



CITY COUNCIL

Civic Center • 500 East Third Street • Loveland, Colorado 80537
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620
www.cityofloveland.org

PROCLAMATION

WHEREAS, the light that shines so brightly in Colorado is best reflected in the faces of the children of Colorado; and

WHEREAS, every child in Colorado brings joy and reflects our bright and prosperous future in Colorado; and

WHEREAS, nothing in the parenting experience is more joyful than the birth and development of a child; and

WHEREAS, every community celebrates, honors, and has influence which contributes to the success of the children of Colorado; and

WHEREAS, as parents, teachers, mentors, and leaders, we shall share the responsibility for modeling positive behavior to the children of Colorado; and

WHEREAS, it is appropriate that we reserve a specific day each year to celebrate and honor our children and their significant accomplishments in schools, churches, and daycare centers and in their communities; and

WHEREAS, reserving a specific day each year to reflect on the children of Colorado will help to ensure that we remember our collective and individual obligations to the children of Colorado and that we acknowledge the importance of these children to our future, celebrating their triumphs and accomplishments.

NOW, THEREFORE, we, the Loveland City Council do hereby proclaim Wednesday, March 2, 2011, and the first Wednesday of March thereafter, as

COLORADO CHILDREN'S DAY

in the City of Loveland and encourage each adult citizen of Colorado to set aside a special time to support, embrace, and listen to a child of Colorado.

Signed this 1st day of March, 2011

Cecil A. Gutierrez, Mayor

Mayor Gutierrez called the Special Meeting & Study Session of the Loveland City Council to order at 6:30 p.m. on the above date. Councilors present: Gutierrez, Heckel, Solt, Johnson, Rice, Klassen, McEwen, McKean and Shaffer. City Manager, Bill Cahill was also present. Mayor Gutierrez reorganized the order of the agenda to move the Special Meeting item to the end to accommodate guests appearing for the first Study Session item.

1. BUSINESS DEVELOPMENT

Cardinal CG Company Business Assistance Request

Business Development Manager, Betsey Hale introduced this item to Council. Cardinal CG Company also known as Cardinal Glass has requested City Council consideration of a \$57,000 economic incentive package for the relocation and expansion of the company to be located at 999 Van Buren Avenue. The applicant has requested: A waiver of the City of Loveland construction materials use taxes not to exceed \$28,000, a waiver of the building permit and inspection fees not to exceed \$20,000, a "backfilling" of \$4,000 of capital expansion fees, and \$5,000 of job training funds if the applicant successfully receives State of Colorado Job Training dollars. Plant Manager, Chris Moore and NCEDC Business Development Manager, Adam Krueger gave a short presentation about the benefits to the company and to Loveland for locating here. Neil Brenning, Sourcing Manager of Miramax Building Products in Loveland, spoke in support of the company and the products produced by Cardinal Glass. Council directed staff to bring the item back for consideration at the March 1, 2011 regular meeting.

2. FIRE & RESCUE

Fire Authority Review for Loveland Fire and Rescue (LFR)

Fire Chief, Randy Mirowsky introduced this item to Council as a progress report from the Fire Authority Review Committee and to get direction for the next step in the formation of a fire authority. The fire authority would result in an intergovernmental agreement to create a partnership between the City of Loveland and the Loveland Rural Fire Protection District to provide all fire and rescue services to the citizens living within the boundary lines of both governing bodies' areas of responsibility. Chief Mirowski and Operations Chief, Ned Sparks gave a brief history and explained the governance model, which was recommended in the comprehensive review and feasibility study. Council discussion ensued. Council directed staff to move forward with the next step in the process which is to identify funding sources.

The study session was adjourned at 8:41 p.m.

Respectfully Submitted,

Jeannie M. Weaver, Deputy City Clerk

Cecil A. Gutierrez, Mayor

Mayor Gutierrez called the special meeting of the Loveland City Council to order at 8:42 p.m. on Tuesday, February 8, 2011.

Roll was called and the following responded: Gutierrez, Heckel, Johnson, Clark, Shaffer, McEwen, Klassen, McKean and Rice responded. .

Mayor Gutierrez explained that this Special City Council meeting was scheduled for the purpose of convening an executive session.

Executive Session

8:42 PM

Councilor Johnson moved that City Council go into executive session as authorized in C.R.S. § 24-6-402 (4) (a); (4)(b) (4)(e) and (4)(g) and in Loveland Charter Sections 4-4 (c)(1), (c)(2) (c)(3) and (c)(6) pertaining to the prospect of the ACE Manufacturing and Innovation Park being located in Loveland, a matter subject to future negotiation and potentially involving the acquisition of real property, the details of which, if prematurely disclosed, could result in other parties gaining an unfair competitive or bargaining advantage; and related to this matter: to receive reports from negotiators, determine negotiation positions, develop negotiation strategy, and to instruct negotiators concerning such positions and strategy; to receive legal advice from the City Attorney; and to receive and review documents and information that are not subject to public inspection under the Colorado Open Records Act, such as work-product documents, at 8:42 p.m. Councilor Heckel seconded the motion which carried with all present voting in favor thereof. Council reconvened into the special meeting session at 11:14 p.m.

Having no further business to come before the Council the meeting was adjourned at 11:15 p.m.

Respectfully Submitted,

Jeannie M. Weaver, Deputy City Clerk

Cecil A. Gutierrez, Mayor

CALL TO ORDER Mayor Gutierrez called the regular meeting of the Loveland City Council to order on the above date at 6:30 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL Roll was called and the following responded: Gutierrez, Heckel, Klassen, Johnson, McEwen, Shaffer, Rice and Solt. Councilor McKean was absent.

PROCLAMATION Councilor Shaffer read a proclamation declaring February 20 through 26, 2011, as "National Engineers Week". The proclamation was received by City Engineer, Dave Klockeman.

PROCLAMATION

WHEREAS, National Engineers Week, founded in 1951 by the National Society of Professional Engineers, is always celebrated at the time of George Washington's birthday in February because he was our first president and a military engineer, and

WHEREAS, the purpose of National Engineers Week is to increase public awareness and appreciation of the engineering profession; and

WHEREAS, engineers are encouraging our young math and science students to realize the practical power of their knowledge; and

WHEREAS, the Engineers of the State of Colorado will actively help to maintain and sustain the vital infrastructure of our civilized and national environments; and

WHEREAS, engineers help America remain at the forefront of technological development and contribute to countless breakthroughs that improve the quality of life for people throughout the world.

NOW, THEREFORE, we, the Loveland City Council of the City of Loveland, do hereby proclaim February 20 through 26, 2011 as

NATIONAL ENGINEERS WEEK

in the City of Loveland.

Signed this 15th day of February, 2011

Cecil A. Gutierrez, Mayor

PROCLAMATION Councilor Johnson read a proclamation declaring February 24, 2011, as "Conductive Education Day 2011". The proclamation was received by Jennifer Peterson.

PROCLAMATION

WHEREAS Conductive Education (CE) was developed over sixty years ago in Hungary by Dr. Andras Peto; and

WHEREAS CE is a unique teaching system that maximizes the independence and mobility of children and adults with neuro-motor disabilities like stroke survivors, and those with cerebral palsy, multiple sclerosis, acquired brain injuries, Parkinson's disease and spina bifida; and

WHEREAS CE operates from a core belief in neuroplasticity - the lifelong ability of the brain to reorganize neural pathways based on new experiences - and on the premise that no matter how severe the disability, people can learn and improve when they are motivated

WHEREAS Conductive Education has the potential to make a significant, life-changing impact on the mobility and independence of close to 9 million people in Canada and the United States; and

WHEREAS Conductive Education helps individuals learn their way to independence;

NOW, THEREFORE, we, the City Council of Loveland, do hereby proclaim February 24 as

CONDUCTIVE EDUCATION DAY 2011

in Loveland, Colorado, and encourage supporting this important program that increases the independence of people with disabilities in our community.

Signed this 15th day of February, 2011

Cecil A. Gutierrez, Mayor

PROCLAMATION

Mayor Gutierrez read a proclamation declaring February 21, 2011, as "Loveland Fire and Rescue Day". The proclamation was received by Retired Volunteer Fire Chief Jack Sullivan who announced an open house on February 19th celebrating the 100th anniversary of the Loveland Fire Department. The open house will be at the Loveland Fire exhibit at the Loveland Museum.

PROCLAMATION

WHEREAS The City of Loveland recognizes the importance of citizen safety and the importance of protecting the lives and property of our citizens from threat of fire and to provide quality fire/rescue related services and;

WHEREAS On February 21, 1911, the Barthoff Hose Company and the Loveland Hook and Ladder Companies merged to form the Loveland Fire Department, which was adopted by resolution into the official records of the City of Loveland on this said day and;

WHEREAS For more than 100 years, the City of Loveland and its citizens have been protected through the dedication and selfless service of both the paid and volunteer members of the Loveland Fire Department and Loveland Fire and Rescue and;

WHEREAS To help in the recognition of the services of so many that have given of their time and their lives we take special privilege in honoring those who have served the City of Loveland and the Rural Fire Protection District, the Community of Loveland, to help make this city and community a safe place to live and raise a family.

NOW, THEREFORE, we, the City Council of Loveland, do hereby proclaim the week of February 21st, 2011 as Loveland Fire and Rescue Week in honor of the men and women who have served this community faithfully with Compassion, Courage and Commitment, and we hereby designate through this proclamation February 21st, 2011, as:

LOVELAND FIRE AND RESCUE DAY

in Loveland, Colorado

In so doing, this City Council urges all citizens to join in a regional effort to raise awareness about the importance of our fire and rescue services and this great heritage that we have in our community.

Signed this 15th day of February, 2011

Cecil A. Gutierrez, Mayor

PROCEDURAL INFORMATION

Mayor Gutierrez made the following procedural announcement: Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Council acts upon it. Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items. Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit your comments to no more than three minutes.

CONSENT AGENDA

Mayor Gutierrez asked if anyone in the audience, Council or staff wished to speak on any of the items or public hearings listed on the Consent Agenda. Councilor Johnson moved to approve the Consent Agenda. The motion was seconded by Councilor Heckel and a roll call vote was taken with all councilors present voting in favor thereof.

1. MINUTES

- a) Minutes for the January 11, 2011 executive session were approved.
- b) Minutes for the January 24, 2011 study session were approved.
- c) Minutes for the February 1, 2011 Regular meeting were approved.

2. CITY MANAGER

Board & Commission Appointments

Motion

Administrative Action: The following appointments were made:

Community Marketing Commission: Leslie White was appointed to a partial term effective until June 30, 2013. Justin Erion was appointed as an alternate for a one year term effective until February 15, 2012.

3. DEVELOPMENT SERVICES

Utility Easement Vacation – Hile First Subdivision

Ordinance #5560

Legislative Action: "AN ORDINANCE VACATING A PORTION OF A UTILITY EASEMENT OF LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO" was approved and ordered published on second reading.

4. DEVELOPMENT SERVICES

Fee Waivers – Loveland-Berthoud Interfaith Hospitality Network

Ordinance #5561

Administrative Action: "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR FEE WAIVERS FOR ONE HOUSING UNIT FOR THE BENEFIT OF LOW INCOME HOUSEHOLDS" was approved and ordered published on second reading.

5. BUSINESS DEVELOPMENT

Supplemental Budget and Appropriation- Lodging Tax Proceeds

Ordinance #5562

Administrative Action: "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR THE LODGING TAX PROCEEDS AND OPERATING AND GRANT BUDGET" was approved and ordered published on second reading.

6. FINANCE

Supplemental Appropriation – Property & Liability Insurance

Administrative Actions:

1) Motion

A motion authorizing the City Manager to sign the purchase order with the Colorado Risk Sharing Agency (CIRSA) for property and liability coverage was approved.

2) 1st Rdg Ord & P.H.

A public hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR PROPERTY AND LIABILITY INSURANCE DEDUCTIBLES" was approved and ordered published on first reading.

7. PUBLIC WORKS

2011 Street Resurfacing Program – Contract Extension

Motion

Administrative Action: A motion to award an extension of the Asphalt Maintenance Contract for Asphalt Paving for the 2011 Street Resurfacing Program to Coulson Excavating Company in the amount of \$833,000 and authorize the City Manager to execute the contract was approved.

8. WATER & POWER

Colorado Big Thompson Water

Resolution #R-12-2011

Administrative Action: Resolution #R-12-2011 of the Loveland City Council authorizing an application to, and contract with, the Northern Colorado Water Conservancy District for beneficial use of 132 acre-feet of Colorado-Big Thompson Project water was approved.

RESOLUTION #R-12-2011

A RESOLUTION OF THE LOVELAND CITY COUNCIL AUTHORIZING AN APPLICATION TO, AND CONTRACT WITH, THE NORTHERN COLORADO WATER CONSERVANCY DISTRICT FOR BENEFICIAL USE OF 132 ACRE-FEET OF COLORADO-BIG THOMPSON PROJECT WATER

WHEREAS, pursuant to the Water Conservancy Act of Colorado, Title 37, Article 45, C.R.S., the City Council of the City of Loveland, a Colorado municipal corporation, must apply to the Board of Directors of the Northern Colorado Water Conservancy District ("District") for a contract for the beneficial use of Colorado-Big Thompson Project water within the boundaries of the District on an annually-renewable basis under C.R.S. § 37-45-131 in order to obtain the perpetual right to use said water.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the City of Loveland has determined to apply for a contract providing for the beneficial use of one hundred thirty-two (132) acre-feet of Colorado-Big Thompson Project water from the District within the boundaries of the District.

Section 2. That the Director of the Department of Water and Power is hereby authorized and directed to apply to the Board of Directors of the District for a contract providing to the City the beneficial use of said water upon the terms prescribed by said Board in the manner and form attached hereto as Exhibit A and incorporated herein by reference ("Application").

Section 3. That the Director of the Department of Water and Power is hereby authorized to execute the Application any other documents required by the District to effectuate the contract.

Section 4. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 15th day of February, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

9. AIRPORT

Grant Agreements with CDOT and FAA

1) Resolution #R-9-2011

Administrative Action: Resolution #R-13-2011 authorizing the City Manager to execute a grant agreement with the Colorado Department of Transportation, Colorado Aeronautical Board (CDAG #11-FNL-01) for funding pertaining to the Fort Collins-Loveland Municipal Airport was approved.

