

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

Our Climate Future Strategic Funding Plan- Phase II

EXECUTIVE SUMMARY

The purpose of this item is to present the 2026 Our Climate Future (OCF) Strategic Funding Plan, a guide to investment recommendations for the 2050 Climate Tax and other key funding sources. This is an update from the October 28, 2025, Council Work Session focused on Phase I of the plan. The Strategic Funding Plan aligns funding with OCF goals, Council priorities, and the City's budget process, identifying key investment areas to drive progress on emissions reduction, renewable energy, and waste diversion, while working towards community resilience, equity and affordability. Those investment areas are:

- Building Performance and Electrification
- Organics Diversion
- Transportation and Land Use
- 100% Renewable Electricity
- Housing and Climate Connection
- Adapting to Change
- Administer Our Climate Future

The largest City-led impacts will come from improvements to buildings, transportation systems, and organics diversion, resulting in measurable emissions reductions over time.

This plan serves as a resourcing guide and communication tool to support staff in the budget process, guiding recommendations on funding allocations for approval by Council as part of the regular, biennial City Budget. The Plan does not require formal adoption by Council. Staff are seeking feedback on effectiveness for supporting the budget process and advancing Council-adopted goals.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Do the prioritized areas align with how Councilmembers see the City making progress towards OCF Goals? Are there other things that staff should be considering?
2. How would Councilmembers like to be engaged with Our Climate Future work moving forward?

BACKGROUND / DISCUSSION

Our Climate Future (OCF) Background

Primary OCF goals

Adopted by Fort Collins City Council in 2021, OCF addresses the environmental, economic, and public health impacts of climate change, identifying transformational outcomes that support belonging and meet people's everyday needs. Evolved from three previous plans, OCF's overarching goal is carbon neutrality by 2050, with three 2030 interim targets:

- Cut greenhouse gas emissions 80% below 2005 levels
- Achieve 100% renewable electricity
- Reach zero waste

In 2024, the Fort Collins community had reduced community-wide GHG emissions by 28% compared to 2005 baseline levels. Per capita emissions were down 46% over the same time period. Additionally, 48% of Fort Collins' electricity consumption came from renewable sources and 53% of the community's total waste was diverted from landfills in 2024.

OCF also contains 13 Big Moves, or transformational outcomes, that the community would like to see as a result of the City's climate work.

2050 Tax Climate Revenue

In 2023, Fort Collins voters approved a half-cent sales tax to fund critical community services through mid-century, with 25% dedicated to reducing greenhouse gas emissions, improving air quality, and increasing renewable electricity. This portion of the 2050 Tax is expected to generate approximately \$5 million annually - totaling over \$120 million in investments between 2027 and 2050.

The 2050 Tax establishes a dedicated climate funding source, creating both an opportunity and a need for a coordinated, long-term investment strategy that moves from planning to implementation. The Strategic Funding Plan was developed to meet this need.

Strategic Funding Plan

Strategic Funding Plan Purpose

The Strategic Funding Plan (The Plan) guides investments of 2050 Tax climate revenue and other funding sources through sequenced, long-term implementation of work that advances the goals of OCF. It serves as a practical tool for staff, forecasting available resources and sequencing investments across prioritized focus areas over short-, mid-, and long-term horizons.

