

**DATE:** November 3, 2009  
**STAFF:** Mike Freeman  
Dave Gordon

**AGENDA ITEM SUMMARY**  
FORT COLLINS CITY COUNCIL

**24**

**SUBJECT**

First Reading of Ordinance No. 125, 2009, Authorizing the Appropriation of 2010 Fiscal Year Operating and Capital Improvement Funds for the Fort Collins-Loveland Municipal Airport.

**EXECUTIVE SUMMARY**

The 2010 annual operating budget for the Airport totals \$711,600, and will be funded from Airport operating revenues, contributions from the Cities of Fort Collins and Loveland (\$85,000 from each city), and interest earnings. This Ordinance appropriates the City of Fort Collins' contribution, which is a 50% share of the 2010 Airport budget and totals \$355,800.

This Ordinance also appropriates the City of Fort Collins' 50% share of capital funds, totaling \$608,500 for the Airport from federal and state grants; contributions from Fort Collins and Loveland; and the Airport General Fund. The 2010 Airport capital funds, totaling \$1,217,000, will be used to continue runway improvements.

**BACKGROUND / DISCUSSION**

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 2010 for the Airport are \$711,600, and the City of Fort Collins contribution is \$355,800.

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

FAA Entitlement Grant	\$ 1,000,000
State Grant	108,500
Airport Revenues	<u>108,500</u>
Total	\$ 1,217,000

The additional capital expenditures will be to continue runway improvements, \$1,217,000. Thus, the City of Fort Collins' appropriation for the capital expenditures identified above is \$608,500 (50% of the total).

**FINANCIAL IMPACTS**

This Ordinance appropriates the City's 50% share (\$964,300) of the annual appropriation for fiscal year 2010 for Fort Collins-Loveland Municipal Airport (the "Airport") budget. The City of Loveland manages the Airport's budget and finances, however, 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.

**STAFF RECOMMENDATION**

Staff recommends adoption of the Ordinance on First Reading.

ORDINANCE NO. 125, 2009  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE APPROPRIATION OF 2010 FISCAL YEAR  
OPERATING AND CAPITAL IMPROVEMENT FUNDS FOR  
THE FORT COLLINS-LOVELAND MUNICIPAL 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 (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 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, (the "IGA") between the Cities 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 2010 Airport Operating Budget totaling \$711,600 and the City's share is \$355,800; and

WHEREAS, it is the desire of the City Council to appropriate the necessary funds for operating costs of the Airport, totaling \$355,800, for the fiscal year beginning January 1, 2010, and ending December 31, 2010; and

WHEREAS, the Airport Manager recommends the following capital improvements for 2010, totaling \$1,217,000, that are not included in the 2010 Airport Operating Budget:

Taxiway Improvements	\$ 1,217,000
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WHEREAS, funding for the 2010 capital improvements has been identified as follows:

FAA Entitlement Grants	\$ 1,000,000
State Grant	108,500
Airport Revenues	<u>108,500</u>
Total	\$ 1,217,000

WHEREAS, the City's 50% share of the 2010 capital improvement costs is \$608,500; and

WHEREAS, under the IGA, the City's share of existing and unanticipated Airport revenue will 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, 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 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 2010 Airport Operating Budget and authorizes the appropriation of THREE HUNDRED FIFTY-FIVE THOUSAND EIGHT HUNDRED DOLLARS (\$355,800) to be expended to defray the operating costs of the Fort Collins-Loveland Municipal Airport.

Section 2. That the City Council hereby authorizes the appropriation of SIX HUNDRED EIGHT THOUSAND FIVE HUNDRED DOLLARS (\$608,500) to be used for 2010 capital improvements at the Fort Collins-Loveland Municipal Airport.

Introduced, considered favorably on first reading, and ordered published this 3rd day of November, A.D. 2009, and to be presented for final passage on the 17th day of November, A.D. 2009.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 17th day of November, A.D. 2009.

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Mayor

ATTEST:

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City Clerk