

AGENDA

OF THE

COUNCIL OF THE CITY OF FORT COLLINS, COLORADO

November 19, 2002

Proclamations and Presentations

5:30 p.m

- A. Proclamation Proclaiming November 21, 2002, as “Feed America Thursday”.
- B. Proclamation Proclaiming the Week of November 17-23, 2002 as “American Education Week”.
- C. Proclamation Proclaiming November 20, 2002 as “Celebration of Families Day”.

Regular Meeting

6:00 p.m.

PRESENTATION OF COLORS BY WEBELO RAMS

- 1. CALL MEETING TO ORDER.
- 2. ROLL CALL.
- 3. CITIZEN PARTICIPATION (limited to 30 minutes)
- 4. CITIZEN PARTICIPATION FOLLOW-UP:

This is an opportunity for the Mayor or Councilmembers to follow-up on issues raised during Citizen Participation.

- 5. AGENDA REVIEW: CITY MANAGER

6. CONSENT CALENDAR

The Consent Calendar consists of Item Numbers 7 through 24. This Calendar is intended to allow the City Council to spend its time and energy on the important items on a lengthy agenda. Staff recommends approval of the Consent Calendar. Anyone may request an item on this calendar to be "pulled" off the Consent Calendar and considered separately. Agenda items pulled from the Consent Calendar will be considered separately under Agenda Item #32, Pulled Consent Items. The Consent Calendar consists of:

- 1) Ordinances on First Reading that are routine;
- 2) Ordinances on Second Reading that are routine;
- 3) Those of no perceived controversy;
- 4) Routine Administrative actions.

CONSENT CALENDAR

7. Second Reading of Ordinance No. 154, 2002, Appropriating Prior Year Reserves Designated for Community Park Improvements in the Capital Improvement Expansion Fund for the Purpose of Constructing Infrastructure Improvements and Acquiring Raw Water for Webster Community Park.

The Parks and Recreation Policy Plan adopted by City Council in 1996 specifies that community parks be developed throughout the city. The southeast section of the community will be served by the 54-acre Webster Community Park. Poudre School District is presently developing the New 2004 High School adjacent to the park. Cost sharing of joint infrastructure facilities with the School District will result in savings for the park. Constructing these facilities later would damage site improvements, resulting in increased costs to the park.

Construction of the school site grading, utilities, and roads began in the Spring of 2002. Construction of the school building will begin in the Fall and continue to the school opening date in 2004. The park is scheduled to be open in 2008. This Ordinance was unanimously adopted on First Reading on November 5, 2002.

8. Second Reading of Ordinance No. 155, 2002, Appropriating Unanticipated Grant Revenue in the General Fund for the Police Services Restorative Justice Program.

This grant partially funds the Fort Collins Police Services Restorative Justice Program which is designed to implement a restorative response to juvenile crime in the Fort Collins and surrounding area of the 8th Judicial District. Ordinance No. 155, 2002, was unanimously adopted on First

Reading on November 5, 2002, and appropriates unanticipated grant revenue for the Restorative Justice Program.

9. Second Reading of Ordinance No. 156, 2002, Appropriating Unanticipated Grant Revenue in the Cultural Services and Facilities Fund to be Used for Restoration of the 1882 Franz-Smith Cabin.

The historic 1882 Franz-Smith Cabin originally stood near South Shields and Harmony Roads until it was displaced in 1987 with the development of a new subdivision. The Larimer County Historic Alliance relocated the cabin to Livermore, and in 2000, the Fort Collins Museum, through grant assistance, moved the cabin again to its grounds in Library Park and became the steward of this significant structure. In 2001, a structural assessment was performed on the cabin to evaluate the cabin's condition and to determine restoration needs including scope of work and cost. This information was used for the Building Restoration grant application.

The total cost of the restoration project is estimated at \$110,543. The Building Restoration grant will cover \$82,907 and the Museum will provide matching money in the amount of \$27,636 from other grant sources, including the Colorado State Questers. The funds will be used to stabilize and restore the structure to its 1920s appearance when it was electrified. Ordinance No. 156, 2002, was unanimously adopted on First Reading on November 5, 2002.

10. Second Reading of Ordinance No. 157, 2002, Appropriating Unanticipated Revenue in the Capital Projects Fund - Museum Entrance Capital Project and the Cultural Services and Facilities Fund Museum Budget for Reorientation of the Museum's Entrance Through the Heritage Courtyard and Completion of Courtyard Improvements.

With the acquisition of the Franz-Smith Cabin in 2000, the Museum staff had an opportunity to create a more usable space in the Heritage Courtyard and address handicapped accessibility issues. The Revitalization Project has been set in three phases: Phase I: expansion of the Heritage Courtyard and acquisition of the Franz-Smith Cabin (completed 2000); Phase II: beautification of the Courtyard including landscape and hardscape (completed 2001); and Phase III: reorientation of the entrance, completion of permanent elements in the Courtyard, and restoration of the Franz-Smith Cabin. This Ordinance was unanimously adopted on First Reading on November 5, 2002.

11. Items Relating to Conservation Easements on Natural Areas for the Great Outdoors Colorado Legacy Project.

- a. Second Reading of Ordinance No. 158, 2002, Authorizing the Conveyance to Legacy Land Trust of a Conservation Easement on Nix Natural Area to Meet Great Outdoors Colorado Grant Requirements.
- b. Second Reading of Ordinance No. 159, 2002, Authorizing the Conveyance to Legacy Land Trust of a Conservation Easement on Cattail Chorus Natural Area to Meet Great Outdoors Colorado Grant Requirements.

- c. Second Reading of Ordinance No. 160, 2002, Authorizing the Conveyance to Legacy Land Trust of a Conservation Easement on the McMurry Annex/Ackerman Court Natural Area Property to Meet Great Outdoors Colorado Grant Requirements.

Nix Natural Area, Cattail Chorus Natural Area, and McMurry Annex/Ackerman Court are part of the Poudre/Big Thompson GOCO Legacy Project. The properties were purchased by the City of Fort Collins since GOCO awarded the Legacy grant in 1996. GOCO awarded grant funds within the Poudre/Big Thompson Legacy Project to assist in the purchase of these (and other) properties. GOCO places several requirements on the landowners. These requirements include, but are not limited to, a requirement that each property be subject to a conservation easement held by a land trust. These conservation easements meet that requirement and stipulate the various conditions required by GOCO. GOCO will not release the grant funds without these signed Conservation Easements. Upon execution and recording of the Conservation Easements, GOCO will reimburse the City a total of \$772,000 (Nix Natural Area: \$394,500; Cattail Chorus Natural Area: \$135,000; McMurry Annex/Ackerman Court: \$242,500). GOCO has agreed to include the City's acquisition of Kingfisher Point Natural Area as part of the City's local match for the grant, allowing for a relatively high percentage of grant funding for the three properties affected by these Ordinances.

Ordinance Nos. 158, 159 and 160, 2002, which were unanimously adopted on First Reading on November 5, 2002, authorized the conveyance of the necessary conservation easements.

12. Second Reading of Ordinance No. 161, 2002, Authorizing a Mail Ballot Election for the April 8, 2003 Regular Municipal Election.

This Ordinance, which was unanimously adopted on First Reading on November 5, 2002, authorized the April 8, 2003 regular municipal election to be conducted by mail ballot, adopts the Mail Ballot Election Act of the Uniform Election Code governing mail ballot elections, authorizes the City Clerk to submit a mail ballot plan to the Secretary of State, and establishes the polling place for in-person voting for the April election.

13. First Reading of Ordinance No. 170, 2002, Appropriating Unanticipated Grant Revenue in the General Fund for Police Services for the Larimer County Drug Task Force.

Intelligence gathered by the Larimer County Drug Task Force (LCDTF) indicates that as many as 777 instances of distribution of methamphetamines and 313 instances of manufacture of methamphetamines occurred between May 2001 and May 2002. During this same time period, 45 arrests were made and 52 labs were dismantled. In addition, 16 methamphetamine labs have been dismantled during the first 9 months of this year.

In order to better address this problem, LCDTF applied for, and was awarded, a grant in the amount of \$21,060 from the Colorado Department of Public Safety Division of Criminal Justice for the period of December 1, 2002 to July 31, 2003, for the purchase of a mobile lab trailer. The purpose of this trailer, which is handicapped accessible and will be available for use by other Northern Colorado law enforcement agencies, is to transport equipment and evidence to and from

rural methamphetamine laboratories and to provide facilities from which officers may work to safely dismantle such labs.

