

TO: ALL REGISTERED VOTERS

**NOTICE OF ELECTION TO INCREASE TAXES
ON A REFERRED MEASURE**

CITY OF LOVELAND, COLORADO
Larimer County, Colorado

Election Date:
Election Hours:

Tuesday, November 7, 2023
7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

Delynn Coldiron, Designated Election Official
City of Loveland, Colorado
City Clerk's Office
500 E. 3rd Street, Suite 230
Loveland, Colorado 80537
Telephone: (970) 962-2322

Ballot Title and Text:

BALLOT ISSUE NO. 2F:

AUTHORIZING THE CITY OF LOVELAND TO IMPOSE AN ADDITIONAL 0.37% SALES TAX TO FUND FIRE PROTECTION SERVICES PROVIDED THROUGH THE LOVELAND FIRE RESCUE AUTHORITY

SHALL CITY OF LOVELAND TAXES BE INCREASED \$10.0 MILLION ANNUALLY IN THE FIRST FULL FISCAL YEAR AND BY WHATEVER ADDITIONAL AMOUNTS ARE GENERATED ANNUALLY IN EACH SUBSEQUENT YEAR FROM THE IMPOSITION OF AN ADDITIONAL 0.37% SALES TAX WITH THE REVENUE GENERATED BY SUCH ADDITIONAL SALES TAX TO BE USED SOLELY FOR THE FUNDING OF FIRE PROTECTION SERVICES PROVIDED THROUGH THE LOVELAND FIRE RESCUE AUTHORITY, INCLUDING:

- PROVIDING STAFFING, EQUIPMENT AND TRAINING TO ADDRESS WILDFIRES AND REDUCE WILDFIRE RISK ACROSS THE AUTHORITY'S SERVICE AREA,
- HIRING NEW FIREFIGHTERS, AND
- FUNDING CAPITAL IMPROVEMENTS TO THE LOVELAND FIRE RESCUE AUTHORITY TRAINING CENTER,

PROVIDED THAT ALL EXPENDITURES WILL BE SUBJECT TO AN ANNUAL INDEPENDENT AUDIT PUBLISHED ON THE CITY'S WEBSITE, OVERSEEN BY A COMMITTEE OF CITY RESIDENTS AND REVIEWED PUBLICLY;

AND, IN THE EVENT THAT THE AUTHORITY BECOMES A FIRE PROTECTION DISTRICT, SHALL SUCH ADDITIONAL SALES TAX TERMINATE ON THE FIRST DAY OF THE SEVENTH MONTH AFTER THE FIRE PROTECTION DISTRICT CERTIFIES ITS FIRST MILL LEVY; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE CITY AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

BALLOT ISSUE NO. 2G:

AUTHORIZING THE CITY OF LOVELAND TO COLLECT, RETAIN, AND SPEND FOR A TWELVE-YEAR PERIOD FOR THE PURPOSES OF POLICE AND FIRE, STREET CONSTRUCTION AND MAINTENANCE, PARKS CONSTRUCTION AND MAINTENANCE, AND AFFORDABLE HOUSING CONSTRUCTION AND MAINTENANCE, ALL CITY REVENUES IN EXCESS OF THE SPENDING, REVENUE AND OTHER LIMITATIONS IMPOSED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION.

WITHOUT CREATING OR IMPOSING ANY NEW TAX OR INCREASING THE RATE OF ANY EXISTING TAX, SHALL THE CITY OF LOVELAND, COLORADO BE PERMITTED FOR A TWELVE-YEAR PERIOD BEGINNING JANUARY 1, 2025, THROUGH DECEMBER 31, 2036, TO COLLECT, RETAIN, AND SPEND ALL CITY REVENUES IN EXCESS OF THE SPENDING, REVENUE AND OTHER LIMITATIONS IMPOSED BY ARTICLE

X, SECTION 20 OF THE COLORADO CONSTITUTION, WITH SUCH EXCESS REVENUES TO BE USED FOR POLICE AND FIRE, STREET CONSTRUCTION AND MAINTENANCE, PARKS CONSTRUCTION AND MAINTENANCE, AND AFFORDABLE HOUSING CONSTRUCTION AND MAINTENANCE?

Total City Fiscal Year Spending

<u>Fiscal Year</u>	
2023 (estimated)	\$350,000,000
2022 (actual)	\$312,897,894
2021 (actual)	\$306,325,480
2020 (actual)	\$265,449,695
2019 (actual)	\$244,381,054

Overall percentage change from 2019 to 2023: 43.2%
Overall dollar change from 2019 to 2023: \$105,618,946

Proposed Tax Increase

City Estimate of the Maximum Dollar Amount
of the Proposed Tax Increase For Fiscal Year 2024
(the First Full Fiscal Year of the Proposed Tax Increase):

BALLOT ISSUE NO. 2F: \$10,000,000

City Estimate of 2024 Fiscal Year Spending
Without the Proposed Tax Increase: \$400,000,000

Summary of Written Comments FOR Ballot Issue No. 2F:

Please Vote Yes on Issue 2F on the November ballot to support the Loveland Fire Rescue Authority (LFRA). This measure will support LFRA's efforts to keep our community safe and support our firefighters by reducing wildfire risk, hiring additional staff, and improving aging training facilities.

