

Impact of Proposed Ballot Item to Eliminate 2020 TABOR Ratchet down

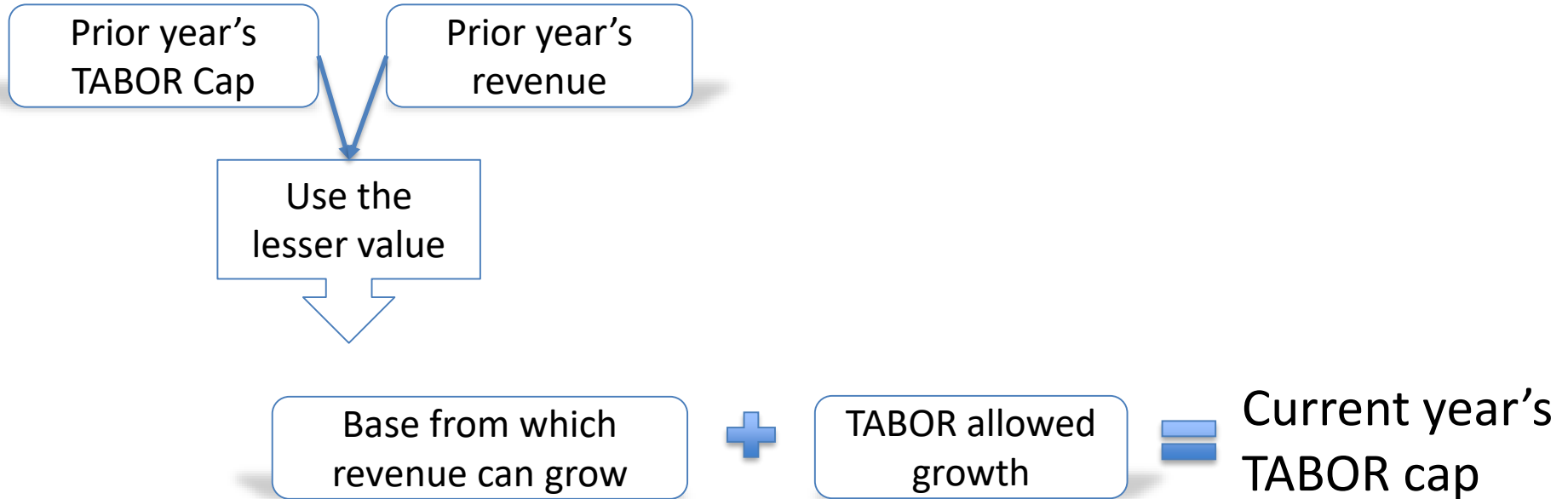
June 22, 2020

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Chief Financial Officer



TABOR Cap Calculation



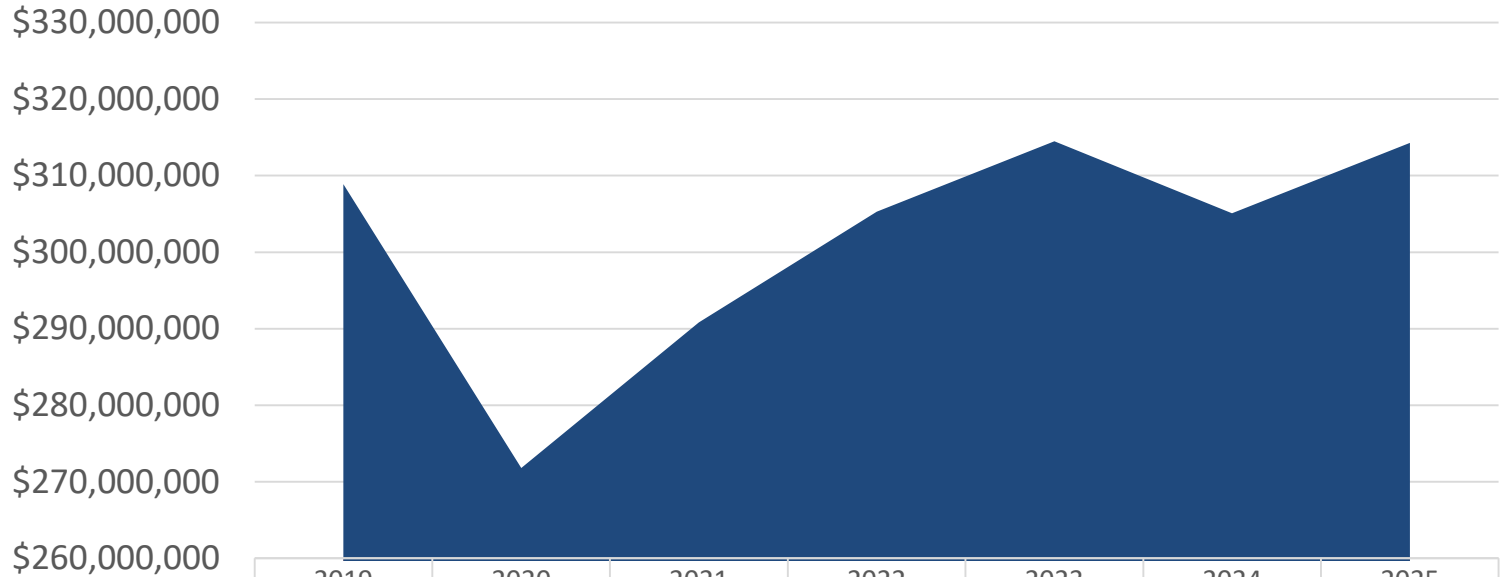
What is the “ratchet down”



