



Legislation Text

File #: 17-957, **Version:** 2

Ordinance No. 17-53 amending Ordinance No. 16-116 (2017 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$6,000,000, which is the amount of the 2016 fiscal year revenue above the 2016 fiscal year revenue and spending limitations (TABOR cap), approved by voters in the April 2017 municipal election to be retained and spent for stormwater projects

Presenter:

Charae McDaniel, Acting Budget Director

Summary:

By Resolution No. 7-17, City Council referred a ballot question to the qualified registered electors of the City at the April 4, 2017 general municipal election. The ballot question, Issue 2, asked the voters whether the City may retain and spend up to \$6 million of revenues received by City during each of fiscal years 2016 and 2017 which may exceed the amounts otherwise allowed in those years 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 stormwater improvements located within and benefitting the City of Colorado Springs. A list of the stormwater projects which, revenues permitting, would be funded with this revenue was attached to the Resolution as Exhibit "A". These projects are needed to meet the City's obligations under the federal Clean Water Act, its MS4 discharge permit and/or the Intergovernmental Agreement between the City and Pueblo County dated April 27, 2016.

Ballot Issue 2 was approved by voters - 65.59% voted yes.

With voter approval, the City is now authorized to use up to \$6 million of the amount of revenue received during 2016 in excess of the TABOR cap for stormwater projects. The current, unaudited estimate of the revenue in excess of the 2016 TABOR cap is approximately \$8.8 million. This appropriation ordinance asks City Council to appropriate the \$6 million that will be retained by the City and placed in a Stormwater Capital Improvement Project account to be used for projects included in Exhibit A to the Resolution placing the question on the ballot.

Previous Council Action:

On January 24, 2017, City Council approved Resolution No.7-17 which referred a ballot question to the qualified registered electors of the City at the April 4, 2017 general municipal election. The ballot question, Issue 2, asked the voters whether the City may retain and spend up to \$6 million of revenues received by City during each of fiscal years 2016 and 2017 which may exceed the amounts otherwise allowed in those years 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 stormwater improvements located within and benefitting the City of

Colorado Springs.

On March 14, 2017, City Council approved Resolution 34-17 which expressed City Council's support of Issue 2 on the April 4, 2017 municipal ballot.

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 currently estimates that revenue in 2016 exceeded these limitations by approximately \$8.8 million. Once the 2017 financial audit is complete, the City will bring a subsequent appropriations ordinance requesting an appropriation of the balance of the revenue in excess of the TABOR cap above the \$6 million to be refunded to city residents via the Colorado Springs Utilities billing system.

Financial Implications:

At the end of 2016, the City placed the \$8.8 million estimated revenue in excess of the TABOR cap in the General Fund Restricted Fund Balance. Approval of this appropriations ordinance will reduce Restricted Fund Balance by \$6 million. This appropriations ordinance has no impact on the General Fund Unrestricted Fund Balance.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve the appropriations ordinance to appropriate the voter approved \$6 million in 2016 revenue in excess of TABOR limits for the purpose of stormwater improvement projects.

An ordinance amending Ordinance No. 16-116 (2017 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$6,000,000, which is the amount of the 2016 fiscal year revenue above the 2016 fiscal year revenue and spending limitations, approved by voters in the April, 2017 municipal election (Issue2) to be retained and spent for stormwater projects