

Strategic Risk Management

City of Fort Collins

Financial Services

FY 2013-2014



Strategic Risk Management

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Introduction

The concept of managing uncertainty has become increasingly important across the modern world economy. In the fall of 2013, the City of Fort Collins developed the Strategic Risk Management (SRM) program. The program was designed to implement a global best practice, increase operational effectiveness, wisely allocate limited resources, and grow stakeholder and council confidence. Capitalizing on its Culture of Innovation competency, the City of Fort Collins is one of the front runners of the municipal world in instituting a risk management program of this kind. Strategic Risk Management (SRM) can be defined as:

“a process put in place to provide reasonable assurance that the organization will achieve its objectives”

Each of the City’s major service areas—Police, Planning Development and Transportation, Community Services, Sustainability and Utilities—participated in the SRM program. Service Area directors assembled their respective management teams for a series of three 1-2 hour meetings. The basic program covered the following:

1. Concept introduction and service area strategy alignment with City strategic objectives
2. Risk brainstorming exercise to populate the Service Area Risk Register
3. Ranking of risks based on magnitude of impact and probability of occurrence
4. Discussion of risks and ranks due to dispersion (conflicting ranking scores) or discrepancy (differences between management and staff scores) to facilitate consensus
5. Evaluation of resulting Risk Map and setting of Risk Appetite (threshold of acceptable risk without the need for mitigation plans) to determine priority risks
6. Mitigation plans created for priority risks

Service Area Risks

The participating service areas each generated a list of risks unique to their respective domains of responsibility. Those risks were then ranked on the probability of occurrence and magnitude. The risks that were ranked with the highest combination of probability and magnitude were marked as priority risks and warranted a corresponding mitigation strategy.

Service Area / Risks (mitigation plan page)	Probability	Magnitude
Community Services		
o Low flows in the Poudre; Declining river health	Almost certain (>75%)	3 - Medium
o Reduced urban forest from Emerald Ash Borer (p. 21)	Likely (50%-75%)	3 - Medium
o Climate change (p. 22)	Likely (50%-75%)	3 - Medium
o Increased economic instability that would pull financial resources	Possible (25%-50%)	3 - Medium
o Increasing demand for services stretches City resources	Possible (25%-50%)	3 - Medium
o Reduction in General Fund support for rec programs facilities during difficult economic times	Possible (25%-50%)	3 - Medium
o Loss of conservation trust money for trails in 2025 if not renewed	Possible (25%-50%)	4 - High
o Expiration of dedicated sales taxes (p.21)	Possible (25%-50%)	4 - High
o Lack of funding to maintain or replace an aging infrastructure (p. 22)	Possible (25%-50%)	4 - High
Planning, Development and Transportation		
o CDOT/Federal Funding change	Likely (50%-75%)	3 - Medium
o Changes in CSU policies and programs (p. 26)	Likely (50%-75%)	3 - Medium
o Failure to examine funding for alternative transportation; Inability to adequately fund transit to realize plans and vision (p. 27)	Likely (50%-75%)	3 - Medium
o Staffing issues, i.e. maintaining a high-end work force with high level expertise (p. 26)	Likely (50%-75%)	3 - Medium
Police Services		
o Lack of IT resources/support to address issues (p. 32)	Almost certain (>75%)	3 - Medium
o Staffing - lack of personnel jeopardizes achievement of strategic objectives (p. 31)	Almost certain (>75%)	4 - High
o Strategic Plan mis-alignment - City Plan vs City Strategic Plan vs BFO vs Service Area Strategic Plans (p. 31)	Almost certain (>75%)	3 - Medium
o Technology Limitations (lack of timeliness in data, dispatch updates, IT obsolescence, conforming to inter-agency standards) (p. 31)	Almost certain (>75%)	3 - Medium
Sustainability Services		
o A Natural Calamity Occurs within or adjacent to Fort Collins	Likely (50%-75%)	4 - High
o Changes to URA Legislations (i.e. TIF disappears, mandatory 50% shareback)	Likely (50%-75%)	3 - Medium
o Increase Federal Regulation that has significant effect on City activities	Almost certain (>75%)	3 - Medium
o KFCG and BOB not extended	Possible (25%-50%)	4 - High
o Significant Change in the Global/National Economic and Financial Market	Likely (50%-75%)	4 - High
Utility Services		
o Cannot bill customers due to billing system failure (p. 39)	Likely (50%-75%)	3 - Medium
o Climate change (multi-year drought); a drought or other environmental disaster would affect consumer use, industrial use (p. 41)	Likely (50%-75%)	4 - High
o Cyber security (p. 40)	Likely (50%-75%)	4 - High
o Lack of IT Cross training (p. 39)	Almost certain (>75%)	3 - Medium
o Lack of water storage (potable and non-potable) (p. 41)	Likely (50%-75%)	3 - Medium

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Mitigation Plans

Mitigation plans were created through brainstorming by initially identifying existing mitigation efforts, and then working through the mitigation hierarchy. The mitigation hierarchy provides focus on the most desirable forms of mitigation first, such as avoidance and reduction, before settling for sharing (insurance) and acceptance.

1. Avoidance
2. Reduction
3. Sharing
4. Acceptance

Executive Level Risks

46 “*executive-level*” risk themes were derived from the 135 total risks generated during the service area processes. 11 of the themes were considered priority risks due to number of times the theme was cited. These priority risk themes were discussed with the Executive Leadership Team, and integrated into the 2015-2016 strategic planning process resulting in strategic objectives for the next Budgeting for Outcomes (BFO) cycle. Each service area mitigation plan will have the opportunity for securing resources for execution within the BFO process. The 11 priority risk themes in order of frequency were as follows:

1. Change in City internal funding priorities*
2. Strategic plan misalignment*
3. Staffing issues*
4. Public demand and needs change
5. Regulatory impact
6. Council & Board decisions change strategy
7. IT limitations / failure issues*
8. 3rd party vendor issue / failure / unavailability
9. Loss of voter approved funding source*
10. Infrastructure maintenance costs outpace funding
11. Climate change*

*Service Area level mitigation strategies in place

Lessons Learned

Expectations must be managed when introducing an infrastructure such as Strategic Risk Management into an established organization. Consultants and experts in the field advise that true implementation of risk management can take years. However, those same advisors assert that the assessment produces very tangible benefits for an organization, even if that organization is participating in the process for the first time.

Although mitigation plans, executive-level risk themes, and impact on strategic planning are very important results of Strategic Risk Management, the process yielded several other opportunities for learning. Additional insights into the organization came in the form of:

- Introduction of new concepts and ideas
- Introduction of risk terminology and language
- Familiarization with risk identification and measurement process
- Elevated discussion around strategic issues within teams
- Distributed awareness of risks throughout teams
- Strategic objective identification and alignment

Conclusion

In addition to these valuable lessons at the service area level, executive level awareness of the process and issues were raised with a final presentation on the results. Due to its substantial contributions, future objectives were designed for the next iteration of the SRM program.

- Incorporate lessons learned and insights into strategic plan
- Operationalize into strategic planning process 2015
- Full implementation across organization with support functions
- Include ELT and City Manager level participation

Appendix

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Definition Detail

The City of Fort Collins (City) Strategic Risk Management program is a subset of the broader concept of Enterprise Risk Management (ERM). ERM programs generally follow one of two major standards: Committee of Sponsoring Organizations of the Treadwell Committee (COSO) or International Organization on Standardization (ISO). Both standards have comprehensive implementation practices that can take 2-5 years to fully integrate with an existing organization's processes.

In an attempt to successfully reap the majority of benefits of risk management, yet implement within a timeframe outlined in months (not years), the City chose to focus on successful execution of its strategy in creating the Strategic Risk Management (SRM) program. The SRM program would utilize the risk management process approach to ensure accomplishment of its deliverables.

Strategic Risk Management (SRM) can be defined as:

“a process put in place to provide reasonable assurance that the organization will achieve its objectives”

SRM is therefore a subset of ERM which focuses on strategy and all barriers to its successful execution.

Methodology Detail

Each of the City's major service areas—Police, Planning Development and Transportation, Community Services, Sustainability, and Utilities—participated in the SRM program individually. Service Area directors assembled their respective management teams for a series of three 1-2 hour meetings. The basic program covered the following:

1. Concept introduction and service area strategy alignment with City strategic objectives
2. Risk brainstorming exercise to populate the Service Area Risk Register
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6. Mitigation plans created for priority risks

1) Concept Introduction and service area strategy alignment with City strategic objectives

Each service area was given an introduction and presentation on SRM. They were then tasked with aligning their service area with the City’s strategy. Strategy alignment with the overall City’s strategic objectives required each service area to identify and evaluate their unique initiatives, and the impact of those initiatives to the overall strategic plan of the City. The resulting Service Area Matrix depicted which City strategic objectives were influenced the most by each service area.

<u>Strategic Objectives</u>		Police	Policy & Performance	Community	Operations	Finance	Communication & HR	Utilities	Sustainability	Planning, Dev & Transportation
1 Community & Neighborhood Livability	1.1. Develop innovative enforcement efforts & voluntary compliance with City codes	X				X				X
	1.2. Provide, enhance & maintain attractive public spaces			X				X	X	X
	1.3. Preserve the character of neighborhoods & enhance/maintain the attractiveness of neighborhood	X		X				X		X
	1.4 Encourage partnerships with private entities and public agencies for housing, & other programs								X	
	1.5 Improve neighborhood parking management				X					X
2 Culture & Recreation	2.1 Provide exceptional programs and facilities that contribute to the health & cultural vibrancy of the community			X					X	X
	2.2 Provide outstanding customer service & operational excellence		X	X	X	X	X			
	2.3 Provide programs that are diverse, innovative and tailored to our unique community			X						
	2.4 Maintain and enhance a world class regional interconnected system of parks, trails & open lands			X						
	2.5 Promote the arts and make Fort Collins the cultural destination in northern Colorado			X						
3 Economic Health	3.1 Enhance opportunities for both businesses and the local workforce					X		X	X	
	3.2 Foster a diverse mix of employment and retail opportunities					X			X	
	3.3 Focus & invest in the downtown area, river district, Lincoln triangle & midtown corridor					X		X	X	X
	3.4 Ensure adequate staff to provide timely review and critique of development opportunities					X		X	X	X
	3.5 Revitalize and strengthen business centers	X				X		X	X	X
4 Environmental Health	4.1 Maintain and improve air and water quality							X	X	X
	4.2 Reduce greenhouse gas emission to by 20% of 2005 by 2020 and 80% by 2050							X	X	X
	4.3 Conserve & restore natural habitat & promote biological health & diversity			X				X		
	4.4 Reduce waste and resource consumption							X	X	X
	4.5 Increase energy conservation, efficiency & renewable energy							X	X	X
	4.6 Align water quantity with storage and conservation policies							X		
5 High Performing Government	5.1 Improve leadership capability and increase leadership effectiveness	X	X	X	X	X	Primary	X	X	X
	5.2 Improve organizational fiscal literacy, financial management & fiscal strength	X	X	X	X	Primary	X	X		X
	5.3 Implement a systematic approach to identify, organize, & communicate performance measures	X	X	X	X	Primary	X	X		X
	5.4 Attract, engage and retain a high quality, creative workforce with a diverse set of skills	X	X	X	X	X	Primary	X	X	X
	5.5 Promote and invest in employee health and safety	X	X	X	X	Primary	Primary	Primary		X
	5.6 Develop and foster key community partnerships	X	X	X	X	X	X	X	Primary	X
	5.7 Establish a culture of exceptional customer service and deliver services that exceed community expectations	X	X	X	X	X	X	X	X	X
6 Safe Community	6.1 Proactively Support prevention and community safety through education and outreach initiatives	X						X	X	X
	6.2 Improve response times to collisions, crimes, fires, utility emergencies and medical services	X								
	6.3 Improve the safety and reliability of the City's built environment				X			X	X	X
	6.4 Support community wide planning, preparedness and recovery from community disasters	X	X	X	X	X	X	X	X	X
	6.5 Prevention and investigation of crime	X								
	6.6 Reduce fear of crime	X								
7 Transportation	7.1 Provide safe, well-functioning, high quality streets, bikeways, sidewalks, trails & infrastructure	X		X						X
	7.2 Provide long-term transportation planning to enhance citizen mobility and improve traffic flow									X
	7.3 Limit the rate of increase or reduce vehicle traffic and enhance alternative travel modes									X
	7.4 Address long-term maintenance & operations cost of transportation infrastructure									X
	7.5 Enhance the sustainability of the physical assets as well as the operations of transportation systems									X
	7.6 Transit									X

2) Risk brainstorming exercise to populate the Service Area Risk Register

Each group participated in brainstorming exercises designed to elicit the greatest challenges facing implementation of their respective initiatives. The exercises ranged from “greenfield,” top-of-mind input to prompted, key-word association. The individual risks were communicated as:

cause -> risk event -> impact

The “impact” of each risk was failure to perform on one of the City’s strategic objectives. The risks were captured in a Risk Register, and discussion ensued to eliminate duplicates as well as clarify ambiguous language. The resulting consolidated Risk Register of all the service areas identified 135 risks.

