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AGENDA
Council Finance & Audit Committee Zoom Meeting
September 7, 2023
4:00 - 6:00 pm
Zoom Meeting <https://zoom.us/j/8140111859>

Approval of Minutes from the August 3, 2023 and the Special August 16, 2023
Council Finance Committee meetings.

- | | | |
|--------------------------------|------------------------|------------|
| 1. Annual Adjustment Ordinance | | L. Pollack |
| | Presentation: 10 mins. | |
| | Discussion: 10 mins. | |
| | | |
| 2. 2024 Budget Revisions | | L. Pollack |
| | Presentation: 10 mins. | |
| | Discussion: 30 mins. | |

Council Finance Committee
2023 Agenda Planning Calendar
Revised 8/30/23 ck

Sept. 7th	2023		
	Annual Adjustment Ordinance	20 min	L. Pollack
	2024 Budget Revisions	40 min	L. Polack

Oct. 5th	2023		
	Capital Expansion Fee Updates (continued)	75 min	D. Lenz
	Utility Plant Investment Fees (hold)	30 min	L. Smith
	TCEF Reimbursement	15 min	M. Virata M. Martinez

Nov. 2nd	2023		
	Utility Rate / Debt Forecasts	45 min	L. Smith
	Low-income Sales Tax Rebate	30 min	J. Poznanovic N. Bodenhamer
	Mulberry Frontage Metro District Voluntary Annexation	25 min	J. Birks S. Beck-Ferkiss
	Laporte Multimodal Grant Match	20 min	M. Martinez

Dec. 7th	2023		
	Utility Rate / Debt Forecasts (continued)	45 min	L. Smith

January 4th 2024

Rate Forecasts for the 2025-26 BFO Cycle, Associated Capital Improvement Plans &
Rental Registration – Property Remediation Financing (C. Champine, M. Yoder)



Council Finance Committee Zoom Meeting
August 3, 2023
Via Zoom

Council Attendees: Julie Pignataro, Emily Francis, Kelly Ohlson

Staff: Kelly DiMartino, Travis Storin, John Duval,
Kendall Minor, Heather McDowell, Matt Fater, Lance Smith, Andrea Smith,
Blaine Dunn, Adam Halvorson, Jo Cech, Randy Bailey, Renee Reeves,
Trevor Nash, Nina Bodenhamer, Lawrence Pollack, Gerry Paul,
Zack Mozer, Justin Allar, Sue Jordanger, Jillian Fresa, Dave Lenz, Sheena Freve,
Erik Martin, Carolyn Koontz

Others: Ann Hutchinson, Chamber
Anna Thigpen, Forvis
Chris Telli, Forvis

Meeting called to order at 4:00 pm

Approval of minutes from the July 6, 2023, Council Finance Committee Meeting. Kelly Ohlson moved for approval of the minutes as presented. Emily Francis seconded the motion. The minutes were approved unanimously via roll call by; Emily Francis, and Kelly Ohlson

A. 2023 Stormwater Debt – Oak Street

Blaine Dunn, Accounting Director

EXECUTIVE SUMMARY

City staff is seeking \$40M in financing through a bond offering for a November 2023 closing. These funds will be used for the Oak Street Stormwater Improvement project.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Committee support bringing a bond issuance Ordinance to Council on September 19th?
Does the Committee support bringing an appropriation Ordinance to Council on October 17th?

BACKGROUND/DISCUSSION

Project

This project has been identified as a top priority stormwater project for the City because it will contribute to resolving urban flooding issues in downtown Fort Collins. The Oak Street Project is one of several stormwater outfall projects, recently identified as part of the Downtown Stormwater Improvement Program, otherwise known as the "DSIP". The DSIP was recently developed (2017-2019) as a basin-wide evaluation of existing

stormwater improvements and is the development of a comprehensive strategy to mitigate flood risk and damages in the Old Town Basin with the implementation of additional stormwater improvements. This project will remap a portion of the floodplain in downtown.

Flood hazards in downtown Fort Collins are generally caused by the inability of the existing streets and storm sewers to adequately convey storm runoff. The downtown area was built before there were standards in place for stormwater, so like many older urban areas, downtown Fort Collins has flooding issues. Addressing the flooding issues will:

- Provide resilience for the future of the community.
- Improve public safety.
- Avoid costly flood damages (estimated damage costs between \$151M and \$165M for the downtown area)
- Address recurring street and intersection flooding.

One goal of the project is to improve water quality into the Poudre River. Outfall is currently into the Udall Water Quality Pond (or Natural Area). Enhancing water quality treatment at the source through green infrastructure located along the corridor and within the road ROW is the goal.

The design includes three different “rain garden” locations. One at the Howes/Canyon/Oak intersection, another at the Washington/Oak intersection, and a third at the Oak/Jackson intersection at the northeast corner of City Park. These rain garden locations will help improve the water quality that ultimately ends up flowing into the river.

Debt Structure

The City is seeking to borrow a total of \$40.4M, \$40M (\$35.6M of principal) for the project and \$400k in closing costs, with the bonds. The bonds will have a fixed interest rate and a repayment term of 20 years. Stormwater will make average debt service payments of \$2,866,000 each year. The City will make semiannual payments starting in 2024 with the last payment occurring in December 2043.

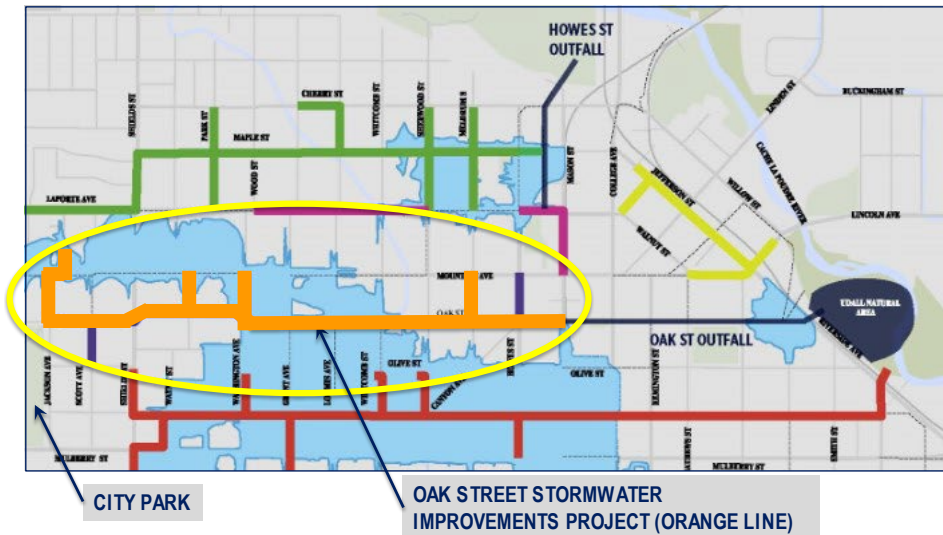
GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Committee support bringing a bond issuance Ordinance to Council on September 19th?

Does the Committee support bringing an appropriation Ordinance to Council on October 17th?

DISCUSSION / NEXT STEPS

Project Information



- The **Oak Street Stormwater Improvements Project** has been identified as a top priority stormwater project for the City because it will significantly contribute to resolving the urban flooding issues for downtown Fort Collins neighborhoods and businesses.

4

Kelly Ohlson; \$400M for shale area – refined up or down – can we just have a flavor of how much all on diagram will add up to – ballpark -

Matt Fater; overall cost of the Downtown Stormwater Improvement Plan shown on graphic above (Project Information) is estimated to be \$150M. The overall citywide CIP is estimating to be approximately \$500M for all projects.

Kelly Ohlson; so, the \$40M is part of the \$150M?

Mat Fater; that is correct.

Kelly Ohlson; I am for the green infrastructure and the rain gardens, but I am having a hard time with the recent rain storms a couple of nights ago, would that have helped, or would it just run off the way it does now or worse? Would they have been effective in that event?

Heather McDowell; rain gardens are meant to treat the minor storm (2-year intensity or less). What we saw the other night was a 20–50-year storm, depending on where you were in town. That type of storm would really inundate these systems and spill over. These systems wouldn't do that much as far as treatment for that volume of water, it is really meant for afternoon storms we get that put down ½ inch of rain at the most. Built with a capacity for those smaller events.

Kelly Ohlson; how is this new project going to help water quality when we have a 10-20 40-year storm event? I am assuming we are doing some things to help with that, and it won't just run off. Safety issues are iffy but causing damage to people's homes and businesses is not.

Heather McDowell; this project is more focused on the flood reduction and the safety elements because this project outfalls into the Udall Natural Area, which is a much bigger water quality basin that is already in place to

take care of the bigger events like we saw the other night. That is a large basin that the stormwater outfalls to before it gets to the river. These smaller rain garden systems that we are installing as part of this project help take some of the burden off the bigger system. The bigger system is there to handle the bigger flows.

Kelly Ohlson; stream restoration is one of my areas of interest. This has been talked about and promised for decades. It took 8-9 years to do the first mile. I understand 2 miles are now done and we have 15 miles to go. I understand it is in the 40-year planning horizon to get the remaining miles done. How much are these shiny whistles and bells (green infrastructure) going to cost versus doing the real work of stream restoration?

Heather McDowell; I would have to study the numbers a bit closer to provide more detail. This project impacts and improves about 16 acres of drainage area, about 4 of those acres (25%) will drain into the rain gardens – we are helping to improve about 25% of the area impacted by the Oak Street project. In terms of dollars, a lot of the improvements from this project (roadway, curb and gutter, parking). I would need to spend some time to tease out only the green infrastructure piece, but my sense is that it is somewhere around \$200-300K for the three pockets that we are doing.

Julie Pignataro; joined at 4:17 pm - What happens in a drought with the rain gardens?

Heather McDowell; we have spent a lot of time on design and landscaping for the rain gardens. We want them to be more than a utilitarian element that filters stormwater. We want it to look nice, so we will be irrigating them with a drip irrigation system to flush out some of the pollutants and impurities that are in the stormwater and could damage the plants.

Julie Pignataro: all of this money that pays for this is from the Utility space, correct? Isn't stream restoration on the other side of the house?

Matt Fater; the stream restoration program is also funded through the stormwater utility. The entire stormwater capital improvement program (CIP) includes stream rehabilitation, flood mitigation, roadway flooding mitigation as well as stormwater quality improvements.

Julie Pignataro; Kelly, what are your thoughts? Is that the appropriate place for this to come from?

Kelly Ohlson; I believe it is, but it doesn't preclude – stormwater has a in funding. I would encourage staff to volunteer to see the projects – they are incredible – before and after. To speed this program along to completion – there is nothing precluding using Natural Areas funding (although their money is limited) and General Fund dollars. My difference with the organization is that we can be designing one the same year we are building one. There may also be some federal funding opportunities. Are we looking for any federal infrastructure funds for this project which would then free up more money for stream restoration projects?

Matt Fater; the utility is pursuing federal grant funding for capital improvement projects. For this specific project, there is no federal funding tied to it, purely because of the schedule of trying to get this project moving. Meanwhile, we are pursuing it for other projects on the CIP to augment our utility funding.

Emily Francis; who maintains the rain gardens?

Heather McDowell; will be a joint effort between the stormwater crews and the Parks Department.

We will be putting together an MOU to differentiate who needs to take care of what. A utilitarian system below ground, they will flush out the pipes and make sure everything is working properly below ground. The Parks Department will be providing that maintenance (funding is being discussed). The irrigation work and plantings will be done by Parks or by a third party who knows how to do the work.

Emily Francis; what is the timing for this project and the other stormwater projects?

Heather McDowell; we are planning for construction to start summer of next year for this project. We want to have a contractor on board by the end of this year which will give us a six-month runway for permits, etc. This is a 2 - 2 ½ year project. While this project is in process, we plan to start design on the next project for the downtown area. We are planning to get all of these projects done in a 20-year window.

Emily Francis; I am supportive of this project moving forward. It is in my district and there is a lot of flooding in the area. The stormwater capacity is not where it needs to be. The runoff in that area has been astronomical.

Heather McDowell; there was 2 ½ inches of rain close to CSU and downtown and 3.3 inches closer to the river which is about a 50-year intensity storm. Our crews were out closing roads and were at College and Mulberry making sure folks went around - it was a big deal on Monday night.

Julie Pignataro; I am generally supportive too. I am appreciative of the context as this is an older part of town and was not built like the newer areas were.

Kelly Ohlson; I still want follow-up between now and then if there is a way we can compress the 40 years for stream restoration which was put off for 25 years after it was first talked about. It took 10 years to get first 2-3 segments done. The numbers for this project do take your breath away – when it seems to the uneducated uninformed - a lot of money to dig a hole and put some pipes in it. Would like to have further discussions on how to compress stream restoration. Between now and when this comes to us – would like to know if we can compress the 40-year window.

B. Police Handheld Radios

Justin Allar, Director of Information Technology
Zack Mozer, Analyst II, Finance

EXECUTIVE SUMMARY

The purpose of this agenda item is to discuss the need to replace the remaining mission-critical handheld radios utilized by police. The ability to transmit information regarding an in-progress call or evolving situation is critical for responding personnel. As the dynamics of a given situation change, broadcasting information over the radio system allows for first responders to approach the event, an individual, or tactical situation with vital information. First responders frequently utilize radios to communicate with regional partners and the radio system allows for seamless transmissions and critical interoperability at the county and state levels. There are currently 242 total handheld radios with 130 replaced in 2022. This leaves the remaining 112 radios needing to be replacement.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support an appropriation of \$620,000 to purchase Police Radios.

BACKGROUND/DISCUSSION

Police Services rely heavily on radio communication as their primary means for transmitting critical information to and between emergency responders. These devices allow field responders to receive and communicate not only life-saving information, but the information required to maintain the safety of the community, their partners, and their own personal safety. The ability to transmit information regarding an in-progress call or evolving situation is critical for responding personnel.

Having a supported and updated radio is critical to ensuring officer safety. Police Services utilizes the public safety emergency radio system on a continuous basis to communicate and receive updates from the 911 Center, convey information to other responders, and/or direct incoming resources for an incident. The current radio devices include handheld radios, mobile/vehicle radios, and dispatch radios. Currently, the handheld radios are needing to be replaced.

Police Services utilizes Motorola radios, and the manufacturer has phased out the old APX AN model for the new APX BN model. Motorola will no longer support the old model in December of 2023. These radios will still function, but replacement parts will no longer be produced. Police Services has done well in extending the life of all radio equipment, with industry standards suggest replacing handheld radios every 5-7 years. The remaining old Police Services handheld radios were purchased in 2013 and are 10 years old, beyond the suggested use standards. Out of the total 242 handheld radios, 130 radios were replaced with the newer BN model in 2022, leaving 112 still needing to be replaced in 2023.

The cost to replace the remaining 112 radios is \$620,000 which equates to roughly \$5,500 per radio. The Manufactured Suggested Retail Price (MSRP) is \$7,500 and is reduced to \$5,500 when applying National Association of State Procurement Officials (NASPO) discount. If approved the next step would be to order and replace the remaining radios in 2023.

DISCUSSION / NEXT STEPS

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support an appropriation of \$620,000 to purchase Police Radios.

