

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. 072, 2025, 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 2025 Adopted City Budget.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$6,066,078 in prior year reserves in the Natural Areas Fund and \$112,957 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, visitor amenities and restoration of wildlife habitat, as well as other Natural Areas Department stewardship activities to benefit the residents of Fort Collins.

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 \$6,066,078 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.

In addition, the sales and use tax revenue received in 2024 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 \$112,957.

Of the total appropriation, \$5,100,000 will be used for land conservation. Staff anticipates up to \$8,000,000 in conservation opportunities could move forward in 2025, and an additional \$20,000,000 in properties identified as high priorities for conservation. With several land conservation opportunities in negotiation or under contract there is a reasonable likelihood that most of the \$5,100,000 in reappropriation plus the \$4,300,000 allocated through the Budgeting For Outcomes process will be spent in 2025.

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:

\$5,736,035	Unspent 2024 Budgeted Funds – appropriated for same purpose.
\$ 330,043	Unanticipated Revenues & Unspent Funds – appropriated for new purposes.
<u>\$ 112,957</u>	Transfer from Sales and Use Tax Fund
\$6,179,035	Total Appropriation from 2024 Prior Year Reserves

The anticipated use of these funds is as follows:

- **Land Conservation (LC)** - \$5,100,000, in unspent land conservation funds for land conservation efforts per the Natural Areas Master Plan.
- **Ecological Stewardship (ES)** - \$439,636: \$39,636 to carryover the unspent donation from the West Vine Neighborhood for the restoration of Kestrel Fields, \$50,000 to carryover for deconstruction of structures on recent acquisitions, \$350,000 for grassland health initiatives including monitoring, wildlife management, and habitat improvement related infrastructure development needs.
- **Planning and Special Projects (PSP)** - \$136,399: \$50,000 in carryover for the Strategic Framework wrap up. \$80,000 for Arapaho Bend restoration planning, \$6,399 in undistributed Enhancement Grant funds from 2024 will be distributed as part of support for Nature in the City community-led habitat projects.
- **Trails and Visitor Amenities (TVA)** - \$240,000: \$60,000 for new cameras and 3 years of data at key natural areas for use in parking lot management and crime abatement, \$170,000 for replacement of the 2009 small dump truck and the 2003 skid steer and \$10,000 for a trailer to haul existing heavy equipment.
- **Facility Operations (FO)** - \$63,000: An addition of a 2025 F-150 Lightning (EV) for use in the Natural Areas fleet, to increase the department’s 4-wheel drive capacity in response to overall growth in staffing and pool vehicle utilization.
- **Department Management (DM)**- \$200,000: Asset Management Software, we are working with other departments across Community Services and the City to get a new asset management software to track lifecycle and plan for capital replacement of key assets.

CITY FINANCIAL IMPACTS

The Appropriation Ordinance increases 2025 appropriations in the City’s Natural Areas Fund by \$6,179,035. The requested total appropriation of \$6,179,035 in the Natural Areas Fund represents 2024 appropriations that were unspent and unencumbered at year-end in addition to 2024 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 \$112,957 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 (LCSB) met on March 12, 2025. Member Sears made a motion that the LCSB recommends approval of the proposed 2025 appropriation of prior year Natural Areas reserves. Member Gooden seconded the motion, the motion was approved unanimously.

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
2. Land Conservation and Stewardship Board Minutes, March 12, 2025