



Finance Administration
215 N. Mason
2nd Floor
PO Box 580
Fort Collins, CO 80522
970.221.6788
970.221.6782 - fax
fcgov.com

Council Finance Committee Hybrid Meeting
CIC Room / Zoom
August 1, 2024
4:00 - 6:00 pm

Council Attendees: Mayor Arndt, Tricia Canonico

Staff: Kelly DiMartino, Tyler Marr, Travis Storin, Ginny Sawyer, Jacob Castillo, Beth Yonce, Adam Molzer, Wendy Bricher, Drew Brooks, Dean Klingner, Victoria Shaw, LeeAnn Williams, Dana Hornkohl, Brad Buckman, Eric Keselburg, Nina Bodenhamer, Africa Garcia Farina, Randy Bailey, Dave Lenz, Jen Poznanovic, Joe Wimmer, Carolyn Koontz

Other: Joe Rowan

Meeting called to order at 4:00 pm

Approval of minutes from July 3, 2024, Council Finance Committee Meeting was postponed to the September 5th meeting when the committee members who were present at the July 3rd meeting will be in attendance.

A. Grocery Tax Rebate Program

Adam Molzer, Manager, Social Sustainability

EXECUTIVE SUMMARY

The Grocery Tax Rebate program’s 2024 budget affords \$165,000 for rebates to qualified residents. Due to increased participation in the program, the total rebate payouts in 2024 are anticipated to be near \$583,000. An appropriation of general fund dollars of \$418,460 would fulfill the budget necessary to meet this obligation. In addition, \$24,000 needs to be allocated to cover an anticipated staffing shortfall due to the Council-supported personnel conversion to classified status of the Program Coordinator in 2024.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does Council Finance Committee support a general fund appropriation request of \$442,460 that will make the Grocery Tax Rebate program budget whole in 2024?

BACKGROUND/DISCUSSION (details of item – History, current policy, previous Council actions, alternatives or options, costs or benefits, considerations leading to staff conclusions, data and statistics, next steps, etc.)

Program Details:

Established in 1972, the Grocery Tax Rebate is intended to provide financially insecure residents relief from City sales tax charged on purchased food. The rebate amount is currently \$80 per person.

Grocery Tax Rebate qualifications include:

- Resident inside the Fort Collins Growth Management Area (GMA).
- Household income between 0-60% of Area Median Income (AMI).
- Must have a document that aligns the applicant’s identity with a Fort Collins address.

Applications are submitted via the Get FoCo online platform, where staff manually review each application and the uploaded documentation (EBT card copy, Medicaid card, LEAP letter, Free/Reduced Lunch letter) to verify income and residency eligibility. This is the third year partnering with Get FoCo and 96% of applications are now received via the web platform.

One 0.75-FTE staff member assists residents with the application process, manually uploads payment data, and supports a variety of other program functions to ensure a positive customer experience. This staff position was converted from hourly to classified status with benefits in January 2024, per Council guidance.

Program Growth:

Year	Applications	Household Members	Grocery Rebate	Repeat	%	65+	%	Single HH	%	GetFoco	%
2020	1006	1890	\$123,435	886	88%	509	51%	641	64%	N/A	N/A
2021	948	1758	\$117,987	844	89%	446	47%	588	62%	N/A	N/A
2022	1281	2626	\$181,186	857	67%	486	38%	686	54%	614	48%
2023	1966	4654	\$354,121	866	44%	453	23%	911	46%	1572	80%
2024 YTD June	1553	3655	\$292,460	643	41%	277	18%	713	46%	1493	96%

* Rebate amounts above are tabulated by application receipt date, resulting in slight variations from the City's fiscal year due to timing.

Between 2020-2023, the number of applications received increased over 95%, and rebates issued grew by 186%.

In 2023, the City processed 1,966 applications. The total amount issued in 2023 for the grocery rebate program was \$354,121. The FY2023 budget afforded \$150,000 for rebates.

From January to June 2024, the City has processed 1,553 applications. The total amount issued year-to-date in 2024 is \$292,460. The FY2024 budget affords \$165,000 for rebates.

If a monthly average of \$48,500 is realized for Q3 + Q4 2024, the total rebate obligation for 2024 will reach \$583,460. The monthly average during Q3 + Q4 2023 was \$37,333.

