

November 4, 2020

COUNCIL OF THE CITY OF FORT COLLINS, COLORADO

Council-Manager Form of Government

Regular Meeting – 6:00 PM

(Secretary's Note: Due to the COVID-19 crisis and state and local order to remain safer at home and not gather, this meeting has been conducted using a hybrid approach allowing in-person participation with strict protocols and a variety of remote participation options.)

● **ROLL CALL**

PRESENT: Pignataro, Gorgol, Gutowsky, Summers (6:30 PM), Stephens, Troxell, Cunniff
Staff: Atteberry, Daggett, Coldiron

● **AGENDA REVIEW: CITY MANAGER**

City Manager Atteberry stated Item No. 10, *Ordinance No. 141, 2020, Approving the Administrative Rules, Regulations and Standards for the Riverside Community Solar Program*, has been revised to be heard as an ordinance rather than a resolution. Additionally, Item No. 14, *Items Relating to Electric and Water Rates, Fees and Charges*, includes a revised ordinance.

● **PUBLIC COMMENT**

Mayor Troxell and City Clerk Coldiron outlined the remote participation options.

Kristin Heightner commented on the importance of increasing community engagement and suggested Council meetings should be advertised on social media as she has found the City's webpage difficult to navigate. She discussed the importance of engaging with City leaders in a meaningful way.

Rich Stave asked if the Zoom platform could advertise when a meeting is changed; however, he commended the return email he received from staff in a timely fashion.

Rory Heath commented on his inquiry regarding updates to the City Ethics Code noting it is not on Council's 6-month calendar.

● **PUBLIC COMMENT FOLLOW-UP**

Mayor Troxell summarized the citizen comments.

Councilmember Pignataro requested an update on Ethics Code revisions. City Attorney Daggett replied staff is working on information to present to Council and will be looking for a time to schedule a work session discussion in the near future.

Mayor Pro Tem Stephens stated the City is always working to make access to information easier. She believes meetings are always posted on Facebook but any suggestions are always welcome.

● **CONSENT CALENDAR**

Mayor Pro Tem Stephens made a motion, seconded by Councilmember Gutowsky, to adopt and approve all items on the Consent Agenda.

RESULT:	CONSENT AGENDA ADOPTED [6 TO 0]
MOVER:	Kristin Stephens, District 4
SECONDER:	Susan Gutowsky, District 1
AYES:	Pignataro, Gorgol, Gutowsky, Stephens, Troxell, Cunniff
AWAY:	Summers

1. **Consideration and Approval of the Minutes of the September 15, 2020 Regular Council Meeting. (Adopted)**

The purpose of this item is for consideration and approval of the minutes of the September 15, 2020 Regular Council Meeting.

2. **Second Reading of Ordinance No. 125, 2020, Extending Short-Term Appointments to City Boards and Commissions to December 31, 2021. (Adopted)**

This Ordinance, unanimously adopted on First Reading on October 20, 2020, allows Council to extend the one-year interim appointments to advisory boards and commissions that were adopted under Ordinance No. 153, 2019 and are currently set to expire on December 31, 2020. Due to COVID-19, the Reimagine Boards and Commissions public engagement efforts and Council Work Session were delayed resulting in a later implementation timeline, including potential changes to term lengths. This Ordinance would extend these short-term appointments for one additional year with an expiration date of December 31, 2021. This will reduce the number of appointments that need to be filled this year and will allow staff additional time to create a thorough implementation strategy for potential changes due to the Reimagine Boards and Commissions Priority 2021.

3. **First Reading of Ordinance No. 127, 2020, Adopting the 2021 Budget and Appropriating the Fort Collins Share of the 2021 Fiscal Year Operating and Capital Improvements Funds for the Northern Colorado Regional Airport. (Adopted)**

The purpose of this item is to adopt the 2021 budget for the Northern Colorado Regional Airport and appropriate Fort Collins' share of the 2021 fiscal year operating and capital funds for the Airport. Under the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Airport between Fort Collins and Loveland (the "IGA"), the Airport is operated as a joint venture with each City owning 50% of the assets and revenues and responsible for 50% of the operating and capital costs. The proposed budget does not include financial contributions from the City's General Fund as it has in previous years because anticipated Airport revenues will provide sufficient revenues for operations, primarily as a result of the Northern Colorado Law Enforcement Training Center Lease payments by both Cities. Because each City has an ownership interest in 50% of the Airport revenues, each City must appropriate its 50% share of the annual operating and capital budget for the Airport under the IGA.

4. **First Reading of Ordinance No. 128, 2020, Being the Annual Appropriation Ordinance for the Fort Collins Downtown Development Authority relating to the Annual Appropriations for the Fiscal Year 2021 and Fixing Mill Levy for the Downtown Development Authority for Fiscal Year 2021. (Adopted)**

The purpose of this item is to set the Downtown Development Authority ("DDA") Budget. The following amounts will be appropriated:

DDA Public/Private Investments & Programs	\$8,067,545
DDA Operations & Maintenance	\$1,385,349
Revolving Line of Credit Draws	\$7,000,000
DDA Debt Service Fund	\$7,431,611

The DDA anticipates receiving in 2021 tax increment revenues of approximately \$6,630,081 and approximately \$788,897 in revenues from its five-mill property tax for the DDA's operational and maintenance expenditures. The Ordinance also sets the 2021 Mill Levy for the Fort Collins DDA at five (5) mills, unchanged since tax year 2002. The approved Budget becomes the Downtown Development Authority's financial plan for 2021.

5. **Items Relating to the 2020 Fee Updates. (Adopted)**

- A. First Reading of Ordinance No. 129, 2020, Amending Chapter 7.5 of the Code of the City of Fort Collins to Revise the Capital Expansion Fees and the Transportation Expansion Fee.
- B. First Reading of Ordinance No. 130, 2020, Amending Chapter 26 of the Code of the City of Fort Collins Regarding Calculation and Collection of Development Fees Imposed for the Construction of New or Modified Electric Service Connections.
- C. First Reading of Ordinance No. 131, 2020, Amending Chapter 26 of the Code of the City of Fort Collins to Revise Sewer Plant Investment Fees.
- D. First Reading of Ordinance No. 132, 2020, Amending Chapter 26 of the Code of the City of Fort Collins to Revise the Stormwater Plant Investment Fees.
- E. First Reading of Ordinance No. 133, 2020, Amending Chapter 26 of the Code of the City of Fort Collins to Revise Water Plant Investment Fees.
- F. First Reading of Ordinance No. 134, 2020, Amending Chapter 26 of the Code of the City of Fort Collins to Revise the Water Supply Requirements Fee.

The purpose of this item is to review inflation updates effective January 1, 2021, associated with Electric Capacity fees, Water Supply Requirement fees, Water, Sewer and Stormwater Plant Investment fees, Capital Expansion fees and Transportation Capital Expansion fees. Inflation updates are 2.7% for Capital Expansion fees, 0.6% for Transportation Capital Expansion fees, and 3% for Utility fees.

Coordination of Council-approved fees began in 2016 to provide a more holistic view of the total cost impact. Previously, fee updates were presented to Council on an individual basis. After the 2020 fee update, fee phasing will be complete with regular two and four-year cadence updates beginning in 2021.

6. **First Reading of Ordinance No. 135, 2020, Making a Supplemental Appropriation for the CanDo Community Telework Program and Authorizing the City Manager to Execute the Grant Agreement on Behalf of the City. (Adopted)**

The purpose of this item is to consider an appropriation of \$4,999 in unanticipated revenue received through a grant for the Colorado Department of Transportation (CDOT) CanDo Community Telework Grant program to be managed by the FC Moves Department. The Ordinance also authorizes the City Manager, in consultation with the City Attorney, to execute the Grant agreement/acceptance on behalf of the City.

7. **First Reading of Ordinance No. 136, 2020, Appropriating Unanticipated Philanthropic Revenue Received by City Give from WaterPik, Inc., for Transfer to Social Sustainability in the General Fund for the Equity Indicators Project. (Adopted)**

The purpose of this item is to appropriate \$10,000 in philanthropic revenue in the General Fund for transfer to Social Sustainability for the support of the Equity Indicators Project as designated by the donor, WaterPik, Inc. In a commitment to advance equitable outcomes, the City has selected the CUNY Institute for State and Local Governance (ISLG) to lead the Equity Indicators project to establish a framework for measuring and understanding the inequities that exist in Fort Collins.

