

SUBJECT

First Reading of Ordinance No. 058, 2013, Appropriating Prior Year Reserves.

EXECUTIVE SUMMARY

City Council authorized expenditures in 2012 for various purposes. The authorized expenditures were not spent or could not be encumbered in 2012 because:

- there was not sufficient time to complete bidding in 2012 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 2012 and reappropriation of those dollars is necessary for completion of the project in 2013
- to carry on programs, services, and facility improvements in 2013 with unspent dollars previously appropriated in 2012

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2012 and reflect no change in Council policies.

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

General Fund	\$ 985,432
Keep Fort Collins Great Fund	\$ 383,459
Recreation Fund	\$ 21,694
Cemetery Fund	\$ 31,000
Golf Fund	\$ 80,000
Data & Communications Fund	\$ 167,665

BACKGROUND / DISCUSSION

GENERAL FUND

Community Development & Neighborhood Services

1. Landmark Rehabilitation Loan Program - \$1,472

This request has two parts. In 2012, approximately \$14,000 in loan funding was awarded to three projects. Of that amount, \$1,462 was not spent and this amount is requested for reappropriation to be used for new Landmark Rehabilitation Loan Program projects. The cycles of demand for this historic preservation financial incentive program vary by year and this money was unable to be spent appropriately in 2012.

Economic Development

2. Foothills Metro District - \$12,000

Any entity wishing to form a Metropolitan District in the City of Fort Collins must submit a \$12,000 deposit at the time City Council considers the associated service plan. This deposit is intended to offset the legal costs incurred by the City during the formation process. Alberta Development submitted these funds, per the 2008 adopted policy regarding Metro District formation, in 2012. The funds are related to the formation of a Metropolitan District at the Foothills Mall redevelopment. The initial service plan was a skeleton only, additional costs are anticipated, hence the carry-over. No payments were required in 2012. Funding is carried forward for any payments due in 2013.

3. Net Zero Cities - \$7,500

Funds were dedicated as an active sponsor for the Net Zero Cities Symposium in 2012. The City of Fort Collins was a major sponsor of the Net Zero Cities Symposium organized by the Northern Colorado Business Report and Biz West Media. There was a delay in the final invoice for payment, which was not received until January 2013.

Environmental Services

4. Radon Grant Match - \$6,445

These funds will be used in the City's program to reduce lung cancer risk by raising awareness of home radon exposure and encouraging home testing and mitigation. Colorado Department of Public Health and Environment has approved a State Indoor Radon Grant [SIRG] of \$6,445 to support the City's program from October 1, 2012 to September 30, 2013. This reappropriation will provide the required 50% matching funds. SIRG grants are federal funds passed through by the state. Although the City had 2012 funds earmarked for the grant match, the Colorado Department of Health and Environment could not finalize grant awards in 2012 because the federal funds became entangled with the "fiscal cliff" issue.

5. Office Reconfiguration - \$1,728

In December 2012, the Environmental Services Department offices underwent minor reconfiguration to create an office out of a conference room to accommodate staffing changes. The charges for the work completed in 2012 were not billed until 2013.

6. Sustainability – Internal Operations - \$4,073

These funds will be used to finish the Sustainability Management Plan and Building Water Audit Reports. The funds were not fully expended on the Sustainability Management Plan due to the timing of required date reporting. Water audits were performed at four City buildings, but the findings and recommendations were not able to be completed in 2012.

7. Waste Innovation Program (WIP) - \$77,990

Revenues are paid into the Waste Innovation Program by 13 City departments that "self-haul" trash from municipal operations for disposal in the Larimer County Landfill. The money is designated to pay for projects that enhance these same departments' ability to divert more waste away from the landfill. Departments submit an application, which is then evaluated by an interdepartmental group (the Wastestream Team) for merit before funds are awarded. In 2012, only one project proposal was received for funding from the Waste Innovation Program in time for the Team to award funding. Several new waste diversion and recycling proposals are being developed in 2013, for which the Team anticipates awarding the WIP money, thereby meeting the intent for which the funds are collected.

8. Zilch Program - \$22,381

Funds will be loaned to Fort Collins residents at zero interest to improve indoor air quality by installing a radon reduction system or by upgrading a wood-burning stove or fireplace. Up to 12% of the reappropriation may be used to defray third-party loan administration costs. A portion of 2012 Air Quality Loan funds were not expended because public outreach about the loan program was halted for several months during 2012 while a new loan origination process was developed to adjust to legislation requiring the City to use a licensed mortgage-loan originator.

Human Resources

9. Supervisor 360 Review Requirements - \$50,000

It was originally anticipated that the City's talent management system currently used for employee performance evaluations (Talent/REWARD) would also be used for supervisor 360 evaluations. After researching options, it has been determined that 360 evaluations will be conducted using an "off the shelf" software program. As a result, a portion of these funds are needed for licensing and set-up of a different 360 tool. Decisions regarding the process and software surrounding 360 evaluations were not finalized until January 2013.

Natural Areas

10. Northern Integrated Supply Project (NISP) - \$76,805

Funds will be used to support analysis of the Supplemental Draft Environmental Impact Statement for the Northern Integrated Supply Project. The Supplemental Draft Environmental Impact Statement for the Northern Integrated Supply Project was delayed and publication is not expected until late 2013 or early 2014.

Operation Services

11. City Hall CIC Renovation - \$50,000

These funds will be used to remodel the CIC room at City Hall. Among the items to be updated is the addition of Liquid Galaxy, which is a cluster of computers and LED screens running Google Earth to display satellite images. This renovation was planned for 2012 and, due to late year conversations of adding a Liquid Galaxy to the project, there was not adequate time for it to be completed.

12. EPIC Natatorium Ventilation Additions - \$90,000

These funds will install 10,000 CFM low input exhaust fan ductwork on the south side of the pool deck with associated ductwork going to a rooftop mounted exhaust fan. The project includes controls, test and balancing and registers/grills. Three 14-foot paddle fans above the pool deck, with frequency drives and controls, will also be installed. Operation Services was awaiting a final EPIC Pool study report to analyze what deficiencies were present and the priority of repairs. These items were considered top priority in helping with the Natatorium indoor air quality issues and swimmer comfort.

13. Fort Collins Senior Center Pool Disinfectant System - \$19,500

These funds will be used to install an ultraviolet disinfectant system at the Senior Center swimming pool. This will allow for the use of fewer chemicals for water treatment and improve the indoor air quality for swimmers using the facility. This was not able to be completed in 2012 due to other higher priority and unanticipated projects.

14. Install New Logos at Various City Facilities - \$100,000

This request is to fund City of Fort Collins logo signage at several City facilities. This project is designed to improve "branding" efforts to better promote the City. This project was to be implemented in 2012; however, the design phase was not completed until the end of the year, which did not give staff enough time to draft an RFP to complete the signage.

Parks

15. Gardens on Spring Creek Improvements - \$20,000

The funds will be used for small construction projects that were not completed in 2012, including lobby redesign to meet ADA requirements, Sustainable Backyard Garden project, and enhancements to the Children's Garden. Funds were not expended in 2012 due to landscape contractors shutting down for the season because of cold weather.

Social Sustainability

16. Affordable Housing & Grant Administration - \$445,538

City of Fort Collins Homebuyer Assistance Program (HBA)

This provides down payment and closing costs for low to moderate income first time homebuyers. A PO could not be used because the Program does not contract until there is a qualified homebuyer.

The Housing Authority of Loveland

LHIP provides low interest rate loans to low to moderate income homeowners for needed repairs to their homes and for emergency needs such as furnace replacements. The contract will be executed in the next month so a PO can be issued.

The projects were not ready to contract in 2012. Contracts are now ready and the funds are requested for reappropriation to complete the programs.

KEEP FORT COLLINS GREAT FUND

Community Development & Neighborhood Services

17. Historic Preservation Grants - \$50,000

The monies authorized are matching grant funds used for soliciting grants for historic preservation projects. The two primary sources of these grants are the State Historic Fund and Certified Local Government grants. Monies have been committed as matching funds for a State Historic Fund grant to update and expand the Historic Old Town Design Standards and Guidelines used by Old Town property owners, the DDA, staff and the Landmarks Preservation Commission (\$21,765) and as a partial match for a Historic Structure Assessment grant for a comprehensive evaluation of the Feeder Building, 359 Linden Street (\$3,235). Both of these projects are currently in the contracting phase with History Colorado, with work to begin in spring 2013. The remaining \$25,000 is expected to support two additional grant projects. One is in partnership with Palmer Properties which is a State Historic Fund grant project for restoring the remainder of the Avery Block at the corner of College, Mountain and Linden; and the other is a grant for ongoing survey, required by the federal Certified Local Government program. This survey will be for the historic properties adjacent to the Mason Corridor project. Because of the time lag between grant application deadlines, notification, and contracting with the State (a process that frequently takes 9 months,) the monies allocated in any given year will usually need to be reallocated for use in the following year.

