ALL REGISTERED VOTERS

CITY OF LAFAYETTE
BOULDER COUNTY, COLORADO

NOTICE OF ELECTION TO INCREASE TAXES
ON A CITIZEN PETITION

ELECTION DATE: November 5, 2013

ELECTION HOURS: 7:00 a.m. to 7:00 p.m.

LOCAL ELECTION OFFICE: 1290 South Public Road, Lafayette, CO 80026
(303) 665-5588 x3313

DESIGNATED ELECTION OFFICIAL: Susan Koster, CMC, Lafayette City Clerk,

COORDINATED ELECTION OFFICIAL: Hillary Hall, Boulder County Clerk and Recorder, 1750 33rd Street, Boulder, CO 80301, (303) 413-7740

BALLOT TITLE AND TEXT:

CITY OF LAFAYETTE BALLOT ISSUE NO. 301
UTILITY OCCUPATION TAX

SHALL CITY OF LAFAYETTE TAXES BE INCREASED (UP TO $720,000 IN THE FIRST YEAR) ANNUALLY AND BY SUCH AMOUNTS AS MAY BE COLLECTED THEREAFTER, BY AMENDMENT OF THE CITY HOMERULE CHARTER TO IMPOSE A "UTILITY OCCUPATION TAX" UPON PUBLIC UTILITY COMPANIES WHO USE CITY RIGHTS-OF-WAY TO PROVIDE ELECTRIC AND GAS UTILITIES AT THE RATE OF $720,000 PER UTILITY COMPANY, AS AN ALTERNATIVE TO THE CURRENT THREE PERCENT FRANCHISE FEE IF A FRANCHISE FEE OR LICENSE FEE IS NO LONGER COLLECTED, AND SHALL THAT REVENUE BE DEDICATED TO PROJECTS AND PURPOSES THAT REDUCE ENERGY CONSUMPTION THROUGH ENERGY EFFICIENCY AND/OR INCREASE USE OF RENEWABLE ENERGY BY THE GOVERNMENT, RESIDENTS AND BUSINESSES OF LAFAYETTE, AND SHALL THE FULL PROCEEDS OF THIS TAX AND ANY EARNINGS THEREON BE COLLECTED, RETAINED, AND SPENT AS A VOTER-APPROVED REVENUE CHANGE WITHOUT LIMITATION OR CONDITION, AND WITHOUT LIMITING THE COLLECTION, RETENTION, OR SPENDING OF ANY OTHER REVENUES OR FUNDS BY THE CITY OF LAFAYETTE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

ACTUAL HISTORICAL AND CURRENT ESTIMATED FISCAL YEAR SPENDING INFORMATION:

YEAR	FISCAL YEAR SPENDING
2009 (actual)	$29,292,063 *
2010 (actual)	31,900,172*
2011 (actual)	33,278,244*
2012(actual)	30,623,435*
2013 (current year estimated)	33,515,292

Overall percentage change in fiscal year spending over the five year period from 2009 through 2013:	14.5 %
Overall dollar change in fiscal year spending over the five year period from 2009 through 2013:	$ 4,223,229
Estimated spending for first full fiscal year without taking into account the tax increase authorized by BALLOT ISSUE NO. 301	$ 31,633,874
Estimate maximum dollar amount of tax increase authorized by the BALLOT ISSUE NO. 301 for first full fiscal year:	$ 720,000

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*Amounts include debt repayment cost of $1,594,485 in 2013; $1,594,485 in 2012; $1,636,785 in 2011; $1,876,232 in 2010; and $2,255,565 in 2009

SUMMARIES OF WRITTEN COMMENTS FILED WITH THE ELECTION OFFICER:

The following summaries were prepared from comments filed by persons in favor of or opposed to the ballot issue:

THOSE IN **FAVOR** OF THE BALLOT ISSUE SAY:

- The Utility Occupation Tax (UOT) is NOT an additional tax/fee. It replaces the current Franchise Fee on everyone's energy bill and is revenue-neutral in Year 1.
- The UOT funds renewable energy and energy efficiency/conservation projects for Lafayette residents, businesses and government, whereas the Franchise Fee goes to the General Fund for unrestricted spending.
- The UOT only takes effect if the 20-year Franchise Renewal (Question 2A) is NOT approved, so please vote NO on 2A with YES on 301.
- Lafayette will be serviced by the same Utility and pay the same rates for energy with or without a franchise agreement.

Reasons to vote YES on 301 (and NO on 2A):

• This is a once-in-a-generation opportunity to choose our direction on energy – the status quo and coal, or renewables and energy efficiency.

• Both energy directions cost ratepayers about the same amount of tax/fee. We are choosing how it is spent.

• Most of our power comes from coal. Coal plants emit pollutants (mercury, sulfur and nitrogen oxides, soot) and consume enormous amounts of a precious resource (water) for cooling. Renewables do not.

• The primary cause of climate change is massive amounts of carbon dioxide from coal-burning power plants. We can choose more renewable energy and energy efficiency instead. It's time to take responsibility for the climate we leave to future generations.

• Our utility will invest hundreds of millions of our dollars in 30-year-old coal plants rather than in more renewable energy. This will only change after they hear strong messages of customer dissatisfaction like cities not renewing 20-year contracts and investing in clean energy themselves.

• Energy savings from renewables and energy efficiency stay local and generally pay for the investment over time. Dollars paid to our monopoly utility go to Minnesota and pay for corporate overhead and 7-10% guaranteed profit.

• Statements that the UOT will harm City services or personnel are highly-exaggerated scare tactics (see analysis on the website). The City has managed similar budget shifts effectively, and the outlook for Lafayette sales tax revenue is excellent. Even the worst-case scenario of a short-term cash flow challenge is readily managed by postponing nonessential planned road expansions (South Boulder Road, 111th Street).

• The two recommended votes carry ZERO RISK because City Council adopted Ordinance 18, which extends the current 20-year franchise by one year if 2A is not approved, allowing the franchise to be considered again in 2014, and giving the City time to spend the $1.2M in the "undergrounding fund".

• Loss of the $180,000 annual undergrounding contribution is a small price to pay for making Lafayette a showcase city on clean energy.

• Transitioning from fossil fuels to renewables and energy efficiency is necessary for our future. We must take charge of it ourselves, and this is our best opportunity. Please vote YES on 301 and NO on 2A to change Lafayette's direction on energy and to inspire others by our example.

THOSE **AGAINST** THE BALLOT ISSUE SAY:

Vote NO on Utility Occupation Tax to avoid $720,000 in cuts to Lafayette residential services such as police and fire protection, parks and recreation, public arts, and snow plowing. This proposed tax will remove existing funding for these services and require the amount to be spent elsewhere.

The Utility Occupation Tax requires public utility companies to be taxed 3% of total electricity and natural gas sales. This $720,000 tax will be passed along to residents through their utility bills.

The Utility Occupation Tax cannot be used to fund residential services or amenities such as police and fire protection, library, parks and recreation, arts and snow plowing.

The Utility Occupation Tax cannot be used on undergrounding projects to bury unsightly overhead utility lines. The passage of this Occupation Tax also causes the City's existing $1.2 million undergrounding fund from the public utility company to be allocated to other municipalities.

The Utility Occupation Tax does not sanction the City to participate in utility right of way franchise agreements with public utility companies.