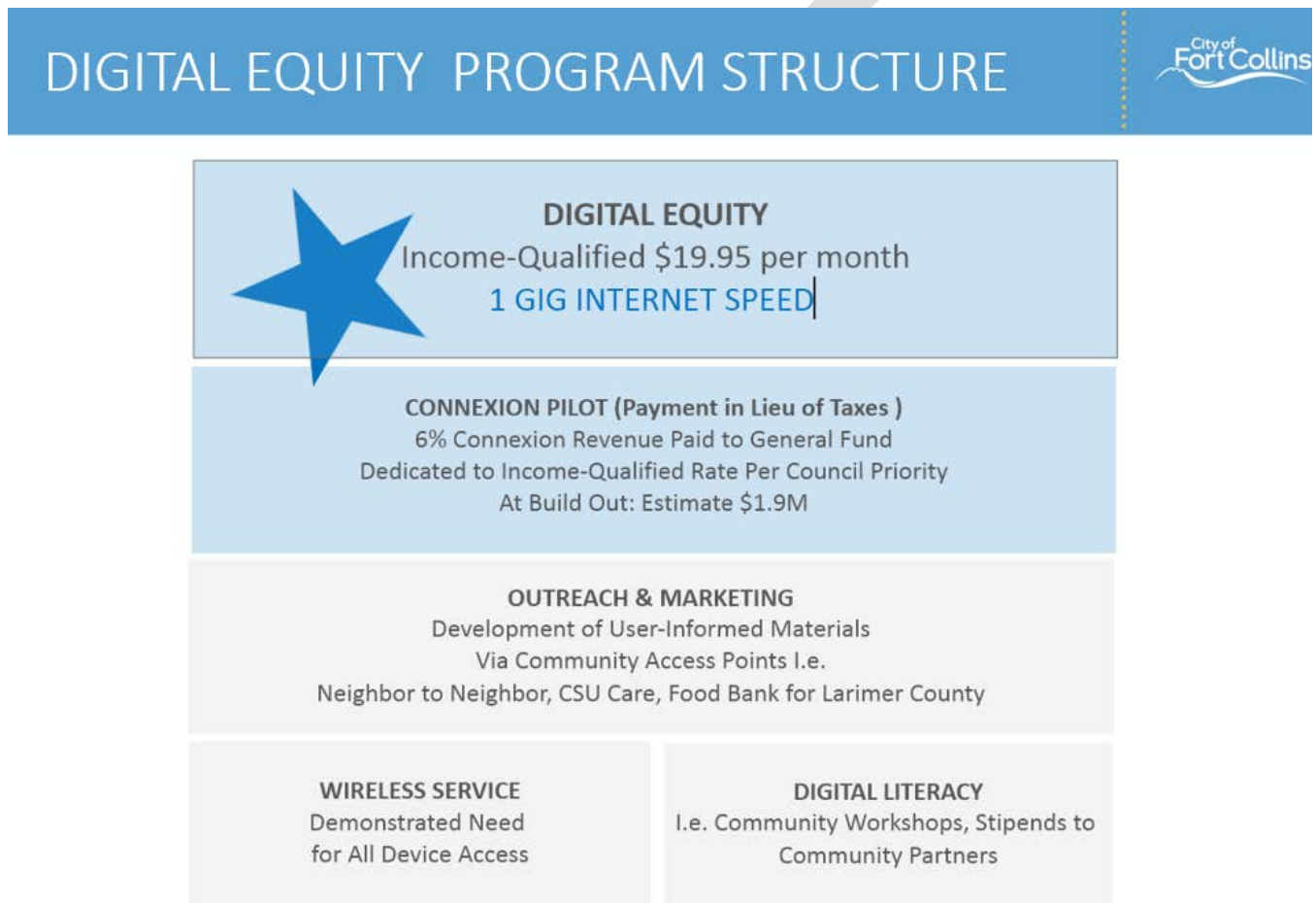
DIGITAL EQUITY

Income Qualified Program - I-Q Landscape.

1 person having this occupation - assumption of one income / one person working in a household of 4  
Survey of the community

Mayor Troxell; Comcast Essentials - is that their low rate - has it been posted?

Nina Bodenhamer; As of Friday, they increased their speed - timing of schools closing and students having to move to online instruction is real and is a driver



## DIGITAL EQUITY: BRIDGING THE DIGITAL DIVIDE

Darin Atteberry; we are building a 1+ gig city platform - an intentional statement about digital equity - we aren't building a system that scales down - our system scales from 1 gig up - to lower that is a proactive move to reduce based on some social criteria – an important message  
What we have heard from Council is that income level is the driver - it is not a geographic based issue.

Ken Summers; make sure it is clear that we are providing 1 gig service but if they have less than 1 gig they are not marginalized somehow or underserved - understanding the basic premise in terms of what we can offer and what we are offering regardless if you are a full paying or a subsidized customer.

Darin Atteberry; In Fort Collins where we are building fiber (1 gig) to every premise -  
In another community if someone is getting a 100mb service - than that is for that community.

Ken Summers; speaks to that - speed is being enhanced in response to current situation with more kids needing connectivity for education - if you don't have access or don't have adequate service you are challenged to perform certain basic functions. This is a critical issue.

Nina Bodenhamer; under connected families are a priority - we want them to fully function as a thriving family. Digital Equity Fund to potentially serve 3,500 households (poorly resourced, under connected and underserved - doesn't meet the family needs for digital inclusion.

#### ACTION ITEM

Ross Cunniff; have we done a market study to try to understand the sweet spot for the digital equity rate? Are we charging them for a Wi-Fi router?

Nina Bodenhamer; \$19.95 rate is what we inherited from Colman - assuming he has done analysis to land on that rate - Nina will put that on the list and follow up with Ross. Is the wireless router included in the \$19.95 rate? Having all devices in the house online under the same umbrella is critical.

Travis Storin; important - we are somewhat metered for this program by the buildout itself \$1.9M is the assumption at buildout and is based on a market share of 35-40%. As our market share increases, so would the pool.

Nina Bodenhamer; Toggles to use with projections / models over next 12-18 months;

60% AMI – aligns with our utility income qualified programs and housing eligibility

50% AMI – aligns more with free and reduced lunch

Fort Collins has an estimated 16% poverty rate - if controlled for students it would be 12%

State is at 10% Fort Collins is a bit higher

3,500 is based on full penetration - Utility program only hits 2,000 households – still some gaps there – in terms of how many households. If we take utilities, recreation and financial services rebates. We still only have 3000 addresses captured so not everyone who qualifies is signing up - a lot of variable there that we will be looking at.

Darin Atteberry; some of it historically has been - we have tried to up our educational game - getting out to the providers – for the user it has been challenging because there are so many programs – looking at consolidating those things. We also hear that some people aren't comfortable coming down and applying. A theme that I have heard from the Finance Committee over time is market, market,

market, simplify it - we have made some real progress but we still don't have 100% participation but that is our goal.

Nina Bodenhamer; one of our goals is to come forward with a plan to reduce barriers for enrollment - including comfort in sharing the information, eligibility need and resident status.

Darin Atteberry; timing is good - doing process review of the various desperate programs that we have, and better understanding of what the user needs are, what are the opportunities to get better at the programs distributed throughout the organization - resource a 21-22 BFO offer

Ken Summers; this sound good and we are on track.

Nina Bodenhamer; the PILOT fund is metered by build out and take rate - we have that time to drill down and understand the best service for our community and our capacity. We look forward to returning with firms details but this is the high level, big picture as of today.

Ross Cunniff; the market that we are trying to address - the cost we are trying to present - variables for us to figure out to optimize the service that we provide to a segment of our community

Mayor Troxell; Nina, great job - any next steps for Council?

Travis Storin; you will see an offer come forward in the BFO 2021-2022 cycle. Much of that offer will be informed by what you have seen here. We are testing this with you for support then crafting an offer that gets to the Council priority.

## **B. Affordable Housing Fee Waiver Process**

Victoria Shaw, Sr. Analyst, Finance

Noelle Currell, Manager, FP&A

Sue Beck-Ferkiss, Lead Specialist, Social Sustainability

**SUBJECT FOR DISCUSSION:** Affordable Housing Fee Waiver Process

### **EXECUTIVE SUMMARY**

The purpose of this item is to seek feedback on a proposed change to the City's process for waiving eligible fees to support Affordable Housing. Fee waivers are available to subsidize the development of units which serve families that earn up to 30% of Area Median Income (AMI). The proposed change would be financially neutral to the City and not alter which units are eligible to receive a fee waiver but would yield staff time savings and benefit prospective applicants.

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

Is Council Finance supportive of the proposed new administrative structure for Affordable Housing Fee Subsidy?

## BACKGROUND/DISCUSSION

The fee waiver program offered by the City of Fort Collins is currently the City's only mechanism to specifically incentivize units which serve households that earn 30% or less of AMI. These units are the hardest to obtain since they have the largest cost gap. Most mechanisms to incentivize Affordable Housing are available for units that serve up to 80% of AMI. The table below illustrates the 2019 AMI thresholds for the Fort Collins – Loveland MSA.

Number of People/Household	Median (100%)	80% AMI	60% AMI	50% AMI	30% AMI
1	\$61,100	<b>\$48,850</b>	\$36,660	\$30,550	<b>\$18,350</b>
2	\$69,800	<b>\$55,800</b>	\$41,880	\$34,900	<b>\$20,950</b>
3	\$78,500	<b>\$62,800</b>	\$47,100	\$39,250	<b>\$23,550</b>
4	\$87,200	<b>\$69,750</b>	\$52,320	\$43,600	<b>\$26,150</b>
5	\$94,200	<b>\$75,350</b>	\$56,520	\$47,100	<b>\$28,250</b>
6	\$101,200	<b>\$80,950</b>	\$60,720	\$50,600	<b>\$30,350</b>

Fee waivers are currently calculated using the sum of eligible fees, prorated by the percent of the development's total units which are restricted to serve  $\leq 30\%$  AMI. Fees historically considered eligible for waiver include:

- City Development Review Fees
- Building Permit Fees
- City Capital Expansion Fees (Fire, Police, Streets, General Government and Parks)

Other fees collected by the City that are not considered eligible for waivers include fees which are collected on behalf of other agencies (such as Larimer County, Poudre Fire Authority and Poudre School District) and plant investment fees for utilities. The detailed breakdown of total fees and waived fees for a recent project can be found in Attachment 2

Since 2015, the City has issued fee waivers on 5 Affordable Housing developments. Those projects yielded a total of 169 units serving the  $\leq 30\%$  AMI level. After issuing recent fee waivers, City staff from Sustainability and Planning, Development, & Transportation Service Areas mapped out the end-to-end process and identified multiple inefficiencies.

Staff between the Service Areas collaborated to identify opportunities to simplify the process. The proposed new process would include a flat amount per qualifying unit. This amount would be deposited into a trust account owned by the City and used by the developer to pay any balances owed to the City. By providing an offset to fees in this manner, all fees are paid and therefore there is no need to reimburse City departments with backfill funding.

There is a large benefit to the developer in that they would know early in the project the exact amount of fee offset they will receive (currently this must be calculated and is not solidified until later in the project). In addition, there is a benefit to developer cash flows as they would not have to bring money to the project first and wait for reimbursement. For City Staff there would be no need to do iterative

calculations on waiver amounts nor create a different financial model for each development. The processing time involved is also greatly reduced by using the trust account method.

Staff recommends the fee offset amount be set to \$13,500 per qualifying unit in a new development project and \$5,500 per qualifying unit in a re-development project. These amounts are based on analysis which calculated what would have been issued to previous projects if they were constructed under the updated 2020 fee structure. The results of that analysis are included in the below table. Fixing the amount of the fee offset per unit would be more predictable for the City and for prospective developers.

Project	Year	Actual			Proforma Based on 2020 Fee Updates	
		Fee Waivers	# of 30% AMI Units	Waiver per Qualifying Unit	Proforma 2020 Waiver Amount	Proforma Waiver per Qualifying Unit
Redtail Ponds	2015	\$ 274,762	40	\$ 6,869	\$ 512,300	\$ 12,808
Village on Redwood	2017	\$ 100,708	13	\$ 7,747	\$ 185,842	\$ 14,296
Oakridge Crossing	2018	\$ 90,923	13	\$ 6,994	\$ 172,882	\$ 13,299
Village on Horsetooth	2018	\$ 352,319	43	\$ 8,193	\$ 595,737	\$ 13,854
Mason Place	2020	\$ 326,081	60	\$ 5,435	\$ 317,572	\$ 5,293
<b>TOTAL</b>		<b>\$ 1,144,793</b>	<b>169</b>	<b>\$ 6,774</b>	<b>\$ 1,784,333</b>	<b>\$ 10,558</b>

While any Affordable Housing units that serve  $\leq 30\%$  AMI currently qualify for a fee waiver, the individual requests are evaluated, approved, and appropriated separately by the City Council. Council can then provide direction on which funding sources to use for the appropriation. This would continue under the proposed fee offset process.

### Discussion / Next Steps;

Noelle Currell; we want to change this to achieve process efficiency savings. I personally spent 100 hours on the process for one of our current projects. We are proposing to hold our own cash in a trust – a much simpler easier process for the developers and a better cash situation as well - they will know the amount much earlier in the process – the city currently holds trust accounts for some of our larger developers - much easier as their contractors come in to pull the permit for each individual house -

Mayor Troxell; does this increase the outlay based on the proforma? (chart above)

Noelle Currell; the amount goes up for every development listed because of all of the fee updates that have happened in recent years.

Travis Storin; the left-hand side of this chart is what they would have paid, and the right-hand side is based on today's fee structure for this proposed change in waivers – what would they have paid under today's fees.

Ken Summers; Are the yellow shaded boxes what they would pay today? So, we are looking at more of a process change than a fixed dollar amount. Will it help or hurt contractors and developers?

Travis Storin; It is a process change in substance and in form it is a code change so it would need to come forward to Council for consideration.