8. **First Reading of Ordinance No. 137, 2020, Making Certain Amendments to the Codes of the City of Fort Collins to Eliminate Affordable Housing Fee Waivers and Instead Authorize a Discretionary Credit for Certain Affordable Housing Units to be Constructed in the City. (Adopted)**

The purpose of this item is to amend the City Code and Land Use Code to simplify the way affordable housing fee waivers are used to support the development of affordable housing units targeting the city's lowest wage earners. Instead of calculating precise fee amounts for waivers on a project by project basis, flat amounts of credit will be established and codified for qualifying new construction and adaptive reuse homes targeting households making no more than 30% Area Median Income (AMI). This support will still be subject to Council discretion and appropriation of funding. Not only will this provide greater certainty to the developer and be more efficient to administer by the City, it will also allow all City departments' fees to be paid in full either by the developer or by the credit that has been appropriated.

9. **Resolution 2020-099 Approving the Midtown Business Improvement District 2021 Budget and Operating Plan. (Adopted)**

The purpose of this item is to consider a Resolution approving the Midtown Business Improvement District 2021 Operating Plan and Budget and making appointments to the District's board of directors.

10. **Resolution 2020-100 Approving the Administrative Rules, Regulations and Standards for the Riverside Community Solar Program. (Adopted)**

The purpose of this item is to approve the Riverside Community Solar Program rules, which define the continuing delivery of credits and other program benefits to participating customers. The Utilities' Executive Director has approved the Riverside Community Solar Program, as defined by the Program Rules and Continuing Participation Agreement under the authority defined by Code §26-463(a). Council's approval of the Ordinance, and the Program Rules as attached to it, completes the approval process.

Utilities completed acquisition of the Riverside Community Solar Project on August 28, 2020, assuming all responsibility for program management, customer support, and operations and maintenance. As a result of the transfer, existing customer contracts with Clean Energy Collective for the old program structure terminated. Utilities is re-enrolling participating customers that already own panels in the array of the Program via Continuing Participation Agreements. Current customers who own panels in the solar array ("Customer-owners") and re-enroll in the Program will continue to receive credits on their bill as they do today, based on the City's applicable time of day rates as set forth in the City Code.

11. **Resolution 2020-101 Authorizing an Intergovernmental Agreement Between the Cities of Fort Collins, Greeley and Loveland for the Exchange of Judicial Services, and Appointing Temporary Judges. (Adopted)**

The purpose of this item is to authorize an intergovernmental agreement (IGA) with the Cities of Greeley and Loveland for judicial services to be used in the event that a conflict of interest or other circumstance prevents the Municipal Judge and assistant judges from hearing a particular Municipal Court case. This agreement is intended to replace an existing 2019 IGA between Fort Collins, Loveland and Greeley. The previous IGA named former Chief Judge Kathleen Lane. This agreement is updated to include all current and eligible judges from each jurisdiction.

12. **Resolution 2020-102 Approving an Intergovernmental Agreement with Larimer County for COVID-19 Test Funding. (Adopted)**

The purpose of this item is to authorize the Mayor to enter into an intergovernmental agreement (IGA) with Larimer County to financially support the increased testing, and costs associated with the tests administered on a pro rate contribution.

● **CONSENT CALENDAR FOLLOW-UP**

Regarding Item No. 5, *Items Relating to the 2020 Fee Updates*, Councilmember Cunniff requested information as to which fees are going to be on the four year update calendar prior to Second Reading.

Councilmember Pignataro commented on Item No. 6, *First Reading of Ordinance No. 135, 2020, Making a Supplemental Appropriation for the CanDo Community Telework Program and Authorizing the City Manager to Execute the Grant Agreement on Behalf of the City*, as being a good news item.

Mayor Troxell commented on Item No. 7, *First Reading of Ordinance No. 136, 2020, Appropriating Unanticipated Philanthropic Revenue Received by City Give from WaterPik, Inc., for Transfer to Social Sustainability in the General Fund for the Equity Indicators Project*, as being a good news item that affirms the importance of the City's mission to advance equity.

Mayor Pro Tem Stephens commended the partnerships with community businesses.

● **STAFF REPORTS**

A. Staff Report: Museum of Discovery: Mind Matters Exhibit (Cheryl Donaldson)

Cheryl Donaldson, Discovery Museum Co-Executive Director, introduced Laura Valdez as the new Co-Executive Director.

Valdez commented on the timeliness of the Mental Health: Mind Matters exhibit.

