September 15, 2026

AGENDA ITEM SUMMARY
City Council

STAFF

Caleb Weitz, Chief Financial Officer
Victoria Shaw, Budget Director

SUBJECT

Items Relating to Appropriating Additional Funds for 2026.

EXECUTIVE SUMMARY

A. First Reading of Ordinance No. 126, 2026, Making Supplemental Appropriations in Various City Funds.

B. First Reading of Ordinance No. 127, 2026, Appropriating Prior Year Reserves in Various City Funds.

C. First Reading of Ordinance No. 128, 2026, Approving a Transfer of an Appropriation in the Conservation Trust Fund.

The purpose of this item is to combine dedicated and unanticipated revenues or reserves that need to be appropriated before the end of the year to cover the related expenses that were not anticipated and therefore not included in the 2026 annual budget appropriation. The unanticipated revenue is primarily from fees, charges, rents, contributions and grants that have been paid to City departments to offset specific expenses.

These were reviewed with the Council Finance Committee favorably in the August 31, 2026, meeting.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

BACKGROUND / DISCUSSION

These Ordinances appropriate unanticipated revenue and prior year reserves in various City funds and authorize the transfer of appropriated amounts between funds and/or projects.

The City Charter permits Council to appropriate unanticipated revenue received as a result of rate or fee increases or new revenue sources, such as grants and reimbursements. The Charter also permits Council to provide, by ordinance, for payment of any expense from prior year reserves.

Additionally, the Charter authorizes Council to transfer any unexpended appropriated amounts from one fund to another upon recommendation of the City Manager, provided: that the purpose for which the transferred funds are to be expended remains unchanged; the purpose for which they were initially appropriated no longer exists; or the proposed transfer is from a fund or capital project account in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

If these appropriations are not approved, the City will have to reduce expenditures even though revenue and reimbursements have been received to cover those expenditures.

The table below is a summary of the expenses in each fund that make up the increase in requested appropriations. Also included are transfers between funds and/or projects which do not increase net appropriations, but per the Charter, require Council approval to make the transfer. A table with the specific use of prior year reserves appears at the end of the AIS.

Funding	Additional Revenue	Prior Year Reserves	Transfers*	TOTAL
General Fund	$ 2,236,827	$ 385,280	$ -	$ 2,622,107
Transportation CEF Fund	$ -	$ 150,982	$ -	$ 150,982
Transportation Fund	$ 4,500	$ 109,000	$ -	$ 113,500
Self-Insurance Fund	$ -	$ 1,329,157	$ -	$ 1,329,157
Utility CS&A Fund	$ -	$ 655,780	$ -	$ 655,780
Light & Power Fund	$ 3,111,499	$ -	$ -	$ 3,111,499
Water Fund	$ 335,000	$ 752,148	$ -	$ 1,087,148
Wastewater Fund	$ 30,000	$ -	$ -	$ 30,000
Golf Fund	$ 450,000	$ 294,575	$ -	$ 744,575
2050 Tax Parks Transit Rec OCF	$ -	$ 280,121	$ -	$ 280,121
Parking Fund	$ 45,000	$ 195,000	$ -	$ 240,000
Benefits Fund	$ -	$ 2,000,000	$ -	$ 2,000,000
Transit Servics Fund	$ 7,677	$ 3,750	$ -	$ 11,427
Conservation Trust Fund	$ -	$ -	$ 50,000	$ 50,000
GRAND TOTAL	**$ 6,220,503**	**$ 6,155,793**	**$ 50,000**	**$ 12,426,296**

*Conservation Trust Fund transfer request is to transfer appropriated but unspent funds from a non-lapsing project budget to a lapsing project budget.

