

**CITY COUNCIL STUDY SESSION
VIRTUAL AND IN PERSON DURANGO CITY HALL**

**03/21/2023
2:15 PM**

Hybrid Meeting Information

This meeting is being held in a Virtual/In Person format based on City of Durango Resolution R 2022-0017 adopted on April 5, 2022 by the Durango City Council.

The link to the virtual meeting is available here:

<http://durangogov.org/zoom>

Please note: If this link does not take you directly to the meeting list, please copy and paste it into the address bar of your web browser.

AGENDA

MAYOR:	Barbara Noseworthy
MAYOR PRO-TEM	Melissa Youssef
COUNCIL MEMBERS:	Kim Baxter Olivier Bosmans Jessika Buell
CITY MANAGER:	José Madrigal

MISSION

The City of Durango and our employees provide efficient city services, effectively maintain city assets and manage growth, are accountable, ethical and fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.

VISION

Durango is an authentic, diverse, multigenerational, and thriving community. Our residents value and enjoy our unique natural environment and benefit from the management of our city's resources in a fiscally responsible, environmental, and socially sustainable manner.

VALUES

- * Teamwork
- * Dependability
- * Professionalism
- * Service
- * Respect
- * Innovation
- * Well-Being

STRATEGIC GOALS

- * Affordability & Economic Opportunity (AEO)
- * Diversity, Equity, Inclusion (DEI)
- * Effective Infrastructure Network (EIN)
- * Enhanced Livability & Sense of Place (ELSP)
- * Environmental Sustainability & Resilience (ESR)
- * Financial Excellence & High Performing Government (FE)
- * Engaged and Collaborative Governance (ECG)

Theme - Financial Excellence and High Performing Government -
2:15 PM

Future New Business and Review of Agendas - 20
minutes

INFORMATION ONLY ITEMS 2:35 PM

Council Retreat Follow Up - Devon Schmidt - 50 minutes

DIRECTION NEEDED ITEMS

10 MINUTE BREAK 3:25 to 3:35 PM

Library District Discussion and Timeline - Luke Alvey-Henderson -
50 minutes

Adjournment - 4:25 PM

NOTE THAT ALL TIMES ARE APPROXIMATIONS



AGENDA DOCUMENTATION

Meeting Date: March 21st, 2023

TO: DURANGO CITY COUNCIL FROM: DEVON SCHMIDT, BUDGET AND STRATEGIC PLAN OFFICER

SUBJECT: DISCUSSION REGARDING CITY COUNCIL RETREAT OUTCOMES AND NEXT STEPS

BACKGROUND SUMMARY:

At the February 14th and 15th City Council Retreat Council, discussed priorities for the City of Durango to focus on for the near term. These priorities included: Housing, Facilities, Parks, Open Space and Trails, Parks and Multimodal, Transportation, Streets, Bridges and Alleys and Stormwater Drainage. Council deliberated on each priority area and gave direction to staff for each priority. During the retreat Council gave the following direction to staff:

- Housing: Option A. At the regular City Council meeting on March 21st City Council will be presented a Budget Amendment to allocate \$4.2 million dollars to the Housing Innovation Fund. This will accomplish the following:
 - Levelling up a proven approach to catalyzing and accelerating production of diverse types of housing units and price points.
 - Adaptable to various scales and types (rental and ownership). This is crucial due to constraints, such as topography, labor market, and other factors.
 - Ensures long-term affordability for workforce and local residents.
 - Engages diverse set of community partners and funding sources to establish a unified, sustainable program.
 - Multi-platform outreach around a consistent message will be achieved to engage community and build support.
 - Reducing barriers on development costs.
 - Spreads impact and avoids risks of ‘all eggs in one basket’.
 - Current Strategies and Initiatives: New Development, Public-Private Partnerships, Housing Preservation, Adaptive Reuse, Housing Policy and Code, Housing Programs, Land Acquisitions, Land Trust, and Funding Sources
- Facilities: Option A. funded by the renewal of ¼ of the 2005 Sales Tax
- Parks, Open Space, Trails: Option A. return to Council with an updated list of projects and staff to consider the use of 1/8 of a renewal sales tax to Transportation.
- Parks and Multimodal: Option A. return to Council with a revised list of projects incorporating Multimodal and Parks and Recreation Projects.
- Transportation: Option C. which results in service reductions by 2027. Return to Council with funding plan including options of Lodgers Tax, County Partnership, ‘05 Reauthorization.
- Stormwater Drainage: Option B. Return to Council with Stormwater master plan and recommendations for funding.
- Streets, Bridges, Alleys: Option B. Return to Council with grant opportunity and updated trip plan.

STRATEGIC PLAN ALIGNMENT:

Financial Excellence and High Performing Government

Affordability and Economic Opportunity:

- 1. Create Housing Opportunities to support multigenerational & mixed-income community workforce and increase affordability to bridge the disparity between income and home/rental prices.
- 1.1 Identify and commit resources and revenue towards implementing a long-term plan that encourages housing opportunities for mixed-income demographics with an emphasis on workforce housing.
- 1.1.1 Ensure there is adequate city staff to focus on ways to increase affordable and workforce housing inventory through a variety of mechanisms that include land and or infrastructure acquisition (or bank), changes to code, and public-private incentives.
- 1.1.2 Explore funding opportunities for the Regional Housing Alliance and other city housing programs.
- 1.2 Support the production of a variety of housing types through incentives, partnerships, efficient review processes, and other mechanisms with particular emphasis on middle-income housing

ALTERNATIVE OPTIONS CONSIDERED:

N/A

FISCAL IMPACT

To be determined based on the direction given by Council.

POTENTIAL ADVERSE IMPACTS:

To be determined based on the direction given by Council.

NEXT STEPS AND TIMELINE:

Staff will return with any of the priorities listed above that require changes and additional analysis.



MARCH 21, 2023

CITY COUNCIL RETREAT- OUTCOMES AND NEXT STEPS

DEVON SCHMIDT

CITY MANAGER'S OFFICE

FINANCIAL EXCELLENCE HIGH
PERFORMING GOVERNMENT



Mission (Why we exist)

"The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community."

Vision (What we want to be)

"Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City's resources in a fiscally responsible, environmental, and socially sustainable manner."

