

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 11

DATE: March 21, 2006

STAFF: Ron Phillips

### SUBJECT

First Reading of Ordinance No. 046, 2006, Authorizing the Appropriation of Operating Funds of the Fort Collins-Loveland Municipal Airport for the Fiscal Year Beginning January 1, 2006, and Authorizing the Appropriation of Unanticipated Revenue and Prior Year Reserves for Capital Improvements at the Fort Collins-Loveland Municipal Airport.

### RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

### FINANCIAL IMPACT

This Ordinance appropriates the City's 50% share (\$269,185) of the annual appropriation for the fiscal year 2006 Fort Collins-Loveland Municipal Airport (the "Airport") budget. The City of Loveland manages the Airport's budget and finances, but 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.

### EXECUTIVE SUMMARY

The 2006 annual operating budget for the Airport totals \$538,370, and will be funded from Airport operating revenues, contributions from the Cities of Fort Collins and Loveland, and interest earnings. This Ordinance appropriates the City of Fort Collins contribution which is a 50% share of the 2006 Airport budget and totals \$269,185.

This Ordinance also appropriates the City of Fort Collins 50% share of capital funds for the Airport from federal and state grants; passenger charges; contributions from Fort Collins and Loveland; and the Airport General Fund. The capital funds are to be used to construct improvements to the Airport's ramp area for commercial aircraft, reconstruct taxiway Alpha, replace taxiway Alpha's lighting system, replace the airfield lighting control system, fog seal the main runway and replace the markings, and other measures aimed at increasing Airport safety.

### BACKGROUND

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 2006 for the Airport are \$538,370, and the City of Fort Collins contribution is \$269,185.

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

|   |              |
|---|--------------|
| FAA Entitlement and Discretionary Grants  | \$ 4,300,000 |
| State Grants                              | 113,160      |
| Passenger Facility Charges                | 95,000       |
| Contributions - Fort Collins and Loveland | 120,000      |
| Airport General Fund                      | <u>6,150</u> |
| Total                                     | \$ 4,634,310 |

The additional capital expenditures will be for the following improvements:

|   |                |
|---|----------------|
| Taxiway Alpha Rehabilitation                          | \$ 2,608,310   |
| Taxiway Alpha Lighting System Replacement             | 557,000        |
| Commercial Service Ramp Area Reconstruction - Phase I | 1,277,000      |
| Airfield Lighting Control System Replacement          | 10,000         |
| Main Runway 15/33 Fog Seal and Markings Repainting    | <u>182,000</u> |
| Total   | \$ 4,634,310   |

Thus, the City of Fort Collins appropriation for the capital expenditures identified above is \$2,317,155 (50% of the total).

ORDINANCE NO. 046, 2006  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE APPROPRIATION OF OPERATING FUNDS OF  
THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT FOR THE  
FISCAL YEAR BEGINNING JANUARY 1, 2006, AND AUTHORIZING  
THE APPROPRIATION OF UNANTICIPATED REVENUE AND  
PRIOR YEAR RESERVES FOR CAPITAL IMPROVEMENTS  
AT THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT

WHEREAS, in 1963, the City of Fort Collins and the City of Loveland 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 City of Fort Collins and the City of Loveland (the "Cities"), 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; and

WHEREAS, in accordance with the Intergovernmental Agreement, dated May 16, 2000, between the City of Fort Collins and the City of Loveland for the joint operation of the Airport, the Airport Manager is responsible for preparing the Airport's Annual Operating Budget and submitting said budget to the both Cities for their approval; and

WHEREAS, the Airport Manager has submitted a 2006 Airport Operating Budget totaling \$538,370, of which the City of Fort Collins' 50% share is \$269,185; and

WHEREAS, it is the desire of the City Council to appropriate the necessary funds for operating costs of the Airport, totaling \$269,185, for the fiscal year beginning January 1, 2006, and ending December 31, 2006; and

WHEREAS, the Airport Manager also recommends additional capital expenditures, totaling \$4,634,310 for 2006 that are not included in the 2006 Airport Operating Budget, as follows:

|   |                |
|---|----------------|
| Taxiway Alpha Rehabilitation                          | \$ 2,608,310   |
| Taxiway Alpha Lighting System Replacement             | 557,000        |
| Commercial Service Ramp Area Reconstruction - Phase I | 1,277,000      |
| Airfield Lighting Control System Replacement          | 10,000         |
| Main Runway 15/33 Fog Seal and Markings Repainting    | <u>182,000</u> |
| Total   | \$ 4,634,310   |

WHEREAS, funding for the aforementioned Airport appropriations has been identified as follows:

|   |              |
|---|--------------|
| FAA Entitlement and Discretionary Grants  | \$ 4,300,000 |
| State Grants                              | 113,160      |
| Passenger Facility Charges                | 95,000       |
| Contributions - Fort Collins and Loveland | 120,000      |
| Airport General Fund                      | <u>6,150</u> |
| Total                                     | \$ 4,634,310 |

WHEREAS, the City of Fort Collins' 50% share of the 2006 Airport capital improvement costs is \$2,317,155; and

WHEREAS, under the Intergovernmental Agreement between the Cities, the City of Fort Collins' share of existing and unanticipated Airport revenue will be held and disbursed by the City of Loveland, as an agent on behalf of the City of Fort Collins, since the City of Loveland is providing finance and accounting services for the Airport; and

WHEREAS, in accordance with Article V, Section 8(b), of the Charter of the City of Fort Collins, 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 2006 Airport Operating Budget and authorizes the appropriation of TWO HUNDRED SIXTY-NINE THOUSAND ONE HUNDRED EIGHTY-FIVE DOLLARS (\$269,185) to be expended for the authorized purposes of the Fort Collins-Loveland Municipal Airport.

Section 2. That the City Council hereby authorizes the appropriation of TWO MILLION THREE HUNDRED SEVENTEEN THOUSAND ONE HUNDRED FIFTY-FIVE DOLLARS (\$2,317,155) to be used for capital improvements at the Fort Collins-Loveland Municipal Airport.

Introduced, considered favorably on first reading, and ordered published this 21st day of March, A.D. 2006, and to be presented for final passage on the 4th day of April, A.D. 2006.

ATTEST:

\_\_\_\_\_  
Mayor

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

Passed and adopted on final reading on the 4th day of April, A.D. 2006.

\_\_\_\_\_  
Mayor

ATTEST:

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