

# AGENDA ITEM SUMMARY

October 21, 2014

City Council

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## STAFF

Lance Smith, Strategic Financial Planning Manager  
Kevin Gertig, Utilities Executive Director  
Mike Beckstead, Chief Financial Officer  
Wendy Williams, Assistant City Manager

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## SUBJECT

Second Reading of Ordinance No. 137, 2014, Appropriating Capital Project Funding in the Light and Power, Water, Wastewater, and Stormwater Drainage Enterprise Funds and Authorizing the Transfer of Appropriations to the Cultural Services and Facilities Fund for the Art in Public Places Program, for the Construction of a New Utilities Administration Building in Block 32 on LaPorte Avenue and Renovation of 700 Wood Street.

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## EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on October 14, 2014, provides funding for the construction of a new Utility Administration Building within Block 32 on LaPorte Avenue, as well as renovation of the existing Utility Service Center at 700 Wood Street. The total combined project costs are \$23,411,000 with \$4,500,000 already appropriated from Light and Power reserves, leaving \$18,911,000 to be appropriated with this ordinance.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

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## ATTACHMENTS

1. First Reading Agenda Item Summary, October 14, 2014 (w/o attachments) (PDF)
2. Ordinance No. 137, 2014 (PDF)

## AGENDA ITEM SUMMARY

October 14, 2014

City Council

### STAFF

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Lance Smith, Strategic Financial Planning Manager  
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### SUBJECT

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Items Relating to the Construction of a New Utilities Administration Building and Renovation of 700 Wood Street.

### EXECUTIVE SUMMARY

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- A. First Reading of Ordinance No. 137, 2014, Appropriating Capital Project Funding in the Light and Power, Water, Wastewater, and Stormwater Drainage Enterprise Funds and Authorizing the Transfer of Appropriations to the Cultural Services and Facilities Fund for the Art in Public Places Program, for the Construction of a New Utilities Administration Building in Block 32 on LaPorte Avenue and Renovation of 700 Wood Street.
- B. Resolution 2014-095 Directing the City Manager to Review Funding for Utilities Capital Improvements, Including Utilities Plant Investment Fees and Other Related Matters, and Report the Results of that Review for Further Council Consideration.

The purpose of this item is to provide funding for the construction of a new Utility Administration Building within Block 32 on LaPorte Avenue, as well as renovation of the existing Utility Service Center at 700 Wood Street. The total combined project costs are \$23,411,000 with \$4,500,000 already appropriated from Light and Power reserves, leaving \$18,911,000 to be appropriated with this ordinance.

A Utility Building Team comprised of internal staff and external subject matter experts has worked with the architectural firm RNL and Adolfson and Peterson Construction to assess the best way to address the current building performance and space issues facing Fort Collins Utilities' ongoing and future business operations. Balancing the city-wide goal to have high-performing office buildings with the need to be fiscally prudent has led the Building Team to recommend the two-pronged funding process proposed in this appropriation ordinance.

The four Utility Enterprise Funds (Light and Power, Water, Wastewater and Stormwater) will share the costs of the projects. All appropriations will come from the existing reserves in these four funds.

A Resolution is also being presented directing staff to investigate the use of development fees for additional types of capital needs such as facilities, modifying the information provided on customer utility bills to increase transparency and to evaluate the long term rate impacts of capital improvements.

### STAFF RECOMMENDATION

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Staff recommends adoption of the Ordinance on First Reading.

## BACKGROUND / DISCUSSION

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Staff has discussed this project twice previously within the last year with the City Council Finance Committee, and with the whole City Council at its November 19, 2013 Work Session and most recently at the September 30, 2014 City Council Work Sessions, each time providing information regarding the Utility Service Center (USC) at 700 Wood Street and the proposed Utility Administration Building (UAB).

**During the September 30, 2014 Work Session, Council asked questions that required additional research. The first Attachment is a historical timeline that identifies key dates and decisions related to the recommended improvements to 700 Wood Street and the proposed new Utility Administration Building. A Resolution is included that directs staff to:**

1. investigate the options for modifying the Utilities development fees to fund additional types of capital needs for the operation of Utilities, including administrative facilities and other facilities not currently included, and to report the results of this investigation to the City Council no later than March 24, 2015;
2. investigate the options for modifying the Utilities billing system so as to increase the transparency associated with Utilities capital expenses by including additional information on customer utility bills, and to report the results of this investigation to the City Council no later than April 28, 2015;
3. evaluate the expected future rate impacts of funding the long-term capital improvements plans for each of the Utilities, and to report the results of this evaluation to the City Council no later than April 28, 2015.

**So far, the City of Fort Collins has spent \$874,697 and encumbered another \$1,413,159 under the Capital Project 501.5010020000**

### Questions from September 30, 2014 Work Session

**When did City Council authorize the use of funds to begin the design of a new building?**

**Answer:** The City Council authorized the use of such funds in the 2008-09 City Budget. The attached pages (**Attachment 2**) are taken from the 2008-09 Operating and Capital Improvement Budget documents which reflect the budget approved by the City Council. The offer summary on page 58 of the Capital Improvement Budget document describes the use of the \$4,957,977 for “a capital project to replace the existing Light and Power crew building, construct covered line truck parking, and to build a wash-down area for service vehicles. Also included are Light and Power’s portion of the funds needed for energy improvements to the existing service center and initial funds for the purchase of a new customer service center.” [emphasis added]

Also attached (**Attachment 3**) please find the Agenda Item Summary and Ordinance No. 149, 2006, from the September 19, 2006 City Council meeting authorizing the transfer of properties between the General Fund and the Wastewater Fund. One of the properties being exchanged was the Police Annex on LaPorte for a future Utilities Customer Information Services office.

**How are Stormwater Capital Projects prioritized?**

Utilities uses a long range Master Planning process to determine the Capital Project needs for the Stormwater Enterprise. This is our guide for what is requested each cycle in the Budgeting for Outcomes process. As a result of the Stormwater Repurposing work conducted from 2009-2012, this Master Planning process incorporated a three pronged approach to project prioritization: (1) the existing flood protection and mitigation ranking, (2), the addition of Stream Restoration/Rehabilitation funding, and (3) Unranked projects such as cooperative projects, redevelopment, or Council directives. The amount of revenue requested each cycle varies to allow the Stormwater Enterprise to build up the unappropriated reserves and fund larger multi-million dollar projects in future years.

**How did the Utility Administration Building fit into this prioritization?**

The Utility Administration Building (UAB) would be funded under the third criteria – Unranked Redevelopment Projects. The September 30, 2014 AIS regarding this item showed that the Stormwater Enterprise had approximately \$6.9M in unappropriated reserves (working capital) from which staff is requesting the use of \$2.9M for construction of the UAB.

**How are Stormwater Reserve funds prioritized?**

Utilities Master Planning process identifies unappropriated reserves to be requested in a future budget cycle for the completion of the next highest priority projects, namely completion of the North East College Corridor Outfall (NECCO), the Jefferson St/Lincoln St Drainage system to serve the River District, or the Magnolia St Outfall the serve the southern portion of Old Town. The Mail Creek project is ranked as number 3 under the second criteria – Stream Restoration/Rehabilitation. Based on our Master Planning process, we would request funds in the 2017-18 BFO process to construct this project.

**Council Options**

Council certainly has the discretion to change the timing or amounts of any of these projects. Staff can provide any requested information on how such change would impact the completion of the overall system needs.

The USC has grown through seven additions to its current 108,000 square foot capacity over the past 45 years. Key drivers that support the renovation of the USC and addition of a new building to house Customer Service are:

- Space needs – Space is in poor condition and inadequate for growing business operations necessary to support current Fort Collins community service delivery expectations;
- Energy Efficiency – The USC building is one of the least energy efficient buildings owned by the City; HVAC system replacement and building envelop improvements are necessary;
- Customer Service - Customer Service has been located in leased space for over 20 years; customer parking is inadequate at current location.