RESOLUTION # R-13-2011

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT WITH THE COLORADO DEPARTMENT OF TRANSPORTATION, COLORADO AERONAUTICAL BOARD (CDAG #11-FNL-01) FOR FUNDING PERTAINING TO THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT

WHEREAS, the General Assembly of the State of Colorado has declared in Title 43 of the Colorado Revised Statutes, Article 10, ("the Act") that: "...there exists a need to promote the safe operation and accessibility of general aviation and intrastate commercial aviation in this state; that improvements to general aviation transportation facilities will promote diversified economic development across the state; and that accessibility to airport facilities for residents of this state is crucial in the event of a medical or other type of emergency."; and

WHEREAS, the Act created the Colorado Aeronautical Board ("the Board") to establish policy and procedures for distribution of monies in the Aviation Fund and created the Division of Aeronautics ("the Division") to carry out the directives of the Board, including technical and planning assistance to airports and the administration of the state aviation system grant program; and

WHEREAS, any entity operating a public-accessible airport in the state may file an application for and be a recipient of a grant to be used solely for aviation purposes and the Division is authorized to assist such airports as request assistance by means of a Resolution passed by the applicant's duly-authorized governing body, which understands that all funds shall be used exclusively for aviation purposes and that it will comply with all grant procedures and requirements as defined in the Division's Aviation Grant Manual, revised 2009 ("the Manual"); and

WHEREAS, the Cities of Loveland and Fort Collins have applied for the grant (CDAG #11-FNL-01) identified in the grant agreement attached hereto as Exhibit A and incorporated herein by this reference (the "Grant Agreement").

NOW, THEREFORE, NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO AS FOLLOWS:

Section 1. That the Council of the City of Loveland ("the Council"), as one of the duly authorized governing bodies of the applicant for the grant identified in the Grant Agreement, hereby formally requests assistance from the Colorado Aeronautical Board and the Division of Aeronautics in the form of a state aviation system grant and states that the grant shall be used solely for aviation purposes, as determined by the State, and as generally described in the application.

Section 2. That the City of Loveland makes a commitment (a) to keep the Airport facility accessible to, and open to, the public during the entire useful life of the grant funded improvements/equipment; or (b) to reimburse the Division for any unexpired useful life of the improvements/equipment on a pro-rata basis. By signing the Grant Agreement, the City of Loveland further commits to keep open and accessible for public use all grant funded facilities, improvements and services for their useful life, as determined by the Division and stated in Grant Agreement.

Section 3. That the City hereby designates Larry Mack, Airport Operations Manager, as the Project Director, as described in the Manual, authorizes the Project Director to act in all matters relating to the project proposed in the grant application, and authorizes the City Manager to execute the Grant Agreement on behalf of the City; and

Section 4. That the City of Loveland has appropriated or will appropriate or otherwise make available in a timely manner its share of all funds that are required to be provided by the Cities under the terms and conditions of the Grant Agreement.

Section 5. That the City of Loveland, subject to the foregoing, hereby accepts all guidelines, procedures, standards, and requirements described in the Manual as applicable to the performance of the grant work, and approves Grant Agreement.

Section 6. That this Resolution shall be effective as of the date and time of its adoption.

ADOPTED this 15th day of February, 2011. Cecil A. Gutierrez, Mayor

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

2) Resolution #R-14-2011

Administrative Action: Resolution #R-14-2011 authorizing the City Manager to execute a grant agreement with the Federal Aviation Administration for a discretionary grant of AIP funds for runway improvements at the Fort Collins-Loveland Municipal Airport was approved.

RESOLUTION # R-14-2011

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION FOR A DISCRETIONARY GRANT OF AIP FUNDS FOR RUNWAY IMPROVEMENTS AT THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT

WHEREAS, the Cities of Fort Collins and Loveland jointly own and operate the Fort Collins-Loveland Municipal Airport (the "Airport"); and

WHEREAS, the Cities, by resolution, have adopted the Fort Collins-Loveland Municipal Airport Master Plan; and

WHEREAS, the Federal Aviation Administration provides grant funding to eligible airports to enable those airports to pursue capital improvements included within an adopted Airport Master Plan; and

WHEREAS, the Cities have applied for a discretionary capital funding grant under the Airport Improvement Program (AIP) from the Federal Aviation Administration (FAA) in the amount of \$7M (the "Grant") to fund a capital construction project to rehabilitate the Airport's primary runway (the "Project") pursuant to a grant agreement in a form consistent with prior FAA grants (the "2011 Discretionary Grant Agreement"); and

WHEREAS, the Project is identified in the Fort Collins-Loveland Municipal Airport Master Plan as a first priority project; and

WHEREAS, the City of Loveland has enacted a supplemental appropriation to the Airport's 2011 budget to increase total appropriations of State Funds to \$400,000.00, which funds are to be provided by the Colorado Department of Transportation Colorado Aeronautical Board under Colorado Discretionary Aviation Grant #11-FNL-01, thereby appropriating the State Funds required for the Project by the Grant; and

WHEREAS, the City of Loveland has also appropriated \$291,265.00 as a part of the Airport's 2011 budget to be used as local matching funds for the Project, thereby appropriating the local matching funds for the Project required by the Grant; and

WHEREAS, the City of Loveland intends to enact a further supplemental appropriation of \$7M or the amount of the Grant, whichever is less, to the Airport's 2011 budget if the Grant is awarded by the FAA; and

WHEREAS, the FAA may require acceptance of the Grant, if offered, and execution of the Grant Agreement in a very short time frame and the City desires to facilitate such acceptance by the adoption of this Resolution.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO AS FOLLOWS:

Section 1. That the 2011 Discretionary Grant Agreement, which shall be in a form consistent with prior FAA grants, is hereby approved.

Section 2. That the City Manager is authorized, following consultation with the City Attorney, to modify the 2011 Discretionary Grant Agreement in form or substance as deemed necessary to effectuate the purposes of this resolution or to protect the interests of the City.

Section 3. That the City Manager and the City Clerk are hereby authorized and directed to execute the 2011 Discretionary Grant Agreement on behalf of the City of Loveland if the Grant is awarded by the FAA.

Section 4. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 15th day of February, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

- 3) 1st Ord & P.H. Administrative Action: A public hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 FORT COLLINS-LOVELAND MUNICIPAL AIRPORT BUDGET TO INCREASE THE 2011 COLORADO DEPARTMENT OF TRANSPORTATION-DIVISION OF AERONAUTICS GRANT AND APPROPRIATE LOCAL FUNDS FROM RESERVES TO PROVIDE THE LOCAL MATCH FOR A 2011 FAA AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT" was approved and ordered published on first reading.

10. FINANCE

Supplemental Appropriation – Fuel and Vehicle Parts

- 1st Rdg Ord & P.H. A public hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2010 CITY OF LOVELAND BUDGET FOR EXPENSES RELATED TO THE COST OF FUEL AND PARTS FOR THE OPERATION OF THE CITY FLEET" was approved and ordered published on first reading.

END OF CONSENT AGENDA

CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.

CITY COUNCIL

Anyone who wishes to speak to an item NOT on the Agenda may address the Council under Citizens' Report.

a) Citizens' Reports

Tony Huerta, Director at Large of the American Public Works Association-Colorado Board presented Loveland Public Works Director Keith Reester with two 2010 project awards: 1) Streets & Traffic Management – Medium Community for the Crossroads Blvd/I-25 Safety Improvements and 2) Engineering/Construction Management – Medium Community for the Metro Continuous Flow Intersection.

Public Works Director Keith Reester introduced Jason Licon the new Loveland-Fort Collins Airport Manager.

b) City Council/City Manager Announcements

Gutierrez

Mayor Gutierrez acknowledged past Mayor Herm Smith who passed away this week.

Johnson

Councilor Johnson mentioned that \$16,000 in pledges was collected at the public rally in support of the ACE Manufacturing and Innovation Park.

Rice Councilor Rice attended a tea hosted by the Daughters of the American Revolution.

Gutierrez Mayor Gutierrez attended several local events including the 365 Event, Sweet Night at the Library Event and Dance, and hosting 90 7th grade students as part of the "If I were Mayor..." program sponsored by Colorado Municipal League. He also announced that approximately 135,000 valentines were processed through the Valentine Remaining Program.

Shaffer Councilor Shaffer mentioned that the interviews for the new Creative Sector Development Commission were completed.

PROCEDURAL INFORMATION

Anyone who wishes to address the Council on any item on this part of the agenda may do so when the Mayor calls for public comment. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

11. DEVELOPMENT SERVICES

SUPPLEMENTAL APPROPRIATION - RIALTO BRIDGE PROJECT

1st Rdg Ord & P.H.

Administrative Action: City Planner Mike Scholl introduced this item to Council. The supplemental budget appropriation funds the \$700,000 contribution by the Community Foundation. The Community Foundation is funding approximately 3,500 square feet of construction on the 2nd floor. Staff is also asking for an additional \$318,780 to complete the construction and \$178,920 for the construction contingency. The total appropriation is for \$1,197,700. The funds, for the cost over the Community Foundation contribution, will be drawn from the Cultural Services CEFs. The project development agreement will be considered with the second reading of the supplemental budget and appropriation. No funds will be spent until the development agreement is approved by Council. The Mayor opened the public hearing at 7:35 p.m. Leighton Millar, 4780 Friuta, spoke in support of the project. Tim Webb, 377 Rossum Dr and President of the Loveland Choral Society, spoke in support. Robert Hoch, 1314 E. 18th and President of the Loveland Opera Theatre, spoke in support. Leah Johnson, 703 Grant Ave, spoke in support. The Mayor closed the public hearing at 7:45 p.m. Councilor Johnson made a motion to approve and ordered published on first reading "An Ordinance enacting a Supplemental Budget and Appropriation to the 2011 City of Loveland Budget for the Community Foundation Contribution and additional construction and contingency funding to the Rialto Bridge Project". Councilor McEwen seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

12. CITY MANAGER

An executive session to consider a matter subject to negotiation, the prospect of the ACE Manufacturing and Innovation Park being located in Loveland

At 8:03 p.m. Councilor Johnson moved that the City Council go into executive session as authorized in CRS Sections 24-6-402(4)(a), (4)(b), 4(e) and 4(g) and City Charter Sections 4-4(c)(1), (c)(2), (c)(3) and (c)(6) pertaining to the prospect of the ACE Manufacturing and Innovation Park being located in Loveland, a matter subject to future negotiation and potentially involving the acquisition of real property, the details of which, if prematurely disclosed, could result in other parties gaining an unfair competitive or

bargaining advantage; and related to this matter: to receive reports from negotiators, determine negotiation positions, develop negotiation strategy, and to instruct negotiators concerning such positions and strategy; to receive legal advice from the City Attorney; and to receive and review documents and information that are not subject to public inspection under the Colorado Open Records Act, such as work-product documents. Councilor McEwen seconded the motion and a roll call vote was held and all councilor present voted in favor thereof. Council reconvened at 9:05 p.m.

Discussion ensued. Council extended their appreciation to staff for their excellent work on the ACE submittal project. Business Development Manager Betsey Hale stated CAMT has said March 15, 2011 is the projected deadline for site selection.

Councilor Johnson made a motion that City staff be directed by this Council to issue a request for proposals seeking a developer partner on the Agilent property on which we have a letter of intent. Councilor McEwen seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

Gutierrez

Mayor Gutierrez addressed Council about developing a proclamation policy.

ADJOURNMENT

Having no further business to come before Council, the February 15, 2011 Regular Meeting was adjourned at 9:29 p.m.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor


CITY OF LOVELAND

CITY MANAGER

 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 2
MEETING DATE: 3/1/2011
TO: City Council
FROM: City Manager's Office
PRESENTER: Bill Cahill

TITLE:

Appointments to Creative Sector Development Advisory Commission, Disabilities Advisory Commission, Historic Preservation Commission, and Open Lands Advisory Commission

DESCRIPTION:

This is an Administrative Item recommending the appointment of members to the Creative Sector Development Advisory Commission, Disabilities Advisory Commission, Historic Preservation Commission, and Open Lands Advisory Commission.

BUDGET IMPACT:

Yes No

SUMMARY:

Interviews for seven members of the newly created **Creative Sector Development Advisory Commission** ("CSD") were conducted with 14 applicants on February 9, 2011. The individuals recommended for appointment as regular members, each for three year terms are Sheila Carrasco, Meg Corwin, Leah Johnson, Michael Lang, Paul Mueller, Jan Shockner, and Kim Wheeler. If approved, these members will serve terms effective until December 31, 2013. One applicant declined the appointment due to the fact that she currently serves on another commission and does not wish to resign from that commission. Recommended for appointment as Alternates, each for a term effective until March 1, 2012, are Mary Bahus-Meyer and Lynn Hayden-Ugarte.

Kim Cardwell, a regular member of the **Disabilities Advisory Commission** ("DAC") has relocated. Kathy Witcher was appointed February 1, 2011 as an Alternate to DAC. Ms. Witcher is recommended for appointment as a regular member of DAC for a partial term effective until June 30, 2012.

Historic Preservation Commission has had one term vacancy since June, 2010. Per Code Section 2.60.020(D,) incumbent George Hill has been serving until his replacement is named. Two

applications were received and interviews were held. The interview committee recommends the appointment of David Berglund for a term effective until June 30, 2013.

John Lewis resigned his membership on the **Open Land Advisory Commission** effective February 8, 2011.

Per the Handbook for Boards and Commissions:

"In the event that a vacancy occurs on a board or commission within 1 year of the date the City Council appointed a member of that board or commission, and the interview committee believes that a qualified alternate, who was selected in the most recent interview process prior to the vacancy, is available to serve on the board or commission and thereby eliminating the need to recommence the interview process, the interview committee may recommend such qualified alternate to the City Council without the need for the solicitation of applicants and interviews.

Chris Bryand was appointed as alternate to Open Lands Advisory Commission on January 4, 2011. Therefore, Chris Bryand is recommended for appointment to the partial term effective until December 31, 2011

LIST OF ATTACHMENTS:

None

RECOMMENDED CITY COUNCIL ACTION:

Motion to appoint are Sheila Carrasco, Meg Corwin, Leah Johnson, Michael Lang, Paul Mueller, Jan Shockner, and Kim Wheeler to the Creative Sector Development Advisory Commission, each for a term effective until December 31, 2013. Motion to appoint Mary Bahus-Meyer and Lynn Hayden-Ugarte as Alternate members to CSD, each for a term effective until March 1, 2012.

Motion to appoint Kathy Witcher to the Disabilities Advisory Commission for a partial term effective until June 30, 2012.

Motion to appoint David Berglund to the Historic Preservation Commission for a term effective until June 30, 2013.

Motion to appoint Chris Bryand to the Open Land Advisory Commission for a partial term effective until December 31, 2011.

REVIEWED BY CITY MANAGER:



CITY OF LOVELAND
FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 3/1/2011
TO: City Council
FROM: Bettie Greenberg, Finance
PRESENTER: Bettie Greenberg

TITLE:

Consideration of an ordinance on Second Reading enacting a supplemental budget and appropriation to the 2011 City of Loveland Budget for property and liability insurance deductibles

DESCRIPTION: This is an administrative action to approve a supplemental budget appropriation which is necessary because staff recently received information that two unanticipated large claims settlements will occur early this year. The ordinance was unanimously adopted on first reading by City Council on February 15, 2011.

BUDGET IMPACT:

Yes No

The funding for the \$400,000 supplemental appropriation ordinance is from the Risk and Insurance reserve. In the 2011 Adopted Budget the reserve was projected to end 2011 with a balance of \$2.9 million.

SUMMARY:

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) insurance pool for its property and liability insurance. The services provided to the City by CIRSA include: adjusting the property and liability claims in accordance with the law, paying claims, and loss control.

