

TOWN OF BASALT, COLORADO
TOWN COUNCIL WORKSESSION – MONDAY, AUGUST 23, 2021

THIS IS A COUNCIL WORKSESSION - PUBLIC COMMENT IS NOT SCHEDULED.

PUBLIC VIEWING ACCESS INSTRUCTIONS:

Basalt Town Hall has reopened to the Public. Basalt Town Council will meet in person on Monday, August 23, 2021 for a Worksession. The public is invited to view the meeting, though Public Comment is not scheduled for this worksession. Directions for viewing the meeting is provided below.

You can watch a live stream of the worksession here:

on YouTube: <https://www.youtube.com/channel/UCaBozGBsT0GuBNRf4rUI0cA>,

or on Grassroots TV at: <https://townofbasalt.ompnetwork.org/>

When: MONDAY, AUGUST 23, 2021 at 05:30 PM Mountain Time (US and Canada)

Topic: Council Worksession - 08.23.2021

Please click the link to join the webinar: <https://us06web.zoom.us/j/85111818136>

Or One tap mobile: US: +16699006833,,85111818136# or
+12532158782,,85111818136#

Or Telephone: Dial: US: +1 346 248 7799 or +1 253 215 8782

Webinar ID: 851 1181 8136

International numbers available: <https://us06web.zoom.us/j/85111818136>

The public is welcome to make comments via email to the council at: townhall@basalt.net





**BASALT TOWN COUNCIL
NOTICE AND AGENDA - WORKSESSION
101 Midland Avenue, Basalt, Colorado 81621
Town Council Chambers
MONDAY, AUGUST 23, 2021**

Basalt is an inclusive, sustainable, mountain community that boasts both historic charm and progressive vision. It is an engaging place to live, work and play while offering an abundance of creative, professional, educational and recreational outlets.

COUNCIL WORKSESSION

- 5:30 PM** **CALL TO ORDER AND ROLL CALL**
- 5:32** **WORKSESSION:** Discussion and Determination of Direction for Basalt
Forward 2030
- 7:00 PM** **ADJOURNMENT**

**TOWN OF BASALT
RESOLUTION No. 39, REFERRING TO
THE ELIGIBLE ELECTORS OF THE
TOWN OF BASALT AT THE
COORDINATED ELECTION TO BE
HELD NOVEMBER 2, 2021 A BALLOT
ISSUE REGARDING DEBT
AUTHORIZATION AND EXTENSION
OF EXISTING PROPERTY TAX FOR
BASALT FORWARD 2030 PROJECTS**

Item Number:

Date: August 20, 2021
From: Ryan Mahoney and Christine
Chicoine, Finance Director

SUBJECT: Resolution No. 39, referring a ballot issue regarding debt authorization and extension of existing property tax for Basalt Forward 2030 projects.

RECOMMENDATION:

Approval of Resolution No. 39.

DETAILS:

This ballot question is the culmination of months of community feedback, staff research, the 2020 Basalt Master Plan update, a Facility Needs Study, and most recently a Capital Needs Committee recommendation of projects to move forward with for Basalt Forward 2030 initiative.

The ballot language enclosed is based upon the thoughts of Council at the August 16 worksession, plus another option of Midland Streetscape for discussion. This meeting will determine Council's direction of what (and whether) to move forward to the November 2 ballot.

Town of Basalt
August 24 Council Meeting – Basalt Forward 2030 Finance Q&A
Dated 8/20/2021

1. How did the \$14 million in project funding come to pass?
 - a. Based upon bond funding that can be garnered for Basalt Forward Projects
 - i. including a \$950,000 per year payback (current tax rate), and
 - ii. a 20-year payback
 - iii. based upon current interest rates (which may fluctuate)
2. Where did the \$15 million in the ballot question come from for the maximum debt increase?
 - a. A portion of the difference is the cost of issuance not included in the project funding
 - b. The \$14 million in project funding is a low/conservative estimate, due to potential interest rate fluctuation between now and when the bonds go to market
3. Is there a possibility for a longer payback period based upon the set of priorities chosen by Council?
 - a. This is something that Council can choose to do.
 - b. The 20-year payback was a reasonable time period for a bond issue not knowing the nature of the project
 - c. If Council chooses projects that have an impact beyond 20 years, then it may make sense to go out longer
 - d. Bruce – 20 – 25 years is the “sweet spot” on interest rates – we could lose efficiencies if we go out much longer
 - e. 25-year payback – garners \$17 million in project funding
 - i. including a \$950,000 per year payback (current tax rate)
 - ii. based upon current interest rates (which may fluctuate)
4. What is the current debt the Town has outstanding?
 - a. Arboney Park COPs – 2021
 - i. \$2,116,000 Face Value
 - ii. Paid through POST funding – 1% POST sales tax
 - iii. Repayment of approximately \$441,000 from 2022 – 2026 (5 years)
 - iv. Collateral is Arboney Park
 - b. TABOR refund COPs - 2019
 - i. \$2,200,000 Face Value
 - ii. Paid through General Fund
 - iii. Repayment of approximately \$250,000/year from 2020 – 2029
 - iv. Collateral is some affordable housing and the Fiou Lane Public Works facility
 - c. Current bonds – 2013 are fully repaid in 2021, 2014 are fully repaid in 2023 (\$655k bond principal remaining)
5. What is the Town’s financial position and how would going for a bond initiative impact the Town’s financial position?

- a. Minimum Fund Balance policy of 40% averaged over 3 years – a conservative policy – gives assurance to Town constituents and rating agencies of continued solid fiscal position.
 - b. Town was rated by the S&P for the 2014 bonds – we will get a new rating which should be positive given our current financial position and solid fiscal reporting – transparency and accountability
 - c. Town has applied for the Comprehensive Annual Report excellence in financial presentation award through Government Finance Officers Association for its 2020 Audit
 - d. Oversight/public accountability through the Town’s Finance Advisory Board
6. What is the difference between taxable and tax-exempt bonds, and how could this affect the potential Basalt Forward 2030 projects?
- a. Taxable bonds
 - i. Slightly higher interest rates (bond holder is required to pay tax on those bonds)
 - ii. More legal flexibility allowed for affordable housing partnerships and green project partnerships than tax-exempt
 - 1. Council may need that flexibility with green/affordable housing
 - b. Tax exempt bonds
 - i. Lower interest rates because bond interest earnings are tax exempt
 - ii. Allowable uses are specific to Town purposes, non-profit and for-profit partnerships for projects are basically not allowed with tax-exempt funding

Option 1

Project Expenses:

Town Hall	\$10,000,000
Affordable Housing/Green Projects	<u>\$ 4,000,000 - \$6,000,000</u>
TOTAL PROJECT	\$14,000,000 - \$16,000,000

Sources of Funds:

G O Bonds	\$14,000,000
Potential use of Fund Balance	\$ 2,000,000

Option 2

Project Expenses:

Midland Avenue Streetscape	\$11,500,000
Affordable Housing	\$ 6,000,000
Green Projects	<u>\$ 2,000,000</u>
TOTAL PROJECT	\$19,500,000

Sources of Funds:

G O Bonds	\$17,000,000
Other sources of funding	\$ 2,500,000 (Grants & potential use of fund balance)

Option 1

**RESOLUTION OF THE TOWN COUNCIL OF BASALT, COLORADO, REFERRING
TO THE ELIGIBLE ELECTORS OF THE TOWN OF BASALT AT THE
COORDINATED ELECTION TO BE HELD NOVEMBER 2, 2021 A BALLOT ISSUE
REGARDING DEBT AUTHORIZATION AND EXTENSION OF EXISTING PROPERTY
TAX FOR BASALT FORWARD 2030 PROJECTS**

**Town of Basalt
Resolution No. 39 (Town Hall)
Series of 2021**

RECITALS

- A. The Town of Basalt ("Town"), acting by and through its Town Council ("Town Council"), has the power to refer to the electors ballot issues as provided by law.
- B. In 1992, State of Colorado voters approved an amendment to the Colorado Constitution to add Article X, Section 20, commonly referred to as the Taxpayer's Bill of Rights, or TABOR.
- C. TABOR requires, among other things, voter approval for "creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years."
- D. In 2001 and 2013, the Town electorate authorized debt and the issuance of general obligations bonds, which are repaid through ad valorem property taxes, for the purposes of acquiring open space properties, implementing the Town's River Master Plan, redeveloping the Pan and Fork Trailer Park area, and related purposes (the "Existing Bonds"). The Existing Bonds are set to begin expiring at the end of 2021.
- E. Earlier this year, the Town initiated "Basalt Forward 2030" to review capital improvement needs and other projects desired by Town citizens which could be financed through an extension of the tax increase approved in 2001 and 2013 for payment of the Existing Bonds.
- F. The Town completed a "Facility Needs Study" and in 2020 completed an update to the Master Plan, both of which identify various capital needs and desired projects.
- G. The Town Council established a "Capital Needs Committee" as a temporary advisory committee of the Town to review the Facility Needs Study, Master Plan, and input from the public and the Town's consultants to then recommend capital priorities to Council for the Basalt Forward 2030 Project.

- H. Further, the Town conducted extensive public outreach, including a survey, a community mailer, open houses, newspaper articles, and worksession discussions regarding the possible projects for Basalt Forward 2030.
- I. Based on the public outreach responses, review of the Facility Needs Study and 2020 Master Plan, and feasibility of the projects, the Capital Needs Committee recommended to Town Council that the Town pursue affordable housing projects (e.g. land purchase, deed restriction purchases), a new Town Hall, and "green" projects (e.g. solar development, vehicle charging) as part of the Basalt Forward 2030 Program debt authorization and bond issuance.
- J. The Town Council finds and determines it is in the best interests of the Town to pursue the recommended projects as part of the Basalt Forward 2030 Program.
- K. The Town Council determines it is proper to submit to the eligible electors of the Town at a coordinated election to be held on November 2, 2021 the ballot issue regarding Basalt Forward 2030 projects to authorize debt, the issuance of general obligations bonds, and extension of ad valorem property taxes.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Basalt, Colorado as follows:

1. Recitals. The foregoing recitals are incorporated herein as findings of Town Council.
2. Basalt Forward 2030. The following ballot issue shall be submitted to the electors voting in the Town of Basalt election to be held November 2, 2021.

WITHOUT IMPOSING ANY NEW TAX, SHALL THE TOWN OF BASALT'S DEBT BE INCREASED BY \$15,000,000, WITH A MAXIMUM TOTAL REPAYMENT COST OF NOT MORE THAN \$18,315,450, FOR THE PURPOSE OF FINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, REPAIR, IMPROVEMENT, AND PROVISION OF THE FOLLOWING PROJECTS AS PART OF THE BASALT FORWARD PROGRAM:

- INCREASING THE SUPPLY OF AFFORDABLE HOUSING IN THE TOWN MASTER PLAN'S URBAN GROWTH BOUNDARY, SUCH AS THROUGH PURCHASING REAL PROPERTY, PARTNERSHIPS WITH PRIVATE, NON-PROFIT, AND GOVERNMENT SECTORS, ACQUIRING DEED RESTRICTIONS, AND SUPPORTING HOUSING PROGRAMS;
- AN ENERGY-EFFICIENT TOWN HALL AND RELATED

IMPROVEMENTS, INCLUDING COMMUNITY SPACES;

- "GREEN" PROJECTS, SUCH AS SOLAR DEVELOPMENT, VEHICLE CHARGING STATIONS, AND OTHER IMPROVEMENTS;

AND SHALL THE PROPERTY TAXES AUTHORIZED AT THE TOWN'S BOND ELECTIONS IN 2001 AND 2013 BE EXTENDED AND AUTHORIZED TO BE USED TO PAY THE DEBT AUTHORIZED AT THIS ELECTION IN ADDITION TO THE DEBT AUTHORIZED AT SUCH PRIOR ELECTIONS; AND SHALL SUCH TAXES BE LEVIED ANNUALLY AT A RATE SUFFICIENT TO PAY SUCH DEBT OR ANY REFUNDING DEBT WHEN DUE (OR TO CREATE A RESERVE FOR SUCH PAYMENT) BUT NOT MORE THAN \$950,000 ANNUALLY; AND MAY SUCH DEBT BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS OR OTHER MULTIPLE FISCAL YEAR OBLIGATIONS TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT THEREOF, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE TOWN MAY DETERMINE?

- YES/FOR
 NO/AGAINST

3. Challenges to Ballot Title and Content. For the purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the title and content of the ballot issue set forth herein and the ballot title for such ballot issue shall be the text of the ballot issue itself. Any petition to contest the form or content of the ballot title must be filed with the District Court in and for Eagle County and a copy served on the Town Clerk within five days after the date of this Resolution.
4. Conduct of Election. The officers and employees of the Town are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution.
5. Severability. If any clause or provision of this resolution is held to be invalid or unenforceable, the invalidity or unenforceability of the clause or provisions will not affect the validity of any of the remaining clauses or provisions of this resolution, which, upon the date that it is to take effect, will become, and remain thereafter, in full force and effect.
6. Invalidity. If this Resolution does not for any reason become effective, or is declared invalid by a court, the provisions of this Resolution will have no force or effect, and all other acts, orders, or ordinances of the Town will continue to be effective as if this Resolution was never adopted.

READ AND ADOPTED on August 24, 2021, by a vote of __ to __.

TOWN OF BASALT, COLORADO

By: _____
William G. Kane, Mayor

ATTEST

By: _____
Pamela K. Schilling, Town Clerk

Option 2

**RESOLUTION OF THE TOWN COUNCIL OF BASALT, COLORADO, REFERRING
TO THE ELIGIBLE ELECTORS OF THE TOWN OF BASALT AT THE
COORDINATED ELECTION TO BE HELD NOVEMBER 2, 2021 A BALLOT ISSUE
REGARDING DEBT AUTHORIZATION AND EXTENSION OF EXISTING PROPERTY
TAX FOR BASALT FORWARD 2030 PROJECTS**

**Town of Basalt
Resolution No. 39 (Midland)
Series of 2021**

RECITALS

- A. The Town of Basalt ("Town"), acting by and through its Town Council ("Town Council"), has the power to refer to the electors ballot issues as provided by law.
- B. In 1992, State of Colorado voters approved an amendment to the Colorado Constitution to add Article X, Section 20, commonly referred to as the Taxpayer's Bill of Rights, or TABOR.
- C. TABOR requires, among other things, voter approval for "creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years."
- D. In 2001 and 2013, the Town electorate authorized debt and the issuance of general obligations bonds, which are repaid through ad valorem property taxes, for the purposes of acquiring open space properties, implementing the Town's River Master Plan, redeveloping the Pan and Fork Trailer Park area, and related purposes (the "Existing Bonds"). The Existing Bonds are set to begin expiring at the end of 2021.
- E. Earlier this year, the Town initiated "Basalt Forward 2030" to review capital improvement needs and other projects desired by Town citizens which could be financed through an extension of the tax increase approved in 2001 and 2013 for payment of the Existing Bonds.
- F. The Town completed a "Facility Needs Study" and in 2020 completed an update to the Master Plan, both of which identify various capital needs and desired projects.
- G. The Town Council established a "Capital Needs Committee" as a temporary advisory committee of the Town to review the Facility Needs Study, Master Plan, and input from the public and the Town's consultants to then recommend capital priorities to Council for the Basalt Forward 2030 Project.

- H. Further, the Town conducted extensive public outreach, including a survey, a community mailer, open houses, newspaper articles, and worksession discussions regarding the possible projects for Basalt Forward 2030.
- I. Based on the public outreach responses, review of the Facility Needs Study and 2020 Master Plan, and feasibility of the projects, the Capital Needs Committee recommended to Town Council that the Town pursue certain projects as part of the Basalt Forward 2030 Program debt authorization and bond issuance.
- J. The Town Council considered the Capital Needs Committee's recommendations as well as additional public input received at the open house and other public comment, and finds and determines it is in the best interests of the Town to pursue the projects set forth herein as part of the Basalt Forward 2030 Program.
- K. The Town Council determines it is proper to submit to the eligible electors of the Town at a coordinated election to be held on November 2, 2021 the ballot issue regarding Basalt Forward 2030 projects to authorize debt, the issuance of general obligations bonds, and extension of ad valorem property taxes.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Basalt, Colorado as follows:

1. Recitals. The foregoing recitals are incorporated herein as findings of Town Council.
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WITHOUT IMPOSING ANY NEW TAX, SHALL THE TOWN OF BASALT'S DEBT BE INCREASED BY \$18,000,000, WITH A MAXIMUM TOTAL REPAYMENT COST OF NOT MORE THAN \$23,065,450, FOR THE PURPOSE OF FINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, REPAIR, IMPROVEMENT, AND PROVISION OF THE FOLLOWING PROJECTS AS PART OF THE BASALT FORWARD PROGRAM:

- INCREASING THE SUPPLY OF AFFORDABLE HOUSING IN THE TOWN MASTER PLAN'S URBAN GROWTH BOUNDARY, SUCH AS THROUGH PURCHASING REAL PROPERTY, PARTNERSHIPS WITH PRIVATE, NON-PROFIT, AND GOVERNMENT SECTORS, ACQUIRING DEED RESTRICTIONS, AND SUPPORTING HOUSING PROGRAMS;
- STREETScape, SIDEWALK, AND RELATED INFRASTRUCTURE

IMPROVEMENTS ON MIDLAND AVENUE IN DOWNTOWN BASALT.

- "GREEN" PROJECTS, SUCH AS SOLAR DEVELOPMENT, VEHICLE CHARGING STATIONS, AND OTHER IMPROVEMENTS;

AND SHALL THE PROPERTY TAXES AUTHORIZED AT THE TOWN'S BOND ELECTIONS IN 2001 AND 2013 BE EXTENDED AND AUTHORIZED TO BE USED TO PAY THE DEBT AUTHORIZED AT THIS ELECTION IN ADDITION TO THE DEBT AUTHORIZED AT SUCH PRIOR ELECTIONS; AND SHALL SUCH TAXES BE LEVIED ANNUALLY AT A RATE SUFFICIENT TO PAY SUCH DEBT OR ANY REFUNDING DEBT WHEN DUE (OR TO CREATE A RESERVE FOR SUCH PAYMENT) BUT NOT MORE THAN \$950,000 ANNUALLY; AND MAY SUCH DEBT BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS OR OTHER MULTIPLE FISCAL YEAR OBLIGATIONS TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT THEREOF, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE TOWN MAY DETERMINE?

- YES/FOR
 NO/AGAINST

3. Challenges to Ballot Title and Content. For the purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the title and content of the ballot issue set forth herein and the ballot title for such ballot issue shall be the text of the ballot issue itself. Any petition to contest the form or content of the ballot title must be filed with the District Court in and for Eagle County and a copy served on the Town Clerk within five days after the date of this Resolution.
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READ AND ADOPTED on August 24, 2021, by a vote of ___ to ___.

TOWN OF BASALT, COLORADO

By: _____
William G. Kane, Mayor

ATTEST

By: _____
Pamela K. Schilling, Town Clerk