

Notice
of
Election

Huerfano County COLORADO

GENERAL ELECTION
NOVEMBER 6, 2018

GENERAL INFORMATION:

THIS NOTICE IS MAILED TO EACH ADDRESS WITH ONE OR MORE ACTIVE, REGISTERED ELECTORS. RECEIPT OF THIS VOTER INFORMATION DOES NOT NECESSARILY MEAN THAT ANY RESIDENT OF YOUR HOUSEHOLD IS REGISTERED TO VOTE. FURTHER, YOU MAY NOT BE ELIGIBLE TO VOTE ON ALL ISSUES PRESENTED IN THIS NOTICE.

THE INFORMATION CONTAINED IN THIS NOTICE WAS PREPARED BY PERSONS REQUIRED BY LAW TO PROVIDE SUMMARIES OF BALLOT ISSUES AND FISCAL INFORMATION. THE POLITICAL SUBDIVISIONS PROVIDING THIS INFORMATION DO NOT WARRANT THE ACCURACY OR TRUTH OF ANY OF THE STATEMENTS PRESENTED TO THEM FOR SUMMARY; NOR ARE THEY RESPONSIBLE FOR ERRORS IN SPELLING, GRAMMAR, OR PUNCTUATION OF SUBMITTED STATEMENTS.

ALL REGISTERED VOTERS

NOTICE OF ELECTION TO INCREASE TAXES / INCREASE DEBT / ON REFERRED MEASURES

Election Date: November 6, 2018

Local Election Office: Huerfano County Clerk & Recorder's Office

**Address: 401 Main Street, Suite 204
Walsenburg, Colorado 81089**

Phone: (719) 738-2380

Fax: (719) 738-2060

**Type of Election: General Mail Ballot
Voter Service and Polling Center (VSPC)**

Hours of VSPC: 8:00 a.m. – 4:00 p.m. – Monday through Friday

8:00 a.m. – 12:00 p.m. – Saturday, October 27, 2018

8:00 a.m. – 12:00 p.m. – Saturday, November 3, 2018

7:00 a.m. – 7:00 p.m. – Election Day – November 6, 2018

HUERFANO COUNTY

Designated Election Official:

**John Galusha, 401 Main St, Walsenburg, CO 81089,
Telephone: (719) 738-2380**

SALES TAX INCREASE FOR HUERFANO COUNTY COURTS FUND

Referred Issue 1A

SHALL HUERFANO TAXES BE INCREASED \$625,000 (FIRST FULL FISCAL YEAR DOLLAR INCREASE) FOR THE LIMITED PURPOSE OF FUNDING URGENT PUBLIC SAFETY NEEDS REGARDING STATUTORY OBLIGATIONS OF HUERFANO COUNTY TO PROVIDE A SUITABLE COURTHOUSE AND ADEQUATE JUDICIAL FACILITIES; SUCH TAX INCREASE TO CONSIST OF A COUNTY-WIDE SALES TAX IMPOSED AT A RATE OF 1% (WHICH REPRESENTS ONE CENT ON EACH DOLLAR PURCHASE) BEGINNING JANUARY 1, 2020, WITH A FRACTIONAL SUNSET OF SUCH TAX ON DECEMBER 31, 2039 TO A PERMANENT RATE OF 0.25% (WHICH REPRESENTS ONE QUARTER OF ONE CENT ON EACH DOLLAR PURCHASE); SHALL ALL REVENUES GENERATED FROM THE TAX, NET OF THE COSTS OF COLLECTION, BE DEPOSITED INTO A SEPARATE FUND AND RESTRICTED AS TO USE FOR THE FOLLOWING PURPOSES:

- ❖ TO PROVIDE A SUITABLE COURTHOUSE AND ADEQUATE JUDICIAL FACILITIES INCLUDING NEW CONSTRUCTION, REMODELING, UPDATING AND REPAIRING EXISTING FACILITIES, RELATED SITE IMPROVEMENTS AND SECURE JAIL CONNECTION TO ADDRESS EXISTING SECURITY AND SAFETY CONCERNS OF THE RESIDENTS OF HUERFANO COUNTY AND PROVIDING FOR THE CONTINUED OPERATIONS OF SAID FACILITIES; AND

SHALL RESOLUTION NO. 2018-60 OF THE COUNTY PROVIDING FOR THE IMPOSITION OF THE SALES TAX BE APPROVED; AND SHALL ALL TAX REVENUES GENERATED FROM THE SALES TAX RATES AUTHORIZED HEREIN AND FROM ANY EARNINGS FROM THE INVESTMENT OF SUCH REVENUES CONSTITUTE A VOTER-APPROVED REVENUE CHANGE, AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE 10, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW?

