

# **AGENDA ITEM SUMMARY**

## **FORT COLLINS CITY COUNCIL**

**ITEM NUMBER: 8**

**DATE: January 20, 2009**

**STAFF: Chuck Seest  
Terri Bryant**

### **SUBJECT**

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Second Reading of Ordinance No. 002, 2009, Appropriating Proceeds from the Issuance of City of Fort Collins, Colorado, Wastewater Utility Enterprise, Sewer Revenue Refunding Bonds, Series 2009, Scheduled to be Sold the Week of January 20, 2009, In the Maximum Aggregate Principal Amount of \$34,000,000 in the Wastewater Utility Fund.

### **RECOMMENDATION**

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Staff recommends adoption of this Ordinance on Second Reading.

### **EXECUTIVE SUMMARY**

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This Ordinance, unanimously adopted on First Reading on January 6, 2009, appropriates the Wastewater Utility Fund proceeds from bonds issued by Ordinance No. 003, of the Board of the Wastewater Utility Enterprise, for the purpose of funding a major capital improvement project at the Mulberry Reclamation Facility. The improvements including both design and construction of the new facility will total approximately \$34 million.

### **ATTACHMENTS**

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1. Copy of First Reading Agenda Item Summary - January 6, 2009.  
(w/o original attachments)

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

ITEM NUMBER: 11

DATE: January 6, 2009

STAFF: Chuck Seest  
 Terri Bryant

**COPY**

**SUBJECT**

First Reading of Ordinance No. 002, 2009, Appropriating Proceeds from the Issuance of City of Fort Collins, Colorado, Wastewater Utility Enterprise, Sewer Revenue Refunding Bonds, Series 2009, Scheduled to be Sold the Week of January 20, 2009, In the Maximum Aggregate Principal Amount of \$34,000,000 in the Wastewater Utility Fund.

**RECOMMENDATION**

Staff recommends adoption of the Ordinance on First Reading.

**FINANCIAL IMPACT**

**COPY**

The Ordinance will appropriate in the Wastewater Utility Fund proceeds from bonds proposed to be issued in Ordinance No. 003, of the Board of the Wastewater Utility Enterprise, for the purpose of funding a major capital improvement project at the Mulberry Reclamation Facility. The improvements including both design and construction of the new facility will total approximately \$34 million.

**EXECUTIVE SUMMARY**

Immediately following the January 6, 2009 regular Council meeting, the Board of the Wastewater Utility Enterprise will consider on Second Reading, an Ordinance which authorizes the issuance of City of Fort Collins Colorado, Wastewater Utility Enterprise, Sewer Revenue Bonds, Series 2009, in the Maximum Aggregate Principal Amount of \$34,000,000. The Bonds will be issued to pay for a major capital improvement project at the Mulberry Reclamation Facility.

The passage of the TABOR Amendment by the Colorado voters in 1992, required the City to form enterprises in order for its utilities to be able to issue municipal bonds without an election. Since that time, all utility bonds have been issued by the appropriate utility enterprise. However, the City Charter grants only the Council the power to appropriate the funds. Therefore, this action by the Council is necessary in order to appropriate the bond proceeds for the Wastewater Utility. Authorizing the issuance of the bonds and appropriating the proceeds are both necessary to complete the bond transaction. The final rates will be determined by selling the bonds at a competitive sale in January 2009.

**ATTACHMENTS**

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1. Council Finance Committee minutes - November 17, 2008.
2. Excerpt from the Water Board Minutes - November 20, 2008.

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**ORDINANCE NO. 002, 2009**  
**OF THE COUNCIL OF THE CITY OF FORT COLLINS**  
**APPROPRIATING PROCEEDS FROM THE ISSUANCE OF CITY OF FORT COLLINS,**  
**COLORADO, WASTEWATER UTILITY ENTERPRISE, SEWER REVENUE REFUNDING**  
**BONDS, SERIES 2009, SCHEDULED TO BE SOLD THE WEEK OF JANUARY 20, 2009, IN**  
**THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$34,000,000**  
**IN THE WASTEWATER UTILITY FUND**

WHEREAS, upon passage on first and second reading of Ordinance No. 003 of the Board of the City of Fort Collins, Colorado, Wastewater Utility Enterprise (the "Bond Ordinance"), the Enterprise intends to issue City of Fort Collins, Colorado, Wastewater Utility Enterprise, Sewer Revenue Refunding Bonds, Series 2009, scheduled to be sold the week of January 20, 2009, in the Maximum Aggregate Principal Amount of \$34,000,000 (the "Bonds"); and

WHEREAS, the issuance of the Bonds, and the appropriation of the proceeds thereof, is necessary to complete the refunding of the City's Sewer Revenue Refunding Bonds, Series 2009; and

WHEREAS, the bond proceeds will be used to make improvements at the Mulberry treatment plant including upgrading the plant's secondary treatment processes by removing the trickling filter and its associated facilities and installing a new aeration basin and associated facilities as well as install new odor control improvements; and

WHEREAS, proceeds from the Bonds of \$34,000,000 were not included in the 2009 budget, the appropriation of which is necessary to authorize the payment to the refunded bond escrow agent and of bond issuance costs; and

WHEREAS, Section 19.3(b) of Article V of the City Charter provides that an enterprise board of the City shall not exercise powers reserved to the Council by the City Charter or otherwise (other than the power to issue revenue bonds and other obligations); and

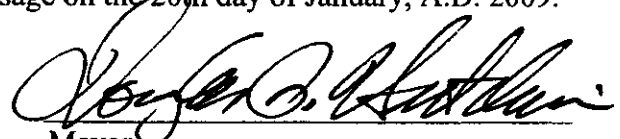
WHEREAS, Article V, Section 9, of the Charter of the City of Fort Collins permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in conjunction with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, City staff has determined that the appropriation of the previously unappropriated proceeds of the Bonds in the amount of \$34,000,000 will not cause the total amount appropriated in the relevant funds to exceed the current estimate of actual and anticipated revenues to be received during the fiscal year.

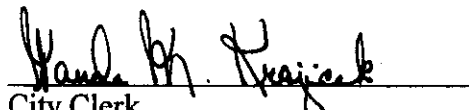
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the previously unappropriated proceeds of the Bonds in the amount of THIRTY FOUR MILLION DOLLARS (\$34,000,000) are hereby appropriated in the

Wastewater Fund for the purpose of funding a major capital improvement project at the Mulberry Reclamation Facility, including both design and construction of the new facility.

Introduced, considered favorably on first reading, and ordered published this 6th day of January, A.D. 2009, and to be presented for final passage on the 20th day of January, A.D. 2009.

  
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Mayor

ATTEST:

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

Passed and adopted on final reading on the 20th day of January, A.D. 2009.

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Mayor

ATTEST:

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City Clerk