A. GENERAL FUND

1. **Fort Collins Police Services (FCPS)** has received revenue from various sources. A listing of these items follows:

    a. $50,000 – Opioid Use Disorder: Police Services is managing a growing population of individuals whose opioid use disorder intersects simultaneously with the criminal justice system, behavioral health crisis services, homelessness, and repeat emergency responses. This program incorporates a Resource Navigator, Hybrid Position, and partnership with UC Health for a comprehensive, solutions forward approach to address the crisis.

    b. $184,267 – Police Miscellaneous Revenue: Police Services receives revenue from the sale of Police reports along with other miscellaneous revenue, like restitution payments, evidence revenue and SWAT training.

    c. $646,577 – Police Reimbursable Overtime: Police Services help schedule security and traffic control for large events. Since these events are staffed by officers outside of their normal duties, officers are paid overtime. The organization who requested officer presence is then billed for the costs of the officers' overtime. For example, FCPS partners with Larimer County to staff events at The Ranch. Police receive reimbursement from Larimer County for officers' hours worked at Ranch events.

d. $96,178– Police School Resource Officers: Police Services has a contract with Poudre School District (PSD) to provide Officers on location at a majority of schools for safety and support. PSD pays Police Services based on a predetermined contract amount and also by partially reimbursing for overtime incurred. This request is for the previously billed overtime and anticipated overtime for the remaining year.

e. $67,057– Police DUI Enforcement: Proceeds that have been received for DUI enforcement.

<u>TOTAL APPROPRIATION</u>

FROM:	General Fund Reserves (Opioid Use Disorder)	$50,000
FROM:	Unanticipated Revenue (Police Miscellaneous Revenue)	$184,267
FROM:	Unanticipated Revenue (Police Reimbursable Overtime)	$646,577
FROM:	Unanticipated Revenue (School Resource Officers)	$96,178
FROM:	Unanticipated Revenue (DUI Enforcement)	$67,057
	TOTAL:	$1,044,079
FOR:	Opioid Use Disorder	$50,000
FOR:	Police Miscellaneous Revenue	$184,267
FOR:	Police Reimbursable Overtime for Events	$646,577
FOR:	Overtime for School Resource Officers	$96,178
FOR:	DUI Enforcement	$67,057
	TOTAL:	**$1,044,079**

2. Forestry Payment In Lieu

The Forestry Division receives Payment in Lieu (PIL) revenue when a developer cannot plant enough trees on a development site to meet City requirements. These funds are used to support planting trees elsewhere in the City.

FROM:	Unanticipated PIL Revenue	$17,660
FOR:	Citywide Tree Planting	$17,660

3. Forestry- Arborist Licensing and Rooted in Community Unanticipated Revenue

The Forestry Department collected higher than anticipated revenues from their Rooted in Community Tree Sale and from arborist licensing.

FROM:	Unanticipated Revenue	$30,975
FOR:	Forestry Expenses	$30,975

4. Manufacturing Equipment Use Tax

Finance requests the appropriation of $47,190 to cover the amount due for the 2025 Manufacturing Equipment Use Tax Rebate program as established in Chapter 25, Article II, Division 5, of the Municipal Code. The rebate program was established to encourage investment in new manufacturing equipment by local manufacturing firms. This item appropriates the use tax funds to cover the payment of the rebates.

FROM:	General Fund Reserves (Manufacturing Rebate reserve within the General Fund)	$47,190
FOR:	Manufacturing Equipment Use Tax	$47,190

5. **Cap Adjustment for Poudre Fire Authority Services**
   With Sales tax, use tax, and property tax revenues projected to outperform the 2026 adopted budget, the City is subject to provisions outlined in the Intergovernmental Agreement with Poudre Fire Authority (PFA). The provisions establish the level of tax revenues that are subject to allocation to PFA when actual or projected collections exceed the adopted 2026 Budget.

FROM:	Unanticipated Revenue	$1,085,837
FOR:	Poudre Fire Authority	$1,085,837

6. **2026 ERP Project Expenses**
   This Annual Adjustment request is for 2026 expenses for pre-work and due diligence needed to build the RFP, evaluate vendor responses, and sign a contract, targeted for Q1 2027. That work was primarily comprised of staff time and consulting costs that were not previously budgeted. Those costs weren't included in the 2025-26 Budget because the timing of the ERP Project was not yet known. $25,000 of the amount appropriated from General Fund Reserves will be transferred to be expended within the Data & Communications Fund.