Initially, to address the immediate need for additional crew space and to provide some funding for a new office space for customer service, the Light and Power Enterprise Fund appropriated \$4.5M. Recognizing ongoing space needs will impact Fort Collins Utilities' effectiveness to maintain current levels for customer service and customer satisfaction in the near future, it was determined as far back as at least 2006 that it is highly desirable to relocate several external customer-focused departments at a single location downtown. A comparison of the costs associated with the USC addition to the costs of new construction led to the recommendation of a more limited renovation at 700 Wood Street and building a new Utilities Administration Building downtown as part of the development of Block 32 on LaPorte Avenue as discussed at the November 19, 2013 Work Session.

Capital projects are prioritized within each utility. Ten year capital improvement plans have been updated in 2014 for three of the four utilities with Light & Power scheduled for 2015. This project has the distinction among capital projects of spanning all four utilities. While it is possible to build part of the buildings now to meet the immediate needs of Light and Power and then part of it in a few years to meet the Water utility's anticipated space needs, and then later for Wastewater and Stormwater, such a piece mill approach is not optimal. This infrastructure project will not require redeployment of utility staff from other capital projects to complete. Based on historical and anticipated capital spending, staff anticipates that all other capital projects will proceed as planned.

The ratepayers of the four utilities will benefit from this appropriation as this project provides:

- Office space owned by the utilities to house the entire Customer Service department in a single location thereby allowing for efficient and effective customer service
- Adequate, more modern facilities for utility personnel to perform front office and back office duties

- necessary to maintain and operate utility infrastructure to meet customer service level expectations
- An opportunity for the utilities to demonstrate to the community how the City is meeting Green Building initiatives

The vision for both the UAB construction and the USC renovation is one that will demonstrate how facilities can serve as a model in environmental stewardship to the Fort Collins community. Sustainability for the 21<sup>st</sup> Century is a defining focus of Utilities core services; delivering a level of service our customers expect and in an environmentally and socially responsible way while making the best economic choices for the long-term. The Building Team recommended the two projects be combined into one design and funding process in order to align the vision and results of both projects and optimize economies of scale.

These projects present an excellent opportunity for Utilities to “walk the talk” by demonstrating best practices in high performance new construction and retrofit projects. Based on energy studies at the USC and what is being accomplished in new construction, it is proposed that these two facilities be designed to be “net zero energy ready.” This means that the buildings will be designed and constructed to have very low energy use, such that the addition of on-site renewable energy would result in net zero energy consumption on an annual basis. The new UAB will achieve a LEED Gold certification at a minimum.

**Utility Administration Building (UAB)**

This new building would house the entire Customer Connections Department and some senior management of Fort Collins Utilities. At 37,500 square feet, this building will meet the long term space requirements of the Customer Connections department and administrative functions that would be relocated from the Utility Service Center and space currently leased by Fort Collins Utilities from the City’s General Fund at 117 North Mason. Space initially unused by Utility staff would be leased in this building to the City’s Sustainability Services Area until it is needed by Fort Collins Utilities.

The construction of the 37,500 square foot Utility Administration Building is expected to cost \$14.1M as shown in the table below:

<b>UAB Budget</b>	<b>\$14,100,000</b>
<b>Includes...</b>	
Capacity for staff through 2028	
Water source heat pump system	
Open office environment	
LEED Gold certification	
PV system on roof for Net Zero building	
1% for Art in Public Places	

The \$14.1M provides sufficient funding for the new construction and providing a rooftop solar photovoltaic system to make the UAB at or near a Net Zero building. There may be an opportunity in the future to add a ground source geo-thermal heat exchange system within Block 32 which would also improve the energy efficiency of this building.