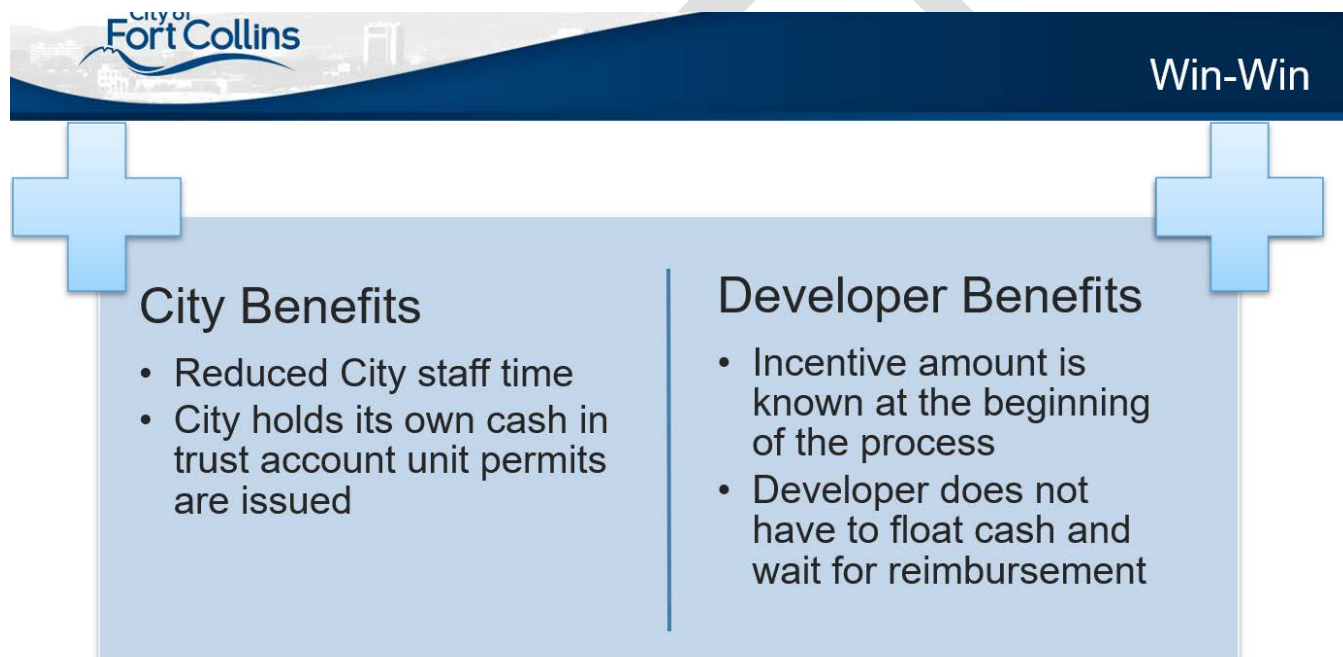
Noelle Currell; we had a meeting about this with Housing Catalyst and they were very happy about it because of the advantage of knowing it much earlier in the process

Ross Cunniff; it would certainly help both the cash flow and the predictability for financing.

Mayor Troxell; is there a downside?

Ross Cunniff; downside would be that we have to appropriate more money into this fund

Ken Summers; I like the win/win slide



Ross Cunniff; Anyone who hasn't paid their impact fees yet is eligible, right?

Victoria Shaw; yes, any developer bringing a qualified unit - we don't anticipate any applications until the second half of 2020 - historically our waivers were only available to housing catalyst, but code changed, and they are now available to anyone.

## **Other Business;**

Covid-19 Implications - Darin Atteberry and Travis Storin

This is really the plan to create the plan - nothing prescriptive yet - just awareness - we are seeking any input you have - very dynamic situation, changing constantly as we learn more

Based on best available information as of today this would impact not only on our investment portfolio, our sales tax revenue but also on fees and some impact to development review activities as well. Risk exposure is probably broader on the sales tax side of things – through February we are ahead by 2%, but these are lagging indicators which is a challenge for us - March taxable sales will not be known until the first week of May. Identifying trigger points and the work needed to address

Ross Cunniff; this all fits within what was developed in the 1H of 2017 when we had a slow start in sales tax in the first quarter.

Ken Summers; glad to see this – interesting that the current climate we are in has some significant issues within our organization that we are being confronted with as well as trying to assess the impact on our community. Will there be federal funds that will filter down from the state to address some of the potential local needs?

Darin Atteberry; we are watching that closely - An interesting thought would be if some strings could be removed from our CDBG funds to make those funds available to help with emergency issues. The economic health team will be a resource available at the Council meeting tomorrow evening. We are scrambling just like everyone else to understand that environment. I have talked with most of the large employers and many of the smaller businesses (20-30 employee range) in town. It is amazing to me how mindful these folks are around this issue. They are also looking to local government - what can you do to help (state and federal too). Contractor called me to say - if the city shuts down and you shut down your building permits services - I have an idea on how to continue inspections....so. lots of good ideas being floated.

Ken Summers; encouraging to hear - ripple effect throughout the economy - impacting our city operation more than most realize - an eye opener - we are in this together

Darin Atteberry; - emergency incident - this is different - not one where the flood has ended, or the fire has moved - this has a moving target. Nuance between declaring an Emergency which is pending and hasn't occurred yet - Whereas a Disaster has happened. Proclamation of emergency is really critical to playing in these conversations. Cadence: when the president declares, the governor declares, the county declares – kind of hard for the city to not declare at that point.

Mayor Troxell; have been on some calls - SBA - they are doing a number of things related to loans and payroll

Meeting Adjourned

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

**Staff:** Travis Storin, Interim CFO  
Josh Birks, Economic Health and Redevelopment Director

**Date:** April 20, 2020

### **SUBJECT FOR DISCUSSION**

COVID-19 Financial Update

### **EXECUTIVE SUMMARY**

The City of Fort Collins leadership team is currently addressing the economic and financial impacts of the COVID-19 pandemic. The City's top priority is the public health and safety of the Fort Collins Community members, but the City must also take proactive steps to support a timely economic recovery. Work is currently underway in all City departments to assess the impacts to both revenues and expenses for 2020 and 2021.

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

Does Council Finance Committee support the guiding principles?

Does Council Finance Committee support the workstreams being developed?

### **BACKGROUND/DISCUSSION**

The City is currently working with numerous entities to estimate the changes in revenues by revenue stream due to the State's stay-at-home order. The key factors in forecasting the impact are the depth of the revenue drop and the length of the recovery. The City's expectations mirror national forecasts, i.e., we expect a significant drop in Q2 2020 revenues, with smaller drops in Q3 and Q4 of 2020, compared to our budget. The forecast for 2021 will follow from the revised 2020 forecast.

Forecasts will be updated continually in the meantime based on March, April and May revenues and expense reductions agreed to by the City's leadership team. The City will avail itself of all federal and state relief funds currently available for which it qualifies.

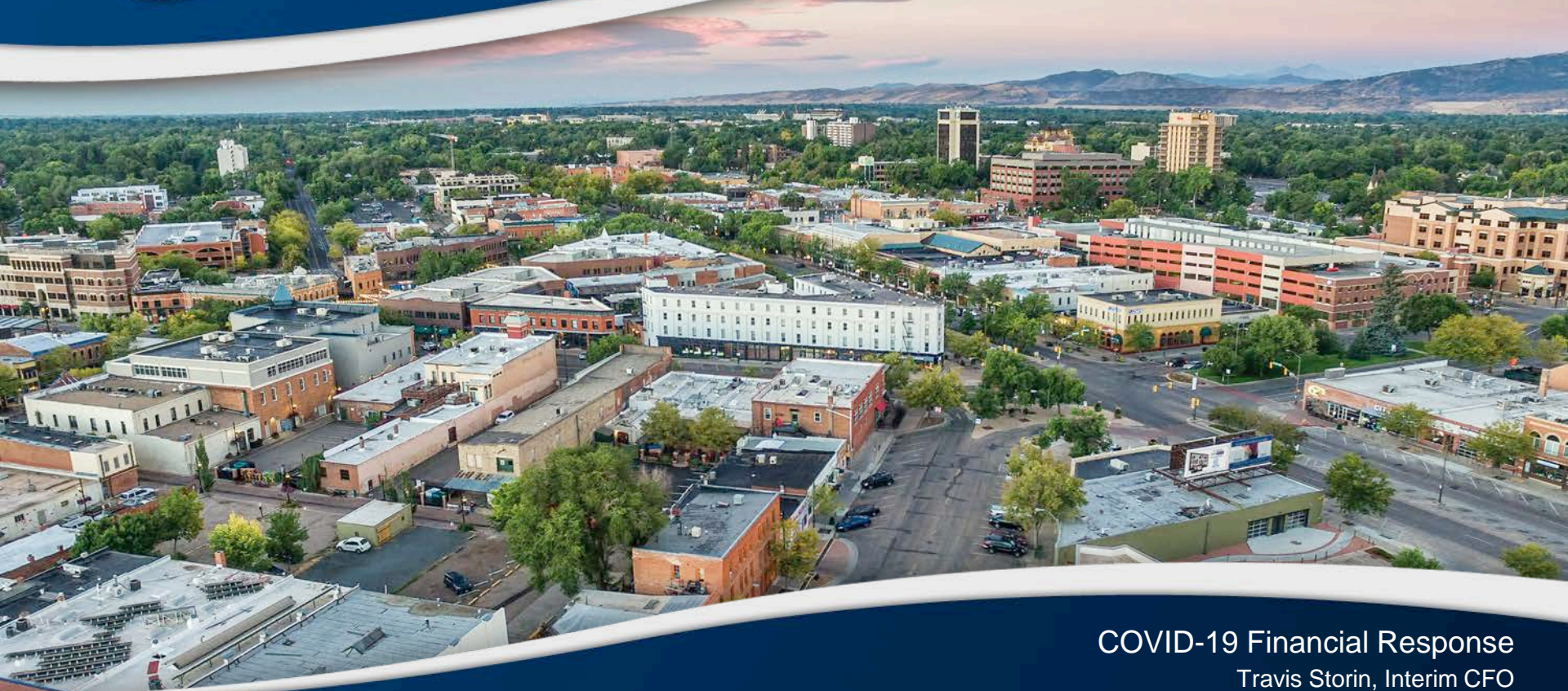
As senior leadership has met to start addressing the factors facing the City six workstreams have emerged that will be occurring simultaneously:

- Analysis and Forecasting
- Cost Initiatives / Service Adjustments
- Workforce Alternatives
- Budget Process
- Federal and State Aid
- Communications

Each of these workstreams will play an integral role in taking proactive steps to support the economic recovery of the City. The six workstreams will each have a lead and support from different areas of the organization. The teams will make recommendations through a sub-group of the Executive Leadership Team made up of Kelly DiMartino (Deputy City Manager), Jeff Mihelich (Deputy City Manager), Travis Storin (Interim CFO), and Teresa Roche (CHRO).

These recommendations will be the basis for decisions being made by leadership team and ultimately presented to Council.

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



## COVID-19 Financial Response

Travis Storin, Interim CFO

Josh Birks, Economic Health and Redevelopment Director

- Guiding Principles
- Governance and Workstreams
- Cost Initiatives / Service Adjustments
- Federal / State Aid Landscape

- The community's needs are first and foremost
- City has a priority to support and retain our greatest asset, our workforce
- City must present a balanced budget
- City will minimize the revenue gap through a variety of strategies, balancing use of reserves with adjustments to the operating budget

- Preserve the City's financial strength and position the City for the future
- Seek to understand the organizational impacts of the crisis response, crisis recovery, and the proposed changes to budgets and service levels
- Clearly and frequently communicate the status of our work across internal leadership and stakeholders, Council, and the community
- Stay nimble and curious as circumstances change

Workstream	Lead	Support
Analysis & Forecasting	David Lenz	Extended FP&A community
Cost Initiatives / Service Adjustments	Jo Cech	ELT, Budget & FP&A
Workforce Alternatives	Karen Burke	HR, CMO, CAO, Finance, Operational departments
Budget Process	Lawrence Pollack	Budget Team
Federal & State Aid	SeonAh Kendall Blaine Dunn	All
Communications	Amanda King	All

**ELT sub-group to co-sponsor: Kelly, Jeff, Teresa, Travis**

## Revenue Initiatives:

- Monitor the macroeconomic outlook based on the recession's length/severity
- Work with peer organizations to understand their analysis & plans
- Maintain multiple scenarios during the most uncertain recovery phases
- Develop conditions that inform service add-backs and a return to BFO

**Implement strategies to reduce FY20 and FY21 expenses by \$14M to \$30M**

## Expense Initiatives :

- Work with departments to identify programs/activities that can be reduced
- Determine Citywide strategies to reduce FY20 and FY21 expenses
- Delineate citywide guidance vs. department-specific
- Mitigate and communicate service reduction impacts to the community
- Intelligently recommend reserve-funding strategies vs. budget cuts

**Implement strategies to reduce FY20 and FY21 expenses by \$14M to \$30M**

## Fitting to scenarios (example)

Initiative	Scenario 1 \$14.9M	Scenario 3 \$31.5M	Scenario 5 \$53.1M
Initiative A	x	x	x
Initiative B	x	x	x
Initiative C		x	x
Initiative D		x	x
Initiative E			x
.....	.....	.....	.....
Initiative Z			x

# Federal & State Landscape

# COVID Response Funding Sources

## Federal CARES Act\*

### Small Businesses

- Payroll Protection Program
- Economic Injury Disaster Loan Emergency Advance (EIDL)
- SBA Express Bridge Loans
- SBA Debt Relief

### Individuals (Job loss/loss of hours)

- Stimulus Checks
- Expanded unemployment benefits

### Government

- State and Local Governments
  - Election Assistance Commission
- City Governments
  - Coronavirus Emergency Supplemental Funding (CESF)

### Other Sources

- Federal
  - FEMA
  - FTA
- State
  - Colorado COVID Relief Fund (*Business, Nonprofit, Government*)
  - DOLA Emergency Disaster Fund (*Rent Assistance*)
- Private Sources

\*Many funding sources contained within CARES Act

- Federal Programs Update
  - PPP: \$247.5 billion approved across 1.03 million loans
  - EIDL Loan Advances: Deposits started week of April 13<sup>th</sup>
  - Lots of rule adjustments; creating frustration; gaps exist
- Local: Small Business Relief and Recovery Loan Program
  - Partnership with Colorado Lending Source
  - Program going live soon; \$110,000 in available funds
  - Developing county-wide partnership

- CDBG (\$649K) – Propose prioritizing eligible costs not covered by other sources
  - City incurred sheltering & response costs
  - Other shelter operation costs
  - Emergency assistance for rent, food & utilities
  - Other non-profit eligible direct program & response costs
- FTA (\$8.7M)
  - Fixed route operating expenses
  - Some or all of paratransit operating expenses
  - Operation and maintenance of Transfort's fleets and facilities
  - Administrative leave
- FAA (~\$17M)
  - Directed at terminal, hangers, and other capital improvements

- April 28 Work Session
  - Landscape assessment
    - Local, national, and global insights
    - Overview of response to date
  - Proposed Direction for Funding
  - Principles for and Approaches to Recovery
- Overall
  - Informing State and Federal Funding opportunities

## Questions for Committee

- Does Council Finance support the guiding principles?
- Does Council Finance support the workstreams being developed?

