

AGENDA ITEM SUMMARY

April 15, 2014

City Council

STAFF

Lawrence Pollack, Budget & Performance Measurement Manager
Mike Beckstead, Chief Financial Officer

SUBJECT

Second Reading of Ordinance No. 051, 2014, Reappropriating Funds Previously Appropriated in 2013 But Not Expended or Encumbered in 2013.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on April 1, 2014, authorizes appropriation of funds that were authorized in 2013 for various purposes, but were not spent or encumbered in 2013.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. Copy of First Reading of Agenda Item Summary, April 1, 2014 (w/o attachments) (PDF)

AGENDA ITEM SUMMARY

April 1, 2014

City Council

STAFF

Lawrence Pollack, Budget & Performance Measurement Manager
 Mike Beckstead, Chief Financial Officer

SUBJECT

First Reading of Ordinance No. 051, 2014, Appropriating Prior Year Reserves for Lapsed Expenditures Authorized in 2013.

EXECUTIVE SUMMARY

City Council authorized expenditures in 2013 for various purposes. Not all of the authorized expenditures were spent or could be encumbered in 2013 because:

- there was not sufficient time to complete bidding in 2013 and therefore, there was no known vendor or binding contract as required to expend or encumber some of the monies
- the project for which the dollars were originally appropriated by Council could not be completed during 2013 and re-appropriation of those dollars is necessary for completion of the project in 2014
- to carry on programs, services, and facility improvements in 2014 with unspent dollars previously appropriated in 2013

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2013 and reflect no change in Council policies.

Monies re-appropriated for each City fund by this Ordinance are as follows:

General Fund	\$ 898,805
Data & Communications Fund	\$ 300,000
Keep Fort Collins Great Fund	\$ 440,912
Light & Power Fund	\$ 230,183
Transportation Fund	\$ 96,000

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

GENERAL FUND

Communications and Public Involvement Office

1. Fort Collins Public Access Network (FC PAN) - \$52,185

In 2014, the Fort Collins Public Access Network (FC PAN) will relocate its production office and studio space to the Carnegie Building. Funds are needed to complete this move and provide necessary equipment for the new

community studio. Through an agreement with Comcast, subscribers pay a monthly Public, Education and Government (PEG) fee that partially funds equipment needs for the City, Poudre School District, Colorado State University and FC PAN. In anticipation of the move to a new facility, for the past few years FC PAN has been saving a portion of their \$15,000 annual allocation in reserves. The funds were appropriated in 2013 and now that the move is imminent, the funds need to be re-appropriated so FCPAN can complete this project in full. PEG funds are restricted by the Federal Government and can only be used for capital equipment and infrastructure by the PEG entities.

2. Comcast Negotiations - \$52,000

These funds are for continued cable franchise consultation and legal fees during negotiations between the City and Comcast. The current cable franchise expires in March of 2015. The City will enter into negotiations in the summer of 2014 with the expectation to have a new cable franchise in place before the current one expires. This work is ongoing through those negotiations. The current funds were not fully expended because of the multi-year nature of this commitment.

Economic Health

3. Foothills Metropolitan District - \$13,750

Any entity wishing to form a Metropolitan District in the City of Fort Collins must submit a \$13,750 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 2013. Funding is requested to carry forward for any payments due in 2014. These funds will be carried until after bonds are issued by the metro district, which is planned to occur in 2014.

Environmental Services

4. Air Quality Programs - \$17,215

The re-appropriated funds will be used to provide continued support of the clean air programs including: increase outreach and education on woodstoves and backyard burning; increase the reach of lawnmower rebate program and expand to other types of lawn equipment; provide funding for an hourly program assistant or intern; and, purchase safety equipment and air monitoring equipment. The funds were not fully expended as anticipated because the staff leading the program was not able to dedicate the expected amount of time to developing the air quality programs as originally planned. 60% of the person's time was dedicated to an unanticipated project (oil and gas team support) and revamping the green building program.

5. Healthy Sustainable Homes - \$4,776

These funds will be used to increase the time of the half-time hourly employee who assists with Healthy Sustainable Homes Administration. This individual is critical to our outreach to the low income population, serving a crucial role in Spanish translation and volunteer scheduling. These funds were in the Sustainable Homes 2013 budget intended to produce a marketing campaign for the Healthy Sustainable Homes program. It was determined after a strategic planning session that we should not produce a full campaign until the program has been adequately staffed to handle the potential response to the campaign.

