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Council Finance Committee Hybrid Meeting
CIC Room / Teams
March 5, 2026
4:00 - 6:00 pm

Council Attendees: Mayor Francis, Anne Nelsen, Josh Fudge

Staff: Kelly DiMartino, Caleb Weitz, Tyler Marr, Ginny Sawyer, Taryn Moran, Denzel Maxwell, Carrie Daggett, Dianne Criswell, Delyn Coldiron, Kevin Wilkins, Tracy Ochsner, Victoria Shaw, Chris Martinez, Elliott Fitz, Terri Runyan, Teresa Roche, Kelley Vodden, Braden Wormus, Chief Swoboda, Greg Yeager, Juan Gonzalez, Chief Bergsten, Dean Klingner, Katie Donahue, Kendra Boot, Julia Feder, Barb Brock, Kate Rentschlar, Jill Wuertz, Kevin Williams, Rachel Rogers, Jacob Castillo, Josh Birks, Honore Depew, Eillen May, Edward Modec, LeAnn Williams, Scott Phelps, Monica Martinez, Peggy Streeter, Drew Brooks, Darren Moritz, Josh Birks, Wendy Bricher, Joe Wimmer, Christina Schroder, Allison Becker, Emily Land, Bonnie Dennis, Jo Cech, Matthew Liberati, Jennifer Poznanovic, Christina Cornelison-Spight, Trevor Nash, Renee Reeves, Gerry Paul, Jake Rector, Adam Halvorson, Carolyn Koontz

Others:

Meeting called to order at 4:00 pm

Approval of minutes from the February 5, 2025, Council Finance Committee meeting.
Motion to approve made by Mayor Francis and seconded by Anne Nelsen.
Approved via roll call; Mayor Francis, Josh Fudge & Anne Nelsen.

A) Wastewater Septage Receiving Fees

STAFF

Christina Schroeder, Director, Plant Operations
Joe Wimmer, Director, Utilities Finance

SUBJECT

Wastewater Utility Septage Receiving Fee Adjustments 2026-2028

EXECUTIVE SUMMARY

Fort Collins Utilities is proposing an increase to septage receiving fees to fund operations and the construction of a new septage receiving station at the Drake Water Reclamation Facility (DWRf facility). The existing station requires upgrades to ensure permit compliance, resolve safety challenges, and manage significantly increased usage.

STAFF RECOMMENDATION

Staff recommends a phased-in approach for fee increases over three years, beginning with an increase in July 2026.

BACKGROUND / DISCUSSION

The septage receiving station at the Drake facility provides a critical waste disposal service for Northern Colorado. Historically, the facility has processed septage, portable toilet, and pit toilet waste from haulers serving Weld and Larimer Counties, including Fort Collins wastewater utility customers. As other jurisdictions have closed their receiving stations, the volume of waste diverted to the Drake facility has surged, placing additional strain on the aging infrastructure.

The septage receiving station must be upgraded and relocated from the current Headworks Building location to meet permit requirements, address safety concerns, and manage increased demand. Engineering design has been completed for a proposed 2027 Capital Project to include a new two lane septage receiving station at the Drake facility. Construction will include two concrete truck bays sloped to drains, piping with quick-connect fittings, a new approximately 1,000 ft aggregate access road, an irrigation ditch crossing, fencing, electrical and controls, and a storage shed with non-potable water for clean-up and routine washdown.

Fort Collins Utilities has not adjusted the fees charged to waste haulers in several years. Because current rates do not cover the operational costs for providing this service, a fee increase is necessary to fully fund the construction costs of the new station and support ongoing maintenance.

Existing 2026 septage receiving fee: \$0.09/gal

Rates to recover existing operational cost and upcoming capital project financing:

Rate (\$/gal Capital)	\$ 0.045
Rate (\$/gal Treatment)	\$ 0.075
Rate (\$/gal O&M)	\$ 0.042
Total cost/gal	\$ 0.162

The proposed approach to increase fees to the target \$0.16/gal is to phase-in increases from 2026 to 2028, allowing haulers and customers to have a more predictable and steady cost planning.

	2026 (current)	July 1, 2026	January 1, 2027	January 1, 2028
Fee \$/gal	\$0.09	\$0.11	\$0.13	\$0.16
% change		21.5%	21.5%	21.5%

Fort Collins Utilities has applied for a \$1.0M Energy/Mineral Impact Assistance Fund Grant through the Colorado Department of Local Affairs. The septage receiving station capital project is believed to be a strong candidate as Fort Collins Utilities has become a regional service provider, and fee increases for haulers are likely to be passed down to septage customers, many of whom reside in rural communities within Weld and Larimer Counties. An award of grant funds may alter the City’s planned fee increases for 2027 or 2028, as applicable to a reduction in project costs.

CITY FINANCIAL IMPACTS

Septage receiving fee revenues totaled \$488,363 in 2025. A fee adjustment to \$0.16/gal would result in

a revenue increase of \$380,000 annually, as compared to a revenue-equivalent rate increase of 1.3% to wastewater customer rates.

PUBLIC OUTREACH

Notification of anticipated fee increases to septage haulers is planned for March 2026, with additional notification planned following fee adoption. Additionally, all haulers are required annually to attend an on-site meeting to obtain a permit allowing use of the facility. These meetings are offered twice per year, at which updates of fees and plans for the capital project will be communicated. Water Commission Meeting item for septage receiving fees is scheduled for March 19th.

DISCUSSION

Proposal for a significant mid-year increase in the wastewater septage receiving fee, outlining the need for the adjustment due to an upcoming \$3 million capital project and current operating cost recovery, and discussed a phased approach for fee increases through 2028, with committee members raising questions about implementation, rate structure, and communication with haulers.