14. First Reading of Ordinance No. 171, 2002, Appropriating \$420,500 from Prior Year Reserves in the General Fund for Police Services Equipment.

Fort Collins Police Services received a one time capital funding in the 2000-2001 Budget for the purchase of nine 800 MHz radio dispatch consoles and associated furniture. During the planning phase, Motorola announced that it was developing a new “IP based” console that it expected to release at the end of 2001. In order to obtain the latest technology, Police Services temporarily postponed the purchase of the new consoles. As a result of September 11th, additional anti-terrorism features were requested and Motorola has now delayed the release of the new consoles until 2004.

To ensure efficient and effective radio communication for Police, Fire and Emergency Medical Services, Police Services is unable to further postpone its purchase. The current Dispatch Center consoles, which are over 10 years old, are becoming obsolete. The consoles are unable to handle the new E911 telephones or CAD wireless caller location mapping and are rapidly becoming non-repairable. In addition, the Dispatch Center is being remodeled to expand the number, and increase the efficiency, of its dispatch positions. The new consoles will enable the center to expand the number of dispatch positions and improve the ergonomics of those positions. Consequently, Police Services would like to move forward and replace the current consoles.

15. Items Relating to the North Front Range Transportation and Air Quality Planning Council.

- A. Resolution 2002-108 Authorizing the Mayor to Execute an Intergovernmental Agreement for the Provision of a Loan to the North Front Range Transportation and Air Quality Planning Council
- B. First Reading of Ordinance No. 172, 2002, Appropriating Prior Year Reserves in the Transportation Services Fund for Transfer to the North Front Range Transportation and Air Quality Planning Council Fund

The North Front Range Transportation and Air Quality Planning Council serves as the Metropolitan Planning Organization (MPO) and lead air quality planning agency for the North Front Range region. It was created in 1988 and includes two counties, eleven cities and towns, the State of Colorado Transportation Commission, and the State of Colorado Air Quality Control Commission. In this capacity, the MPO promotes regional transportation and air quality planning related to transportation for the counties, cities, and towns in northern Colorado. The activities of the MPO are funded through federal grant programs administered by the Colorado Department of Transportation. The City of Fort Collins has been the financial sponsor of the organization and accounted for the financial transactions within the City of Fort Collins Transportation Fund. As a step to provide for the future independence of the MPO, the MPO is now accounted for in its own

fund within the City of Fort Collins accounting system. In the future it will be an independent organization and conduct its own financial management.

The MPO operates on grants and contributions on a reimbursable basis. The City of Fort Collins usually advances funds for MPO activities and then is reimbursed through CDOT distributions. As the year 2002 comes to a close, staff projects that the MPO may have spent as much as \$300,000 that is subject to reimbursement that will not be received until some time in 2003. Due to the indefinite nature of the reimbursements and the requirement that all City funds have balanced revenues and expenditures, the staff recommends that the City's Transportation Fund provide financial support to the MPO by loaning up to \$300,000. The City will be repaid from future grant reimbursements and other funds contributed by the other members of the MPO.

The Resolution authorizes the Mayor to sign the loan to the MPO. The Ordinance appropriates the prior year reserves to be transferred to the MPO.

16. First Reading of Ordinance No. 173, 2002, Appropriating Unanticipated Revenue in the Sales and Use Tax Fund for a Change in Accounting Practices.

Each year the City prepares an annual financial report that is audited by an independent firm. In the 2001 Management Report from *Bondi & Co LLP*, the auditors recommended that collection fees be included in the gross revenue of the City. Staff has made adjustments to account for the collection fees that the Larimer County Treasurer retains in the collection of property taxes. In further discussions with the auditors, the principle applies to other revenue sources. Businesses retain a portion of sales taxes and the County Treasurer retains a portion of use taxes paid when vehicles are registered. This Ordinance estimates the amount of these fees and appropriates them to properly account for the transaction.

17. Items Relating to the Issuance of City of Fort Collins Downtown Development Authority Subordinate Tax Increment Revenue Bonds, Series 2002.

