

ORDINANCE NO. 163, 2024
OF THE COUNCIL OF THE CITY OF FORT COLLINS
BEING THE ANNUAL APPROPRIATION ORDINANCE
RELATING TO THE ANNUAL APPROPRIATIONS
FOR FISCAL YEAR 2025; ADOPTING THE BUDGET FOR
THE FISCAL YEAR BEGINNING JANUARY 1, 2025, AND ENDING
DECEMBER 31, 2026; AND FIXING THE MILL LEVY FOR PROPERTY TAXES
PAYABLE IN 2025

A. City Charter Article V, Section 2 provides that the City Manager shall file with the City Clerk on or before the first Monday in September preceding each “budget term” the proposed budget for that ensuing budget term.

B. City Charter Article V, Section 1 provides that the City Council is to set by ordinance the number of fiscal years that shall constitute the City’s “budget term.”

C. The City Council finds and determines that the adoption of this Ordinance is necessary for the public’s health, safety, and welfare and therefore wishes to approve the Proposed 2025-2026 Budget, as hereafter amended, and authorize the expenditures described in this Ordinance for the 2025 fiscal year.

D. In 2010, the City’s budget term was set in City Code Section 8-1 as being two fiscal years, so a biennial budget term.

E. Under Code Section 8-1, the City’s next biennial budget term is for fiscal years 2025 and 2026.

F. The City Council finds and determines that the adoption of this Ordinance is necessary for the public’s health, safety, and welfare and therefore wishes to approve the Proposed 2025-2026 Budget, as hereafter amended, and authorize the expenditures described in this Ordinance for the 2025 fiscal year.

G. On August 30, 2024, the City Manager filed with the City Clerk a proposed budget for the City of Fort Collins for the fiscal year 2025-2026 (the “Proposed 2025-2026 Budget”) as required in Article V, Section 2 of the City Charter and included with it an explanatory message, a complete financial plan for each City fund, appropriate financial statements for each type of fund showing comparative figures for the last completed fiscal year and the current fiscal year, and the City Manager’s recommendation for the ensuing budget term.

H. Article V, Section 3 of the City Charter requires that, within ten days of the date of the City Manager’s filing of the Proposed 2025-2026 Budget with the City Clerk, the City Council shall set a time certain for a public hearing on the Proposed 2025-2026 Budget and cause a notice of the hearing to be published

I. Both public hearings were held and conducted on those dates and persons were given the opportunity to appear before City Council and comment on any or all items and estimates in the Proposed 2025-2026 Budget.

J. Article V, Section 4 of the City Charter requires that after the public hearing and before the last day of November of each fiscal year, the City Council shall adopt the budget for the ensuing budget term by ordinance and appropriate by ordinance on a fund basis and by individual project for capital projects and federal or state grant projects, such sums of money as it deems necessary to defray all expenditures of the City during the ensuing fiscal year, based upon the budget as approved by the City Council.

K. The appropriations in this Ordinance also include appropriations as needed to transfer monies from the dedicated funds receiving the revenues to the funds from which those monies will be expended.

L. The 2025-26 Budget and annual appropriation for 2025 include partial funding from General Fund Reserves considered by policy as minimum fund balance. These are reserve balances in addition to the State required TABOR reserves, which are also held within the General Fund. The Financial Management Policy establishing this reserve fund was put in place nearly two decades ago reflecting a liquidity goal when the City's budget was much smaller. Those policy reserves were not used during the Great Recession in the late 2000's and have only been growing over the years; not being used for service delivery to the community. Staff will present an update to the Policy for Council approval in December.

M. Article V, Section 5 of the City Charter provides that the annual appropriation ordinance shall also fix the tax levy in mills upon each dollar of the assessed valuation of all taxable real property within the City, such levy representing the amount of taxes for City purposes necessary to provide for payment during the ensuing fiscal year for all properly authorized expenditures to be incurred by the City, including interest and principal of general obligation bonds.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. Budget.

- a. The City Council has reviewed the Proposed 2025-2026 Budget, a copy of which is on file with the office of the City Clerk and has determined that the amendments described in Exhibit "A" attached hereto and incorporated by reference should be made to it.
- b. The City Council on first reading of this Ordinance has also approved amendments to the Proposed 2025-2026 Budget as described in Exhibit "B" attached hereto and incorporated by reference.