- **Fee Increase Rationale:** Joe Wimmer explained that the proposed fee increase is limited to the septage receiving fee at the wastewater treatment facility, not all wastewater rates, and is necessary to recover costs associated with a large upcoming capital project and current operations, as existing wastewater customers are subsidizing the service.
- **Phased Implementation Plan:** The team proposed a phased approach to increase the fee from \$0.09 to \$0.16 per gallon, with incremental steps in 2026, 2027, and 2028, aiming to smooth the rate impact for haulers and align the timing with the capital project and debt service.
- **Operational and Regulatory Details:** Christina Schroeder described the current operations of the septage receiving station, including safety and odor concerns, regulatory compliance issues, and plans to relocate and redesign the station to improve compliance and safety, modeled after a successful installation in Littleton Inglewood.
- **Fee Calculation and Policy Considerations:** Committee members asked about the methodology for calculating treatment costs, the use of city code formulas, and the potential for regular inflationary adjustments; staff confirmed annual increases of 2-3% would be implemented after reaching the target fee, and discussed past challenges with differential pricing for in-county versus out-of-county haulers.

Communication and Certification Process: Staff outlined plans to communicate fee changes to haulers via letters and on-site meetings, with each hauler required to attend safety meetings and obtain certification to use the facility, ensuring transparency and compliance

ACTION ITEMS

Wastewater Septage Receiving Fee Adjustment Communication: Send a notification letter to haulage vendors informing them of the upcoming phased fee increase and subsequent Council adoption timeline.

Wastewater Septage Receiving Fee Calculation Methodology: Evaluate the feasibility of implementing a fee calculation structure based on tank size and capacity and communicate changes to haulage vendors when finalized.

RESULT

Approved by the Council Finance Committee

B) 2026 Reappropriation Ordinance

Staff: Victoria Shaw, Budget Director

SUBJECT FOR DISCUSSION

Review of the 2026 Reappropriation Ordinance to appropriate prior year reserves.

EXECUTIVE SUMMARY

The purpose of this item is to reappropriate monies in 2026 that were previously authorized by City Council for expenditures in 2025 for various purposes. The authorized expenditures were not spent or could not be encumbered in 2025 because:

- There was not sufficient time to complete bidding in 2025 and therefore, there was no known vendor or binding contract as required to expend or encumber the monies; or
- The project for which the dollars were originally appropriated by Council could not be completed during 2025 and reappropriation of those dollars is necessary for completion of the project in 2026.

Additionally, there may have been sufficient unspent dollars previously appropriated in 2025 to carry on programs, services, and facility improvements in 2026 for those specific purposes.

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2025 and reflect no change in Council policies.

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

General Fund	\$64,652
2050 Tax Fund - Climate OCF	125,652
Natural Areas Fund	450,000
Recreation Fund	551,158
Golf Fund	654,773
Transportation Fund	487,000
Parking Fund	408,355
Data & Communications Fund	437,805
Total:	\$3,179,395

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Council Finance Committee support moving forward with the 2026 Reappropriation Ordinance on the Consent Agenda at the April 7, 2026 Council meeting?

BACKGROUND/DISCUSSION

Service Area leadership has confirmed these items are still high priorities and Finance has reviewed them to ensure funds are available from unspent 2025 budgets. The 2026 Reappropriation requests are

as follows, by fund:

GENERAL FUND

Police Services

1) Leadership Summit Donation - \$64,652

Purpose for funds: This reappropriation is for the remaining amount of funds that were donated for the Police Leadership Summit that was held last year and will again be held in 2026, paid for by the remaining donated funds

Reason funds not expensed in 2025: The funds were originally donated by Angel Armor for rifle plates and then permission was given to repurpose the funds to pay for the Leadership Summit. In the interim other donors, such as the Daniel's Fund, donated more money which exceed the needed amount for the 2025 Summit. Police will use the funds for its intended purpose to fund this event in 2026.

2050 TAX FUND – CLIMATE OCF

Social Sustainability

2) Building Energy Efficiency Pilot with Operation Services - \$85,000

Purpose for funds: The outdated exterior lighting systems at City Hall and Collindale Golf Course will be retrofitted to comply with current land use regulations and night sky/dark sky standards. This lighting retrofit will save energy, lower utility costs, and decrease annual maintenance costs.

Reason funds not expensed in 2025: The funding for these projects was approved in early Q4 2025. The project was slightly delayed, and the design consultant has been working on the required Minor Amendment design for the Planning and Development Services approval. This process typically takes approximately six months. We expect final approval of the design in late March 2026. Once the design and drawings are approved, we'll put the projects out for bid. We expect to complete the projects by the end of Q3 2026 due to the lead time for light fixtures.

Natural Areas

3) Poudre River Health Assessment - \$40,652

Purpose for funds: This offer funds the Poudre River Health Assessment Project, a sampling project that evaluates the health of the Cache la Poudre River from Gateway Natural Area to I-25 using a suite of biological, chemical, and physical indicators. The project builds on a previous effort completed by the City in 2017 and is a critical baseline for informing potential large-scale water projects. The funding for this offer covers the cost of sampling, analysis, and public outreach. The City of Fort Collins is aligning efforts with the Coalition for the Poudre River Watershed (CPRW) to complete a holistic assessment of the entire watershed. CPRW completed sampling the Upper and Lower zones of the watershed (2025), while the City completed the Middle Zone in 2025. The reappropriated funds will support development of final products and public outreach.

Reason funds not expensed in 2025: The project funds that were not fully expended in 2025 are for the final phase of the Poudre River Health Assessment. The project timeline has been extended due to the need for coordination with the Coalition for the Poudre River Watershed as they complete assessments for the Upper and Lower Poudre River. The City of Fort Collins and their consultant team have finished field sampling of the Middle Zone of the Poudre River, performed

data analysis, and created a draft report. The remaining funds will be used to create a river health prioritization matrix based on the results and public outreach materials. This work will be completed and ready for use in spring 2026.