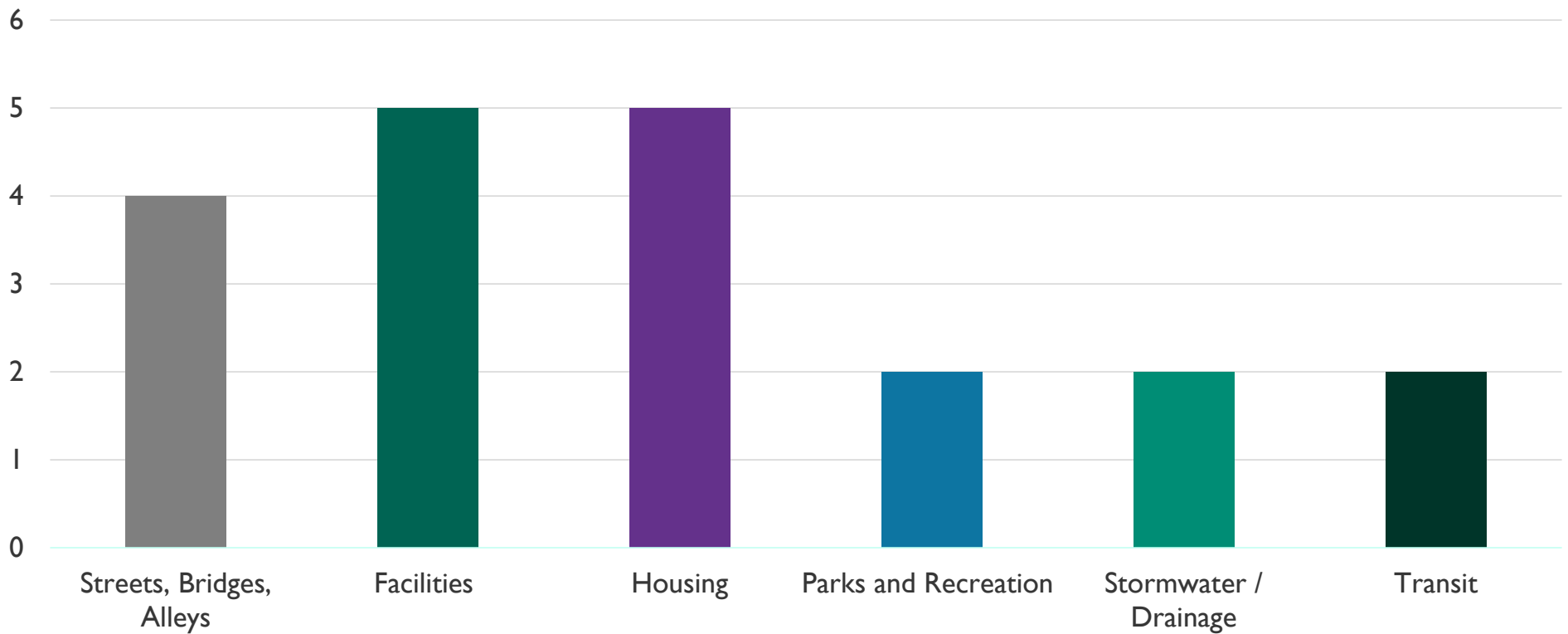
Values (What we believe in)

Teamwork | Dependability | Professionalism | Service |
Respect | Innovation | Well-Being

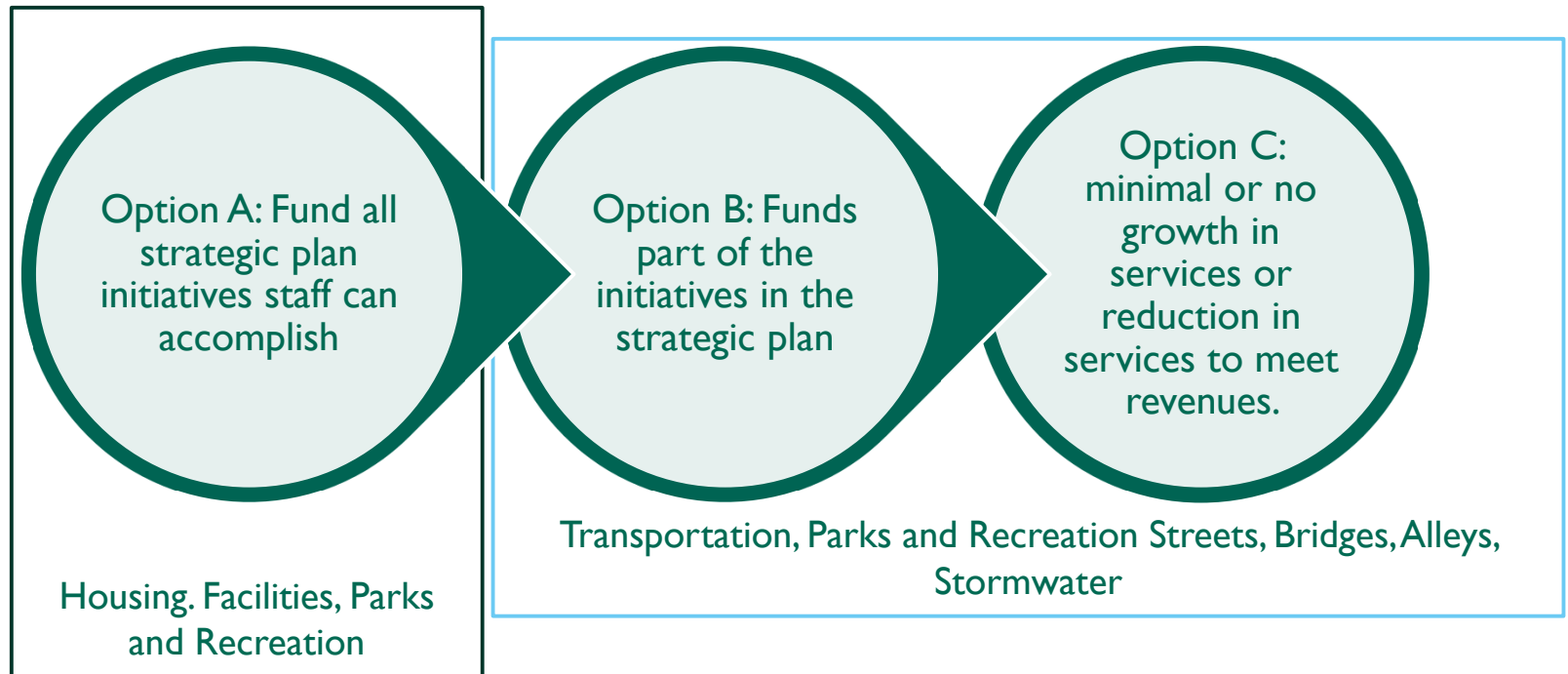
Purpose

- **Provide a summary of outcomes from the Council Retreat and clarify next steps for implementing Council direction.**

COUNCIL PRIORITIES RANKED



OPTIONS FOR FUNDING- RETREAT OUTCOMES



HOUSING METHODOLOGY

Housing Production & Cost Projections Methodology

Annual Residential Unit Production (2011-2022 avg = 148 units/yr)	% Below-Market Units	# of Below-Market units	Annual Cost to Produce Below-Market Units (50% of each type, \$200K: Ownership, \$80K: Rental)	Years to Goal (400 New Units)	Total Cost Needed (400 New Units)
125	10%	12.5	\$1,750,000	32	\$56,000,000
	15%	18.75	\$2,625,000	21	\$56,000,000
	20%	25	\$3,500,000	16	\$56,000,000
150	10%	15	\$2,100,000	27	\$56,000,000
	15%	22.5	\$3,150,000	18	\$56,000,000
	20%	30	\$4,200,000	13	\$56,000,000
200	10%	20	\$2,800,000	20	\$56,000,000
	15%	30	\$4,200,000	13	\$56,000,000
	20%	40	\$5,600,000	10	\$56,000,000
250	10%	25	\$3,500,000	16	\$56,000,000
	15%	37.5	\$5,250,000	11	\$56,000,000
	20%	50	\$7,000,000	8	\$56,000,000

HOUSING: OPTION A

Revenues (forecast): 2024 \$1,430,000

- Fair Share Fees In Lieu = \$200,000; Twin Buttes = \$150,000; Three Springs = \$75,000 (approx. \$425,000 annually)

Initiative Accomplished by Expenditures (forecast): 2024 \$4,685,631

- Support production of a variety of housing types, with particular emphasis on middle-income housing.

