

July 5, 2017

COUNCIL OF THE CITY OF FORT COLLINS, COLORADO

Council-Manager Form of Government

Regular Meeting – 6:00 PM

● **ROLL CALL**

PRESENT: Martinez, Summers, Troxell, Cunniff, Horak

ABSENT: Stephens, Overbeck

Staff Present: Atteberry, Daggett, Winkelmann

● **AGENDA REVIEW: CITY MANAGER**

City Manager Atteberry stated there were no changes to the published agenda.

● **CITIZEN PARTICIPATION**

Nancy York discussed a study relating to air pollution and older adults from the Harvard School of Public Health.

Bill See stated he received a citation from the City for having bags of trash on his curb on his trash day. He requested that directive to City staff be reversed.

Marilyn Fox discussed the importance of her short-term rental to her finances.

Thomas Edwards discussed veterans' issues and requested a new City board be formed to discuss those issues.

● **CITIZEN PARTICIPATION FOLLOW-UP**

Mayor Troxell requested staff input regarding the trash bag citation issue. City Manager Atteberry replied staff will respond directly to the citizen tomorrow and will ensure a discussion takes place.

Councilmember Martinez supported looking into the trash bag citation issue and suggested the formation of a temporary Mayor's Blue Ribbon or ad hoc panel to look into local veterans' issues.

Councilmember Cunniff noted air quality is on Council's work plan.

Mayor Troxell noted short-term rentals will be discussed at next week's work session.

● **CONSENT CALENDAR**

Councilmember Martinez withdrew Item No. 8, *Items Relating to the Lease Financing of the Firehouse Alley Parking Garage*, from the Consent Agenda.

Councilmember Summers withdrew Item No. 10, *First Reading of Ordinance No. 085, 2017, Appropriating Prior Year Reserves in the Natural Areas Fund for the Purpose of Land*

Conservation, Public Improvements and Related Natural Areas Programming Not Included in the 2017 Adopted City Budget, from the Consent Agenda.

Eric Sutherland withdrew Item Nos. 9, *Second Reading of Ordinance No. 084, 2017, Appropriating Prior Year Reserves in the General Fund for Larimer County Jail Services*, and 16, *Resolution 2017-060 Approving the 2017 Certification to the Larimer County Assessor Pursuant to C.R.S. Section 1-25-807(3)(a)(IV)(B) for the Downtown Development Authority Property Tax Increment*, from the Consent Agenda.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt and approve all items not withdrawn from the Consent Agenda.

RESULT:	CONSENT CALENDAR ADOPTED [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

1. **Consideration and Approval of the Minutes of the May 23, 2017 Adjourned Council Meeting and the June 6, 2017 Regular Council Meeting. (Adopted)**

The purpose of this item is to approve the minutes from the May 23, 2017 Adjourned Council meeting and the June 6, 2017 Regular Council meeting.

2. **Second Reading of Ordinance No. 070, 2017, Appropriating Prior Year Reserves in the Capital Improvement Expansion Fund and in the Keep Fort Collins Great Tax Fund For Disbursement to the Poudre Fire Authority. (Adopted)**

This Ordinance, unanimously adopted on First Reading on June 6, 2017, appropriates funds from the Fire Capital Expansion Account to Poudre Fire Authority (PFA) for payment of debt on Fire Station 4. Station 4, located at 1945 West Drake Road, was built through a Lease/Purchase funding source at a rate of 4%, with 20 installments. The Fire Capital Improvement Expansion Fund has been used to make the annual Lease/Purchase payments. The Lease/Purchase agreement allows for prepayment after December 18, 2017. Paying off the Station 4 Lease/Purchase will save Poudre Fire Authority \$451,000 in interest payments over the next ten years, and will allow Capital Expansion Fees to build for the future construction of PFA's next fire station. During the 2017 PFA Budget process, the Board of Directors directed staff to pay off the outstanding debt on Station 4, utilizing Capital Expansion Fees that have been collected for the benefit of PFA and held in an earmarked account.