- A. First Reading of Ordinance No. 174, 2002, Authorizing the Issuance of City of Fort Collins Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds Series 2002 in the Amount of \$1,065,000 for the Purpose of Financing Certain Capital Improvements and Capital Projects.
- B. First Reading of Ordinance No. 175, 2002, Appropriating Proceeds from the Issuance of City of Fort Collins, Colorado, Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds, Series 2002, for the Purpose of Making Certain Capital Improvements in the Downtown Area of Fort Collins and Appropriating Revenues in the Tax Increment Fund.

The City of Fort Collins created the Downtown Development Authority ("DDA") to make desired improvements in the downtown area. Through tax increment financing, the DDA has made significant contributions to the redevelopment and improvement of the downtown area. These two

Ordinances provide \$1,065,000 of funding from the unreserved fund balance in the DDA Debt Service Fund to make additional improvements and contribute to City projects in the downtown area. The first Ordinance issues short term bonds for the projects which will be paid from the tax increment revenue. The second Ordinance appropriates the proceeds in the Capital Projects Fund for the various projects.

18. First Reading of Ordinance No. 176, 2002, Amending Section 2-575 of the City Code Relating to Councilmember Compensation.

Article II, Section 3 of the City Charter provides that the compensation of Councilmembers shall be adjusted annually for inflation in accordance with the Denver/Boulder Consumer Price Index. In 2002, Councilmembers were compensated \$575 per month, and the Mayor received \$860 per month.

This Ordinance amends Section 2-575 of the City Code to set the 2003 compensation of Councilmembers at \$585 and the compensation of the Mayor at \$880.

19. First Reading of Ordinance No. 177, 2002, Making Various Amendments to the City of Fort Collins Land Use Code.

Staff has identified a variety of proposed changes, additions and clarifications in the Fall biannual update of the Land Use Code. On November 5, 2002, the Planning and Zoning Board voted 4-0 to recommend approval of the proposed changes to City Council.

20. First Reading of Ordinance No. 178, 2002, Vacating a Utility Easement on Lot 6, Block 2, Riverside Park Subdivision.

Adoption of this Ordinance would vacate a utility easement which was originally intended to allow the installation and operation of electric and cable television facilities. City Light and Power has obtained another easement in the vicinity for these purposes and no longer needs this easement.

21. First Reading of Ordinance No. 179, 2002, Authorizing Acquisition by Eminent Domain Proceedings of Certain Easements Necessary for the Construction of the Sheldon Lake Drainage Improvements.

The construction of the Sheldon Lake Drainage Improvement project is currently scheduled to start in December 2002 and completed in early summer 2003. The proposed capital improvements include the construction of approximately 1,700 linear feet of large box culvert, 1,630 linear feet of storm sewer, expansion of Sheldon Lake, creation of a stormwater detention facility on the City Park Nine Golf Course, and the installation of flow control structures on two irrigation ditches.

Construction of the proposed improvements will require the acquisition of a permanent utility easement and a temporary construction easement from one property owner and temporary construction easements from nine other property owners. Staff has initiated the easement acquisition process—discussing the project with the property owners, preparing market analyses and negotiating for the required easements. Staff will continue good faith negotiations; however, to ensure that the City will be able to secure the easements in time to begin construction of the project, it is necessary to initiate the first step of the eminent domain process, passage of this ordinance authorizing acquisition by eminent domain.

22. First Reading of Ordinance No. 180, 2002, Designating the Emily E. and J. M. Calvert House and Garage, 321 East Mulberry Street, Fort Collins, Colorado, as a Historic Landmark Pursuant to Chapter 14 of the City Code.

The owners of the property, Laura Thompson and Bessie and Richard Braesch, are initiating this request for Fort Collins Landmark designation for the Emily E. and J. M. Calvert House and Garage. The property is listed on the National Register of Historic Places, as a contributing element of the Laurel School Historic District. The home has architectural significance to Fort Collins as a good reflection of the changing tastes in architectural styles, materials, and techniques within Fort Collins during the first half of the twentieth century. The garage dates to the period of significance, and also contributes to the property's significance.

23. Resolution 2002-109 Stating the City's Intent to Not Act as a Reviewing Entity in 2003 for the Colorado Historic Preservation Income Tax Credit for Qualifying Historic Rehabilitation Projects.

