

# AGENDA ITEM SUMMARY

April 21, 2020

City Council

## STAFF

---

Barb Brock, Natural Areas Financial Coordinator  
Zoe Shark, Public Engagement Manager  
Ingrid Decker, Legal

## SUBJECT

---

First Reading of Ordinance No. 063, 2020 Appropriating Prior Year Reserves for Natural Areas Land Conservation, Legally Required Water Rights Infrastructure and Urgent Trail Construction Not Included in the 2020 Adopted City Budget.

## EXECUTIVE SUMMARY

---

This is coming to Council now because the Natural Areas Department is mandated by ballot to conserve land and funds are needed for a real estate closing on June 30 as well as anticipated closings throughout the year. Reappropriations also will support the completion of two infrastructure projects. One is legally required for water rights and the other is critical to prevent stormwater overtopping of Prospect Road. The proposed reappropriation for critical trail work is seasonally dependent and even more urgent given skyrocketing visitation due to the COVID-19 pandemic. This item appropriates \$8,770,000 in prior year reserves in the Natural Areas Fund.

## STAFF RECOMMENDATION

---

Staff recommends adoption of the Ordinance on First Reading.

## BACKGROUND / DISCUSSION

---

Funding dedicated to the Natural Areas Department (NAD) capital projects, lapses each year if not spent. Unspent funds need to be appropriated into the following year's budget before they can be used. The purpose of this item is to appropriate \$8,770,000 in unspent 2019 funds in the Natural Areas Fund for use in 2020.

Of the total appropriation, \$8,400,000 will be used for land conservation. With over \$10 million in land acquisitions under negotiation, it is likely that most of these funds specifically for land conservation will be spent in 2020.

Of the total appropriation \$300,000 will be used for new essential purposes not included in the Natural Areas 2020 Budget and \$70,000 to complete a project started in 2019. These items are described in more detail below.

After this appropriation Natural Areas will have a total fund balance over \$10 million for future land conservation, capital replacement, major restoration, and major trail and trail head projects. The fund balance can be used as necessary to cover revenue shortfalls.

The funds for NAD come from the following designated sources of revenue: The City - Open Space Yes! ¼ Cent sales tax; the Larimer County - Help Preserve Open Space ¼ cent sales tax; and, miscellaneous anticipated and unanticipated revenues. All these funds are restricted to the purposes of the Natural Areas

Department, including unanticipated revenues which consist generally of income from sales tax revenues, easements, leases or grants.

The prior year reserve funds being appropriated in this Ordinance more specifically are:

\$8,470,000	Unspent 2019 Budgeted Funds – being appropriated for same purpose
<u>\$ 300,000</u>	Unspent 2019 Funds – being appropriated for new purposes
\$8,770,000	Prior Year 2019 Reserves

The anticipated use of these funds is as follows:

**Land Conservation** - \$8,400,000 in unspent funds restricted specifically for land conservation to fund property acquisition efforts per the Natural Areas Master Plan.

**Planning and Special Projects** - \$70,000 to finish the installation of water surface area monitoring equipment started in 2019 for administration of a legally binding and required water augmentation plan; and \$200,000 to repair and restore riverbank damage at Riverbend Ponds Natural Area in equal partnership with Transportation and Utilities. The project is intended to prevent the Poudre River from breaking out and potentially overtopping Prospect. This essential public safety project is currently under construction in order to be completed prior to the spring runoff and potential flooding; Natural Areas will use these funds to reimburse Utilities for the work it is performing.

**Trails and Visitor Amenities** - \$100,000 for reconstructing the Foothills Trail across Maxwell Natural Area per the Foothills Management Plan. This section of the Foothills Trail is heavily used, difficult to maintain, currently rated in poor condition, and in urgent need of reconstruction.

**CITY FINANCIAL IMPACTS**

---

This Ordinance increases 2020 appropriations in the City’s Natural Areas Fund by \$8,770,000. The requested total appropriation of \$8,770,000 in the Natural Areas Fund represents 2019 appropriations that were unspent and unencumbered at year-end 2019. These funds are restricted to the purposes of the Natural Areas Department and the \$8,400,000 is restricted specifically to land conservation. Natural Areas will have a remaining fund balance over \$10 Million for future projects that may be used as necessary to cover revenue shortfalls over the next few years.