3. **Second Reading of Ordinance No. 071, 2017, Appropriating Unanticipated Revenue in the Wastewater Fund for the State Highway 14 Bridge over the Poudre River Project. (Adopted)**

This Ordinance, unanimously adopted on First Reading on June 6, 2017, appropriates \$83,044 into the Wastewater Fund for work performed by the City as part of the Colorado Department of Transportation's (CDOT) State Highway (SH) 14 Bridge over the Poudre River Project.

4. **Items Relating to the Adoption of the 2015 International Codes. (Adopted)**

A. Second Reading of Ordinance No. 072, 2017, Amending Chapter 5, Article II, Division 2, of the Code of the City of Fort Collins for the Purpose of Repealing the 2012 International Building Code (IBC) and Adopting the 2015 International Building Code, with Amendments.

- B. Second Reading of Ordinance No. 073, 2017, Amending Chapter 5, Article II, Division 2, of the Code of the City of Fort Collins for the Purpose of Repealing the 2012 International Energy Conservation Code (IECC) and Adopting the 2015 International Energy Conservation Code, with Amendments.
- C. Second Reading of Ordinance No. 074, 2017, Amending Chapter 5, Article II, Division 2, of the Code of the City of Fort Collins for the Purpose of Repealing the 2012 International Residential Code (IRC) and Adopting the 2015 International Residential Code, with Amendments.
- D. Second Reading of Ordinance No. 075, 2017, Amending Chapter 5, Article IV, of the Code of the City of Fort Collins for the Purpose of Repealing the 2012 International Mechanical Code (IMC) and Adopting the 2015 International Mechanical Code, with Amendments.
- E. Second Reading of Ordinance No. 076, 2017, Amending Chapter 5, Article IV, of the Code of the City of Fort Collins for the Purpose of Repealing the 2012 International Fuel Gas Code (IFGC) and Adopting the 2015 International Fuel Gas Code, with Amendments.

These Ordinances unanimously adopted on First Reading on June 6, 2017, adopt the 2015 International Codes (I-Codes). The 2015 I-Codes represent the most up-to-date construction standards establishing minimum requirements to safeguard the public health, safety, and general welfare from hazards attributed to the built environment within the City of Fort Collins.

Subsequent to First Reading, IBC local amendment 903.3.1.2 has been edited at Exceptions 1 and 2 to change the reference from "fire wall" to "fire partition" to be consistent with the intent of the section.

5. **Second Reading of Ordinance No. 077, 2017, Amending the Fort Collins Traffic Code Regarding Stadium Events. (Adopted)**

This Ordinance, unanimously adopted on First Reading on June 6, 2017, adopts a new violation of the Residential Parking Permit Program (RP3) for Colorado State University's (CSU) major stadium events. Consistent with the intergovernmental agreement (IGA) between the City and CSU, staff has worked with neighborhoods adjacent to the university campus to develop parking restrictions during major events at the new CSU stadium. Non-residents will not be permitted to park in participating neighborhoods during football games or any events with an expected attendance of 12,000 or greater. City Parking Services staff will be enforcing these restrictions four hours prior to the start of an event until the end of the event.

6. **Second Reading of Ordinance No. 078, 2017, Designating the Dairy Gold Creamery Laboratory located at 212 Laporte Avenue, Fort Collins, Colorado, as a Fort Collins Landmark Pursuant to Chapter 14 of the Code of the City of Fort Collins. (Adopted)**

This item is a quasi-judicial matter and if it is considered on the discussion agenda, it will be considered in accordance with the procedures described in Section 1(e) of the Council's Rules of Meeting Procedures adopted in Resolution 2017-017.

This Ordinance, unanimously adopted on First Reading on June 6, 2017, designates the Dairy Gold Creamery Laboratory, 212 Laporte Avenue (currently the Butterfly Café) as a Fort Collins Landmark. The Operation Services Department of the City of Fort Collins is initiating this request on behalf of the City as the owner.