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

**Staff:** Larry Schneider / Brian Hergott

**Date:** 04/20/2020

### **SUBJECT FOR DISCUSSION**

Streets and Traffic Standby Generators budget revision

### **EXECUTIVE SUMMARY**

During the 2019/2020 Budgeting for Outcomes process, offers 35.9 and 35.10 were appropriated to complete the design, purchase and installation of new emergency backup generators to support both the Traffic and Streets facilities. The original budget for the project was \$340,000. The generators themselves have been procured and work has started on installation (\$240,000 has been spent); however, several unknowns have arisen, and modifications are needed to complete the project. In order to complete installation, staff needs an additional \$310,000 in funds. At completion the total project cost will be \$550,000.

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

Is the Council Finance Committee supportive of a \$310,000 supplemental appropriation to finish installation of emergency generators at the Streets/Traffic facility?

### **BACKGROUND/DISCUSSION**

The original budget of \$340,000 for three new standby generators at the Street Operations building, Streets Operations De-icing Command Center and the Traffic Operations building did not factor in several items that are necessary to complete the project. At the time of the original budget request, these items were not known issues. The most significant of the impacts follow:

- At the Streets Main building the generator was intended to replace the existing generator that no longer works. After hiring a design firm and having their electrical engineers assess the electrical system it was revealed that there would be significantly more work than originally budgeted: this included rework of the ageing electrical 1600-amp gear and adding components to allow the generator to function properly.
- At the Traffic Operations building the location of Traffic Operations transformer and the space available for the generator required demolition and replacement existing exterior hardscapes.
- The original plan/replacement of diesel generators were switched to natural gas. The added diesel stored on site would have required additional permitting and reporting at the State level which the City does not currently have at this co-located facility. Due to this change, there is also an additional cost for natural gas plumbing.

By October 2019, \$240,000 of the original \$340,000 budget were encumbered. The electrical estimates exceeded the remaining budget. Due to the known additional budget need, \$100,000 of the original budget lapsed. By allowing the funds to lapse, Staff is coming back to request only a single additional appropriation to complete the project; the amount to not exceed \$310,000.

Waiting until later in 2020 or allowing the project to be put on hold will put the City at further risk should a power outage occur. Staff is seeking funds now for several reasons:

- To tie the generators to the buildings, electrical needs to be shut down for as much as 2 days. The summer months and on a weekend is the best time to coordinate these activities.
- The currently contracted vendors may request to revise their contract amount for exceeding the current 2020 completion date.
- The already procured generators would sit for an extended amount of time and may require additional maintenance.
- Streets and Traffic Operations will continue through another year/winter without standby generators until the Summer of 2021 or later.

Should Council approve the additional funds needed to complete the project, the next step would be an RFP for the electrical scope and final work during the Summer of 2020.



Streets & Traffic Standby Generators  
Larry Schneider / Brian Hergott

## Council Direction Sought

Is the Council Finance Committee supportive of a \$310,000 supplemental appropriation to finish installation of emergency generators at the Streets/Traffic facility?



- Been without generators for 6 years (1 time where plows could not get out, spring storm, thankfully the snow melted quickly)
- 2 BFO offers purchased in '19/'20 budget appropriating \$340,000
- Design work began in 2019 along with procurement of three actual generators (total spend \$240,000)
- Design work revealed, unknown items from conceptual estimates that were used in BFO which came to light
- Staff allowed \$100k of original budget for project to lapse at the end of 2019
- Now seeking appropriation of \$310,000 to complete project

# Drivers of Additional Budget Request

- BFO was for replacement of existing generator at Streets Main building.
- Existing electrical gear is very old and needs to be upgraded.
- It was determined to go with Natural gas fuel in lieu of diesel
- Traffic involves replacement of hardscapes



Original project budget: \$340,000 Revised Project Budget: \$550,00

- \$310,000 requested from Transportation Fund Reserves:
  - \$100,000 of original budget which lapsed
  - \$210,000 of additional reserves
- Status of Transportation Fund:
  - Known:
    - Reserves as of 12/31/2019 – \$13.5M
    - Unassigned Balance: \$1.9M
  - Unknown: Impact of COVID-19 on 2020 revenue/spending

## Council Direction Sought

Is the Council Finance Committee supportive of a \$310,000 supplemental appropriation to finish installation of emergency generators at the Streets/Traffic facility?

# Backup

- Emergency preparedness
  - Traffic Operations
  - Street Operations Main Building
  - Street Operations De-icing Command Center



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

**Staff:** Lance Smith, Director Financial Planning and Analysis  
Tim McCollough, Deputy Director – Light & Power  
Adam Bromley, Director – Operations & Technology

**Date:** April 20, 2020

### **SUBJECT FOR DISCUSSION**

Light & Power Supplemental Appropriation for 2020 Wood Street Remodel

### **EXECUTIVE SUMMARY**

Staff recommends bringing forward an off-cycle appropriation package to City Council in May 2020 to fund a budget gap that exists between budgeted money in 2020 and estimated costs of the 700 Wood Street remodel project.

This package will provide the funds necessary to complete the joint control room and associated 700 Wood Street remodel project between Connexion and Light & Power (L&P). L&P will need to appropriate \$0.9 M from reserves, which has already been included in the Utilities' financial rate strategy informed by the 2019 Capital Improvement Plan (CIP). In addition to the appropriation from reserves, L&P intends to re-appropriate funds from other capital accounts to obtain the remaining funds necessary to complete the 700 Wood Street remodel project.

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

Does Council Finance Committee support staff's recommendation to bring forward an off-cycle supplemental appropriation from L&P reserves to complete a joint control room facility with Connexion?

### **BACKGROUND/DISCUSSION**

In 2018, Light & Power included a budget offer for the 2019-2020 BFO process to update the Supervisory Control Operations (SCO) center; that offer was approved as part of the council approved 19/20 budget. SCO is the control room for the electric distribution center; electric system operators direct switching operations in the field and monitor substation and distribution equipment status to maintain safe, reliable operations of the electric system. SCO is the only area within 700 Wood Street that was not within the project scope during the remodel in 2016-17.

The 19/20 approved offer's budget is \$950,000 and the scope of work included the following:

- New electric operator consoles replacing existing consoles that are 30+ years old
- A video display system that integrates with the new enterprise level software systems to display operational system maps, manage outages, perform advanced distribution management and that replaces the existing paper wall map
- Replacement of existing raised floor at the end of life
- Upgraded lighting and acoustics
- Asbestos remediation

In 2019, it was determined that several functional groups within the Connexion department (at least 20 employees) would need to be located at 700 Wood Street. Light & Power had already moved some employees around and out of the building to accommodate the Outside Plant employees for Connexion; as such, there is little space remaining for additional personnel. Therefore, Connexion and L&P began discussions to obtain a conceptual design for a remodel within 700 Wood Street that met the following criteria:

- Integrates the network operations (Connexion) and electric system operations (L&P) groups into a transparent joint control room facility
- Maintain or exceed the existing level of conference room space
- Accommodates the network engineering staff from Connexion
- Provides office/cubicle space for existing L&P staff that are or will be displaced by incoming Connexion personnel or the new remodel design

Connexion and L&P spent many hours working with Operations Services, the contracted architect, the control room design consultant, and general contractor to agree on the proposed conceptual design (shown in the presentation) for the joint control room and associated remodel of 700 Wood Street. This conceptual design multiplies the affected square footage of the original approved budget item by more than 5 (original – 1,823 ft<sup>2</sup> proposed – 9,829 ft<sup>2</sup>). It also includes the following changes not originally included:

- Reconfiguration (moving walls) of SCO including moving the kitchen, break room, and existing bathroom to create two bathrooms.
- Elimination of existing Poudre, Energy, Horsetooth, and Jetson conference spaces
- Addition of six new conference spaces
- Reconfiguration and displacement of L&P employee workspaces
- Incorporation of network engineering and operations employees and workspaces
- Addition of Connexion lab space

Due to the greatly expanded scope of the project, the estimated cost has grown considerably. The total estimated cost for the project is \$4.37 M; current estimates for each department's share is \$1.75 M for Connexion and \$2.62 M for Light & Power. Staff is currently at about 50% design with a 20% contingency budget included and we expect to refine these estimates as we get closer to an 80% design with 20% contingency. Staff has already reduced the total cost by over \$0.4 M by value engineering line items including an additional coffee station and the reconfiguration of a small bathroom/locker room. Staff is in process to identify other areas for potential value engineering and cost reductions.

L&P has \$0.95 M already appropriated for this work through the 2019/2020 BFO process; the recommended approach to obtain the funds necessary to complete the remodel project as described above and to meet the necessary requirements for Connexion and L&P is to:

- appropriate a portion (\$900K) from L&P reserves in an off-cycle appropriation and
- obtain the remainder of the funds (\$770K) from other capital accounts within L&P.

The off-cycle appropriation amount is included in L&P's current rate strategy as it was planned for in the 2019 Capital Improvement Plan (CIP).

L&P provides proposed capital expenditures for each budget cycle to the Utilities finance department in order to inform electric rates strategy and future increases. As part of the 2019 Capital Improvement Plan (CIP) for L&P, staff anticipated a budget shortfall once discussions with Connexion began and attempted to include the additional funds necessary through an appropriation to complete the remodel project. This would allow for the appropriation to be funded directly through electric rate revenues. The line item included in the CIP for this appropriation was \$0.9 M, which is also short of where the current estimates are. However, this action demonstrates that more than half of the money needed in the appropriation is already included in existing electric rate strategy and projections and that only an additional \$0.77 M is needed to what is currently planned.

One option for the additional funds is to re-appropriate unused capital dollars in our Substation parent account; with all of the capital work currently planned for in the Substations area, it appears that the parent account would be able to accommodate this re-appropriation. Another option is for City Council to redirect the approach on annexation projects planned for the next two years. If those projects were delayed, a portion of the money appropriated from reserves in January 2020 could be re-appropriated for the completion of this project.

One alternative to the recommended approach above includes an off-cycle appropriation for the entire \$1.7 M funding gap from L&P reserves. This option would be the easiest, but it would not follow the general direction from the finance department for staff to explore capital projects that could be delayed in order to help match expected revenue shortcomings. Other options that staff has explored include:

- submit a 2021 budget offer for the remaining funds – this option delays the project about six months and also poses the risk for cost escalation
- extreme value engineer to reduce overall cost of the remodel – this option decreases quality, functionality, and efficiency of workspace
- reduce scope to original approved 2020 BFO offer to include SCO only – this option eliminates the synergy of creating a joint control room for Connexion and L&P and does not accommodate any of the Connexion personnel that need permanent space.

Not funding the appropriation results in the delay of a permanent working space for Connexion network operations and engineering personnel and limiting the full value of the upgraded enterprise software systems (Advanced Distribution Management System and SCADA system) in L&P. L&P staff realizes that the timing of this request is unfortunate given the current financial unpredictability. However, staff is mindful of the potential for revenues to be below budgeted levels, we don't anticipate the need for additional off-cycle appropriations in 2020, and as such staff is confident in the recommendation for this off-cycle appropriation.

## **ATTACHMENTS**

1. L&P 2019 Capital Improvement Plan
2. L&P April 2020 Budget Status
3. NOC-SCO Cost Estimate Breakout

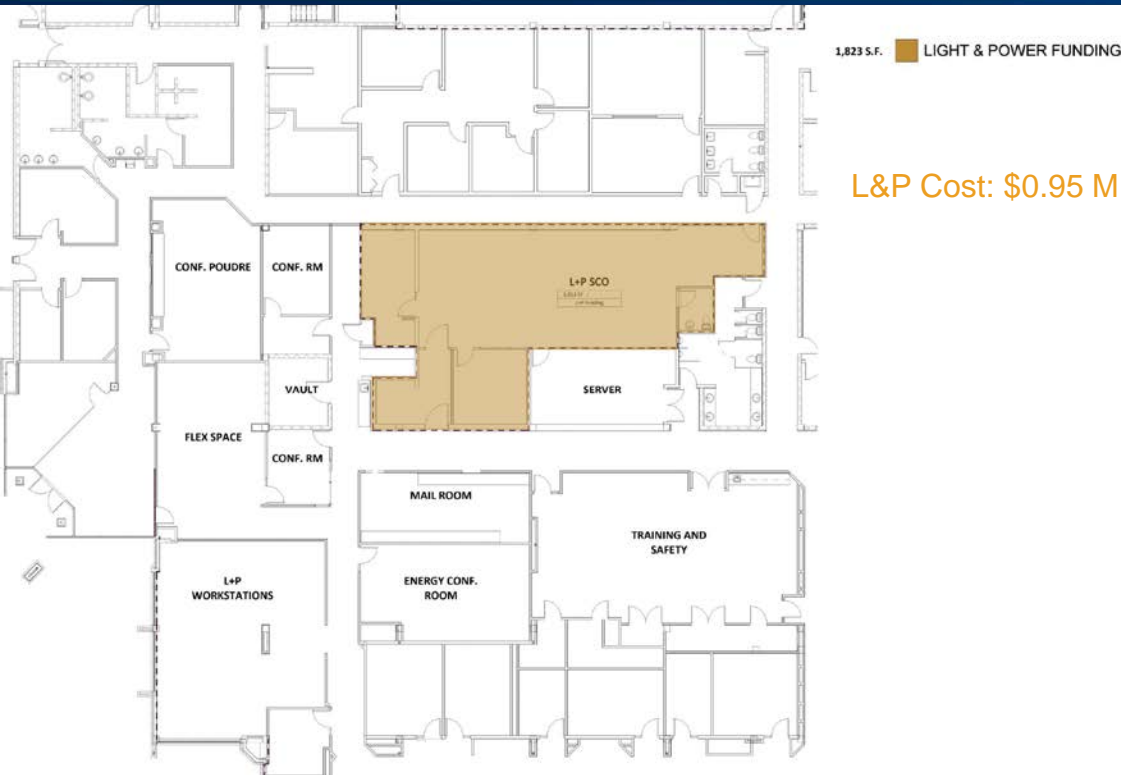


Wood Street Remodel L&P Supplemental Appropriation  
Adam Bromley

Does Council Finance Committee support staff's recommendation to bring forward an off-cycle supplemental appropriation from L&P reserves to complete a joint control room facility with Connexion?