As a Certified Local Government, Fort Collins has the opportunity each year to choose to be a reviewing entity for the Colorado Historic Preservation Income Tax Credit during the next calendar year. The City Council must adopt a resolution stating whether or not it intends to take on this responsibility in the next year.

Fort Collins became a Certified Local Government in 1991 when the Colorado Income Tax Credit was instituted, but didn't take on the reviewing entity function for this program until 1995. For three years, the Landmark Preservation Commission was the reviewing entity and performed design review on qualifying historic rehabilitation projects for the Colorado Income Tax Credit. The Commission has declined the review from 1998 through 2002.

On September 25, 2002 at a regular meeting, the Landmark Preservation Commission discussed this function and made the decision to recommend that the City decline the reviewing entity function for the Colorado Historic Preservation Income Tax Credit in 2003. The basis for this recommendation is twofold. First, the demand for staff resources to administer the State's program has steadily grown as the tax credits have become more popular, and as a result has taken staff resources away from other, higher priority local preservation activities. Secondly, the Tax Credit Program contains some requirements which the City has no control over, yet it has created discord for both the City and applicants. The Landmark Preservation Commission and City staff believe that the "costs" outweigh the "benefits" of continuing to assume the review authority.

24. Routine Easement.

- A. Easement for construction and maintenance of public utilities from Sand Hill Co., LLLP, to install a padmount transformer to place existing overhead electric system under ground, located at 204 Second Street. Monetary consideration: \$100.

*****END CONSENT*****

25. Consent Calendar Follow-up.

This is an opportunity for Councilmembers to comment on items adopted or approved on the Consent Calendar.

26. Staff Reports.

27. Councilmember Reports.

ITEMS NEEDING INDIVIDUAL CONSIDERATION

28. Second Reading of Ordinance No. 162, 2002, Amending Chapter 23 of the City Code by Adding a Provision Authorizing the Early Morning Closure of City-Owned Property in the Old Town Plaza.

This Ordinance, which was adopted 5-2 on November 5, 2002, amends Chapter 23 of the City Code by adding a provision to the Code authorizing the early morning closure of certain City-owned property within Old Town Plaza to ensure that such property remain safe and is properly protected.

The language of the ordinance has modified between first and second reading to more precisely define the area being closed by the City.

29. Consideration of the Appeal of the September 25, 2002, decision of the Administrative Hearing Officer to approve the 616 South College Avenue, Waffle House Project Development Plan (PDP).

On September 30, 2002, the Administrative Hearing Officer approved the subject Project Development Plan, which involves removing an existing Cluck-U fast-food chicken restaurant and constructing a new Waffle House restaurant. The property is an existing lot on the east side of College Avenue, between Myrtle and Laurel streets. The lot is bounded by the historic Darrah House next door to the north, and Outpost/Sunspport retail shop next door to the south, with an alley to the east. The area is zoned C-C, Community Commercial District.

On October 24, 2002, the City Clerk's office received an Amended Notice of Appeal of the decision to approve the PDP. In this Appeal, from the Appellants Judith A. and Grant W. Reid, it is alleged that:

- (1) The decision maker failed to conduct a fair hearing; and
- (2) The decision failed to properly interpret and apply relevant provisions of the Land Use Code.

30. First Reading of Ordinance No. 181, 2002, Repealing and Re-enacting Article III of Chapter 12 of the City Code, Regarding Smoking in Public Places and Places of Employment.

Over the course of the past few years, the City Council has been considering potential changes to the existing City Code language restricting smoking in public places and public meetings. After reviewing information regarding the issue of smoking in public places at its June 4, 2002, and September 24, 2002, study sessions, Council directed staff to present for consideration at a regular Council meeting the model ordinance developed and supported by the Colorado Tobacco Education and Prevention Association ("CTEPA"), adapted as appropriate for the Fort Collins City Code and organizational structure. The Council also requested that ordinance language reflecting various possible modifications to the CTEPA model of interest to the Council be prepared and presented to the Council for consideration along with that ordinance.

31. Items Relating to the Manufacturer's Use Tax Rebate Program.

- A. First Reading of Ordinance No. 182, 2002, Appropriating Prior Year Use Tax Carryover Reserves for the Manufacturer's Use Tax Rebate Program.
- B. First Reading of Ordinance No. 183, 2002, Appropriating Prior Year Use Tax Carryover Reserves for the Manufacturer's Use Tax Rebate Program for Symbios Logic.

In March 1996, City Council approved a temporary rebate program for use tax paid on manufacturing equipment. The program was amended in February 1999 to include several changes suggested by staff and the manufacturing community. The goal of the program is to maintain the local economic base by providing modest tax relief to manufacturing concerns located in Fort Collins. During 2001, the City of Fort Collins received about \$3.6 million in use tax receipts from eligible companies within the Standard Industrial Code classification for manufacturers. This constitutes 48% of all use tax paid by local businesses in 2001.

32. Pulled Consent Items.

**ITEMS RELATING TO THE 2002-2003 BUDGET
BUDGET CONSENT ITEMS**

Item Numbers 33 through 35 are presented together in the Consent Calendar format. These items have been reviewed and discussed at Budget Study Sessions and are being presented in this manner to expedite their adoption. Any item may be withdrawn for discussion by any member of the Council, staff or public and will be considered after the balance of the Budget Consent is adopted.

33. Items Relating to the 2003 Downtown Development Authority Budget.

- A. Second Reading of Ordinance No. 163, 2002, Appropriating Operating Funds and Approving the Budget of the Downtown Development Authority for the Fiscal Year Beginning January 1, 2003, and Fixing the Mill Levy for the Downtown Development Authority for 2003.

The Downtown Development Authority (the "DDA") adopted the proposed DDA budget for 2003, totaling \$655,794, and determined the mill levy necessary to provide for payment of all properly authorized expenditures incurred by the DDA, at its regular meeting of October 3, 2002. Ordinance No. 163, 2002, was unanimously adopted on First Reading on November 5, 2002.

- B. Second Reading of Ordinance No. 164, 2002, Appropriating Revenue in the Downtown Development Authority Debt Service Fund for Payment of Debt Service for the Year 2003.

This Ordinance, which was unanimously adopted on First Reading on November 5, 2002, appropriates funds for 2003 from the tax increment received by the City for the DDA for debt service payments. Debt service and annual lease payments include: the semi-annual payments of the 2001 DDA Tax Increment Revenue Refunding Bonds in the amount of \$1,355,938, the DDA share of the Parking Structure lease payment of \$281,987, the amount of \$35,112 for the annual interest payment on the subordinate revenue bonds issued in 2000, and \$156,500 for various projects identified by the DDA board from tax increment revenues from expanding the DDA boundaries to include the Mulberry/Lemay Crossing Property.

34. Second Reading of Ordinance No. 165, 2002, Amending the City Code to Adjust the Capital Improvement Expansion and Neighborhood Parkland Fees to Reflect Inflation in Associated Costs of Services.

Ordinance No. 165, 2002, which was unanimously adopted on First Reading on November 5, 2002, increases the fee schedules for the Capital Improvement Expansion Fees and Neighborhood Parkland Fee based upon the projected change in the 2002 Denver-Boulder-Greeley Consumer Price Index.

35. Items Relating to Utility Rates for 2003.

- A. Second Reading of Ordinance No. 167, 2002, Amending Chapter 26 Article VII, Division 4 of the Code of the City Relating to Wastewater Fees.
- B. Second Reading of Ordinance No. 168, 2002, Amending Chapter 26, Article VII, Division 2 of the City Code Relating to Stormwater Fees.

Wastewater Rates

Ordinance No. 167, 2002, which was unanimously adopted on First Reading on November 5, 2002, increases the City's wastewater rates by 2%. The increase is needed to fund the operations and maintenance of the City's wastewater system and to finance capital improvements. It is being applied "across the board" for all customers. A typical single-family residential customer's monthly bill will increase from \$16.29 to \$16.61 (32 cents per month). This Ordinance also adopts several housekeeping changes to standardize verbiage regarding base monthly charges and to delete references to obsolete "Category I" customers. The changes will become effective on billings issued on or after January 1, 2003, if said billings are calculated based on flat rates or winter quarter water use. The changes will become effective on billings issued for meter readings on or after January 1, 2003, if said billings are calculated based on metered water use or measured sewage flow.