If the actual revenue declines in a particular year, the City’s TABOR cap declines, or “ratchets down” to the lower amount.

Then going forward, revenue can only increase by the TABOR growth factor. If the economy rebounds strongly in the next year and the revenue increases at a rate greater than the allowed TABOR growth factor, the City would exceed the TABOR cap and be in a position to either refund the amount over the cap, or ask voters to retain the amount.

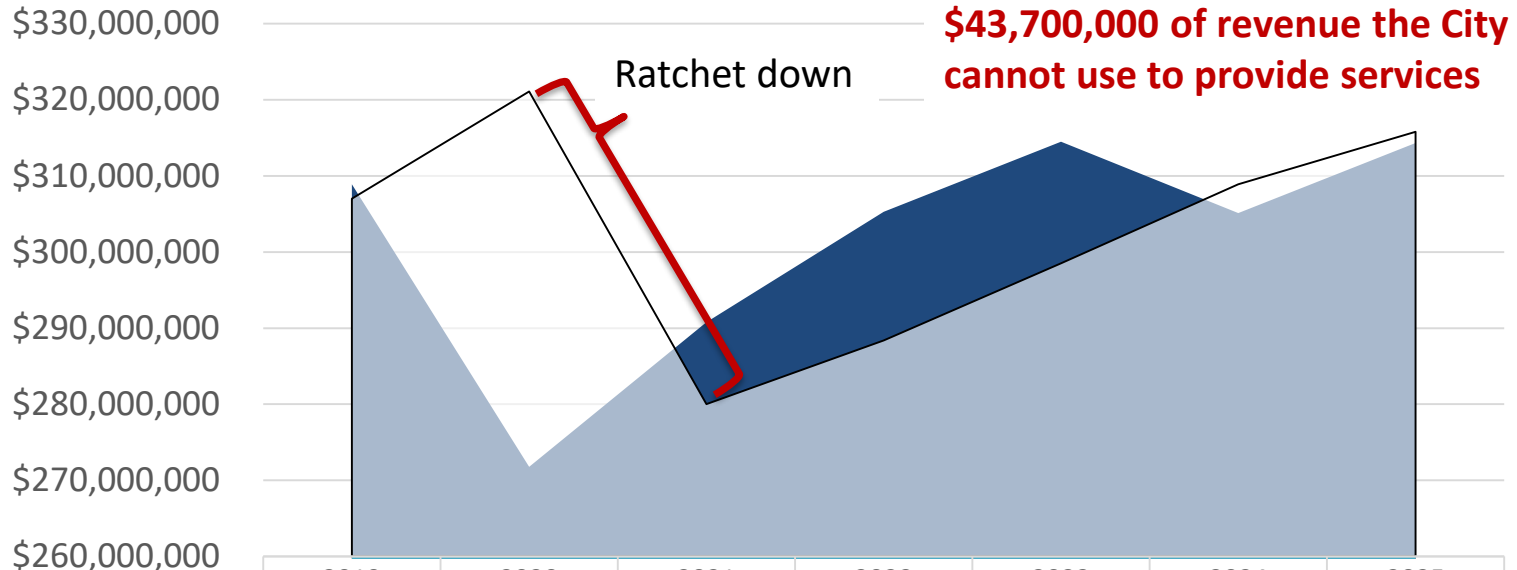
Expected revenue recovery



	2019	2020	2021	2022	2023	2024	2025
■ Actual Revenue	\$308,900,000	\$271,800,000	\$290,800,000	\$305,300,000	\$314,500,000	\$305,100,000	\$314,300,000
■ Actual Revenue Growth Rate		-12.0%	7.0%	5.0%	3.0%	-3.0%	3.0%

