



Finance Administration
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AGENDA
Council Finance & Audit Committee
February 22, 2021
9:30 am - noon
Zoom Meeting <https://zoom.us/j/8140111859>

Mayor Troxell conferred with the City Manager and the City Attorney and have determined that the Committee should conduct this meeting remotely because meeting in person would not be prudent for some or all persons due to the current public health emergency.

Approval of Minutes from the January 25, 2021 Council Finance Committee meeting.

- | | | |
|--|----------|------------------------|
| 1. 2022 Budget Process Review | 30 mins. | L. Pollack |
| 2. Reappropriation | 15 mins. | L. Pollack |
| 3. Cameron Peak Fire Appropriation | 20 mins. | L. Smith
M. Zoccali |
| 4. South Timberline Widening Project Appropriation | 20 mins. | N. Currell |
| 5. Plastics Appropriation | 40 mins. | V. Shaw
M. Saylor |

Council Finance Committee
Agenda Planning Calendar 2021
 RVSD 02/16/21 ck

Feb. 22nd	2021		
	2022 Budget Process Review	30 min	L. Pollack
	Reappropriation	15 min	L. Pollack
	Cameron Peak Fire Appropriation	20 min	L. Smith M. Zoccali
	South Timberline Widening Project Appropriation	20 min	N. Currell
	Plastics Appropriation	40 min	V. Shaw M. Saylor

Mar. 15th	2021		
	EPIC program review	30 min	J. Phelan
	Marketplace and Economic Nexus Update	20 min	J. Poznanovic
	Front Range Financial Comparison	20 min	B. Dunn

Apr. 19th	2021		
	Park/Median Design Standards & Maintenance Costs	30 min	K. Friesen M. Calhoon
	Affordable Housing Fee Credits	20 min	V. Shaw S. Beck-Ferkiss

May 17th	2021		
	Future capital projects and debt financing	30 min	T. Storin
	GERP Review	30 min	B. Dunn
	Assumptions for the 2022 Budget	30 min	L. Pollack

Jun. 21st	2021		
	2020 Fund Balance, Revenue, and Expenditure Review	30 min	B. Dunn

Future Council Finance Committee Topics:

- Golf debt issuance
- Metro District Policy Update – TBD
- Revenue Diversification – TBD
- 2020 Audit Results – July 2021
- 2022 Development Review and Capital Expansion Fee Updates – August 2021
 - Consideration of new fees
- 2021 Annual Adjustment Ordinance – September 2021
- Financial Policy Updates – October 2021
- Utility Long-term Financial Plan and Capital Improvement Plan – November 2021



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Finance Committee Meeting Minutes
January 25, 2021
10:00 am - noon
Zoom Meeting

Council Attendees: Mayor Wade Troxell, Ken Summers, Emily Gorgol

Absent: Ross Cunniff

Staff: Darin Atteberry, Kelly DiMartino, Kyle Stannert, Travis Storin, Carrie Daggett, John Duval, Tyler Marr, Teresa Roche, Theresa Connor, Tim McCollough, Lance Smith, Colman, Keane, John Stokes, Aaron Harris, Janice Saeger, Travis Walker, Caryn Champine, Paul Sizemore, Chad Crager, Meaghan Overton, Blaine Dunn, Kelley Vodden, Jordan Granath, Renee Callas, Dave Lenz, Jo Cech, Zack Mozer, Lawrence Pollack, Erik Martin, Jackie Kozak Thiel

Others: Kevin Jones, Chamber of Commerce
Gavin Kaszynski

Meeting called to order at 10:08 am

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

Approval of Minutes from the November 16, 2020 Council Finance Committee Meeting. Ken Summers moved for approval of the minutes as presented. Emily Gorgol seconded the motion. Minutes were approved unanimously via roll call by Ken Summers, Emily Gorgol and Mayor Troxell.

A. Recreation Budget Review

Aaron Harris, Interim Recreation Director

SUBJECT FOR DISCUSSION: Update on Recreation Department Financial Situation

EXECUTIVE SUMMARY: The Recreation Department has been highly impacted by the COVID Pandemic. Staff is providing an update for the 2020 financial situation, budget cuts, and plan for 2021.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions does the Council Finance Committee have?
2. Does Council support the direction staff is taking?

BACKGROUND/DISCUSSION

1. Staff will provide an update on how the Recreation Budget operates and the impacts COVID has had on the budget.
 - a. 74% of Recreation revenue is generated from participation fees. This is significantly higher than the industry average of between 30%-40%. This has significantly impacted the Recreation Department and provides limited options for increasing revenue to offset deficits.
 - b. The Recreation Department has been relying on reserves to meet monthly expenses.
2. Staff will share the community impact of the Recreation Department during the COVID Pandemic.
 - a. Community outreach efforts during the pandemic
 - i. Northside Aztlan Center shelter.
 - ii. Mask factory at the Senior Center.
 - iii. In-person licensed childcare for 34 weeks.
 - b. Staffing level changes
 - i. Significant hourly staff furloughs.
 - ii. Over 10% of classified positions are vacant and frozen until the financial picture changes.
3. Staff will provide an update on the 2021 budget forecast.
 - a. Multiple projections will be shared.
 - b. Additional funding options will be shared.

DISCUSSION / NEXT STEPS:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions does the Council Finance Committee have?
2. Does Council support the direction staff is taking?

Ken Summers; fixed costs / operational costs for all of the centers - Is everything open but at limited reduced levels? I would assume participation is down due to Covid guidelines - we may have to bite the bullet due to Covid and close some facilities. Where are we at in terms of the numbers of programs being offered, participants, etc.?

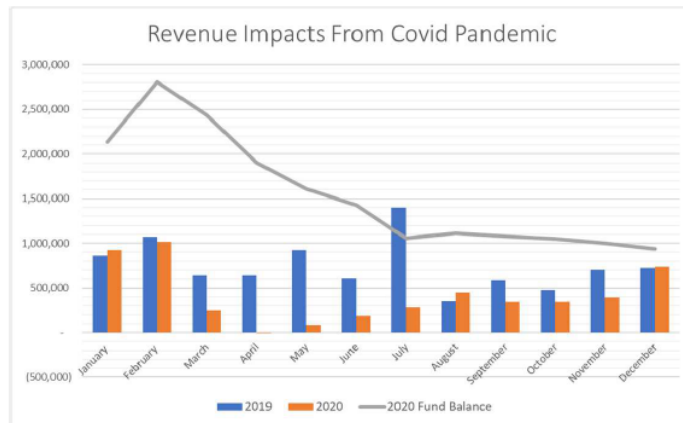
Aaron Harris; 50% of programs are currently being offered and they are all revenue neutral. We have better cost recovery in the current model where we are offering limited hours but offer services where we are able to recoup operational costs. Senior Center weekend hours reduced where we didn't recoup our costs but maintain early morning and early evening hours when we have high utilization.

Ken Summers; has utilization grown? Is that why we have brought some hourly staff back?

Aaron Harris; we have several classes instructed/led by hourly staff so some were brought back to teach classes.

John Stokes; regarding closing facilities - we have done that on and off again during this crisis.

We didn't open City Park Pool – Youth Activity Center has been opened and closed – the parallel part of that when we do reopen facilities we are trying to do so in a way that is positive in terms of our costs / revenue as we are trying to make money – it is not perfect as our participation level is down to approximately 50% - there is a yin and yang in terms of how we are managing our facilities and enhancing our cost recovery – our fixed costs are outpacing our revenues – if we close more facilities we lose more revenue – we are trying to strike a balance in keeping our heads above water with our fund balance while not shutting everything down – a tricky thing to manage.



Recreation Fund Balance in 2020 significantly impacted by drain from facility closures and revenue loss.

- Usage of reserves is expected to continue until pandemic is controlled and services normalize.
- Loss in Reserves impacts ability to “take care of what we have” now and in the future.
- Average monthly utilization of reserves during closure months \$343,783 March – July and \$86,460 from August – December
- 2020 Total usage of reserves = \$1.2 million

Ken Summers; running through those decision points helps us understand there are hundreds of businesses out there that are in similar situations but they don't have the general fund / reserves to back them up. What is the revenue / expenditure for the childcare that is being offered?

Aaron Harris; 30% of the program participants are in the reduced fee program which is supported by a BFO offer but the program overall is revenue positive. During Covid – 50% are in reduced fee program – subsidized by CARES funding during pandemic.

Ken Summers; trying to get folks to participate in programs at other locations – marketing management - what is the worse case scenario? What do some of the fall back options look like?

John Stokes; worst case scenario would be to furlough full time employees. If we did permanent staff furloughs / layoffs in Recreation, we would have significant trouble restarting our programs – we want to avoid that if possible. Our finance support did some analysis and you don't save as much as you would think by furloughing / laying off staff. If you wanted to save \$80K per month that would be very deep and impactful and would blow up the organization – we have all been working to find that sweet spot as we continue to offer services as best we can.

Aaron Harris; during the pandemic we have had [10% attrition of full-time staff in recreation and those positions are still vacant - we have absorbed a 10 % reduction – not just front-line staff

Ken Summers; this is a helpful perspective - gives me greater understanding of how businesses are dealing with similar scenarios – Thank you to Aaron for your help especially in an interim position.

Emily Gorgol; needing to change our business model for services - is there a trigger point of how far we dip into our fund balance?

Travis Storin; the recreation fund does not have a policy or code driven minimum threshold. GFOA gives us a prescriptive level that we should not go below. My observations to share - that may take place after the May

enrollment period – if we continue at 50% capacity, we would end 2021 having fully depleted our reserve balance - this is part and parcel with pandemic itself

Emily Gorgol; even if we are not mandated – it would be good to have something that would trigger us having a closer look prior to depleting our reserve balance. The classes and programs we offer – have we been able to move any outside?

Aaron Harris; we have been able to move some outdoors in order to offer enhanced capacity – we also moved classes into larger spaces to accommodate distancing – we want to be safe – tough now due to climate

Emily Gorgol; I think people are kind of adapting to that - people might be interested in trying this

Mayor Troxell; where do cultural resources fall? Is that a separate /different category?

John Stokes; yes, Cultural Services is a completely separate budget -If you are interested in that we could swing back around.

Mayor Troxell; thinking it is probably much the same story – hard to capture

John Stokes; it has been such a significant expense reduction for the Lincoln Center because we have not been offering shows and as a result we have not had to dip into our reserves. It is different from Recreation in that we have been able to manage that a little more successfully – because the expense side has been so curtailed over the last 10 months.

Travis Storin; Cultural Services is a fund we have not put on our watch list as virtually all costs go away when there are no shows - whereas Recreation has a fixed cost load.

Mayor Troxell; Can you talk about facility upkeep and maintenance expenses even though the facilities are not being utilized such as City Park Pool

Aaron Harris; early on in the pandemic we were able to get all annual maintenance out of the way - we refinished the floors in the gymnasium for example - we have deferred when possible some of the large expenses and we have also this as an opportunity to get some large projects completed. For example, divider walls at the North Aztlan Center which were structurally failing. The slide at City Park Pool which due to exposure to UV rays and life span needs resurfacing which is being done this spring so they can open for the summer now that we know what COVID-19 restrictions on pools are going to look like.

Mayor Troxell; when the North Aztlan Center was used as a shelter - Can you talk about where the revenue was recognized in the recreational aspect? In terms of voter requirements and limitations the center's primary purpose must be recreation.

Travis Storin; The CARES funds did go into the General Fund in compliance with federal guidelines and was not used as an offset.

Mayor Troxell; The licensed childcare provided for the 34 weeks which was during some uncertainty in regards to face to face programming – I want to congratulate the team for working through that. It was a very important service provided to our community. You are being very fiscally responsible and diligent in trying to

provide maximized services to our community in a COVID-19 responsible way while also being good stewards of city resources. This is a different kind of hard work.

Darin Atteberry; as Ken mentioned that this gives us insight into some of the struggles our businesses are facing - we know that we are a monopoly in most services we provide. We have tried to learn from private sector and to be sympathetic to their struggles and concerns. In Recreation, Connexion and Cultural Services – these are some areas where the city is in competition with other providers. We acknowledge this and we discuss it a lot. we totally acknowledge that - struggling with constantly – revenue and the awful COVID-19 context.

I want to put an exclamation point on how nimble, adaptive and responsive this organization has been. When you think of repurposing the North Aztlan Center into a shelter and then closing it - that is pretty remarkable.

I am super impressed with Aaron Harris' leadership to date stepping into the interim role.

Emily & Ken - earlier this morning I was talking with the Mayor and Mayor Pro Term about a recent visit I had with the Senior Advisory Board –Miles Green and the Board shared that the relationship between recreation staff and the Senior Advisory Board and what is going on at the Senior Center is very positive. Thank you Aaron for stepping up and for your colleagues in Recreation - this has been heavy lift the last 10 months.

I want to reiterate what Travis said earlier - this is a three part series - there are three funds that are in a critical state at risk 1) Parking 2) Risk 3) Recreation which is why we are bringing these three to you.

Ken Summers; Mayor Troxell mentioned the Cultural Center - Are we allowed to do interfund borrowing from different reserves?

Travis Storin; general answer is yes, we can do that – relatively few restrictions on how to do this - even if that means reaching out to some of our other enterprise funds – we do have a policy regarding what interest rate each fund would have to pay to each other - this is allowable through our code, charter and state regulations.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions does the Council Finance Committee have?
2. Does Council support the direction staff is taking?

RESULT:

The Committee is supportive on the direction staff is taking and appreciates the dialog.

B. Additional Locate Resources

Tim McCollough, Deputy Director, Utilities Light & Power

Lance Smith, Director Financial Planning and Analysis

SUBJECT FOR DISCUSSION: 2021 Utilities Locating Supplemental Resources

EXECUTIVE SUMMARY

Staff recommends bringing forward an off-cycle appropriation to City Council in early 2021 in the amount of \$500,000 funded from reserves to address resource limitations in the Utility Locates department. The current demands on the department exceed the available resources. Excavators and engineering firms are starting to see delays in the department's ability to provide timely locates in the Fort Collins jurisdiction.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance support this off-cycle appropriation proposal going to Council for consideration in March 2021?

BACKGROUND/DISCUSSION

In Colorado, and most states, it is the law to call before you dig. Damage prevention laws have two primary goals, to protect life and to protect infrastructure. Fort Collins Utilities is defined as a facility owner under the law and nearly all the utility infrastructure in Fort Collins is underground. Therefore, Fort Collins Utilities is obligated by law to mark all facilities in any proposed excavation area within 48 hours so excavators can avoid hitting and damaging the infrastructure.

This level of service Fort Collins Utilities must provide to the community is **defined by law** and is **set by the amount of construction happening in our community**.

Fort Collins Utilities has historically provided this service with an internal department called Utility Locates. In 2020, the department marked or cleared 117,773 facilities from locate requests with a 99.995% accuracy rate. The department locates all the utility infrastructure for Fort Collins Utilities and Fort Collins Connexion and provides services to some areas of the general fund that have underground infrastructure.

The staffing levels of the department have increased over the last two budget cycles. Prior to the start of Connexion construction, staff projected an increase in locate volume and a need to add resources to the department.

- In 2018, the staffing levels were 8 full time employees.
- In FY2019/20 two (2) contractual FTEs were added to the department
- In FY2021 two (2) additional contractual FTEs were added to the department

In 2020, Fort Collins Connexion hit full stride in construction activities and for some of the year the resources in the department were adequate to keep up with the regulatory obligations. As the summer construction season progressed the additional contractual staff anticipated in the 2021 budget were added early to keep up with increasing locate request volumes. Figure 1 depicts three years of locate volumes for Fort Collins Utilities. There was a 50% increase in overall locate volume from 2019 to 2020. In the second half of 2020 locate volumes exceed the resource capacity.

Data through the week of December 31, 2020

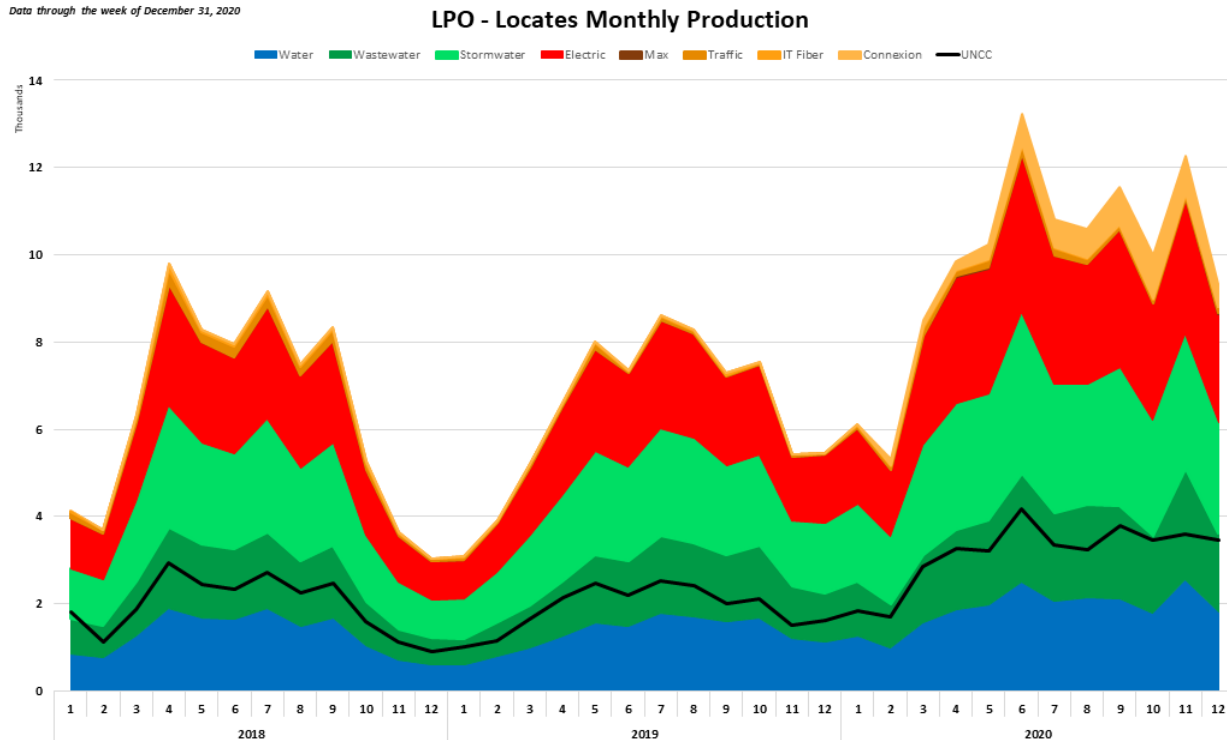


Figure 1: Utility Locates Monthly Production, 2018 through 2020

In 2021, it is anticipated that locate request volumes and resource demands on the department will exceed those experienced in 2020 due to several factors, including:

- Similar levels of Connexion construction
- A growing fiber system that needs located
- A significant increase in small cell installations in Fort Collins, each of which will generate one or more locate requests
- Economic recovery that will bring forward other types of development work. Early indications show there is a full slate of development related projects in the pipeline for 2021.

The current lack of resources to meet the needed level of service is a risk to our community and municipal organization for several reasons.

- A missing or late locate ticket can lead to dig-ins that put lives and essential services at risk.
- It is also an ongoing risk to the Fort Collins Connexion build out. A locate request is one of the early enablers to allow the start of construction for vault and conduit installation and every single service drop once service is available and requested.
- It is a key enabler for nearly every City service that involves infrastructure or excavation.

There are several strategies currently in place to help mitigate the impacts of the resource constraints. These strategies have worked to a degree but are not adequate for the volume of locates expected in 2021 and are not sustainable in the long term. These strategies include staff coordinating closely with all excavators to prioritize locate request tickets that are past due and bringing in staff from other departments who have previous locating experience to assist with locate request volumes.

Staff recommends adding a supplemental locates contract with an external locating firm to resolve the resources constraints through the remainder of the Fort Collins Connexion construction. This external contract would allow for some flexibility in staffing levels to handle peak volumes. To expedite contracting if funded, staff intends to leverage another community's procurement process.

Based on the current projections, \$500,000 is needed in 2021 for a supplemental locates contract. The ongoing needs for this supplemental resource will be evaluated throughout the year. Funding for 2022 would be requested through the upcoming budget process.

Funding is proposed to be split equitably across the utility enterprise funds using the same allocation method as the ongoing funding. Fund allocations are determined based on the ratio of facility types located by the department. The electric and stormwater service territories are larger and therefore the allocation is larger for those funds. Broadband's contribution will continue to grow as the fiber system grows.

The funding source for this appropriation is proposed to be reserves from each enterprise fund.

Table 1: Proposed funding and allocation by utility fund.

FUND	ALLOCATION	FROM RESERVES
Electric	26%	\$131,000
Water	20%	\$99,000
Wastewater	20%	\$99,000
Stormwater	26%	\$131,000
Broadband	8%	\$40,000
	100%	\$500,000

Discussion / Next Steps:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance support this off-cycle appropriation proposal for \$500K going to Council for consideration in March 2021?

Propose a true up at the end of this year due to flex of Connexion portion.

It's a big deal and there's not a ton of choice, except to make sure we're stewarding dollars effectively

Mayor Troxell; I like your early slide that showed everything that is underground. We are a 5-utility community This needs to be and should be a core competency in our community – your team – you were right to acknowledge that they are probably the hardest working group in the city because of the demands that are placed on them - contracting to help scale. Zooming out and thinking this is more than just locating - core competency such as mapping, modeling and detection locating services as it relates to billions of dollars of underground infrastructure - more than just a locating service - you also mentioned 811 and as we think about our franchise agreement with Xcel for natural gas. Can you talk about core competencies and this Integration across platforms which are much more than just locating?

Tim McCollough; this department does way more than put paint on the ground, they are our eyes and ears in the community, and they support development at every stage. They are the first contacts that many developers, engineers and designers make as they have engineering requests. There is a typical type of locate

request when someone needs to put a shovel into the ground which starts at the design phase. Deeply integrated with very engineering firm, every developer and customer requests we receive as well. They are a key resource as we improve our mapping system, and they do daily updates to our mapping system. We have a vision of what this team can adapt to be in the future as we look beyond the Connexion project, GPS And other value add services – locating may not be the best descriptor for the name of this department today and won't be in the future.

I would like to share what this group has done in the last year. When Covid came and we closed city facilities, we adapted this group overnight to work remotely from their trucks and their volume has not decreased during Covid. Their volume increased and they are dispatching from home. I would put this team up against any external firm. They have handled 117K locate requests with only 6 errors overall which is unheard of in the industry as an accuracy rate. Every ticket they compete protects our infrastructure and our community – they are a key resource.

Emily Gorgol; where is the \$500K paying for?

Tim McCollough; we proposing to let a contract with an external locating firm. So that \$500K would support our ability to add up to 4 add locate resources to help with peak - add more boots on the ground to sustain through this year and next year.

Emily Gorgol; why contractors instead of permanent staff?

Tim McCollough; We do anticipate the volume returning to a new normal at some point. We are always cautious about adding staff that may need to be reduced later. Using external gives us the flexibility of being able to handle peak volumes. We can ask them to add resources and to scale back as needed.

Emily Gorgol; Because we are seeing increased demand, I am supportive of this coming to Council.

In the 2022 budget, I would like this marked as an addition to the budget not as a carryover.

If this is something we are going to need to do for the future? Is it better for them to be employees of the city and have benefits?

Tim McCollough; we do anticipate bringing this forward as a continued enhancement. You would see this as an add. At some point beyond 2022 Connexion construction would be complete. The company we would seek to contract with offers benefits to employees. It is not necessarily true about them being city staff would be better or worse – as we scale back, we don't want to add and scale down.

Ken Summers; a stop gap to get through Connexion. Would the work the contractors do be billed to the respective department?

Tim McCollough; we keep track of every locate ticket- the color of paint- that applies to that obligation to pay for the locate falls to the department – departments that have fiber optic and other infrastructure in the ground that we located for- payment is made via an internal transfer to this department. Because we are dealing with four enterprise funds in the Utilities and the General Fund –We do our best to account for who needs to contribute since this is a shared service. It is a burden on General Fund as well - as excavations happen throughout the community.

Ken Summers; We are basically providing General Fund reserves to departments based on the various allotments that make up \$500K to be used to pay for the contractual services.

Tim McCollough; small General Fund contribution - less than 3% of the overall expenses from this department come from General Fund based on the volume of infrastructure.

Travis Storin; we have city departments that have infrastructure in the ground and they are using Tim's team as the locate contractor because under 811 rules they are required to respond to locates. There is some portion that they are paying back to the five utilities.

Ken Summers; I support bringing it forward. Is there any other option such as pay as you go?
If we don't do this appropriation – what would we do?

Darin Atteberry; this is truly a cost of doing business. This is a cost of having 5 utilities.
This is one that the demand is such that we do need additional resources – they are proposing a cost-conscious way to do this – if this becomes a regular ongoing level of demand, we will look at insourcing this. Outsourcing if the most prudent thing to do at this point - we can ask about contractor benefits – we do that through our purchasing process

Ken Summers; This is being driven by the Connection expansion. Question that might come up – be prepared – when comes before Council – is this being driven Connexion - why isn't the Connexion utility paying for more?

Darin Atteberry; these costs will be equitably shared across all utilities that demand the service -The Connexion rate payers will be paying their fair share of these incremental costs

Tim McCollough; as an example, one of the telecom providers did a major system rebuild - if a large project comes into town that requires a lot of excavation - Xcel, Century Link, Comcast – Connexion is a driver -it falls to the facility owner – Connexion is paying their fair share.

Colman Keane; As locates are done - it will probably be higher than the table below by year end

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Electric	26%	\$131,000
Water	20%	\$99,000
Wastewater	20%	\$99,000
Stormwater	26%	\$131,000
Broadband	8%	\$40,000
	100%	\$500,000

Ken Summers; it makes sense to use contractors if you don't know the future demand.

Tim McCollough; budget is \$1.2 M – we are asking to go to \$1.7M in the short term and that is contributed to this joint service. We are proposing reserves form each of the individual Utility Enterprise Funds (see above). This is a regulatory obligation, an unfunded mandate based on the rules around 811. This is what each fund is paying in.

Ken Summers; when presented to Council – emphasize that we aren't taking money - we are recognizing unplanned additional expenditure for something that already exists as opposed to responding to something new but is a response to volume.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance support this off-cycle appropriation proposal for \$500K going to Council for consideration in March 2021?

RESULT: Committee approved this to go to the full Council as requested.

C. 2021 Land Use Code Assessment

Caryn Champine, Planning, Development, and Transportation Director

Paul Sizemore, Interim Director of Community Development and Neighborhood Services

SUBJECT FOR DISCUSSION: Housing-Related Land Use Code Amendment Appropriation

EXECUTIVE SUMMARY

This item presents a proposed scope and budget for an off-cycle general fund appropriation in the amount of \$200,000-\$300,000 for Phase 1 of the Land Use Code (LUC) update. This appropriation will enable staff to draft critical LUC changes that will implement City Plan, implement the Housing Strategic Plan, and improve housing in Fort Collins. Project funding will be supplemented by \$50,000-\$60,000 of grant funds received for the Home2Health program.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Is Council Finance Committee supportive of a supplemental appropriation to complete Phase 1 of the Land Use Code Update?

BACKGROUND/DISCUSSION

Project Background

As recommended by the Ad Hoc Housing Committee at the November 2020 meeting and supported by Council at a December 8, 2020 work session, staff is seeking an off-cycle appropriation to initiate “Phase 1” of a proposed Land Use Code (LUC) rewrite to address the housing-related LUC changes outlined in the [Land Use Code Audit](#) (2020) and prioritized in the draft [Housing Strategic Plan](#) (adoption scheduled for February 2021). In concert with other efforts, changes to the LUC have been identified as a high priority action to support the creation of new affordable and attainable homes and increase housing variety.

A critical implementation strategy from the adopted 2019 City Plan is a full LUC rewrite. The current code is cumbersome after years of isolated amendments. It also has barriers to outcomes of great importance to the community. The outcome of a complete code update will be a modernized document offering the community:

- Clear and predictable regulations and procedures
- Improved alignment with City Plan’s vision of livability, sustainability, and community

In response to the urgency of addressing housing related outcomes, this overall project is divided into two phases. This AIS provides a summary of the scope, budget and timeline for Phase 1. The first phase addresses housing-related topics and reorganization of the code, while Phase 2 will address all remaining topics outlined in the Land Use Code Audit.

The appropriation being sought for Phase 1 is \$200,000-\$300,000 from the general fund. Existing grant funds for the Home2Health program in the amount of \$50,000-\$60,000 will supplement the Phase 1 appropriation. Currently staff’s preliminary estimate of the cost of a future Phase 2 ranges an additional \$200,000-\$300,000.

Phase 1 Scope

Phase 1 of the LUC update will prioritize *Housing-Related Outcomes* and a *Reorganization of the Code*. Specific examples are outlined below, and a detailed scope will be prepared as part of the RFP process.

Housing-Related Outcomes:

- Update definitions for an inclusive list of housing types. *Example:* co-housing, ADU, cottage development, triplex
- Increase housing types permitted in certain zone districts. *Example:* allow duplexes in more/all zones
- Simplify level of review for housing, as appropriate. *Example:* Basic Development Review (BDR) for small multifamily
- Create/recalibrate meaningful Affordable Housing incentives. *Example:* density/height bonus, parking reductions
- Remove barriers to accessory dwelling units (ADUs). *Example:* allow attached ADUs
- Remove barriers to permitted densities. *Example:* remove limits on number of units per building

Code reorganization:

- Consolidate similar standards. *Example:* All design requirements for multifamily in one place
- Remove repetition, increase user-friendliness. *Example:* Uses in a table instead of a list
- Simplify language to improve clarity and consistency.

Phase 1 Budget

This off-cycle appropriation of \$200,000-\$300,000 plus \$50,000-\$60,000 in grants received by the Home2Health program will be used to fund four required tasks to successfully complete Phase 1 of the LUC update:

- Total Range \$250,000-\$350,000

Task	Est. Amount	Description
Community engagement	\$10,000-\$20,000	Meetings, translation/interpretation, community partner funding, data analysis
Analysis, modeling, best practices	\$40,000-\$70,000	Pro forma analysis, visualization, testing, economic analysis, graphics and renderings, etc.
Special Legal Counsel	\$60,000-\$90,000	Specialized legal review of key issues related to proposed code changes (does not include CAO resources)
Code drafting	\$140,000-\$175,000	Concept development and evaluation of alternatives, writing and revising new LUC language; collaborating across departments for consistency with other regulations

Note: These cost estimates only reflect additional services beyond 2021 budget offers for personnel, materials, etc. A complete analysis of total costs to the city is in progress and can be shared as part of the Feb 16 packet.

City staff across multiple work groups and departments will lead this effort, supported by outside consultants to help balance daily work assignments with the demands of this complex update to the LUC regulations.

Phase 1 Timeline

Phase 1 is expected to be completed by the end of 2022. Phase 2 of the LUC update is anticipated to be completed by the end of 2025.



Next Steps

First Reading of the appropriation has been scheduled for February 16, 2021 in conjunction with consideration of adoption for the Housing Strategic Plan. If the appropriation is approved by Council, Staff anticipates releasing an RFP for consultant support and beginning work in the second quarter of 2021. To initiate Phase 2 of the Land Use Code update, staff will prepare a BFO offer for the 2023 budget.

DISCUSSION / NEXT STEPS:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Is Council Finance Committee supportive of a supplemental appropriation to complete Phase 1 of the Land Use Code Update?

Mayor Troxell; City Plan is so important – we often times lose sight of that at a Council level – specifics such as Housing types - question is coming out of City Plan there is probably no surprises just specificity, would you describe that as it relates to this request? We have gone through budgeting cycle which should reflect the costs of what we are trying to do but this is a supplement, so I am trying to understand the delta with City Plan. I think the Housing Committee is providing more deep conversations as to what those requirements might be that may be over and above what was anticipated in the City Plan.

Caryn Champine; that is what we would hope to do – City Plan provides the framework at a high level – this is specifics – we have been able to leverage resources from the Housing Adhoc Committee to understand what the priorities are when it comes to housing – where we want to focus our time as a community – solutions are not one size fits all – we want to make sure we are evaluating in a way that works be for Fort Collins. There will be other topics like this that will come forward as part of Phase 2 -other aspects of the code and alignment with City Plan. This is really just the first glimpse of the specific details that we will need to look at including land use, the densities, setbacks, design -all of the components that the code comprises.

Paul Sizemore; we anticipated a need for land use code amendments – the timing of that critical work that was taking place with the Housing Adhoc Committee and the development of the Housing Strategic Plan was really the next step that set us up to be able to bring this appropriation forward and continue the rest of the work – falling into the sequence of events as they have unfolded over the past 6 months as the Housing Plan has come together.

Mayor Troxell; I want to applaud the harder upfront thinking as opposed to jumping to code. I like the intentionality of what you are trying to accomplish as it relates to this request. What about landmark preservation as it relates to this request?

Caryn Champine; one is as we are doing this evaluation and rewrite, we want to make sure that the code works well with other frameworks and other regulatory components – we are going to be looking through the lens of as we change land use code and how does it work or not work with other regulations that often overlap.

Historic preservation is a good one – someone may be going through a Development Review along with a Historic Preservation and Landmark Review at the same time. The correlation between these regulations is important which is why it does take time. If we were to explore deeper connections between the land use regulations and historic preservation – we might see it reveal itself more in the Phase 2 process.

Mayor Troxell; this is a lens to also look at historic preservation when you consider housing types in general and how to best build out our city – recognize the fact that we do have historic and cultural elements that we want to be preserved. There can be barriers to doing things - zooming out to a larger scope of our future there are tradeoffs, and they need to be properly characterized and represented which may predetermine limitations like on our land use code. Would this also apply in city engagement in the case of us working with Loveland on the airport – Loveland jurisdiction, we are a 50/50 partner and helping to influence staff support, land use as it relates to Loveland.

Darin Atteberry; everyone knows City of Loveland has the land use authority at the airport property– any additional regulations that are applied would have to be adopted by Loveland however, as a joint owner we do have a say in what goes on - if we have other preferences. Paul Sizemore was on our Airport Terminal Charrette last week - It might be good for us to think through whatever principles that have emerged out of City Plan that are relevant to that site. I am not sure to what extent we have shared these principles with the City of Loveland as planners we should at least think about how to inform the airport director.

One of the things that is so important about this item is that City Plan without implementation is simply a vision, but with implementation as illustrated with this item will ensure that City Plan gets built. Phase 1 is really about the affordable and attainable housing that is so important to the Council. If we want the plan to be built this additional work is important. Through implementation development there is an opportunity to unbundle stuff that has been part of regulations for years. Regulatory context looks like – and we evaluate affordable housing, there may be regulation that go away that are no longer relevant or inconsistent with what we want. There is a re review of the existing stuff so we aren't just looking at adding this much more regulation - we will re review and recommend to the new Council how to best align to the City Plan vision - this is an important part.

Mayor Troxell; I am supportive of this supplemental appropriation coming forward.

Ken Summers; good discussion and helpful context. I do have some questions which may be more appropriate when this comes to Council - I agree with what Darin just said and that this is all about operationalizing City Plan and making sure that our land use code is in alignment with that. Accomplishing the changes that need to be made on the affordable housing front just as soon as possible so when I saw the timeline for that it made me more comfortable. On the practical side when we bring it forward, I am going to advocate for a not to exceed amount in the budget when we have these gaps, we either need to say let's approve a not to exceed amount and you might as well make it the higher number.

Emily Gorgol; I am supportive. I think it is great that we are doing this first one focused on housing and moving that priority forward. I also like the timeline is a year – thank you for expediting that. Land Use code was identified by the Adhoc Housing Committee as being a big barrier to affordable housing. I look forward to this coming to Council and feel this is a really good use of funds.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Is Council Finance Committee supportive of a supplemental appropriation to complete Phase 1 of the Land Use Code Update?

RESULT:

The Committee is supportive of this supplemental appropriation to complete Phase 1 of the Land Use Code Update.

Meeting adjourned at 12:01 pm

DRAFT

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Darin Atteberry, City Manager
Travis Storin, Interim Chief Financial Officer
Lawrence Pollack, Budget Director

Date: February 22, 2021

SUBJECT FOR DISCUSSION

Equity and Other Improvements to Budgeting for Outcomes (BFO)

EXECUTIVE SUMMARY

Based on feedback from our community, the City has been working to address the accessibility of our budget related information. Through inquiry and research to better understand the feedback the City received, improvements around equity in budgeting are being implemented for the 2021 process to draft the 2022 Budget. Additionally, other software and process improvements are being implemented for the creation of the 2022 Recommended Budget.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

What questions or feedback does the Council Finance Committee have about these overall improvements and, specifically, the initial recommendations to improve equity in the City's budget?

BACKGROUND/DISCUSSION

After each budget cycle, it is standard process to evaluate improvement opportunities. Based on feedback from users of our budgeting software, productivity enhancements are being implemented. Additionally, the BFO Teams will be reinstated in 2021 for this second of back-to-back one-year budgets.

The City of Fort Collins places importance on listening to the community and making improvements based on feedback. When the 2021 Recommended Budget was released last fall, the City heard clearly that the budget information available isn't accessible to many community members. A perfect example of this is the City's traditional budget document, which is several hundred pages long and filled with confusing words and jargon. Further, the overall budget information is provided only in English and requires internet access to view it. That, along with other valuable feedback, was the catalyst for these improvements.

The following topical areas will be discussed in more detail during this agenda item:

- More accessible budget information
 - o 1st publication of Budget in Brief document
 - o Video library
 - o All in Spanish and English
- Enhanced collaboration with community partners for budget engagement

- Return to early summer public engagement on budget requests competing for funding
 - o Shifting toward breadth over depth
- Enhanced engagement for the Recommended Budget in the fall
- Embedding equity in budget requests and new Budget Equity Team

ATTACHMENTS

Attachment #1 – PowerPoint presentation



Equity and Other Budgeting (BFO) Improvements
Council Finance Committee – 22 February 2021

- It is 'standard work' to inquire about Budgeting for Outcomes (BFO) improvement opportunities after every budget cycle
- **Feedback sources:**
 - Public engagement
 - Resident emails to City Leadership
 - City Council conversations
 - 2020 Rapid Response Team equity assessments

Other Improvements for the 2021 Budget Process

- **Numerous user productivity improvements have been implemented in the City's budget software**
- **The BFO Teams will be reinstated**
 - Staff only for this summer's 2nd one-year BFO process
- **Public engagement on competing budget requests will be conducted between May and July; back to the pre-COVID 19 cadence**
 - Snapshots of feedback collected partway through the summer will be shared with BFO Teams (June) and the executive team (July)

- **The City's budget information is not accessible to all community members; especially historically underserved populations**
- **Upon further inquiry, 'not accessible' can mean:**
 - Most people do not have time to read a 400+ page document (e.g., the Recommended Budget)
 - Budget information is only available online; what about residents without internet access?
 - City information often has jargon and 'City speak' with little meaning to most residents
 - Budget related information is only available in English

1) More Easily Accessed Information - Create a True Budget in Brief Document

- Targeting less than 25 pages
- Highly graphical / visual and easy to read (standard grade level)
- In Spanish and English, for now; consider other language options
- Content to include:
 - Infographic of the 2-year strategic planning / budgeting process, highlighting key community input opportunities
 - Significant changes from prior budget / How does the budget relate to me?
 - Outcome summary 1-pagers with key takeaways for the community
 - *Trans & Mobility to transit centers, Culture & Rec to recreation facilities, etc.*
- Inaugural publication for the 2021 Adopted Budget in Brief (Feb/Mar)

1) More Easily Accessed Information - Video Library

- **Each video targeted at less than 3:00 minutes**
- **Published in Spanish and English**
- **Videos with long shelf life**
 - BFO 101 (animation video created this year - <https://youtu.be/GCIR3EEXnp4>)
 - The City's strategic planning and budgeting process (with input opportunities)
 - Where the money comes from, funding sources and where it goes
 - What is an Offer and an Offer Type?
 - Budgeting for Capital Projects
 - How to read the Recommended Budget and other online resources
- **Video specific to current budget cycle**
 - Key takeaways from the Recommended Budget

2) Collaboration with Community Partners

- **Weighted toward organizations working with underserved populations**
 - Our Boards and Commissions will be included
- **Virtual meeting on 3 March to provide information of overall 2021 Citywide engagement opportunities, including the 2022 Budget**
 - Goal: Provide a list of opportunities where their membership has interest and energy to volunteer
 - Think of a Hub and Spoke model: work with partners throughout the year to inform their membership 1) how to access budget information and 2) about real-time engagement opportunities
- **Submit Community Budget Outreach Offer (translations / brokers)**

3) Communication and Engagement

- **2022 Budget and 2022 Strategic Plan public engagement combined**
 - Community Survey moved to Q1, so data is available for executive decisions
 - Eliminate confusion between fcgov vs. OurCity
- **Two primary engagement approaches**
 - May through July: Feedback on competing budget requests
 - Sept 1 thru mid-October: Pre-scheduled and communicated informational / Q&A sessions on the Recommended Budget, including Outcome specific ones
- **Staff efforts for public engagement events will be weighted on underserved populations**
- **Will broadly convey the new, more accessible budget information**

4) Offers Include Question on Equity

- Included in the Offer narrative so Sellers understand this is not a side activity; it's part of the budget request
- This takes us to the next phase of learning: Learning by Doing
 - Not to be included in Offer Narratives posted online
- Guidance to think internally and externally to the community
- Training and consultation workshops provided by the Rapid Response Team (RRT) and other volunteers (March and April)
 - Conducted via Lunch & Learn type format
 - Multiple workshops offered to assist staff in thinking about responses
- Executive team (BLT) still finalizing the specific wording

5) Create a Budget Equity Team

- **Comprised of RRT and other City volunteers invited by the BLT**
- **All Offers will be evaluated based on an equity assessment framework, improving upon the 2020 equity surveys**
- **Work spread over the months of May and June (25-30 hrs. / member)**
- **Deliverables:**
 - Categorize Offers into 1) advances, 2) neutral or 3) detracts from equity
 - Share observations with each BFO Team (before Offer prioritization)
 - Provide recommendations to BLT on Enhancement / Reduction type Offers
- **Response data will also be provided to the new Equity Office**

6) Miscellaneous Equity Improvements

- **Explanations of significant deltas from prior year budget to be provided (both docs)**
 - 2021 'decreases' in Social Sustainability / 'increases' in Office of the Chief
- **Include narrative on equity in the Overview section of the Budget**
- **Instead, conduct 2-hour Outcome specific volunteer focus groups**
 - Ask Community Partners for members who may be interested to volunteer
- **Capital projects map to now be available for BFO Teams & BLT**

2021 Budgeting for Outcomes (BFO) Calendar

Area	Activity	Dates
Sellers	Budget Requests (aka Offers) due	26-Apr
BFO Teams	Review Offers & Develop Preliminary Ranking Platforms	29 Apr - 26 May
Outreach	Community Public Engagement	5 May - end of July
Sellers	Revise Offers - Round 2 with final Offers	27 May - 4 Jun
BFO Teams	Review Offers & Create Final Ranking Platforms	7 Jun - 25 Jun
Executive Team	Budget Leadership Team (BLT) Deliberations and Final Decisions	29 Jun - 2 Aug
Budget	2022 City Manager's Recommended Budget submitted to City Clerk's Office	1-Sep
Council	Council Work Session #1	14-Sep
Council	Council Meeting - Public Hearing #1	21-Sep
Council	Council Work Session #2	28-Sep
Council	Council Meeting - Public Hearing #2	5-Oct
Council	Council Work Session #3	12-Oct
Council	Council Meeting - First Reading of the Budget Ordinance	2-Nov
Council	Council Meeting - Second Reading of the Budget Ordinance	16-Nov

2021 Budgeting for Outcomes (BFO) Calendar

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Council	Council Work Session #3	12-Oct
Council	Council Meeting - First Reading of the Budget Ordinance	2-Nov
Council	Council Meeting - Second Reading of the Budget Ordinance	16-Nov

Items in blue text indicate public engagement opportunities

What questions does the Council Finance Committee have about these improvements to equity in the City's budget process?

**COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY**

Staff: Lawrence Pollack, Budget Director

Date: February 22, 2021

SUBJECT FOR DISCUSSION

Review of the 2021 Reappropriation Ordinance to appropriate prior year reserves.

EXECUTIVE SUMMARY

The purpose of this item is to reappropriate monies in 2021 that were previously authorized by City Council for expenditures in 2020 for various purposes. The authorized expenditures were not spent or could not be encumbered in 2020 because:

- there was not sufficient time to complete bidding in 2020 and therefore, there was no known vendor or binding contract as required to expend or encumber the monies
- the project for which the dollars were originally appropriated by Council could not be completed during 2020 and reappropriation of those dollars is necessary for completion of the project in 2021
- to carry on programs, services, and facility improvements in 2021 with unspent dollars previously appropriated in 2020 for those specific purposes

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2020 and reflect no change in Council policies.

Monies reappropriated for each City fund by this Ordinance are as follows:

General Fund	\$912,543
Keep Fort Collins Great Fund	226,690
General Improvement District #1 Fund	12,000
Cultural Services Fund	55,000
Wastewater Fund	35,000
Total	<hr/> \$1,241,233

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support moving forward with the 2021 Reappropriation Ordinance on the Consent Agenda at the March 2, 2021 Council meeting?

BACKGROUND/DISCUSSION

The Executive Team has reviewed the Reappropriation requests to ensure alignment with organization priorities and the Budget staff reviewed the requests to verify that all met qualification requirements. The 2021 Reappropriation requests are as follows, by Fund:

GENERAL FUND

City Attorney's Office

1) Litigation Expenses - \$6,626

Purpose for funds: Funds in the amount of \$20,000 were transferred to the City Attorney's Office budget in September 2020 from the City Manager's Contingency Fund to cover unanticipated legal expenses for a litigation matter the City Council in August 2020 directed the City Attorney to file. Of the original funds transferred, only \$13,373 were expended in calendar year 2020.

Reason funds not expensed in 2020: The original cost of litigation was estimated based on the nature of this case. This litigation matter is ongoing and the request for \$6,626 is for the remainder of the funds not fully expensed in 2020. It is anticipated that the remainder of funds should be sufficient to cover the fees and costs to bring this matter to a close.

Economic Health

2) PRPA Funds for Main Street Lending Program - \$36,226

Purpose for funds: These funds are received from Poudre River Power Authority (PRPA) and intended to support economic development activities within the City of Fort Collins. The Economic Health Office has earmarked these funds for use to initiate a Main Street Lending Program targeting underserved businesses owners in our community. Each year, PRPA distributes the funds based on direction by the City. The City with approval from the Mayor has earmarked these funds for a lending program until 2022.

Reason funds not expensed in 2020: In 2019, the City selected Colorado Lending Source as our partner to develop a Main Street Lending program. Unfortunately, the COVID-19 pandemic resulted in the termination of that program. The funds were returned by CLS and used to support a Larimer County Loan Fund targeting business recovery. Each year, PRPA provides funds to the City and the funds from 2020 were originally intended to be added to the 2019 CLS Main Street Lending Program. Near the end of 2020, conversations with CLS regarding re-opening the fund began. These conversations have not resulted in a new fund at this time. However, it is the intent of the Economic Health Office to initiate a new Main Street Lending Program either with CLS or another partner in 2021 or 2022 depending on the availability of funds and interest from the market. These funds will be part of the re-launch.

City Manager's Office (formerly Human Resources)

3) Effective, Innovative, and High Performing Board - \$30,000

Purpose for funds: This work would set the foundation for a leadership curriculum beyond the onboarding process and equipping City Council with the resources, training, and tools to be a highly effective and innovative governing body. Funding for this request would provide assistance from a consultant to work with the Chief Human Resources Officer, City Manager, City Council and key staff members as well as pay for development sessions already requested by Council members, such as navigating complex conversations where there are diverse opinions in Council listening sessions. Phase 1 of this project would be to work with the Mayor and Council on the model of leadership and required capabilities they would like to aspire to as a governing body. External research on high performing councils as well as insights from other sector boards will be considered to guide the dialogue.

Reason funds not expensed in 2020: As a result of COVID-19, interviews with each City Councilmember occurred later than planned in 2020. At the same time, the City faced the decision to reduce funding across the City due to declining revenues resulting in the reduction of funding this offer for 2020 and deferred this work to 2021.

Natural Areas

4) Northern Integrated Supply Project (NISP)- \$24,683

Purpose for funds: The purpose of these funds is to provide consulting services for the City's efforts in engaging in the permitting and mitigation planning for the Northern Integrated Supply Project (NISP). Consulting services may be needed for any number of technical and discipline specific subjects to assist the City in efforts to protect City assets within the context of NISP being permitted and constructed. Technical support may be solicited for water quality, stream restoration, water resource engineering, and for development of effective and collaborative adaptive management programs.

Reason funds not expensed in 2020: These funds were not fully expended in 2020 because the progress of the NISP permitting was greatly slowed last year. Consulting support is needed for NISP when the applicant is developing operational details of its mitigation program, which all but halted mid-year in 2020. When these talks stopped the need to have technical support also slowed significantly. Given the broad array of impacts to the City and anticipated related activities in 2021 these funds will be used for consulting support in 2021.

Operation Services

5) Required Building Modifications - \$91,344

Purpose for funds: This offer funded City facility modifications that are necessary to increase the City's compliance with legal requirements. In 2016, the City went through a comprehensive process to identify those facilities that require accessibility modifications or improvements. Through this process, the City determined that various modifications at 46 existing facilities are necessary. These modifications were prioritized in the plan and the first

two years have been completed. The remaining cost of these modifications is \$5.7 million. This offer was funded at \$600,000 per year to address the required building modifications.

Reason funds not expensed in 2020: Ops Services offered \$300,000 as a reduction in 2020 as an option to help offset the sales tax revenue shortfall. Our department was then notified in late September that the reduction was not accepted, and the funds were still available for use. We proceeded with getting design consultants on board to complete documents to allow for contractors to bid the work. Due to the short timeframe, we did not get a design completed for the required building modifications at the Downtown Transit Center. We are requesting the remaining funds be re-appropriated to allow us to bid this work and move this project forward without using the 2021 funds which are already earmarked for other compliance related building modification projects.

6) EPIC Dehumidification System - \$100,000

Purpose for funds: Each year, the humidity in the EPIC ice rink(s) causes condensation that is detrimental to the facility and becomes a skating safety hazard. In mid-2020, a dehumidification study/design was done to address this on-going issue.

Reason funds not expensed in 2020: The design work was not completed until late in the year. Operation Services was able to order the HVAC units but did not have time to bid the installation.

7) City Hall Data Center Redundant Cooling - \$80,000

Purpose for funds: The redundant cooling at the City's main data center is well past its useful life and major components are starting to fail. It is imperative that this cooling system is reliable. It is currently scheduled for replacement.

Reason funds not expensed in 2020: Operation Services was able to procure the construction costs but did not have time to competitively bid out the equipment package.

Park Planning & Development

8) Park Improvement Project Support - \$33,160

Purpose for funds: This offer provided financial support for Park Planning staff to work on feasibility, design and community outreach for new features in existing parks. Requests come from the Parks Department, general public and private donors. Currently Park Planning staff is funded through park impact fees. These fees are used to build new parks and cannot legally be used for improvements to existing parks. Requests for new features in existing parks need to be analyzed, vetted and initial designs may be requested by donors before fundraising begins. Park Planning staff needs a funding source to charge staff time and other ancillary costs associated with these requests.

Reason funds not expensed in 2020: Park Planning staff is currently working on several projects including the Sugar Beet Art Donation, Oak Street Plaza renovation, Eastside Park Improvement donation project, Spring Canyon water quality pond improvements,

Rosborough Cyclo-Cross improvements and Spring Canyon Community Park Veterans Plaza donation project. This funding is needed to complete the work on these projects, as well as future projects that may develop during 2021.

Social Sustainability

9) Childcare Workforce Development Funding - \$20,000

Purpose for funds: This reappropriation supports the City's efforts to respond to systems-level work emerging in the community around the issue of childcare affordability and accessibility. The lack of affordable childcare is one of the main barriers impacting workforce recruitment and retention in Fort Collins. The City's role is to assist with reducing barriers, increasing capacity, and responding to childcare needs.

Specific funding opportunities for these funds will focus on childcare teacher workforce development. Two projects that are being spearheaded by the Early Childhood Council of Larimer County (ECCLC) will be considered for support with these funds, including:

- Development of a new substitute teacher training and placement program that would benefit childcare providers community-wide.
 - The City's support of this 'sub pool' model will catalyze the launch of a new program where childcare providers will be able to access certified substitutes as real-time needs emerge.
 - The program will be an attractive 'gig' work platform for teachers and retirees seeking flexible employment options.
 - Start-up costs supported with these funds may include program and policy development, background checks and fingerprinting, infant/child CPR and other pre-classroom training, and staff management web tool development.
 - ECCLC anticipates recruiting 50-100 substitute childcare teachers in the first year.
- Scholarships for early childhood education (ECE) teachers to advance their training, certifications and career pathways.
 - Supporting these tuition scholarships increases the capacity, quality and sustainability of early childhood care provision in the Fort Collins community.
 - The cost for online ECE courses is 46% more expensive than in-person courses, and COVID is now necessitating online participation.

Reason funds not expensed in 2020: These opportunity funds were partially intended to support the creation and launch of the 'Larimer Thrive By Five' public information campaign led by the Early Childhood Council of Larimer County (<https://larimerthrivebyfive.org/>). Due to budget pressures caused by the COVID-19 pandemic, the City decided to withhold the funding support for the project. The Larimer County Commissioners and other funders did support the project and it successfully launched in early 2021.

10) Principles of Community - \$25,000

Purpose for funds: The purpose of this Offer is to support engagement with and dissemination of Principles of Community. A key deliverable identified by Council to advance the Equity and Inclusion priority, was to develop Principles of Community for the organization to foster and enhance a sense of belonging for coworkers and the community we serve. Adopting Principles of Community can serve as a model across Fort Collins (as CSU's principles do), and these principles will specifically provide an internal focus for the City organization and how it serves the community.

- While external input is being gathered in their development, the principles will not be imposed on any in the community. Upholding the Principles of Community will be a public commitment to the City's strategic goals for equity and inclusion.
- The funds will be used for printing and promotion costs as well as for training and engagement efforts as the Principles of Community are shared throughout the organization, as part of talent development and equity and inclusion work.

Reason funds not expensed in 2020: With other priorities at the top of the list for 2020, the development of Principles of Community was delayed and is now moving forward toward completion by early in Q2 2021. A working group of over 20 staff from across the organization is meeting bi-weekly to develop the Principles, with additional internal and external input. The funds associated with this offer will be utilized throughout the year to help embed them in the organizational culture and broadcast them to the community.

11) Seasonal Overflow Shelter Funds - \$48,000

Purpose for funds: Seasonal Overflow Shelter (SOS) funds are used for additional overnight shelter space during the cold winter months (November through April) with funding going to the local shelter providers in Fort Collins to cover the costs of additional staff, security, food and other needs.

Reason funds not expensed in 2020: Funds were held back in 2020 knowing that increased needs and funding assistance would occur in 2021. The funds budgeted for SOS will be used for overnight shelter needs in 2021 which is expected to be higher than past years due to higher needs. Overnight shelter continues to be a high priority need with many people and families needing to utilize overnight shelter until they are able to successfully find housing.

12) Affordable Housing Programs (AHF) - \$417,504 (plus an additional \$200,000 in Keep Fort Collins Great Fund (KFCG) totals \$617,504 for request)

Purpose for funds: The Affordable Housing Funds are allocated annually through the Competitive Process to support critical affordable housing needs in the City of Fort Collins. Because of the cyclical nature of housing development, funding may be either unallocated or unexpended during a program year. Pursuant to Ordinance No. 28, 1994, any amounts appropriated by Council and not expended during the fiscal year should lapse into the Affordable Housing Reserve.

Reason funds not expensed in 2020: \$300,000 of the fiscal year 2020 budget was frozen and unallocated in case it was needed to meet the City's budget reduction needs due to COVID-19. \$100,777 remained unallocated in the Spring Competitive Process, \$100,000 of which

was subsequently frozen. \$158,751 represents funding commitments to affordable housing projects that are not yet ready to contract, \$55,338 represents the balance of funding that was previously committed to the Homebuyer Assistance Program, \$2,638 and represents unexpended program funds. The balance of funds will be added to the Spring 2021 Competitive Process to be allocated to an eligible affordable housing project.

KEEP FORT COLLINS GREAT FUND

Natural Areas

13) West Nile Virus Management Program - \$26,690

Purpose for funds: The purpose of this offer is to reduce the public health risks of West Nile virus (WNV). This offer funds proactive measures to reduce the frequency and geographic extent of adulticide fogging applications recommended by the Larimer County Department of Health and Environment. Elements of the program include a comprehensive municipal monitoring network; mosquito larvae control; site mapping; comprehensive public engagement and communication program; and quality control and virus testing services provided by Colorado State University.

Reason funds not expensed in 2020: Expenditures for WNV public engagement and communications are timed to coincide with elevating mosquito production and human health risk. As COVID-19 impacted the City's 2020 budget, all outreach expenditures were paused to ensure direct mosquito management actions were funded. As the year progressed it became apparent funds would be available, yet the effective time for outreach had passed. Reappropriating these funds is critical to the 2021 WNV Program as Reduction 63.2 was purchased eliminating all outreach and reducing trapping and testing by approximately 3 weeks. Truncating the early season trapping and testing will deprive the program of early data comparisons helpful in assessing the relative risk of WNV compared to previous years. Additionally, key outreach needs persist, such as distribution of notification door hangers, and translating of WNV web pages; currently, only the main page is translated.

Social Sustainability

14) Neighborhood Affordable Housing Programs (AHF) - \$200,000 (plus an additional \$417,504 in General Fund totals \$617,504 for request)

Please see description in #12 under General Fund.

GENERAL IMPROVEMENT DISTRICT #1 FUND

Economic Health/General Improvement District #1

15) GID #1 Flagpole Project - \$12,000

Purpose for funds: Purpose of the funds is to replace existing flag poles at the Oak Street median for safety precautions. The poles have noticeable deterioration at the base of each pole and were originally installed in the 1980's.

Reason funds not expensed in 2020: Unforeseen delays did not allow the original contractor to schedule a site visit and provide a quote as originally scheduled in 2020. For these reasons, two additional contractors were contacted late in the year with work to begin in 2021. The current request is for the lowest quote plus contingency for unanticipated costs.

CULTURAL SERVICES FUND

Cultural Services

16) Exterior Lighting at Lincoln Center - \$55,000

Purpose for funds: The original offer request was one-time funding to address the exterior and street lighting at and around the Lincoln Center (LC). This offer would allow LC to support the City's commitment in upholding a culture of safety. In addition to City employees, this enhancement would increase the safety of guests as they enter and exit the facility. Staff routinely receive complaints from patrons about the lighting between LC and parking areas. New lights would offer optimal efficiency while adhering to the guidelines surrounding the Climate Action Plan and complying with the Night Sky Initiative.

Reason funds not expensed in 2020: We had a work order in place to complete this exterior lighting project. It was discovered during the punch-list walkthrough in December, that the festoon lighting system which is fastened to two existing light poles needs to have additional structural support (in the form of guy wires) to ensure they could handle the additional structural load. We need these remaining funds to complete the design and installation of the support solution.

WASTEWATER FUND

Utility Environmental Services Division

17) Microplastics Study - \$35,000

Purpose for funds: This offer supports the efforts to sustain and improve the health of the Cache la Poudre River and its watershed by building knowledge related to the impact that microplastics have on our watershed and the environment and lays the foundation for the development of effective strategies to reduce microplastics in the wastestream and/or mitigate their impacts. This offer was a response to the Council Priority of reducing plastic pollution and was aimed at tracking advances in treatment technologies for reducing or eliminating microplastics from water supplies. Funds will be used to hire a consultant to review and synthesize the state of the science on this topic.

Reason funds not expensed in 2020: This work did not occur in 2020 due to a lack of staff capacity which was further exacerbated by Cameron Peak Wildfire response and budget uncertainties.

FINANCIAL/ECONOMIC IMPACTS

This Ordinance increases 2021 appropriations by \$1,241,233. A total of \$912,543 is requested for reappropriation in the General Fund, \$226,690 from the Keep Fort Collins Great Fund, and \$102,000 is requested from various other City funds. Reappropriation requests represent amounts budgeted in 2020 that could not be encumbered at year-end. The appropriations are from prior year reserves.

ATTACHMENTS

PowerPoint presentation



City of
Fort Collins
215
N. Mason

2021 Reappropriation Ordinance

Lawrence Pollack, Budget Director

Feb 22, 2021

What qualifies for Reappropriation?