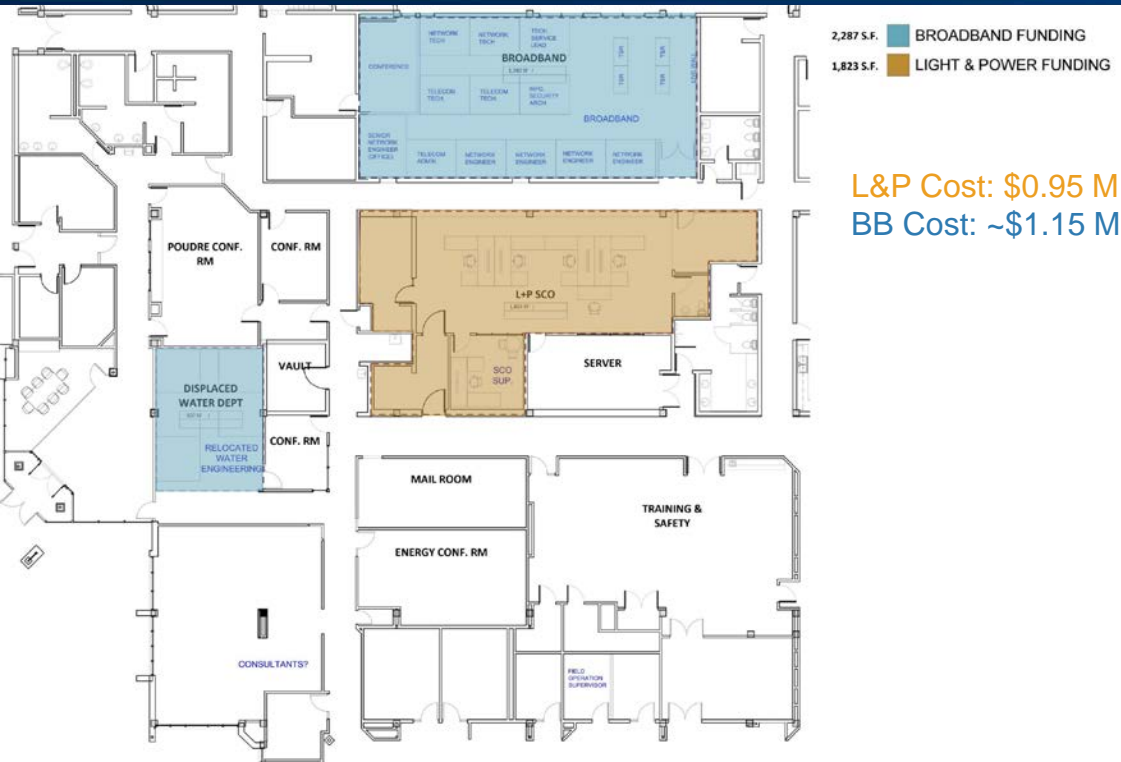
- 3.5 - Invest in and maintain utility infrastructure and services while ensuring predictable utility rates
- 3.6 - Deploy and deliver reliable, high-speed internet services throughout the community
- 5.6 - Optimize the use of data and technology to protect mission-critical infrastructure and enhance cybersecurity effectiveness
- 7.6 - Utilize technology, data, metrics and process improvements to innovate, guide decisions, and enhance service delivery

## 2020 Approved BFO Scope



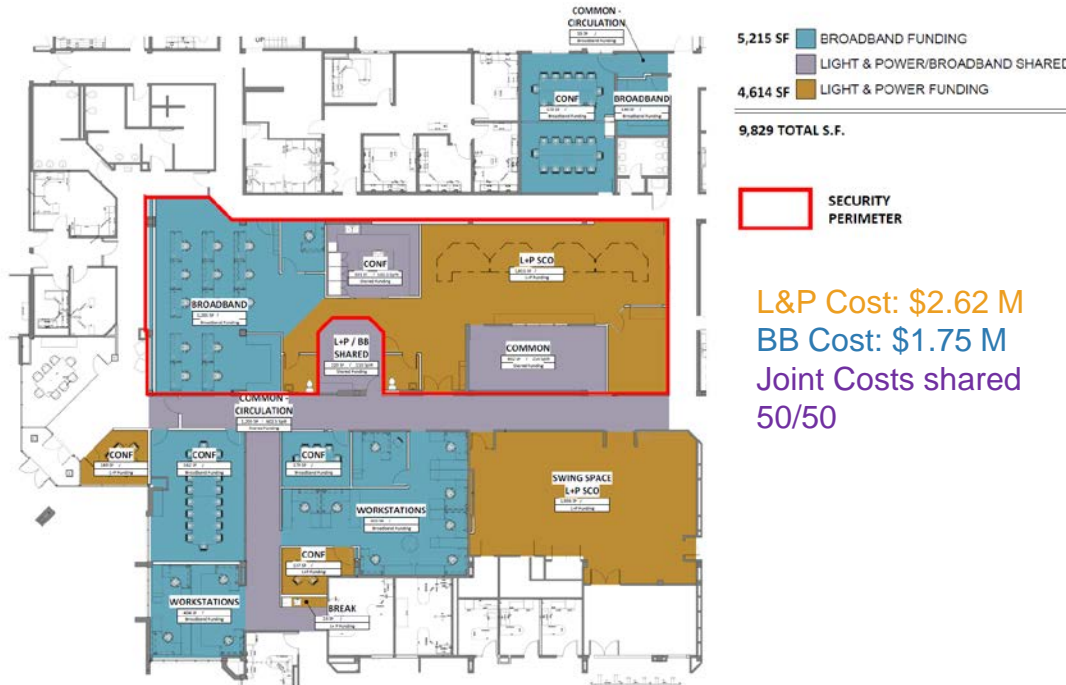
- Supervisory Control Operations (SCO) Center only – 1,823 ft<sup>2</sup>
- No changes to kitchen, break room, or overall layout
- New Consoles, Video Wall, flooring, lighting, and acoustics
- \$950 K

# Iterative Designs Including Connexion



- SCO, NOC, and Network Engineering – 4,110 ft<sup>2</sup>
- SCO & NOC not co-located
- \$300-360K necessary to move Water Engineering
- ~\$2.1 M Total

# Current Proposed Design



- SCO, NOC, and Network Engineering
- 9,829 ft<sup>2</sup> (>5x Original Scope)
- Aligns with City Transparency stds and Connexion needs
- Conference Space Additions
- **\$4.37 M total\***

**February:** Cost Estimate for 30% Design

**Today:** ~50% Cost Estimate Package with 20% Contingency

**Today-June:** Supplemental L&P Appropriation &  
Construction Permit Drawings

**June-August:** Construction Permitting process

**August-Nov:** Phase I Construction (conference rooms)

**20Q4-21Q3:** Phase II Construction

Complete the funding gap for the current remodel design by:

- Request the off-cycle supplemental appropriation (\$0.9 M) from L&P reserves planned for in 2020 in the CIP
- Appropriate remainder of the funding gap (~\$0.77 M) from other L&P capital accounts
  - Substations parent – potentially delays other capital sub work
  - Annexations – requires change in Council direction

Continue with the current schedule to complete the project in mid-2021

Anticipated L&P reserves at end of 2019

- \$10.5 M

After 2020 CAP Mitigation and Resiliency Appropriation (\$3.73 M)

- \$6.77 M


Off-Cycle funding request from reserves

- \$0.9 M


### **Appropriate entire funding gap (~\$1.7 M) from reserves**

- Doesn't address organization's financial direction to identify potential capital projects that could be delayed this year

### **Reduce Overall Cost and Off-Cycle Appropriation Amount:**

- Decrease transparency/shared space between L&P and Connexion
- Value Engineering – Quality 
  - Subtract new conference space(s)
  - Use existing disparate desk space for NOC/Net Eng

## **Use 2021 budget process to appropriate additional dollars:**

- Delay construction schedule and Connexion move-in date at least 6 months
- Costs escalate 

## **Reduce Scope of Project back to SCO Only (Original Offer):**

- Connexion finds office space somewhere else
  - Original estimate for new building: \$6.7 Million (2020 dollars)
- Remodel existing SCO space
  - Technology costs are greater than estimated – funded from other sources

Does Council Finance Committee support staff's recommendation to bring forward an off-cycle supplemental appropriation from L&P reserves to complete a joint control room facility with Connexion?

# Design Element Differences

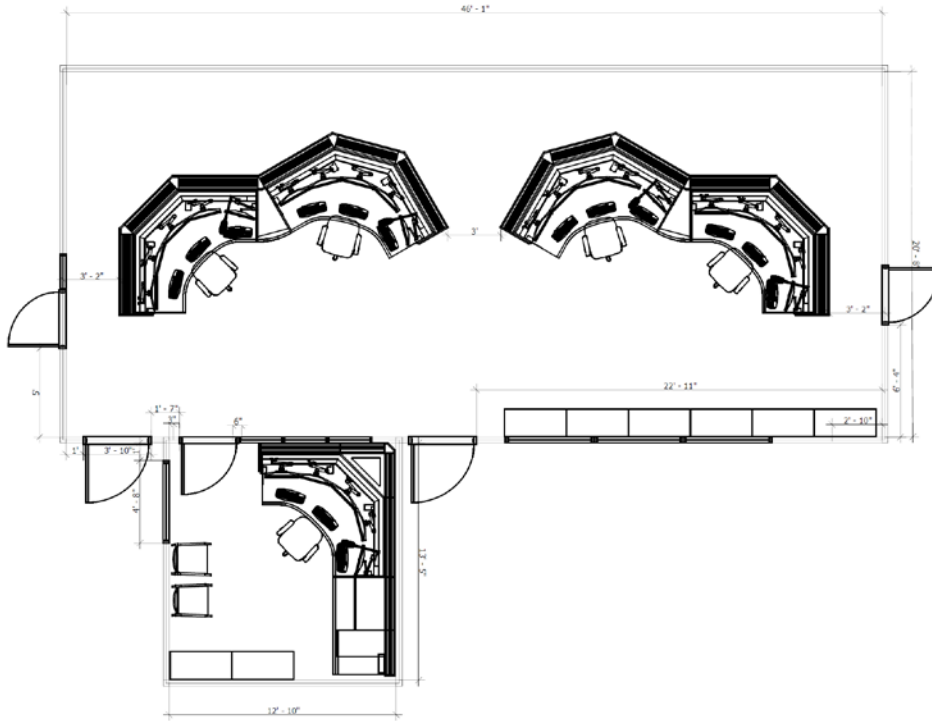
SCO remodel and NOC incorporation into Wood Street	Original Design and Estimate	Current Design and Estimate
Total Square footage of remodel	1,823	10,032
Hire Control Room Design Consultant	X	X
- Provide recommendations for SCO furniture, equipment, video wall technology, consoles and room layout, etc.	X	X
- Provide recommendations for NOC furniture, equipment, video wall technology, desks, and room layout, etc.		X
Replace SCO consoles with new, state of the art consoles	X	X
Replace existing raised floor	X	X
Replace lighting	X	X
Replace acoustic technologies	X	X
Asbestos Mitigation	X	X
Reinforce North wall to support video display	X	X
Dynamic video wall technology in SCO that can integrate with EOC, SCADA, OMS, ADMS, and business network PCs, etc.	X	X
Hard Construction costs for SCO only	X	X
Temporary Swing Space cost allocations		X
Reconfiguration (moving walls) of SCO area including kitchen and break room		X
Relocation and addition of bathrooms within secure perimeter		X
Elimination of (moving walls) of existing Poudre, Energy, Horsetooth, and Jetson conference spaces		X
Addition of six new conference spaces		X
Reconfiguration and displacement of L&P (Analyst and GIS) employees		X
Incorporation of Network Engineering		X
Incorporation of Network Operations Center		X
Addition of ~20 Connexion staff to Wood Street building		X
Incorporation of collaboration tables in SCO and NOC		X
Server room updates and changes including replaced raised floor		X
Addition of Connexion Lab		X

SCO/NOC Design Firm offers 3D Renderings of conceptual design

- 8 Tangible Views of Future NOC and SCO
- Cost: \$5,000



# Original BFO Concept



## Value Engineering Performed

- Subtract additional coffee station
- Subtract changes locker/restroom
- Changes to less-expensive flooring in high traffic areas
- Refined estimates on SCO/NOC bathroom costs