- c. The Proposed 2025-2026 Budget, as amended in Exhibit "A" and Exhibit "B", is hereby adopted in accordance with the provisions of Article V, Section 4 of the City Charter and incorporated herein by reference (the "2025-2026 Adopted Budget").
- d. The 2025-2026 Adopted Budget shall be on file with and maintained in the office of the City Clerk and identified as "The Budget for the City of Fort Collins for the Fiscal Years Beginning January 1, 2025 and Ending December 31, 2026, as Adopted by the City Council on November 19, 2024."

Section 2. Appropriations. There is hereby appropriated out of the reserves and revenues of the City of Fort Collins, for the fiscal year beginning January 1, 2025, and ending December 31, 2025, the sum of ~~EIGHT HUNDRED NINETY-THREE MILLION FIVE HUNDRED FIFTY-THREE THOUSAND DOLLARS (\$893,553,000)~~ **EIGHT HUNDRED NINETY-FOUR MILLION SIX HUNDRED THREE THOUSAND DOLLARS (\$894,603,000)** to be raised by taxation and otherwise, which sum is deemed by the City Council to be necessary to defray all expenditures of the City during said fiscal year, to be divided and appropriated for the following purposes, to wit:

GENERAL FUND	<u>\$247,052,978</u>
SPECIAL REVENUE FUNDS	
2050 Tax Parks Rec Transit OCF	14,475,989
Capital Expansion Fund	1,424,886
Cemeteries Fund	1,219,367
Cultural Services Fund	9,175,494
Operating Total	8,919,980
Capital	
Art in Public Places	255,514
Total Cultural Services Fund	<u>\$9,175,494</u>
General Employees' Retirement Fund	6,539,500
Museum Fund	1,261,651
Natural Areas Fund	19,226,253 <u>19,411,253</u>
Parking Fund	3,572,184
Perpetual Care Fund	64,481
Recreation Fund	11,090,166
Sales & Use Tax Fund	11,028,001
Transit Services Fund	38,133,851
Transportation CEF Fund	2,531,916
Transportation Fund	45,678,156
Capital Leasing Corp Fund	6,263,317
TOTAL SPECIAL REVENUE & DEBT SERVICE FUNDS	<u>\$171,678,624</u>

CAPITAL IMPROVEMENT FUNDS

General City Capital

Capital

Buckhorn Bridge Replacement	1,250,000
CCIP Arterial Intersection Imp	1,300,000
CCIP Bicycle Infrastructure Im	1,300,000
CCIP Bus Stop Improvements	100,000
CCIP Nature in the City	750,000
CCIP Pedestrian Sidewalk - ADA	2,400,000
City Bridge Program	2,800,000
Dry Creek Bridge Replacement	1,250,000
East Community Park	885,403
Harmony/Power Trail Grade Sep	673,371
Northeast Community Park	162,483
Railroad Crossing Replacement	128,125
SE Community Center CCIP	15,201,000

Total General City Capital

\$28,200,382

Community Capital Improvement

Afford Housing Capital Program	500,000
Arterial Intersection Imprvmt	1,300,000
Bicycle Infrastructure Imprvmt	1,300,000
Bus Stop Improvements	100,000
Carnegie Bldg Renovation	25,000
Linden St Renovation	12,000
Nature in the City	750,000
Pedestrian Sidewalk - ADA	2,400,000
SE Comm Ctr w/ Pool	15,201,000
Transfort Bus Replacements	1,000,000

Total Community Capital Improvement

\$22,588,000

Conservation Trust Fund

Operating Total	669,792
Capital	
Trail Acquisition/Development	2,799,999

Total Conservation Trust Fund

\$3,469,791

Neighborhood Parkland Fund

Operating Total	742,830
Capital	
New Park Site Development	1,302,997

Total Neighborhood Parkland Fund	<u>\$2,045,827</u>
TOTAL CAPITAL IMPROVEMENT FUNDS	<u>\$56,304,000</u>
ENTERPRISE FUNDS	
Broadband Fund	
Operating Total	25,108,383 25,181,383
<u>Art in Public Places</u>	<u>-53,000</u>
Total Broadband Fund	<u>\$25,108,383</u> <u>25,128,383</u>
Golf Fund	
Operating Total	5,933,483
Total Golf Fund	<u>\$5,933,483</u>
Light & Power Fund	
Operating Total	171,342,483
	<u>171,370,533</u>
Capital	
2023 - GIWH Installations	1,215,000
Art in Public Places	14,000
Back Lot to Front Lot - Parent	400,000
CMMS–Maintenance Management	375,000
Dist. System Impr. & Replace.	500,000
Distribution Automation-Parent	200,000
Service Center - L&P Parent	1,565,000
Streetlights - Parent	1,106,866
Substation Cap Prj - Parent	1,300,000
System Relocations - Parent	400,000
Transformers - Parent	2,000,000
Capital Total	<u>9,075,866</u>
Total Light & Power Fund	\$180,418,349
	<u>\$180,446,399</u>
Stormwater Fund	
Operating Total	16,587,841
	<u>16,598,891</u>
Capital	
Art in Public Places	24,000
Cured in Place Pipe	200,000
Developer Repays	900,000
Master Planning	200,000
Stormwater Basin Improvements	2,750,000

