

Mayor Gutierrez called the Study Session of the Loveland City Council to order at 6:30 p.m. on the above date. Councilors present: Gutierrez, Fogle, Taylor, Farley, McKean, Trenary and Shaffer. Councilors absent were: Klassen and McEwen. City Manager, Bill Cahill was also present.

1. FINANCE

October 2011 Financial Report

The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue, health claims and cash reserves for the ten months ending October 31, 2011.

2. CITY MANAGER

Investment Report for October 2011

The budget estimate for investment earnings for 2011 is \$3,163,130. For the first ten months of 2011, the amount posted to the investment account is \$3,008,179 including realized gains. Actual year-to-date earnings are higher than the year-to-date projection by \$372,339. Based on October's monthly statement, the estimated annualized yield on the U.S. agencies and corporates was up to 1.71%, well under the annual target rate of 2% but higher than recent months. Reinvestment rates are now significantly lower than the first-half of 2011.

3. CULTURAL SERVICES

Loveland Museum/Gallery Expansion Project

Cultural Services Director, Susan Ison presented this item to Council. As the Loveland Museum/Gallery looks towards the expansion of the present facility, staff and facility space needs assessments have been completed. Jennifer Cousino and Roger Clark spoke in support of the project. City Council guidance is desired in order to progress with the proposed project including recruitment of a design architect and a development staff person focused on fundraising. Discussion ensued. Council directed staff to move forward with the plan to have an architectural firm draw up conceptual drawings of the expansion and hire a full-time development officer to lead a capital campaign for the project.

4. WATER & POWER

Raw Water Master Plan Update

Water and Power Director, Steve Adams presented this item to Council. Water Engineer, Larry Howard reviewed the history of water supply, work and concepts related to development of a Raw Water Master Plan Update for the City of Loveland. A final Draft Raw Water Master Plan containing recommendations for future policy making to meet future demands was reviewed. Council discussion ensued. Council directed staff to incorporate tonight's feedback into the plan and return to a regular Council meeting in January 2012 for consideration.

The study session was adjourned at 10:51 p.m.

Respectfully Submitted,

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Jeannie M. Weaver, Deputy City Clerk

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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, Taylor, Farley, Klassen, Shaffer, Trenary, McKean, McEwen and Fogle.
- PRESENTATION** The presentation from Pam Shaddock, Regional Director for U.S. Senator Mark Udall, regarding a Resolution honoring the Loveland Fire & Rescue Department for fighting wildfires outside their district in 2011 was postponed to a future date.
- 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 McEwen abstained from the vote of the consent agenda as she was not present at the December 6, 2011 meeting. Councilor McEwen moved to approve the Consent Agenda. The motion was seconded by Councilor McKean and a roll call vote was taken with all councilors present voting in favor thereof.
- 1. CITY CLERK**  
**Approval of Council Minutes**  
**Motion** Administrative Action: A motion approving Council minutes from the December 6, 2011 regular meeting was approved.
- 2. CITY MANAGER**  
**Board & Commission Appointments**  
**Motion** Administrative Action: City Council approved the following appointments:  
Affordable Housing Commission: Pam McCrory was appointed to a term effective until June 30, 2012. Scott Bader was appointed to a term effective until June 30, 2013.  
Open Lands Commission: Gale Bernhardt and Bill Zawacki were reappointed for terms effective until December 31, 2015. Darren Pape was appointed for a term effective until December 31, 2014. Jim Roode was appointed as an Alternate member for a term effective until December 31, 2012.

**3. CITY CLERKS****Municipal Code Amendment – Special Event Permits****Ordinance #5658**

Legislative Action: "AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF LOVELAND APPROVING ITS LOCAL LICENSING AUTHORITY TO ADOPT A STREAMLINED SPECIAL EVENTS PERMIT PROCESS PURSUANT TO C.R.S. §12-48-107" was approved and ordered published on second reading.

**4. FIRE & RESCUE****Municipal Code Amendment – International Fire Code, 2009 Edition****1<sup>st</sup> Rdg Ord & P.H.**

Legislative Action: A public hearing was held and "AN ORDINANCE REPEALING AND REENACTING CHAPTER 15.28 OF THE CITY OF LOVELAND MUNICIPAL CODE REGARDING THE FIRE CODE AND ADOPTING BY REFERENCE THERETO THE INTERNATIONAL FIRE CODE, 2009 EDITION" was approved and ordered published on first reading and a public hearing was set for January 17, 2012 immediately preceding second consideration of the ordinance.

**5. PUBLIC WORKS****Bus Service between Fort Collins and Longmont****a) Resolution #R-87-2011**

Administrative Action: Resolution #R-87-2011 approving an Intergovernmental Agreement between the City of Loveland, Colorado, the City of Fort Collins, Colorado, and Larimer County, Colorado for bus service between Fort Collins and Longmont for the calendar year 2011 was approved.

**RESOLUTION #R-87-2011**

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LOVELAND, COLORADO, THE CITY OF FORT COLLINS, COLORADO, AND LARIMER COUNTY, COLORADO FOR BUS SERVICE BETWEEN FORT COLLINS AND LONGMONT FOR THE CALENDAR YEAR 2011

WHEREAS, the City of Loveland desires to partner with the City of Fort Collins and Larimer County to provide regional connector bus service between the City of Fort Collins and the City of Longmont along the U.S. Highway 287 corridor, which service is referred to as the "Fort Collins-Longmont Express," or "FLEX"; and

WHEREAS, as governmental entities in Colorado, the City of Loveland, the City of Fort Collins, and Larimer County are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

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

Section 1. That the Intergovernmental Agreement for Bus Service Between Fort Collins and Longmont, attached hereto as Exhibit A and incorporated herein by reference ("Intergovernmental Agreement"), is hereby approved.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney, to modify the Intergovernmental 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 Intergovernmental Agreement on behalf of the City.

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

ADOPTED this 20th day of December, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

- b) **Resolution #R-88-2011** Administrative Action: Resolution #R-88-2011 approving an Intergovernmental Agreement between the City of Loveland, Colorado, the City of Fort Collins, Colorado, and Larimer County, Colorado for bus service between Fort Collins and Longmont for the calendar year 2012 was approved.

RESOLUTION #R-88-2011

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LOVELAND, COLORADO, THE CITY OF FORT COLLINS, COLORADO, AND LARIMER COUNTY, COLORADO FOR BUS SERVICE BETWEEN FORT COLLINS AND LONGMONT FOR THE CALENDAR YEAR 2012

WHEREAS, the City of Loveland desires to partner with the City of Fort Collins and Larimer County to provide regional connector bus service between the City of Fort Collins and the City of Longmont along the U.S. Highway 287 corridor, which service is referred to as the "Fort Collins-Longmont Express," or "FLEX"; and

WHEREAS, as governmental entities in Colorado, the City of Loveland, the City of Fort Collins, and Larimer County are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

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

Section 1. That the Intergovernmental Agreement for Bus Service Between Fort Collins and Longmont, attached hereto as Exhibit A and incorporated herein by reference ("Intergovernmental Agreement"), is hereby approved.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney, to modify the Intergovernmental 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 Intergovernmental Agreement on behalf of the City.

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

ADOPTED this 20th day of December, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

## **6. PUBLIC WORKS**

### **Supplemental Appropriation - Lodging Tax Fund**

- Resolution #R-89-2011** Administrative Action: Resolution #R-89-2011 approving an Intergovernmental Agreement between the City of Loveland, Colorado and the North Front Range Transportation and Air Quality Planning Council, D/B/A the North Front Range Metropolitan Planning Organization, for "Job Access and Reverse Commute" Section 5316 Grant funds" was approved.

RESOLUTION #R-89-2011

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LOVELAND, COLORADO AND THE NORTH FRONT RANGE TRANSPORTATION AND AIR QUALITY PLANNING COUNCIL, D/B/A THE NORTH FRONT RANGE METROPOLITAN PLANNING ORGANIZATION, FOR "JOB ACCESS AND REVERSE COMMUTE" SECTION 5316 GRANT FUNDS

WHEREAS, the Job Access and Reverse Commute ("JARC") Program, administered by the Federal Transit Administration, provides grants to communities for the purpose of filling gaps in employment transportation to primarily benefit low-income families who would otherwise have a difficult time getting to jobs and related services; and

WHEREAS, JARC grants are administered locally through a Master Agreement dated October 1, 2009 ("Master Agreement") between the United States of America, Department of Transportation, Federal Transit Administration ("FTA") and the North Front Range Transportation and Air Quality Planning Council, d/b/a the North Front Range Metropolitan Planning Organization ("MPO") (a copy of the Master Agreement is on file with the Loveland City Clerk and available at [www.fta.dot.gov/documents/16-Master.pdf](http://www.fta.dot.gov/documents/16-Master.pdf)); and

WHEREAS, the City of Loveland has been awarded JARC Program funding ("5316 Grant Funds") in the amount of \$47,570 for operation of Route 100, which serves as the direct connection from downtown Loveland to Orchards Shopping Center and connects to the regional route between Loveland and the City of Fort Collins, and therefore provides a means for Loveland residents to get to and from employment centers typically catering to economically challenged populations; and

WHEREAS, the City desires to enter into a subagreement with the MPO in order to receive the 5316 Grant Funds; and

WHEREAS, as governmental entities in Colorado, the City and the MPO are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

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

Section 1. That the "2011 Federal Transit Administration Section 5316 Funds Subagreement," attached hereto as Exhibit A and incorporated herein by reference ("Intergovernmental Agreement"), is hereby approved.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney, to modify the Intergovernmental 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 Intergovernmental Agreement on behalf of the City.

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

ADOPTED this 20th day of December, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

## **7. PUBLIC WORKS**

### **CDOT GRANT FOR Rural Transit Services 2012**

#### **Resolution #R-90-2011**

Administrative Action: Resolution #R-90-2011 approving an Intergovernmental Agreement between the City of Loveland, Colorado and the State of Colorado, acting by and through the Colorado Department of Transportation, Division of Transportation Development, for "Formula Grants For Other Than Urbanized Areas" Section 5311 Grant funds was approved.

#### RESOLUTION #R-90-2011

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LOVELAND, COLORADO AND THE STATE OF COLORADO, ACTING BY AND THROUGH THE COLORADO DEPARTMENT OF TRANSPORTATION, DIVISION OF TRANSPORTATION DEVELOPMENT, FOR "FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS" SECTION 5311 GRANT FUNDS

WHEREAS, the Formula Grants for Other than Urbanized Areas Program ("Program"), administered by the Federal Transit Administration, provides funding to states for the purpose of supporting public transportation in rural areas with populations of less than 50,000; and

WHEREAS, the City of Loveland has been awarded Program funding ("Section 5311 Grant Funds") for operation of Route 300, which operates east of Boyd Lake Avenue and provides door-to-door paratransit service for seniors and disabled persons residing in the rural areas outside of the urbanized Transit Management Area, as defined by the 2000 Census; and

WHEREAS, the City desires to enter into an agreement with the State of Colorado, acting by and through the Colorado Department of Transportation, Division of Transportation Development ("State"), in order to receive the Section 5311 Grant Funds and to serve as the designated recipient to administer the Section 5311 Grant Funds on behalf of the Town of Berthoud and Larimer County; and

WHEREAS, as governmental entities in Colorado, the City and the State are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

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

Section 1. That the "State of Colorado 5311 Grant Agreement (Administrative & Operating) with the City of Loveland," attached hereto as Exhibit A and incorporated herein by reference ("Intergovernmental Agreement"), is hereby approved.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney, to modify the Intergovernmental 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 Intergovernmental Agreement on behalf of the City.

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

ADOPTED this 20th day of December, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

## **8. ECONOMIC DEVELOPMENT**

### **Amend Project Development Agreement – Rialto Bridge Project**

#### **Resolution #R-91-2011**

Administrative Action: Resolution #R-91-2011 authorizing the City Manager to amend the project development agreement for the Rialto Bridge project was approved.

#### RESOLUTION #R-91-2011

#### A RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE PROJECT DEVELOPMENT AGREEMENT FOR THE RIALTO BRIDGE PROJECT

WHEREAS, the City owns that certain real property known as the Rialto Theater located 228 Fourth Street, Loveland, Colorado (the "Rialto") and the adjacent real property and building located at 224 Fourth Street, Loveland, Colorado (the "City Property"); and

WHEREAS, Rialto Bridge, LLC ("Developer") owns that certain real property and building located at 218 Fourth Street, Loveland, Colorado (the "Developer Property"), which is adjacent to the City Fourth Street Property; and

WHEREAS, the City and Developer are jointly developing the City Property and the Developer Property (sometimes referred to herein collectively as the "Properties") pursuant to the Development Agreement described below, as an integrated public-private project to complement and supplement the Rialto Theater, including certain public spaces to be owned by the City (the "Public Spaces"), and certain complementary private restaurant and commercial spaces to be owned by the Developer ("Private Spaces"). The Public Spaces and Private Spaces, as well as the common areas serving such spaces, will be located in a new building constructed on the Properties and physically connected to the Rialto Theater, are hereinafter referred to collectively as the "Project"; and

WHEREAS, on June 1, 2010, City Council adopted Resolution #R-21-2010 approving and authorizing the City Manager to execute the Project Design Agreement for the Project, which was executed and dated June 20, 2010 (the "Design Agreement"); and

WHEREAS, the City and Developer completed the Project Plans under the Design Agreement and on April 19, 2011 City Council adopted Resolution #R-26-2011 approving and authorizing the City Manager to execute the Project Development Agreement dated April 30, 2011 (the "Agreement") to construct the Project; and

WHEREAS, due to minor technical delays at the initial stages of the Project, the parties desire to extend certain timeframes set forth in Paragraph 23 of the Agreement.

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

Section 1. That the City Manager is authorized, following consultation with the City Attorney as to form, to approve and enter into an amendment to paragraph 23 of the Agreement (the "Amendment") to extend the time frame to obtain a letter of completion and/or temporary or permanent certificate of occupancy for the core and shell of the Project and the Public Spaces from December 31, 2011 to March 31, 2012 and the time frame to obtain a letter of completion and/or temporary or permanent certificate of occupancy for the Private Spaces from December 31, 2012 to March 31, 2013.

Section 2. That the City Manager and the City Clerk are hereby authorized and directed to execute the Amendment on behalf of the City of Loveland.

Section 3. That this Resolution shall go into effect as of the date and time of its adoption.

ADOPTED this 20th day of December, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

**END OF CONSENT AGENDA**

**CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.**

**CITY COUNCIL**

a) Citizens' Reports                      None

b) Business from Council

Farley                                      Councilor Farley participated in interviews for new members of the Visual Arts Commission. He also complimented staff on the Christmas lights.

Shaffer                                     Councilor Shaffer extended her best holiday wishes to the community, staff and council. The annual Menorah Lighting will be held December 27, 2011.

Trenary                                    Councilor Trenary extended appreciated to the Loveland DAR for their work in hosting the World War I memorial ceremony he attended. He also participated in interviews of new members for the Planning Commissions.

Taylor                                      Councilor Taylor extended holiday greetings to all.

McEwen                                    Councilor McEwen extended happy holiday greetings to all.

Klassen                                    Councilor Klassen participated in the interviews of new members for the Golf Advisory Board. He attended an amazing show by the Loveland Choral directed by Cliff Shultz. Councilor Klassen extended a welcome to Cumberland & Western.

Gutierrez                                 Mayor Gutierrez thanked the Engaging Loveland organization for a week of great activities. Other activities mentioned were the First Liquid Arts Festive at the Bonnell Building. He attended Fire Department simulated training called "Blue Card Training" and extended appreciation to staff. The Mayor extended a thank you the police officers who recently retired.

City Manager Cahill stated ipads will be ordered for those Councilors wanting to move to electronic delivery. Councilors Farley, Taylor, Shaffer and Fogle indicated they

c) City Manager Report

Cahill                                      City Manager Cahill updated Council on the status of the former Agilent property sale to Cumberland & Western. The escrow closed today and the Title is vested in the name of the new corporation created by Cumberland & Western: "Rocky Mountain Center for Innovation & Technology". In closing on the sale, fulfilled two items Council was interested in, the first was having the City act as a short term owner to facilitate the transfer of the property from Agilent to a new owner. That has been accomplished. The second is promoting the redevelopment of that site for a technology driven industrial and research park. The second item will be helped by the terms of the sale. He expressed appreciation to Council for their support and extended his gratitude to city staff including Betsey Hale, Economic Development Director and City Attorney John Duval and his staff.

City Manager Cahill reminded Councilors there is a January event that required a sign-up.

d) City Attorney Report None

#### 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 - None

#### 9. DEVELOPMENT SERVICES

##### 2005 Comprehensive Plan, 2011 Implementation Plan

Administrative Action: City Planner Karl Barton introduced this item to Council. This item is an administrative action to formally adopt the City of Loveland 2005 Comprehensive Plan, 2011 Implementation Plan. The 2011 Implementation Plan was prepared to satisfy the requirement that the 2005 Comprehensive Plan be updated every five years. Councilor McEwen moved to approve Resolution #R-92-2011 adopting the City of Loveland 2005 Comprehensive Plan, 2011 Implementation Plan. The Mayor opened the public hearing at 7:04 and hearing no comments closed the hearing at 7:04 p.m. Councilor Shaffer seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

##### RESOLUTION #R-92-2011

##### A RESOLUTION ADOPTING THE CITY OF LOVELAND 2005 COMPREHENSIVE PLAN, 2011 IMPLEMENTATION PLAN

WHEREAS, the Loveland, Colorado 1994 Comprehensive Master Plan was recommended for City Council approval by resolution of the Loveland Planning Commission in October, 1994, and approved and adopted by resolution of the Loveland City Council in October, 1994; and

WHEREAS, the City of Loveland 1994 Comprehensive Master Plan was renamed the "2005 Comprehensive Plan" and was recommended for City Council approval by the Loveland Planning Commission in February, 2007 and amended, approved and adopted by Resolution #21-2007 of the Loveland City Council on March 6, 2007; and,

WHEREAS, the City of Loveland 2005 Comprehensive Plan, 2011 Implementation Plan (the "2011 Implementation Plan") is the result of a five (5) year update process during which staff and board and commission members evaluated, consolidated, and edited the 435 objectives assigned to them in the 2005 Comprehensive Plan to create specific and actionable objectives that better align with the goals of the 2005 Comprehensive Plan and describe priorities for the City's efforts during the upcoming four (4) year period (2012 through 2015), after which a new comprehensive plan is scheduled to be adopted; and

WHEREAS, City staff and each board and commission has recommended to City Council the objectives assigned to them as set forth in 2011 Implementation Plan, as a tool to guide decision making and prioritize projects and initiatives for the next four (4) years.

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

Section 1. That the 2011 Implementation Plan, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, is hereby approved and adopted.

Section 2. That this Resolution shall be effective as of the date and time of its adoption.

ADOPTED this 20th day of December, 2011.



Cecil A. Gutierrez, Mayor  
Attest: Teresa G. Andrews, City Clerk  
Exhibit A is available in the City Clerk's Office

**ADJOURNMENT**                      Having no further business to come before Council, the December 20, 2011  
Regular Meeting was adjourned at 7:25 p.m.

Respectfully Submitted,

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Teresa G. Andrews, City Clerk

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Cecil A. Gutierrez, Mayor



**CITY OF LOVELAND**  
CITY MANAGER'S OFFICE

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

**AGENDA ITEM:** 2  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Bill Cahill, City Manager  
**PRESENTER:** Bill Cahill

**TITLE:**

Appoint members to Citizens' Finance Advisory Commission, Golf Advisory Board, Historic Preservation Commission, Parks and Recreation Commission, Planning Commission, Senior Advisory Board, and Visual Arts Commission

**RECOMMENDED CITY COUNCIL ACTION:**

Adopt a motion to appoint John Case and Jason Napolitano to the **Citizens' Finance Advisory Commission**, each for three year terms effective until December 31, 2014.

Adopt a motion to reappoint James Corlett, Jim Thompson, and Robert Walkowicz to the **Golf Advisory Board**, each for terms effective until December 31, 2014 and appoint Thomas O'Gorman and Jan Wall as Alternate members on the Golf Advisory Board, each for a term effective until December 31, 2012.

Adopt a motion to appoint Laura McGinley to the **Historic Preservation Commission** for a partial term effective until June 30, 2012.

Adopt a motion to reappoint Twyla Dennis and Neil Spooner to the **Parks and Recreation Commission**, each for terms effective until December 31, 2014; appoint Kerry Brooks to the Parks and Recreation Commission for a term effective until December 31, 2014; and appoint Margo Ervin as an Alternate member on the Parks and Recreation Commission for a one-year term effective until December 31, 2012.

Adopt a motion to reappoint Troy Krenning, Buddy Meyers, and Rob Molloy to the **Planning Commission**, each for terms effective until December 31, 2014.

Adopt a motion to reappoint Lynn Hayden-Ugarte and appoint Carol Rehme to the **Senior Advisory Board** for three year terms effective until December 31, 2014 and appoint Angie Sawtelle, Richard Hedlund, and Richard Zlamany as Alternate Members to the Senior Advisory Board, each for one year terms effective until December 31, 2012.

Adopt a motion to reappoint Angela Canada-Hopkins and Nancy Jakobsson to the **Visual Arts Commission**, each for terms effective until December 31, 2014; appoint MaryJo Morgan to the Visual Arts Commission for a term effective until December 31, 2014; and appoint Greg Hoff as an Alternate to the Visual Arts Commission for a one-year term effective until December 31, 2012.

**OPTIONS:**

1. Adopt the action as recommended
  2. Deny the action
- 

**DESCRIPTION:**

This is an administrative item appointing members to the Citizens' Finance Advisory Commission, Golf Advisory Board, Historic Preservation Commission, Parks and Recreation Commission, Planning Commission, Senior Advisory Board, and Visual Arts Commission.

**BUDGET IMPACT:**

- Positive
- Negative
- Neutral or negligible
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**SUMMARY:**

The Citizens' Finance Advisory Commission had four applicants for three vacancies. One applicant did not participate in the scheduled interview. The panel recommends the appointment of John Case and Jason Napolitano to the Citizens' Finance Advisory Commission, each for terms effective until December 31, 2014. Recruiting continues for the remaining term vacancy.

Interviews for three term vacancies on the Golf Advisory Board were held December 19, 2011, with twelve applicants. The interview panel recommends the reappointment of James Corlett, Jim Thompson and Robert Walkowicz to the board, each for terms effective until December 31, 2014. Also, recommended for appointment as Alternate members on the Golf Advisory Board are Thomas O'Gorman and Jan Wall, each for terms effective until December 31, 2012.

Mr. Jerry Portugal, a long time member of the Historic Preservation Commission, passed away recently. During the subsequent recruiting, two applications were received. Interviews were held December 15, 2011. Laura McGinley is recommended for appointment to the Historic Preservation Commission for a partial term effective until June 30, 2012.

Recruiting for Parks and Recreation Commission members resulted in five applications. Interviews were conducted on December 14, 2011. The interview panel recommends the following appointments to the commission: reappoint Twyla Dennis and Neil Spooner to the Parks and Recreation Commission for terms effective until December 31, 2014; appoint Kerry Brooks to the Parks and Recreation Commission for a term effective until December 31, 2013; and, appoint Margo Ervin as an Alternate to the Parks and Recreation Commission for a one-year term effective until December 31, 2012.

Interviews for the Planning Commission were conducted December 19, 2011, with five applicants for three term vacancies. The interview panel recommends the reappointment of all three incumbents, Troy Krenning, Buddy Meyers, and Rob Molloy, to the Planning Commission, each for three year terms effective until December 31, 2014. (No recommendation was made to appoint an Alternate member to Planning Commission.)

The fall recruiting for two Senior Advisory Board members resulted in seven applicants. One applicant withdrew her application. Six candidates were interviewed. The panel recommends the reappointment of Lynn Hayden-Ugarte and the appointment of Carol Rehme to the Senior Advisory Board, each for three year terms effective until December 31, 2014. Also recommended for appointment as Alternate members of the Senior Advisory Board are Richard Hedlund, Angie Sawtelle, and Richard Zlamany (reappointed as Alternate.) A sixth candidate was interviewed and will be considered for a future, at-large membership, if recommended by the Senior Advisory Board after the beginning of 2012.

The Visual Arts Commission recruited for three term vacancies. Five applicants were interviewed December 16, 2011. The interview panel recommends the reappointment of Angela Canada-Hopkins and Nancy Jakobsson and the appointment of MaryJo Morgan to the Visual Arts Commission for three year terms effective until December 31, 2014. The panel also recommends the appointment of Greg Hoff as an Alternate member of the Visual Arts Commission for a one year term effective until December 31, 2012.

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**REVIEWED BY CITY MANAGER:**



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**LIST OF ATTACHMENTS:**

None

**CITY OF LOVELAND**  
CITY CLERKS OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537  
(970) 962-2322 • FAX (970) 962-2901 • TDD (970) 962-2620

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**AGENDA ITEM:** 3  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Terry Andrews, City Clerk  
**PRESENTER:** Terry Andrews

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**TITLE:**

A Resolution establishing the location for the posting of City of Loveland meeting notices

**RECOMMENDED CITY COUNCIL ACTION:**

Approve the Resolution as submitted.