## April 2020 Status of Substation Parent Account

- \$1.9 M

## Substation Parent After Off-cycle Appropriation (\$0.77 M)

- \$1.13 M

## Substation Estimated Spending (2021-2022)

- \$1.52 M

## 2020 Status of Annexation Budget

- \$1.26 M

## Annexation Budget After Off-cycle Appropriation (\$0.77 M)

- \$0.49 M

## Capital Improvement Plan

Fund	Budget		FY2122				Total Budget \$	Total Inflated \$
	FY1920							
	2020		2021		2022			
	Budget \$	Inflated \$	Budget \$	Inflated \$	Budget \$	Inflated \$		
501 Light & Power								
501001 Substations								
501001A001 Battery Banks			\$ 20,000	\$ 22,000			\$ 20,000	\$ 22,000
501001A003 LTC (Load Tap Changer) Inspection and Repair			\$ 105,000	\$ 112,000			\$ 105,000	\$ 112,000
501001A004 Oil Containment Walls			\$ 70,000	\$ 75,000	\$ 70,000	\$ 77,000	\$ 140,000	\$ 152,000
501001A005 Replace HVAC Units			\$ 22,000	\$ 24,000	\$ 22,000	\$ 25,000	\$ 44,000	\$ 49,000
501001A006 Transformer Radiator Replacements			\$ 78,000	\$ 83,000	\$ 78,000	\$ 86,000	\$ 156,000	\$ 169,000
501001A007 D20MX RTU Replacements			\$ 41,000	\$ 44,000			\$ 41,000	\$ 44,000
501001A008 SYSCO Network Switches For RTU Upgrades			\$ 37,000	\$ 40,000			\$ 37,000	\$ 40,000
501001A009 Feeder Relay Replacements			\$ 71,000	\$ 76,000	\$ 189,000	\$ 207,000	\$ 260,000	\$ 283,000
501001A010 Substation Gravel			\$ 35,000	\$ 38,000	\$ 35,000	\$ 39,000	\$ 70,000	\$ 77,000
501001A013 Transformer Oil Filtration					\$ 170,000	\$ 186,000	\$ 170,000	\$ 186,000
501001A014 Substation Security			\$ 15,000	\$ 16,000	\$ 15,000	\$ 17,000	\$ 30,000	\$ 33,000
501001A016 Install New 735 Power Quality Meters			\$ 13,000	\$ 14,000	\$ 13,000	\$ 15,000	\$ 26,000	\$ 29,000
501001A017 Substation Misc Capital			\$ 55,000	\$ 59,000	\$ 55,000	\$ 61,000	\$ 110,000	\$ 120,000
501001A020 Equipment For CVR (Conservation Voltage Reduction)			\$ 75,000	\$ 80,000	\$ 75,000	\$ 82,000	\$ 150,000	\$ 162,000
501001A021 PRPA Circuit Switcher Installations			\$ 40,000	\$ 43,000			\$ 40,000	\$ 43,000
501001 Substations Total			\$ 677,000	\$ 726,000	\$ 722,000	\$ 795,000	\$ 1,399,000	\$ 1,521,000
501002 Service Center								
501002B001 SCO Remodel Supplemental Appropriation	\$ 900,000	\$ 927,000					\$ 900,000	\$ 927,000
501002B002 Training Field Phase II			\$ 200,000	\$ 213,000			\$ 200,000	\$ 213,000
501002 Service Center Total	\$ 900,000	\$ 927,000	\$ 200,000	\$ 213,000			\$ 1,100,000	\$ 1,140,000
501004 Annexations								
501004C001 Mail Creek Crossing 2nd Filing	\$ 392,000	\$ 404,000					\$ 392,000	\$ 404,000
501004C002 Strauss Cabin Enclave	\$ 173,000	\$ 179,000					\$ 173,000	\$ 179,000
501004C003 Fox Hills Annexation	\$ 127,000	\$ 131,000					\$ 127,000	\$ 131,000
501004C004 Blehm_(REA) Annexation	\$ 514,000	\$ 530,000					\$ 514,000	\$ 530,000
501004C004 Blehm_(Xcel) Annexation	\$ 56,000	\$ 58,000					\$ 56,000	\$ 58,000
501004 Annexations Total	\$ 1,262,000	\$ 1,302,000					\$ 1,262,000	\$ 1,302,000
501005 Feeders								
501005D075 Install circuit 838 to serve Hughes Stadium			\$ 420,000	\$ 446,000			\$ 420,000	\$ 446,000
501005D092 Reroute Drake 216 and Dixon Creek 824			\$ 510,000	\$ 542,000			\$ 510,000	\$ 542,000
501005 Feeders Total			\$ 930,000	\$ 988,000			\$ 930,000	\$ 988,000
501008 Duct Banks								
501008D028 Duct Bank on Carriage Pkwy - Prospect to Vitala Dr (1X2 w/ 20% Contingency)			\$ 230,000	\$ 245,000			\$ 230,000	\$ 245,000
501008D090 Duct Bank on Carriage Pkwy - Vitala Dr to Forelock Dr (1X2 w/ 20% Contingency)					\$ 120,000	\$ 132,000	\$ 120,000	\$ 132,000
501008 Duct Banks Total			\$ 230,000	\$ 245,000	\$ 120,000	\$ 132,000	\$ 350,000	\$ 377,000
501009 CMMS–Maintenance Management								
501009G002 Operational Technology - Maximo			\$ 500,000	\$ 531,000	\$ 300,000	\$ 328,000	\$ 800,000	\$ 859,000
501009 CMMS–Maintenance Management Total			\$ 500,000	\$ 531,000	\$ 300,000	\$ 328,000	\$ 800,000	\$ 859,000
501012 System Improvements & Replacements								
501012C003 CAPITAL - Replacement Area 3 - Skyway South	\$ 213,000	\$ 220,000					\$ 213,000	\$ 220,000
501012C004 CAPITAL - Replacement Area 4 - Stonehenge PUD	\$ 232,000	\$ 239,000					\$ 232,000	\$ 239,000
501012C005 CAPITAL - Replacement Area 5 - Cottonwood	\$ 317,000	\$ 327,000					\$ 317,000	\$ 327,000
501012C006 CAPITAL - Replacement Area 6 - Kreger Plaza	\$ 96,000	\$ 99,000					\$ 96,000	\$ 99,000
501012C007 CAPITAL - Replacement Area 7 - Village East	\$ 241,000	\$ 249,000					\$ 241,000	\$ 249,000
501012C008 CAPITAL - Replacement Area 8 - Brown Farm 3rd	\$ 143,000	\$ 148,000					\$ 143,000	\$ 148,000
501012C009 CAPITAL - Replacement Area 9 - Valley Hi			\$ 149,000	\$ 159,000			\$ 149,000	\$ 159,000
501012C010 CAPITAL - Replacement Area 10 - Southmoor Village			\$ 241,000	\$ 256,000			\$ 241,000	\$ 256,000
501012C011 CAPITAL - Replacement Area 11 - Scotch Pines			\$ 119,000	\$ 127,000			\$ 119,000	\$ 127,000
501012C012 CAPITAL - Replacement Area 12 - Woodlands PUD					\$ 87,000	\$ 96,000	\$ 87,000	\$ 96,000
501012C013 CAPITAL - Replacement Area 13 - Village West 9th					\$ 206,000	\$ 226,000	\$ 206,000	\$ 226,000
501012C014 CAPITAL - Replacement Area 14 - Rossborough					\$ 114,000	\$ 125,000	\$ 114,000	\$ 125,000
501012C015 CAPITAL - Replacement Area 15 - Harmony Park					\$ 98,000	\$ 108,000	\$ 98,000	\$ 108,000
501012C016 CAPITAL - Replacement Area 16 - Parkwood East					\$ 130,000	\$ 143,000	\$ 130,000	\$ 143,000
501012C017 CAPITAL - Replacement Area 17 - Trail West PUD					\$ 181,000	\$ 198,000	\$ 181,000	\$ 198,000
501012F019 Cable Replacements - Emergency Reserves			\$ 450,000	\$ 478,000			\$ 450,000	\$ 478,000
501012F022 Distribution Transformer Purchases & Replacements	\$ 1,002,000	\$ 1,042,000	\$ 824,000	\$ 877,000	\$ 825,000	\$ 906,000	\$ 2,651,000	\$ 2,825,000
501012 System Improvements & Replacements Total	\$ 2,244,000	\$ 2,324,000	\$ 1,783,000	\$ 1,897,000	\$ 1,641,000	\$ 1,802,000	\$ 5,668,000	\$ 6,023,000
501013 Operational Technology								
501013G001 ADMS Strategic Upgrades - Business Releases 3-6			\$ 730,000	\$ 775,000			\$ 730,000	\$ 775,000
501013G003 eSCADA Hardware/Software			\$ 70,000	\$ 75,000	\$ 70,000	\$ 77,000	\$ 140,000	\$ 152,000
501013G004 AMI Local Area Network (LAN)			\$ 130,000	\$ 138,000	\$ 130,000	\$ 143,000	\$ 260,000	\$ 281,000
501013G005 AMI Wide Area Network (WAN)			\$ 450,000	\$ 478,000	\$ 450,000	\$ 492,000	\$ 900,000	\$ 970,000
501013G006 AMI Fiber Optic Backhaul Network			\$ 65,000	\$ 69,000	\$ 170,000	\$ 186,000	\$ 235,000	\$ 255,000
501013G007 AMI Test Network Expansion					\$ 180,000	\$ 197,000	\$ 180,000	\$ 197,000
501013G008 AMI New Technology Testing and Miscellaneous Capital			\$ 100,000	\$ 107,000	\$ 100,000	\$ 110,000	\$ 200,000	\$ 217,000
501013G009 LED Streetlight Control and Automation			\$ 130,000	\$ 138,000	\$ 120,000	\$ 132,000	\$ 250,000	\$ 270,000
501013G010 Distribution Automation/FLISR			\$ 200,000	\$ 213,000	\$ 200,000	\$ 219,000	\$ 400,000	\$ 432,000
501013G011 Radio System Upgrades			\$ 40,000	\$ 43,000	\$ 590,000	\$ 645,000	\$ 630,000	\$ 688,000
501013G013 Energy Services Peak Partners			\$ 640,000	\$ 679,000	\$ 175,000	\$ 192,000	\$ 815,000	\$ 871,000
501013 Operational Technology Total			\$ 2,555,000	\$ 2,715,000	\$ 2,185,000	\$ 2,393,000	\$ 4,740,000	\$ 5,108,000
501601 System Conversions								
501601O001 Taft and Drake Overhead Conversion (Milfred)	\$ 336,000	\$ 347,000					\$ 336,000	\$ 347,000
501601O002 Taft and Drake Overhead Conversion (Craws)	\$ 228,000	\$ 235,000					\$ 228,000	\$ 235,000
501601O003 Taft and Drake Overhead Conversion (Tefft)	\$ 480,000	\$ 495,000					\$ 480,000	\$ 495,000
501601O004 Taft and Drake Overhead Conversion (Drake)	\$ 24,000	\$ 25,000					\$ 24,000	\$ 25,000
501601O005 College and Trilby Overhead Conversion	\$ 732,000	\$ 754,000					\$ 732,000	\$ 754,000
501601O006 Overland Trail and Mulberry Overhead Conversion	\$ 36,000	\$ 38,000					\$ 36,000	\$ 38,000
501601O007 North College and Willow Overhead Conversion	\$ 24,000	\$ 25,000					\$ 24,000	\$ 25,000
501601O008 West Vine and Shields Overhead Conversion	\$ 24,000	\$ 25,000					\$ 24,000	\$ 25,000
501601 System Conversions Total	\$ 1,884,000	\$ 1,944,000					\$ 1,884,000	\$ 1,944,000
501998 Streetlighting (New)								
501998F023 Streetlight System Replacement			\$ 360,000	\$ 382,000	\$ 360,000	\$ 394,000	\$ 720,000	\$ 776,000
501998 Streetlighting (New) Total			\$ 360,000	\$ 382,000	\$ 360,000	\$ 394,000	\$ 720,000	\$ 776,000
501999 System Relocations (New)								
501999J001 System Relocations - Road & Intersection Projects			\$ 450,000	\$ 478,000	\$ 250,000	\$ 274,000	\$ 700,000	\$ 752,000
501999 System Relocations (New) Total			\$ 450,000	\$ 478,000	\$ 250,000	\$ 274,000	\$ 700,000	\$ 752,000
502 Water								
502000 Water Fund								
502000C003 Environmental Learning Center Dam Reconstruction			\$ 3,000,000	\$ 3,183,000			\$ 3,000,000	\$ 3,183,000
502000L002 Water Lab Construction			\$ 10,000,000	\$ 10,609,000			\$ 10,000,000	\$ 10,609,000
502000RW01 SOS 24" Poudre Pipeline Lining					\$ 10,000,000	\$ 10,928,000	\$ 10,000,000	\$ 10,928,000
502000RW02 SOS 27" Poudre Pipeline Repairs	\$ 1,300,000	\$ 1,339,000					\$ 1,300,000	\$ 1,339,000
502000RW05 SOS Halligan Water Supply Project Permitting (add'l funds)			\$ 6,000,000	\$ 6,366,000			\$ 6,000,000	\$ 6,366,000
502000 Water Fund Total	\$ 1,300,000	\$ 1,339,000	\$ 19,000,000	\$ 20,158,000	\$ 10,000,000	\$ 10,928,000	\$ 30,300,000	\$ 32,425,000
502033 Treatment Facilities Improvments								
502033WT01 Water Treatment Facility Master Plan Update			\$ 500,000	\$ 531,000			\$ 500,000	\$ 531,000
502033WT02 WTF Replacement			\$ 1,000,000	\$ 1,061,000	\$ 1,000,000	\$ 1,093,000	\$ 2,000,000	\$ 2,154,000
502033WT03 T4 Sedimentation Basin Coating			\$ 500,000	\$ 531,000			\$ 500,000	\$ 531,000
502033WT04 WTF East Backwash Waste Pond Liner			\$ 1,535,000	\$ 1,629,000			\$ 1,535,000	\$ 1,629,000
502033WT05 WTF Finished Water Metering			\$ 850,000	\$ 902,000			\$ 850,000	\$ 902,000
502033WT07 WTF Solids Thickening System - Construction			\$ 4,500,000	\$ 4,775,000			\$ 4,500,000	\$ 4,775,000
502033 Treatment Facilities Improvments Total			\$ 8,885,000	\$ 9,429,000	\$ 1,000,000	\$ 1,093,000	\$ 9,885,000	\$ 10,522,000
502082 Watershed Protection								
502082WP01 Watershed Protection			\$ 80,000	\$ 85,000	\$ 80,000	\$ 88,000	\$ 160,000	\$ 173,000
502082WR01 Water Rights Acquisitions - 1			\$ 750,000	\$ 796,000			\$ 750,000	\$ 796,000
502082WR02 Water Rights Acquisitions - 2					\$ 750,000	\$ 820,000	\$ 750,000	\$ 820,000
502082 Watershed Protection Total			\$ 830,000	\$ 881,000	\$ 830,000	\$ 908,000	\$ 1,660,000	\$ 1,789,000
502631 Water Production Replacement Program								
502631FM01 WTF Sand/anthracite filter media replacement and under drain repairs			\$ 500,000	\$ 531,000	\$ 500,000	\$ 547,000	\$ 1,000,000	\$ 1,078,000