- Funds that were originally appropriated (authorized by Council) in 2020 for a specific purpose, but were not fully expensed or encumbered by the end of the fiscal year
- Appropriate the funds from 2020 reserves into the 2021 budget for the same specific uses that were originally proposed and approved for 2020
- The executive team reviewed the reappropriation requests and concluded that all 2021 reappropriation items submitted were still high priorities to be completed

2021 Reappropriation Summary

Amount by Fund being requested for Reappropriation:

General Fund	\$912,543
Keep Fort Collins Great Fund	226,690
General Improvement District #1 Fund	12,000
Cultural Services Fund	55,000
Wastewater Fund	35,000
Total	<hr/> \$1,241,233

Reappropriation by Fund

GENERAL FUND:

#	Department	Request Name	Amount
1	City Attorney's Office	Litigation Expenses	\$6,626
2	Economic Health Office	PRPA Funds for Main Street Lending Program	\$36,226
3	City Manager's Office	Effective, Innovative, and High Performing Board	\$30,000
4	Natural Areas	Northern Integrated Supply Project (NISP)	\$24,683
5	Operation Services	Required Building Modifications	\$91,344
6	Operation Services	EPIC Dehumidification System	\$100,000
7	Operation Services	City Hall Data Center Redundant Cooling	\$80,000
8	Park Planning & Development	Park Improvement Project Support	\$33,160
9	Social Sustainability	Childcare Workforce Development Funding	\$20,000
10	Social Sustainability	Principles of Community	\$25,000
11	Social Sustainability	Seasonal Overflow Shelter Funds	\$48,000
12	Social Sustainability	Affordable Housing Programs (AHF)	\$417,504
GENERAL FUND TOTAL			\$912,543

Reappropriation by Fund

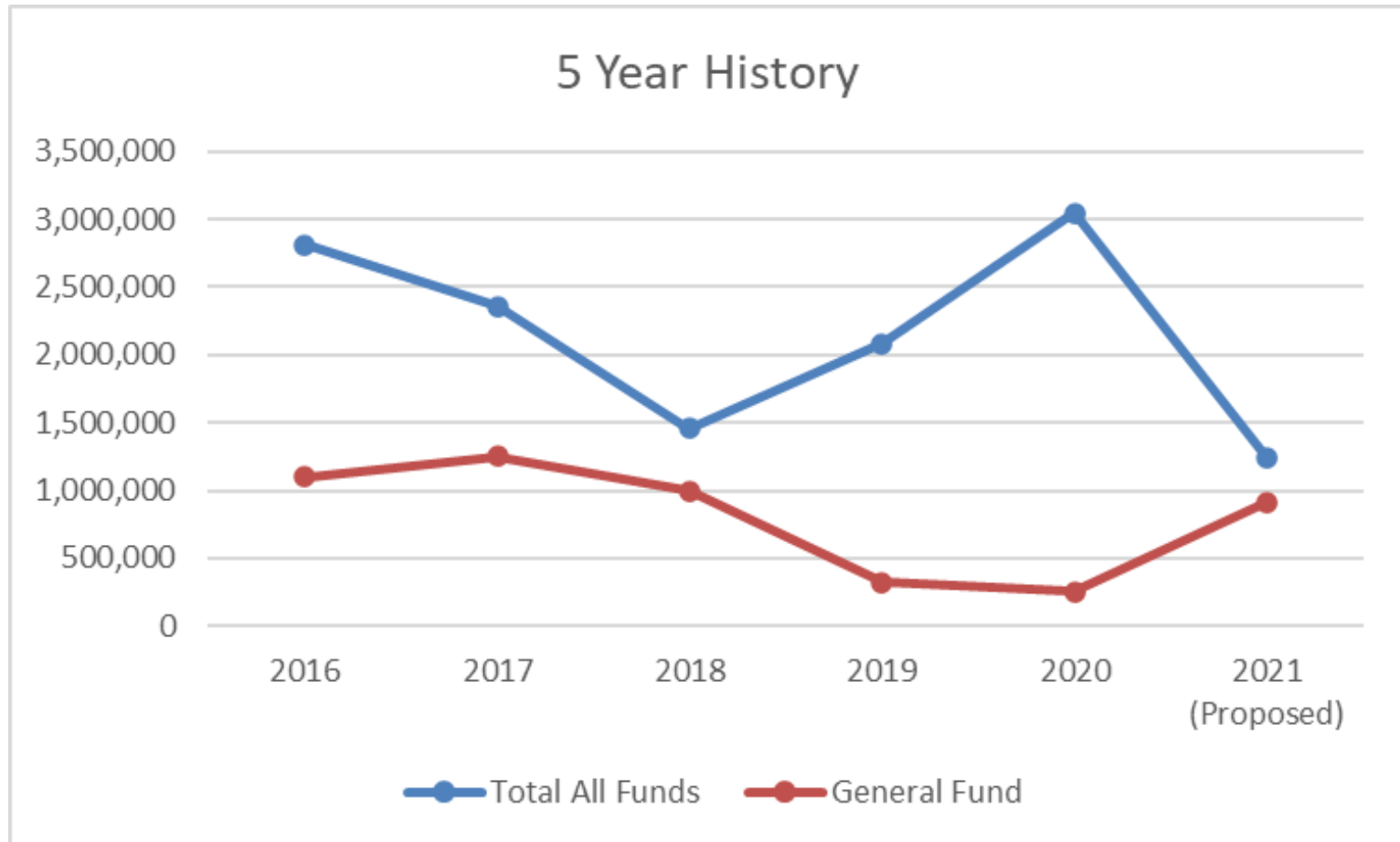
KEEP FORT COLLINS GREAT FUND:

#	Department	Request Name	Amount
13	Natural Areas	West Nile Virus Management Program	\$26,690
14	Social Sustainability	Affordable Housing Programs (AHF)	200,000
KEEP FORT COLLINS GREAT FUND TOTAL			\$226,690

OTHER FUNDS:

#	Department	Request Name	Amount
15	Economic Health Office	GID #1 Flagpole Project	\$12,000
16	Cultural Services	Exterior Lighting at Lincoln Center	55,000
17	Ut Environmental Services Div	Microplastics Study	35,000
OTHER FUNDS TOTAL			\$102,000

Historic Reappropriation Ordinances



Guidance Requested:

- 1) CFC feedback on the Reappropriation requests being presented
- 2) CFC direction on putting Reappropriation on the Consent Agenda of the March 2nd City Council meeting

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Jill Oropeza, Director of Water Quality Services
Matt Zoccali, Senior Manager of Environmental Regulatory Affairs
Lance Smith, Utilities Strategic Finance Director

Date: February 22, 2021

SUBJECT FOR DISCUSSION Post Cameron Peak Fire Watershed Recovery

EXECUTIVE SUMMARY

The purpose of this item is to discuss the need to appropriate funds for the unanticipated needs of watershed restoration treatments and operational costs associated with treating fire-impacted water supplies with the Council Finance Committee. The risks to the Poudre watershed from the Cameron Peak Fire are significant and require mitigation to ensure the adequacy of the City's water supply. In October 2020, Fort Collins City Council approved a 2 percent water rate increase one year earlier than previously planned, which provides approximately \$600,000 specifically intended to address post fire needs. In addition, the Horsetooth Outlet Project was completed under budget leaving \$1,800,000 in unused funds. Operating revenues in the Water Fund exceeded the projected 2020 revenues by over \$2.6M. In total, there are approximately \$5,000,000 of Water funds that could potentially be used toward fire recovery needs. Staff proposes that this requested appropriation for 2021 be funded with these identified resources. Use of these funds would not require an additional rate increases at this time, nor would it impact the current timeline or funding for planned capital investments. It is anticipated, however, that additional appropriations and/ or rate increases may be needed in future years.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does the Council Finance Committee support bringing forth an appropriation ordinance for \$5.0M to support the mitigation efforts necessary to ensure effective treatment of water from the Poudre River after the Cameron Peak Fire?
2. Does the Council Finance Committee support entering into an Intergovernmental Agreement with Larimer County and the City of Greeley to collaborate on post-wildfire watershed recovery work?

BACKGROUND/DISCUSSION

The unprecedented summer and fall wildfire season of 2020 resulted in nearly 400,000 acres of burned landscape in critical watersheds that source water supplies to communities in Larimer and Weld counties, including municipalities like Fort Collins and Greeley. These communities receive water supplies from the Cache La Poudre River, Colorado-Big Thompson (CB-T) system

and associated high mountain reservoirs, which were impacted by the Cameron Peak and East Troublesome wildfires. Northern Water is managing the response and recovery to the East Troublesome Fire. The work proposed herein pertains specifically to impacts from the Cameron Peak Fire. The after-effects of widespread forest fires typically include more frequent and flash flooding following rain and snowmelt runoff events, leading to increased ash and sediment in the river, increased likelihood of debris flows, and an overall degradation of water quality, particularly after thunderstorms. The water quality impacts of post-fire debris and sediment flows following rain events are often sudden and severe and can render the Poudre River water supply temporarily untreatable. In these cases, as happened frequently following the High Park Fire of 2012, the ability to rely on Horsetooth Reservoir water is critical for the continuity of water treatment operations. Real-time water quality sensors on the Poudre River ensure that changes in water quality are detected early enough to allow operations to effectively bypass the river water until conditions improve. The primary purpose of post-fire treatments like the application of mulch or other groundcover, is to decrease erosion and hold the soil in place, thereby giving the chance for vegetation to reestablish and minimizing the downstream impacts to property, infrastructure, water quality and aquatic life. In cases where stabilization is not feasible or ineffective, downstream treatments like wattles or sediment catchment basins are designed to spread out, capture or relocate sediment and debris, keeping it off roadways and away from homes and water supply infrastructure, and out of the main river channel.

A group of regional stakeholders, referred to as Water Providers, worked with a consultant (JW Associates) to develop an initial watershed assessment of post-fire conditions to identify priority areas for mitigation treatments (Attachment C). This assessment incorporated various public data sets including slope, soil burn severity, debris flow probabilities, and hillslope sediment delivery estimates. Other factors considered included the location of key water supplies, land ownership and management designations (e.g. Federal Wilderness Areas). This approach has initially identified approximately 10,000-18,000 acres of moderate to severely burned areas meet criteria suitable for treatments, at an estimated cost of \$19 - \$38 million dollars, depending on the type and extent of treatments.

Many uncertainties remain around the extent and timing of the start of post-fire recovery work including the ultimate number of cost-sharing partners, the amount of available State grant funds, the outcome of efforts with Federal and State delegates to appropriate additional funding assistance, and the possible eligibility of use of said funds on USFS lands, including in federally designated Wilderness Areas. Fort Collins staff are engaged in funding discussions with various State and Federal agencies as well as Congressional representatives and State leaders to convey the need for additional funding resources for fire recovery. Ultimately, the availability of additional State and Federal assistance funds could significantly increase in the extent of treatments and in turn, would greatly assist in minimizing post-fire impacts to water supplies. However, the timing on any of these decisions is unknown and the urgency of the work requires moving forward with currently available resources.

This appropriation request for \$5.0M from Available Reserves consists of the following anticipated work:

- Proposed Post-Fire Emergency Watershed Treatments & Associated Costs (\$4,000,000)

- Aerial Wood Mulching of highest priority areas = \$1,000 - \$3,000 / acre — Addresses 2,500 - 7,500 acres out of the 10,000 acres identified as highest priority
- Wattles, stream grade control, sediment catchments = \$265,000
- Project Management Support = \$35,000
- Unanticipated Water Treatment O&M and associated plant capital cost estimates (\$1,000,000)
 - Poudre Intake sediment removal = \$500,000
 - Additional water treatment chemicals = \$300,000
 - Solids handling/drying temporary improvements = \$50,000
 - Water treatment and watershed studies/monitoring = \$50,000
 - Joe Wright Reservoir Mitigation = \$50,000
 - Potential water restrictions outreach and staffing = \$50,000

Intergovernmental Agreement

The City of Fort Collins, City of Greeley and Larimer County propose to enter into an IGA regarding cost-sharing and reimbursements for post-fire treatments approved under the federal Natural Resources Conservation Service (NRCS) Emergency Watershed Protection (EWP) assistance program. This IGA will be presented with the appropriation ordinance on March 16th for First Reading.

The purpose of the NRCS EWP Program is to fund emergency hillslope stabilization measures on private and State lands, designed for the protection of life and property, including community water supplies. Larimer County and City of Greeley were approved as fiscal sponsors for this program and as such, are contracted with the NRCS for the use of and reimbursement of recovery expenses up to 80% for construction and 100% for technical assistance. The 20% cost share for construction projects (treatments) will be shared between participants of this agreement. Under the City of Greeley's sponsor agreement, they will be responsible for addressing necessary watershed and water supply protection treatments and Larimer County will address private resident needs and critical road, bridge and other infrastructure outside of the public right of way. The City of Fort Collins does not anticipate cost-sharing for projects under the County's scope of EWP work, except for where a particular project provides mutual benefit for water supplies as well as private property infrastructure.

ATTACHMENTS

Attachment 1 – Powerpoint presentation

Attachment 2 - 2% Rate Increase_Council Work Session_Oct 2020.pdf



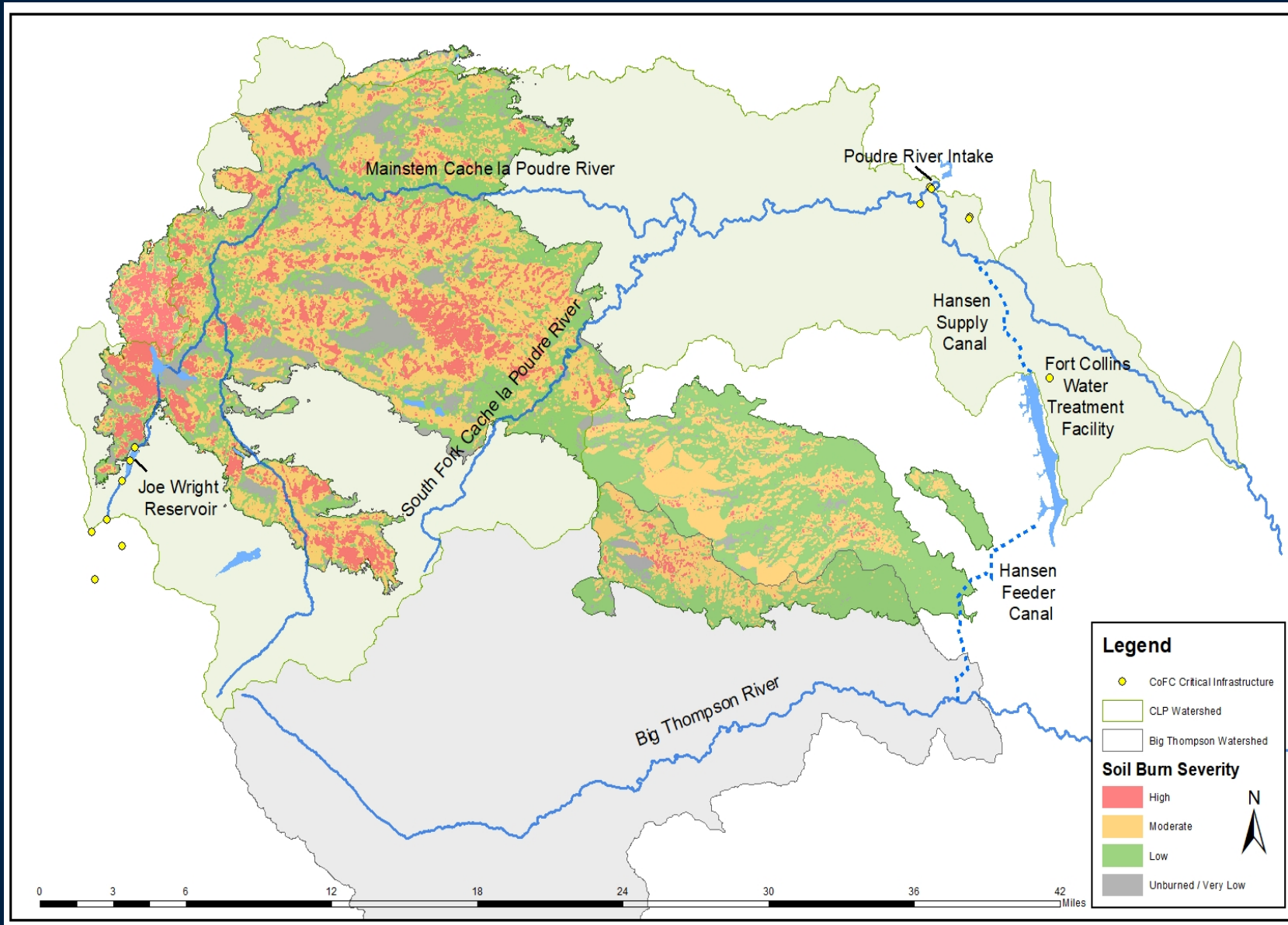
Cameron Peak Wildfire Recovery & Watershed Restoration

Jill Oropeza, Lance Smith

1. Planning for expected Impacts to Water Quality, Water Supply Planning and Water Treatment Operations
2. Request Council Finance Committee's support for a City Council appropriation of \$5,000,000 for post-fire watershed restoration and unanticipated water treatment and capital costs.
3. Request Council Finance Committee's direction for Utilities entering an Intergovernmental Agreement for cost-sharing post-wildfire watershed recovery treatments.

Cameron Peak Wildfire

- 208,913 acres; largest in Colorado history
- 3 affected watersheds
- 12% private / 88% Federal lands
- Big Thompson & Poudre Rivers contribute to City's drinking water supplies
- No major *direct* impacts to City water infrastructure
- E. Troublesome Fire affected other major components of C-BT system



Watershed & Water Quality Impacts



- Debris & sediment loading is predicted during Spring snowmelt runoff and Summer rainstorms
 - 50,000 – 430,000 tons of sediment predicted at Poudre River supply intake
- Extreme and rapid water quality degradation will render Poudre River supply unusable at times
- Fire-impacted mountain reservoirs will have long-term effect on Poudre River water quality
- Watershed recovery expected to take 5-10 years
- Water quality monitoring is ongoing

Potential Water Supply Planning Impacts

- Increased reliance on Horsetooth Reservoir supply
- Potential loss of rental revenue
- Increased likelihood of water restrictions

Anticipated Water Treatment Challenges

- Additional treatment chemical demand
- Energy intensive treatment process
- Increase in treatment solids management
- Taste & odor issues
- Increased facility maintenance
- Sediment removal & disposal from intake



Targeted erosion control treatments completed soon after a wildfire provide best chance for:

- Initiating watershed recovery
- Protecting water quality
- Controlling costs associated with infrastructure damage and sediment removal

Post-Fire Treatment Assessment by JW Associates (Feb. 2021)

- 10,600 high-priority acres identified for aerial wood mulching
- Additional site-specific erosion control measures
- Total estimated cost = **\$19M- \$37M**
- Treatments identified for watershed and water supply protection

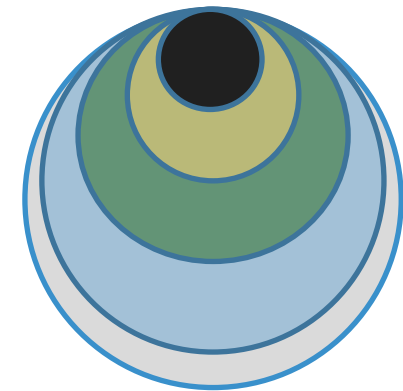


Watershed Recovery Funding Gap



Shrinking the Funding Gap

- Additional Federal funding
- Increased flexibility for using NRCS funds on public lands
- Increased State funding for post-fire needs



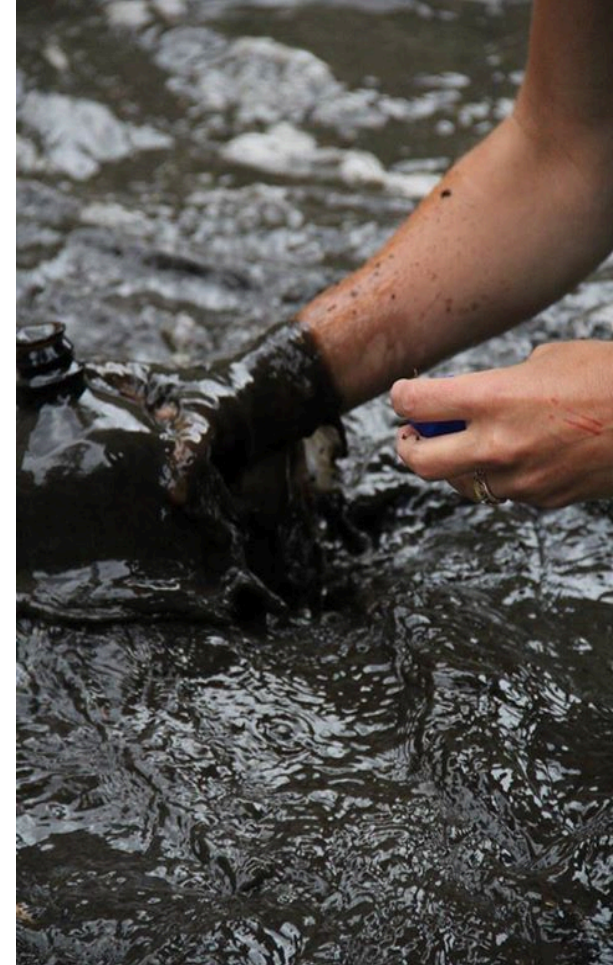
Proposed Emergency Watershed Treatments (\$4M)

- Aerial wood mulch = \$1,000-\$3,000 / acre
 - 2,500 - 7,500 acres, or 25-75% of the highest priority areas
- Wattles, stream grade control, sediment catchments = \$265,000
- Project Management Support = \$35,000



2021 Water Treatment Operations, Maintenance & Capital Costs (\$1.0M)

- Poudre Intake sediment removal = \$500,000
- Additional water treatment chemicals = \$300,000
- Solids handling/drying temporary improvements = \$50,000
- Water treatment and watershed studies & monitoring = \$50,000
- Joe Wright Reservoir Mitigation = \$50,000
- Potential water restrictions outreach and staffing = \$50,000

