



## Legislation Text

---

**File #:** 20-660, **Version:** 2

---

Ordinance No. 21-16 amending Ordinance No. 19-87 (2020 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$1,862,882, and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$72,147, which will be transferred to the General Fund and is included in the \$1,862,882, for the retention of 2019 fiscal year revenue above the 2019 fiscal year revenue and spending limitations (TABOR Cap), approved by voters in the November 2020 coordinated election to be retained and spent for the benefit of public safety

**Presenter:**

Charae McDaniel, Chief Financial Officer

**Summary:**

By Resolution No. 66-20, City Council referred a ballot question to the qualified registered electors of the City at the November 3, 2020 coordinated election which also constitutes a special municipal election. Part of the ballot question, Issue 2A, asked the voters whether the City may retain and spend all revenues received in 2019. During fiscal year 2019, the revenue collected by the City exceeding 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", was \$1,862,882. The ballot item stipulated that the 2019 funds may only be used for public safety.

Ballot Issue 2A was approved by voters - 58.84% voted yes.

With voter approval, the City is authorized to retain and spend up to \$1.9 million of revenue received during 2019 in excess of the TABOR cap. The final amount of revenue in excess of the TABOR cap for 2019 is \$1,862,882. This appropriation ordinance appropriates \$1,862,882 in the General Fund that will be used for one-time public safety expenditures. This ordinance also appropriates \$72,147 in the LART Fund, to be transferred to the General Fund as part of the \$1,862,882.

**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 revenue in 2019 exceeded these limitations by \$1,862,882, based on audited financial statements.

**Previous Council Action:**

On November 26, 2019, City Council approved the original 2020 Budget per Ordinance No. 19-87.

On August 11, 2020, City Council approved Resolution No. 66-20 which referred a ballot question to the qualified registered electors of the City at the November 3, 2020 coordinated election. Part of the ballot question, Issue 2A, asked the voters whether the City may retain and spend all revenues received in 2019. During fiscal year 2019, the revenue collected by the City exceeding 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", was \$1,862,882. The ballot item stipulated that the 2019 funds may only be used for public safety.

**Financial Implications:**

At the end of 2019, the City placed \$1,790,735 of revenue in excess of the TABOR cap in the General Fund Restricted Fund Balance and placed \$72,147 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 \$1,790,735 and will also reduce the LART Fund Restricted Fund Balance by \$72,147. 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 General Fund of \$1,862,882 is General Fund Restricted Fund Balance of \$1,790,735 and a transfer from the LART Fund Restricted Fund Balance in the amount of \$72,147.

The source of funds for the LART Fund of \$72,147 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 \$72,147 in the LART Fund Restricted Fund Balance that is held for a transfer to the General Fund for the purpose listed in the 2A ballot language.

This supplemental appropriation request was reviewed and recommended by the City Council Budget Committee at the December 8, 2020 meeting.

**Stakeholder Process:**

N/A

**Alternatives:**

N/A

**Proposed Motion:**

Move to approve this ordinance amending Ordinance No. 19-87 (2020 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$1,862,882, and to the Lodgers and Auto Rental Tax (LART) Fund in the amount of \$72,147 which will be transferred to the General Fund and is included in the \$1,862,882, for the retention of 2019 fiscal year revenue above the 2019 fiscal year revenue and spending limitations (TABOR Cap), approved by voters in the November 2020 coordinated election to be retained and spent for the benefit of public safety  
Appropriation to General Fund for \$1,862,882, and LART Fund for \$72,147 as approved by voters in the November 2020 election for the benefit of public safety