ID	Risk	Service Area
1	Increased economic instability that would pull financial resources from community services (2.1, 2.2, 2.3, 2.5) (conflicting priorities, etc)	CS - PRIORITY
2	lack of funding for renovations and maintenance of medians to meet the new standard (2014 \$90,000) 2.4 7.1;	CS
3	Staff resistance to customer service improvement (recreation 2.2) (staff choosing not to implement programs)	CS
4	Loss of conservation trust money for trails in 2025 if not renewed (PP&D 2.4)	CS - PRIORITY
5	expiration of dedication sales taxes (i.e expiration of Help Preserve Open Space in 2018 and BOB)	CS - PRIORITY
6	damage to rec facilities from natural disaster, structural failures or other causes (recreation 2.1)	CS
7	cause: Emerald Ash Borer in F.C.; Risk event = reduce urban forest (1.2, 2.1, 4.2, 4.3)	CS - PRIORITY
8	increase competition from private cultural recreation organizations may negatively impact our ability to offer diverse programming (2.3)	CS
9	lack of future funding for maintenance in future parks 1.2, 2.1.2.4; PP&D 2.1.2.2.4 7.1 loss of general fund support to maintain new parks and trails which prevents the build	CS
10	decline of public interest in rec programs, and consequent loss of fee revenue (recreation 2.1, 2, and 3)	CS
11	increasing demand for services stretches City resources (i.e reliance on the City cultural services as a driver for economic revitalization) (2.1, 2.2)	CS - PRIORITY
12	lack of future funding (i.e BOB) for relocation causes the City to lose the downtown maintenance shop (3.3, 1.2, 2.4, 2.2)	CS
13	inability to maintain our level of service to meet high expectations due to growing population, inability to maintain core service; demand outpaces ability to supply (impac	CS
14	the changing face of cultural product expectations (i.e. Lincoln center shows and museum displays) offered and the cost of such products (2.1.2.3 2.5)	CS
15	weather, competition and or decreasing demand causing a decrease in the rounds of golf at all courses (1.2.2.1)	CS
16	lack of funding to maintain or replace an aging infrastructure (i.e parks and cemeteries golf are currently funded to a minimal level for life cycle and Golf infrastructure doe	CS - PRIORITY
17	the changing demographic face of the community creates a paradigm shift in programs desired (ability to provide a product that continues to appeal to your donor base whil	CS
18	continuous improvement of consumer technology creates less demand for live performances/services (i.e. consumer ability to access culture from home using technology)	CS
19	Low flows in the Poudre; decline river health (4.3)	CS - PRIORITY
20	overwhelming infrastructure costs causes a decline in income for all other services (i.e. our ability to sustain our services hurt because funding doesn't increase while need	CS
21	Reduction in General Fund support for rec programs facilities during difficult economic times (recreation 2.1.2.2.3)	CS - PRIORITY
22	lack of alignment between strategic plan/BFO process and Service Area's overall core services/initiatives; confusion, waste, lack of encouragement;	CS
23	as regional entrepreneurs grow in both scope of programs offered gained in number, fort collins may not be associated with cultural excellence (2.5) Increased competitor	CS
24	climate change (i.e. water supplies, fire, energy demands, global insecurities)	CS - PRIORITY
25	failure of IT systems impacting registration and or payment process for programs/services (2.1, 2.2)	CS

26	Changes in CSU policies and programs (i.e. Development growth or growing student population, pricing of student housing etc, management practices, anything that affect	PDT - PRIORITY
27	Failure of key personnel to perform causing critical functions to not get done 7.1 and 3.5; unreliability of those who are needed to accomplish critical functions;	PDT
28	Changes in political climate, advisory board decisions affecting the parking plan (3.5)	PDT
29	(existing internal funding sources go away) Lack of long-term dedicated funding sources (i.e. lack of immediate funding to provide east/west connections to MAX, uncertain	PDT
30	Recession/Downturn in economic activity that impacts funding for longer term or progressive projects programs (7.2/7.3) (risk to existing funds)	PDT
31	Policy regarding Equipment Replacement (i.e. costs of service, response time affected, quality of work, replacing equipment with CNG) 3, 4, 6, 7 - Effects the level of servic	PDT
32	Re-aligning plans and policies / code for development that reflect FC now (not 20 years ago) 1.2, 1.3, 3.1, 3.2 etc.;(outdated policies and plans/codes/fees not able to meet	PDT
33	fire drills, reactive prioritization; the risk of not accomplishing current priorities due to unexpected, low-priority tasks or short-term, unaligned new priorities sent down fr	PDT
34	lack or loss of political will to make tough choices in favor of alternative modes of transportation (funding etc.); inability to stick to the long-term plan or vision when it corr	PDT
35	Staffing issues, i.e. maintaining a high-end work force with high level expertise (7.1 and 3.5) Brain drain and succession planning - ability to retain top talent; transfer of kn	PDT - PRIORITY
36	Risks to certainty of Federal Funding (makes up 30% of funding); ADA Compliance and Title VI	PDT
37	Conflicting Policies creating inability to follow through on commitments/work programs	PDT
38	infrastructure doesn't support new development, unanticipated impact on development	PDT
39	failure to examine funding for alterative transportation; Inability to adequately fund transit to realize plans and vision; must gain community/council and executive suppor	PDT - PRIORITY
40	CDOT/Federal Funding change,	PDT - PRIORITY
41	Staffing - lack of personnel jeopardizes achievement of strategic objectives	PS - PRIORITY
42	Capacity - resource limitations (i.e. time, infrastructure, etc.) excluding staffing	PS
43	Conflicting External Priorities - various input from citizens forcing misalignment of efforts	PS
44	Internal Prioritization - conflict of priorities within and between service area, council, City management	PS
45	Regional/Inter-agency Partnerships lack cooperation (i.e. for dispatch, range, financial task force)	PS
46	Budget - Committed funds are not renewed (i.e. KFCG)	PS
47	Budget - current City funding sources are scaled back	PS
48	Budget - lack of funds to tap for implementing innovative projects	PS
49	Changing policies and priorities within the City over time	PS
50	Strategic Plan Mis-Alignment - City Plan vs City Strategic Plan vs BFO vs Service Area Strategic Plans	PS - PRIORITY
51	Culture Shift - managing change within force to become more data driven and take advantage of technology	PS
52	Labor Contract and implications force possible changes, restrictions, lack of capability	PS
53	Lack of Community Trust and/or Support resulting in funding issues (may be caused by negative media)	PS
54	Lack of Community Trust and/or Support interfering with ability to accomplish tasks (i.e. investigations)	PS
55	Technology Limitations (lack of timeliness in data, dispatch updates, IT obsolescence, conforming to inter-agency standards)	PS - PRIORITY
56	Lack of IT resources/support to address issues	PS - PRIORITY
57	Focusing on the wrong metrics; misalignment of goal and metric in pursuit of accomplishing the strategic objectives	PS
58	Political Miscommunication (political appetite for new funding based on prior approvals)	PS
59	Misalignment of roles and responsibilities (i.e. event planning applications and approvals)	PS
60	3rd Party Vendors failing to meet expectation (i.e. implementation of program failing due to 3rd party vendor failure)	PS
61	Violations: performance/ethical violation by officers	PS
62	Internal Value system for appreciation of volunteers	PS
63	Aging workforce	PS
64	Culture clash between old and new workforce	PS
65	Regulatory impact	PS
66	Safety issues (i.e. injuries)	PS
67	Budgetary miscommunication (capability to meet expectations with only partially funded offers)	PS
68	Replacement staffing issues	PS - PRIORITY
69	Federal Funding of CDBG and Home Programs are Significantly Reduced	SS
70	Significant Change in the Global/National Economic and Financial Market; Sudden, dramatic raise in Cost of fuel/utilities (through Carbon regulation or fuel scarcity); Sudd	SS - PRIORITY
71	Significant Change in Political Will Regarding Managing Growth; Make up of City Council; backlash against metro districts	SS
72	Changes to URA Legislations (i.e. TIF disappears, mandatory 50% shareback)	SS - PRIORITY
74	loss of large primary employers (i.e. HP, Woodward and Avago)	SS
75	Housing Vacany Rate fall below 5%	SS