Donaldson stated the exhibit will run through January 10 and discussed the decision to bring the exhibit to the museum. She indicated the goal of the exhibit is to build conversations and break down stigmas around mental health challenges.

Valdez stated the exhibit is for all ages, is approachable for all learner types, and is presented in English, Spanish, and French. The exhibit has allowed the Museum to bring in stakeholders to help with programming and resource connection. She noted there is a resource center as part of the exhibit and commented on available resources. She thanked the City for helping make the Museum free of charge for the entire run of this exhibit.

Councilmember Gorgol thanked Donaldson and Valdez and commended the exhibit.

Mayor Pro Tem Stephens asked if this exhibit is being advertised through the school district. Donaldson replied school counselors have toured the exhibit and will be communicating out to students. Valdez replied the exhibit and free admission is advertised in school district e-newsletters and utility bill inserts as well.

Councilmember Gutowsky welcomed Valdez and commended the exhibit. She asked about online ticket reservations. Donaldson replied the reservation system keeps appropriate numbers in the building for social distancing reasons. She noted a few tickets are available on a walk-up basis as well.

Councilmember Summers requested additional information on the resource center. Valdez replied the exhibit resource center has been refined with a community advisory group that is comprised of

direct service providers. She also noted resources can be found online for individuals who may not be comfortable going to the Museum in person.

● COUNCILMEMBER REPORTS

Mayor Pro Tem Stephens reported on the status of the search for a new fire chief and noted the Poudre Fire Authority Board will be interviewing search firms Friday. She reported on working with the North Front Range Metropolitan Planning Organization to interview candidates for a mobility manager for the One Call, One Click program that helps senior and people with disabilities find reliable transportation.

Councilmember Cunniff reported on the recent Platte River Power Authority Board meeting during which the integrated resource plan was approved. The plan solidifies Platte River's commitment to close the Rawhide Power Plant by 2030. He also noted the plan does contemplate building gas-fired generators to accomplish that; however, that is only as a technological failsafe.

Councilmember Gorgol reported on a meeting with School Board officials, Commissioner Kefalas, and Tom Gonzales to discuss COVID in schools. She noted the County Health Department is not seeing a great deal of transfer of COVID in schools; however, there is concern about the community's transmission rates. She encouraged people to limit private gatherings and follow all precautions to make it possible to keep children in school. The City will be having a public forum for the Deputy City Manager candidates on Monday.

Mayor Troxell commented on the Platte River Power Authority integrated resource plan stating it is well-developed. He reported on meeting with two local companies that have made the Inc 5000 list, Turbo Tenant and Canidium. He also reported on the recent super issue Boards and Commissions meeting during which outgoing members were recognized.

● DISCUSSION ITEMS

13. **First Reading of Ordinance No. 138, 2020, Being the Annual Appropriation Ordinance Relating to the Annual Appropriations for Fiscal Year 2021; Adopting the Budget for the Fiscal Year beginning January 1, 2021 and Ending December 31, 2021; and Fixing the Mill Levy for Property Taxes Payable in 2021. (Adopted as Amended on First Reading)**

The purpose of this item is to present the Annual Appropriation Ordinance for First Reading. This Ordinance sets the City Budget for the one-year period (2021) which becomes the City's financial plan for the next fiscal year. This Ordinance sets the amount of \$668,909,564 to be appropriated for fiscal year 2021. However, this appropriated amount does not include what is being appropriated by separate Council/Board of Director actions to adopt the 2021 budget for the General Improvement District (GID) No. 1 of \$808,791, the 2021 budget for GID No. 15 (Skyview) of \$1,000, the Urban Renewal Authority (URA) 2021 budget of \$6,706,744 and the Downtown Development Authority 2021 budget of \$23,884,505. This results in City-related total operating appropriations of \$700,310,604 in 2021. This Ordinance also sets the 2021 City property tax mill levy at 9.797 mills, unchanged since 1991.

Travis Storin, Interim Chief Financial Director, stated this item is the First Reading of the 2021 budget. He reviewed the public participation process leading to this point and discussed the leadership model that informs the budgeting for outcomes process with the City's vision, mission, and values at the center of all decisions. He discussed the City's five-year Strategic Plan that is updated every two years.