NATURAL AREAS FUND

Natural Areas

4) Poudre Flows Design and Permitting - \$450,000

Purpose for funds: This offer will improve the health of the Cache la Poudre River by supporting design and permitting costs for upgrading diversion structures and ditch infrastructure on the river to operate the Poudre Flows Plan (the Plan). The Plan is a partnership between Fort Collins, Greeley, Thornton, Colorado Water Trust, and the Colorado Water Conservation Board that will provide protected instream flows for fish, wildlife, and recreation. After a decade of legal work to establish the Plan, the state of Colorado issued a final decree for the Plan, allowing for the operations phase to begin. The City of Fort Collins is engaged in dialogue with several ditch companies to determine potential infrastructure designs that will allow for releasing protected flows into the Poudre River. These flows will help alleviate dry-ups and low flow conditions that impact water quality and aquatic life.

Reason funds not expensed in 2025: These funds were not fully expended due to longer timelines needed by the ditch companies to identify mutual benefits and address information gaps around operations. City staff will continue to be proactive in dialogue with ditch company representatives to address their concerns. A huge milestone was completed in 2025 when the Plan was issued a final decree in water court. As part of that decree, the state requires measurement of the City's water rights for operating the Plan at these diversion locations. The project team is committed to finding a solution that meets the needs of the ditch companies and Poudre Flows operations.

RECREATION FUND

Recreation

5) Berhost Donation to the Pottery Studio - \$545,958

Purpose for funds: The Pottery Studio received a donation from a patron, Patricia "Trish" Berhorst, in the amount of \$605,875 in 2025. \$59,917 of this donation was expensed in 2025 for new pottery wheels and kiln shelves. The remaining donation of \$545,958 will be reappropriated as non-lapsing, as the Recreation management team evaluates long term uses in alignment with the donor's intent of supporting the City's Pottery program.

Reason funds not expensed in 2025: The Recreation management team is currently evaluating long term uses of this generous gift, including the potential for a new facility, and therefore did not expense most of this funding in 2025. The \$60k of funds expensed in 2025 was spent on items that could be moved to a new facility.

6) Senior Center Pool Table Resurfacing - \$5,200

Purpose for funds: In 2025 the Senior Center received donations and a portion of an endowment fund distribution in the amount of \$5,200 with the intent of resurfacing / repairing the pool tables at the facility.

Reason funds not expensed in 2025: Funds were transferred in November 2025 and the team worked on a quote with a company that eventually informed the City that they no longer provide the needed service. A new company was chosen and funds will be expensed in Q1 2026.

GOLF FUND

Golf

7) Collindale Kitchen HVAC- \$93,188

Purpose for funds: This project addresses safety needs and required replacements due to building code requirements. The Collindale kitchen HVAC is beyond its life expectancy and renovation is needed to prevent more extensive and expensive needs in the future. In addition, due to new emissions standards, these renovations need to include electrification updates, which has significantly increased the cost of the project.

Reason funds not expensed in 2025: These funds were not fully expended in 2025 due to delays in securing a contractor for the repairs.

8) Cottonwood Glen Pipeline - \$561,585

Purpose for funds: This offer includes work towards a long-term water supply plan for Southridge Golf Course. Initial costs will be for attorney work, design and construction.

Reason funds not expensed in 2025: These funds were not fully expended in 2025 as work on this project can only take place during the winter and the delays in securing a contractor.

TRANSPORTATION FUND

Traffic

9) Harmony Road Signal Maintenance - \$137,000

Purpose for funds: Funding the carryover request of \$137,000 would allow for completion of the project to upgrade the traffic signal at McMurry and Harmony. The new signals will include flashing yellow arrows that can be programmed to restrict left turn movements when pedestrians are using the crossing. The upgrades will also provide better visibility for eastbound and westbound left turn signals that are currently mounted on short poles in the medians.

Reason funds not expensed in 2025: The Harmony Road repaving program ran from February through May, with concrete work completed in early fall and the Power Trail underpass scheduled for late fall. Summer efforts focused on the Timberline/Vine, Lemay/Prospect, Laporte, and Kechter projects, as well as accident-related repairs, which resulted in some of the allocated budget not being utilized. Project timing was driven by externally scheduled priorities and available staffing.

Streets

10) Harmony Asphalt Project Completion - \$350,000

Purpose for funds: The purpose of this request is to reappropriate \$350,000 from the 2025 Street Maintenance Program (SMP) budget, specific to the 2025 BFO Offer 25.2: Street Maintenance Program: Harmony Road Asphalt and Concrete Rehabilitation – Timberline Road to College Avenue. This reappropriation will cover SMP's portion of the remaining asphalt paving. Upon

completion of the underpass work this last section of Harmony Road will be paved between McMurry Avenue and Timberline Road.

Reason funds not expensed in 2025: SMP and the Power Trail Underpass projects were coordinated together to minimize traffic impacts and allow for the underpass work to be completed prior to paving. The Power Trail Underpass project did not commence until November of 2025. As a result, paving efforts had to be pushed to the Fall of 2026. This will conclude the paving along this main travel corridor into Fort Collins. Previous paving projects on Harmony Road were performed in 2024 (Phase I) & 2025 (Phase II). This final section will provide a newly paved surface on Harmony Road between College Avenue and Interstate 25.

PARKING FUND

Parking Services

11) Parking Services CCPS Stairwell Replacement - \$169,355

Purpose for funds: This offer funds the replacement of the southeast stairwell at the Civic Center Parking Structure (CCPS) and includes the original contract award plus change orders for additional work identified after demolition. The change order amounts are requesting previously appropriated capital maintenance funds intended for repairs such as these, though not previously identified specifically for the stairwell. This includes \$10,000 for a new beam to connect the stairs to the 3rd level after repairs were required to the 1st-level column and 3rd-level beam following demolition.

Reason funds not expensed in 2025: The contract was awarded in 2025, and work began in July. After demolition of the existing stairs, cracks were discovered in the column near the stairwell and in the third-level beam connecting the elevator to the stairwell column. After consultation with structural engineers, it was determined that repairs needed to be completed before constructing the new stairwell to ensure safe scaffolding placement. As a result, the project was delayed allowing for repair design and scaffolding. Repair work is now nearing completion, and the stairwell is scheduled to be erected by the end of May 2026.