The table below is a comparison of claims paid and an estimate of open claims. These open claims include \$150,000 for a 2008 vehicle accident claim that settled and is payable in February and \$185,000 for a claim related to a dispute over water rights due for a development that settled and will be payable in March. A supplemental appropriation from the Risk fund of \$400,000 is required to pay these two claims.

Claim Type	Paid 2009	Paid 2010	Outstanding 1/31/11
Auto Liability	\$55,903	\$46,383	\$196,879
Police Claims	21,115	48,499	173,208
Employment Claims	8,879	9,360	8,518
Power Utility Claims	4,312	59,228	20,239
Water Utility Claims	89,811	15,755	2,583
Miscellaneous Property	0	11,028	0
Liability	1,642	20,085	19,799
Miscellaneous Litigation	6,486	24,642	191,185
Total	\$188,148	\$234,980	\$612,411

The City conducts a request for proposal every three to five years. The last request for proposal was for the 2007 policy year. An RFP will be done this year for the 2012 property and liability coverage.

LIST OF ATTACHMENTS:

An ordinance enacting a supplemental budget and appropriation to the 2011 City of Loveland Budget for property and liability insurance deductibles

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on Second Reading

REVIEWED BY CITY MANAGER:

FIRST READING February 15, 2011

SECOND READING March 1, 2011

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR PROPERTY AND LIABILITY INSURANCE DEDUCTIBLES

WHEREAS, the City has received or has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2011; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2011, as authorized by Section 11-6(a) of the Loveland City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That revenues and/or reserves in the amount of \$400,000 from the Risk and Insurance Reserve in the Risk and Insurance Fund 89 are available for appropriation. Revenues in the total amount of \$400,000 are hereby appropriated for property and liability insurance deductible payments. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Risk & Insurance Fund 081 - Property Insurance**

Revenues		
Fund Balance		400,000
Total Revenue		400,000
Appropriations		
081-1575-409-05-11	Property and Liability Insurance Deductible	400,000
Total Appropriations		400,000

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

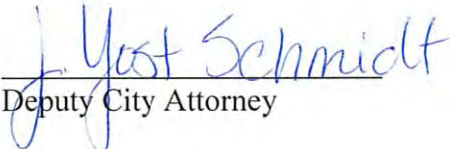
ADOPTED this 1st day of March, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney



CITY OF LOVELAND
MUNICIPAL AIRPORT

4900 Earhart Road • Loveland, Colorado 80538
(970) 962-2852 • FAX (970) 962-2855 • TDD (970) 962-2620

AGENDA ITEM: 4
MEETING DATE: 3/1/2011
TO: City Council
FROM: Keith Reester, Fort Collins Loveland Airport
PRESENTER: Keith Reester, Public Works Director

TITLE:

Consideration of an ordinance on second reading enacting a supplemental budget and appropriation to the 2011 Fort Collins-Loveland Municipal Airport budget to increase the 2011 Colorado Department of Transportation–Division of Aeronautics grant and appropriate local funds from reserves to provide the local match for a 2011 FAA Airport Improvement Program (AIP) grant

DESCRIPTION:

This is an administrative action. The Fort Collins Loveland Airport receives grant funds from the Colorado Department of Transportation – Division of Aeronautics. The grant provides funds required to match an anticipated 2011 Federal Aviation Administration (“FAA”) Airport Improvement Program grant for runway rehabilitation and for other local capital improvement plans. The 2011 state grant is \$400,000. This action appropriates funding from the state grant to the airport capital program. The 2011 budget already includes \$250,000 appropriated from this state grant; this action appropriates the additional \$150,000.

The Fort Collins Loveland Airport (FNL) also receives grant funds from the FAA. This action appropriates \$197,000 in Passenger Facility Charges (PFC) collected from each ticketed passenger as part of the local match for the anticipated 2011 FAA discretionary grant.

BUDGET IMPACT:

Yes No

The local match is from reserves accumulated from the collection of Passenger Facility Charges from each ticketed passenger at the Airport.

SUMMARY:FAA/PFC Supplemental Appropriation

The Fort Collins Loveland Airport also receives grant funds from the FAA. This action appropriates \$197,000 in Passenger Facility Charges (PFC) collected from each ticketed passenger at FNL and currently held in reserves as part of the local match for the anticipated grant. The current PFC is \$4.50 per passenger. The PFC funds will be partnered with the funds from the State of Colorado Division of Aeronautics to provide the 5% local match for the 95% grant from the FAA.

It is anticipated that FNL will bid the contract schedules for this runway rehabilitation project in March, 2011 with an award in April after FAA review. The project will be completed with a 16-day and 20-hour airport closure in the second half of August. The project will rehabilitate the existing runway, but does not lengthen or increase the capacity of the existing facility.

LIST OF ATTACHMENTS:

An ordinance enacting a supplemental budget and appropriation to the 2011 Fort Collins-Loveland Municipal Airport budget to increase the 2011 Colorado Department of Transportation–Division of Aeronautics grant and appropriate local funds from reserves to provide the local match for a 2011 FAA Airport Improvement Program (AIP) grant

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading

REVIEWED BY CITY MANAGER:

FIRST READING February 15, 2011

SECOND READING March 1, 2011

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 FORT COLLINS-LOVELAND MUNICIPAL AIRPORT BUDGET TO INCREASE THE 2011 COLORADO DEPARTMENT OF TRANSPORTATION-DIVISION OF AERONAUTICS GRANT AND APPROPRIATE LOCAL FUNDS FROM RESERVES TO PROVIDE THE LOCAL MATCH FOR A 2011 FAA AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT.

WHEREAS, the City has received or has reserved funds not anticipated or appropriated at the time of the adoption of the Airport budget for 2011; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the 2011 Airport budget to increase the appropriated amount of the 2011 CDOT Colorado Division of Aeronautics Grant and appropriate the balance of the local matching funds for this Grant and the companion 2011 FAA AIP Grant, as authorized by Section 11-6(a) of the Loveland City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That revenues and/or reserves in the amount of \$150,000 from a State Division of Aeronautics Grant and \$197,000 from Passenger Facility Charges that have been collected and held in reserve in the Airport Fund 018 are available for appropriation. Revenues in the total amount of \$347,000 are hereby appropriated for the local match to the State Grant and a pending 2011 FAA Airport Improvement Project Grant for a runway rehabilitation project as hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Airport Fund 018 - Airport Improvement Program Grant Match**

Revenues

Fund Balance	197,000
018-0000-302-04-00-AP1101 Contribution - State of Colorado	150,000

Total Revenue **347,000**

Appropriations

018-5503-409-09-60-AP1101 Construction	150,000
018-5503-409-09-60-AP1102 Construction	197,000

Total Appropriations **347,000**

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

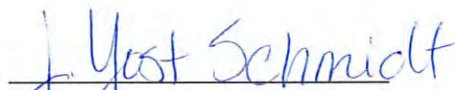
ADOPTED this 1st day of March, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

**CITY OF LOVELAND**
FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 5
MEETING DATE: 3/1/2011
TO: City Council
FROM: Renee Wheeler, Finance Department
PRESENTER: John Hartman, Budget Officer

TITLE:

Consideration of an ordinance on second reading enacting a supplemental budget and appropriation to the 2010 City of Loveland budget for expenses related to the cost of fuel and parts for the operation of the City fleet.

DESCRIPTION:

This is an administrative action. The ordinance appropriates \$773,870 in revenue from charges to the departments for fuel and parts on city vehicles. The appropriation is necessary so that 2010 expenses do not exceed the appropriated amount.

BUDGET IMPACT:

Yes No

The revenue is available due to the increase in labor rates approved and implemented mid-year for work on City vehicles.

SUMMARY:

In September 2010, Council approved Supplemental Budget Ordinance # 5522 that added resources to the agencies using City vehicles due to an increase in the labor rate that is charged and actual parts expense. The increase was necessary to keep the fund solvent as charges prior to the change did not equal the cost of the service. At that time Public Works and Finance staff were developing a better methodology to account for parts purchased but placed in inventory, charging for parts from inventory used on vehicles and establishing an accurate count on the current inventory was in order to determine what the costs of parts for year would be. This work was completed in the late November to early December time frame, which did not allow time to meet agenda deadlines for placement on the Council agenda in 2010. In addition, fuel costs have run higher than projected during 2010 budget development. Staff believes the new administrative management of the parts and fuel operations will better align operations with budget projects for future years.

Revenue is available for the appropriation from charges to the departments being higher than originally projected due to the rate change. The ordinance aligns the budget with the actual costs that were incurred.

LIST OF ATTACHMENTS:

1. An ordinance enacting a supplemental budget and appropriation to the 2010 City of Loveland budget for expenses related to the cost of fuel and parts for the operation of the City fleet.
-

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading.

REVIEWED BY CITY MANAGER:

FIRST READING February 15, 2011

SECOND READING March 1, 2011

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2010 CITY OF LOVELAND BUDGET FOR EXPENSES RELATED TO THE COST OF FUEL AND PARTS FOR THE OPERATION OF THE CITY FLEET

WHEREAS, the City has un-appropriated revenues from labor and maintenance charges available in Vehicle Maintenance Fund 81 generated from a labor rate increase implemented at the time of the adoption of the City budget for 2010; and

WHEREAS, the City has experienced costs for fuel and vehicle parts in excess of that anticipated and included in the City budget for 2010; and

WHEREAS, Section 11-6 of the City of Loveland Charter permits the City Council to ratify a commitment or contract in excess of appropriated amounts if it adopts an ordinance making the necessary appropriation and determines that ratification would be in the best interest of the City and/or permits the transfer of monies from one fund to another by ordinance amending the budget as adopted; and

WHEREAS, the City Council desires to authorize the expenditure of these funds *nunc pro tunc* by enacting a supplemental budget and appropriation to the City budget for 2010 and ratify the commitment of such funds, as authorized by Section 11-6(a) of the Loveland City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That revenues in the amount of \$773,870 from department charges related to vehicle maintenance in the vehicle maintenance internal service fund 81 are available for appropriation. These revenues are appropriated *nunc pro tunc* for 2010 for purchases of fuel and vehicle parts. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Fiscal Year 2010 Supplemental Budget
Vehicle Maintenance Fund 81**

Revenues

081-0000-344-39-01	Labor and Maintenance Charges	773,870
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Total Revenue		773,870
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Appropriations

081-2362-409-02-30	Motor Fuel	226,610
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081-2362-409-02-31	Motor Oil and Lubricants	18,330
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081-2362-409-02-32	Parts and Supplies	528,930
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Total Appropriations		773,870
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Section 2. That ratification of the expenditure of the revenues set forth above and/or transfer of such revenues to fund fuel and vehicle parts and supplies is in the best interest of the City.

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

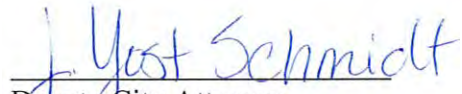
ADOPTED this 1st day of March, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Deputy City Attorney



CITY OF LOVELAND
FIRE & RESCUE DEPARTMENT
 Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
 (970) 962-2471 • FAX (970) 962-2922 • TDD (970) 962-2620

AGENDA ITEM: 6
MEETING DATE: 3/1/2011
TO: City Council
FROM: Randy Mirowski, Fire and Rescue Department
PRESENTER: Merlin Green

TITLE:

Public Hearing and consideration of an ordinance enacting a supplemental budget and appropriation to the 2011 City of Loveland budget for a Federal Emergency Management grant

DESCRIPTION:

This is an administrative action. Grant funds in the amount of \$14,880 are appropriated for equipment for the mobile command vehicle.

BUDGET IMPACT:

Yes No

The funding is from a Federal grant and the local match of \$1,480 is within the department's 2011 Adopted Budget.

SUMMARY:

The Mobile Command Vehicle (MCV), is a regional asset which is owned by the Northeast All-Hazards region and is currently housed and maintained by the City of Loveland. Over the past three years, several major components have become in-operable, are out of warranty, or replacement parts are unavailable. Through this ordinance, a federal grant award will be used to replace critical electronic components that have become obsolete or unusable. This federal grant will also provide enhancements that were previously unavailable, thus, providing increased functionality during emergency operations.

LIST OF ATTACHMENTS:

1. An ordinance enacting a supplemental budget and appropriation to the 2011 City of Loveland budget for a Federal Emergency Management grant.
-

RECOMMENDED CITY COUNCIL ACTION:

Conduct a Public Hearing and approve the ordinance on First Reading.

REVIEWED BY CITY MANAGER:

FIRST READING March 1, 2011

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR A FEDERAL EMERGENCY MANAGEMENT GRANT

WHEREAS, the City has received or has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2011; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2011, as authorized by Section 11-6(a) of the Loveland City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That revenues and/or reserves in the amount of \$14,880 from a Federal Emergency Management Grant in the General Fund 01 are available for appropriation. Revenues in the total amount of \$14,880 are hereby appropriated to purchase equipment for the mobile command vehicle as hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
General Fund 001 - Emergency Management Grant**

Revenues

001-2203-338-15-00-FREMPG Emergency Management Grant 14,880

Total Revenue 14,880

Appropriations

001-2203-409-02-15-FREMPG Computer Supplies 3,050

001-2203-409-02-33-FREMPG Tools and Equipment 11,830

Total Appropriations 14,880

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

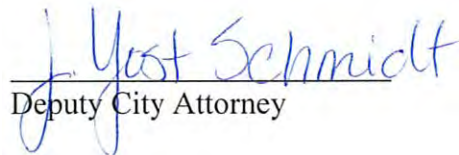
ADOPTED this ____ day of March, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Deputy City Attorney



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 7
MEETING DATE: 3/1/2011
TO: City Council
FROM: Greg George, Development Services
PRESENTER: Greg George

TITLE:

A public hearing to consider: A RESOLUTION OF THE CITY OF LOVELAND REGARDING NAMES OF ALLEYS IN THE DOWNTOWN AREA

DESCRIPTION:

An administrative action to consider adoption of a resolution naming seven alleys in Downtown Loveland. The ordinance establishing the convention for naming alleys in Downtown was adopted on second reading by City Council on January 4, 2011. The boundaries of the naming convention encompass twenty blocks in Downtown Loveland, as shown on Attachment A. The naming convention requires that alley names be related to arts and entertainment or Loveland history. The Loveland Downtown Team (LDT) is recommending that seven alleys be named as shown on Attachment A.

BUDGET IMPACT:

Yes No

SUMMARY:

On April 6, 2010 the Loveland Downtown Team (LDT) established a subcommittee to assist in the naming process for alleys in Downtown. On July 6, 2010, the LDT was presented a recommendation from the subcommittee on a naming convention for alleys in Downtown and recommended names for six alleys. The LDT recommended that City Council adopt the naming convention area and the proposed names. City Council considered the item on August 17, 2010 and directed City staff to broaden the naming convention to allow alleys to also have names relative to Loveland History.