Capital Improvement Plan

	Budget							
	FY1920		FY2122				Total Budget \$	Total Inflated \$
	2020	2021	2021	2022	2022	2022		
502631WS01 SCADA System Replacements			\$ 362,500	\$ 385,000	\$ 362,500	\$ 397,000	\$ 725,000	\$ 782,000
502631 Water Production Replacement Program Total			\$ 862,500	\$ 916,000	\$ 862,500	\$ 944,000	\$ 1,725,000	\$ 1,860,000
502642 Water Meter Replacement								
502642MC01 Meter Capital Program			\$ 850,000	\$ 902,000	\$ 850,000	\$ 929,000	\$ 1,700,000	\$ 1,831,000
502642 Water Meter Replacement Total			\$ 850,000	\$ 902,000	\$ 850,000	\$ 929,000	\$ 1,700,000	\$ 1,831,000
502645 Distribution System Small Projects								
502645GS01 Galvanized Service Replacement Program			\$ 1,000,000	\$ 1,061,000	\$ 1,000,000	\$ 1,093,000	\$ 2,000,000	\$ 2,154,000
502645SC01 Small Cap Water			\$ 2,000,000	\$ 2,122,000	\$ 2,000,000	\$ 2,186,000	\$ 4,000,000	\$ 4,308,000
502645 Distribution System Small Projects Total			\$ 3,000,000	\$ 3,183,000	\$ 3,000,000	\$ 3,279,000	\$ 6,000,000	\$ 6,462,000
503 Wastewater								
503010 Wastewater Fund Special Projects								
503010PCL2 Water Lab Construction			\$ 182,500	\$ 194,000			\$ 182,500	\$ 194,000
503010SA01 SCADA System Replacements			\$ 7,500	\$ 8,000	\$ 7,500	\$ 9,000	\$ 15,000	\$ 17,000
503010WR01 WRB Replacement			\$ 1,000,000	\$ 1,061,000	\$ 1,000,000	\$ 1,093,000	\$ 2,000,000	\$ 2,154,000
503010 Wastewater Fund Special Projects Total			\$ 1,190,000	\$ 1,263,000	\$ 1,007,500	\$ 1,102,000	\$ 2,197,500	\$ 2,365,000
503035 DWRf Improvements								
503035DW01 DWRf Headworks Improvements Phase 2 - 2021 (Construction)			\$ 6,000,000	\$ 6,366,000			\$ 6,000,000	\$ 6,366,000
503035DW02 DWRf High Voltage Transformers - 1201 and 1202			\$ 550,000	\$ 584,000			\$ 550,000	\$ 584,000
503035DW03 DWRf High Voltage Transformers - 1205 and Switchboards			\$ 275,000	\$ 292,000			\$ 275,000	\$ 292,000
503035DW04 DWRf Non-potable Piping System (Eastside) Replacement			\$ 445,000	\$ 473,000			\$ 445,000	\$ 473,000
503035DW05 DWRf NPT - Clarifier Mechanism Replacement			\$ 4,900,000	\$ 5,199,000			\$ 4,900,000	\$ 5,199,000
503035DW09 DWRf Carbon Addition Phase II					\$ 6,900,000	\$ 7,540,000	\$ 6,900,000	\$ 7,540,000
503035DW10 DWRf Digesters 611 Mixer Improvements					\$ 1,110,000	\$ 1,213,000	\$ 1,110,000	\$ 1,213,000
503035DW11 DWRf High Voltage Transformer and Switchboard Replacement - 1212					\$ 275,000	\$ 301,000	\$ 275,000	\$ 301,000
503035DW16 DWRf HVAC Equipment - Administration					\$ 732,000	\$ 800,000	\$ 732,000	\$ 800,000
503035DW17 DWRf HVAC Replacement - DAFT					\$ 640,500	\$ 700,000	\$ 640,500	\$ 700,000
503035DW21 DWRf HVAC Replacement - SPT Lift Station					\$ 168,000	\$ 184,000	\$ 168,000	\$ 184,000
503035DW22 Facility Wide Glycol Loop Replacement (emerging need) - Jason getting updated estimate			\$ 450,000	\$ 478,000			\$ 450,000	\$ 478,000
503035 DWRf Improvements Total			\$ 12,620,000	\$ 13,392,000	\$ 9,825,500	\$ 10,738,000	\$ 22,445,500	\$ 24,130,000
503036 Sludge Disposal Improvements								
503036MSR1 MSR New Storage Building			\$ 750,000	\$ 796,000			\$ 750,000	\$ 796,000
503036 Sludge Disposal Improvements Total			\$ 750,000	\$ 796,000			\$ 750,000	\$ 796,000
503645 Collection System Small Projects								
503645SC01 Small Cap Wastewater			\$ 2,000,000	\$ 2,122,000	\$ 2,000,000	\$ 2,186,000	\$ 4,000,000	\$ 4,308,000
503645 Collection System Small Projects Total			\$ 2,000,000	\$ 2,122,000	\$ 2,000,000	\$ 2,186,000	\$ 4,000,000	\$ 4,308,000
504 Stormwater								
504044 Stormwater Basin Improvements								
504044SC01 Stormwater Small Cap			\$ 1,600,000	\$ 1,698,000	\$ 1,700,000	\$ 1,858,000	\$ 3,300,000	\$ 3,556,000
504044 Stormwater Basin Improvements Total			\$ 1,600,000	\$ 1,698,000	\$ 1,700,000	\$ 1,858,000	\$ 3,300,000	\$ 3,556,000
Grand Total	\$ 7,590,000	\$ 7,836,000	\$ 59,272,500	\$ 62,915,000	\$ 36,653,500	\$ 40,083,000	\$ 103,516,000	\$ 110,834,000

Capital Budget

							Budget						
Fund	Project Name	Owner Name	Engineer	Crew Chief	Project Stage	% Complete	2020						
							Budget \$	Spent \$	Encumbered \$	Available \$	% Remaining \$	Return To Parent \$	Return To Fund \$
501 Light & Power													
501001 Substations													
5010010000	Substation Capital Parent Account	Adam Bromley	Bob Hover		Planning	0%	\$1,907,354	\$0	\$0	\$1,907,354	100.0%		
5010010123	Substation Improvements	Adam Bromley	Bob Hover		Planning	0%	\$1,049,800	\$811,503	\$104,465	\$133,831	12.7%		
5010012716	Genesis64 SCADA Upgrade	Adam Bromley	Bob Hover		Construction	50%	\$290,000	\$237,102	\$21,420	\$31,478	10.9%		
5010012733	Design SCO Remodel & Upgrade	Adam Bromley	Adam Bromley	Operations Services	Planning	25%	\$10,000	\$2,296	\$456	\$7,248	72.5%		
5010012768	Timberline Oil Containment	Adam Bromley	Johnathan Sisk	Glenn Travis	Construction	75%	\$15,000	\$7,941	\$0	\$7,059	47.1%		
5010012780	2019 Harmony Sub Cap Bank	Adam Bromley	Johnathan Sisk	Glenn Travis	Construction	95%	\$45,000	\$35,515	\$0	\$9,485	21.1%		
5010012815	2020 Dixon Sub RTU Relay Upgrade	Adam Bromley	Bob Hover	Glenn Travis	Planning	0%	\$150,000	\$2,206	\$11,926	\$135,868	90.6%		
501001 Substations Total *							\$3,467,154	\$1,096,564	\$138,268	\$2,232,322	64.4%		
5010020000	Service Center Capital L&P Parent Account	Tim McCollough			Planning	0%	\$190,500	\$0	\$0	\$190,500	100.0%		
5010022787	USC Warehouse Fire Sprinkler	Tim McCollough			Bidding	0%	\$139,500	\$113,559	\$11,737	\$14,204	10.2%		
5010022802	SCO Design Remodel & Upgrade	Adam Bromley	Adam Bromley	Operations Services	Design	0%	\$950,000	\$15,255	\$55,001	\$879,745	92.6%		
Total *							\$1,280,000	\$128,814	\$66,738	\$1,084,449	84.7%		
501004 Annexations													
5010040000	Annexations Capital Parent Account	Kraig Bader	Janet McTague		Planning	0%	\$1,127,000	\$0	\$0	\$1,127,000	100.0%		
5010042434	Riverwalk Annexation	Kraig Bader	Cody Snowdon		Design	0%	\$224,000	\$0	\$0	\$224,000	100.0%		
5010042440	Arapahoe Bend 2nd Annexation	Kraig Bader	Cody Snowdon	Joel Cirillo	Design	0%	\$160,000	\$0	\$0	\$160,000	100.0%		
5010042822	Soldier Canyon Pump Annexation	Kraig Bader			Design	0%	\$135,000	\$0	\$0	\$135,000	100.0%		
501004 Annexations Total *							\$1,646,000	\$0	\$0	\$1,646,000	100.0%		
501005 Feeders													
5010050000	Feeders Capital Parent Account	Kraig Bader			Planning	0%	\$289,453	\$0	\$0	\$289,453	100.0%		
5010052609	East Horsetooth Foothills Mall Switchgear	Kraig Bader	Rob Irish	Joe Larson	Construction	50%	\$43,040	\$16,273	\$0	\$26,767	62.2%		
5010052762	Water Treatment Facility Annexation	Kraig Bader	Janet McTague	Tyler Promes	Construction	90%	\$1,300,000	\$874,616	\$77,661	\$347,723	26.7%		
501005 Feeders Total *							\$1,632,493	\$890,889	\$77,661	\$663,944	40.7%		
501008 Duct Banks													
5010080000	Duct Bank Capital Parent Account	Kraig Bader			Planning	0%	\$222,338	\$0	\$0	\$222,338	100.0%		
501008 Duct Banks Total *							\$222,338	\$0	\$0	\$222,338	100.0%		
501009 CMMS–Maintenance Management													
5010090000	CMMS–Maintenance Management	Tim McCollough			Design	0%	\$1,079,129	\$690,487	\$313,600	\$75,042	7.0%		
501009 CMMS–Maintenance Management Total *							\$1,079,129	\$690,487	\$313,600	\$75,042	7.0%		
501010 Art In Public Places - Light & Power													
5010100000	Art In Public Places	Kraig Bader			Planning	0%	\$901,068	\$636,297	\$3,660	\$261,111	29.0%		
501010 Art In Public Places - Light & Power Total *							\$901,068	\$636,297	\$3,660	\$261,111	29.0%		
501012 System Improvements & Replacements													
5010120000	Distribution System Improvements Parent Account	Kraig Bader			Planning	0%	\$1,734,784	\$0	\$0	\$1,734,784	100.0%		
5010122706	Avery Park Phase 2	Kraig Bader	Luke Unruh	Jim Storebo	Design	0%	\$3,000	\$2,357	\$0	\$643	21.4%		
5010122794	2019 Willow St Sys Improvement	Kraig Bader	Tyler Siegmund	Adam Binder	Construction	80%	\$276,200	\$144,781	\$4,575	\$126,845	45.9%		
5010122797	2019 CR1 - Woodwest	Kraig Bader	Cody Snowdon	Mike Grenz	Construction	50%	\$170,000	\$42,708	\$2,085	\$125,207	73.7%		
5010122809	2019 CR4 - Stonehenge	Kraig Bader	Cody Snowdon	Doug Himmelberg	Construction	0%	\$231,250	\$0	\$0	\$231,250	100.0%		
5010122810	2019 CR7 - Village East	Kraig Bader	Cody Snowdon	Doug Himmelberg	Construction	0%	\$242,000	\$0	\$0	\$242,000	100.0%		
5010122812	2020 Cable Replacement Non-work Order	Kraig Bader			Planning	0%	\$200,000	\$28,960	\$0	\$171,040	85.5%		
5010122813	2020 Streetlight System Replacement	Kraig Bader			Planning	0%	\$351,600	\$118,648	\$8	\$232,944	66.3%		
5010122814	2020 Transformer Purchases New	Kraig Bader			Planning	0%	\$732,500	\$0	\$447,352	\$285,148	38.9%		
5010122816	2020 CR3 - Skyview	Kraig Bader	Cody Snowdon	Joel Cirillo	Design	0%	\$0	\$0	\$0	\$0	0.0%		
5010122817	2020 CR5 - Guard Annex	Kraig Bader	Cody Snowdon	Adam Binder	Construction	0%	\$317,000	\$0	\$0	\$317,000	100.0%		
5010122818	2020 CR6 - Horsetooth Annex	Kraig Bader	Cody Snowdon		Design	0%	\$0	\$0	\$0	\$0	0.0%		
5010122819	2020 CR8 - Brown Farm	Kraig Bader	Cody Snowdon		Design	0%	\$0	\$0	\$0	\$0	0.0%		
5010122820	CKT 732 - Jackson to Meldrum	Kraig Bader	Cody Snowdon	Doug Himmelberg	Completed	100%	\$297,000	\$87,628	\$0	\$209,372	70.5%	\$209,372	
5010123243	2019 CR1 - Woodwest - Transformers	Kraig Bader	Cody Snowdon	Mike Grenz	Construction	30%	\$16,500	\$367	\$0	\$16,133	97.8%		
5010123249	2019 CR4 - Stonehenge - Transformers	Kraig Bader	Cody Snowdon	Doug Himmelberg	Construction	0%	\$23,000	\$0	\$0	\$23,000	100.0%		
5010123250	2019 CR7 - Village East - Transformers	Kraig Bader	Cody Snowdon	Doug Himmelberg	Construction	0%	\$22,500	\$0	\$0	\$22,500	100.0%		
5010123254	2020 CR3 - Skyview - Transformers	Kraig Bader	Cody Snowdon	Joel Cirillo	Design	0%	\$0	\$0	\$0	\$0	0.0%		
5010123255	2020 CR5 - Guard Annex - Transformers	Kraig Bader	Cody Snowdon	Adam Binder	Construction	0%	\$31,500	\$0	\$0	\$31,500	100.0%		
5010123256	2020 CR6 - Horsetooth Annex - Transformers	Kraig Bader	Cody Snowdon		Design	0%	\$0	\$0	\$0	\$0	0.0%		
5010123257	2020 CR8 - Brown Farm - Transformers	Kraig Bader	Cody Snowdon		Design	0%	\$0	\$0	\$0	\$0	0.0%		
501012 System Improvements & Replacements Total *							\$4,648,834	\$425,448	\$454,020	\$3,769,367	81.1%	\$209,372	
501013 Operational Technology													
5010130000	Operational Technology Capital Parent Account	Adam Bromley			Planning	0%	\$180,000	\$0	\$0	\$180,000	100.0%		
5010132718	Operational Technology (GIS/GWD/ADMS BRII)	Adam Bromley	Mike Margenau		Construction	25%	\$2,400,000	\$1,746,663	\$421,544	\$231,792	9.7%		

