

AGENDA ITEM SUMMARY

February 7, 2017

City Council

STAFF

Jon Haukaas, Operations Mgr-Water Engineer & Field Svc
Lance Smith, Utilities Strategic Finance Director
Ken Sampley, Water Systems Engineering Manager

SUBJECT

Second Reading of Ordinance No. 009, 2017, Appropriating Prior Year Reserves in the Storm Drainage Fund to Pay 2017 Fees for the City of Fort Collins Areas within the Boxelder Basin Regional Stormwater Authority.

EXECUTIVE SUMMARY

This Ordinance, adopted on First Reading on January 17, 2017 by a vote of 6-1 (Nays: Cunniff) appropriates \$330,000 from prior year reserves in the Storm Drainage Fund to pay stormwater service and stormwater system development fees in advance to the Boxelder Basin Regional Stormwater Authority (BBRSA) for those developed areas of the City of Fort Collins that also are located within the BBRSA service area boundary based on existing development (i.e., impervious surface area) conditions.

Prior to expenditure of the funds appropriated under this Ordinance, it is anticipated that an intergovernmental agreement between the City and BBRSA will be negotiated clarifying the provisions on which a prepayment will be made. Such an intergovernmental agreement requires Council approval under City Code Section 1-22.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. First Reading Agenda Item Summary, January 17, 2017 (PDF)
2. Ordinance No. 009, 2017 (PDF)

AGENDA ITEM SUMMARY

January 17, 2017

City Council

STAFF

Jon Haukaas, Water Engr Field Operations Mgr
Lance Smith, Utilities Strategic Finance Director
Ken Sampley, Stormwater/Floodplain Program Mgr

SUBJECT

First Reading of Ordinance No. 009, 2017, Appropriating Prior Year Reserves in the Storm Drainage Fund to Pay 2017 Fees for the City of Fort Collins Areas within the Boxelder Basin Regional Stormwater Authority.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$330,000 from prior year reserves in the Storm Drainage Fund to pay stormwater service and stormwater system development fees in advance to the Boxelder Basin Regional Stormwater Authority (BBRSA) for those developed areas of the City of Fort Collins that also are located within the BBRSA service area boundary based on existing development (i.e., impervious surface area) conditions.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The BBRSA was established by Intergovernmental Agreement dated August 20, 2008 (IGA) to protect life safety, reduce 100-year floodplain extents, protect existing structures (including schools and critical facilities), protect existing residences and businesses, reduce flood overtopping of 33 roads and 4 irrigation canals, reduce the costs to construct new stormwater infrastructure, improve emergency response, and reduce flooding on currently undeveloped areas that regional planning shows will be developed in the future. Providing regional stormwater improvements to increase life safety and reduce flooding of properties is a major positive factor for the entire region.

Fort Collins Utilities collects stormwater utility fees citywide (including within the BBRSA service boundary) based on the fee schedule for residential and commercial properties. The BBRSA also has adopted a fee schedule based on the rate structure outlined in the IGA that describes how fees are to be calculated for the areas within its boundaries. The City of Fort Collins pays these fees from collected stormwater revenues in the year after they are collected (i.e., 2016 fees are paid in early 2017). This is done so that any additional stormwater system development fees [typically called Plant Investment Fees (PIFs)] and growth related fee increases can be included in the annual payment.

The BBRSA Board of Directors has suggested that it may be helpful for its members to pay their 2017 estimated annual stormwater service and system development fees in advance based on existing conditions and then pay for the growth related portions in the following year. This, in effect, has the members paying both the 2016 fees and the 2017 fees in early 2017.

Only a single year's estimated payment (budgeted at \$350,000) was included in the Budgeting for Outcomes (BFO) process this cycle. Therefore, the additional funding needs to be appropriated from prior year reserves to make this payment.

CITY FINANCIAL IMPACTS

As of December 31, 2015, available reserves in the Storm Drainage fund were \$4.1M and are estimated to increase slightly; therefore, adequate funding is available for this appropriation.

PUBLIC OUTREACH

The option to pay in advance has been discussed at the BBRSA Board meetings.

COPY

ORDINANCE NO. 009, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE STORM DRAINAGE
FUND TO PAY 2017 FEES FOR THE CITY OF FORT COLLINS AREAS
WITHIN THE BOXELDER BASIN REGIONAL STORMWATER AUTHORITY

WHEREAS, the Boxelder Basin Regional Stormwater Authority (“BBRSA”) was established in 2008 by Larimer County, the City of Fort Collins and the Town of Wellington to protect life safety, reduce 100-year floodplain extents, protect existing structures, protect existing residences and businesses, reduce flood overtopping of 33 roads and 4 irrigation canals, reduce the costs to construct new stormwater infrastructure, improve emergency response, and reduce flooding on currently undeveloped areas that regional planning shows will be developed in the future; and

WHEREAS, Fort Collins Utilities collects stormwater utility fees citywide based on our fee schedule for residential and commercial properties; and

WHEREAS, the City of Fort Collins pays these fees from our collected Stormwater Revenues in the year after they are collected (i.e., 2016 fees are paid in early 2017). This is done so that any additional stormwater system development fees [typically called Plant Investment Fees (PIFs)] and growth related fee increases can be included in the annual payment; and

WHEREAS, the BBRSA Board of Directors has indicated that it may assist BBRSA if its members pay their 2017 estimated annual stormwater service and system development fees in advance based on existing conditions and then pay for the growth related portions in the following year, which has the members paying both the 2016 fees and the 2017 fees in early 2017; and

WHEREAS, only the 2016 estimated payment (budgeted at \$350,000) was included in the BFO process for 2017, therefore, additional funding will need to be appropriated from prior year reserves to make the 2017 payment of \$330,000; 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

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

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the Storm Drainage Fund the sum of THREE HUNDRED THIRTY THOUSAND DOLLARS (\$330,000) for 2017 BBRSA member fees.

Introduced, considered favorably on first reading, and ordered published this 17th day of January, A.D. 2017, and to be presented for final passage on the 7th day of February, A.D. 2017.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 7th day of February, A.D. 2017.

Mayor

ATTEST:

City Clerk