The subcommittee met on September 9, 2010 to consider naming some alleys after Loveland history. On October 5, 2010, the LDT considered the subcommittee's recommendations, which included names for seven alleys, with optional names for two alleys. Prior to presenting the recommended names to City Council the City Fire Marshall notified City staff that two of the names were unacceptable because they were too close to street names already in the 911

Emergency Response Area. The subcommittee met on December 2, 2010 with the Fire Marshal to consider different names for the two alleys in question. On February 1, 2011, the LDT voted by unanimous vote to recommend that City Council adopt the subject resolution naming the seven alleys as shown on Attachment A.

LIST OF ATTACHMENTS:

- A. Map showing recommended alley names
-

RECOMMENDED CITY COUNCIL ACTION:

City staff recommends the following motions for City Council actions:

Move to adopt: A RESOLUTION OF THE CITY OF LOVELAND REGARDING
NAMES OF ALLEYS IN THE DOWNTOWN AREA

REVIEWED BY CITY MANAGER:

RESOLUTION #R-15-2011

A RESOLUTION OF THE LOVELAND CITY COUNCIL REGARDING NAMES OF ALLEYS IN THE DOWNTOWN AREA

WHEREAS, C.R.S. §31-15-702 authorizes the governing body of a municipality to name and change the name of any street, alley, avenue or other public place within its boundaries; and

WHEREAS, Chapter 12.08 of the Loveland Municipal Code regulates the naming and numbering of streets and alleys within the city limits of Loveland, Colorado; and

WHEREAS, on January 4, 2011, t he City Council adopted Ordinance Number 5553, regarding a naming convention area for alleys in the Loveland downtown area and finding that such alleys should have names related to arts and entertainment and to Loveland history; and

WHEREAS, in accordance with Loveland Municipal Code, section 12.08.194, the City Council desires to name certain alleys in the Loveland downtown area as shown on **Attachment A**.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO, THAT:

Section 1. In the area north of East 1st Street, east of Railroad Avenue, south of East 7th Street and west of North Washington Avenue, alleys shall have names as depicted on **Attachment A**, attached hereto and incorporated herein.

Section 2. This Resolution shall go into effect as of the date and time of its adoption.

Section 3. The City Clerk is hereby directed to record the Ordinance with the Larimer County Clerk and Recorder after its effective date in accordance with State Statutes.

Signed this _____ day of _____, 2011.

ATTESTED:

CITY OF LOVELAND, COLORADO

City Clerk

Mayor

APPROVED AS TO FORM:


Assistant City Attorney





CITY OF LOVELAND
FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 8
MEETING DATE: 3/1/2011
TO: City Council
FROM: Renee Wheeler, Assistant City Manager/Finance Director
PRESENTER: Renee Wheeler

TITLE:
January 2011 Financial Report

DESCRIPTION:

This is an information only item. No action is required. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue, health claims and cash reserves for the one month ending January 31, 2011. Citywide Revenue (excluding internal transfers) of \$14,422,877 is 96.2% of year to date (YTD) budget. Sales tax, the City's single largest source of revenue, is 105.7% of the YTD budget. City wide total expenditures, \$10,431,310 (excluding internal transfers) are 68.1% of YTD budget. The City's health claims paid YTD is \$766,251 or 116.6% of YTD budget.

BUDGET IMPACT:

Yes No

SUMMARY:

The Snapshot Report is submitted for Council review and includes the reporting of the City's preliminary revenue and expenditures including detailed reports on tax revenue, health claims and cash reserves for the one month ending January 31, 2011. Citywide Revenue (excluding internal transfers) of \$14,422,877 is 96.2% of year to date (YTD) budget or \$570,562 under the budget. Sales Tax collections YTD are 105.7% of the YTD budget or \$194,381 over budget. Building Material Use Tax is 40.7% of YTD budget, or \$80,838 under budget. The YTD Sales and Use Tax collections were 102.5% of YTD budget or \$91,620 over YTD budget. When the combined sales and use tax for the current year are compared to 2010 the same period last year, they are higher by 6.3% or \$225,788.

City wide total expenditures of \$10,431,310 (excluding internal transfers) are 68.1% of the YTD budget or \$4,883,243 under the budget, primarily due to the construction timing of capital projects (46.1% YTD budget).

The City's health claims paid year-to-date is \$766,251 or 116.6% of budget. Compared to 2010 for the same period, claims paid in 2011 decreased \$28,507 or 3.6%. The City's cash and reserve balance YTD was \$190,970,293.

LIST OF ATTACHMENTS:

Snapshot report for January 2011

RECOMMENDED CITY COUNCIL ACTION:

No action is required

REVIEWED BY CITY MANAGER:

SnapShot

Monthly Financial Report

January 2011

Inside this edition

Citywide Revenues & Expenditures	2
General Fund Revenues & Expenditures	4
Tax Totals & Comparison	6
Sales Tax SIC & Geo Codes	8
Health Care Claims	9
Activity Measures	10
Cash & Reserves	11
Capital Projects	12

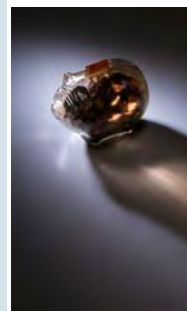


A Snapshot In Time

- Citywide Revenue, excluding transfers between funds, \$14.4 million (96.2% of Year-To-Date Budget, 3.8% below projected).
- Sales & Use Tax Collection, \$3.8 million (102.5% of Year-To-Date Budget, 2.5% above projected).
- Citywide Expenditures, excluding transfers between funds, \$10.4 million (68.1% of Year-To-Date Budget, 31.9% below projected).
- Citywide Year-To-Date Revenues exceed Year-To-Date Expenditures by \$4.0 million.
- General Fund Revenue, excluding transfers between funds, \$5.5 million (102.8% of Year-To-Date Budget, 2.8% above projected).
- General Fund Expenditures, excluding transfers between funds, \$4.4 million, (85.1% of Year-To-Date Budget, 14.9% below projected).
- General Fund Revenues exceed Expenditures by \$1.0 million.
- Health Claims, \$0.8 million (116.6% of Year-To-Date Budget, 16.6% above projected).
- Cash & Reserves Year-To-Date Balance, \$191.0 million, \$144.6 million or 75.7% of these funds are restricted or reserved primarily for future capital projects.

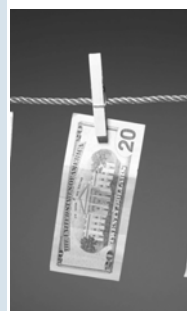


The Sales Tax Basics



JANUARY 2011	Motor Vehicle		Building		Combined
	Sales Tax	Use Tax	Materials Use Tax	Use Tax	
Budget 2011	\$ 3,419,500	\$ 152,260	\$ 136,380	\$ 3,708,140	
Actual 2011	\$ 3,613,881	\$ 130,337	\$ 55,542	\$ 3,799,760	
% of Budget	105.7%	85.6%	40.7%	102.5%	
Actual 2010	\$ 3,352,821	\$ 151,034	\$ 70,117	\$ 3,573,972	
Change from prior year	7.8%	-13.7%	-20.8%	6.3%	

Financial Sustainability



The City maintains projections for financial performance over 10 years into the future. Projections, based on the current information available, indicate that the revenues in the General Fund will not be sufficient to cover expenditures in each of the future years. The average gap between revenues and expenditures is projected to be \$3.5 million annually, 2012–2020. The Financial Sustainability Process has been designed to strategically evaluate durable solutions. City Council has been working on setting priorities and principles to guide the evaluation of ideas generated for solutions. Many different groups of people have been submitting ideas, including employees and citizens. Three Financial Sustainability Forums were held with members of the public: an orientation to the challenge and some general priority setting; evaluation of budget balancing strategies and idea generation; and the summarization of ideas that the Citizens' Finance Advisory Commission can report back to City Council on March 22.

Citywide Revenues & Expenditures

Monthly Financial Report

Combined Statement of Revenues and Expenditures JANUARY 2011

REVENUE	Current Month	YTD Actual	YTD Revised Budget **	% of Budget
General Governmental				
1 General Fund	\$ 5,477,070	\$ 5,477,070	\$ 5,326,649	102.8%
2 Special Revenue	64,362	64,362	35,936	179.1%
3 Other Entities	278,243	278,243	1,133,689	24.5%
4 Internal Service	1,250,250	1,250,250	1,349,776	92.6%
5 <i>Subtotal General Govt Operations</i>	\$ 7,069,926	\$ 7,069,926	\$ 7,846,050	90.1%
6 Capital Projects	917,989	917,989	757,867	121.1%
Enterprise Fund				
7 Water & Power	5,465,715	5,465,715	5,416,955	100.9%
8 Stormwater	340,300	340,300	358,333	95.0%
9 Golf	213,021	213,021	161,440	132.0%
10 Solid Waste	415,927	415,927	452,794	91.9%
11 <i>Subtotal Enterprise</i>	\$ 6,434,962	\$ 6,434,962	\$ 6,389,522	100.7%
12 Total Revenue	\$ 14,422,877	\$ 14,422,877	\$ 14,993,439	96.2%
<i>Prior Year External Revenue</i>		13,869,788		
<i>Increase (-Decrease) From Prior Year</i>		4.0%		
13 Internal Transfers	794,666	794,666	879,145	90.4%
14 Grand Total Revenues	\$ 15,217,543	\$ 15,217,543	\$ 15,872,584	95.9%

EXPENDITURES

General Governmental				
15 General Fund	\$ 4,372,561	\$ 4,372,561	\$ 5,037,706	86.8%
16 Special Revenue	17,869	17,869	27,112	65.9%
17 Other Entities	41,386	41,386	1,555,837	2.7%
18 Internal Services	386,296	386,296	1,308,266	29.5%
19 <i>Subtotal General Gov't Operations</i>	\$ 4,818,112	\$ 4,818,112	\$ 7,928,921	60.8%
20 Capital	1,160,173	1,160,173	2,517,108	46.1%
Enterprise Fund				
21 Water & Power	3,965,256	3,965,256	4,147,317	95.6%
22 Stormwater	120,002	120,002	162,425	73.9%
23 Golf	118,881	118,881	220,687	53.9%
24 Solid Waste	248,886	248,886	338,095	73.6%
25 <i>Subtotal Enterprise</i>	\$ 4,453,025	\$ 4,453,025	\$ 4,868,524	91.5%
26 Total Expenditures	\$ 10,431,310	\$ 10,431,310	\$ 15,314,553	68.1%
<i>Prior Year External Expenditures</i>		9,670,550		
<i>Increase (-Decrease) From Prior Year</i>		7.9%		
27 Internal Transfers	794,666	794,666	879,145	90.4%
28 Grand Total Expenditures	\$ 11,225,976	\$ 11,225,976	\$ 16,193,698	69.3%

** Based on seasonality of receipts and expenditures since 1995.

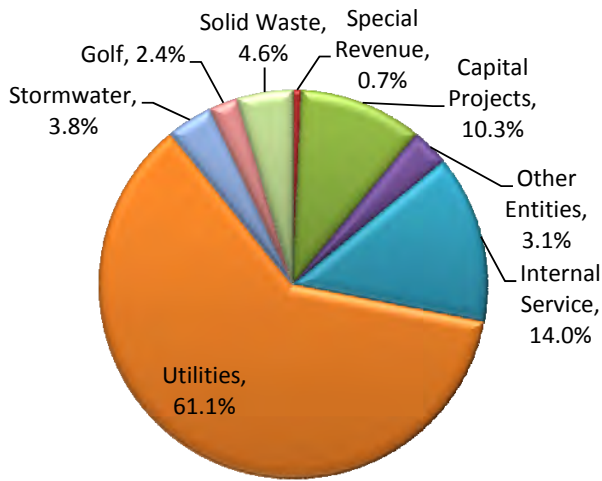
Special Revenue Funds: Community Development Block Grant, Cemetery, Local Improvement District, Lodging Tax, Affordable Housing, Seizure & Forfeitures.

Other Entities Fund: Special Improvement District #1, Airport, General Improvement District #1, Loveland Urban Renewal Authority, Loveland/Larimer Building Authority.

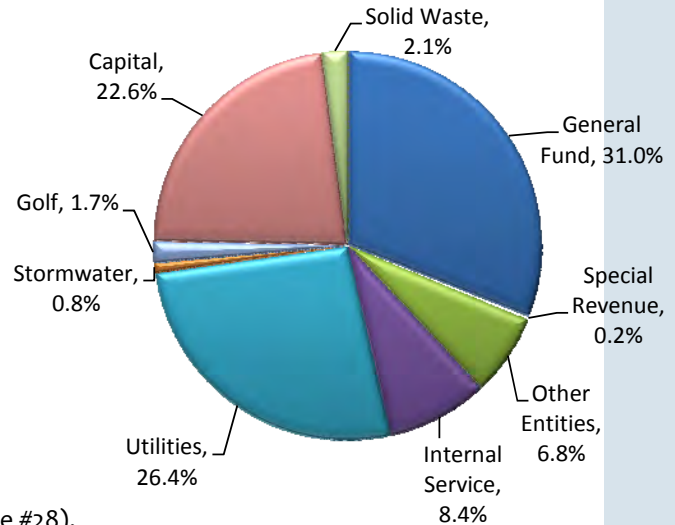
General Government Capital Projects Fund: Capital Expansion Fee Funds, Park Improvement, Conservation Trust, Open Space, Art In Public Places.

Internal Service Funds: Risk/Insurance, Fleet, Employee Benefits.

YTD Operating Revenues of \$14.42 Million



YTD Operating Expenditures of \$10.43 Million



Revenues exceed expenditures YTD by \$3,991,567 (Line #14 less Line #28).

Special Revenues (Line #2) are over budget due to lodging tax not being budgeted.

Other Entities (Line #3) is under budget due to the budget for Loveland Urban Renewal Authority property taxes received from the County was split evenly over the 12 months, but revenue doesn't actually start coming in until March.

Internal Service (Line #4) is under budget mainly due to lower contributions for health and dental insurance in the employee benefits fund.

Capital Projects (Line #6) is over budget due to the receipt of grant revenue for the US 287 Underpass project.

Golf (Line #9) is over budget due to recognition of receipts collected in 2010 for individual full week round sales that weren't used, therefore the revenue was deferred until 2011.

Solid Waste (Line #10) is under budget mainly due to lower sales for recycling and no proceeds for selling assets.

Internal Transfers (Line #13) are under budget due to the transfer to Risk for unemployment insurance was not made.

Special Revenue (Line #16) is under budget due to timing of Community Development Block Grants.

Other Entities (Line #17) is under budget due to the principal and interest payment to the Special Improvement District was budgeted in January, but it really doesn't go out until June, and payments for the Urban Renewal Authority were budgeted in January, but they don't start going out until March.

Internal Services (Line #18) is under budget due to timing of health claims, inventory purchases and payments for property, liability, and workers' compensation.

Capital (Line #20) is under budget mainly due to timing of project expenditures in Water and Power Stormwater (Line #22) is under budget due to less spending in their personal services, supplies, purchased services and vehicle maintenance budget.

Golf (Line #23) is under budget due to less spending in their personal services, supplies and purchased services budgets.