This appropriation request, however, does not provide sufficient funding to also install high efficiency fiberglass windows, implement a ground source geothermal heat pump, or furnishings for an external plaza area. The costs associated with these additional energy efficiency improvements are:

Additional Energy Efficiency Improvements	Added Cost...
Install Alpen 725 Series fiberglass windows	\$220,000
Ground Source Geo-thermal system for heat pumps	\$300,000
Add additional site furnishings for exterior plaza area	\$120,000
	\$640,000

Diagonal and parallel parking has been added along Howes Street increasing the number of spaces available by 25 spaces between LaPorte Avenue and Cherry Street. Most of the employees who will be occupying this building already work downtown at 117 North Mason. It is anticipated there will be 41 employees relocating from 700 Wood Street to this building. Parking Services has indicated there is sufficient capacity in the parking garages during business hours for these 41 employees.

**Utility Service Center (USC)**

The new building on LaPorte Avenue would relieve some of the space needs at the USC. However, there remain operational needs which would best be met by also renovating the existing space at the USC. Such a renovation would modify some existing space to meet the Light & Power crew needs as well as improve the building's security and energy efficiency. The current HVAC system is at the end of its life and will require significant investment over the next few years even without this renovation. Incorporating the HVAC investment into a more comprehensive renovation of the entire building envelope will substantially improve the energy efficiency of the building.

The renovation of existing space at the USC is expected to cost \$9.3M as shown in the table below:

<b>USC Budget</b>	\$9,311,000
<b>Includes...</b>	
L&P Crew Space	
HVAC Replacement to water source heat pump	
Renovated entrance area	
Security Enhancements	
Window replacement	
Skylight repair & solatubes	
Additional roof insulation	
1% for Art in Public Places	

The budget provides sufficient funding to fully address the Light & Power crew space needs, replace the current HVAC system, renovate the entrance area, improve building security, and provide extensive building envelope improvements. Building envelope improvements include replacing the current exterior windows, repairing the existing skylights, and adding roof insulation. Making these improvements will result in a lower cost HVAC system and long-term energy savings as well as move the building closer to being a net zero energy building. There may be an opportunity in the future to add a ground sourced geo-thermal heat exchange system within Block 32 that would improve the energy efficiency of this building even more.

This appropriation request, however, does not provide sufficient funding to also implement a geothermal heat exchange system, remove existing interior walls to create an open office environment, acquire new furnishings or provide a solar array to achieve net zero energy consumption. The costs associated with these additional energy efficiency improvements are:

Additional Energy Efficiency Improvements	Added Cost...
Lake GeoExchange system *	\$150,000
Open office environment, new finishes	\$2,300,000
PV system for Net Zero	\$2,000,000
	\$4,450,000

\* Does not include lease agreement for access to the pond

The baseline budgets for both projects include all permit and development fees, deconstruction costs and sufficient contingency funding for reasonable contingencies. Combining the two projects into the single appropriation being requested herein of \$18.9M includes the associated 1% appropriation for Art in Public Places.

### Combined Projects Summary

Staff Recommendation for new UAB: \$14,100,000  
 Staff Recommendation for USC Renovation: \$9,311,000

Total Construction Budget	\$23,411,000
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Less Prior Appropriation \$4,500,000

Proposed Appropriation	\$18,911,000
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The appropriation request is allocated to the four utilities as follows:

Enterprise Fund	Project Share	Share of Projects Cost	Less Existing Appropriation	Funds Being Requested Here
Light & Power	50.0%	\$11,705,500	\$4,500,000	\$7,205,500
Water	25.0%	\$5,852,750		\$5,852,750
Wastewater	12.5%	\$2,926,375		\$2,926,375
Storm Drainage	12.5%	\$2,926,375		\$2,926,375
	100.0%	\$23,411,000	\$4,500,000	\$18,911,000

A memorandum dated January 23, 2014 to the Council Finance Committee outlined the rationale behind recommending that the appropriation be made from the cash reserves of the four utility Enterprise Funds rather than through a debt issuance as had been previously discussed with the City Council. Funding with available cash is preferred based on the collective healthy balance of the utility Enterprise Fund Reserves, consistency with historical facility improvement funding, consistency with the City's "pay as you go" philosophy, the relatively low yield of these cash reserves compared to the current borrowing rate, and the complication of issuing debt across the four utilities. Council Finance Committee was supportive of using cash at the January 27, 2014 committee meeting.

