

ORDINANCE NO. 140, 2023
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING THE 2024 BUDGET AND APPROPRIATING THE FORT COLLINS
SHARE OF THE 2024 FISCAL YEAR OPERATING AND CAPITAL IMPROVEMENT
FUNDS FOR THE NORTHERN COLORADO REGIONAL AIRPORT

WHEREAS, in 1963, the City of Fort Collins and the City of Loveland (the "Cities") agreed to establish a regional general aviation facility and became owners and operators of the Fort Collins-Loveland Municipal Airport, now known as the Northern Colorado Regional Airport (the "Airport"); and

WHEREAS, the Airport is operated as a joint venture between the Cities, with each city retaining a 50% ownership interest, sharing equally in policy-making and management, and each assuming responsibility for 50% of the Airport's capital and operating costs; and

WHEREAS, pursuant to the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport dated January 22, 2015, and the First Amendment to the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport, now known as the Northern Colorado Regional Airport dated June 7, 2016, (collectively, the "IGA"), the Airport Manager is responsible for preparing the Airport's annual operating budget and submitting it to the Cities for their approval; and

WHEREAS, under the IGA, the City's share of existing and unanticipated Airport revenue is to be held and disbursed by the City of Loveland as an agent on behalf of the Cities, since the City of Loveland provides finance and accounting services for the Airport; and

WHEREAS, the Airport Manager has submitted for City Council consideration a 2024 Airport budget totaling \$24,988,986 of which the City's 50% share is \$12,494,493 (\$1,515,493 for operations and \$10,979,000 for capital); and

WHEREAS, the City Council is in the process of considering the City's 2024 budget and Ordinance No. 145, 2023, which appropriates \$189,170 in City funds to be transferred to the Airport operating fund in payment of the City's 50% share of rent due under the approved lease of a portion of the Airport property operation of the Northern Colorado Regional Law Enforcement Training Center, which amount is included in the Land Lease revenues set forth in the 2024 Airport Budget; and

WHEREAS, pursuant to the IGA, the City of Loveland holds on behalf of both Cities the revenues of, and other financial contributions to, the Airport in a fund, which includes unappropriated and unencumbered reserves (the "Airport Fund"); and

WHEREAS, funding for the Airport's 2024 operating and capital improvement budgets has been identified as follows:

FAA Grants	\$15,620,000
State Grants	\$ 522,000
USDOT	\$ 750,000
Airport Revenues	\$ 1,966,908
Airport Reserves	<u>\$ 2,000,000</u>
Total	\$20,858,908

; and

WHEREAS, the City's 50% share of the 2024 Airport operating costs, to be held in the Airport Fund, is \$1,515,493; and

WHEREAS, the City's 50% share of the 2024 Airport capital improvement costs, to be held in the Airport fund, is \$10,979,000; and

WHEREAS, the Airport Reserves item is an appropriation for use by the Northern Colorado Regional Airport Commission for discretionary Airport projects; and

WHEREAS, City Finance staff has reviewed the financial statements for the Airport and determined that the requested appropriation of Airport Reserves in the 2024 Airport Budget meets the required limits set forth in the IGA; and

WHEREAS, in accordance with Article V, Section 8(b), of the City Charter, any expense or liability entered into by an agent of the City on behalf of the City, shall not be made unless an appropriation for the same has been made by the City Council; and

WHEREAS, this appropriation benefits the public health, safety and welfare of the residents of Fort Collins and serves the public purpose of enhancing transportation and economic welfare of the City and its residents; and

WHEREAS, this appropriation will not require additional funding from the Cities and is consistent with the IGA.

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 the City Council hereby approves and adopts the 2024 Airport operating and capital budget totaling \$12,494,493 (\$1,515,493 for operations and \$10,979,000 for capital), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Section 3. That the City Council hereby appropriates in the Airport Fund \$1,515,493 to be expended to defray the City's 50% share of the 2024 operating costs of the Airport.

