

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 3

DATE: October 28, 2008

STAFF: Darin Atteberry

### SUBJECT

Second Reading of Ordinance No. 127, 2008, Being the Annual Appropriation Ordinance Relating to the Annual Appropriations for the Fiscal Year 2009; Amending the Budget for the Fiscal Year Beginning January 1, 2009, and Ending December 31, 2009; and Fixing the Mill Levy for Fiscal Year 2009.

### RECOMMENDATION

Staff recommends adoption of this Ordinance on Second Reading.

### EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading October 7, 2008, amends the adopted 2009 Budget and sets the amount of \$548,437,224 to be appropriated for fiscal year 2009. The Net City Budget, which excludes internal transfers between City funds, is \$440,379,274 for 2009. The Net City Budget, as amended, is allocated to:

	Adopted 2009	Amended 2009
Operations	\$351,346,102	\$356,110,925
Debt Service	26,232,854	26,235,588
Capital	58,776,761	58,032,761

This Ordinance also sets the 2009 City mill levy at 9.797 mills, unchanged since 1991.

### ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - October 7, 2008.  
(w/o original attachments)

**AGENDA ITEM SUMMARY**  
**FORT COLLINS CITY COUNCIL**

ITEM NUMBER: 30

DATE: October 7, 2008

STAFF: Darin Atteberry

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**SUBJECT**

First Reading of Ordinance No. 127, 2008, Being the Annual Appropriation Ordinance Relating to the Annual Appropriations for the Fiscal Year 2009; Amending the Budget for the Fiscal Year Beginning January 1, 2009, and Ending December 31, 2009; and Fixing the Mill Levy for Fiscal Year 2009.

**RECOMMENDATION**

Staff recommends adoption of this Ordinance on First Reading.

**FINANCIAL IMPACT**

This Ordinance amends the City Budget for fiscal year 2009 and represents the annual appropriation for fiscal year 2009 in the amount of \$548,6437,224. The Ordinance also sets the City mill levy at 9.797 mill, unchanged since 1991.

**EXECUTIVE SUMMARY**

This Ordinance amends the adopted 2009 Budget and sets the amount of \$548,6437,224 to be appropriated for fiscal year 2009. The Net City Budget, which excludes internal transfers between City funds, is \$440,4379,274 for 2009. The Net City Budget, as amended, is allocated to:

	Adopted 2009	Amended 2009
Operations	\$31,346,102	\$356,2110,925
Debt Service	26,232,854	26,235,588
Capital	58,776,761	58,032,761

This Ordinance also sets the 2009 City mill levy at 9.797 mills, unchanged since 1991.

**BACKGROUND**

City Council adopted the 2008-2009 Biennial Budget and appropriated monies for expenditure in fiscal year 2008. State statutes and the City Charter both require an annual appropriation to cover expenses for the ensuing year (2009) based upon the adopted budget. The Second Reading must be done before the last day of November and is currently scheduled for October 28, 2008.

**2009 Revenue Update**

The revenue forecast model was updated in July of 2008 with data from the first six months of the year. The update was presented to the Finance Committee on July 21. Sales tax revenue is projected to increase 4.0% in 2009 over 2008 collections due to the influence of current retail trends and the addition of the Front Range Village retail center. The 2009 use tax "ceiling" is reduced slightly to reflect the decrease in residential building activity and automobile sales.

**General Fund Revenue:**

	<u>Adopted 2009</u>	<u>Amended 2009</u>
Sales Tax (2.25)	\$49,840,160	\$52,270,182
Use Tax (2.25)	\$ 8,300,000	\$ 8,200,000

**Recommended 2009 Budget Additions**

After reviewing all the requests, the City Manager is recommending the following adjustments to the 2009 budget which were presented to the Finance Committee on September 15. Two One additions have been made since the Finance Committee reviewed the list of adjustments. The additions is made are (1) Downtown River District Implementation project for \$100,000 and (2) the Homelessness Initiative Support for \$100,000. Both of these This requests are is for one-time money from the General Fund. The adjustments are listed in two categories: Basic Operational – requests that are needed for operation and maintenance of the service area; and Enhancements – requests that expand the scope of service. General Fund recommended adjustments total \$1,4326,568 and recommended adjustments to Other Funds total \$2,704,505.

