

**MATTERS FROM THE MAYOR AND MEMBERS – ITEM 8C**



**CITY OF BOULDER  
CITY COUNCIL AGENDA ITEM**

**MEETING DATE: September 7, 2010**

**AGENDA TITLE: Consideration of a motion to adopt a resolution in support of the City of Boulder's 2010 Ballot Measure 2B, the Utility Occupation Tax.**

**PRESENTER:**

Mayor Susan Osborne

**EXECUTIVE SUMMARY**

Per direction from Council's Agenda Committee on August 30, 2010, staff has prepared a resolution in support of the city's 2010 Ballot Measure 2B, the Utility Occupation Tax (**Attachment A**) for Council's consideration.

**Suggested Motion Language:**

Motion to adopt a resolution in support of the City of Boulder's 2010 Ballot Measure 2B, the Utility Occupation Tax.

Attachment:

A. Proposed Resolution

**Boulder City Council**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION SUPPORTING THE CITY OF BOULDER'S 2010 BALLOT MEASURE 2B, THE UTILITY OCCUPATION TAX.**

**FINDINGS**

The City of Boulder City Council finds as follows:

1. City Council voted to let the city's 20-year franchise agreement with Xcel Energy expire on Dec. 31, 2010, choosing not to place a new agreement on the 2010 ballot. The rationale was that a 20-year franchise commitment was considered too long given the rapid changes in the industry and the city's efforts to develop a clean energy plan that examines a variety of options for obtaining additional clean energy sources while protecting Boulder ratepayers against rising energy costs.
2. The absence of a franchise agreement will mean that Xcel Energy will no longer collect a three percent franchise fee from its Boulder ratepayers and no longer remit that revenue to the city's general fund. The fee, which was expected to generate \$4.1 million in 2010, has been used by the city to fund core programs, including police, fire, public works, recreation, library and human services.
3. In order to replace the \$4.1 million of lost revenue, council is referring Ballot Measure 2B to the voters and asking them to approve a limited-term utility occupation tax on Xcel Energy. It is anticipated that Xcel will pass this cost onto Boulder ratepayers much as it currently does with the franchise fee.
4. The utility occupation tax is expected to cost Boulder residents and business owners the same amount they currently pay in franchise fees, resulting in no new or additional financial impacts. Given the current economic climate, the measure was crafted to make the replacement tax as revenue-neutral as possible.
5. The revenue generated from the utility occupation tax will allow the city to keep its budget whole – preventing significant program, staffing and service cuts – while taking a well-researched and measured approach to meeting the community's clean energy goals.

**RESOLUTION**

NOW, THEREFORE, BE IT RESOLVED that the City of Boulder hereby supports and urges a YES vote on Ballot Measure 2B, which will appear on the November 2, 2010, election ballot.

Resolved this 7<sup>th</sup> day of September, 2010

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Mayor

Attest

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City Clerk on behalf of the  
Director of Finance and Record