Regarding the 2021 budget, a focus area was to minimize the service impacts that the community experiences on a firsthand basis while addressing Council priorities and redeploying existing resources toward those priorities as a function of identifying the highest and best use of funds. He discussed the priorities of equity advancement and capital investment.

Lawrence Pollack, Budget Director, discussed the public engagement summary noting there have been a number of online forums, two town halls, two Council listening sessions, a Boards and Commissions super issue meeting, and two public hearings before Council, in addition to the first and second readings of the budget ordinance. Additionally, there was a significant online component.

Pollack discussed changes made to the budget since it was first presented to Council, including eliminating reductions in Environmental Health which will lead to no change in service level on two areas. He stated those items were funded with \$76,000 of general fund reserves. Additionally, Poudre Fire Authority has contributed \$20,000 toward the homelessness coordinator position.

Pollack stated the Downtown Development Authority's budget has now been included in the City's overall budget as there was previously just a placeholder for that item. The final change relates to conservation trust, or lottery funds, and the recommendation that additional conservation trust revenue be shifted to support Parks operations and maintenance at \$515,000. During Council conversations, it was determined that \$115,000 would go back to trail development; however, that amount will be backfilled with a \$15,000 reduction in fertilizer for the Parks Departments and \$65,000 from general fund reserves.

Pollack stated the recommended budget included only one utility rate increase for electric at 3%; however, a 2% increase in water rates has been added due solely to the impacts of the Cameron Peak fire. He stated staff will not appropriate those dollars until 2021 once the extent of the needs is determined.

Pollack stated there are three components that comprise the total City appropriations: operating costs, debt, and capital. He noted revenues are coming in stronger than the revised estimate and expenses are coming in under the reduced budget level.

Pollack stated work on the 2022 budget will begin in the spring and staff is actively evaluating methods by which the community's ideas for budget requests, or offers, can be heard. He noted staff will be producing a number of videos and question and answer sessions that will aim to assist residents in reading the budget. He also noted staff is examining ways in which citizen feedback on both the 2022 budget and 2022 strategic plan can be sought simultaneously.

Storin stated this is a balanced budget that maintains critical services around transportation, public safety, transit, and community amenities, makes continuing investments in the City's infrastructure, minimizes service impacts that are outward facing to the community, and continues with the tradition of community sustainability around economic, environmental, and social health.

Kristin Heightner commented on an email she sent regarding the commitment to equity in the 2021 budget. She stated there are some serious gaps in equity specifically related to closing Parks restrooms during winter and clearly and transparently prioritizing installation of Connexion in low-income and mobile home park neighborhoods.

Rich Stave questioned the revenue expectation for next year and how it would be adapted in the case of another COVID-related shut down. He also questioned the role the unexpected revenue increase plays in this overall platform being proposed today.

Councilmember Gorgol asked about the Parks restroom closures mentioned. John Stokes, Community Services Director, replied the restrooms, including port-a-lets, will be available and open all winter.

Councilmember Pignataro asked about Mr. Stave's question regarding the role of unexpected revenue increases and lower than expected costs. Storin replied Council can always appropriate funds on a supplemental basis; however, given this is a single-year budget, there is no specific mid-cycle revision as there is in the typical two-year budget. He went on to discuss the legal separation of utility rates and noted the new 2020 revenue outlook is the baseline for 2021 and no growth or contraction assumptions on top of that were made.

Councilmember Cunniff noted there will be another full budget process with at least the same scale of engagement or more for the 2022 budget. City Manager Atteberry concurred.

Councilmember Cunniff commended the conservation trust adjustments and stated he will be requesting Council's support for an amendment to the budget that would contemplate the extra \$400,000 being treated as a loan and providing a mechanism for a future Council to repay that loan.

Councilmember Pignataro thanked staff for the equity memo and efforts toward continued work in that area. She commended staff for maintaining climate commitments and the air quality program. She commented on the fact that a new Council will be in place next year and noted this Council's priorities have the potential to be shortchanged given the single-year budget. City Manager Atteberry acknowledged Councilmember Pignataro's concerns noting outgoing Councilmembers usually have an opportunity to leave a legacy with the last one and a half years of budget priorities.

Mayor Troxell asked about the Midtown Business Improvement District and potential matching from City funds. Josh Birks, Economic Health Director, replied there were ongoing conversations, pre-COVID, with the Midtown Business Improvement District about potential partnerships. However, as COVID progressed, it was clear that moving forward with those capital projects probably did not make sense. Over the last few months, the partnership has pivoted more toward a tactical and operational approach and partnership. He stated the capital projects partnership could be picked up in a subsequent budget.

Mayor Pro Tem Stephens made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 138, 2020, on First Reading.

Councilmember Cunniff requested Council support for bringing forth the conservation trust question in the next budget cycle. He made a motion, seconded by Councilmember Gutowsky, that the Ordinance be amended to add a new section 5 related to contemplating the replenishment of conservation trust funds in the amount of \$400,000 used in 2021 for Parks maintenance.

Mayor Pro Tem Stephens asked if the next Council would ultimately decide whether this would occur. Councilmember Cunniff replied in the affirmative and noted this would not bind a future Council to the decision.

Councilmembers discussed their support for the proposed amendment.

The vote on the amendment was as follows: Yeas: Pignataro, Cunniff, Troxell, Stephens, Gutowsky, Summers and Gorgol. Nays: none.

Mayor Pro Tem Stephens commended Councilmember Pignataro's idea to ensure the equity memo received by Council is made available. She thanked staff for their work on the budget stating it reflects equity and addresses emerging social service needs.

Mayor Troxell commended staff work on the budget and thanked community members for their engagement.

RESULT:	ORDINANCE NO. 138, ADOPTED AS AMENDED ON FIRST READING [UNANIMOUS]
MOVER:	Kristin Stephens, District 4
SECONDER:	Ross Cunniff, District 5
AYES:	Pignataro, Gorgol, Gutowsky, Summers, Stephens, Troxell, Cunniff

14. Items Relating to Electric and Water Rates, Fees and Charges. (Adopted on First Reading)

- A. *First Reading of Ordinance No. 139, 2020, Amending Chapter 26 of the Code of the City of Fort Collins to Revise Electric Rates, Fees and Charges.*
- B. *First Reading of Ordinance No. 140, 2020, Amending Chapter 26 of the Code of the City of Fort Collins to Revise Water Rates, Fees, and Charges.*

The purpose of this item is for Council to consider the above-listed electric and water rate ordinances, adjusting monthly charges for both electric and water services in 2021. The revenue requirements to support the 2021 budget require increasing monthly charges for electric service by 3.0%. Additionally, a reduction in pricing is proposed for the voluntary Green Energy program, reducing the charge per kWh from 1.9 cents per kWh to 1.6 cents per kWh in 2021. A 2% increase for water services is proposed to help offset mitigation costs related to the Cameron Peak Fire. Upon adoption, both rates would be effective January 1, 2021.

Lance Smith, Utilities Strategic Finance Director, discussed two proposed Utilities rate increases: a 3% increase for electric services and a 2% increase for water rates in 2021 due to impacts from the Cameron Peak and Troublesome East fires. He stated the total revenue requirements to meet anticipated operations, maintenance, and capital investments is allocated to each rate class through a cost of service study. He noted rate class adjustments are driven by several factors and stated the average customer with all four utilities being provided by the City would see a \$3.33 average monthly bill increase. He noted there has been a priority around arranging payment assistance and payment arrangement resources to those for whom utility payments have been a hardship.

Smith outlined proposed rate increases for neighboring communities and other water districts. He also detailed the City's general approach to work with customers on energy and water efficiency through education and retrofits to residences and to ensure customers are aware of the programs available when financial assistance is necessary. He also noted there is about \$600,000 of CARES Act funding available for customers who have been affected by COVID.

Rich Stave questioned assumptions made related to the 3% electric rate increase. He asked how much revenue is generated from the residential category as opposed to others and commented on the solar subsidy. He also questioned how the Fed is assuming no inflation, yet the City is asking customers to pay for inflation expenses.

Mayor Troxell requested a staff response to Mr. Stave's questions. Smith replied about 40% of the electric utility operating revenue comes from residential customers. Regarding the solar subsidy, Smith stated the City does recognize it is paying a retail rate for that energy; however, it is trying to promote solar adoption throughout the community. Regarding inflation, Smith stated the City is looking at a ten-year capital investment horizon and a modest 2% or 3% rate of inflation is appropriate as there will not be zero growth over the next decade.

Mayor Troxell asked about the coincident peak electric rate. Smith replied the coincident peak rate involves the single moment when the system peaks in terms of energy demand each month. He noted there is a time of day rate structure for residential and small commercial customers and medium and large commercial and industrial customers have a coincident peak component to their rate structure.

Mayor Pro Tem Stephens asked about utility shut offs and how staff is working with those customers. Smith replied staff is working to resume normal operations, which does involve disconnecting service for non-payment. He stated initial notices will be sent out in mid-November encouraging customers to reach out to set up payment arrangements. These notices would be the third time since the summer these customers have been contacted. He stated there was an increase in the number of customers who fell behind on utility payments during the beginning of the pandemic, but that trended downward until another spike occurred in August after the federal unemployment benefits were discontinued. He stated staff is anticipating being able to provide assistance through CARES dollars or the payment assistance fund.

Mayor Pro Tem Stephens encouraged individuals having difficulty paying their utility bills to reach out to the City as there are assistance options and there is not the intent to disconnect people in a frivolous manner.

Councilmember Gorgol expressed concern about moving forward with utility shut offs as we are going into winter and stated she would bring that up during Other Business. She asked how the electric rate can be looked at being distributed more evenly to lessen the burden on people who are struggling during this time. Smith noted there is a separate rate structure for customers with electric heat. Regarding cost distribution, Smith noted the tiered charge reflects the cost of energy efficiency programs; however, Council could always ask staff to revisit that.

Councilmember Gorgol expressed concern about a blanket 3% rate increase.

Councilmember Pignataro asked what percentage of the homes serviced by Fort Collins Utilities are all electric. Smith replied there are about 2,500-3,000 all electric homes in the community, or about 3%.

Councilmember Pignataro discussed the importance of ensuring those with all electric heat are aware of the alternative rate.

Councilmember Cunniff supported the idea of having a work session to discuss the rate structure. He also noted renters cannot access ways to improve their energy use through capital

improvements. He stated there should be a discussion around the parameters related to a utility shut off moratorium.

Councilmember Gutowsky stated constituents have expressed concern about the time of day rates noting the higher rates from 5:00 to 9:00 PM are particularly hurtful for some customers. She stated some people may not be aware of what the time of day rates actually cost them.

Mayor Troxell noted time of day rates are revenue neutral. He also stated the rates enable homeowners more transparency and ability to affect their bills. He stated the proposed rates are reasonable and asked if there is a particular policy related to increasing water rates due to a wildfire event. Smith replied there is a great deal of uncertainty around what costs are going to be related to the fires and the goal is to keep adjustments gradual, which is part of the consideration around this increase. He stated staff is likely to come forward with an appropriation that is going to exceed the 2% that will be generated in incremental income; therefore, some reserves will need to be drawn down to help pay for mitigation costs. Previously identified rate increases did not include an allotment for fire mitigation efforts.

Councilmember Gutowsky requested staff provide information about the 'My Energy Portal.' Lisa Rosintoski, Utilities Customer Connections, replied the 'My Energy Portal' allows customers to see their electric usage at varying times of day and allows access to energy efficiency programs and suggestions on energy use reduction.

Mayor Pro Tem Stephens made a motion, seconded by Councilmember Gutowsky, to adopt Ordinance No. 139, 2020, on First Reading.

Councilmember Cunniff stated he would support the motion as the case has been made that these are necessary increases. Additionally, he stated it is important to note that the electric rates being set here do not imply a further discussion cannot be had around the rate structure.

Mayor Pro Tem Stephens concurred and noted these increases are not arbitrary but are related to the cost of doing business. She suggested more information could be provided to ratepayers regarding how they can structure their daily chores to help save on their bills. She agreed a moratorium on shut offs should be considered, particularly if additional need in the community is seen. She stated she would support the motion but would like the conversations to continue.

Councilmember Pignataro suggested a small instructional video related to time of day rates and standard family decisions could be beneficial.

Councilmember Gorgol stated she would support the motion hesitantly but she looks forward to future conversations.

Mayor Pro Tem Stephens made a motion, seconded by Councilmember Cunniff, to adopt Ordinance No. 140, 2020, on First Reading.

Mayor Pro Tem Stephens commented on the importance of promoting xeriscaping and on the use of rate smoothing that ensures palatable rate increases.

Councilmember Gutowsky stated the water rate increase is likely more understandable and supported by the community given the impact of fires.

Councilmember Summers expressed support for this motion noting mitigation expenses will be occurring. He acknowledged this is a needed but unexpected increase and stated there will still be increases in coming years.

Mayor Troxell stated he will support the motion noting the true impacts of the fires on the watershed will not be realized until the spring during runoff.

City Manager Atteberry noted Fort Collins Utilities are not for-profit businesses and rate increases cover increased costs.

RESULT:	ORDINANCE NO. 139, 2020 ADOPTED ON FIRST READING [UNANIMOUS]
MOVER:	Kristin Stephens, District 4
SECONDER:	Ross Cunniff, District 5
AYES:	Pignataro, Gorgol, Gutowsky, Summers, Stephens, Troxell, Cunniff

RESULT:	ORDINANCE NO. 140, 2020 ADOPTED ON FIRST READING [UNANIMOUS]
MOVER:	Kristin Stephens, District 4
SECONDER:	Ross Cunniff, District 5
AYES:	Pignataro, Gorgol, Gutowsky, Summers, Stephens, Troxell, Cunniff

A. Consideration of a motion to adjourn the City Council meeting to conduct the Board meetings listed below then return to the regular City Council meeting:

- GID No. 1 Meeting
- Skyview South GID No. 15 Meetings

Mayor Pro Tem Stephens made a motion, seconded by Councilmember Gutowsky, to adjourn the City Council meeting to conduct the General Improvement District No. 1 Board Meeting and the Skyview South General Improvement District No. 15 Board Meeting and then return to the City Council meeting.

RESULT:	MOTION ADOPTED [UNANIMOUS]
MOVER:	Kristin Stephens, District 4
SECONDER:	Susan Gutowsky, District 1
AYES:	Pignataro, Gorgol, Gutowsky, Summers, Stephens, Troxell, Cunniff

● **OTHER BUSINESS**

Councilmember Gorgol commented on utilities bill pay assistance programs stating even with those programs, utilities should not be shut off. She also noted many people have utilities tied to rent which makes them ineligible for bill pay assistance.

Mayor Troxell commented on additional COVID-related funding that may be available from Platte River Power Authority.

City Manager Atteberry stated Fort Collins exhibits significant restraint when it comes to utility shut offs. He stated the Executive Team will discuss the placement of this topic on a Council agenda.

Councilmember Gorgol asked when notices will be mailed. Lisa Rosintoski, Utilities Customer Connections Manager, replied Utilities will not disconnect customers if they make payment arrangements. Letters will go out mid-November outlining how staff has attempted to contact the customer and how they can make payment arrangements. If necessary, another notice would be sent in December and shut offs would happen approximately two weeks after that, but not during the holidays.

Councilmember Gorgol opposed sending out notices until Council has a broader conversation. City Manager Atteberry noted these will not be the first efforts at communicating with these ratepayers and staff would not recommend postponing sending notices; however, that is the prerogative of Council.

Councilmember Cunniff suggested adjourning to November 10 to gather more information and that date would be in advance of the notices.

Councilmember Pignataro requested staff provide information regarding what steps have been taken to contact residents. She agreed with Councilmember Cunniff's suggestion.

Mayor Troxell noted the Downtown holiday lights will be lit through Valentine's Day.

• **ADJOURNMENT**

Consideration of a motion to adjourn to 6:00 p.m., Tuesday, November 10, 2020 to conduct the annual evaluation of the City Manager, City Attorney and Chief Judge and such other business as may come before Council.

Mayor Pro Tem Stephens made a motion, seconded by Councilmember Gutowsky, that Council adjourn this meeting to 6:00 p.m. on Tuesday, November 10, in order to consider a motion to go into executive session to conduct annual performance reviews of the Council's direct report employees, and for such other business as may come before the Council.

Councilmember Cunniff clarified Council will discuss utility shut offs prior to the Executive Session.

Mayor Troxell congratulated Mayor Pro Tem Stephens on her County Commissioner election win and noted Council will be having discussions regarding preparing for her vacancy.

RESULT:	MOTION ADOPTED [6 TO 0]
MOVER:	Kristin Stephens, District 4
SECONDER:	Susan Gutowsky, District 1
AYES:	Pignataro, Gorgol, Gutowsky, Stephens, Troxell, Cunniff
AWAY:	Summers

November 4, 2020

The meeting adjourned at 9:42 PM.


Mayor

ATTEST:


City Clerk

