

AGENDA ITEM SUMMARY

City Council



STAFF

Katie Donahue, Director, Natural Areas Department
Barb Brock, Financial Analyst II, Natural Areas Department

SUBJECT

First Reading of Ordinance No. 053, 2024, Appropriating Prior Year Reserves in the Natural Areas Fund and the Sales and Use Tax Fund for the Purpose of Land Conservation, Visitor Amenities, Restoration and Other Related Natural Areas Stewardship Activities Not Included in the 2024 Adopted City Budget.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$7,924,969 in prior year reserves in the Natural Areas Fund and \$269,466 in prior year reserves in the Sales and Use Tax fund to be transferred to the Natural Areas Fund. These appropriations are for land conservation, resource management, planning, construction of trails and other visitor amenities, restoration of wildlife habitat, and other Natural Areas Department programs and activities to benefit the residents of the City, in accordance with the Natural Areas Master Plan.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Funding for the Natural Areas Department (NAD) for purposes other than capital projects lapses each year if not spent. Unspent prior year funds and unanticipated revenues need to be appropriated into the following year's budget before they can be used. The purpose of this item is to appropriate \$7,924,969 in unspent funds and unanticipated revenues in the Natural areas Fund to fund land conservation, resource management, planning, construction of trails and other visitor amenities, restoration of wildlife habitat and other Natural Areas Department programs and activities to benefit the residents of the City, in accordance with the Natural Areas Maser Plan.

In addition, the sales and use tax revenue received in 2023 was higher than projected and existing appropriations were not adequate to make the full transfer from the Sales and Use Tax Fund to the Natural Areas Fund for the one quarter cent Natural Areas tax in the amount of \$269,466.

Of the total appropriation \$7,100,000 will be used for land conservation. With over \$8.0 million in land acquisitions under negotiation, and an additional \$20.0 million in properties identified as high priorities for conservation, there is reasonable likelihood that most of these funds specifically for land conservation will be spent in 2024.

The funds for NAD come from the following designated sources of revenue: the City - Open Space Yes! ¼ cent sales tax; the Larimer County - Help Preserve Open Space ¼ cent sales tax; and miscellaneous anticipated and unanticipated revenues. All these funds are restricted to the purposes of the NAD, including unanticipated revenues, which consist generally of income from sales tax revenues, sale of easements and leases, and grants. The prior year reserve funds being appropriated in this Ordinance are more specifically described as:

- \$7,470,859 Unspent 2023 Budgeted Funds – appropriated for same purpose.
- \$ 454,110 Unanticipated Revenues & Unspent Funds – appropriated for new purposes.
- \$ 269,466 Transfer from Sales and Use Tax Fund
- \$8,194,435 Total Appropriation from 2023 Prior Year Reserves

The anticipated use of these funds is as follows:

Land Conservation - \$7,100,000: \$6,915,424 in unspent land conservation funds plus \$184,576 in new funds for land conservation efforts per the Natural Areas Master Plan.

Ecological Stewardship - \$569,636: \$39,636 to carryover the unspent donation from the West Vine neighborhood for the restoration of Kestrel Fields; \$200,000 for demolition of structures, when needed, for new acquisitions, \$170,000 for grassland health infrastructure (water and fence) needs, \$80,000 for breeding bird data analysis and \$80,000 in restoration seed purchases.

Planning and Special Projects - \$158,799: \$140,000 in carryover for the Strategic Framework; this planning process kicked off in Q4 2023 and will continue throughout 2024. \$18,799 in undistributed Enhancement Grant Funds from 2023 will be distributed as part of support for Nature in the City community-led habitat projects.

Trails and Visitor Amenities (TVA) - \$285,000 for a mini-excavator that will be utilized across the department for projects throughout the year and to replace the 2002 FL80 tandem axel truck.

Rangers/Trails & Visitor Amenities - \$30,000 for new camera additions to the system-wide cameras currently in use for parking lot management and crime abatement, replacing basic model wildlife cameras without transmission capabilities.

Department Management - \$51,000 for a consultant contract for leadership coaching and change management support as Natural Areas implements a department reorganization.

CITY FINANCIAL IMPACTS

The appropriation Ordinance increases 2024 appropriations in the City's Natural Areas Fund by \$8,194,435. The requested total appropriation of \$8,194,435 in the Natural Areas Fund represents 2023 appropriations that were unspent and unencumbered at year-end in addition to 2023, unanticipated revenues and new appropriations from the Natural Areas Fund Balance. This ordinance also increases the total appropriations in the Sales and Use Tax Fund by \$269,466 to be transferred to the Natural Areas Fund. All these funds are restricted to the purposes of the Natural Areas Department.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Land Conservation and Stewardship Board met on March 6, 2024.

2023 Reappropriations Excerpt

Barb Brock, Financial Analyst II and Katie Donahue, Director, reminded the LCSB of the annual reappropriation process. As outlined in the memo to the LCSB, NAD staff will be requesting to appropriate \$8,194,435 in unspent funds and unanticipated revenues in the Natural Areas Fund to fund land conservation, restoration of wildlife habitat, trails and visitor amenities, special projects and other NAD needs to benefit the residents of Fort Collins.

Of the total appropriation, \$7,100,000 will be used for land conservation. With over \$8,000,000 currently under contract or in negotiation, and an additional \$20,000,000 in properties identified as high priorities for conservation, there is a reasonable likelihood that most of these funds will be spent in 2024.

Barb and Katie then provided a brief description of the remaining funds to be carried over to 2024 budget and the associated expenditures.

Discussion

Member Piesman asked for clarification on the Land Conservation expenditures for 2024. Katie and Barb explained, staff maintains an active priority list of potential acquisitions which currently totals approximately \$20.0 million. It is unlikely that all properties on the priority list would be acquired in 2024.

Member Elson made a motion that the Land Conservation and Stewardship Board recommends that City Council approve the proposed 2024 appropriation of prior year Natural Areas reserves. Member Piesman seconded the motion. The motion was unanimously approved 7-0.

PUBLIC OUTREACH

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

ATTACHMENTS

1. Ordinance for Consideration