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TO: Board of Trustees

FROM: Jodi McClurkin, CPA, Director of Finance & Administrative Services

RE: Tabor Refund

DATE: January 16, 2018

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### **BACKGROUND**

The City exceeded the TABOR's spending limit during 2015. The 2016 audit revealed that the City would need to refund this amount back to the taxpayers. The auditors acknowledged that TABOR is a complicated calculation and interpretations are subjective and can require a judicial interpretation. Per advice from Dee Wisner from Butler & Snow, as well as the auditors, the City will refund \$84,101 to the taxpayers.

### **OPTIONS**

1. Send a refund check to citizens directly.
  - a. Drawback: Inordinate amount of work developing a list, cutting, mailing, and postage.
2. Refund based on utility customers and running a mass adjustment through the software. This would include anyone that receives a water and/or a sewer bill within the 81201 and 81242 zip codes.
  - a. Drawback: Additional staff time will be required to set up the fee to be refunded equally across all utility accounts, and then to remove the credit from the system.
3. Offer free access to the pool for a period of time.
  - a. Drawback: It may be difficult to prove that the pool access represents a refund to the taxpayers.

### **RECOMMENDATION**

Staff recommends option #2 as it is the most viable and best way to refund the TABOR excess revenue in a streamlined and equitable fashion.

Subject to any changes per council, staff will bring such back to the council in the form of a resolution for approval at the first meeting in February.































