

CITY OF COLORADO SPRINGS

Designated Election Official:

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NOTICE OF ELECTION ON A REFERRED MEASURE
CITY OF COLORADO SPRINGS
EL PASO COUNTY, STATE OF COLORADO

Election Date: November 3, 2020

Election Hours: 7:00 A.M. to 7:00 P.M.

Issue 2A

Ballot Title and Text:

WITHOUT IMPOSING ANY NEW TAX OR INCREASING THE RATE OF ANY EXISTING TAX, AND TO PROVIDE ADEQUATE MUNICIPAL SERVICES AFTER THE ECONOMIC DISRUPTION CAUSED BY THE COVID-19 PANDEMIC, SHALL THE CITY OF COLORADO SPRINGS BE PERMITTED: TO RETAIN AND SPEND UP TO \$1,900,000, THE AMOUNT OF CITY REVENUES RECEIVED IN FISCAL YEAR 2019 ABOVE THE 2019 FISCAL YEAR REVENUE AND SPENDING LIMITATIONS, SOLELY FOR PUBLIC SAFETY; FOR FISCAL YEAR 2020, TO COLLECT, RETAIN AND SPEND THE FULL AMOUNT OF CITY REVENUES RECEIVED FROM ALL SOURCES; AND FOR FISCAL YEAR 2021 AND THEREAFTER, TO COLLECT, RETAIN AND SPEND THE AMOUNT ALLOWED BY REVENUE AND SPENDING LIMITATIONS WHICH SHALL BE BASED UPON THE TOTAL ANNUAL REVENUES RECEIVED IN FISCAL YEAR 2019 AND PROPERTY TAX REVENUES RECEIVED IN 2020, ADJUSTED IN EACH FISCAL YEAR BEGINNING IN 2021 AND THEREAFTER ONLY FOR INFLATION AND CITY GROWTH OCCURRING IN THE PRIOR FISCAL YEAR AS PROVIDED BY CHARTER WHICH CONTINUES TO LIMIT FUTURE REVENUE GROWTH; ALL AS VOTER APPROVED REVENUE CHANGES AND EXCEPTIONS TO ANY CONSTITUTIONAL OR CHARTER LIMITATIONS THAT MAY OTHERWISE APPLY?

Summary of written comments for Issue 2A

A vote "FOR" Issue 2A will not raise taxes.

Because of the COVID pandemic and its impact on local business, Colorado Springs will likely collect significantly less in sales and use tax revenue in 2020 than it did in 2019. The shortfall is currently estimated to be between 5% and 10%. Under the Colorado Taxpayer's Bill of Rights (TABOR), when a city's revenue declines in a particular year the base from which future growth in revenue is permitted also declines. This is called the "ratchet down" and is problematic if there is a significant decline in revenue in a particular year, as there will be for 2020. City revenue can

only grow from the ratchet down base by inflation plus city growth. Over the last several years the average allowable growth rate is about 3% per year. That means it could take about 3 to 4 years for the city to get back to its 2019 revenue base, and the projected loss in revenue to the City would be at least \$20 million. And that would be the case even if the economy recovers quickly and population growth places even greater demands on critical City services.

For this reason the Mayor and City Council are asking the voters, in Issue 2A, to allow the City to counteract the significant COVID caused revenue loss by allowing it to utilize the 2019 revenue base, rather than the 2020 base, from which to grow from in 2021 and future years. All such future growth in revenue will still be subject to the TABOR cap on revenue growth.

Voter approval of 2A will allow the city to recover from the 2020 revenue shortfalls much more quickly than otherwise. In 2008 and subsequent years, the ratchet down that followed the Great Recession resulted in significant cuts in City services, the most visible being turning off street lights and not maintaining City parks. It took at least 5 years for the city to recover. Approval of 2A can avoid that situation in the aftermath of the COVID crisis and allow the city to recover in 1 to 2 years.

Issue 2A would also allow the City to retain \$1.9 million in revenue in excess of the TABOR cap that it collected in 2019 and use it exclusively for public safety. The current attrition rate in the Police Department will require larger police academies in 2021 and the funds can be used to help cover the additional expense to the department. The Fire Department is reinstating a HAZMAT Unit in 2021 and the funds can also be used for additional expenses incurred. If the money was refunded to taxpayers it would only be approximately \$8 per household.

To reiterate, the approval of Issue 2A will allow the city to more effectively respond to the revenue shortfalls caused by the COVID crisis and does not involve any tax increase whatsoever.

Summary of written comments against Issue 2A

They're baacckk! The city "Open" Budget is \$638 MILLION this year. 2020 population is 486,000, so the city costs each of us \$1,312, or \$5,250 for an average family of four. That's \$100 every week in direct taxes and higher store prices. Are you getting your money's worth? Vote NO on 2A.

City politicians say they need more of your money. Their budget in 2002 was \$296 million, less than HALF their current budget. It grows automatically by inflation plus net new structure. The \$1.9 million they demand occurs after the growth they keep yearly. \$1.9 million is 1/3rd of 1% of their 2020 budget, which has more than doubled.

We already gave a permanent public safety sales tax increase of 0.4% (\$26 million yearly) in 2001, weeks after 9/11. The city "promised" it would solve funding forever. Instead, we now have a 8.25% sales tax, the highest big city tax in Colorado---bigger than liberal Denver. The mayor said that his pothole tax and his \$17 million yearly illegal rain tax of \$60 on your utility bill at \$5 monthly, an 85% increase in city property tax revenue, would fix the roads forever; they have not.

The \$1.9 million in excess revenue was for 2019. They say they need it for the virus, which began only in March of THIS year. The City wants the excess for 2019, 2020, 2021, and "THEREAFTER" (forever).

They want to keep revenue they haven't even (over)collected yet! You would give up your right to vote on keeping excess tax revenue FOREVER!

Why did City revenue slow? Because politicians shut down business and fired tens of thousands of people. So you want to reward them for closing stores? Why should taxpayers pay more for getting less income? Should politicians take our tax refunds (tax increases) because they acted stupidly? "Economic disruption" was their doing!

Read it carefully. They want not only excess collection of sales tax, but property tax. Want to give up homeowner tax relief FOREVER?

They say it's for "public safety," because that's popular. Changes in future budgets and economies are unpredictable and can't permanently fund more cops and firefighters. Politicians claim potholes and salaries equal "public safety." CSPD motorcycles get personalized names printed on them, so no other cop can ride them—a vanity use of city vehicles so they are used only 25% of the day. The City shifts budgets around and claims any spending is new spending.

The City will pay you to vote "NO." Vote "NO" and get \$5 back in a tax rebate on your next tax bill - it's your dough!

How many broken promises by politicians will you tolerate? How many millions more in wasteful spending? Make them live on a budget, not a blank check. Tell 10 friends to tell 10 friends to tell 10 friends to tell 10 friends. 10,000 votes is a powerful message. Vote NO on 2A.