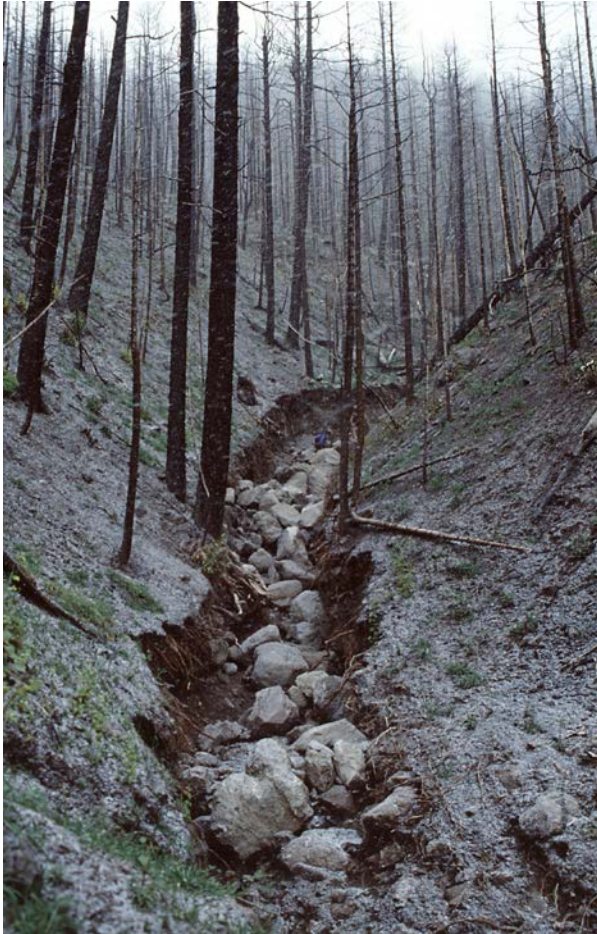


Total Appropriation Request = \$5,000,000

Financial Considerations

- Potential sources of funding (\$5M)
 - 2% early water rate increase approved in October 2020 = \$600,000
 - Horsetooth Outlet Project surplus = \$1,800,000
 - Unanticipated 2020 operating revenues in Water Fund = \$2,600,000
- Does not require additional rate increases in 2021
- Does not impact timeline or funding for planned capital investments
- Additional appropriations and/or rate increases may be needed in future years

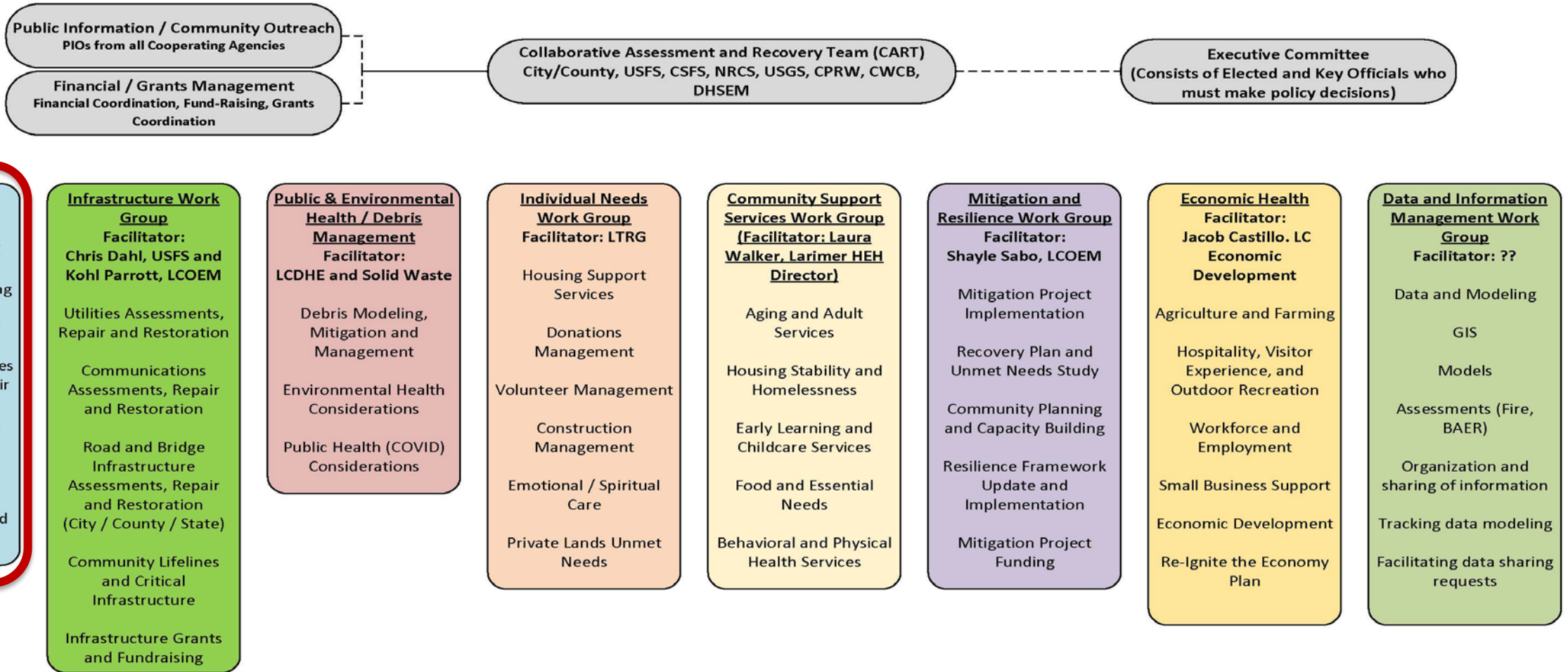
Watershed Recovery IGA



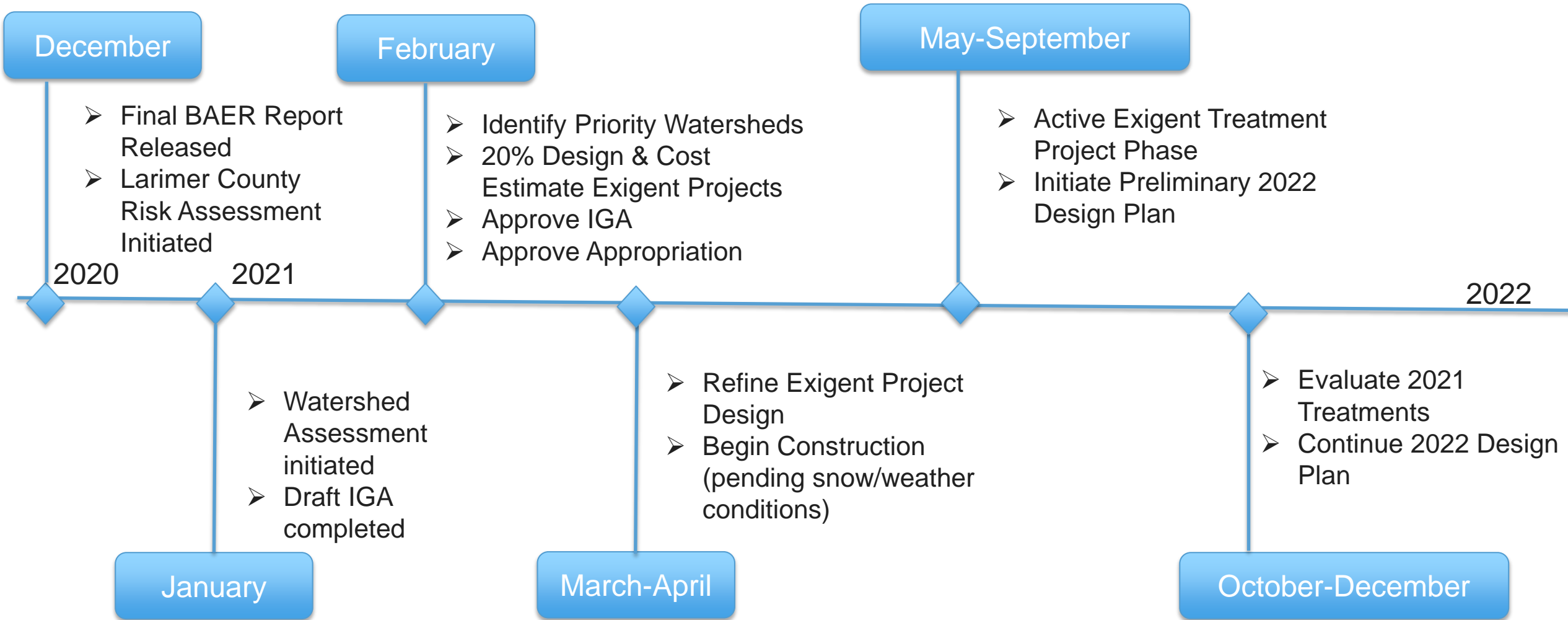
- IGA supports cost-sharing for projects approved under the federal Natural Resources Conservation Service (NRCS) Emergency Watershed Protection (EWP) Program
 - Federal funding for emergency stabilization projects on private and State lands
 - Includes protections for municipal water supplies
 - 80% reimbursement / 20% cost match requirement
 - IGA pertains to cost-sharing for the non-reimbursable 20% match
- Managing & Participating Entities
 - Fort Collins, Greeley, Larimer CO
 - Potential other partners include Tri-Districts, Northern Water
- Projects identification & funding based on shared-interest of parties
 - Cost-share methodology based on proportional water use from Poudre River
- Project Management Support

1. Does the Council Finance Committee support bringing forth an appropriation ordinance for \$5.0M to support the mitigation efforts necessary to ensure effective treatment of water from the Poudre River after the Cameron Peak Fire?
2. Does the Council Finance Committee support entering into an Intergovernmental Agreement with Larimer County and the City of Greeley to collaborate on post-wildfire watershed recovery work?

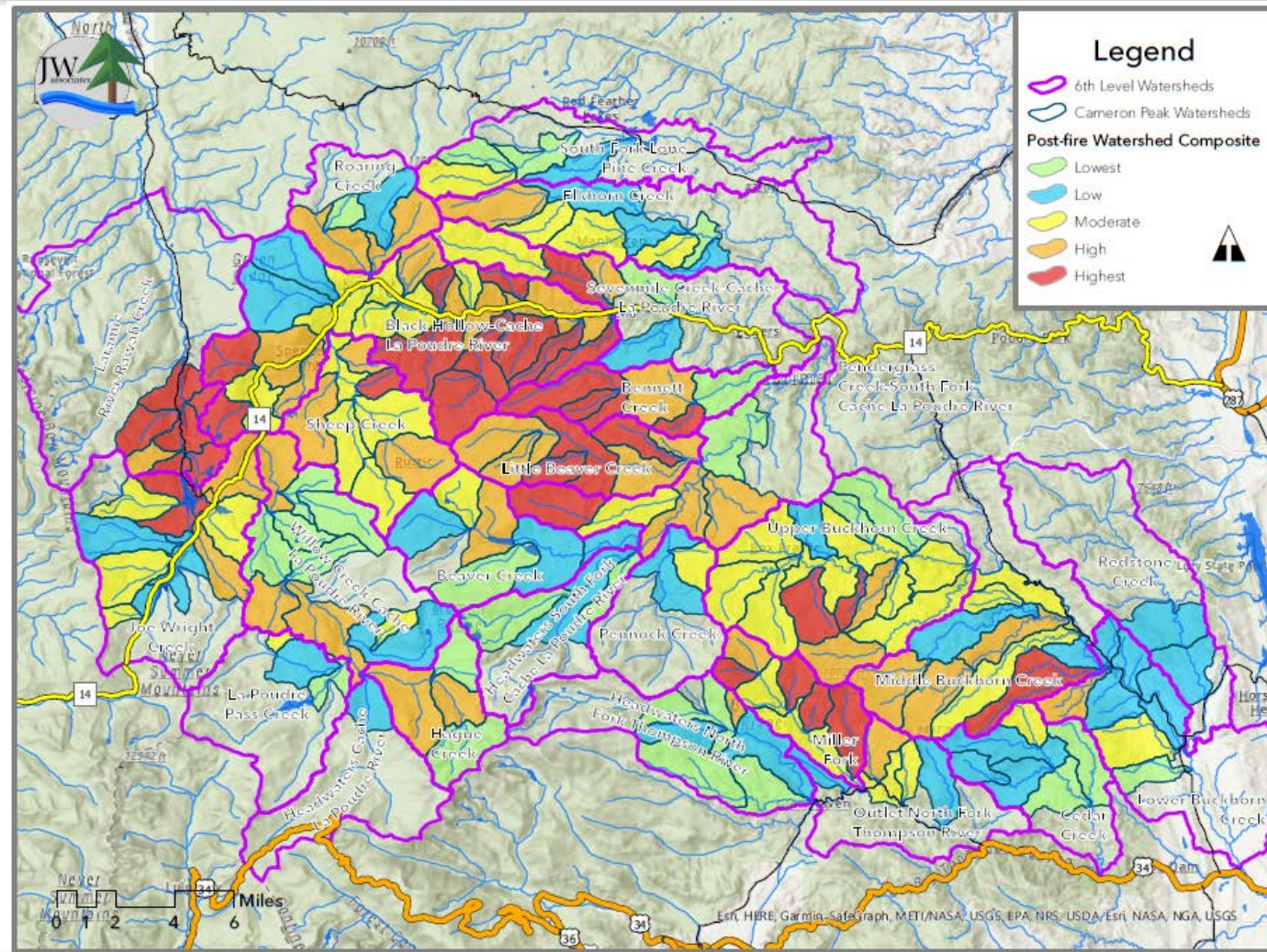
LARIMER RECOVERY COLLABORATIVE: WILDFIRE TEAM



Wildfire Recovery Timeline



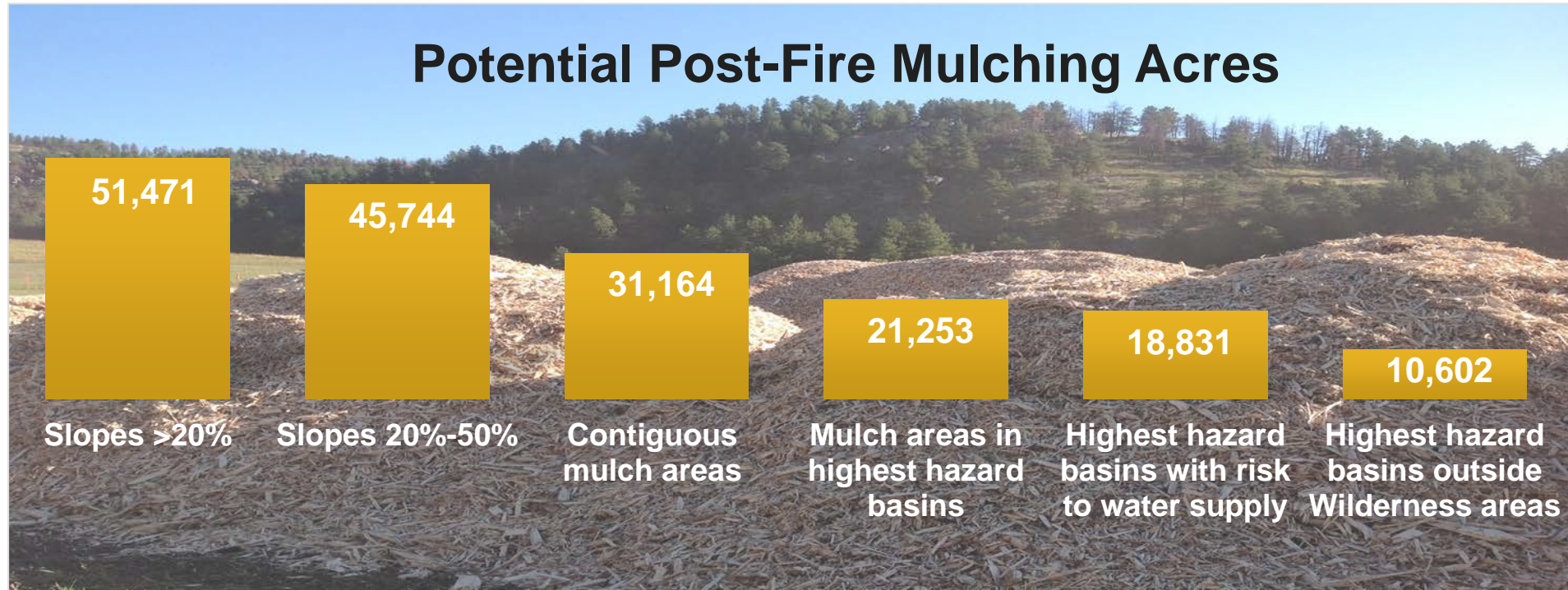
Post-Fire Watershed Assessment



Post-Fire Treatment Assessment by JW Associates (Feb. 2021)

Prioritized treatment areas identified based on:

- Soil Burn Severity Data
- Hillslope erosion models
- Debris flow probability
- % slope (target 20-50%)
- Presence of water supply
- Wilderness/roadless designation



Cost estimate for mulching the final priority 10,000 acres: \$18M - \$33M

Additional Wattles, Stream Grade Control Structures & Sediment Catchments: \$1M - \$4M

DATE: October 13, 2020

STAFF: Mark Kempton, Water Production Manager

WORK SESSION ITEM

City Council

SUBJECT FOR DISCUSSION

Cameron Peak Fire: Water and Air Quality Impacts.

EXECUTIVE SUMMARY

The purpose of this item is to inform Council of the status of the Cameron Peak Fire, the Fire's potential effects on the City's drinking water supply, air quality impacts, planned watershed restoration activities, and future land restoration and water treatment funding needs.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. A 2% water rate increase is planned for 2022. Anticipating watershed restoration costs related to the Cameron Peak Fire, what feedback does Council have regarding moving the water rate increase up a year earlier to 2021?
2. The City of Greeley has volunteered to be the Project Sponsor for the Federal Emergency Watershed Program (EWP) which entails 100% up-front costs and a 25% cost match after reimbursement. What direction does Council have regarding the City partnering with Greeley and sharing the 25% cost match?

BACKGROUND / DISCUSSION

The Cameron Peak Fire (CPF) ignited on August 13th, 2020 in the Arapaho and Roosevelt National Forests near Cameron Pass and Chambers Lake. The CPF is currently 125,000 acres with 22% containment at the time of this report (9/30/2020). As this fire and other regional fires continue to burn, the smoke has impacted local air quality. At this time, there are no known impacts to water supply infrastructure owned by the City of Fort Collins.

The fire is burning primarily in the Cache la Poudre River watershed which provides approximately 50% of the annual drinking water supply for the City of Fort Collins. Similar to the High Park Fire (HPF) in 2012, the aftereffects of the fire will likely affect the quality of the City's raw water supply for some years to come. The aftereffects of widespread forest fires typically include increased and more frequent rain and snowmelt runoff, increased ash and sediment in the river, increased likelihood of mud flows, and an overall degradation of water quality, particularly after thunderstorms.

In 2012, the City's water supply experienced several of the effects of the High Park Fire causing the Water Treatment Facility to go off the Poudre River for over 100 consecutive days and relying on 100% Horsetooth Reservoir water. We are fortunate that we have two independent water supplies. This is a result of excellent planning and foresight by previous Councils and staff.

As the full impacts of the fire become more apparent, it is likely that the Poudre River will start to experience impaired water quality, particularly during Spring snowmelt and Summer thunderstorms in the watershed. During these impaired water quality runoff events, the City's Water Treatment Facility is able to continue to treat water. In cases where the water becomes too impaired to treat, staff can implement several options to prevent impaired water entering the City's drinking water supply. These include Poudre River monitoring & shutting off the Poudre intake during rain storms, switch to 100% Horsetooth water (City has adequate water supplies in HT), utilize both sedimentation basins (Pleasant Valley Pipeline basin was constructed after High Park Fire), increase chemical

treatment processes, increased communication with customers, while maintaining all drinking water quality standards.

While the Cameron Peak Fire (125,000 acres) has exceeded the acreage of the High Park Fire (87,000 acres), the water quality effects of both fires will likely be similar. The High Park Fire area produced several high turbidity, ash, and sediment laden river flows in 2012 and in 2013. However, the 2013 Flood had an advantage in that it washed most of the sediment and ash out of the river system, resulting in improved water quality runoff from the HPF burned areas. It is unlikely that the CPF burned area will experience a flood of that magnitude again soon, so the effects of the CPF will probably be felt for a much longer time than those of the HPF.

Staff has implemented several enhanced and new water quality monitoring measures to address impacts of the fire on water supplies. Two early warning water quality alert stations have been installed on the Poudre River upstream of the Water Treatment Facility's Poudre River Intake. These systems provide treatment operators advance notice of when to temporarily bypass impacted river water. In addition, existing long-term monitoring programs have been adapted to capture impacts of the fire and storm sampling will assist in tracking watershed recovery and answering key questions about treating fire-impacted water.