6. Air Quality Zero Interest Loans - \$37,000

These funds are used to support zero interest loans for Fort Collins residents to make home improvements that will improve indoor air quality, specifically for radon mitigation, mold mitigation, and woodstove and fireplace upgrades. We would like to use the re-appropriated funds to explore options for expanding the loan program to other indoor air quality issues and for conducting more robust outreach and advertising for the loan program. Administrative changes in the loan program prevented us from processing and originating loans for part of the year. These administrative changes were required to respond to changes in state regulations of mortgage loan originators.

7. Green Building Program - \$6,260

The re-appropriated funds will be used to support the continued development of the Green Building Program and the Green Built Environment Team including: consulting services for website visioning and design; consulting services for an in-depth review of land use and municipal codes for barriers to green building; and a program intern (hourly employee). The allocated funds were not fully expended in 2013 because qualified contractor services were not procured until July and a skilled intern was not hired until August. The project incurred some delays when the hired consultant went through a staff transition.

Municipal Court

8. Court-Appointed Defense Counsel - \$6,000

In June of 2013, the Municipal Judge ordered a court-appointed attorney be assigned to represent a defendant on several complex cases. The fee paid for such representation is calculated at the rate of \$65/hour up to a maximum of \$1,000 if the case does not go to trial or \$2,000 if the case goes to trial. Three of these cases have been scheduled for jury trials. One trial was completed in 2013 and the other 2 were postponed. If all requested funds are not spent on these cases, they will be used to cover additional court-appointed defense counsel expenses in 2014. Such expenses will exceed the budgeted amount due to a change in the state law which has resulted in an increase in such appointments. Due to the complexity of and circumstances related to the defense cases involved with this appointment and the fact that dispositions have not been reached in all of the cases, the defense attorney has not yet presented the Court with a bill. We have requested that he bill us for services provided to this point and anticipate receiving this bill in the near future.

Natural Areas

9. 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 by the Army Corps of Engineers and publication is now expected sometime in the fall of 2014.

Parks

10. Median Renovation - \$245,393

Median renovation funds are one-time funding for major renovations of medians beyond the amount the Parks Division receives on an ongoing basis for small median renovations. Meetings with a stakeholder's team consisting of various City departments took place in the spring and summer of 2013. There was much discussion on which medians to renovate and also what design standards should be used. In the fall 2013, medians for renovation were selected. A landscape design firm was hired in late 2013 and is working on the final designs after several design discussions with City staff. Weather permitting, renovations will begin in the spring of 2014, and when plant materials become available.

11. Lifecycle Funding - \$44,865

Lifecycle funds are used for replacement of park infrastructure, and renovating and re-mulching medians. All of the budgeted funds were not spent in 2013 due to the transition to a new Parks Project Manager. Other staff was not available or did not have the expertise to complete these projects during the absence of the Parks Project Manager.

Social Sustainability

12. Human Services Program - \$6,398

The fiscal year for the Grants Program is October 1, 2013 to September 30 2014. Sub-recipients (grantees) can begin spending their funds in October for reimbursement. All funds must be spent by September (reimbursed by November) of the following year. All funds are allocated except for operations money. Unspent funds are pending contracts but are committed.

13. Affordable Housing - \$336,158

The Affordable Housing funds are allocated during the fall cycle of the Competitive Process. Approval by City Council takes place in mid-to-late November. Often contracts are not completed before the end of the year so therefore cannot be encumbered. Homebuyer Assistance (HBA) program funds cannot be encumbered because this is a City program. Funds are allocated as needed to first time homebuyers.

DATA & COMMUNICATIONS FUND

Information Technology

14. VoIP Design and Implementation Support (including .5 contractual) - \$300,000

Voice over Internet Protocol (VoIP) is a technology that allows telephone calls to be made over computer networks like the Internet. These funds will be used for contract and network maintenance support to complete VoIP transition. This re-appropriation includes funding for one contractual FTE for six months. (This position will be requested through the City's usual process and the funds will be frozen until the position is approved.) The remaining contract support will be through outsourcing vendors. Construction and/or customer specific delays impacted the ability to implement VoIP at the following sites: Senior Center, all Poudre Fire Authority stations, Utilities Electric Substations, Fossil Creek, Southridge Golf Course, Gardens at Spring Creek, and Restorative Justice. These sites will be completed by mid-year 2014.

KEEP FORT COLLINS GREAT FUND

Community Development & Neighborhood Services

15. Design Assistance Program - \$4,968

The Design Assistance Program (DAP) was recently established by Council to address compatibility issues in the Eastside and Westside Neighborhoods. By incentivizing the use of pre-qualified professionals with success in context-sensitive historic design, the DAP helps to enhance the compatibility of design, size and massing for new construction within the historic core neighborhoods, and lessen neighborhood concerns. The program became fully operational in mid-2012, and demand for funds has increased steadily. Requests were insufficient to fully utilize the amount budgeted in 2013 (\$40,000). However, with the steady increase in requests received, this amount would supplement the 2014 budget available and provide additional assistance for these efforts.

16. Historic Preservation Grants - \$36,110

This budget will be used to provide the required matching funds for State Historic Fund and Certified Local Government Grants. Because of the nine to ten month time lag between grant application, when the matching funds are promised, and grant award and contracting with the State, when the funds are encumbered, the budget allocated in one year will usually need to be re-appropriated for expenditure in the following year. Grants have been awarded, but funds not yet encumbered, for \$9,900 for development of a context of the Westside Neighborhood's Loomis Addition; and \$1,500 for Landmark Preservation Commission members to attend the bi-annual National Alliance for Preservation Commissioners conference. Remaining re-appropriated funds and the 2014 budget will be used as follows: \$23,000 towards a survey of the Westside Neighborhood's Loomis Addition; \$5,000 for the historic Carnegie Library/former Museum at 200 Mathews Street; \$10,000 towards rehabilitation of the 16-unit housing project at 1544 West Oak Street; with the remainder supporting grants for Council-directed additional property survey.

17. Historic Preservation Professional Property Survey - \$3,428

These funds are used for professional historic surveys, to identify properties for long range planning projects; when required for City-owned historic properties; or to provide an independent assessment when the Landmark Preservation Commission or City staff is involved in the appeal of a decision. A portion of the 2013 budget allocated for independent professional property services was expended on the survey of five Old Town Historic National Register District properties, located near the potential downtown hotel site. The remaining \$3,428 requested will be spent on the survey and documentation of additional historic properties which will potentially be affected by this development.

18. Landmark Rehabilitation Program - \$17,902

These funds will be used for owners who have been given landmark rehabilitation loan awards but have not yet completed their work, as well as to fund additional loan awards. Recipients of Landmark Rehabilitation Loans have two years in which to complete the work and request reimbursement. These loans, which require a minimum of an equal match of owner funds, have generated over \$3 million dollars in rehabilitation work since 1995. In 2013, 11 grants were awarded; four additional loans have been awarded so far in 2014.

19. Lincoln Corridor - \$6,344

The Lincoln Corridor project is nearing completion. Throughout 2013, extensive public outreach and visioning processes were employed to develop a community supported vision and preliminary design. The resulting strategic plan will include an assessment and analysis of existing information including land use, transportation, urban design, open lands and provide recommendations on potential improvements in the area. The recommendations from the plan will help strengthen and revitalize a variety of unique commercial, industrial and residential properties. The project advances a plan for Lincoln Avenue and the surrounding neighborhoods as a crucial link between downtown Fort Collins and the East Mulberry Corridor, allowing it to serve as a catalyst for economic development and growth in the area. These remaining funds are needed to cover expenses required to complete this work.

20. Oil and Gas - \$21,801

Staff spent the majority of 2013 developing policy on this issue, securing an operator agreement, and navigating a community election and related legal activities. A moratorium is now in place for all hydraulic fracturing within the City of Fort Collins and will remain in place for up to five years. This moratorium stops the current operator from using hydraulic fracturing to enhance existing wells or to drill new ones. Staff continues to work with legal staff on how best to comply with the ballot measure that was passed by voters. In the interim, air quality monitoring services are underway. Equipment has been purchased and contractor services are underway. Remaining funds will be used for groundwater quality work.