**BOARD / COMMISSION RECOMMENDATION**

---

At its regular meeting on March 11, 2020, the Land Conservation and Stewardship Board voted unanimously, to recommend that City Council approve an appropriation of \$10,141,000. However, due to concerns that the COVID-19 emergency will reduce revenues in 2020 and perhaps 2021, staff has chosen to reduce the overall appropriation presented to the LCSB by \$1,371,000 primarily for trails and restoration projects that will be delayed to future years as funds are available. (**Attachment 1**)

**PUBLIC OUTREACH**

---

Natural Areas Funds will be spent in alignment with the Natural Areas Master Plan, which was extensively reviewed by the public prior to its adoption in October 2014.

**ATTACHMENTS**

---

1. Land Conservation and Stewardship Board minutes, March 11, 2020 (PDF)

**Land Conservation & Stewardship Board**

**March 24, 2019**

**Minutes Excerpt from meeting March 11, 2020**

**Re-appropriations**

Mark presented the request to City Council to approve the re-appropriation of \$10,641,000 in unspent funds and unanticipated revenues in the Natural Areas Fund to fund land conservation, restoration of wildlife habitat, trails and visitor amenities, facility operations and other NAD needs to benefit the residents of Fort Collins.

There was discussion about various monies that were set aside for projects under TVA and Planning and Special Projects. Mark explained there are specific projects those monies will be tied to like parking lot repairs and installation. For example, an additional \$100K, in Trails and Visitor Amenities, has been budgeted for a new trail and bridge out at Puente Verde Natural Area. Mark explained NAD is using certain unspent funds from last year, rolling them over to this year.

Ray requested, for the future, a bar graph that demonstrates appropriations for 2019, amount unanticipated, amount requesting for appropriation for 2020 and amount for appropriation in later years.

***Vicky McLane made a motion that City Council approve the proposed 2020 appropriation of prior year, 2019, Natural Area reserves of \$10,141,000. David Tweedale seconded the motion. The motion was unanimously approved 7-0.***

ORDINANCE NO. 063, 2020  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING PRIOR YEAR RESERVES FOR NATURAL AREAS  
LAND CONSERVATION, LEGALLY REQUIRED WATER RIGHTS  
INFRASTRUCTURE AND URGENT TRAIL CONSTRUCTION  
NOT INCLUDED IN THE 2020 ADOPTED CITY BUDGET

WHEREAS, the City is committed to preserving natural areas and providing educational, interpretive and appropriate recreational opportunities to the public; and

WHEREAS, Natural Areas Department programming implements open land conservation priorities identified in the City's Comprehensive Plan by purchasing conservation easements and fee interests in key natural areas, community separators, or other open lands; providing stewardship for lands purchased; and developing trails and interpretive features for public use; and

WHEREAS, the Natural Areas Department is funded primarily through the collection of City Open Space - Yes sales and use tax revenue, as well as revenues from the Larimer County Help Preserve Open Space sales and use tax, investment earnings, and other miscellaneous revenues deposited in the Natural Areas Fund; and

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

WHEREAS, the City Manager has recommended the appropriation from prior year reserves in the Natural Areas Fund of a total of \$8,770,000, comprised of unspent and unencumbered appropriations from 2019, to be used for land conservation, installation of monitoring equipment for administration of a legally binding and required augmentation plan, repair of riverbank damage to assist in flood control, and reconstruction of the Foothills Trail; and

WHEREAS, this appropriation benefits public health, safety and welfare of the citizens of Fort Collins and serves the public purpose of supporting Natural Areas conservation activities and projects; and

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

WHEREAS, the City Manager has recommended the appropriation described herein and determined that this appropriation is available and previously unappropriated in the Natural Areas Fund and will not cause the total amount appropriated in the Natural Areas Fund

to exceed the current estimate of actual and anticipated revenues to be received in that fund during this fiscal year.

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 prior year reserves in the Natural Areas Fund the sum of EIGHT MILLION SEVEN HUNDRED SEVENTY THOUSAND DOLLARS (\$8,770,000) to be used for land conservation, special projects, and trail construction, to benefit the residents of the City.

Introduced, considered favorably on first reading, and ordered published this 21st day of April, A.D. 2020, and to be presented for final passage on the 5th day of May, A.D. 2020.

---

Mayor

ATTEST:

---

City Clerk

Passed and adopted on final reading on the 5th day of May, A.D. 2020.

---

Mayor

ATTEST:

---

City Clerk