Kelly Ohlson; I am a yes on this. I am in favor of our Police and first responders having state of the art equipment. I thought that during the first go round, we asked why haven't we planned for these things? I was told we had a Police Planning Budget fund and that we set money aside for equipment replacement. We knew these were coming to end of useful life.

Travis Storin; This is funded from the General Fund. Police Services only gets funding from 1 of 2 sources; its General Fund (now that it is combined with KFCG) and Capital Expansion Fees (for facility improvements) In this case, we have done what I call disciplined set aside of funding - we knew that we didn't have the revenue to cover the entire purchase during BFO. We thought that we would be accumulating some reserves at the end of 2022. When that prove true, we did a management set aside assignment (not binding in any way) in anticipation of this. If memory serves, we chunked this out into a pattern of thirds or halves between reserve and spend in ensuing BFO cycles. The past practice has been to spend and save all at once. I have been working with Police to do things more in bite size pieces. Greg Yeager would probably have better recall of what we did before.

Kelly Ohlson; are these police funds that were set aside for this or are we going back into the General Fund general reserves for this?

Travis Storin; the ultimate funding source for this is the General Fund which can be used for anything. Our 4th agenda item is Fund Balances. We don't really have equipment replacement programs that fund these things over time, it just takes the discipline and foresight from staff.

Kelly Ohlson; I must have misunderstood that money was being put aside for this, but I will not stand in the way of this.

Julie Pignataro; why did we only replace half of the radios?

Travis Storin; within a 2-year budget cycle, we try to match on going revenue to ongoing expenses - treat radio replacements as a one time - happens once every 10 years – we didn't have the revenue to fully fund this. Once we closed out 2022, we knew we had the reserves and decided to bring this appropriation forward.

Julie Pignataro; what do you do with the old radios?

Justin Allar; we sell those back to a 3rd party and recoup some funds.

Julie Pignataro; do they recycle?

Justin Allar: even though they are old radios, there are agencies out there who want them.

Julie Pignataro; I am supportive.

Emily Francis; I am supportive as well.

Results: Council Finance Committee is supportive of this appropriation of \$620K to purchase Police Radios.

C. 2023 Financial Audit Results

Blaine Dunn, CPA, Accounting Director

Randy Bailey, Controller

Chris Telli, CPA, FORVIS LLP

Anna Thigpen, CPA, FORVIS LLP

SUBJECT FOR DISCUSSION

Independent Auditors' Report on 2022 Financial Statements

Independent Auditors' Report on Compliance for Major Federal Programs

EXECUTIVE SUMMARY

FORVIS will be presenting an overview of the *Results of the 2022 Financial Statement Audit*. This report covers the audit of the basic financial statements and compliance of the City of Fort Collins for year-end December 31, 2022.

NOTE: The Annual Comprehensive Financial Report has been sent to the printer, but the printing has not yet been completed. We will get hard copies distributed as soon as they are available, for those requesting one. A

copy of the report can be found online here: <https://www.fcgov.com/finance/files/2022-city-of-fort-collins-acfr.pdf>

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

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

Otherwise, there are no specific questions to be answered as this is a 2022 year-end report.

BACKGROUND/DISCUSSION

In compliance with *Government Auditing Standards*, the City undergoes an independent external audit on an annual basis. FORVIS finalized its financial statement audit and compliance report on June 26, 2023, and the firm is required to report the results of the audit to those charged with governance.

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

Identified Deficiencies (Attachment 1, pages 6-7):

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

DISCUSSION / NEXT STEPS

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

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

Kelly Ohlson; this is the fewest number of things I ever remember being called out. There were never major problems. Does staff or management have any response to the few things that were called out other than turnover and staffing shortages?

Blaine Dunn;

Single Audit – we have already put a report authorization form in place to capture approvals for reports - for the SLSRF funds, ARPA funds as well as any grants we may be dealing with in the future.

Escrow Account Reconciliations is one that we continue to try chip away at.

GASB 96 Rule is being implemented this year - this is a huge implementation, and we may not be able to tackle that in its entirety as we would like to.

Purchasing Cards; we have an open RFP for our P-card provider, and we plan to modify our process and implement random audits.

We brought on a dedicated grants person in Finance earlier this year. They are working very closely with our accounting team, both on the applying for, and as we bring more federal grants into the city that we are doing the grants receivable and account structure correctly so that it is a much cleaner and easier process going forward.

Kelly Ohlson; well done – overall you report to Council. What grade would you give the city overall and be a hard grader.

Anna Thigpen; A- I will say this is our 5th year as your auditor. During that time, we had the onset of Covid and a good amount of turnover internally within Finance. This is the first thing we have been able to see people settle into their roles consistently and I think the results of the audit show that. We issued our report on June 26th, we were a bit early and issue only a few deficiencies which reflects management's preparation and willingness to be ready for the audit.

Emily Francis; I am good – we did this at PFA as well, so this is my second one in a week.

Julie Pignataro; Thank you for the report. It is very thorough and clear which sometimes you don't get.

Chris Telli; I have been the partner for the last five years - BKD then Forvis – I will be rolling off the engagement at the conclusion of this audit – great job. Thank this committee, Travis, and Blaine – pleasure to work with your entire team. We did purpose on the current RFP – we would very much like to continue as your auditors.

Travis Storin; our current code which was adopted by the previous Council. Chris Telli rolling off is by our design to make it mandatory for a partner roll off after 5 years. We are trying to mimic some of the more common-sense aspects of the Sarbanes Oxley Act of 2002. While we can continue with the same firm, we do have a partner rotation to keep arm's length with the auditor.

D. 2022 Fund Balances

Blaine Dunn, Accounting Director

SUBJECT FOR DISCUSSION: Status of Fund Balances and Working Capital

EXECUTIVE SUMMARY:

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

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

General update to Council Finance Committee

BACKGROUND/DISCUSSION

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

Appropriated, Minimum Policy or Scheduled is comprised of minimum fund balances established by policy, funds from the 2022 balance that have been appropriated in 2023 and amounts for projects specifically identified by voters. An example of the latter is Community Capital Improvements Plan.

Available with Constraints are those balances available for appropriation but within defined constraints. An example are donations received through City Give. They are restricted for the purpose of the donation, but still available for appropriation.

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

DISCUSSION / NEXT STEPS

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

General update to Council Finance Committee

Kelly Ohlson; what 1-3 things should jump out at us – that should be a concern or interesting.

Travis Storin;

subtext – when you look at General Funds unassigned fund balance (discretionary General Fund), it stayed steady from 2021 - 2022 and it is still at a high point. We are coming off of a post pandemic recovery period that was pretty dramatic – we would normally be holding \$4-4.5M but right now it is at \$8.1M.

I don't expect it to continue, once used I don't think it will be this high. The explosive 10% sales tax growth is what drove that number, but we are now back to very close to the budget in sales tax collection. As the growth rate falls back to earth, the reserve will as well.

Blaine Dunn; I highlighted a couple of those funds; Transportation didn't have any surplus and Transit is running razor thin with their pre award authority. They will need to look to the General Fund in the future.

Kelly Ohlson; is that 20% number of reserve - is that overly conservative – cost of money 1.5 times more – is that a standard best practice? Do we have that council appointed policy? Do we have that porridge right?

Travis Storin; it can vary fund to fund – where it exists in Utilities 25% is appropriate.

The Benefits Fund is a place we may like to revisit or keep an eye on.

Blaine Dunn: late last year we did revisit that and moved it down from 30% to 25%

Travis Storin; one to keep an eye on with the new normal. Within the General Fund, it is a conservative stance. We have the TABOR policy, and we have our own internal (60 days) 3% + 2 months of operating reserves. This was a good place to be when our revenue went down 20% over night during the summer of 2020.

It is highly judgment based so hard to say that the porridge is exactly the right temperature because it can wax and wane with economic cycles.

Blaine Dunn: I would add that the policy for minimum balances is council adopted. We reach out and see what outer municipalities are doing to make sure we are in the right spot. We see it every 3 years unless a fund needs to come sooner and we will bring it sooner if necessary (Benefits Fund).

Julie Pignataro; good update – great questions Kelly - it is good to have the impressions of the experts.

Meeting adjourned at 5:30 pm.



Special Council Finance Committee Zoom Meeting
August 16, 2023
222 Colorado River Room

Council Attendees: Julie Pignataro, Emily Francis, Kelly Ohlson

Staff: Travis Storin, John Duval, Gerry Paul, Blaine Dunn, Randy Bailey, Jordan Granath,
Amy Lyons (Library), Kirsten Howard (PFA), Carolyn Koontz

Meeting called to order at 4:08 pm

Selection of Audit Firm

EXECUTIVE SUMMARY: The purpose of this item is to interview three finalists for financial audit services. A Request for Proposal (RFP) was issued and five firms made proposals. A team of four that included staff from the City, PFA and Library reviewed the written proposals and recommend Clifton, Larson Allen, Forvis, and Plante Moran for consideration by the Council Finance Committee.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Recommend an audit firm for subsequent selection via City Council Resolution.

BACKGROUND/DISCUSSION

Process Overview: Each firm will have up to 15 minutes to present, followed by 25 minutes for questions from the Committee. At the end of the interviews the Committee will discuss and recommend an audit firm. Staff that reviewed the written proposals will be available to answer questions from the Committee.

The Committee recommendation will be brought to City Council on September 19.

The auditor selected will have annual contracts renewable for a maximum of 5 years, and per Code are eligible to be competitively selected for one additional 5-year period, for a maximum tenure of 10 years for a given firm. If Forvis is selected this will be their second, and final, 5-year term.

SUMMARY:

All three firms; CliftonLarsonAllen LLP, Forvis LLP and Plant Moran presented to the committee. Presentations were followed by discussion between the committee members and staff.

RESULT: The Committee decided to move forward by a vote of 2-1, with Plant Moran.

This guidance will be brought forward on Consent at the full Council Meeting on September 19th.

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Lawrence Pollack, Budget Director
Travis Storin, Chief Financial Officer

Date: September 7, 2023

SUBJECT FOR DISCUSSION

First Reading of Ordinance No., 2023, Making Supplemental Appropriations in Various City Funds.

First Reading of Ordinance No., 2023, Appropriating Prior Year Reserves in Various City Funds.

EXECUTIVE SUMMARY

The purpose of these Annual Adjustment Ordinances is to combine dedicated and unanticipated revenues or reserves that need to be appropriated before the end of the year to cover the related expenses that were not anticipated and therefore, not included in the 2023 annual budget appropriation. The unanticipated revenue is primarily from fees, charges, rents, contributions and grants that have been paid to City departments to offset specific expenses.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- What questions or feedback does the Council Finance Committee have on the 2023 Annual Adjustment Ordinance?
- Does the Council Finance Committee support moving forward with bringing the 2023 Annual Adjustment Ordinance to the full City Council on the Consent Agenda?

BACKGROUND/DISCUSSION

These Ordinances appropriate unanticipated revenue and prior year reserves in various City funds and authorizes the transfer of appropriated amounts between funds and/or projects. The City Charter permits the City Council to appropriate unanticipated revenue received as a result of rate or fee increases or new revenue sources, such as grants and reimbursements. The City Charter also permits the City Council to provide, by ordinance, for payment of any expense from prior year reserves. Additionally, it authorizes the City Council to transfer any unexpended appropriated amounts from one fund to another upon recommendation of the City Manager, provided that the purpose for which the transferred funds are to be expended remains unchanged; the purpose for which they were initially appropriated no longer exists; or the proposed transfer is from a fund or capital project account in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

If these appropriations are not approved, the City will have to reduce expenditures even though revenue and reimbursements have been received to cover those expenditures.

The table below is a summary of the expenses in each fund that make up the increase in requested appropriations. Also included are transfers between funds and/or projects which do not increase net appropriations, but per the City Charter, require City Council approval to make the transfer. A table with the specific use of prior year reserves appears at the end of the AIS.

Funding	Additional Revenue	Prior Year Reserves	Transfers	TOTAL
General Fund	\$750,530	\$625,017	\$0	\$1,375,547
Transportation Services Fund	1,164,250	0	0	1,164,250
Capital Projects Fund	988,168	0	0	988,168
Transportation CEF Fund	0	200,000	0	200,000
Recreation Fund	0	112,183	0	112,183
Golf Fund	14,600	138,915	0	153,515
Perpetual Care Fund	0	39,064	0	39,064
GRAND TOTAL	\$2,917,548	\$1,115,179	\$0	\$4,032,727

A. GENERAL FUND

1. Fort Collins Police Services (FCPS) has received revenue from various sources. A listing of these items follows:

- a. \$18,000 – 2023/2024 BATTLE Grant (Beat Auto Theft Through Law Enforcement): Police Services was awarded a grant from the Colorado State Patrol to help prevent auto theft in Colorado.
- b. \$34,000 – 2022/2023 BATTLE Grant Supplemental (Beat Auto Theft Through Law Enforcement): The Property Crimes division of Police Services has been awarded an additional \$34,000 on top of the original \$36,516 grant to fund additional overtime to help investigate auto theft in Northern Colorado.
- c. \$12,000 - 2023 Click it or Ticket Grant: Police Services was awarded a Click it or Ticket Grant from the Colorado Department of Transportation to pay for officers to work overtime to conduct enforcement activities.
- d. \$201,363 - Police Information Services encountered an issue with the 9-11 dispatch servers that ran the system. Because of this, it was discovered that the server licenses needed to be upgraded. This appropriation is equal to Larimer County and Loveland's contribution for the upgrade.
- e. \$16,000 - 2023/2024 High Visibility Enforcement (HVE) Grant: Police Services was awarded a grant from the Law Enforcement Assistance Fund to pay for overtime for DUI enforcement.
- f. \$11,445 – 2022-23 ICAC Grant (Internet Crimes Against Children): Police Services was awarded the ICAC grant to help fund training and equipment to investigate internet crimes targeted at children.

- g. \$31,291 – 2019 JAG Grant: Police Services was awarded \$31,291 for a grant to help fund overtime to investigate illegal drug use and sales. This grant has been spent and the grant period is now closed, however after an extensive audit it was determined that the appropriations were never completed. This is to retroactively appropriate the funds and then close the account.
- h. \$110,484 - Police Miscellaneous Revenue: Police Services receives revenue from the sale of Police reports along with other miscellaneous revenue, like restitution payments, evidence revenue and SWAT training.
- i. \$202,799 - Police Reimbursable Overtime: Police Services help schedule security and traffic control for large events. Since these events are staffed by officers outside of their normal duties, officers are paid overtime. The organization who requested officer presence is then billed for the costs of the officers' overtime. Fort Collins Police Services (FCPS) partners with Larimer County to staff events at The Ranch. Police receives reimbursement from Larimer County for officers' hours worked at Ranch events.
- j. \$40,591 - School Resource Officers: Police Services have a contract with Poudre School District to provide officers on location at a majority of the schools for safety and support. The school district pays Police Services based on a predetermined contract amount and also partially reimbursing for overtime incurred. This request is for the previously billed overtime and anticipated overtime for the remaining year.
- k. \$8,732 - DUI Enforcement: Proceeds that have been received for DUI enforcement from Larimer County.
- l. \$32,339 – 2023/2024 Black Market Marijuana Grant: Police Services was awarded the Marijuana grant to support the investigation and prosecution of black market or illegal marijuana cultivation and distribution in the city.

