

# AGENDA ITEM SUMMARY

April 21, 2015

City Council

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## STAFF

Ellen Switzer, Utilities Financial Operations Manager  
Carol Webb, Regulation & Govt Affairs Manager  
Jon Haukaas, Water Engr Field Operations Mgr

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## SUBJECT

Second Reading of Ordinance No. 041, 2015, Appropriating Reserves in the Wastewater Fund for the Replacement of Two Damaged Trucks.

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## EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on March 17, 2015, appropriates \$272,794 in Reserves in the Wastewater Fund to replace two damaged trucks. In 2014, \$222,794 in unanticipated revenue was received from the Risk Management Fund and from insurance proceeds to compensate the Wastewater Utility for two trucks that were totaled in separate accidents. The \$222,794 in unanticipated revenue contributed to increased Wastewater Reserves at year-end 2014 in this same amount. Due to the cost of replacing one of the trucks, an additional \$50,000 is to be appropriated from the Wastewater Utility Capital Outlay Reserve which is reserved for equipment purchases. The Capital Outlay Reserve currently totals \$657,300. The 2015 supplemental appropriation will be used to replace both trucks.

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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, March 17, 2015 (PDF)
2. Ordinance No. 041, 2015 (PDF)

## AGENDA ITEM SUMMARY

March 17, 2015

City Council

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### STAFF

Ellen Switzer, Utilities Financial Operations Manager  
Carol Webb, Regulation & Govt Affairs Manager  
Jon Haukaas, Water Engr Field Operations Mgr

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### SUBJECT

First Reading of Ordinance No. 041, 2015, Appropriating Reserves in the Wastewater Fund for the Replacement of Two Damaged Trucks.

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### EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$272,794 in Reserves in the Wastewater Fund to replace two damaged trucks. In 2014, \$222,794 in unanticipated revenue was received from the Risk Management Fund and from insurance proceeds to compensate the Wastewater Utility for two trucks that were totaled in separate accidents. The \$222,794 in unanticipated revenue contributed to increased Wastewater Reserves at year-end 2014 in this same amount. Due to the cost of replacing one of the trucks, an additional \$50,000 is to be appropriated from the Wastewater Utility Capital Outlay Reserve which is reserved for equipment purchases. The Capital Outlay Reserve currently totals \$657,300. The 2015 supplemental appropriation will be used to replace both trucks.

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### STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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### BACKGROUND / DISCUSSION

Two trucks owned by the Wastewater Utility were involved in two separate accidents during the summer and fall of 2014. In each accident, the truck was totally destroyed. One of the trucks was utilized by the Wastewater Field Services Division and the other by the Water Reclamation and Biosolids Division. In December 2014, the Wastewater Utility Fund received payments from both the Risk Management Fund (\$195,000) and the insurer (\$27,794) as compensation for the loss of the two vehicles. Both vehicles need to be replaced in 2015 to maintain ongoing operations in the two divisions. In addition to the reimbursements from Risk Management and the insurer, an additional \$50,000 is required to replace one of the trucks and to install the dump body and needed accessories.

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### CITY FINANCIAL IMPACTS

Wastewater Field Services has received reimbursement for \$97,500 in reimbursements. The cost of the replacement vehicles is approximately \$150,000. In addition to the reimbursements an additional appropriation of \$50,000 is requested from the Wastewater Capital Outlay Reserve. The Capital Outlay Reserve currently totals \$657,300. The Water Reclamation and Biosolids Division received \$125,294 in reimbursements. The cost of the replacement truck is \$128,406. The additional funding required will come from the existing 2015 budget.

**PUBLIC OUTREACH**

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This item was not related to policy and was not addressed by the Water Board.

COPY

ORDINANCE NO. 041, 2015  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING PRIOR YEAR RESERVES IN THE WASTEWATER  
FUND TO FUND THE REPLACEMENT OF TWO DAMAGED TRUCKS

WHEREAS, unanticipated revenue was received in 2014 from the Risk Management Fund and from insurance proceeds of \$222,794 to compensate the Wastewater Utility for two damaged trucks that were totaled in separate accidents in 2014; and

WHEREAS, this unanticipated revenue contributed to increased Wastewater Reserves at year end 2014 in this same amount; and

WHEREAS, Utilities is proposing to replace these vehicles for a total cost of \$278,406 in 2015 to maintain ongoing operations; and

WHEREAS, Utilities is requesting \$272,794 from the Wastewater Fund Reserves for these purchases of which \$222,794 is from unanticipated revenue from 2014 that rolled into reserves and \$50,000 is being requested to be appropriated from the Wastewater Capital Outlay Reserve; and

WHEREAS, the remainder of the required funding of \$5,612 will come from existing 2015 budgets; 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.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated for expenditure from prior year reserves in the Wastewater Fund the sum of TWO HUNDRED SEVENTY-TWO THOUSAND SEVEN HUNDRED AND NINETY -FOUR DOLLARS (\$272,794) to be used for the purchase of two vehicles to benefit the citizens of the City.

Introduced, considered favorably on first reading, and ordered published this 17th day of March, A.D. 2015, and to be presented for final passage on the 21st day of April, A.D. 2015.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 21st day of April, A.D. 2015.

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Mayor

ATTEST:

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City Clerk