Capital Budget

							Budget						
							2020						
Fund	Project Name	Owner Name	Engineer	Crew Chief	Project Stage	% Complete	Budget \$	Spent \$	Encumbered \$	Available \$	% Remaining \$	Return To Parent \$	Return To Fund \$
501013 Operational Technology Total *							\$2,580,000	\$1,746,663	\$421,544	\$411,792	16.0%		
501030 CIS Upgrade/Replacement - Light & Power													
5010300000	CIS Upgrade - L&P Parent	Lisa Rosintoski			Construction	25%	\$3,314,506	\$2,145,053	\$1,082,977	\$86,477	2.6%		
501030 CIS Upgrade/Replacement - Light & Power Total *							\$3,314,506	\$2,145,053	\$1,082,977	\$86,477	2.6%		
501601 System Conversions													
5016010000	System Conversions Parent Account	Kraig Bader			Design	0%	\$1,946,223	\$0	\$0	\$1,946,223	100.0%		
5016012799	Milfred Subdivision Conversion	Kraig Bader	Cody Snowdon	Mike Grenz	Design	0%	\$0	\$0	\$0	\$0	0.0%		
5016012800	Craws Subdivision Conversion	Kraig Bader	Luke Unruh	Joel Cirillo	Design	0%	\$0	\$0	\$0	\$0	0.0%		
501601 System Conversions Total *							\$1,946,223	\$0	\$0	\$1,946,223	100.0%		
Grand Total *							\$22,717,745	\$7,760,213	\$2,558,466	\$12,399,065	54.6%	\$209,372	

Broadband & L/P Project Cost Split

Original

Broadband -Cost Breakout		Area (SF)	\$206/SF
Hard Construction Cost			
Large Conf Rm (Energy)		562	\$115,772
Split Conf Room (Poudre/Horsetooth)		573	\$118,038
Sm Conf Room (Jetson)		179	\$36,874
L&P Workstations (displacement)		404	\$83,224
Broadband Workstations (displacement)		923	\$190,138
NOC		1193	\$245,758
1/2 Kitchen		150	\$30,900
Server Room		200	\$41,200
Lab		195	\$40,170
1/2 Conf Room		150	\$30,900
Hard Cost Sub-Total		4529	\$932,974
Indirect Cost			
Permit Fees			\$28,500
Asbestos Remediation			\$100,000
Material Testing			\$5,500
PMPD - Project Mgt			\$65,000
Commissioning			\$8,000
IT Expenses			\$65,000
Art in Public Places			\$13,500
Contingency			\$150,000
Indirect Cost Sub-Total			\$435,500
Design Fees			
58% of AU Workshop		58% of \$164,000	\$95,120
1/4 of Diversified		25% of \$60,000	\$15,000
Design Fees Sub-Total			\$110,120
Furniture/Fixtures/Equipment (FF&E)			
NOC 13 Desk Stations		\$3,000 Ea.	\$39,000
1 Managers Office		\$6,500 Ea.	\$6,500
1 Workbench Lab Area		\$2000/ Ea	\$2,000
6 Cubical workshations		\$4,500/Ea.	\$27,000
14 Monitors on Wall (Unisee)		\$2,500/Ea	\$35,000
1 - Collaboration Table		\$2,500/Ea.	\$2,500
1 Lg Conference Rm Furnishings		\$10,000/Ea.	\$10,000
2 Medium Conference Rm Furnishings		\$7500/Ea	\$15,000
1 Small Conference Rm Furnishings		\$6,500/Ea.	\$6,500
1/2 of SCO Conf. Rm. Furnishings		1/2 of \$7,000	\$3,750
1/2 Kitchen Furnishings		1/2 of \$6,000	\$3,000
			\$150,250
Broadband Total			\$1,628,844

Light & Power Cost Breakout		Area (SF)	\$206/SF
Hard Construction Cost			
SCO area		2019	\$415,914.00
1/2 Conf		150	\$30,900.00
1/2 Kitchen		150	\$30,900.00
2 Restrooms		128	\$240,640.00
Small Conf at Entry		150	\$30,900.00
Sm Conf in Work Area		137	\$28,222.00
Commons Area (showers and coffee)		230	\$47,380.00
Swing Space		1396	\$287,576.00
Server Room		200	\$41,200.00
Sub-Total		4560	\$939,360.00
Indirect Cost			
Permit Fees			\$23,000
Asbestos Remediation			\$100,000
Material Testing			\$5,500
PMPD - Project Mgt			\$65,000
Commissioning			\$8,000
IT Expenses			\$65,000
Art in Public Places			\$18,000
Contingency			\$150,000
Indirect Cost Sub-Total			\$434,500
Design Fees			
42% of AU Workshop		42% of \$164,000	\$68,880
3/4 of Diversified		75% of \$60,000	\$45,000
Design Fees Sub-Total			\$113,880
Furniture/Fixtures/Equipment (FF&E)			
SCO 5 Control Stations/Consols		\$45000/Ea.	\$225,000
1 Managers Office		\$2,000/Ea.	\$2,000
1/2 Kitchen Furnishings		1/2 of \$6,000	\$3,000
1 Collaboration table		\$2500/ Ea	\$2,500
6 - Re-use work stations		\$1,100/Ea.	\$6,900
24 TV Monitors on Wall		\$5,500/Ea	\$132,000
1 New Lobby Rm Furnishings		6,500/Ea.	\$6,500
2 Coffe Bar Furnishings		\$3,500/Ea	\$7,000
1/2 of SCO Conference Room Furnishings		1/2 of \$7,500	\$3,750
1 Small Conference Rm Furnishings		\$6,500/Ea.	\$6,500
Temp SCO Setup		\$100,000	\$100,000
Special A/V Coordination Consultant		\$80,000	\$80,000
FF& E Sub-total			\$575,150
L & P Total			\$2,062,890

Renovation Total Cost \$3,691,734

Broadband & L/P Project Cost Split

Revised 3/06/2020

Broadband -Cost Breakout		Area (SF)	\$215/SF
Hard Construction Cost			
Large Conf Rm (Energy)		562	\$121,111
Split Conf Room (Poudre/Horsetooth)		573	\$123,482
Sm Conf Room (Jetson)		179	\$38,575
L&P Workstations (displacement)		404	\$87,062
Broadband Workstations (displacement)		923	\$198,907
NOC		1193	\$257,092
Accoustical Treatment		1193	\$25,000
1/2 Kitchen		150	\$32,325
Server Room		200	\$43,100
Lab		195	\$42,023
1/2 Conf Room		150	\$32,325
Hard Cost Sub-Total		5722	\$1,001,000
Indirect Cost			
Permit Fees			\$28,500
Asbestos Remediation			\$100,000
Material Testing			\$5,500
PMPD - Project Mgt			\$65,000
Commissioning			\$8,000
IT Expenses			\$65,000
Art in Public Places			\$13,500
Contingency			\$200,000
Indirect Cost Sub-Total			\$485,500
Design Fees			
58% of AU Workshop		58% of \$164,000	\$95,120
1/4 of Diversified		25% of \$60,000	\$15,000
Design Fees Sub-Total			\$110,120
Furniture/Fixtures/Equipment (FF&E)			
NOC	14 Desk Stations	\$18,571/Ea.	\$260,000
	1 Managers Office	\$6,500 Ea.	\$6,500
	1 Workbench Lab Area	\$2000/ Ea	\$2,000
	6 Cubical workshations	\$4,500/Ea.	\$27,000
	14 Monitors on Wall (Unisee)	\$14,286/Ea	\$200,000
	2 Planner 65" Monitors on Wall	\$2,500/Ea	\$5,000
	2 Planar 42" Monitors on wall	\$800/Ea	\$1,600
	30 Planar 32" monitors on consoles	\$1,667/Ea	\$50,000
	NCO Core-Processing/UPS/Contol?Etc.	\$60,000	\$60,000
	1 - Collaboration Table	\$2,500/Ea.	\$2,500
	1 Lg Conference Rm Furnishings	\$10,000/Ea.	\$10,000
	2 Medium Conference Rm Furnishings	\$7500/Ea	\$15,000
	1 Small Conference Rm Furnishings	\$6,500/Ea.	\$6,500
	1/2 of SCO Conf. Rm. Furnishings	1/2 of \$25,000	\$12,500
	1/2 of SCO Conf. Rm. Smart Glass	1/2 of 13,500	\$6,750
	1/2 Kitchen Furnishings	1/2 of \$6,000	\$3,000
			\$668,350
Broadband Total			\$2,264,970

Light & Power Cost Breakout		Area (SF)	\$215/SF
Hard Construction Cost			
SCO area		2019	\$435,094.50
1/2 Conf		150	\$32,325.00
1/2 Kitchen		150	\$32,325.00
2 Restrooms		128	\$240,640.00
Small Conf at Entry		150	\$32,325.00
Sm Conf in Work Area		137	\$29,523.50
Commons Area (showers and coffee)		230	\$49,565.00
Acoustical Treatment (Ceiling & Walls		2019	\$45,000.00
Swing Space		0	Covered by FF&E
Server Room		200	\$43,100.00
Sub-Total		5183	\$939,898.00
Indirect Cost			
Permit Fees			\$23,000
Asbestos Remediation			\$100,000
Material Testing			\$5,500
PMPD - Project Mgt			\$65,000
Commissioning			\$8,000
IT Expenses			\$65,000
Art in Public Places			\$18,000
Contingency			\$200,000
Indirect Cost Sub-Total			\$484,500
Design Fees			
42% of AU Workshop		42% of \$164,000	\$68,880
3/4 of Diversified		75% of \$60,000	\$45,000
Design Fees Sub-Total			\$113,880
Furniture/Fixtures/Equipment (FF&E)			
SCO	5 Control Stations/Consols	\$45000/Ea.	\$225,000
	1 Managers Office	\$2,000/Ea.	\$2,000
	1/2 Kitchen Furnishings	1/2 of \$6,000	\$3,000
	1 Collaboration table	\$2500/ Ea	\$2,500
	6 - Re-use work stations	\$1,100/Ea.	\$6,900
	24 TV Monitors on Wall (Unisee)	\$13,500/Ea	\$325,000
	5 Planar 65" Monitors	\$2,500/Ea	\$12,500
	40 - 32"Monitors as Dsktop Consoles	\$1,875/Ea	\$75,000
	1 - Work area with desk top screen	\$8,500/Ea	\$8,500
	1 New Lobby Rm Furnishings	6,500/Ea.	\$6,500
	2 Coffe Bar Furnishings	\$3,500/Ea	\$7,000
	1/2 of SCO Conference Room Furnishings	1/2 of \$25,000	\$12,500
	1 Small Conference Rm Furnishings	\$6,500/Ea.	\$6,500
	1/2 of SCO Conf. Rm. Smart Glass	1/2 of 13,500	\$6,750
	SCO Core Processing/Audoio/UPS/Control	\$275,000	\$275,000
	SCO Spare Parts	\$25,000	\$25,000
	Temp SCO Setup	\$100,000	\$100,000
	Special A/V Coordination Consultant	\$100,000	\$100,000
	FF& E Sub-total		\$1,199,650
L & P Total			\$2,737,928
Renovation Total Cost			
			\$5,002,898

Broadband & L/P Project Cost Split

3/13/2020

Broadband -Cost Breakout

Area (SF)

\$206/SF

Hard Construction Cost

Large Conf Rm (Energy)	562	\$115,772
Split Conf Room (Poudre/Horsetooth)	573	\$118,038
Sm Conf Room (Jetson)	179	\$36,874
L&P Workstations (displacement)	404	\$83,224
Broadband Workstations (displacement)	923	\$190,138
NOC	1193	\$245,758
1/2 Kitchen	150	\$30,900
Server Room	200	\$41,200
Lab	195	\$40,170
1/2 Conf Room	150	\$30,900

Hard Cost Sub-Total4529\$932,974

Indirect Cost

Permit Fees	\$28,500
Asbestos Remediation	\$100,000
Material Testing	\$5,500
PMPD - Project Mgt	\$65,000
Commissioning	\$8,000
IT Expenses	\$65,000
Art in Public Places	\$13,500
Contingency	\$150,000

Indirect Cost Sub-Total\$435,500

Design Fees

58% of AU Workshop	58% of \$164,000	\$95,120
1/4 of Diversified	25% of \$60,000	\$15,000

Design Fees Sub-Total\$110,120

Furniture/Fixtures/Equipment (FF&E)

NOC 13 Desk Stations	\$3,000 Ea.	\$39,000
1 Managers Office	\$6,500 Ea.	\$6,500
1 Workbench Lab Area	\$2000/ Ea	\$2,000
6 Cubical workshations	\$4,500/Ea.	\$27,000
14 Monitors on Wall (Unisee)	\$2,500/Ea	\$35,000
1 - Collaboration Table	\$2,500/Ea.	\$2,500
1 Lg Conference Rm Furnishings	\$10,000/Ea.	\$10,000
2 Medium Conference Rm Furnishings	\$7500/Ea	\$15,000
1 Small Conference Rm Furnishings	\$6,500/Ea.	\$6,500
1/2 of SCO Conf. Rm. Furnishings	1/2 of \$7,000	\$3,750
1/2 Kitchen Furnishings	1/2 of \$6,000	\$3,000

