

Memorandum

TO: City Council
Patrick Goff, City Manager
Jerry Dahl, City Attorney
City Clerk, Janelle Shaver

FROM: Jerry DiTullio, Mayor

DATE: August 30, 2013

RE: VETO OF ORDINANCE NO 1542 (COUNCIL BILL 12-2013),
SERIES 2013

Members of City Council:

I am returning to you Ordinance No. 1542 (Council Bill 12-2013), Series 2013:

AN ORDINANCE SUBMITTING A BALLOT QUESTION TO THE VOTERS OF THE CITY AT THE NOVEMBER 5, 2013 ELECTION, CONCERNING AN INCREASE IN THE SALES AND USE TAX RATE

which I hereby **veto** pursuant to the authority granted to me by Section 5.14 of the Home Rule Charter.

My reasons for vetoing this ordinance are as follows:

1. Both mayoral candidates voted "NO" on the ordinance on 2nd Reading which indicates that Council is not united on this issue. This is a recipe for failure.
2. The proposed sales tax ballot question results in the City of Wheat Ridge having one of the highest sales tax rates in the Denver metro area at 8.5% (currently 7.5%).
3. The proposed sales tax ballot question results in a 33% increase in the cost to retail consumers. Currently, the median income for a family of four (4) in Wheat Ridge is \$44,000.
4. The proposed sales tax ballot question results in a 33% increase in the cost of development and/or redevelopment in the form of increased use tax. This creates more road blocks and expense for redevelopment in Wheat Ridge.
5. The proposed sales tax ballot question does not have a sunset provision.

6. Studies have shown that quality retail follows residential. Housing in Wheat Ridge is made up of 47% rental properties; many of which are occupied by families with low disposable incomes (see #2 above). The proposed Sales Tax ballot question does not address future funding for improving the housing stock and promoting home ownership in Wheat Ridge as described in the Neighborhood Revitalization Strategy (NRS) via public/private partnerships.
7. City Council and staff have not completed the Priority Based Budgeting process. City Council has not proposed any budget cuts using the "less of a priority programs and projects" from the Quartile 4 and Quartile 3 budget levels. For example, in 2012 the following Quartiles were proposed by staff:
 - **Quartile 1: \$15,370,417 or 51% of General Fund spending**
 - **Quartile 2: \$ 5,645,502 or 19%**
 - **Quartile 3: \$ 6,175,077 or 20%**
 - **Quartile 4: \$ 3,069,081 or 10%**

Conceivably, Council could data mine and find \$3 million+ in savings per year if the quartiles were properly reviewed and city budgets were trimmed accordingly. The budget cuts would lessen the amount of new taxes needed in the proposed Sales tax increase. Council has not performed the needed due diligence on the City budget to demonstrate fiscal responsibility to the voters.

8. Based on my 38th Avenue survey and comments from constituents across the City, I believe City Council has lost the trust of the public by spending over \$615,000 on a two-lane "pilot" project for 38th Avenue which has divided residents and business owners. Council has created a win-lose situation. This situation could have been avoided with a little listening, compromise and forethought by City Council.
9. Maintaining a 17%-25% reserve creates an artificial shortfall of funds. The reserve funds should be used on public works and redevelopment projects. Other cities (as well as previous City Councils) maintain an 8%-15% reserve. It's time to spend taxpayer money on the taxpayers and not hoard tax dollars for some future disaster. This reserve policy is not fiscally conservative; it is too extreme and not sound public policy.

Lastly, I believe the will of the people has been usurped by the will of the Council on numerous projects and programs over the past two (2) years. The trust of the people has been lost by City Council. Now is not the time to ask the voters for more money with a blank check.