Gaps in funding (forecast): 2024 \$3,255,631

- Fees are inadequate to meet needs
- Revenue is unstable and difficult to forecast
- Non-renewable funds (ARPA) projected to be exhausted by end of 2024
- Unable to bond for large projects

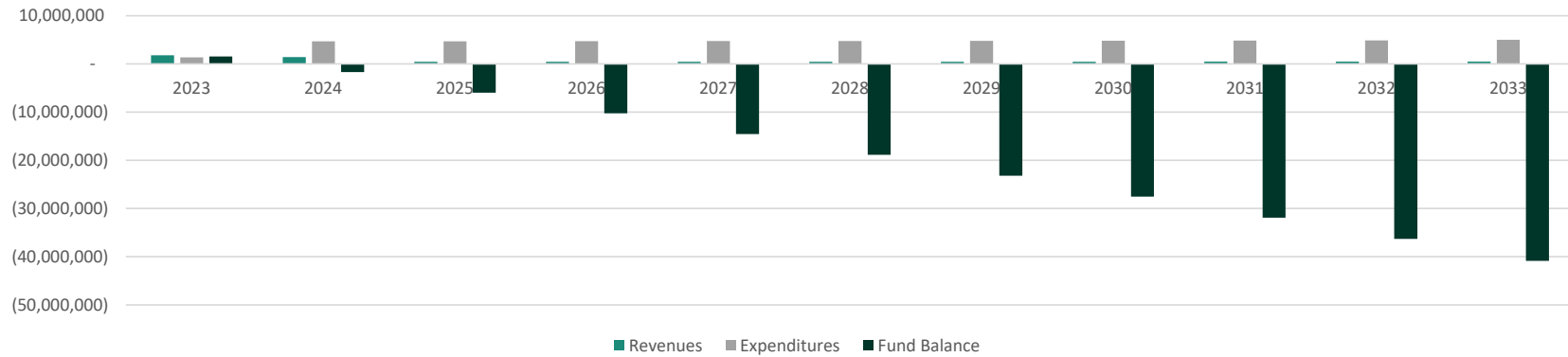
Potential Funding Options:

- Sales Tax or New Fees
- General Fund/Opportunity Fund Transfer
- 11% Lodger's Tax Council Determination
- State and Federal Grant Funds (if project meets affordable/attainable criteria)
- Joint Sales Tax (City/County), if a Library District Ballot Question is on future ballot

Retreat Outcomes:

- Pursue Option A.
- Return to Council with an appropriation ask from the General Fund Opportunity Reserve\
- Continue using ARPA funds
- Possible ballot w/ sunset in 2024?

HOUSING FORECAST: OPTION A



Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues	1,789,924	1,430,000	435,125	440,378	445,763	451,282	456,939	462,737	468,681	474,773	489,016
Expenditures	1,364,924	4,685,631	4,704,953	4,725,087	4,746,080	4,767,972	4,790,812	4,814,656	4,839,555	4,865,567	5,021,265
Fund Balance	1,560,885	(1,694,746)	(5,964,574)	(10,249,283)	(14,549,600)	(18,866,290)	(23,200,163)	(27,552,082)	(31,922,956)	(36,313,750)	(40,845,999)

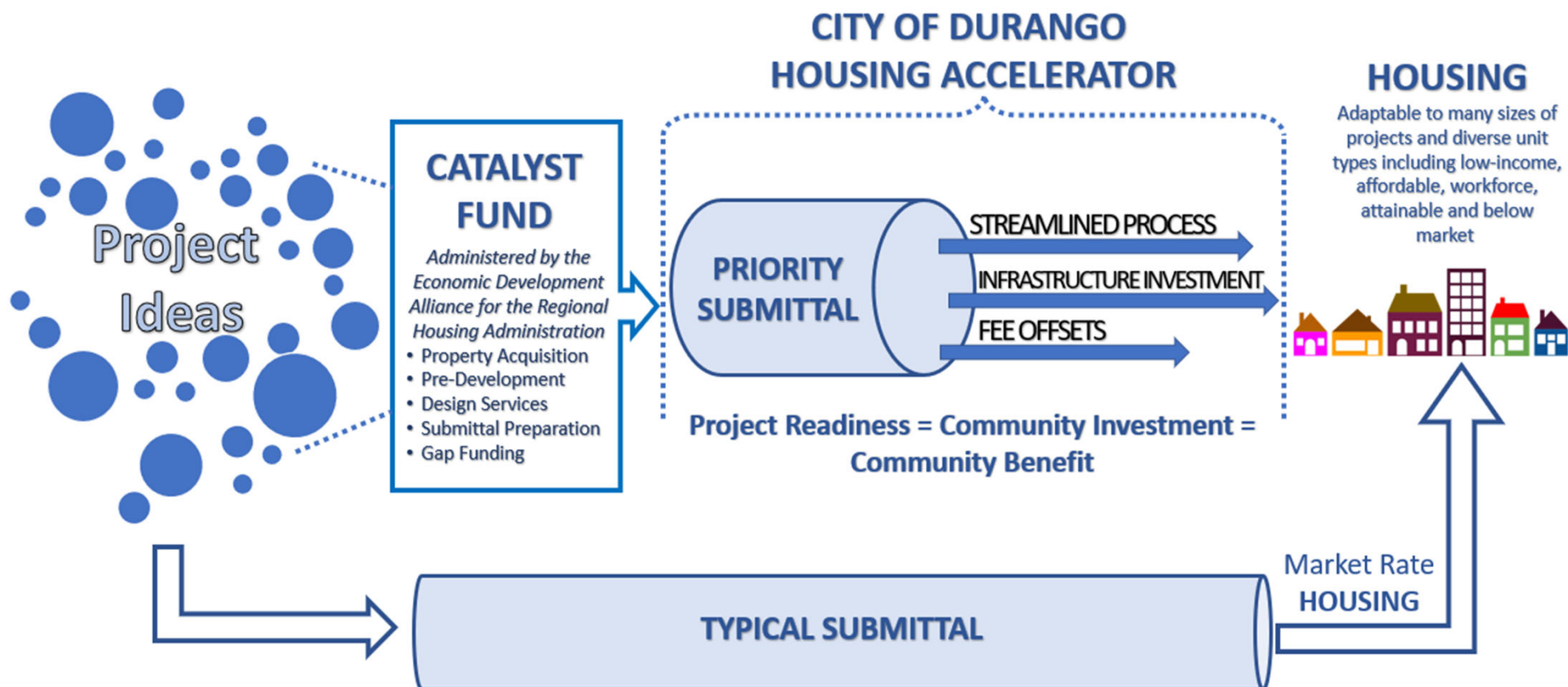
Annual Residential Unit Production (148 units/yr is average from 2011-2022)	% Below Market units	# of Below Market units	Annual Cost to Produce Below Market Units 50% of each type (\$200K Ownership/ \$80K Rental)	Years to Goal (400 New Units)	Total Cost Needed (400 Units)
150 units	20%	30	\$4,200,000	13	\$56,000,000