FROM:	General Fund Reserves	$263,090
FOR:	2026 ERP Project Expenses (To be expensed in General Fund)	$263,090
FROM:	General Fund Reserves	$25,000
FOR:	2026 ERP Project Expenses (To be expensed in Data & Communications Fund)	$25,000

7. **Sales and Use Tax Audit Revenue**
   This annual adjustment request is for 2026 unanticipated revenue from sales and use tax audit revenue. The additional audit revenue will be used to cover third party audit costs.

FROM:	Unanticipated Revenue	$64,540
FOR:	Sales and Use Tax 3rd Party Audit Cost	$64,540

8. **Radon Kits Sales**
   Environmental Services sells radon test kits at a discounted rate as part of its program to reduce lung-cancer risk from in-home radon exposure. This appropriation recovers kit sales revenue for the purpose of restocking radon test kits annually.

FROM:	Unanticipated Revenue (Radon Kits)	$1,704
FOR:	Radon Kits	$1,704

9. **Conflict Transformation Works Program – Revenue Recovery**
   Conflict Transformation Works (CTW), which includes restorative justice and community mediation programs, receives payment for work it does for other City departments through its workplace mediation program and also has program fees for parts of its programming. CTW would like to recover and appropriate these funds to use for expenses related to volunteer training, support and appreciation as well as completing materials related to the re-branding project underway supporting the name change and new program offerings. Also a small portion of the funding will be used to pay victim restitution for victims of restorative justice cases in the CTW programs. Youth in the program do volunteer work to earn the victim restitution. This is provided for families unable to pay the restitution their youth owes and for youth too young or otherwise unable to do paid work for the restitution. This assures the victim receives restitution despite a family's inability to pay. Program staff cannot predict how many youth will request this support and will qualify.

FROM:	Unanticipated Revenue (CTW)	$8,382
FOR:	Conflict Transformation Works Program	$8,382

10. **Historic Property Surveys**

This request is intended to cover the 2026 Historic Survey Expenses. Revenue is collected from the development applicants and then paid to the 3rd party contractors to complete the survey. This request captures revenue captured YTD plus anticipated revenue through year-end.

FROM:	Unanticipated Revenue	$7,650
FOR:	Historic Property Survey Expenses	$7,650

11. Land Bank Operating Expenses

This request is intended to cover expenses related to the land bank property operation costs for 2026. Because expenses vary year to year, funding is requested annually through the Clean Up process to cover these costs. Expenses in 2026 include general maintenance of properties, raw water and sewer expenses, electricity, repairs, pest control, and other as applicable.

FROM:	Unanticipated Revenue	$20,000
FOR:	Land Bank Operational Expenses	$20,000

12. Landmark Rehab Loan Program – Annual Servicing Fees

This request is intended to cover the 2026 Servicing Fees for managing the Landmark Preservation Loan Portfolio. Annual fees are based on portfolio size and are paid from revolving revenue generated from the program.

FROM:	Unanticipated Revenue	$6,000
FOR:	Landmark Rehab Loan Program	$6,000

B. TRANSPORTATION CEF FUND RESERVE FOR TRANSFER TO CAPITAL PROJECTS FUND

1. Payment in lieu for Vine Bridge Replacement Project

The City received a development payment in lieu within a lapsing business unit in the Transportation CEF Fund. The funds have not been appropriated. The department is requesting an appropriation of the Transportation CEF Reserve funds to the Capital Projects Fund to be used for the non-lapsing capital project:Vine Bridge Replacement Project.

FROM:	Transportation CEF Reserves	$111,860
TO:	Capital Projects Fund (Vine Bridge Replacement)	
FOR:	Vine Bridge Replacement Project	$111,860

2. Payment in lieu for Drake and College Capital Project

This is a development payment in lieu for the Drake & College capital project. It will be appropriated to complete the landscaping work, which is part of the development agreement.

FROM:	Transportation CEF Reserves	$39,122
TO:	Capital Projects Fund (Drake & College)	
FOR:	Drake & College Capital Project	$39,122

C. TRANSPORTATION SERVICES FUND

1. **Open Streets Vendor Fees**

Open Streets is an annual FC Moves event that promotes active modes of transportation and invites folks to experience streets without cars. At Open Streets, participants can expect 1-2 miles of car-free, family-friendly streets. Participants are encouraged to Ride the Route and explore areas called “Activity Hubs”- temporary clusters of activity provided by local businesses and organizations. Vendors for Open Streets are charged $50 if they are a non-profit, $100 if they are a private business. This request includes $4,500 of unanticipated revenue from vendor fees.

FROM:	Unanticipated Revenue (Vendor Fees)	$4,500
FOR:	Open Streets Program	$4,500

2. **FC Moves Personnel Salaries**

This request appropriates $109,000 from fund reserves for personnel and is in the same amount as a previous appropriation in 2026 of $109,000 for related purposes. The context of that prior appropriation is that FC Moves received a grant in 2026 for which the City's matching obligation for personnel expenses, over a four-year period from 2026-2029, is $109,000. To meet this obligation, the City must have sufficient funds appropriated for the entire four-year period, even though the expenses are incurred annually. This second appropriation from fund reserves will ensure that the full amount of $109,000 will be in place for the 2026-2029 period of the grant for the lapsing personnel budget in 2026. The purpose of this appropriation is to address, on the accounting side, the lapsing and non-lapsing grant funds; this appropriation does not change or increase the City's obligations for this grant. If unused, this amount will lapse and be reflected as fund reserves.

FROM:	Transportation Services Fund Reserves	$109,000
FOR:	FC Moves Personnel Salaries	$109,000

D. SELF-INSURANCE FUND

1. Self-Insurance Fund Revenue

City insurance premiums and claim settlements are projected to exceed the 2026 budget within the Self Insurance Fund. Prior year reserves in the amount of $1,329,157 are requested to cover excess insurance expenditures.

FROM:	Self-Insurance Fund Reserves	$1,329,157
FOR:	City Insurance Premiums and Claim Settlements	$1,329,157

E. UTILITY CS&A FUND

1. Banking & Credit Card Fee Appropriation

Appropriate additional banking and credit card fees based on an increased number of customers utilizing online banking services to pay utility bills via eCheck or credit card. Utilities absorbs transaction fees for online payments (1) $0.50 per eCheck and (2) Debit/Credit Cards are 1.15% up to $1,500, increasing to 2.75% for transactions over $1,500. Additional fee budget is offset by the increase in fund revenues attributed to customer transaction growth and utility rate increases.

FROM:	CS&A Fund Reserves	$655,780
FOR:	Utilities Banking & Credit Card Fees	$655,780

F. LIGHT & POWER FUND

1. Light & Power System Additions for Development Revenue

This request will appropriate additional Light & Power development fee revenue to cover the related electric infrastructure costs to serve new and/or upgraded residential and commercial developments.

Expenses for electric system additions are development-dependent and are anticipated to end the year over the original budgeted amounts. Through July 2026, revenues generated from development are over budget by $2,446,499.

FROM:	L&P Development Fee Revenue	$2,446,499
FOR:	Electric Infrastructure Costs	$2,446,499

2. Utilities Payment in Lieu of Taxes (PILOT) - Part 1 of 3

This request will appropriate additional PILOT revenue to cover associated PILOT expenses for Utilities funds. PILOT revenues (6% of electric, water, and wastewater charges) collected by Utilities are a direct pass-through expense to the City's General Fund. Fund PILOT revenues and expenses are exceeding budgeted 2026 amounts.

FROM:	Unanticipated Revenue PILOT	$665,000
FOR:	PILOT Expenses	$665,000

G. WATER FUND

1. **Utilities Payment in Lieu of Taxes (PILOT) - Part 2 of 3**

This request will appropriate additional PILOT revenue to cover associated PILOT expenses for Utilities funds. PILOT revenues (6% of electric, water, and wastewater charges) collected by Utilities are a direct pass-through expense to the City's General Fund. Fund PILOT revenues and expenses are exceeding budgeted 2026 amounts.