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

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**DESCRIPTION:**

This is an administrative action. Approval of the Resolution will designate the bulletin board immediately adjacent to the Loveland City Council Chambers located at 500 East 3rd Street, City of Loveland, Colorado, as the location for the posting for all of the City of Loveland's written notices in the year 2012.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

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**SUMMARY:**

C.R.S. Section 24-6-402(2)(c), requires City Council to designate a location for the posting for all of the City of Loveland's written notices. Due to its proximity to the City Clerk's Office and the Council Chambers, the bulletin board immediately adjacent to the Loveland City Council Chambers located at 500 East 3<sup>rd</sup> Street, City of Loveland, Colorado, has been used in preceding years and Staff is recommending the same location for 2012. Boards and Commission meeting notices would be posted at this location as well.

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REVIEWED BY CITY MANAGER: *William D. Cahill*

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**LIST OF ATTACHMENTS:**

Resolution

**RESOLUTION #R-1-2012**

**A RESOLUTION ESTABLISHING THE LOCATION FOR THE POSTING OF CITY OF LOVELAND NOTICES**

**WHEREAS**, City Charter Section 4-4(b) requires that the notice of each regular and special City Council meeting shall be posted at least twenty-four hours in advance of the meeting; and

**WHEREAS**, under C.R.S. Section 24-6-402(2)(c) a local public body is deemed to have given full and timely notice of its meetings if the meeting notice is posted in a designated public place within the local public body’s boundaries no less than twenty-four hours prior to the holding of the meeting; and

**WHEREAS**, C.R.S. Section 24-6-402 (2)(c) further provides that the public place for posting such notice shall be designated annually by the local public body at its first regular meeting in each calendar year; and

**WHEREAS**, City Council meetings are held in the Council Chambers located at 500 E. 3<sup>rd</sup> St, immediately adjacent to the City Clerks Office.

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

**Section 1.** The City Council hereby designates the place for the posting of all meeting notices for the Loveland City Council and Loveland’s Boards and Commissions to be the bulletin board immediately adjacent to the Loveland City Council Chambers located at 500 East 3<sup>rd</sup> Street, City of Loveland, Colorado.

**Section 2.** This Resolution shall go into effect on the date of its adoption.


ADOPTED this 3<sup>rd</sup> day of January, 2012.

\_\_\_\_\_  
Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney



**CITY OF LOVELAND**  
PUBLIC WORKS DEPARTMENT

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537  
(970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

**AGENDA ITEM:** 4  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Keith Reester, Public Works Department  
**PRESENTER:** Keith Reester, Director

**TITLE:**

A Resolution amending the scheduled meeting place of the City of Loveland Transportation Advisory Board

**RECOMMENDED CITY COUNCIL ACTION:**

Adopt the Resolution as submitted

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

**DESCRIPTION:**

This is an administrative action to change the meeting location of the City of Loveland Transportation Advisory Board from the City Council Chambers to the Emergency Operations Center (EOC) at the Fire Administration Building located at 410 E. 5<sup>th</sup> Street, Loveland, Colorado.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

**SUMMARY:**

The Transportation Advisory Board currently meets in the City Council Chambers on the first Monday of each month. Throughout the year, due to holidays, special meetings, and other conflicts with the Council Chambers, the board must move to the EOC to conduct their meeting. Due to the convenience of parking, room availability and reduced staff set up time, the board made a motion at the December 5, 2011 meeting to move the location permanently to the EOC.



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REVIEWED BY CITY MANAGER: *William D. Cahill*

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**LIST OF ATTACHMENTS:**

Resolution

**RESOLUTION #R-2-2012**

**A RESOLUTION AMENDING THE SCHEDULED MEETING PLACE OF THE CITY OF LOVELAND TRANSPORTATION ADVISORY BOARD**

**WHEREAS**, on December 6, 2011, City Council adopted Resolution #R-81-2011 setting forth the 2012 meeting dates, times, and places for the City’s boards and commissions, including the City of Loveland Transportation Advisory Board (“Board”); and

**WHEREAS**, the Board meeting place is currently set as the City Council Chambers, 500 East Third Street, Loveland, Colorado; and

**WHEREAS**, due to holidays, special meetings, and other scheduling conflicts, the Board had to move its meeting place several times during 2011 to the Emergency Operations Center, Fire Administration Building, 410 East Fifth Street, Loveland, Colorado; and

**WHEREAS**, on December 5, 2011, the Board adopted a motion recommending that City Council change the Board meeting place to the Emergency Operations Center in order to avoid future scheduling conflicts.

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

**Section 1.** That Resolution #R-81-2011 is hereby amended to change the Board’s meeting place from the City Council Chambers, 500 East Third Street, Loveland, Colorado, to the Emergency Operations Center, Fire Administration Building, 410 East Fifth Street, Loveland, Colorado. The Board meeting dates and times shall remain the same.

**Section 2.** That except as amended herein, Resolution #R-81-2011 shall remain in full force and effect.

**Section 3.** That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 3<sup>rd</sup> day of January, 2012.

\_\_\_\_\_  
Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

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Assistant City Attorney



**CITY OF LOVELAND**  
WATER & POWER DEPARTMENT  
200 North Wilson • Loveland, Colorado 80537  
(970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

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**AGENDA ITEM:** 5  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Water & Power Department  
**PRESENTERS:** Steve Adams, Director  
Chris Matkins, Water Utilities Manager  
Larry Howard, Senior Civil Engineer/Water Resources

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**TITLE:**

A Resolution Approving and Authorizing the Execution of a Fifth Amendment to the Fourth Interim Agreement with the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise, for Participation in the Windy Gap Firming Project

**RECOMMENDED CITY COUNCIL ACTION:**

Adopt the attached Resolution

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

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**DESCRIPTION:**

This is an administrative action to approve a "Fifth Amendment to the Fourth Interim Agreement with the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise," for continued participation in the National Environmental Policy Act activities directed toward completing the Final Environmental Impact Statement and receiving a positive Record of Decision and approval from the U.S. Bureau of Reclamation for the Windy Gap Firming Project.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible
-

**SUMMARY:**

A fifth amendment to the Fourth Interim Agreement is necessary with the Windy Gap Firming Project (WGFP) Participants, including Loveland, to complete the National Environmental Policy Act (NEPA) process and negotiate a Carriage Contract with the Bureau of Reclamation. The money raised is needed to receive federal approvals from the Bureau of Reclamation for the official Record of Decision (ROD) and U.S. Army Corps of Engineers 404 permit to build. A total request of \$1,000,000 is involved from all the Project Participants, and \$81,225 represents Loveland's 8.12% interest in the Project (7,000 AF for Loveland / 86,180 AF total).

The attached memo from Jeff Drager, Project Manager, explains the current status of the project and gives a detailed explanation of the additional tasks that have been performed to support the completion of the Final Environmental Impact Study (FEIS). Some of the major issues which have caused delays or increased costs are: 1) concerns raised by the Environmental Protection Agency, 2) preparation of the Fish and Wildlife Mitigation Plan which was approved by the Wildlife Commission on June 9, 2011 and received concurrence from the Colorado Water Conservation Board on July 13, 2011. Please note that Mr. Drager's memo was written on November 13, 2011, at that time the Final Environmental Impact Statement (FEIS) was anticipated shortly. The FEIS was released on November 30, 2011.

This additional funding does not represent entry into a new phase of the project. The activities of the Fourth Phase, which are a continuation of the activities started in the Third Phase, will continue with this funding. By signing the Fourth Amendment, Loveland agrees to pay this amount to the Windy Gap Firming Enterprise on or before January 18, 2012.

Funds exist in the Raw Water budget to cover this expense.

At its November 16, 2011 meeting, the Loveland Utilities Commission unanimously recommended approval.

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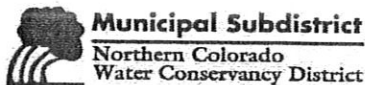
**REVIEWED BY CITY MANAGER:**

*William D. Cahill*

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**LIST OF ATTACHMENTS:**

Memo Regarding Current Status and Funding Requirements for Windy Gap Firming Project  
 Fourth Interim Agreement  
 First Amendment  
 Second Amendment  
 Third Amendment  
 Fourth Amendment  
 Resolution



## Memorandum

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Date: November 13, 2011

To: Windy Gap FIRMing Project Participants

From: Jeff Drager

Subject: Current Status and Funding Requirements for Windy Gap FIRMing Project

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This memorandum will summarize the current status of the WGFP work, budget and schedule and outlines short-term and long-term funding requirements.

### Project Work Status

The NEPA process was initiated in 2003 by the U.S. Bureau of Reclamation acting as the lead federal agency. Public Scoping Meetings were held in Granby, Loveland, and Lyons in September and October 2003 and a Public Scoping Report was published on December 19, 2003.

The Draft Environmental Impact Statement (DEIS) was issued in August 2008 and the comment period closed in December 2008. Since the DEIS was issued, Reclamation and ERO Resources, a third-party contractor, have been working to respond to the comments received and to prepare the Final Environmental Impact Statement (FEIS). The following list briefly summarizes the steps required to complete the FEIS:

- ERO and its subcontractors prepared draft responses to the 1130 comment letters received (which included 692 form letters). This effort required categorization of all comments by issue and all comments were distributed to appropriate staff for preparation of responses.
- Subdistrict staff reviewed draft responses when requested by Reclamation
- Comment responses were formatted to provide the response side-by-side with the original comment letter for printing in the FEIS
- Reclamation staff reviewed the draft responses and submitted changes to ERO
- ERO and its subconsultants have made revisions to the DEIS where required by Reclamation to make the FEIS consistent with the response to comments

The Final EIS has been completed and is awaiting final authorization from the Interior Department for publication of a Notice of Availability in the Federal Register. Reclamation has advised us that they expect the FEIS to be available to the public within 2-3 weeks. My previous Budget Status Update in June of 2010 indicated that the FEIS would be complete in September of 2010. However, as the FEIS was nearly complete, the Environmental Protection Agency (EPA) notified Reclamation that they had some significant concerns regarding the EIS and requested a detailed review of several issues in the FEIS. Reclamation held numerous coordination meetings with EPA in late 2010 through mid-2011 to address EPA's concerns. This process resulted in the delay in completion of the FEIS, with a corresponding increase in costs.

Simultaneous with Reclamation's ongoing consultation with EPA, the Subdistrict and our consultants and legal staff were working with the Colorado Division of Wildlife to develop a Fish and Wildlife Mitigation Plan. This plan is required by Colorado state law for water projects that must obtain Federal permits. This process began in June of 2010 and we expected to be

Memorandum  
 November 13, 2011  
 Page 2

complete by the end of 2010. As this plan proceeded, it was delayed by a request of the Colorado Wildlife Commission to allow more public input into the development of the plan and to consider the WGFP at the same time as Denver Water's proposed Moffat Collection System Project. Ultimately, the process included two public meetings in October, two stakeholder workshops in January and public comment provided at 4 meetings of the Wildlife Commission between October 2010 and May 2011. The Fish and Wildlife Mitigation Plan was approved by the Wildlife Commission on June 9, 2011 and received concurrence from the Colorado Water Conservation Board on July 13, 2011. This was a significant accomplishment for the WGFP and the plan has been incorporated into the Final EIS by Reclamation.

In addition to the work to complete the FEIS and Fish and Wildlife Mitigation Plan, numerous additional tasks have been ongoing to support the completion of the FEIS, some of which are listed below:

- Preparation of technical information requested by Reclamation to address issues raised by EPA, including:
  - Completion of a more detailed, dynamic stream temperature model and detailed analysis by ERO and subconsultants to more accurately assess the impacts of reduced flows in the Colorado River on stream temperatures.
  - Completion of detailed analyses of the effects of reduced streamflows on groundwater levels and the corresponding effects on stream temperatures.
  - Significant revisions to the analysis and technical report on the effects of the WGFP on aquatic life in the Colorado River, specifically related to the revised temperature modeling as well as other EPA concerns.
  - Analysis of potential water quality mitigation measures to reduce nutrients in the Three Lakes system to offset the impacts of the increase in nutrient levels projected in the DEIS. This work included detailed analysis of several wastewater treatment plants in the Fraser River basin and analysis of potential non-point source measures to reduce nutrient levels in runoff from agricultural property in the basin, which was completed by Black & Veatch Corporation.
- Coordination with staff from the Corps of Engineers regarding proposed mitigation measures to ensure compliance with Clean Water Act Section 404 permitting requirements.
- Extensive negotiations with West Slope entities to provide additional water supply and environmental enhancements to reduce opposition for the plan and proposed projects.
- Additional field review and preparation of reports regarding cultural resources issues requested by Reclamation in response to new information provided to Reclamation by Metro State University archaeologists.
- Legal research regarding comments on the DEIS related to water rights and permitting issues.
- Execution of an agreement with C Lazy U Ranch, LLC to modify ranch operations (including fertilization practices and manure management), which will result in lower nutrient inflow to the Three Lakes system and provide mitigation for nutrient impacts of the WGFP.

While some of this effort was anticipated to complete the FEIS, the number of comments was greater than expected. Also, the work required to develop mitigation plans to comply with all statutory requirements and to address EPA's concerns was more complex and required more engineering and environmental analysis than expected.

Memorandum  
November 13, 2011  
Page 3

### **Future Work Required to Complete Permitting**

After completion of the FEIS, there are still several tasks to complete the NEPA/permitting process, including:

- Issuance of a Record of Decision by Reclamation, which will authorize Reclamation to take necessary actions to implement the Preferred Alternative in the FEIS. Reclamation anticipates that the Record of Decision will be issued in January 2012.
- Negotiation of a revised conveyance (carriage) contract with Reclamation to allow operation of the WGFP.
- Issuance of a 404 Permit by the Corps of Engineers

Reclamation's preliminary estimate is that these tasks can be completed by mid-2012, at which time we would expect to begin the detailed design of the project.

### **Project Budget Status**

Attachment 1 provides a summary of project revenues and expenditures for the period since October 2009, which includes the work tasks described above. The currently available funding is about \$38,000 and we have outstanding invoices for \$104,000. The Windy Gap Participants have approved a bridge loan from the Subdistrict to the WGFP Enterprise to cover project expenses until additional funding contributions are received from the participants. Based on the project status discussed above, I have requested that participants provide an additional \$1,000,000 in funding contributions by January 2012 to allow completion of the permitting process. I do not anticipate that the total amount will be required to complete the NEPA/permitting process, but the actual costs are difficult to estimate and any remaining funds will be used to begin the design phase when permitting is complete. Attachment 2 is a listing of anticipated work tasks to complete permitting with an estimated range of the expected costs.

Following completion of the permitting process, we will begin the design phase, which will require additional funding from the participants. The construction cost estimates that were prepared by Boyle Engineering in December 2007 are currently being reviewed, but construction costs and the overall project budget are not expected to change significantly. Attachment 3 provides a preliminary cash flow projection based on the 2007 construction cost estimate.



Windy Gap Firming Project  
 Summary of Project Revenues and Expenditures  
 October 1, 2009 - October 31, 2011

<i>Beginning Cash Balance (October 1, 2009):</i>		<b>\$ 575,688.00</b>
 <u>Project Revenues:</u>		
Capital contributions from participants:		
FY 2010 contributions:	\$ 988,528.00	
Contributions related to previous years:	\$ 137,416.00	
Reimbursement from Denver Water for Nutrient Studies	\$ 70,700.00	
Interest income on cash balances:	<u>\$ 9,601.00</u>	
<b>Total Cash Inflows:</b>		<b>\$ 1,206,245.00</b>
 <u>Project Expenditures:</u>		
Subdistrict Labor	\$ (279,038.00)	
Legal - Trout law firm	\$ (317,366.00)	
Reclamation MOU cash advances	\$ (310,000.00)	
Professional Services:		
ERO Resources	\$ (584,423.00)	
Pinyon Environmental	\$ (17,379.00)	
Ecological Resource Consultants	\$ (32,374.00)	
AECOM	\$ (51,004.00)	
Black & Veatch	\$ (58,400.00)	
Other	<u>\$ (8,700.00)</u>	
Subtotal - Professional Services:	\$ (752,280.00)	
C Lazy U Ranch Mitigation Agreement expenses	\$ (85,000.00)	
<b>Total Expenditures:</b>		<b>\$ (1,743,684.00)</b>
<b>Current Cash Balance (October 31, 2011):</b>		<b>\$ 38,249.00</b>

WGFP - Preliminary Estimate of Remaining Permitting Expenses

Item #	Description	Anticipated Cost
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**Anticipated expenses:**

		High Range:	Low Range:
1	Economic consultant - carriage contract issues	\$ 30,000	\$ 10,000
2	Environmental consultant - preparation of detailed mitigation plan for 404 permit	\$ 20,000	\$ 10,000
3	Environmental consultant - FEIS follow-up issues (e.g. temperature modeling)	\$ 30,000	\$ 20,000
4	Engineering consultant - Nutrient mitigation plan for BOR/Corps	\$ 100,000	\$ 25,000
5	Mitigation agreement with C Lazy U Ranch	\$ 250,000	\$ 100,000
6	Water quality monitoring to establish nutrient mitigation baseline conditions	\$ 100,000	\$ 100,000
7	Legal counsel - NEPA follow-up issues, carriage contract negotiations, 1041	\$ 150,000	\$ 100,000
8	Staff time - NEPA follow-up, carriage contract, mitigation planning/monitoring	\$ 100,000	\$ 75,000
8	Reclamation - reimbursement for NEPA and carriage contract negotiations	\$ 120,000	\$ 70,000
10	Contingencies (see list of potential expenses below)	\$ 100,000	\$ 100,000

**Total anticipated near-term expenses: \$ 1,000,000 \$ 610,000**

**Other potential expenses:**

- 1 Learning by Doing studies, monitoring
- 2 Corps of Engineers Issues (effects on Colo. R. wetlands, others?)
- 3 1041 permitting process documentation
- 4 401 certification studies/documentation
- 5 Delays (additional staff, legal, Reclamation expenses)

**PRELIMINARY**

Windy Gap Firming Project  
 Projected Cash Flow - Preliminary Estimate with Mitigation  
 November 11, 2011

Previous Estimate of Total Project Cost: \$ 272,000,000  
 Increase for 2010 NEPA costs: \$ 1,000,000  
 Increase for 2012 NEPA costs: \$ 1,000,000  
 Revised Estimate of Total Project Cost: \$ 274,000,000

Participant	Units Owned	Requested Storage Volume (af)	Total Participant Contributions Through 2010	2011	Expected Future Contributions				Total Future Contributions	Estimated Total Project Contributions
					2012	2013	2014	2015		
				NEPA (cont)						
				\$ -	\$ 1,000,000	\$ 6,500,000	\$ 6,500,000	\$ 246,037,886		
					Design			Construction/CIM		
Broomfield	56	25,200	\$ 3,313,286	\$ -	\$ 292,411	\$ 1,900,673	\$ 1,900,673	\$ 71,944,241	\$ -	\$ 76,037,999
CWCWD	1	330	\$ 47,967	\$ -	\$ 3,629	\$ 24,890	\$ 24,890	\$ 942,127	\$ -	\$ 995,736
Erie	14	6,000	\$ 770,568	\$ -	\$ 69,622	\$ 452,541	\$ 452,541	\$ 17,129,581	\$ -	\$ 18,104,285
Evans	0	1,750	\$ 159,971	\$ -	\$ 20,306	\$ 131,991	\$ 131,991	\$ 4,996,128	\$ -	\$ 5,440,388
Fort Lupton	0	1,050	\$ 48,176	\$ -	\$ 12,184	\$ 79,195	\$ 79,195	\$ 2,997,677	\$ -	\$ 3,168,250
Grealey	67	7,000	\$ 1,763,612	\$ -	\$ 81,225	\$ 527,965	\$ 527,965	\$ 19,984,512	\$ -	\$ 21,121,666
Lafayette	1	1,800	\$ 270,370	\$ -	\$ 20,887	\$ 135,762	\$ 135,762	\$ 5,138,874	\$ -	\$ 5,431,286
Little Thompson WD	0	4,850	\$ 2,248,441	\$ -	\$ 55,278	\$ 365,804	\$ 365,804	\$ 13,846,412	\$ -	\$ 14,634,297
Longmont	80	12,000	\$ 2,248,441	\$ -	\$ 139,243	\$ 905,082	\$ 905,082	\$ 34,259,163	\$ -	\$ 36,208,571
Louisville	6	2,700	\$ 406,522	\$ -	\$ 31,330	\$ 203,644	\$ 203,644	\$ 7,708,312	\$ -	\$ 8,146,928
Louisville	40	7,000	\$ 1,554,420	\$ -	\$ 81,225	\$ 527,965	\$ 527,965	\$ 19,984,512	\$ -	\$ 21,121,666
Middle Park WCD	0	-	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRPA	160	12,000	\$ 2,166,843	\$ -	\$ 139,243	\$ 905,082	\$ 905,082	\$ 34,259,163	\$ -	\$ 36,208,571
Superior	15	4,500	\$ 959,410	\$ -	\$ 52,216	\$ 339,406	\$ 339,406	\$ 12,847,186	\$ -	\$ 13,578,214
TOTAL	440	86,180	\$ 13,962,114	\$ -	\$ 1,000,000	\$ 6,500,000	\$ 6,500,000	\$ 246,037,886	\$ -	\$ 260,037,886

Unit Cost: \$ 3,179

- Notes:
1. Cost allocation based on percent of total requested storage volume
  2. Costs based on Boyle Engineering's December 2007 Cost Estimate for 90,000 AF Earthfill/Rockfill Dam.
  3. These estimates do not include an allowance for cost escalation between 2007 and the beginning of construction.
  4. Middle Park storage of 3,000 ac-ft and associated funding contribution has been eliminated.
  5. Projection includes an estimate of \$1,000,000 for NEPA costs in 2010. It is unknown at this time if this contribution will be necessary, but it is included for budgetary purposes.

11/13/2011

Nov2011\_cash\_flow\_xlsm/Projected Cash Flow

## Fourth Interim Agreement



FOURTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
THE CITY OF LOVELAND  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Agreement is made and entered into as of February 16, 2006, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, Colorado, whose address is 500 East Third Street, Loveland, Colorado 80537 ("Participant").

Recitals

- A. The WGF Enterprise is developing a water storage project (the "Project") for the purpose of storing water produced by the Windy Gap Project, or other water that is physically and legally capable of being introduced into the Project from the facilities of the Colorado-Big Thompson Project.
- B. Overall Project costs will be divided among the entities which participate in the Project.
- C. The First Phase of the Project consisted of preliminary studies to evaluate potential reservoir sites. The First Phase has been accomplished and there appear to be a number of potential reservoir sites that may serve the needs of the Project.
- D. The Second Phase of the Project consisted of engineering work, environmental studies, alternatives analysis and related work. The Second Phase is complete.
- E. The Third Phase of the Project, consisted of environmental and other permitting, further engineering studies, and preliminary design work, but not land acquisition.
- F. The Fourth Phase of the Project consists of a continuation of the activities started in the Third Phase, plus land acquisition, and is ongoing.
- G. Continuation and completion of the Fourth Phase of the Project on behalf of the Participants will require additional funding.

Agreement

1. Participant agrees to continue participation in completing the Fourth Phase of the Project to complete environmental and other permitting, environmental studies, further engineering studies and preliminary design work, and land acquisition, for the Project, under and pursuant to the terms and conditions of this Agreement. Continued participation in the Fourth Phase of the Project in no way obligates Participant to subsequent phases of the Project or to continue involvement in the Project in any manner.
2. Participant's storage capacity allocation in the Project shall be 6,000 acre-feet of water. Participant may request a change in allocated storage capacity for the Project. The change will be implemented by the WGFP Enterprise only if it will not adversely affect the federal permitting for the Project, so long as any increased costs are paid by the Participant. In addition, Participant may increase its allocated storage capacity only if there is sufficient unallocated storage capacity in the Project to accommodate the increase. In the event that more than one participant seeks to increase its allocated storage capacity, and there is not sufficient unallocated storage capacity in the Project to accommodate all requested increases, the unallocated Project storage capacity shall be allocated to each participant seeking an increase pro rata based on such participant's capacity allocation in the Fourth Phase of the Project. If a change in Participant's capacity is made, the formula for allocation of costs among the participants shall be changed accordingly so that each participant pays a share of the Fourth Phase costs of the Project after the change equal to the participant's share of the final allocation of storage capacity in the Project.
3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fourth Phase of the Project. The WGF Enterprise estimates that Participant's pro rata share of the costs of the Fourth Phase of the Project is \$68,823 for the 2006 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2006 calendar year costs on or before March 10, 2006. This estimated cost will not be increased or exceeded without the prior written approval of Participant. However, if the Fourth Phase of the Project cannot be completed within this estimated cost, the WGF Enterprise is not obligated to complete the Fourth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibit A is a table showing the pro rata share of the costs of the Project for each Participant based upon current allocations of capacity in the Project.
4. In the event that Participant fails to make any of the payment set forth above at the specified time, the WGF Enterprise shall have the right to terminate this Agreement and cease all work on the Project for the benefit of Participant. The WGF Enterprise shall give Participant thirty (30) days' advance written notice of its intention to terminate this Agreement and cease work on the Project for Participant's benefit under this paragraph. Participant shall have until the end of said 30-day period in which to make all past due payments in full in order to cure its default hereunder. Participant shall in any event be

responsible for its pro rata share of costs of the Fourth Phase of the Project actually incurred by the WGF Enterprise up to the date of termination of this Agreement.