TOTAL APPROPRIATION

FROM: Unanticipated Revenue (2023/2024 BATTLE Grant)	\$18,000
FROM: Unanticipated Revenue (2022/2023 BATTLE Grant supplemental)	\$34,000
FROM: Unanticipated Revenue (2023 Click it or Ticket Grant)	\$12,000
FROM: Unanticipated Revenue (Partner Agency Contributions for SQL Server upgrades)	\$201,363
FROM: Unanticipated Revenue (2023/2024 HVE Grant)	\$16,000
FROM: Unanticipated Revenue (2022/2023 ICAC Grant)	\$11,445
FROM: Unanticipated Revenue (2019 JAG Grant)	\$31,291
FROM: Unanticipated Revenue (Police Miscellaneous Revenue)	\$100,484
FROM: Unanticipated Revenue (Police Reimbursable Overtime)	\$202,799
FROM: Unanticipated Revenue (School Resource Officers)	\$40,591
FROM: Unanticipated Revenue (DUI Enforcement)	\$8,732
FROM: Unanticipated Revenue (2023/2024 Black Market Marijuana Grant)	<u>\$32,339</u>

		Total:	\$719,044
FOR:	Help prevent auto theft		\$52,000
FOR:	Overtime for Seat Belt enforcement		\$12,000
FOR:	911 Dispatch server licenses upgrade		\$201,363
FOR:	Overtime for DUI enforcement		\$16,000
FOR:	Help prevent Internet Crimes Against Children		\$11,445
FOR:	Investigate illegal drug use and sales		\$31,291
FOR:	Police Miscellaneous Revenue		\$100,484
FOR:	Police Reimbursable Overtime for events		\$202,799
FOR:	Overtime for School Resource Officers		\$40,591
FOR:	DUI enforcement		\$8,732
FOR:	Support the investigation of illegal marijuana cultivation		<u>\$32,339</u>
		Total:	\$719,044

2. Manufacturing Equipment Use Tax Rebate

Finance requests the appropriation of \$61,000 to cover the amount due for the 2022 Manufacturing Equipment Use Tax Rebate program as established in Chapter 25, Article II, Division 5, of the Municipal Code. The rebate program was established to encourage investment in new manufacturing equipment by local firms. Vendors have until December 31st of the following year to file for the rebate. This item appropriates the use tax funds to cover the payment of the rebates.

FROM:	Prior Year Reserves (Manufacturing Use Tax Rebate Assign)	\$61,000
FOR:	Manufacturing Use Tax Rebates	\$61,000

3. Mobile Home Park Backflow Preventer Project Larimer County Additional Grant Funds

The Neighborhood Services Department received an American Rescue Plan Act Immediate Needs Grant from Larimer County in the amount of \$132,500 for the purpose of funding backflow preventer projects in mobile home parks. The City contracted with Top Notch Plumbing, who conducted this work in May and June of 2023 at Nueva Vida and Hickory Village Mobile Home Parks. The total project cost was \$147,880, which exceeds our grant by \$15,380. On July 19, 2023, the Board of County Commissioners unanimously agreed to fund the full project cost. All agreements have been approved and signed, and payment from the County to the City via check is in process.

FROM:	Unanticipated Revenue (ARPA Grant through Larimer County)	\$15,380
FOR:	Mobile Home Park Backflow Preventer Project	\$15,380

4. Land Bank Operational Expenses

This request is intended to cover expenses related to the land bank property maintenance needs for 2023. Since expenses vary from year to year, funding is requested annually mid-year to cover these costs. Expenses in 2023 include general maintenance of properties, raw water and sewer expenses, electricity, repairs, and other as applicable.

FROM:	Prior Year Reserves (Land Bank reserve)	\$3,600
FOR:	Land Bank Expenses	\$3,600

5. Radon Kits

Environmental Services sells radon test kits at cost as part of its program to reduce lung-cancer risk from in-home radon exposure. This appropriation would recover kit sales for the purpose of restocking radon test kits.

FROM:	Unanticipated Revenue (radon kit sales)	\$1,986
FOR:	Radon test kit purchase	\$1,986

6. Transfer of remaining Gardens Reserve from General Fund to Cultural Services Fund (refer to item B1)

Gardens on Spring Creek was moved from the General Fund to the Cultural Services Fund. This transfers the residual assigned balance in the General Fund to Cultural Services

FROM:	Prior Year Reserves (Gardens on Spring Creek Reserve within the General Fund)	\$560,417
FOR:	Transfer to the Cultural Services Fund	\$560,417

7. Forestry Additional Revenue

Forestry had unanticipated revenue earned in 2023 and is requesting an adjustment to the budget to utilize revenues related to Payments in Lieu and Work for Others.

From 1/1/23 to 8/18/23, forestry has performed \$6,905 worth of work for others and has received \$7,215 for payments in lieu.

FROM:	Unanticipated Revenue (Payments in Lieu and Work for Others)	\$14,120
FOR:	Forestry operations	\$14,120

B. TRANSPORTATION SERVICES FUND

1. Streets Work for Others

The Planning, Development and Transportation Work for Others program is a self-supported program for all “Work for Others” activities within Streets. Expenses are tracked and billed out to other City departments, Poudre School District, CSU, CDOT, Larimer County, developers and other public agencies. The original budget of \$3.1M was an estimate based on prior years budget. Due to unanticipated projects and equipment/parts needs, and higher cost of materials, additional funding of \$1.2M is requested to cover projects through the end of 2023. Revenue for performing the work will offset the expense (expense will not be incurred if revenue is not received).

FROM:	Unanticipated Revenue (reimbursement for work done)	\$1,150,000
FOR:	Work for Others program	\$1,150,000

2. FC Moves: Open Streets Vendor Fees

Open Streets is a bi-annual FC Moves event that promotes active modes of transportation and invites folks to experience a street without cars. At Open Streets, participants can expect 1-2 miles of car-free, family-friendly streets. Participants are encouraged to Ride the Route and explore areas called “Activity Hubs”- temporary clusters of activity provided by local businesses and organizations. Vendors for Open Streets are charged \$50 if they are a non-profit, \$100 if they are a private business. For spring 2023 we had 33 private businesses and 19 non-profits join as vendors.

FROM:	Unanticipated Revenue	\$4,250
FOR:	Open Streets Program	\$4,250

3. FC Moves: SPIN Annual Payment

Per the contract between the City and Spin, Spin pays an annual fee in addition to permitting fees. These funds can be used at the City's discretion, and typically are used for projects related to the Spin program, such as E-Bikes and the Shift Your Ride TDM program. The funds have already been received.

FROM:	Unanticipated Revenue (Vendor payment (SPIN))	\$10,000
FOR	Shift Your Ride TDM Program	\$10,000

c. CAPITAL PROJECTS FUND

1. Country Club Reserve Payment-In-Lieu (Highway 1 Douglas Rd)

The City received a payment from Developer (Country Club Reserve) for payment in lieu of construction of required intersection improvements of the HWY1 and Douglas Road intersection per their development agreement.

FROM:	Unanticipated Revenue (Payment in lieu)	\$28,000
FOR:	Intersection improvements	\$28,000

2. Waterfield 4th Payment-In-Lieu (Timberline and Vine) Outfall Channel Improvements

The City received a payment in lieu of construction from the Developer (Waterfield) for outfall channel required for drainage in the amount of \$25,389.

FROM:	Unanticipated Revenue (Payment in lieu)	\$25,389
FOR:	Construction of outfall channel	\$25,389

3. Vine & Timberline Payment-In-Lieu (Waterfield 4th)

The City received a payment in lieu of construction from the Waterfield Developer for Timberline/Vine intersection improvements.

FROM:	Unanticipated Revenue (Payment in lieu)	\$254,545
FOR:	Intersection improvements	\$254,545

4. Waters Edge 2nd Payment-In-Lieu (Timberline and Vine Intersection)

The City received a payment in lieu of construction from Developer (Waters Edge 2nd filing)

for the intersection of Vine and Timberline for \$250,000 in November 2020.

FROM:	Unanticipated Revenue (Payment in lieu)	\$250,000
FOR:	Intersection improvements	\$250,000

5. Vine & Timberline Overpass Payment-in-Lieu

The City received a payment-in-lieu of construction from the Developer (Waterfield - Filing 4) in July 2023 for \$58,466 specifically to be used for the Timberline Road Realignment and Overpass Project.

FROM:	Unanticipated Revenue (Payment in lieu)	\$58,466
FOR:	Timberline Road Realignment and Overpass Project	\$58,466

6. Laporte Bridges - Salud Local Portion Payment

The Laporte Bridges capital project completed the frontage for the Salud development. The "local portion payment" from the Salud development for 215.03' of frontage at \$264/LF came to a total of \$56,768. Engineering received this payment and completed the work using prior project funding.

FROM:	Unanticipated Revenue (Payment in lieu)	\$56,768
FOR:	Laporte Bridges project	\$56,768

7. Bloom 1st Payment-In-Lieu (Timberline and Vine Intersection)

The City received a payment in lieu of \$250,000 from the developer (Bloom, Filing 1) for construction at the intersection of Vine and Timberline.

FROM:	Unanticipated Revenue (Payment in lieu)	\$250,000
FOR:	Intersection improvements	\$250,000

8. College and Cherry Railroad Crossing Replacement

The Union Pacific Railroad was mandated by the Federal Railroad Administration to complete the College and Cherry crossing replacement project in 2023 or face fines/penalties, due to a short in the wiring system between the rail and City's traffic signal interconnect. The railroad offered to cover the cost of the crossing itself (\$542k) if the City could provide traffic control and roadway paving/patching work. The total cost of the traffic control and paving was \$86k. Several unscheduled railroad crossing repair projects during 2022 and 2023 had reduced the overall railroad crossing replacement budget, leading to the need for additional funds to complete the College Ave. and Cherry St. replacement project. The difference between the project cost and remaining crossing replacement funds is approximately \$65k.

FROM:	Unanticipated Revenue (Payment in lieu)	\$65,000
FOR:	Railroad crossing replacement	\$65,000

D. TRANSPORTATION CAPITAL EXPANSION FUND

1. Transportation Capital Expansion Fund (TCEF) - Minor Reimbursements

The purpose of this offer is to allocate additional Transportation Capital Expansion Fee (TCEF) funds for the purpose of reimbursing development for the construction of eligible transportation

related improvements under the category of Minor Reimbursements (individual reimbursements under \$500,000). The TCEF Program will frequently partner with development to construct arterial and collector level roadways adjacent to the development's frontage. After eligible improvements are accepted by the City, the TCEF program will reimburse the developer for these improvements. The TCEF Program has received an initial request for a minor reimbursement for Country Club Reserve with an initial estimate of \$438,443 for the oversizing of improvements on Turnberry Road and Douglas Road. This appropriation will ensure the TCEF Program's ability to reimburse development for eligible improvements constructed in 2023.

FROM:	Prior Year Reserves	\$200,000
FOR:	Reimbursement for construction of arterial and collector level roadways	\$200,000

E. RECREATION FUND

1. Recreation Facilities Asset Management

Multiple facility maintenance and asset replacement needs have come up that impact operations and customer satisfaction with City facilities. The most urgent items include:

Blinds/shades at the Senior Center that have failed; Umbrella replacement at City Park Pool; Timing system & pads at EPIC Pool for competition practice & events; Structural engineer assessment of City Park Pool slide structure; new office space at EPIC needed due to displacement of staff from elevator project; and re-configuration of front desk/customer area at Northside Aztlan Community Center to address safety and efficiency needs.

FROM:	Prior Year Reserves	\$112,183
FOR:	Facilities Asset Management	\$112,183

F. GOLF FUND

1. Golf Facilities Maintenance

Golf has faced multiple challenges outside of normal operations this season. Please see our annual adjustment requests below. Total request is \$138,915.

- Collindale has recently experienced an increase in rogue range balls that have crossed our boundaries into other public spaces. They have hired a Range Attendant to monitor the driving range, remind golfers of the rules and prevent accidents. The range would have an attendant for an average of 12 hours per day from May through October. It will be staffed from 8:00 am until sunset. 6 months x 4.3 weeks x 7 days a week x 12 hours a day x \$17.47 per hour (includes overhead)= \$37,861 this year
- Last fall Collindale was having false alarms related to its hydrogen sensors and fire panels. Op services advised to get a new fire panel asap and was going to hold off invoicing until after the first of the year. Approximate cost to replace the panel was \$18k. However, the fire panel was back ordered and has still not arrived. In the interim, the hydrogen sensors which are tied to the fire panel have been alarming and the fire department has come and taken readings showing the whole ventilation system for the carts may be deficient. The fire department has required us to have a new alarm design

done and to assess if the ventilation is working properly, adding approximately another \$21,000. In addition, since the fire department assessment, we have been paying almost \$1400 per week to have someone watch Collindale every night on a fire watch. Requesting cleanup funding to pay for alarm design, new panels and contract labor for 12 weeks \$55,800 (\$18,000+\$21,000+(12*1400))

- In late June 2023 Southridge Golf Course experienced significant flooding in the clubhouse basement. While these repairs will eventually be reimbursed through the SRM department, it will take a significant amount of time and funding will likely not be available to spend in time for year end. Total repairs costs are \$45,254; PO 9231334 - \$15,108 and PO 9231165 - \$30,146

FROM:	Prior Year Reserves	\$138,915
FOR:	Golf Facilities Management	\$138,915

2. Golf Nature in the City Award

Nature in the City Grant was awarded in early 2023 to Southridge Golf Course for their Turf Conversion project. We've received \$11,680 to date and will receive the remaining reimbursement after the project is complete. Total grant is up to \$14,600.

FROM:	Unanticipated Revenue	\$14,600
FOR:	Turf Conversion project	\$14,600

G. PERPETUAL CARE FUND

1. Transfer from Perpetual Care Fund to Cemeteries Fund

Each year there is a budgeted amount for perpetual care to transfer to cemeteries which is entered by accounting on a monthly basis. The last two years the amount received by the perpetual care fund has been higher than budgeted, so not all money was transferred to cemeteries. This clears out the residual balance and accounting will be changing the process in these two funds moving forward.