Additionally, Council Finance Committee expressed support for the conversion of the Grocery Tax Rebate Coordinator position from hourly to classified at their 12/14/2023 meeting. This conversion took effect in January 2024 and the resulting \$24,000 personnel budget shortfall needs to be made whole.

An appropriation to meet the 2024 rebate and personnel obligations will require Council approval.

Actual & Anticipated	Obligation & Budget
January – June 2024 Obligated	+ \$292,460
July – December 2024 Anticipated	+ \$291,000

Personnel Conversion Shortfall	+ \$24,000
FY2024 Rebate Budget (general fund)	- \$165,000
Estimated Funding Needed	\$442,460

Lastly, the 2020-2024 data set also reveals the following about program participation trends:

- Increased enrollment of new participants to the rebate program (lower proportion of repeat participants).
- Residents under age 65 are increasingly participating in the rebate program.
- Households with sizes greater than one are increasingly participating in the rebate program.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does Council Finance Committee support a general fund appropriation request of \$442,460 that will make the Grocery Tax Rebate program budget whole in 2024?

DISCUSSION / NEXT STEPS

Mayor Arndt; do we charge the same sales tax on food that we do on everything else?

Travis Storin; we do not, the renewables do not apply at the grocery store.

Jen Poznanovic; 2.25 % is the grocery sales tax rate and the full rate is 4.35%

Mayor Arndt; I can't think of a single thing that is fairer. 0-60% AMI seems fair as well.

Tricia Canonico; what do we see as an uptick rate going forward? Will we see these increases YOY with Get FoCo? What are we anticipating that we will need to budget in the future?

Travis Storin; one of our primary strategies is to recruit more users. We are up to just shy of 2K households registered in the app which represents approximately 4,500 residents. We are getting a pretty broad reach now. Once they are enrolled on the app, the majority tend to enroll in multiple programs. Africa, would you like to address the engagement strategies you are working with?

Africa Garcia Farnia; we have multiple partners around town including PSD and the Library District. We recruit partners who can help us get more folks enrolled in Get FoCo. We currently have over 3,000 active accounts on Get FoCo. Not all have renewed the grocery store rebate for 2024. We are expecting another 1,500.

Travis Storin; before having the Get FoCo tool – it was ads on buses and on radio. We had some limited efficacy.

Tricia Canonico: moving forward, are we budgeting for an increase with the grocery tax rebate?

Travis Storin; you will see an increase in the Recommended Budget when it is published later this month, it is not quite to these levels. We may be setting ourselves up to return to this committee for an additional appropriation this time next year. The grocery sales tax rebate program has a rolling 12-month enrollment.

Tricia Canonico; I know you said most of the folks are receiving it for the first time. Why aren't we seeing more folks from previous years? Why aren't they reapplying?

Adam Molzer; in 2023, 44% were returning applicants, in 2022, it was 67% and 2021 it was 89%. With Get FoCo, we are still seeing the repeat applications, but they are lower proportionally due to all of the new applicants.

Travis Storin; this program was almost exclusively characterized as being utilized by frequent fliers who were aware of the program and in a very specific age demographic. We are taking this as a good news story as the program reaches younger and more diverse residents including families.

Mayor Arndt; what is the total revenue that the grocery sales tax brings in?

Jen Poznanovic; groceries are approximately 20% of our total sales tax revenue. The grocery sales tax category is one of our larger categories of the 18 categories that we have. I will get the number and circle back.

Nina Bodenhamer; some of the other communities that offer a rebate in this space adjust the rebate amount based on other levers. Possibly a conversation going forward might we, do we adjust our payout based on the volume of participation?

Mayor Arndt; I can see that question coming up – do we go to 50% AMI. I would say increase the budget versus decreasing the amount refunded or reducing participation.

Travis Storin; \$3500 per household member (2.25% of that is the \$80) to get the total dollar amount we are refunding.

Tricia Canonico; do we have any data on how much the average family spends on groceries per year?

Travis Storin; we could canvass our department to see if we have any data. I will take this as a follow up.

Mayor Arndt; this is a great program – forgoing a tax.

Travis Storin; we will bring this to the full Council as soon as practical.

