

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 10

DATE: April 15, 2003

FROM: Alan Krcmarik/
Jerry P. Brown

SUBJECT:

Second Reading of Ordinance No. 050, 2003, Appropriating Unanticipated Revenue in the Golf Fund for the Purpose of Funding Capital Improvements.

RECOMMENDATION:

Staff recommends adoption of the Ordinance on Second Reading.

EXECUTIVE SUMMARY:

In 1999 and 2001 the City executed lease transactions to provide funding for capital improvements at the City's three golf courses. Due to unexpected circumstances beyond the control of the City, several of the improvements were delayed. During the delay, the proceeds from the two transactions were invested at competitive interest rates. The investments earned greater amounts of interest than originally anticipated. In September, 2002, Council passed an Ordinance appropriating \$165,000, a portion of the extra interest earned to complete several additional capital improvements at golf courses. This ordinance, which was unanimously adopted on First Reading on April 1, 2003, appropriates the remaining interest earnings to close-out the funding.

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 14

DATE: April 1, 2003

FROM: Alan Krcmarik/
Jerry P. Brown

SUBJECT:

First Reading of Ordinance No. 050, 2003, Appropriating Unanticipated Revenue in the Golf Fund for the Purpose of Funding Capital Improvements.

RECOMMENDATION:

Staff recommends adoption of the Ordinance on First Reading.

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EXECUTIVE SUMMARY:

In 1999 and 2001 the City executed lease transactions to provide funding for capital improvements at the City's three golf courses. The total amount of the transactions allocated to the Golf Fund was \$5,085,000. Due to unexpected circumstances beyond the control of the City, several of the improvements were delayed. During the delay, the proceeds from the two transactions were invested at competitive interest rates. The investments earned greater amounts of interest than originally anticipated. In September, 2002, Council passed an Ordinance appropriating \$165,000, a portion of the extra interest earned to complete several additional capital improvements at golf Courses. This ordinance requests the appropriation of the remaining interest earnings, in the amount of \$27,072.63, in order to close-out the funding.

BACKGROUND:

In 1999 the City executed Lease Certificates of Participation (COP's) to provide \$2,255,000 of funding for improvements at the three City Golf Courses, including the \$1.3 million Collindale Irrigation System Replacement Project. In 2001 the City completed an Assignment of Lease Payments (ALP's) transaction to provide an additional \$2,830,000 for the Golf Division to use on other capital projects, primarily the Collindale Clubhouse. The proceeds from the transactions were invested prior to expenditure for the various projects. Due to delays in construction, the proceeds from the two financial transactions earned considerably more interest than originally anticipated. In September, 2002, an Ordinance appropriated a portion of the interest earnings, \$165,000, for additional capital projects, such as protective netting, and irrigation system improvements at all three courses. This ordinance appropriates the remaining earned interest, \$27,072.63, to complete the paving of the SouthRidge Golf Course parking lot. The original list of all of the proposed improvements made by the Golf Division was reviewed and approved by the Golf Advisory Board. The payments on the financial transactions are all paid from revenues from the golf courses.