FROM:	Prior Year Reserves (Perpetual Care Fund)	\$39,064
FOR:	Transfer to the Cemeteries Fund	\$39,064

FINANCIAL / ECONOMIC IMPACTS

This Ordinance increases total City 2023 appropriations by \$4,032,727. Of that amount, this Ordinance increases General Fund 2023 appropriations by \$1,375,547, including use of \$625,017 in prior year reserves. Funding for the total increase to City appropriations is \$2,917,548 from unanticipated revenue and \$1,115,179 from prior year reserves. The following is a summary of the items requesting prior year reserves:

Item #	Fund	Use	Amount
A2	General Fund	Manufacturing Equipment Use Tax Rebate	\$61,000
A4	General Fund	Land Bank Operational Expenses	3,600
A6	General Fund	Transfer of Remaining Gardens Reserve	560,417

E1	Transportation CEF Fund	Transportation Capital Expansion Fund (TCEF) - Minor Reimbursements	200,000
F1	Recreation Fund	Recreation Facilities Asset Management	112,183
G1	Golf Fund	Golf Facilities Maintenance	138,915
H1	Perpetual Care Fund	Transfer from Perpetual Care to Cemeteries	39,064
Total Use of Prior Year Reserves:			\$1,115,179

ATTACHMENTS

Attachment #1 – Presentation to Council Finance Committee



2023 Annual Adjustment Ordinances

Council Finance Committee – September 7, 2023

The recommended 2023 Annual Adjustment Ordinances are intended to address:

- 2023 unanticipated revenues (e.g., grants & reimbursements)
- Appropriation of unassigned reserves to fund unanticipated expenditures associated with approved 2023 appropriations
- Should be routine and non-controversial
- Items approved by the ordinance need to be spent within fiscal / calendar year 2023, unless non-lapsing in nature

City-wide Ordinances No. , 2023 increase total City 2023 appropriations by \$4,033k

- These Ordinances increase General Fund 2023 appropriations by \$1,376k, including the use of \$625k in prior year reserves. Those reserves are primarily for:
 - \$61k for Manufacturing Equipment Use Tax Rebate
 - \$560k transfer from Gardens on Spring Creek reserve within the General Fund to the Cultural Services Fund
- Funding for the total City appropriation of \$4,033k is:
 - \$2,918k from Unanticipated Revenue
 - \$1,115k from Prior Year Reserves

Funding (all values in \$k)	Additional Revenue	Prior Year Reserves	Transfers	TOTAL
General Fund	\$751	\$625	\$0	\$1,376
Transportation Services Fund	1,164	0	0	1,164
Capital Projects Fund	988	0	0	988
Transportation CEF Fund	0	200	0	200
Recreation Fund	0	112	0	112
Golf Fund	15	139	0	154
Perpetual Care Fund	0	39	0	39
GRAND TOTAL	\$2,918	\$1,115	\$0	\$4,033

Item (in \$k)	General Fund	Transportation Services Fund	Capital Projects Fund	Other	TOTAL
Partner Agency Contributions for CRISP SQL Server upgrades	\$201.4				\$201.4
Police Reimbursable Overtime	\$202.8				\$202.8
Transfer of Remaining Gardens Reserve	\$560.4				\$560.4
Streets Work for Others		\$1,150.0			\$1,150.0
Vine & Timberline Payment-In-Lieu (Waterfield 4th)			\$254.5		\$254.5
Waters Edge 2nd Payment-In-Lieu (Timberline and Vine Intersection)			\$250.0		\$250.0
Bloom 1st Payment-In-Lieu (Timberline and Vine Intersection)			\$250.0		\$250.0
Transportation Capital Expansion Fund (TCEF) - Minor Reimbursements				\$200.0	\$200.0
Sub-Total	\$964.6	\$1,150.0	\$754.5	\$200.0	\$3,069.1
All Other Recommended Items	\$411.0	\$14.3	\$233.6	\$304.8	963.6
TOTAL	\$1,376	\$1,164.3	\$988.2	\$504.8	\$4,032.7

Guidance Requested:

- What questions or feedback does the Council Finance Committee have on the 2023 Annual Adjustment Ordinances?
- Does the Council Finance Committee support moving forward with bringing the 2023 Annual Adjustment Ordinances to the full City Council on the Consent Agenda?

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Travis Storin, Chief Financial Officer
Kelly DiMartino, City Manager
Lawrence Pollack, Budget Director

Date: September 7, 2023

SUBJECT FOR DISCUSSION

2024 Budget Revision Recommendations

EXECUTIVE SUMMARY

The purpose of this agenda item is to familiarize and seek feedback from the Council Finance Committee on the City Manager's recommended revisions to the 2024 Budget before the recommendations are reviewed and discussed at the Council Work Session scheduled for September 26. Based on direction from Council, the 2024 Budget Revisions will be combined with the previously adopted 2023-24 Biennial Budget. The 2024 Annual Budget Appropriation Ordinance is scheduled for 1st Reading on October 17, follow by 2nd Reading on November 21.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- What questions or feedback does the Council Finance Committee have on the City Manager's recommended revisions to the 2024 Budget?
- Does the Council Finance Committee support moving forward with bringing the 2024 Budget Revisions to the full City Council for the September 26th work session?

BACKGROUND/DISCUSSION

OVERVIEW:

The mid-cycle Revision Process is different from the biennial Budgeting for Outcomes (BFO) process in that:

- 1) There is no broad request for new and innovative Offers. This is because we are operating within the approved 2023-24 Biennial Budget and these revisions should be exceptions based on information not known at the time the budget was adopted in 2022
- 2) Likewise, there is no review by BFO Teams or request for public engagement. However, the Executive Leadership Team and City Manager conducted a comprehensive review to determine which requests should be forwarded on for Council's consideration. Revised revenue projections and available fund reserves were carefully considered when making these recommendations.

The 2024 Budget Revisions include offers for Council's consideration based on information that wasn't available at the time the 2023-24 Budget was adopted. The following are key objectives which the Budget Revision process is intended to address:

- Matching appropriations for ongoing expenditures to current ongoing revenue estimates, if declining
- Council priorities
- High-priority projects and other needs not known at the time of the adoption of the 2023-24 Budget
- Fiduciary responsibilities & fund balance requirements

The recommended 2024 Budget Revisions meet these goals, as applicable. Recommended revisions to the 2024 Budget must also meet one of the following criteria:

- The request is specifically directed by the City Manager or City Council
- The request is related to a previously approved offer where either revenue shortfalls or unforeseen expenses are significantly impacting the delivery of that program or service

REVENUE: Overall, most significant City revenue sources are coming in at, or above, the 2023 budget. Based on year-to-date actual collections and other information, both Sales Tax and Property Tax forecasts are recommended to be increased for 2024.

Sales Tax collection through July are about \$1.0M over budget. It is estimated that the total 2023 collections will be about \$1.5M over budget, which raises the base of ongoing Sales Tax in 2024 by that same amount. Staff recommends keeping Sales Tax growth on that higher base at the 2.5% growth already included in the adopted 2023-24 Budget. This equates to about \$1.5M of new ongoing revenue for City operations in 2024. Of that amount, about \$1.1M would be available in the General Fund.

Property Tax assessments this year are seeing 25% to 35% growth, or more. This will be realized as increased Property Tax collections in 2024 over the budgeted increase of 13% already included in the 2023-24 Budget. This equates to about \$2.1M of new ongoing revenue for City operations in 2024.

2022 Year-end reserve balances have been finalized and previously shared with the Council Finance Committee. Unassigned fund balances (i.e., reserves) are available in excess of the requested amounts for the 2024 Budget Revisions.

Summary of 2024 Revenue Changes and Available Reserves

Description	General Fund - Ongoing	General Fund - 1-Time	Cultural Services	Light & Power	Water	Stormwater	Broadband	TOTAL
Summary of Revenue Changes & Reserves								
- Increased 2024 Sales Tax forecast for General Fund	\$1,110,390							\$1,110,390
- Increased 2024 Property Tax forecast for General Fund	2,100,000							\$2,100,000
- Increased 2024 Carnegie Center revenue forecast (ongoing)			25,000					\$25,000
- Available Ongoing Revenue from the 2023-24 Budget				3,200,000	360,000	1,200,000	1,159,674	\$5,919,674
- Available Reserves (1-Time, if requested)		8,100,000						\$8,100,000
- Less: 2023 Reappropriation (1-Time)		(602,754)			(52,500)			(\$655,254)
- Less: 2023 Supplemental Approps (ongoing)	(582,000)							(\$582,000)
- Less: 2023 Supplemental Approps (1-Time)		(1,125,100)						(\$1,125,100)
Subtotal of Funding Changes	2,628,390	6,372,146	25,000	3,200,000	307,500	1,200,000	1,159,674	14,892,710

The revenue and reserves above are available to fund the recommended additions to the 2024 Budget. The table below summarizes those proposed additions and Attachment #1 contains the details of those recommended offers.

Summary of 2024 Recommended Additions:

Fund / Revision Requested	FTE	Ongoing \$	One-Time \$	Total
General Fund				
Rental Housing Program with 4.0 FTE	4.00	410,950	78,750	489,700
1.0 FTE Carnegie Center for Creativity Programming	1.00	114,899		114,899
Municipal Court Services - 1.0 FTE Deputy Court Clerk II	1.00	73,000	18,000	91,000
Municipal Court Services - Technology	-	189,201	146,410	335,611
Additional Prosecution Staff	1.00	195,197	19,472	214,669
Waste Contracting Operating Budget plus 2 FTE	2.00	309,014	-	309,014
Bringing the operations of the TRC in-house plus 3 FTE	3.00	299,564	311,476	611,040
Encampment cleaning and prevention additional funds	-	111,000	-	111,000
Expansion of the Enterprise Service Management (ESM) System	-	68,500	87,500	156,000
Household Hazardous Waste	-	-	114,240	114,240
Total General Fund	12.00	\$1,771,325	\$775,848	\$2,547,173
Cultural Services & Facilities				
1.0 FTE Carnegie Center for Creativity Programming	-	25,000	-	25,000
Total Cultural Services & Facilities Fund	0.00	\$25,000	\$0	\$25,000
Light and Power Fund				
Debt service for 2023 Bond Issuance	-	2,954,708	-	2,954,708
Total Light and Power Fund	0.00	2,954,708	0	2,954,708
Water Fund				
Poudre Instream Flows Plan: Early Design and Cost Estimating Phase	-	-	60,000	60,000
Total Water Fund	0.00	0	60,000	60,000
Stormwater Fund				
Encampment cleaning and prevention additional funds	-	64,000	-	64,000
Household Hazardous Waste	-	-	89,760	89,760
Total Stormwater Fund	0.00	\$64,000	\$89,760	\$153,760
Broadband Fund				
Debt service for 2023 Bond Issuance	-	1,159,674	-	1,159,674
Total Broadband Fund	0.00	\$1,159,674	\$0	\$1,159,674
TOTAL ALL FUNDS	12.00	5,974,707	925,608	6,900,315

After netting out the proposed additions, fund balances are still strong and well above minimum fund balance requirements.

Summary of Available Reserves and Revenue after Recommended Additions

Description	General Fund - Ongoing	General Fund - 1-Time	Cultural Services	Light & Power	Water	Stormwater	Broadband	TOTAL
Available Revenue and Reserves	2,628,390	6,372,146	25,000	3,200,000	307,500	1,200,000	1,159,674	14,892,710
2024 Budget Revision Requests								
- Ongoing Requests	(1,771,325)		(25,000)	(2,954,708)		(64,000)	(1,159,674)	(5,974,707)
- One-Time Requests		(775,848)			(60,000)	(89,760)		(925,608)
Total of 2024 Revisions	(1,771,325)	(775,848)	(25,000)	(2,954,708)	(60,000)	(153,760)	(1,159,674)	(6,900,315)
Net Impact (positive = available)	\$857,065	\$5,596,298	\$0	\$245,292	\$247,500	\$1,046,240	\$0	N/A

The 2024 Budget Revisions allow the City to include a small number of additional budget requests to the 2024 Budget, which address Council priorities that benefit our community.

In addition to the recommended budget revisions, there are a few other administrative changes for the 2024 Budget, as follows:

- 1) Modification to 2023-24 Offers 14.4 and 17.1: After the budget was completed, an organizational staffing decision was made to move the Network Engineers from Broadband back to central Information Technology (IT). This removes the need for the transfer of money from IT to Broadband. Instead of being transferred, those funds will now be used to pay the personnel expenses within IT.
 - a. There is no change in expenses for IT
 - b. The removal of the transfer of funds impacts Broadband by reducing the associated transfer revenue and the previously budgeted expenses in the same amount of \$835 for no net financial impact.
- 2) Modification to 2023-24 Offer 15.6: Police District One is located on the first floor of the Civic Center Parking Structure. In April 2022 when the budget offer was submitted, the building was owned by Post Modern Development, with a rent of \$84k for 2024. In December of 2022, the Civic Center Parking Structure was purchased by the City. Now that the City owns the building, there is no longer any rent to be paid for this facility.
 - a. The removal of the transfer of funds impacts Operations Services by reducing the associated transfer revenue and the previously budgeted expenses in the same amount of \$84k for no net financial impact.
- 3) Modification to 2023-24 Offer 1.42: This offer to update the Water Efficiency Plan was approved for \$100k in 2023 and \$150k in 2024. A Colorado Water Conservation Board (CWCB) grant for this effort was awarded and appropriated with Ordinance No. 34, 2023, thus the \$150K in 2024 no longer needs to be appropriated.
 - a. That budgeted amount of \$150k will remain in Water Fund reserves for future use, as approve by City Council

ATTACHMENTS

Attachment 1 – PDF with 2024 Budget Revision narratives

Attachment 2 – Presentation with 2024 Budget Revisions_CFC 7 September 2023



Council Finance Committee

2024 Budget Revisions

September 7, 2023



2024 Budget Revision Requests

Fund / Revision Requested	FTE	Ongoing \$	One-Time \$	Total
General Fund				
Rental Housing Program with 4.0 FTE	4.00	410,950	78,750	489,700
1.0 FTE Carnegie Center for Creativity Programming	1.00	114,899		114,899
Municipal Court Services - 1.0 FTE Deputy Court Clerk II	1.00	73,000	18,000	91,000
Municipal Court Services - Technology	-	189,201	146,410	335,611
Additional Prosecution Staff	1.00	195,197	19,472	214,669
Waste Contracting Operating Budget plus 2 FTE	2.00	309,014	-	309,014
Bringing the operations of the TRC in-house plus 3 FTE	3.00	299,564	311,476	611,040
Encampment cleaning and prevention additional funds	-	111,000	-	111,000
Expansion of the Enterprise Service Management (ESM) System	-	68,500	87,500	156,000
Household Hazardous Waste	-	-	114,240	114,240
Total General Fund	12.00	\$1,771,325	\$775,848	\$2,547,173
Cultural Services & Facilities				
1.0 FTE Carnegie Center for Creativity Programming	-	25,000	-	25,000
Total Cultural Services & Facilities Fund	0.00	\$25,000	\$0	\$25,000
Light and Power Fund				
Debt service for 2023 Bond Issuance	-	2,954,708	-	2,954,708
Total Light and Power Fund	0.00	2,954,708	0	2,954,708
Water Fund				
Poudre Instream Flows Plan: Early Design and Cost Estimating Phase	-	-	60,000	60,000
Total Water Fund	0.00	0	60,000	60,000
Stormwater Fund				
Encampment cleaning and prevention additional funds	-	64,000	-	64,000
Household Hazardous Waste	-	-	89,760	89,760
Total Stormwater Fund	0.00	\$64,000	\$89,760	\$153,760
Broadband Fund				
Debt service for 2023 Bond Issuance	-	1,159,674	-	1,159,674
Total Broadband Fund	0.00	\$1,159,674	\$0	\$1,159,674
TOTAL ALL FUNDS	12.00	5,974,707	925,608	6,900,315

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Rental Housing Program		
Outcome:	NLSH (Neighborhood Livability & Social Health)	Contact:	Marcy Yoder
Svc Area:	Planning, Dev & Transportation	Related Offer #:	n/a
Department:	Comm Dev & Neighborhood Svcs	Capital?	No
Choose Primary Strategic Objective:	NLSH 1.1 - Increase housing supply and choice and address inequities in housing to ensure that everyone has healthy, stable housing they can afford.		
How does Offer Support Primary Strategic Objective:	Addresses rental protections outlined in the Housing Strategic Plan with the intent of increasing healthy, stable housing for renters.		
Performance Measure(s) & Explanations:	<p>#1 A performance measure has not yet been created, see explanation below for the proposed metric, if this Enhancement offer is funded</p> <p>Explanation:</p> <p>staff will develop performance measures that ensure timely and appropriate service delivery i.e. response times, completion rates, etc., and indicators of program outcomes</p>		

Offer Description:

This revision offer will support the continuation of program implementation activities for the Rental Housing Program approved by City Council in June 2023. It includes staffing and resources for registering all long-term rentals; improvements to the complaint-based rental inspection system and system; and improving education and outreach efforts for landlords and renters. This offer was scaled from \$615K and 6.5 FTEs (1 rental manager, 1.5 inspectors, 2.5 engagement specialist, 1.5 Admin/Tech) to \$490K and 4 FTEs (rental housing manager, inspector, engagement specialist, and Admin/Tech) which includes \$69K for contracting additional support for culturally competent community engagement and Admin/Tech support for rental registration. The 4.0 FTEs align with the Council approved appropriation in 2023. Scaling the offer may impact the implementation and cost recovery timeline; it will limit additional support for mediations; and may impact response times for complaint-based rental inspections if volumes continue to increase.

The proposed Rental Housing Program fee structure is designed to cover all administrative costs as projected for the first five years of implementation. Full implementation of the program is expected in early 2025.

Expense Fund(s):		Ongoing	One-Time	Total
1)	100 - General Fund	\$410,950	\$78,750	\$489,700
	Total	\$410,950	\$78,750	\$489,700

FTE (if part of the offer, identify the position and salary):

#	Title		
1.00	Program Manager	Salary	\$90,000
1.00	Lead Rental Inspector	Salary	\$80,000
1.00	Engagement Specialist - Landlords	Salary	\$65,000
1.00	Admin Tech	Salary	\$50,000

Funding Source(s):		Ongoing	One-Time	Total
1)	100-General Fund: Reserves	\$410,950	\$78,750	\$489,700
	Total	\$410,950	\$78,750	\$489,700

City of Fort Collins

2024 Revision - Offer Request/Reduction Form



Offer Name:	1.0 FTE Carnegie Center for Creativity Programming		
Outcome:	C&R (Culture & Rec)	Contact:	Jim McDonald
Svc Area:	Community & Operation Services	Related Offer #:	50.9
Department:	Cultural Services	Capital?	No
Choose Primary Strategic Objective:	CR 2.3 - Expand opportunities to engage in arts and cultural programming throughout the community.		
How does Offer Support Primary Strategic Objective:	This offer supports the reopening of the Carnegie Center for Creativity, as an accessible and affordable creative space it is key to expanding cultural opportunities for the entire community. The FoCo Creates Arts & Culture Master Plan specifically had the following action item "... capitalize on the renovation of the Carnegie Center for Creativity in 2024, developing the faacility into a hub for community cultural organizations and creative industries."		
Performance Measure(s) & Explanations:	#1	CR 14. Carnegie Cultural Center facility usage (# of weeks gallery rented)	
		Explanation:	
		We will ultimately change the measure slightly to reflect total cumulative participation.	

Offer Description:

Funding this offer will support the reopening of the Carnegie Center for Creativity (CCC) in the summer of 2024 after a significant \$6.2 M renovation. The CCC closed in 2020 due to the COVID 19 pandemic. It was decided to keep it closed through 2021 and begin necessary and planned ADA and other updates including installing a new elevator. Additionally, with the passing of the 2015 Community Capital Improvement Program ballot measure, the CCC was scheduled for a major renovation beginning in 2024. With the building closure and the elevator construction underway, staff recommended and City Council supported commencing the larger renovation work in 2022 to leverage the current situation and minimize future closure time at the CCC. To support the renovation, staff has been successful in raising over \$2.9M as of mid-June. \$2.4M from Colorado Creative Industries, \$214K from the Downtown Development Authority, \$200K from the Bohemian Foundation, \$50K from a community member, \$25K from the Gates Family Foundation and \$25K grant from El Pomar Foundation.

The CCC is a creative reuse of the historic 1904 Carnegie library building in Library Park. The CCC is one of the very few facilities in the Fort Collins area that offers affordable exhibition, performance, and special event space. An important publicly accessible facility and a significant historic building, the CCC is one of the few exhibition and event spaces open to the community to produce their own events or co create events.

To capitalize on the reopening and to position the facility as an affordable and accessible asset for the entire community, the department is requesting support for 1.0 Classified FTE who would coordinate activity, hourly employee support to safely run the facility (there should always be two employees in the building) and programmatic funds to support community activation. The CCC will be supported by the expertise of other Cultural Services facilities and programs, including Fort Collins Museum of Discovery to advise on programming, The Lincoln Center for special event management, and the Visual Arts Program to support the gallery program and produce related activity.

Additional Information

- Central to the FoCo Creates Arts & Cultural Master Plan is Goal 1 "Through the arts, foster an inclusive and equitable cultural and creative community that represents all residents." Goal 3 of the Plan includes – Community Engagement – "Enhance the City's cultural

City of Fort Collins

2024 Revision - Offer Request/Reduction Form



Offer Name: 1.0 FTE Carnegie Center for Creativity Programming

facilities and city-wide programs to address community growth and demand, supporting the community's vibrancy and health."

- Goal 3 is followed by Strategy 3.1 "Provide and operate a variety of cultural facilities that support current and future needs of the community." And then Action 3.1b "Explore opportunities to capitalize on the renovation of the Carnegie Center for Creativity in 2024, developing the facility into a hub for community cultural organizations and creative industries."
- When it reopens, the CCC will also be supported by other Cultural Services facilities and programs, including Museum of Discovery, Visual Arts and The Lincoln Center. The goal is to utilize the strong connections these programs have in the greater community, including with nonprofit partners, to specifically engage with underrepresented communities, and to further the CCC as a welcoming place for all.
- Though designed to be affordable, there is still a need for some rental revenue to support operations. The programmatic support requested is to specifically lowers the barrier for people and nonprofit or community organizations in accessing the facility and to support co-creation.
- The utilization of the CCC as a centralized creative center was supported by the City Council adopted Fort Collins Downtown Plan (Policy AC 2c) in 2017. The Fort Collins City Plan, adopted in 2019, outlines Policy CR 1.3 - Community Engagement – "Enhance the City's cultural facilities and citywide programs to address community growth and demand, supporting the community's vibrancy and health."

		Ongoing	One-Time	Total
Expense Fund(s):	1) 273 - Cultural Services & Facilities	\$139,899		\$139,899
	Total	\$139,899	\$0	\$139,899

FTE (if part of the offer, identify the position and salary):

#	Title	Salary
1.00	Sr. Coordinator, Public Engagement	\$55,896

		Ongoing	One-Time	Total
Funding Source(s):	1) 273-Cultural Services Fund: Ongoing Revenue	\$25,000		\$25,000
	2) 100-General Fund: Ongoing	\$114,899		\$114,899
	Total	\$139,899	\$0	\$139,899

City of Fort Collins

2024 Revision - Offer Request/Reduction Form



Offer Name:	Municipal Court Services - 1.0 FTE Deputy Court Clerk II		
Outcome:	SAFE (Safe Community)	Contact:	Jill Hueser/Patty Netherton
Svc Area:	Judicial Services	Related Offer #:	68.9
Department:	Municipal Court	Capital?	No
Choose Primary Strategic Objective:	SAFE 5.9 - Provide innovative municipal court services that balance accountability and compassion along with ever-changing state regulations.		
How does Offer Support Primary Strategic Objective:	Municipal Court continues to develop restorative programing, improve efficiency, increase accessible communication and virtual options, and adjust to new state regulations. Customer service needs increase with the complexity of the Court's judicial processes. As this Court continues to grow and take on new caseloads, improve services, comply with new legislation, provide multiple communication options, offer online resolution options, and complete accurate case management, the Court needs appropriate staffing to complete this critical work.		
Performance Measure(s) & Explanations:	#1	SAFE 12. Municipal Court Caseload	
		Explanation:	
		The first chart states the total number of cases, both general and CR/RL that the Court completed during each year. The second and third charts break down the amount of work completed on each case for each caseload. Cases filed in Municipal Court can be simple with little direct interaction with staff, or very complex with multiple interactions and follow-up for a year or more.	
	#2	SAFE 94. Municipal Court - The Right Track (formerly Special Agency Sessions)	
		Explanation:	
		None given	

Offer Description:

This offer is to fund one additional 1.0 FTE Deputy Court Clerk II and some costs associated with on boarding a new employee (computer equipment, software licenses) for the Municipal Court. City Council requested that the Chief Judge submit this offer during the 2024 BFO Revision process. This offer originally included two 1.0 FTE Deputy Court Clerks but has been reduced to one based on anticipated efficiencies from a new case management system.

In 2022, the Court processed approx. 28,000 cases between the general and Camera Radar/Red Light caseloads. Case processing includes customer interactions in-person/virtual/email, data entry, payments, processing motions, scheduling hearings, addressing failures to appear/pay/comply with conditions, DMV reporting, virtual and in-person hearings, CCIC warrant entry/QA/clearance, records requests, defense counsel hearings, courtroom clerk duties, and document management. Fort Collins Police Services increased use of Camera Radar/Red Light systems in 2023 and plans an increase in 2024, leading to a substantially increased caseload.

During the 2022 and 2023 State Legislative sessions, several new laws were created that have impacted the Municipal Court. New requirements for online remote access to all court hearings regardless of whether the hearings are held virtually or in-person, full compliance with accessibility standards which includes documents, emails, and other types of communication, and the automatic sealing of all misdemeanor/petty offense type cases that are dismissed/acquitted are examples of new laws which require the Court to have the appropriate number of staff members to ensure proper compliance.

The Court continues to increase its problem-solving focus by implementing additional alternative programing including a new treatment program (Drug Court) and mental/substance use diversion partnering with UC Health later this year. These programs require a lot of staff resources.

City of Fort Collins

2024 Revision - Offer Request/Reduction Form



Offer Name: Municipal Court Services - 1.0 FTE Deputy Court Clerk II

The Court offers weekly virtual hearing options which are held simultaneously with in-person hearings. Zoom hearing increase access for individuals with transportation, childcare, work, or other obstacles which hinder court appearances. Due to a new state law, in-custody video arraignments were increased to three times a week. The Court needs enough staff to cover both types of hearing options and the addition of new weekly hearings.

The Court is unable to provide quality customer service with the current staffing level. Reduced and or eliminated telephone customer service and 72-hour or longer response time to customer emails is the norm for the Clerks' Office. Long term effects on the quality of customer service, the ability for staff members to participate in City-wide programs, take leave, and especially employee retention are examples of lean staffing practices.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 100 - General Fund	\$73,000		\$73,000
	2) 100 - General Fund		\$18,000	\$18,000
	Total	\$73,000	\$18,000	\$91,000

FTE (if part of the offer, identify the position and salary):

#	Title	Salary
A013	Deputy Court Clerk II	\$50,920

		Ongoing	One-Time	Total
Funding Source(s):	1) 100-General Fund: Ongoing	\$73,000		\$73,000
	2) 100-General Fund: Reserves		\$18,000	\$18,000
	Total	\$73,000	\$18,000	\$91,000

City of Fort Collins

2024 Revision - Offer Request/Reduction Form



Offer Name:	Municipal Court Services - Technology		
Outcome:	SAFE (Safe Community)	Contact:	Jill Hueser/Patty Netherton
Svc Area:	Judicial Services	Related Offer #:	68.8
Department:	Municipal Court	Capital?	No
Choose Primary Strategic Objective:	SAFE 5.9 - Provide innovative municipal court services that balance accountability and compassion along with ever-changing state regulations.		

How does Offer Support Primary Strategic Objective:	Municipal Court continues to develop programming, improve efficiency, increase accessibility options, and adjust to new state regulations. An updated technology system will create an enterprise resource platform for use by the Court, City Clerk's Office, Parking Services, Camera Red Light program, and the City Attorney's Office for years into the future. As this Court continues to grow and take on new caseloads, improved services, regulation compliance, multiple communication options, online resolution options, and complete accurate case management, adoptive modern technology is a high priority for this department.
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Performance Measure(s) & Explanations:

#1	SAFE 12. Municipal Court Caseload
	Explanation:
	The first chart states the total number of cases, both general and CR/RL that the Court completed during each year. The second and third charts break down the amount of work completed on each case for each caseload. Cases filed in Municipal Court can be simple with little direct interaction with staff, or very complex with multiple interactions and follow-up for a year or more.
#2	SAFE 94. Municipal Court - The Right Track (formerly Special Agency Sessions)
	Explanation:
	None given

Offer Description:

This offer is for additional funding needed by the Court to purchase a new case management system. The use of technology within the judicial world is ever increasing. Zoom, WebEx, Online Dispute Resolutions, online payment systems, electronic files, electronic signatures, ADA compliance, e-citations, e-filings, remote public access to all hearings, public portal options, and integrations with State and local agencies are critical to the functionality and efficiency of a court. The Court's current system is missing and out of compliance with several of these critical functionalities and does not have current plans to add these additional products. The Chief Judge's caseload has files from different City offices who all use different case management systems, some built in-house. This adds a level of inefficiency and disorganization that will be mitigated once all departments are using the same system.

During the 2022 and 2023 State Legislative sessions, several new laws were created that have impacted the Municipal Court. New requirements for online remote access to all court hearings regardless of whether they are held virtually or in-person, full compliance with accessibility standards which includes documents, emails, and other types of communication, increased in-custody video arraignments, and the automatic sealing of all misdemeanor/petty offense type cases that are dismissed/acquitted are examples of new processes that the Court can't easily if at all accommodate with its current technology.