5. The WGF Enterprise agrees to diligently pursue the Fourth Phase of the Project in good faith to the extent that funds therefor are provided by the Participant under this Agreement and by other Participants under similar agreements. By entering into this Agreement and accepting payments from Participant, the WGF Enterprise does not obligate itself to, nor does the WGF Enterprise warrant, that it will proceed with construction of the Project beyond the Fourth Phase or that it will construct or operate the Project. At the end of the Fourth Phase, the WGF Enterprise will determine after consultation with the participants whether to proceed with the Project. The WGF Enterprise agrees that, if the participants provide all required funding, if the WGF Enterprise has the ability, and if the Project is feasible and practical, it will pursue the construction and operation of the Project if requested to do so by sufficient participants to fully fund the Project. In such event, the Participant shall have the right to participate in the funding, construction and operation of the Project in the amount of storage capacity allocated to Participant in paragraph 2 above, so long as the Project as finally configured is sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fourth Phase of the Project. If the Project as finally configured is not sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fourth Phase of the Project, the available storage capacity in the Project shall be allocated to each participant pro rata based on such participant's capacity allocation in the Fourth Phase of the Project. In the event that the WGF Enterprise decides not to proceed with the Project, it will so notify Participant and this Agreement will immediately and automatically terminate upon the giving of such notice.
6. In the event of termination of the Project, Participant shall not be entitled to any return of funds paid to the WGF Enterprise for the Project, unless payments by Participants exceed the WGF Enterprise's costs, in which case a pro rata refund will be made. In the event of such termination, Participant shall be entitled to receive copies of any work products developed by the WGF Enterprise or its consultants on behalf of Participant, and WGF Enterprise shall convey to Participant, as a tenant in common with all other Participants who have not been terminated under paragraph 4 above, a pro rata interest in all real and personal property acquired by the WGF Enterprise for the Project with funds provided under this Agreement or similar agreements with other Participants.
7. Participant shall have the right to assign this Agreement and Participant's rights hereunder, with the written consent of the WGF Enterprise, which consent shall not be unreasonably withheld, to any person or entity that is eligible to receive water deliverable through the Project and that is financially able to perform this Agreement.
8. In the event that this Agreement is terminated for any reason, Participant shall not be entitled to any return of any funds paid to the WGF Enterprise for the Project, and the WGF Enterprise shall have no further obligations to Participant, except as provided in Paragraph 6 above for those Participants who have not been terminated under paragraph 4 above.

- 9. This Agreement shall be modified by the parties only by a duly executed written instrument approved by Participant and the WGF Enterprise's Board of Directors.
- 10. This Agreement is subject to approval by the WGF Enterprise's Board of Directors and shall become binding on the WGF Enterprise only upon such approval.



CITY OF LOVELAND, COLORADO

MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER  
CONSERVANCY DISTRICT, ACTING  
BY AND THROUGH THE WINDY GAP  
FIRMING PROJECT WATER ACTIVITY  
ENTERPRISE

By: [Signature]  
 Name: HARRY WALSH  
 Title: MAYOR

By: [Signature]  
 Name: DAREN D. ZIMBELMAN  
 Title: Associate General Manager

APPROVED AS TO FORM:

[Signature]  
 Assistant City Attorney



## EXHIBIT A

### Windy Gap Firming Project Allocation of Costs for Fourth Interim Agreement (Phase 4)

Estimated NEPA Costs due in 2006: \$ 1,000,000

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	\$ -
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.

Amendment to the  
Fourth Interim Agreement

AMENDMENT TO FOURTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
THE CITY OF LOVELAND  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Amendment is made and entered into as of Dec. 11, 2007, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, Colorado, whose address is 500 East Third Street, Loveland, Colorado 80537 ("Participant"), for the purpose of amending the Fourth Interim Agreement between the parties (the "Agreement").

A. The Agreement is amended by deletion of the existing paragraph 3 and the addition of the following new paragraph 3:

3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fourth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$68,823 for the 2006 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2006 calendar year costs on or before February 1, 2006.

B. The WGF Enterprise estimates that Participant's pro rata share of the costs of the Fourth Phase of the Project is \$68,823 for the 2008 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2008 calendar year costs on or before January 15, 2008. This estimated cost will not be increased or exceeded without the prior written approval of Participant.

However, if the Fourth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fourth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A and B are tables showing the pro rata share of the costs of the Project for each Participant for 2006 and 2008 based upon current allocations of capacity in the Project.

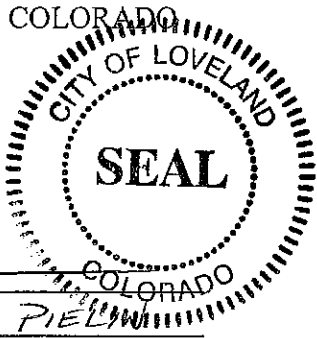
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CITY CLERK'S OFFICE  
LOVELAND, CO

B. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND, COLORADO



By: [Signature]  
Name: EDGENE N. PIELNIK  
Title: MAYOR OF LOVELAND.

MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER  
CONSERVANCY DISTRICT, ACTING  
BY AND THROUGH THE WINDY GAP  
FIRMING PROJECT WATER ACTIVITY  
ENTERPRISE

By: [Signature]  
Name: ERIC W. WILKINSON  
Title: GENERAL MANAGER

**APPROVED AS TO FORM**  
BY: [Signature]  
ASSISTANT CITY ATTORNEY

## EXHIBIT A

### Windy Gap Firming Project Allocation of Costs for Fourth Interim Agreement (Phase 4)

Estimated NEPA Costs due in 2006: \$ 1,000,000

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Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	-
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

---

**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.

## EXHIBIT B

### Windy Gap Firing Project Allocation of Costs for Amendment to Fourth Interim Agreement (Phase 4)

Estimated NEPA Costs due in January 2008:           \$ 1,000,000

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	-
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.

# Second Amendment to the Fourth Interim Agreement

SECOND AMENDMENT TO THE FOURTH INTERIM AGREEMENT BETWEEN  
THE MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
THE CITY OF LOVELAND  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Second Amendment is made and entered into as of August 18, 2008, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, Colorado, whose address is 500 East Third Street, Loveland, Colorado 80537 ("Participant"), for the purpose of amending the Fourth Interim Agreement between the parties (the "Agreement").

1. Paragraph 2 of the Agreement, as amended, is further amended to provide that Participant's storage capacity in the Project shall be 7,000 acre feet of water, an increase of 1,000 acre feet.

2. Participant's payments due under the Agreement, as amended, shall not be changed during the Fourth Phase. Concurrently with this Second Amendment, the level of Project participation of the Platte River Power Authority is being decreased by 1,000 acre feet of storage capacity. At the time the Project proceeds to the next phase of development, Participant's share of costs incurred for the Fourth Phase shall be reallocated to reflect the revised allocation of storage capacity in the Project as described in Paragraph 2 of the Agreement. Participant shall receive an appropriate adjustment on its payment obligation for the next phase of development.

3. All other terms and conditions of the Agreement, as amended, shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND, COLORADO

MUNICIPAL SUBDISTRICT, NORTHERN  
COLORADO WATER CONSERVANCY  
DISTRICT, ACTING BY AND THROUGH  
THE WINDY GAP FIRING PROJECT  
WATER ACTIVITY ENTERPRISE

By: *Don Williams*  
Name: Don F Williams  
Title: City Manager

By: *Eric W. Wilkinson*  
Name: Eric W. Wilkinson  
Title: General Manager

APPROVED AS TO FORM  
BY: *Summit City Attorney*



# Third Amendment to the Fourth Interim Agreement

70.14

THIRD AMENDMENT TO FOURTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
**THE CITY OF LOVELAND**  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Third Amendment is made and entered into as of June 10, 2009, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, whose address is 200 North Wilson Avenue, Loveland, Colorado 80537-6017 ("Participant"), for the purpose of amending the Fourth Interim Agreement between the parties (the "Agreement").

1. The Agreement, as previously amended, is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.

3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fourth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$68,823 for the 2006 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2006 calendar year costs on or before February 1, 2006.

B. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$68,823 for the 2008 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2008 calendar year costs on or before January 15, 2008.

C. The WGF Enterprise estimates that Participant's pro rata share of the cost of the Fourth Phase of the Project is \$80,294 for the 2009 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2009 calendar year costs on or before June 15, 2009. This estimated cost will not be increased or exceeded without the prior written approval of Participant.

If the Fourth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fourth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, B, and C are tables showing the pro rata share of the costs of the

Project for each Participant for 2006, 2008 and 2009 based upon then-current allocations of capacity in the Project.

2. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND

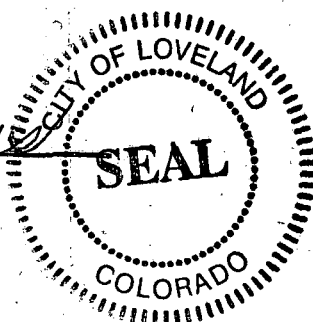
MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT, ACTING BY AND THROUGH THE WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE

By: *E. N. Pieltin*  
Name: Eugene N Pieltin  
Title: Mayor

By: *Eric W. Wilkinson*  
Name: ERIC W. WILKINSON  
Title: GENERAL MANAGER

APPROVED AS TO FORM  
BY: *Stuart M. [Signature]*  
ASSISTANT CITY ATTORNEY

ATTEST:  
*Susan J. Andrews*  
CITY CLERK



**EXHIBIT A****Windy Gap Firing Project  
Allocation of Costs for Fourth Interim Agreement (Phase 4)**

Estimated NEPA Costs due in 2006: \$ 1,000,000

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	\$ -
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

**NOTES:**

- (1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.  
(2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008  
(3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

**EXHIBIT B**

**Windy Gap Firing Project  
Allocation of Costs for Amendment to Fourth Interim Agreement (Phase 4)**

**Estimated NEPA Costs due in January 2008:           \$ 1,000,000**

<b>Participant</b>	<b>Requested Storage Volume (af)</b>	<b>Share of NEPA Cost <sup>(1)</sup></b>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	\$ -
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

**NOTES:**

- (1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.
- (2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008
- (3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

**EXHIBIT C**

**Windy Gap Firing Project  
Allocation of Costs for Third Amendment to Fourth Interim Agreement (Phase 4)**

Estimated NEPA Costs due in June 2009:                   \$ 1,000,000

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	7,000	\$ 80,294
Middle Park	3,000	\$ -
PRPA	12,000	\$ 137,646
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

**NOTES:**

- (1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.
- (2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008
- (3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

# Fourth Amendment to the Fourth Interim Agreement

FOURTH AMENDMENT TO FOURTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
and  
THE CITY OF LOVELAND  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Fourth Amendment is made and entered into as of July 15, 2010, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, whose address is 200 North Wilson Avenue, Loveland, Colorado 80537 ("Participant"), for the purpose of amending the Fourth Interim Agreement between the parties (the "Agreement").

1. The Agreement, as previously amended, is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.

3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fourth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$68,823 for the 2006 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2006 calendar year costs on or before February 1, 2006.

B. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$68,823 for the 2008 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2008 calendar year costs on or before January 15, 2008.

C. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$80,294 for the 2009 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2009 calendar year costs on or before June 15, 2009.

D. The WGF Enterprise estimates that Participant's pro rata share of the cost of the Fourth Phase of the Project is \$80,294 for the 2010 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2010 calendar year costs on or before August 1, 2010. This estimated cost will not be increased or exceeded without the prior written approval of Participant.



If the Fourth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fourth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, B, C, and D are tables showing the pro rata share of the costs of the Project for each Participant for 2006, 2008, 2009 and 2010 based upon then-current allocations of capacity in the Project.

2. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

THE CITY OF LOVELAND

MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT, ACTING BY AND THROUGH THE WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE

By: *Cecilia A. Gutierrez*  
Name: Cecilia Gutierrez  
Title: MAYOR

By: *Don Carlson*  
Name: Don Carlson  
Title: Assistant General Manager

APPROVED AS TO FORM  
BY: *Samuel C. [Signature]*  
ASSISTANT CITY ATTORNEY

ATTEST:  
*Lorena D. Andrews*  
CITY CLERK



## EXHIBIT A

### Windy Gap FIRMING Project Allocation of Costs for Fourth Interim Agreement (Phase 4)

Estimated NEPA Costs due in 2006: \$ 1,000,000

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	-
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.

(2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008

(3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

**EXHIBIT B**

**Windy Gap Firing Project  
Allocation of Costs for Amendment to Fourth Interim Agreement (Phase 4)**

**Estimated NEPA Costs due in January 2008:           \$ 1,000,000**

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	-
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.

(2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008

(3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

**EXHIBIT C**

**Windy Gap Firing Project**  
**Allocation of Costs for Third Amendment to Fourth Interim Agreement (Phase 4)**

**Estimated NEPA Costs due in June 2009:                    \$ 1,000,000**

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	12,000	\$ 137,646
Louisville	2,700	\$ 30,970
Loveland	7,000	\$ 80,294
Middle Park	3,000	\$ -
PRPA	12,000	\$ 137,646
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>89,180</b>	<b>\$ 988,528</b>

**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.

(2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008

(3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

## EXHIBIT D

### Windy Gap FIRMING Project Allocation of Costs for Fourth Amendment to Fourth Interim Agreement (Phase 4)

Estimated NEPA Costs due in August 2010:           \$ 1,000,000

Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	12,000	\$ 137,646
Louisville	2,700	\$ 30,970
Loveland	7,000	\$ 80,294
Middle Park	3,000	-
PRPA	12,000	\$ 137,646
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>89,180</b>	<b>\$ 988,528</b>

**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.

(2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008

(3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

**RESOLUTION #R-3-2012**

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A FIFTH AMENDMENT TO THE FOURTH INTERIM AGREEMENT WITH THE MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE, FOR PARTICIPATION IN THE WINDY GAP FIRING PROJECT**

**WHEREAS**, since the 1970s, the City of Loveland has been a participant in the Windy Gap Project (“Project”), which is managed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District (“Subdistrict”); and

**WHEREAS**, the City owns 40 units, which represent raw water, in the Windy Gap Project; and

**WHEREAS**, the Windy Gap Project water rights are junior, and won’t supply water during drought without storage; and

**WHEREAS**, the Subdistrict and participants have been seeking ways to improve the reliability and yield of Windy Gap Project units (the “Windy Gap Firing Project”); and

**WHEREAS**, the City has been involved in the Windy Gap Firing Project, which has identified a possible reservoir site at Chimney Hollow; and

**WHEREAS**, the City has reserved 7,000 acre-feet of storage in the Windy Gap Firing Project; and

**WHEREAS**, the Subdistrict requested a further commitment from all participants, including the City, to make possible the completion of environmental and other permitting, environmental studies, further engineering studies, preliminary design work, and land acquisition for the Project (“the Fourth Phase”) by way of a Fourth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise, and City of Loveland, Colorado for Participation in the Windy Gap Firing Project (“Agreement”), which was signed on February 16, 2006; and

**WHEREAS**, the Agreement was amended on December 11, 2007 (“First Amendment”). to provide additional funding to complete the Fourth Phase; on August 18, 2008 (“Second Amendment”) to increase the City’s storage capacity in the Project; on June 10, 2009 (“Third Amendment”) to provide additional funding to complete the Fourth Phase; and on July 15, 2010 to provide additional funding to complete the Fourth Phase (“Fourth Amendment”); and

**WHEREAS**, the Subdistrict needs additional funds to complete the Fourth Phase and is requesting that all participants, including the City, execute another amendment to the Agreement committing additional monies proportionate to their commitment to the Project; and

**WHEREAS**, the Loveland Utilities Commission recommends that the City enter into an amendment to complete the Fourth Phase of the Project; and

**WHEREAS**, the City Council finds that participation in the Project will benefit the Utility’s ratepayers and is in the best interests of Loveland’s citizens; and

**WHEREAS**, the City Council desires to enter into an amendment to complete the Fourth Phase of the Project.

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

**Section 1.** That the “Fifth Amendment to Fourth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise, and the City of Loveland for Participation in the Windy Gap Firming Project” (“Fifth Amendment”), attached hereto as Exhibit A and incorporated herein by reference, is approved, and the Mayor and City Clerk are authorized to execute and enter into the Fifth Amendment on behalf of the City of Loveland.

**Section 2.** That the Mayor is authorized, following consultation with the City Manager and the City Attorney, to approve changes to the form of the Fifth Amendment, in form or in substance, as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

**Section 3.** That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 3<sup>rd</sup> day of January, 2012.

\_\_\_\_\_  
Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Assistant City Attorney

FIFTH AMENDMENT TO FOURTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY  
DISTRICT, WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
THE CITY OF LOVELAND  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Fifth Amendment is made and entered into as of \_\_\_\_\_, 2012, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise") , and The City of Loveland, whose address is 200 North Wilson Avenue, Loveland, CO 80537 ("Participant"), for the purpose of amending the Fourth Interim Agreement between the parties (the "Agreement").

1. The Agreement, as previously amended, is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.

3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fourth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$68,823 for the 2006 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2006 calendar year costs.

B. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$68,823 for the 2008 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2008 calendar year costs.

C. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fourth Phase of the Project was \$80,294 for the 2009 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2009 calendar year costs.

D. The WGF Enterprise estimated that Participant's pro rata share of the cost of the Fourth Phase of the Project was \$80,294 for the 2010 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2010 calendar year costs.



E. The WGFP Enterprise did not request that Participant pay any share of the cost of the Fourth Phase of the Project during 2011.

F. The WGFP Enterprise estimates that Participant’s pro rata share of the cost of the Fourth Phase of the Project is \$81,225 for the 2012 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2010 calendar year costs on or before January 18, 2012. This estimated cost will not be increased or exceeded without the prior approval of Participant.

If the Fourth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fourth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, B, C, D, and E are tables showing the pro rata share of the costs of the Project for each Participant for 2006, 2008, 2009, 2010 and 2012 based upon then-current allocations of capacity in the Project.

2. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

THE CITY OF LOVELAND

MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT, ACTING BY AND THROUGH THE WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A

### Windy Gap Firing Project Allocation of Costs for Fourth Interim Agreement (Phase 4)

Estimated NEPA Costs due in 2006: \$ 1,000,000

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Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	\$ -
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

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**NOTES:**

- (1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.
- (2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008
- (3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

## EXHIBIT B

### Windy Gap Firming Project Allocation of Costs for Amendment to Fourth Interim Agreement (Phase 4)

**Estimated NEPA Costs due in January 2008:           \$ 1,000,000**

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Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	13,000	\$ 149,117
Louisville	2,700	\$ 30,970
Loveland	6,000	\$ 68,823
Middle Park	3,000	-
PRPA	13,000	\$ 149,117
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>90,180</b>	<b>\$ 999,999</b>

---

**NOTES:**

- (1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.
- (2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008
- (3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

## EXHIBIT C

### Windy Gap Firming Project Allocation of Costs for Third Amendment to Fourth Interim Agreement (Phase 4)

**Estimated NEPA Costs due in June 2009:                   \$ 1,000,000**

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Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	12,000	\$ 137,646
Louisville	2,700	\$ 30,970
Loveland	7,000	\$ 80,294
Middle Park	3,000	-
PRPA	12,000	\$ 137,646
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>89,180</b>	<b>\$ 988,528</b>

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**NOTES:**

- (1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.
- (2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008
- (3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

## EXHIBIT D

### Windy Gap Firming Project Allocation of Costs for Fourth Amendment to Fourth Interim Agreement (Phase 4)

**Estimated NEPA Costs due in August 2010:                   \$ 1,000,000**

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Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 289,057
CWCWD	330	\$ 3,785
Erie	6,000	\$ 68,823
Evans	1,750	\$ 20,073
Fort Lupton	1,050	\$ 12,044
Greeley	7,000	\$ 80,294
Lafayette	1,800	\$ 20,647
Little Thompson WD	4,850	\$ 55,632
Longmont	12,000	\$ 137,646
Louisville	2,700	\$ 30,970
Loveland	7,000	\$ 80,294
Middle Park	3,000	-
PRPA	12,000	\$ 137,646
Superior	4,500	\$ 51,617
<b>TOTAL</b>	<b>89,180</b>	<b>\$ 988,528</b>

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**NOTES:**

- (1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.
- (2) Loveland's requested storage volume was increased from 6,000 af to 7,000 af per Amendment 2, August 2008
- (3) PRPA's requested storage volume was decreased from 13,000 af to 12,000 af per Amendment 2, August 2008

## EXHIBIT E

### Windy Gap Firming Project Allocation of Costs for Fifth Amendment to Fourth Interim Agreement (Phase 4)

Estimated NEPA Costs due January 18, 2012:        \$ 1,000,000

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Participant	Requested Storage Volume (af)	Share of NEPA Cost <sup>(1)</sup>
Broomfield	25,200	\$ 292,411
CWCWD	330	\$ 3,829
Erie	6,000	\$ 69,622
Evans	1,750	\$ 20,306
Fort Lupton	1,050	\$ 12,184
Greeley	7,000	\$ 81,225
Lafayette	1,800	\$ 20,887
Little Thompson WD	4,850	\$ 56,278
Longmont	12,000	\$ 139,243
Louisville	2,700	\$ 31,330
Loveland	7,000	\$ 81,225
Middle Park	3,000	\$ -
PRPA	12,000	\$ 139,243
Superior	4,500	\$ 52,216
<b>TOTAL</b>	<b>89,180</b>	<b>\$ 999,999</b>

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**NOTES:**

(1) Costs allocated pro rata based upon requested storage volume with Middle Park excluded.



**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:** 6  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Bonnie Steele, Finance Department  
**PRESENTER:** Jim Wedding, Revenue Manager

**TITLE:**

Public Hearing and consideration of an ordinance on first reading enacting a supplemental budget and appropriation to the 2012 City of Loveland budget to reorganize the utility billing, customer service and meter reading functions within the General Fund under the Finance Department-Revenue Division

**RECOMMENDED CITY COUNCIL ACTION:**

Conduct a Public Hearing and approve the ordinance on first reading

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

**DESCRIPTION:**

This is an administrative action. The ordinance moves the budget for three functions managed by the Finance Department to the General Fund. The budgets for these three functions were originally within the Water, Wastewater, and Power Enterprise Funds.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

These functions were originally budgeted within three enterprise funds. The amount of these budgets is transferred to the General Fund. No additional revenue or fund balance is needed for this action.

**SUMMARY:**

The utility billing, customer service and meter reading functions have been historically budgeted within the Utility Enterprise budgets. The management and supervision of these functions are the responsibility of the Finance Department/Revenue Division. For management purposes it is better to have all the functions of the Revenue Division in one fund and charge Enterprise Funds for the services provided, similar to other internal service transfers for functions such as information technology, human resources, facility maintenance and finance.