76	A Natural Calamity Occurs within or adjacent to F.C.; Catastrophic wildfire/water shortage or other event; dramatic and sudden climate change; Food scarcity from disease	SS - PRIORITY
77	Reduction in CSU Funding (a significant downsizing)	SS
78	Our Department is given unexpected Projects that cannot be realistically done well	SS
79	Shift to short-sighted, short-term decision making by City Council or staff; Not considering long-term and life cycle impacts	SS
80	Misinformation (i.e. on Climate and Sustainability issues) that prohibits decision makers from taking productive action	SS
81	Major Terrorist Event	SS
82	Change to a City Manager who isn't progressive; shift in strategic priorities and objectives	SS
83	Lack of Internal Organizational Alignment; shift in strategic priorities and objectives; building codes and fees increase and make affordable housing difficult	SS
84	Defunding of SSA/EHO/etc.; Significant reduction of budget	SS
85	Loss of Skilled workforce (internal and external workforce); Mass retirement or people leaving their jobs; Demographic shifts that affect workplace makeup	SS
86	Federal Grant Increase City Requirements/Regulations	SS
87	not able to accommodate needs of aging population; A Sudden increase in aging population	SS
88	Increase Federal Regulation that has significant affect on City activities (i.e. waste water)	SS - PRIORITY
89	sudden and dramatic populationchange (unable to keep up with City's needs in housing/crime reduction); influx of population as climate refugees	SS
90	one or 2 or all of our homeless missions closing; facilities for low-income loss; an affordable housing project burns; mobile home parks close and forces displacement of low income	SS
91	worsening air pollution and sickness (from oil/gas)	SS
92	Significant Rising Health Care Costs	SS
93	climate change impacts elderly and low income	SS
94	Housing costs increase and people have less to spend on avoiding health care costs	SS
95	prolonged loss of electrical supply	SS
96	fracking lawsuit loss at state	SS
97	New building space not funded or delayed; people stop donating to nonprofits and fewer social resources for fewer people	SS
98	KFCG and BOB not extended	SS - PRIORITY
99	Lack of IT Cross training 5.4	US - PRIORITY
100	Lack of formal asset management 6.3	US
101	inconsistent safety culture 5.5	US
102	City Council not adopting resolution 2008-038 for implementing new financial management policies (required reserves) (90% of utilities' costs are affected by not having the	US
103	regulatory uncertainty (carbon tax, nutrient removal; physical security) 4.6, 5.6, 6.3	US
104	no alignment/misalignment between master plans, strategic financial plan, city plan, city strategic plan 6.3	US
105	major PRPA outage due to transmission line failure 4.1/6.4	US
106	Enforcement of fines from regulatory agencies 5.7	US
107	cannot bill customers due to billing system failure (5.7,)	US - PRIORITY
108	chemical release at water or waste-water (chlorine) 4.1, 2.2, 6.4; contamination; a chemical release could injure the public or our environment; any significant leak - could injure	US
109	threat to employee safety and security from outside influence	US
110	cyber security	US - PRIORITY
111	staff reductions or competition for staffing (new competition from oil and gas industries)	US
112	natural disasters that damage delivery of utilities 6.4	US
113	elimination or reduction of fees supporting our programs (cut in programs depending on priorities if level of funding goes down due to a reduction of rates, etc.); lack of re	US
114	lack of training in emergency preparation (FEMA accounting, tracking, etc) (i.e. financial hurdles to get refunds); without staff trained to get refunds/help we cannot sustain	US
115	greater than 14 day pandemic (i.e. loss of staff for treatment and other areas) (business continuity planning); serious illness could affect the city of FC ability to provide utilities	US
116	climate change (multi-year drought); a drought or other environmental disaster would affect consumer use, industrial use (high tech brew etc.) esp hence impact the local economy	US - PRIORITY
117	PRPA rate changes (shifting costs to demand changes) 5.2	US
118	Lack of water storage (potable and non-potable); halignan environmental impact study results affecting cost structure, etc. 4.6	US - PRIORITY
119	inaccurate financial forecasts limit funding for strategic projects (understated revenues or over budgeted) 6.2	US
120	Aging Workforce 5.4	US
121	Contamination of our systems, an external threat; an act of terrorism	US
122	Privatization, deregulation of Fort Collins Utilities (goes through Council), de-emphasizing dedication to community/City's Mission, Vision, and Values	US
124	No Plan for Black Start (restarting the grid)	US
125	Political Decisions that violate fundamentals of Utilities (i.e. Council's concern about Warren Lake)	US
126	Communication Systems Failure	US
127	Lack of Documented Procedures and Policies	US
128	Reputation Management, negative media	US
129	Federal Shutdowns - delays in permitting	US
130	Availability/Competition for contractual labor	US
131	Availability of Rental Equipment (especially in emergencies)	US
132	Availability/shortages of Materials (pipes, wire, pumps, chemicals, etc.)	US
133	Over-extension of internal resources (multiple emergencies at the same time)	US
134	Catastrophic weather patterns (ex: 30+ days of below zero temperatures)	US
135	Competing Organizational Objectives (safety vs environment vs financial)	US

3) Ranking of risks based on probability of occurrence and magnitude of impact

Ranking exercises took place via email where each participant had the opportunity to evaluate all the risks that the service area generated. Probability was based on the likelihood that the risk event would occur within the next five years (the same timeframe used for Strategic Planning).

Probability	A - Almost certain (>75%)
	B - Likely (50%-75%)
	C - Possible (25%-50%)
	D - Seldom (<25%)

Magnitude of the risk event was also based on a four point scale. Depending on the nature of the risk event, the scale was adjusted and applied as appropriate. The tool below was used to help participants rank magnitude from various perspectives.

Assessing Risk

	Overview	Service Disruption / Affect Upon Funds or Process	Communication	Reputation	Legal and Financial Ramifications
High	Disaster with the potential to significantly harm the City and is fundamental to the non-achievement of objectives.	Total Failure of service, extremely expensive \$\$\$\$	Council	Prolonged national publicity (resignations)	Multiple Civil & Criminal suits (requires a City restructuring of budget)
Medium	Critical event which can be endured but which may have prolonged negative impact and extensive consequences.	Serious disruption to service, high \$\$\$	Service Director / Possibly Council	National public or press interest (major consequences)	Major litigation (cost exceeds the annual budget)
Low	Major events which can be managed but requires additional resources and management effort.	Disruption to service, cost \$\$	Direct Supervisor / Service Director	Local public or press interest (minor consequences)	Minor litigation (absorb cost within budget)
Insignificant	A manageable event with little impact or one that is not worth worrying about.	Some minor impact / annoyance, cost \$ - none at all	None or Direct Supervisor	Known inside the City, but no major actions or consequences	No litigation, no cost

4) Discussion of risks and ranks due to dispersion or discrepancy to facilitate consensus

Results from ranking were reviewed and discussed. Special attention was given to risks that had a wide range of ranking, and also those risks that had disagreement between management and staff. The final ranking was then mapped into a Risk Map.

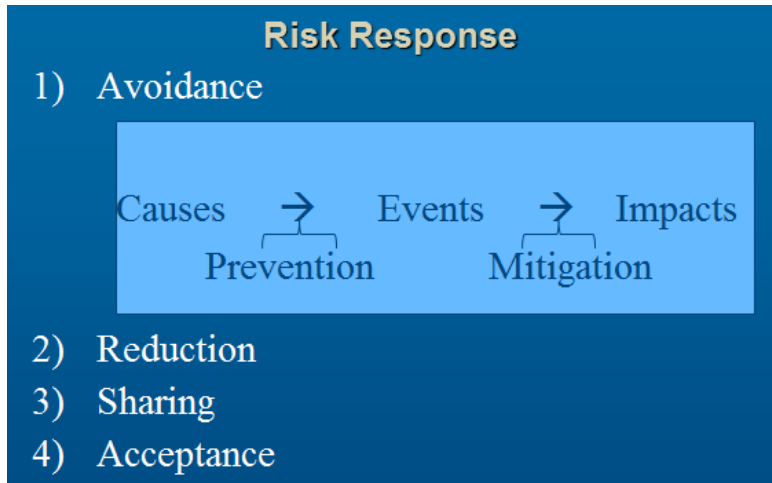
Risk Map					
Probability	A - Almost certain (>75%)	Yellow	Yellow	Red	Red
	B - Likely (50%-75%)	Yellow	Yellow	Red	Red
	C - Possible (25%-50%)	Green	Yellow	Yellow	Yellow
	D - Seldom (<25%)	Green	Green	Yellow	Yellow
		1- Insignificant	2 - Low	3 - Medium	4 - High
Magnitude of Impact					

5) Evaluation of resulting Risk Map and setting of Risk Appetite to determine priority risks

The resulting Risk Map is color coded to highlight risks that were ranked as a priority (red) and required mitigation plans. The default Risk Appetite was set so that any risk ranked 3 – Medium / B – Likely and above was deemed a priority risk. However, each service area had the flexibility to set their own unique color coding and thus find the appropriate Risk Appetite for their team.

6) Mitigation plans created for priority risks

Once the Risk Map identified the priority risks, each service area would complete mitigation plans for the priority risks. The teams then followed an escalation path of mitigation techniques to develop actions for dealing with the risk.



Mitigation Template

<p><u>Service Area:</u></p> <p><u>Issue:</u></p> <p><u>Probability:</u></p> <p><u>Magnitude:</u></p> <p><u>Actions:</u></p> <ul style="list-style-type: none">➤ <u>Existing:</u><ul style="list-style-type: none">••➤ <u>Mitigation:</u><ul style="list-style-type: none">• Avoidance<ul style="list-style-type: none">○○• Reduction<ul style="list-style-type: none">○○• Sharing<ul style="list-style-type: none">○○• Acceptance
--

Results

Of the 134 risks identified from the service area processes, 46 executive-level risk themes were derived and 11 of those were considered priority risk items due to number of times the issue was cited. These priority risk themes were integrated into the 2015-2016 strategic planning cycle.

#	ELT Issue	Total
1	Change in City internal funding priorities	11
2	Strategic plans misalignment	9
3	Staffing Issues (due to internal policy / procedure)	8
4	Public demand & needs change/decline for City offerings	8
5	Regulatory Impact	7
6	Council (Boards) decisions/change strategy	7
7	IT limitations / failure issues	7
8	3rd Party Vendor Issue/failure/unavailability	6
9	Loss of voter approved funding source (i.e. BOB)	6
10	Infrastructure maintenance costs outpace funding	5
11	Climate change	4
12	Natural disaster (i.e. flood)	3
13	Reduction or damage to natural assets	3
14	Demand increase stretches City resources	3
15	Loss of State/Federal Funding	3
16	Safety issues	3
17	Fire drills	3
18	Internal staff resistant to culture change needed	3
19	Changes in CSU policies and programs	2
20	Increase in private sector competition	2
21	Aging workforce	2
22	Major Terrorist Event	2
23	Economic downturn decreases available funding	2
24	Internal staff performance failure	2
25	Lack of adequate training, documentation	2
26	Reputation Management, negative media	1
27	Performance metric misalignment	1
28	No Plan for Black Start (restarting the grid)	1
29	Climate misinformation	1
30	14 day pandemic	1
31	Lack of water storage	1
32	Strategic objective expectation miscommunication	1
33	Loss of Community Trust/Support	1
34	Outdated strategy misalignment	1
35	Loss of large primary employers	1
36	Internal Value system for appreciation of volunteers	1
37	Inflexibility of BFO process	1
38	Change in City Manager	1
39	Declining Poudre River health (i.e. low flow)	1
40	Labor Contract implications	1
41	Housing Vacany Rate fall below 5%	1
42	Federal Shutdowns - delays in permitting	1
43	Inaccurate forecasts	1
44		1
45	Lack of formal asset management	1
46	Lack of inter-agency cooperation	1
Grand Total		134

Service Area Assessments

COMMUNITY SERVICES	18
PLANNING, DEVELOPMENT AND TRANSPORTATION	23
POLICE	28
SUSTAINABILITY SERVICES	33
UTILITY SERVICES	36

Service Area Assessments

Community Services

- Strategic Objectives Alignment (Community Services)

