

AGENDA ITEM SUMMARY

City Council



STAFF

Tracy Ochsner, Director, Operation Services
Kerri Ishmael, Grants Administration

SUBJECT

Second Reading of Ordinance No. 040, 2024, Making a Supplemental Appropriation in the General Fund of Grant Funds from the Colorado Department of Public Health and Environment and Appropriating Prior Year Reserves in the Water Fund to Support Transitioning City Fossil Fuel Vehicles to Clean Energy Vehicles.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on March 19, 2024, supports the City of Fort Collins (City) in transitioning fossil fuel vehicles to clean energy vehicles as a measure of reducing greenhouse gas emissions to achieve maximum air quality benefits for the people of Fort Collins and Colorado.

The City was awarded \$910,000 from the State's Clean Fleet Vehicle and Technology (CFVT) grant program in support of the City purchasing clean energy vehicles that align with vehicles approved through the State's CFVT grant program. The awarded funds will support purchase of approved vehicles, with the City contributing the remaining needed funds. Based on needs of City departments, Operation Services and departments within City Utilities will be funding the additional funds needed for purchase of approved vehicles.

Approval of this item will support the City in transitioning fossil fuel fleet vehicles to clean energy by:

- Appropriating \$910,000 of unanticipated grant revenue from the State of Colorado's CFVT grant program; and
- Appropriating \$96,504 from Water Fund reserves.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

BACKGROUND / DISCUSSION

Through Colorado Senate Bill 21-260 (Sustainability of the Transportation System) the Clean Fleet Enterprise was created within the Colorado Department of Public Health and Environment (CDPHE) for the purpose of incentivizing and supporting the use of light, medium, and heavy-duty electric motor vehicles and other clean fleet technologies by owners and operators of motor vehicle fleets.

Operation Services was successful in the request for \$910,000 to purchase, in part, clean energy light, medium and heavy-duty vehicles that will support operations of City departments within Utilities and Operation Services. These electric and renewable natural gas vehicles will assist in helping the City accomplish “Our Climate Future” goals and directly aligns with “Big move #13 – electric cars and fleets” in the City’s [Our Climate Future Plan](#).

The grant award provides upwards of \$910,000 for approved vehicle purchases. The CFVT grant program provides funding up to a certain dollar amount or cost share, depending on vehicle type. Approved vehicles to be purchased include one (1) electric street sweeper, five (5) electric light duty pickups, and four (4) renewable natural gas dump trucks. Each approved vehicle type for which the \$910,000 will fund in part requires the City covering the remaining purchase price. Estimates based on current vendor quotes for the ten (10) approved vehicle types provide the City contributing an estimated \$1.1 million. The estimated \$1.1 million will be funded from (1) existing 2024 appropriated funds in the General Fund, Light and Power Fund, Water Fund and Stormwater Fund and (2) from Water Fund reserves, which is based on needs of departments within these funds for such vehicles.

Based on recommendation of the City’s Attorney Office, the City asked CDPHE to make some minor changes to some provisions of the grant agreement (Attachment 2) to reduce confusion around their application to local governments. CDPHE advised that they are unable to negotiate the terms and conditions of the CFVT grant template. Notwithstanding the grant agreement not incorporating the City’s recommended changes, City staff recommends that Council authorize the Mayor to execute the grant agreement with the City and the State of Colorado in support of purchases of the approved clean energy vehicles, and City staff will attempt to work with the State to revise language for future intergovernmental agreements.

CITY FINANCIAL IMPACTS

This item appropriates \$910,000 in unanticipated revenue in the General Fund from the State’s CFVT grant program in support of replacing City fossil fuel vehicles with clean energy vehicles.

This item also appropriates \$96,504 in Water Fund reserves to be spent in the Water Fund to be used toward purchase of an approved CFVT grant program vehicle. These funds were appropriated in 2023 and have lapsed due to a delay in finalizing the grant agreement.

The award from the State is a reimbursement type award, meaning General Fund expenses will be reimbursed up to \$910,000.

The remaining amount needed for purchases of the approved vehicle types through the CFVT grant program will come from existing 2024 appropriations in the Light and Power Fund, Water Fund, Stormwater Fund, and General Fund.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

First Reading attachments not included.

1. Ordinance for Consideration