FROM:	Unanticipated Revenue PILOT	$335,000
FOR:	PILOT Expenses	$335,000

2. **Utilities Water Distribution**

This revision will appropriate additional funding to cover increased water main break repair costs across affected accounts. One Water's Water Distribution department has seen substantial increase in number of water main breaks year-over year. Combine increased quantity with increased unit cost, which is associated with both internal City service charges and external vendor costs, Water Distribution has historic overspend.

FROM:	Water Fund Reserves	$752,148
FOR:	Water main break repair costs	$752,148

H. WASTEWATER FUND

1. **Utilities Payment in Lieu of Taxes (PILOT) - Part 3 of 3**

This request will appropriate additional PILOT revenue to cover associated PILOT expenses for Utilities funds. PILOT revenues (6% of electric, water, and wastewater charges) collected by Utilities are a direct pass-through expense to the City's General Fund. Fund PILOT revenues and expenses are exceeding budgeted 2026 amounts.

FROM:	Unanticipated Revenue PILOT	$30,000
FOR:	PILOT Expenses	$30,000

I. GOLF FUND

1. **Banking & Contract Labor Expenses**
   Golf has seen record revenue and rounds over the past couple of years which has resulted in higher banking fees and contract labor expenses. The requested annual adjustment is to account for this increased revenue ($450,000) and related increased expenses ($35,000 for banking fees and $415,000 for contract labor).

FROM:	Unanticipated Revenue	$450,000
FOR:	Contract Labor and Banking Fees	$450,000

2. **Capital Projects and City Park 9 Fairway Damages**
   Golf experienced unforeseen expenses related to minor capital repairs, payments, and improvements. This request seeks adjustments to cover additional costs totaling $199,575, including $11,000 for repair refrigeration units, $8,000 for floor repairs in the Southridge Equipment Storage Building, $18,075 for lease repayments, $12,500 for the Cottonwood Glen Pipeline Watter Carriage project, and $150,000 for Southridge Hole 12 course improvements.

FROM:	Golf Fund Reserves	$199,575
FOR:	Minor capital projects, lease repayment, and Southridge	$199,575

3. **Golf Water Adjustment**
   The City of Fort Collins experienced a notably dry first half of 2026 along with the warmest spring on record and historically low snowpack at 30% of average. Because of the warm, dry winter and spring and low snowpack, along with significantly rising costs, the Golf Department has incurred significantly higher than budgeted water costs. Total 2026 water costs over budget are estimated to be $95k. These costs are comprised of increases in domestic water usage, purchases of CBT (Colorado Big Thompson) rentals and higher than budgeted assessment costs.

FROM:	Golf Fund Reserves	$95,000
FOR:	Golf water usage during drought	$95,000

J. 2050 TAX PARKS REC TRANSIT OCF

1. **Clean Fleet Grant Match**
   This request appropriates the $280,121 from 2050 Tax Parks Rec Transit OCF for transfer as grant match to the 2026 Clean Fleet Grant. $144,871 will be used for Parks, $74,250 for Forestry, and $61,000 for Operation Services.

FROM:	2050 Tax Parks Rec Transit OCF Reserves	$280,121
FOR:	Clean Fleet Grant Match	$280,121

K. PARKING FUND

1. **Parking Services Additional Enforcement Officer Compensation**
   This annual adjustment appropriation request is needed to account for the additional salary expense associated with an additional Parking Enforcement Officer Position in 2026. The expense is expected to be offset by increased citation revenue, helping to ensure the department does not exceed its appropriation while maintaining the staffing necessary to support downtown parking management.

FROM:	Parking Services Increased Citation Revenue	$45,000
FOR:	Parking Services Enforcement Officer Compensation	$45,000

2. **Parking Services HVAC Replacement Project**
This request will replace the existing HVAC system serving the Parking Services office area, which is currently nonfunctional and unable to provide adequate temperature control. The lack of a functioning system results in excessively hot conditions for staff and an uncomfortable environment for customers. Replacement is needed to restore reliable climate control and provide a safe, functional, and comfortable space for employees and customers.

FROM:	Parking Fund Reserves	$195,000
FOR:	Parking Services HVAC Replacement	$195,000

L. BENEFITS FUND

1. **Medical Claims Adjustment**
The purpose of this Adjustment request is to appropriate $2,000,000 from the Benefits Fund reserves to cover unanticipated Medical claims expenses that could potentially exceed 2026 budgeted appropriations.