During the 2023-2024 BFO process, the Court received ARPA funds (\$225,000) to purchase a new system. The amount requested through BFO was based on the average cost of a new system according to the responses received during the RFI process which was

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name: Municipal Court Services - Technology

completed in 2021. In 2021, 2022, and 2023 new state regulations were passed that had significant impacts on the development of the final RFP created by the Court in 2023. As a result, the Court received fewer proposals all with higher one-time and on-going costs. After careful consideration of the proposals received, we would like to award the contract for the new system to Tyler Technologies who is also the vendor for Fort Collins Police Services e-citation system. Their product has all the capabilities that we need now and well into the future. Their government enterprise solution can be used by the City Clerk's Office for liquor and marijuana licensing, Parking Services for case management, Camera Radar/Red Light enforcement, future specialized programing, and the increasing case demand. The system is subscription based with unlimited licenses and future updates/modules are included in the subscription price. The Court will need \$146,410 in one-time funding to implement the system. This is in addition to the \$225,000 in ARPA funding already received. Additionally, the Court will need a total of \$189,201 in recurring annual maintenance costs for the system.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 100 - General Fund		\$146,410	\$146,410
	2) 100 - General Fund	\$189,201		\$189,201
	Total	\$189,201	\$146,410	\$335,611

		Ongoing	One-Time	Total
Funding Source(s):	1) 100-General Fund: Reserves		\$146,410	\$146,410
	2) 100-General Fund: Ongoing	\$189,201		\$189,201
	Total	\$189,201	\$146,410	\$335,611

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Added Prosecution Resources		
Outcome:	SAFE (Safe Community)	Contact:	Carrie Daggett
Svc Area:	Legal Services	Related Offer #:	74.1.
Department:	City Attorney's Office	Capital?	No
Choose Primary Strategic Objective:	SAFE 5.1 - Improve overall community safety while continuing to increase the level of public trust and willingness to use emergency services.		
How does Offer Support	See Attachment CAO		
Performance Measure(s) & Explanations:	#1	SAFE 110. City Attorney Monthly Arraignment Data	
		Explanation:	
		There are many elements of the Prosecution function and arraignments are continuous and represent a high volume of work for the Prosecutors. The trends in this data reflect one element of this evolving workload.	
	#2	A performance measure has not yet been created, see explanation below for the proposed metric, if this Enhancement offer is funded	
		Explanation:	
		We are working to identify data produced by the system that would represent the trends and performance of the Prosecution team.	
Offer Description:	See Attachment CAO		

		Ongoing	One-Time	Total
Expense Fund(s):	1) 100 - General Fund	\$195,197	\$19,472	\$214,669
	Total	\$195,197	\$19,472	\$214,669

FTE (if part of the offer, identify the position and salary):

#	Title	Salary
1.00	Assistant City Attorney II G002-012	\$108,000

		Ongoing	One-Time	Total
Funding Source(s):	1) 100-General Fund: Ongoing	\$195,197		\$195,197
	2) 100-General Fund: One-time Revenue		\$19,472	\$19,472
	Total	\$195,197	\$19,472	\$214,669

Attachment #CAO Offer request and narratives.

Offer Name: Added Prosecution Resources

Outcome: SAFE (Safe Community)

Service Area: Legal Services

Department: City Attorney's Office

Primary Strategic Objective: SAFE 5.1 - Improve overall community safety while continuing to increase the level of public trust and willingness to use emergency services.

How does Offer Support Primary Strategic Objective:**Summary:**

The CAO represents the City in all legal proceedings, including heavy and increasing caseloads in Municipal Court. Prosecution workload is directly affected by City enforcement activities, including programs such as red light and speed cameras, nuisance code enforcement and the increase of homelessness related crimes such as trespass and depositing rubbish. Expanding Court programs and proceedings also require continued increases in prosecution resources to adequately represent the City in the court process.

These Prosecutor functions are very time sensitive and critical to the completion of the enforcement process for City laws and legal requirements. Adequate resources for Prosecution are necessary to give effect to the City's investments in regulatory programs, enforcement resources and Court resources and programs.

Explanation:

All defendants have a right to speedy trial within 91 days, so the cases must be resolved in a short time frame. Prior to trial the Prosecutors must review the case and evidence, attend arraignments, and meet with the defendant and attorneys, make plea offers, review and respond to motions, prepare for and conduct hearings and trials, prep witnesses, prepare plea paperwork for thousands of cases a year. In addition to daily court settings the Prosecutors must also attend meetings, conduct legal research, advise liquor, marijuana enforcement and other code enforcement divisions of the City, participate in treatment courts, and many other important tasks related to the administration of justice on behalf of the City.

The Prosecution team represents the City in all Municipal Court proceedings, which are scheduled by the Court and presided over by the Chief Municipal Court Judge or one of the numerous Assistant Judges and/or Referees who cover the daily court docket. Many days there are multiple court settings being conducted simultaneously in front of the Municipal Court Judge, Assistant Judges, and/or Referees. The daily court obligations require multiple prosecutors to handle several hundred cases each week. The Prosecution team is required to attend court everyday Monday-Friday throughout the year in order to prosecute cases on behalf of the City.

Based on these legal requirements the CAO must provide sufficient staffing to cover the variety of Municipal Court obligations every day and if this function is not adequately staffed, other attorneys in CAO must be pulled away from their work with other City departments, programs and projects to

accommodate whatever is required to meet the time sensitive and daily court settings. The number of arraignments alone exceeds 150 each week.

Offer Description:

Summary:

This offer funds a prosecutor position and provides the start-up expenses for a new prosecutor to effectively function, as well as ongoing associated costs, such as purchase and maintenance of a software license to access the Court's system.

Historically, The CAO used an ongoing part-time contractual prosecutor position to manage workload for the Prosecution team. In mid-2023 when the contractual position was vacant due to a retirement, a full-time position was created and filled, in order to begin to address the various demands noted above. This offer would allow continuation of the full-time position while resuming the use of the contractual position.

This offer funds resources that are intended to meet the currently known demands. While we anticipate the demands will continue to grow in the coming months and years, it is difficult to predict the impacts to Prosecution of the various expansions and changes. We will continue to monitor and request adjustments to reflect the needs as they become evident.

Additional Explanation:

With ongoing evolution in the system of criminal and civil enforcement under the City Code, the Prosecution role has continued to grow and change. The effects of prior changes to state law, which have added new mandatory requirements, such as increasing the number of cases that qualify for court-appointed defense counsel, continue to make cases more time consuming for not only the Court but also the Prosecutors who continue to do an increasing number of pre-trial conferences with defense attorneys. Pursuant to recently changed state law, bond hearings must be held within 48 hours of arrest. To comply with the law, Municipal Court bond hearings have increased by 50% which has increased prosecution time to prepare for the additional hearings each week. Prior to each bond hearing, the Prosecutors must review charges, reports, evidence, criminal history of the defendant, consider appropriate plea offers and make recommendations for bond.

In addition, the continued increase in the use of body camera videos and the time involved in reviewing a high volume of videos in connection with the rising number of cases coming through Municipal Court have drastically increased the work involved in reviewing evidence in cases.

With increased caseloads and special programs, the Court has expanded the use of assistant judge time to conduct an additional docket of Court proceedings on Wednesdays. This additional court time has substantially increased the amount of prosecutor time required for simultaneous tasks and fulfilling court obligations. Simultaneous dockets and special programs in multiple settings require more overlapping prosecutor hours to accomplish all the work that goes into each case, court setting, and hearing, more of the time. Non-jury trial is also set simulations to regular dockets, which require the Prosecutors to further prepare witnesses, exhibits, and testimony during the same time as other court appearances.

The Prosecution team is instrumental in the function and success of The Right Track program, which supports persons experiencing homelessness, and other alternatives in responding to violations of the Code. Prosecutors analyze cases and evidence, identify defendants who are appropriate for the program, consult with probation, and once a person is in the program prosecutors continue to work closely with Police, Code Enforcement, other special commissioned officers, and the court to manage compliance and enforcement issues and develop strategies for effective approaches to address priority concerns.

Other expanded special court programs, such as traffic circles, also continue to strain the Prosecution resources available to keep up with the current case load. As further expansion of Court programs and services occurs, this will also further increase the time required to complete each prosecution. Specifically, we anticipate we will have additional future needs not addressed in this offer as a result of the addition of drug court and other specialty and expanded Courts.

The need for direct legal support to specialized teams such as the Public Nuisance Ordinance team and the Homeless Outreach and Proactive Engagement (HOPE) team has also grown. With recent law changes and staff programming, the Prosecution team dedicates approximately 30 hours (about 0.75 of one Prosecutor FTE) per week to these two initiatives. The Prosecutors meet regularly with staff, Police, and others on the teams to identify ongoing trends and concerns, discuss ways to address the needs of the teams, and provide legal research, guidance, and support regarding enforcement efforts, as well as write letters for enforcement actions, all prior to being cited with a violation and following prosecution and court disposition of violations.

The 2023-2024 budget included funding for Police Services and Municipal Court to enable substantial increases in the red-light camera/camera radar program. In the first 6 months of 2023, the total red-light/camera radar tickets issued exceeded 10,900. With the two new redlight intersections going online in early September along with the two new operational radar vans, citations issued will drastically increase. Prosecutors must respond to motions filed by defendants within 7 days. The Prosecutors must review the documentation and video evidence, ensure equipment and signage are in compliance with operational standards, review and respond to motions, and prepare for and prosecute each trial that is set.

In addition, there have been dramatic increases in the number of Building Energy and Water Score (BEWS) enforcement cases (from 150 violations in the first full enforcement year of 2022 to an expected 400 in 2023). The increase in BEWS citations will add additional dedicated BEWS dockets to the upcoming court calendar where Prosecutors will need to meet with defendants, assess compliance, and handle cases in front of a Referee assigned by the court.

Finally, there has also been an increase in the number of parking enforcement appeals reviewed and managed that have further strained the resources of the Prosecution team. The Prosecutors must respond to all parking appeals by reviewing evidence and citations, defendant parking history, and respond in writing to the request to dismiss or reduce charges within 7 to 10 days of when each appeal that is filed.

All of these increasing demands have created more pressure to maintain adequate Prosecution team capacity. This offer is designed to keep us with the changes that are already occurring and to meet the needs of the current systems and programs.

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Waste Contracting Operating Budget plus 2 FTE		
Outcome:	ENV (Environmental Health)	Contact:	Lindsay Ex/Megan DeMasters
Svc Area:	Sustainability Services	Related Offer #:	
Department:	Environmental Services	Capital?	No
Choose Primary Strategic	ENV 4.3 - Accelerate efforts to achieve 2030 zero waste goals.		
How does Offer Support Primary Strategic Objective:	The Contracted Residential Waste Collection Program enable actions essential to meeting Fort Collins' adopted goal to produce zero waste by 2030 by increasing recycling efforts and also by increasing the diversion of yard trimmings city-wide.		
Performance Measure(s) & Explanations:	#1	ENV 10. Community solid waste diversion rate	
		Explanation:	
		Offer supports residents in increasing recycling and reducing waste material that otherwise would be sent to landfills for disposal.	
	#2	ENV 12. Tons of community recycled or composted materials, including cardboard	
		Explanation:	
		Offer supports increased diversion of yard trimmings from landfill by including yard waste collection for all residents from April-November	

Offer Description:

This offer funds the City Residential Waste Collection Program which was adopted by Council on second reading April 18, 2023. The program enables actions essential to meeting Fort Collins' adopted goal to produce zero waste by 2030 and also aligns with several adopted plans and other Council priorities. Those plans include: Our Climate Future, Big Move 2: Zero Waste Neighborhoods, City Plan, Principle ENV 5: Create a Zero Waste System, Strategic Plan, and Environmental Health 4.3 Zero Waste

This offer supports additional funding needed for start-up costs related to creating the contracted waste collection program and is an extension of ordinance 056, 2023 which appropriated prior year reserves to support these costs. Costs include personnel and programmatic expenses necessary to administer the program. Moving forward an administrative fee of \$1.35 per household per month will be collected to recover the City's costs of administering the Program when the program begins on 9/30/2024.

Additional information:

- Note: In the materials accompanying the 2023 Contracting program adoption and related 2023 appropriation, staff presented estimated costs for 2024. Those estimates represented net costs of the program (i.e. costs less revenue). This offer lists all funds requiring appropriation and thus is a higher dollar amount than shown in April materials. This offer also appropriates anticipated revenue - making the net cost roughly equivalent to the 2024 number presented previously. Funding is in the General Fund, dependent on Waste Contracting Fee Revenue.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 100 - General Fund	\$309,014		\$309,014
	Total	\$309,014	\$0	\$309,014

FTE (if part of the offer, identify the position and salary):

#	Title	Salary
1.00	Lead Specialist - Classified	\$114,269
1.00	Sr. Specialist - Classified (staggered hire dates Jan, July, Oct)	\$99,205

		Ongoing	One-Time	Total
Funding Source(s):	1) 100-General Fund: Ongoing	\$309,014		\$309,014
	Total	\$309,014	\$0	\$309,014

City of Fort Collins

2024 Revision - Offer Request/Reduction Form



Offer Name:	Bringing the operations of the TRC in-house		
Outcome:	ENV (Environmental Health)	Contact:	Lindsay Ex/Jacob Castillo
Svc Area:	Sustainability Services	Related Offer #:	
Department:	Environmental Services	Capital?	Yes
Choose Primary Strategic Objective:	ENV 4.3 - Accelerate efforts to achieve 2030 zero waste goals.		
How does Offer Support Primary Strategic Objective:	The Timberline Recycling Center (TRC) is a key piece of community recycling infrastructure, especially for those who may not have convenient access to recycling service at their home. Bringing TRC operations fully in house supports more recycling due to more direct influence over the materials accepted, customer service training, and the ability to pilot equity and inclusion practices which can help bring more people to the site.		
Performance Measure(s) & Explanations:	#1	ENV 10. Community solid waste diversion rate	
		Explanation:	
		Tons of materials recycled at the Timerblne Recycling Center.	

Offer Description:

"This Offer will fund initial steps to bring the operations of the Timberline Recycling Center in-house, including:

- Purchasing truck to haul materials
- Purchasing equipment for Hard-to-Recycle Yard site operations (e.g. bins, front-loader, etc.)

* 3 FTE plus incidental & training costs (PIs note, 2024 FTE costs reflect partial costs only based on staggered hiring dates. Fully loaded cost for FTE will increase by approx 145k in 2025)

Background: The City's recycling drop-off center was created in 2001 and accepted only everyday recyclables (bottles, cans, paper, etc.) This facility on Riverside Avenue behind the Rivendell school became a fixture in the community and was well used for many years. In 2017, the equipment from the recycling center was moved to 1903 S. Timberline Road and the site was expanded to also include a Hard to Recycle Materials yard; both halves together are now the Timberline Recycling Center. Since moving to its current location, the Hard-to-Recycle Yard has been operated by a contractor that also hauls materials from both sides of the site.

Project details: Staff has identified a pathway to initiating City operation of the site by late 2024, with continued hauling by the current vendor until the delivery of the City's own hauling truck (estimated to arrive in mid-2025). Bringing the TRC fully in-house on this accelerated timeline is projected to cost an estimated:

- \$311,476 in one-time capital costs for equipment (current hard to recycle equipment is owned by the contractor)
- \$236,040 for operating costs (e.g. staffing/safety training/Lease Purchase) during the transition period (2.0 FTE; July start date, and 1.0 FTE; November start date)

Impact: The Timberline Recycling Center is visited by over 400 recyclers per day. This offer ensures the City's goals for this well-loved community resource will be more directly within the City's control, allowing flexibility for piloting new materials, ways to make the site more welcoming, accessible and inviting, and update safety and customer service practices.

City of Fort Collins

2024 Revision - Offer Request/Reduction Form



Offer Name: Bringing the operations of the TRC in-house

Additional Information

- This offer is for both equipment that will be ordered in 2024 and likely delivered in 2025 and for operations staff in 2024.
- Due to long ordering lead times, it's important to fund these components in the 2024 midcycle process to avoid delays in transferring to City operations.
- Existing site operations and maintenance costs for the portion of the site already operated by the City are funded through Ongoing Offer 32.6. Additional personnel incidentals, safety training, and lease purchases costs were added as needed.
- Council Finance Committee has reviewed this change in operations for the site and supported staff's recommendation to submit an Offer to the Revision Process.
- Waste Reduction and Recycling staff are developing the Sustainable TRC Plan, which includes a fresh look at TRC operations and to plan for the next five years.

