



## Legislation Text

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**File #:** 19-723, **Version:** 2

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Ordinance No. 20-4 amending Ordinance No. 18-118 (2019 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$6,984,844, and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$167,394 which will be transferred to the General Fund and is included in the \$6,984,844, for the retention of 2018 fiscal year revenue above the 2018 fiscal year revenue and spending limitations (TABOR cap), approved by voters in the November 2019 coordinated election to be retained and spent for parks, sports and cultural facilities, and trail improvements

**Presenter:**

Charae McDaniel, Chief Financial Officer

**Summary:**

By Resolution No. 77-19, City Council referred a ballot question to the qualified registered electors of the City at the November 5, 2019 coordinated election which also constitutes a special municipal election. The ballot question, Issue 2B, asked the voters whether the City may retain and spend up to \$7 million of revenues received by the City during fiscal year 2018 which exceeded the amounts otherwise allowed to be retained and spent under City Charter § 7-90 and Colorado Constitution Article X, § 20, known as the Taxpayers' Bill of Rights or "TABOR", provided that the funds may only be used for specified parks, sports and cultural facilities, and trail improvement projects located within the City of Colorado Springs. A list of the projects which, revenues permitting, would be funded with this revenue was included in the Resolution. The Resolution also directs City staff to do all things required in connection with having the ballot measure presented to the voters.

Ballot Issue 2B was approved by voters - 57.72% voted yes.

With voter approval, the City is now authorized to retain and spend up to \$7 million of the amount of revenue received during 2018 in excess of the TABOR cap. The final amount of revenue over the TABOR cap for 2018 is \$6,984,844. This appropriation ordinance asks City Council to appropriate \$6,984,844 in the General Fund that will be retained by the City and placed in a Capital Improvement Project (CIP) account to be used for the projects included in the Resolution placing the question on the ballot. This ordinance also asks City Council to appropriate \$167,394 in the LART Fund, to be transferred to the General Fund as part of the \$6,984,844 that will be placed in the CIP Project account.

**Background:**

Under Charter § 7-90 (g), the City's authorized change in fiscal year spending is limited to inflation plus City growth, and any voter approved changes. Under Colorado Constitution Article X, § 20 (7) (b), City spending is similarly limited to inflation plus local growth and any voter approved revenue changes. The Finance Department has determined that revenue in 2018 exceeded these limitations by \$6,984,844, based on audited financial statements.

**Previous Council Action:**

On November 27, 2018, City Council approved the original 2019 Budget per Ordinance No. 18-118.

On August 13, 2019, City Council approved Resolution No. 77-19 which referred a ballot question to the qualified registered electors of the City at the November 5, 2019 coordinated election. The ballot question, Issue 2B, asked the voters whether the City may retain and spend up to \$7 million of revenues received by the City during fiscal year 2018 which exceeded the amounts otherwise allowed to be retained and spent under City Charter § 7-90 and Colorado Constitution Article X, § 20, known as the Taxpayers' Bill of Rights or "TABOR", provided that the funds may only be used for specified parks, sports and cultural facilities, and trail improvement projects located within the City of Colorado Springs.

**Financial Implications:**

At the end of 2018, the City placed \$6,817,450 of revenue in excess of the TABOR cap in the General Fund Restricted Fund Balance and placed \$167,394 of revenue in excess of the TABOR cap in the LART Fund Restricted Fund Balance. Approval of this appropriations ordinance will reduce General Fund Restricted Fund Balance by \$6,817,450 and will also reduce the LART Fund Restricted Fund Balance by \$167,394. This appropriations ordinance has no impact on the General Fund Unrestricted Fund Balance or the LART Fund Unrestricted Fund Balance.

The source of funds for the requested supplemental appropriation to the General Fund of \$6,984,844 is General Fund Restricted Fund Balance of \$6,817,450 and a transfer from the LART Fund Restricted Fund Balance in the amount of \$167,394.

The source of funds for the requested supplemental appropriation to the LART Fund of \$167,394 is the LART Fund Restricted Fund Balance.

**City Council Appointed Board/Commission/Committee Recommendation:**

The LART Citizen Advisory Committee is aware of the amount of \$167,394 in the LART Fund Restricted Fund Balance that is held for a transfer to the General Fund for the projects listed in the 2B ballot language.

This supplemental appropriation request was reviewed and recommended by the City Council Budget Committee at the November 21, 2019 meeting.

**Stakeholder Process:**

N/A

**Alternatives:**

N/A

**Proposed Motion:**

Move to approve this ordinance amending Ordinance No. 18-118 (2019 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$6,984,844, and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$167,394 which will be transferred to the General Fund and is included in the \$6,984,844, for the retention of 2018 fiscal year revenue above the 2018

fiscal year revenue and spending limitations (TABOR cap), approved by voters in the November 2019 coordinated election to be retained and spent for parks, sports and cultural facilities, and trail improvements

An ordinance amending Ordinance No. 18-118 (2019 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$6,984,844, and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$167,394 which will be transferred to the General Fund and is included in the \$6,984,844, for the retention of 2018 fiscal year revenue above the 2018 fiscal year revenue and spending limitations (TABOR cap), approved by voters in the November 2019 coordinated election to be retained and spent for parks, sports and cultural facilities, and trail improvements