POST-FIRE WATERSHED RECOVERY

The City plans to engage in post-fire recovery activities that focus primarily on protections for water supplies in the Poudre River Watershed including supply reservoirs and the Poudre River itself. Although treatment plans have not yet been developed, the type of work will likely focus on emergency hillslope stabilization (e.g. aerial mulching and seeding), sediment catchment basins around reservoirs, and stream channel stabilization where persistent erosion occurs. All work associated with repairing damage to private assets like homes, buildings, roads, and other structures is being managed by Larimer County.

For the Cameron Peak Fire, three general pathways exist for implementing the full scope of post-fire treatments and are detailed in the table below. The City is most likely to engage and assist in funding work through the Emergency Watershed Protection (EWP) program and through supplemental treatments through the Local Recovery Group.

Program Name	Scope of Work	Responsible Party	Timeframe
Burned Area Emergency Response (BAER)	Summarize impacts within burn area; identify USFS values at risk; implements post-fire treatments on US Forest Service (USFS) Lands.	US Forest Service	As soon as possible following fire containment.
Natural Resources Conservation Service (NRCS) – Emergency Watershed Protection (EWP) Grant Program	Identifies affected values on private and State Lands; recommends emergency hillslope stabilization measures. EWP Sponsor (City of Greeley) implements treatments.	NRCS & EWP Sponsor; Cities of Fort Collins and Greeley, and other potential partners to cost-share the 25% match requirements for all treatments.	Potential near-term actions to protect water supply reservoirs (Nov). Majority of hillslope treatments will occur late Spring 2021, following snowmelt.
Local Recovery Group - Supplemental Treatments (beyond BAER & EWP)	Address restoration needs not met by EWP or BAER by directing additional funding to targeted projects.	Local Recovery Group members: work led by Coalition for the Poudre River Watershed, along with local agencies, water providers, businesses and non-profits.	Mid- to long-term; 2021 and beyond.

The Coalition for the Poudre River Watershed (CPRW) on behalf of the Local Recovery Group is currently coordinating post-fire debris flow modeling to identify priority areas for treatments. This shared approach to priority setting will assist in coordinated application of treatments and will help to leverage financial contribution of all involved parties. Modeling work will be performed by the Colorado Forest Restoration Institute at Colorado State University.

FINANCIAL CONSIDERATIONS

Many uncertainties remain related to the extent and timing of the start of post-fire recovery work. The uncertainties include the fact that the fire continues to actively burn making the full extent of damage unknown, the ultimate number of cost-sharing partners, and that discussions with USFS and NRCS are ongoing about the possible eligible uses for EWP funds. The current estimate for the City's cost-share is between \$1.0- \$4.3 million dollars. In cooperation with members of the Local Recovery Group, City staff are currently drafting contracts and Intergovernmental Agreements that could support the City's engagement in post-fire recovery activities.

It is anticipated that there will be some costs associated with this fire that will be the obligation of the Water Enterprise Fund. The table below summarizes the 10-year rate and debt issuance forecast that was presented to the Council Finance Committee in January 2020. It reflects the anticipated capital investment needs and ongoing operations and maintenance (O&M) expenses associated with the water utility for the next decade without the fire. Additional capital investments and O&M expenses resulting from the fire will require either realizing additional revenues through a rate increase, drawing down reserves ahead of the next debt issuance or delaying other capital investments.

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate Increase	0%	0%	2%	0-2%	0-2%	0-2%	1-3%	1-3%	1-3%	2-4%	2-4%
Debt Issuance					\$55-65M			\$30-35M			
\$209M of capital work is expected to be needed between 2020 and 2030 in addition to the current capital appropriations											

If the proposed 2.0% rate increase for 2022 were to be implemented in 2021 this would increase revenues in 2021 by roughly \$600,000. This will be discussed further with the Council Finance Committee on October 19th.

HORSETOOTH OUTLET PROJECT AND WATER RESTRICTIONS

Water restrictions began on October 1st, per the City Managers Declaration and Order of Water Restrictions for Fort Collins Utilities.

Fort Collins Utilities (Utilities) has been coordinating with the other water providers, who are also impacted by the Horsetooth Outlet Project (HOP), potential impacts from the Cameron Peak Fire, and severe drought. As of September 30, East Larimer County and West Fort Collins Water District have instated similar outdoor water restrictions. North Weld County Water District will be proposing water restrictions to their Board in October and Fort Collins-Loveland Water District's Board has decided to take a voluntary approach and is asking customers to stop uses, similar to the other districts' water restrictions.

Utilities staff have been focused on preparing for Oct. 1 by conducting the following efforts and will continue throughout the declared water restrictions:

- Communicating with diverse and numerous engagement and outreach efforts, including but not limited to, a press release, print, web, and radio advertisements, numerous presentations to various community groups, direct mailing postcards to all Utilities customers, bill inserts July through November and customer notifications via email.
- Reviewing 88 raw water registration and exception permits for new lawn installations and active/athletic playing fields to-date.
- Responding to 333 emails and voice mails regarding HOP and water restrictions since July 2020.

- Developing a HOP water demands tracker that will be updated Monday, Wednesday, and Friday each week and available to the public at fcgov.com/HOP to monitor progress towards the goal of 15 million gallons per day (capacity of the backup pump system).
- Working closely with coordinating City Departments, such as Code Compliance and Environmental Services; and others.
- Assisting impacted City Departments, such as Parks, Streets, Connexion and others, with permits, raw water registration and other water restriction guidance.

More information regarding HOP and water restrictions can be found here: fcgov.com/HOP and fcgov.com/water-restrictions. Customer and community inquires can be directed to HOP@fcgov.com and 970-416-8040.

ATTACHMENTS

1. Powerpoint Presentation (PPTX)



Cameron Peak Fire: effects on air and water quality

Mark Kempton, Jill Oropeza, Lance Smith, Cassie Archuleta

Presenters

Mark Kempton - Interim Utilities Deputy Director – Water Resources & Treatment

Jill Oropeza - Director, Sciences

Lance Smith - Director, Utilities Finance

Cassie Archuleta - Manager, Environmental Sustainability

Available for Questions

Matt Zoccali - Senior Manager, Sciences

Gretchen Stanford - Interim Deputy Director, Customer Connections

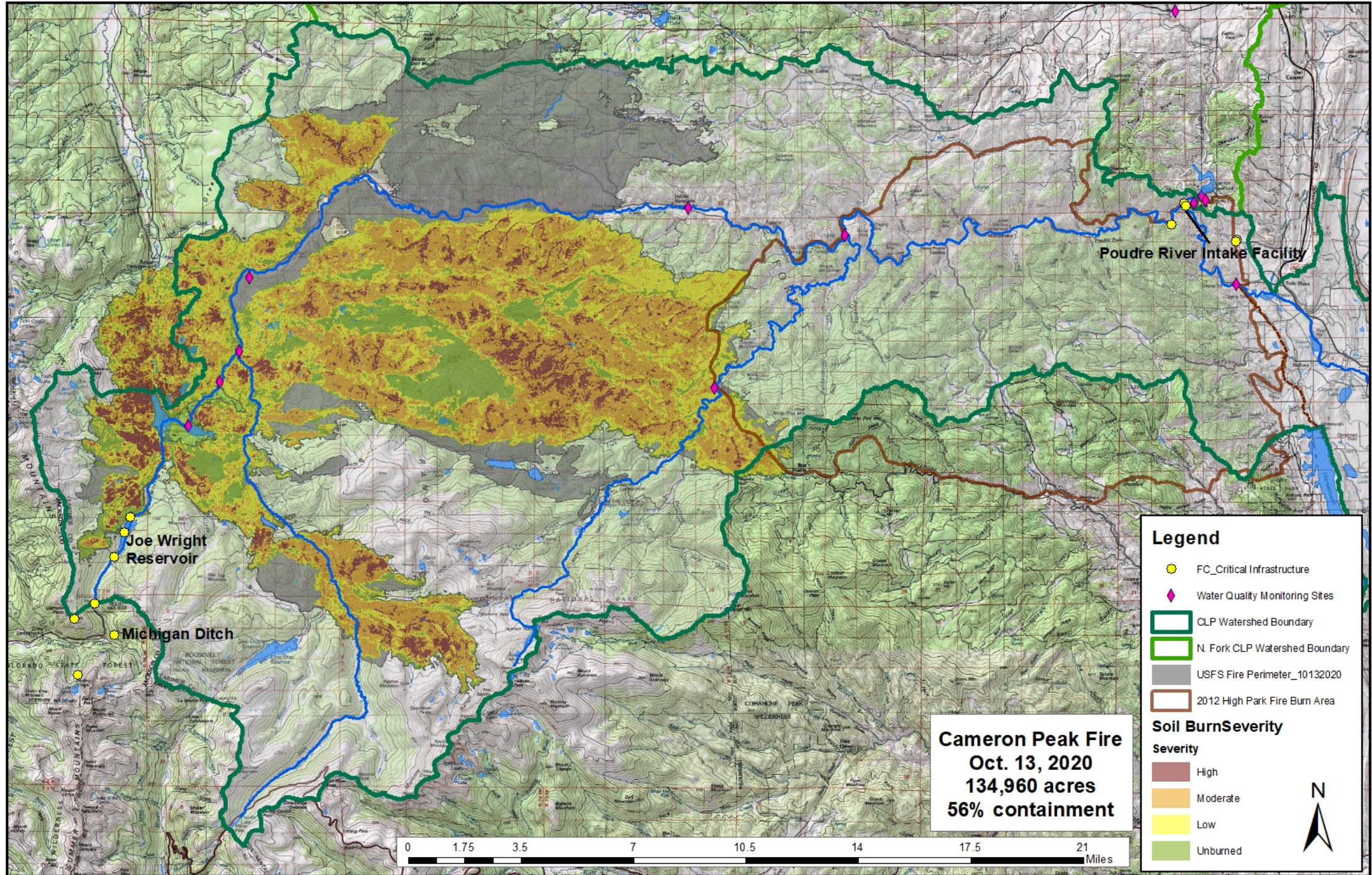
Alice Conovitz - Water Conservation Analyst

Mariel Miller - Interim Water Conservation Manager

Jim Byrne – Director, Emergency Preparedness and Security

- Cameron Peak Fire overview
- Water quality impacts and High Park Fire comparison
- U.S. Forest Service process, watershed restoration, partnering, and projected costs
- Financial considerations
- Air Quality Update
- Questions for Council

1. A 2% water rate increase is planned for 2022. Anticipating watershed restoration costs related to the Cameron Peak Fire, what feedback does City Council have regarding moving the water rate increase up a year earlier to 2021?
2. The City of Greeley has volunteered to be the Project Sponsor for the Federal Emergency Watershed Program which entails 100% up-front costs and a 25% cost match after reimbursement. What direction does Council have regarding the City partnering with Greeley and sharing the 25% cost match?

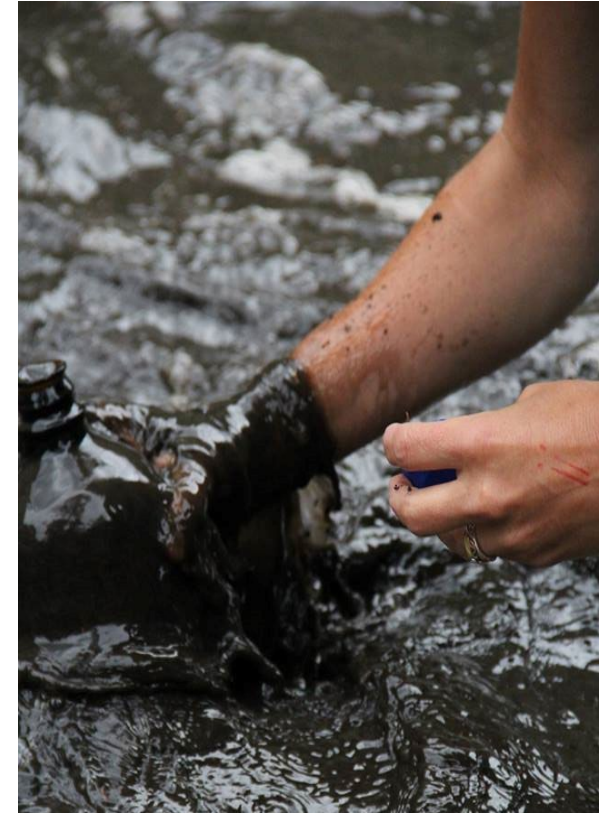




Water Treatment Response



- Increase Poudre River monitoring & shut off intake during rainstorms
- Switch to 100% Horsetooth water
- Utilize both sedimentation basins
- Increase chemical treatment processes (Alum and Carbon)
- Increase communication with customers
- Maintain **ALL** drinking water quality standards





Early Warning Alert Station on the Poudre River



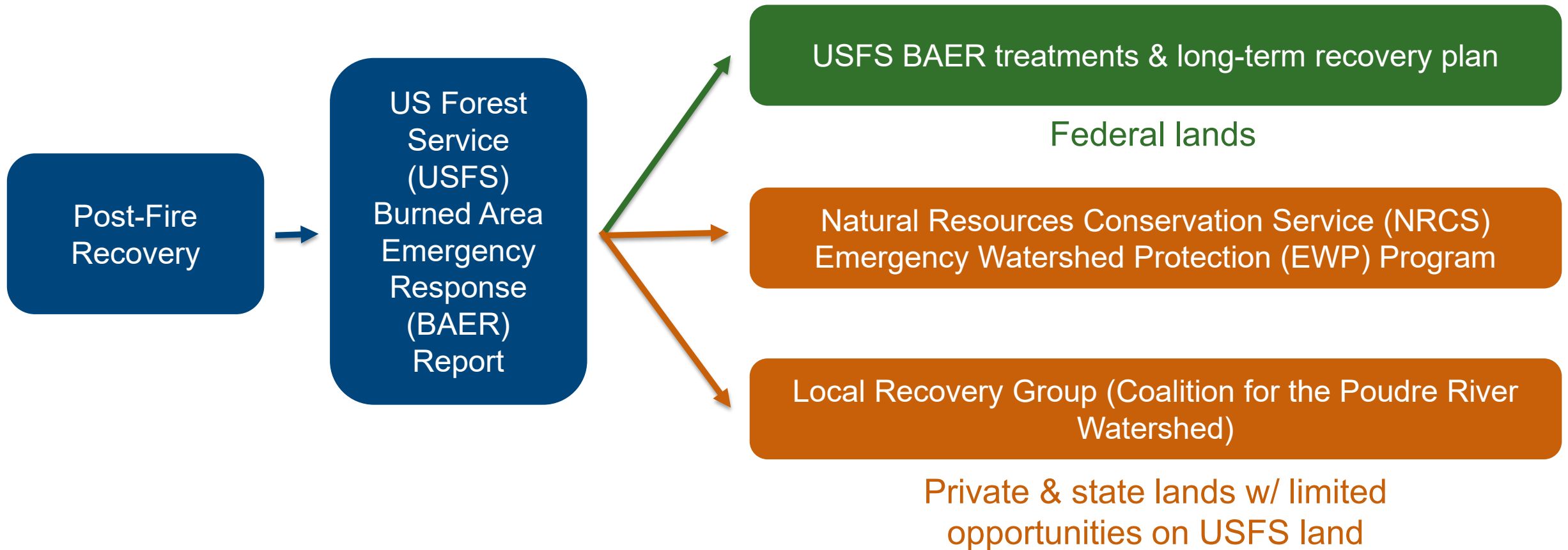
Water Quality Monitoring Instruments at the Poudre River Intake Facility

- Real-time measurements for treatment operations
- Early-Warning Water Quality Alert System
- Collaborative long-term monitoring program
- Post-fire recovery monitoring
- Water treatment studies

Water Quality Sonde
used for continuous
river monitoring



Samples from sediment
leaching study during
High Park Fire



Emergency Watershed Protection (EWP)

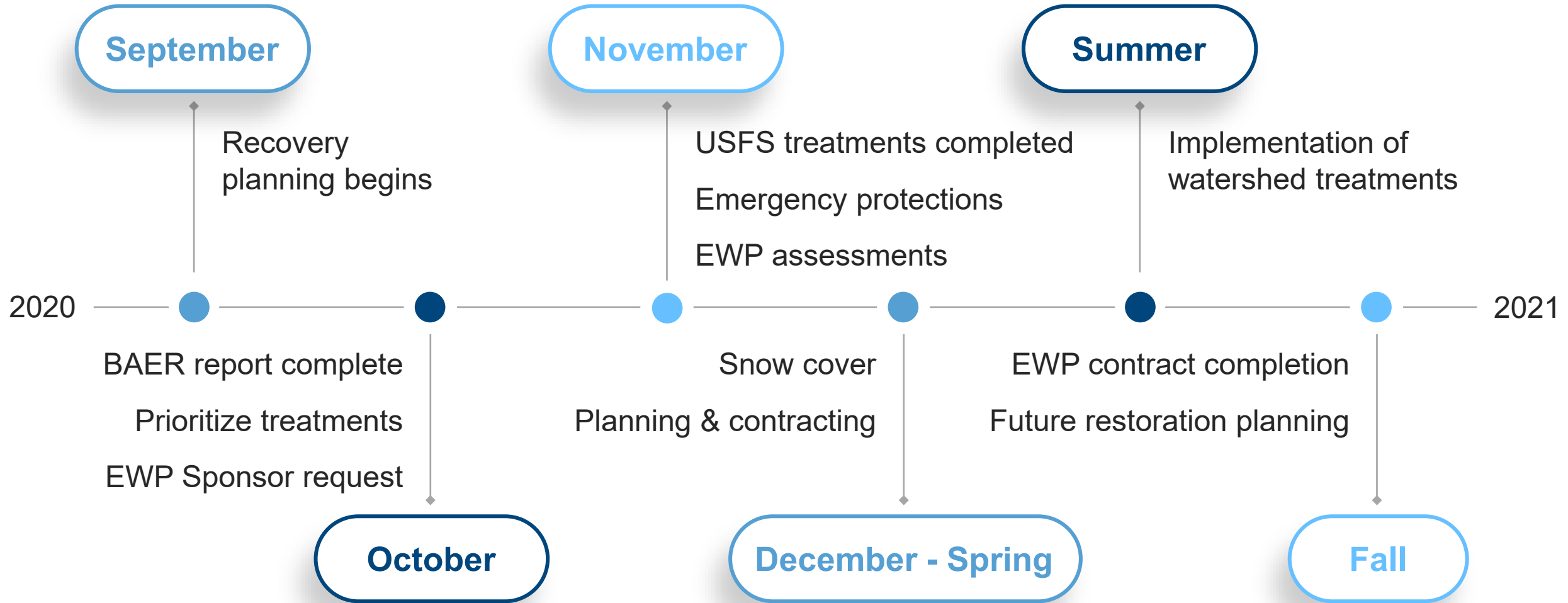
- Natural Resources Conservation Service (NRCS) - immediate post-fire threats to life and property, on private and State lands
- EWP Financial Sponsor – contracts directly with NRCS for financial assistance
- 25% match requirement, 75% reimbursement from NRCS after work is complete



Local Recovery Group



- Secures funding for additional post-fire restoration needs
- Coordinates with EWP and BAER treatments to maximize impact
- Led by Coalition for Poudre River Watershed (CPRW)
- Includes non-profit groups, local agencies and water providers



Estimated cost-share for City of Fort Collins*	\$1.0M - \$4.3M
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* Large uncertainty in cost due to unknown scope of federal EWP program

Estimate Includes:

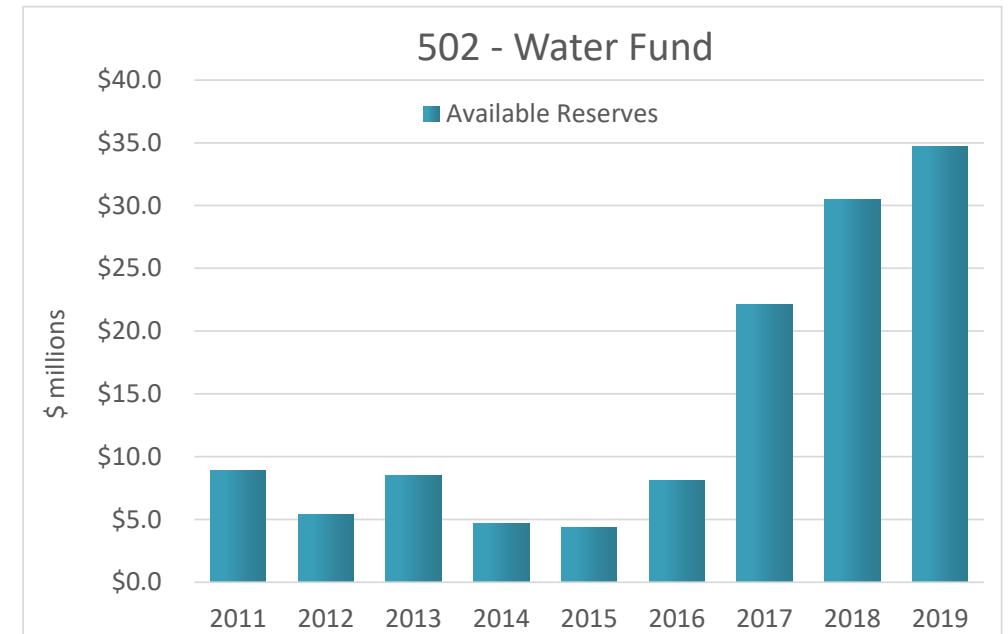
- Implementation of EWP (minimal & enhanced scope) and supplemental USFS watershed treatments
- Project management support (2 years)
- Post-fire treatment studies
- Other technical assistance (debris flow modeling)

Water Fund Financial Considerations

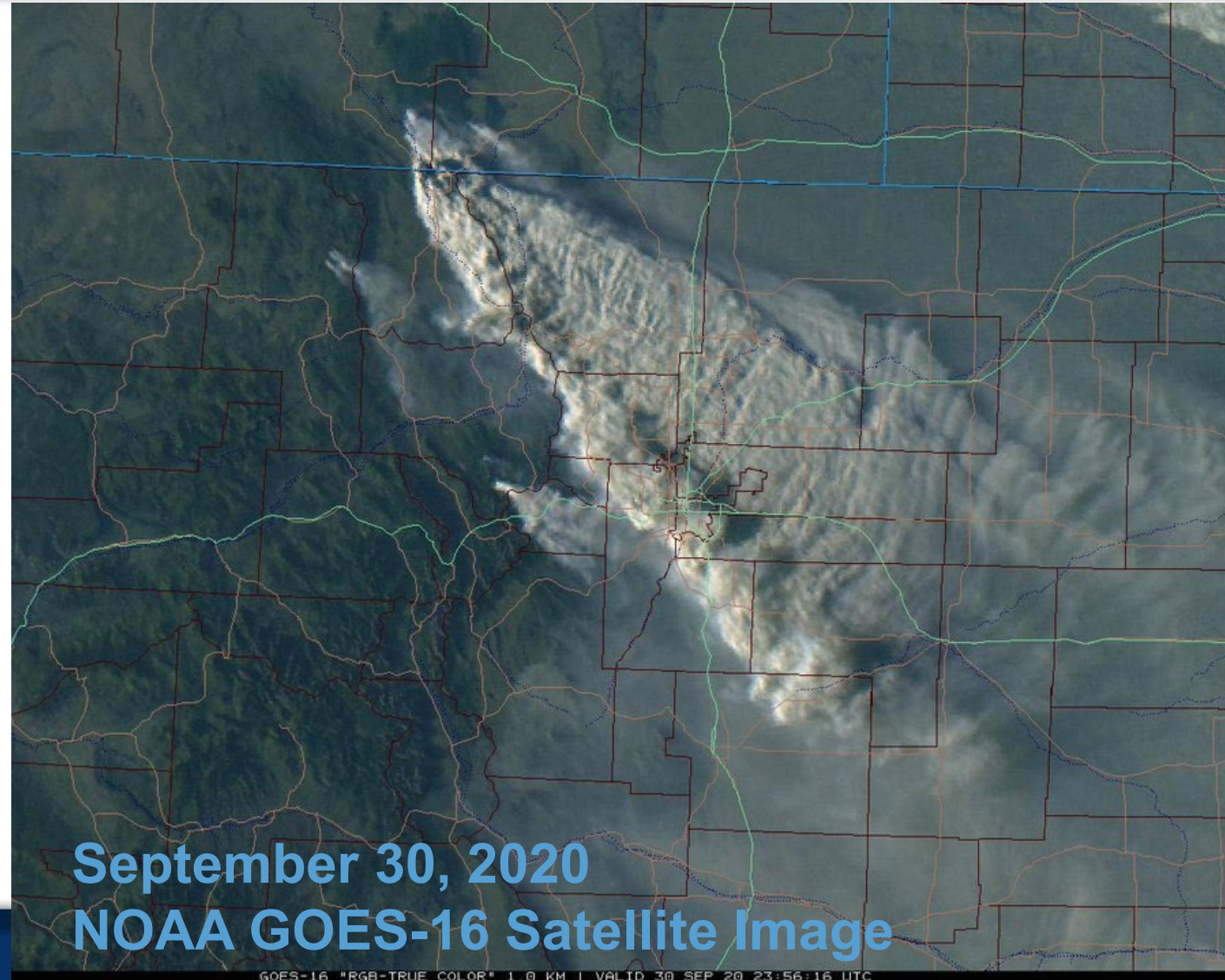
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate Increase	0%	0%	2%	0-2%	0-2%	0-2%	1-3%	1-3%	1-3%	2-4%	2-4%
Debt Issuance					\$55-65M				\$30-35M		

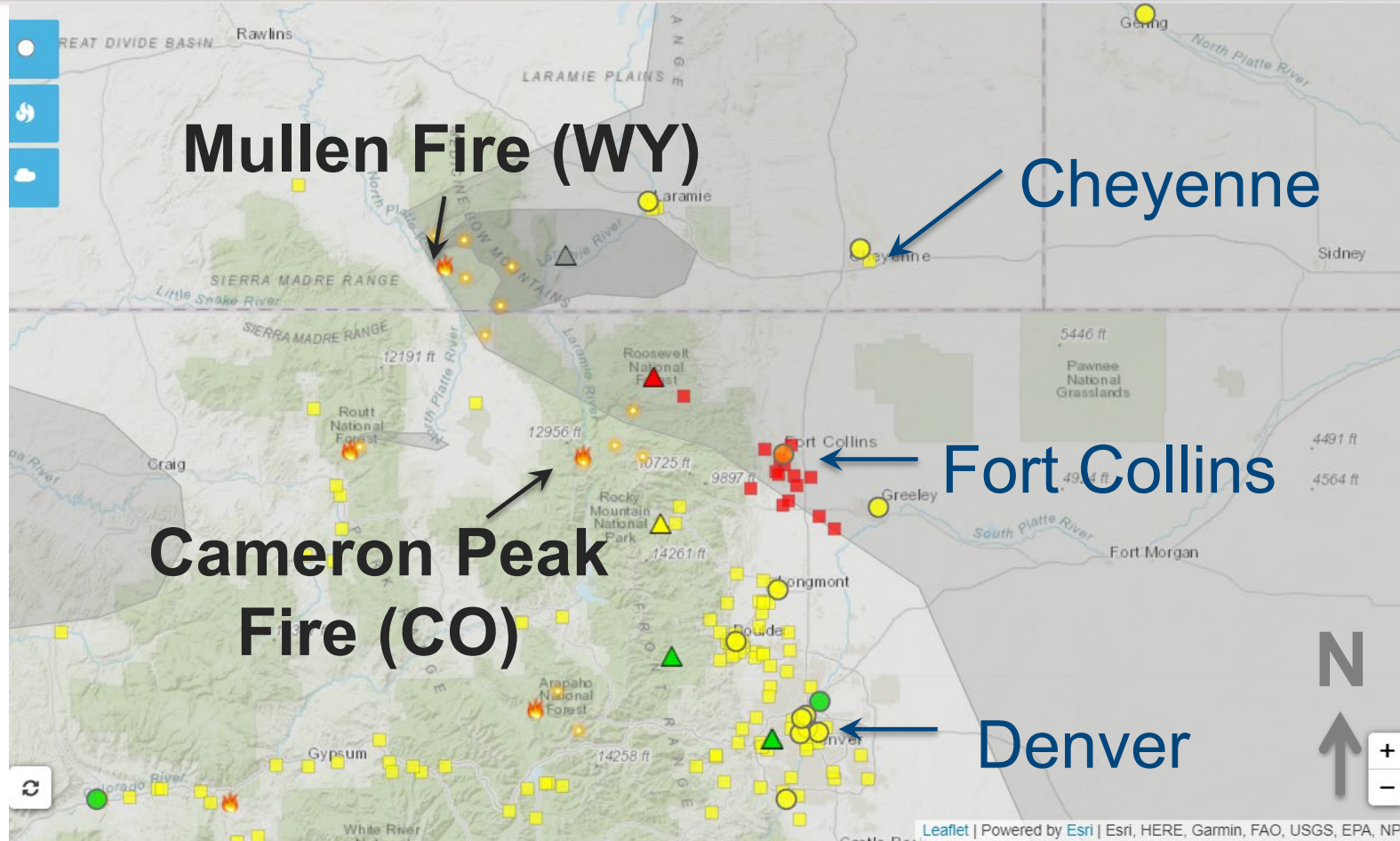
\$209M of capital work is expected to be needed between 2020 and 2030 in addition to the current capital appropriations

*A 2% rate increase is expected to increase operating revenues \$500-600K annually



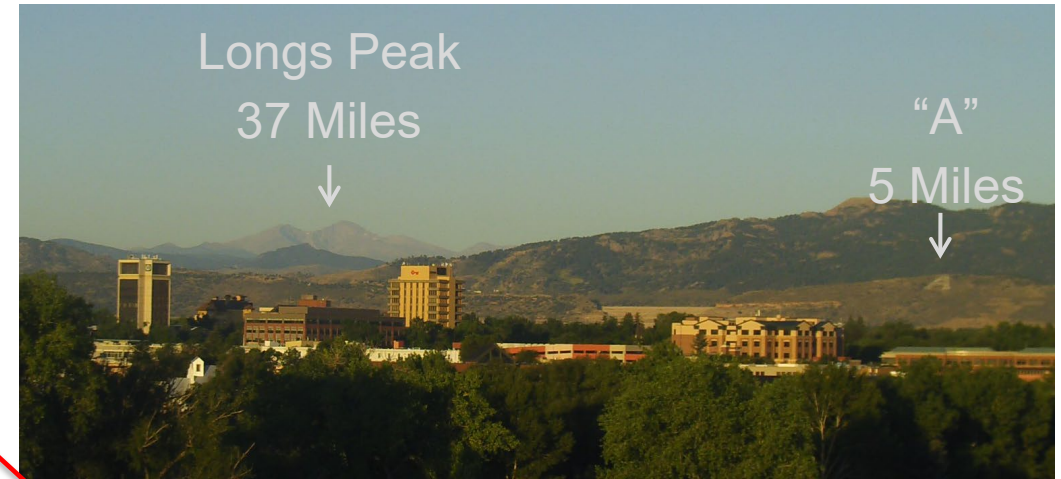
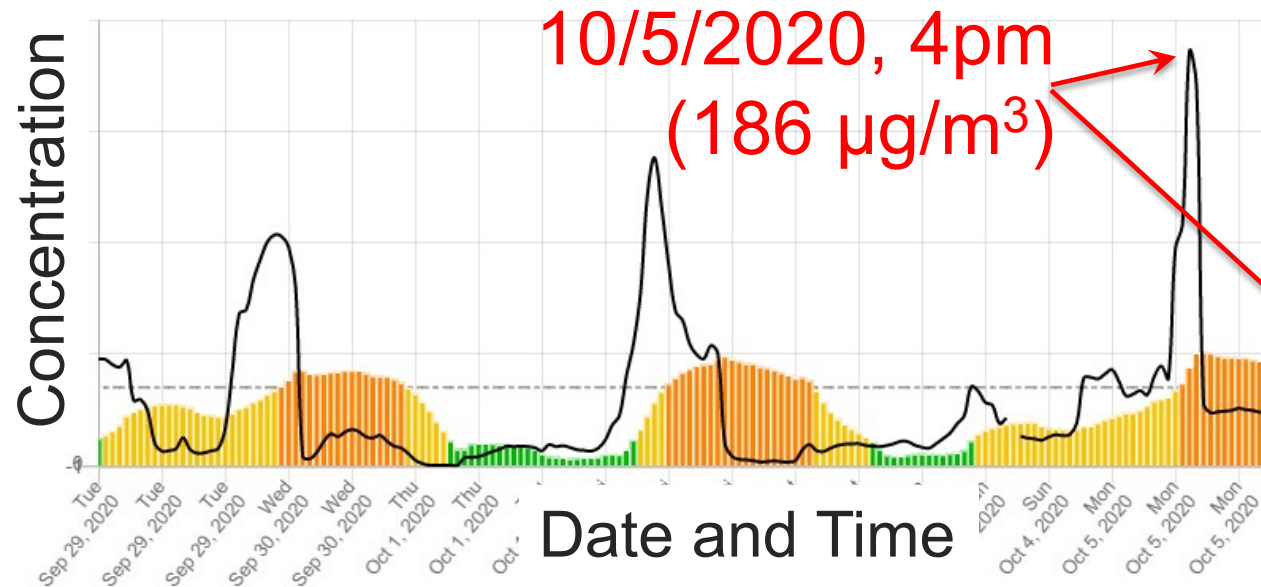
Air Quality Update





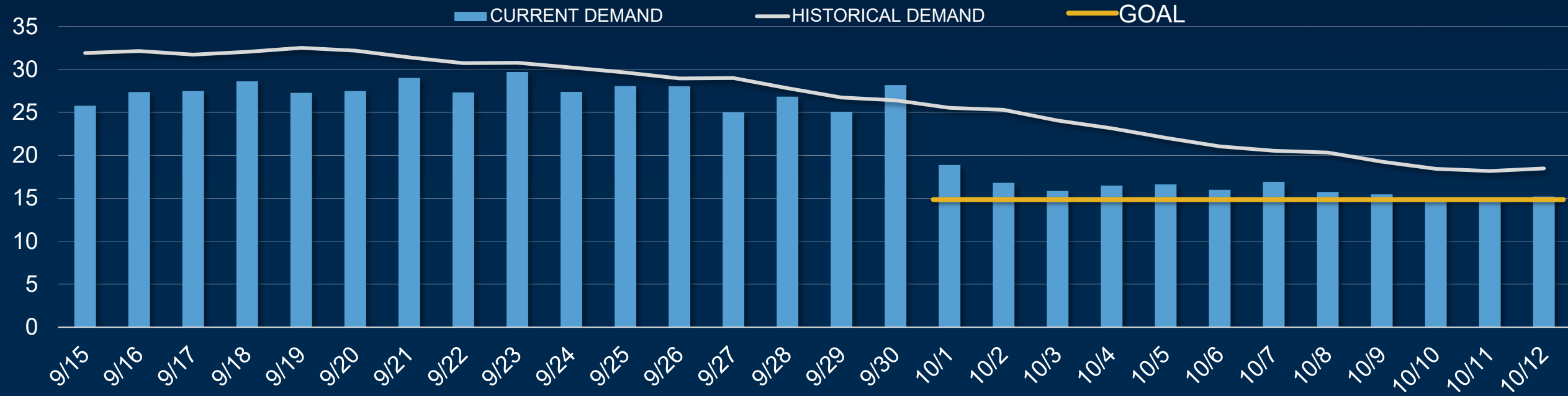
EPA Fire and Smoke Map: <https://fire.airnow.gov/>

Fine Particulate Matter (PM_{2.5})



Real-time AQ data and visibility images:
fcgov.com/AQdata

Fort Collins Utilities Daily Water Demand



THANK YOU!

Daily water demand has reduced significantly, but [we still need your help](#). Stop outdoor water use to help us stay below the water demand needed during HOP (15 MGD).

1. A 2% water rate increase is planned for 2022. Anticipating watershed restoration costs related to the Cameron Peak Fire, what feedback does City Council have regarding moving the water rate increase up a year earlier to 2021?
2. The City of Greeley has volunteered to be the Project Sponsor for the Federal Emergency Watershed Program which entails 100% up-front costs and a 25% cost match after reimbursement. What direction does Council have regarding the City partnering with Greeley and sharing the 25% cost match?

Internal

- ICS team participant
- Utility-wide Wednesday email
- City intranet page
- Collaboration with experts on media requests
- Collaboration with Sustainability's air quality team
- Collaboration with CPIO

External

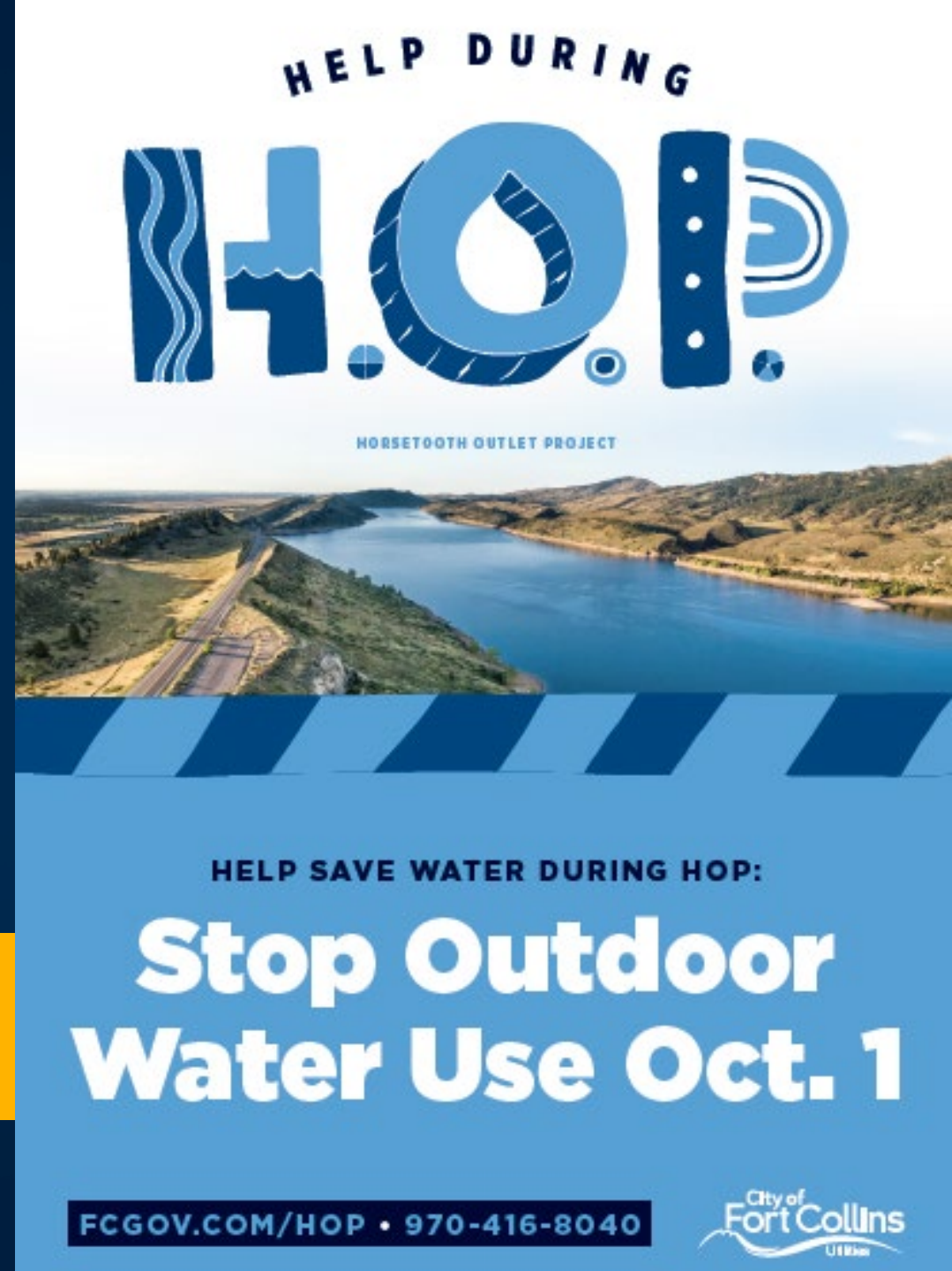
- Public Information Officer collaboration with federal, state and city organizations
- Utility website
fcgov.com/utilities/2020-wildfires
- Customer account notifications and water quality reports communicated
- Media requests – print, on air and film
- Social media, including Facebook live events

HOP Need: Reduce treated water demand to typical winter (indoor) levels this October.

