

AGENDA ITEM SUMMARY

April 3, 2018

City Council

STAFF

Lawrence Pollack, Budget Director
John Duval, Legal

SUBJECT

First Reading of Ordinance No. 046, 2018, Reappropriating Funds Previously Appropriated in 2017 But Not Expended and Not Encumbered in 2017.

EXECUTIVE SUMMARY

The purpose of this item is to reappropriate monies in 2018 that were previously authorized by City Council for various expenditures in 2017. The authorized expenditures were not spent or could not be encumbered in 2017 because:

- there was not sufficient time to complete bidding in 2017 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 2017 and reappropriation of those dollars is necessary for completion of the project in 2018, or
- the funds appropriated in 2017 for certain ongoing programs, services, and facility improvements remained unspent at the end of 2017 for the various reasons discussed below, but continue to be needed in 2018 for these programs, services and facility improvements.

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2017 and reflect no change in Council policies.

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

| Fund | 2017 Budget | Reappropriation Amount | % of 2017 Amended Budget |
|------------------------------|----------------------|-------------------------------|---------------------------------|
| General Fund | \$152,572,022 | \$997,185 | 0.65% |
| Keep Fort Collins Great Fund | 31,501,849 | 297,033 | 0.94% |
| Light and Power Fund | 140,958,058 | 100,000 | 0.07% |
| Data and Communications Fund | 11,175,948 | 62,271 | 0.56% |
| TOTAL | \$336,207,877 | \$1,456,489 | 0.43% |

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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.

GENERAL FUND

Community Development & Neighborhood Services

1. Lincoln Corridor Plan Neighborhood Art Projects - \$177,707

Purpose for funds: These funds originally provided for the design and construction of a total of ten neighborhood infrastructure projects identified in the Lincoln Corridor Plan, mostly located within the Northside Neighborhoods (Buckingham, Andersonville, San Cristo/Via Lopez, and Alta Vista). Staff coordinated the design and implementation of the projects with a Neighborhood Advisory Committee comprised of neighborhood residents. Seven of the ten projects have been completed. The Streets Facility park has funding through a non-lapsing account and is being managed by Parks Planning. The remaining projects are related to neighborhood artwork. The completed community mural, on the Buckingham Park transformer cabinet was successful in bringing together residents from the northside neighborhoods and sharing historical perspective. The mural was an example of how time and thoughtful art can bring people together. This reappropriation will fund the remaining neighborhood art projects: neighborhood light poles, wayfinding signage, and sugar beet inspired playground equipment art piece.

Reason funds not expensed in 2017: Art projects are a multi-year effort, including public outreach, historical research, design, and construction of projects on varying timelines. At the direction of Council and executive leadership, staff worked extensively with a citizen Neighborhood Advisory Committee to ensure the projects meet the diverse needs and desires of the neighborhoods involved. For the remaining projects, this coordination, context sensitive design, and development of a public art approach takes time and care. Cultural Services will be taking the lead on the art projects and have partnered with artist Mario Miguel Echevarria to complete the remaining work.

2. Neighborhood Improvement & Community Building (Vibrant) Grant Fund - \$133,784

Purpose for funds: This funding was created to encourage and foster participation in the Neighborhood Connections program between the City and residents. It is intended to provide neighborhood groups with City resources for community-driven projects that enhance and strengthen their own neighborhoods. All projects are initiated, planned, and implemented by community members in partnership with the City. It supports reinvestment in older neighborhoods to stabilize them, to initiate restoration processes and to leverage funding when capital improvement or other work is already occurring. An integral component of this offer is a request for matching funds, labor or materials from applicants (encouraging donations and fundraising).

Reason funds not expensed in 2017: Projects are subjected to a thorough vetting process, and final selection of projects was not accomplished until much later in 2017 than was previously expected (due to staffing changes with Neighborhood Services). Once the projects were selected, contracts were developed with the assistance of the City Attorneys. At this time, 100% of the original 2017 budgeted funds have been earmarked for neighborhood projects, but are still in contractual development with our City attorneys.

Municipal Court

3. Court-Appointed Defense Counsel Funding Request- \$19,060

Purpose for funds: In 2017, as required by state law, Chief Judge Lane ordered that court-appointed defense counsel be assigned to represent certain defendants on traffic and non-traffic misdemeanor cases. Defense counsel was appointed on over 400 cases in 2017. The fee paid for by the City for such representation is billed at the rate of \$75.00/hour up to a maximum of \$1,675.00 per case if the case does not go to trial or \$2,480.00 if the case goes to trial. We are requesting that a portion of the remaining funds from our 2017 budget be reappropriated into that account for 2018 to pay those bills.

Reason funds not expensed in 2017: Due to the complexity of and circumstances related to these cases, the Court has 17 outstanding appointments that started in 2017 and have not yet reached final dispositions. Therefore, the assigned defense attorneys have not yet presented the Court with bills and won't until the cases

have been concluded. Several other appointments made on 2017 cases reached final disposition in early 2018. The Court was billed for those services in February of 2018.

Natural Areas

4. Instream Flow consulting services- \$18,698

Purpose for funds: The purpose of this offer is to fund water engineering consultant to work on instream flow related matters. Funds were used to evaluate existing agriculture diversion structures that result in "dry-up" locations on the Cache la Poudre River and also create movement barriers for aquatic species. Further, these diversions represent locations that need to bypass and measure water placed instream for environmental benefit. Funds have been used to participate in the reconstruction of the Fossil Creek Reservoir Inlet Ditch to create a fish passageway and to allow for environmental water to be bypassed and measured at the diversion. Funds were also used to evaluate and design fish and water passage at the Timnath Reservoir Inlet and to support the instream flow augmentation planning process.

Reason funds not expensed in 2017: The design of the Timnath Inlet is being finalized and permits needed to complete this construction project are in review. Funds remaining will be placed towards construction of the improvements. The City has received a grant from the Colorado Water Conservation Board for \$100,000 and construction costs are estimated at \$371,000. Natural Areas will contribute a portion of the construction costs and will continue to seek outside funding for the project. The project is anticipated to be constructed in the fall of 2018 if funding is secured.

Police Services

5. Police Regional Training Facility- \$381,783

Purpose for funds: These funds are budgeted to help pay for the design costs for the new Police Regional Training Facility. This request will also move these funds to a non-lapsing business unit since the project funds were loaded incorrectly into a lapsing business unit.

Reason funds not expensed in 2017: The funds requested for reappropriation are to continue the Police Regional Training Facility project. The original appropriation was a portion of the total project costs to cover the Design phase of the project. The first phase of the project has come in under budget and so the request is to reappropriation these funds back into the project budget as a whole while not changing the total project budget.

Currently the design team is working on the site layout for the new training facility site to include a 50-yard pistol range, a 1.4 mile driving track along with classrooms. The decision was made to allow the design firm to identify which footprint would work best in the general area previously designated, with the condition that the footprint will not exceed 44.608 acres. The design team should have a series of conceptual drawings by next week to review and agree upon final footprint. Once the footprint is designated, an amendment to the FAA will be submitted.

The scope has been affected by rising costs since 2015, however the budget will still provide for a facility which meets the initial needs of both cities. Construction is still anticipated to begin in early 2019 and be completed by November/December 2019.

Social Sustainability

6. Affordable Housing and HBA Programs- \$37,508 (plus an additional \$5,240 in KFCG totals \$42,748 for request)

Purpose for funds: The Affordable Housing Funds (AHF) are allocated annually through the competitive process to support critical affordable housing needs in the City of Fort Collins. All funds were awarded to housing programs or projects to further the goals identified in the City's Affordable Housing Strategic Plan.

The Human Service Program Funds (HSP) and KFCG Enhancement for Human Services are allocated annually to local non-profit and human service agencies to meet the goals identified in the Social Sustainability Strategic Plan.

Reason funds not expensed in 2017: The \$34,611 AHF balance represents funds that have been committed to Habitat for Humanity, but not yet contracted. These are matching funds for federal grants requirements of the CDBG/HOME program. Under federal guidelines, this project cannot be contracted until the federal requirements have been met. Housing projects often span multiple years and are not contracted in the year they receive the initial allocation.