<u>Strategic Objectives</u>		Community <input type="button" value="v"/>
1 Community & Neighborhood Livability	1.1. Develop innovative enforcement efforts & voluntary compliance with City codes	
	1.2. Provide, enhance & maintain attractive public spaces	x
	1.3. Preserve the character of neighborhoods & enhance/maintain the attractiveness of neighborhoods	x
	1.4 Encourage partnerships with private entities and public agencies for housing, & other programs	
	1.5 Improve neighborhood parking management	
2 Culture & Recreation	2.1 Provide exceptional programs and facilities that contribute to the health & cultural vibrancy of the	x
	2.2 Provide outstanding customer service & operational excellence	x
	2.3 Provide programs that are diverse, innovative and tailored to our unique community	x
	2.4 Maintain and enhance a world class regional interconnected system of parks, trails & open lands	x
	2.5 Promote the arts and make Fort Collins the cultural destination in northern Colorado	x
3 Economic Health	3.1 Enhance opportunities for both businesses and the local workforce	
	3.2 Foster a diverse mix of employment and retail opportunities	
	3.3 Focus & invest in the downtown area, river district, Lincoln triangle & midtown corridor	
	3.4 Ensure adequate staff to provide timely review and critique of development opportunities	
	3.5 Revitalize and strengthen business centers	
4 Environmental Health	4.1 Maintain and improve air and water quality	
	4.2 Reduce greenhouse gas emission to by 20% of 2005 by 2020 and 80% by 2050	
	4.3 Conserve & restore natural habitat & promote biological health & diversity	x
	4.4 Reduce waste and resource consumption	
	4.5 Increase energy conservation, efficiency & renewable energy	
	4.6 Align water quantity with storage and conservation policies	
5 High Performing Government	5.1 Improve leadership capability and increase leadership effectiveness	x
	5.2 Improve organizational fiscal literacy, financial management & fiscal strength	x
	5.3 Implement a systematic approach to identify, organize, & communicate performance measures	x
	5.4 Attract, engage and retain a high quality, creative workforce with a diverse set of skills	x
	5.5 Promote and invest in employee health and safety	x
	5.6 Develop and foster key community partnerships	x
	5.7 Establish a culture of exceptional customer service and deliver services that exceed community expectations	x
6 Safe Community	6.1 Proactively Support prevention and community safety through education and outreach initiatives	
	6.2 Improve response times to collisions, crimes, fires, utility emergencies and medical services	
	6.3 Improve the safety and reliability of the City's built environment	
	6.4 Support community wide planning, preparedness and recovery from community disasters	x
	6.5 Prevention and investigation of crime	
	6.6 Reduce fear of crime	
7 Transportation	7.1 Provide safe, well-functioning, high quality streets, bikeways, sidewalks, trails & infrastructure	x
	7.2 Provide long-term transportation planning to enhance citizen mobility and improve traffic flow	
	7.3 Limit the rate of increase or reduce vehicle traffic and enhance alternative travel modes	
	7.4 Address long-term maintenance & operations cost of transportation infrastructure	
	7.5 Enhance the sustainability of the physical assets as well as the operations of transportation systems	

• **Risk Register (Community Services)**

ID	Risk	Probability	Magnitude
1	Increased economic instability that would pull financial resources from community services (2.1, 2.2, 2.3, 2.5) (conflicting priorities, etc)	Possible (25%-50%)	3 - Medium
2	lack of funding for renovations and maintenance of medians to meet the new standard (2014 \$90,000) 2.4 7.1;	Likely (50%-75%)	2 - Low
3	Staff resistance to customer service improvement (recreation 2.2) (staff choosing not to implement programs)	Likely (50%-75%)	2 - Low
4	Loss of conservation trust money for trails in 2025 if not renewed (PP&D 2.4)	Possible (25%-50%)	4 - High
5	expiration of dedication sales taxes (i.e expiration of Help Preserve Open Space in 2018 and BOB)	Possible (25%-50%)	4 - High
6	damage to rec facilities from natural disaster, structural failures or other causes (recreation 2.1)	Seldom (<25%)	3 - Medium
7	cause: Emerald Ash Borer in F.C.; Risk event = reduce urban forest (1.2, 2.1, 4.2, 4.3)	Likely (50%-75%)	3 - Medium
8	increase competition from private cultural recreation organizations may negatively impact our ability to offer diverse programming (2.3)	Likely (50%-75%)	2 - Low
9	lack of future funding for maintenance in future parks 1.2, 2.1 2.4; PP&D 2.1 2.2 2.4 7.1 loss of general fund support to maintain new parks and trails which prevents the build out of the park/trail system	Likely (50%-75%)	2 - Low
10	decline of public interest in rec programs, and consequent loss of fee revenue (recreation 2.1, 2, and 3)	Seldom (<25%)	3 - Medium
11	increasing demand for services stretches City resources (i.e reliance on the City cultural services as a driver for economic revitalization) (2.1, 2.2)	Possible (25%-50%)	3 - Medium
12	lack of future funding (i.e BOB) for relocation causes the City to lose the downtown maintenance shop (3.3, 1.2, 2.4, 2.2)	Possible (25%-50%)	2 - Low
13	inability to maintain our level of service to meet high expectations due to growing population, inability to maintain core service; demand outpaces ability to supply (impacts all)	Possible (25%-50%)	2 - Low
15	the changing face of cultural product expectations (i.e. Lincoln center shows and museum displays) offered and the cost of such products (2.1 2.3 2.5)	Possible (25%-50%)	2 - Low
16	weather, competition and or decreasing demand causing a decrease in the rounds of golf at all courses (1.2 2.1)	Possible (25%-50%)	2 - Low
17	lack of funding to maintain or replace an aging infrastructure (i.e parks and cemeteries golf are currently funded to a minimal level for life cycle and Golf infrastructure doesn't currently have a capital replacement structure) (1.2 2.1)	Possible (25%-50%)	4 - High
18	the changing demographic face of the community creates a paradigm shift in programs desired (ability to provide a product that continues to appeal to your donor base while capturing new donors)	Possible (25%-50%)	2 - Low
19	continuous improvement of consumer technology creates less demand for live performances/services (i.e. consumer ability to access culture from home using technology) (2.1 2.3 2.2)	Seldom (<25%)	2 - Low
20	Low flows in the Poudre; decline river health (4.3)	Almost certain (>75%)	3 - Medium
21	overwhelming infrastructure costs causes a decline in income for all other services (i.e. our ability to sustain our services hurt because funding doesn't increase while need for fixing infrastructure goes up) (our costs of maintenance and supplying services outpaces our fees/rates)	Likely (50%-75%)	2 - Low
22	Reduction in General Fund support for rec programs facilities during difficult economic times (recreation 2.1 2.2 2.3)	Possible (25%-50%)	3 - Medium
23	lack of alignment between strategic plan/BFO process and Service Area's overall core services/initiatives; confusion, waste, lack of encouragement;	Possible (25%-50%)	2 - Low
24	as regional entrepreneurs grow in both scope of programs offered gained in number, fort collins may not be associated with cultural excellence (2.5) Increased competition regionally	Possible (25%-50%)	2 - Low
25	climate change (i.e. water supplies, fire, energy demands, global insecurities)	Likely (50%-75%)	3 - Medium
26	failure of IT systems impacting registration and or payment process for programs/services (2.1, 2.2)	Seldom (<25%)	2 - Low

- **Risk Map and Risk Appetite (Community Services)**

Community Services Risk Appetite determined any risk rated with a combination of '3-Medium' magnitude and 'C-Possible' or above would warrant a mitigation plan. The resulting priority risks identified were the following:

- Low flows in the Poudre; decline river health
- Risk event = reduce urban forest; cause: Emerald Ash Borer in F.C.
- climate change
- Increased economic instability that would pull financial resources from community services
- Increasing demand for services stretches City resources
- Reduction in General Fund support for rec programs facilities during difficult economic times
- Loss of conservation trust money for trails in 2025 if not renewed
- Expiration of dedicated sales taxes
- Lack of funding to maintain or replace an aging infrastructure

Risk Map					
Probability	A -			20 Low flows in the Poudre; decline river health (4.3...	
	B -		2 lack of funding for renovations and maintenance o... 3 Staff resistance to customer service improvement (... 8 increase competition from private cultural recreat... 9 lack of future funding for maintenance in future p... 21 overwhelming infrastructure costs causes a decline...	7 cause: Emerald Ash Borer in F.C.; Risk event = red... 25 climate change (i.e. water supplies, fire, energy ...	
	C -		12 lack of future funding (i.e BOB) for relocation ca... 13 inability to maintain our level of service to meet... 15 the changing face of cultural product expectations... 16 weather, competition and or decreasing demand caus... 18 the changing demographic face of the community cre... 23 lack of alignment between strategic plan/BFO proce... 24 as regional entrepreneurs grow in both scope of pr...	1 Increased economic instability that would pull fin... 11 increasing demand for services stretches City reso... 22 Reduction in General Fund support for rec programs...	4 Loss of conservation trust money for trails in 202... 5 expiration of dedication sales taxes (i.e expirati... 17 lack of funding to maintain or replace an aging in...
	D -		19 continuous improvement of consumer technology crea... 26 failure of IT systems impacting registration and ...	6 damage to rec facilities from natural disaster, st... 10 decline of public interest in rec programs, and co...	
			1- Insignificant	2 - Low	3 - Medium
Magnitude of Impact					

- **Priority Risk Mitigation Plans (Community Services)**

1. **Expiration of dedicated sales tax (i.e. expiration of Help Preserve Open Space in 2018 and BOB)**

- **Risk Register ID#:** 5
- **Probability:** Possible
- **Magnitude:** High
- **Action:**
 - Share our services and the importance of our work with the Community;
 - inform community on the importance of the tax support—how necessary it is to providing the services;
 - mobilizing the volunteers and the service users to become promoters of our services
 - Provide quality services so people will want to fund them
 - Use boards and commissions to communicate the need
 - Partner with other community leaders/organizations to promote the renewal of funding sources
 - Propose new fees to make up for loss of tax revenue
 - Time the master plan process to dovetail with County tax initiative in the fall

2. **Emerald Ash Borer in Fort Collins which would reduce the urban forest**

- **Risk Register ID#:** 7
- **Strategic Objectives:** 1.2, 2.1, 4.2, 4.3
- **Probability:** Likely
- **Magnitude:** Medium
- **Action:**
 - Work with Colorado Department of Agriculture to develop a readiness and response plan.
 - Work with other state foresters on the (EPIC) Emerging Pests in Colorado committee.
 - Identify exactly how many Ash trees exist in the municipal portfolio and on private property.
 - Train City staff on what to be looking for on ash trees.
 - Develop a citizen information sheet and/or possible website.
 - Develop a plan for systematically monitoring the urban forest.
 - Estimate cost for removal of ash tree forest, including special equipment. (Crane, chippers, staffing)
 - Prepare future BFO offers to fund equipment, and staffing
 - Quarantine any trees identified immediately.
 - Keep all parties apprised of situation.

3. Lack of funding to maintain or replace an aging infrastructure (i.e. parks, cemeteries, golf are currently funded to a minimal level for life cycle and Golf infrastructure doesn't currently have a capital replacement structure)

- **Risk Register ID#:** 17
- **Strategic Objectives:** 1.2, 2.1
- **Probability:** Possible
- **Magnitude:** High
- **Action:**
 - Develop information sheet regarding funding shortfalls.
 - Seek alternative financing options.
 - Determine what is critical and in need of replacement.
 - Continue to encourage full funding through the BFO process.
 - Determine when and how median upgrades are needed or required to new standard.
 - Continue to seek funding for staffing of new parks and medians.
 - Look at alternative funding options for Golf Course irrigation replacement.
 - Consider raising perpetual Care fees to help offset operational costs.