NOTE: This offer may need to scale down as staff confirms operational details and transition timing. This offer recognizes the request from Council Finance Committee to accelerate bringing operations in-house. Therefore, it represents the upper-end of the transition cost in 2024. Any unused funds would be returned if unused due to timing shifts.

- This project includes developing an all-inclusive budget, which will include equipment replacement planning for future years.
- Recent engagement has brought a focus on the challenges with accessibility of the TRC to members of the disability community. Through the Sustainable TRC plan, staff is working to identify ways to increase accessibility of the TRC for all community members.

Links to Further Details

- www.fcgov.com/TRC Timberline Recycling Center webpage, including a link to a virtual tour of the site at the top of the page.

Note on Appropriation for truck purchase: The total anticipated price of the truck is 283,000 plus the lease purchase loan costs at 4.5% resulting in 4 payments each year totaling 63,524. Sustainability Svcs will pay fleet this amount who will then pay back the purchase costs to the bank. Because of this internal payment, the total expenses for the truck appear to be twice as high; however, the total cost to the City's General Fund will only be 63,524 annually.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 100 - General Fund	\$236,040	\$311,476	\$547,516
	2) 100 - General Fund	\$63,524		\$63,524
		\$299,564	\$311,476	\$611,040

FTE (if part of the offer, identify the position and salary):

#	Title	Salary
2.00	Gate House Attendants (Half -Year July 1 hire date)	\$78,833
1.00	Truck Driver (Operator 1 - Starting Nov 1)	\$12,015

		Ongoing	One-Time	Total
Funding Source(s):	1) 100-General Fund: Prior KFCG 0.25% for Ot	\$236,040		\$236,040
	100-General Fund: Prior KFCG 0.25% for Ot	\$0	\$311,476	\$311,476
	2) 100-General Fund: Ongoing	\$63,524		\$63,524
		\$299,564	\$311,476	\$611,040

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Encampment cleaning and prevention additional funds		
Outcome:	SAFE (Safe Community)	Contact:	Marcy Yoder
Svc Area:	Planning, Dev & Transportation	Related Offer #:	66.2
Department:	Comm Dev & Neighborhood Svcs	Capital?	No
Choose Primary Strategic Objective:	SAFE 5.1 - Improve overall community safety while continuing to increase the level of public trust and willingness to use emergency services.		
How does Offer Support Primary Strategic Objective:	This offer provides for contractual cleanups of encampments which reduces the risk to the community public spaces.		
Performance Measure(s) & Explanations:	#1	SAFE 38. % of residents responding always safe/usually safe - Trails	
		Explanation:	
		This offer relates to residents feeling safe on trails. Encampments are often found near the trail system.	
	#2	SAFE 35. % of residents responding always safe/usually safe - Parks	
		Explanation:	
		Relates to residents feeling safe in parks and natural areas. Encampments are often found in and around natural areas.	

Offer Description:

Funding this offer will provide safe cleanup of homelessness encampments and provide funding for site work to prevent creation of encampments. Encampments contain a wide variety of hazardous materials which need to be removed for public safety. This materials include needles, soiled clothing, human waste and drugs that must be handled and disposed of in the proper manner. Due to the hazards found on these sites, a private contractor conducts the cleanups. There is a cross departmental team (Parks, Natural Areas, Code, Police, Stormwater, Outreach FC, etc.) working together to identify and mitigate these areas.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 100 - General Fund	\$111,000		\$111,000
	2) 504 - Stormwater Fund	\$64,000		\$64,000
	Total	\$175,000	\$0	\$175,000

		Ongoing	One-Time	Total
Funding Source(s):	1) 100-General Fund: Ongoing	\$111,000		\$111,000
	2) 504-Stormwater Fund: Ongoing Revenue	\$64,000		\$64,000
	Total	\$175,000	\$0	\$175,000

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Expansion of the Enterprise Service Management (ESM) System		
Outcome:	HPG (High Performing Gov't)	Contact:	Charles Caudle
Svc Area:	Information & Employee Svcs	Related Offer #:	
Department:	Information Technology	Capital?	No
Choose Primary Strategic Objective:	HPG 7.6 - Optimize technology, data analysis and process improvements to innovate, guide decisions and enhance service delivery.		
How does Offer Support Primary Strategic Objective:	Simplify and standardize service management practice throughout IES to enhance value delivered by departments through a standard framework and continuous improvement model.		
Performance Measure(s) & Explanations:	#1	HPG 96. Information Technology Internal Service Survey	
	Explanation:	Freshservice include metrics and dashboards for departments to internally assess how to best deliver value and meet strategic goals. This include out-of-the-box service metrics, based on an international service management framework, and the ability to create custom dashboards to review workloads and stakeholder satisfaction.	

Offer Description:

This offer is to extend the "Freshservice" IT Service Management (ITSM) portal into an Enterprise Service Management (ESM) portal, encompassing Human Resources, Operation Services, Communications & Public Involvement, and Emergency Preparedness & Security. This centralization and standardization of service request management would offer all City employees visibility into the status of service requests, tracked communications, and a consistent framework across departments. Benefits to Information and Employee Service area employees handling service tickets include central management of tickets, internal collaboration, cross-department collaboration, metrics for assessing value delivered to service requestors, and a continuous improvement model, managed centrally. To enable these ESM features for 70 IES employees, the ongoing cost for licensing will increase \$68,500 annually. Additionally, the implementation of ESM, will be through a phased plan and tailored approach, requiring professional services to assess and create a service delivery practice for the City. The one-time cost for a 3-month assessment and to begin implementation will be \$87,500 for 3rd party professional services. The transformation into an ESM portal will drive efficiency, transparency, and collaboration, reflecting our commitment to excellence in serving both our employees and our community. Once completed, the framework can be leveraged to phase in many other departments throughout the City to holistically increase value to enterprise stakeholders.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 603 - Data And Communications Fund	\$68,500		\$68,500
	2) 603 - Data And Communications Fund		\$87,500	\$87,500
	Total	\$68,500	\$87,500	\$156,000

		Ongoing	One-Time	Total
Funding Source(s):	1) 100-General Fund: Ongoing	\$68,500		\$68,500
	2) 100-General Fund: Reserves		\$87,500	\$87,500
	Total	\$68,500	\$87,500	\$156,000

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Household Hazardous Waste		
Outcome:	ENV (Environmental Health)	Contact:	Kathryne Marko
Svc Area:	Utility Services	Related Offer #:	
Department:	Ut Enviro Regulatory Affairs	Capital?	No
Choose Primary Strategic Objective:	ENV 4.5 - Protect and enhance natural resources on City-owned properties and throughout the community.		
How does Offer Support Primary Strategic Objective:	By diverting materials, such as expired chemicals and unused paint, this program reduces potential for illicit discharges and illegal dumping, which can impact local soil, groundwater, surface water, and air quality.		
Performance Measure(s) & Explanations:	#1	ENV 77. Total pounds of waste collected at HHW events	
		Explanation:	
		Staff track the amounts and types of materials collected at the HHW event.	

Offer Description:

No Household Hazardous Waste events were held in 2020 and 2021. In 2022 one event was held. During 2023/2024 budget cycle, one event was funded for 2023 but not for 2024. The Larimer County Landfill is in process of moving locations and there could be potential to partner with them moving forward. The construction of the new landfill location will not be completed in time for coordination in 2024. While discussions to evaluate feasibility of partnering will continue, to hold a household hazardous waste event in 2024 the City would need to fund and host it.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 504 - Stormwater Fund		\$204,000	\$204,000
	Total	\$0	\$204,000	\$204,000
		Ongoing	One-Time	Total
Funding Source(s):	1) 504-Stormwater Fund: Ongoing Revenue		\$89,760	\$89,760
	2) 100-General Fund: Ongoing		\$114,240	\$114,240
	Total	\$0	\$204,000	\$204,000

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Debt Service for Light and Power		
Outcome:	ECON (Economic Health)	Contact:	Blaine Dunn
Svc Area:	Financial Services	Related Offer #:	6.1
Department:	Accounting and Treasury	Capital?	No
Choose Primary Strategic Objective:	ECON 3.5 - Invest in and maintain utility infrastructure and services while ensuring predictable utility rates.		
How does Offer Support Primary Strategic Objective:	This Debt Service is for capital infrastructure for the City's Light and Power Utility		
Performance Measure(s) & Explanations:	#1	Not applicable	
		Explanation:	
		Not needed for debt service	

Offer Description:
The Light and Power Fund issued bonds in 2023 for a par value of approximately \$37M. This Revision request is for the ongoing debt service to repay the debt. This covers the principal and interest repayment for 2024.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 501 - Light & Power Fund	\$2,954,708		\$2,954,708
	Total	\$2,954,708	\$0	\$2,954,708
		Ongoing	One-Time	Total
Funding Source(s):	1) 501-Light & Power Fund: Ongoing Revenue	\$2,954,708		\$2,954,708
	Total	\$2,954,708	\$0	\$2,954,708

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Poudre Instream Flows Plan: Early Design and Cost Estimating Phase		
Outcome:	ENV (Environmental Health)	Contact:	Jen Dial/Jill Oropeza
Svc Area:	Utility Services	Related Offer #:	
Department:	Ut Water Resources Div	Capital?	No
Choose Primary Strategic Objective:	ENV 4.6 - Sustain and improve the health of the Cache la Poudre River and all watersheds within Fort Collins.		
How does Offer Support Primary Strategic Objective:	This project will support management of City-owned water shares for conservation and habitat benefits by leaving additional water in the Poudre River.		
Performance Measure(s) & Explanations:	#1	ENV 177. Total amount of protected in-stream flows for Cache la Poudre River Explanation: City-owned water rights will be left in the river and measured as an indicator of conservation and habitat protection.	

Offer Description:

The Poudre Instream Flows Plan (the Plan) is an innovative solution created by regional partners to address dry up points and flow depletions that are harmful to the health of the Cache la Poudre (Poudre) River. The Plan is a collaboration between the City of Fort Collins (the City) and others to increase and protect flows in the Poudre River between the canyon mouth and its confluence with the South Platte River near Greeley. The goal of the project is to move the Plan into the implementation phase by upgrading existing diversion structures with bypass flow, flow gauges, fish passage, and boat chutes. This offer is specific to early design, planning and cost estimates for the Little Cache and Arthur diversion structure upgrades and is being shared with Natural areas at a 45% Utilities/ 55% Natural Areas cost split.

		Ongoing	One-Time	Total
Expense Fund(s):	1) 502 - Water Fund		\$60,000	\$60,000
	Total	\$0	\$60,000	\$60,000

		Ongoing	One-Time	Total
Funding Source(s):	1) 502-Water Fund: One-Time Revenue		\$60,000	\$60,000
	Total	\$0	\$60,000	\$60,000

City of Fort Collins
2024 Revision - Offer Request/Reduction Form



Offer Name:	Debt Service for Connexion		
Outcome:	ECON (Economic Health)	Contact:	Blaine Dunn
Svc Area:	Financial Services	Related Offer #:	6.4
Department:	Accounting and Treasury	Capital?	No
Choose Primary Strategic Objective:	ECON 3.6 - Deliver exceptional broadband services while finding innovative ways to leverage the network in the city and in the region.		
How does Offer Support Primary Strategic Objective:	This Debt Service is for capital infrastructure necessary for the buildout of the City's Broadband Utility		
Performance Measure(s) & Explanations:	#1	Not applicable Explanation: Not needed for debt service	
Offer Description:	Connexion issued bonds in 2023 for a total par value of \$20.3M. This offer is for the ongoing debt service to repay the bonds. This covers the principal and interest repayment for 2024.		

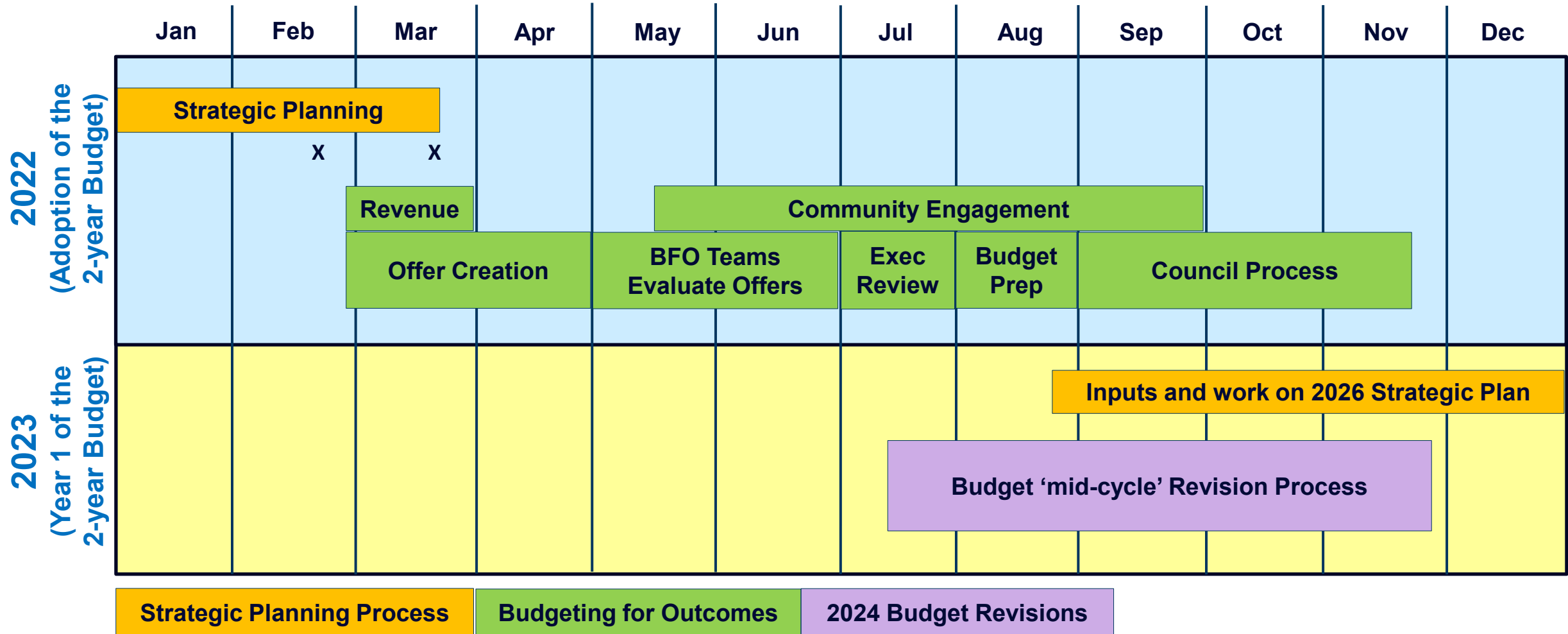
		Ongoing	One-Time	Total
Expense Fund(s):	1) 505 - Broadband Fund	\$1,159,674		\$1,159,674
	Total	\$1,159,674	\$0	\$1,159,674
		Ongoing	One-Time	Total
Funding Source(s):	1) 505-Broadband Fund: Ongoing Revenue	\$1,159,674		\$1,159,674
	Total	\$1,159,674	\$0	\$1,159,674



2024 Budget Revisions

Council Finance Committee – September 7, 2023

- 1) Budget Revision Process Overview**
- 2) 2024 Financial Context**
 - Available revenue and reserves
 - Recommended 2024 Revision expenses
- 3) Review of the 2024 Revision Offer requests**



X = Council review and adoption of the Strategic Plan

The recommended Budget Revisions are intended to address:

- Adjustments to ongoing expenditures to match current ongoing revenue estimates, if declining
- Council priorities, high-priority projects and needs not known during last BFO
- Fiduciary responsibilities & fund balance

Criteria for New Requests:

- The request is specifically directed by the City Manager or City Council
- The request is related to a previously approved Offer where either unanticipated revenue shortfalls or unforeseen expenses are significantly impacting the delivery of that program or service. These also need approval by the City Manager.