The Loveland Fire Rescue Authority combines leadership and funding from two different jurisdictions—the City of Loveland and the Loveland Rural Fire Protection District. The rural coverage area stretches from the Big Thompson Canyon in the west to east of Interstate 25 and the Johnstown area.

The city's Issue 2F is paired with Issue 68 in the Loveland Rural Fire Protection District, which also seeks a tax increase to fund the same priorities for the LFRA. It's critical that both city and rural voters approve issues 2F and 68 so that LFRA can protect our communities and support its firefighters.

The LFRA serves more than 109,000 residents in the city and rural areas, which swells during the year with tourists and outdoor enthusiasts. As Loveland and the surrounding region experiences significant growth, the employees, volunteers, and staff at LFRA continue to provide exceptional emergency response and fire mitigation and prevention services, however it is becoming increasingly difficult to keep up with the growing need. Since 2012 the full-time population of the region served has increased 18% and call volume has increased by 66%. With more people in our city, threats from fire and other emergencies are growing. The dedicated employees of LFRA are depended on and are continually asked to do more.

A strategic plan was completed by LFRA to identify and address numerous challenges: population growth, increased threats from wildfires, staffing for emergencies and prevention, and equipment and facility needs. Based on feedback from internal and external stakeholders, Issue 2F was developed to address necessary improvements to general operations including:

- Providing staffing, equipment and training to address wildfires and reduce wildfire risk;
- Hiring new firefighters to address staffing shortages; and
- Funding capital improvements across the LFRA, including the firefighter training center.

By continuing to invest in community fire protection, LFRA will be able to maintain the high levels of service experienced today. Issue 2F is a 0.37% sales tax dedicated specifically to prevention, operations, and training. This sales tax would cost 37 cents on a \$100 purchase made in the City of Loveland. If approved by voters, the City of Loveland's sales tax would be 7.07 percent—still far lower than our neighboring cities like Longmont at 8.715 percent and Fort Collins at 7.55 percent. This will make sure that Loveland's retailers and small businesses will remain competitive while the city improves its fire service.

Voting Yes on Issue 2F will allow the City of Loveland and Loveland Fire Rescue Authority to ensure that it continues to meet or exceed your expectations of service, that their staff and volunteers are kept safe through proper training and equipment, and that our community is prepared for the future. Please vote yes on Issue 2F.

Summary of Written Comments AGAINST Ballot Issue No. 2F:

2F is a \$10,000,000 grab for City Hall, while pretending to be just a fire-protection measure. The demanded increase represents a 10% jump over the City's entire tax-funded and fee-funded expenditures for 2022. This rate increase in itself will cause overall sales taxes paid by Lovelanders to rise by over 12%.

The new tax revenue, if spent only on the fire department, would permanently increase its budget by 55% over that planned for 2024, for a department some believe is already at full capacity in fire-fighting capability. Such a departmental increase will likely never happen, and City Hall will simply budget \$10 million less for fire-protection, spending that reduction elsewhere.

This sales tax increase is only "temporary" until Loveland homeowners agree to increase their property taxes by \$18,000,000 (current budget in 2024 dollars). So, one way or another, it is a permanent huge increase in all taxes paid. (And taxpayers can count on City Hall asking future voters to not let this increase expire when the time comes.)

An unspoken part of this proposal is City Hall's plan eventually to offload fire protection to a separately funded "authority" (but still managed in City Hall). This would divest itself of the fire department's 20% of City Hall's tax-funded expenditures and prioritize those tax collections elsewhere.

Regarding the mention of "wildfire prevention," wildfire fighting and prevention are primarily county and state obligations (maybe even federal, given RMNP and national forests). All taxpayers in Larimer County, Colorado, and the US, should share in the cost of those obligations.

Summary of Written Comments FOR Ballot Issue No. 2G:

No comments were filed by the constitutional deadline.

Summary of Written Comments AGAINST Ballot Issue No. 2G:

Proposition 2G will keep Lovelanders from receiving the tax refunds they are due at year's end whenever City Hall collects more revenue than it needs to pay the City's expenses (figuring in growth and inflation). This proposition, commonly called "De-Brucing," will allow City Hall to keep all excess revenue for 12 years. (In previous years, the City of Loveland has kept a total excess of over \$51 million.)

While the City says it will only spend the excess on a few popular services, funds are fungible and can be moved around to suit whims. This doesn't encourage good government. With less voter oversight, if 2G succeeds, a city isn't motivated to have a leaner, more responsible fiscal policy; but instead will encourage building up revenue from fees and fines.

City Hall likes to cry poor, but it is flush with money. In just three years, the City's investment portfolio grew from \$100 million to over \$300 million. And at the end of 2022, Loveland's General Fund had a \$26.9 million surplus. (It should have been \$4.4 million higher, but the City only collects 60% of the 3.0% city sales tax from customers at Centerra. We can expect more revenue giveaways if 2G passes).

Passing 2G means City Hall will get to spend the property tax windfall of \$4 million resulting from these heart-stopping high home assessments we've all seen, when City Hall should be adjusting the mill levy down 18%, as the Colorado Constitution requires. City Hall would rather keep the money than give taxpayers some relief in this difficult economy where the price of food, housing, utilities, childcare -- really everything -- has gone sky high.

A vote "no" on 2G is a vote for more responsive government, and for a government that is more responsible with the citizenry's money.