

ORDINANCE NO. 136, 2018
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING THE 2019 BUDGET AND APPROPRIATING THE FORT COLLINS
SHARE OF THE 2019 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, now known as the Northern Colorado Regional Airport dated June 7, 2016, (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 2019 Airport budget totaling \$2,746,915, of which the City's 50% share is \$1,373,458 (\$1,261,915 for operations and \$1,485,000 for capital); and

WHEREAS, the City Council is in the process of considering the City's 2019 budget and Ordinance No 133, 2018, which appropriates \$177,500 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, the City's 50% share of the 2019 Airport operating costs, to be held in the Airport Fund, is \$630,958; and

WHEREAS, funding for the 2019 capital improvements has been identified as follows:

FAA Grant	\$850,000
State Grant	42,500
Airport Revenues	92,500
Airport Reserves	<u>500,000</u>
Total	\$1,485,000; and

WHEREAS, the City's 50% share of the 2019 Airport capital improvement costs, to be held in the Airport fund, is \$742,500; and

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

WHEREAS, City staff has determined that the requested appropriation of Airport Reserves in the 2019 Airport Budget meets the required limits set forth in the IGA; and

WHEREAS, this appropriation will satisfy the City's obligations under the IGA.

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

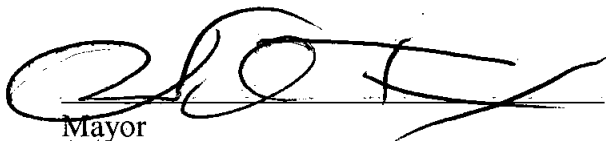
Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby approves and adopts the 2019 Airport operating and capital budget totaling \$2,746,915 (\$1,261,915 for operations and \$1,485,000 for capital), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference.

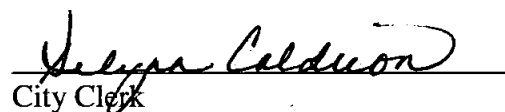
Section 3. That the City Council hereby appropriates in the Airport Fund \$630,958 to be expended to defray the City's 50% share of the 2019 operating costs of the Airport.

Section 4. That the City Council hereby appropriates in the Airport Fund \$742,500 to be expended to defray the City's 50% share of the 2019 capital costs of the Airport.

Introduced, considered favorably on first reading, and ordered published this 6th day of November, A.D. 2018, and to be presented for final passage on the 20th day of November, A.D. 2018.


Mayor

ATTEST:

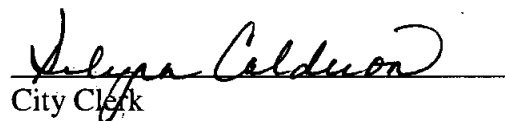

City Clerk



Passed and adopted on final reading on the 20th day of November, A.D. 2018.


Mayor

ATTEST:


City Clerk



Northern Colorado Regional Airport

The Northern Colorado Regional Airport (FNL) has served as a public regional air transportation center since 1964. The Airport is certified by the Federal Aviation Administration (FAA) as a commercial service airport, and it is administered and operated jointly by the Cities of Fort Collins and Loveland. The Airport has 265 based aircraft, and accommodates approximately 95,000 flight operations annually. These operations range from commercial air carrier, private charter, business and corporate aviation, emergency medical transport, aerial fire suppression, flight training, and private transportation.

The Airport supports many aviation based businesses including a full service fixed base operator that provides aircraft fueling and concierge services, three flight training schools, two aircraft maintenance and repair stations, and one avionics center. The Airport is also host to a variety of private and corporate aviation flight departments for locally based companies that require access to the airport to remain competitive in today's global markets.

According to the Economic Impact Study conducted in 2013 by the Colorado Department of Transportation Division of Aeronautics, the Airport contributes approximately \$129 million annually to the regional economy. This impact is derived through Airport associated activities and area spending from visitors. The study also identified 826 jobs that were directly associated with the Airport through administrative and operational support, airport businesses, capital improvement investments, and visitor spending.

The Airport generates most of its operational and capital resources, and leverages Federal and State grant resources to provide support for infrastructure and planning needs. The Airport's self-generated revenues come from airport operational activities including the leasing of hangars and airport owned land for privately owned hangars, aviation fuel sales, and commercial air carrier activities. The City of Loveland, through intergovernmental agreement (IGA), provides support services for the Airport; therefore, the City of Loveland adopts the Airport budget and includes it in this document.

The Northern Colorado Regional Airport Commission is comprised of elected officials, staff, and appointed citizen members from both Fort Collins and Loveland. The Commission has been delegated powers and authority from both City Councils to make progress towards the goals of the Airport's mission, which is "to provide a safe and efficient air transportation facility to the public and aviation community by providing airport facilities that meet Federal Aviation Administration safety standards and to implement a plan that ensures the efficient development of the Airport to meet the needs of the Fort Collins and Loveland communities."

Northern Colorado Regional Airport

DESCRIPTION	2017 ACTUALS	2018 ADOPTED	2018 REVISED	2019 DRAFT	2019 Draft/ 2018 Adopted \$ Change	2019 Draft/ 2018 Adopted % Change
Beginning Fund Balance	3,509,521	1,506,761	2,258,314	1,223,679	(283,082)	-18.8%
Total Revenues						
Intergovern	1,091,535	242,500	242,500	1,070,000	827,500	341.2%
Miscellaneous	31,424	23,500	33,469	21,000	(2,500)	(10.6%)
Interest Income	25,965	22,812	22,812	20,000	(2,812)	(12.3%)
Operating Revenues	932,407	908,300	908,300	893,250	(15,050)	(1.7%)
Capital Contributions	-	46,240	46,240	-	(46,240)	(100.0%)
Total Revenues	2,081,331	1,243,352	1,253,321	2,004,250	760,898	61.2%
Total Expenditures & Capital						
AIR-Airport	3,328,858	1,572,700	2,284,156	2,242,665	669,965	42.6%
AIR-Airport - FBO Rep and Maint	3,680	3,800	3,800	4,250	450	11.8%
Northern Colorado Regional Airport	3,332,538	1,576,500	2,287,956	2,246,915	670,415	42.5%
Ending Fund Balance	2,258,314	1,173,613	1,223,679	981,014	(192,599)	-16.4%
Net Income	(1,251,208)	(333,148)	(1,034,635)	(242,665)	90,483	(27.2%)

Northern Colorado Regional Airport

Full-Time Equivalents (FTEs) Summary	2017 Actual	2018 Adopted Change	2018 Adopted Total	2018 Mid-Year Change	2018 Revised Total	2019 Proposed Change	2019 Proposed Total
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FTEs by Fund

Northern Colorado Regional Airport	6.000	-	6.000	-	6.000	-	6.000
Total	6.000	-	6.000	-	6.000	-	6.000

FTEs by Division

Airport	6.000	-	6.000	-	6.000	-	6.000
Total	6.000	-	6.000	-	6.000	-	6.000

Northern Colorado Regional Airport

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Dashboard Stats	2015 Actual	2016 Actual	2017 Actual	2018 Estimated	2019 Projected
Total Aircraft Based on Field	245	250	255	263	267
Average Take Off and Landings Per Day ¹	260	260	260	270	280
Total Annual Enplaned Passengers on Certified Air Carrier Aircraft ²	3,445	4,559	3,192	3,000	10,000
Hangars ³ /% Occupancy	209/100%	209/100%	211/100%	214/100%	220/100%
Airport Self-Generated Revenue	\$618,216	\$645,398	\$703,831	\$669,500	\$776,750

- ¹ Numbers currently estimated; actuals will be available upon implementation of tower technology.
- ² Total Annual Enplaned Passengers on Certified Air Carrier Aircraft is significantly increasing due to the return of commercial airline service as a result of the remote air traffic control tower project.
- ³ Aircraft hangars range in size from 1,000 to 35,000 square feet and can accommodate one or multiple aircraft. The Airport currently has one multi-hangar development project underway and anticipates more to be built in the future to accommodate demand.

Select Performance Measures are included for most City departments. The full list of performance measures resulting from Phase 1 of the City's Performance Measures Project are available in a separate document. Phase 1 measures are undergoing review for accuracy, finer definition, and data availability. However, they provide a relative sense of workload trends, and afford policy makers and the public with an opportunity to provide feedback on measures that are most important and informative. Phase 2 will incorporate feedback received and development of 'effectiveness measures' to provide an additional dimension of information available to understand the effectiveness of services provided by the City. The current project timeline includes a January 2019 Phase 2 completion date.