



**2023-2024 Budget Review**

**City Council Work Session #3 – October 11, 2022**

September 13<sup>th</sup> Work Session

- Culture and Recreation
- Economic Health
- Neighborhood Livability and Social Health

September 20<sup>th</sup> Council Meeting

- Budget Public Hearing #1 of 2

September 27<sup>th</sup> Work Session

- Transportation and Mobility
- Environmental Health
- Safe Community
- High Performing Government

October 4<sup>th</sup> Council Meeting

- Budget Public Hearing #2 of 2

→ October 11<sup>th</sup> Work Session

- General Discussion – Final Council Direction

November 1<sup>st</sup> Council Meeting

- First Reading

November 15<sup>th</sup> Council Meeting

- Second Reading

We are here



- **Methods:**

- Animated Budget 101 videos in English/Spanish
- Collaboration with CSU Center for Public Deliberation (CPD)
  - Community guided conversations
  - Interactive community event on September 28
- OurCity project page with online engagement activities in both English/Spanish
- Website and social media promotion
  - Budget-in-Briefs provide more accessible information
- Public Hearings
- Community Survey



## Budget in Brief

- Published in Spanish and English
- 24 pages
- Available in hard copy
- [www.fcgov.com/budget](http://www.fcgov.com/budget)

- **Participation:**

- **OurCity**

- 1,600 total page visits to <https://ourcity.fcgov.com/23-24budget>
    - 1,100 aware visitors / 599 informed visitors / 151 engaged visitors
    - 128 survey responses
    - 118 ideas submitted