■ Actual Revenue

Without proposed ballot measure



	2019	2020	2021	2022	2023	2024	2025
■ Actual Revenue	\$308,900,000	\$271,800,000	\$290,800,000	\$305,300,000	\$314,500,000	\$305,100,000	\$314,300,000
□ Tabor Cap	\$307,000,000	\$321,100,000	\$280,000,000	\$288,400,000	\$298,500,000	\$308,900,000	\$315,800,000
■ Actual Revenue Growth Rate		-12.0%	7.0%	5.0%	3.0%	-3.0%	3.0%
■ Tabor Allowed Growth Rate		4.6%	3.0%	3.0%	3.5%	3.5%	3.5%
■ Revenue (over)/under Tabor Cap	(\$1,900,000)	\$49,300,000	(\$10,800,000)	(\$16,900,000)	(\$16,000,000)	\$3,800,000	\$1,500,000

■ Actual Revenue □ Tabor Cap

Not displayed on this chart, is the anticipated Property Tax revenue in excess of the TABOR limit for 2020 of approximately (\$2,000,000)

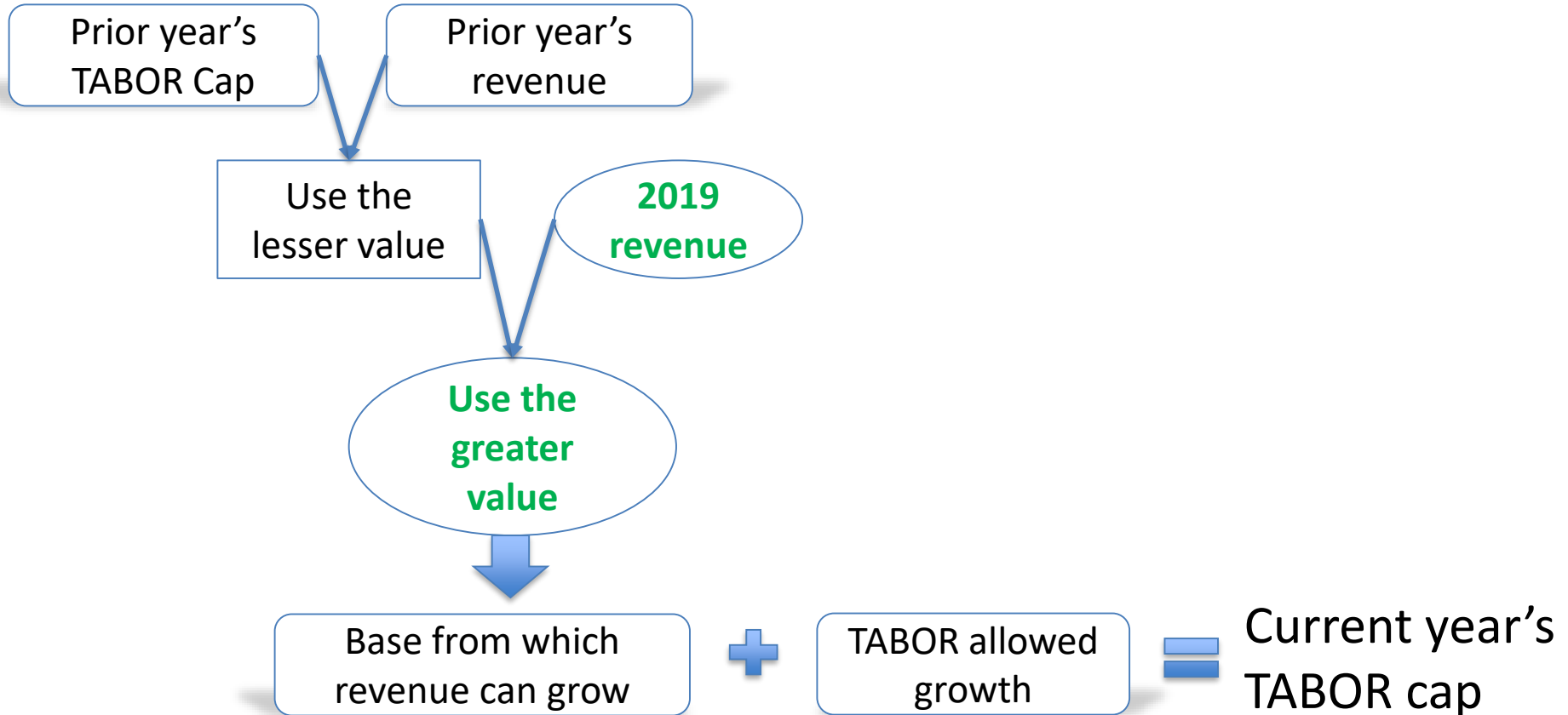
Proposed Ballot Measure



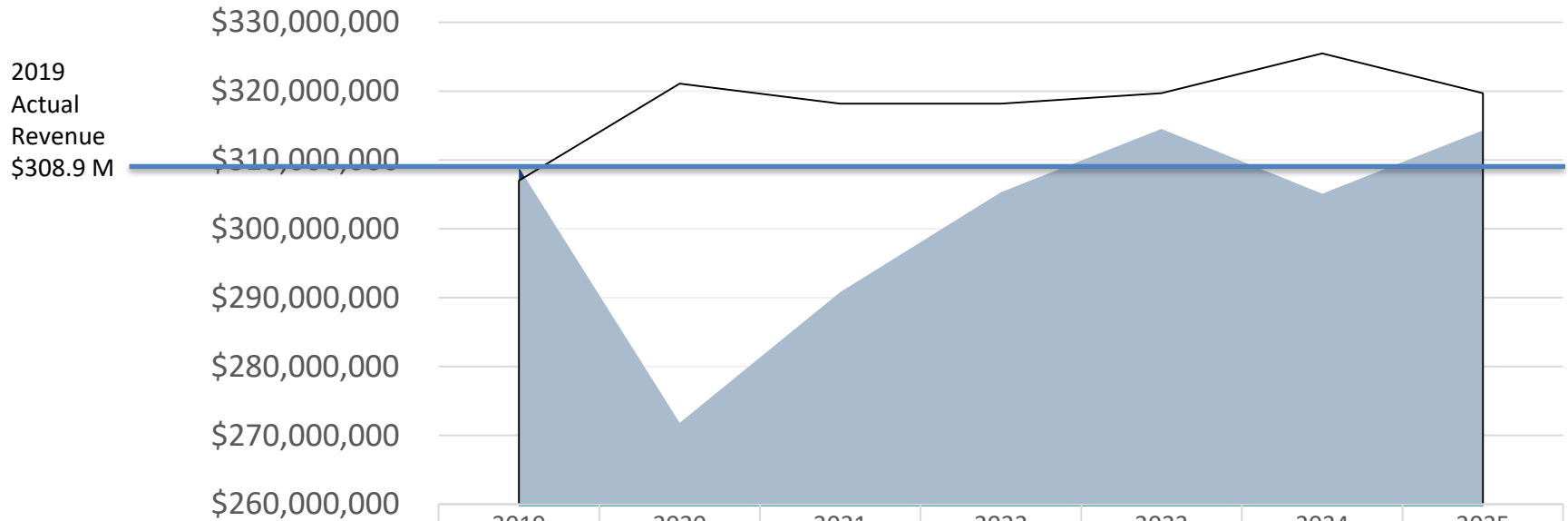
Requesting that the City be allowed to retain and spend all of the 2019 and 2020 revenues, and allow the revenue cap for 2021 and later years to be based upon the higher of the 2019 or 2020 revenues, plus allowed growth.

TABOR Cap Calculation

With proposed ballot measure