12) Parking Services Fixed License Plate Recognition - \$195,000

Purpose for funds: This offer is to fund installation and operating costs of adding Fixed License Plate Recognition (LPR) systems into Civic Center Parking Structure (CCPS), Firehouse Alley Parking Structure (FAPS), and Old Town Parking Structure (OTPS). This system reads a vehicle's license plate as it enters and exits a parking structure and then alerts Parking Enforcement Officers (PEOs) if no payment was made for that vehicle. The system will ensure that everyone using the parking structures pays to park there.

Reason funds not expensed in 2025: Funds were approved to be used in 2025, but due to budget reduction conversations and the status of the Parking Downtown Optimization Study the decision was made to delay this project. Staff intends to pursue this project during the 2026 fiscal year.

Ultimately, installing the LPR system in our parking structures will increase revenue by capturing payment for the structures when staff is not able to enforce payment. It will also reduce the amount of time PEOs need to spend in the parking structures, as they will only need to patrol for traffic violations instead of non-payment, allowing them more time to patrol other areas. The initial upfront cost is anticipated to be more than offset by an increase in long-term revenues.

13) Parking Services Hourly Salary Budget Reappropriation - \$44,000

Purpose for funds: This offer is to fund hourly Customer Support and Administrative Support positions in Parking Services. The use of hourly staff to offset workload requirements has long been necessary to continue to meet internal and external customer needs, including to support time-critical Municipal Court casework and Department of Motor Vehicle reporting.

Reason funds not expensed in 2025: A supplemental appropriation was approved in 2025 for hourly staffing expenses for Parking Services that were inadvertently excluded in the 2025-26 budget. These positions experienced turnover during the year and this reappropriated funding will enable the support stated above to continue through 2026.

DATA & COMMUNICATIONS FUND

Information Technology

14) Virtual CISO and Endpoint Management Modernization - \$216,225

Purpose for funds: This reappropriation sustains and advances the City's cybersecurity program, building on investments initiated through prior ARPA funding. It supports two core components: contracted cybersecurity leadership and endpoint protection improvements.

Cybersecurity expertise is among the most competitive and specialized talent markets in the country. Contracting a Virtual Chief Information Security Officer (vCISO) gives the City access to senior-level security leadership and a breadth of industry experience that would be difficult and costly to replicate through traditional hiring. This role provides strategic guidance, risk management, and compliance oversight while ensuring the City's security posture remains aligned with federal standards and insurance requirements.

Endpoint management improvements keep city-managed devices and systems current and protected through systematic, proactive maintenance. These efforts reduce organizational risk and support continuity of City services.

Cyber threats continue to grow in sophistication and frequency. This investment ensures Fort Collins maintains a resilient, adaptive security framework that protects city data, infrastructure, and the residents we serve, while making responsible use of public resources.

Reason funds not expensed in 2025: The vCISO contract was procured through a competitive solicitation requiring a thorough vendor evaluation and selection process that spanned several months. The complexity of evaluating specialized cybersecurity expertise resulted in contract award in December 2025, with the period of performance beginning January 2026. No billable work occurred prior to year-end. Reappropriation of the unspent funds into 2026 is necessary to execute the fully awarded contract and receive the planned deliverables.

15) ERP System Replacement - \$221,580

Purpose for funds: The Enterprise Resource Planning (ERP) system is the software used for the City's financials, personnel planning and interfaced, third-party systems. The objective of this offer was to identify the components necessary for the City to implement a modernized ERP ecosystem, accounting for readiness components, and focus on the first phases necessary to transform our business processes into modernized solutions. A new ERP system will implement industry best practices necessary to standardize and streamline processes and reduce costly customization, while improving risk management and disaster recovery practices. Also, implementing a standard solution will reduce the 32+ system interfaces necessary to support operations today.

Reason funds not expensed in 2024: In 2025, an ERP workshop attended by key stakeholders, shaped the program launch by identifying key requirements, scope, and critical priorities for ERP implementation to ensure organizational readiness. This project work ensued with the hiring of a dedicated ERP Project Manager in mid-2025 who began the work of planning, RFP development, vendor selection, and resourcing. The reappropriation of these funds directly pays for this ERP Project manager while also helping support partial back-filling of key Finance, HR, and IT roles to allow subject matter experts to focus on ERP selection and implementation.

FINANCIAL/ECONOMIC IMPACTS

This Ordinance increases 2026 appropriations by \$3,179,395. A total of \$64,652 is requested for reappropriation from the General Fund and \$3,114,743 from other funds. Reappropriation requests represent amounts budgeted in 2025 that could not be encumbered at year-end. The appropriations are from prior year reserves.

DISCUSSION

2026 Reappropriation Ordinance and Budget Transfers: Victoria Shaw, newly promoted budget director, presented the 2026 reappropriation ordinance to the committee, summarizing approximately \$3 million in requests to carry forward unspent funds from 2025 for non-controversial projects across various funds, and addressed questions about specific items such as the license plate recognition system and long-term revenue impacts.

- Reappropriation Process Overview: Victoria explained that reappropriation is an administrative process to consolidate requests for unspent funds from the prior year, moving authorization to spend into the current year, and is reserved for non-controversial items.
- General Fund and Dedicated Funds: The reappropriation includes items from the General Fund, 2050 tax, climate future, and natural areas fund, with specific projects such as honoring donor intent for a leadership summit and matching funds for flow design improvements.
- License Plate Recognition System Discussion: Committee members questioned the anticipated completion date and revenue impact of the license plate recognition system; Erica from parking services clarified the system was discontinued, with funding cut by end of 2026 and publication expected in Q1 2027, and estimated annual revenue loss due to system limitations at \$70,000–\$75,000.
- Revenue and Cost Recovery Estimates: Further discussion addressed the estimation of lost parking revenue due to system limitations, with staff confirming the anticipated recovery of at least 10% in revenue once a more controlled system is implemented.
- Committee Guidance and Next Steps: Victoria requested feedback on additional information needed before moving the ordinance to full Council and asked for committee support of the agenda, with members providing suggestions for future data presentation.