Stream Rehabilitation Program	1,400,000
SW Land Acquisition	300,000
Utility Service Center Phase 2	150,000
Capital Total	<u>5,924,000</u>
Total Stormwater Fund	<u>\$22,511,841</u>
	<u>\$22,522,891</u>

Wastewater Fund

Operating Total	23,450,973
	<u>23,470,523</u>
Capital	
Combined One Water Laboratory	2,250,000
Art in Public Places	58,400
DWRP Sidestream Phosphorus Removal	1,000,000
Phase 2 - Design	
DWRP Preliminary Treatment Preliminary Design	2,000,000
Collection Sys Replace Pgm	1,750,000
Developer Repayments	200,000
Operational Technology	390,000
PARENT-Collect Small Projects	1,750,000
PARENT-Polu Control Cap Repla	90,000
PARENT-Serv Center Improvemnts	150,000
PARENT-Water Recl Replcmt Prgm	1,000,000
Capital Total	<u>10,638,400</u>
Total Wastewater Fund	<u>\$34,089,373</u>
	<u>\$34,108,923</u>

Water Fund

Operating Total	31,708,714
	<u>31,920,064</u>
Capital	
Water - College Avenue Water Main replacement	1,000,000
Art in Public Places	53,000
Combined One Water Laboratory	2,250,000
Distribution Sys Replac	2,500,000
Galvanized Service Repl	1,000,000
Operational Technology	200,000
PARENT-Cathodic Protection	700,000
PARENT-Distro Small Projects	2,150,000
PARENT-Service Cntr Improvm't	150,000

PARENT-Water Qual Cap Replace	100,000
PARENT-Water Supply Developm't	500,000
PARENT-Watershed Protection	200,000
PARENT-Wtr Meter Replacement	350,000
Capital Total	11,153,000
Total Water Fund	<u>\$42,861,714</u>
	<u>\$43,073,064</u>
TOTAL ENTERPRISE FUNDS	<u>\$310,923,143</u>
	<u>\$311,213,143</u>
INTERNAL SERVICE FUNDS	
Benefits Fund	43,048,403
Data & Communications Fund	13,442,676
	<u>13,692,676</u>
Equipment Fund	17,029,534
Self Insurance Fund	9,487,197
Utility CS&A Fund	24,586,445
TOTAL INTERNAL SERVICE FUNDS	<u>\$107,594,255</u>
	<u>\$107,844,255</u>
TOTAL CITY FUNDS	<u>\$894,603,000</u>
	<u>\$893,553,000</u>
These funds are included in the Total City Budget, but adopted on separate Ordinances:	
Downtown Development Authority (including debt service funds)	31,622,757
General Improvement District 1	319,731
General Improvement District #15 Skyview	1,000
URA Operating & Debt Service Funds	5,185,096
	<u>\$37,128,584</u>
GRAND TOTAL	<u>\$931,731,584</u>
	<u>\$930,681,584</u>

Section 3. Mill Levy.

a. The mill levy rate for the taxation upon each dollar of the assessed valuation of all the taxable real property within the City of Fort Collins shall be 9.797 mills to be imposed on the assessed value of such property as set by state law for property taxes payable in 2025, which levy represents the amount of taxes for City purposes necessary to provide for payment during the 2025 budget year of all properly

authorized expenditures to be incurred by the City, including interest and principal of general obligation bonds.

b. The City Clerk shall certify this levy of 9.797 mills to the County Assessor and the Board of Commissioners of Larimer County, Colorado, in accordance with the applicable provisions of law, as required by Article V, Section 5 of the City Charter and no later than December 15, 2024.

Introduced, considered favorably on first reading on November 4, 2024, and approved on second reading for final passage on November 19, 2024.