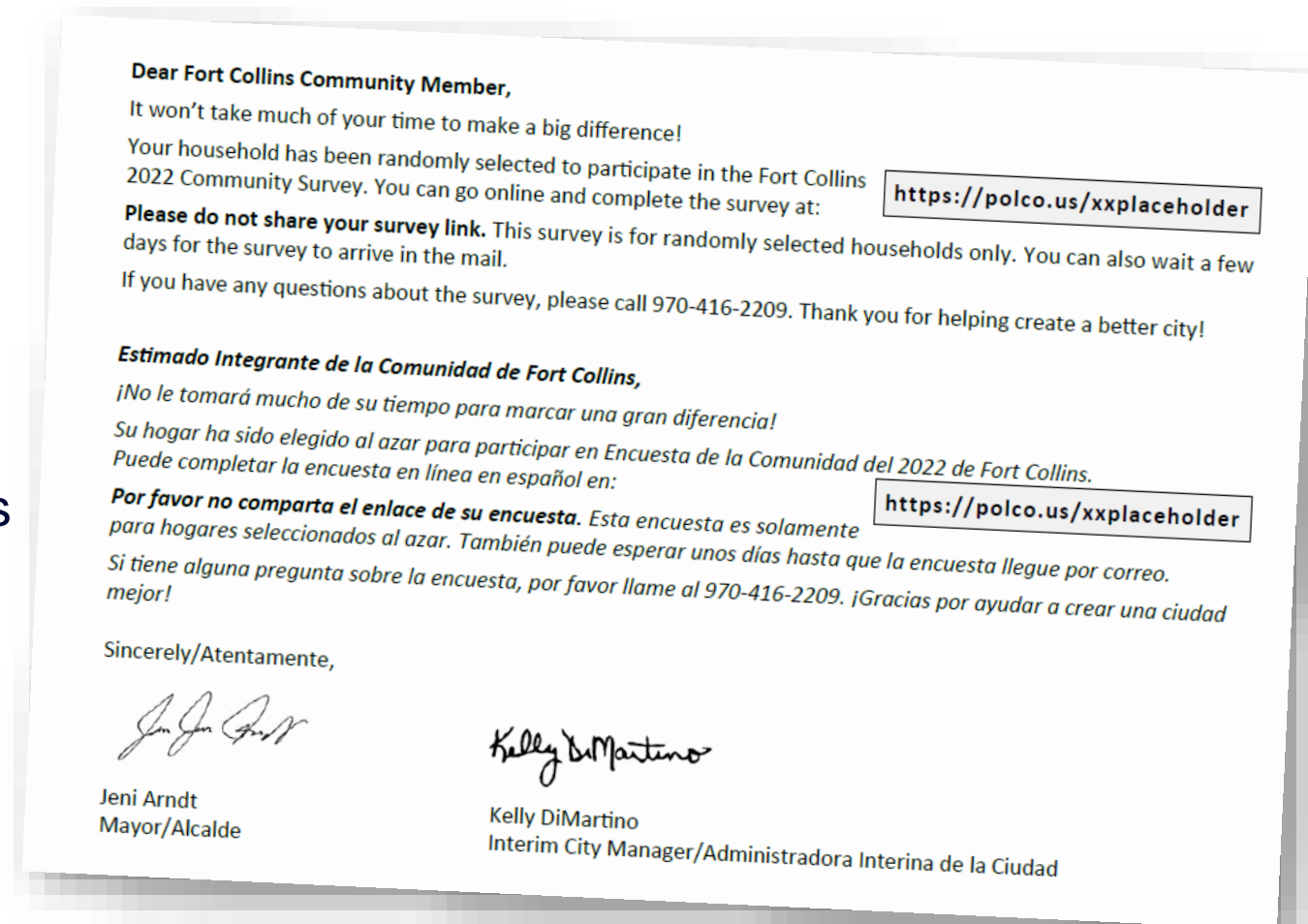
- **Social Media**

- Facebook 24,000 impressions
    - Twitter 1,000 impressions
    - YouTube 3,400 views

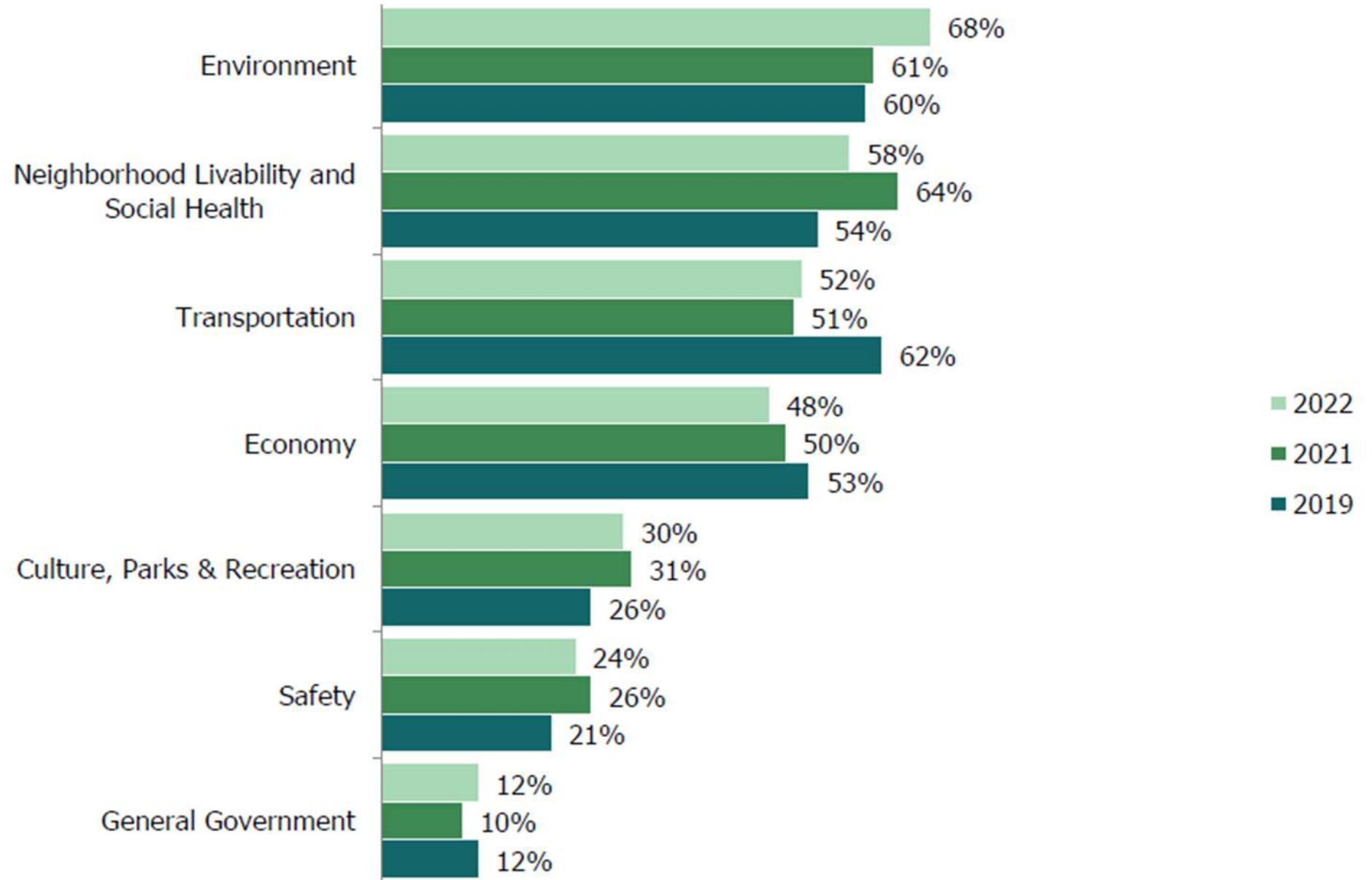
- **Center for Public Deliberation (CPD)**

- Community Guides: 7 guides led conversations with 40 community members
    - Community Event: 29 community members and 20 CPD participants

- Spring administration: April-May
- 3,800 random households
  - 134 vacancy returns
  - 652 completed (18% response rate)
- Online opt-in version
  - Open for two weeks
  - 185 responses
- Demographic & geographic comparisons
- Three questions specific to strategic planning and funding



## Top 3 Priorities



Outcome Area	More Effort	Same Effort	Less Effort
Economy	49%	49%	3%
<b>Environment</b>	<b>64%</b>	<b>31%</b>	<b>4%</b>
<b>NLSH</b>	<b>62%</b>	<b>30%</b>	<b>8%</b>
Safe Community	22%	72%	6%
Culture & Rec	26%	72%	2%
<b>Transportation &amp; Mobility</b>	<b>51%</b>	<b>47%</b>	<b>2%</b>
General Government	18%	75%	7%

## What's the most important thing to focus on and why?

1. Affordable housing
2. Environmental issues
3. Growth and development issues

*“As a young professional, I find it difficult to find affordable housing. The lack of affordable housing will reduce the diversity of the city.”*

### **Other common themes:**

- Traffic and roads
- Transportation improvements
- Cost of living/economy/jobs
- Safety/police/homelessness
- Government policies, spending, service delivery
- Diversity, equity & inclusion

*“While affordable housing is high on my list, climate change is quickly and severely impacting our area. Water conservation, solar energy, electric cars should be a priority.”*



### **City Park Train:**

- \$350K of voter-approved funding is insufficient for the current estimated cost of \$5.1M due to necessary relocation of tennis/pickleball.
- Staff will bring a Council Resolution concurrent to the Budget recommending the project be declared financially infeasible

### **Minimum Wage:**

- Current budget is based on \$15/hour; moving to \$19 in a future budget cycle is estimated to increase ongoing costs by \$3.0M, including the impact of wage compression.

# ***Offers of Interest by City Council***

- **City Council has expressed interest in finding a way to fund a number of budget requests (offers) that were not included in the 2023-2024 City Manager's Recommended Budget**
- **Staff has reviewed these requests comprehensively and organized them into five categories**
  - A. Offers to include for 1<sup>st</sup> Reading with specific funding source recommendations
  - B. Offers to include for 1<sup>st</sup> Reading funded by options available to Council
  - C. Offers of interest to Council – More discussion needed
  - D. Offers recommended to stay unfunded relative to other priorities
  - E. Offers for possible consideration in the 2024 Budget Revision process

## A) Offers to include for 1st Reading with specific funding sources

All values in 1,000s

Outcome	Offer Number and Title	Funding Source(s)`	Costs		One-Time Costs		
			2023	2024	2023	2024	
C&R	Offer 43.28 - Customer Database and Registration Software Upgrade	274-Recreation Fund: Reserves			80	80	
ECON	Offer 2.20 - Utilities: Light & Power - 2.0 FTE Electrical Engineer (Scaled down to 1.0 FTE)	501-Light and Power Fund: Ongoing Revenue	129	135			*
T&M	Offer 27.15 - 1.0 FTE Shift Your Ride Travel Options Program Professional (Scaling proposal: Add 1.0 FTE into Offer 27.13, but keep offer total at \$200k by reducing programming dollars)	Not applicable	-	-			*
			129	135	80	80	