\$150,250

Broadband Total\$1,628,844

Light & Power Cost Breakout

Area (SF)

\$206/SF

Hard Construction Cost

SCO area	2019	\$415,914.00
1/2 Conf	150	\$30,900.00
1/2 Kitchen	150	\$30,900.00
2 Restrooms	128	\$240,640.00
Small Conf at Entry	150	\$30,900.00
Sm Conf in Work Area	137	\$28,222.00
Commons Area (showers and coffee)	230	\$47,380.00
Swing Space	1396	\$287,576.00
Server Room	200	\$41,200.00

Sub-Total4560\$939,360.00

Indirect Cost

Permit Fees	\$23,000
Asbestos Remediation	\$100,000
Material Testing	\$5,500
PMPD - Project Mgt	\$65,000
Commissioning	\$8,000
IT Expenses	\$65,000
Art in Public Places	\$18,000
Contingency	\$150,000

Indirect Cost Sub-Total\$434,500

Design Fees

42% of AU Workshop	42% of \$164,000	\$68,880
3/4 of Diversified	75% of \$60,000	\$45,000

Design Fees Sub-Total\$113,880

Furniture/Fixtures/Equipment (FF&E)

SCO 5 Control Stations/Consols	\$45000/Ea.	\$225,000
1 Managers Office	\$2,000/Ea.	\$2,000
1/2 Kitchen Furnishings	1/2 of \$6,000	\$3,000
1 Collaboration table	\$2500/ Ea	\$2,500
6 - Re-use work stations	\$1,100/Ea.	\$6,900
24 TV Monitors on Wall	\$5,500/Ea	\$132,000
1 New Lobby Rm Furnishings	6,500/Ea.	\$6,500
2 Coffe Bar Furnishings	\$3,500/Ea	\$7,000
1/2 of SCO Conference Room Furnishings	1/2 of \$7,500	\$3,750
1 Small Conference Rm Furnishings	\$6,500/Ea.	\$6,500
Temp SCO Setup	\$100,000	\$100,000
Special A/V Coordination Consultant	\$80,000	\$80,000

FF& E Sub-total\$575,150

L & P Total\$2,062,890

Renovation Total Cost\$3,691,734

Broadband & L/P Project Cost Split

4/13/2020

Broadband -Cost Breakout		Area (SF)	\$198
Hard Construction Cost			
Large Conf Rm (Energy)	562		\$111,276
Split Conf Room (Poudre/Horsetooth)	573		\$113,454
Sm Conf Room (Jetson)	179		\$35,442
L&P Workstations (displacement)	404		\$79,992
Broadband Workstations (displacement)	923		\$182,754
NOC	1193		\$236,214
1/2 Kitchen	150		\$29,700
Server Room	200		\$39,600
Lab	195		\$38,610
1/2 Conf Room	150		\$29,700
Hard Cost Sub-Total		4529	\$896,742
Indirect Cost			
Permit Fees			\$28,500
Asbestos Remediation			\$85,000
Material Testing			\$5,500
PMPD - Project Mgt			\$65,000
Commissioning			\$8,000
IT Expenses			\$50,000
Art in Public Places			\$18,500
Contingency			\$150,000
Indirect Cost Sub-Total			\$410,500
Design Fees			
58% of AU Workshop	58% of \$164,000		\$95,120
1/4 of Diversified	25% of \$60,000		\$15,000
Design Fees Sub-Total			\$110,120
Furniture/Fixtures/Equipment (FF&E)			
NOC			
1 Managers Office	\$6,500 Ea.		\$6,500
1 Workbench Lab Area	\$2000/ Ea		\$2,000
6 Cubical workshations	\$4,500/Ea.		\$27,000
1 Lg Conference Rm Furnishings	\$10,000/Ea.		\$10,000
2 Medium Conference Rm Furnishings	\$7500/Ea		\$15,000
1/2 NOC-SCO Conference Room Furniture	\$22,889.00		\$11,445
1/2 NOC-SCO Conf. Rm. Shades	\$3,757.00		\$1,879
1/2 NOC-SCO Floor Boxes	\$12,717.00		\$6,359
1/2 NOC-SCO Ceiling Tiles	\$39,000.00		\$19,500
1/2 NCO-SCO Wall Treatments	\$24,951.00		\$12,476
1/2 NCO-SCO Sound masking	\$6,488.00		\$3,244
1/2 NCO-SCO Lighting	\$72,655.00		\$36,328
1/2 NCO-SCO Carpet	\$9,080.00		\$4,540
1/2 NCO-SCO Server Raise Flooring	\$12,831.00		\$6,416
Core AV 1:1 Signal Management			\$10,625.00
(4) 86" LED Videowall and Aux displays Combined			\$59,943.00
Furniture (TBC) - Desks, office and Collaboration Table			\$123,774.00
Spare Parts			\$697.00
Reduction in Furniture Cost (Karen)	-\$25,000.00		(\$25,000)
FF& E Sub-total			\$332,723

Broadband Total \$1,750,085

Light & Power Cost Breakout		Area (SF)	198
Hard Construction Cost (Walls, floors, ceilings, etc)			
SCO area	2019		\$399,762.00
1/2 Conf	150		\$29,700.00
1/2 Kitchen	150		\$29,700.00
2 Restrooms	128		\$160,000.00
Small Conf at Entry	150		\$29,700.00
Sm Conf in Work Area	137		\$27,126.00
Commons Area (showers and coffee)	230		\$45,540.00
Swing Space	1396		In FF&E
Server Room	200		\$39,600.00
Sub-Total		4560	\$761,128.00
Indirect Cost			
Permit Fees			\$38,000
Asbestos Remediation			\$100,000
Material Testing			\$5,500
PMPD - Project Mgt			\$65,000
Commissioning			\$8,000
IT Expenses			\$65,000
Art in Public Places			\$18,000
Contingency			\$200,000
Indirect Cost Sub-Total			\$499,500
Design Fees			
42% of AU Workshop	42% of \$164,000		\$68,880
3/4 of Diversified	75% of \$60,000		\$45,000
Design Fees Sub-Total			\$113,880
Furniture/Fixtures/Equipment (FF&E)			
SCO			
Atl Option - Furniture (TBC) - Consoles and Collaboration Table			\$186,302.00
Atl Option - Furniture (Evans) - Consoles and Collaboration Table			\$308,024.00
1 Managers Office	\$2,000/Ea.		\$2,000
1/2 Kitchen Furnishings	1/2 of \$6,000		\$3,000
6 - Re-use work stations	\$1,100/Ea.		\$6,900
1 New Lobby Rm Furnishings	6,500/Ea.		\$6,500
2 Coffee Bar Furnishings	\$3,500/Ea		\$7,000
1 Small Conference Rm Furnishings	\$6,500/Ea.		\$6,500
Temp SCO Setup	\$50,000		\$50,000
Special A/V Consultant	\$50,000		\$50,000
1/2 NOC-SCO Conference Room Furniture	\$22,889.00		\$11,445
1/2 NOC-SCO Conf. Rm. Shades	\$3,757.00		\$1,879
1/2 NOC-SCO Floor Boxes	\$12,717.00		\$6,359
1/2 NOC-SCO Ceiling Tiles	\$39,000.00		\$19,500
1/2 NCO-SCO Wall Treatments	\$24,951.00		\$12,476
1/2 NCO-SCO Sound masking	\$6,488.00		\$3,244
1/2 NCO-SCO Lighting	\$72,655.00		\$36,328
1/2 NCO-SCO Carpet	\$9,080.00		\$4,540
1/2 NCO-SCO Server Raise Flooring	\$12,831.00		\$6,416
Temp SCO Setup (Rebuilding Consoles)			\$18,831
Core AV CMS Signal Management			\$258,474.00
Unisee Dual 4x3 Videowalls			\$313,394.00
Auxiliary Wall Displays - (6) 65" / (1) 46"			\$49,089.00
Console Monitors - (25) 32" 4K 24/7			\$26,085.00
Alt Option - Interactive Table			\$13,740.00
Spare Parts			\$18,309.00
FF& E Sub-total			\$1,240,030
L & P Total			\$2,614,538

Renovation Total Cost \$4,364,623



**Financial Services**  
215 N Mason Street, 2<sup>nd</sup> Floor  
PO Box 580  
Fort Collins, CO 80522  
**970.221.6770**  
970.221.6782 - fax  
[fcgov.com/finance](http://fcgov.com/finance)

## MEMORANDUM

**DATE:** April 20, 2020

**TO:** Council Finance Committee

**THRU:** Darin Atteberry, City Manager <sup>DS</sup> *Da*  
Travis Storin, Interim CFO <sup>DS</sup> *TS*

**FROM:** Blaine Dunn, Interim Accounting Director <sup>DS</sup> *BD*  
Kelley Vodden, Controller <sup>DS</sup> *KV*

**RE:** Required planning communications from City's external audit firm

**CC:** Kirsten Howard, Poudre Fire Authority  
Rachel Miller, Poudre River Public Library District

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Attached is written communication from the City's external audit firm, BKD LLP, describing the scope and timing of their upcoming audit of the December 31, 2019 financial statements and of the City's compliance with its major federal award programs. The document contains useful information about the procedures and deliverables of a financial audit.



March 30, 2020

City of Fort Collins Council Finance  
and Audit Committee  
215 North Mason Street, 2<sup>nd</sup> Floor  
Fort Collins, Colorado 80522

The purpose of this communication is to summarize various matters related to the planned scope and timing for the December 31, 2019 audits of the financial statements of the City of Fort Collins and of its compliance with specified requirements applicable to its major federal award programs.

Please refer to our engagement letter dated January 17, 2020 for additional information and the terms of our engagement.

## OVERVIEW

We will conduct our audits in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- The audit of compliance with the types of compliance requirements described in the U.S. Office of Management and Budget, *Compliance Supplement* that are applicable to each major federal award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal award program occurred.

City of Fort Collins Council Finance  
and Audit Committee  
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## PLANNED SCOPE & TIMING

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and of material noncompliance and propose to address these areas as described:

Opinion Unit	Risk Area	Audit Approach
All	Management override of controls	Review accounting estimates for bias, review journal entries and evaluate business rationale for unusual transactions
All	Revenue recognition	Review significant revenue for proper cut-off and compliance with requirements determining recognition and analytically review all revenue for reasonableness
Governmental and Business Type Activities	Capital assets	Review for proper capitalization (including interest as applicable), depreciation, completeness, existence and impairment and proper cut-off
Governmental and Business Type Activities	Bonds payable	Review transactions for proper accounting, including retirement of existing debt, test footnote disclosure for complete and accurate information, verify appropriate classifications of unspent proceeds
All	Account payable and accrued liabilities	Test completeness of payables and accrued liabilities and review for proper cut-off

City of Fort Collins Council Finance  
and Audit Committee  
March 30, 2020  
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<b>Opinion Unit</b>	<b>Risk Area</b>	<b>Audit Approach</b>
All	GASB No. 84, <i>Fiduciary Activities</i>	Review implementation of GASB 84 including the City's identification of fiduciary component unit(s) related to pension arrangements and other fiduciary activities
Governmental and Business Type Activities	GASB No. 83, <i>Certain Asset Retirement Obligations</i>	Review recognition of asset retirement obligations and related accounts and disclosures for propriety as applicable
Single audit	Compliance for major federal award programs	Select samples of expenditures charged to grants and test for compliance with federal and grant requirements

We welcome any input you may have regarding the risk areas identified above, any other significant risk areas in your opinion or other matters you believe warrant particular attention.

We propose the following timeline, which is subject to change as necessary in regard to the COVID-19 emergency:

- Drafts of the management letter, together with our letter regarding auditor responsibilities and single audit report will be furnished by June 12, 2020
- Final reports will be issued by June 15, 2020

## CONTACTS

We understand the appropriate person in the governance structure with whom to communicate is Mayor Wade Troxell.

If for any reason any member of the Finance and Audit Committee would need to contact us, please call Mr. Christopher Telli, Partner, or Ms. Anna Thigpen, Senior Manager at 303.861.4545.

City of Fort Collins Council Finance  
and Audit Committee  
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## **ACCOUNTING & AUDITING MATTERS**

The following matters are, in our judgment, relevant to the planned scope of the audit as well as your responsibilities in overseeing the financial reporting process.

- Segregation of accounting duties
- Revenue recognition, including receivables and unearned revenue
- Related-party transactions
- Component units
- Commitments and contingencies
- Significant estimates
- Cash and investments
- Capital assets
- Accounts payable and accrued liabilities
- Long-term debt
- Components of net position and fund balance
- Proper classification of special revenue funds in accordance with Governmental Accounting Standards Board Statement No. 54
- Expense/expenditures
- Compliance with federal award programs

## **CONSIDERATION OF ERROR OR FRAUD**

One of the most common questions we receive from audit committees is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.

Our audit approach includes such procedures as:

- Engagement Team Brainstorming
  - Discussions include how and where we believe the entity’s financial statements might be susceptible to material misstatement due to error or fraud, how management could perpetrate and conceal fraudulent financial reporting and how assets of the entity could be misappropriated
  - An emphasis is placed on the importance of maintaining the proper state of mind throughout the audit regarding the potential for material misstatement due to error or fraud

City of Fort Collins Council Finance  
and Audit Committee  
March 30, 2020  
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- Inquiries of Management and Others
  - Personnel interviewed include the Council Finance and Audit Committee Chair, the City Manager, the Chief Financial Officer, the Accounting Director, the Controller and others
  - Inquiries are directed towards the risks of error or fraud and whether personnel have knowledge of any fraud or suspected fraud affecting the entity
- Reviewing Accounting Estimates for Bias
- Evaluating Business Rationale for Significant Unusual Transactions
- Incorporating an Element of Unpredictability Into the Audit Each Year

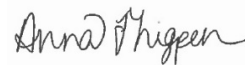
\* \* \* \* \*

This communication is intended solely for the information and use of those charged with governance (City Council and Council Finance and Audit Committee) and management and is not intended to be and should not be used by anyone other than these parties.

Sincerely,



Christopher J. Telli, CPA  
Partner



Anna L. Thigpen, CPA  
Senior Manager