

AGENDA ITEM SUMMARY

City Council



STAFF

Andrew S. Gingerich, P.E., Director of Water Field Operations
Phil Ladd, Manager of Utility Financial Operations

SUBJECT

First Reading of Ordinance No. 186, 2024, Appropriating Prior Year Reserves in the Water Fund and the Wastewater Fund for the Transfer of Fleet Vehicles Between the Water and Wastewater Utilities.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate prior year reserves in the Water and Wastewater Funds to purchase fleet equipment at fair market value between Operational Divisions of the Water Field Operations Department.

STAFF RECOMMENDATION

Staff recommends adoption on First Reading.

BACKGROUND / DISCUSSION

The Department of Water Field Operations within Fort Collins Utilities is comprised of four operational Divisions: (1) Water Distribution, (2) Wastewater Collection, (3) Stormwater Collection, and (4) Water Meters. These four Divisions are funded by three funding sources: Water Fund, Wastewater Fund, and Stormwater Fund. In lieu of purchasing a new and budgeted Combo Vac Truck for \$650,000, the Water Distribution Division took ownership of the Wastewater Collection Division's used Combo Vac Truck for the fair market value of \$61,800. In exchange the Wastewater Collection Division took ownership of the Water Division's new Jet Wash Truck for the fair market value of \$361,478. These equipment purchases between these two Water Field Operation Divisions were completed due to business need changes and improved operational work planning and efficiency. After the appropriations are completed from both the Water and Wastewater Funds for these purchases, the net difference will result in \$299,678 from the Wastewater Fund to the Water Fund.

CITY FINANCIAL IMPACTS

This Ordinance will appropriate \$61,800 from the Water Fund Prior Year Reserves for the purchase of the Combo Vac Truck at fair market value. This Ordinance will also appropriate \$361,478 from the Wastewater Fund Prior Year Reserves for the purchase of the Jet Wash Truck at fair market value.

As of the end of 2023, the Water Enterprise Fund had \$17.7M and the Wastewater Enterprise Fund had \$13.5M unappropriated in excess of the minimum required reserves. It is expected that reserves in both funds will increase by the end of 2024.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration