



Legislation Text

File #: 19-019, **Version:** 2

Ordinance No. 19-11 amending Ordinance No. 18-118 (2019 Appropriation Ordinance) for a supplemental appropriation to the 2C-Road Repair, Maintenance and Improvement Fund in the amount of \$6,000,000 for additional capital expenditures identified for 2019

Presenter:

Charae McDaniel, Chief Financial Officer
Travis Easton, P.E., Public Works Director
Corey Farkas, Manager of Operations and Maintenance Division of Public Works

Summary:

The attached ordinance is a supplemental appropriation to the 2C-Road Repair, Maintenance and Improvement Fund in the amount of \$6,000,000 for additional capital expenditures identified for 2019. In 2017 and 2018, sales tax revenue collections were higher than anticipated, resulting in approximately \$9 million of available fund balance. 2018 revenue numbers are estimated and preliminary.

Previous Council Action:

On November 27, 2018, City Council approved the original 2019 budget per Ordinance No. 18-118 (2019 Appropriation Ordinance)

Background:

Colorado Springs voters passed by 64.72 percent in November 2015, Ballot item 2C which allowed the City to impose a 0.62 percent sales tax increase beginning January 2016 for a period of five years that will collect approximately \$50 million in revenues annually to be used exclusively for roadway improvements within the City of Colorado Springs. Annual work program budgets are built to the \$50 million appropriation.

Approximately 50 percent of the work is associated with curb and gutter and sidewalk. Replacing or repairing concrete is an essential part of roadway maintenance, which protects streets from deterioration. In addition, these improvements will add/retrofit pedestrian ramps and create accessible routes that meet Americans with Disabilities Act (ADA) standards and improve the accessibility in Colorado Springs.

The pre-overlay concrete program portion of roadway maintenance takes much longer than asphalt overlay. To complete a program year on time requires concrete operations to begin well in advance. Appropriating available and additional 2C fund balance of \$6,000,000 in 2019 will allow the Public Works Operations and Maintenance division to complete concrete work in advance of the following year's paving projects.

Financial Implications:

This supplemental appropriation increases the 2019 2C Road Repair, Maintenance and Improvement Fund expenditure budget by \$6,000,000. The source of these funds is the 2C Road Repair, Maintenance and Improvement Fund available fund balance. The estimated remaining fund balance after this appropriation will be \$3,000,000, or 6% of the 2018 original budget of \$50,000,000. Because this is a project fund, with no ongoing operating costs, a lower fund balance percentage is acceptable.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The City Council Budget Committee has reviewed and recommended this supplemental appropriation request at the meeting on January 11, 2019. The 2C Oversight Committee will be briefed at the meeting held at the end of February.

Alternatives:

N/A

Proposed Motion:

Approve the supplemental appropriation to the 2C Road Repair, Maintenance and Improvement Fund in the amount of \$6,000,000 for additional capital expenditures identified for 2019

An ordinance amending Ordinance No. 18-118 (2019 Appropriation Ordinance) for a supplemental appropriation to the 2C-Road Repair, Maintenance and Improvement Fund in the amount of \$6,000,000 for additional capital expenditures identified for 2019