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**REVIEWED BY CITY MANAGER:**

*William A. Cahill*

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**LIST OF ATTACHMENTS:**

Ordinance



FIRST READING                      January 3, 2012

SECOND READING                      \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET TO REORGANIZE THE UTILITY BILLING, CUSTOMER SERVICE AND METER READING FUNCTIONS WITHIN THE GENERAL FUND UNDER THE FINANCE DEPARTMENT-REVENUE DIVISION**

**WHEREAS**, the City has received or has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2012; 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 2012, 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 \$2,022,380 from transfers to the General Fund 100 from the Water Fund 300, Wastewater Fund 315, and Power Fund 330 are available for appropriation. Revenues in the total amount of \$2,022,380 are hereby appropriated for personnel and operating costs and transferred to the funds 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 100**

**Revenues**

100-00-000-0000-37300	Transfers From Water	419,550
100-00-000-0000-37315	Transfers From Wastewater	167,090
100-00-000-0000-37330	Transfers From Power	1,435,740

**Total Revenue****2,022,380****Appropriations**

100-15-135-0014-41011	Salaries-Benefited Emp	316,030
100-15-135-0014-41021	Overtime-Benefited Emp	2,940
100-15-135-0014-41543	Insurance Benefits	81,850
100-15-135-0014-41544	F.I.C.A. Taxes	24,400
100-15-135-0014-41545	General Pension & Retirement	24,900

**Supplemental Budget  
General Fund 100**

**Appropriations (cont'd)**

100-15-135-0014-42011	Office Supplies	2,900
100-15-135-0014-42015	Computer Supply & Equipmt	400
100-15-135-0014-42033	Tools/Equip (Non-Cap)	250
100-15-135-0014-42071	Warehouse Withdrawals	27,800
100-15-135-0014-42899	Other Supplies	500
100-15-135-0014-43265	Mileage Reimbursement	2,200
100-15-135-0014-43270	Travel/Meetings/Schooling	9,600
100-15-135-0014-43569	Repair & Maintenance	4,940
100-15-135-0014-43711	Postage	169,800
100-15-135-0014-43775	Equipment Lease	1,290
100-15-135-0014-43895	Monetary Awards & Recgntn	450
100-15-135-0014-43899	Other Services	103,950
100-15-135-0014-48247	Office Furn/Eq (Capital)	5,000
100-15-135-0015-41011	Salaries-Benefited Emp	398,500
100-15-135-0015-41021	Overtime-Benefited Emp	2,870
100-15-135-0015-41543	Insurance Benefits	99,220
100-15-135-0015-41544	F.I.C.A. Taxes	30,720
100-15-135-0015-41545	General Pension & Retirement	29,410
100-15-135-0015-42011	Office Supplies	3,100
100-15-135-0015-42014	Books & Periodicals	50
100-15-135-0015-42015	Computer Supply & Equipmt	1,650
100-15-135-0015-42033	Tools/Equip (Non-Cap)	300
100-15-135-0015-42071	Warehouse Withdrawals	1,450

**Appropriations (cont'd)**

100-15-135-0015-43021	Printing	2,800
100-15-135-0015-43043	Collection Fees	12,400
100-15-135-0015-43270	Travel/Meetings/Schooling	1,470
100-15-135-0015-43569	Repair & Maintenance	400
100-15-135-0015-43711	Postage	46,000
100-15-135-0015-43895	Monetary Awards & Recgntn	600
100-15-135-0015-43899	Other Services	14,400
100-15-135-0016-41011	Salaries-Benefited Emp	392,440
100-15-135-0016-41021	Overtime-Benefited Emp	10,530
100-15-135-0016-41543	Insurance Benefits	82,830
100-15-135-0016-41544	F.I.C.A. Taxes	30,820
100-15-135-0016-41545	General Pension & Retirement	30,640
100-15-135-0016-42011	Office Supplies	630
100-15-135-0016-42025	Clothing	1,500
100-15-135-0016-42032	Parts & Supplies	500
100-15-135-0016-42033	Tools/Equip (Non-Cap)	1,650
100-15-135-0016-42071	Warehouse Withdrawals	1,000
100-15-135-0016-42097	Safety Supplies	360
100-15-135-0016-42422	Food	50
100-15-135-0016-43021	Printing	700
100-15-135-0016-43265	Mileage Reimbursement	20
100-15-135-0016-43270	Travel/Meetings/Schooling	1,190
100-15-135-0016-43534	Veh & Eq Maint-Internal Svc	30,960
100-15-135-0016-43569	Repair & Maintenance	9,600
100-15-135-0016-43645	Telephone	1,850
100-15-135-0016-43711	Postage	70
100-15-135-0016-43895	Monetary Awards & Recgntn	500
<b>Total Appropriations</b>		<b>2,022,380</b>

**Supplemental Budget  
Water Fund 300**

**Appropriations**

300-45-301-0000-47100	Trf To General Fund	419,550
300-45-300-2913-43270	Travel/Meetings/Schooling	(350)
300-45-300-2914-42015	Computer Supply & Equipmt	(120)
300-45-300-2914-43270	Travel/Meetings/Schooling	(1,050)
300-45-300-2915-43270	Travel/Meetings/Schooling	(1,010)
300-45-303-2913-41011	Salaries-Benefited Emp	(94,810)
300-45-303-2913-41021	Overtime-Benefited Emp	(880)
300-45-303-2913-41543	Insurance Benefits	(24,560)
300-45-303-2913-41544	F.I.C.A. Taxes	(7,320)
300-45-303-2913-41545	General Pension & Retirement	(7,470)
300-45-303-2913-42011	Office Supplies	(870)
300-45-303-2913-42015	Computer Supply & Equipmt	(120)
300-45-303-2913-42033	Tools/Equip (Non-Cap)	(80)
300-45-303-2913-42071	Warehouse Withdrawals	(8,340)
300-45-303-2913-42899	Other Supplies	(150)
300-45-303-2913-43265	Mileage Reimbursement	(660)
300-45-303-2913-43569	Repair & Maintenance	(1,480)
300-45-303-2913-43711	Postage	(50,940)
300-45-303-2913-43775	Equipment Lease	(390)
300-45-303-2913-43895	Monetary Awards & Recgntn	(140)
300-45-303-2913-43899	Other Services	(31,180)
300-45-303-2914-41011	Salaries-Benefited Emp	(31,880)
300-45-303-2914-41021	Overtime-Benefited Emp	(230)
300-45-303-2914-41543	Insurance Benefits	(7,940)
300-45-303-2914-41544	F.I.C.A. Taxes	(2,460)
300-45-303-2914-41545	General Pension & Retirement	(2,350)
300-45-303-2914-42011	Office Supplies	(250)
300-45-303-2914-42014	Books & Periodicals	(10)
300-45-303-2914-42015	Computer Supply & Equipmt	(10)
300-45-303-2914-42033	Tools/Equip (Non-Cap)	(20)
300-45-303-2914-42071	Warehouse Withdrawals	(110)
300-45-303-2914-43021	Printing	(230)
300-45-303-2914-43569	Repair & Maintenance	(30)
300-45-303-2914-43711	Postage	(3,680)
300-45-303-2914-43895	Monetary Awards & Recgntn	(50)
300-45-303-2914-43899	Other Services	(1,150)
300-45-303-2915-41011	Salaries-Benefited Emp	(90,260)
300-45-303-2915-41021	Overtime-Benefited Emp	(2,420)

**Appropriations (cont'd)**

300-45-303-2915-41543	Insurance Benefits	(19,050)
300-45-303-2915-41544	F.I.C.A. Taxes	(7,090)
300-45-303-2915-41545	General Pension & Retirement	(7,050)
300-45-303-2915-42011	Office Supplies	(140)
300-45-303-2915-42025	Clothing	(350)
300-45-303-2915-42032	Parts & Supplies	(110)
300-45-303-2915-42033	Tools/Equip (Non-Cap)	(380)
300-45-303-2915-42071	Warehouse Withdrawals	(230)
300-45-303-2915-42097	Safety Supplies	(90)
300-45-303-2915-42422	Food	(10)
300-45-303-2915-43021	Printing	(160)
300-45-303-2915-43265	Mileage Reimbursement	(10)
300-45-303-2915-43534	Veh & Eq Maint-Internal Svc	(7,120)
300-45-303-2915-43569	Repair & Maintenance	(2,210)
300-45-303-2915-43645	Telephone	(430)
300-45-303-2915-43711	Postage	(20)
300-45-303-2915-43895	Monetary Awards & Recgntn	(100)

**Total Appropriations**

-

**Supplemental Budget  
Wastewater Fund 315**

**Appropriations**

315-45-301-0000-47100	Trf To General Fund	167,090
315-45-300-2913-43270	Travel/Meetings/Schooling	(350)
315-45-300-2914-42015	Computer Supply & Equipmt	(120)
315-45-300-2914-43270	Travel/Meetings/Schooling	(420)
315-45-300-2915-43270	Travel/Meetings/Schooling	(180)
315-45-303-2913-41011	Salaries-Benefited Emp	(37,920)
315-45-303-2913-41021	Overtime-Benefited Emp	(350)
315-45-303-2913-41543	Insurance Benefits	(9,820)
315-45-303-2913-41544	F.I.C.A. Taxes	(2,930)
315-45-303-2913-41545	General Pension & Retirement	(2,990)
315-45-303-2913-42011	Office Supplies	(350)
315-45-303-2913-42015	Computer Supply & Equipmt	(50)
315-45-303-2913-42033	Tools/Equip (Non-Cap)	(20)
315-45-303-2913-42071	Warehouse Withdrawals	(3,340)
315-45-303-2913-42899	Other Supplies	(60)
315-45-303-2913-43265	Mileage Reimbursement	(260)
315-45-303-2913-43569	Repair & Maintenance	(590)

**Appropriations (cont'd)**

315-45-303-2913-43711	Postage	(20,380)
315-45-303-2913-43775	Equipment Lease	(150)
315-45-303-2913-43895	Monetary Awards & Recgntn	(50)
315-45-303-2913-43899	Other Services	(12,480)
315-45-303-2914-41011	Salaries-Benefited Emp	(31,880)
315-45-303-2914-41021	Overtime-Benefited Emp	(230)
315-45-303-2914-41543	Insurance Benefits	(7,940)
315-45-303-2914-41544	F.I.C.A. Taxes	(2,460)
315-45-303-2914-41545	General Pension & Retirement	(2,350)
315-45-303-2914-42011	Office Supplies	(250)
315-45-303-2914-42015	Computer Supply & Equipmt	(10)
315-45-303-2914-42033	Tools/Equip (Non-Cap)	(30)
315-45-303-2914-42071	Warehouse Withdrawals	(120)
315-45-303-2914-43021	Printing	(230)
315-45-303-2914-43569	Repair & Maintenance	(30)
315-45-303-2914-43711	Postage	(3,680)
315-45-303-2914-43895	Monetary Awards & Recgntn	(50)
315-45-303-2914-43899	Other Services	(1,150)
315-45-303-2915-41011	Salaries-Benefited Emp	(15,700)
315-45-303-2915-41021	Overtime-Benefited Emp	(420)
315-45-303-2915-41543	Insurance Benefits	(3,310)
315-45-303-2915-41544	F.I.C.A. Taxes	(1,230)
315-45-303-2915-41545	General Pension & Retirement	(1,230)
315-45-303-2915-42011	Office Supplies	(30)
315-45-303-2915-42025	Clothing	(60)
315-45-303-2915-42032	Parts & Supplies	(20)
315-45-303-2915-42033	Tools/Equip (Non-Cap)	(70)
315-45-303-2915-42071	Warehouse Withdrawals	(40)
315-45-303-2915-42097	Safety Supplies	(10)
315-45-303-2915-43021	Printing	(30)
315-45-303-2915-43534	Veh & Eq Maint-Internal Svc	(1,240)
315-45-303-2915-43569	Repair & Maintenance	(380)
315-45-303-2915-43645	Telephone	(70)
315-45-303-2915-43895	Monetary Awards & Recgntn	(30)

**Total Appropriations**

-

**Supplemental Budget  
Power Fund 330**

**Appropriations**

330-45-301-0000-47100	Trf To General Fund	1,435,740
330-45-300-2913-43270	Travel/Meetings/Schooling	(8,900)
330-45-300-2914-42015	Computer Supply & Equipmt	(1,260)
330-45-303-2913-41011	Salaries-Benefited Emp	(183,300)
330-45-303-2913-41021	Overtime-Benefited Emp	(1,710)
330-45-303-2913-41543	Insurance Benefits	(47,470)
330-45-303-2913-41544	F.I.C.A. Taxes	(14,150)
330-45-303-2913-41545	General Pension & Retirement	(14,440)
330-45-303-2913-42011	Office Supplies	(1,680)
330-45-303-2913-42015	Computer Supply & Equipmt	(230)
330-45-303-2913-42033	Tools/Equip (Non-Cap)	(150)
330-45-303-2913-42071	Warehouse Withdrawals	(16,120)
330-45-303-2913-42899	Other Supplies	(290)
330-45-303-2913-43265	Mileage Reimbursement	(1,280)
330-45-303-2913-43569	Repair & Maintenance	(2,870)
330-45-303-2913-43711	Postage	(98,480)
330-45-303-2913-43775	Equipment Lease	(750)
330-45-303-2913-43895	Monetary Awards & Recgntn	(260)
330-45-303-2913-43899	Other Services	(60,290)
330-45-303-2913-48247	Office Furn/Eq (Capital)	(5,000)
330-45-303-2914-41011	Salaries-Benefited Emp	(334,740)
330-45-303-2914-41021	Overtime-Benefited Emp	(2,410)
330-45-303-2914-41543	Insurance Benefits	(83,340)
330-45-303-2914-41544	F.I.C.A. Taxes	(25,800)
330-45-303-2914-41545	General Pension & Retirement	(24,710)
330-45-303-2914-42011	Office Supplies	(2,600)
330-45-303-2914-42014	Books & Periodicals	(40)
330-45-303-2914-42015	Computer Supply & Equipmt	(130)
330-45-303-2914-42033	Tools/Equip (Non-Cap)	(250)
330-45-303-2914-42071	Warehouse Withdrawals	(1,220)
330-45-303-2914-43021	Printing	(2,340)
330-45-303-2914-43043	Collection Fees	(12,400)
330-45-303-2914-43569	Repair & Maintenance	(340)
330-45-303-2914-43711	Postage	(38,640)
330-45-303-2914-43895	Monetary Awards & Recgntn	(500)
330-45-303-2914-43899	Other Services	(12,100)
330-45-303-2915-41011	Salaries-Benefited Emp	(286,480)
330-45-303-2915-41021	Overtime-Benefited Emp	(7,690)

**Appropriations (cont'd)**

330-45-303-2915-41543	Insurance Benefits	(60,470)
330-45-303-2915-41544	F.I.C.A. Taxes	(22,500)
330-45-303-2915-41545	General Pension & Retirement	(22,360)
330-45-303-2915-42011	Office Supplies	(460)
330-45-303-2915-42025	Clothing	(1,090)
330-45-303-2915-42032	Parts & Supplies	(370)
330-45-303-2915-42033	Tools/Equip (Non-Cap)	(1,200)
330-45-303-2915-42071	Warehouse Withdrawals	(730)
330-45-303-2915-42097	Safety Supplies	(260)
330-45-303-2915-42422	Food	(40)
330-45-303-2915-43021	Printing	(510)
330-45-303-2915-43265	Mileage Reimbursement	(10)
330-45-303-2915-43534	Veh & Eq Maint-Internal Svc	(22,600)
330-45-303-2915-43569	Repair & Maintenance	(7,010)
330-45-303-2915-43645	Telephone	(1,350)
330-45-303-2915-43711	Postage	(50)
330-45-303-2915-43895	Monetary Awards & Recgntn	(370)

**Total Appropriations**

-

**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 January, 2012.

\_\_\_\_\_  
Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



APPROVED AS TO FORM:

J. Yost Schmidt  
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:** 7  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Bonnie Steele, Finance Department  
**PRESENTER:** John Hartman

**TITLE:**

Public Hearing and consideration of an ordinance enacting a supplemental budget and appropriation to the 2011 Loveland Special Improvement District #1 budget and ratifying District bond prepayment

**RECOMMENDED CITY COUNCIL ACTION:**

Conduct a public hearing and approve the ordinance on first reading

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

**DESCRIPTION:**

This is an administrative action. Reserves in the Loveland Special Improvement Fund 702 from prepaid assessments are appropriated for prepayment of District bond debt, and such prepayment in 2011 is ratified.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

Reserves from prepaid assessments are available for the appropriation. By paying down the principal in advance the total cost is reduced due to lower interest payments in the future.

**SUMMARY:**

The City serves as the sponsoring agency for the Loveland Special Improvement District #1 (SID). The District was established to allow for the collection of assessments from property owners in the District to back bonded debt used to construct infrastructure improvements in the

District. The District is in east Loveland north of Eisenhower Boulevard along Rocky Mountain Avenue, extending north above Houts Reservoir.

In November of 2011, Council approved a supplemental budget for the District to appropriate pre-paid assessments for District bond prepayments. At the time of the development of the ordinance, it was anticipated that this would be the final payment due. However, an additional payment to pay down the bond debt was made in mid-December for the January call on the bonds, so staff did not have time to prepare an ordinance in time for a 2011 agenda to appropriate funds for this payment. Reserves for assessments and pre-paid assessments are available in the fund to provide a source of funds for this payment.

After the January call, \$7,040,000 is remaining on the bond debt. This puts the District \$1,875,000 ahead of the estimated redemption schedule.

The City does not have any legal obligation for this debt.

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**REVIEWED BY CITY MANAGER:**

*William D. Cahill*

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**LIST OF ATTACHMENTS:**

1. An ordinance enacting a supplemental budget and appropriation to the 2011 Loveland Special Improvement District #1 budget and ratifying district bond prepayment

FIRST READING                      January 3, 2011

SECOND READING                      \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 BUDGET AND RATIFYING DISTRICT BOND PREPAYMENT**

**WHEREAS**, the District receives prepayment of assessments from time to time, which amounts are credited to the Loveland Special Improvement Fund 702 (the “SID Fund”) and reserved for future bond payments or appropriated, from time to time, to call District bonds early, thereby reducing debt service costs; and

**WHEREAS**, the District adopted on second reading on November 15, 2011, Ordinance #5652 enacting a supplemental budget and appropriation to the Districts 2011 budget to authorize the expenditure of a portion of such prepaid assessments for the purpose of bond prepayments; and

**WHEREAS**, after the adoption of Ordinance #5652, it became apparent that \$105,730 additional prepaid assessments was available in the SID Fund reserves to call additional District bonds in January, 2012, which required a prepayment of bond debt in the amount of \$105,730 in December, 2011; 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 amending the adopted budget by making the necessary appropriation and determines that ratification would be in the best interest of the City; and

**WHEREAS**, the City Council desires to authorize the expenditure of the \$150,730 for the prepayment of District bonds *nunc pro tunc* by enacting a supplemental budget and appropriation to the 2011 District budget and to 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 ACTING AS THE EX-OFFICIO BOARD OF DIRECTORS OF THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1:**

**Section 1.** That the City Council hereby finds that ratification of the prepayment of SID bond debt in the amount of \$105,730 from the SID Fund is in the best interest of the City; and

**Section 2.** That reserves in the amount of \$105,730 in the Loveland Special Improvement District #1 Fund 702 are available for appropriation. Reserves in the total amount of \$105,730 are hereby appropriated, by amendment to the District 2011 budget, for prepayment of the principal on District bond debt and transferred to the funds as hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget  
Loveland Special Improvement District #1 2011 Budget**

<b>Revenues</b>	
Fund Balance	105,730
<b>Total Revenue</b>	<b>105,730</b>
<b>Appropriations</b>	
702-91-902-0000-46110 Principal	105,730
<b>Total Appropriations</b>	<b>105,730</b>

**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 \_\_\_\_ day of January, 2012.

\_\_\_\_\_  
Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

J. Yost Schmidt  
Deputy City Attorney



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

**AGENDA ITEM:** 8  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Greg George, Development Services  
**PRESENTER:** Kerri Burchett, Current Planning

**TITLE:**

A Resolution adopting findings and conclusions regarding denial of an amendment to a Preliminary Development Plan and Preliminary Plat for Lots 1-5, Block 1 and Outlots A, B, C and D of Mariana Butte 23rd Subdivision located within the Mariana Butte Planned Unit Development (#P-8), City of Loveland, Larimer County, Colorado

**RECOMMENDED CITY COUNCIL ACTION:**

City staff recommends the following motion for City Council action:

Move to approve A RESOLUTION ADOPTING FINDINGS AND CONCLUSIONS REGARDING DENIAL OF AN AMENDMENT TO A PRELIMINARY DEVELOPMENT PLAN AND PRELIMINARY PLAT FOR LOTS 1-5, BLOCK 1 AND OUTLOTS A, B, C AND D OF MARIANA BUTTE 23RD SUBDIVISION LOCATED WITHIN THE MARIANA BUTTE PLANNED UNIT DEVELOPMENT (#P-8), CITY OF LOVELAND, LARIMER COUNTY, COLORADO

**OPTIONS:**

1. Adopt a modified action (specify in the motion)
2. Refer back to staff for further development and consideration
3. Adopt a motion continuing the item to a future Council meeting

**DESCRIPTION:**

This is a quasi-judicial action to consider a resolution adopting findings and conclusions in support of the December 6, 2011 City Council denial of the proposed amendment to the Mariana Butte 23rd Preliminary Development Plan and Mariana Butte 26th Subdivision Preliminary Plat. The property is located at the northwest corner of the intersection of West 1st Street and Rossum Drive.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

**SUMMARY:**

On December 6, 2011, City Council held a public hearing to consider the appeal of the Planning Commission decision to deny an amendment to the Mariana Butte 23rd Subdivision Preliminary Development Plan and preliminary plat for Mariana Butte 26th Subdivision. After receiving all information and testimony from the applicant, staff and the public, the City Council voted 7-0 to uphold the Planning Commission's decision and deny the requested applications. Pursuant to Section 18.80.050.C of the Municipal Code, City Council must adopt findings and conclusions in support of its decision within 30 days of said action.

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REVIEWED BY CITY MANAGER:

*William A. Cavill*

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**LIST OF ATTACHMENTS:**

- A. Resolution



**RESOLUTION #R-4-2012****A RESOLUTION ADOPTING FINDINGS AND CONCLUSIONS REGARDING DENIAL OF AN AMENDMENT TO A PRELIMINARY DEVELOPMENT PLAN AND PRELIMINARY PLAT FOR LOTS 1-5, BLOCK 1 AND OUTLOTS A, B, C AND D OF MARIANA BUTTE 23RD SUBDIVISION LOCATED WITHIN THE MARIANA BUTTE PLANNED UNIT DEVELOPMENT (#P-8), CITY OF LOVELAND, LARIMER COUNTY, COLORADO**

**WHEREAS**, on June 11, 2007, the Planning Commission for the City of Loveland approved Resolution #07-04 PDP approving a Preliminary Development Plan for PUD #P-8, for Tract A Mariana Butte PUD, Tenth Subdivision; and

**WHEREAS**, a proposed Amendment to the Preliminary Development Plan for PUD #P-8 for that portion of the Mariana Butte PUD #P-8 known as Lots 1-5, Block 1 and Outlots A, B, C and D of Mariana Butte PUD 23<sup>rd</sup> Subdivision and referred to herein as the “Amended PDP”, was submitted to the Loveland Planning Commission for consideration pursuant to Chapter 18.41 of the Loveland Municipal Code; and

**WHEREAS**, the Mariana Butte 26<sup>th</sup> Subdivision Preliminary Plat (the “Preliminary Plat”) for the same portion of the Mariana Butte PUD #P-8 was also submitted to the Planning Commission for consideration, pursuant to Code Section 16.20.060; and

**WHEREAS**, the applications for the Amended PDP and the Preliminary Plat were considered as a joint application under Code Section 18.41.080; and

**WHEREAS**, pursuant to Code Section 18.41.050.E.2 and after due notice had been given, the Planning Commission held a public hearing on August 22, 2011 regarding said Amended PDP and Preliminary Plat; and

**WHEREAS**, at said hearing the recommendations of the Current Planning Division as set forth in the Planning Staff Report dated August 22, 2011 and all attachments thereto (the “Staff Report”) were received and duly considered by the Commission, as was testimony from the applicant, John Baxter on behalf of B & B I, LLC, the applicant’s representative, Ken Merritt of Landmark Planning and Engineering, and the public; and

**WHEREAS**, the Planning Commission considered the application for approval of the Amended PDP in light of the intent and objectives of Chapter 18.41 of the Loveland Municipal Code, and more specifically the factors set forth in Code Sections 18.41.050.E.2.a-c, which expressly require consideration of the factors set forth in sections 18.41.050.D.4.b and c, and determined that the Amended PDP does not satisfy these factors and must be denied; and

**WHEREAS**, on August 22, 2011 the Commission took no action on the Preliminary Plat as it could not be approved since the Amended PDP was not approved; and

**WHEREAS**, on September 12, 2011 the Planning Commission approved Resolution

#11-01 PDP setting forth its written findings and conclusions and denying approval of the Amended PDP (the “Commission’s Final Decision”); and

**WHEREAS**, pursuant to Code Section 18.18.050, an appeal of the Commission's Final Decision was received by the Current Planning Division within ten (10) days of the effective date of the Final Decision; and

**WHEREAS**, pursuant to Code Section 18.80.030.D and after due notice had been given, the City Council held a public hearing on December 6, 2011 regarding said appeal; and

**WHEREAS**, at said hearing, the decision of the Planning Commission as set forth in Resolution #11-01 and recommendations of the Current Planning Division as set forth in the City Council staff memorandum dated December 6, 2011 and all attachments thereto (the “City Council Staff Report”) were received and duly considered by the City Council, as was testimony from the applicant, John Baxter on behalf of B & B I, LLC, the applicant's representatives, Ken Merritt of Landmark Planning and Engineering and Tim Goddard of Hasler, Fonfara and Goddard LLP, and the public; and

**WHEREAS**, the City Council considered the application for approval of the Amended PDP in light of the intent and objectives of Chapter 18.41 of the Loveland Municipal Code, and more specifically the factors set forth in Code Sections 18.41.050.E.2.a-c, including the factors set forth in sections 18.41.050.D.4.b and c, and determined that the Amended PDP does not satisfy these factors and must therefore be denied; and

**WHEREAS**, City Council also considered the application for approval of the Preliminary Plat as a joint application under Code Section 18.41.080 and in light of the factors set forth in Code Section 16.20.030, and determined that the Preliminary Plat does not satisfy these factors and must therefore be denied.

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

**Section 1.** That the City Council hereby finds that the Amended PDP and Preliminary Plat pertain to 5.3 acres, more or less, being that portion of the Mariana Butte Planned Unit Development General Development Plan (#P-8) more particularly described as follows:

**LOTS 1-5, BLOCK 1 AND OUTLOTS A, B, C AND D OF MARIANA BUTTE 23RD SUBDIVISION, MARIANA BUTTE PUD, City of Loveland, Larimer County, Colorado,**

is on file in the office of the City of Loveland Planning Division, and is incorporated herein by this reference.

**Section 2.** That the City Council hereby finds that the Amended PDP does not meet the requirements of Code Section 18.41.050.E.2, and more specifically the requirement in Code Section 18.41.050E.2.b that the Amended PDP must satisfy both of the following factors set forth in Sections 18.41.050.D.4.b and c:

- a. **Section 18.41.050.D.4.b:** *Whether the proposed development [permitted by the Amended PDP] will ... have a detrimental impact on property that is in sufficient proximity to the proposed development to be affected by it.*
- b. **Section 18.41.050.D.4.c:** *Whether the proposed development [permitted by the Amended PDP] will be complementary to and in harmony with existing development and future development plans for the area in which the proposed development is to take place by:*
- i. *Incorporating natural physical features into the PDP design and providing sufficient open spaces considering the type and intensity of proposed land uses.*
  - ii. *Incorporating site planning techniques that will foster the implementation of the Loveland Comprehensive Master Plan.*
  - iii. *Incorporating physical design features that will provide a transition between the project and adjacent land uses through the provisions of an attractive entryway, edges along public streets, architectural design, and appropriate height and bulk restrictions on structures.*
  - iv. *Incorporating an overall plan for the design of the streetscape within the project, including landscaping, auto parking, bicycle and pedestrian circulation, architecture, placement of buildings and street furniture.*

The Council finds that the character of the area in which the development proposed by the Amended PDP is located is unique and that density of the development proposed by the Amended PDP will have detrimental impacts on the property in sufficient proximity to the proposed development to be affected by it.