**General Fund:**

	<u>Ongoing</u>	<u>One-time</u>
A. Basic Operational		
1. Parks Maintenance – Fuel Costs	\$ 60,500	
2. Parks Maintenance – Weed Control	30,000	
3. Parks Maintenance – Tree Moving	5,135	
4. Operations Services – Natural Gas	42,000	
5. Budget Accounting & Reporting Tool-Phase 2		65,000
6. Streets Snow Removal Fuel & Materials	215,226	
7. Signal Maintenance Fuel Costs	11,786	
8. Signs & Pavement Markings Fuel & Paint	60,417	
9. Pavement Management Program	323,280	
10. Street Patching & Maintenance Fuel & Asphalt	78,964	

11.	Sweeping, Mowing Road Shoulders & Maintenance of Alleys, Unpaved Roads – Fuel	42,405	
12.	Streets Facility Natural Gas	7,505	
13.	Lincoln Center Services	10,250	
	Total General Fund Basic Operational	\$ 887,468	\$ 65,000

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<b>B. Enhancements</b>			
1.	Pilot Program, Asst. District Attorney on Site		\$ 88,000
2.	Repay Larimer County for DDA Parking Garage	\$186,100	
3.	<del>Downtown River District Implementation</del>		<del>100,000</del>
4.	Homelessness Initiative Support		100,000
	Total General Fund Enhancements	\$186,100	\$ 2188,000
	<b>Total General Fund Adjustments</b>	<b>\$ 1,073,568</b>	<b>\$ 3253,000</b>

**Other Funds:**

		<u>Ongoing</u>	<u>One-time</u>
<b>A. Basic Operational</b>			
1.	PFA Station 4 Debt Payment	\$234,354	
2.	Harmony Road Maint. Fuel & Materials	17,637	
3.	Golf Fuel Costs	49,787	
4.	Utility - Information Technology Functions not budgeted	536,400	
5.	Pavement Management Program	966,720	
6.	Utility Funds Fuel Costs	416,607	
	Total Other Funds Basic Operational	\$ 2,221,505	\$0

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<b>B. Enhancements</b>			
1.	Security Improvements to 330 S. College and 700 Wood Street		\$ 200,000
2.	Downtown Parking Demand Analysis		30,000
3.	Utilities Security Coordinator	\$ 75,000	
4.	Utilities-Equipment/Furniture for Additional Staff		20,000
5.	Light & Power - Energy Services Program Coordinator	60,000	
6.	Light & Power - Energy Services Engineer	98,000	
	Total Other Funds Enhancements	\$ 233,000	\$ 250,000

<b>Total Other Fund Adjustments</b>	<b>\$ 2,454,505</b>	<b>\$ 250,000</b>
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**Miscellaneous**

In addition to the recommended adjustments, a couple of miscellaneous adjustments must be made to correct the 2009 appropriations for recent changes. The additional revenue projected to be received in the Sales & Use Tax Fund must be appropriated for transfer to the General Fund and to the other funds receiving this revenue.

Also, with the refinancing of the City's certificates of participation in June 2007, the debt payments in the Capital Leasing Corporation Fund have changed. Total debt payments have increased by about \$3,000 with the General Funds portion increasing by less than \$10,000. These appropriation changes must also be made and are included in the Amended 2009 appropriations.

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**ATTACHMENTS**

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1. Council Finance Committee minutes - September 15, 2008.

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ORDINANCE NO. 127, 2008  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
BEING THE ANNUAL APPROPRIATION ORDINANCE  
RELATING TO THE ANNUAL APPROPRIATIONS  
FOR THE FISCAL YEAR 2009; AMENDING THE BUDGET FOR  
THE FISCAL YEAR BEGINNING JANUARY 1, 2009, AND ENDING  
DECEMBER 31, 2009; AND FIXING THE MILL LEVY FOR FISCAL YEAR 2009

WHEREAS, on November 20, 2007, the City Council adopted on second reading Ordinance No. 118, 2007, approving a biennial budget for the years beginning on January 1, 2008, and January 1, 2009; and

WHEREAS, the City Manager has submitted to the City Council proposed amendments to the 2009 budget adopted by the City Council in Ordinance No. 118, 2007; and

WHEREAS, Article V, Section 4, of the City Charter (the "Charter") requires that, before the last day of November of each fiscal year, the City Council shall appropriate on a fund basis and by individual project for capital projects and federal or state grant projects, such sums of money as it deems necessary to defray all expenditures of the City during the ensuing fiscal year based upon the budget as approved by the City Council; and