21. West Central Neighborhood Plan - \$135,500

This project was put on hold in 2013 due to possible fatigue of the Community due to efforts related to the Student Housing Action Plan (SHAP) and the Eastside/Westside Character Study, as well as to allow additional time for collaboration with Colorado State University on the new stadium proposal and other efforts. The scope of this plan update has now been revised and it has been renamed the West Central Area (Neighborhoods) Plan. It includes a significant transportation component in addition to the traditional sub-area plan components. A project team has been formed and the scope for a Request for Proposal is approaching the final draft stage. The project team is working on task analysis preparing staff resources. The public outreach program and triple bottom line analysis continue to be a work in progress. Staff requests re-appropriation of this funding to complete the project.

Economic Health

22. Gig U Project - \$20,000

This is intended to fund the exploration and evaluation of providing enhanced broadband capacity in the City of Fort Collins. The Gig U project scope underwent significant revisions in 2013. These revisions included evaluating the possibility of having the City of Fort Collins Utilities become a broadband provider. As a result, the project did not begin until 2014. Thus, the unexpended funds from last year are required to support the project in 2014.

Environmental Services

23. Road to Zero Waste - \$24,283

A portion of the 2013 Road to Zero Waste funding was planned to support construction and demolition (C&D) debris recycling. This funding will be used to cover a portion of the costs of the Integrated Recycling Facility which will offer recycling of several C&D materials when it opens. In 2013, opportunities to support local builders in complying with 2012 Green Building Code requirements for on-site recycling were explored, but direct avenues for spending the funding were not readily available.

24. Climate Adaptation - \$2,799

These funds will be used to support further adaptation planning efforts for City staff. This will be in the form of supporting registration and travel fees for staff to participate in a peer learning workshop this spring with the Western Adaptation Alliance. This Alliance provides opportunities for 13 regional intermountain west communities to come together and learn adaptation best management practices, increase the productivity of dialogue across departments and network with other regional partners. The 2013 budget included funding for two of these workshops for staff, but only one was offered. These funds will provide the peer learning workshop opportunity for staff in 2014.

25. Sustainability Innovation Fund - \$5,589

The 2013 Innovation Fund was awarded competitively to nine employee-proposed projects that advance the City's sustainability goals. Some of the nine project managers were unable to complete their projects within 2013 for various reasons. The re-appropriated funds comprise about 6% of the Innovation Fund and will complete projects that were unfinished at year's end.

26. Environmental Web Portal - \$25,000

In July 2013, a new environmental web portal launched, offering one-stop-shop information about the City's environmental resources and services (see fcgov.com/enviro). Part of the unspent funding is requested to be rolled over to revise the site following usability testing, then to increase outreach for the site, and to develop and implement an environmental sustainability engagement campaign in 2014. The planned usability testing and subsequent site modification was not conducted in 2013 because the opportunity to substantially modify the site is restricted until after the fcgov.com overhaul is completed. This was originally anticipated for 2013 and now is anticipated for 2014. In addition, the Purchasing Department was able to modify their web page and develop a tracking mechanism for sustainable purchasing using existing resources.

Natural Areas

27. Instream Flows and Ecosystem Response Model - \$90,053

The purpose of the instream flow project (\$20,000) is to conduct engineering, legal, and administrative research as well as to implement actions to help create instream flows on the Poudre River. In 2013, instream flow efforts were delayed because the City's water engineering firm was not able to begin its work until late in the year (in part due to other pressing City priorities).

The Poudre River Ecosystem Response Model (\$70,053) is to develop a scientific model to help the community understand the ecology of the Poudre River and to evaluate the impacts that may result from changes in the river ecosystem. These funds will be used to complete each of these projects.

Parks

28. Lifecycle Funding - \$47,135

Lifecycle funds are used for replacement of park infrastructure, and renovating and re-mulching medians. All of the budgeted funds were not spent in 2013 due to the transition to a new Parks Project Manager. Other staff was not available or did not have the expertise to complete these projects during the absence of the Parks Project Manager.

LIGHT & POWER FUND

29. Solar Garden - \$230,183

The Solar Garden was budgeted for \$250,000 in both 2013 and 2014. Development of the project, vendor selection and contract negotiations were not completed in 2013. The project which is for the customer rebate portion of a solar garden is on track for completion in 2014.