**FINANCIAL / ECONOMIC IMPACTS**

The financial impact of this appropriation on the short term financial health of the four utility Enterprise Funds will be to reduce the amount of unappropriated cash reserves held by each utility. These reserves are used for capital projects associated with aging infrastructure replacement and renewal, growth, and new regulatory requirements. The reserves grow through development fees and operating revenues in excess of actual operating expenses. Higher than projected development fee revenues in 2013 allowed three of the four utilities to increase reserves in 2013. The Water Enterprise Fund reserves decreased from \$67.0M at the end of 2012 to \$65.5M through 2013. However, higher than budgeted development fees, along with additional revenue from the sale of excess treatment capacity, should increase the working capital for the Water Fund by \$5-8M in 2014. No capital projects identified and submitted for consideration in the 2015-16 Budgets are being impacted by this appropriation.

**Plant Investment Fee Revenue**

Chapter 26 of the City Code contains three sections that define the purpose for which PIF revenue can be used. In summary, the Water, Wastewater and Stormwater PIFs are essentially “used for growth-related capital expansion costs” related to operational facilities and infrastructure and not office facilities. Light and Power fees cover the cost of extending infrastructure to the specific development that paid the fees. Because office facility and building needs are not specifically included in any of the PIF calculations, based on the stated purposes within the City Code, PIF revenues are not to be used to finance the construction of a new UAB. Staff understood from the September 30<sup>th</sup> Work Session that Council may be interested in changing the City Code to allow for PIF revenues to be used for such purposes in the future.

**Reserve Balances**

The table below summarizes the reserve balances for these Enterprise Funds at the end of 2013 and after this appropriation.

Enterprise Fund	Cash & Investments (12/31/13)	Available Working Capital (12/31/13)	Funds Being Requested Here	Available Working Capital After This Appropriation
Light & Power	\$55.3	\$26.6	\$7.2	\$19.4
Water	\$65.5	\$8.5	\$5.8	\$2.7
Wastewater	\$33.1	\$17.8	\$2.9	\$14.9
Storm Drainage	\$17.2	\$6.9	\$2.9	\$4.0
	<u>\$171.1</u>	<u>\$59.8</u>	<u>\$18.9</u>	<u>\$40.9</u>

*\$ in millions*

Fort Collins Utilities has historically used cash reserves to fund facility improvements. The USC was initially acquired and built using cash reserves and multiple remodels and additions have occurred over the past 45 years at a total cost of \$18.2M with funding from cash reserves. Several of these expansions were funded across multiple utilities when expansion needs occurred simultaneously.

Use of these reserves will not trigger a rate increase for customers of any of the four utilities. The projected increases in Light and Power rates in 2015 and 2016 are driven entirely by the increased costs associated with generating the power from Platte River Power Authority. The proposed rate increases of 3% in 2015 and 2016 in the Wastewater Enterprise Fund have been planned ahead of the decision to recommend this appropriation.

The increased revenues from the proposed increases to the Wastewater utility are consistent with the long term financial requirements and strategic planning based on the 10 year capital improvement plan for this utility. It is anticipated that gradual, moderate rate increases may be required for some of the utilities over the next few years which may be delayed by a year or two without this appropriation but the need for any such rate increase will persist even without the appropriation, as it is driven by a longer term perspective of revenue requirements and capital project planning.