2023/2024 EXPANDED HOUSING OPPORTUNITIES (\$4.2M)

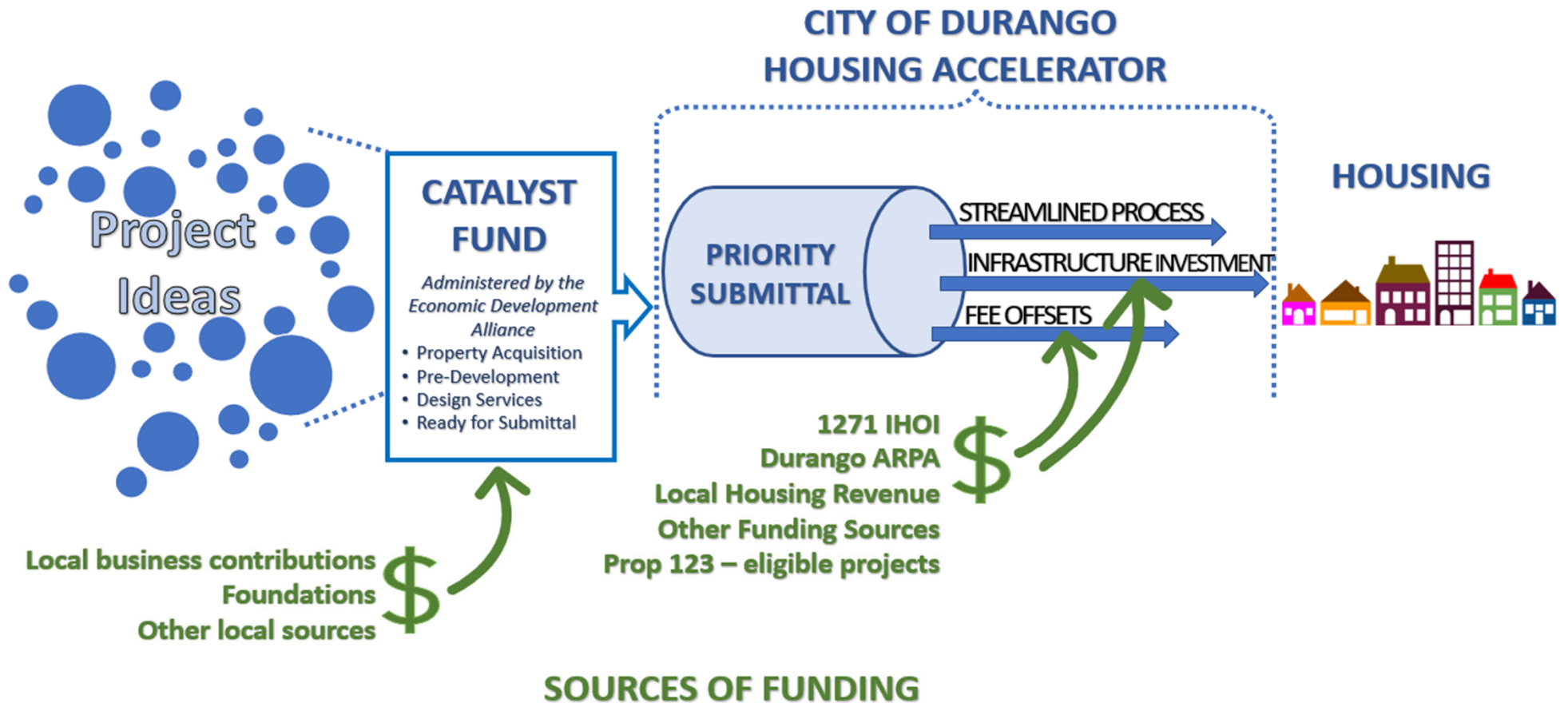
HOUSING ACCELERATOR

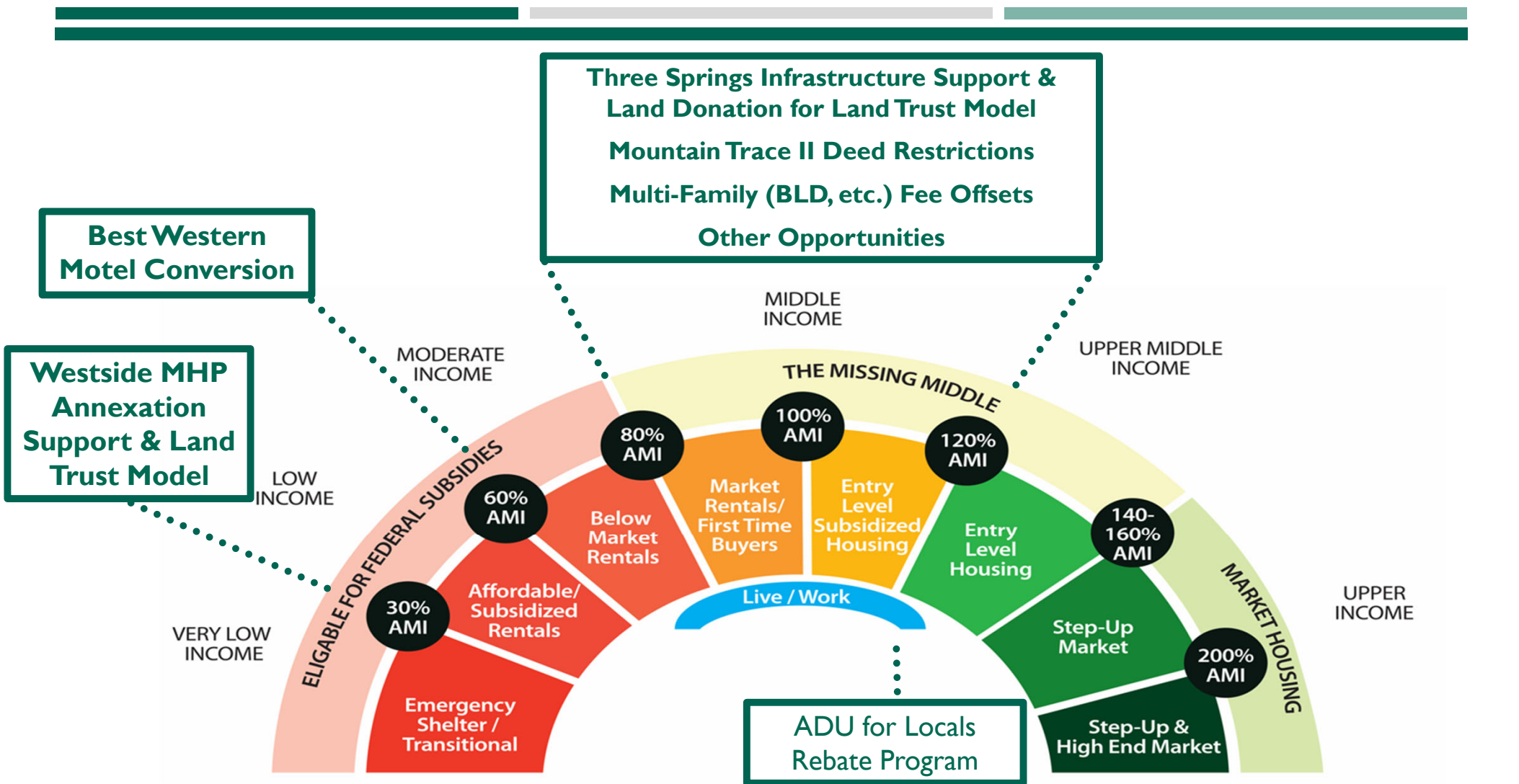
- **Levelling up a proven approach to catalyzing and accelerating production of diverse types of housing units and price points.**
- **Ensures long-term affordability for workforce and local residents.**
- **Engages diverse set of community partners and funding sources to establish a unified, sustainable program.**
- **Reducing development cost barriers.**
- **Aligns with Proposition 123 guidance.**