Economic Development

18. Cluster Support - \$12,000

These funds are intended to support specific projects within identified target industry clusters. They are also intended to evaluate/support new or emerging clusters. Despite several projects being undertaken in 2012, funds remain unspent. This is due, in part, to ongoing analysis of emerging clusters. Additional opportunities are anticipated in 2013 as the analyses of emerging clusters will be completed by the end of the second quarter.

Environmental Services

19. Innovation Fund - \$24,210

City Council approved \$100,000/year in Keep Fort Collins Great (KFCG) funding to identify and implement innovative improvements to the City's physical plant and operational procedures that are not otherwise funded. In 2012, 13 projects were selected; 11 were implemented, one planned for 2013 and one not implemented. Seven of the quantifiable 2012 projects, when fully implemented, are estimated to reduce over 36 metric tons of carbon dioxide emissions/year, and save over \$14,000/year in utility and maintenance costs. Three of the 2012 projects were completed under budget (PV on Nix, Southridge Golf efficiencies, flat screen panel in 215 North Mason lobby). One of the 2012 awarded projects was not completed in 2012 (Traffic Operations Lighting Upgrades) due to the extended testing of lighting alternatives; it is planned for 2013. One of the 2012 awarded projects was not completed (loaner GPSs for employee Route Optimization) given the burgeoning iPhone use among employees.

20. Earth Tub Project - \$1,219

The remainder of money left in this fund will be used to pay a transitional intern employee from CSU to manage the composting process for the pilot project. Previously, the City paid a part-time seasonal worker to manage the composting. In the second quarter of 2013, the intern will be paid from a scholarship he has obtained from CSU. The Earth Tubs composting project has been a lightly-funded demonstration project that was initiated with ARRA funds in 2010. In anticipation of the sunset date on the ARRA money (which closed in September 2012), money was requested through the BFO process to conduct some repair work on the Earth Tubs (completed) and transition the staffing from a part-time City worker to a CSU intern at the end of 2012. The intern's scholarship was awarded, but will not be available until late in the 1st quarter of 2013.

21. Healthy Sustainable Homes - \$7,799

The purpose of the funds will be to complete our 2012 marketing efforts to include a Community Engagement Marketing plan. A portion of these funds will also be used for continuing education and cultivation of active volunteers. Staff was not able to find the most effective means of communication until late 2012. It is important that the marketing reaches the target customer of homes with asthmatic children and the elderly.

22. Waste Reduction and Recycling Assistance Program - \$3,775

These funds are intended for rebates and communication tools for WRAP (Waste Reduction and Recycling Assistance Program) customers. WRAP rebates are awarded six months after the customer has started a new recycling program. Working with a customer to start a recycling program, which can take three to 12 months, and then waiting six months after the program has started, creates a time lag for awarding the funds.

Human Resources

23. Learning Organizational Development – KFCG Leadership - \$32,200

The Leadership Development program was designed as a two-year program starting in 2011. Two consulting firms were retained: Peak Leadership Consulting and Zenger-Folkman Company, to assist with the program. The Leadership Development program supports the City's senior leaders to grow and enhance their leadership capacities in order to sustain the organization's culture of exceptional customer service, efficient use of resources, effective decision-making and prioritization. The beginning of the program was delayed in 2011 and the majority of the work occurred in 2012 with the remainder to be completed in 2013.

Operation Services

24. Fort Collins Senior Center Swimming Pool Filter Replacement - \$48,000

These funds will be used to replace the Senior Center swimming pool filter with a regenerative water saving Neptune-Benson Defender filter. This is part of KFCG money intended for use as energy and environment savings projects. Retaining \$48,000 will allow for the upgrade of the original sand filters to this water saving, more efficient type of filter. This was not able to be completed in 2012 due to other higher priority and unanticipated projects.

25. Fort Collins Facilities Efficiency Upgrades - \$84,000

This is part of KFCG money intended for use as energy and environment savings projects. All of the projects could not be completed in 2012 due to other higher priorities, unanticipated projects and weather dependencies. These projects all have a 5-7 year payback. Some of the projects that still need to be completed are:

- Various park restrooms and shelters
- Police services parking lot
- Motor upgrades at various recreation facilities
- Transfort interior and exterior lighting
- City Hall Exterior lighting

Parking Services

26. Downtown Handicap Parking Spaces - \$10,314

The number of handicap parking spaces in the downtown area is not adequate and existing handicap spaces are in need of improvement. The City is currently not meeting ADA requirements for the number of handicap parking spaces in the downtown, and these funds are needed to work toward ADA compliance. While some spaces were added in 2012, the majority of spaces planned to be added or improved were deferred to 2013 due to vendor availability and the timing of downtown improvements.

27. Old Town Parking Structure Maintenance - \$109,942

There is a substantial backlog of maintenance and improvement projects that are needed at this parking structure. The KFCG funds will be used for final design and construction of entryway improvements on Remington Street and several major maintenance projects that will be prioritized, once the condition appraisal is completed. The projects will proceed in 2013. Major maintenance projects for the Old Town Parking Structure were deferred to 2013 as staff was waiting for final adoption of the Parking Plan, which occurred January 15, 2013. The Parking Plan provides the necessary direction for proceeding with these projects and these funds are needed in order to complete the maintenance projects.

RECREATION FUND

28. Facility Security Camera Project - \$21,694

These funds will be used to provide materials and labor for cabling/wiring to complete the security camera installations at EPIC and the Northside Aztlan Community Center. IT experienced heavy workload schedules in 2012 and therefore, quotes from H&H Data Services were not available until year-end.

CEMETERY FUND

29. Cemetery Kiosks - \$31,000

The requested funds will provide kiosks at Grandview and Roselawn Cemetery as part of the cemetery software upgrade. The cemetery software upgrade and kiosks will enhance efficiencies and customer service at both cemeteries. The kiosks will provide burial and genealogy information to customers seven days a week. Funding for kiosks was not encumbered as of the end of 2012 because the software vendor needed to be selected before kiosk vendors could be adequately analyzed. The software vendor was chosen in December 2012 and there was not sufficient time to analyze kiosk options and meet the Purchasing Department's yearend deadline for encumbering the needed funds.

GOLF FUND

30. Collindale Clubhouse Renovation for Electric Carts - \$30,000

Collindale Golf Course is currently transitioning from gas carts to electric carts. In 2012, half of the fleet was converted and the separate cart building was renovated to handle charging the carts. Budgeted funds from 2012 for golf course improvements will be used to renovate the clubhouse to handle charging the remainder of the electric cart fleet. Funds were encumbered in 2012 for the renovation of the basement of the clubhouse for charging electric carts; however, after the engineering of the site was completed, it was determined that additional work and resources are needed to complete the conversion of the clubhouse.

31. Fiber Optic Line for Collindale Golf Course - \$26,000

Collindale Golf Course fiber optic connection is currently located at the Youth Activity Center (YAC) at Foothills Mall. The YAC will be torn down next summer and the fiber optic line will no longer be available. Golf course improvement funds from 2012 will be used to connect a new fiber optic line to Collindale. The fiber optic line is essential for operating City computer systems and GolfTrac software at the course. Funds were not encumbered in 2012 because the determination of a fiber optic connection and cost estimate from the City's IT department were not completed until after the 2012 purchase order cutoff.

32. Southridge Golf Course Improvements - \$24,000

The Southridge Golf Course clubhouse carpet replacement and irrigation pond improvements were improvements scheduled for 2012, and it was determined later in the year that there would be sufficient funds for these projects. The projects were not completed in 2012 due to the volume of business late in the year. These projects would be completed during a time when the course had limited play or closed due to weather conditions. The funds were not encumbered due to the late determination that the projects could be done and delays in receiving quotes from vendors for the work.