4. Climate change (i.e. water supplies, fire, energy demands, global insecurities)

- **Risk Register ID#:** 25
- **Probability:** Likely
- **Magnitude:** Medium
- **Action:**
 - Convince Council and City Manager that our services are as important as others
 - Get the community to convince Council that Community services are important in both the good and the bad times.
 - Use boards and commissions to communicate the need
 - Communicate need in both the good and bad times. Provide strong customer service so customers will communicate the importance of the services.
 - Come up with a better/more reliable cost recovery model that is data driven and can be shared with Council (Council will ask for this data when hard times come. We do already have the citizen survey, the Senior Center fund raising board, etc. Some of these citizen groups have been successful in past.)
 - Reduction strategies: there has been some leveraging between other service areas that have happened in the past. Small possibility to shift monetary burden to another department if the opportunity exists. (Not always possible)
 - Sharing from other community programs (i.e. Bohemian, private industries, community foundation) – collaborations with other private entities to continue to offer some reduced programs (i.e. Columbine Health, PSD)

***Mitigation plans for risk register ID#s 1, 4, 11, 20 and 22 still to come.**

Planning, Development, and Transportation

- **Strategic Objectives Alignment (PDT)**

<u>Key Outcomes</u>	<u>Strategic Objectives</u>	Planning, Dev & Transportation ▼
1 Community & Neighborhood Livability	1.1. Develop innovative enforcement efforts & voluntary compliance with City codes	x
	1.2. Provide, enhance & maintain attractive public spaces	x
	1.3. Preserve the character of neighborhoods & enhance/maintain the attractiveness of neighborhood	x
	1.4 Encourage partnerships with private entities and public agencies for housing, & other programs	
	1.5 Improve neighborhood parking management	x
2 Culture & Recreation	2.1 Provide exceptional programs and facilities that contribute to the health & cultural vibrancy of the	x
	2.2 Provide outstanding customer service & operational excellence	
	2.3 Provide programs that are diverse, innovative and tailored to our unique community	
	2.4 Maintain and enhance a world class regional interconnected system of parks, trails & open lands	
	2.5 Promote the arts and make Fort Collins the cultural destination in northern Colorado	
3 Economic Health	3.1 Enhance opportunities for both businesses and the local workforce	
	3.2 Foster a diverse mix of employment and retail opportunities	
	3.3 Focus & invest in the downtown area, river district, Lincoln triangle & midtown corridor	x
	3.4 Ensure adequate staff to provide timely review and critique of development opportunities	x
	3.5 Revitalize and strengthen business centers	x
4 Environmental Health	4.1 Maintain and improve air and water quality	x
	4.2 Reduce greenhouse gas emission to by 20% of 2005 by 2020 and 80% by 2050	x
	4.3 Conserve & restore natural habitat & promote biological health & diversity	
	4.4 Reduce waste and resource consumption	x
	4.5 Increase energy conservation, efficiency & renewable energy	x
	4.6 Align water quantity with storage and conservation policies	
5 High Performing Government	5.1 Improve leadership capability and increase leadership effectiveness	x
	5.2 Improve organizational fiscal literacy, financial management & fiscal strength	x
	5.3 Implement a systematic approach to identify, organize, & communicate performance measures	x
	5.4 Attract, engage and retain a high quality, creative workforce with a diverse set of skills	x
	5.5 Promote and invest in employee health and safety	x
	5.6 Develop and foster key community partnerships	x
	5.7 Establish a culture of exceptional customer service and deliver services that exceed community exp	x
6 Safe Community	6.1 Proactively Support prevention and community safety through education and outreach initiatives	x
	6.2 Improve response times to collisions, crimes, fires, utility emergencies and medical services	
	6.3 Improve the safety and reliability of the City's built environment	x
	6.4 Support community wide planning, preparedness and recovery from community disasters	x
	6.5 Prevention and investigation of crime	
	6.6 Reduce fear of crime	
7 Transportation	7.1 Provide safe, well-functioning, high quality streets, bikeways, sidewalks, trails & infrastructure	x
	7.2 Provide long-term transportation planning to enhance citizen mobility and improve traffic flow	x
	7.3 Limit the rate of increase or reduce vehicle traffic and enhance alternative travel modes	x
	7.4 Address long-term maintenance & operations cost of transportation infrastructure	x
	7.5 Enhance the sustainability of the physical assets as well as the operations of transportation syste	x
	7.6 Transit	x

- **Risk Register (PDT)**

ID	Risk	Probability	Magnitude
1	Changes in CSU policies and programs (i.e. Development growth or growing student population, pricing of student housing etc, management practices, anything that affects parking, transportation, etc.) 1.5	Likely (50%-75%)	3 - Medium
2	Failure of key personnel to perform causing critical functions to not get done 7.1 and 3.5; unreliability of those who are needed to accomplish critical functions;	Possible (25%-50%)	2 - Low
3	Changes in political climate, advisory board decisions affecting the parking plan (3.5)	Possible (25%-50%)	3 - Medium
4	(existing internal funding sources go away) Lack of long-term dedicated funding sources (i.e. lack of immediate funding to provide east/west connections to MAX, uncertain system for funding projects (general fund cannot sustain the project, we're getting about 50%); no sustainable, ongoing funding sources to address critical capital project/ infrastructure needs (all of 7); failure to renew BOB/KFCG (7.6)	Possible (25%-50%)	4 - High
5	Recession/Downturn in economic activity that impacts funding for longer term or progressive projects programs (7.2/7.3) (risk to existing funds)	Possible (25%-50%)	4 - High
6	Policy regarding Equipment Replacement (i.e. costs of service, response time affected, quality of work, replacing equipment with CNG) 3, 4, 6, 7 - Effects the level of service streets can provide and safety (Funding unavailable for replacing equipment due to policy (fix vs replace), causing lack of equipment to meet public's needs due to equipment being out of service) (Conflicting Priorities with budget impact)	Possible (25%-50%)	2 - Low
7	Re-aligning plans and policies / code for development that reflect FC now (not 20 years ago) 1.2, 1.3, 3.1, 3.2 etc. (outdated policies and plans/codes/fees not able to meet current needs/culture in development; do we have the tools we need to create the product we want?)	Possible (25%-50%)	3 - Medium
8	fire drills, reactive prioritization; the risk of not accomplishing current priorities due to unexpected, low-priority tasks or short-term, unaligned new priorities sent down from higher management (not work plans, but the ones that come on a day to day basis); 1) new things that interfere with current strategy 2) work load volume that cannot be taken care of by current work force; lack of flexibility in staffing.	Almost certain (>75%)	2 - Low
9	lack or loss of political will to make tough choices in favor of alternative modes of transportation (funding etc.); inability to stick to the long-term plan or vision when it comes time to cut or prioritize projects or allocate funding; Adequate support from council and executive management to help achieve goals and meet critical community needs; maintaining the long term plan that's out of sync with the political cycles or executive priorities (all)	Possible (25%-50%)	3 - Medium
10	Staffing issues, i.e. maintaining a high-end work force with high level expertise (7.1 and 3.5) Brain drain and succession planning - ability to retain top talent; transfer of knowledge to new workforce (all); how do we retain; not be able to compete with the private sector and other public sectors in compensation; Policy and politics in setting wages	Likely (50%-75%)	3 - Medium
11	Risks to certainty of Federal Funding (makes up 30% of funding); ADA Compliance and Title VI	Possible (25%-50%)	4 - High
12	Conflicting Policies creating inability to follow through on commitments/work programs	Possible (25%-50%)	2 - Low
13	infrastructure doesn't support new development, unanticipated impact on development	Possible (25%-50%)	3 - Medium
14	failure to examine funding for alternative transportation; Inability to adequately fund transit to realize plans and vision; must gain community/council and executive support to realize adequate funding (all of 7);	Likely (50%-75%)	3 - Medium
15	CDOT/Federal Funding change,	Likely (50%-75%)	3 - Medium

- **Risk Map and Risk Appetite (PDT)**

Planning, Development and Transportation determined any risk rated with a combination of '3-Medium' magnitude and 'B-Likely' or above would warrant a mitigation plan. The resulting priority risks identified were the following:

- Changes in CSU policies and programs
- Staffing issues, i.e. maintaining a high-end work force with high level expertise
- Failure to examine funding for alternative transportation; Inability to adequately fund transit to realize plans and vision
- CDOT/Federal Funding change

Risk Map

Risk Map					
Probability	A -		8 fire drills, reactive prioritization; the risk of ...		
	B -			1 Changes in CSU policies and programs (i.e. Develop... 10 Staffing issues, i.e. maintaining a high-end work... 14 failure to examine funding for alterative transpor... 15 CDOT/Federal Funding change,	
	C -		2 Failure of key personnel to perform causing critic... 6 Policy regarding Equipment Replacement (i.e. costs... 12 Conflicting Policies creating inability to follow ...	3 Changes in political climate, advisory board decis... 7 Re-aligning plans and policies / code for developm... 9 lack or loss of political will to make tough choic... 13 infrastructure doesn't support new development, un...	4 (existing internal funding sources go away) Lack o... 5 Recession/Downturn in economic activity that impac... 11 Risks to certainty of Federal Funding (makes up 30...
	D -				
		1- Insignificant	2 - Low	3 - Medium	4 - High
Magnitude of Impact					

- **Priority Risk Mitigation Plans (PDT)**

1. **Changes in CSU policies and programs (i.e. Development growth or growing student population, pricing of student housing etc., management practices, anything that affects parking, transportation, etc.)**

- **Risk Register ID#:** 1
- **Strategic Objectives:** 1.5
- **Probability:** Likely
- **Magnitude:** Medium
- **Action:**
 - Implementation of the residential parking permit program, responsible party: Randy
 - Parking minimums in the Transit Oriented Development
 - Work group assessing potential impacts from stadium project
 - Transfort working with CSU to enhance transit service to CSU, including a shuttle system
 - CSU is doing a transportation and parking study right now
 - Bike share task force is looking at how bike share will impact transportation and parking
 - Meeting with CSU to deal with public infrastructure issues within the ROW's
 - Fund the needed improvements through budget offers or work with CSU to make sure they are funded (the improvements identified in above studies)

2. **Staffing issues, i.e. maintaining a high-end work force with high level expertise, Brain drain and succession planning - ability to retain top talent; transfer of knowledge to new workforce (all); how do we retain; not be able to compete with the private sector and other public sectors in compensation; Policy and politics in setting wages**

- **Risk Register ID#:** 10
- **Strategic Objectives:** 3.5, 7.1 (all)
- **Probability:** Likely
- **Magnitude:** Medium
- **Action:**
 - Giving more flexibility to managers for deciding pay
 - Affect/change City's pay policy
 - Program for succession planning, shows employees a path for potential advancement
 - More internal advancement
 - Creating time and opportunities for current employees to get advancement training (reprioritization)

- Job status (hourly, classified, etc.) – more opportunity for move to classified; allowing more opportunity to change hourly jobs to classified
- Process to transition employees from contract to classified/FTE, current process needs better clarification for managers, may need simplifying; also communication to employees on the possibilities
- Process for staffing up/staffing down according to funding
- Better systems, systems that transcend the person; clear documentation of processes and job descriptions
- Better transfer of information
- a mentor program (for retention) (currently working toward this with Leadership 2.0)
- overcoming the idea that outside talent is more valuable than training and advancing current employees
- Cross training
- Support training, make this across the board in all departments and with all managers
- More robust planning around staff straining, make it a part of the budget process (we have had such a plan in the past, may consider implementing)

3. Failure to examine funding for alternative transportation; Inability to adequately fund transit to realize plans and vision; must gain community/council and executive support to realize adequate funding - Risk Register ID#14

- **Risk Register ID#:** 14
- **Probability:** Likely
- **Magnitude:** Medium
- **Action:**
 - Develop a permanent funding source (a fee perhaps)
 - Communicate our case/need better to Council (going to CFC soon, ongoing work)
 - Allocate the funding/re-designate services to meet the most important needs; focus resources
 - How to get back to original scope: adjust our vision
 - Seek outside/federal funding
 - Work with upward management to make it a priority again “make another run at it”
 - Build community support

