

AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT

Second Reading of Ordinance No. 069, 2025, Appropriating Prior Year Reserves in the General Fund to Cover the Anticipated Costs of the 2025 Regular Municipal Election and to Fund Additional Campaign Oversight.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on April 1, 2025, authorizes an additional appropriation to cover the anticipated costs of the election based on an estimate provided by Larimer County and will approve funding for campaign oversight based on a recommendation from the City's Election Code Committee.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

FIRST READING BACKGROUND / DISCUSSION

At the November 2022 General Election, voters approved a change to the timing of the City's regular election to November in odd-numbered years. The first regular election held in November was done in 2023.

State statute requires that the City enter into an Intergovernmental Agreement (IGA) with the County regarding the conduct of the coordinated election. In addition, the City must certify ballot content by the statutory deadline of September 5, 2025.

The City portion of the ballot will contain contests for the offices of Mayor, and Councilmembers in Districts 1, 3, and 5, in addition to various Charter amendments being considered this same date or before the statutory deadline. At least one TABOR item is expected, and staff is in conversation with local residents regarding potential ballot questions.

As this is a coordinated election with the County, the Secretary of State's Election Rules dictate the order that matters will appear on the ballot. Pursuant to state statute City issues and questions will appear after state and county measures on the ballot. The Secretary of State requires that City matters appear in the following order:

- (1) Referred measure to increase taxes;
- (2) Referred measures to retain excess revenues;
- (3) Referred measure to increase debt;
- (4) Other referred measures;
- (5) Initiatives to increase taxes;
- (6) Initiatives to retain excess revenue;
- (7) Initiatives to increase debt; and
- (8) Other citizen petitions.

Candidates will be placed on the ballot in alphabetical order under each particular race. All ballot measures in each category will appear in the order that they are certified to the ballot after the protest period has ended, or if a protest was filed after the protest has been completed.

Costs of the election remain difficult to project since this is the first year that ranked voting will be used for Fort Collins races and the City will solely bear the associated costs since no other jurisdictions involved in the coordinated election will be doing the same and sharing in the costs. Due to this uncertainty, during the Budgeting for Outcomes process it was decided that additional costs could be requested during the end of the year cleanup process once all costs were readily known. However, the City Manager is unable to legally execute an Intergovernmental Agreement (IGA) that is not fully funded, resulting in the expedited ask. The IGA is attached as Exhibit A to the Resolution. The amount requested (\$317K) is the highest amount estimated by the County which assumes no participation from the State or County (\$431K) and takes into account the amount previously appropriated (\$164K), less \$50K for election outreach related to ranked voting; (\$431K - \$114K). Staff will continue to work with the County to identify any State grants that might be available to help offset the cost. Should the cost of the election result in a lower amount than anticipated, all additional funds will roll back into the account from where they were taken and not utilized for any other reason.

The second appropriation ask is for \$40,500 to cover anticipated costs associated with additional election oversight as recommended by the Election Code Committee (ECC).

The appropriation request included in Ordinance No. 041, 2025 for the Ranked Choice Voting preparation, in the amount of \$67,978, is separate from this request and will be used for education and outreach for ranked choice voting.

During the January 2025 ECC meeting, staff presented on research done related to election oversight. Although there was some interest from the League of Women Voters and others to form an election oversight board with quasi-judicial powers, the ECC suggested that a good first step might be contracting with an outside impartial service provider for the purpose of providing campaign oversight. This service provider would work under the guidance of the City Clerk and City Attorney helping to perform proactive reviews of campaign finance reports and work with candidates and committee representatives to fix errors. This provider might also be instrumental in assisting with review of any election complaints that come in, related investigations, and to again work with candidates and committees to find resolution where possible. A proposed scope of duties is attached as Exhibit A to the Ordinance.

The proposed cost of \$40,500 primarily covers campaign finance report reviews. There will be 9 reports due per committee. If there are an estimated 12 candidates and 3 issue committees, there would be 135 reports to be reviewed. If that work took approximately 3 hours for each report, this would take 405 hours. A service provider that charges \$100/hour would receive \$40,500. Staff understands that there is variability in many items, including the number of committees, and the complexity of each report filed. Some reports may take an hour or less to review but others may take more. If there are additional monies available, more time might be available to assist with complaints and/or other election oversight items (checking for paid-for-by statements on materials is an example of additional proactive oversight that could be provided).

The goal of this effort is to promote accountability, reduce the number of complaints received, and increase trust in the local election. Having an outside service provider helps eliminate any conflicts of interest with

City Clerk and City Attorney staff with potential and/or elected Council candidates.

If approved by Council, it is staff's intent to work through the appropriate City purchasing requirements and get a service provider identified and trained by May 1st so they are ready to review the first campaign reports that are due.

CITY FINANCIAL IMPACTS

This item requires additional appropriations of \$357,500 from the General Fund reserves. \$317,000 is needed to cover the remainder of the anticipated election costs and \$40,500 to cover the proposed election oversight services.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

These changes reflect the recommendations of the Election Code Committee.

PUBLIC OUTREACH

None.

ATTACHMENTS

First Reading attachments not included.

1. Ordinance for Consideration