TRANSPORTATION FUND

Parking

30. Civic Center Garage Major Maintenance - \$96,000

These funds were identified for major maintenance projects in the Civic Center Parking Garage. Due to unexpected damage that occurred in the garage early in 2013, projects were on hold until an engineering consultant completed a condition assessment and structural analysis. The condition assessment was completed in the fall 2013, the structural analysis in January 2014, and the necessary work has now been identified and prioritized. These funds are needed to complete the projects identified by the consultant.

FINANCIAL / ECONOMIC IMPACT

This Ordinance increases 2014 appropriations by \$1,965,900. A total of \$898,805 is requested for re-appropriation in the General Fund and \$1,067,095 is requested from various other City funds. Re-appropriation requests represent amounts budgeted in 2013 that could not be encumbered at year-end. The appropriations are from 2013 prior year reserves.

COPY

ORDINANCE NO. 051, 2014
 OF THE COUNCIL OF THE CITY OF FORT COLLINS
**REAPPROPRIATING FUNDS PREVIOUSLY APPROPRIATED IN 2013 BUT NOT
 EXPENDED OR ENCUMBERED IN 2013** ~~PRIOR YEAR RESERVES FOR LAPSED
 EXPENDITURES AUTHORIZED IN 2013~~

WHEREAS, City Council authorized expenditures in 2013 for various purposes in the General Fund, Data & Communications Fund, Keep Fort Collins Great Fund, Light & Power Fund, and Transportation Fund, a portion of which were not spent or encumbered in 2013; 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, it is in the best interests of the City and its residents to re-appropriate funds for the expenditures below, in furtherance of these expenditures authorized in 2013 for which appropriated funds were not encumbered during 2013.

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 EIGHT HUNDRED NINETY-EIGHT THOUSAND EIGHT HUNDRED FIVE DOLLARS (\$898,805) for the following purposes:

Fort Collins Public Access Network	\$ 52,185
Comcast Negotiations	52,000
Foothills Metropolitan District	13,750
Air Quality Programs	17,215
Healthy Sustainable Homes	4,776
Air Quality Zero Interest Loans	37,000
Green Building Program	6,260
Court-Appointed Defense Council	6,000
Northern Integrated Supply Project	76,805
Median Renovation	245,393
Lifecycle Funding - Parks	44,865
Human Service Program	6,398
Affordable Housing	<u>336,158</u>
Total General Fund	\$898,805

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the Data and Communications Fund the sum of THREE HUNDRED THOUSAND DOLLARS (\$300,000) for VoIP Design and Implementation Support.

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the Keep Fort Collins Great Fund the sum of FOUR HUNDRED FORTY THOUSAND NINE HUNDRED TWELVE DOLLARS (\$440,912) for the following purposes:

Design Assistance Program	\$ 4,968
Historic Preservation Grants	36,110
Historic Preservation Professional Property Survey	3,428
Landmark Rehabilitation Program	17,902
Lincoln Corridor	6,344
Oil and Gas	21,801
West Central Neighborhood Plan	135,500
Gig U Project	20,000
Road to Zero Waste	24,283
Climate Adaptation	2,799
Sustainability Innovation Fund	5,589
Environmental Web Portal	25,000
Instream Flows and Ecosystem Response Model	90,053
Lifecycle Funding - Parks	<u>47,135</u>
Total Keep Fort Collins Great Fund	\$440,912

Section 4. That there is hereby appropriated for expenditure from prior year reserves in the Light and Power Fund the sum of TWO HUNDRED THIRTY THOUSAND ONE HUNDRED EIGHTY-THREE DOLLARS (\$230,183) to be used to complete Solar Garden project.

Section 5. That there is hereby appropriated for expenditure from prior year reserves in the Transportation Fund the sum of NINETY-SIX THOUSAND DOLLARS (\$96,000) to be used for the Civic Center Garage Major Maintenance projects.

Introduced, considered favorably on first reading, and ordered published this 1st day of April, A.D. 2014, and to be presented for final passage on the 15th day of April, A.D. 2014.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 15th day of April, A.D. 2014.

Mayor

ATTEST:

City Clerk