Solid Waste (Line #24) is under budget due to less spending on carts and bins, yard waste and solid waste disposal charges.

Internal Transfers (Line #27) is under budget due to timing of capital projects. Transfers are made based on actual expenses of capital projects.

YTD Operating Revenue & Expenditures By Comparison, Excluding Transfers



General Fund Revenues & Expenditures

Monthly Financial Report

General Fund Revenue & Expenditures JANUARY 2011

	JANUARY		YTD Revised	% of
REVENUE	2011	YTD Actual	Budget	Budget
1 Taxes				
2 Property Tax	(288)	(288)	-	0.0%
3 Sales Tax	3,613,881	3,613,881	3,419,500	105.7%
4 Building Use Tax	55,542	55,542	136,380	40.7%
5 Auto Use Tax	130,337	130,337	152,260	85.6%
6 Other Taxes	109,756	109,756	142,462	77.0%
7 Intergovernmental	659,391	659,391	586,315	112.5%
8 License & Permits				
9 Building Permits	66,764	66,764	65,090	102.6%
10 Other Permits	43,689	43,689	24,746	176.5%
11 Charges For Services	308,981	308,981	322,566	95.8%
12 Fines & Forfeitures	77,982	77,982	80,194	97.2%
13 Interest Income	43,196	43,196	37,315	115.8%
14 Miscellaneous	367,838	367,838	359,821	102.2%
15 <i>Subtotal</i>	<i>\$ 5,477,070</i>	<i>\$ 5,477,070</i>	<i>\$ 5,326,649</i>	<i>102.8%</i>
16 Internal Transfers	171,653	171,653	171,650	100.0%
17 Total Revenue	\$ 5,648,723	\$ 5,648,723	\$ 5,498,299	102.7%
EXPENDITURES				
Operating				
18 Legislative	\$ 7,007	\$ 7,007	\$ 14,150	49.5%
19 Executive & Legal	134,836	134,836	130,940	103.0%
20 Comm. & Bus. Relations	35,697	35,697	48,584	73.5%
21 Cultural Services	78,677	78,677	102,992	76.4%
22 Development Services	182,285	182,285	229,677	79.4%
23 Finance	142,306	142,306	174,881	81.4%
24 Fire & Rescue	595,863	595,863	608,294	98.0%
25 Human Resources	52,784	52,784	78,530	67.2%
26 Information Technology	507,736	507,736	636,892	79.7%
27 Library	172,072	172,072	225,989	76.1%
28 Parks & Recreation	403,912	403,912	673,674	60.0%
29 Police	1,351,218	1,351,218	1,260,799	107.2%
30 Public Works	655,837	655,837	856,700	76.6%
31 Non-Departmental	80,485	80,485	126,249	63.8%
32 <i>Subtotal Operating</i>	<i>\$ 4,400,713</i>	<i>\$ 4,400,713</i>	<i>\$ 5,168,351</i>	<i>85.1%</i>
33 Internal Transfers	216,029	216,029	300,508	71.9%
34 Total Expenditures	\$ 4,616,743	\$ 4,616,743	\$ 5,468,859	84.4%

Property Tax (Line #2) is negative due to an adjustment from the County for the prior year.

Sales Tax (Line #3) is over budget due to an increase in online retail sales and clothing sales and numerous new accounts.

Building Use Tax (Line #4) is under budget due to low building activity.

Auto Use Tax (Line #5) is under budget due to low sales.

Other Taxes (Line #6) are under budget due mainly to no collections in January for gas franchise fees.

Intergovernmental (Line #7) is over budget due to a billing to CDOT for the signal maintenance contract, when we bill them it automatically hits revenue, but it is still receivable at the end of January.

Other Permits (Line #10) is over budget primarily due to school fees in lieu of land, and police special events permits.

Interest Income (Line #13) is over budget due to conservative budget estimates.

Legislative (Line #18) is under budget mainly due to budget dollars for January for the Council Advance were not used.

Comm. & Bus. Relations (Line #20) is under budget due to timing in spending their purchased services budget.

Cultural Services (Line #21) is under budget due to timing in spending their supplies, repair and maintenance, and artist fees budgets.

Development Services (Line #22) is under budget due to timing of non-profit grants.

Finance (Line #23) is under budget due to timing in spending their supplies and purchased services budgets.

Human Resources (Line #25) is under budget due to timing in spending their supplies, and purchased services budget, as well as not having a director hired.

Information Technology (Line #26) is under budget due to timing in spending their computer supplies and professional services budget.

Library (Line #27) is under budget due to timing in spending their repairs and maintenance budget.

Parks & Recreation (Line #28) is under budget due to timing in spending their personnel services, supplies, and purchased services budget.

Police (Line #29) is over budget due to a payment made for Tri-Tech software systems maintenance agreement made in full in January, but the budget allocation was split equally between all months of the year.

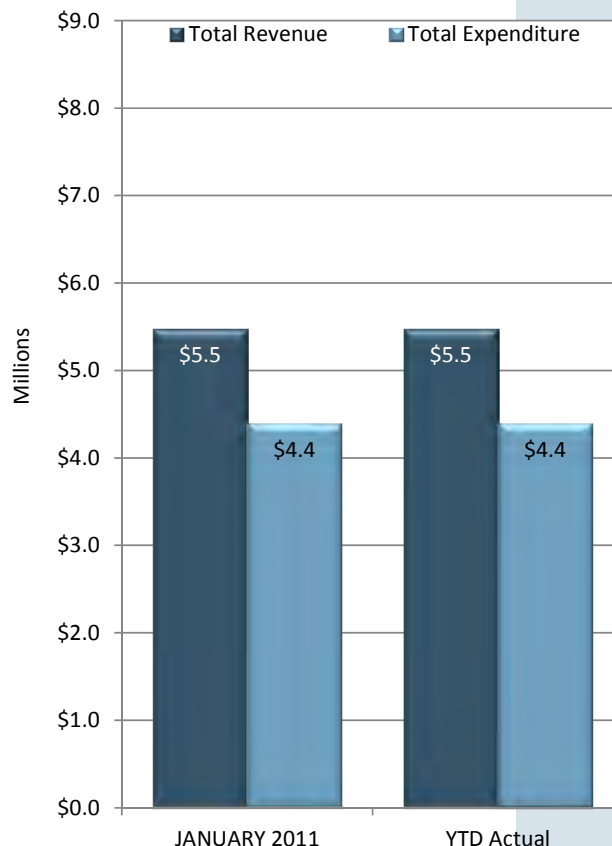
Public Works (Line #30) is under budget due to timing in spending in their supplies and purchased services budget.

Non-Departmental (Line #31) is under budget due to economic incentive agreements not given.

Internal Transfers (Line #33) are under budget due to timing of capital projects expenditures. Transfers are made monthly based on actual project costs.

Revenues exceed expenditures by \$1,031,980 (Line #17 less Line #34).

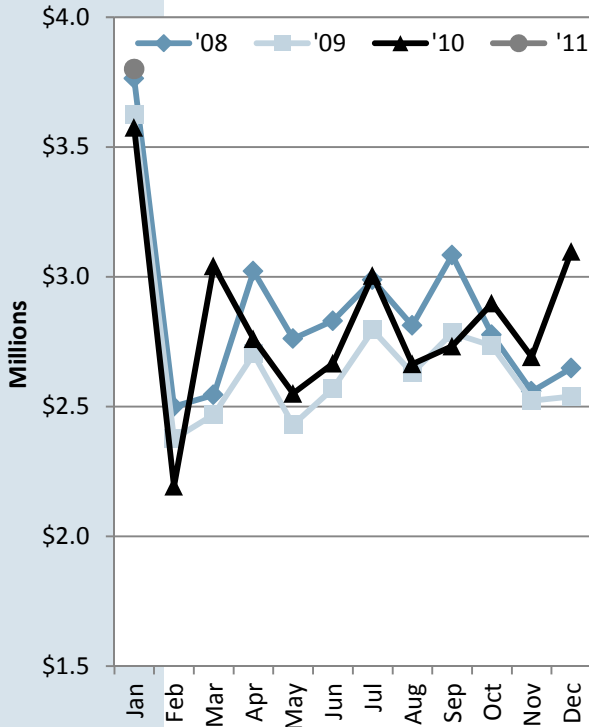
General Fund Operating Revenue & Expenditures By Comparison, Excluding Transfers



Tax Totals & Comparisons

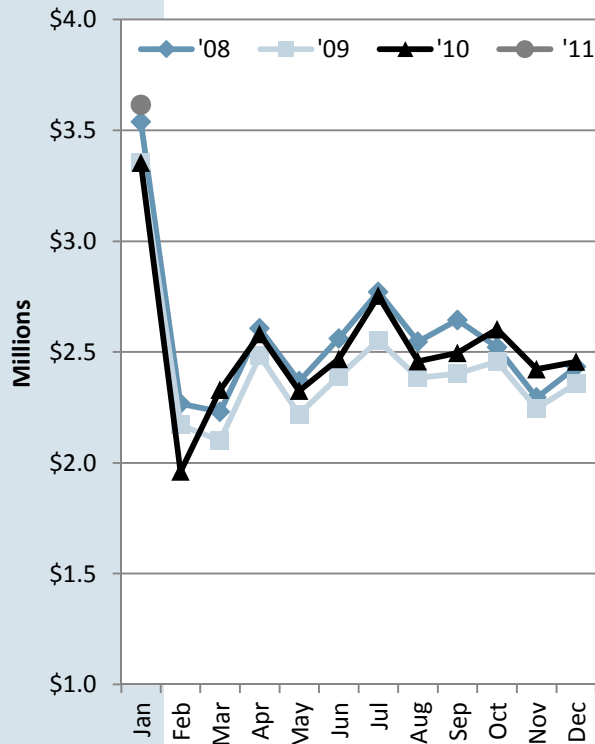
Monthly Financial Report

Sales & Use Tax



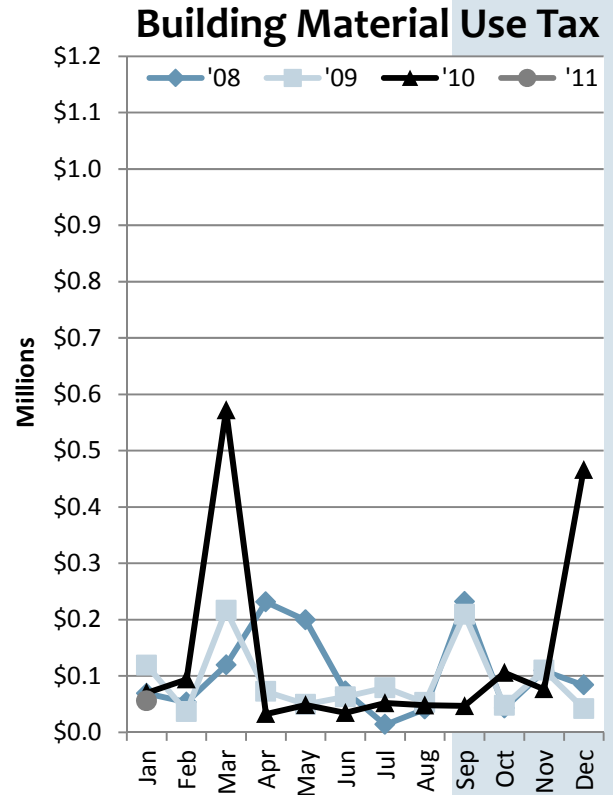
	'08	'09	'10	'11	2011 Budget	+ / - Budget
Jan	\$ 3,763,212	\$ 3,622,251	\$ 3,573,972	\$ 3,799,760	\$ 3,708,140	2.5%
Feb	\$ 2,499,464	\$ 2,374,608	\$ 2,191,609		\$ 2,618,440	
Mar	\$ 2,544,688	\$ 2,468,095	\$ 3,041,068		\$ 2,559,770	
Apr	\$ 3,020,580	\$ 2,701,737	\$ 2,759,556		\$ 2,910,840	
May	\$ 2,761,197	\$ 2,428,860	\$ 2,550,227		\$ 2,628,350	
Jun	\$ 2,829,423	\$ 2,569,125	\$ 2,665,632		\$ 2,738,110	
Jul	\$ 2,987,495	\$ 2,794,222	\$ 3,004,324		\$ 2,968,340	
Aug	\$ 2,811,579	\$ 2,628,842	\$ 2,662,932		\$ 2,815,690	
Sep	\$ 3,082,644	\$ 2,782,768	\$ 2,732,087		\$ 2,884,640	
Oct	\$ 2,776,559	\$ 2,733,964	\$ 2,897,370		\$ 2,941,910	
Nov	\$ 2,557,802	\$ 2,522,092	\$ 2,690,549		\$ 2,659,950	
Dec	\$ 2,646,945	\$ 2,537,802	\$ 3,096,111		\$ 2,682,740	
	\$ 34,281,588	\$ 32,164,365	\$ 33,865,435	\$ 3,799,760	\$ 34,116,920	
YTD	\$ 3,763,212	\$ 3,622,251	\$ 3,573,972	\$ 3,799,760	\$ 3,708,140	2.5%

Retail Sales Tax

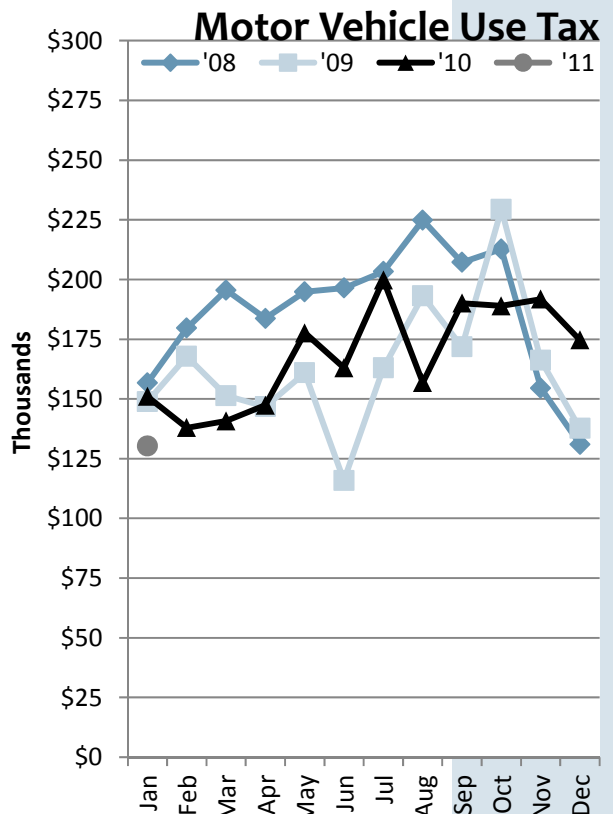


	'08	'09	'10	'11	2011 Budget	+ / - Budget
Jan	\$ 3,538,021	\$ 3,354,704	\$ 3,352,821	\$ 3,613,881	\$ 3,419,500	5.7%
Feb	\$ 2,266,805	\$ 2,170,562	\$ 1,959,729		\$ 2,333,970	
Mar	\$ 2,229,963	\$ 2,100,216	\$ 2,328,701		\$ 2,216,570	
Apr	\$ 2,605,919	\$ 2,482,752	\$ 2,579,918		\$ 2,585,290	
May	\$ 2,367,597	\$ 2,218,482	\$ 2,324,395		\$ 2,310,110	
Jun	\$ 2,560,453	\$ 2,390,535	\$ 2,468,207		\$ 2,489,270	
Jul	\$ 2,770,864	\$ 2,552,195	\$ 2,752,870		\$ 2,657,610	
Aug	\$ 2,546,052	\$ 2,383,119	\$ 2,458,382		\$ 2,481,550	
Sep	\$ 2,644,113	\$ 2,401,596	\$ 2,495,338		\$ 2,500,790	
Oct	\$ 2,521,253	\$ 2,457,158	\$ 2,602,599		\$ 2,558,640	
Nov	\$ 2,294,503	\$ 2,245,659	\$ 2,422,352		\$ 2,338,410	
Dec	\$ 2,432,635	\$ 2,358,273	\$ 2,455,821		\$ 2,424,090	
	\$ 30,778,179	\$ 29,115,253	\$ 30,201,133	\$ 3,613,881	\$ 30,315,800	
YTD	\$ 3,538,021	\$ 3,354,704	\$ 3,352,821	\$ 3,613,881	\$ 3,419,500	5.7%

	'08	'09	'10	'11	2011 Budget	+ / - Budget
Jan	\$ 68,522	\$ 118,719	\$ 70,117	\$ 55,542	\$ 136,380	-59.3%
Feb	\$ 52,986	\$ 36,254	\$ 93,928		\$ 112,810	
Mar	\$ 119,149	\$ 216,500	\$ 571,599		\$ 188,330	
Apr	\$ 230,954	\$ 72,251	\$ 32,260		\$ 175,440	
May	\$ 198,765	\$ 49,434	\$ 48,145		\$ 153,590	
Jun	\$ 72,544	\$ 62,723	\$ 34,349		\$ 130,300	
Jul	\$ 13,276	\$ 79,061	\$ 51,657		\$ 144,010	
Aug	\$ 40,683	\$ 52,578	\$ 47,716		\$ 136,550	
Sep	\$ 231,321	\$ 209,338	\$ 46,646		\$ 208,060	
Oct	\$ 42,561	\$ 47,437	\$ 105,818		\$ 148,620	
Nov	\$ 108,737	\$ 110,207	\$ 76,444		\$ 151,490	
Dec	\$ 83,315	\$ 41,844	\$ 465,626		\$ 115,540	
	\$ 1,262,815	\$ 1,096,346	\$ 1,644,305	\$ 55,542	\$ 1,801,120	
YTD	\$ 68,522	\$ 118,719	\$ 70,117	\$ 55,542	\$ 136,380	-59.3%



	'08	'09	'10	'11	2011 Budget	+ / - Budget
Jan	\$ 156,669	\$ 148,828	\$ 151,034	\$ 130,337	\$ 152,260	-14.4%
Feb	\$ 179,673	\$ 167,793	\$ 137,951		\$ 171,660	
Mar	\$ 195,576	\$ 151,378	\$ 140,768		\$ 154,870	
Apr	\$ 183,707	\$ 146,734	\$ 147,378		\$ 150,110	
May	\$ 194,835	\$ 160,943	\$ 177,687		\$ 164,650	
Jun	\$ 196,426	\$ 115,867	\$ 163,076		\$ 118,540	
Jul	\$ 203,356	\$ 162,966	\$ 199,797		\$ 166,720	
Aug	\$ 224,843	\$ 193,144	\$ 156,834		\$ 197,590	
Sep	\$ 207,209	\$ 171,833	\$ 190,102		\$ 175,790	
Oct	\$ 212,745	\$ 229,369	\$ 188,953		\$ 234,650	
Nov	\$ 154,561	\$ 166,225	\$ 191,753		\$ 170,050	
Dec	\$ 130,995	\$ 137,685	\$ 174,664		\$ 143,110	
	\$ 2,240,595	\$ 1,952,766	\$ 2,019,997	\$ 130,337	\$ 2,000,000	
YTD	\$ 156,669	\$ 148,828	\$ 151,034	\$ 130,337	\$ 152,260	-14.4%



Sales Tax Collections

Monthly Financial Report

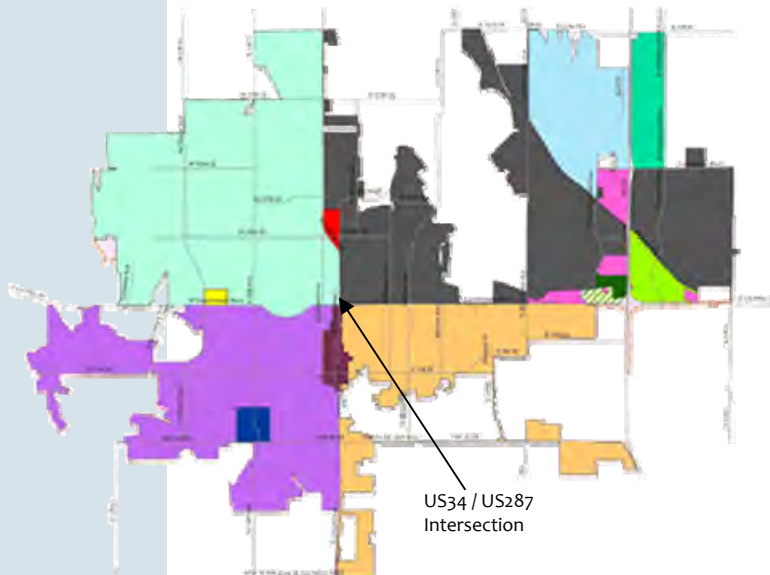
Collections By Standard Industrial Classification Code

Description	YTD 2011	YTD 2010	\$ Change	% Change	% of Total	Cumulative %
Department Stores & General Merchandise	\$ 867,741	\$ 872,770	\$ (5,029)	-0.6%	24.0%	24.0%
Grocery Stores & Specialty Foods	437,404	409,057	28,347	6.9%	12.1%	36.1%
Restaurants & Bars	322,492	284,950	37,542	13.2%	8.9%	45.0%
Clothing & Clothing Accessories Stores	292,732	237,371	55,361	23.3%	8.1%	53.1%
Sporting Goods, Hobby, Book & Music Stores	219,692	198,045	21,647	10.9%	6.1%	59.2%
Motor Vehicle Dealers, Auto Parts & Leasing	169,799	154,422	15,377	10.0%	4.7%	63.9%
Utilities	164,858	174,259	(9,401)	-5.4%	4.6%	68.5%
Building Material & Lawn & Garden Supplies	163,016	140,749	22,267	15.8%	4.5%	73.0%
Broadcasting & Telecommunications	137,281	128,526	8,755	6.8%	3.8%	76.8%
Electronics & Appliance Stores	133,041	124,738	8,303	6.7%	3.7%	80.5%
Used Merchandise Stores	117,860	100,491	17,369	17.3%	3.3%	83.7%
Beer, Wine & Liquor Stores	76,859	70,357	6,502	9.2%	2.1%	85.9%
Health & Personal Care Stores	70,423	66,384	4,039	6.1%	1.9%	87.8%
Consumer Goods & Commercial Equipment	60,991	69,777	(8,786)	-12.6%	1.7%	89.5%
Electronic Shopping & Mail-Order Houses	54,060	33,837	20,222	59.8%	1.5%	91.0%
Hotels, Motels & Other Accommodations	46,369	36,130	10,239	28.3%	1.3%	92.3%
Furniture & Home Furnishing Stores	45,840	47,499	(1,660)	-3.5%	1.3%	93.5%
Office Supplies, Stationery & Gift Stores	45,686	44,559	1,127	2.5%	1.3%	94.8%
Gasoline Stations with Convenience Stores	19,158	18,387	771	4.2%	0.5%	95.3%
All Other Categories	168,579	140,513	28,066	20.0%	4.7%	100.0%
	\$ 3,613,881	\$ 3,352,821	\$ 261,060	7.8%	100.0%	

Sales tax received in January 2011, saw an improvement of 7.79% over January 2010. All 14 geographical areas show positive sales trends and 6 had double digit increases. The area designated as The Ranch, (which includes 2 new businesses, the Event Center and the Fairgrounds) lead the way with a 39% increase. Centerra (west of I-25) was up over 15%, the Promenade Shops were up almost 12% and the outlet mall was up over 14% due in part to several new store openings and strong sales performance from several existing brand name stores.

By business category The Electronic Shopping & Mail-Order Houses sector continues to provide solid increases over previous year's sales due to previous compliance efforts by the City. As several taxpayer accounts begin to roll over the anniversary dates that they started to report, this percentage could begin to decrease. Hotels, Motels, & Other Accommodations improved by more than 28% due to an increase in business related travel and the addition of a major hotel in mid-2009.

The year to date Audit Revenue is \$24,248 and \$29,157 has been collected in Lodging Tax.

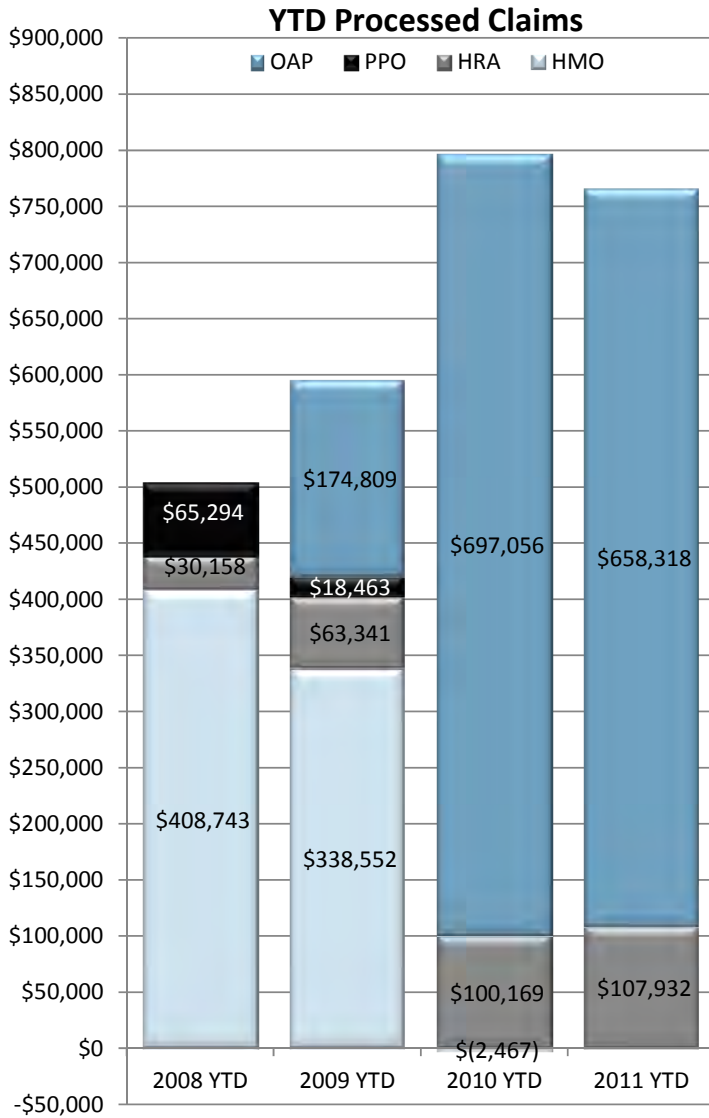


Collections By Geographical Code

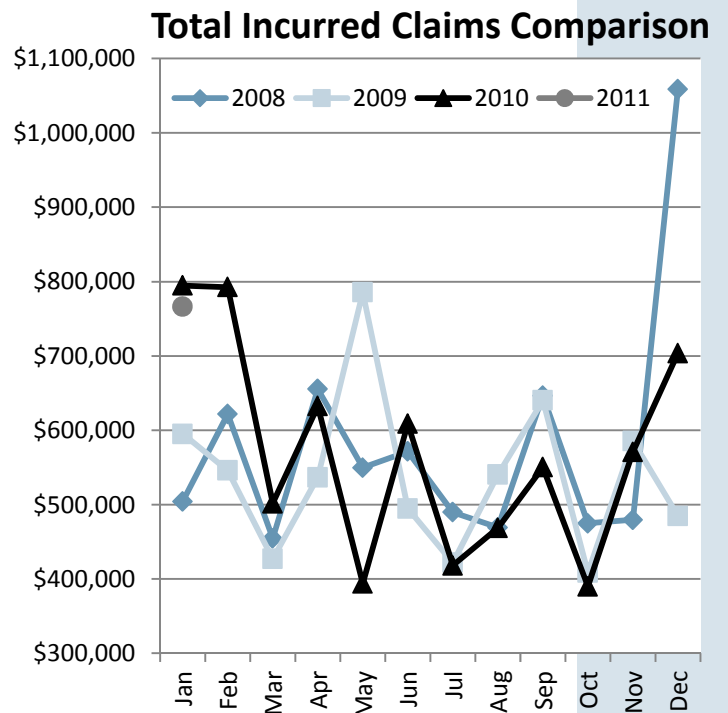
Geographical Area	YTD 2011	YTD 2010	% Change
North West Loveland	\$394,538	\$381,087	3.5%
South West Loveland	\$99,879	\$91,404	9.3%
North East Loveland	\$191,978	\$177,231	8.3%
South East Loveland	\$768,758	\$745,919	3.1%
Orchards Shopping Center	\$250,039	\$235,924	6.0%
Columbine Shopping Center	\$50,719	\$49,142	3.2%
Downtown	\$110,490	\$105,542	4.7%
Centerra	\$371,007	\$321,621	15.4%
Promenade Shops	\$371,535	\$332,144	11.9%
Outlet Mall	\$148,377	\$129,960	14.2%
Thompson Valley Shopping Center	\$219,059	\$199,047	10.1%
The Ranch	\$55,440	\$39,883	39.0%
Airport	\$26,677	\$21,908	21.8%
All Other Areas	\$555,385	\$522,011	6.4%
	\$3,613,881	\$3,352,821	7.8%

Health Care Claims

January 2011



January 2011 claims were slightly less than January 2010.



Cash Basis for Claims Paid

		HMO	OAP	HRA	PPO	Total	Budget	\$ Over / (Under) Budget	% Over / (Under) Budget
		2011	January	\$ -	\$ 658,319	\$ 107,932	\$ -	\$ 766,251	\$ 657,278
	YTD	-	658,319	107,932	-	766,251	657,278	108,973	16.6%
2010	January	\$ (2,467)	\$ 697,056	\$ 100,169	\$ -	\$ 794,758	\$ 630,045	\$ 164,713	26.1%
	YTD	\$ (2,467)	\$ 697,056	\$ 100,169	\$ -	\$ 794,758	\$ 630,045	\$ 164,713	26.1%
Change	January	\$ 807	\$ 182,753	\$ 35,375	\$ -	\$ 218,935			
	% Dec	-20.0%	42.0%	66.0%	0.0%	45.2%			
	January	\$ 2,467	\$ (38,737)	\$ 7,763	\$ -	\$ (28,507)			
	% Jan	-100.0%	-5.6%	7.7%	0.0%	-3.6%			

Activity Measures

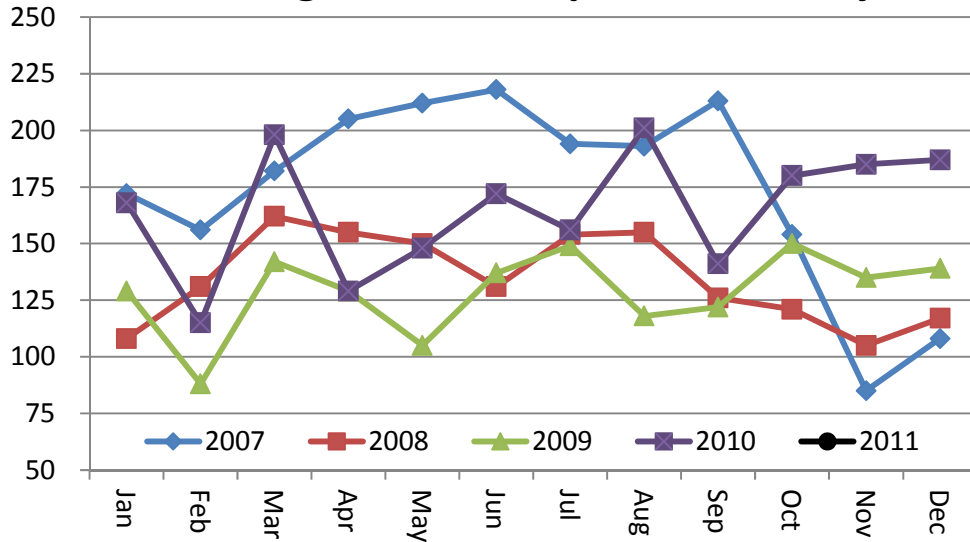
Monthly Financial Report

Activity Measures

Measures	Jan '09	Jan '10	Jan '11	2009 YTD	2010 YTD	2011 YTD
# of Building Permits	129	168	NA	129	168	-
Building Permit Valuations	\$10,770,344	\$ 3,609,745	NA	\$ 10,770,344	\$ 3,609,745	\$ -
# of Certified Occupancies	25	13	12	25	13	12
Net # of Sales Tax Licenses	34	(22)	(45)	34	(22)	(45)
New Residential Electric Meter Sets	29	6	74	29	6	74
# of Utility Bills Sent	33,603	34,955	35,438	33,603	34,955	35,438
Rounds of Golf	2,690	0	1,087	2,690	0	1,087
Health Claim Costs/Emp.	\$ 1,130	\$ 1,292	\$ 1,218	\$ 1,130	\$ 1,292	\$ 1,218
# of Vacant Positions	5	6	15			
# of Frozen Vacant Positions	14	13	13			
# of Eliminated Positions	-	38	42			
KWH Demand (kH)	96,953	99,004	99,031	96,953	99,004	99,031
KWH Purchased (kwh)	60,328,883	59,973,986	61,434,059	60,328,883	59,973,986	61,434,059
Gallons of Water Sold	152,911,512	151,908,272	149,281,685	152,911,512	151,908,272	149,281,685
# of Workers' Comp Claims	8	12	13	8	12	13
\$ of Workers' Comp Claims Paid	\$ 4,557	\$ -	\$ 774	\$ 4,557	\$ -	\$ 774
# of Open Claims Current Year	NA	4	10			
# of Total Open Claims	NA	14	18			
\$ of Total Open Claims	\$ 6,326	\$ 171,072	\$ 118,450			
# of Hotel Rooms	NA	NA	1,117			
\$ of Lodging Tax Collected	NA	NA	29,157	NA	NA	\$ 29,157

Building permit numbers were not available in time for this report. Numbers will be added to the next report and chart will then reflect both January and February numbers.

Building Permit Comparison History



Cash & Reserves

January 2011

Cash & Reserves

Total Cash & Reserves = \$191.0 million, of which \$144.6 million is restricted or reserved, or 75.7%, leaving \$46.4 million unrestricted.

Statement of Cash			
January 2011			
	Beginning	YTD Activity	Ending
Restricted			
1 Capital Expansion Fees	\$ 36,454,654	\$ 252,146	\$ 36,706,800
2 Other Special Revenue Funds	19,945,547	(88,151)	19,857,397
3 Capital Projects	3,669,759	(1,489,171)	2,180,588
4 Debt Reserves-Golf	-	-	-
5 Water System Impact Fees	5,533,881	38,052	5,571,933
6 Windy Gap	4,571,612	7,614	4,579,226
7 Raw Water	23,006,208	476,435	23,482,644
8 Wastewater System Impact Fees	4,266,141	30,575	4,296,716
9 Storm Drainage System Impact Fees	2,005,793	6,566	2,012,358
10 Power System Impact Fees	5,624,382	65,402	5,689,784
11 Cemetery	2,433,991	7,610	2,441,601
12 Other Entities	3,384,721	(74,236)	3,310,485
13 Total Restricted	\$ 110,896,691	\$ (767,159)	\$ 110,129,532
Committed/Assigned Balance Amounts			
14 General Fund			
15 Operating/Emergency ***	1,731,040	-	1,731,040
16 Council Contingency	-	-	-
17 Council Capital Reserve ***	4,908,800	(1,091,750)	3,817,050
18 Liability	125,000	-	125,000
19 Equipment Replacement	-	-	-
20 Police Communication Console Replacement	512,000	104,000	616,000
21 Library Reserve	158,379	264	158,643
22 Library Building Reserve	16,750	-	16,750
23 Telephone Switch Reserve	261,460	-	261,460
24 Excess TABOR	5,723,056	-	5,723,056
25 Water	677,457	(50,052)	627,405
26 Wastewater	815,598	(38,076)	777,522
27 Storm Water	371,853	11,634	383,487
28 Power	2,696,524	11,048	2,707,572
29 Golf	243,784	406	244,190
30 Insurance Reserves	4,632,656	95,012	4,727,669
31 Employee Benefits	6,443,525	543,752	6,987,277
32 Fleet Replacement	6,200,339	(626,586)	5,573,754
33 Total Committed/Assigned	\$ 35,518,221	\$ (1,040,347)	\$ 34,477,875
34 Total Restricted/Committed/Assigned	\$ 146,414,912	\$ (1,807,506)	\$ 144,607,406
Unassigned Balance Amounts			
35 General	12,652,995	905,105	13,558,101
36 Airport	815,732	136,278	952,010
37 Internal Service - Vehicle Maintenance	57,032	40,087	97,119
38 Golf	902,662	(89,254)	813,408
39 Water	3,838,920	(283,626)	3,555,295
40 Wastewater	7,340,384	(342,688)	6,997,696
41 Power	15,280,302	62,606	15,342,908
42 Stormwater	2,107,166	65,929	2,173,094
43 Solid Waste	2,873,905	(649)	2,873,256
44 Total Unassigned	\$ 45,869,098	\$ 493,788	\$ 46,362,886
45 Total Cash	\$ 192,284,010	\$ (1,313,718)	\$ 190,970,293

*Operating/Emergency: TABOR Amendment requirement for 3% of operating expenditures excluding transfers and debt.

**Other Entities Fund: Special Improvement District #1, Airport, General Improvement District #1, Loveland Urban Renewal Authority, Loveland/Larimer Building Authority

***Contributions made at year end.

(Lines #15-24) - Changes in reserves based on 2010 Budget.

(Line #17) Council Capital Reserve: \$900,000 Downtown Infrastructure \$191,750 Interfund Loan Payment

(Line #22) The market value of the Proctor & Gamble Stock as of December 31, 2010 is \$205,856. This value represents the original value of the stock when it was first donated.

Prepared by:
Finance Department

WEBSITE: WWW.CITYOFLOVELAND.ORG

Citywide Capital Projects Over \$500,000

Project Title	2011 Budget	2011 Expenditures	Remaining 2011 Budget	% of 2011 Budget (Exp/Bud)	Budget Book Page #
Water Capital					
Washington Ave WL Replacement	\$ 547,810	\$ -	\$ 547,810	0.00%	C-115
Filter Plant 2 Improvements	\$ 827,210	\$ -	\$ 827,210	0.00%	C-113
Raw Water Capital					
Windy Gap Firming Project	\$ 596,490	\$ -	\$ 596,490	0.00%	C-86
Purchase Colorado Big Thompson Water	\$ 4,400,000	\$ -	\$ 4,400,000	0.00%	C-87
Wastewater Utility Capital					
Carlisle Phase IV (Taft to RR)	\$ 601,510	\$ 657	\$ 600,853	0.11%	C-101
Waste Activated Sludge Thickening	\$ 5,738,330	\$ 4,337	\$ 5,733,993	0.08%	C-88
Power Capital					
Horseshoe Sub tie S along Taft to ckt existing on West 29th	\$ 2,300,000	\$ -	\$ 2,300,000	0.00%	
West Sub tie E along Arkins Branch, N along Wilson to 29th	\$ 1,300,000	\$ 268	\$ 1,299,732	0.02%	
Valley Sub tie W along 402, N along Wilson, W along Arkins to W Sub	\$ 1,100,000	\$ 63	\$ 1,099,937	0.01%	
Horseshoe Sub - New Transformer	\$ 1,200,000	\$ -	\$ 1,200,000	0.00%	
Stormwater Capital					
Washington Ave Outfall Phase 4	\$ 3,267,974	\$ 6,090	\$ 3,261,884	0.19%	
Streets Transportation Program					
Boyd Lake Ave Extension	\$ 1,005,100	\$ 194,273	\$ 810,827	19.33%	C-71
2011 Street Rehabilitation	\$ 2,956,210	\$ 41	\$ 2,956,169	0.00%	C-39
All Other					
Downtown Infrastructure	\$ 900,000	\$ -	\$ 900,000	0.00%	C-40
Open Lands Acquisition	\$ 2,950,000	\$ -	\$ 2,950,000	0.00%	C-29
MeHaffey Park Development	\$ 640,000	\$ -	\$ 640,000	0.00%	C-28
Library Expansion*	\$ 7,022,384	\$ -	\$ 7,022,384	0.00%	

*Budget will be rolled from 2010

City of Loveland
500 East 3rd Street
Loveland, CO 80537

For more information regarding this report contact:
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970.962.2704 or wheeler@ci.loveland.co.us





CITY OF LOVELAND
CITY MANAGER'S OFFICE

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AGENDA ITEM: 9
MEETING DATE: 3/1/2011
TO: City Council
FROM: Alan Krcmarik, Executive Fiscal Advisor
PRESENTER: Alan Krcmarik

TITLE: Investment Report for January 2011

DESCRIPTION:

This is an information only item. No Council action is required. The budget estimate for investment earnings for 2011 is \$3,163,130. For the year to date, the amount posted to the investment account is \$313,626 including realized gains. The actual year-to-date earnings are *higher* than the year-to-date budget projection by \$50,032. Based January's monthly statement, the estimated annualized yield is about 2.01%, right on the path of the 2.0% budget estimate for earnings.

BUDGET IMPACT: Investment earnings provide revenue to the City's various funds.

Yes No

SUMMARY: At the end of January, the City's total portfolio had an estimated market value of \$190.7 million, about \$ 1.3 million less than a month ago. Of this amount, USBank held (including accrued interest) \$184.2 million in trust accounts; other funds are held in local government investment pools, in operating accounts at WellsFargo Bank, and a few miscellaneous accounts. Based on the monthly report from the trustee, USBank, the estimated annualized yield on securities held at the end of January was 2.01%, slightly higher than the prior month. Investments are held in US Treasury Notes, highly-rated US Agency Bonds, highly-rated corporate bonds, money market accounts, and local government investment pools. The City's investment strategy emphasizes safety of principal, then sufficient liquidity to meet cash needs, and finally, return on investment. Each percent of earnings on the portfolio equates to \$1.92 million annually. Each basis point would be about \$19,200 annually.

LIST OF ATTACHMENTS: Investment Focus January 2011

RECOMMENDED CITY COUNCIL ACTION: For Council's information; questions welcomed.

REVIEWED BY CITY MANAGER:



Investment Focus

Monthly Investment Report

January 2011

What's in here?

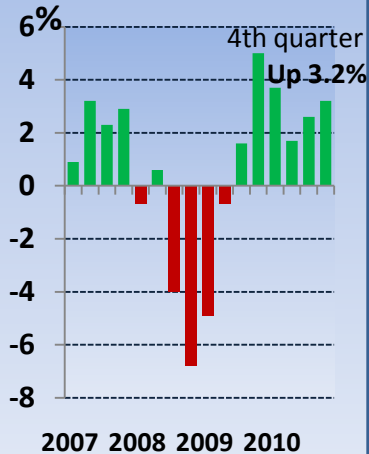
- Focal Points** 1
- Gain / Loss**
- Rate Trends** 2
- Cash Statement** 3
- Portfolio size** 4
- Investment types**
- Transactions** 5
- Maturity**
- Future Scan** 6

Focal Points

- * **New year, new targets for the City's portfolio: 1) for 2011, the interest rate target is 2.0%; 2) the earnings goal = \$3,163,130**
- * **City investments are in high quality, low risk securities, in compliance with state law and the adopted investment policy.**
- * **Interest received on trust accounts = \$314,467. There were no trades in January, so no realized gains to report.**
- * **Each 1% of the total portfolio amounts to about \$1.9 million.**
- * **Changes in interest rates led to unrealized gain of \$331,000.**

Burst of Speed

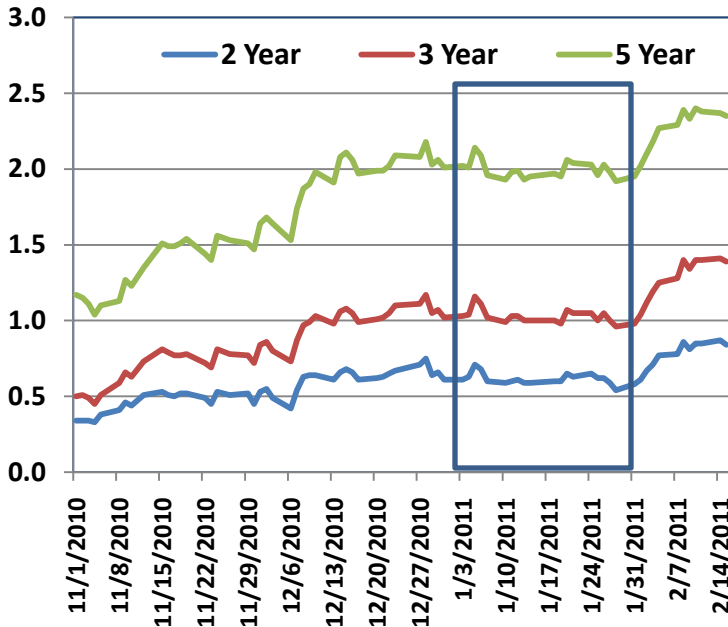
Quarterly change at an annualized rate in U.S. GDP



Type of Investment	Purchase Price	Market Price	Unrealized Gain or Loss
Checking Accounts	\$ 6,471,992	\$ 6,471,992	--
Investment Pools	270,273	270,273	--
Money Markets	<u>1,814,413</u>	<u>1,814,413</u>	--
Subtotal	\$ 8,556,678	\$ 8,556,678	--
Notes and Bonds	<u>183,574,894</u>	<u>182,192,349</u>	(\$ 1,382,545)
Total Portfolio	\$ 192,131,572	\$ 190,749,027	(\$ 1,382,545)
Data Sources	(Morgan Stanley)	(US Bank)	

Monthly Investment Report

Interest rate trends / Economic Growth



Since reaching record lows in early November, interest rates rose through December. After a virtually flat January, the upward trend resumed in February. Prices on bonds have fallen and rates have risen since reaching record lows for the 2-, 3- and 5-year Treasury securities. This makes prior investments worth less – a shift of over \$1 million in December alone. The up-side is that reinvestment yields are much higher.