For the HSP amount of \$8,137: As of November 2017, three of the nonprofits had not completely spent their grant awards during the prior 12-month grant period, thus leaving \$8,137 in combined unspent funds. It is very rare that the nonprofit partners do not spend all of their grant dollars. The three nonprofits that contributed to the \$8,137 all provided letters to the CDBG Commission explaining why their grant dollars were partially unspent. This reallocation request will move the \$8,137 into the current competitive grant evaluation process and the CDBG Commission will be able to grant those reallocated dollars to nonprofit programs for the October 2018-September 2019 grant cycle. The CDBG Commission is meeting on April 12 to make their funding recommendations.

7. Child Care Project- \$48,800

Purpose for funds: Childcare was identified in the top three issues for community workforce in the Talent 2.0 study. Working families in Fort Collins have endured stagnant wages, despite significant economy-wide income growth. Coupled with decreased access to affordable housing, the high cost of child care-which for an infant and toddler can equal the median rent/mortgage-contributes to the difficulty, often impossibility, of attaining a modest, yet adequate standard of living at all. Throughout the Fort Collins economy, women and others charged with care-taking roles face a decision to drop out of the workforce and enter into full-time family caregiving, a trend that exacerbates issues of stagnant household income and regional labor market shortages. Key needs include:

- High cost of quality childcare throughout the city/region for all Fort Collins residents (high cost childcare is often equal to or above the median Fort Collins rent/mortgage)
- Especially high cost of infant care due to insufficient supply
- Little to no access to childcare for vulnerable populations, including teen mothers and low-income populations
- Insufficient supply of certified childcare workers, fueled by low wages and high certification costs

A collaborative process with community partners identifying opportunities for this funding (expanding and increasing services, space, capacity and affordability of childcare in the Fort Collins community) began in 2017, and two potential options for spaces to expand childcare services in city-owned buildings emerged.

Reason funds not expensed in 2017: Staff was not able to finalize effective uses of the funding in 2017; although a collaborative group came together at the end of 2017 to identify potential uses of the funds. Two potential options for spaces to expand childcare services in city-owned buildings emerged in 2017. Conversations and project options are gathering momentum in early 2018. Anticipated use of funds in Q3-Q4 2018.

8. Horsetooth Waivers - \$179,845

Purpose for funds: Affordable Housing fee waivers are available for developments serving specified populations at Council's discretion. Council has acted by Ordinance #142 2017 to grant a fee waiver for Housing Catalyst's Village on Horsetooth community.

Reason funds not expensed in 2017: Because some of the waivable fees for the Village on Horsetooth were paid prior to the granting of the waiver, a determination of the best way to issue a refund or to provide a credit to offset fees still owed is underway. Additional time is needed to make sure the amounts waived are properly accounted for and settlement terms determined.

KEEP FORT COLLINS GREAT FUND

Community Development & Neighborhood Services

9. Historic Preservation Survey Grant Funds- \$15,000

Purpose for funds: As part of the Community Development Neighborhood Services Ongoing offer, the purpose of these funds is to provide the required match for grant requests from the State Historic Fund and Certified Local Government (CLG) grants for historic preservation survey. Ongoing survey is a requirement to retain federal certification as a CLG.

Reason funds not expensed in 2017: Grant matching funds are used principally for State Historic Fund and Certified Local Government (CLG) grants. Because of the lengthy lag in time between submission of a grant application and final contracting with the State when the funds are encumbered, monies allocated in one year will nearly always need to be re-appropriated in the following year. Meeting CLG requirements and Council's direction for increased survey of historic properties, these funds are allocated to a State Historic Fund grant for a survey of Midtown properties.

Economic Health

10. Workforce Planning- \$17,975

Purpose for funds: Talent 2.0 is a talent and workforce initiative that is an essential part to a healthy economy. Several partners provide services in this area; however, several gaps remain. In late 2016/early 2017, the regional partners got together to identify gaps and opportunities, which is known as Talent 2.0. Talent 2.0 is an action plan.

Reason funds not expensed in 2017: After completion of the Talent 2.0 work, a group of regional partners including: Chamber of Commerce (Loveland and Fort Collins), Larimer County, City of Loveland and Fort Collins, Northern Colorado Economic Alliance and the United Way of Larimer County formalized a regional working group. Talent 2.0 identified over 30 projects that could be tackled by the regional group. 2017 was spent working on the report, report roll out and prioritizing the 2018 projects. The working group has identified and prioritized eight projects. Funds will be spent on website development for "Your Place: Northern Colorado," the talent portal that will be a one-stop shop for resources, ambassador program, trailing spouse connections and recruitment services.