Sincerely,



Jerry DiTullio
Mayor of Wheat Ridge

Delivered to all Councilmembers this 30th day of August, 2013, as follows:

- 1) Placed in the US Mail, first class postage prepaid, addressed to each Councilmember at their home address
- 2) Emailed to each Councilmember
- 3) Placed in each Councilmember's box at the Municipal Building

CITY OF WHEAT RIDGE, COLORADO
INTRODUCED BY COUNCIL MEMBER STARKER
Council Bill No. 12
Ordinance No. 1542
Series of 2013

TITLE: AN ORDINANCE SUBMITTING A BALLOT QUESTION TO THE VOTERS OF THE CITY AT THE NOVEMBER 5, 2013 ELECTION, CONCERNING AN INCREASE IN THE SALES AND USE TAX RATE

WHEREAS, the City Council of the City of Wheat Ridge, Colorado has the authority to refer ballot questions to the electorate pursuant to Section 6.3 of the Home Rule Charter and CRS 31-11-111; and

WHEREAS, the Council wishes to refer a ballot question concerning an increase in the City's sales and use tax rate.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WHEAT RIDGE, COLORADO:

Section 1. Ballot question referred.

The following ballot question is hereby referred to the electorate of the City at the November 5, 2013 election:

SHALL CITY OF WHEAT RIDGE TAXES BE INCREASED \$6.5 MILLION IN CALENDAR YEAR 2014 THROUGH AN INCREASE IN THE CITY'S SALES AND USE TAX RATE OF ONE CENT (1%) ON EACH ONE DOLLAR, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY IN EACH SUBSEQUENT YEAR,

WHICH REVENUES SHALL BE INVESTED IN THE COMMUNITY TO IMPROVE AND ENHANCE THE SAFETY AND QUALITY OF LIFE OF WHEAT RIDGE RESIDENTS AND SECURE THE CITY'S FINANCIAL FUTURE THROUGH, BUT NOT LIMITED TO THE FOLLOWING:

- ROAD AND BRIDGE CONSTRUCTION; STORMWATER DRAINAGE CONSTRUCTION AND MAINTENANCE; AND CAPITAL MAINTENANCE TO PROVIDE A SAFE AND EFFECTIVE CITY INFRASTRUCTURE SYSTEM
- INVESTING IN CAPITAL PROJECTS THAT SUPPORT THE BUSINESS GROWTH OF OUR COMMUNITY

AND SHALL THE CITY BE PERMITTED TO COLLECT, RETAIN AND SPEND THE REVENUES FROM SUCH INCREASE, INCLUDING ALL INTEREST DERIVED THEREFROM, WITHOUT REGARD TO THE REVENUE RAISING, DEBT LIMITATION OR OTHER RESTRICTIONS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

Section 2. Safety Clause. The City Council hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the City of Wheat Ridge, that it is promulgated for the health, safety, and welfare of the public and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The City Council further determines that the Ordinance bears a rational relation to the proper legislative object sought to be attained.

Section 3. Severability; Conflicting Ordinances Repealed. If any section, subsection or clause of this Ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected thereby. All other ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed

Section 4. Effective Date. This Ordinance shall take effect immediately upon adoption at second reading, as permitted by the Charter

INTRODUCED, READ, AND ADOPTED on first reading by a vote of 8 to 0 on this 12th day of August, 2013, ordered published in full in a newspaper of general circulation in the City of Wheat Ridge and Public Hearing and consideration on final passage set for August 26, 2013, at 7:00 o'clock p.m., in the Council Chambers, 7500 West 29th Avenue, Wheat Ridge, Colorado.

READ, ADOPTED AND ORDERED PUBLISHED on second and final reading by a vote of 6 to 2, this 26th day of August, 2013.

SIGNED by the Mayor on this _____ day of _____, 2013.

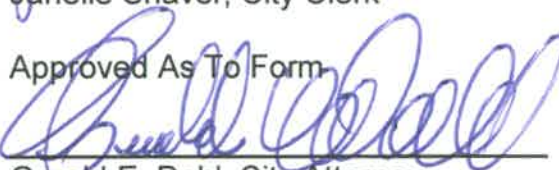
Jerry DiTullio, Mayor

ATTEST:



Janelle Shaver, City Clerk

Approved As To Form



Gerald E. Dahl, City Attorney

First Publication: August 15, 2013
Second Publication: August 29, 2013
Wheat Ridge Transcript
Effective Date: August 26, 2013