

## AGENDA ITEM SUMMARY

April 21, 2020

City Council

### STAFF

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Terra Sampson, Project Manager, Energy Services  
John Phelan, Energy Services Manager  
John Duval, Legal

### SUBJECT

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Second Reading of Ordinance No. 056, 2020, Making Supplemental Appropriations and a Transfer from the Light & Power Fund to be Expended in Support of the Epic Homes Program.

### EXECUTIVE SUMMARY

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This item is coming to Council on Second Reading. The appropriation of these grant funds is necessary to enable Utilities and Economic Health to move forward with project management and operations for the Bloomberg Mayors Challenge grant project (the Epic Homes program). Epic Homes is a streamlined, affordable approach for single-family home and rental property energy efficiency upgrades to improve comfort, health and efficiency in Fort Collins.

This Ordinance, unanimously adopted on First Reading on April 7, 2020, appropriates \$118,135 in grant funds from Bloomberg Philanthropies and interest earned on previous grant funds, as part of the Bloomberg Mayor's Challenge, from the Fort Collins Utilities Light and Power Fund to be expended for the ongoing project management and operations of Epic Homes Program by Utility Services and the Economic Health Office (EHO) and to pay a sub-grant to Colorado State University for indoor environmental quality research. The funds paid to the EHO will be accomplished by a transfer from the Light and Power Fund. The Bloomberg Philanthropies funds come from (1) the 2020 grant installment of \$112,000 and (2) \$6,135 in interest earned on advanced Bloomberg Philanthropies funds as of December 31, 2019. Based on terms of the Bloomberg grant agreement, all advanced grant funds are subject to accruing interest, with such interest earned being reported on a semi-annual basis, and with such earnings used to further project goals as demonstrated in the agreement among Bloomberg and the City.

### STAFF RECOMMENDATION

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Staff recommends adoption of the Ordinance on Second Reading.

### ATTACHMENTS

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1. First Reading Agenda Item Summary, April 7, 2020 (w/o attachments) (PDF)
2. Ordinance No. 056, 2020 (PDF)

# AGENDA ITEM SUMMARY

City Council

April 7, 2020

## STAFF

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Terra Sampson, Project Manager, Energy Services  
John Phelan, Energy Services Manager  
John Duval, Legal

## SUBJECT

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First Reading of Ordinance No. 056, 2020, Making Supplemental Appropriations and a Transfer from the Light & Power Fund to be Expended in Support of the Epic Homes Program.

## EXECUTIVE SUMMARY

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The purpose of this item is to appropriate \$118,135 in grant funds from Bloomberg Philanthropies and interest earned on previous grant funds, as part of the Bloomberg Mayor's Challenge, from the Fort Collins Utilities Light and Power Fund to be expended for the ongoing project management and operations of Epic Homes Program by Utility Services and the Economic Health Office (EHO) and to pay a sub-grant to Colorado State University for indoor environmental quality research. The funds paid to the EHO will be accomplished by a transfer from the Light and Power Fund. The Bloomberg Philanthropies funds come from (1) the 2020 grant installment of \$112,000 and (2) \$6,135 in interest earned on advanced Bloomberg Philanthropies funds as of December 31, 2019. Based on terms of the Bloomberg grant agreement, all advanced grant funds are subject to accruing interest, with such interest earned being reported on a semi-annual basis, and with such earnings used to further project goals as demonstrated in the agreement among Bloomberg and the City.

The City Manager recommends these appropriations and has determined that the funds for them are available and previously unappropriated from the Light and Power Fund and will not cause the total amount appropriated in the Light and Power Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during this year. In addition, the City Manager recommends the transfer of the \$14,956 from the Light and Power Fund to the General Fund to be expended to cover the EHO's costs in managing and operating the Epic Homes Program and determined that the purpose for which the funds are to be expended remains unchanged, which purpose is to support the Epic Homes Program.

## STAFF RECOMMENDATION

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Staff recommends adoption of the Ordinance on First Reading.

## BACKGROUND / DISCUSSION

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### Epic Homes

In October 2018, Fort Collins became a winner of the 2018 Bloomberg Mayors Challenge and the associated \$1M prize. The 2018 Bloomberg Mayors Challenge involved over 300 cities proposing ideas to address important issues in their community. The City's proposal, Epic Homes, was selected as a winner for its innovative approach to providing health and equity benefits to residents, specifically for low-to-moderate income renters, by improving the energy efficiency of rental homes. Residential property owners can take advantage of Epic Homes' easy streamlined steps to make their homes more comfortable, healthy and efficient. Partnering with Colorado State University, Fort Collins is also establishing a research study which links the health and well-being indicators of improved indoor environmental quality.

Epic Homes is a comprehensive portfolio for single-family home performance, for both owner-occupied and renter-occupied properties. Epic Homes includes energy assessments and rebates (Efficiency Works Homes), on-bill financing (Epic Loans), an indoor environmental quality and health/well-being study (IEQ Study), and documentation of home improvements (Epic Certificate) (**Attachment 1**). Detailed information regarding the Epic Homes program can be found at [www.fcgov.com/epichomes](http://www.fcgov.com/epichomes) <<http://www.fcgov.com/epichomes>>.

**Bloomberg Mayors Challenge Funding**

The Bloomberg Mayors Challenge grant supports a three-year performance period from 2019 through 2021. The project includes a semi-annual review of the budget categories with an opportunity to revise the amounts, subject to the approval of Bloomberg Philanthropies. The 2020 tranche of the Bloomberg award for \$112,000 was received in March 2020. Additionally, the 2019 Bloomberg award funds earned \$6,135 in interest over the course of 2019 from funds advanced by Bloomberg Philanthropies – funds received in advance to spending in accordance with grant terms.

The 2020 funds will support a subgrant to Colorado State University to implement an indoor environmental quality and health/well-being study, project costs for Fort Collins Utilities (e.g., staff, supplies, workshops/trainings, travel, software, loan-related fees, marketing, etc.), and project costs for Economic Health. Table 1 summarizes the appropriation.

<b>Description</b>	<b>Amount</b>	<b>Appropriated To</b>	<b>Funds Source</b>
Colorado State University Indoor Environmental Quality (IEQ) Study	\$50,000	Operating business unit of L&P	Bloomberg Award - 2020 Installment
Grant project management and operating expenses	\$47,044	Operating business unit of L&P	Bloomberg Award - 2020 Installment
Grant project management and operating expenses	\$6,135	Operating business unit of L&P	Bloomberg Award - 2019 Interest Earned on Award Funds Before Expensed
<i>Light and Power Fund Subtotal</i>	<i>\$103,179</i>		
Grant project management for Economic Health Office	\$14,956	Operating business unit of EH	Bloomberg Award - 2020 Installment
<i>Economic Health Subtotal</i>	<i>\$14,956</i>		
<b>Total</b>	<b>\$118,135</b>		

**CITY FINANCIAL IMPACTS**

The 2020 funds for appropriation have been received and are being held on the Light & Power balance sheet awaiting this appropriation ordinance. The 2019 interest earned is being held in Light & Power reserves. The appropriation of these funds will enable Utilities and Economic Health to move forward with the next phases of the project. There is no financial exposure to the City.

**ATTACHMENTS**

1. Epic Homes Structure and Components Diagram (PDF)

ORDINANCE NO. 056, 2020  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
MAKING SUPPLEMENTAL APPROPRIATIONS AND  
A TRANSFER FROM THE LIGHT & POWER FUND  
TO BE EXPENDED IN SUPPORT OF THE EPIC HOMES PROGRAM

WHEREAS, the City has previously established and funded a program to assist certain Electric Utility customers of Fort Collins Utility Services (“Utility Services”) in financing home-energy-efficiency and renewable-energy improvements for single-family residential properties they own by making loans to these customers, whether their properties are owner- or renter-occupied (“Epic Homes Program”); and

WHEREAS, in 2018, the City was awarded a \$1 million grant from Bloomberg Philanthropies (“Bloomberg”) to be used for the Epic Homes Program, which grant is being paid to the City under an agreement with Bloomberg that provides for certain annual payments to the City; and

WHEREAS, the City has recently received from Bloomberg the 2020 grant payment in the amount of \$112,000, which payment have been deposited into the City’s Light and Power Fund established in City Code Section 8-77 (the “Light & Power Fund”); and

WHEREAS, previous years’ grant funds received from Bloomberg that have been deposited in the Light & Power Fund earned \$6,135 of interest in 2019, which amount is unexpended from the Light & Power Fund; and

WHEREAS, it is proposed that the \$112,000 received from Bloomberg in 2020 be appropriated from the Light & Power Fund and that the \$6,135 in interest be appropriated from the reserves in the Light & Power Fund from prior years with this total amount of \$118,135 to be expended as follows: (i) \$50,000 for payment to Colorado State University for the Indoor Environmental Quality Study (“CSU Study”), (ii) \$53,179 for Utility Services’ costs to manage and operate the Epic Homes Program, and (iii) \$14,956 for transfer to the City’s General Fund to cover the Economic Health Office’s costs in also managing and operating the Epic Homes Program; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council, upon recommendation of the City Manager, to make supplemental appropriations from the Light & Power Fund by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, do not exceed the current estimate of actual and anticipated revenues to be received during this fiscal year; and

WHEREAS, Article V, Section 9 of the City Charter also 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 in the Light & Power Fund, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, the City Manager has recommended the appropriations described herein and determined that the funds for these appropriations are available in and previously unappropriated from the Light & Power Fund and will not cause the total amount appropriated in the Light & Power Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during this fiscal year; and

WHEREAS, Article V, Section 10 of the City Charter authorizes the City Council, upon recommendation of the City Manager, to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund or capital project to another fund or capital project, provided that the purpose for which the transferred funds are to be expended remains unchanged, the purpose for which the funds were initially appropriated no longer exists, or the proposed transfer is from a fund or capital project in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance; and

WHEREAS, the City Manager has recommended the transfer of the \$14,956 from the Light & Power Fund to the General Fund to be expended to cover the Economic Health Office's costs in managing and operating the Epic Homes Program and determined that the purpose for which the funds are to be expended remains unchanged, which purpose is to support the Epic Homes Program; and

WHEREAS, these appropriations and transfer benefit the public's health, safety and welfare and serve the utility and public purposes of supporting the Epic Homes Program that improves the energy efficiency of older homes in Fort Collins, thereby benefiting Electric Utility ratepayers and the health, safety and comfort of the inhabitants of the improved homes.

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

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

Section 2. That there is hereby appropriated from anticipated grant revenue in the Light & Power Fund the sum of ONE HUNDRED TWELVE THOUSAND DOLLARS (\$112,000) for expenditure from the Light & Power Fund to fund the CSU Study, to pay Utility Services' costs to manage and operate the Epic Homes Program and for the transfer of \$14,956 to the General Fund to pay the Economic Health Office's costs to manage and operate the Epic Homes Program.

Section 3. That there is hereby appropriated from prior year reserves in the Light & Power Fund the sum of SIX THOUSAND ONE HUNDRED THIRTY-FIVE DOLLARS (\$6,135) for expenditure from the Light & Power Fund to pay Utility Services' costs to manage and operate the Epic Homes Program.

Section 4. That the transfer of FOURTEEN THOUSAND NINE HUNDRED FIFTY-SIX DOLLARS (\$14,956) from the Light & Power Fund to the General Fund is authorized for expenditure by the Economic Health Office to pay its costs to manage and operate the Epic Homes Program.

Introduced, considered favorably on first reading, and ordered published this 7th day of April, A.D. 2020, and to be presented for final passage on the 21st day of April, A.D. 2020.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 21st day of April, A.D. 2020.

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Mayor

ATTEST:

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City Clerk