7. **Second Reading of Ordinance No. 079, 2017, Designating the Continental Oil Company Property Located at 225 Maple Street, Fort Collins, Colorado, as a Fort Collins Landmark Pursuant to Chapter 14 of the Code of the City of Fort Collins. (Adopted)**

This item is a quasi-judicial matter and if it is considered on the discussion agenda, it will be considered in accordance with the procedures described in Section 1(e) of the Council's Rules of Meeting Procedures adopted in Resolution 2017-017.

This Ordinance, unanimously adopted on First Reading on June 6, 2017, designates the Continental Oil Company Property, 225 Maple Street, as a Fort Collins Landmark. This building currently houses FoCo Café. The Operation Services Department of the City of Fort Collins is initiating this request on behalf of the City as the owner.

8. **First Reading of Ordinance No. 086, 2017, Appropriating Prior Year Reserves in the General Fund for Transfer to Various City Funds for Tree and Branch Cleanup Expenses. (Adopted)**

The purpose of this item is to appropriate \$143,563 in General Fund reserves to cover the unanticipated costs associated with the tree and branch cleanup from the May 18th and 19th spring snowstorm to various City funds. This appropriation request will be used for the incremental costs (direct costs) associated with the cleanup effort but not covered in the operating budget. This includes personnel overtime and planned "work for other departments" costs that cannot be recouped, as well as other incremental costs associated with contractors, equipment rental, fuel, etc. that are uniquely and directly related to the snowstorm cleanup.

9. **First Reading of Ordinance No. 087, 2017, Authorizing the Release of a Collateral Assignment of Note and Deed of Trust which Secures Performance of Certain Obligations Related to the 1999 Restoration of the Northern Hotel. (Adopted)**

The purpose of this item is to authorize the release of a collateral assignment of the Note and Deed of Trust made by Funding Partners/NDC, in favor of the City of Fort Collins which secures performance obligations contained within the Northern Hotel Restoration Agreement, dated November 15, 1999. The release of the collateral assignment is requested by the property owner, an affiliate of Funding Partners and the National Development Council, in order to facilitate the sale and transfer of ownership of the Northern Hotel to an affiliate of Hendricks Communities LLC, an affordable housing developer with a strong local presence.

10. **First Reading of Ordinance No. 088, 2017, Amending the Land Use Code Sign Regulations. (Adopted)**

The purpose of this item is to update the Land Use Code (LUC) sign regulations with content neutral standards. This Ordinance will address the following:

- Eliminate standards that focus on the message of the sign
- Create two Code sections, a permanent and temporary sign section
- Introduce new standards based on the material classification for temporary signs
- Provide additional clarification to standards for permanent signs
- Add new terms with definitions related to temporary signs.

11. **First Reading of Ordinance No. 089, 2017, Authorizing the Conveyance of an Amended Access Easement and a Utility Easement on City-Owned Property at Gustav Swanson Natural Area to Public Service Company of Colorado in Exchange for the Dedication of Land for Trail Purposes. (Adopted)**

The purpose of this item is to authorize conveyance of a utility easement and an amended access easement to Public Service Company on Gustav Swanson Natural Area. Public Service Company provides natural gas service to a large portion of Fort Collins residents from a downtown regulator station along the Poudre River. The City has asked Public Service to realign its access easement to

the regulator station and formalize its utility easements as part of the pending Whitewater Park project. Public Service is also dedicating almost 2,000 square feet of land for trail purposes.

12. **Resolution 2017-059 Finding Substantial Compliance and Initiating Annexation Proceedings for the Interstate Land Holdings Annexation. (Adopted)**

The purpose of this item is to determine substantial compliance and initiate annexation proceedings for the Interstate Land Holdings Annexation. The Interstate Land Holdings Annexation project represents an annexation to bring two properties and State highway right-of-way totaling 12.2 acres, located on the northwest corner of the I-25 and State Highway 392 intersection, into Fort Collins municipal boundaries.

The requested zoning for this annexation is General Commercial (C-G) for the Interstate Land Holdings properties and right-of-way, and Public Open Lands (P-O-L) for the City-owned property. The requested zoning districts are in compliance with the City of Fort Collins *Structure Plan* and the *Fossil Creek Reservoir Area Plan* Maps. A specific project development plan proposal is not included with the annexation application.

The proposed Resolution makes a finding that the petition substantially complies with the Municipal Annexation Act, determines that a hearing should be established regarding the annexation, and directs that notice of the hearing be given. The hearing will be held at the time of First Reading of the annexation and zoning ordinances; not less than thirty days' prior notice is required by state law.

13. **Resolution 2017-061 Making Appointments to Cultural Resources Board and the Women's Commission of the City of Fort Collins. (Adopted)**

The purpose of this item is to appoint Amy Cervenak to fill a vacancy that currently exists on the Cultural Resources Board due to the resignation of Gregg Adams and a vacancy that currently exists on the Women's Commission due to the resignation of Ginny Carroll. This Resolution appoints two selected citizens, Amy Cervenak to fill the current Cultural Resources Board vacancy and Emily Gorgol to fill the current Women's Commission vacancy.

● **END CONSENT**

● **COUNCILMEMBER REPORTS**

Councilmember Cunniff stated he met with Larimer County Commissioner Gaiter and Poudre School District Superintendent Smyser at the City/County/PSD liaison meeting during which it was decided to hold a meeting annually in April regarding summer issues such as fireworks and fire suppression.

Councilmember Martinez stated the Girl Scouts have raised the money to pay for a new year-round water fountain at Catholic Charities.

Mayor Pro Tem Horak reported on the Boxelder Regional Stormwater Authority meeting during which the Board passed the approvals for loan modifications.

Mayor Troxell complimented the City's 4th of July festivities.

Councilmember Martinez reported on the Pi Kappa Phi fraternity fundraising bicycle ride across the country.

City Manager Atteberry stated initial reports indicate a significant reduction in fireworks complaints this year.

● **CONSIDERATION OF COUNCIL-PULLED CONSENT ITEMS**

14. **Items Relating to the Lease Financing of the Firehouse Alley Parking Garage.** (Adopted on Second Reading)

- A. *Second Reading of Ordinance No. 081, 2017, Authorizing the Leasing of Certain City Property and the Execution and Delivery by the City of a Site Lease, a Lease Purchase Agreement, and Other Documents and Matters in Connection with the Financing of the City's Acquisition of Certain Parking Facilities; Setting Forth Certain Parameters and Restrictions with Respect to the Financing; and Providing for Other Matters Related Thereto.*
- B. *Second Reading of Ordinance No. 082, 2017, Appropriating the Lease Financing Proceeds in the Capital Projects Fund to be Used for the Purchase of a Portion of the Firehouse Alley Parking Structure and to Pay for Related Lease Financing Costs.*
- C. *Resolution 2017-062 Authorizing the City Manager to Execute an Intergovernmental Agreement with the Downtown Development Authority Regarding Contributions to the City for Public Parking Spaces and Parking Programs in Downtown Fort Collins.*

These Ordinances, unanimously adopted on First Reading on June 6, 2017, authorize the financing and acquisition of the Firehouse Alley Parking Structure. Total costs are projected to be \$8,430,000. The City will acquire approximately 216 spaces located on the second and third floors. Resolution 2017-062 authorizes an intergovernmental agreement with the Downtown Development Authority (DDA) that outlines the DDA contribution of \$300,000 a year toward the lease payments, beginning in 2019.

Councilmember Martinez stated he withdrew the item in order for staff to address citizen concerns.

Eric Sutherland opposed the expenditure of tax dollars on the parking structure and stated its users should fund the structure.

Nancy York stated she is surprised by the use of this type of financing and suggested City Hall should be used as collateral rather than the Senior Center.

Diane Smith stated she is disappointed in the use of this type of financing and encouraged Council to consider using other assets as collateral.

City Manager Atteberry stated the City has never defaulted on any loan in its history, to his knowledge. John Voss, Financial Services, concurred the City has never defaulted. He stated the Senior Center was chosen as collateral rather than the structure itself to receive a lower interest rate. While other City structures were considered, some were already being collateralized and others have different issues.

Councilmember Cunniff expressed concern regarding the reduction in the DDA's contribution amount from one-third to 28%. Mike Beckstead, Chief Financial Officer, replied he does not recall a conversation in which the DDA was required to fund one-third of the structure. He stated its commitment is to roll over its contribution to the Civic Center structure to this structure after the Civic Center structure is paid off in June 2018.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 081, 2017, on Second Reading.

RESULT:	ORDINANCE NO. 081, 2017 ADOPTED ON SECOND READING [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 082, 2017, on Second Reading.

RESULT:	ORDINANCE NO. 082, 2017, ADOPTED ON SECOND READING [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Resolution 2017-062.

Mayor Pro Tem Horak stated this is a good news item as downtown needed an additional parking structure and this public/private partnership made it possible.

Councilmember Cunniff stated this provides an opportunity to look at the overall downtown parking policy.

RESULT:	RESOLUTION 2017-062 ADOPTED [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

15. **First Reading of Ordinance No. 085, 2017, Appropriating Prior Year Reserves in the Natural Areas Fund for the Purpose of Land Conservation, Public Improvements and Related Natural Areas Programming Not Included in the 2017 Adopted City Budget. (Adopted on First Reading)**

The purpose of this item is to appropriate \$10,790,000 in prior year reserves and unanticipated revenues in the Natural Areas Fund for the purpose of land conservation, construction of public improvements, restoration of wildlife habitat and other Natural Area Department programs to benefit the citizens of Fort Collins.

Councilmember Summers asked about the source of the unanticipated revenues. Mark Sears, Natural Areas Manager, replied it primarily comes from higher than anticipated Natural Areas sales tax collected.

Councilmember Summers asked about how parcels are identified for purchase. Sears replied the City's land conservation is a multi-stage process involving a guiding Master Plan and input from the Land Conservation and Stewardship Board. Council is informed of the status of various projects and acquisitions quarterly in a confidential memorandum.

Councilmember Summers asked if a certain set of criteria defines if parcels are appropriate for conservation or open space use. Sears replied many filters are applied to each parcel. Those include fitting into the Master Plan goals, fitting the various conservation values identified in the ballot language, and meeting the criteria of land-evaluation form to determine the priority of the acquisition.

Councilmember Summers asked how the amount budgeted for land acquisition is determined. Sears replied budgeting occurs through the bi-annual process. The ballot language is specific in dedicating amounts for land conservation activities.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 085, 2017, on First Reading.

Mayor Pro Tem Horak noted the Natural Areas program has been thoroughly vetted through the overwhelming citizen tax support.

Councilmember Cunniff noted land is getting more expensive; therefore, making purchases now maximizes the opportunity to save land for future generations.

Mayor Troxell noted the land conservation program supports several community values.

Mayor Pro Tem Horak noted the City leverages dollars and relationships with the County and neighboring cities.

RESULT:	ORDINANCE NO. 085, 2017, ADOPTED ON FIRST READING [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

● **DISCUSSION ITEMS**

- 16. **Second Reading of Ordinance No. 080, 2017, Designating the James Ross Proving-Up House Located at The Farm at Lee Martinez Park, 600 North Sherwood Street, Fort Collins, Colorado, as a Fort Collins Landmark Pursuant to Chapter 14 of the Code of the City of Fort Collins. (Adopted on Second Reading)**

This item is a quasi-judicial matter and if it is considered on the discussion agenda, it will be considered in accordance with the procedures described in Section 1(e) of the Council's Rules of Meeting Procedures adopted in Resolution 2017-017.

This Ordinance, adopted on First Reading on June 6, 2017 by a vote of 5-0 (Cunniff, Overbeck recused) designates the James Ross Proving-Up House, currently located at The Farm at Lee Martinez Park, 600 North Sherwood Street, as a Fort Collins Landmark. The Recreation Department of the City of Fort Collins is initiating this request on behalf of the City as the owner.

Councilmember Cunniff withdrew from the discussion of this item due to a conflict of interest.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Martinez, to adopt Ordinance No. 080, 2017, on Second Reading.

RESULT:	ORDINANCE NO. 080, 2017 ADOPTED ON SECOND READING [4 TO 0]
MOVER:	Gerry Horak, District 6
SECONDER:	Ray Martinez, District 2
AYES:	Martinez, Summers, Troxell, Horak
ABSENT:	Stephens, Overbeck
RECUSED:	Cunniff

17. **Second Reading of Ordinance No. 083, 2017, Appropriating and Transferring Prior Year Reserves in the General Fund and Appropriating Prior Year Reserves in the Light and Power Fund for Broadband Strategic Support Services. (Adopted on Second Reading)**

This Ordinance, adopted on First Reading on June 6, 2017 by a vote of 6-1 (nays: Summers) appropriates \$160k of one-time funding for consulting support for the City's Broadband efforts, per the current work scope. The effort to develop a more detailed Municipal Retail fiber internet service model will run in parallel with staff efforts to issue a Request for Proposal (RFP) to explore a third party alternative. As the work scope describes, consultants will work with City staff to develop details around how to launch a Municipal Retail fiber internet service. Those plans will enable the City, upon approval by Fort Collins voters authorizing the City to move forward, to immediately begin the effort, issue RFPs to support the design and construction, and begin internal processes for call centers, billing, marketing, sales, etc.

Eric Sutherland suggested the URA is not compliant with state law and stated management of broadband should be done under a separate authority.

Councilmember Martinez asked how long the consultants will be employed. Mike Beckstead, Chief Financial Officer, replied the engagement is through the end of the year; however, agreements can be terminated with two weeks notification.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 083, 2017, on Second Reading.

Councilmember Martinez asked if the consultants are solely addressing how to build a retail business or if they will also determine whether the service will work. Beckstead replied the consultants have been hired primarily to help the City move forward with citizen engagement, evaluate the third-party respondents to the RFP issued in May, and work on the launch plan assuming voters approve moving forward.

RESULT:	ORDINANCE NO. 083, 2017 ADOPTED ON SECOND READING [4 TO 1]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Troxell, Cunniff, Horak
NAYS:	Summers
ABSENT:	Stephens, Overbeck

18. **First Reading of Ordinance No. 090, 2017, Reappropriating Funds Previously Appropriated in 2016 But Not Expended and Not Encumbered in 2016. (Adopted as Amended on First Re)**

City Council authorized expenditures in 2016 for various purposes. The authorized expenditures were not spent or could not be encumbered in 2016 because:

- there was not sufficient time to complete bidding in 2016 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 2016 and reappropriation of those dollars is necessary for completion of the project in 2017
- to carry on programs, services, and facility improvements in 2017 with unspent dollars previously appropriated in 2016.

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2016 and reflect no change in Council policies.

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

Fund	2016 Amended Budget	Reappropriation Ord. No. 058, 2017	Additional Reappropriation Request	% of 2016 Amended Budget
General Fund	\$144,587,414	\$948,174	\$360,768	0.7%
Keep Fort Collins Great Fund	30,582,621	691,195	5,000	2.3%
Light and Power Fund	144,568,778	107,933		0.1%
Data and Communications Fund	11,544,230	301,600		2.6%
Utility Customer Service and Administration	18,168,083		40,608	0.0%
TOTAL	\$349,451,126	\$2,048,902	\$406,376	0.7%

Mike Beckstead, Chief Financial Officer, stated he is comfortable moving forward with this, despite sales tax revenues being below budget, because the use tax is over budget and general fund revenue is equal to or greater than budget. He stated the issue the City is facing with the revenue shortfall is how to align ongoing spending with ongoing revenue.

Lawrence Pollack, Budget and Performance Measurement Manager, discussed what qualifies for reappropriation and stated this Ordinance is for six items for approximately \$400,000 with the total 2017 reappropriation being \$2.5 million.

Councilmember Martinez asked why Fort Collins is experiencing a revenue slowdown compared to neighboring communities. Beckstead replied he does not have a specific answer to that question; however, at the end of the first quarter, other communities were experiencing some softening.

Councilmember Martinez asked if this has occurred in Fort Collins in the past. Beckstead replied in the affirmative and stated 2009 and 2010 were both negative; however, the following years had significant increases and funds went into reserves.

Councilmember Martinez requested some clarity prior to Second Reading. Beckstead replied he was unsure he would have data from other communities regarding second quarter data prior to Second Reading.

Pollack noted these six specific items were budgeted in 2016 and had they been completed, the money would have been spent.

Councilmember Summers asked about the balance of the general fund reserve. Beckstead replied it was just over \$75 million as of 2016 year end.

Councilmember Cunniff requested information regarding staff's plan for the process to slow down and defer spending if necessary. Beckstead replied the priorities involve sweeping vacancy or fuel savings, using a portion of the \$4.4 million contingency fund, and "stop-doing" or defer/delay for the remainder of the gap.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 090, 2017, on First Reading.

Mayor Pro Tem Horak made a friendly amendment to the Ordinance by reducing funding for the Neighborhood Renewal Project and eliminating funding for the cybersecurity consulting services. He stated the two items have changed from their original scope.

City Manager Atteberry noted the cybersecurity work is a continuation of ongoing work.

Councilmember Summers stated he wants to ensure important cybersecurity work is not being curtailed.

Dan Coldiron, Chief Information Officer, stated these funds will continue to pay for a consulting effort to identify and mature the City Utilities cybersecurity stance.

Councilmember Cunniff stated this item does not belong in a reappropriation ordinance, but rather in the mid-cycle budget.

Councilmember Martinez asked if eliminating these funds is a security risk. Coldiron replied he would advise doing the work and stated the funds would help to implement some of the consultants' recommendations for improvement of the City's cybersecurity environment.

Councilmember Martinez asked if the timing of this work is critical or if waiting until the mid-cycle budget would be sufficient. Coldiron replied it would be a lost opportunity as the consultants would need to be re-engaged.

Mayor Pro Tem Horak requested a memo outlining the tracking of the funds.

Mayor Troxell asked if the Neighborhood Renewal Project would be able to come before Council during the mid-cycle budget process. City Manager Atteberry replied that project is not urgent.

City Attorney Daggett outlined the Ordinance changes proposed by Mayor Pro Tem Horak.

Mayor Troxell stated he would support the amended Ordinance and commended staff on their work.

Councilmember Summers commended Mayor Pro Tem Horak and Councilmember Cunniff for their work on the Council Finance Committee.

RESULT:	ORDINANCE NO. 090, 2017, ADOPTED AS AMENDED ON FIRST READING [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

● **CONSIDERATION OF CITIZEN-PULLED CONSENT ITEMS**

19. **Second Reading of Ordinance No. 084, 2017, Appropriating Prior Year Reserves in the General Fund for Larimer County Jail Services. (Adopted)**

This Ordinance, unanimously adopted on First Reading on June 6, 2017, appropriates funding to pay for services relating to the City's use of the Larimer County Jail for municipal defendants for 2017.

Eric Sutherland stated he is concerned regarding the overall nexus between City and County finances and how that is distorted by tax increment financing. He discussed jail overcrowding and questioned what the City is doing to reduce incarceration rates.

Mayor Troxell requested staff input regarding Mr. Sutherland's comments and noted staff has completed analyses on TIF and the County. Mike Beckstead, Chief Financial Officer, replied the City spent about two years working with a group of other municipalities and taxing entities and a new financial model was ultimately developed. The model estimates the cost impact on those taxing entities and built a qualitative framework for assessing some of the less quantifiable factors.

Councilmember Martinez requested Police input regarding the three-bed jail package.

(Secretary's Note: The Council took a brief recess at this point in the meeting.)

Interim Police Chief Terry Jones replied the courts will have a significant role in the jail proposal as these are generally sentenced individuals at the municipal level that will now find time to spend in the Larimer County Jail if the judge so designates that as a sentence. Police Services sees it as a positive change.

Councilmember Martinez asked how these three spaces play into jail overcrowding. Jones replied Sherriff Smith has indicated to all county municipalities that the jail is at maximum capacity. The fact that he is separating out three beds for Fort Collins is a positive for the city.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 084, 2017, on Second Reading.

Mayor Pro Tem Horak requested staff information regarding the alternative sentencing program. City Attorney Daggett replied this IGA will help in the implementation of a number of standard practices and will aid in influencing offenders to follow through with alternative sentences that are part of plea bargains.

Mayor Troxell stated he would support the item and stated this will be an important tool in keeping community safety at the forefront.

Councilmember Martinez stated he would like to see a measurement of the success of this program. Jones replied there is not currently a mechanism in place for that; however, something could be formulated.

RESULT:	ORDINANCE NO. 084, 2017, ADOPTED ON SECOND READING [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

20. **Resolution 2017-060 Approving the 2017 Certification to the Larimer County Assessor Pursuant to C.R.S. Section 31-25-807(3)(a)(IV)(B) for the Downtown Development Authority Property Tax Increment. (Adopted)**

The purpose of this item is to certify to the Larimer County Assessor the percentages of property tax distributions that are to be allocated for the Downtown Development Authority by the Assessor as tax increment from the 2017 property taxes payable in 2018 to the City and to all other affected taxing entities.

Eric Sutherland discussed the use of tax increment financing and stated there has never been a study indicating an affirmative economic improvement from its use. He discussed the diversion of revenues to which he stated the URA is not entitled.

Mayor Troxell stated he has met with Mr. Sutherland and discussed the difference of opinion related to the state statute that allows for the use of tax increment financing by the URA.

Mayor Pro Tem Horak made a motion, seconded by Councilmember Cunniff, to adopt Resolution 2017-060.

RESULT:	RESOLUTION 2017-060 ADOPTED [UNANIMOUS]
MOVER:	Gerry Horak, District 6
SECONDER:	Ross Cunniff, District 5
AYES:	Martinez, Summers, Troxell, Cunniff, Horak
ABSENT:	Stephens, Overbeck

● **OTHER BUSINESS**

Councilmember Summers requested information regarding the Vibrant Neighborhood Grant Program. City Manager Atteberry replied he would present a memo separately.

Councilmember Summers noted part of the Strategic Plan involves enhancing community involvement and engagement and stated he would like to see staff complete an evaluation of the current Boards and Commissions structure.

Mayor Pro Tem Horak suggested staff provide Council with information regarding the current public engagement efforts.

Councilmember Cunniff stated a new process is in place to evaluate each individual Board in a more detailed way.

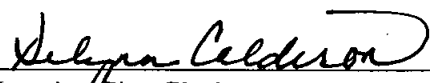
Councilmember Martinez discussed Neighborhood Night Out on August 1st.

● ADJOURNMENT

The meeting adjourned at 8:17 PM.


Mayor

ATTEST:


Interim City Clerk