Stormwater Rates

This Ordinance, which was adopted on First Reading on November 5, 2002, increases the City's stormwater rates 10% "across the board" for all customers. The 10% increase is consistent with both the 2002-2003 budget and the 2001 Stormwater Financing Plan adopted by City Council Resolution 2001-93. The increase is necessary to fund the operations and maintenance of the City's stormwater system, to pay debt service and to accelerate the citywide capital improvements program. The increase is to be effective on billings issued on or after January 1, 2003.

****END BUDGET CONSENT****

ITEMS RELATING TO THE 2003 BUDGET

36. Second Reading of Ordinance No. 166, 2002, Amending Chapter 26, Article III, Division 4 of the Code of the City of Fort Collins Relating to User Rates and Charges for Water.

The Water Rate Ordinance is projected to increase annual Water Fund operating revenues by approximately 6% assuming a 15% projected reduction in consumption. Wastewater Fund operating revenues are projected to increase by 2% and Storm Drainage Fund operating revenues are projected to increase 10%.

Water Rates

The water rate structures vary by customer class but are all designed to encourage conservation. The customer impacts vary within each customer category based on relative levels of water usage. In general, customers with low use will see modest increases (or in some cases reductions) in their total water bills while the larger users in each customer class will experience a bigger percentage increase. Customer conservation efforts will help to moderate the rate impacts at all levels of use.

Ordinance No. 166, 2002, which was adopted 6-1 on First Reading on November 5, 2002, was based on the direction received from City Council at the September 10 and October 22, 2002, study sessions. The water rates are designed based on the assumption that 2003 water use will decrease 15% system wide for all customer classes. This Ordinance provides for increasing step rates for single-family and duplex customers and seasonal rates for multi-family and commercial customers.

The construction rate and miscellaneous fees and charges for hydrant water rental and service charges have also been updated to reflect current costs. All changes will become effective on billings issued for meter readings on or after January 1, 2003, and on billings issued on or after January 1, 2003, for unmetered services. The Ordinance also eliminates an existing Code provision regarding an agreed upon charge for past meter installation work that Colorado State University pays to the City as a contractual matter due to the fact that the charge is a matter of contract.

37. Second Reading of Ordinance No. 169, 2002, Being the Annual Appropriation Ordinance Relating to the Annual Appropriations for the Fiscal Year 2003; Amending the Budget for the Fiscal Year Beginning January 1, 2003, and Ending December 31, 2003; and Fixing the Mill Levy for Fiscal Year 2003.

This Ordinance, which was unanimously adopted on First Reading on November 5, 2002, amends the adopted 2003 Budget and sets the amount of \$440,450,720 to be appropriated for fiscal year 2003. The Net City Budget, which excludes internal transfers between City funds is \$291,121,960 for 2003. This Ordinance also sets the 2003 City mill levy at 9.797 mills, unchanged since 1991.

38. Pulled Budget Consent Items.

39. Other Business.

40. Adjournment.

**MEETING OF THE BOARD OF DIRECTORS OF THE
GENERAL IMPROVEMENT DISTRICT NO. 1**

1. Call Meeting to Order.
2. Roll Call.
3. Second Reading of Ordinance No. 47, Being the Annual Appropriation Ordinance Relating to the Annual Appropriations for the Fiscal Year 2003; Determining and Fixing the Mill Levy for the General Improvement District No. 1 for the Fiscal Year 2003; and Directing the Secretary of the District to Certify Such Levy to the Board of County Commissioners of Larimer County.

Included in the appropriations of the 2003 General Improvement District No. 1 budget is an appropriation of \$146,480 for lease payments in connection with the Lease Certificates of Participation for Street Improvements. An appropriation of \$90,356 is to be used for improvements to the Downtown District in accordance with the Downtown Capital Improvement Program approved by Council in 1992. The remaining appropriations requested for 2003, totaling \$31,000, will be used for the residential rebate program, the Larimer County Treasurer's fee, electricity costs for downtown lighting and for routine maintenance costs within the District. Ordinance No. 47 was unanimously adopted on First Reading on November 5, 2002.

4. Other Business.
5. Adjournment.