B. Recreation Rebate (Reduced Fee) Program

Victoria Shaw, Senior FP&A Manager, Community Services
LeAnn Williams, Recreation Director, Community Services

EXECUTIVE SUMMARY

The Recreation reduced fee program provides an opportunity for income qualified members of the community to take part in recreational activities at a discounted rate. The program has been funded at the level of \$190,000 per year from the General Fund, however usage and needs have surpassed this allocation. In 2023, the allocation covered approximately 50% of the usage.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee have any feedback for staff on reduced fee program offered by Recreation?

BACKGROUND/DISCUSSION

The reduced fee scholarships offered by Recreation have an ongoing goal of filling the gap for the community by ensuring anybody that meets the program’s qualifications can access the valuable, engaging, educational and beneficial programs offered by the Recreation department.

Program Details:

The program offers drop-in passes which allow for unlimited drop-in visits to facilities, and automated discounts for activity enrollments. By minimizing financial barriers, the recreation department can serve and support the community with programs that promote health, wellness, and overall well-being.

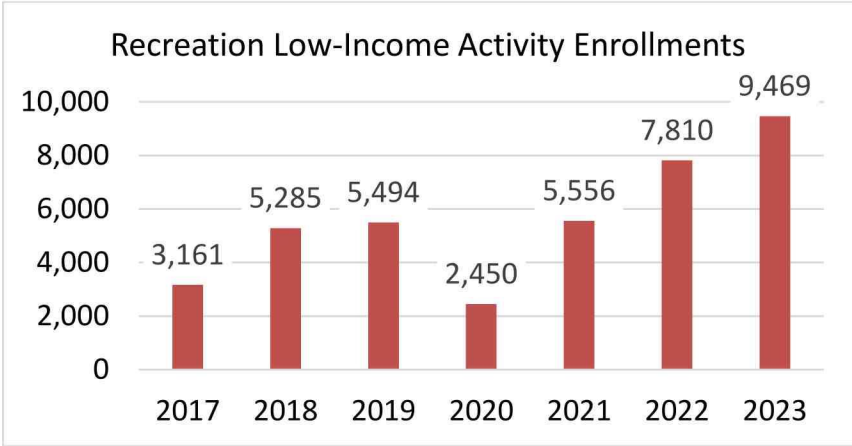
Eligibility for the program requires participants to reside in the Fort Collins Growth Management Area and meet income standards. The income standards can be met with proof of income up to 185% of the Federal Poverty Level or qualification through the Poudre School District free and reduced lunch program.

The passes then allow community members to access additional recreation programs at a discounted rate without additional approvals. The discounted rates for these services are:

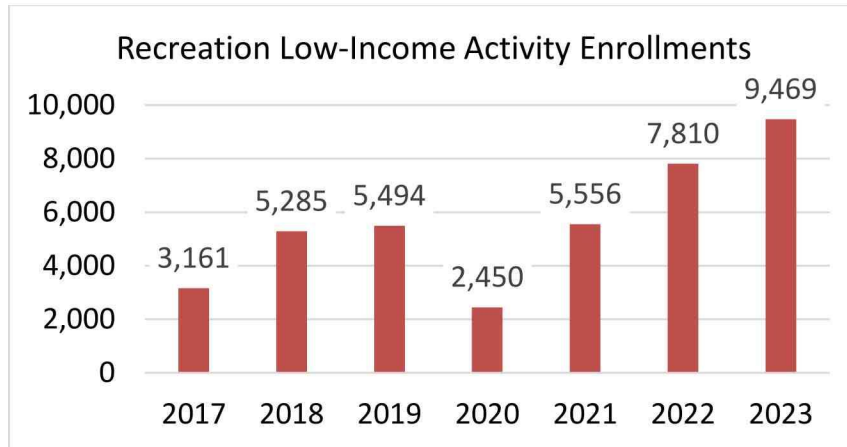
- \$50 Family Pass: includes 2 adults and no limit on children in the same household.
- \$30 Adult Pass: for those 18-59 years of age (not including those who are currently attending high school).
- \$10 Youth/Senior Pass: for those under 18 or 60 and over.
- Beginner/Introductory classes receive 90% discount.
- Intermediate level classes, fitness classes, youth sports leagues, CARA Track & Cross-Country, SuperTots & Skyhawks receive 70% discount.
- Advanced/Competitive classes receive 10% discount.