DURANGO HOUSING PARTNERSHIPS PIPELINE



DURANGO HOUSING PARTNERSHIPS PIPELINE





Category	2021 Actual	2022 Estimate	2023 Adopted	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Total Revenues	47,139,161	47,952,594	50,030,259	50,936,893	52,295,341	53,721,366	54,600,443	56,104,072
Total Expenditures	41,595,623	44,998,523	50,196,717	50,698,684	51,205,671	51,717,728	52,234,905	52,757,254
Change in Fund Balance	5,543,538	2,954,071	(166,458)	238,209	1,089,670	2,003,638	2,365,538	3,346,818
Beginning Fund Balance	15,281,290	19,818,699	22,294,878	18,928,420	19,166,629	20,256,299	22,259,937	24,625,475
Housing Fund	(1,006,129)	(477,892)	(3,200,000)					
Ending Fund Balance	19,818,699	22,294,878	18,928,420	19,166,629	20,256,299	22,259,937	24,625,475	27,972,293
Assigned Fund Balance		83,284	83,284	83,284	83,284	83,284	83,284	83,284
Restricted not including TABOR		69,000	69,000	69,000	69,000	69,000	69,000	69,000
TABOR Reserve		1,862,941	1,862,941	1,862,941	1,862,941	1,862,941	1,862,941	1,862,941
Other Reserve (Enc., Escrow, Inventory)		637,760	637,760	637,760	637,760	637,760	637,760	637,760
Operating Reserve		8,596,645	9,896,194	10,021,686	10,148,432	10,276,447	10,405,741	10,536,328
Opportunity Reserve		11,045,248	6,379,241	6,491,958	7,454,881	9,330,505	11,566,749	14,782,980
Total Fund Balance		22,294,878	18,928,420	19,166,629	20,256,299	22,259,937	24,625,475	27,972,293
Fund Balance Policy 25% of Expenditures		11,249,631	12,549,179	12,674,671	12,801,418	12,929,432	13,058,726	13,189,314

GENERAL FUND OPPORTUNITY RESERVE FOR HOUSING

STAFF TO
DELIVER FUTURE
RECOMMENDED
ACTION ON
THESE
PRIORITIES:

- FACILITIES
- PARKS, OPEN SPACE AND TRAILS
- PARKS AND MULTIMODAL
- TRANSPORTATION
- STORM DRAINAGE
- STREETS, BRIDGES AND ALLEYS

FACILITY NEEDS OPTION A.

Forecasted Revenues:

- \$750k Annual General Fund appropriation.

Forecasted Expenditures:

- \$750k in annual "Buildings" maintenance and support.
- Additional \$37-41M capital (~\$2.7M annual debt service) need for new facility procurement to replace PD, CH, RCH, and Carnegie.
- \$2.2M in Capital upgrades at City Service Center and Police Substation needed within 10 years.

Gaps:

- New facilities funding (\$2.7M annually)
- Capital Upgrades (\$225k/year 10 years)

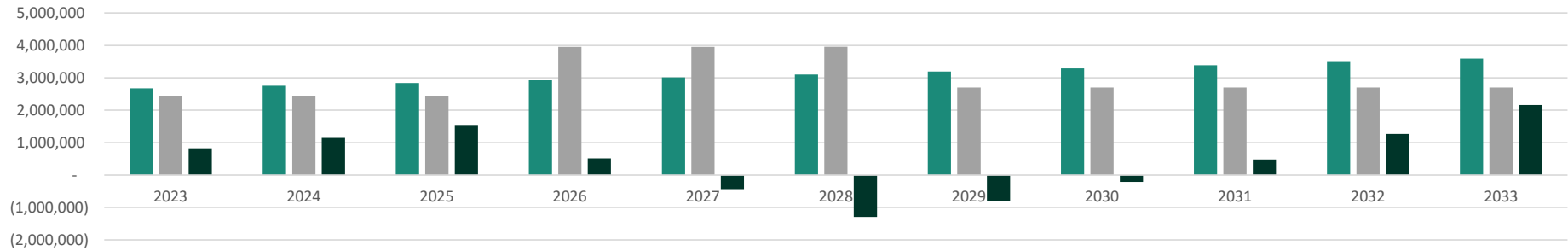
Potential Funding Options:

- Use of Bldg. Maintenance Fund reserve, Department Rents, **Sales Tax**

Retreat Outcome:

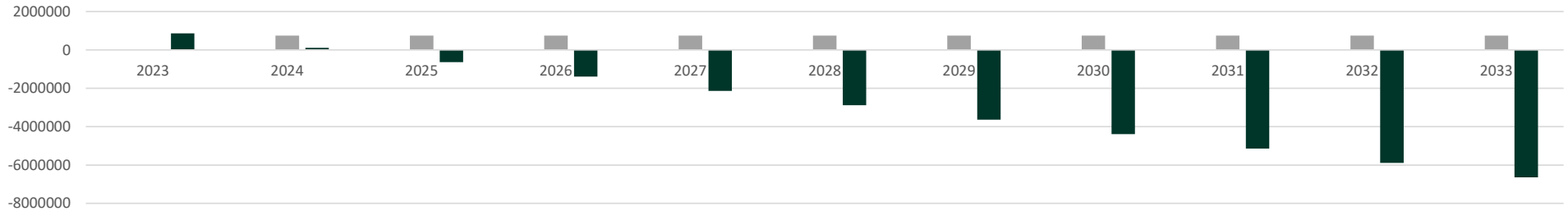
- Pursue Option A. with the renewal of the ¼ '05 Sales Tax for funding