\* Indicates offer scaled down from unfunded amount in Recommended Budget

## B) Offers to include for 1st Reading funded by options available to Council

All values in 1,000s

Outcome	Offer Number and Title	Funding Source(s)	Costs		One-Time Costs		
			2023	2024	2023	2024	
C&R	Offer 54.8 - Parks Landscape Conversion and Irrigation Infrastructure Replacement	100-General Fund: Reserves			-	65	**
NLSH	Offer 24.8 - Immigration Legal Fund	100-General Fund: Reserves	250	250			
NLSH	Offer 31.17 - ARPA - Social Services Recovery Grants (Scaled down to \$180k per year)	100-General Fund: ARPA (freed up from shifting partial funding for Offer 17.10-ARPA - Future of Work to General Fund Reserves)			180	180	*
NLSH	Offer 23.26 - Advancing Accessible Permitting	100-General Fund: ARPA (freed up from shifting partial funding for Offer 17.10-ARPA - Future of Work to General Fund Reserves)			158	-	
NLSH	Offer 24.12 - Mobile Home Park Code Compliance Program	100-General Fund: Reserves			50	50	
T&M	Offer 27.14 - School Transportation Safety Assessments and Strategic Infrastructure for Youth	100-General Fund: Reserves			100	61	
ENV	Offer 1.24 - Household Hazardous Waste Collection (Scaled down to one event in 2023)	100-General Fund: Reserves (\$102k) 504-Stormwater Fund: Reserves (\$82k)			184	-	*
ENV	Offer 35.13 - Legislative Management System Evaluation and Implementation	100-General Fund: Reserves			150	100	
			250	250	822	456	

\* Indicates offer scaled down from unfunded amount in Recommended Budget

\*\* Indicates offer shifted out by one year



## C) Offers of interest to Council – More information needed

All values in 1,000s

Outcome	Offer Number and Title	Funding Source(s)	Costs		One-Time Costs	
			2023	2024	2023	2024
C&R	Offer 50.16 - Museum of Discovery Artifact Housing Furniture	TBD if guided by Council to fund			300	-
NLSH	Offer 23.17 - 1 FTE - Historic Preservation Surveyor Specialist	TBD if guided by Council to fund	60	84		
NLSH	Offer 23.20 - 2.0 FTE Landscape Inspectors - Development Review (Scaled down to 1.0 FTE starting in 2024)	TBD if guided by Council to fund	-	105		
NLSH	Offer 59.6 - Urban Forest Strategic Plan	TBD if guided by Council to fund			231	-
NLSH	Offer 71.1 - Assessment of Citywide Organizational Practices and Structure to Deliver on Compliance with Local Policies	TBD if guided by Council to fund			90	-
T&M	Offer 36.13 - School Zone Safety Flasher Upgrade (Scaled down to \$100k)	TBD if guided by Council to fund			100	-
T&M	Offer 7.10 - 1.0 FTE Street Sweeper Operator	TBD if guided by Council to fund	76	93		
T&M	Offer 36.9 - Neighborhood Traffic Mitigation Program Expansion (Scaled in half each year)	TBD if guided by Council to fund	65	65		
ENV	Offer 32.12 - Innovate Fort Collins Challenge (Scaled down to \$100k only in 2024)	TBD if guided by Council to fund			-	100
SAFE	Offer 4.54 - Utilities: Water Quality Services - 1.0 FTE Watershed Specialist	TBD if guided by Council to fund	83	104		
			284	451	721	100

\* Indicates offer scaled down from unfunded amount in Recommended Budget

\*\* Indicates offer shifted out by one year

## D) Offers recommended to stay unfunded relative to other priorities

All values in 1,000s

Outcome	Offer Number and Title	Costs		One-Time Costs	
		2023	2024	2023	2024
C&R	Offer 54.13 - Fossil Creek Synthetic Turf Field Conversion			420	4,200
C&R	Offer 54.4 - 2.0 FTE Infrastructure Replacement Program Data Management	179	219		
ECON	Offer 33.8 - ARPA 1.0 FTE Contractual Econ Specialist, Small Business & Impacted Sector Grants			1,065	1,081
ECON	Offer 26.3 - 1.0 FTE Contractual to Classified Civil Engineer I for Broadband/Small Cell Design	18	30		
NLSH	Offer 23.18 - 3.75 FTE - Building Services Staffing (2 FTE Building Inspectors, 1.75 FTE BDRT)	186	276		
NLSH	Offer 23.11 - On-Call Contract for Building & Development Review Professional Services			60	-
ENV	Offer 1.10 - ARPA - Utilities Light & Power: 1.0 FTE Contractual Project Manager & Manufactured Home Efficiency Acceleration Initiative	188	189		
ENV	Offer 32.19 - 1.0 FTE - Municipal Industrial Recycling Senior Specialist	95	122		
SAFE	Offer 4.48 - Utilities: 1.0 FTE Construction Inspector	67	34		
HPG	Offer 82.2 - Municipal Innovation Program	100	100		
		<b>833</b>	<b>970</b>	<b>1,545</b>	<b>5,281</b>

All values in 1,000s

Outcome	Offer Number and Title	Costs		One-Time Costs	
		2023	2024	2023	2024
C&R	Offer 54.6 - Rolland Moore Park Infrastructure Replacement				2,879
ENV	Offer 15.11 - City Facility Exterior Lighting: Dark Sky Assessment and Conversion to LED	150	150		
SAFE	Offer 68.9 - Municipal Court - 2.0 FTE Court Clerks (1 FTE added per year)	64	139		
		<b>214</b>	<b>289</b>	<b>-</b>	<b>2,879</b>

