

ORDINANCE NO. 010, 2018
 OF THE COUNCIL OF THE CITY OF FORT COLLINS
 APPROPRIATING PRIOR YEAR RESERVES IN THE GENERAL FUND AS A LOAN TO
 THE LIGHT AND POWER FUND FOR THE ELECTRIC UTILITY'S FIRST YEAR
 OPERATIONS AND MAINTENANCE COSTS FOR TELECOMMUNICATION FACILITIES
 AND SERVICES

WHEREAS, at the November 28, 2017, City Council Work Session, there was a discussion concerning the City's broadband project, which included an estimated timeline, major milestones, appropriation and governance recommendations, and City staff highlighted the need to dedicate resources to support further development and details associated with a municipal retail model for the City's Electric Utility to start providing telecommunication facilities and services; and

WHEREAS, in pursuit of that plan development, staff is requesting an appropriation of \$1.8 million from General Fund reserves to support first year start-up costs associated with recruiting and hiring personnel, consulting, equipment, branding to support the initiative and other operations and maintenance costs; and

WHEREAS, the General Fund reserves will be restored from the proceeds of the Electric Utility Enterprise proposed bond issuance, pending the Council's adoption of the corresponding bond ordinance (currently scheduled for the March 20 and April 3 meetings), acting as the Board of the Electric Utility Enterprise; and

WHEREAS, costs estimates are as follows:

(\$ 000's)	2018				Full Year
	Q1	Q2	Q3	Q4	
Full Time Equivalent	1.3	5.0	7.0	13.0	
Quarter End Headcount	4.0	7.0	7.0	17.0	
Personnel	\$ 43	\$ 148	\$ 187	\$ 295	\$ 672
Consulting	120	120	88	88	415
Branding/Web Site	63	63	30	30	185
Legal	50	30	20	20	120
Office & Equipment	45	49	63	92	248
Contingency	50	50	30	30	160
Total O&M	\$ 370	\$ 459	\$ 417	\$ 554	\$ 1,800

; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, City staff have determined that the appropriations as described herein are available and previously unappropriated in the General Fund; and

WHEREAS, this appropriation will serve the public purpose of providing a loan to the City's Electric Utility to help fund its start-up costs related to the Utility making "telecommunications facilities and services," as this term is defined in Section 7 of City Charter Article XIII, available to its customers throughout the City; and

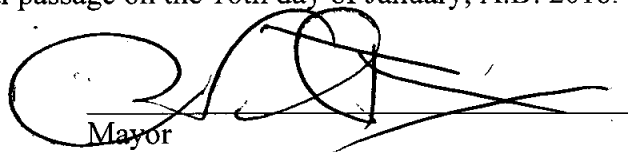
WHEREAS, the City Council hereby finds that the appropriation is necessary for the public's health, safety and welfare and is in the best interests of the City and its residents, businesses, and public and private organizations.

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 there is hereby appropriated from prior year reserves in the General Fund the sum of ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) as a loan to the Light and Power Fund to be expended for the Electric Utility's first year of operations and maintenance relating to telecommunications facilities and services. This loan shall be repaid to the General Fund by the City's Electric Utility Enterprise when the Enterprise receives the proceeds from the revenue bonds the Enterprise is anticipated to issue to fund the Electric Utility's start-up costs for the provision of telecommunications facilities and services. The loan repayment shall also include interest of two and three quarters percent (2.75%).

Introduced, considered favorably on first reading, and ordered published this 2nd day of January, A.D. 2018, and to be presented for final passage on the 16th day of January, A.D. 2018.

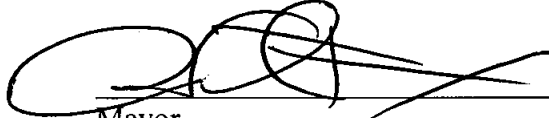

Mayor

ATTEST:


City Clerk




Passed and adopted on final reading on the 16th day of January, A.D. 2018.



Mayor

ATTEST:



City Clerk

