

## RESOLUTION NO. 59-16

### **A RESOLUTION SETTING THE TITLE AND SUBMITTING TO THE ELECTORATE ON APRIL 4, 2017 A MEASURE TO USE ACCUMULATED FUNDS AND EXCESS REVENUE (AS DEFINED BY THE COLORADO CONSTITUTION) FOR STREET, ROAD AND HIGHWAY MAINTENANCE AND REPAIRS AND TO RETAIN AND SPEND REVENUES AS A VOTER APPROVED REVENUE CHANGE (AS DEFINED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION)**

#### RECITALS

The City Council has identified City infrastructure as one of the three areas of emphasis for expenditure of City resources: one significant aspect of the City's infrastructure is its street network. The City Council has identified road maintenance as one of the top capital spending priorities and in accordance with that priority, has determined that it is necessary and proper to use accumulated funds and excess revenue, as defined by the Colorado Constitution, to fund the maintenance and repairs that are needed for City streets. Street maintenance funding is a recurring need and in the recent past the funding has not kept pace with the needs. Studies have shown a decline in pavement condition from a Pavement Condition Index ("PCI") of 78 in 2004 to a current PCI of 69. Forecast modeling indicates that funding needs to nearly double from existing funding in order to improve pavement conditions and move the PCI rating back to a level of 70 (on a scale of 0 - 100) or higher. If the funding is not increased, the PCI will not improve and the cost of improving the streets 5 years from now will be nearly twice as much. The City's street infrastructure is valued at over \$266 million and it must be adequately maintained.<sup>1</sup>

The 2017 budget includes \$3.5 million derived from existing resources for street maintenance (up from \$2.8 million in 2016); however, additional resources are needed to improve the streets to a condition that preserves one of the City's largest and costliest assets, meet community expectations and support economic development into the future. With this ballot measure the City will have an opportunity to use accumulated reserves and other money that would fund that reserve account for the needed street improvements. Those funds are the TABOR excess and the Riverside Parkway Debt Retirement Fund. If the voters approve the ballot question, there will be no increase in taxes.

In 2007 the City was authorized to retain TABOR excess in order to pay for the Riverside Parkway. In 2004 when the Riverside Parkway debt was issued the

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<sup>1</sup> Given the nature of how pavement can deteriorate, like most assets, investments early on in the life of a road in the form of pavement preservation and minor repairs and overlays will help avoid very costly repairs when left untreated. A pavement condition of 69 is considered fair, but only a point away from a satisfactory rating.

interest rate was 4.78%. In 2012, by taking advantage of favorable market conditions, the City refinanced the debt at a rate of 2.26%, realizing a savings of \$7.5 million.

While paying the debt off early has been discussed, the savings resulting from the refinancing has been substantial and to avoid further deterioration of the streets the City Council has determined that the best business decision is to take the Riverside debt to maturity in 2024 and use the Riverside Parkway Debt Retirement Fund and TABOR excess accumulated at 12/31/16 in an estimated amount of \$11.2 million and without an increase in taxes, for the needed repair and maintenance projects.

While this City Council cannot commit future Council's, it is this body's expectation and hope that funding for 2018 - 2022 will be continued at current levels (\$2.8 million yr.) plus the funds provided for with voters' approval of the ballot measure.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

The following question be submitted to the registered electors at the regular municipal election on April 4, 2017:

**“WITHOUT ANY INCREASE IN TAXES OR DEBT SHALL THE CITY OF GRAND JUNCTION, COLORADO BE AUTHORIZED TO RETAIN AND SPEND ALL REVENUES, INCLUDING BUT NOT LIMITED TO THE REVENUES DEPOSITED IN THE RIVERSIDE PARKWAY DEBT RETIREMENT FUND AUTHORIZED BY THE VOTERS AS AN APPROVED REVENUE CHANGE IN 2007, NOTWITHSTANDING THE REVENUE LIMITS UNDER ARTICLE X, SECTION 20 (ALSO KNOWN AS THE TABOR AMENDMENT) OF THE COLORADO CONSTITUTION TO PAY ANY PORTION OR ALL OF THE COSTS OF CONSTRUCTION, REPAIR AND/OR REPLACEMENT OF ANY STREET, SIDEWALK OR HIGHWAY TRANSPORTATION IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO REPAIR, RESURFACING AND NECESSARY RECONSTRUCTION OF THE RIVERSIDE PARKWAY AND/OR THE DESIGN, PURCHASE OF RIGHTS OF WAY AND/OR EASEMENTS FOR TRANSPORTATION IMPROVEMENTS IN THE CITY FOR EXISTING STREET(S), SIDEWALK(S) OR HIGHWAY(S) INFRASTRUCTURE UNTIL DECEMBER 31, 2022 AFTER WHICH TIME THE REVENUE LIMITS OF TABOR SHALL AGAIN APPLY TO THE CITY?”**

YES \_\_\_\_\_  
NO \_\_\_\_\_

Adopted this 21<sup>st</sup> day of December, 2016.

  
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Phyllis Norris  
President of the Council

ATTEST:

Stephanie Tuin  
Stephanie Tuin  
City Clerk