***Mitigation plan for risk register ID#15 still to come.**

Police

- **Strategic Objectives Alignment (Police Services)**

<u>Strategic Objectives</u>		Police ▼
1 Community & Neighborhood Livability	1.1. Develop innovative enforcement efforts & voluntary compliance with City codes	x
	1.2. Provide, enhance & maintain attractive public spaces	
	1.3. Preserve the character of neighborhoods & enhance/maintain the attractiveness of neighborhoods	x
	1.4 Encourage partnerships with private entities and public agencies for housing, & other programs	
	1.5 Improve neighborhood parking management	
2 Culture & Recreation	2.1 Provide exceptional programs and facilities that contribute to the health & cultural vibrancy of the community	
	2.2 Provide outstanding customer service & operational excellence	
	2.3 Provide programs that are diverse, innovative and tailored to our unique community	
	2.4 Maintain and enhance a world class regional interconnected system of parks, trails & open lands	
	2.5 Promote the arts and make Fort Collins the cultural destination in northern Colorado	
3 Economic Health	3.1 Enhance opportunities for both businesses and the local workforce	
	3.2 Foster a diverse mix of employment and retail opportunities	
	3.3 Focus & invest in the downtown area, river district, Lincoln triangle & midtown corridor	
	3.4 Ensure adequate staff to provide timely review and critique of development opportunities	
	3.5 Revitalize and strengthen business centers	x
4 Environmental Health	4.1 Maintain and improve air and water quality	
	4.2 Reduce greenhouse gas emission to by 20% of 2005 by 2020 and 80% by 2050	
	4.3 Conserve & restore natural habitat & promote biological health & diversity	
	4.4 Reduce waste and resource consumption	
	4.5 Increase energy conservation, efficiency & renewable energy	
	4.6 Align water quantity with storage and conservation policies	
5 High Performing Government	5.1 Improve leadership capability and increase leadership effectiveness	x
	5.2 Improve organizational fiscal literacy, financial management & fiscal strength	x
	5.3 Implement a systematic approach to identify, organize, & communicate performance measures	x
	5.4 Attract, engage and retain a high quality, creative workforce with a diverse set of skills	x
	5.5 Promote and invest in employee health and safety	x
	5.6 Develop and foster key community partnerships	x
	5.7 Establish a culture of exceptional customer service and deliver services that exceed community expectations	x
6 Safe Community	6.1 Proactively Support prevention and community safety through education and outreach initiatives	x
	6.2 Improve response times to collisions, crimes, fires, utility emergencies and medical services	x
	6.3 Improve the safety and reliability of the City's built environment	
	6.4 Support community wide planning, preparedness and recovery from community disasters	x
	6.5 Prevention and investigation of crime	x
	6.6 Reduce fear of crime	x
7 Transportation	7.1 Provide safe, well-functioning, high quality streets, bikeways, sidewalks, trails & infrastructure	x
	7.2 Provide long-term transportation planning to enhance citizen mobility and improve traffic flow	
	7.3 Limit the rate of increase or reduce vehicle traffic and enhance alternative travel modes	
	7.4 Address long-term maintenance & operations cost of transportation infrastructure	
	7.5 Enhance the sustainability of the physical assets as well as the operations of transportation systems	

• **Risk Register (Police Services)**

ID	Risk	Probability	Magnitude
1	Staffing - lack of personnel jeopardizes achievement of strategic objectives	Almost certain (>75%)	4 - High
2	Capacity - resource limitations (i.e. time, infrastructure, etc.) excluding staffing	Possible (25%-50%)	3 - Medium
3	Conflicting External Priorities - various input from citizens forcing misalignment of efforts	Likely (50%-75%)	2 - Low
4	Internal Prioritization - conflict of priorities within and between service area, council, City management	Possible (25%-50%)	3 - Medium
5	Regional/Inter-agency Partnerships lack cooperation (i.e. for dispatch, range, financial task force)	Possible (25%-50%)	2 - Low
6	Budget - Committed funds are not renewed (i.e. KFCG)	Possible (25%-50%)	4 - High
7	Budget - current City funding sources are scaled back	Possible (25%-50%)	4 - High
8	Budget - lack of funds to tap for implementing innovative projects	Possible (25%-50%)	3 - Medium
9	Changing policies and priorities within the City over time	Likely (50%-75%)	3 - Medium
10	Strategic Plan Mis-Alignment - City Plan vs City Strategic Plan vs BFO vs Service Area Strategic Plans	Almost certain (>75%)	3 - Medium
11	Culture Shift - managing change within force to become more data driven and take advantage of technology	Likely (50%-75%)	2 - Low
12	Labor Contract and implications force possible changes, restrictions, lack of capability	Possible (25%-50%)	2 - Low
13	Lack of Community Trust and/or Support resulting in funding issues (may be caused by negative media)	Seldom (<25%)	2 - Low
14	Lack of Community Trust and/or Support interfering with ability to accomplish tasks (i.e. investigations)	Seldom (<25%)	2 - Low
15	Technology Limitations (lack of timeliness in data, dispatch updates, IT obsolescence, conforming to inter-agency standards)	Almost certain (>75%)	3 - Medium
16	Lack of IT resources/support to address issues	Almost certain (>75%)	3 - Medium
17	Focusing on the wrong metrics; misalignment of goal and metric in pursuit of accomplishing the strategic objectives	Possible (25%-50%)	3 - Medium
18	Political Miscommunication (political appetite for new funding based on prior approvals)	Possible (25%-50%)	3 - Medium
19	Misalignment of roles and responsibilities (i.e. event planning applications and approvals)	Likely (50%-75%)	2 - Low
20	3rd Party Vendors failing to meet expectation (i.e. implementation of program failing due to 3rd party vendor failure)	Possible (25%-50%)	3 - Medium
21	Violations: performance/ethical violation by officers	Seldom (<25%)	4 - High
22	Internal Value system for appreciation of volunteers	Possible (25%-50%)	2 - Low
23	Aging workforce	Likely (50%-75%)	3 - Medium
24	Culture clash between old and new workforce	Likely (50%-75%)	3 - Medium
25	Regulatory impact	Likely (50%-75%)	2 - Low
26	Safety issues (i.e. injuries)	Possible (25%-50%)	3 - Medium
27	Budgetary miscommunication (capability to meet expectations with only partially funded offers)	Likely (50%-75%)	4 - High
28	Replacement staffing issues	Almost certain (>75%)	4 - High

- **Risk Map and Risk Appetite (Police Services)**

Police Services determined any risk rated with a combination of ‘3-Medium’ magnitude and ‘A-Almost Certain’ or above would warrant a mitigation plan. The resulting priority risks identified were the following:

- Staffing - lack of personnel jeopardizes achievement of strategic objectives
- Strategic Plan Mis-Alignment - City Plan vs City Strategic Plan vs BFO vs Service Area Strategic Plans
- Technology Limitations (lack of timeliness in data, dispatch updates, IT obsolescence, conforming to inter-agency standards)
- Lack of IT resources/support to address issues

Risk Map					
Probability	A -			10 Strategic Plan Mis-Alignment - City Plan vs City S... 15 Technology Limitations (lack of timeliness in data,... 16 Lack of IT resources/support to address issues	1 Staffing - lack of personnel jeopardizes achieveme... 28 Replacement staffing issues
	B -		3 Conflicting External Priorities - various input fr... 11 Culture Shift - managing change within force to be... 19 Misalignment of roles and responsibilities (i.e. e... 25 Regulatory impact	9 Changing policies and priorities within the City o... 23 Aging workforce 24 Culture clash between old and new workforce	27 Budgetary miscommunication (capability to meet exp...
	C -		5 Regional/Inter-agency Partnerships lack cooperatio... 12 Labor Contract and implications force possible cha... 22 Internal Value system for appreciation of voluntee...	2 Capacity - resource limitations (i.e. time, infras... 4 Internal Prioritization - conflict of priorities w... 8 Budget - lack of funds to tap for implementing inn... 17 Focusing on the wrong metrics; misalignment of goa... 18 Political Miscommunication (political appetite for... 20 3rd Party Vendors failing to meet expectation (i.e... 26 Safety issues (i.e. injuries)	6 Budget - Committed funds are not renewed (i.e. KFC... 7 Budget - current City funding sources are scaled b...
	D -		13 Lack of Community Trust and/or Support resulting i... 14 Lack of Community Trust and/or Support interfering...		21 Violations: performance/ethical violation by offic...
		1- Insignificant	2 - Low	3 - Medium	4 - High
Magnitude of Impact					

- **Priority Risk Mitigation Plans (Police Services)**

1. **Staffing - lack of personnel jeopardizes achievement of strategic objectives**

- **Risk Register ID#:** 1
- **Probability:** Almost Certain
- **Magnitude:** High
- **Action:**
 - Cross training and collateral duties
 - Assessment of current practices, units, and shift assignments to improve agency service to the community
 - Stop doing certain functions (i.e. stop going to non-injury calls or burglar alarms; prioritize call response)
 - Reassignment of personnel (reallocation of resources)
 - Differential police response
 - use more volunteer workers (a change in volunteer use/recruitment)
 - Develop a data driven staffing model that addresses community and agency need
 - Communicate staffing needs effectively

2. **Strategic Plan Mis-Alignment - City Plan vs City Strategic Plan vs BFO vs Service Area Strategic Plans**

- **Risk Register ID#:** 10
- **Probability:** Almost Certain
- **Magnitude:** Medium
- **Action:**
 - Participate in a process that creates mission aligned strategic plan with the City's plan
 - Utilize the calendar to adequately plan and formulate major initiatives
 - Allow continuous improvement initiatives the time necessary to develop and grow

3. **Technology Limitations (lack of timeliness in data, dispatch updates, IT obsolescence, conforming to inter-agency standards)**

- **Risk Register ID#:** 15
- **Probability:** Almost Certain
- **Magnitude:** Medium
- **Action:**
 - Search for the latest technologies and procedures to gain real time data management

- Identify and develop a necessary funding mechanism to address constant upgrades
- Partnering for mutually agreeable inter-agency standards
- Determine the necessity of the technology offerings; i.e. is it bells and whistles or absolute need?
- Financial feasibility?
- Additional FTE to address project management, implementation, research, etc.

4. Lack of IT resources/support to address issues

- **Risk Register ID#:** 16
- **Probability:** Almost Certain
- **Magnitude:** Medium
- **Action:**
 - Explore decentralization of IT services
 - Increased planning to control work flow more effectively; effective use of IT steering committee
 - Additional FTE or contractual agreement to meet demand through BFO
 - Increased understanding of limitations due to funding, etc.
 - Seek effective outsourcing strategies

Sustainability Services

- **Strategic Objectives Alignment (Sustainability Services)**

Strategic Objectives		Sustainability <input type="text" value="v"/>
1 Community & Neighborhood Livability	1.1. Develop innovative enforcement efforts & voluntary compliance with City codes	
	1.2. Provide, enhance & maintain attractive public spaces	x
	1.3. Preserve the character of neighborhoods & enhance/maintain the attractiveness of neighborhoods	
	1.4 Encourage partnerships with private entities and public agencies for housing, & other programs	x
	1.5 Improve neighborhood parking management	
2 Culture & Recreation	2.1 Provide exceptional programs and facilities that contribute to the health & cultural vibrancy of the	x
	2.2 Provide outstanding customer service & operational excellence	
	2.3 Provide programs that are diverse, innovative and tailored to our unique community	
	2.4 Maintain and enhance a world class regional interconnected system of parks, trails & open lands	
	2.5 Promote the arts and make Fort Collins the cultural destination in northern Colorado	
3 Economic Health	3.1 Enhance opportunities for both businesses and the local workforce	x
	3.2 Foster a diverse mix of employment and retail opportunities	x
	3.3 Focus & invest in the downtown area, river district, Lincoln triangle & midtown corridor	x
	3.4 Ensure adequate staff to provide timely review and critique of development opportunities	x
	3.5 Revitalize and strengthen business centers	x
4 Environmental Health	4.1 Maintain and improve air and water quality	x
	4.2 Reduce greenhouse gas emission to by 20% of 2005 by 2020 and 80% by 2050	x
	4.3 Conserve & restore natural habitat & promote biological health & diversity	
	4.4 Reduce waste and resource consumption	x
	4.5 Increase energy conservation, efficiency & renewable energy	x
	4.6 Align water quantity with storage and conservation policies	
5 High Performing Government	5.1 Improve leadership capability and increase leadership effectiveness	x
	5.2 Improve organizational fiscal literacy, financial management & fiscal strength	
	5.3 Implement a systematic approach to identify, organize, & communicate performance measures	
	5.4 Attract, engage and retain a high quality, creative workforce with a diverse set of skills	x
	5.5 Promote and invest in employee health and safety	
	5.6 Develop and foster key community partnerships	Primary
	5.7 Establish a culture of exceptional customer service and deliver services that exceed community expectations	x
6 Safe Community	6.1 Proactively Support prevention and community safety through education and outreach initiatives	x
	6.2 Improve response times to collisions, crimes, fires, utility emergencies and medical services	
	6.3 Improve the safety and reliability of the City's built environment	x
	6.4 Support community wide planning, preparedness and recovery from community disasters	x
	6.5 Prevention and investigation of crime	
	6.6 Reduce fear of crime	
7 Transportation	7.1 Provide safe, well-functioning, high quality streets, bikeways, sidewalks, trails & infrastructure	
	7.2 Provide long-term transportation planning to enhance citizen mobility and improve traffic flow	
	7.3 Limit the rate of increase or reduce vehicle traffic and enhance alternative travel modes	
	7.4 Address long-term maintenance & operations cost of transportation infrastructure	
	7.5 Enhance the sustainability of the physical assets as well as the operations of transportation systems	