## **ENVIRONMENTAL IMPACTS**

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Currently, energy use at the USC is responsible for over 1,000 tons/year CO<sub>2</sub>e in greenhouse gas emissions. With efficiency upgrades at the USC (envelope and HVAC improvements) and high performance design at the UAB, energy modeling shows the combined emissions for the two buildings at 850 tons/year CO<sub>2</sub>e, lower than current emissions at the USC alone. The addition of solar PV systems will further lower these emissions. Attention to water efficient design elements at UAB will optimize water use inside and out.

Energy and water systems for the UAB are being designed in context with the future build-out of the Civic Center complex. As such, the potential exists for developing campus-wide energy and water systems. For example, heat pumps in the building will be able to tie into a campus wide GeoExchange well field to exchange energy with the earth and adjacent buildings. PV systems on one building or a parking garage can share energy with all Civic Center buildings, or possibly a larger energy district.

## **BOARD / COMMISSION RECOMMENDATION**

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At its August 7, 2014 meeting, the Energy Board (**Attachment 7**) unanimously approved the following motion:

“The Energy Board recommends to City Council approval of the Utility Buildings Appropriation Ordinance scheduled for City Council First Reading on August 19, 2014 appropriating capital project funding from the Light & Power, Water, Wastewater, and Stormwater Funds, for construction of a new Utilities Administration Building at the corner of Laporte and Howes and renovation of 700 Wood Street.”

At its August 21, 2014 meeting, the Water Board (**Attachment 8**), 2014 unanimously approved the following motion:

“In response to Staff’s request for consideration of the Appropriation Ordinance regarding the Utility Buildings Appropriation Ordinance, being presented to City Council on September 2, 2014, I move that the Water Board communicate to City Council that the expenditure proposed does not appear to compromise Utilities’ financial position.”

Based on the lack of information provided to the Board regarding needs, alternatives, and implications, a lack of time to consider what has been presented, the Board cannot comment on the wisdom of the course forward despite their trust in staff. Because this appropriation was not part of the Budgeting for Outcomes process, the Water Board is concerned about the lack of transparency in the public process.”

**ATTACHMENTS**

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1. Proposed Utilities Customer Service Building Timeline (PDF)
2. 2008-09 Operating and Capital Improvement Budget documents (PDF)
3. Agenda Item Summary and Ordinance No. 149, 2006, September 19, 2006 (PDF)
4. Council Finance Committee minutes, September 16, 2013(PDF)
5. Council Finance Committee minutes, January 27, 2014 (PDF)
6. Staff Memo re: Building Funding - Cash vs. Bonds, January 23, 2014 (PDF)
7. Energy Board minutes, August 7, 2014 (draft) (PDF)
8. Water Board minutes, August 21, 2014 (draft) (PDF)
9. Triple Bottom Line Analysis (PDF)
10. Council Work Session Summary, November 19, 2013 (PDF)
11. November 19, 2013 Work Session Agenda Materials (PDF)
12. Powerpoint presentation(PDF)

COPY

ORDINANCE NO. 137, 2014  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING PRIOR YEAR RESERVES PROJECT FUNDING IN THE LIGHT AND  
POWER, WATER, WASTEWATER, AND STORM DRAINAGE FUNDS, AND  
AUTHORIZING THE TRANSFER OF APPROPRIATIONS TO THE CULTURAL  
SERVICES AND FACILITIES FUND FOR THE ART IN PUBLIC PLACES PROGRAM,  
FOR THE CONSTRUCTION OF A NEW UTILITIES ADMINISTRATION BUILDING IN  
BLOCK 32 ON LAPORTE AVENUE AND A RENOVATION OF THE UTILITIES SERVICE  
CENTER AT 700 WOOD STREET

WHEREAS, the Utility Service Center (USC) at 700 Wood Street has grown over its lifetime through seven major additions to its current 108,000 square foot capacity, resulting in an energy inefficient building that lacks sufficient security; and

WHEREAS, a new 37,500 square foot Utilities Administration Building (UAB), to be located in Block 32 on LaPorte Avenue downtown, has been proposed to house the entire Customer Connections Department and some senior management of Fort Collins Utilities, satisfying the long term space requirements of the Customer Connections Department and administrative functions to be relocated from the Utility Service Center and space currently leased by Fort Collins Utilities from the City's General Fund at 117 North Mason; and

