

DATE: November 3, 2009
STAFF: Chuck Seest

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

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SUBJECT

Resolution 2009-101 Adopting a Revenue Allocation Formula to Define the City of Fort Collins' Contribution to the Poudre Fire Authority Budget for the Year 2010 for Operations and Maintenance.

EXECUTIVE SUMMARY

This Resolution establishes a Revenue Allocation Formula between the City of Fort Collins and the Poudre Fire Authority to contribute funding for maintenance and operating costs of Poudre Fire Authority.

BACKGROUND / DISCUSSION

In December 1981, the Council entered into an agreement with the Poudre Valley Fire Protection District, creating the Poudre Fire Authority ("PFA").

According to the Intergovernmental Agreement between the City of Fort Collins and the Poudre Valley Fire Protection District, the City will contribute funding for maintenance and operating costs to PFA based on a Revenue Allocation Formula ("RAF"). The RAF is to be set annually, but paid monthly, based upon a percentage of sales and use tax revenues (excluding dedicated sales and use tax revenues that must be spent on specific projects) and a portion of the operating mill levy of the City's property tax.

The City calculates the RAF at a sum equal to .216 of one cent of the 2.25 cent sales and use tax applicable to all taxable sales and uses plus 67.09% of the property tax available for operations. Based on these calculations, the City's 2010 contribution to the PFA for operations and maintenance is \$15,472,239.

In addition to the RAF contribution, the 2010 Budget authorizes one mill of the City's property tax mill levy to fund the PFA's capital needs. This mill levy was approved by the Council in 1991 to provide additional funding necessary for anticipated capital improvements, including land acquisition, construction of additional stations, and acquisition of major fire fighting apparatus. The revenue from this dedicated mill is to be managed according to the property tax levy and revenue limitation provisions of TABOR. Additionally, PFA is receiving additional property tax revenues from the Southwest Annexation. It is anticipated that the one mill tax levy will generate an estimated \$1,751,557.

FINANCIAL IMPACTS

Adoption of the Resolution will establish a Revenue Allocation Formula, thereby defining the City's contribution to the Poudre Fire Authority in 2010 for operations, maintenance, and capital in the amount of \$17,223,796. The 2010 contribution reflects no increase over the City's 2009 contribution.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

RESOLUTION 2009-101
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING A REVENUE ALLOCATION FORMULA TO DEFINE THE
CITY OF FORT COLLINS' CONTRIBUTION TO THE POUDBRE FIRE
AUTHORITY BUDGET FOR THE YEAR 2010
FOR OPERATIONS AND MAINTENANCE

WHEREAS, on December 22, 1981, the City entered into an Intergovernmental Agreement with the Poudre Valley Fire Protection District creating the Poudre Fire Authority (the "Authority"); and

WHEREAS, the Authority provides fire protection services to all properties within the city limits and the City has a continuing commitment to provide funding to the Authority for its public safety services; and

WHEREAS, as a part of the Intergovernmental Agreement the City's contribution for maintenance and operation costs is based on a "revenue allocation formula" which is set annually based upon a percentage of sales and use tax revenues, excluding sales and use tax revenue which must be spent on specific projects, and a portion of the operating mill levy of the City's property taxes available for operations; and

WHEREAS, the City's contribution to the Authority for 2010 operating and maintenance cost has been so calculated and adjusted.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the following revenue allocation formula is hereby adopted to determine the City's contribution to the Poudre Fire Authority for the year 2010:

REVENUE ALLOCATION FORMULA

The City will contribute to the Poudre Fire Authority a sum equal to .216 of one cent of the City's 2.25 cent sales and use tax rate applicable to sales and use tax revenues (excluding sales tax revenue which must be spent on specific projects) and a sum equal to 67.09 percent of the operating mill levy of the City's property taxes to provide for maintenance and operation costs of the Poudre Fire Authority.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 3rd day November, A.D. 2009.

Mayor

ATTEST:

City Clerk