The Budget Revision process is not Budgeting for Outcomes (BFO):

- There is no 'call for Offers' to support the Strategic Plan
- There is no vetting and comparison of Offers by BFO Teams

- 7 Sept: Council Finance Committee meeting**
- 26 Sept: Council Work Session #1 (only one scheduled per direction from Leadership Planning Team)**
- 17 Oct: 1st Reading of the 2024 Annual Appropriation**
- 21 Nov: 2nd Reading (due to no Council meeting on Election Day)**

	<u>2023</u>	<u>2024</u>
General Inflation	3.5%	2.5%
Salary Adjustments*	7.0%	5.0%
Medical Costs / Prescriptions (Rx)	7.2%	7.2%
Dental Costs	0.0%	0.0%
Retirement 401/457 Contributions	No Change	
Budget Staffing of Total Personnel Costs	96%	96%

Utility Rates Adjustments

	Actual 2021	Actual 2022	Budget 2023	Budget 2024
Electric	3.0%	2.0%	5.0%	5.0%
Water	2.0%	0.0%	4.0%	4.0%
Wastewater	0.0%	0.0%	4.0%	4.0%
Stormwater	0.0%	0.0%	3.0%	3.0%

- **No recommended updates to the previously approved 2024 rate increases**
- **Electric rate increases nearly always include anticipated increased power supply costs from Platte River Power Authority (PRPA)**
- **Last Wastewater increase was 3.0% in 2018**
- **Last Stormwater increase was 2.0% in 2020**

Governmental Revenue

– Sales Tax

- 2023 budgeted at 3.5% growth
- YTD growth through July is over budget ~ \$1.0M
- Forecasting ~ \$1.5M of collections above budget in 2023
- General Fund receives 74% of Sales Tax collections; the four ¼ cent taxes receive the balance
- This equates to about \$1.1M of increased General Fund ongoing revenue in 2024

Month	Net Sales Tax % over/under budget	YTD \$ over budget
Jan	4.5%	
Feb	-1.2%	
Mar	3.3%	
Apr	1.5%	
May	4.7%	
Jun	-3.0%	
Jul	-2.3%	\$1.0M

– Property Tax

- 2023 assessments coming in at 25% to 35% growth, or more
- 2024 Budget included growth of 13%; uncertainty due to Prop HH
- Equates to ~ \$2.1M of increased General Fund ongoing revenue in 2024

Governmental Revenue (continued)

- Other Governmental Revenue
 - Overall Governmental revenues coming in at or over budget
 - No revenue streams of significance that warrant modification in 2024

Utility Revenue

- Overall Utility revenues coming in at or over budget
- No revenue streams of significance that warrant modification in 2024

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## **Governmental Expenses**

- Nearly all Service Areas are under budget YTD per the July financial report

## **Utility Expenses**

- All Funds are under budget YTD per the July financial report

| General Fund - Year End 2022 - \$85.5M  |         |         |                                               |                                           |                                        |  |
|-----------------------------------------|---------|---------|-----------------------------------------------|-------------------------------------------|----------------------------------------|--|
|                                         | 2021    | 2022    | Appropriated,<br>Min. Policy, or<br>Scheduled | Available but<br>with some<br>Constraints | Available for<br>Nearly Any<br>Purpose |  |
| <b>Assigned - Minimum 60 day Policy</b> | \$ 34.2 | \$ 37.7 | \$ 37.7                                       | \$ -                                      | \$ -                                   |  |
| <b>Non-spendable</b>                    |         |         |                                               |                                           |                                        |  |
| Advances                                | -       | -       | -                                             | -                                         | -                                      |  |
| Landbank inventory                      | 2.5     | 2.5     | 2.5                                           | -                                         | -                                      |  |
| Udall Endowment                         | 0.1     | 0.1     | 0.1                                           |                                           |                                        |  |
| <b>Restricted</b>                       |         |         |                                               |                                           |                                        |  |
| TABOR Emergency                         | 7.7     | 7.7     | 7.7                                           | -                                         | -                                      |  |
| Police Radio Network                    | 0.3     | 0.3     | 0.1                                           | 0.2                                       | -                                      |  |
| Donations & Misc                        | 1.0     | 1.6     | -                                             | 1.6                                       | -                                      |  |
| Economic Rebates                        | -       | 0.1     | -                                             | 0.1                                       | -                                      |  |
| <b>Committed</b>                        |         |         |                                               |                                           |                                        |  |
| Traffic Calming                         | -       | -       | -                                             | -                                         | -                                      |  |
| Culture & Recreation                    | 0.3     | 0.3     | 0.3                                           | -                                         | -                                      |  |
| Affordable Housing Land Bank            | 0.1     | 0.1     | -                                             | 0.1                                       | -                                      |  |
| Police Regional Training Facility       | 0.1     | 0.1     | -                                             | 0.1                                       | -                                      |  |

## General Fund - Year End 2022 - \$85.5M

|                              | 2021           | 2022           | Appropriated,<br>Min. Policy, or<br>Scheduled | Available but<br>with some<br>Constraints | Available for<br>Nearly Any<br>Purpose |
|------------------------------|----------------|----------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|
| <b>Assigned</b>              |                |                |                                               |                                           |                                        |
| Prior Year Purchase Orders   | 6.9            | 5.3            | 5.3                                           | -                                         | -                                      |
| Manufacturing Use Tax Rebate | 0.2            | 0.1            | 0.1                                           | -                                         | -                                      |
| Digital Equity               | 0.1            | 0.5            | -                                             | -                                         | 0.5                                    |
| Golf Irrigation System       | 0.4            | -              | -                                             | -                                         | -                                      |
| Opioid Settlement            | -              | 0.1            | -                                             | -                                         | 0.1                                    |
| Camera Radar                 | 1.2            | 1.4            | 0.5                                           | -                                         | 0.9                                    |
| Waste Innovation             | 0.2            | 0.2            | -                                             | -                                         | 0.2                                    |
| Cultural Services            | 0.5            | 0.6            | 0.6                                           | -                                         | -                                      |
| Reappropriation              | 0.8            | 0.6            | 0.6                                           | -                                         | -                                      |
| Budgeted use of reserves     | 5.5            | 5.5            | 5.5                                           | -                                         | -                                      |
| Child Care Needs             | 0.3            | 0.3            | -                                             | -                                         | 0.3                                    |
| Police Radios                | 0.6            | 0.7            | -                                             | -                                         | 0.7                                    |
| Hughes Land Purchase         | 2.0            | 2.0            | 2.0                                           | -                                         | -                                      |
| ERP Replacement              | 2.5            | 2.5            | -                                             | -                                         | 2.5                                    |
| Rolland Moore Updates        | -              | -              | -                                             | -                                         | -                                      |
| Rental Registration Startup  | -              | -              | -                                             | -                                         | -                                      |
| TRC Equipment                | -              | -              | -                                             | -                                         | -                                      |
| Talent / Compensation        | -              | -              | -                                             | -                                         | -                                      |
| <b>Unassigned</b>            | 19.0           | 15.2           | 7.1                                           | -                                         | 8.1                                    |
| <b>Year End Total</b>        | <b>\$ 86.5</b> | <b>\$ 85.5</b> | <b>\$ 70.1</b>                                | <b>\$ 2.1</b>                             | <b>\$ 13.3</b>                         |

Of that amount,  
2023 year-to-date  
supplemental  
appropriations  
approved by  
Council = \$1.1M.

That leaves \$7.0M  
available for nearly  
any Council  
approved purpose

| Description                                                 | General Fund - Ongoing | General Fund - 1-Time | Cultural Services | Light & Power    | Water          | Stormwater       | Broadband        | TOTAL             |
|-------------------------------------------------------------|------------------------|-----------------------|-------------------|------------------|----------------|------------------|------------------|-------------------|
| <b>Summary of Revenue Changes &amp; Reserves</b>            |                        |                       |                   |                  |                |                  |                  |                   |
| - Increased 2024 Sales Tax forecast for General Fund        | \$1,110,390            |                       |                   |                  |                |                  |                  | \$1,110,390       |
| - Increased 2024 Property Tax forecast for General Fund     | 2,100,000              |                       |                   |                  |                |                  |                  | \$2,100,000       |
| - Increased 2024 Carnegie Center revenue forecast (ongoing) |                        |                       | 25,000            |                  |                |                  |                  | \$25,000          |
| - Available Ongoing Revenue from the 2023-24 Budget         |                        |                       |                   | 3,200,000        | 360,000        | 1,200,000        | 1,159,674        | \$5,919,674       |
| - Available Reserves (1-Time, if requested)                 |                        | 8,100,000             |                   |                  |                |                  |                  | \$8,100,000       |
| - Less: 2023 Reappropriation (1-Time)                       |                        | (602,754)             |                   |                  | (52,500)       |                  |                  | (\$655,254)       |
| - Less: 2023 Supplemental Approps (ongoing)                 | (582,000)              |                       |                   |                  |                |                  |                  | (\$582,000)       |
| - Less: 2023 Supplemental Approps (1-Time)                  |                        | (1,125,100)           |                   |                  |                |                  |                  | (\$1,125,100)     |
| <b>Subtotal of Funding Changes</b>                          | <b>2,628,390</b>       | <b>6,372,146</b>      | <b>25,000</b>     | <b>3,200,000</b> | <b>307,500</b> | <b>1,200,000</b> | <b>1,159,674</b> | <b>14,892,710</b> |



| Fund / Revision Requested                                   | FTE          | Ongoing \$         | One-Time \$      | Total              |
|-------------------------------------------------------------|--------------|--------------------|------------------|--------------------|
| <b>General Fund</b>                                         |              |                    |                  |                    |
| Rental Housing Program with 4.0 FTE                         | 4.00         | 410,950            | 78,750           | 489,700            |
| 1.0 FTE Carnegie Center for Creativity Programming          | 1.00         | 114,899            |                  | 114,899            |
| Municipal Court Services - 1.0 FTE Deputy Court Clerk II    | 1.00         | 73,000             | 18,000           | 91,000             |
| Municipal Court Services - Technology                       | -            | 189,201            | 146,410          | 335,611            |
| Additional Prosecution Staff                                | 1.00         | 195,197            | 19,472           | 214,669            |
| Waste Contracting Operating Budget plus 2 FTE               | 2.00         | 309,014            | -                | 309,014            |
| Bringing the operations of the TRC in-house plus 3 FTE      | 3.00         | 299,564            | 311,476          | 611,040            |
| Encampment cleaning and prevention additional funds         | -            | 111,000            | -                | 111,000            |
| Expansion of the Enterprise Service Management (ESM) System | -            | 68,500             | 87,500           | 156,000            |
| Household Hazardous Waste                                   | -            | -                  | 114,240          | 114,240            |
| <b>Total General Fund</b>                                   | <b>12.00</b> | <b>\$1,771,325</b> | <b>\$775,848</b> | <b>\$2,547,173</b> |
| <b>Cultural Services &amp; Facilities</b>                   |              |                    |                  |                    |
| 1.0 FTE Carnegie Center for Creativity Programming          | -            | 25,000             | -                | 25,000             |
| <b>Total Cultural Services &amp; Facilities Fund</b>        | <b>0.00</b>  | <b>\$25,000</b>    | <b>\$0</b>       | <b>\$25,000</b>    |

| Fund / Revision Requested                                          | FTE          | Ongoing \$         | One-Time \$     | Total              |
|--------------------------------------------------------------------|--------------|--------------------|-----------------|--------------------|
| <b>Light and Power Fund</b>                                        |              |                    |                 |                    |
| Debt service for 2023 Bond Issuance                                | -            | 2,954,708          | -               | 2,954,708          |
| <b>Total Light and Power Fund</b>                                  | <b>0.00</b>  | <b>2,954,708</b>   | <b>0</b>        | <b>2,954,708</b>   |
| <b>Water Fund</b>                                                  |              |                    |                 |                    |
| Poudre Instream Flows Plan: Early Design and Cost Estimating Phase | -            | -                  | 60,000          | 60,000             |
| <b>Total Water Fund</b>                                            | <b>0.00</b>  | <b>0</b>           | <b>60,000</b>   | <b>60,000</b>      |
| <b>Stormwater Fund</b>                                             |              |                    |                 |                    |
| Encampment cleaning and prevention additional funds                | -            | 64,000             | -               | 64,000             |
| Household Hazardous Waste                                          | -            | -                  | 89,760          | 89,760             |
| <b>Total Stormwater Fund</b>                                       | <b>0.00</b>  | <b>\$64,000</b>    | <b>\$89,760</b> | <b>\$153,760</b>   |
| <b>Broadband Fund</b>                                              |              |                    |                 |                    |
| Debt service for 2023 Bond Issuance                                | -            | 1,159,674          | -               | 1,159,674          |
| <b>Total Broadband Fund</b>                                        | <b>0.00</b>  | <b>\$1,159,674</b> | <b>\$0</b>      | <b>\$1,159,674</b> |
| <b>TOTAL ALL FUNDS</b>                                             | <b>12.00</b> | <b>5,974,707</b>   | <b>925,608</b>  | <b>6,900,315</b>   |

| Description                              | General Fund - Ongoing | General Fund - 1-Time | Cultural Services | Light & Power | Water     | Stormwater  | Broadband   | TOTAL       |
|------------------------------------------|------------------------|-----------------------|-------------------|---------------|-----------|-------------|-------------|-------------|
| <b>Available Revenue and Reserves</b>    | 2,628,390              | 6,372,146             | 25,000            | 3,200,000     | 307,500   | 1,200,000   | 1,159,674   | 14,892,710  |
| <b>2024 Budget Revision Requests</b>     |                        |                       |                   |               |           |             |             |             |
| - Ongoing Requests                       | (1,771,325)            |                       | (25,000)          | (2,954,708)   |           | (64,000)    | (1,159,674) | (5,974,707) |
| - One-Time Requests                      |                        | (775,848)             |                   |               | (60,000)  | (89,760)    |             | (925,608)   |
| <b>Total of 2024 Revisions</b>           | (1,771,325)            | (775,848)             | (25,000)          | (2,954,708)   | (60,000)  | (153,760)   | (1,159,674) | (6,900,315) |
| <b>Net Impact (positive = available)</b> | \$857,065              | \$5,596,298           | \$0               | \$245,292     | \$247,500 | \$1,046,240 | \$0         | N/A         |

## **Guidance Requested:**

1. What questions or feedback does the Council Finance Committee have on the City Manager's recommended revisions to the 2024 Budget?
2. Does the Council Finance Committee support moving forward with bringing the 2024 Budget Revisions to the full City Council for the September 26<sup>th</sup> work session?

# Back-up Slides

## Fund Balance / Reserves by Year

(in millions)

