



Legislation Text

File #: 24-001, **Version:** 1

Ordinance No. 24-06 amending Ordinance No. 23-65 (2024 Budget Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$3,919,650 and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$828,478 for the refund of 2022 fiscal year revenue above the 2022 fiscal year revenue and spending limitations (TABOR cap)

Presenter:

Charae McDaniel, Chief Financial Officer
Chris Fiandaca, City Budget Manager

Summary:

The attached ordinance is a supplemental appropriation for the refunding of the 2022 revenue in excess of the fiscal year revenue and spending limitations (TABOR cap). This will occur as a credit on Colorado Springs Utilities bills on electric customer accounts in February of 2024.

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 changes. The Finance Department has determined that the City's revenue in 2022 exceeded the fiscal year revenue and spending limitations by \$4,748,128. The General Fund's share of this refund is \$3,919,650 and the LART Fund's share is \$828,478.

A process to refund the \$4,748,128 is underway. The City is working with Colorado Springs Utilities to refund the amount, less the cost to administer the refund, which will be processed as a credit on electric utility customer accounts in February of 2024.

Previous Council Action:

On November 28, 2023, City Council approved the original 2024 Budget per Ordinance No. 23-65.

Financial Implications:

At the end of 2022, the City placed \$3,919,650 of revenue in excess of the 2022 TABOR cap in the General Fund Restricted Fund Balance and placed \$828,478 of revenue in excess of the TABOR cap in the LART Fund Restricted Fund Balance. Approval of this ordinance will reduce the General Fund Restricted Fund Balance by \$3,919,650, and will reduce the LART Fund Restricted Fund Balance by \$828,478. This ordinance has no impact on the General Fund Unrestricted Fund Balance or the LART Unrestricted Fund Balance. Approval of this ordinance will allow for the refund of the total amount of \$4,748,128, less the cost to administer the refund, to ratepayers on a Colorado Springs Utilities bill.

The source of funds for the General Fund supplemental appropriation of \$3,919,650 is General Fund Restricted Fund Balance. The source of funds for the LART supplemental appropriation of \$828,478

is the LART Fund Restricted Fund Balance.

City Council Appointed Board/Commission/Committee Recommendation:

This supplemental appropriation was discussed with City Council Budget Committee on December 12, 2023. There were no concerns.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve Ordinance No. 24-06 amending Ordinance No. 23-65 (2024 Budget Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$3,919,650 and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$828,478 for the refund of 2022 fiscal year revenue above the 2022 fiscal year revenue and spending limitations (TABOR cap)

An ordinance amending Ordinance No. 23-65 (2024 Budget Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$3,919,650 and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$828,478 for the refund of 2022 fiscal year revenue above the 2022 fiscal year revenue and spending limitations (TABOR cap)