FROM:	Benefits Fund Reserves	$2,000,000
FOR:	Medical Claims Adjustment	$2,000,000

M. TRANSIT SERVICES FUND

1. **FY21 ARPA Project 5307**
This award was originally appropriated via 2021 ORD 73. This is an ARPA grant that is 100% reimbursed with Federal dollars. The expense appropriation should match the award amount. This trues up the expense appropriations.

FROM:	Transit Services Fund ARPA	$7,617
FOR:	FY21 ARPA Project 5307	$7,617

2. **FY20 Award 5310**
This award was slightly under-appropriated initially. This request trues up the award amount with the expense appropriations.

FROM:	Transit Services Fund	$60
FOR:	FY20 Award 5310	$60

3. **FY23 CPF LM Adjustment**
The budget was loaded incorrectly when this was appropriated. The local match requirement on this grant is $375,000.00. APP was assessed against this, as opposed to on top of it. The local match BU should contain $375,000.00 of local match expense appropriations, and then $3,750.00 of APP transfers, for a total of $378,750.00.

FROM:	Transit Services Fund Reserves	$3,750
FOR:	FY23 CPF LM Adjustment	$3,750

N. CONSERVATION TRUST FUND

1. **Transfer of Appropriations for Poudre River Trail Culvert Replacement Project**
Park Planning budgets most of their capital spend in non-lapsing Parent accounts as they are not certain of allocations to individual projects at the time the biannual budgets are created. The Poudre River Trail Culvert Replacement Project does not meet the accounting criteria for a capital project. Park Planning is requesting permission to move $50,000 from the non-lapsing parent business unit into the lapsing project business unit. The requested move does not change the intent of the use of funds but is a mechanical adjustment to ensure adherence to accounting guidelines.

FROM:	Conservation Trust Fund non-lapsing project budget	$50,000
TO:	Conservation Trust Fund lapsing project budget	$50,000

CITY FINANCIAL IMPACTS

These Ordinances increase the total City 2026 appropriations by $12,376,296. Of that amount, these Ordinances increase General Fund 2026 appropriations by $2,622,107, including the use of $385,280 of prior year reserves. Funding for the total increase to City appropriations in these Ordinances is $6,220,503 from unanticipated revenue, $6,155,793 from prior year reserves, including $25,000 of General Fund Reserves for transfer to the Data & Communications Fund. Ordinance No. 128, 2026, transfers $50,000 of previously appropriated funds.

The following is a summary of the prior-year reserves items in Ordinance No. 127, 2026:

Item #	Fund	Use	Amount
A1a	General Fund	Police- Opioid Use Disorder	$50,000
A4	General Fund	Manufacturing Equipment Use Tax	$47,190
A6	General Fund	ERP Project Expenses	$288,090
B1	Transportation CEF Fund	PIL- Vine Bridge Replacement Project	$111,860
B2	Transportation CEF Fund	PIL- Drake & College	$39,122
C2	Transportation Fund	FC Moves Personnel Salaries	$109,000
D1	Self-Insurance Fund	Self-Insurance Operations	$1,329,157
E1	Utility CS&A Fund	Banking and Credit Card Fee	$655,780
G2	Water Fund	Utilities Water Distribution	$752,148
I2	Golf Fund	Golf repairs, lease repayment, water carriage, and Southridge improvements	$199,575
I3	Golf Fund	Golf water usage	$95,000
J1	2050 Tax Parks Transit OCF	Clean Fleet Grant Match Appropriation	$280,121
K2	Parking Fund	Parking Services HVAC Replacement Project	$195,000
L1	Benefits Fund	Medical Claims Adjustment	$2,000,000
M3	Transit Services Fund	FY23 CPF LM Adjustment	$3,750
		Total Use of Prior Year Reserves:	**$6,155,793**

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS / LINKS

1. Presentation to Council Finance Committee
2. Ordinance No. 126, 2026
3. Ordinance No. 127, 2026
4. Ordinance No. 128, 2026