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**Council Audit & Finance Committee
Minutes
3/22/11**

Council Attendees: Mayor Doug Hutchinson, Mayor Pro Tem Kelly Ohlson, Ben Manvel
Staff: Darin Atteberry, John Voss, Ann Turnquist, Mark Jackson, Delynn Coldiron, Dan Coldiron, Diane Jones, Steve Dusch, Jon Haukaas
Others:

Approval of the Minutes from the February 2011 Meeting.

Ben Manvel moved to approve the minutes from this meeting, and Kelly Ohlson seconded the minutes are approved unanimously.

User Fee Study

Original proposal was to recover 80 % of total costs of Development Review center costs through fees.

It is now being proposed that 100% of cost be fee related services.

City staff proposes adjusting the method used to calculate the portion of Development Review Center costs which should be recovered through Plan Check and Building Permit Fees.

City staff recommends that the fee tables for Plan Check and Building Permits be adjusted so that they recover 100% of the cost of Fee Related Services. To accomplish this, staff developed a new fee table to maintain appropriate relationships between the costs of various permits and activities (plan check, inspection, building permit, etc.) while generating additional revenue.

This 2011 City of Fort Collins Fee Table will replace the 1982 UBC Fee Table which has been in use by the Development Review Center for many years.

Ann Turnquist suggested that additional information can be added to the slide presentation (after slide 7) showing the average cost of a house and what portion are fees, etc.

Ann Turnquist asked Committee members for their thoughts on the timing for this topic to be presented to City Council, possibly in May of 2011.

Darin Atteberry stated that while this topic is important, it's not urgent, so it can go before Council around the July time frame. Doug Hutchinson agreed May is somewhat early.

This fee proposal wouldn't be implemented until 2011, and Doug Hutchinson asked staff to consider implementing it over two year, phased approach.

Diane Jones requested that staff formulate a plan in place to inform the stakeholders of any changes. Kelly Ohlson stated that businesses and others affected, not just large stakeholders, be informed.

Darin Atteberry asked Ann Turnquist to investigate and report back on what portion of total fee costs are rate payer, and what is development.

2010 Year-End Financial Report

John Voss summarized the report as follows:

- Revenue
- Expenditures
- Debt position
- Fixed assets

2010 Major Revenue

• Governmental Activities	\$164.9 M	49.7%
– Sales & Use Tax	74.7 M	22.5%
– Property Tax	17.8 M	5.4%
• Enterprise Activities	\$166.7 M	50.3%
– Light & Power	99.7 M	30.1%
– Water	27.3 M	8.2%
• Net City Revenue	\$331.6 M	100.0%
– Net revenue excludes transfers and internal service funds		

2010 City Expenditures

- Includes Operating, Capital and Debt service
 - Excludes transfers and internal service funds
- 2010 compared to 2009: up \$9.0 million, 2.5%
 - Governmental up \$3.4 million, 2.0%
 - Enterprise up \$5.6 million, 2.9%
- 2010 compared to 2001: average increase of 2.3%

- Governmental average annual increase 1.1%
- Enterprise average annual increase 3.7%

Debt Position 2010

- Outstanding debt was \$163 million at the end of 2010
 - Not including capital equipment leases
 - Down from 2001 outstanding of \$185 million
- At 11.6%, Governmental debt service is well below policy target of 15% of operational expenditures
- Each Enterprise Fund is in compliance with their own debt covenants regarding revenue coverage ratio

Darin Atteberry asked John Voss if he foresees and potential banana peels coming in 2011 and John responded that in his opinion, the City will be financially stronger this year.

URA - NECCO

Josh Birks and Jon Haukaas presented information and seek the following feedback:

After this meeting, do all members of the CFC feel they have sufficient information on this topic, and do they approve moving forward with plans to present this to City Council for consideration again?

Kelly Ohlson asked for more data specifically on the environmental impact of this project. On the assumption that this information will be forthcoming, he feels that this topic can be presented to Council in the near future.

It was decided that this information be sent as a memo in the City Council packets, and staff members will be in attendance at the Council Meeting to respond to any questions when it's presented.