The Council further finds that the density of the proposed development of eleven (11) residential lots on the site included in the Amended PDP will not be complementary to and in harmony with the existing development and future development plans for the area in which the proposed development is to take place.

**Section 3.** That the City Council also finds that the Preliminary Plat does not meet the requirement set forth in Code Section 16.20.030.A that the “*subdivision does not create, or mitigates to the extent possible, negative impacts on the surrounding property.*”

The Council finds that the density of the development proposed by the Preliminary Plat creates negative impacts on the surrounding property and that mitigation of such negative impacts has not, or cannot, be accomplished.

**Section 4.** That the City Council has concluded, on the basis of the findings set forth herein, that the application for approval of the Amended PDP and Preliminary Plat is therefore denied.

**Section 6.** That as of the date set forth below and in accordance with Code Section 18.80.050.D, this Resolution shall constitute the written findings and conclusions and final decision of the City Council with respect to the application for approval of the Amended PDP and Preliminary Plat

for purposes of any appeal of the City Council's decision to the Larimer County District Court under Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

**Section 7.** That this Resolution shall be effective as of the date of its adoption.

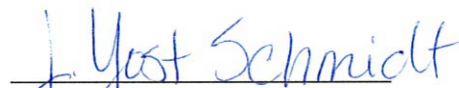
Adopted this 3rd day of January, 2012.

By: \_\_\_\_\_  
Cecil A. Gutierrez, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Deputy City Attorney



**CITY OF LOVELAND**  
CITY MANAGER'S OFFICE

Civic Center · 500 East Third · Loveland, Colorado 80537  
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**AGENDA ITEM:** 9  
**MEETING DATE:** 1/3/2012  
**TO:** Mayor and City Council  
**FROM:** Rod Wensing, Assistant City Manager  
**PRESENTER:** Rod Wensing

**TITLE:** City of Loveland 2012 Legislative Policy Agenda

**RECOMMENDED CITY COUNCIL ACTION:**

Adopt a motion approving the City of Loveland 2012 Legislative Policy Agenda

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

**DESCRIPTION:**

This is an administrative action. The Council Legislative Review Committee and City staff is recommending approval of the attached 2012 Loveland City Council Legislative Policy Agenda.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

**SUMMARY:**

The 2012 Council Legislative Review Committee members are Councilors Joan Shaffer, Chauncey Taylor and Ralph Trenary. As in the past, this Legislative Policy Agenda is purposeful in design to allow maximum flexibility to the organization while still highlighting locally focused concerns and values for use by all Councilors and staff when approaching legislative issues at the State and Federal level.

A call for suggested updates was requested from both the City Council and the Management Team. Council suggested changes were all in the Highway & Transportation Funding Section. All suggested changes have been incorporated. Management Team suggested changes were in the Local Control and Budget Sections. All suggested changes have been included. One M-Team suggestion to specifically support the efforts of the Colorado Association of Municipal Utilities whose charge is to lobby on behalf of municipally owned electric systems in Colorado was not included. The Committee appreciated the suggestion, but felt that the 2012 Legislative Policy Agenda should continue to be Loveland focused without a reference to CAMU as there may be times when the City would not agree with a CAMU position.

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**REVIEWED BY CITY MANAGER:** 

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**LIST OF ATTACHMENTS:**

Highlighted changes to 2012 Legislative Policy Agenda Brochure  
Clean 2012 Legislative Policy Agenda Brochure

**CITY MANAGEMENT STAFF:**

**Bill Cahill**, City Manager  
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**Rod Wensing**, Assistant City Manager  
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**John Duval**, City Attorney  
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**Bonnie Steele**, Interim Finance Director  
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**Gary Havener**, Parks & Recreation Director  
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**Keith Reester**, Public Works Director  
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**Ted Schmidt**, Library Director  
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**Betsey Hale**, Economic Development Director  
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**Luke Hecker**, Police Chief  
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**Greg George**, Development Services Director  
970-962-2521 [georgg@ci.loveland.co.us](mailto:georgg@ci.loveland.co.us)

**Bill Westbrook**, Information Technology Director  
970-962-2330 [westbb@ci.loveland.co.us](mailto:westbb@ci.loveland.co.us)

**LOVELAND, COLORADO**

Loveland is a community of approximately 68,000 residents, located at the foot of the Rocky Mountains along Colorado's Front Range. It is central to the Northern Colorado region at the intersection of Interstate 25 and US Highway 34. Our community is rich with natural beauty, accentuated by the Big Thompson River and Lake Loveland at its heart. Our trails and parks systems showcase the natural beauty. Loveland is a nationally renowned center for art, particularly sculpture.

Loveland has a **Council-Manager form of government**. The citizens of Loveland passed their Home Rule Charter in May, 1996. The City of Loveland provides a full range of services including: solid waste, electricity, water, sewer, storm water, fire, police, parks, recreation, street maintenance, airport, transit, library, museum, theater, tourism and other traditional municipal services.

Sales tax and fees for services are the primary sources of revenue. Loveland collects its own sales tax. While citizens want to retain the right to vote on all new taxes, they voted in November, 2011 to allow the City to keep revenues in excess of the TABOR revenue limit through 2024. Any excess revenues are restricted to specific purposes (i.e. parks, fire, and police).

**POLICY AGENDA**

This Executive Summary of the Loveland City Council Legislative Policy Agenda contains highlights of policy statements for use by Council members and staff in approaching legislative issues.

**For additional information contact:**

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Assistant City Manager  
City of Loveland  
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**CITY OF LOVELAND  
COLORADO**



## **2012 Legislative Policy Agenda Executive Summary**

**City Council:**  
**Mayor Cecil Gutierrez**  
**Phil Farley**  
**John Fogle**  
**Daryle Klassen**  
**Cathleen McEwen**  
**Hugh McKean**  
**Joan Shaffer**  
**Chauncey Taylor**  
**Ralph Trenary**

**Legislative Review Committee:**

Councilor Joan Shaffer  
Councilor Ralph Trenary  
Councilor Chauncey Taylor

[www.cityofloveland.org](http://www.cityofloveland.org)  
970-962-2000

**LOCAL CONTROL**

**First and foremost the City strongly supports the preservation of local control on issues of local concern.**

We believe strongly in the philosophy of local control and home rule. The citizens of home rule municipal governments are entitled to maximum flexibility and

discretion in levying taxes and fees, determining community goals, implementing local policy, and delivering public services. The City of Loveland can be most responsive to its citizens through the preservation of home rule authority, particularly as it pertains to **labor / management relations**, local police powers and the administration of land use policy.

### **BUDGET**

**The City opposes state and federal mandates that are not funded by those levels of government.**

Managing scarce resources is difficult at every level of government. The City supports intergovernmental partnerships and collaborative problem solving. **However, We** are not in a position to be able to absorb the costs of programs mandated by federal and state governments.

### **HIGHWAY AND TRANSPORTATION FUNDING**

**The City supports efforts to increase funding for transportation needs.**

Transportation is a **top** priority. The City believes in developing regional transportation funding sources to assist with the solutions to the interstate and state highway infrastructure deficiencies.

**As the State restructures program funding for resources made available by voter approval of Referendum C in 2005, we believe additional resources after named priorities should be applied to transportation.**

**The City believes that the long-established "Seventh Pot" priorities should be used when identifying and allocating future transportation funding.**

The City supports expanding the authority of local-taxing authorities to generate local matching funds for transportation improvements. A consortium of agency transportation officials throughout the state should generate allocation mechanisms for state and federal matching funds. Criteria should be developed that ensures projects that meet CDOT construction standards, standards for system compatibility, and significant funding "overmatch" based on local funding for regional concerns receive priority commitment for state and federal matching dollars from CDOT.

**Congressional action on a long term Federal transportation bill is essential to the economic health of**

**Loveland and Northern Colorado. Uncertainty related to the adoption of new SAFETEA-LU transportation bill limits Loveland's ability to plan and support economic development and community transportation improvements.**

### **WATER RESOURCES**

Loveland's water supply is from the Big Thompson River, the Colorado-Big Thompson Project and the Windy Gap Project. There are several water issues of importance to the City.

#### **Basin of Origin**

Any transfer of native flows from Northern Colorado to other basins must compensate the native basin. Any basin of origin bill must not unduly inhibit the City's ability to purchase agricultural water rights and change the use of any such rights for inclusion in the City's water supply system.

#### **Water Quality**

Any bill concerning water quality must not infringe on the City's ability to seek water court protection of its water quality.

#### **Well Regulation**

Any bill concerning well regulation must ensure that junior well depletions are fully replaced so that senior water rights are fully protected.

#### **Water Supply Development**

Loveland would likely support bills designed to encourage water supply development within the existing framework of the Colorado water law. Supply encouragement could take the form of financial assistance or streamlined approval processes for new water storage projects.

#### **Public Trust Bills**

Loveland is concerned about potentially harmful changes to the existing water law, including those designed to repeal the prior appropriation doctrine. Efforts to revise the administration of water rights radically or otherwise change the stream flow regime for rivers could damage Loveland's critical water supply planning efforts.

### **TAX POLICY**

The City of Loveland supports the comprehensive re-evaluation of all of the components of Colorado's tax structure including Tabor, Gallagher Amendment, and Amendment 21 to arrive at a comprehensive solution to more appropriately address the impact of economic fluctuations equitably across all functional areas within the State budget.

The City also believes that all constitutional amendments impacting Colorado tax structure should be considered at the same time in a comprehensive solution to minimize unintended functional service impacts, to more equitably distribute the

impact of recessionary reductions, and to eliminate the ratcheting effect of Tabor as the economy recovers. Additionally we believe the burden of state-imposed tax relief should not be borne by local government.

#### **Sales, Use and Franchise Tax**

The City believes that sales tax; use tax or franchise tax regulation should not be used to create inequitable competitive marketplace advantages for one industry or company over another when they are simply using a different technology to deliver a similar a service. They should be responsible for paying tax at the same rates and adhering to the same franchise requirements as others providing service in the marketplace.

#### **The City of Loveland does not support changes to the allocation of the motor vehicle use tax.**

Motor Vehicle use tax is allocated to the City in which the vehicle is registered so that the tax can support the street maintenance effort where the vehicle impacts the state of the roadways.

#### **Internet Sales Tax Collection**

The City believes that web-based internet businesses should be required to collect local sales taxes in a similar manner as bricks & mortar businesses in order to create commerce equity.

### **URBAN RENEWAL AUTHORITY/EMINENT DOMAIN**

The City believes legislation that provides for a financing mechanism available at the local level to transform unproductive and unsafe property into an asset that creates value for the community is essential. The City supports preserving the right of a municipality to use powers of eminent domain appropriately for the purpose of development or redevelopment while ensuring fair treatment of property owners.



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970-962-2521 [georgg@ci.loveland.co.us](mailto:georgg@ci.loveland.co.us)

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**LOVELAND, COLORADO**

Loveland is a community of approximately 68,000 residents, located at the foot of the Rocky Mountains along Colorado's Front Range. It is central to the Northern Colorado region at the intersection of Interstate 25 and US Highway 34. Our community is rich with natural beauty, accentuated by the Big Thompson River and Lake Loveland at its heart. Our trails and parks systems showcase the natural beauty. Loveland is a nationally renowned center for art, particularly sculpture.

Loveland has a **Council-Manager form of government**. The citizens of Loveland passed their Home Rule Charter in May, 1996. The City of Loveland provides a full range of services including: solid waste, electricity, water, sewer, storm water, fire, police, parks, recreation, street maintenance, airport, transit, library, museum, theater, tourism and other traditional municipal services.

Sales tax and fees for services are the primary sources of revenue. Loveland collects its own sales tax. While citizens want to retain the right to vote on all new taxes, they voted in November, 2011 to allow the City to keep revenues in excess of the TABOR revenue limit through 2024. Any excess revenues are restricted to specific purposes (i.e. parks, fire, and police).

**POLICY AGENDA**

This Executive Summary of the Loveland City Council Legislative Policy Agenda contains highlights of policy statements for use by Council members and staff in approaching legislative issues.

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**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:** 10  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Bonnie Steele, Finance  
**PRESENTER:** Bonnie Steele

**TITLE:**

November 2011 Financial Report

**RECOMMENDED CITY COUNCIL ACTION:**

This is an information only item. No action is required.

**OPTIONS:**

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

**DESCRIPTION:**

The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue, health claims and cash reserves for the eleven months ending November 30, 2011.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

**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 eleven months ending November 30, 2011. Citywide Revenue (excluding internal transfers) of \$182,767,763 is 101.7% of year to date (YTD) budget or \$3,018,817 over the budget. Sales Tax collections year to date are 105.7% of the YTD budget or \$1,590,415 over budget. Building Material Use Tax is 51.5% of YTD budget, or \$817,432 under budget. The year to date Sales and Use Tax collections were 102.7% of YTD budget or

\$838,186 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 4.9% or \$1,502,895.

City wide total expenditures of \$179,215,553 (excluding internal transfers) are 83.7% of the YTD budget or \$34,808,485 under the budget, primarily due to the construction timing of capital projects (61.1% YTD budget).

The City's health claims paid year-to-date is \$6,080,026 or 89.41% of budget. Compared to 2010 for the same period, claims paid in 2011 increased \$528,548 or 9.5%. The City's cash and reserve balance year-to-date was \$194,863,668.

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**REVIEWED BY CITY MANAGER:**

*William D. Cahill*

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**LIST OF ATTACHMENTS:**

Snapshot report for November 2011

# SnapShot

Monthly Financial Report

November 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

## Financial Sustainability Strategies Can Be Found At:

- CITYOFLOVELAND.ORG
- ↳ Departments
  - ↳ Finance
    - ↳ Administration
    - ↳ Financial Reports
      - ↳ Financial Sustainability Strategies



## A Snapshot In Time

- Citywide Revenue, excluding transfers between funds, \$182.8 million (101.7% of Year-To-Date Budget, 1.7% above projected)
- Sales & Use Tax Collection, \$32.3 million (102.7% of Year-To-Date Budget, 2.7% above projected)
- Citywide Expenditures, excluding transfers between funds, \$179.2 million (83.7% of Year-To-Date Budget, 16.3% below projected)
- Citywide Year-To-Date Revenues exceed Year-To-Date Expenditures by \$3.6 million.
- General Fund Revenue, excluding transfers between funds, \$59.0 million (102.7% of Year-To-Date Budget, 2.7% above projected).
- General Fund Expenditures, excluding transfers between funds, \$54.2 million, (93.2% of Year-To-Date Budget, 6.8% below projected)
- General Fund Revenues exceed Expenditures by \$2.8 million.
- Health Claims, \$6.1 million (89.4% of Year-To-Date Budget, 10.6% below projected)
- Cash & Reserves Year-To-Date Balance, \$194.9 million, \$139.9 million or 71.8% of these funds are restricted or reserved primarily for future capital projects.



## The Sales Tax Basics



November 2011	Sales Tax	Motor Vehicle		Building	
		Use Tax	Materials Use Tax	Use Tax	Combined
Budget 2011	\$ 27,891,710	\$ 1,856,890	\$ 1,685,580	\$ 31,434,180	
Actual 2011	\$ 29,481,979	\$ 1,922,093	\$ 868,148	\$ 32,272,220	
% of Budget	105.7%	103.5%	51.5%	102.7%	
Actual 2010	\$ 27,745,312	\$ 1,845,333	\$ 1,178,679	\$ 30,769,324	
Change from prior year	6.3%	4.2%	-26.3%	4.9%	

## Financial Sustainability

The City of Loveland uses a 10-year financial planning horizon. Last year the financial plan indicated that General Fund expenditures would exceed General Fund revenues annually by an average of \$3.5 million 2012-2020. Therefore the City engaged in a process to achieve financial sustainability over that time by engaging the public and identifying a strategy for balancing future budgets. Recommendations were developed pursuant to the principles adopted by City Council, and reflecting the policy views and priorities expressed by the City Council and the public. The resulting strategy includes both expenditure reductions and revenue increases, as the Council and the public indicated was desirable. The cumulative impact from recommended actions will mount over the next decade to \$33.5 million (\$22.6 million in cost reductions, \$6.6 million in revenue). The recommended actions consist of 81% cost reductions and 19% in revenues benefiting the General Fund for 2012. The strategy is also phased in over a number of years. Savings from early actions allow phased-in reductions in cost over the time period. City Council formally approved the strategy June 7, 2011.

# Citywide Revenues & Expenditures

## Monthly Financial Report

### Combined Statement of Revenues and Expenditures November 2011

REVENUE	Current Month	YTD Actual	YTD Revised Budget **	% of Budget
<b>General Governmental</b>				
1 General Fund	\$ 4,128,693	\$ 58,989,259	\$ 57,445,228	102.7%
2 Special Revenue	64,312	977,104	1,184,906	82.5%
3 Other Entities	1,112,506	19,040,207	19,495,114	97.7%
4 Internal Service	1,632,921	15,232,914	15,014,787	101.5%
5 <i>Subtotal General Govt Operations</i>	<i>\$ 6,938,432</i>	<i>\$ 94,239,484</i>	<i>\$ 93,140,035</i>	<i>101.2%</i>
6 Capital Projects	1,055,132	11,027,545	13,120,752	84.0%
<b>Enterprise Fund</b>				
7 Water & Power	5,131,069	64,318,706	60,544,372	106.2%
8 Stormwater	347,047	3,887,514	3,941,663	98.6%
9 Golf	56,924	3,485,180	3,517,390	99.1%
10 Solid Waste	514,878	5,809,334	5,484,734	105.9%
11 <i>Subtotal Enterprise</i>	<i>\$ 6,049,917</i>	<i>\$ 77,500,733</i>	<i>\$ 73,488,159</i>	<i>105.5%</i>
<b>12 Total Revenue</b>	<b>\$ 14,043,482</b>	<b>\$ 182,767,763</b>	<b>\$ 179,748,946</b>	<b>101.7%</b>
<i>Prior Year External Revenue</i>		<i>168,740,505</i>		
<i>Increase (-Decrease) From Prior Year</i>		<i>8.3%</i>		
13 Internal Transfers	1,788,113	15,794,162	20,831,587	75.8%
<b>14 Grand Total Revenues</b>	<b>\$ 15,831,595</b>	<b>\$ 198,561,925</b>	<b>\$ 200,580,533</b>	<b>99.0%</b>
<b>EXPENDITURES</b>				
<b>General Governmental</b>				
15 General Fund	\$ 5,693,130	\$ 53,038,774	\$ 56,210,848	94.4%
16 Special Revenue	17,699	622,772	1,057,232	58.9%
17 Other Entities	102,510	12,470,023	13,759,663	90.6%
18 Internal Services	1,200,688	12,684,201	15,556,619	81.5%
19 <i>Subtotal General Gov't Operations</i>	<i>\$ 7,014,028</i>	<i>\$ 78,815,771</i>	<i>\$ 86,584,362</i>	<i>91.0%</i>
20 Capital	4,136,977	42,765,556	70,028,492	61.1%
<b>Enterprise Fund</b>				
21 Water & Power	4,243,232	49,571,262	48,901,115	101.4%
22 Stormwater	228,802	1,900,709	1,893,614	100.4%
23 Golf	225,447	2,437,791	2,532,056	96.3%
24 Solid Waste	387,220	3,724,465	4,084,399	91.2%
25 <i>Subtotal Enterprise</i>	<i>\$ 5,084,701</i>	<i>\$ 57,634,227</i>	<i>\$ 57,411,184</i>	<i>100.4%</i>
<b>26 Total Expenditures</b>	<b>\$ 16,235,705</b>	<b>\$ 179,215,553</b>	<b>\$ 214,024,038</b>	<b>83.7%</b>
<i>Prior Year External Expenditures</i>		<i>162,619,056</i>		
<i>Increase (-Decrease) From Prior Year</i>		<i>10.2%</i>		
27 Internal Transfers	1,788,113	15,794,162	20,831,587	75.8%
<b>28 Grand Total Expenditures</b>	<b>\$ 18,023,818</b>	<b>\$ 195,009,716</b>	<b>\$ 234,855,625</b>	<b>83.0%</b>

\*\* 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.

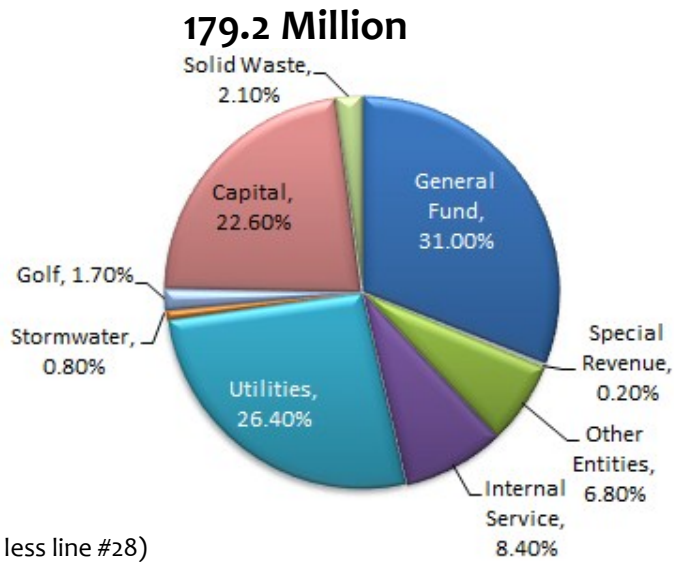
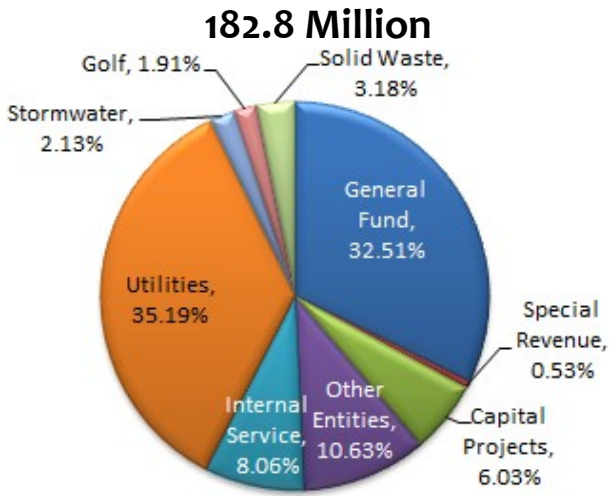
General Government Capital Projects Fund: Capital Expansion Fee Funds, Park Improvement, Conservation Trust, Open Space, Art In Public Places.

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



### YTD Operating Revenues of

### YTD Operating Expenditures of



Revenues exceed expenditures YTD by \$3,552,209. (line #14 less line #28)

Special Revenues (line 2) are under budget due to less grants from community Development Block program

Capital Projects (line 6) is under budget due to lower building activity, CEF fee credits given on multi-family units in the Van DeWater Subdivision, and lower grant and donation revenue in the capital projects fund.

Water & Power (line 7) is over budget due to System Impact fees paid on multi-family units in the Van DeWater and Lake Vista subdivisions.

Solid Waste (line 10) is over budget due to proceeds on sale of assets and higher than anticipated sales of recyclable materials.

Internal transfers (line 13 & 27) is under budget due to slower than anticipated progress on several projects in the capital projects fund. Transfers are made based on actual expenditures.

Special Revenue (line 16) is under budget due to timing of Grants from lodging tax revenue and CDBG.

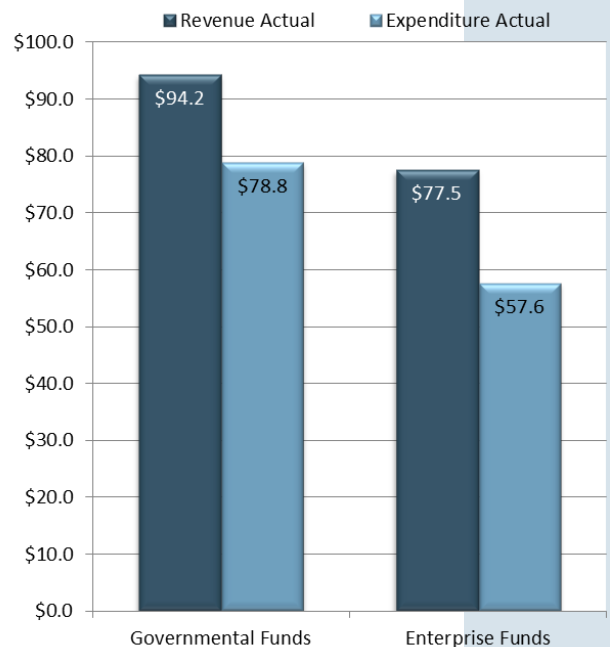
Other Entities (line 17) are under budget due lower payments to the Centerra TIF in the Urban Renewal Authority

Internal services (line#18) is under budget due to timing of recording health claims, and payments for workers compensation.

Capital expenditures (line #20) is under budget due to low activity on several projects throughout the City.

Solid Waste (line 24) is under budget due to less spending on utilities, carts and bins, yard waste and solid waste disposal charges, and personal services.

