

ORDINANCE NO. 138, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING THE 2018 BUDGET AND APPROPRIATING THE FORT
COLLINS SHARE OF THE 2018 FISCAL YEAR OPERATING AND CAPITAL
IMPROVEMENT FUNDS FOR THE NORTHERN COLORADO REGIONAL AIRPORT

WHEREAS, in 1963, the City of Fort Collins and the City of Loveland (the "Cities") agreed to establish a regional general aviation facility and became owners and operators of the Fort Collins-Loveland Municipal Airport, now known as the Northern Colorado Regional Airport (the "Airport"); and

WHEREAS, the Airport is operated as a joint venture between the Cities, with each city retaining a 50% ownership interest, sharing equally in policy-making and management, and each assuming responsibility for 50% of the Airport's capital and operating costs; and

WHEREAS, pursuant to the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport dated January 22, 2015, and the First Amendment to the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport dated June 7, 2016, now known as the Northern Colorado Regional Airport (collectively the "IGA"), the Airport Manager is responsible for preparing the Airport's annual operating budget and submitting it to the Cities for their approval; and

WHEREAS, under the IGA, the City's share of existing and unanticipated Airport revenue is to be held and disbursed by the City of Loveland as an agent on behalf of the Cities, since the City of Loveland provides finance and accounting services for the Airport; and

WHEREAS, under the IGA, each City's share of the Airport's annual operating budget and the Airport capital improvement plan shall be appropriated by each City and transferred or otherwise paid into the designated account to be used for Airport funding on an annual basis; and

WHEREAS, in accordance with Article V, Section 8(b), of the City Charter, any expense or liability entered into by an agent of the City on behalf of the City, shall not be made unless an appropriation for the same has been made by the City Council; and

WHEREAS, the Airport Manager has submitted for City Council consideration a 2018 Airport operating budget totaling \$1,211,500, of which the City's share is \$605,750; and

WHEREAS, the City Council is in the process of considering the City's 2018 budget and Ordinance No. 154, 2017, which appropriates \$242,500 in City funds to be transferred to the Airport operating fund in accordance with the IGA (the "Fort Collins Contribution"); and

WHEREAS, pursuant to the IGA, the City of Loveland holds on behalf of both Cities the revenues of, and other financial contributions to, the Airport in a fund, which includes unappropriated and unencumbered, reserves (the "Airport Fund"); and

WHEREAS, it is the desire of the City Council to appropriate the City's share of the necessary funds for the Airport's operating costs, totaling \$605,750 for the fiscal year beginning January 1, 2018, and ending December 31, 2018; and

WHEREAS, the Airport Manager also recommends capital expenditures totaling \$365,000 for acquisition of airport equipment; and

WHEREAS, funding for the 2018 capital improvements has been identified as follows:

| | |
|------------------|----------------|
| State Grant | \$30,000 |
| Airport Reserves | <u>335,000</u> |
| Total | \$365,000; and |

WHEREAS, the City's 50% share of the 2018 capital improvement costs, held in the Airport Fund, is \$182,500.

WHEREAS, the Airport Reserves item is an appropriation for use by the Northern Colorado Regional Airport Commission for discretionary Airport projects; and

WHEREAS, the requested use of Reserves in the 2018 Airport Budget meets the required limits set forth in the IGA; and

WHEREAS, this appropriation will not require additional funding from the Cities and is consistent with the IGA for the joint operation of the Airport.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

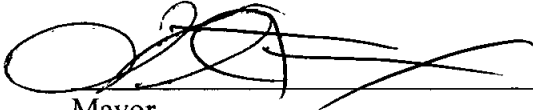
Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby approves and adopts the 2018 Airport operating and capital budget totaling \$1,576,500 (\$1,211,500 for operations and \$365,000 for capital), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Section 3. That the City Council hereby appropriates in the Airport Fund SIX HUNDRED FIVE THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$605,750) to be expended to defray the City's share of the 2018 operating costs of the Fort Collins-Loveland Municipal Airport.

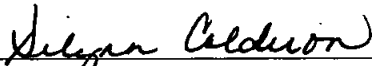
Section 4. That the City Council hereby appropriates in the Airport Fund ONE HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$182,500) to be used for the City's share of the 2018 capital improvements at the Fort Collins-Loveland Municipal Airport.

Introduced, considered favorably on first reading, and ordered published this 7th day of November, A.D. 2017, and to be presented for final passage on the 21st day of November, A.D. 2017.



Mayor

ATTEST:



City Clerk



Passed and adopted on final reading on the 21st day of November, A.D. 2017.



Mayor

ATTEST:



City Clerk



Airport Fund

The Airport Fund receives revenue for operating and capital expenses primarily from revenues generated by Northern Colorado Regional Airport operations. Additional revenues are provided by the airport partners, the Cities of Loveland and Fort Collins, and, for approved projects, from the FAA and Colorado Department of Transportation. Use of money in the Fund is restricted to the airport. The Fund is managed by the City Manager's Office. Details on the expenditures are in the Other Entities chapter.

Airport Fund Summary

| | 2016 Actual | 2017 Adopted | 2017 Revised (July 1st) | 2018 Budget | 2018 Budget / 2017 Adopted % Change |
|---------------------------------|----------------|-----------------|-------------------------------|----------------|---|
| BEGINNING FUND BALANCE | \$ 517,141 | \$ 2,043,905 | \$ 2,010,807 | \$ 1,506,761 | |
| REVENUES | | | | | |
| CONTRIBUTION - LOVELAND | 227,500 | 260,000 | 260,000 | 242,500 | -6.7% |
| CONTRIBUTION - FORT COLLINS | 177,500 | 260,000 | 260,000 | 242,500 | -6.7% |
| INTEREST | 8,584 | 15,000 | 15,000 | 22,812 | 52.1% |
| OTHER | 15,961 | 23,200 | 23,200 | 23,500 | 1.3% |
| AIRPORT REVENUE | 629,444 | 634,530 | 634,530 | 665,800 | 4.9% |
| CONTRIBUTION - FAA | 565,500 | 1,000,000 | 1,000,000 | - | -100.0% |
| CONTRIBUTION - STATE OF CO | 420,495 | 55,556 | 55,556 | 46,240 | -16.8% |
| Total Revenues | \$ 2,044,984 | \$ 2,248,286 | \$ 2,248,286 | \$ 1,243,352 | -44.7% |
| Total Resources | \$ 2,562,124 | \$ 4,292,191 | \$ 4,259,093 | \$ 2,750,113 | -35.9% |
| EXPENDITURES BY FUND | | | | | |
| Other Entity | | | | | |
| AIRPORT | \$ 3,538,650 | \$ 2,592,332 | \$ 2,752,332 | \$ 1,576,500 | -39.2% |
| EXPENDITURES BY CATEGORY | | | | | |
| PERSONNEL SERVICES | 443,315 | 577,165 | 577,165 | 598,078 | 3.6% |
| SUPPLIES | 41,753 | 54,115 | 54,115 | 54,700 | 1.1% |
| PURCHASED SERVICES | 363,855 | 467,750 | 611,750 | 558,722 | 19.4% |
| DEPRECIATION | 1,502,333 | - | - | - | 0.0% |
| CAPITAL | 1,187,394 | 1,493,302 | 1,509,302 | 365,000 | -75.6% |
| Total Expenditures | \$ 3,538,650 | \$ 2,592,332 | \$ 2,752,332 | \$ 1,576,500 | -39.2% |
| ENDING FUND BALANCE | \$ 2,010,807 | \$ 1,699,859 | \$ 1,506,761 | \$ 1,173,613 | |