Section 4. That the City Council hereby appropriates in the Airport Fund \$10,979,000 to be expended to defray the City's 50% share of the 2024 capital costs of the Airport.

Introduced, considered favorably on first reading and ordered published this 17th day of October, 2023, and to be presented for final passage on the 21st day of November, 2023.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 21st day of November, 2023.

Mayor

ATTEST:

City Clerk

EXHIBIT A TO ORDINANCE 140, 2023

The Northern Colorado Regional Airport is a separate entity established by the cities of Fort Collins and Loveland. The City of Loveland does not have absolute authority over this fund. However, per the Intergovernmental Agreement between the cities, it is Loveland's responsibility to legally appropriate the budget for the Airport as part of its administrative responsibilities.

Northern Colorado Regional Airport Fund 600

	2022 Actuals	2023 Adopted	2023 Revised	2024 Proposed	2024 Draft/ 2023 Adopted \$ Change	2024 Draft/ 2023 Adopted % Change
Beginning Fund Balance	\$ 5,778,763	\$ 4,549,433	\$ 6,027,301	\$ 7,477,868	\$ 2,928,436	64.4%
Revenues by Department						
Airport	4,364,645	33,053,534	35,053,534	19,751,508	(13,302,026)	-40.2%
Total Revenues	\$ 4,364,645	\$ 33,053,534	\$ 35,053,534	\$ 19,751,508	\$(13,302,026)	-40.2%
Revenue By Class						
Gain/Loss on Asset	12,150	-	-	-	-	0.0%
Interest Income	(112,373)	51,000	51,000	49,000	(2,000)	-3.9%
Intergovern	2,482,368	31,248,000	31,248,000	16,890,000	(14,358,000)	-45.9%
Lease Revenue	381,601	391,600	2,391,600	815,600	424,000	108.3%
Miscellaneous	105,724	144,900	144,900	52,600	(92,300)	-63.7%
Operating Revenues	1,495,175	1,218,034	1,218,034	1,944,308	726,274	59.6%
Total Revenues	4,364,645	33,053,534	35,053,534	19,751,508	(13,302,026)	-40.2%
Expenditures by Department						
Airport	4,116,107	33,602,967	33,602,967	24,988,896	(8,614,071)	-25.6%
Total Expenditures & Capital	\$ 4,116,107	\$ 33,602,967	\$ 33,602,967	\$ 24,988,896	\$ (8,614,071)	-25.6%
Expenditures by Class						
Personal Services	771,444	1,089,540	1,089,540	1,147,418	57,878	5.3%
Supplies	99,694	115,400	124,900	123,550	8,150	7.1%
Purchased Services	596,694	1,482,910	1,473,410	1,736,478	253,568	17.1%
Depreciation	1,494,987	-	-	-	-	0.0%
Cost Allocations-Expense	23,450	23,450	23,450	23,450	-	0.0%
Capital Outlay	1,129,838	30,891,667	30,891,667	21,958,000	(8,933,667)	-28.9%
Total Expenditures	\$ 4,116,107	\$ 33,602,967	\$ 33,602,967	\$ 24,988,896	\$ (8,614,071)	-25.6%
Expenditures by Operating vs. Capital						
Operating & Maintenance	1,491,282	2,711,300	2,711,300	3,030,896	319,596	11.8%
Depreciation	1,494,987	-	-	-	-	0.0%
Capital Outlay	1,129,838	30,891,667	30,891,667	21,958,000	(8,933,667)	-28.9%
Total Expenditures	\$ 4,116,107	\$ 33,602,967	\$ 33,602,967	\$ 24,988,896	\$ (8,614,071)	-25.6%
Net Income	248,538	(549,433)	1,450,567	(5,237,388)	(4,687,955)	853.2%
<i>Airport Reserve</i>	-	(2,000,000)	-	(2,000,000)	-	0.0%
Ending Fund Balance	\$ 6,027,301	\$ 2,000,000	\$ 7,477,868	\$ 240,480	\$ (1,759,519)	-88.0%