Program Participation:

Participation in these offerings has been robust, with a steep decline in 2020 due to the pandemic. Activity enrollments rebounded to pre-pandemic levels in 2021 and have since increased to 72% above the pre-pandemic level in 2023, suggesting the need for this program is higher than ever and programs have been more effective at reaching the qualifying populations.



Similarly, reduced fee pass scans also declined steeply in 2020. They have rebounded to pre-pandemic levels but have not seen the same degree of growth as the activity enrollments.



Participation is tracked for youth and adult programming. The majority of costs (78.5%) are associated with youth requests. This is driven by the reduced fee childcare and youth programs. The below table breaks down the youth and adult participation by programs.

Youth Activities Summary	# Requests	Value of Requests
Swim lessons	784	\$39,350
Skating	252	\$19,455
Adaptive	-	\$0
Pottery	155	\$10,119
Northside Atzlan Youth	1,098	\$124,433
Foothills Activity Center Youth	233	\$14,822
Sports	926	\$67,711
Farm	164	\$12,012
Youth Tennis	114	\$9,154
	3,726	\$297,057

Adult Activities	# Requests	Value of Requests
Aqua fitness	176	\$5,164
Adult Swim lessons	19	\$599
Adaptive	890	\$30,902
Skating	19	\$499
Social	9	\$174
Arts and Crafts	111	\$6,206
Fitness/Wellness	4,131	\$13,784
Pottery	103	\$11,093
Educational	90	\$3,611
Dance	87	\$2,881
Adult Tennis	44	\$4,559

	64	\$1,852
	5,743	\$81,322

Program Funding:

The program has not been turning away participants based on available funding. The current funding level of \$190,000 per year is allocated across the actual usage for the program and allows for partial revenue reimbursement. The Recreation fund by default foregoes any of the revenue not backfilled by the General Fund funding level. In 2023, this funding level represented about 50% of the General Fund reimbursement, and 50% foregone revenue to the Recreation fund.

DISCUSSION / NEXT STEPS;

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee have any feedback for staff on reduced fee program offered by Recreation?

LeeAnn Williams; we used to be PSD as our boundary but now it is our GMA 30% AMI. They are automatically enrolled if they qualify for free / reduced rate lunch program. Rebounded after the pandemic and has increased Summer camp – daycare. Some communities just do youth.

We have silver sneakers – through their insurance providers
They don't pay anything – we get reimbursed for up to 10 visits per month

When we build the SE Comm Center – we will see an increase then
We are proud of this program – we don't limit how much money we spend

Victoria Shaw; the General Fund contributes about a50% reimbursement
Childcare – summer camp – 40% of participation - Nexus in community for our families

We don't have a projected shortfall
This is a high priority Aligns with our strategic objectives

Mayor Arndt; makes me feel good. Do we do any City Give work around?
I think this is one of those intangible things that people can't put their finger on but that makes living in Fort Collins

Adam Snow donors who very specific with what programs
Access & recreation - He hosted a golf tournament at City Park 9 We usually exceed our revenue projections

Tricia Canonico; great work –I was just talking with my sister-in-law who has 3 little ones about the importance of childcare which is supplemented for her by her employer.

Travis Storin; those were our two income qualified programs we wanted to review with you today.

C. Engineering Supplemental Appropriations

Brad Buckman, City Engineer
Monica Martinez, Sr. Manager FP&A
Dana Hornkohl, Director, Civil Engineering

SUBJECT FOR DISCUSSION

Engineering Capital Projects – Supplemental Appropriations (4 projects)