With proposed ballot measure



	2019	2020	2021	2022	2023	2024	2025
■ Actual Revenue	\$308,900,000	\$271,800,000	\$290,800,000	\$305,300,000	\$314,500,000	\$305,100,000	\$314,300,000
□ Tabor Cap	\$307,000,000	\$321,100,000	\$318,200,000	\$318,200,000	\$319,700,000	\$325,500,000	\$319,700,000
■ Actual Revenue Growth Rate		-12.0%	7.0%	5.0%	3.0%	-3.0%	3.0%
■ Tabor Allowed Growth Rate		4.6%	3.0%	3.0%	3.5%	3.5%	3.5%
■ Revenue (over)/under Tabor Cap	(\$1,900,000)	\$49,300,000	\$27,400,000	\$12,900,000	\$5,200,000	\$20,400,000	\$5,400,000

■ Actual Revenue □ Tabor Cap

Impact of proposed ballot measure



Without proposed ballot measure

- Ratchet down represents a decline of \$28.9 M from 2019 revenue to 2021 TABOR cap
- City would be providing \$27.3 million less in services, due to TABOR cap
- TABOR allowed revenue would not reach 2019 levels until 2024

With proposed ballot measure

- Ability to use all revenue collected to provide services
- Provides ability for City services to be reinstated as the economy recovers
- Allowed revenue would reach 2019 levels in 2022, two years sooner

Questions?