Environmental Services

11. Climate Action Plan (CAP) IFCC Funding- \$153,000

Purpose for funds: The Innovation and Pilot Projects Fund is intended to foster innovative and relevant approaches to the goals outlined in the City's Climate Action Plan (CAP) 2020 goals. Continued progress to achieve the CAP goals is considered a City Council Priority. The primary objective of this project fund is to engage the world class expertise and passion that exists in Fort Collins, as well as leveraging private sector investment to achieve the CAP goals. The fund is intended to provide seed money to local, externally managed, and independent projects based on key impact areas to reduce greenhouse gas emissions that are scalable within the community and beyond. In 2017, the Innovate Fort Collins Challenge was the first round of competition to support the use of these funds. Five groups were awarded \$265,000 in funds and focused on energy, waste materials and transportation projects.

Reason funds not expensed in 2017: The request for these funds was initially proposed to have a smaller portion in 2017 and larger amount for use in 2018. Because this was a newly developed competitive process, staff wanted to ensure a well vetted process was in place over the two years. The first competition round in 2017 awarded \$265,000 to five projects. The intention is to use this remaining funding will be to host another round of competition to focus on energy, waste materials, transportation and behavior change. Staff has

evaluated the 2017 competitive process and included multiple process improvements including analysis by FC Lean staff, updated application materials and used a collaborative public event (Innovation Summit) to develop the Challenge Statements for the 2018 round of competition. Additionally, this project and its purpose is linked to 2017-2019 Council Priority for Environmental Health that prioritizes continued progress and acceleration toward achieving the Climate Action Plan Goals.

Natural Areas

12. Northern Integrated Supply Project (NISP) Analysis and Response - \$105,818

Purpose for funds: These funds are intended to support the City's effort and engagement with NISP (the Northern Integrated Supply Project) planning and permitting process. This process has been underway since 2008. The City's anticipated future engagement is likely to be extensive and will require these funds for technical and legal assistance.

Reason funds not expensed in 2017: The federal permitting process for the Northern Integrated Supply Project is ongoing. While the release of Final Environmental Impact Statement (FEIS) was anticipated for 2017, it was not and thus these funds were not exhausted. The purpose of these funds is to support the City's response to the FEIS and to pursue best mechanisms possible to represent the City's river related assets and investments. The FEIS now likely to be released this summer (2018) and these funds will be used to support technical and legal external support throughout the process.

Social Sustainability

13. Affordable Housing and HBA Programs - \$5,240 (plus an additional \$37,508 in General Fund totals \$42,748 for request)

Please see description in #6 under General Fund.

LIGHT & POWER FUND

Light & Power Operations Service Unit

14. Distributed Battery Pilot Program- \$100,000

Purpose for funds: Offer 5.26 funded a pilot battery storage demonstration project to determine distributed scale storage technologies, define engineering requirements for storage on the distribution grid, install a pilot battery and analyze the costs and benefits from the project. The offer was for a total of \$200,000 in funding (\$100k annually in 2017/18) for the multi-year project. The purpose of the Battery Storage Pilot is to understand and demonstrate how utilities infrastructure can interact with battery technologies, including financial and economic benefits to the utility and to residential and commercial customers. Utilities expect battery storage to be an essential component of long-term solutions for our clean energy goals. This targeted pilot will demonstrate a variety of technologies and use cases with modest resources in advance of future potential commitments to more comprehensive solutions.

Reason funds not expensed in 2017: Project implementation was delayed in 2017 due to two factors. The first related to staffing vacancies in Light & Power and Energy Services resulting in a delay in starting the project. The second was an extended project delivery discussion as a result of an unsolicited offer for services. An agreement was completed in March 2018 for the purchase of a battery, software license and consulting services for installation at the Utility Administration Building at 222 Laporte. The demonstration period for the project extends through the end of 2019.

DATA & COMMUNICATIONS FUND

Information Technology

15. Electronic Plan Review Implementation - \$62,271

Purpose for funds: The purpose of these funds is to continue the implementation of the Electronic Plan Review system for the Community Development and Neighborhood Services department that was approved by City Council on 7/19/16 per Ordinance #84. The system enables the City to provide electronic plan review as part of the building permit and development review process that includes streamlined processes for plan submittal, routing and review of construction/development plans, reduction of paper, automated online access of review comments, and overall greater efficiency of the review process.

Reason funds not expensed in 2017: As originally stated in the Agenda Item Summary, this project initially proposed to have at least an 18-month timeline to complete due to the complexity of the system and technology implementation work involved. This item was reappropriated in 2017 for \$301,600. To date, approximately 60% of the funding has been expensed and \$141,365 is under contract for the ongoing consulting work to configure the plan review system and complete implementation in 2018. The requested funds will be used for the end user systems to procure the necessary hardware and minor software upgrades that will enable staff to process and review the large-scale electronic documents efficiently at their desks and in conference rooms (as stated in original scope of work).

CITY FINANCIAL IMPACTS

This Ordinance increases 2018 appropriations by \$1,456,489. A total of \$997,185 is requested for reappropriation in the General Fund, \$297,033 from the Keep Fort Collins Great Fund and \$162,271 is requested from various other City funds. Reappropriation requests represent amounts budgeted in 2017 that could not be encumbered at year-end. The appropriations are from 2017 prior year reserves.

ORDINANCE NO. 046, 2018
OF THE COUNCIL OF THE CITY OF FORT COLLINS
REAPPROPRIATING FUNDS PREVIOUSLY APPROPRIATED
IN 2017 BUT NOT EXPENDED AND NOT ENCUMBERED IN 2017

WHEREAS, City Council authorized expenditures in 2017 for various purposes in the General Fund, Keep Fort Collins Great Fund, Light & Power Fund and the Data & Communications Fund, portions of which were not spent or encumbered in 2017; and

WHEREAS, Article V, Section 11 of the City Charter requires that all appropriations unexpended or unencumbered at the end of the fiscal year lapse to the applicable general or special fund, except that appropriations for capital projects and federal or state grants do not lapse until the completion of the capital project or until the expiration of the federal or state grant; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, the Financial Officer has determined that the amounts to be appropriated as described herein are available and currently unappropriated; and

WHEREAS, it is in the best interests of the City and its residents and necessary for the public's health, safety and welfare to re-appropriate funds for the expenditures below, in furtherance of these expenditures authorized in 2017 for which such appropriated funds were not expended and not encumbered during 2017.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the sum of NINE HUNDRED NINETY-SEVEN THOUSAND ONE HUNDRED EIGHTY-FIVE DOLLARS (\$997,185) to be expended for the following purposes:

| | |
|--|-----------|
| Lincoln Corridor Plan Neighborhood Art Projects | \$177,707 |
| Neighborhood Improvement & Community Building (Vibrant) Grant Fund | 133,784 |
| Court-Appointed Defense Counsel Funding Request | 19,060 |
| Instream Flow Consulting Services | 18,698 |
| Police Regional Training Facility | 381,783 |
| Affordable Housing and HBA Programs | 37,508 |
| Child Care Project | 48,800 |

| | |
|--------------------|-------------------|
| Horsetooth Waivers | 179,845 |
| Total General Fund | <u>\$997,185.</u> |

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the Keep Fort Collins Great Fund the sum of TWO HUNDRED NINETY-SEVEN THOUSAND THIRTY-THREE DOLLARS (\$297,033) to be expended for the following purposes:

| | |
|--|--------------|
| Historic Preservation Survey Grant Funds | \$15,000 |
| Workforce Planning | 17,975 |
| CAP IFCC Funding | 153,000 |
| NISP Analysis and Response | 105,818 |
| Affordable Housing and HBA Programs | <u>5,240</u> |
| Total Keep Fort Collins Great Fund | \$297,033. |

Section 4. That there is hereby appropriated for expenditure from prior year reserves in the Light and Power Fund the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) to be expended for the Distributed Battery Pilot Program.

Section 5. That there is hereby appropriated for expenditure from prior year reserves in the Data and Communications Fund the sum of SIXTY-TWO THOUSAND TWO HUNDRED SEVENTY-ONE DOLLARS (\$62,271) to be expended for electronic plan review implementation.

Introduced, considered favorably on first reading, and ordered published this 3rd day of April, A.D. 2018, and to be presented for final passage on the 17th day of April, A.D. 2018.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 17th day of April, A.D. 2018.

Mayor

ATTEST:

City Clerk