EXECUTIVE SUMMARY

Four current transportation capital improvement projects will require additional funding for work to continue prior to proposed Budgeting for Outcomes (BFO) offers being finalized later this year for appropriation in 2025. Two of these projects are under construction: Laporte Avenue Multimodal Improvements (Laporte) and College Avenue – Trilby Road Intersection Improvements (College/Trilby). Two more projects are currently under design: Zach Elementary School Crossings – Safe Routes to School (Zach SRTS) and College Avenue – Triangle Drive Intersection Improvements (College/Triangle). Zach Elementary SRTS is scheduled to begin construction later this year; College/Triangle is scheduled to begin construction early in 2025. The estimated cost to complete these projects will exceed the currently appropriated budgets. There is sufficient discretionary transportation funding available to complete these projects if appropriated. It is necessary to 1) appropriate additional funds to complete these projects, 2) reduce scope, and/or 3) delay final delivery. Reduction of scope will result in projects that do not fully meet the established project goals or adopted City standards and plans. Delaying final delivery until other funding becomes available will negatively impact other transportation capital projects in the delivery pipeline. Staff is recommending supplemental appropriations totaling \$4,152,470 which would allow for completion of the four projects as intended when work began. This request is coming before Council Finance Committee now to avoid additional cost impacts due to potentially pausing and restarting active construction and design projects.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Does Council Finance Committee support an off-cycle appropriation of Highway Safety Improvement Program (HSIP) Grant Funds, Transportation Capital Expansion Fee (TCEF) Funds, and Transportation Services Fund Reserves as well as a reappropriation of funds from the Laporte Bridges project to complete the Laporte Avenue Multimodal Improvements project?
- Does Council Finance Committee support an off-cycle appropriation of TCEF Funds, Transportation Services Fund Reserves, and Community Capital Improvement Program (CCIP) Arterial Intersection Improvements Fund to complete the College Avenue – Trilby Road Intersection Improvements project?
- Does Council Finance Committee support an off-cycle appropriation of TCEF Funds and Transportation Services Fund Reserves to complete the Zach Elementary School Crossings – Safe Routes to School project?

- Does Council Finance Committee support an off-cycle appropriation of Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act Grant Funds, Colorado Department of Transportation (CDOT) Americans with Disabilities Act (ADA) Funds, TCEF Funds, and Transportation Services Fund Reserves to complete the College Avenue – Triangle Drive Intersection Improvements project?

BACKGROUND/DISCUSSION

Since the Summer of 2021, the nation, Colorado, and the Denver region have experienced significant inflation in construction costs (Attachments 1, 2, and 3). The CDOT Colorado Construction Cost Index (CCI) reports an annual percentage increase in construction costs of 8.03%. These inflationary pressures continue to impact the City's transportation capital improvement projects that are in active design and construction. Costs to acquire real property for right-of-way, permanent easements, temporary easements, and the professional services associated with acquiring real property have also escalated significantly over the same period.

Laporte Avenue Multimodal Improvements

The Laporte project will provide pedestrian and bicycle side paths in three phases 1) between Taft Hill Rd and Frey Ave (Bridges), 2) between Frey Ave and Fishback Ave (East), and 3) between Sunset St and Taft Hill Rd (West). The initial phase of this work (Bridges) was completed in 2023 and replaced two aging bridges in the corridor. The second phase of this work (East) began earlier this year and is scheduled to be completed later this summer. The third phase (West) is scheduled to begin in October once property acquisition is complete.

The project delivery method for the East and West phases of the project is Construction Manager/General Contractor (CM/GC). The chosen contractor held pricing for the East phase despite a delay in beginning construction due to property acquisition and CDOT approval. The contractor has demonstrated by providing open book pricing, confirmed by an independent cost estimate, that price escalation has impacted many of the materials and costs for the West phase. The cost to acquire real property for the West phase has been significantly higher than was estimated. Construction was broken into an East and West phase to accommodate the property acquisition schedule introducing additional design cost. During this design effort, the City applied for and was awarded Fiscal Year 2027 HSIP grant funds to install a Rectangular Rapid Flashing Beacon (RRFB) in the West phase of the project. CDOT has agreed to provide the funding early so that the RRFB may be included in the construction. Savings from the Bridges phase (\$517,000) can be reappropriated to the West phase. Including the local match for the HSIP award, it is estimated that an additional \$560,055 (including \$49,500 in CDOT HSIP funds) is needed to complete construction on the West phase.

College Avenue – Trilby Road Intersection Improvements

The College/Trilby project will improve safety for current and future traffic levels as growth continues in the region and will create a safer intersection for all users. Dual use side paths for pedestrians and bicycles are included throughout the intersection. The intersection will feature dual left turn lanes from S College Ave to Trilby Rd, right turn lanes for each direction of travel, and a widened Trilby Rd approach to S College Ave.