Mayor

ATTEST:

City Clerk

Effective Date: November 29, 2024

Approving Attorney: Jenny Lopez Filkins

Modifications from the 2025-2026 City Manager's Recommended Budget

Note - Offers listed below are in the same order as presented in the work session on October 8

Outcome	Offer Number and Title	Funding Source(s)	Changes Made from Recommended Budget	Ongoing Costs		One-Time Costs	
				2025	2026	2025	2026
C&R	58.6 - Golf Facility Assets	Golf Fund Reserves	Included for funding in 1st Reading			\$929,180	\$248,540
C&R	26.16 - Access Funds for Low-Income Community Residents	Cultural Services Fund Reserves	Included for funding in 1st Reading at a scaled amount of \$75k per yr.	\$75,000	\$75,000		
HPG	16.16 - Operation Services: 1.0 FTE - Real Estate	General Fund - Facilities Work for Others	Included for funding in 1st Reading	\$75,736	\$91,427		
HPG	16.19 - Operation Services: 1.0 FTE - HVAC Technician	General Fund - Facilities Work for Others	Included for funding in 1st Reading	\$130,060	\$84,446		
SAFE	29.20 - Police Colorado Regional Information Sharing Project [CRISP] - REHOST	General Fund Ongoing Revenue for \$667k (The balance of the offer is funded by partner orgs.)	Included for funding in 1st Reading			\$2,000,000	
SAFE	16.14 - Police Services HVAC	General Fund Reserves	Offer still funded, but amount reduced to \$2.5M to align with updated anticipated costs			(\$4,000,000)	
NCV	18.8 - CDNS: Eviction Legal Fund - formerly ARPA funded	General Fund Reserves	Included for funding in 1st Reading	\$220,000	\$220,000		
NCV	18.9 - CDNS: Immigration Legal Fund	General Fund Reserves	Included for funding in 1st Reading	\$220,000	\$220,000		
NCV	44.2 – Affordable Housing Capital Fund	Community Capital Improvement Fund (shift to Offer 44.10)	Offer still funded, but at amount reduced from from \$500k to \$100k in 2025 to fund Offer 44.10. 2026 is \$0 due to the expiration of the 0.25 cent tax.			(\$400,000)	
NCV	44.10 - Affordable Housing Fee Relief	Community Capital Improvement Fund (shift from Offer 44.2)	Included for funding in 1st Reading. This budget is intended to be non-lapsing with the targeted intent of \$200k per year			\$400,000	
SAFE	62.4 - Municipal Court: Judicial Services	General Fund Reserves	Included for funding in 1st Reading	\$34,906	\$36,129		
HPG	11.5 - CPIO: Expanded Communication Methods - formerly ARPA funded	General Fund Reserves	Included for funding in 1st Reading			\$100,000	\$100,000

EXHIBIT A TO ORDINANCE NO. 163, 2024

Outcome	Offer Number and Title	Funding Source(s)	Changes Made from Recommended Budget	Ongoing Costs		One-Time Costs	
				2025	2026	2025	2026
HPG	16.9 - Fleet Vehicle and Equipment New Replacements	General Fund Reserves	Offer still funded, but at increased amount of \$1.2M for total funding of \$2.2M	\$400,000	\$1,800,000		
T&M	19.8 - FC Asphalt Art Program	- Broadband Fund APP @ \$53k per year and - General Fund Reserves @ \$9.5k per year	Included for funding in 1st Reading at scaled amount for 2 installations per year instead of 4			\$62,500	\$62,500
T&M	21.9 - PDT Active Modes Facility Maintenance	Transportation Fund Reserves	Included for funding in 1st Reading at a scaled down amount that excluded streetsweeping	\$189,233	\$193,964	\$68,000	
T&M	65.21 - Transfort Sunday and Holiday Service	- 2050 Tax Ongoing: Transit	Included for funding in 1st Reading at \$300k starting in 2026	\$0	\$300,000		
T&M	65.22 - Transfort: 4.0 FTE - Additional Transit Security Officers	- 2050 Tax Ongoing: Transit	Offer still funded, but at amount reduced from 7.0 FTE to 4.0 FTE in 2026 (to pay most of Offer 65.21)	\$0	(\$253,485)		
T&M	19.11 - Adaptive Program Specialist for Safe Routes to School and FC Moves	Transportation Fund Reserves	Included for funding in 1st Reading	\$28,639	\$29,928		

