



AGENDA ITEM SUMMARY

City Council

STAFF

Katie Donahue, Director, Natural Areas Department
Barb Brock, Financial Analyst II, Natural Areas Department
Ingrid Decker, Legal

SUBJECT

First Reading of Ordinance No. 063, 2023, 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 2023 Adopted City Budget.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$10,844,479 in prior year reserves in the Natural Areas Fund and \$1,258,071 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

The purpose of this item is to appropriate \$12,102,550 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. 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.

In addition, the sales and use tax revenue received in 2022 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 \$1,258,071.

Of the total appropriation \$10,100,000 will be used for land conservation. With over \$10 million in land acquisitions under negotiation, it is likely that most of these funds specifically for land conservation will be spent in 2023.

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:

\$8,788,361	Unspent 2022 Budgeted Funds – appropriated for same purpose.
\$2,056,118	Unanticipated Revenues & Unspent Funds – appropriated for new purposes.
<u>\$1,258,071</u>	Transfer from Sales and Use Tax Fund
\$12,102,550	Total Appropriation from 2022 Prior Year Reserves

The anticipated use of these funds is as follows:

- **Land Conservation** - \$10,100,000: \$7,034,186 in unspent land conservation funds plus \$3,065,814 in new funds for land conservation efforts per the Natural Areas Master Plan.
- **Resource Management** - \$400,700: \$55,700 to carryover the unspent donation from the West Vine neighborhood for the restoration of Kestrel Fields; \$100,000 for demolition of structures, when needed, for new acquisitions, \$40,000 for additional fencing needs, \$60,000 for breeding bird data analysis and \$145,000 in restoration seed purchases.
- **Planning and Special Projects** - \$816,850: \$804,000 for future major restoration projects and \$12,850 in undistributed Enhancement Grant Funds.
- **Trails and Visitor Amenities (TVA)** - \$660,000 in unspent TVA funds for improvements at Gateway Natural area, opening of Kestrel Fields Natural area and other minor TVA projects.
- **Rangers** - \$100,000: Communication equipment replacing seven Motorola pac set radios, and eight mobile mounted Motorola radios no longer supported for service and one DVRS repeater to allow radio communication to and from Gateway Natural Area for the first time.
- **Department Management** - \$25,000 for additional furniture for reconfigured new spaces.

CITY FINANCIAL IMPACTS

The appropriation Ordinance increases 2023 appropriations in the City's Natural Areas Fund by \$12,102,550. The requested total appropriation of \$12,102,550 in the Natural Areas Fund represents 2022 appropriations that were unspent and unencumbered at year-end in addition to 2022 unanticipated revenues and new appropriations from the Natural Areas Fund Balance. The proposed Ordinance also increases the total appropriations in the Sales and Use Tax Fund by \$1,258,071 to be transferred to the Natural Areas Fund. All these funds are restricted to the purposes of the Natural Areas Fund.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Land Conservation and Stewardship Board met on April 12, 2023 and unanimously recommended that Council approve this appropriation.

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 Minute, April 12, 2023 (excerpt)