Components of Economic Growth (charts at right)

U.S. economic output finally regained the levels reached before the recession...growth sped up on stronger consumer spending and exports.

- ❖ Consumers made a comeback in the fourth quarter, adding three percentage points to GDP growth.
- ❖ Shrinking demand slashed business inventories. Restocking gave a boost in 2009. Rising sales are now reducing stockpiles.
- ❖ The rebounding global economy has increased U.S. exports.
- ❖ Imports had been rising. In the fourth quarter, they contracted and contributed to growth.
- ❖ Businesses' additions of buildings and factories or equipment and software contributed to GDP growth throughout 2010.
- ❖ Governments – especially state and local – are reining in spending and doing less to boost economic growth.

It took 12 quarters to recoup economic losses and, on a per-capita basis, is still not as large as it was before the recession.

Sources: [Wall Street Journal](#), 1/29-30/2011 and Commerce Department.

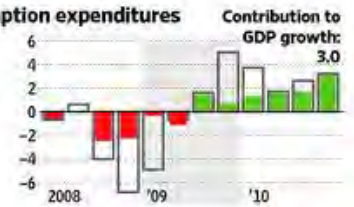
Inside Economic Growth

How some components added to or subtracted from quarterly GDP growth.



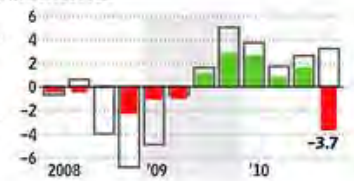
Personal-consumption expenditures

Consumers made a comeback in the fourth quarter of 2010, adding three percentage points to GDP growth.



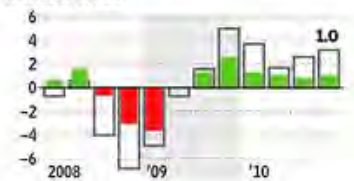
Change in private inventories

Businesses reduced inventories during the recession because of shrinking demand. Restocking gave growth a boost in '09. Now, rising domestic and foreign sales are reducing stockpiles.



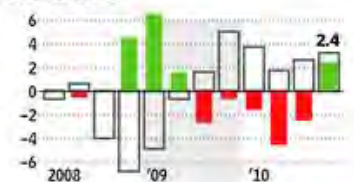
Exports of goods and services

U.S. exports have been growing at a fast clip as the global economy rebounds, and demand for some U.S. goods rises.



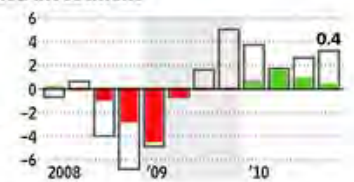
Imports of goods and services

Imports had been rising as U.S. companies and consumers regain their footing. But, in the fourth quarter, imports contracted and contributed to growth.



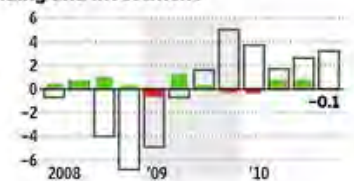
Nonresidential fixed investment

Businesses' additions of buildings and factories or equipment and software were a factor in GDP growth throughout 2010.



Government spending and investment

Governments—particularly at the state and local levels—are reining in spending, and doing less to directly boost economic growth.



Note: All data are adjusted for inflation and the seasons; contributions are quarterly, measured at annualized rates. Source: Commerce Department.

Cash Position Summary

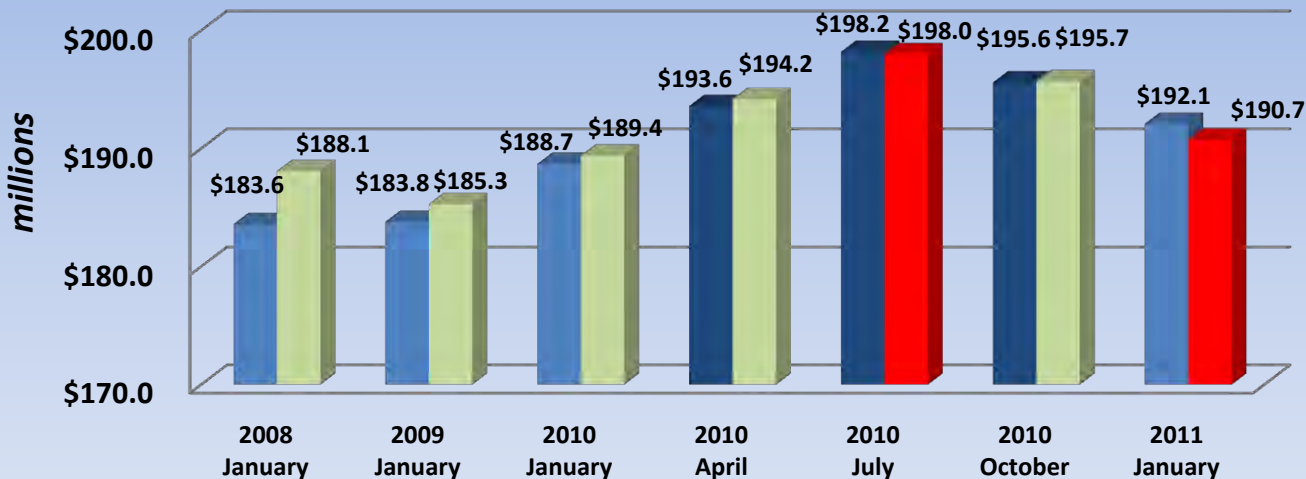
Cash & Reserves (unaudited)

	2011 Beginning	YTD Activity	Month End Total	
Restricted Reserves				
1	Capital Expansion Fees	\$ 36,454,654	\$ 252,146	\$ 36,706,800
2	Water System Impact Fees	5,533,881	38,052	5,571,933
3	Raw Water Revenue – Windy Gap	27,577,821	484,049	28,061,870
4	Wastewater System Imp. Fees	4,266,141	30,575	4,296,716
5	Storm Drain System Imp. Fees	2,005,793	6,566	2,012,358
6	Power Plant Investment Fees	5,624,382	65,402	5,689,784
7	Cemetery Perpetual Care	2,433,991	7,610	2,441,601
8	Other Restricted	27,000,028	(1,651,558)	25,348,470
9	Total Restricted	\$ 110,896,691	\$ (767,159)	\$ 110,129,532
Reserve Balance Amounts				
10	General Fund	\$ 13,436,485	\$ (987,486)	\$ 12,448,999
11	Enterprise Funds	4,805,215	(65,039)	4,740,176
12	Internal Service Funds	17,276,521	12,179	17,288,700
13	Total Reserves	\$ 35,518,221	\$ (1,040,347)	\$ 34,477,875
14	Total Restricted and Reserved	\$ 146,414,912	\$ (1,807,506)	\$ 144,607,406
Unrestricted				
15	General Fund	\$ 12,652,995	\$ 908,105	\$ 13,558,101
16	Airport	815,732	136,278	952,010
17	Internal Service – Vehicle Maint	57,032	40,087	97,119
18	Enterprise Funds	32,343,339	(587,682)	31,755,657
19	Total Unrestricted	\$ 45,869,098	\$ 493,788	\$ 46,362,886
20	TOTAL CASH	\$ 192,284,010	\$ (1,313,718)	\$ 190,970,293

Monthly Investment Report

Portfolio Size / Types of Investments

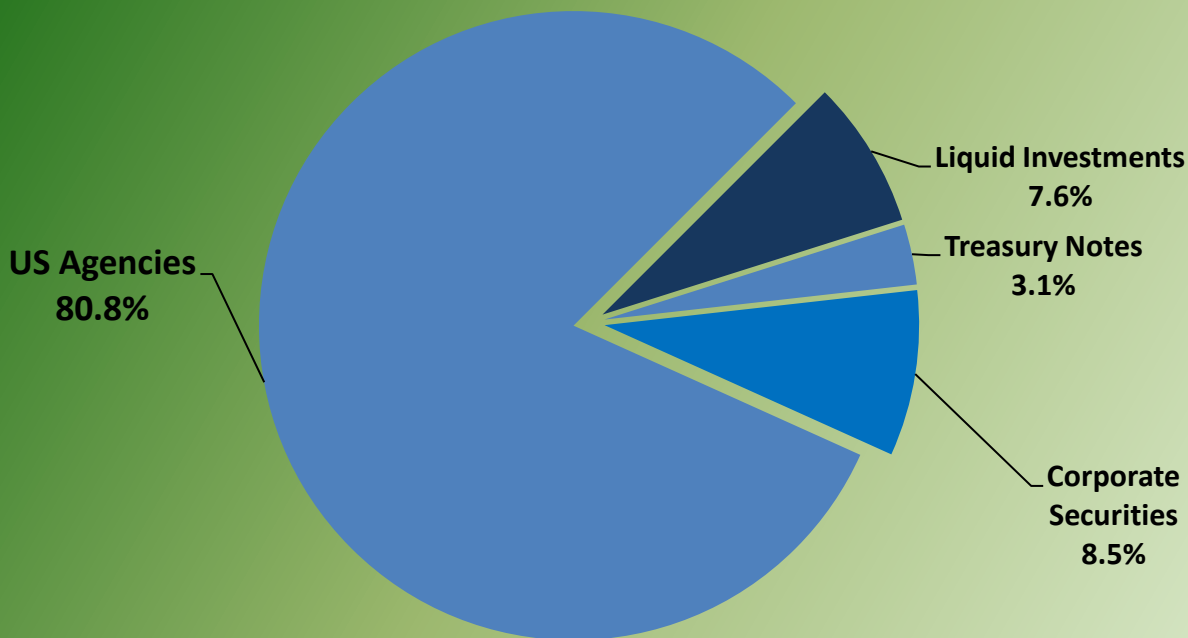
Portfolio Size since January 2008



Blue bars show Purchase value, red and green bars show market value, red = loss and green = gain

Portfolio by Type of Investment

January 2011 – Value of \$192.1 million

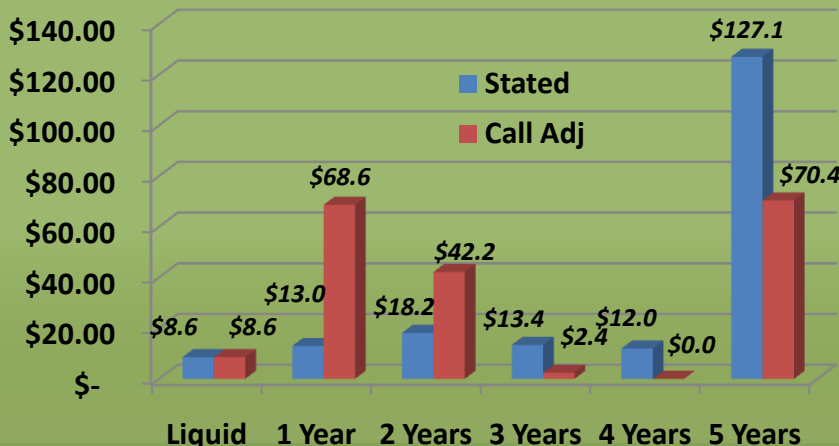


Transactions / Portfolio by Maturity

	Maturity Date	Face Value	Purchase \$	Stated Rate
<u>Purchases</u>				
FED Nat'l Mort Assn	12/30/15	\$ 5,000,000	\$ 5,000,000.00	2.150%
General Electric Cap	01/15/13	1,000,000	1,080,600.00	5.450%
Wells Fargo	01/31/13	<u>1,500,000</u>	1,593,750.00	4.375%
		\$ 7,500,000		
<u>Matured</u> None this month				
<u>Called</u> None this month <u>Call Value \$</u>				
<u>Sales</u> None this month <u>Sales \$</u>				

Portfolio by Maturity Term

(in millions - Total = \$192.1 at the end of January 2011)



The target rate for 2011 is 2.0%. Rates have been far below this level, so it may be difficult to reach the interest rate target level 2011.

To support earnings or to reposition the portfolio, bonds may be sold.

The blue bars show the stated term. Red bars show the calls given the recent interest rate trends. Some of the five year bonds will be called early.



Future Scan / Conflicting pressures on rates

- ❖ The Federal Open Market Committee met on January 25-26, 2011; they, as expected, again maintained the federal funds target interest rate at 0 to 25 basis points. (25 basis points is 0.25%.) The FOMC strategy is to keep interest rates low to benefit mortgage holders and businesses. This strategy is designed add liquidity to help the economy recover. The FOMC is expected to keep rates low throughout 2011.
- ❖ The stock markets continued to grow through January and into February. There is still a lot of money (\$2 trillion) on the sidelines in cash reserves and money is flowing from bond investments back into stocks. Some analysts are concerned that the market is priced too high and will be facing a correction. Volatility should be expected.
- ❖ Several economic indicators now show improvement. Most economists still focus on the lack of job creation leading to slow recovery. Foreclosures and resetting adjustable rate mortgages threaten the banks' stability. Some European countries are having problems repaying their debt. This keeps interest rates low and strengthens the U.S.
- ❖ Loveland's labor market *contracted* in December with 290 fewer jobs when compared to November. Compared to the revised estimate for December 2009, there are 28 fewer jobs for city residents. In December, the national unemployment rate was 9.4%, the State of Colorado was 8.8%, Larimer County was 7.1%, Fort Collins was 8.1% and Loveland was **6.2%**. Of Colorado cities, only Lafayette and Parker were lower at 5.3% and 4.8% respectively. Lower unemployment should pressure rates to rise.
- ❖ Average interest rates in January declined by 4.9% (basis the two-year treasury). With the lower rates, the City's unrealized loss position improved by over \$300,000. The upside is that the City can now invest in securities that pay higher rates than they did several months ago. For 2011 the interest rate projection is 2% and is close to current rate levels for the five-year treasury. The target may be reached.

[For more information regarding this report, please contact:](#)

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