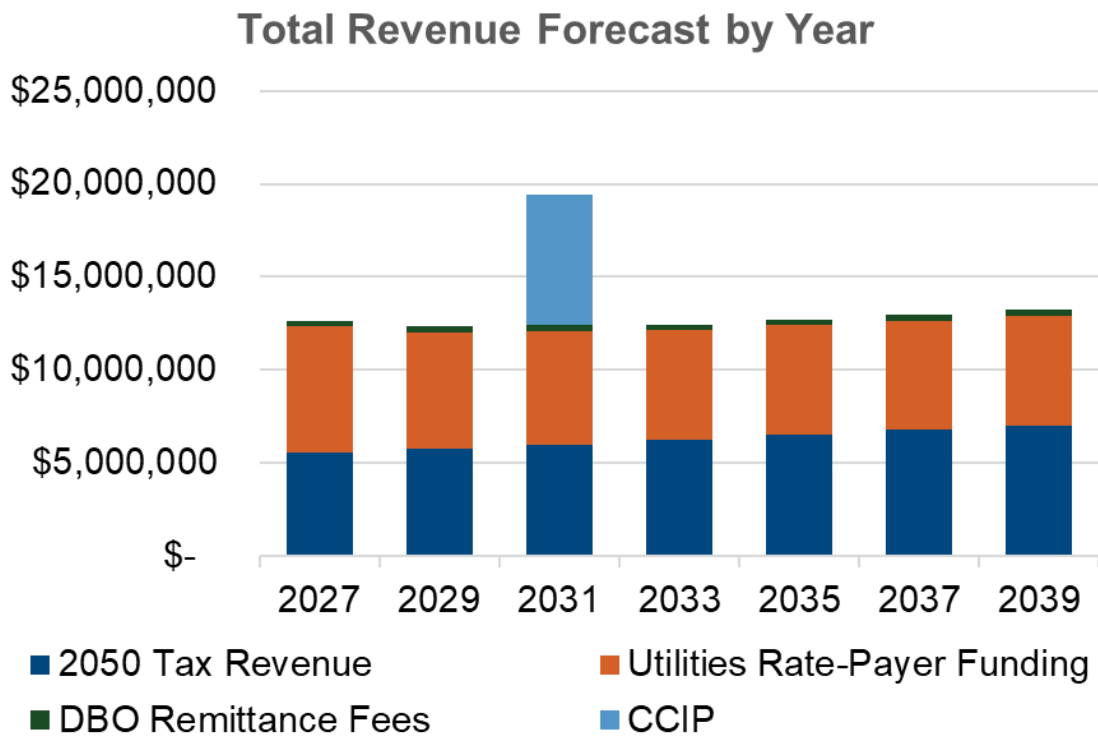
The information below summarizes the key elements of the plan. For specifics around the rationale for funding and the specific strategies, please review Attachment 1: 2026 Our Climate Future- Strategic Funding Plan.

Revenue Forecasts

Revenue forecasts cover a 14-year time horizon (7 budget cycles) including:

- 2050 Tax Revenue (Climate)
- Disposable Bag Remittance (DBO) Fees
- Utilities Rate-Payer Funding
- Community Capital Improvement (CCIP)

The following graphic shows a forecast for the revenue streams. Please note that the dollar values in the graphic are projections only and are subject to change.



Priority Funding Areas and Allocations

Staff evaluated potential investment areas based on their alignment with Our Climate Future (OCF), applicable funding sources, Council priorities, and their expected impact on emissions reduction, waste diversion, and the transition to 100% renewable electricity. Three additional criteria were also considered:

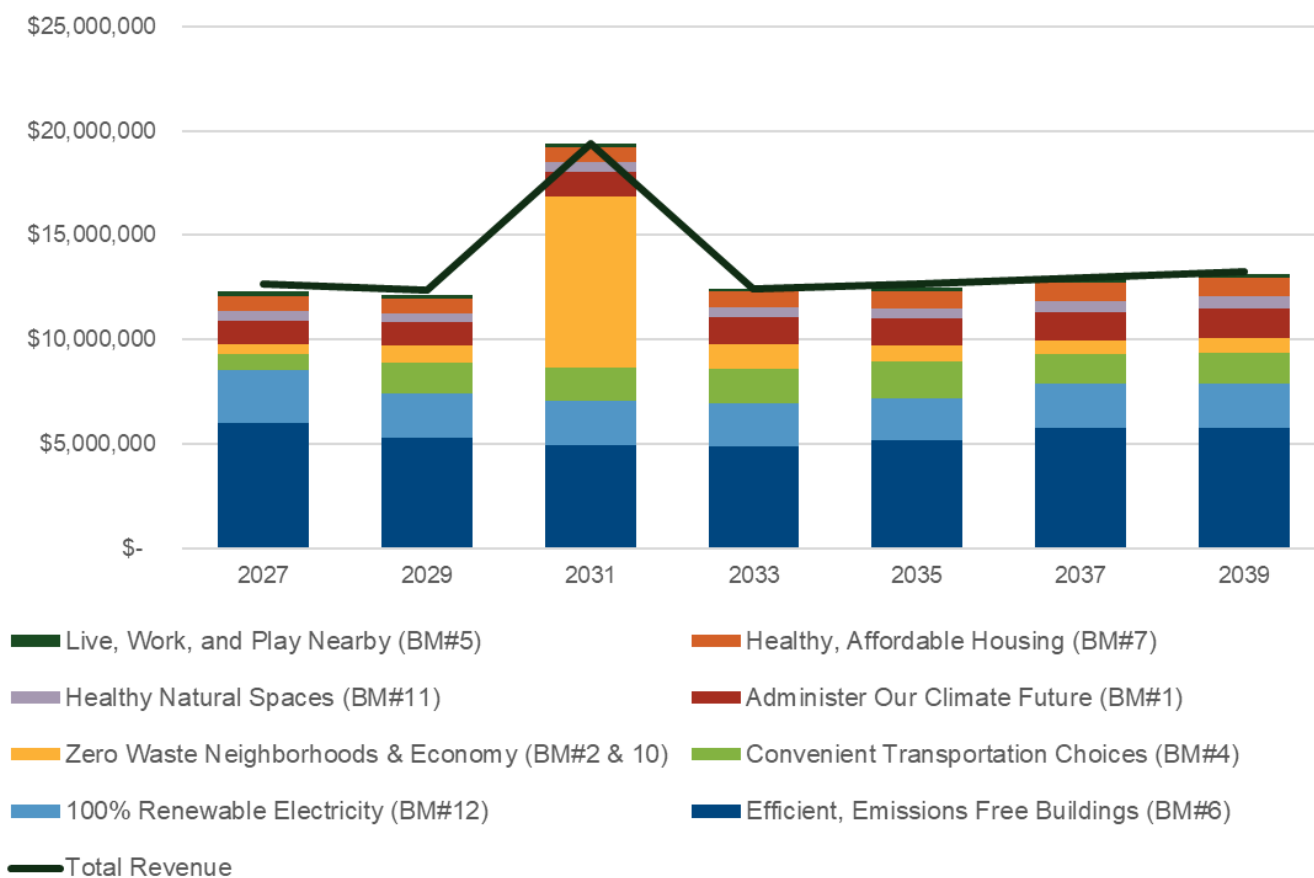
- **Resilience** (strengthening the community’s ability to prepare, respond and adapt to change)
- **Equity** (ensuring outcomes are not determined by identity)
- **Affordability** (improving both upfront and long-term costs for the community)

Based on these criteria, the priority areas are:

Prioritized Area	Average 2027-28 Budget Amount
Building Performance and Electrification	\$6,000,000
Organics Diversion	\$650,000
Transportation and Land Use	\$1,000,000
100% Renewable Electricity	\$2,500,000
Housing and Climate Connection	\$680,000
Adapting to Change	\$500,000
Administer Our Climate Future	\$1,200,000

The graph below shows total investment from the identified revenue sources across the transformational outcomes (Big Moves), that were identified by the community for Our Climate Future.

Total Investment by OCF Big Move



Expected Results and Impacts:

Investments in the priority areas are expected to drive steady, long-term progress toward Fort Collins' climate goals by reducing greenhouse gas emissions and air pollution, increasing waste diversion, and supporting the transition to 100% renewable electricity. The largest impacts will come from improvements to buildings, transportation systems, and organics diversion, resulting in an approximately 10% reduction in GHG emissions by 2040.

In addition to positive climate outcomes, funding these areas aims to deliver other meaningful community benefits related to resilience, equity, and affordability. Additionally, dedicated staffing, innovation

programs, and a strategic reserve will ensure continued progress, accountability, and flexibility to respond to emerging opportunities.

NEXT STEPS

Staff will incorporate feedback from the Council Work Session and ensure alignment with budget requests being made during the 2027-28 budget process. The OCF Strategic Funding Plan will be a tool for staff across the organization to help organize and align requests to communicate funding rationale to Council and the community. Council will see funds from the 2050 Tax (climate portion) summed up in the City Manager's Recommended Budget under request 29.1 and 29.2.

ATTACHMENTS / LINKS

1. 2026 Our Climate Future- Strategic Funding Plan
2. 2026-2028 Next Moves Work Plan
3. Strategic Funding Plan Presentation