Right-of-way acquisition costs for the College/Trilby project have been significantly more than was initially estimated (~\$3.0M), with total acquisition costs likely to be ~\$4.5M. The primary factor in this increase is land value escalation over the period of acquisition. As with the Laporte project, the delivery method for the College/Trilby project is CM/GC. Construction was broken into three phases to take advantage of property that had been acquired and to lock in lower pricing for early work. Phase 1 work (walls) began earlier this year. Phase 2 construction (utility relocation and storm drainage) will begin in several weeks, with Phase 3 work (sidewalks, paving, signals, landscaping) following later this Fall. Work is scheduled to be complete next Spring. As with Laporte, the contractor has provided open book pricing for Phase 2 and 3 that has been confirmed by an

independent cost estimate. The pricing shows escalation for several items including storm drainage infrastructure. It is estimated that the project will need \$1,509,000 to address the construction and acquisition escalation.

As property around the College/Trilby project redevelops, the redevelopment will trigger repayments to the City for the eligible costs of the intersection improvements, including right-of-way acquisition. Currently, that total is estimated to be approximately \$1.25M. Reimbursement payments will be due to the City upon execution of any development agreement.

Zach Elementary School Crossings – Safe Routes to School

The Zach Elementary SRTS project will provide signal and crossing improvements across Kechter Rd at Jupiter Dr and Cinquefoil Ln. SRTS grant funding was awarded in 2023. After the award, during the design phase, additional concrete work was identified and included in the project. It was also determined that there was temporary easement acquisition needed to complete the project that was not originally included in the project budget. With the additional work, easement acquisition, and construction cost escalation, it is estimated that the project will need \$454,500 to begin construction later this Fall and ending early in 2025.

College Avenue – Triangle Drive Intersection Improvements

The College/Triangle project will install a new traffic signal as well as bicycle and pedestrian improvements connecting Triangle Dr to the northeast towards the Lakeview on the Rise development and onto Water's Way Park. There is severe crash history at this intersection and in 2023 CDOT committed FASTER funding to the City for signal improvements. CDOT has also committed funding for pedestrian improvements to bring the intersection into compliance with ADA requirements. Working with a consultant, the City has developed 30% design documentation and a total cost estimate of \$1,628,915 (including \$832,211 in CDOT FASTER and ADA funds).

Staff has identified three alternatives to reach final completion on the four projects.

- Option 1: Secure off-cycle appropriations for the projects to complete design, acquisition, and construction and avoid additional costs with delaying the work. There is currently sufficient discretionary funding to cover these proposed appropriations.
- Option 2: Reduce the scope of work for the projects. All four projects have been value engineered to minimize costs. Additional reduction of scope would potentially compromise project goals or limit the ability to meet City standards.
- Option 3: Delay final delivery until additional funding can be secured. This option would result in the project not meeting the identified project goals within the promised timeframe, expose the remaining work to further inflation, and would impact the schedule and budget for other transportation capital projects in the design, acquisition, and construction pipeline.

Summary of requested supplemental appropriations for all four projects.

- Grant Funds: \$881,711
- TCEF Reserves: \$2,220,230
- Transportation Fund Reserves: \$450,529
- CCIP – Arterial Intersection Improvements: \$600,000
- Total: \$4,152,470

Summary of Existing Funding and Proposed Supplemental Appropriations

	Previously Appropriated				Proposed Supplemental Appropriations					
	Grant Funds	Local Funds	Re-Appropriation	Total	Grant Funds	TCEF Reserves	Trans. Fund Reserves	CCIP Arterial Intersection Fund	Total	Increase
Laporte	\$ 4,937,500	\$ 1,365,495	\$ 517,000	\$ 6,819,995	\$ 49,500	\$ 335,454	\$ 175,101	\$ -	\$ 560,055	8%
College/Trilby	\$ 13,640,992	\$ 2,873,513	\$ -	\$ 16,514,505	\$ -	\$ 908,820	\$ 180	\$ 600,000	\$ 1,509,000	9%
Zach Elementary SRTS	\$ 745,587	\$ 187,397	\$ -	\$ 932,984	\$ -	\$ 179,410	\$ 275,090	\$ -	\$ 454,500	49%
College/Triangle	\$ -	\$ -	\$ -	\$ -	\$ 832,211	\$ 796,546	\$ 158	\$ -	\$ 1,628,915	N/A
TOTAL	\$ 19,324,079	\$ 4,426,405	\$ 517,000	\$ 24,267,484	\$ 881,711	\$ 2,220,230	\$ 450,529	\$ 600,000	\$ 4,152,470	N/A