- **Risk Register (Sustainability Services)**

ID	Risk	Probability	Magnitude
1	Federal Funding of CDBG and Home Programs are Significantly Reduced	Seldom (<25%)	2 - Low
2	Significant Change in the Global/National Economic and Financial Market; Sudden, dramatic raise in Cost of fuel/utilities (through Carbon regulation or fuel scarcity); Sudden/dramatic Prohibitive Changes to Real Estate Interest Rates (i.e. Cost of capital)	Likely (50%-75%)	4 - High
3	Significant Change in Political Will Regarding Managing Growth; Make up of City Council; backlash against metro districts	Seldom (<25%)	2 - Low
4	Changes to URA Legislations (i.e. TIF disappears, mandatory 50% share back)	Likely (50%-75%)	3 - Medium
6	loss of large primary employers (i.e. HP, Woodward and Avago)	Possible (25%-50%)	3 - Medium
7	Housing Vacancy Rate fall below 5%	Likely (50%-75%)	2 - Low
8	A Natural Calamity Occurs within or adjacent to F.C.; Catastrophic wildfire/water shortage or other event; dramatic and sudden climate change; Food scarcity from disease national insecurity, etc; major health event i.e. airborne disease from lab at CSU	Likely (50%-75%)	4 - High
9	Reduction in CSU Funding (a significant downsizing)	Possible (25%-50%)	3 - Medium
10	Our Department is given unexpected Projects that cannot be realistically done well	Almost certain (>75%)	2 - Low
11	Shift to short-sighted, short-term decision making by City Council or staff; Not considering long-term and life cycle impacts	Seldom (<25%)	2 - Low
12	Misinformation (i.e on Climate and Sustainability issues) that prohibits decision makers from taking productive action	Possible (25%-50%)	1- Insignificant
13	Major Terrorist Event	Seldom (<25%)	4 - High
14	Change to a City Manager who isn't progressive; shift in strategic priorities and objectives	Seldom (<25%)	2 - Low
15	Lack of Internal Organizational Alignment; shift in strategic priorities and objectives; building codes and fees increase and make affordable housing difficult	Possible (25%-50%)	2 - Low
16	Defunding of SSA/EHO/etc.; Significant reduction of budget	Possible (25%-50%)	2 - Low
17	Loss of Skilled workforce (internal and external workforce); Mass retirement or people leaving their jobs; Demographic shifts that affect workplace makeup	Seldom (<25%)	3 - Medium
18	Federal Grant Increase City Requirements/Regulations	Likely (50%-75%)	2 - Low
19	not able to accommodate needs of aging population; A Sudden increase in aging population	Possible (25%-50%)	3 - Medium
20	Increase Federal Regulation that has significant affect on City activities (i.e. waste water)	Almost certain (>75%)	3 - Medium
21	sudden and dramatic population change (unable to keep up with City's needs in housing/crime reduction); influx of population as climate refugees	Seldom (<25%)	3 - Medium
22	one or 2 or all of our homeless missions closing; facilities for low-income loss; an affordable housing project burns; mobile home parks close and forces displacement of low income; one or more of our nonprofits housing developers folds down and displaces many residents	Possible (25%-50%)	3 - Medium
23	worsening air pollution and sickness (from oil/gas)	Seldom (<25%)	3 - Medium
24	Significant Rising Health Care Costs	Possible (25%-50%)	2 - Low
25	climate change impacts elderly and low income	Seldom (<25%)	2 - Low
26	Housing costs increase and people have less to spend on avoiding health care costs	Possible (25%-50%)	2 - Low
27	prolonged loss of electrical supply	Seldom (<25%)	4 - High
28	fracking lawsuit loss at state	Possible (25%-50%)	3 - Medium
29	New building space not funded or delayed; people stop donating to nonprofits and fewer social resources for fewer people	Seldom (<25%)	2 - Low
30	KFCG and BOB not extended	Possible (25%-50%)	4 - High

- **Risk Map and Risk Appetite (Sustainability Services)**

Sustainability Services determined any risk rated with a combination of ‘3-Medium’ magnitude and ‘B-Likely’ or above would warrant a mitigation plan, with the addition of a specific risk that lies outside of the area. The resulting priority risks identified were the following:


- Significant Change in the Global/National Economic and Financial Market
- Changes to URA Legislations (i.e. TIF disappears, mandatory 50% shareback)
- A Natural Calamity Occurs within or adjacent to F.C
- Increase Federal Regulation that has significant effect on City activities
- KFCG and BOB not extended

Risk Map				
Probability	A -	10 Our Department is given unexpected Projects that c...	20 Increase Federal Regulation that has significant a...	
	B -	7 Housing Vacancy Rate fall below 5% 18 Federal Grant Increase City Requirements/Regulatio...	4 Changes to URA Legislations (i.e. TIF disappears, ...	2 Significant Change in the Global/National Economic... 8 A Natural Calamity Occurs within or adjacent to F...
	C -	12 Misinformation (i.e on Climate and Sustainability ... 15 Lack of Internal Organizational Alignment; shift i... 16 Defunding of SSA/EHO/etc.; Significant reduction o... 24 Significant Rising Health Care Costs 26 Housing costs increase and people have less to spe...	6 loss of large primary employers (i.e. HP, Woodward... 9 Reduction in CSU Funding (a significant downsizing... 19 not able to accommodate needs of aging population;... 22 one or 2 or all of our homeless missions closing; ... 28 fracking lawsuit loss at state	30 KFCG and BOB not extended
	D -	1 Federal Funding of CDBG and Home Programs are Sign... 3 Significant Change in Political Will Regarding Man... 11 Shift to short-sighted, short-term decision making... 14 Change to a City Manager who isn't progressive; sh... 25 climate change impacts elderly and low income 29 New building space not funded or delayed; people s...	17 Loss of Skilled workforce (internal and external w... 21 sudden and dramatic population change (unable to k... 23 worsening air pollution and sickness (from oil/gas...	13 Major Terrorist Event 27 prolonged loss of electrical supply
	1- Insignificant	2 - Low	3 - Medium	4 - High
Magnitude of Impact				

- Priority Risk Mitigation Plans (Sustainability Services) still to come

Utility Services

- Strategic Objectives Alignment (Utility Services)

<u>Strategic Objectives</u>		Utilities 
1 Community & Neighborhood Livability	1.1. Develop innovative enforcement efforts & voluntary compliance with City codes	
	1.2. Provide, enhance & maintain attractive public spaces	x
	1.3. Preserve the character of neighborhoods & enhance/maintain the attractiveness of neighborhoods	x
	1.4 Encourage partnerships with private entities and public agencies for housing, & other programs	
	1.5 Improve neighborhood parking management	
2 Culture & Recreation	2.1 Provide exceptional programs and facilities that contribute to the health & cultural vibrancy of the community	
	2.2 Provide outstanding customer service & operational excellence	
	2.3 Provide programs that are diverse, innovative and tailored to our unique community	
	2.4 Maintain and enhance a world class regional interconnected system of parks, trails & open lands	
	2.5 Promote the arts and make Fort Collins the cultural destination in northern Colorado	
3 Economic Health	3.1 Enhance opportunities for both businesses and the local workforce	x
	3.2 Foster a diverse mix of employment and retail opportunities	
	3.3 Focus & invest in the downtown area, river district, Lincoln triangle & midtown corridor	x
	3.4 Ensure adequate staff to provide timely review and critique of development opportunities	x
	3.5 Revitalize and strengthen business centers	x
4 Environmental Health	4.1 Maintain and improve air and water quality	x
	4.2 Reduce greenhouse gas emission to by 20% of 2005 by 2020 and 80% by 2050	x
	4.3 Conserve & restore natural habitat & promote biological health & diversity	x
	4.4 Reduce waste and resource consumption	x
	4.5 Increase energy conservation, efficiency & renewable energy	x
	4.6 Align water quantity with storage and conservation policies	x
5 High Performing Government	5.1 Improve leadership capability and increase leadership effectiveness	x
	5.2 Improve organizational fiscal literacy, financial management & fiscal strength	x
	5.3 Implement a systematic approach to identify, organize, & communicate performance measures	x
	5.4 Attract, engage and retain a high quality, creative workforce with a diverse set of skills	x
	5.5 Promote and invest in employee health and safety	Primary
	5.6 Develop and foster key community partnerships	x
	5.7 Establish a culture of exceptional customer service and deliver services that exceed community expectations	x
6 Safe Community	6.1 Proactively Support prevention and community safety through education and outreach initiatives	x
	6.2 Improve response times to collisions, crimes, fires, utility emergencies and medical services	
	6.3 Improve the safety and reliability of the City's built environment	x
	6.4 Support community wide planning, preparedness and recovery from community disasters	x
	6.5 Prevention and investigation of crime	
	6.6 Reduce fear of crime	
7 Transportation	7.1 Provide safe, well-functioning, high quality streets, bikeways, sidewalks, trails & infrastructure	
	7.2 Provide long-term transportation planning to enhance citizen mobility and improve traffic flow	
	7.3 Limit the rate of increase or reduce vehicle traffic and enhance alternative travel modes	
	7.4 Address long-term maintenance & operations cost of transportation infrastructure	
	7.5 Enhance the sustainability of the physical assets as well as the operations of transportation systems	