ACTION ITEM;

Parking Revenue Loss Estimation: Provide firmer numbers on estimated annual parking revenue loss due to system abuse for the upcoming work session on the 24th.

RESULT

Committee supportive of this item to move on to the full Council on the consent agenda.

c) Community Services Financial Overview

STAFF

Dean Klingner, Community Services Director

LeAnn Williams, Community Services Deputy Director

Victoria Shaw, Budget Director

SUBJECT

Community Services: Budget Overview and Preliminary Forecast

EXECUTIVE SUMMARY

The purpose of this item is to orient the Council Finance Committee to the Community Services Area 2026 budget and anticipated 2027/2028 budget. As context, the item will provide a summary of the service area's program and funding structure, departmental breakdowns of spending and staffing, key dedicated and enterprise funding sources, and a forward-looking forecast based on current operating assumptions.

STAFF RECOMMENDATION

No direction sought; therefore, no staff recommendation has been provided to the Committee.

BACKGROUND / DISCUSSION

The Community Services Service Area oversees a portfolio of parks, recreation, arts & culture, natural areas, and golf programs that collectively differentiate Fort Collins as a place to live, play, and visit. The service area is organized across five primary departments: Art & Culture, Recreation, Parks, Natural Areas, and Golf and a central Community Services Administration team that provides executive leadership, dedicated information technology support for proprietary systems, and financial management across the entire area.

The Community Services Area manages nearly 300 classified positions, several hundred hourly positions, and a total budget of approximately \$77 million in 2026, inclusive of operating programs, dedicated enterprise and special revenue funds, and capital investment, and excluding non-lapsing/capital funds and internal fund transfers.

Department Breakdowns

Below is a summary of the key points for each departmental budget with a focus on key programs and dedicated or restricted funding sources. Additional details can be provided as follow-up or in response to the staff presentation at the Committee meeting.

Arts and Culture:

Formerly known as Cultural Services, this department operates Fort Collins' arts, cultural, and botanical venues, including Lincoln Center, Fort Collins Museum of Discovery, Gardens on Spring Creek, Center for Creativity, Art in Public Places, and FoCo Creates (formerly Fort Fund). The department delivers live performances, museum exhibits, horticultural programming, public art commissions, and community grant funding through the lodging tax.

The Cultural Services budget includes 51.75 FTE. A portion of costs are offset by special revenue funds (Arts and Culture fund for revenues from the Gardens, Lincoln Center, and Center for Creativity;

the City's portion of the Museum partnership is in the Museum Fund) and Lodging tax receipts supporting FoCo Creates (Fort Fund). Art in Public Places (APP) is funded through a dedicated 1% of citywide capital project costs. The General Fund supports the remaining operational needs. 2026 General Fund contribution to the Arts and Culture department was approximately \$4M, excluding the dedicated lodging tax portion.

The 2025 Cultural Services budget totaled approximately **\$12 million**. Major programs include:

- **Lincoln Center** at approximately \$5.4 million – ongoing live performing arts operations, rentals, and facility maintenance
- **Gardens on Spring Creek** at approximately \$3.2 million – botanical garden operations, horticultural programming, and seasonal events
- **Museum of Discovery** at approximately \$1.3 million – exhibits, science/history/culture programming, and K-12 outreach
- **Fort Fund** at approximately \$0.9M – lodging tax grants distributed to local arts and cultural organizations
- **Department Administration & Cultural Access and Inclusion programs** at approximately \$0.7M – fee assistance for low-income residents and dedicated Cultural Community Programs coordinator
- **Community Center for Creativity** at approximately \$0.4M – community creative programming and gallery
- **Art in Public Places** at approximately \$0.3M – public art collection management, new commissions, and maintenance

Recreation:

The Recreation Department delivers a broad portfolio of programs and facilities including community centers, aquatics, ice skating, fitness, youth sports, senior programming, adaptive recreation, and Universal Preschool. Recreation is a major revenue-generating department with user fees helping to offset General Fund investment.

The Recreation budget includes 52.0 FTE. Revenues from the Recreation Fund user fees, program registrations, and facility rentals, offset a significant portion of operating costs, with General Fund providing the balance.

The 2026 Recreation budget totals approximately \$12.6 million in operating and program spending.

Major programs include:

- **Recreation Activities & Programs** at approximately **\$6.2 million** – the core portfolio of fitness classes, youth sports, arts, and senior programs across community centers
- **Ice & Aquatics** at approximately **\$2.9 million** – EPIC and Mulberry Pool operations, including learn-to-swim, competitive swimming, and skating programs
- **Recreation Administration & Marketing** at approximately **\$1.5 million** – departmental leadership, communications, and registration system management
- **Adaptive Recreation & Fee Scholarships** at approximately **\$0.5M** – programming for individuals with disabilities and income-qualified fee assistance

- **Universal Preschool (UPK)** at 3.0 FTE and **approximately \$253,000 net** – participates in Colorado's UPK program with state reimbursement offsetting a significant portion of costs

In addition, the Southeast Community Center capital project represented a **\$28 million CCIP investment** for construction of a new facility in Fort Collins' growing southeast corridor. Operating costs upon opening are likely to require additional General Fund support, but will be significantly defrayed by earned revenues, and will require additional FTE.

Parks:

The Parks Department maintains 56 parks totaling 995 acres, the citywide paved trails network, Grandview and Roselawn cemeteries, forestry, horticulture and maintenance for landscaping in medians, facility grounds at municipal buildings, including Recreation and Cultural facilities, and delivers a robust capital program for new park and trail development. Parks is the largest department by budget in the Community Services Area.

The Parks budget includes 106.5 FTE. The department is funded primarily through the General Fund, supplemented by dedicated 2050 tax revenues, earned revenues, and Conservation trust funding from the State.

The 2025 Parks total program budget, excluding non-lapsing/major capital projects budget, was approximately \$21.6 million, including operations, maintenance, and asset management/minor capital. Operating programs include:

- **Parks, Facility Grounds, & Trails Maintenance** at approximately \$12.4 million – maintenance of all parks, facility grounds, and 5 maintenance shops; core service supporting community survey satisfaction ratings consistently above 90%
- **Forestry** at approximately \$3.6 million – management and maintenance of 59,000+ trees on developed City property, including street trees, parks, cemeteries, golf courses, and other City facilities. Core services include a 5-year pruning rotation, tree removal and replacement, the Community Canopy Program (1,000 trees/year to residents at subsidized cost), wood recycling and mulch, and contract coordination.
- **Parks & Recreation Infrastructure Replacement Program** at approximately \$3.2 million – systematic replacement of aging parks and recreation infrastructure. This is supplemented with major capital appropriations for larger projects (playgrounds, shelters, restrooms, pavement)
- **Memorial Parks (Cemeteries)** at approximately \$1.2 million – operations and grounds maintenance at Grandview and Roselawn cemeteries
- **Park Planning & Development** at approximately \$1.2 million – planning, design, and administration of the City's park and trail capital program. This primarily represents staff and admin costs. Project costs for major capital appropriations are funded through Neighborhood Parkland Fund impact fees, Community Parkland Fund impact fees, and the Conservation Trust Fund. Staff manage land and raw water acquisition, pre-development, community outreach and co-design, ADA compliance review, and capital project delivery

Golf:

The Golf Department operates three City-owned courses – City Park Nine, Collindale, and SouthRidge – as affordable public recreation. Golf is entirely self-sustaining through the Golf Enterprise Fund, funded exclusively by green fees, cart rentals, and concessionaire revenues. No General Fund subsidy is required or included in this budget. The Golf department employs 13.00 FTE. The 2025 operating budget totaled approximately \$6.5 million.

Natural Areas:

The Natural Areas Department (NAD) conserves, protects, and stewards more than **42,000 acres** of natural lands and water across Fort Collins and the surrounding region, providing public access,

ecological restoration, and community connection to the natural world. Natural Areas is funded by dedicated voter-authorized sales taxes within the Natural Areas Fund.

The Natural Areas budget includes 63.75 FTE, and 2026 total Natural Areas budget is approximately **\$16.4 million**. Major programs include:

- **Land Conservation** at approximately \$4.95 million – acquisition of fee title and conservation easements on priority lands and water rights; includes approximately \$4.3 million in capital land purchases
- **Ecological Stewardship** at approximately \$2.69 million – habitat restoration, prescribed fire, noxious weed control, and wildlife management across 42,000+ acres
- **Natural Areas Department Management & Asset Management** at approximately \$2.41 million – departmental leadership, administrative support, and systematic fleet and equipment replacement
- **Trails, Visitor Amenities & Facility Operations** at approximately \$2.73 million – maintenance of trails, trailheads, vault toilets, and historic structures at key sites including Bobcat Ridge and Soapstone Prairie
- **Ranger & Visitor Services** at approximately \$1.18 million – on-site ranger presence for visitor safety, education, and rule enforcement; highest-rated City safety service in community survey (88% good/excellent)
- **Planning & Special Projects** at approximately \$1.66 million – long-range planning, strategic framework development, and Poudre River health initiatives
- **Public Engagement & Volunteer Programs** at approximately \$748,000 – education, interpretive programs, volunteer coordination, and equity and inclusion outreach

Community Services Administration:

Community Services Administration provides executive leadership and cross-departmental support for the service area. The team includes the Community Services Director, Executive Administrative Assistant, a Financial Manager, and funds 2.0 FTE Information Technology to support proprietary business-critical systems including RecTrac Recreation Registration Software, WebTrac, Chronogolf Golf Booking System, Altru Arts and Culture facility membership software, ShoWare Ticketing Software, and Stone Orchard Cemetery Management system.

The administrative budget includes **5.50 FTE** and totals approximately **\$0.8M** in 2025, primarily funded by the General Fund. Technology systems supported by this team processed over **\$7 million in revenues** across Recreation, Golf, Lincoln Center, Museum of Discovery, and the Gardens on Spring Creek in 2025.

CITY FINANCIAL IMPACTS

No direct or immediate impact on City financials. The 2026 budget reflects offers approved during the 2025/2026 BFO cycle. Impacts on future financials associated with the 2027/2028 budget will be resolved as part of the upcoming biennial budget process. Capital project appropriations are addressed through separate action items.

PUBLIC OUTREACH

Not applicable.

DISCUSSION

Community Services Budget Overview and Cost Drivers: a detailed review of the Community Services budget, including recreation, parks, golf, arts and culture, and natural areas, highlighting program inventories, funding splits, cost recovery strategies, and major cost drivers, while committee members provided feedback on the need for more granular program-level data and discussed future planning for service levels and infrastructure growth.

- **Recreation Department Funding and Programs:** LeAnn Williams described the recreation department's facilities and programs, emphasizing adaptive and inclusive recreation, reduced fee programs, and partnerships, with 77% of operational costs covered by earned revenues and 23% by the general fund.
- **Parks Department Structure and Service Levels:** The Parks Department's budget was reviewed, noting its primary reliance on the general fund (85%), inclusion of forestry, downtown maintenance, and cemeteries, and ongoing efforts to define and measure levels of service and operational metrics such as cost per acre.
- **Golf Enterprise Fund and Revenue Strategies:** Golf operations were discussed as a self-sustaining enterprise fund, with no general fund support, and highlighted ongoing projects to improve revenue capture, such as online credit card payments and dynamic pricing software.
- **Arts and Culture Department Financials:** Arts and culture facilities, including the Lincoln Center and Gardens on Spring Creek, were reviewed, with a 60/40 split between earned revenue and general fund support, and discussion of the impact of artist fee increases and the need for accurate budget representation.
- **Natural Areas Funding and Planning:** Natural areas are funded by dedicated city and county sales taxes, with minimal general fund impact, and staff described ongoing zone plan updates and long-term considerations for operating costs as the system grows.
- **Committee Feedback on Data Granularity:** Committee members requested more detailed program-level cost and cost recovery data, especially for arts and culture and recreation facilities, and suggested improvements for future budget presentations to better inform Council deliberations.
- **Tree Maintenance Cost Concerns:** Members raised concerns about the adequacy of tree maintenance funding in light of policy updates and infrastructure growth, referencing previous estimates and requesting updated memos and clearer cost breakdowns for Council decision-making.

