

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 13

DATE: April 17, 2007

STAFF: Mike Freeman

SUBJECT

First Reading of Ordinance No. 053, 2007, Authorizing the Appropriation of 2007 Fiscal Year Operating and Capital Improvement Funds of the Fort Collins-Loveland Municipal Airport and Authorizing the Reappropriation of Unspent and Unencumbered Funds from 2006.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

This Ordinance appropriates the City's 50% share (\$840,335) of the annual appropriation for the fiscal year 2007 Fort Collins-Loveland Municipal Airport (the "Airport") budget. The City of Loveland manages the Airport's budget and finances, but since the City of Fort Collins owns 50% of the Airport, it is necessary for the City to appropriate its 50% portion of the Airport budget. In addition, this Ordinance authorizes the reappropriation of the City's 50% share of unspent and unencumbered funds at the end of 2006, totaling \$1,089,000, to be used for various Airport Improvements.

EXECUTIVE SUMMARY

The 2007 annual operating budget for the Airport totals \$580,170, and will be funded from Airport operating revenues, contributions from the Cities of Fort Collins and Loveland, and interest earnings. This Ordinance appropriates the City of Fort Collins' contribution, which is a 50% share of the 2007 Airport budget and totals \$290,085.

This Ordinance also appropriates the City of Fort Collins' 50% share of capital funds, totaling \$550,250, for the Airport from federal and state grants; passenger charges; contributions from Fort Collins and Loveland; and the Airport General Fund. The 2007 Airport capital funds, totaling \$1,100,500, will be used to construct improvements taxiway improvements, purchase a storage building for Airport equipment, rebuilding directional/informational signs along the Airport's entrance road, and minor equipment purchases.

In addition, this Ordinance reappropriates the City's 50% share of unspent and unencumbered funds, totaling \$1,089,000, for various Airport Improvements, not completed as of the end of the year 2006. The reappropriated funds, totaling \$2,178,000, will be used for ramp/taxiway Alpha rehabilitation

(\$1,924,770), runway fog seal and markings repainting (\$181,520), FAA Master Plan Update (\$33,100), Airport fire fighting equipment (\$17,760), and other minor improvements (\$20,850). The reappropriated amounts will be funded from federal dollars, totaling \$1,942,530, and Fort Collins-Loveland Airport prior year reserves, totaling \$235,470.

BACKGROUND

In 1963, the City of Fort Collins and the City of Loveland agreed to the establishment of a regional aviation facility and became owners and operators of the Fort Collins-Loveland Municipal Airport, located approximately 16 miles southeast of downtown Fort Collins, just west of Interstate 25 on Earhart Road. The Airport is operated as a joint venture between the City of Fort Collins and the City of Loveland, with each city retaining a 50% ownership interest, sharing equally in policy-making and management, and with each assuming responsibility for 50% of the capital and operating costs associated with the Airport.

The Airport’s mission is to provide a safe and efficient air transportation airport facility to the general public and aviation community by providing airport facilities that meet Federal Aviation Administration (“FAA”) 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.

Airport revenues cover operating costs and capital projects. Each city contributes equal funding for airport operating and capital costs. Airport development and improvement funds are also received, for eligible projects, from the FAA and the Colorado Department of Transportation, Division of Aeronautics.

The annual operating costs for 2007 for the Airport are \$580,170, and the City of Fort Collins contribution is \$290,085.

In addition, the Airport Manager is recommending additional capital expenditures and has identified the following funding sources:

FAA Entitlement and Discretionary Grants	\$ 1,000,000
State Grants	25,000
Contributions - Fort Collins and Loveland	<u>75,500</u>
Total	\$ 1,100,500

The additional capital expenditures will be for the following improvements:

Taxiway Improvements	\$ 1,053,000
Storage Building for Airport Equipment	32,000
Directional/Informational Signage	8,000
Minor Equipment Purchases	<u>7,500</u>
Total	\$ 1,100,500

Thus, the City of Fort Collins' appropriation for the capital expenditures identified above is \$550,250 (50% of the total).

The Airport Manager also recommends reappropriating unspent and unencumbered funds, totaling \$2,178,000, from 2006 to be used for Airport Improvements as follows:

Ramp/Taxiway Alpha Rehabilitation	\$ 1,924,770
Runway Fog Seal and Markings Repainting	181,520
FAA Master Plan Update	33,100
Airport Fire Fighting Equipment	17,760
Airfield Lighting Control System	9,780
Electrical Repairs to Gates	7,660
Building Surveys	1,880
Diesel Storage	<u>1,530</u>
Total	\$ 2,178,000

The aforementioned improvements will be funded from the following:

Federal Airport Funds	\$ 1,942,530
Fort Collins-Loveland Airport Prior Year Reserves	<u>235,470</u>
Total	\$ 2,178,000

The City's share (50%) of the reappropriation items identified above is \$1,089,000.

ORDINANCE NO. 053, 2007
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE APPROPRIATION OF 2007 FISCAL YEAR OPERATING AND
CAPITAL IMPROVEMENT FUNDS OF THE FORT COLLINS-LOVELAND MUNICIPAL
AIRPORT AND AUTHORIZING THE REAPPROPRIATION OF UNSPENT AND
UNENCUMBERED FUNDS FROM 2006

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

WHEREAS, the Airport is operated as a joint venture between the City of Fort Collins and the City of Loveland (the "Cities"), with each city retaining a 50% ownership interest, sharing equally in policy-making and management, and assuming responsibility for 50% of the capital and operating costs associated with the Airport; and

WHEREAS, in accordance with the Intergovernmental Agreement, dated May 16, 2000, between the City of Fort Collins and the City of Loveland for the joint operation of the Airport, the Airport Manager is responsible for preparing the Airport's Annual Operating Budget and submitting it to the Cities for their approval; and

WHEREAS, the Airport Manager has submitted a 2007 Airport Operating Budget totaling \$580,170 and the City of Fort Collins' 50% share is \$290,085; and

WHEREAS, it is the desire of the City Council to appropriate the necessary funds for operating costs of the Airport, totaling \$290,085, for the fiscal year beginning January 1, 2007, and ending December 31, 2007; and

WHEREAS, the Airport Manager also recommends additional capital improvements, totaling \$1,100,500 for 2007 that are not included in the 2007 Airport Operating Budget, as follows:

Taxiway Improvements	\$ 1,053,000
Storage Building for Airport Equipment	32,000
Directional/Informational Signage	8,000
Minor Equipment Purchases	<u>7,500</u>
Total	\$ 1,100,500

WHEREAS, funding for the 2007 capital improvements has been identified as follows:

FAA Entitlement and Discretionary Grants	\$ 1,000,000
State Grants	25,000
Contributions - Fort Collins and Loveland	<u>75,500</u>
Total	\$ 1,100,500

WHEREAS, the City of Fort Collins' 50% share of the 2007 capital improvement costs is \$550,250; and

WHEREAS, the Airport Manager recommends the reappropriation of unspent and unencumbered funds from 2006, totaling \$2,178,000, to be used in 2007 for Airport improvements as follows:

Ramp/Taxiway Alpha Rehabilitation	\$ 1,924,770
Runway Fog Seal and Markings Repainting	181,520
FAA Master Plan Update	33,100
Airport Fire Fighting Equipment	17,760
Airfield Lighting Control System	9,780
Other Improvements	<u>11,070</u>
Total	\$ 2,178,000

WHEREAS, funding for the Airport reappropriation has been identified as follows:

FAA Entitlement and Discretionary Grants	\$ 1,942,530
Fort Collins-Loveland Airport Prior Year Reserves	<u>235,470</u>
Total	\$ 2,178,000

WHEREAS, the City of Fort Collins' 50% share of the 2006 Airport reappropriation totals \$1,089,000; and

WHEREAS, under the Intergovernmental Agreement between the Cities, the City of Fort Collins' share of existing and unanticipated Airport revenue will be held and disbursed by the City of Loveland, as an agent on behalf of the City of Fort Collins, since the City of Loveland is providing finance and accounting services for the Airport; and

WHEREAS, in accordance with Article V, Section 8(b), of the Charter of the City of Fort Collins, any expense or liability entered into by an agent of the City, on behalf of the City, shall not be made unless an appropriation therefor shall have been made by the City Council.

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

Section 1. That the City Council hereby adopts the 2007 Airport Operating Budget and authorizes the appropriation of TWO HUNDRED NINETY THOUSAND EIGHTY-FIVE DOLLARS (\$290,085) to be expended for the authorized purposes of the Fort Collins-Loveland Municipal Airport.

Section 2. That the City Council hereby authorizes the appropriation of FIVE HUNDRED FIFTY THOUSAND TWO HUNDRED FIFTY DOLLARS (\$550,250) to be used for 2007 capital improvements at the Fort Collins-Loveland Municipal Airport.

Section 3. That the City Council hereby authorizes the reappropriation of unspent and unencumbered 2006 Fort Collins-Loveland Municipal Airport funds, totaling ONE MILLION EIGHTY-NINE THOUSAND DOLLARS (\$1,089,000) to be used for improvements at the Fort Collins-Loveland Municipal Airport.

Introduced, considered favorably on first reading, and ordered published this 17th day of April, A.D. 2007, and to be presented for final passage on the 1st day of May, A.D. 2007.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 1st day of May, A.D. 2007.

Mayor

ATTEST:

City Clerk