Maximize water available during HOP

Be prepared for changing conditions

We need your help: City and community working together to reduce risk



NOT ALLOWED OCT. 1 ~ NOV. 30

- Lawn watering (residential and inactive areas of parks/fields)
- Vehicle washing at home
- Pressure/power washing hard surfaces

ALLOWED

- Drip and hand watering trees, plants, food production
- Active/athletic fields, new sod/seed (permit)
- Raw water (registration)
- Indoor use

Full list of water restrictions at
fcgov.com/water-restrictions



- Reliance on Poudre River and reliable backup pump system
 - Limited capacity based on winter (indoor) use
- Cameron Peak Fire impacts to Poudre River increase likelihood of backup pump dependence
- Ongoing hot and dry conditions driving high demand

Looking forward: Strengthen Horsetooth infrastructure now, before anticipated fire-related runoff events in spring and after impact Poudre River



Cameron Peak Fire

- 135,000 acres
- ~5% private land, ~95% federal land
- Began August 2020
- Long term watershed restoration is a key requirement

High Park Wildfire

- 87,284 acres
- ~50% private land, ~50% federal land
- Began June 2012
- 259 homes lost
- 11,000 acres treated with mulch
- 100 days off Poudre River (100% Horsetooth water)
- 2013 flood washed ash and sediment from river

COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff:

- Noelle Currell – PDT Finance
- Dan Woodward – Interim Capital Projects Manager, Engineering
- Kyle Lambrecht – Civil Engineer III, Engineering
- Caleb Feaver – Civil Engineer II, Engineering

Date: February 22, 2021

SUBJECT FOR DISCUSSION

Supplemental appropriations for the South Timberline Improvement Project – Stetson Creek to Trilby Project)

EXECUTIVE SUMMARY

This project will add 2.5 lane miles of road, almost 5,000 feet of sidewalks and a pedestrian underpass to South Timberline between Stetson Creek and Trilby roads. This roadway expansion is needed at this time due to the volume of traffic and development occurring in/around the area. This will be the final buildout of this section of South Timberline and will bring it up to current standards and the adopted Master Street Plan.

The total appropriation being requested with this action is \$4,538,107; of which \$2,694,602 is a Federal Surface Transportation Block Grant.

Timing of the project design and construction requires supplemental mid-cycle appropriations for both the grant funding and Transportation Capital Expansion Fee (TCEF) funds to meet design, right-of-way acquisition, and construction schedules.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Is Council Finance Committee supportive of bringing forward a supplemental appropriation to Council to fully fund the South Timberline Improvement Project – Stetson Creek to Trilby?

BACKGROUND/DISCUSSION

South Timberline Road is a major road within the City of Fort Collins city limits and serves as a significant regional connection for Northern Colorado communities. Timberline Road is identified as a 4-lane arterial road on the Master Street Plan. Currently, most of Timberline Road within the Project limits is a 2-lane road and experiences significant congestion and a higher-than-expected rate of traffic crashes. Significant developments in the area have occurred over the last decade, and two additional developments are anticipated to be completed in the near future.

The Project will design, acquire right-of-way for, and construct a 4-lane arterial street on Timberline Road from Stetson Creek to Zephyr including bicycle and multi-modal improvements. Timberline Road from Zephyr to Trilby will receive lane modifications on the existing roadway. The Project will also construct a new irrigation ditch crossing over the Mail Creek Ditch and a pedestrian underpass south of the Mail Creek Ditch. The underpass will

provide safe connectivity for bicyclists and pedestrians accessing trails and neighborhoods in the vicinity of Bacon Elementary School. Design is currently underway for the project corridor. Construction is anticipated to begin in 2021 and be completed in 2022.

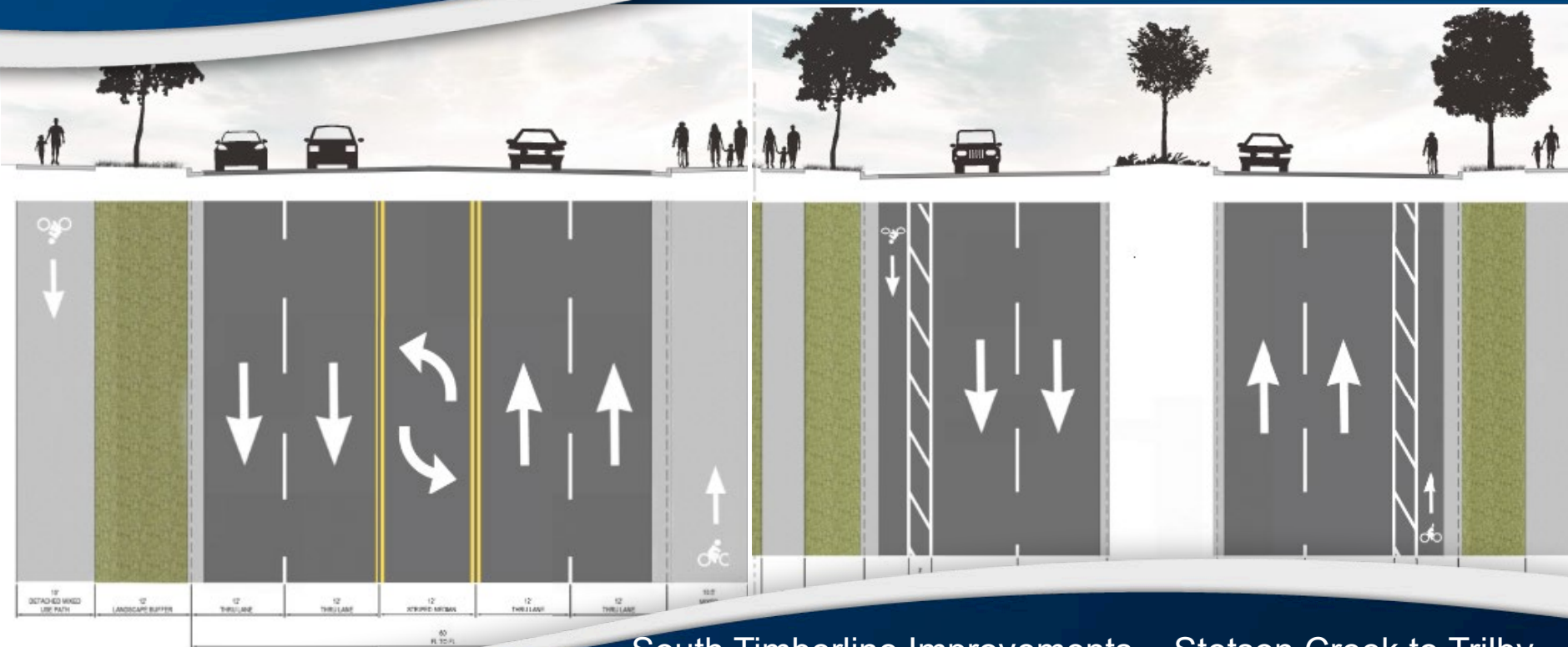
The City submitted a grant application in 2016 for design, right-of-way acquisition and construction funding for the Project. In 2017 the City was awarded a federal Surface Transportation Block Grant (STBG) by the North Front Range Metropolitan Planning Organization (NFRMPO) for the design, right-of-way acquisition and construction of the Project. The STBG funds became available in July 2020 and will be administered by CDOT. Transportation Capital Expansion Fee (TCEF) funds will be used for the local matching funds required by the grant. Overmatching funds for the Project include TCEF and Community Capital Improvement Program (CCIP) funds. TCEF funds will be appropriated as part of this Council action. Bridge Program funds will be used for the ditch crossing construction. CCIP and Bridge Funds were previously appropriated through the City Budgeting for Outcomes process. A summary of total project cost and funding sources follows:

<u>Funds Previously Appropriated by Council</u>	
TCEF	\$2,848,287
CCIP and Bridge Program	\$1,000,000
<i><u>Total Previously Appropriated Funds</u></i>	<i><u>\$3,848,287</u></i>
<u>Funds to be Appropriated with this Action</u>	
Federal STBG Grant	\$2,694,602
TCEF	\$1,843,505
<i><u>Total to be Appropriated with this Action</u></i>	<i><u>\$4,538,107</u></i>
<u>Total Project Funds</u>	<u>\$8,386,394</u>

STBG funds are ineligible for use toward public art and so no Art in Public Places (APP) contribution is owed for these grant funds. TCEF funds are eligible for use toward APP. The necessary APP contribution for TCEF will be appropriated from TCEF and Transportation Reserves.

ATTACHMENTS

1. Presentation slides



South Timberline Improvements – Stetson Creek to Trilby
Dan Woodward

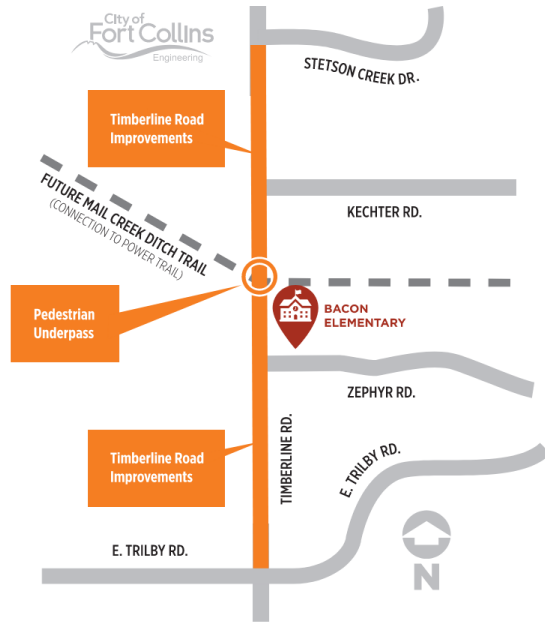
Council Direction Sought

Is Council Finance Committee supportive of bringing forward a supplemental appropriation to Council to fully fund the South Timberline Improvement Project – Stetson Creek to Trilby?

- Project Need and Description
- Current Project Status
- Funding

TIMBERLINE

ROAD WIDENING PROJECT MAP



Need

- Significant safety and congestion concerns
- Lack of multi-modal infrastructure
- Identified on Master Street Plan as 4-lane arterial road
- Housing developments currently under construction

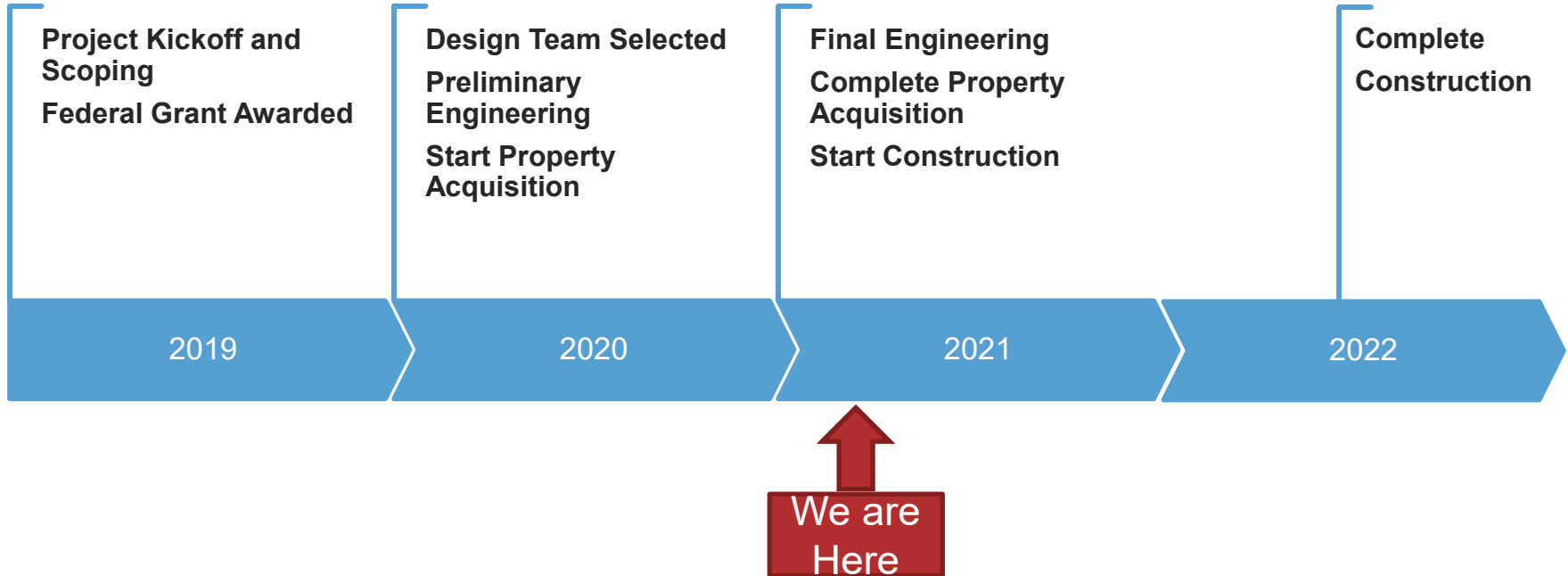
Proposed Improvements

- Widen to 4 lanes from Stetson Creek to Zephyr
- 2 NB, 1 SB lane from Zephyr to Trilby
- Pedestrian underpass to connect to future trail projects
- Multi-use path / buffered bike lanes

Existing Conditions



Current Project Status



Why Transportation Capital Expansion Fee (TCEF)?

- TCEF fees help fund growth-related infrastructure
- Fees support improvements beyond developers' frontage obligations (local street section)

Why is this an out-of-cycle appropriation?

- Grant funding/project schedule didn't line up with budget process
- Needed accurate project estimate and scope to determine final TCEF dollar amount – completed late 2020
- Construction schedule – plan to begin project Fall 2021

Project Funding

Funds Previously Appropriated		Funds to be Appropriated	
Transportation Capital Expansion Fee Funds (TCEF)	\$2,848,287	Federal Surface Transportation Block Grant	\$2,694,602
Community Capital Improvement Program and Bridge Program	\$1,000,000	TCEF + Local Street Contributions	\$1,843,505
<u>Total Funds Previously Appropriated</u>	<u>\$3,848,287</u>	<u>Total Funds to be Appropriated</u>	<u>\$4,538,107</u>
		<u>Total Project Funds</u>	<u>\$8,386,394</u>

Council Direction Sought

Is Council Finance Committee supportive of bringing forward a supplemental appropriation to Council to fully fund the South Timberline Improvement Project – Stetson Creek to Trilby?

**COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY**

**Staff: Victoria Shaw, Senior Finance Analyst
Molly Saylor, Senior Sustainability Specialist**

Date: February 22, 2021

Subject for Discussion: Appropriation Related to Disposable Bag Ordinance

EXECUTIVE SUMMARY

The purpose of this item is to seek feedback on a 2021 funding appropriation contingent on the outcome of a ballot referendum on Ordinance 026, 2021. The proposed \$87,500 appropriation would be borrowed from the General Fund reserves and repaid out of future fee revenues.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- What additional clarity is needed on the 2021 appropriation?

PAST COUNCIL ACTION

- Work Sessions
 - February 11, 2020 - During this work session, staff provided plastic pollution context and learnings from peer communities. Council provided direction for action both on micro and macro pollution.
 - October 27, 2020 - During this work session, staff provided a progress update on plastic pollution awareness work, including impacts of COVID-19 on plastic use, policy development and community engagement, and a staff recommendation. Councilmembers indicated interest in moving plastic bag policy to a ballot measure.
 - December 8, 2020 - During this work session, staff provided Council a suite of policy options for a plastic pollution ordinance and related ballot measure. Council provided feedback on these policy elements and other logistics as outlined below.
 - January 12, 2021 - During this work session, staff shared a draft bag ordinance with Council and Councilmembers provided feedback on outstanding policy details, including fee amount and structure, income-qualified relief. Staff also recommended funding for a 2021 ordinance roll out and engagement.
- Regular Meeting
 - December 15, 2020 - Councilmembers adopted Resolution 2020-118 directing staff to draft an ordinance for Council to discuss at the work session on January 12, 2021.
 - February 2, 2021 – Council approved the Disposable Bag ordinance (No. 026, 2021) at first reading and deferred consideration of the related off-cycle appropriation ordinance (No. 027, 2021) to consideration at first reading to March 2nd.
 - February 16, 2021 – Council approved the Disposable Bag ordinance (No. 026, 2021) at second reading and passed Resolution 2021-023, referring Ordinance No.

026, 2021 to a vote of the registered electors of the city at the next regular municipal election on April 6, 2021.

BACKGROUND/DISCUSSION

Contingent upon the outcome of the April 2021 election, the Appropriation Ordinance would provide \$87,500 to support successful roll-out of the Disposable Bag Ordinance in 2021 including outreach and engagement and to provide free bags to low-income community members.

On an ongoing basis, the program would be self-supporting out of the fee revenue generated. This funding would be used to establish the program in anticipation of rollout in 2022.

Specifically, funding would allow for the following activities:

- \$35K to resource outreach and engagement efforts. This would include the campaign and provision of reusable bags.
- \$52.5K to provide staff capacity to conduct outreach and engagement. This would include supporting grocer planning and coordination of reusable bag distribution.

Projected program revenues are outlined in the table below:

	12 Cent Fee				
	2021	2022	2023	2024	2025
Volume of Bags (Baseline)	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
% of Baseline Bags Purchsed with Fee	0%	50%	25%	25%	20%
Bag Fee Retained by City	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
% of Year Realizing Fee Revenue	0%	25%	100%	100%	100%
Revenue to City	\$0	\$393,750	\$787,500	\$787,500	\$630,000

Based on the above projections for revenue, staff anticipates full repayment to the General Fund reserves could occur before the end of 2023, while also allowing the new core program costs of ~\$270K/year to be self-funded.

Staff recommends approval of this appropriation based on learnings from past programs, where it was observed that proactive outreach and education supports better compliance.

ATTACHMENTS

1. Staff Presentation



Funding for Mitigating Plastics Pollution
Victoria Shaw & Molly Saylor

- What additional clarity is needed on the 2021 appropriation?



COUNCIL PRIORITY

Plastics Pollution

- Microplastics
- Macroplastics



STRATEGIC ALIGNMENT

Environmental Health

- 4.4 Zero waste
- 4.9 Poudre River health



BUDGET

Midcycle funding

- \$35K each for macroplastics and microplastics

- Best practice to resource new regulations for effective roll out and implementation
 - Example: Outdoor Residential Burning
- Community feedback that the most impacted businesses and residents need support in adapting to new regulations
- Council feedback on ensuring a smooth transition for those most impacted
- Proactive outreach and education supports better compliance
 - Training and signage for grocers
 - Free reusable bags for low-income residents, awareness for all residents

Waste Reduction and Recycling Efforts

Feb 2021

May 2022

Time between now and when ordinance in effect

Regional Wasteshed

Community Recycling Ordinance Roll Out

Sustainable Operations Plan for Timberline Recycling Center

Bag Ordinance Start Up and Outreach

Key takeaways:

- January – May 2022 is a very short timeframe to support transition
- Current staff resources would be very strained to cover four major efforts
- An overarching trade-off could be gaps in service to the community

- Contingent on ballot measure
- \$87.5K requested in 2021 to fund start-up costs
 - \$35k: Outreach and engagement
 - \$5k – 3 free reusable bags each for 1,500 low-income households
 - \$30k – Robust outreach campaign
 - \$52.5k: Staff support
 - Conduct outreach and engagement, support grocer planning
 - Coordinate bag distribution
- Loan from GF reserves; to be repaid from future fee revenues

Bag Ordinance Research and Methodology

1. Research of other cities informed staff of best practices
2. Research was validated against City learnings & external feedback
3. Independent calculations separately gathered internal cost estimates and forecasted revenue projections
4. Tested ranges in sensitivity analysis
5. Staff arrived at fee & funding recommendations

Categories recommended based on best-practice research:

- Administration of ordinance
- Providing reusable bags, education and outreach
- Litter and waste reduction and clean-up activities
- Programs and infrastructure to reduce waste and increase recycling, including community-led efforts
- Equipment designed to minimize trash and pollution
- Equitable outreach and engagement strategies
- Other activities related to litter and waste reduction and recycling

Research aligns with City approach to view waste as a system
& City value for equitable engagement

5 Year Projection:

	12 Cent Fee				
	2021	2022	2023	2024	2025
Volume of Bags (Baseline)	52,500,000	52,500,000	52,500,000	52,500,000	52,500,000
% of Baseline Bags Purchsed with Fee	0%	50%	25%	25%	20%
Bag Fee Retained by City	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
% of Year Realizing Fee Revenue	0%	25%	100%	100%	100%
Revenue to City	\$0	\$393,750	\$787,500	\$787,500	\$630,000

- Assumes adoption rate will ramp up 80%
- Delay in when revenue reaches City
- All scenarios cover new core costs of program

Uses of 2021 Appropriation & Cash Flows

- Repayment of advance could occur in 2022-2023 from program revenue

	12 Cent Fee				
	2021	2022	2023	2024	2025
Revenue to City	\$0	\$393,750	\$787,500	\$787,500	\$630,000
New City Core Program Costs	(\$87,500)	(\$270,000)	(\$278,100)	(\$212,180)	(\$218,545)
Net Cash Flow	(\$87,500)	\$123,750	\$509,400	\$575,320	\$411,455
Cumulative Cash Flow	(\$87,500)	\$36,250	\$545,650	\$1,120,970	\$1,532,425

- Actual cumulative cash flow would depend on other costs funded
- Allocation of revenue would follow BFO process for prioritization

- What additional clarity is needed on the 2021 appropriation?