

AGENDA ITEM SUMMARY

City Council



STAFF

Kelly DiMartino, City Manager
Victoria Shaw, Budget Director

SUBJECT

First Reading of Ordinance No. 024, 2026, Reappropriating Funds Previously Appropriated in 2025 But Not Expended and Not Encumbered in 2025.

EXECUTIVE SUMMARY

The purpose of this item is to reappropriate monies in 2026 that were previously authorized by 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; 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.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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:

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

General Fund	\$	144,652
2050 Tax Fund - Climate OCF	\$	125,652
Natural Areas Fund	\$	185,000
Recreation Fund	\$	551,158
Golf Fund	\$	654,773
Transportation Fund	\$	487,000
Parking Fund	\$	408,355
Data & Communications Fund	\$	437,805
Water Fund	\$	185,000
Total	\$	3,179,395

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.

Natural Areas

2) Poudre Flows Design and Permitting - \$80,000 (Fund 1 of 3 – See # 5 & 17 below)

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.

2050 TAX FUND – CLIMATE OCF

Environmental Services

3) 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

4) 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

5) Poudre Flows Design and Permitting - \$185,000 (Fund 2 of 3 – See # 2 above & 17 below)

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RECREATION FUND

Recreation

6) 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.

7) 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

8) 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.

9) 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

10) 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

11) 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

12) 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.

13) 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.

14) 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

15) 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.

16) 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.

WATER FUND

Water Resources

17) Poudre Flows Design and Permitting - \$185,000 (Fund 3 of 3 – See # 2 & 5 above)

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.

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diversion locations. The project team is committed to finding a solution that meets the needs of the ditch companies and Poudre Flows operations.

CITY FINANCIAL IMPACTS

This Ordinance increases 2026 appropriations by \$3,179,395. A total of \$144,652 is requested for reappropriation from the General Fund and \$3,034,743 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.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

This recommendation was reviewed with the Council Finance Committee at the March 5, 2026 meeting, and the Committee was supportive of this item moving forward on the consent agenda for Council review.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance No. 024, 2026