ACTION ITEMS

- **Arts and Culture Program Inventory Detail:** Develop a more detailed program inventory for arts and culture facilities, showing specific costs and general fund allocations for individual programs within each facility.
- **Recreation Facility Cost Recovery Analysis:** Prepare a breakdown of cost recovery by recreation facility, indicating where general fund dollars are supplementing revenue and highlighting differences between facilities.
- **Tree Maintenance Cost Update:** Update the memo on tree maintenance costs to clearly reflect the city's cost for maintaining new and existing trees, including projections for future needs.

D) Pickleball Funding

STAFF

Ginny Sawyer, Policy & Project Manager
Joe Wimmer, Finance Director, Utilities

SUBJECT

Capital Tax: Pickleball Project and Appropriation

EXECUTIVE SUMMARY

Council has recently received community feedback inquiring about additional pickleball facilities. An outdoor pickleball facility project was included in the approved quarter-cent capital tax for \$4M and this item outlines options to further this project.

STAFF RECOMMENDATION

Staff recommends appropriating the design costs in 2026 and ensuring construction costs are included in the 2027/28 budget process.

BACKGROUND / DISCUSSION

On November 4th, 2025, voters approved the extension of a ten-year ¼ cent sales tax to fund identified major capital projects and programs. The sales tax is projected to generate \$11M of annual revenue and support a variety of 18 projects and capital programs. Project schedules and appropriations are anticipated to be planned during the City's regular biennial budget cycles.

An appropriation in January 2026 approved budget for the established programmatic-type projects, with an understanding that a subsequent appropriation for additional 2026 standalone projects could come forward at a later date, allowing additional time for planning and Council input.

Staff has provided the following guidance for capital tax spending:

- Predictable and consistent funding for “programs”, primarily transportation, to allow for long-term planning and potential grant matches.
- Identify “quick-wins.” Projects that are or are close to “shovel-ready” and can advance in a timely manner.
- Efforts that are known community/Council priorities.
- Consideration of other capital efforts (with different funding sources) that can partner or be combined for greater impact and/or less disruption.
- Staff recommends project timing based on these principles with a degree of certainty in the immediate 2-3 years and a review every budget cycle.

To begin this project, Council could:

- Appropriate the entire amount in 2026 and focus on planning in 2026 and construction as soon as ready; or
- Appropriate \$200,000 for design in 2026 and include construction dollars as part of the 2027 budget process, or;
- Address planning and construction through the 2027/28 budget process which would put construction into 2028.

CITY FINANCIAL IMPACTS

There is currently ~4.5M dollars remaining in the capital sales tax 2026 anticipated revenues. Other projects identified as most-prepared for prioritization discussion as part of the 2027/28 budget process include Community Bike Park, Downtown Park Shop, Streetscape Improvements, and additional Affordable Housing Capital Fund contributions.

DISCUSSION

Pickleball Capital Project Funding Discussion: Ginny Sawyer and Joe Wimmer presented options for advancing the pickleball capital project using newly available community capital tax funds, with committee members debating the prioritization of pickleball versus affordable housing and transportation projects, ultimately recommending delaying additional capital project appropriations until after further Council work sessions and budget deliberations.

- **Project Funding Options:** Staff outlined three options for pickleball project funding: full appropriation for immediate planning and construction, partial appropriation for design and planning in 2026 with construction in 2027, or delaying all funding to the 2027–2028 budget cycle.
- **Committee Debate on Prioritization:** Committee members expressed concerns about prioritizing pickleball over affordable housing and transportation safety projects, citing community feedback and the need to address urgent housing needs, with some supporting only the design phase funding.
- **Shovel-Ready Project Considerations:** Staff explained that pickleball is the most shovel-ready project due to completed feasibility studies and public outreach, but acknowledged that delaying construction would increase costs due to inflation.

RESULT

Decision to Delay Appropriation: The committee agreed to wait for the upcoming work session on the affordable Housing Capital Fund before making any major appropriations for pickleball, with the option to revisit supplemental appropriations during the summer budget process.

E) IES Financial Overview

STAFF

Chris Martinez, Finance Manager, Information & Employee Services

Elliott Fitz, Sr. Analyst, Finance & Operation Services

SUBJECT

Community Services: Budget Overview and Preliminary Forecast

EXECUTIVE SUMMARY

The purpose of this item is to orient the Council Finance Committee to the Information & Employee Services (IES) 2026 budget and anticipated 2027/2028 budget. As context, the presentation will provide a summary of the service area's program and funding structure, departmental breakdowns of spending and staffing, key dedicated funding sources, and a forward-looking forecast based on current operating assumptions.

STAFF RECOMMENDATION

No direction sought; therefore, no staff recommendation has been provided to the Committee.

BACKGROUND / DISCUSSION

Information & Employee Services exists to connect, empower and protect the people, systems and infrastructure that make City services possible and sustainable — so Fort Collins can thrive today and be ready for tomorrow.

The six IES core themes that define the purpose of the service area are:

- **Build:** Maintain and evolve the foundations that enable City services.
- **Align:** Integrate planning, performance and strategy.
- **Connect:** Foster communication and collaboration across the organization and community.
- **Empower:** Strengthen people and leadership across the organization.
- **Protect:** Safeguard people, systems and infrastructure.
- **Steward:** Exercise financial responsibility and integrity to ensure sustainability.

The Information and Employee Services (IES) Area provides the foundational organizational infrastructure — technology, human resources, communications, and facilities — that enables every other City service area and department to function effectively. IES does not deliver services directly to the public; rather, it serves approximately 2,600 City employees across more than 57 departments, as well as partner organizations including Poudre Fire Authority, Poudre River Public Library District, and the Downtown Development Authority.

