

City Council Budget Committee 06/13/2023 8:45 am

Location: Microsoft Teams, 720-617-3426, Conf ID 629 939 968#, OR City Hall, Pikes Peak Conference Room, 107 N. Nevada Avenue, Colorado Springs, CO 80903

Supplemental Appropriations

2C2-Road Repair, Maintenance and Improvement Fund - \$16 million for additional capital projects

Fees

N/A

Other Items for Information

N/A

Special Districts

N/A

Title

An ordinance amending Ordinance No. 22-90 (2023 Budget Appropriation Ordinance) for a supplemental appropriation to the 2C2-Road Repair, Maintenance and Improvement Fund in the amount of \$16,000,000 for additional capital expenditures identified for 2023

Presenter:

Chris Fiandaca, City Budget Manager

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 2C2-Road Repair, Maintenance and Improvement Fund in the amount of \$16,000,000 for additional capital expenditures identified for 2023. In 2021 and 2022, sales tax revenue collections were higher than anticipated, resulting in approximately \$17 million of available fund balance at the end of 2022.

Background:

In November 2015, Colorado Springs voters passed Issue 2C which allowed the City to impose a 0.62 percent sales tax increase beginning January 2016 for a period of five years that collected approximately \$275 million in revenues during 2016-2020, to be used exclusively for roadway improvements within the City of Colorado Springs.

In November of 2019, voters in Colorado Springs passed Issue 2C2, agreeing to continue investment in our roads with approximately \$362 million over 5 years, 2021-2025, at a reduced sales tax rate of 0.57%. Funding received from 2C2 will allow for paving of over 850 lane miles in years 2021-2025.

Previous Council Action:

On December 13, 2022, City Council approved the 2023 budget per Ordinance No. 22-90 (2023 Budget Appropriation Ordinance), which included the appropriation of funds for the 2C2-Road Repair, Maintenance and Improvement Fund.

Financial Implications:

This supplemental appropriation increases the 2023 2C2 Road Repair, Maintenance and Improvement Fund expenditure budget by \$16,000,000. The source of these funds is the 2C Road Repair, Maintenance and Improvement Fund available fund balance. The estimated remaining fund balance (ending 2022/beginning 2023) after this appropriation will be approximately \$1,000,000. Because this is a project fund, with no ongoing operating costs, a lower fund balance is acceptable.

City Council Appointed Board/Commission/Committee Recommendation:

The City Council Budget Committee will review this supplemental appropriation request at the meeting on June 13, 2023. The 2C2 Oversight Committee has been briefed at the June 1, 2023 meeting.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Approve the supplemental appropriation to the 2C2 Road Repair, Maintenance and Improvement Fund in the amount of \$16,000,000 for additional capital expenditures identified for 2023

Summary of Ordinance Language

An ordinance amending Ordinance No. 22-90 (2023 Budget Appropriation Ordinance) for a supplemental appropriation to the 2C2-Road Repair, Maintenance and Improvement Fund in the amount of \$16,000,000 for additional capital expenditures identified for 2023