WHEREAS, space initially unused by Utility staff in the UAB would also be leased to the City's Sustainability Services Area until it is needed by Fort Collins Utilities; and

WHEREAS, there remain operational needs for Utilities that would best be met by also renovating the existing space at the USC, including modification of existing space to meet the Light & Power crew needs, improving the building's security and energy efficiency, and replacing the current HVAC system, which is at the end of its life and its replacement will substantially improve the energy efficiency of the building; and

WHEREAS, the total cost of the construction of the new UAB is \$14,100,000; and

WHEREAS, the total cost of the renovation of the USC is \$9,311,000, which includes \$4,500,000 previously appropriated in the 2011-2012 budget from Light & Power reserves to address growth and space needs of the Electric Utility and \$45,000 that was transferred to the Cultural Services and Facilities Fund for the Art in Public Place (APP) projects; and

WHEREAS, of the total remaining \$18,911,000 appropriation, \$189,111 represents the additional appropriation for the two projects that must be transferred into the Cultural Services and Facilities Fund for the APP projects from the four utility funds; \$41,604 (22%) of which will be transferred to the Cultural Services Fund for reserve for the maintenance of the artwork and operations of the APP program; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, Article V, Section 10, of the City Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund (project) to another fund (project), provided that the purpose for which the transferred funds are to be expended remains unchanged.

WHEREAS, City staff recommends appropriating from prior year reserves in the Light & Power Fund \$7,205,500, the Water Fund \$5,852,750, the Wastewater Fund \$2,926,375, and the Storm Drainage Fund \$2,926,375 for a total amount of \$18,911,000 to be used for the construction of a new Utilities Administration Building in Block 32 on LaPorte Avenue, a renovation of the Utilities Service Center at 700 Wood Street, and the required funding for Art in Public Places.

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

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the Light & Power Fund the sum of \$7,205,500 as follows:

New Utilities Administration Building and renovation of 700 Wood Street Project	\$7,133,445
Art in Public Places Project	<u>72,055</u>
TOTAL	\$7,205,500

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the Water Fund the sum of \$5,852,750 as follows:

New Utilities Administration Building and renovation of 700 Wood Street Project	\$5,794,222
Art in Public Places Project	<u>58,528</u>
TOTAL	\$5,852,750

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the Wastewater Fund the sum of \$2,926,375 as follows:

New Utilities Administration Building and renovation of 700 Wood Street Project	\$2,897,111
Art in Public Places Project	<u>29,264</u>
TOTAL	\$2,926,375

Section 4. That there is hereby appropriated for expenditure from prior year reserves in the Storm Drainage Fund the sum of \$2,926,375 as follows:

New Utilities Administration Building and renovation of 700 Wood Street Project	\$2,897,111
Art in Public Places Project	<u>29,264</u>
TOTAL	<u>\$2,926,375</u>

Section 5. That the unexpended appropriated amount of FORTY-ONE THOUSAND, SIX HUNDRED AND FOUR DOLLARS (\$41,604) is authorized for transfer in the Art in Public Places Projects from the Light & Power, Water, Wastewater and Storm Drainage Funds to the Cultural Services and Facilities Fund and appropriated therein for the Art in Public Places Program Maintenance and Operations and transferred as follows:

Light & Power	\$15,852
Water	12,876
Wastewater	6,438
Storm Drainage	<u>6,438</u>
TOTAL	<u>\$41,604</u>

Introduced, considered favorably on first reading, and ordered published this 14th day of October, A.D. 2014, and to be presented for final passage on the 21st day of October, A.D. 2014.

\_\_\_\_\_  
Mayor

ATTEST:

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

Passed and adopted on final reading on the 21st day of October, A.D. 2014.

\_\_\_\_\_  
Mayor

ATTEST:

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