DATA & COMMUNICATIONS FUND

33. Cyclical PC Hardware & Software Replacment - \$167,665

This funding will be used to provide two temporary contract resources for personal computer replacements and provide 2013 lease payments for approximately 175 personal computers. The lease request will be submitted to Council in early summer if this reappropriation is approved. Funding will also be used to ensure software compliance on replacements and update as many replacements with Windows 7 operating system before the Windows XP operating system support expires in April 2014. The migration to Microsoft Office 2010 took more resources away from personal computer replacement builds than expected. Further, the failure rate on personal computers over 5 years old is greater than anticipated. These funds will help replace more computers that are, or will be, over 5 years old.

FINANCIAL / ECONOMIC IMPACTS

This Ordinance increases 2013 appropriations by \$1,669,250. A total of \$985,432 is requested for reappropriation in the General Fund and \$683,818 is requested from various other City funds. Reappropriation requests represent amounts budgeted in 2012 that could not be encumbered at year-end. The appropriations are from 2012 prior year reserves.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

ORDINANCE NO. 058, 2013
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES

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.

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

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the sum of NINE HUNDRED EIGHTY-FIVE THOUSAND FOUR HUNDRED THIRTY-TWO DOLLARS (\$985,432) for the following purposes:

Landmark Rehabilitation Loan Program	\$ 1,472
Foothills Metro District	12,000
Net Zero Cities	7,500
Radon Grant Match	6,445
Office Reconfiguration	1,728
Sustainability - Internal Operations	4,073
Waste Innovation Program	77,990
Zilch Program	22,381
Supervisor 360 Review Requirements	50,000
Northern Integrated Supply Project	76,805
City Hall CIC Renovation	50,000
EPIC Natatorium Ventilation Additions	90,000
Fort Collins Senior Center Pool Disinfectant System	19,500
Install New Logos at Various City Facilities	100,000
Gardens on Spring Creek Improvements	20,000
Affordable Housing & Grant Administration	<u>445,538</u>
Total General Fund	\$985,432

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the Keep Fort Collins Great Fund the sum of THREE HUNDRED EIGHTY-THREE THOUSAND FOUR HUNDRED FIFTY-NINE DOLLARS (\$383,459) for the following purposes:

Historic Preservation Grants	\$ 50,000
Cluster Support	12,000
Innovation Fund	24,210
Earth Tub Project	1,219
Healthy Sustainable Homes	7,799
Waste Reduction and Recycling Assistance Program	3,775
Learning Organizational Development	32,200
Fort Collins Senior Center Swimming Pool Filter Replacement	48,000
Fort Collins Facilities Efficiency Upgrades	84,000
Downtown Handicap Parking Spaces	10,314
Old Town Parking Structure Maintenance	<u>109,942</u>
Total Keep Fort Collins Great Fund	\$383,459

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the Recreation Fund the sum of TWENTY-ONE THOUSAND SIX HUNDRED NINETY-FOUR DOLLARS (\$21,694) to be used to complete Security Camera Installations at the Northside Aztlan Community Center and EPIC.

Section 4. That there is hereby appropriated for expenditure from prior year reserves in the Cemetery Fund the sum of THIRTY-ONE THOUSAND DOLLARS (\$31,000) to be used for the purchase of Cemetery Kiosks.

Section 5. That there is hereby appropriated for expenditure from prior year reserves in the Golf Fund the sum of EIGHTY THOUSAND DOLLARS (\$80,000) for the following purposes:

Collindale Clubhouse Renovation for Electric Carts	\$ 30,000
Fiber Optic Line for Collindale Golf Course	26,000
Southridge Golf Course Improvements	<u>24,000</u>
Total Golf Fund	\$ 80,000

Section 6. That there is hereby appropriated for expenditure from prior year reserves in the Data & Communications Fund the sum of ONE HUNDRED SIXTY-SEVEN THOUSAND SIX HUNDRED SIXTY-FIVE DOLLARS (\$167,665) to be used for the purchase of Computer Hardware and Software replacements..

Introduced, considered favorably on first reading, and ordered published this 16th day of April, A.D. 2013, and to be presented for final passage on the 7th day of May, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 7th day of May, A.D. 2013.

Mayor

ATTEST:

City Clerk