DISCUSSION / NEXT STEPS;

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Does Council Finance Committee support an off-cycle appropriation of Highway Safety Improvement Program (HSIP) Grant Funds, Transportation Capital Expansion Fee (TCEF) Funds, and Transportation Services Fund Reserves as well as a reappropriation of funds from the Laporte Bridges project to complete the Laporte Avenue Multimodal Improvements project?
- Does Council Finance Committee support an off-cycle appropriation of TCEF Funds, Transportation Services Fund Reserves, and Community Capital Improvement Program (CCIP) Arterial Intersection Improvements Fund to complete the College Avenue – Trilby Road Intersection Improvements project?
- Does Council Finance Committee support an off-cycle appropriation of TCEF Funds and Transportation Services Fund Reserves to complete the Zach Elementary School Crossings – Safe Routes to School project?
- Does Council Finance Committee support an off-cycle appropriation of Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act Grant Funds, Colorado Department of Transportation (CDOT) Americans with Disabilities Act (ADA) Funds, TCEF Funds, and Transportation Services Fund Reserves to complete the College Avenue – Triangle Drive Intersection Improvements project?

Staff has identified three alternatives to reach final completion on the four projects.

- **Option 1:** Secure off-cycle appropriations for the projects to complete design, acquisition, and construction and avoid additional costs with delaying the work. There is currently sufficient discretionary funding to cover these proposed appropriations.
- **Option 2:** Reduce the scope of work for the projects. All four projects have been value engineered to minimize costs. Additional reduction of scope would potentially compromise project goals or limit the ability to meet City standards.
- **Option 3:** Delay final delivery until additional funding can be secured. This option would result in the project not meeting the identified project goals within the promised timeframe, expose the remaining work to further inflation, and would impact the schedule and budget for other transportation capital projects in the design, acquisition, and construction pipeline.

Mayor Arndt; do we pay interest rates on these acquisitions – curious about funding

Kelly DiMartino; we fund it with cash from a variety of sources – always cash on hand.

Off cycle appropriation to complete the first two due to inflation impacts

Travis Storin; the dollars are there - reserves in the upcoming 2025 -26 Budget. I commend the team for a creative approach with the funding stack.

Since we are in the middle delay the cross walk on Impala

Mayor Arndt; that is a drop in the bucket - if we are in the middle of something - we should finish it –it feels like a higher priority to finish the ones that are in process.

Tyler Marr; funding these inflation impacts are delaying the start of other things which carry an opportunity cost. Some new things may be delayed.

Tricia Canonico; no upside to delaying or downsizing the project - a lot of grant funding opportunities It is too bad that we keep seeing the constructions costs increasing. I would support moving forward. Do we anticipate any stabilization in the coming year for the construction costs increases?

Dana Hornkohl; there has been no indication of that yet. A lot of volatility in concrete and asphalt costs.

Mayor Arndt; I am sure they will talk about tradeoffs in the budget.

D. Parking Supplemental Appropriations

Eric Keselburg, Sr Manager, Parking Services

EXECUTIVE SUMMARY

Parking Services is requesting appropriation of available Parking Reserves to fund the following items. The Civic Center Parking Structure (CCPS) item will be funded using dedicated CCPS Reserves.

1. The southeast corner public stairwell in CCPS needs to be replaced, as identified during the recent condition assessment. This stairwell is located on the most heavily trafficked exit from CCPS and has been closed since June 2020, as design and funding are finalized.
2. Parking Services began sealant work in the Firehouse Alley Garage in 2023. Funds allocated for this project in 2023 were not used due to timing delays and subsequently became part of the Parking Reserves. These funds are now needed to complete the project.
3. Parking Services presented to City Council in October 2023, to request support to research a sustainable funding model for the downtown parking system. The scope for the Request for Proposal (RFP) has been drafted and reviewed by the Downtown Development Authority (DDA); which has agreed to contribute financially to assist with the Downtown Parking System Strategy Study, and subsequent implementation plan.
4. The third-party security company, Precision Security, provides security services in the three (3) City-managed parking structures. The current staffing and hours of coverage are not changing; however, the cost of service has increased yearly including a 4.5% for 2024 service.

Parking Services is requesting appropriations versus aligning with the standard Budgeting for Outcomes (BFO) process due to project timing and the need to adjust the current year budget.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Parking Services is requesting the appropriation of available Parking Services reserve funding to allow for movement on the customer experience items, and to allow the RFP to be submitted to begin the downtown parking study; to gather both partner and community feedback, ahead of Council direction.

BACKGROUND/DISCUSSION

There are a few asks being compiled together. The first being the CCPS stairwell, which following the 2019 condition assessment was found to have repair needs. Due to the pandemic and financial constraints imposed on Parking Services, the maintenance schedule was paused (approved by the contracted structural engineering firm). Once the American Rescue Plan Act (ARPA) funding was provided (BFO cycle 2022/2023), Parking Services resumed maintenance repairs. However, the subsequent and necessary condition assessment performed found that the southeast stairwell had degraded to an unsafe level; which required it to be closed (June 2022) for public use. Several design options were discussed and presented; that said, a viable design was submitted, and a path forward was determined. To complete this project a supplemental appropriation of \$1,200,000 is being requested. These funds will be appropriated from the CCPS Reserves.

The second request is to utilize prior funding which was set-aside in 2023 for necessary parking structure deck sealant maintenance work in FAPS. This project was planned to bridge funding availability from both 2023 and 2024; due to timing delays, the available 2023 funding was not used and subsequently rolled into the Parking Reserves. To complete this project a supplemental appropriation of \$110,000 is requested. These funds will be appropriated from Parking Reserves.

The third ask revolves around the following. Parking Services presented to City Council at a work session in October 2023, specifically pertaining to the current state of the Parking Services operation and the request to support continuing efforts to develop a new financial and strategic model and related implementation plan for downtown parking. The identified problem statement showcased that the current parking system model does not provide the parking choices needed for those who visit the downtown area. As well, it is incapable of addressing the demand distribution challenges, which frustrates our users, because of the reliance on an enforcement methodology and the use of low dollar paid parking in undesirable facilities. Also, Parking Services is unable to fulfill its required goals to fund its maintenance needs because it cannot achieve cost neutrality in its current model. The scope of the RFP has been drafted and reviewed by the DDA, who agreed to contribute financially to the downtown parking study. At this time, a supplemental appropriation of \$185,000 is requested to fund this work. The DDA has agreed to reimburse the City for the cost in the amount of \$65,000 or up to 50% of total cost.

The final piece of the request is due to the increased cost of third-party security services provided in the three (3) City-managed parking structures. Parking Services contracts armed security to ensure the evening and late-night users of the parking facilities have adequate protection, with armed security at each facility, with added security staffing during the weekend. The cost of the contract for armed security has increased yearly including an increase of 4.5% in 2024. Parking has managed past yearly increases within its budget, but cost increases have now accumulated resulting in this request for \$50,000 in supplemental appropriation from Parking Reserves.

The available reserve balance is sufficient to cover the presented requests and will help to minimize execution, and advance efforts made to date. As well, the contract increase will provide uninterrupted security coverage for our downtown customers.

DISCUSSION / NEXT STEPS;

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Parking Services is requesting the appropriation of available Parking Services reserve funding to allow for movement on the customer experience items, and to allow the RFP to be submitted to begin the downtown parking study; to gather both partner and community feedback, ahead of Council direction.

Paused due to pandemic - SE stairwell in the Civic Center Parking structure was closed in 2022
We have identified a path forward – 12-18 months – our goal is summer/ fall for 2025 to reopen the SE stairway.

Monica Martinez; basically, we had a situation where it should have been put in a Purchase Order per the standard process, but that did not occur - funding did not get picked up there –

Mayor Arndt; what is the additional \$185K for?

Eric Keselburg; we worked with a parking consultant for the downtown parking study leading up to the presentation to the Council. This would be for the second half of the study where we reach out to some of the stakeholders which will lead to a recommendation to Council for next steps. The DDA has agreed to come forward with some funding as well.

Mayor Arndt; I am fine with all of this. The Council is anxious to be helpful in the parking structure repairs.

Tricia Canonica; we would like to see this moving forward – good to have that stairwell back in service and to maintain our other parking structures. I am good with this.

Meeting adjourned at 5:05 pm