YTD Operating Revenue & Expenditures By Comparison, Excluding Transfers



# General Fund Revenues & Expenditures

## Monthly Financial Report

### General Fund Revenue & Expenditures November 2011

	November	YTD Actual	YTD Revised	% of
REVENUE	2011		Budget	Budget
1 Taxes				
2 Property Tax	32,264	7,687,914	7,554,940	101.8%
3 Sales Tax	2,611,127	29,482,124	27,891,710	105.7%
4 Building Use Tax	64,211	868,148	1,685,580	51.5%
5 Auto Use Tax	178,169	1,922,094	1,856,890	103.5%
6 Other Taxes	140,903	2,550,202	2,325,242	109.7%
7 Intergovernmental	295,295	5,771,538	6,157,489	93.7%
8 License & Permits				
9 Building Permits	73,960	1,030,709	715,990	144.0%
10 Other Permits	43,039	450,352	276,081	163.1%
11 Charges For Services	220,929	3,257,470	3,304,196	98.6%
12 Fines & Forfeitures	78,144	863,383	882,134	97.9%
13 Interest Income	35,912	490,477	410,465	119.5%
14 Miscellaneous	354,739	4,614,847	4,384,511	105.3%
15 <i>Subtotal</i>	\$ 4,128,693	\$ 58,989,259	\$ 57,445,228	102.7%
16 Internal Transfers	167,908	1,936,118	1,963,318	98.6%
17 <b>Total Revenue</b>	<b>\$ 4,296,601</b>	<b>\$ 60,925,377</b>	<b>\$ 59,408,546</b>	<b>102.6%</b>
<b>EXPENDITURES</b>				
Operating				
18 Legislative	\$ 7,191	\$ 92,473	\$ 113,625	81.4%
19 Executive & Legal	203,709	1,689,160	1,646,525	102.6%
20 Economic Development	62,898	828,169	1,527,718	54.2%
21 Cultural Services	112,213	1,088,695	1,142,819	95.3%
22 Development Services	269,217	2,755,240	3,318,504	83.0%
23 Finance	253,284	1,973,058	2,253,487	87.6%
24 Fire & Rescue	823,553	7,275,701	7,411,282	98.2%
25 Human Resources	69,029	671,603	943,143	71.2%
26 Information Technology	221,096	2,785,243	3,168,557	87.9%
27 Library	234,352	2,099,180	2,274,848	92.3%
28 Parks & Recreation	926,252	7,183,063	7,861,092	91.4%
29 Police	1,769,246	15,101,233	15,335,502	98.5%
30 Public Works	1,070,668	10,227,538	10,455,233	97.8%
31 Non-Departmental	6,776	424,094	668,064	63.5%
32 <i>Subtotal Operating</i>	\$ 6,029,483	\$ 54,194,450	\$ 58,120,399	93.2%
33 Internal Transfers	721,481	3,949,501	5,376,278	73.5%
34 <b>Total Expenditures</b>	<b>\$ 6,750,965</b>	<b>\$ 58,143,951</b>	<b>\$ 63,496,677</b>	<b>91.6%</b>



Building Use Tax (line 4) is under budget due to low building activity

Other Taxes (line 6) is over budget due to higher revenue from sales and use tax audits, and fiber optic tax

Intergovernmental (line 7) is under budget due to a delay in receiving federal funds from the Federal Transit Administration

Building Permits (line 9) is over budget due to fees paid for an office building on Rocky Mtn Ave

Other permits (line #10) is over budget primarily due to occupational , liquor, and police and fire special events permits, inspection fees, and street cut permits

Interest Income (line 13) is over budget due to higher than expected earnings

Miscellaneous (line 14) is over budget due to higher than anticipated collections for rental income, Library and Cultural Services donations, proceeds on sale of assets, insurance recoveries, and restitution.

Legislative (line 18) is under budget mainly due to budget dollars for the Council Advance and travel and meetings not used

Economic Development (line 20) is under budget due to timing in spending their supplies, purchased services, and economic incentives budget

Development Services (line 22) is under budget due to timing in spending their supplies, grants and historic preservation budgets

Finance (line 23) is under budget due to timing in spending their supplies, purchased services budgets for revenue audits, and bank charges/investment fees.

Human Resources (line 25) is under budget due to timing in spending their supplies, and purchased services budget, as well as a vacant position.

Information Technology (line 26) is under budget due to timing in spending their computer supplies, capital, and purchased services budgets

Library (line 27) is under budget due to timing in spending their supplies purchased services, and capital budgets.

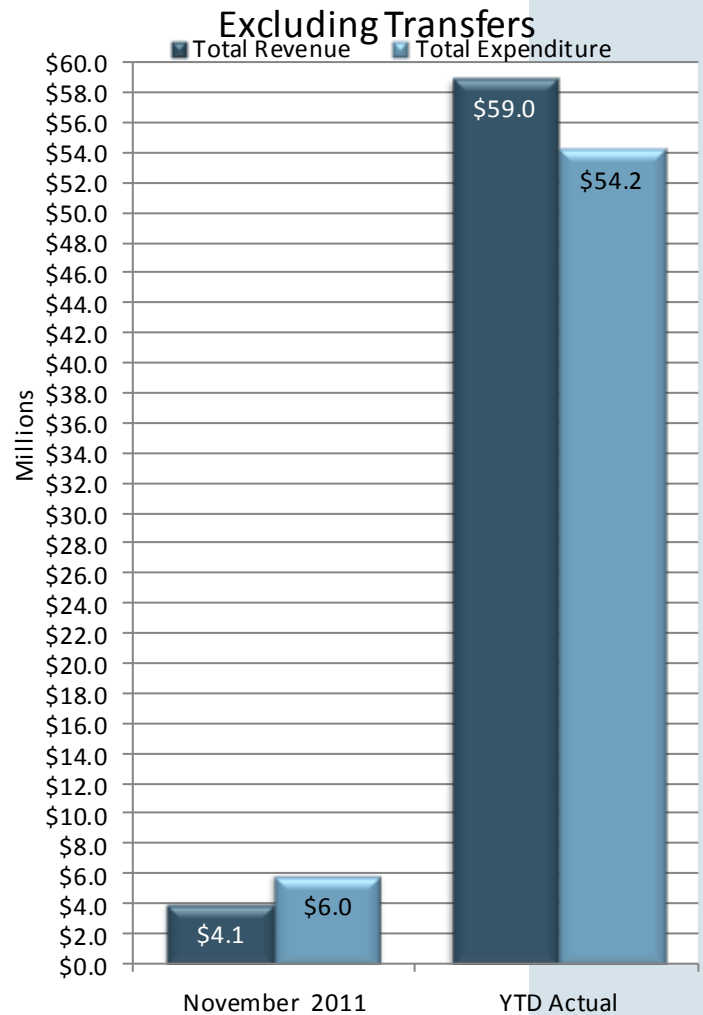
Parks & Rec (line 28) is under budget due to timing in spending their capital budgets.

Non-departmental (line 31) is under budget due to timing in spending their personal services, supplies and purchased services budget

Internal transfers (line 33) are under budget due to timing of capital projects expenditures. Transfers are made monthly based on actual project costs. The transfer to the Recreation and Fire CEF fund for the interfund loan is lower than budgeted due to a lower interest rate than anticipated during the budget process

Revenues exceed expenditures by \$2,781,426(line #17 less line #34)

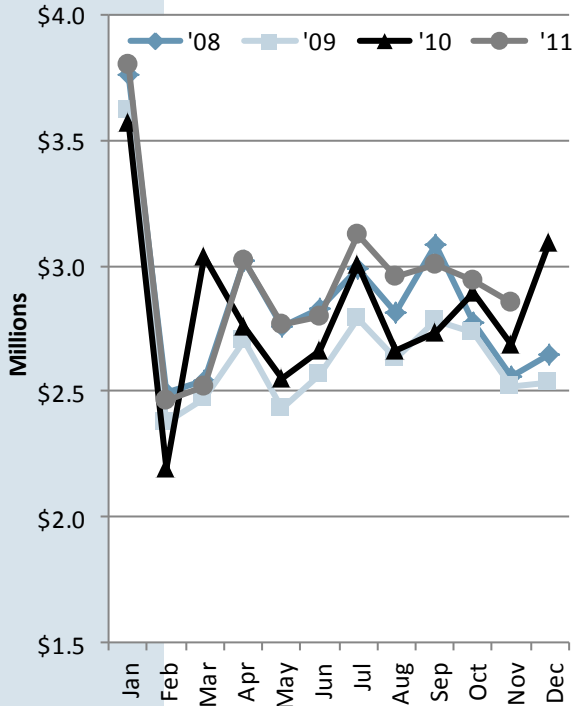
### General Fund Operating Revenue & Expenditures By Comparison,



# Tax Totals & Comparisons

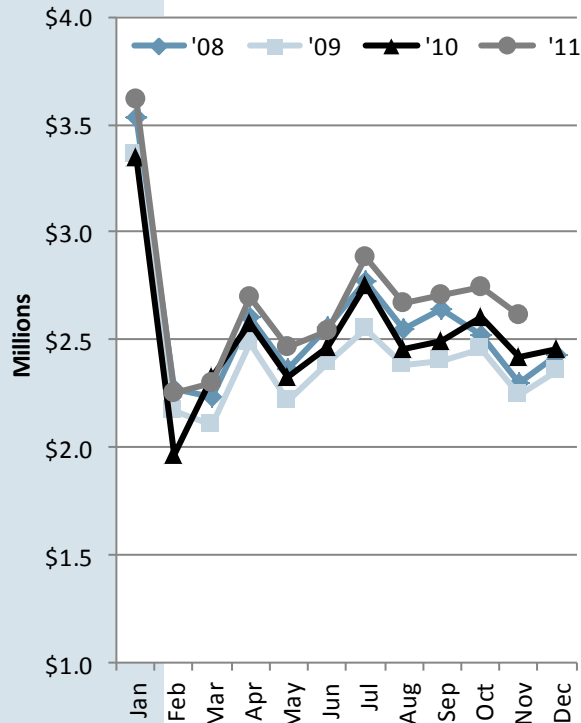
## Monthly Financial Report

### 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	\$ 2,465,447	\$ 2,618,440	-5.8%
Mar	\$ 2,544,688	\$ 2,468,095	\$ 3,041,068	\$ 2,517,162	\$ 2,559,770	-1.7%
Apr	\$ 3,020,580	\$ 2,701,737	\$ 2,759,556	\$ 3,022,770	\$ 2,910,840	3.8%
May	\$ 2,761,197	\$ 2,428,860	\$ 2,550,227	\$ 2,769,526	\$ 2,628,350	5.4%
Jun	\$ 2,829,423	\$ 2,569,125	\$ 2,665,632	\$ 2,800,184	\$ 2,738,110	2.3%
Jul	\$ 2,987,495	\$ 2,794,222	\$ 3,004,324	\$ 3,129,254	\$ 2,968,340	5.4%
Aug	\$ 2,811,579	\$ 2,628,842	\$ 2,662,932	\$ 2,961,686	\$ 2,815,690	5.2%
Sep	\$ 3,082,644	\$ 2,782,768	\$ 2,732,087	\$ 3,008,637	\$ 2,884,640	4.3%
Oct	\$ 2,776,559	\$ 2,733,964	\$ 2,897,370	\$ 2,944,433	\$ 2,941,910	0.1%
Nov	\$ 2,557,802	\$ 2,522,092	\$ 2,690,549	\$ 2,853,507	\$ 2,659,950	7.3%
Dec	\$ 2,646,945	\$ 2,537,802	\$ 3,096,111		\$ 2,682,740	
	\$ 34,281,588	\$ 32,164,365	\$ 33,865,435	\$ 32,272,366	\$ 34,116,920	
<b>YTD</b>	<b>\$ 31,634,643</b>	<b>\$ 29,626,563</b>	<b>\$ 30,769,324</b>	<b>\$ 32,272,366</b>	<b>\$ 31,434,180</b>	<b>2.7%</b>

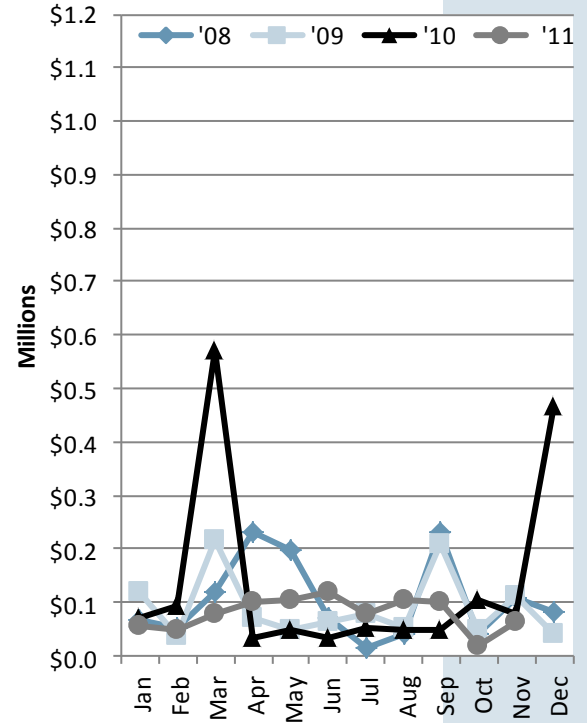
### Retail Sales Tax



	'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	\$ 2,249,749	\$ 2,333,970	-3.6%
Mar	\$ 2,229,963	\$ 2,100,216	\$ 2,328,701	\$ 2,299,237	\$ 2,216,570	3.7%
Apr	\$ 2,605,919	\$ 2,482,752	\$ 2,579,918	\$ 2,702,024	\$ 2,585,290	4.5%
May	\$ 367,597	\$ 2,218,482	\$ 2,324,395	\$ 2,462,213	\$ 2,310,110	6.6%
Jun	\$ 2,560,453	\$ 2,390,535	\$ 2,468,207	\$ 2,536,541	\$ 2,489,270	1.9%
Jul	\$ 2,770,864	\$ 2,552,195	\$ 2,752,870	\$ 2,882,075	\$ 2,657,610	8.4%
Aug	\$ 2,546,052	\$ 2,383,119	\$ 2,458,382	\$ 2,667,674	\$ 2,481,550	7.5%
Sep	\$ 2,644,113	\$ 2,401,596	\$ 2,495,338	\$ 2,710,738	\$ 2,500,790	8.4%
Oct	\$ 2,521,253	\$ 2,457,158	\$ 2,602,599	\$ 2,746,866	\$ 2,558,640	7.4%
Nov	\$ 2,294,503	\$ 2,245,659	\$ 2,422,352	\$ 2,611,127	\$ 2,338,410	11.7%
Dec	\$ 2,432,635	\$ 2,358,273	\$ 2,455,821		\$ 2,424,090	
	\$ 30,778,179	\$ 29,115,253	\$ 30,201,133	\$ 29,482,125	\$ 30,315,800	
<b>YTD</b>	<b>\$ 28,345,544</b>	<b>\$ 26,756,980</b>	<b>\$ 27,745,312</b>	<b>\$ 29,482,125</b>	<b>\$ 27,891,710</b>	<b>5.7%</b>

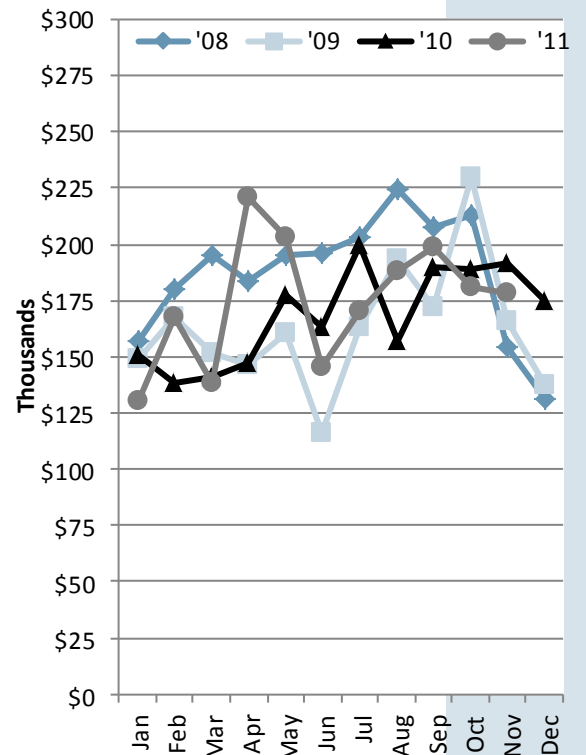
	'08	'09	'10	'11	2011 Budget	+ / - Budget
Jan	\$ 68,522	\$ 118,719	\$ 70,117	\$ 55,542	\$ 136,380	-59.3%
Feb	\$ 52,986	\$ 36,254	\$ 93,928	\$ 47,621	\$ 112,810	-57.8%
Mar	\$ 119,149	\$ 216,500	\$ 571,599	\$ 79,590	\$ 188,330	-57.7%
Apr	\$ 230,954	\$ 72,251	\$ 32,260	\$ 99,569	\$ 175,440	-43.2%
May	\$ 198,765	\$ 49,434	\$ 48,145	\$ 104,373	\$ 153,590	-32.0%
Jun	\$ 72,544	\$ 62,723	\$ 34,349	\$ 118,318	\$ 130,300	-9.2%
Jul	\$ 13,276	\$ 79,061	\$ 51,657	\$ 76,488	\$ 144,010	-46.9%
Aug	\$ 40,683	\$ 52,578	\$ 47,716	\$ 105,871	\$ 136,550	-22.5%
Sep	\$ 231,321	\$ 209,338	\$ 46,646	\$ 99,544	\$ 208,060	-52.2%
Oct	\$ 42,561	\$ 47,437	\$ 105,818	\$ 17,021	\$ 148,620	-88.5%
Nov	\$ 108,737	\$ 110,207	\$ 76,444	\$ 64,211	\$ 151,490	-57.6%
Dec	\$ 83,315	\$ 41,844	\$ 465,626		\$ 115,540	
	\$ 1,262,815	\$ 1,096,346	\$ 1,644,305	\$ 868,148	\$ 1,801,120	
YTD	\$ 1,179,499	\$ 1,054,502	\$ 1,178,679	\$ 868,148	\$ 1,685,580	-48.5%

### Building Material Use Tax



	'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	\$ 168,077	\$ 171,660	-2.1%
Mar	\$ 195,576	\$ 151,378	\$ 140,768	\$ 138,335	\$ 154,870	-10.7%
Apr	\$ 183,707	\$ 146,734	\$ 147,378	\$ 221,177	\$ 150,110	47.3%
May	\$ 194,835	\$ 160,943	\$ 177,687	\$ 202,940	\$ 164,650	23.3%
Jun	\$ 196,426	\$ 115,867	\$ 163,076	\$ 145,325	\$ 118,540	22.6%
Jul	\$ 203,356	\$ 162,966	\$ 199,797	\$ 170,691	\$ 166,720	2.4%
Aug	\$ 224,843	\$ 193,144	\$ 156,834	\$ 188,141	\$ 197,590	-4.8%
Sep	\$ 207,209	\$ 171,833	\$ 190,102	\$ 198,355	\$ 175,790	12.8%
Oct	\$ 212,745	\$ 229,369	\$ 188,953	\$ 180,546	\$ 234,650	-23.1%
Nov	\$ 154,561	\$ 166,225	\$ 191,753	\$ 178,169	\$ 170,050	4.8%
Dec	\$ 130,995	\$ 137,685	\$ 174,664		\$ 143,110	
	\$ 2,240,595	\$ 1,952,766	\$ 2,019,997	\$ 1,922,093	\$ 2,000,000	
YTD	\$ 2,109,600	\$ 1,815,081	\$ 1,845,333	\$ 1,922,093	\$ 1,856,890	3.5%

### Motor Vehicle Use Tax



# Sales Tax Collections

## Monthly Financial Report

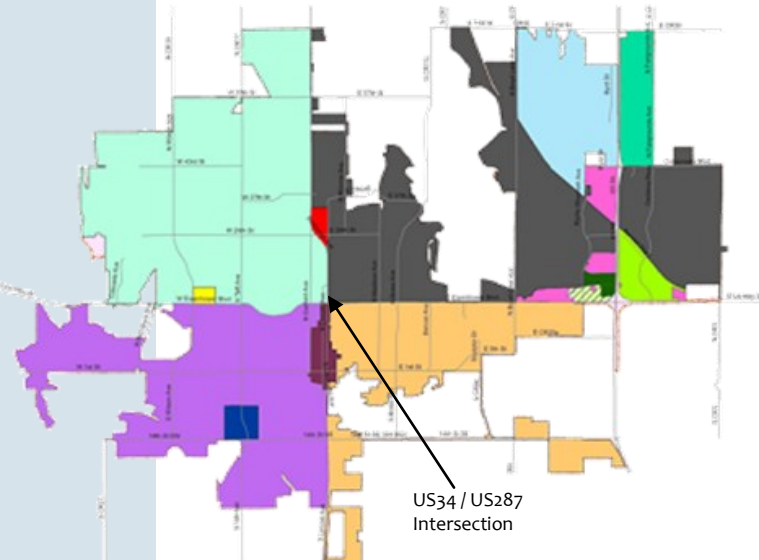
### Collections By Standard Industrial Classification Code

Summary of Sales Tax Collections by Industry Code November 2011							
Description	YTD 2011	YTD 2010	\$ Change	% Change	% of Total	Cumulative %	
1 Department Stores & General Merchandise	\$ 6,767,294	\$ 6,636,940	\$ 130,354	2.0%	23.0%	23.0%	
2 Restaurants & Bars	3,600,356	3,266,952	333,404	10.2%	12.2%	35.2%	
3 Grocery Stores & Specialty Foods	3,000,501	2,845,571	154,930	5.4%	10.2%	45.3%	
4 Clothing & Clothing Accessories Stores	2,164,873	1,909,631	255,243	13.4%	7.3%	52.7%	
5 Building Material & Lawn & Garden Supplies	1,946,899	1,864,205	82,693	4.4%	6.6%	59.3%	
6 Motor Vehicle Dealers, Auto Parts & Leasing	1,819,751	1,660,933	158,817	9.6%	6.2%	65.5%	
7 Utilities	1,538,085	1,500,392	37,693	2.5%	5.2%	70.7%	
8 Sporting Goods, Hobby, Book & Music Stores	1,419,492	1,314,103	105,389	8.0%	4.8%	75.5%	
9 Broadcasting & Telecommunications	1,215,980	1,189,759	26,220	2.2%	4.1%	79.6%	
10 Used Merchandise Stores	843,328	759,036	84,293	11.1%	2.9%	82.5%	
11 Beer, Wine & Liquor Stores	660,843	628,518	32,325	5.1%	2.2%	84.7%	
12 Hotels, Motels & Other Accommodations	645,328	569,899	75,429	13.2%	2.2%	86.9%	
13 Electronics & Appliance Stores	576,231	579,264	(3,033)	-0.5%	2.0%	88.9%	
14 Health & Personal Care Stores	497,810	449,704	48,105	10.7%	1.7%	90.6%	
15 Consumer Goods & Commercial Equipment	472,396	420,052	52,344	12.5%	1.6%	92.2%	
16 Electronic Shopping & Mail-Order Houses	416,043	352,168	63,875	18.1%	1.4%	93.6%	
17 Furniture & Home Furnishing Stores	398,156	348,880	49,276	14.1%	1.4%	94.9%	
18 Office Supplies, Stationery & Gift Stores	299,678	298,794	884	0.3%	1.0%	95.9%	
19 Gasoline Stations with Convenience Stores	229,688	220,362	9,325	4.2%	0.8%	96.7%	
20 All Other Categories	969,247	930,148	39,099	4.2%	3.3%	100.0%	
<b>Total</b>	<b>\$ 29,481,979</b>	<b>\$ 27,745,312</b>	<b>\$ 1,736,667</b>	<b>6.3%</b>	<b>100.0%</b>		

Sales tax revenue through November 2011 is 6.3% over 2010. Every geographical area is in a positive position year-to-date for sales over the same period last year. Three areas show double-digit improvement. The North East Loveland area continues showing strong gains over last year on the performances of the Hotels in the area and several new businesses in the Crossroads area. The Outlet Mall has maintained its positive sales trend, coming in at 13.1% over 2010, thanks in part to several new store openings.

By business category, Furniture and Home Furnishing Stores are up 14.1%, Clothing & Clothing Accessories are up by 13.4%, while Hotels & Motels remain up 13.2% over last year. Restaurants & Bars show the largest increase in dollars while achieving a 10.2% increase over 2010.

The year to date Audit Revenue is at \$517,440 and year to date Lodging Tax revenue is at \$513,830.



