



WORK SESSION AGENDA ITEM SUMMARY

City Council

STAFF

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SUBJECT FOR DISCUSSION

2023-2024 Biennial Budget – Work Session #3.

EXECUTIVE SUMMARY

The purpose of this work session is to review the 2023-2024 Recommended Budget delivered to Council and the City Clerk on September 2, 2022 pursuant to provisions of Article V, Section 2 of the City Charter. This is a continuation of the overall budget discussion and Outcome review item discussed at the September 13 and September 27 Work Sessions. Two public hearings to gather input from the community about the 2023-2024 Budget have also been completed.

The Recommended Budget is aligned with the adopted 2021-2023 Council Priorities, the 2022 Strategic Plan and community priorities. At the October 11, 2022 Work Session, staff will be looking for guidance on the changes to the City Manager's Recommended Budget that Council would like to have incorporated into 1st Reading on November 1.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Which offers does Council have interest in including in first reading of the 2022 Budget, including preferred funding sources?
2. What clarifying questions does Council have on any of the Offers in the seven Outcomes discussed in the previous budget work sessions?

BACKGROUND / DISCUSSION

This creation of the 2023-2024 Recommended Budget was accomplished using a process called Budgeting for Outcomes (BFO), which is a form of priority-based budgeting. The process has included the following major steps:

- Council adopted the 2022 Strategic Plan, which encompasses the adopted 2021-2023 Council Priorities.
- City financial staff created revenue forecasts for fiscal years 2023 and 2024.

- City staff developed budget requests (offers) for individual programs and services to help achieve specific strategic objectives within the adopted strategic plan. The primary objective selected within the budget request determines which of the City's seven key Strategic Outcomes the request is then submitted for consideration.
- BFO Teams comprised of seven staff members each (one team per Outcome) reviewed the offers and negotiated with staff (aka Sellers) who submitted the budget requests. This unique aspect of BFO allows for a much deeper review and understanding of the programs and services being proposed. The teams each deliver a prioritized ranking of budget requests that would change the ongoing level of service.
- Concurrently, public outreach began with a press release and ongoing communications through social media channels to invite the community to share their perspectives. The City's online public engagement tool, called OurCity, allows individuals to provide various types of input based on their level of interest and the amount of time they have available. Initial feedback received in May and June helped inform the decisions for the recommended budget, and the remaining inputs through September will be shared with Council as final decisions are being made for the adopted 2023-2024 Budget.
- A work session item on the status of the 2023-2024 budget process was discussed on June 28. This session included high-level assumptions within the budget, as well as conversation about the themes that were emerging.
- The prioritized lists of funding recommendations from the BFO Teams were then reviewed by the City Manager and the rest of the Budget Leadership Team (BLT). The BLT deliberated similar to the BFO Teams, but they looked across all seven Outcomes holistically. This included conversations with each BFO Team, as well as a snapshot summary of the public input received between early May and early July. These inputs, along with other data and information discussed by the BLT, resulted in the decisions of what is recommended for funding in 2023 and 2024.

Public Engagement Update

The City's Communications and Public Information Office was able to begin public engagement in May, just as it was prior to the onset of the pandemic, and that continued through September. A snapshot of results was analyzed and shared with the executive team to assist with funding decisions for the Recommended Budget. All results from that engagement is summarized in Attachments 1 through 3.

New this year was an insightful collaboration with the Colorado State University Center for Public Deliberation (CPD). The engagement was two-fold. First, Community Guide volunteers were trained by CPD and then facilitated conversations with other local residents. Attachment 4 is a summary report of that initiative.

The second aspect with CPD was a community event at the Senior Center on September 28 where residents participated in table-top discussions around a simulated budget exercise with the funded/unfunded offers in the Recommended Budget. Attachment 5 is a summary report of the insights from this community event.

Changes to Offers originally included in the City Manager's Recommended Budget

Based on Council dialogue during the Budget work sessions on September 13 and 27, staff heard requests for funding various offers, some at a scalable level. Staff has reviewed this guidance and proposes the corresponding offers be grouped into the following categories (all values in \$1,000s):

1) Offers to include for 1st Reading with specific funding source recommendations

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

2) Offers to include for 1st Reading funded by options available to Council (to be reviewed during the work session)

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

3) Offers of interest to Council – More discussion needed

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

4) Offers recommended to stay unfunded relative to other priorities

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		
		833	970	1,545	5,281

5) Offers for possible consideration in the 2024 Budget Revision process

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		
		214	289	-	2,879

Additionally, the following administrative changes are proposed for inclusion on 1st Reading:

- The 2023 Budget for the Downtown Development Authority (DDA) was approved by its Board of Directors on September 8, 2022. *Offer 40.1 - Downtown Development Authority: Operating & Capital Budget* has been updated to reflect the final DDA 2023 Budget, as approved by the Board.
- Principal and interest payments have been updated in *Offer 34.2 - Urban Renewal Authority Debt Service* to reflect the amounts of the debt payment schedule.

Council Budget Meetings

This work session concludes a series of work sessions scheduled in September and October to discuss the proposed 2023-2024 Budget, and will include Council discussion regarding overall priorities, policy issues and guidance on what changes Council wants included in First Reading of the 2023-2024 Budget.

Council is scheduled to consider budget adoption on the following dates:

Meeting Date	Topic
November 1, 2022 Regular Meeting	First Reading of the 2023-2024 Budget and the 2023 Appropriation Ordinance
November 15, 2022 Regular Meeting	Second Reading of the 2023-2024 Budget and the 2023 Appropriation Ordinance

NEXT STEPS

The next step is First Reading on November 1, 2022. This will be followed by Second Reading on November 15, 2022.

ATTACHMENTS

1. 2023-2024 Budget Engagement Summary
2. 2023-2024 Budget feedback emails
3. OurCity Full Text Comments
4. CPD - CoFC Budget Community Guides - Summary Report
5. CPD - CoFC Budget Process Event Summary
6. Presentation