The service area spans five departments. Below is table with the overview of the service area budgets, and a summary of key points for each departmental budget. Additional details can be provided as follow-up or in response to the staff presentation at the Committee meeting.

Department	Personnel	Non- Personnel	2026 Budget
Human Resources	\$4.6 M	\$45.3 M	\$49.9 M
Operation Services	\$9.0 M	\$23.9 M	\$32.9 M
Information Technology	\$7.1 M	\$6.2 M	\$13.3 M
Communications & Public Involvement	\$2.9 M	\$2.2 M	\$5.1 M
Emergency Preparedness & Security	\$0.9 M	\$0.3 M	\$1.3 M
Totals	\$24.5 M	\$77.9 M	\$102.4 M

Funding

This service area is supported by a variety of funding sources. General fund ongoing revenues support about 17% of the funding for the service area. Other funding sources and specific restrictions which will be discussed in the presentation, and are shown in the following table:

Funding Sources	2026
Benefits Fund	\$ 45.8 M
Equipment Fund	\$ 17.5 M
General Fund: Ongoing	\$ 17.5 M
Data & Comm: via Gen Fund	\$ 6.8 M
Data & Comm: via Other Funds	\$ 5.5 M
General Fund: Work for Others ***	\$ 3.7 M
General fund: Dedicated Lodging Taxes ***	\$ 1.8 M
General Fund : Reserves	\$ 1.3 M
Utilities CS&A: Ongoing	\$ 0.9 M
Equipment Fund: Reserves	\$ 0.5 M
Benefits Fund: Reserves	\$ 0.4 M
Utilities Funds: Ongoing	\$ 0.3 M
GF: Renewable 0.25% for Other Comm & Trans ***	\$ 0.2 M
General Fund: Dedicated PEG Funds ***	\$ 0.1 M
General Fund: Communication Fees	\$ 0.1 M
Total	\$ 102.4 M

Human Resources:

Human Resources is a collaborative, service-driven partner dedicated to supporting the people who serve our community. HR combines expertise in people, data, and organizational systems – delivered with stewardship and transparency – to strengthen performance at all levels and connect employee experience to community experience.

In addition to core HR services listed above, the HR department also includes Benefits and Wellness to support the whole person and their dependents by designing and managing programs that help employees flourish at work and in life. The team integrates expertise in benefit plan design, population health, wellbeing strategies, and individualized employee support to deliver meaningful, competitive, and affordable benefits within a sustainable cost model.

Operations Services:

Operations Services key areas include Facilities and Fleet operations. The Facilities team ensures safe, efficient and sustainable operation of City buildings and assets. We manage capital project planning and design, building maintenance and custodial services, HVAC and electrical systems, aquatics facilities, and real estate/rental operations. Their work supports employees and the community by creating accessible, functional, energy efficient and resilient spaces.

The Fleet Department ensures the safe, reliable and cost-effective operation of the City's vehicles and equipment. Services include administration, preventive maintenance, corrective repairs, fueling, parts warehouse operations, shared vehicle pool management, and lease purchase programs. Fleet supports essential services such as police, transit, utilities and community operations by keeping vehicles and equipment mission-ready.

Information Technology:

The Information Technology (IT) department is a dynamic, collaborative group of problem-solvers who combine technical expertise with innovative thinking to drive organizational success and support the community and employees with technological solutions. The IT operating model focuses on three pillars of support; Operational Excellence, Enterprise Solutions, and Information Security that include the following areas:

ERP, Network, Voice, Systems Engineering, Data Management, Client Services, Cybersecurity, Geographic Info. Services, Doc. Management, Dev. Tracking Systems, Strategic Portfolio, and Infrastructure Management.

Communications and Public Involvement Office

The centralized Communications & Public Involvement Office (CPIO) includes Citywide internal and external communications strategy and implementation to make local government more accessible, transparent and equitable.

The team ensures City staff and the community are well informed and enables them to participate in the conversations and decisions that will impact them.

Office of Emergency Preparedness, Security and Special Events

The Office of Emergency Preparedness, Security & Special Events (EPS) exists to ensure the safety, readiness and seamless coordination of emergency preparedness, security and special events so that our community remains protected, resilient and confidently supported during all situations.

CITY FINANCIAL IMPACTS

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DISCUSSION

A comprehensive financial overview of the Information and Employee Services (IES) area, detailing budget allocations, funding sources, major expense drivers, and departmental reductions, while committee members asked clarifying questions about cost allocation, internal service funds, and the need for more detailed program-level data.

- IES Budget Structure and Funding Sources: IES comprises five departments with a \$102.4 million budget, funded through 15 sources including general fund, benefits fund, equipment fund, and data communication fund, with allocations based on usage and service models.
- Major Expense Drivers and Reductions: Key cost drivers include employee medical, dental, and pharmaceutical benefits (\$39 million), infrastructure maintenance (\$21 million), and professional support (\$5 million), with recent reductions affecting outreach, maintenance, and IT reserve funding.
- Departmental Overviews and Operations: Emergency Preparedness, Communications, IT, facilities, Fleet, and HR were reviewed, highlighting operational details such as security camera maintenance, community outreach, IT infrastructure replacement cycles, and benefits management strategies.
- Cost Allocation and Internal Service Fund Mechanisms: Staff explained the allocation of IT and other internal service costs to departments based on usage metrics, clarified the absence of double-counting in departmental budgets, and discussed the complexity of tracking costs across multiple funds.

ACTION ITEMS

Committee Feedback on Data Presentation: Committee members requested more granular program-level cost data for offerings such as City Works 101 and HR programs, and suggested improvements for future budget presentations to clarify the impact of internal service charges and general fund allocations.

IES Program Inventory and Budget Detail: Refine the IES program inventory and budget presentation to delineate internal service fund allocations and clarify actual departmental budgets after paybacks are accounted for.

Meeting Adjourned at 6:17 pm