PRO – YES Referred Issue 1A

Huerfano County offices and the courts have been sharing the current courthouse for 114 years. The space and facilities are outdated and no longer safe for use by the courts and the public. A State survey of all court facilities ranked Huerfano County's the 3rd worst for lack security, separation of parties and confidentiality to name a few points. The State's Underfunded Court Facilities Grant Program and Department of Local Affairs is expected to pay approximately 30% of the cost for a new facility and the State Judicial Department will pay ALL costs for technology and furnishings. \$1.2 million in grants has already been awarded to the County for

site preparation, architectural plans and other necessary expenses outside of the additional funds needed for actual construction. The City of Walsenburg donated the land needed to the County next to the existing jail for the new facility.

State law **requires** county governments to provide courts with adequate facilities. Unfortunately changes in our society and culture expose serious safety and liability issues with walking inmates from the jail, across the street in public view and then through the courthouse up to the third floor for our County.

The State's space assessment indicates a need of 16,000 square feet for the Courts compared to its current 6500. Court staffing has grown from five in 1980 to a minimum of sixteen on a daily basis. Court dockets have already required 'borrowing' county offices on busy court days. The County also needs the entire historic courthouse to bring all offices and employees back into the courthouse for its citizens and utilize the basement for storage only. The Driver's License office could return to the County under this plan.

Counties only have two revenue sources, property and sales taxes. Historically, the Colorado Department of Revenue shows that more than 60% of all Huerfano County sales tax collected comes from visitors and travelers passing through. The cost of the new Judicial Center is 10 million and costs continue to rise with every year we wait. The State Underfunded Program will be expiring soon. Huerfano County approved an excise tax on marijuana but with other states passing their own laws, the tax has just not materialized for us and is not a reliable funding stream. 3/4 of the sales tax goes away when the Judicial Center is paid for or within 20 years and 1/4 cent remains for maintenance. Alamosa County's courthouse ranked 2nd worst in the State and Alamosa passed a one-cent sales tax in 2016 while utilizing funds from the Underfunded Program and their courthouse is now finished.

The Courts can order the County to build a new facility. It is **imperative** we be proactive and take advantage of this funding opportunity from the Underfunded Program so that 100% of the cost DOES NOT fall onto our citizens. A sales tax is fairer and we all will utilize the Judicial Center at some point in our lives. **One Cent Makes Sense. Vote YES on 1a!**

CON - NO Referred Issue 1A

"No comments were filed by the constitutional deadline."

Fiscal Impact Statement of Referred Issue 1A

| | Fiscal Impact Statement | | | |
|--------------------|-------------------------|--------------|-----------------|------------------|
| | | | | |
| | General Fund Revenues | | | |
| | 2018 | 2019 | 2020 with tax | 2020 without tax |
| | \$ 4,594,735 | \$ 4,810,734 | \$ 5,541,948.00 | \$ 4,916,948 |
| Increase from 2018 | | \$ 305,892 | \$ 947,213.00 | \$ 322,213 |
| | | | | |
| | General Fund Expenses | | | |
| | 2018 | 2019 | 2020 with tax | 2020 without tax |
| | \$ 5,021,830 | \$ 5,182,827 | \$ 5,911,483.00 | \$ 5,286,483 |
| Increase from 2018 | | \$ 259,464 | \$ 889,653.00 | \$ 264,653 |
| | | | | |

LA VETA SCHOOL DISTRICT RE-2

Designated Election Official:

Jim Moore, 126 East Garland, La Veta, CO 81055, Telephone: (719) 742-6427

TAX INCREASE FOR LA VETA RE-2 FACILITIES

Referred Issue 4A

SHALL LAVETA SCHOOL DISTRICT RE-2 DEBT BE INCREASED BY UP TO \$5.5 MILLION, WITH A REPAYMENT COST OF UP TO \$8,750,000, AND SHALL DISTRICT TAXES BE INCREASED BY UP TO \$458,000 ANNUALLY BY THE ISSUANCE AND PAYMENT OF GENERAL OBLIGATION BONDS TO PROVIDE LOCAL MATCHING MONEY REQUIRED FOR THE DISTRICT TO RECEIVE APPROXIMATELY \$42,000,000 IN STATE GRANT FUNDS (WHICH ARE NOT REQUIRED TO BE REPAYED) UNDER THE BUILDING EXCELLENT SCHOOLS TODAY ("BEST") PROGRAM TO FINANCE THE COSTS OF:

- ACQUIRING, CONSTRUCTING, EQUIPPING, AND FURNISHING A CONSOLIDATED PK-12 FACILITY, INCLUDING ATHLETIC FACILITIES, ON DISTRICT OWNED PROPERTY, TO REPLACE THE EXISTING FACILITY;

PROVIDED, HOWEVER, THAT NO DEBT SHALL BE ISSUED UNLESS A BEST GRANT IS RECEIVED;

WITH SUCH GENERAL OBLIGATION BONDS TO BEAR INTEREST, MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM OF NOT MORE THAN THREE PERCENT, AND BE ISSUED AT SUCH TIME, AT SUCH PRICE (AT, ABOVE OR BELOW PAR) AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT WITH THIS BALLOT ISSUE, AS THE BOARD

OF EDUCATION MAY DETERMINE, AND SHALL AD VALOREM PROPERTY TAXES BE LEVIED WITHOUT LIMIT AS TO THE MILL RATE TO GENERATE AN AMOUNT SUFFICIENT IN EACH YEAR TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT AND TO FUND ANY RESERVES FOR THE PAYMENT THEREOF, PROVIDED THAT ANY REVENUE PRODUCED BY SUCH MILL LEVY SHALL NOT EXCEED \$458,000 ANNUALLY?

PRO – YES Referred Issue 4A

The LaVeta School District needs updated facilities to support and sustain quality educational programming.

If this bond is passed, the community's investment of \$5.5 million can be matched with a BEST grant from the state and will result in an estimated \$42 million new pre-K through 12 school for LaVeta. The district will apply for a BEST Grant from the Colorado Capital Construction Assistance Fund in February 2019. Successful passage of a bond demonstrates community support and improves chances of obtaining the grant. To use awarded BEST grant money the community must pass a bond.

The bond will be funded via a property tax increase of about \$90 per year for each \$100,000 of property value. HOWEVER, the tax will ONLY be collected IF the district is successful in obtaining a BEST grant.

The existing LaVeta School District facilities are severely deficient. They do not meet current building code or safety standards. The infrastructure is outdated and unreliable. Current buildings need new doors, windows, ceilings, and floors; updated heating controls; newer electrical, plumbing, and ventilation systems; and insulation. Safety concerns exist as a result of uncontrolled access to buildings and classrooms. A comprehensive study found that to bring the existing campus up to standards would cost the local community over \$10 million, would not solve all the safety issues nor would it begin to provide LaVeta students opportunities for improved programming that new facilities support.

LaVeta students need spaces that are safe, secure, and healthy, that easily incorporate technology and promote a collaborative work environment. There are particular needs for improvements in lab-based classes such as art, agriculture, music, science, and technical education. The district needs to unify its campus and provide athletic facilities that are safe and comfortable for participants and spectators and invite students to compete at high levels. High quality teachers are the most important factor in student success, and high-quality facilities will help ensure that the LaVeta School District retains and recruits the very best educators to teach LaVeta students.

Passing this bond will have additional positive impacts on the community. Constructing a new school will boost the economy and encourage families to remain in the area or to consider LaVeta as a future home. Several of the existing school buildings will be repurposed to the benefit of the entire community.

A \$5.5 million bond, partnered with a state funded BEST grant results in a \$42 million new state-of-the-art school which will serve our community for 50 years and will cost taxpayers only \$7.49 a month per \$100,000 of actual home value. The LaVeta community would be much better served with a new school than in attempting to update the existing campus which will ultimately cost twice as much in local taxpayer money, have only a 20-year life span and not give LaVeta's children the school they deserve.

Passing this bond is an investment in the future of our students and in the LaVeta community.

CON – NO Referred Issue 4A

“No comments were filed by the constitutional deadline.”

Estimate of Financial Impact of Referred Issue 4A:

Total District Fiscal Year Spending

Fiscal Year

| | |
|-----------------------|-------------|
| 2018-2019 (estimated) | \$3,696,000 |
| 2017-2018 (actual) | \$3,416,340 |
| 2016-2017 (actual) | \$3,231,726 |
| 2015-2016 (actual) | \$3,633,904 |
| 2014-2015 (actual) | \$3,180,204 |

| | |
|--|-----------|
| Overall percentage change from 2014-15 to 2018-19: | 16.2% |
| Overall dollar change from 2014-15 to 2018-19: | \$515,796 |

Proposed Tax Increase

District Estimate of the Maximum Dollar Amount of the Proposed Tax Increase For Fiscal Year 2019-20 (the First Full Fiscal Year of the Proposed Tax Increase):

BALLOT ISSUE NO. 4A: \$458,000

District Estimate of 2019-20 Fiscal Year Spending Without Proposed Tax Increase: \$4,196,600*

*This number is an estimate only and assumes the passage of Amendment 73, which will be considered by the voters of the State on November 6, 2018, and is based on information and projections received by the District from other sources.

Information on District's Proposed Debt

BALLOT ISSUE NO. 4A:

| | |
|---|---------------------------|
| Principal Amount of Proposed Bonds: | Not to exceed \$5,500,000 |
| Maximum Annual District Repayment Cost: | Not to exceed \$ 458,000 |
| Total District Repayment Cost: | Not to exceed \$8,750,000 |

Information on District's Current Debt

| | |
|------------------------------------|-----------|
| Principal Amount Outstanding Debt: | \$350,000 |
| Maximum Annual Repayment Cost: | \$82,500 |
| Remaining Total Repayment Cost: | \$395,250 |

¹ Excluded from debt are enterprise and annual appropriation obligations.

LA VETA FIRE PROTECTION DISTRICT

Designated Election Official:

**Sue Pezze, PO Box 44, 100 Birch St, La Veta, CO 81055,
Office: (719) 742-3656**

Gallagher Revenue Stabilization

Referred Issue 6A

SHALL LA VETA FIRE PROTECTION DISTRICT BE AUTHORIZED TO INCREASE OR DECREASE ITS CURRENT AND ALL FUTURE MILL LEVIES ONLY IF, ON OR AFTER NOVEMBER 6, 2018, THERE ARE CHANGES IN THE METHOD OF CALCULATING ASSESSED VALUATION, INCLUDING BUT NOT LIMITED TO A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE RESIDENTIAL ASSESSED VALUATION DUE TO ARTICLE X SECTION 3 OF THE COLORADO CONSTITUTION (COMMONLY KNOWN AS THE GALLAGHER AMENDMENT), SO THAT, TO THE EXTENT POSSIBLE, THE ACTUAL TAX REVENUES GENERATED BY SUCH MILL LEVIES ARE THE SAME AS THE ACTUAL TAX REVENUES THAT WOULD HAVE BEEN GENERATED HAD SUCH CHANGES NOT OCCURRED?

PRO – YES Referred Issue 6A

Relief from the loss in tax revenue caused by the Gallagher Amendment is urgently needed by the La Veta Fire District (LVFPD). The Gallagher Amendment was added to the State Constitution in 1982 to ensure that the Residential Assessment Rate (RAR) that is reviewed/reset by the State biennially remains lower than Commercial Assessment Rates. Residential properties may comprise no more than 45% of the state's property-tax base. Commercial properties comprise the other 55%.

Whenever residential home values rise faster than commercial property, the RAR - the formula that determines a property's assessed value - must drop. So, home value rise in rapidly growing areas like Denver means a drop in the statewide RAR. Poorer rural counties like Huerfano where home values are flat to down then receive lower tax revenues.

The RAR has dropped to 7.2%, down from 21% when Gallagher was adopted. Accordingly, annual LVFPD tax revenue dropped by \$19,821 between 2017 and 2018 to \$191,947. The RAR is estimated to drop again from the current 7.2% to 6.11% in 2019. That 15% drop in RAR next February to 6.1% will mean a further \$28,792 reduction in annual LVFPD tax revenue. LVFPD's combined loss in tax revenue then becomes \$48,613 from its annual Operating Expense Budget of \$317,141, a 15% reduction. If the State drops the RAR to 6.11%, the LVFPD mill

levy adjustment beginning in 2020 would equate to \$6.50 per \$100,000 in home value, a modest amount to keep tax revenue stable.

Authorizing LVFPD to adjust its mill levy and offset any **future** tax revenue shortfalls caused by the Gallagher amendment will provide stable and predictable revenue for the Fire District to meet the community's demands for emergency services, including:

- Recruiting/training/retaining adequate EMS and Firefighter volunteers.
- Ongoing upgrading and replacement of its aging equipment and vehicles.

Without the tax increase and stabilization, the increasing costs and demands for emergency services, and the loss of revenue caused by the Gallagher Amendment, will make it difficult for the LVFPD to keep up with emergency call volume, inflation and may adversely affect future staffing and maintenance of fire trucks, ambulances and stations. Insurance Service Offices (ISO) ratings for the Fire District may increase and cause homeowners' and business owners' property insurance rates to increase.

- There are no other major sources of revenue available to replace the lost RAR revenue and donations alone cannot offset the loss in tax revenue.
- There are 20+ other fire districts in Colorado with similar ballot questions this November.
- More than 50% of all fire departments in Colorado are fire protection districts that like LVFPD, receive the majority of their annual revenue from residential taxes.
- In rural Colorado, where home values are growing slowly or even falling, the budgets of fire departments that rely on property taxes for emergency services have been hit hard, placing citizens and first responders at risk due to increased response times and the continued decline in numbers of volunteers. Less revenue will only make the problem worse.

CON - NO Referred Issue 6A

"No comments were filed by the constitutional deadline."

I, Nancy C. Cruz, Huerfano County Clerk and Recorder, certify that the ballot issue notice is complete as submitted by the political subdivisions.

NANCY C. CRUZ

Huerfano County Clerk & Recorder
401 Main Street, Suite 204
Walsenburg, Colorado 81089

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2018 ELECTION INFORMATION – HUERFANO COUNTY

All Registered Voters