• **Risk Register (Utility Services)**

ID	Risk	Probability	Magnitude
1	Lack of IT Cross training 5.4	Almost certain (>75%)	3 - Medium
2	Lack of formal asset management 6.3	Possible (25%-50%)	2 - Low
3	inconsistent safety culture 5.5	Possible (25%-50%)	4 - High
4	City Council not adopting resolution 2008-038 for implementing new financial management policies (required reserves) (90% of utilities' costs are affected by not having this policy) 5.2	Possible (25%-50%)	2 - Low
5	regulatory uncertainty (carbon tax, nutrient removal; physical security) 4.6, 5.6, 6.3	Possible (25%-50%)	3 - Medium
6	no alignment/misalignment between master plans, strategic financial plan, city plan, city strategic plan 6.3	Possible (25%-50%)	2 - Low
7	major PRPA outage due to transmission line failure 4.1/6.4	Seldom (<25%)	4 - High
8	Enforcement of fines from regulatory agencies 5.7	Seldom (<25%)	3 - Medium
9	cannot bill customers due to billing system failure (5.7,)	Likely (50%-75%)	3 - Medium
10	chemical release at water or waste-water (chlorine) 4.1, 2.2, 6.4; contamination; a chemical release could injure the public or our environment; any significant leak - could be a transport action issue	Seldom (<25%)	4 - High
11	threat to employee safety and security from outside influence	Possible (25%-50%)	4 - High
12	cyber security	Likely (50%-75%)	4 - High
13	staff reductions or competition for staffing (new competition from oil and gas industries)	Possible (25%-50%)	2 - Low
14	natural disasters that damage delivery of utilities 6.4	Seldom (<25%)	4 - High
15	elimination or reduction of fees supporting our programs (cut in programs depending on priorities if level of funding goes down due to a reduction of rates, etc.); lack of resources (council doesn't approve rate increases, loss of customers)	Seldom (<25%)	3 - Medium
16	lack of training in emergency preparation (FEMA accounting, tracking, etc) (i.e. financial hurdles to get refunds); without staff trained to get refunds/help we cannot sustain our services at current level	Seldom (<25%)	4 - High
17	greater than 14 day pandemic (i.e. loss of staff for treatment and other areas) (business continuity planning); serious illness could affect the city of FC ability to provide utility series to our customers	Seldom (<25%)	3 - Medium
18	climate change (multi-year drought); a drought or other environmental disaster would affect consumer use, industrial use (high tech brew etc.) esp hence impact the local economy	Likely (50%-75%)	4 - High
19	PRPA rate changes (shifting costs to demand changes) 5.2	Possible (25%-50%)	2 - Low
20	Lack of water storage (potable and non-potable); halligan environmental impact study results affecting cost structure, etc. 4.6	Likely (50%-75%)	3 - Medium
21	inaccurate financial forecasts limit funding for strategic projects (understated revenues or over budgeted) 6.2	Possible (25%-50%)	3 - Medium
22	Aging Workforce 5.4	Almost certain (>75%)	2 - Low
23	Contamination of our systems, an external threat; an act of terrorism	Seldom (<25%)	4 - High
24	Privatization, deregulation of Fort Collins Utilities (goes through Council), de-emphasizing dedication to community/City's Mission, Vision, and Values	Seldom (<25%)	3 - Medium
26	No Plan for Black Start (restarting the grid)	Seldom (<25%)	4 - High
27	Political Decisions that violate fundamentals of Utilities (i.e. Council's concern about Warren Lake)	Possible (25%-50%)	3 - Medium
28	Communication Systems Failure	Possible (25%-50%)	3 - Medium
29	Lack of Documented Procedures and Policies	Likely (50%-75%)	2 - Low
30	Reputation Management, negative media	Possible (25%-50%)	3 - Medium
31	Federal Shutdowns - delays in permitting	Seldom (<25%)	2 - Low
32	Availability/Competition for contractual labor	Possible (25%-50%)	2 - Low
33	Availability of Rental Equipment (especially in emergencies)	Possible (25%-50%)	2 - Low
34	Availability/shortages of Materials (pipes, wire, pumps, chemicals, etc.)	Possible (25%-50%)	2 - Low
35	Over-extension of internal resources (multiple emergencies at the same time)	Possible (25%-50%)	2 - Low
36	Catastrophic weather patterns (ex: 30+ days of below zero temperatures)	Seldom (<25%)	3 - Medium
37	Competing Organizational Objectives (safety vs environment vs financial)	Likely (50%-75%)	2 - Low

- **Risk Map and Risk Appetite (Utility Services)**

Utility Services determined any risk rated with a combination of ‘3-Medium’ magnitude and ‘B-Likely’ or above would warrant a mitigation plan. The resulting priority risks identified were the following:

- Lack of IT Cross training
- Cannot bill customers due to billing system failure
- Cyber security
- Climate change (multi-year drought); a drought or other environmental disaster would affect consumer use, industrial use
- Lack of water storage (potable and non-potable)

Risk Map				
Probability	A -	22 Aging Workforce 5.4	1 Lack of IT Cross training 5.4	
	B -	29 Lack of Documented Procedures and Policies 37 Competing Organizational Objectives (safety vs env...	9 cannot bill customers due to billing system failur... 20 Lack of water storage (potable and non-potable); h...	12 cyber security 18 climate change (multi-year drought); a drought or ...
	C -	2 Lack of formal asset management 6.3 4 City Council not adopting resolution 2008-038 for ... 6 no alignment/misalignment between master plans, st... 13 staff reductions or competition for staffing (new ... 19 PRPA rate changes (shifting costs to demand change... 32 Availability/Competition for contractual labor 33 Availability of Rental Equipment (especially in em... 34 Availability/shortages of Materials (pipes, wire, ... 35 Over-extension of internal resources (multiple eme...	5 regulatory uncertainty (carbon tax, nutrient remov... 21 inaccurate financial forecasts limit funding for s... 27 Political Decisions that violate fundamentals of U... 28 Communication Systems Failure 30 Reputation Management, negative media	3 inconsistent safety culture 5.5 11 threat to employee safety and security from outsid...
	D -	31 Federal Shutdowns - delays in permitting	8 Enforcement of fines from regulatory agencies 5.7 15 elimination or reduction of fees supporting our pr... 17 greater than 14 day pandemic (i.e. loss of staff f... 24 Privatization, deregulation of Fort Collins Utilit... 36 Catastrophic weather patterns (ex: 30+ days of bel...	7 major PRPA outage due to transmission line failure... 10 chemical release at water or waste-water (chlorine... 14 natural disasters that damage delivery of utilitie... 16 lack of training in emergency preparation (FEMA ac... 23 Contamination of our systems, an external threat; ... 26 No Plan for Black Start (restarting the grid)
		1- Insignificant	2 - Low	3 - Medium
Magnitude of Impact				

- **Priority Risk Mitigation Plans (Utility Services)**

- 1. **Lack of IT Cross training**

- **Risk Register ID#:** 1
- **Strategic Objective:** 5.4
- **Probability:** Almost certain
- **Magnitude:** Medium
- **Action:**
 - Bringing in addition IT people and getting them cross training
 - *Hiring new people is not the key solution, though perhaps necessary: cross training existing employees is the important mitigation step.
 - Changing out vulnerable programs, migrating away from custom built programs
 - *Third party vendors have some of the same risks as custom built programs/not a perfect mitigation.
 - *Off-the-shelf software does help make it so we are not relying on one man who built the system. Though customization takes work, you have more available support.
 - Planning associated to understanding where we need to bring our IT support in order to not rely so much on one man.
 - Updated business continuity plan or documentation: update our plan to best business practices

- 2. **Cannot bill customers due to billing system failure**

- **Risk Register ID#:** 9
- **Strategic Objective:** 5.7
- **Probability:** Likely
- **Magnitude:** Medium
- **Action:**
 - **Existing Mitigation:**
 - i. Redundant servers at separate locations
 - ii. Backup tapes are maintained
 - iii. Support contract for hardware issues at Platte River Power Authority (PRPA)
 - iv. Some redundant personnel support from PRPA and City of Fort Collins
 - v. Meet with IT on a regular basis to discuss issues
 - vi. IT reviews upgrades and patches to support system integrity
 - vii. Existing bill presentment can also be done from other systems
 - **Avoidance:**
 - i. Hardware capacity is monitored and managed
 - ii. Focus on documentation processes to manage an emergency event

- iii. Contract with a third party for 24 x 7 IT support for in-house IT supplementation
- iv. Prepare for IT software updates, patches, conversion and testing as part of regular meetings and potential impacts to billing system on a scheduled basis
- v. Train and problem solve through the use of an annual task force
- vi. Existing bill presentment can also be done from other systems
- o Reduction:
 - i. Communication of system performance is monitored and communicated to Data Base Administrator
 - ii. Periodic internal monitoring on the integrity of the system, such as failure testing in the test environment
 - iii. Research credit products in the event billing system failure impacts cash flow
- o Sharing:
 - i. Work with IT on regular frequency on managing review of system structural integrity
 - ii. Meet with other utility billing system administrators on best practices and risk mitigation approaches

3. Cyber Security; attack on utilities IT infrastructure

- **Risk Register ID#:** 12
- **Probability:** Likely
- **Magnitude:** High
- **Action:**
 - o Existing Mitigation:
 - i. We are developing a formal Utilities Cyber Security Program for high value systems that includes on-going cyber security risk assessment and risk management planning as well as systematic implementation of information system security controls based on the NIST SP 800-53 guidelines.
 - ii. Strong firewalls network boundary protections are in place.
 - iii. SCADA system networks are physically separated from other networks.
 - iv. Network Intrusion Detection System is in place. Event logs are proactively reviewed and analyzed.
 - v. Servers and Databases are hardened and patched consistent with recognized best practices.
 - vi. Appropriate physical access controls are in place at locations where network and computing equipment is located.
 - vii. Background checks are required for employees and vendors with access to sensitive areas, data and systems.

- Avoidance:
 - i. No specific strategies identified at this time.
- Reduction:
 - i. No specific strategies identified at this time.
- Sharing:
 - i. No specific strategies identified at this time.
- Acceptance:
 - i. While we recognized that we can strengthen our security posture over time we are confident that we have adequate protections in place to responsible operation our existing major systems.

4. Climate Change; a drought or other environmental disaster would affect consumer use

- **Risk Register ID#:** 18
- **Probability:** Likely
- **Magnitude:** High
- **Action:**
 - Increase fixed charges on water to ensure adequate revenue to cover operating expenses
 - Implement the Water Supply Management Policy drought restrictions
 - Implement load reductions through demand response measures
 - Implement emergency response procedures (flood mitigation plans, for example)
- **Existing Mitigation:**
 - Significant capital investment in Stormwater infrastructure
 - Excess generation capacity at PRPA to meet higher electric demand
 - Two separate sources of raw water for treatment
 - Demand Response program for electricity
 - ClimateWise

5. Lack of water storage

- **Risk Register ID#:** 20
- **Strategic Objective:** 4.6
- **Probability:** Likely
- **Magnitude:** Medium
- **Action:**
 - As Fort Collins grows, ability to meet treated water demands throughout the year will become more difficult without additional storage
 - Inability to acquire storage over long-term will most likely result in more frequent mandatory water restrictions, which could make Fort Collins less desirable for businesses and decrease potential for economic development

- Utilities has been pursuing the enlargement of Halligan Reservoir for approximately 30 years; entered NEPA permitting in 2006 with U.S. Army Corps of Engineers (Corps) as lead agency; permitting process has been longer and more expensive than anticipated
- Given difficulties of acquiring storage, trying to meet most of projected future demands with only the Halligan project (approximately 8,000 acre-feet at Halligan)
- Permitting process will consider other viable alternatives to Halligan; these alternatives will most likely be more expensive (both capital and O&M) than Halligan; Corps must choose Least Environmentally Damaging Practicable Alternative (LEDPA) which may not be Halligan
- Could consider potential for smaller, incremental storage projects that require little or no federal permitting (e.g., gravel storage connected to treatment plant); most likely more expensive (both capital and O&M) than Halligan
- Could consider only accepting Colorado-Big Thompson Project (CBT) units for Raw Water Requirement (RWR) satisfaction; provides additional storage, but adds to existing vulnerability of most storage being in CBT system which lacks City control and could create extreme water shortages if unavailable in emergency situations
- More expensive alternatives to Halligan will require additional cash and potential changes to RWR structure (i.e., more cash, less water rights); may increase cost of development in City