



Legislation Text

File #: 21-451, **Version:** 2

A resolution submitting to the registered qualified electors of the City of Colorado Springs, Colorado, at the coordinated election conducted by mail ballot to be held on Tuesday, November 2, 2021, the question of retaining and spending up to \$20,000,000 on City-wide and regional wildfire mitigation and prevention, this amount being the estimated 2021 fiscal year revenue above the 2021 fiscal year revenue and spending limitations, and resetting the revenue and spending limitations for later years based thereon, as voter approved revenue changes; providing for the form of the ballot title and text; providing for certain matters with respect to the election; and providing the effective date of this resolution

Presenter:

Mayor John Suthers
Fire Chief Randy Royal, Colorado Springs Fire Department
Marc Smith, Deputy City Attorney
Charae McDaniel, Chief Financial Officer

Summary:

This resolution refers a ballot question to the qualified registered electors of the City at the November 2, 2021 coordinated election which also constitutes a special municipal election. The ballot question asks the voters whether the City may retain and spend up to \$20 million on City-wide and regional wildfire mitigation and prevention efforts, to be administered by the Colorado Springs Fire Department, which would otherwise not be allowed to be retained and spent under the City Charter § 7-90 and Colorado Constitution Article X, § 20, known as the Taxpayers' Bill of Rights or "TABOR". It would also reset the revenue and spending limitations for later years based thereon, as voter-approved revenue changes. The resolution also directs City staff to do all things required in connection with having the ballot measure presented to the voters.

Background:

Under Charter § 7-90 (g), the City's authorized change in fiscal year spending and property tax revenues are both limited to inflation plus City growth, and any voter approved changes. Under Colo. Const. Art. X, § 20 (7) (b), City spending is similarly limited to inflation plus local growth and any voter approved revenue changes. The Finance Department has estimated that the City's 2021 revenues will exceed these limitations by up to \$20 million.

The resolution before City Council would present a question to the voters allowing the City to retain and spend up to \$20 million, which would be utilized solely to increase City-wide and Pikes Peak region wildfire mitigation and prevention efforts. If the actual amount of 2021 fiscal year City revenues over the TABOR limitation is less than \$20 million, the City would retain whatever that amount is for these purposes. If the opposite occurs and the total 2021 fiscal year revenues over the TABOR limit is more than \$20 million, \$20 million would be retained and deposited into the fund and anything more would be refunded to the taxpayers.

The proposed program would be administered by the Colorado Springs Fire Department and would be prioritized to ensure that the wildfire mitigation, prevention and evacuation planning efforts funded by this retention would be utilized across the City and those areas surrounding the City that contribute to a risk of wildfire damage to the City's residents. Spending of funds would be limited to only 5% of the balance of the fund on an annual basis. This ensures a viable program of wildfire mitigation and prevention efforts for decades into the future. For the lifetime of the fund, the question allows for the retention and spending of any future interest earned outside of the spending and revenue limitations imposed by TABOR. The Mayor has also agreed to form a citizen advisory committee to provide input to the Fire Department on the spending of the fund. If in any future fiscal year the fund balance for the program is below \$100,000, the City shall have the authority, but not be required, to spend the remaining balance in a single year instead of adhering to the 5% limitation on annual spending.

The question to the voters contained in the Resolution would also allow the City to reset the revenue limitations for 2022 and later years based upon the total revenues received in 2021.

There is no tax increase of any kind associated with this ballot measure.

Previous Council Action:

N/A

Financial Implications:

If the resolution is passed by Council and the measure approved by the voters, the City will be permitted to retain and expend up to \$20 million of revenues in excess of the 2021 fiscal year revenue and spending limitations under TABOR, and any interest accrued over the lifetime of the fund, and then beginning in 2022, the TABOR "cap" will be based upon the total 2021 revenues.

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

The City could refund the 2021 excess revenue amount to the taxpayers. The Charter may also permit the funds to be applied to reduce taxes or bonded debt.

Proposed Motion:

Move to approve a resolution submitting to the registered qualified electors of the City of Colorado Springs, Colorado, at the coordinated election conducted by mail ballot to be held on Tuesday, November 2, 2021, the question of retaining and spending up to \$20,000,000 on City-wide and regional wildfire mitigation and prevention, this amount being the estimated 2021 fiscal year revenue above the 2021 fiscal year revenue and spending limitations, and resetting the revenue and spending limitations for later years based thereon, as voter approved revenue changes; providing for the form of the ballot title and text; providing for certain matters with respect to the election; and providing the effective date of this resolution.

N/A