### Collections By Geographical Code

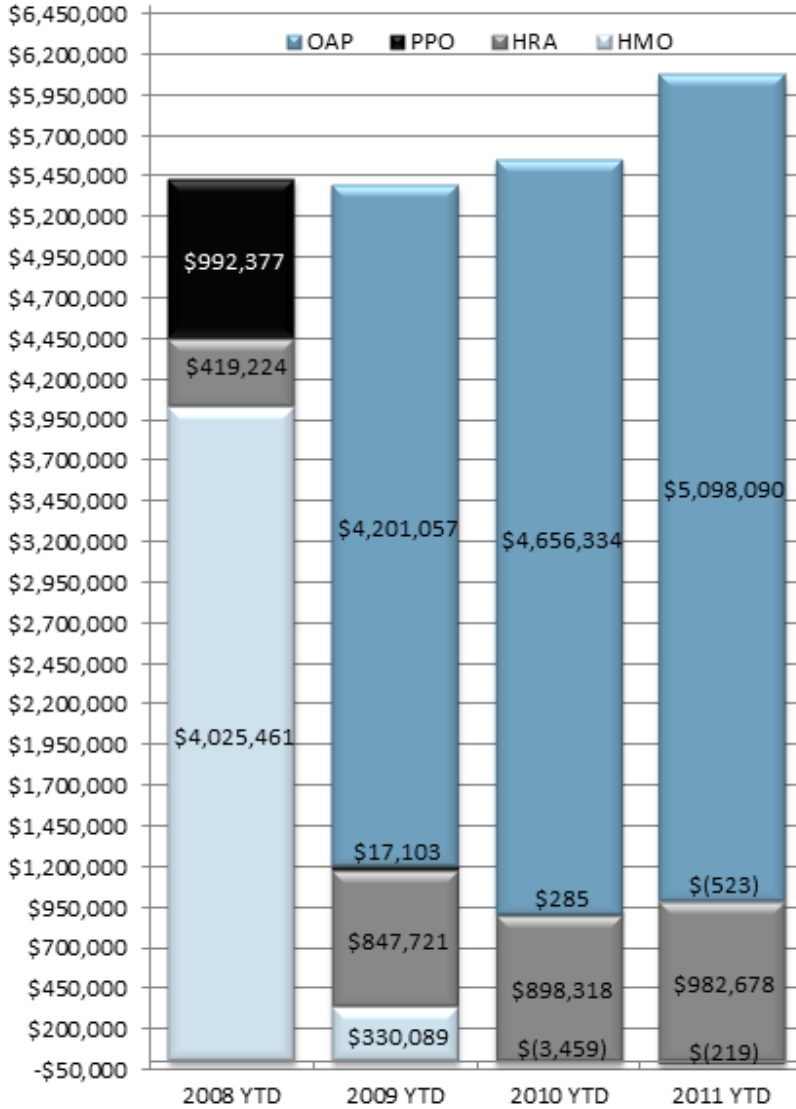
Geographical Area	YTD 2011	YTD 2010	% Change
North West Loveland	\$3,418,571	\$3,369,542	1.5%
South West Loveland	\$999,902	\$961,180	4.0%
North East Loveland	\$1,956,045	\$1,787,786	9.4%
South East Loveland	\$7,308,125	\$7,055,156	3.6%
Orchards Shopping Center	\$1,838,931	\$1,734,004	6.1%
Columbine Shopping Center	\$604,270	\$554,085	9.1%
Downtown	\$968,207	\$938,008	3.2%
Centerra	\$2,735,096	\$2,504,508	9.2%
Promenade Shops	\$2,116,426	\$2,020,177	4.8%
Outlet Mall	\$1,189,300	\$1,051,438	13.1%
Thompson Valley Shopping Center	\$1,409,237	\$1,302,259	8.2%
The Ranch	\$604,528	\$512,965	17.8%
Airport	\$360,231	\$302,157	19.2%
All Other Areas	\$3,973,110	\$3,652,046	8.8%
<b>Total</b>	<b>\$29,481,979</b>	<b>\$27,745,312</b>	<b>6.3%</b>

# Health Care Claims

November 2011

## October Incurred Claims Posted In November

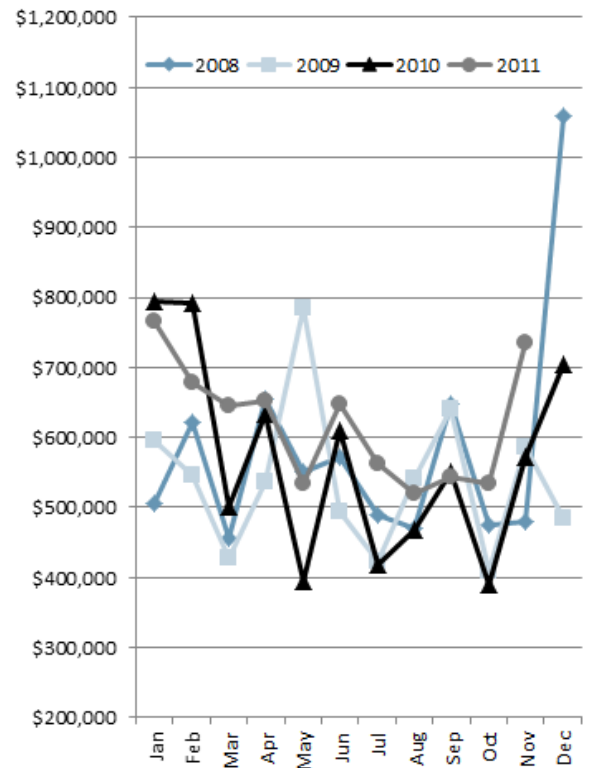
### YTD Processed Claims



### YTD Claims Over \$25k Comparison (2008-2011)

November	2008	2009	2010	2011
# of claims	32	38	45	57
Cost of claims	\$2,080,140	\$2,415,408	\$3,524,512	\$3,018,727
# of stoploss claims:	2			

### Total Incurred Claims Comparison



### Cash Basis for Claims Paid

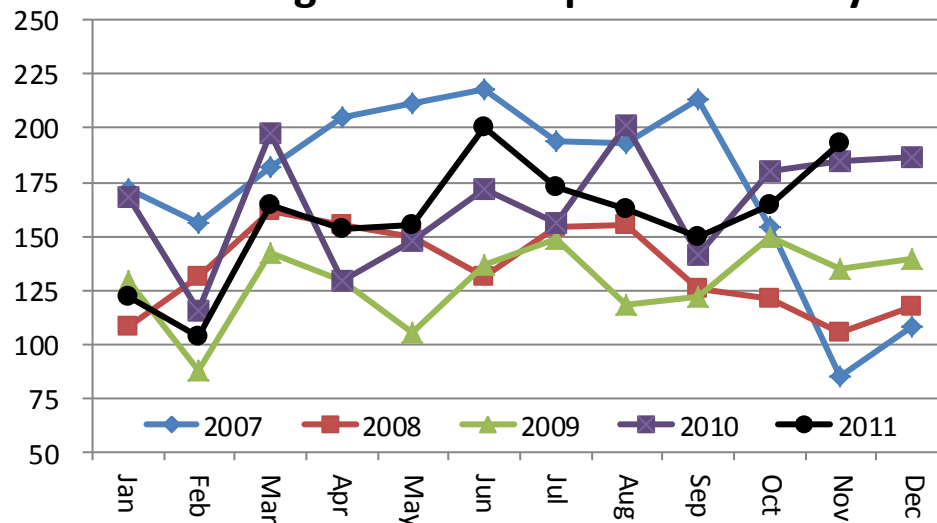
		HMO	OAP	HRA	PPO	Total	Budget	\$ Over /	% Over /
								(Under)	(Under) Budget
2011	November	\$ -	\$ 483,329	\$ 49,559	\$ -	\$ 532,888	\$ 680,043	\$ (147,155)	-21.6%
	YTD	-	5,098,090	982,459	\$(523)	6,080,026	6,800,425	(720,399)	-10.6%
2010	November	-	308,571	81,511	-	390,082	630,046	(239,964)	-38.1%
	YTD	(3,459)	4,656,334	898,318	285	5,551,478	6,300,458	(748,980)	-11.9%
Change	November	-	174,758	(31,952)	-	142,806			
	% Nov	0.0%	56.6%	-39.2%	0.0%	36.6%			
	YTD	\$ (3,459)	\$ 441,756	\$ 84,141	\$ (808)	\$ 528,548			
	% YTD	100.0%	9.5%	9.4%	-283.5%	9.5%			

# Activity Measures

## Monthly Financial Report

Measures	Nov '09	Nov '10	Nov '11	2010 YTD	2011 YTD
# of Building Permits	135	185	193	1,793	1,740
Building Permit Valuations	10,158,765	7,299,999	5,084,362	110,730,891	78,717,041
# of Certified Occupancies	16	29	27	176	218
Net # of Sales Tax Licenses	15	9	15	112	193
New Residential Electric Meter Sets	12	21	22	265	335
# of Utility Bills Sent	34,855	35,149	35,795	385,271	391,450
Rounds of Golf	4,547	3,923	3,573	116,860	117,204
Health Claim Costs/Emp.	951	927	853	9,936	10,557
# of Vacant Positions	6	5	23	98	173
# of Frozen Vacant Positions	12	16	9	146	127
# of Eliminated Positions	36	42	46	436	488
KWH Demand (kH)	89,374	99,057	90,400	1,139,872	1,174,414
KWH Purchased (kwh)	53,910,792	57,308,177	58,269,268	641,019,372	667,395,077
Gallons of Water Sold	154,758,330	195,082,515	191,206,518	3,427,566,596	3,519,549,558
# of Workers' Comp Claims	10	8	3	114	105
\$ of Workers' Comp Claims Paid	37,658	192,695	63,475	809,090	209,982
# of Open Claims Current Year	NA	16	17	110	161
# of Total Open Claims	NA	20	19	156	193
\$ of Total Open Claims	556,849	172,112	211,494	2,293,806	1,398,198
# of Hotel Rooms	NA	1,117	1,117	11,170	12,287
\$ of Lodging Tax Collected	NA	42,693	45,502	454,685	513,830

### Building Permit Comparison History





## Cash &amp; Reserves

November 2011

## Cash &amp; Reserves

Total Cash & Reserves = \$194.9 million, of which \$139.9 million is restricted or reserved, or 71.8%, leaving \$55.0 million unrestricted.

Statement of Cash November 2011			
	Beginning	YTD Activity	Ending
<b>Restricted</b>			
1 Capital Expansion Fees	\$ 36,464,857	\$ (2,243,866)	\$ 34,220,991
2 Other Special Revenue Funds	20,268,968	1,703,806	21,972,774
3 Capital Projects	3,439,842	(721,895)	2,717,947
4 Water System Impact Fees	5,634,568	1,424,030	7,058,598
5 Windy Gap	4,776,059	(491,305)	4,284,754
6 Raw Water	22,801,762	(8,894,346)	13,907,416
7 Wastewater System Impact Fees	4,258,451	255,028	4,513,479
8 Storm Drainage System Impact Fees	1,542,372	(118,186)	1,424,185
9 Power System Impact Fees	5,624,382	1,749,782	7,374,164
10 Cemetery	2,433,991	87,497	2,521,488
11 Other Entities	3,393,300	1,099,500	4,492,800
<b>12 Total Restricted</b>	<b>\$ 110,638,552</b>	<b>\$ (6,149,955)</b>	<b>\$ 104,488,597</b>
<b>Committed/Assigned Balance Amounts</b>			
13 General Fund			
14 Operating/Emergency ***	1,731,040	-	1,731,040
15 Council Capital Reserve ***	4,730,850	(1,240,285)	3,490,565
16 Liability	125,000	-	125,000
17 Police Communication Console Replacement	512,000	104,000	616,000
18 Library Reserve	158,379	2,716	161,096
19 Library Building Reserve	16,750	-	16,750
20 Telephone Switch Reserve	261,460	-	261,460
21 Excess TABOR	5,698,193	(856,961)	4,841,232
22 Water	660,898	45,896	706,795
23 Wastewater	816,746	9,996	826,742
24 Storm Water	442,355	(88,115)	354,240
25 Power	2,696,087	316,708	3,012,795
26 Golf	243,784	4,181	247,965
27 Insurance Reserves	4,632,532	522,116	5,154,648
28 Employee Benefits	6,443,162	745,361	7,188,524
29 Fleet Replacement	6,208,177	443,914	6,652,091
<b>30 Total Committed/Assigned</b>	<b>\$ 35,377,415</b>	<b>\$ 9,528</b>	<b>\$ 35,386,943</b>
<b>31 Total Restricted/Committed/Assigned</b>	<b>\$ 146,015,966</b>	<b>\$ (6,140,427)</b>	<b>\$ 139,875,539</b>
<b>Unassigned Balance Amounts</b>			
32 General	12,740,445	4,669,100	17,409,545
33 Airport	814,146	(108,609)	705,537
34 Internal Service - Vehicle Maintenance	57,032	133,107	190,138
35 Golf	902,662	728,895	1,631,557
36 Water	3,745,091	260,080	4,005,171
37 Wastewater	7,350,712	89,968	7,440,679
38 Power	15,277,828	1,794,679	17,072,507
39 Stormwater	2,506,679	(499,321)	2,007,358
40 Solid Waste	2,873,450	1,652,187	4,525,637
<b>41 Total Unassigned</b>	<b>\$ 46,268,044</b>	<b>\$ 8,720,084</b>	<b>\$ 54,988,128</b>
<b>42 Total Cash</b>	<b>\$ 192,284,010</b>	<b>\$ 2,579,657</b>	<b>\$ 194,863,668</b>

\*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.

Council Capital Reserve (line 15):  
- 900,000 Downtown infrastructure improvements  
- 97,485 Interfund loan payment  
- 242,800 Leslie Cleaners property  
  
(Line 19) 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.

(Line 21) Six main streets projects are: US 34/Madison, Boyd Lake Ave Extension, Signal at 4th/Lincoln, Crossroads/71st St, 57th/287, and Crossroads/I-25

Prepared by:  
Finance Department

WEBSITE: [WWW.CITYOFLOVELAND.ORG](http://WWW.CITYOFLOVELAND.ORG)

Citywide Capital Projects Over \$500,000	2011 Budget	2011 Expenditures	Remaining 2011 Budget	% of 2011 Budget (Exp/Bud)	Budget Book Page #
<b>Water Capital</b>					
Washington Ave WL Replacement	\$ 410,380	\$ 351,370	\$ 59,010	85.62%	C-115
Filter Plant 2 Improvements	\$ 1,242,640	\$ 1,075,300	\$ 167,341	86.53%	C-113
<b>Raw Water Capital</b>					
Windy Gap Firming Project	\$ 596,490	\$ -	\$ 596,490	0.00%	C-86
Purchase Colorado Big Thompson Water	\$ 4,623,000	\$ 4,500,200	\$ 122,800	97.34%	C-87
<b>Wastewater Utility Capital</b>					
Carlisle Phase IV (Taft to RR)	\$ 623,730	\$ 48,110	\$ 575,620	7.71%	C-101
Waste Activated Sludge Thickening	\$ 4,793,250	\$ 1,933,582	\$ 2,859,668	40.34%	C-88
South Horseshoe Lift Station Submersible	\$ 887,000	\$ 27,770	\$ 859,230	3.13%	
<b>Power Capital</b>					
Horseshoe Sub tie S along Taft to ckt existing on West 29th	\$ 2,300,000	\$ 7,796	\$ 2,292,204	0.34%	
West Sub tie E along Arkins Branch, N along Wilson to 29th	\$ 971,736	\$ 213,023	\$ 758,713	21.92%	
Valley Sub tie W along 402, N along Wilson, W along Arkins to W Sub	\$ 1,100,000	\$ 27,012	\$ 1,072,988	2.46%	
Horseshoe Sub - New Transformer	\$ 1,200,000	\$ -	\$ 1,200,000	0.00%	
<b>Stormwater Capital</b>					
Washington Ave Outfall Phase 4	\$ 3,380,185	2,445,617	\$ 934,568	72.35%	
<b>Streets Transportation Program</b>					
Wilson Ave (Carlisle Dr to 5th St SW)	\$ 575,578	459,807	\$ 115,771	79.89%	
Boyd Lake Ave Extension	\$ 960,263	478,816	\$ 481,447	49.86%	C-71
2011 Street Rehabilitation	\$ 2,956,210	2,521,436	\$ 434,774	85.29%	C-39
<b>All Other</b>					
Downtown Infrastructure	\$ 900,000	\$ -	\$ 900,000	0.00%	C-40
Open Lands Acquisition	\$ 2,445,000	\$ -	\$ 2,445,000	0.00%	C-29
MeHaffey Park Development	\$ 640,000	\$ -	\$ 640,000	0.00%	C-28
Library Expansion	\$ 7,870,850	\$ 5,210,919	\$ 2,659,931	66.21%	
Rocky Mountain Center for Innovation & Technology	\$ 5,675,000	\$ 5,280,884	\$ 394,116	93.06%	
Rialto Theater Center	\$ 2,097,700	\$ 1,375,754	\$ 721,946	65.58%	

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

For more information regarding this report contact:  
Bonnie Steele, Acting Finance Director  
970.962.2313 or [steelb@ci.loveland.co.us](mailto:steelb@ci.loveland.co.us)

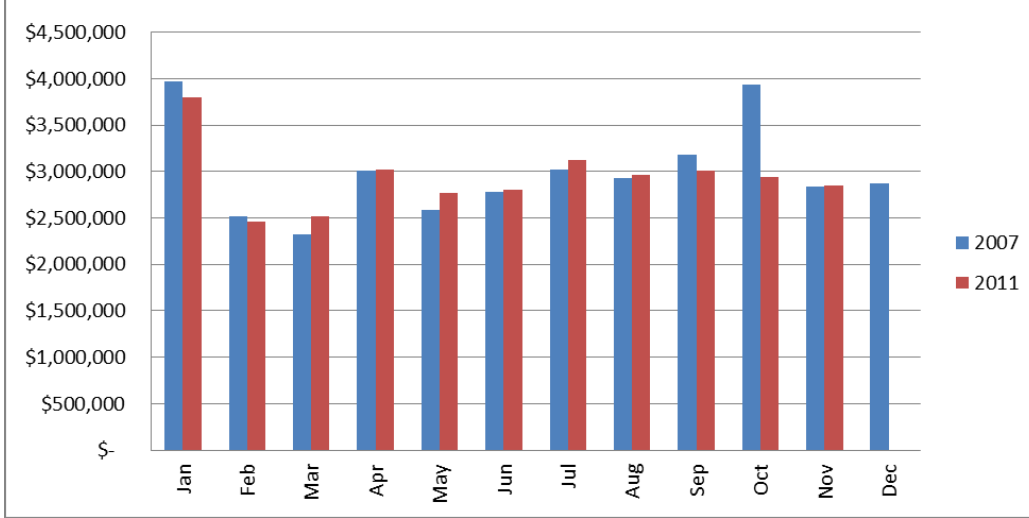




# Tax Totals Comparison of 2007 & 2011

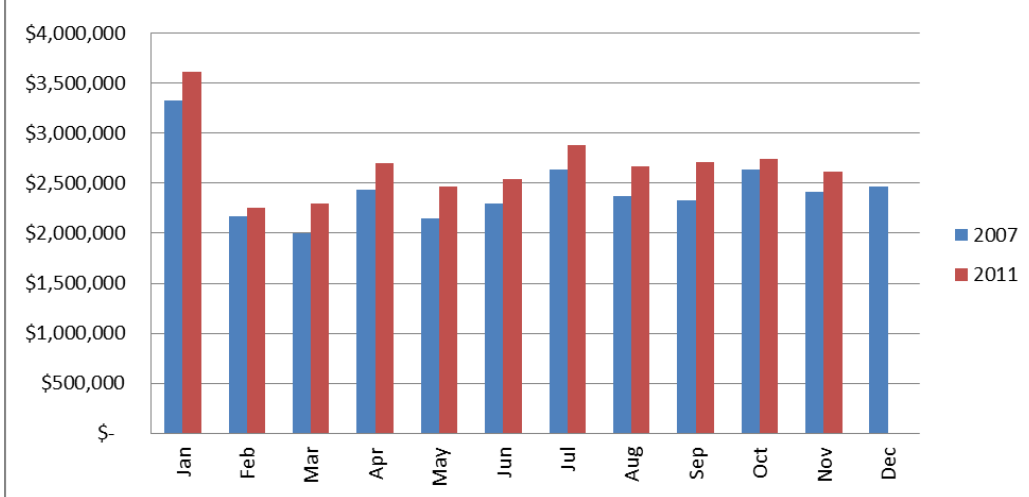
## Monthly Financial Report

### Sales & Use Tax



	2007	2011
<b>Jan</b>	\$ 3,972,513	\$ 3,799,760
<b>Feb</b>	\$ 2,520,486	\$ 2,465,447
<b>Mar</b>	\$ 2,319,579	\$ 2,517,162
<b>Apr</b>	\$ 3,003,780	\$ 3,022,770
<b>May</b>	\$ 2,581,830	\$ 2,769,526
<b>Jun</b>	\$ 2,781,786	\$ 2,800,184
<b>Jul</b>	\$ 3,022,815	\$ 3,129,254
<b>Aug</b>	\$ 2,931,667	\$ 2,961,686
<b>Sep</b>	\$ 3,176,883	\$ 3,008,637
<b>Oct</b>	\$ 3,936,330	\$ 2,944,433
<b>Nov</b>	\$ 2,835,420	\$ 2,853,361
<b>Dec</b>	\$ 2,869,916	
<b>Total</b>	<b>\$35,953,006</b>	<b>\$32,272,220</b>

### Retail Sales Tax

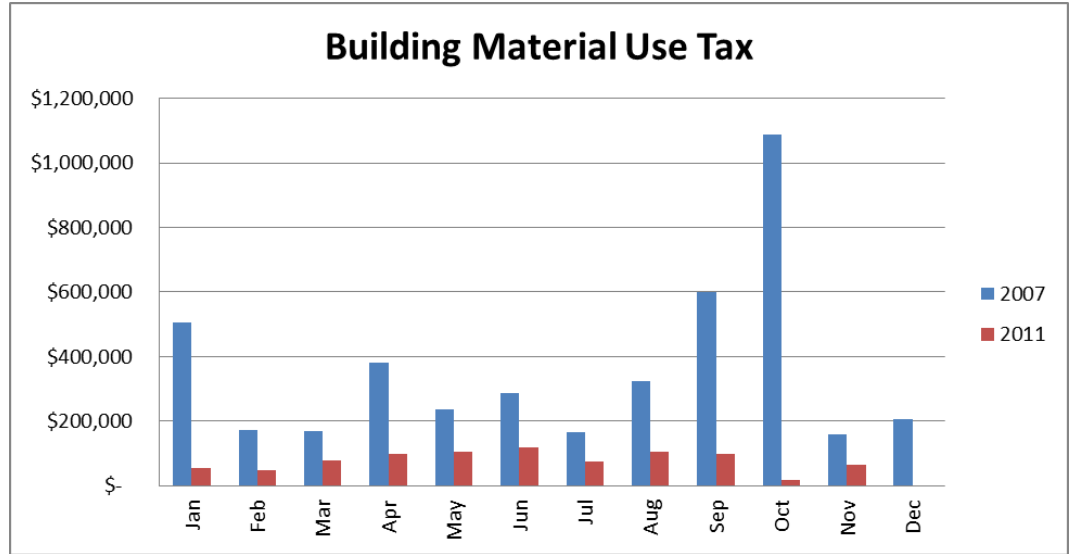


	2007	2011
<b>Jan</b>	\$ 3,324,067	\$ 3,613,881
<b>Feb</b>	\$ 2,167,873	\$ 2,249,749
<b>Mar</b>	\$ 1,994,635	\$ 2,299,237
<b>Apr</b>	\$ 2,437,958	\$ 2,702,024
<b>May</b>	\$ 2,146,685	\$ 2,462,213
<b>Jun</b>	\$ 2,300,533	\$ 2,536,541
<b>Jul</b>	\$ 2,640,223	\$ 2,882,075
<b>Aug</b>	\$ 2,376,534	\$ 2,667,674
<b>Sep</b>	\$ 2,332,844	\$ 2,710,738
<b>Oct</b>	\$ 2,632,667	\$ 2,746,866
<b>Nov</b>	\$ 2,419,051	\$ 2,610,981
<b>Dec</b>	\$ 2,464,559	
<b>Total</b>	<b>\$29,237,629</b>	<b>\$29,481,979</b>

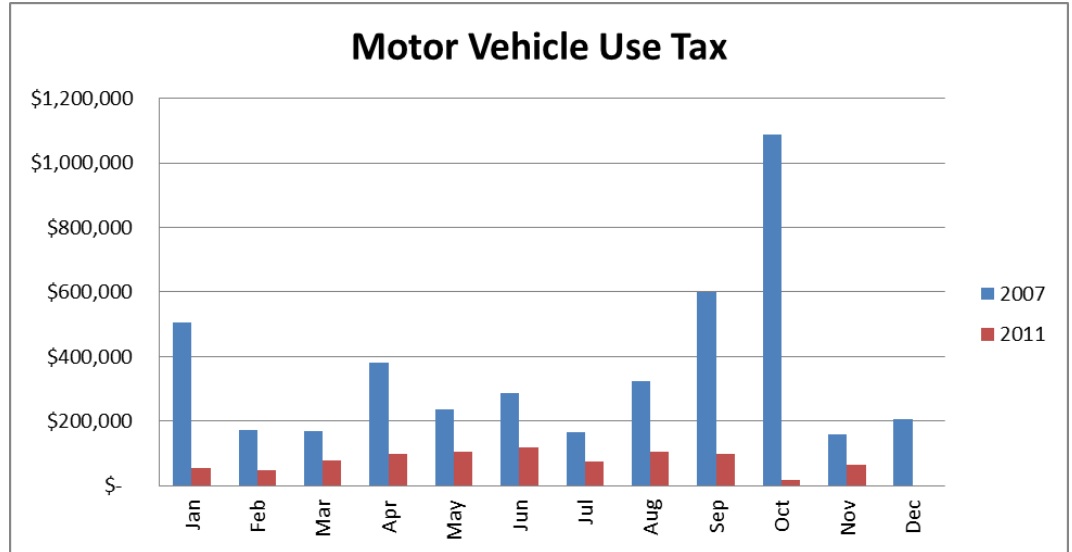
# Tax Totals Comparison of 2007 & 2011

## Monthly Financial Report

	2007	2011
Jan	\$ 505,441	\$ 55,542
Feb	\$ 171,835	\$ 47,621
Mar	\$ 169,579	\$ 79,590
Apr	\$ 380,285	\$ 99,569
May	\$ 236,140	\$ 104,373
Jun	\$ 287,300	\$ 118,318
Jul	\$ 166,446	\$ 76,488
Aug	\$ 324,125	\$ 105,871
Sep	\$ 600,704	\$ 99,544
Oct	\$ 1,086,325	\$ 17,021
Nov	\$ 159,382	\$ 64,211
Dec	\$ 207,723	
	<b>\$ 4,295,285</b>	<b>\$ 868,148</b>



	2007	2011
Jan	\$ 143,005	\$ 130,337
Feb	\$ 180,778	\$ 168,077
Mar	\$ 155,365	\$ 138,335
Apr	\$ 185,537	\$ 221,177
May	\$ 199,005	\$ 202,940
Jun	\$ 193,953	\$ 145,325
Jul	\$ 216,146	\$ 170,691
Aug	\$ 231,008	\$ 188,141
Sep	\$ 243,336	\$ 198,355
Oct	\$ 217,338	\$ 180,546
Nov	\$ 256,987	\$ 178,169
Dec	\$ 197,634	
	<b>\$ 2,420,092</b>	<b>\$ 1,922,093</b>





**CITY OF LOVELAND**  
CITY MANAGER'S OFFICE

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

**AGENDA ITEM:** 11  
**MEETING DATE:** 1/3/2012  
**TO:** City Council  
**FROM:** Alan Krcmarik, Executive Fiscal Advisor  
**PRESENTER:** Alan Krcmarik

**TITLE:**

Investment Report for November 2011

**RECOMMENDED CITY COUNCIL ACTION:**

This is an information only item. No Council action is required.

**DESCRIPTION:**

The budget estimate for investment earnings for 2011 is \$3,163,130. For the first eleven months of 2011, the amount posted to the investment account is \$3,251,372 including realized gains. Actual year-to-date earnings are *higher* than the year-to-date projection by \$351,689. Based on November's monthly statement, the estimated annualized yield on the U.S. agencies and corporates was up to 1.76%, under the annual target rate of 2% but higher than recent months. Reinvestment rates are still significantly lower than the first-half of 2011.

**BUDGET IMPACT:**

- Positive  
 Negative  
 Neutral or negligible

The overall budget impact of this monthly report is positive because the City will likely exceed the annual investment target by about 5%.

**SUMMARY:** At the end of November, the City's total portfolio had an estimated market value of \$194.3 million, about \$600,000 less than a month ago. Of this amount, USBank held (including accrued interest) \$178.6 million in trust accounts; other funds are held in local government investment pools, in operating accounts at WellsFargo Bank, and a few miscellaneous accounts. Interest rates have trended significantly lower over the past few months. Investments are 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 \$1.94 million annually.

REVIEWED BY CITY MANAGER: *William D. Cahill*

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**LIST OF ATTACHMENTS:** Investment Focus November 2011



Loveland Municipal Building

# Investment Focus

Monthly Investment Report

November 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

- \* **2011 targets for the City's portfolio: 1) 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.**
- \* **Revenue posted to accounts = \$3,251,372 or 102.7% of target. This includes realized gains on security sales of \$474,450.**
- \* **Each 1% of the total portfolio amounts to about \$1.9 million.**
- \* **The month end market value shows an unrealized loss of \$587,897.**

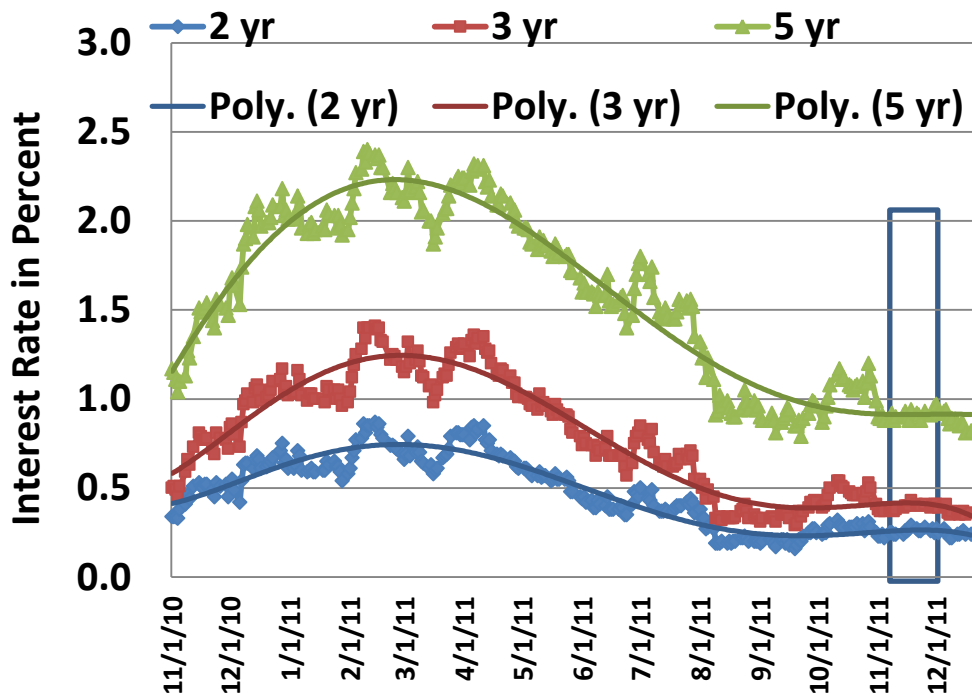
**A key Driver of U.S. jobs growth has stalled.**

“Companies less than a year old employed 2.5 million people as of March, just-released data show. That was up fractionally from a year earlier, but still well below the 3.5 million people such start-ups employed in March 2007. Funding remains difficult for many new companies and some traditional sources of cash, including home-equity loans have dried up.”

**Source: Wall Street Journal, November 21, 2011.**

Type of Investment	Purchase Price	Market Value	Unrealized Gain or Loss
Checking Accounts	\$ 6,111,950	\$ 6,111,950	--
Investment Pools	9,590,931	9,590,931	--
Money Markets	<u>11,904,001</u>	<u>11,904,001</u>	--
<b>Subtotal</b>	<b>\$ 27,606,882</b>	<b>\$ 27,606,882</b>	--
Notes and Bonds	<u>167,289,143</u>	<u>166,701,246</u>	<b>\$ (587,897)</b>
<b>Total Portfolio</b>	<b>\$ 194,896,025</b>	<b>\$ 194,308,128</b>	<b>\$ (587,897)</b>
Data Sources	(Morgan Stanley)	(US Bank)	

## Treasury rate trends / 4 years of Performance



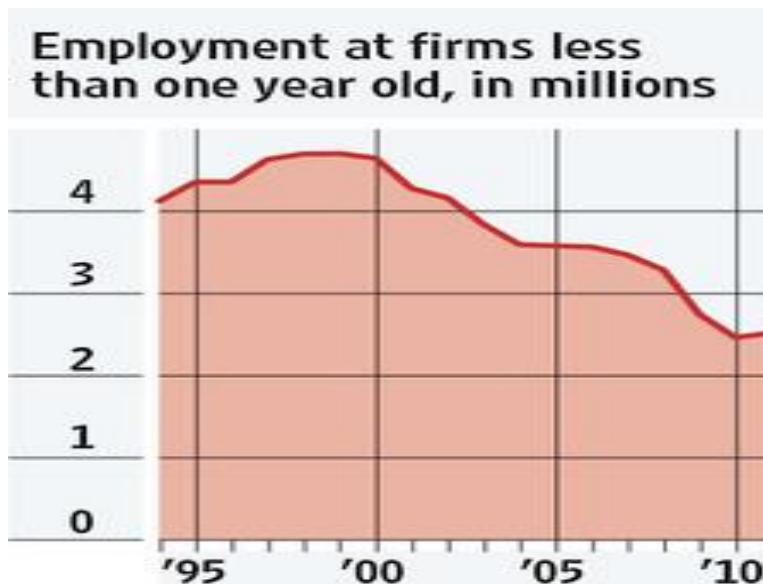
Interest rates on US treasuries were virtually flat in November.

Based on the 2-year treasury, the November month-end rate was exactly the same as the October month end 25 basis points. The 3-year was 41 basis point for both month-ends. The 5-year finished November at 96 basis points, 3 lower than October month-end.

When the treasury market is stable like this, the value of prior investments is also stable. For new investments, no significant change in yields.

### Vital Signs: Start-Up Job Creation Stalled

Source: Justin Lahart, *Wall Street Journal*, November 21, 2011.



Source: Labor Department

## Cash Position Summary

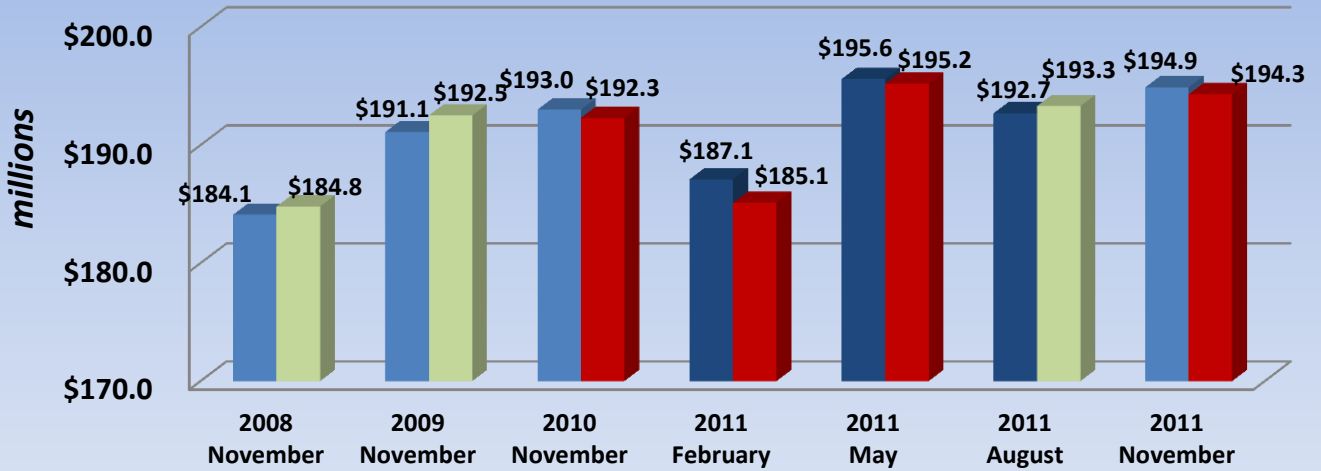
## Cash &amp; Reserves (unaudited)

		2011 Beginning	YTD Activity	Month End Total
<b>Restricted Reserves</b>				
1	Capital Expansion Fees	\$ 36,464,857	\$ (2,243,866)	\$ 34,220,991
2	Water System Impact Fees	5,634,568	1,318,335	6,952,903
3	Raw Water Revenue – Windy Gap	27,577,821	(9,385,650)	18,192,170
4	Wastewater System Imp. Fees	4,258,451	198,948	4,457,399
5	Storm Drain System Imp. Fees	1,542,372	(118,186)	1,424,185
6	Power Plant Investment Fees	5,624,382	1,572,086	7,196,468
7	Cemetery Perpetual Care	2,433,991	87,497	2,521,488
8	Other Restricted	27,102,110	2,081,411	29,183,521
9	<b>Total Restricted</b>	<b>\$ 110,638,551</b>	<b>\$ (6,489,426)</b>	<b>\$ 104,149,125</b>
<b>Reserve Balance Amounts</b>				
10	General Fund	\$ 13,233,672	\$ (1,990,530)	\$ 11,243,143
11	Enterprise Funds	4,859,870	233,458	5,148,537
12	Internal Service Funds	17,283,872	1,711,391	18,995,263
13	<b>Total Reserves</b>	<b>\$ 35,377,415</b>	<b>\$ 9,528</b>	<b>\$ 35,386,943</b>
14	<b>Total Restricted and Reserved</b>	<b>\$ 146,015,966</b>	<b>\$ (6,479,898)</b>	<b>\$ 139,536,068</b>
<b>Unrestricted</b>				
15	General Fund	\$ 12,740,445	\$ 4,669,100	\$ 17,409,545
16	Airport	814,146	(108,609)	705,537
17	Internal Service – Vehicle Maint	57,032	133,107	190,138
18	Enterprise Funds	32,656,422	4,026,487	36,682,909
19	<b>Total Unrestricted</b>	<b>\$ 46,268,044</b>	<b>\$ 8,720,084</b>	<b>\$ 54,988,128</b>
20	<b>TOTAL CASH</b>	<b>\$ 192,284,010</b>	<b>\$ 2,240,186</b>	<b>\$ 194,524,196</b>

# Monthly Investment Report

## Portfolio Size / Types of Investments

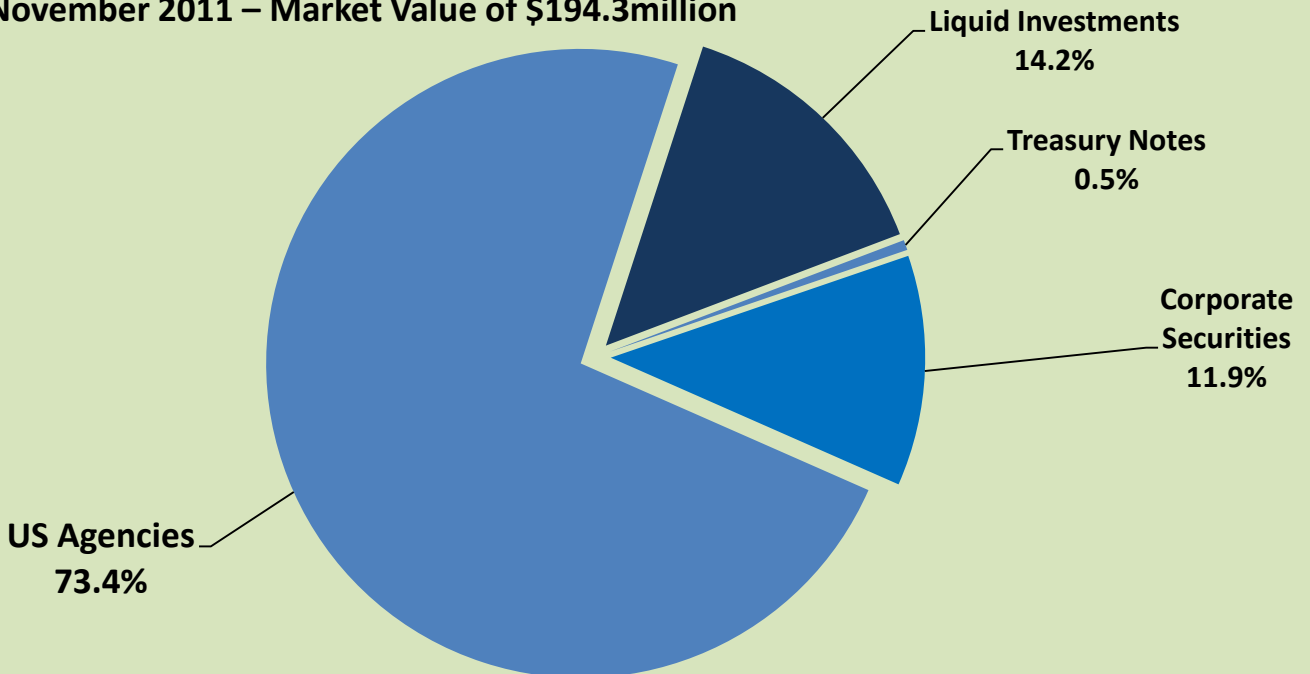
### Portfolio Size since November 2008



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

### Portfolio by Type of Investment

November 2011 – Market Value of \$194.3million



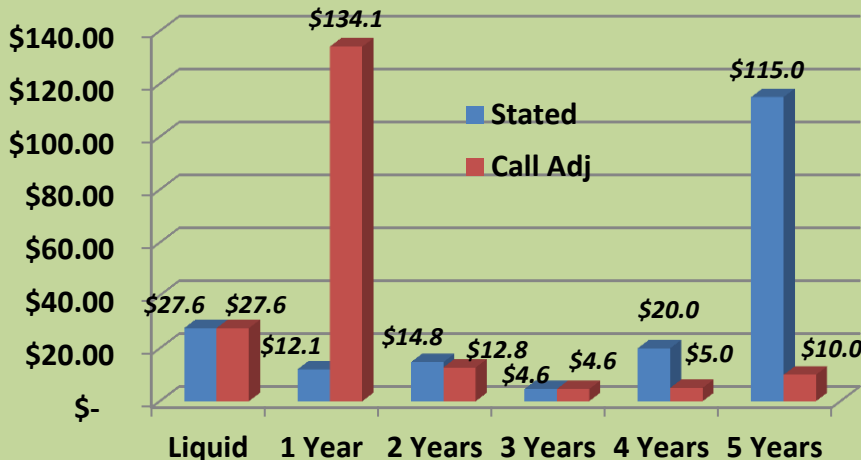


# Transactions / Portfolio by Maturity

	Maturity Date	Face Value	Purchase \$	Stated Rate
<b><u>Purchases</u></b>				
Federal Farm Credit Bank	11/07/2016	\$ 5,000,000	\$ 5,000,000.00	1.570%
Federal Home Loan Bank	11/28/2016	<u>5,000,000</u>	<u>5,000,000.00</u>	1.530%
		\$ 10,000,000	\$ 10,000,000.00	
<b><u>Matured</u></b>				
None this month				
<b><u>Called</u></b>				
None this month				
<b><u>Sales</u></b>				
Federal Home Loan Bank	06/11/2015	\$ 5,000,000	<u>\$ 6,750</u>	0.787%
Federal Home Loan Bank	09/13/2013	3,000,000	<u>23,100</u>	1.000%
			<b>\$ 29,850</b>	

### Portfolio by Maturity Term

(in millions - Total = \$194.3 at the end of November 2011)



The target rate for 2011 is 2.0%. In recent months, rates have fallen to record lows. Through November, the portfolio has reached the earnings target level for 2011.

To support earnings or to reposition the portfolio, bonds may be sold. Gains on sales total \$474,450 to date.

The blue bars show the stated term. Red bars show the calls. More of the five year bonds will be called early.



## *Future Scan / rates still on hold – jobs growing*

- ❖ On December 13<sup>th</sup>, the **Federal Open Market Committee** (“FOMC” or “Fed” or “Committee”) stuck to the easy-money policies and presented a guarded assessment of the economy. It is doing better on the jobs creation front, but still faces significant risks. Interest rates on short-term money are going to remain near zero until mid-2013, at least. Fed officials said the economy was expanding moderately ... but they also warned of slowing global growth and risks from volatile financial markets. Some Fed policy makers also are concerned that the economy could be hit by higher taxes and more government layoffs next year. The next FOMC meeting is set for January 26-27, 2012. Four members will rotate into voting positions and are thought to be more supportive of Chairman Bernanke.
- ❖ **Loveland’s employment level contracted** in November with 143 fewer jobs when compared to October. Compared to the revised estimate for November 2010, there are 1,165 more jobs for city residents. Using non-seasonally adjusted employment data for November, the national unemployment rate was 8.2%, the State of Colorado was 7.8%, Larimer County was 6.2%, Fort Collins was 6.9%, and Loveland was 5.4%. Of the Colorado cities, only Lafayette and Parker were lower at 4.8% and 4.4% respectively. Aurora (Adams County portion) had the highest unemployment rate for a city at 14.7%
- ❖ **Recession outlook.** Several of the economic indicators from late November and early December suggest the probability of slipping back into recession is waning. That being stated, a Wall Street Journal article suggested that Italy is entering into a recession and this bodes unfavorably for the European Union economy. The volatile fluctuations in the U.S. stock market over the past two months has been caused by the financial problems in Europe. The current read on the situation is that the downturn will be contained in overseas markets. The Economic Cycle Research Institute continues to say a U.S. Recession is coming in 2012.
- ❖ **Our investment financial advisors say** “We expect upcoming policy decisions in the US and Europe to hold the key to the global growth outlook. With a recession in Europe, anemic growth in the US and a further dimming of emerging market economies’ growth prospects as our base case, we see global growth falling below its long-term average. **Our bear case is a full-blown recession**, and it won’t take much to tip the balance. Our base case assumes that European governments make a big step towards fiscal integration soon that stabilizes confidence, and that US Congress extends most of this year’s stimulus. Against the backdrop of recent policy mistakes, these assumptions may seem heroic. Failure on these fronts would risk a full-blown recession in the US and Europe, with global GDP growth falling below the 2.5% recession threshold.” (Source: **Global 2012 Outlook**, December 15, 2011, Joachim Fels.)

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

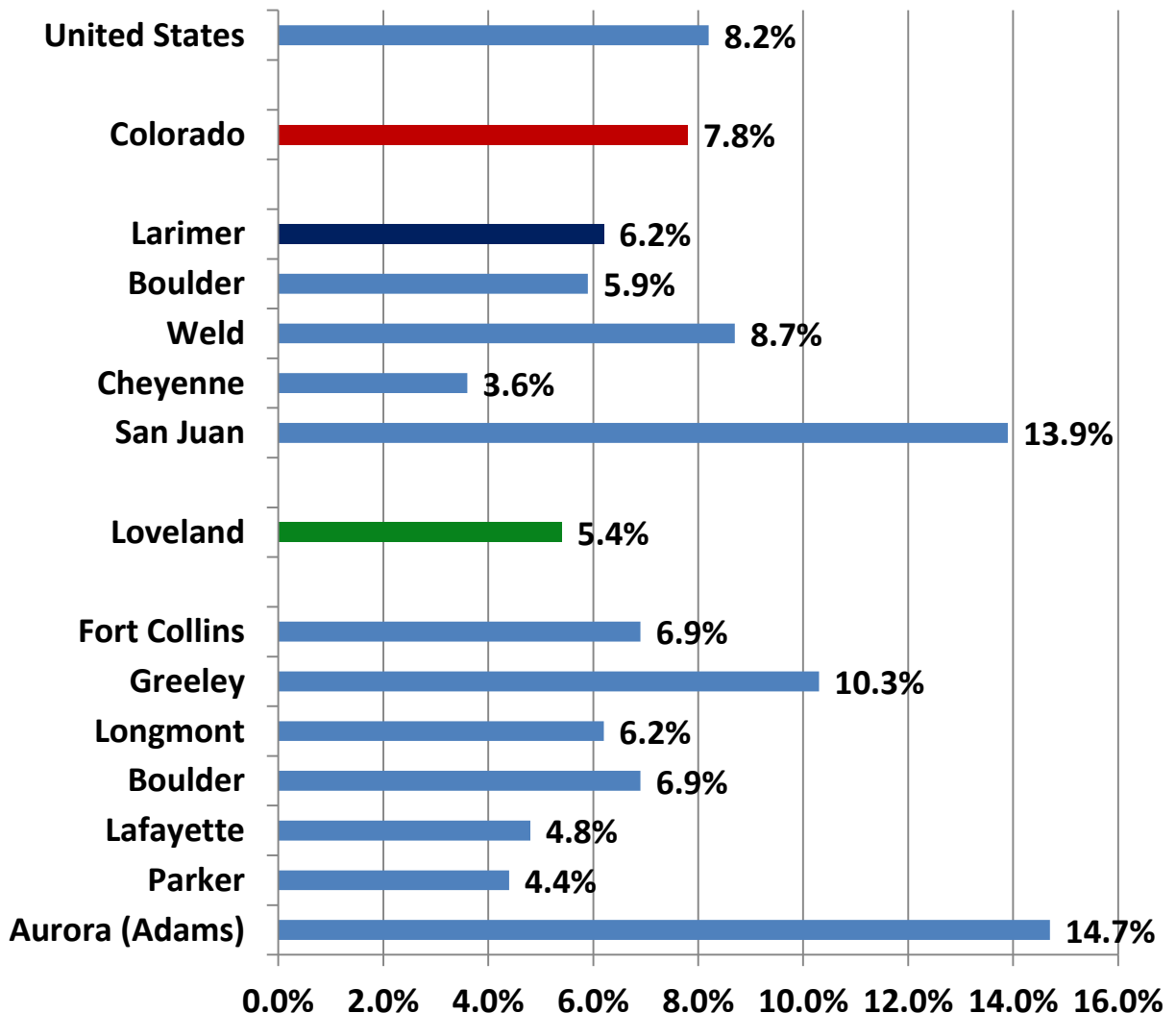
**Alan Krcmarik, Executive Fiscal Advisor**  
**970.962.2625 or [krcmaa@ci.loveland.co.us](mailto:krcmaa@ci.loveland.co.us)**

## Updated for Colorado Labor data for November

- ❖ Loveland's employment level **contracted** in November, shedding 143 jobs from October of 2011.
- ❖ Compared to one year ago in November, there are 1,165 **more** jobs.

### November Unemployment Rates

Data not adjusted for seasonality



# Loveland Employment levels moving up

- The chart shows how Loveland resident employment has changed since the beginning of 2006. The total number of residents employed has been increasing since January 2011. The levels have not yet returned to the pre-recession count, but are within 1,017 jobs of doing so.