WHEREAS, Article V, Section 5, of the Charter provides that the annual appropriation ordinance shall also fix the tax levy upon each dollar of the assessed valuation of all taxable property within the City, such levy representing the amount of taxes for City purposes necessary to provide for payment during the ensuing fiscal year for all properly authorized expenditures to be incurred by the City, including interest and principal of general obligation bonds; and

WHEREAS, Article XII, Section 6, of the Charter permits the City Council to fix, establish, maintain, and provide for the collection of such rates, fees, or charges for water and electricity, and for other utility services furnished by the City as will produce revenues sufficient to pay into the General Fund in lieu of taxes on account of the City-owned utilities such amount as may be established by Council; and

WHEREAS, Article V, Section 10, of the Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund or capital project to another fund or capital project, provided that the purpose for which the transferred funds are to be expended remains unchanged; the purpose for which the funds were initially appropriated no longer exists; or the proposed transfer is from a fund or capital project in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

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

Section 1. That the City Council has reviewed the City Manager's recommended changes to the "2009 Proposed Appropriations" section of the Fort Collins 2008 and 2009 Biennial Budget

(the “Biennial Budget”), as shown on pages 31 through 33 of the Operating Budget thereof, a copy of which Biennial Budget is on file with the office of the City Clerk, and hereby amends the Biennial Budget so as to reflect the following changes:

2009 Proposed Appropriations

	<u>Existing</u>	<u>Amount of Adjustments</u>	<u>As Amended</u>
GENERAL FUND	\$107,760,121	\$1,336,450	\$109,096,571
<u>ENTERPRISE FUNDS</u>			
Golf	\$ 2,787,942	\$49,787	\$ 2,837,729
Light & Power Operating	94,045,354	373,248	94,418,602
Capital:			
Service Center Additions	254,093		254,093
Southwest Enclave Annexation	800,000		800,000
Substation Improvements	220,000		220,000
Wi Fi	100,000		100,000
Total Light & Power	<u>95,419,447</u>	<u>373,248</u>	<u>95,792,695</u>
Storm Drainage Operating	9,671,360	75,882	9,747,242
Capital:			
Basin Master Planning	95,000		95,000
Canal Importation Basin	5,000,000		5,000,000
Cooper Slough-Boxelder	1,000,000		1,000,000
Developer Repays	85,000		85,000
Drainage System Replacement	365,000		365,000
Dry Creek Basin	300,000		300,000
Service Center Improvements	52,294		52,294
Total Storm Drainage	<u>16,568,654</u>	<u>75,882</u>	<u>16,644,536</u>
Wastewater Operating	21,701,113	131,936	21,833,049
Capital:			
Collection System Replacement	1,150,000		1,150,000
Collection System Study	50,000		50,000
Mulberry WRF Improvements	25,650,000		25,650,000
Service Center Improvements	58,548		58,548
Sludge Disposal Improvements	150,000		150,000
Treatment Plant Improvements	200,000		200,000
Water Reclamation Replacement Program	1,497,000		1,497,000
Total Wastewater	<u>50,456,661</u>	<u>131,936</u>	<u>50,588,597</u>

Water Operating	27,239,531	147,818	27,387,349
Capital:			
Cathodic Protection	50,000		50,000
Distribution System Replacement	795,000		795,000
Halligan Reservoir Expansion	8,965,000		8,965,000
Meter Conversion Program	920,000		920,000
Service Center Improvements	139,065		139,065
Treatment Facility Improvements	500,000		500,000
Water Production Replacement Program	1,175,000		1,175,000
Water Supply Development	100,000		100,000
Total Water	<u>39,883,596</u>	<u>147,818</u>	<u>40,031,414</u>
 TOTAL ENTERPRISE FUNDS	 <u>\$205,116,300</u>	 <u>\$778,671</u>	 <u>\$205,894,971</u>
 <u>INTERNAL SERVICE FUNDS</u>			
Benefits	\$23,256,640		\$23,256,640
Data & Communications	7,376,788	65,000	7,441,788
Equipment	11,003,508		11,003,508
Self Insurance	3,375,062		3,375,062
Utility Customer Service & Administration	<u>14,460,668</u>	<u>677,123</u>	<u>15,137,791</u>
 TOTAL INTERNAL SERVICE FUNDS	 <u>\$59,472,666</u>	 <u>\$742,123</u>	 <u>\$60,214,789</u>
 <u>SPECIAL REVENUE &amp; DEBT SERVICE FUNDS</u>			
Capital Improvement Expansion Fund	\$ 461,141	\$234,354	\$ 695,495
Capital Leasing Corporation	5,717,380	2,734	5,720,114
Cemeteries	651,519		651,519
Cultural Services & Facilities	5,112,641		5,112,641
Debt Service	1,352,478		1,352,478
General Employees' Retirement	2,764,973		2,764,973
Natural Areas Fund	9,428,171		9,428,171
Perpetual Care	70,452		70,452
Recreation	8,111,108		8,111,108
Sales & Use Tax	78,583,777	3,903,879	82,487,656
Special Assessments Debt Service	830,000		830,000
Street Oversizing	5,310,478		5,310,478
Transit Services	10,874,885		10,874,885
Transportation Services	<u>28,405,220</u>	<u>1,753,940</u>	<u>30,159,160</u>
 TOTAL SPECIAL REVENUE & DEBT SERVICE FUNDS	 <u>\$157,674,223</u>	 <u>\$ 5,894,907</u>	 <u>\$163,569,130</u>

CAPITAL IMPROVEMENT FUNDS

General City Capital

City Bridge Program	\$300,000		\$300,000
Police Facility	665,682		665,682
Railroad Crossing Replacement	<u>100,000</u>		<u>100,000</u>
Total General City Capital	<u>\$1,065,682</u>	<u>0</u>	<u>\$1,065,682</u>

1/4 Cent Building on Basics

Administration	\$60,656		\$60,656
Bicycle Program Plan Implementation	125,000		125,000
Intersection Improvements and Traffic Signals	2,443,155		2,443,155
Lincoln Center Renovation/Cultural Facilities Plan	2,217,436		2,217,436
Library Technology	744,000	(744,000)	0
North College Ave. Improements	250,000		250,000
Park Upgrades and Enhancements	304,897		304,897
Pedestrian Plan and ADA Improvements	<u>300,000</u>		<u>300,000</u>
Total 1/4 Cent Building on Basics	<u>\$ 6,445,144</u>	<u>\$(744,000)</u>	<u>\$5,701,144</u>

Conservation Trust Fund

Administration	\$ 251,739		\$ 251,739
Fossil Creek Trail	50,000		50,000
Open Space Acquisition	10,000		10,000
Trail Acquisition, Development & Repair	350,000		350,000
Transfer to General Fund-Parks Maintenance	725,146		725,146
Tri-City Trails	<u>30,000</u>		<u>30,000</u>
Total Conservation Trust Fund	<u>\$1,416,885</u>		<u>\$1,416,885</u>

Neighborhood Parkland Fund

Administration	\$ 438,052		\$ 438,052
Huidekoper Park	50,000		50,000
New Park Site Acquisition	150,000		150,000
New Park Site Development	150,000		150,000
Park Site Equipment	15,000		15,000
Registry Ridge Park	300,000		300,000
Richards Lake Park	200,000		200,000
Staley Park	<u>175,000</u>		<u>175,000</u>
Total Neighborhood Parkland Fund	<u>\$1,478,052</u>		<u>\$1,478,052</u>

TOTAL CITY FUNDS	\$540,429,073	\$8,008,151	\$548,437,224
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Section 2. That there is hereby appropriated out of the revenues of the City of Fort Collins, for the fiscal year beginning January 1, 2009, and ending December 31, 2009, the sum of FIVE HUNDRED FORTY-EIGHT MILLION FOUR HUNDRED THIRTY-SEVEN THOUSAND TWO HUNDRED TWENTY-FOUR DOLLARS (\$548,437,224) to be raised by taxation and otherwise, which sum is deemed by the City Council to be necessary to defray all expenditures of the City during said budget year, to be divided and appropriated for the purposes shown in Section 1 above.

Section 3. Mill Levy.

a. That the 2009 mill levy rate for the taxation upon each dollar of the assessed valuation of all the taxable property within the City of Fort Collins as of December 31, 2008, shall be 9.797 mills, which levy represents the amount of taxes for City purposes necessary to provide for payment during the aforementioned budget year of all properly authorized expenditures to be incurred by the City, including interest and principal of general obligation bonds.

b. That the City Clerk shall certify this levy of 9.797 mills to the County Assessor and the Board of Commissioners of Larimer County, Colorado, in accordance with the applicable provisions of law, as required by Article V, Section 5, of the Charter of the City of Fort Collins.

Introduced, considered favorably on first reading, and ordered published this 7th day of October, A.D. 2008, and to be presented for final passage on the 28th day of October, A.D. 2008.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Chief Deputy City Clerk

Passed and adopted on final reading on the 28th day of October, A.D. 2008.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk