

ORDINANCE NO. 153, 2024
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING THE 2025 BUDGET AND APPROPRIATING THE FORT COLLINS SHARE
OF THE 2025 FISCAL YEAR OPERATING AND CAPITAL IMPROVEMENT FUNDS
FOR THE NORTHERN COLORADO REGIONAL AIRPORT

A. 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”).

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

C. Pursuant to the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Airport dated January 22, 2015, and the First Amendment to the Amended and Restated Intergovernmental Agreement for the Joint Operation of the 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.

D. 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.

E. The Interim Airport Manager has submitted for City Council consideration a 2025 Airport budget totaling \$11,384,095 of which the City’s 50% share is \$5,692,047 (\$1,063,064 for operations and \$4,628,983 for capital).

F. The City Council is in the process of considering the City’s 2025 budget and Ordinance No. 163, 2024, which appropriated \$218,669 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 2025 Airport Budget.

G. 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”).

H. Funding for the Airport’s 2025 operating and capital improvement budgets has been identified as follows:

FAA Grants	\$8,234,569
State Grants	\$216,699
Airport Revenues	\$2,080,816
Airport Reserves	<u>\$1,000,000</u>
Total	\$9,257,967

I. The City's 50% share of the 2025 Airport operating costs, to be held in the Airport Fund, is \$1,063,064.

J. The City's 50% share of the 2025 Airport capital improvement costs, to be held in the Airport fund, is \$4,628,983.

K. The Airport Reserves item is an appropriation for use by the Northern Colorado Regional Airport Commission for discretionary Airport projects.

L. City Finance staff has reviewed the financial statements for the Airport and determined that the requested appropriation of Airport Reserves in the 2025 Airport Budget meets the required limits set forth in the IGA.

M. 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.

N. This appropriation will not require additional funding from the Cities and is consistent with the IGA.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS, as follows:

Section 1. The City Council hereby approves and adopts the 2025 Airport operating and capital budget totaling \$11,384,095 (\$2,126,128 for operations and \$9,257,967 for capital), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Section 2. The City Council hereby appropriates in the Airport Fund \$1,063,064 to be expended to defray the City's 50% share of the 2025 operating costs of the Airport.

Section 3. The City Council hereby appropriates in the Airport Fund \$4,628,983 to be expended to defray the City's 50% share of the 2025 capital costs of the Airport.

Introduced, considered favorably on first reading on November 4, 2024, and approved on second reading for final passage on November 19, 2024.

Mayor

ATTEST:

City Clerk

Effective Date: November 29, 2024
Approving Attorney: Jenny Lopez Filkins

2025 Proposed Airport Budget



NORTHERN COLORADO
REGIONAL AIRPORT COMMISSION

	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Proposed Budget	Justification	Percent Change
<u>OPERATING REVENUES</u>							
Hangar Rental	247,095	240,022	207,083	215,000	159,000	Reduced for decommissioning of A & B hangars	-26.0%
FBO Rent	92,713	94,172	94,172	105,051	110,809	CPI Increase partially affected 2024	5.5%
Gas and Oil Commissions	265,576	405,588	318,433	300,000	315,000	This is driven by fuel price and airport activity levels	5.0%
State & County Aircraft Fuel Tax	127,754	193,644	192,614	150,000	157,500	This is driven by fuel price and airport activity levels	5.0%
Land Lease	738,561	920,494	1,040,780	1,099,000	1,113,000	Adjusted for CPI lease escalations	
Terminal Lease and Landing Fees	7,160	8,024	11,546	75,300	193,300	Assumes no new leases	1.3%
Parking	330	0	0	0	0	Tied to airline/ bus activity	156.7%
Miscellaneous	205,476	132,708	248,373	52,600	65,230	Tied to airline/ bus activity	24.0%
TOTAL OPERATING REVENUES	1,684,665	1,994,652	2,113,001	1,996,951	2,113,839	Total	5.9%
<u>OPERATING EXPENSES</u>							
FTE	6	8	8	9	9		0.0%
Personal Services	668,421	776,765	753,881	1,147,418	1,189,915	Increase attributed to CPI	3.7%
Supplies	74,945	99,694	107,263	123,550	129,729	Inflation adjustments	5.0%
Purchased Services	435,275	620,144	708,333	1,759,928	806,484	Removed Air Service Grant, Inflation adjustments	-54.2%
TOTAL OPERATING EXPENSES	1,178,641	1,496,603	1,569,477	3,030,896	2,126,128	Total	-29.9%
OPERATING GAIN (LOSS)	506,023	498,049	543,524	(1,033,945)	(12,289)	The proposed budget is balanced	-98.8%
<u>NONOPERATING REVENUES (EXPENSES)</u>							
City Contributions	0	0	2,000,000	0	0	No change	
Passenger Facility Charge	0	0	0	0	0	Finance controlled investments	-38.8%
Interest Income	(61,294)	(112,373)	90,148	49,000	30,000	Expenditures include encumbering funds for Runway 15-33 Widening to be incurred in 2026	-57.7%
Capital Expenditures	(3,623,375)	(1,082,549)	(5,449,371)	(21,958,000)	(9,287,967)		
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,684,669)	(1,194,922)	(3,359,223)	(21,909,000)	(9,257,967)		-57.7%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(3,178,646)	(696,873)	(2,815,699)	(22,942,945)	(9,270,256)		-59.6%
Capital Contributions	4,274,041	1,399,819	2,665,910	16,272,500	8,451,268	Runway Widening Construction Grant	-48.1%
CHANGE IN NET POSITION	1,095,395	702,946	(149,789)	(6,670,445)	(818,988)	This change is driven by the local share for the capital projects, grant matches, and local only projects.	-87.7%
Net Position available for use	4,059,249	5,797,454	8,430,589	1,760,144	941,156		
Reserve Appropriation	1,000,000	2,000,000	2,000,000	2,000,000	1,000,000	IGA stipulates this amount to be the lesser of 50% of unassigned balances of Airport Operating reserves and Capital Fund or less than 25% of the Airport's annual budget	-50.0%