Approved Amendments included in First Reading of the 2025-2026 Budget

Outcome	Offer Number and Title	Funding Source(s)	Changes Made from Recommended Budget	One-Time Costs	
				2025	2026
SAFE	10.3 – Cybersecurity Enhancement: Virtual CISO and Endpoint Management Modernization	Same funding for both years: - General Fund = \$135,000 - Transportation Fund = \$10,000 - Broadband Fund = \$20,000 - Light and Power Fund = \$28,050 - Water Fund = \$26,350 - Wastewater Fund = \$19,550 - Stormwater Fund = \$11,050	Included for funding on First Reading	\$250,000	\$250,000
ENV	72.1 - Poudre Flows Design and Permitting	2025 Funding: - General Fund = \$180,000 - Water Fund = \$185,000 - Natural Areas Fund = \$185,000 2026 Funding: - General Fund = \$100,000 - Water Fund = \$100,000 - Natural Areas Fund = \$100,000	Included for funding on First Reading	\$550,000	\$300,000

Deleted the asterisk from the Column B Header and the corresponding footnote that was located here

Offer 10.3 – Cybersecurity Enhancement: Virtual CISO and Endpoint Management Modernization (2025 = \$250,000 and 2026 = \$250,000)

This offer proposes funding to advance cybersecurity capabilities within the City of Fort Collins, with a streamlined focus on establishing a Virtual Chief Information Security Officer (vCISO) role and enhancing Endpoint Management, including critical updates to Patch and Vulnerability Management systems. The requested \$250,000 per year will support these essential cybersecurity improvements, adding to the protection of city data and infrastructure from increasing cyber threats. This investment builds on the momentum initiated through previous ARPA-funded efforts, aligning with federal cybersecurity standards and bolstering the city's resilience against threats.

Summary of Key Components

- Virtual Chief Information Security Officer (vCISO): A contracted cybersecurity leadership role focused on guiding the city's strategic cybersecurity initiatives, maintaining compliance with cybersecurity standards, and managing cybersecurity risk.
- Endpoint Management Modernization: Improve tools and processes to add to the security of city-managed devices, with a primary emphasis on:
- Patch Management: Proactive identification, testing, and deployment of security patches across systems to reduce vulnerabilities.
- Vulnerability Management: Comprehensive risk assessment to identify and address potential vulnerabilities within the city's IT infrastructure.

The increasing sophistication and frequency of cyber threats necessitate strong cybersecurity leadership and infrastructure. By funding a Virtual CISO and advancing Endpoint Management, the city will strengthen its cybersecurity posture while optimizing resources in a cost-effective manner. These updates not only protect against data breaches and disruptions but also maintain compliance with insurance requirements and federal cybersecurity standards. The continuation of ARPA-funded cybersecurity initiatives ensures that Fort Collins is equipped with an adaptive, resilient security framework that evolves with emerging threats.

EXHIBIT B TO ORDINANCE NO. 163, 2024

Offer 72.1 - Poudre Flows Design and Permitting (2025 = \$550,000 and 2026 = \$300,000)

This offer supports the health of the Cache la Poudre River (Poudre River), a cherished landmark and gathering point for Fort Collins community members. Annually, stretches of the Poudre River dry up due to the overallocation of water shares to support municipal, agricultural and industrial uses. Through the launch of the Poudre Flows Project (PFP), regional partners, including Fort Collins, will dedicate water rights to alleviate dry-up conditions and flow depletions on the Poudre River. These water rights will be used to protect instream flows while enhancing river health, water quality and recreation.

To implement the PFP, existing diversion structures must be upgraded. This offer supports design and permitting costs to upgrade the Arthur Diversion structure located downstream of North Taft Hill Road. This project will be designed to allow for bypass flow and measurement, meeting the legal requirements to provide protected instream flows. Additionally, the design will support fish passage and safety upgrades to the structure to support community priorities for and use of the Poudre.

By providing instream, protected flows contributed by regional municipal water providers and improving river health across a 52 mile stretch of the Poudre River, the PFP aligns with and supports City Council's priority to ensure a resilient and healthy Poudre River. The flows provided by the City will replenish a 10 mile reach of the urban Poudre River as it flows through the heart of Fort Collins. The PFP provides critical flows that protect Utilities' commitment to provide high quality water systems for the community. This project also benefits fish and riparian habitat, supporting the Natural Areas Department's goal to protect and improve ecosystem health, while enhancing recreation opportunities in a reach that experiences some of the lowest flows of the Poudre River. Finally, it supports Fort Collins' commitment to a regional effort to improve Poudre River health.