# ***Funding Options***

- **The executive team convened to discuss all available funding options**
- **Increasing the Sales Tax revenue forecast is not a recommended option**
- **Funding Options**
  - Repurpose \$200k per year of Conservation Trust moneys
  - Decrease Immigration Legal Fund by \$100k per year to the current level of funding of \$150k per year
  - Deeper use of General Fund reserves, which takes away from future budget cycles (see table on next slide)
- **The Recommended Budget includes \$1.95M of reductions to Ongoing Offers**
- **Staff re-evaluated Recommended Offers for trade-off opportunities and stand by the initial recommendations**
- **All Enhancement Offers are trade-off opportunities, generally without decreasing current levels of service**



- **2021 Year end Unassigned = \$5.7M of which none is remaining**
- **2021 Year end Assignments = \$13.1M of which \$7.3M is still available**
- **Historic practice is to not use anticipated current-year (2022) reserve increases in the subsequent year's budget**
  - i.e., 2023-24's budget would only use "known, in-the-bank" reserves from 2021
  - Current-year reserve generation would typically be available to the 2024 Revision process and/or the 2025-2026 BFO Cycle
  - Current year forecasts indicate a potential \$9.0M financial favorability, net of critical City asset investments and an estimated cost of \$400k for the November 2022 elections
- **Staff recommends limiting additional reserve usage to \$3.3M**
- **Funding offers in Categories A and B in 1<sup>st</sup> Reading would utilize \$1.9M of that \$3.3M**

- 1. Which offers does Council have interest in including in 1<sup>st</sup> reading of the 2023-2024 Budget, including preferred funding sources?**
- 2. What clarifying questions does City Council have on any of the Offers in the seven Outcomes discussed in the previous budget work sessions?**

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# ***Backup Slides***

Request Received	# of Requests
Sept 13 work session	20
Emails	35
Sept 27 work session	<u>14</u>
Total	69

Responded	# Answered
Sept 22 Packet Memo	18
During work session (emails)	5
Sept 29 Packet Memo	5
Oct 6 Packet Memo	<u>41</u> *
Total	69

\* 2 requests were answered in a single response





# General Fund summary of reserves as of year-end 2021

## General Fund - Year End 2021 - \$86.5M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned - Minimum 60 day Policy</b>	<b>\$ 31.0</b>	<b>\$ 34.2</b>	<b>\$ 34.2</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-spendable</b>					
Landbank inventory	2.8	2.5	2.5	-	-
Udall Endowment	0.1	0.1	0.1		
<b>Restricted</b>					
TABOR Emergency	6.7	7.7	7.7	-	-
Police Radio Network	0.2	0.3	0.1	0.2	-
Donations & Misc	0.6	1.0	0.4	0.6	-
<b>Committed</b>					
Traffic Calming	0.1	-	-	-	-
Culture & Recreation	0.3	0.3	-	0.3	-
Affordable Housing Land Bank	0.1	0.1	-	0.1	-
Police Regional Training Facility	0.1	0.1	-	0.1	-
<b>Assigned</b>					
Prior Year Purchase Orders	4.0	6.9	6.9	-	-
Manufacturing Use Tax Rebate	0.4	0.2	0.2	-	-
Digital Equity	-	0.1	-	-	0.1
Golf Irrigation System	0.4	0.4	0.4	-	-
Camera Radar	1.4	1.2	-	-	1.2
Waste Innovation	0.2	0.2	-	-	0.2
Cultural Services	0.4	0.5	-	-	0.5
Reappropriation	0.9	0.8	0.8	-	-
Budgeted use of reserves	7.9	5.5	5.5	-	-
Child Care Needs	0.3	0.3	-	-	0.3
Police Programming	0.6	0.6	0.6	-	-
Hughes Land Purchase	-	2.0	-	-	2.0
ERP Replacement	-	2.5	-	-	2.5
Municipal Court Renovation	-	3.0	0.7	-	2.3
Inflation Contingency	-	4.0	-	-	4.0
<b>Unassigned</b>	<b>4.3</b>	<b>12.0</b>	<b>6.3</b>	<b>-</b>	<b>5.7</b>
<b>Year End Total</b>	<b>\$ 62.8</b>	<b>\$ 86.5</b>	<b>\$ 66.4</b>	<b>\$ 1.3</b>	<b>\$ 18.8</b>