FACILITIES



■ Revenues ■ Expenditures ■ Fund Balance

2005 Sales Tax Debt	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues	2,676,901	2,756,458	2,838,401	2,922,803	3,010,487	3,100,802	3,193,826	3,289,641	3,388,330	3,489,980	3,594,679
Expenditures	2,439,312	2,435,718	2,441,122	3,955,320	3,957,592	3,959,152	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Fund Balance	826,542	1,147,282	1,544,561	512,044	(435,061)	(1,293,411)	(799,586)	(209,945)	478,385	1,268,364	2,163,043



■ Revenues ■ Expenditures ■ Fund Balance

Building Maintenance Fund	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues											
Expenditures		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Fund Balance	862,451	112,451	(637,549)	(1,387,549)	(2,137,549)	(2,887,549)	(3,637,549)	(4,387,549)	(5,137,549)	(5,887,549)	(6,637,549)

PARKS, OPEN SPACE, TRAILS OPTION A.

Forecasted Revenues:

- 2005 Sales and Use Tax Sunsets in 2026.
- Anticipated Revenues in 2024 are \$2.84M
- If Re-Authorized would generate \$3M in 2027

Forecasted Expenditures:

- Continue to Follow current CIP plan and to use funds annually for:
 - Land Acquisition (\$400K), Open Space Maintenance and Fire Mitigation (\$50K), Support of Durango Trails (\$40K), Parks, Trails and Rec Improvements (\$210K), and an Interfund Transfer to fund Parks Recreation operations (\$405K)
- Planned CIP Projects through 2026 include: SMART 160 East (\$4M) and Schneider Park Pickleball Courts (\$800K)
- If Re-Authorized and Maintain Current Level of Funding for Annual Maintenance, Would Leave ~\$1.9M for Future Capital Projects

Gaps:

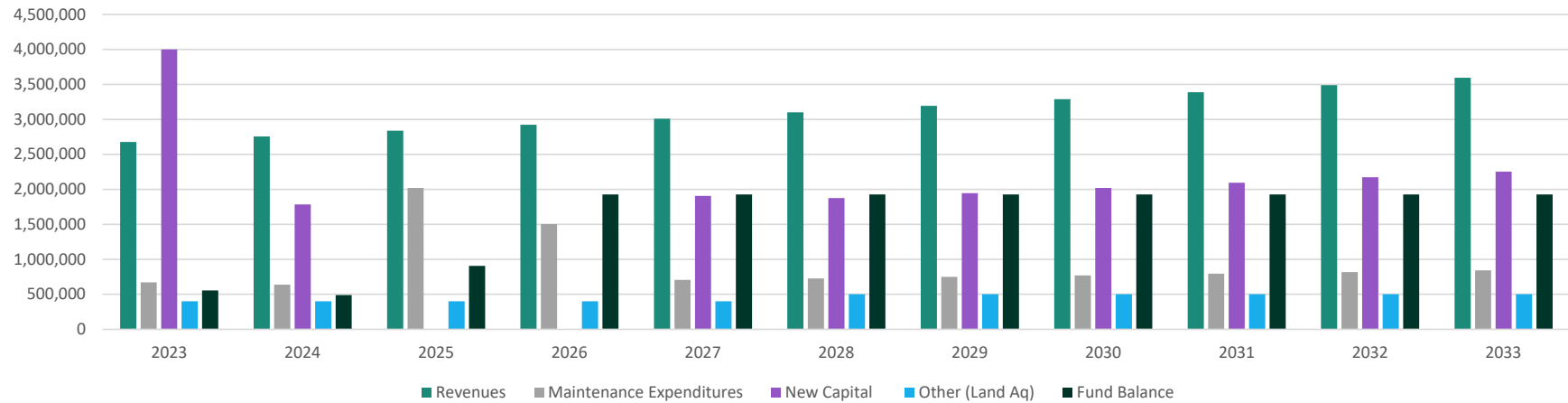
- The Recent Report Assessing Parks Indicates Approximately \$750K Is Annually Needed to Maintain Current Parks Facilities in a Quality State.
- Open Space, Trail and Recreation Facilities Still Need Assessment

Potential Funding Options:

- General Fund
- Don't Fund New Projects

Retreat Outcome:

- Pursue Option A. with updated list of projects
- Consider 1/8 going to Transportation?



Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues	2,676,901	2,756,458	2,838,401	2,922,803	3,010,487	3,100,802	3,193,826	3,289,641	3,388,330	3,489,980	3,594,679
Maintenance Expenditures	670,102	637,504	2,020,054	1,502,755	705,000	726,150	747,935	770,373	793,484	817,288	841,807
New Capital	4,000,000	1,785,000	-	-	1,905,487	1,874,652	1,945,891	2,019,268	2,094,846	2,172,691	2,252,872
Other (Land Aq)	400,000	400,000	400,000	400,000	400,000	500,000	500,000	500,000	500,000	500,000	500,000
Fund Balance	554,188	488,142	906,489	1,926,537	1,926,537	1,926,537	1,926,537	1,926,537	1,926,537	1,926,537	1,926,537

PARKS AND RECREATION FORECAST OPTION A.

PARKS AND MULTI-MODAL OPTION A.

Forecasted Revenues:

- \$5.5M in 2024 and ~\$77.0 M through 2035

Forecasted Expenditures:

- \$6.35M in 2024 (Grants and Fund Balance from 2023)

Gaps:

- \$111 Million in Unfunded Projects, not Including Durango Mesa Park

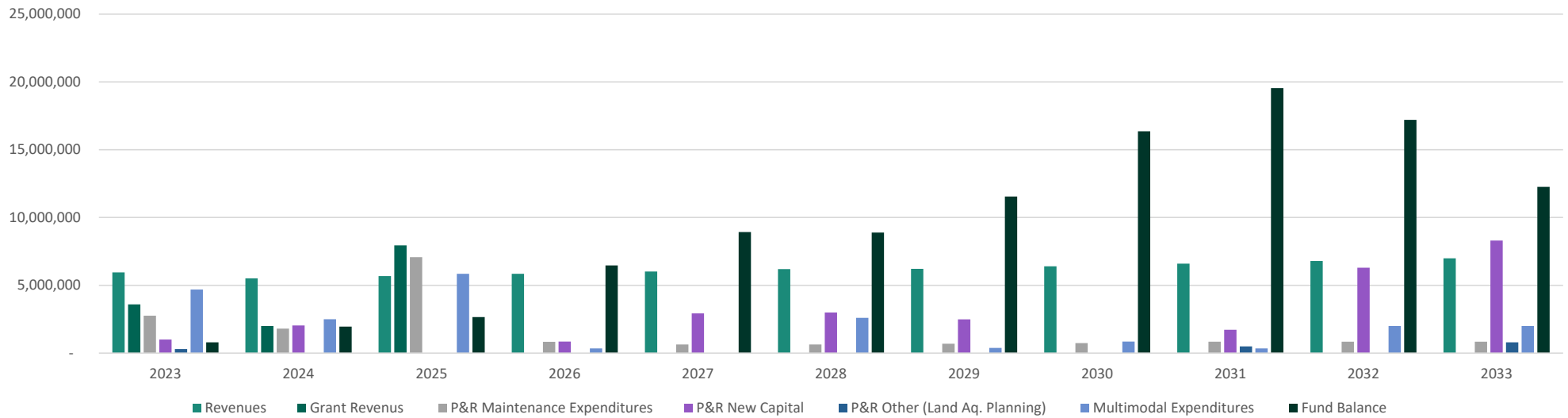
Potential Funding Options:

- An Additional Sales and Use Tax
- Re-Authorize all of the 2005 Sales and Use Tax for Parks and Multi-Modal

Retreat Outcome:

- Pursue Option A.
- Return to Council with revised project list incorporating Multimodal and Parks plans

PARKS AND MULTI-MODAL OPTION A.



Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues	5,959,356	5,516,713	5,680,713	5,849,634	6,023,622	6,202,831	6,218,801	6,405,365	6,597,526	6,795,452	6,999,315	7,209,295	7,425,574
Grant Revenue	3,595,042	2,000,000	7,950,000										
P&R Maintenance Expenditures	2,760,000	1,810,000	7,080,000	835,000	640,000	640,000	690,000	740,000	840,000	840,000	840,000	840,000	840,000
P&R New Capital	1,000,000	2,045,000		850,000	2,930,000	3,000,000	2,487,700		1,725,000	6,300,000	8,300,000	10,300,000	108,209,000
P&R Other (Land Aq. Planning)	305,000								500,000		800,000		
Multimodal Expenditures	4,693,810	2,500,000	5,850,000	350,000		2,600,000	385,000	850,000	350,000	2,000,000	2,000,000	400,000	2,000,000
Expenditures	8,758,810	6,355,000	12,930,000	2,035,000	3,570,000	6,240,000	3,562,700	1,590,000	3,415,000	9,140,000	11,940,000	11,540,000	111,049,000
Fund Balance	795,588	1,957,301	2,658,014	6,472,648	8,926,270	8,889,101	11,545,202	16,360,567	19,543,093	17,198,545	12,257,860	7,927,155	(95,696,272)



TRANSPORTATION OPTION C.

Forecasted Revenues: Approx \$3.7m in 2024

- FTA grants, farebox revenue, Lodgers' Tax, parking revenue, contracts

Forecasted Expenditures: \$4.5m

- Current transit services maintained, no expansion

Gaps:

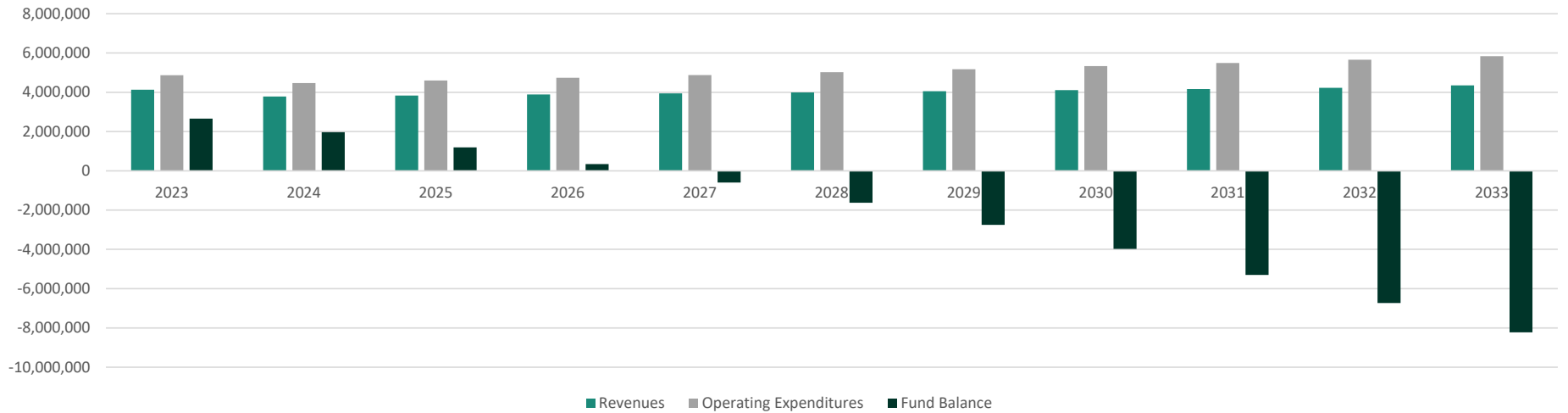
- Approx \$800k; ***results in negative fund balance by 2027***

Potential Funding Options:

- Public/private partnerships, Sales Tax, new fees

Retreat Outcome:

- Pursue Option C. **results in service reductions by 2027**
- Return to Council with funding plan from Lodgers, County Partnership, '05 Reauthorization



Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues	4,128,394	3,781,882	3,833,487	3,886,137	3,939,855	3,994,662	4,050,580	4,107,633	4,165,845	4,225,239	4,351,996
Operating Expenditures	4,869,422	4,471,890	4,603,220	4,739,030	4,879,508	5,024,847	5,175,253	5,330,949	5,492,165	5,659,136	5,840,228
Fund Balance	2,654,714	1,964,706	1,194,973	342,080	-597,573	-1,627,758	-2,752,431	-3,975,747	-5,302,067	-6,735,964	-8,224,196

TRANSPORTATION

STORMWATER OPTION B.

Forecasted Revenues:

General Fund

Forecasted Expenditures:

\$473,000 Annually (50% of Option A)

Gaps:

Would have to pick and choose projects or save up over multiple years to address larger projects

Potential Funding Options:

Storm Water Utility

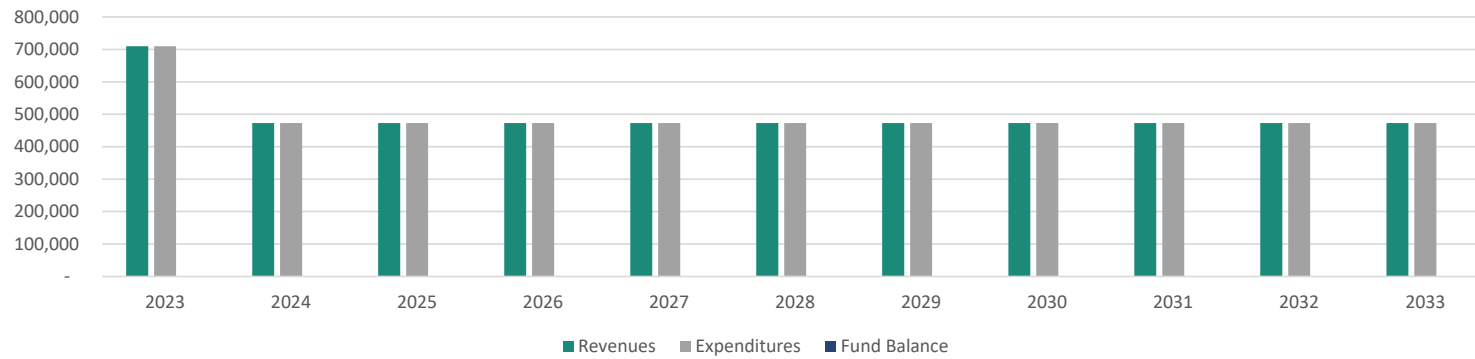
Road Impact Fees

Grants

2019 Streets

Retreat Outcome:

- Pursue Option B.
- Return to Council with Stormwater master plan and recommendations for funding.



Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues	710,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000
Expenditures	710,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000	473,000
Fund Balance	-	-	-	-	-	-	-	-	-	-	-

STORMWATER

STREETS, BRIDGES, ALLEYS OPTION B

Forecasted Revenues: \$5.5M in 2024

Forecasted Expenditures: \$5,000,000 from 2024-2028

Gaps:

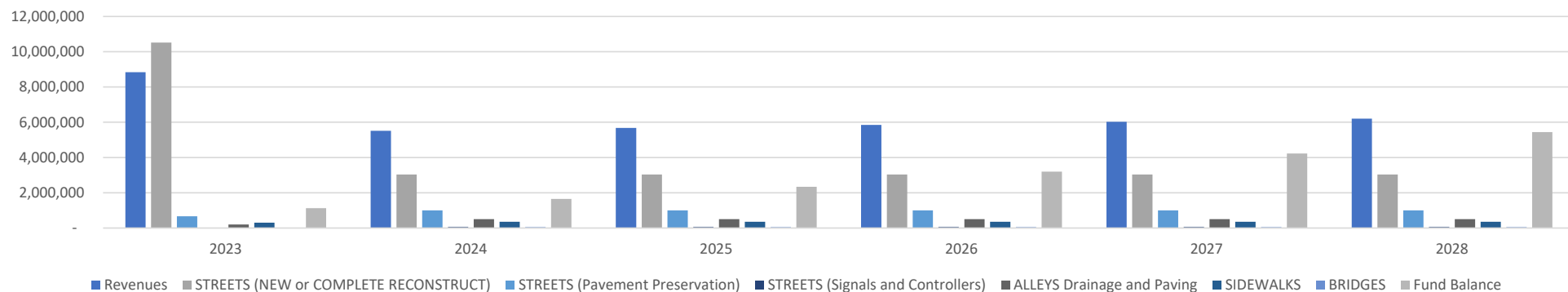
- No Durango Mesa, La Posta, Next Step. Cut Signals/controllers, Alleys, Bridge Repairs by 50%. No Sidewalk Districts.

Potential Funding Options:

- Grants
- Road Impact
- Zero the Operating Expenditure percentage out of 2019 Sales Tax
- 2019 Sales Tax stays the same.

Retreat Outcome:

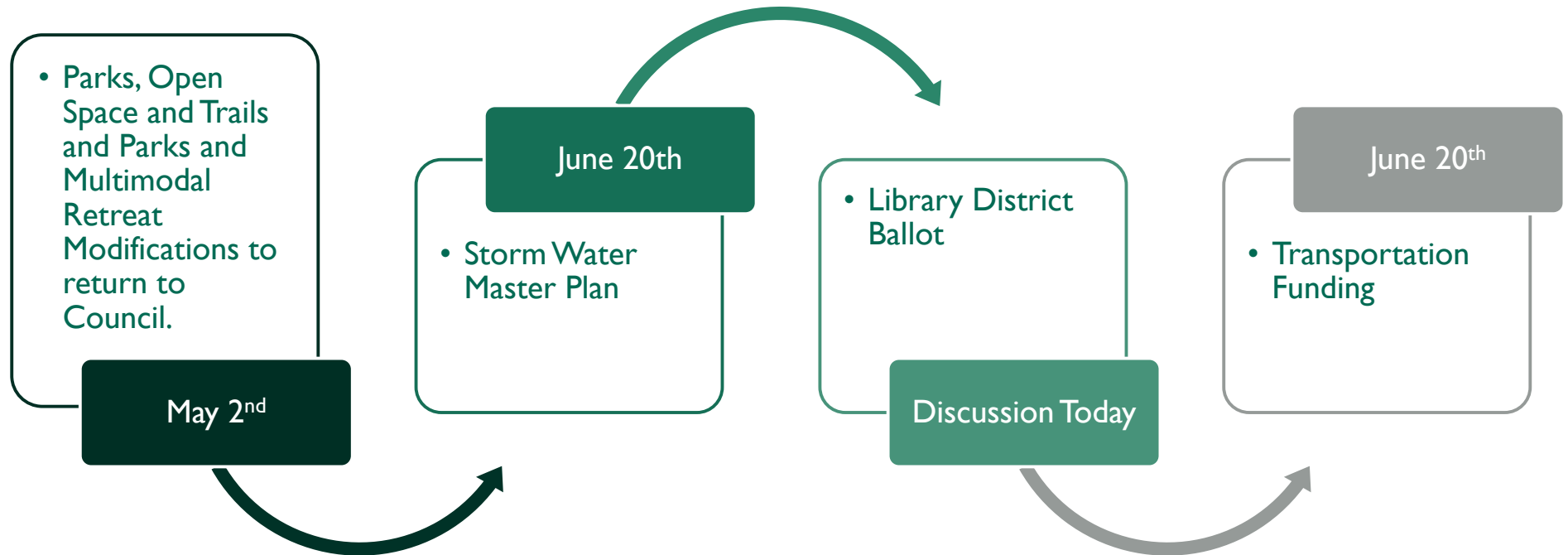
- Pursue Option B.
- Return to Council with grant opportunity and updated trip plan.



Type	2023	2024	2025	2026	2027	2028
Revenues	8,841,958	5,516,713	5,680,713	5,849,634	6,023,622	6,202,831
STREETS (NEW or COMPLETE RECONSTRUCT)	10,521,000	3,036,333	3,036,333	3,036,333	3,036,333	3,036,333
STREETS (Pavement Preservation)	665,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
STREETS (Signals and Controllers)		56,000	56,000	56,000	56,000	56,000
ALLEYS Drainage and Paving	200,000	500,000	500,000	500,000	500,000	500,000
SIDEWALKS	300,000	350,000	350,000	350,000	350,000	350,000
BRIDGES		50,000	50,000	50,000	50,000	50,000
Fund Balance	1,125,835	1,650,215	2,338,594	3,195,895	4,227,184	5,437,681

STREETS, BRIDGES, ALLEYS OPTION B

TIMELINE FOR STAFF



BALLOT QUESTION(S) TIMELINE?

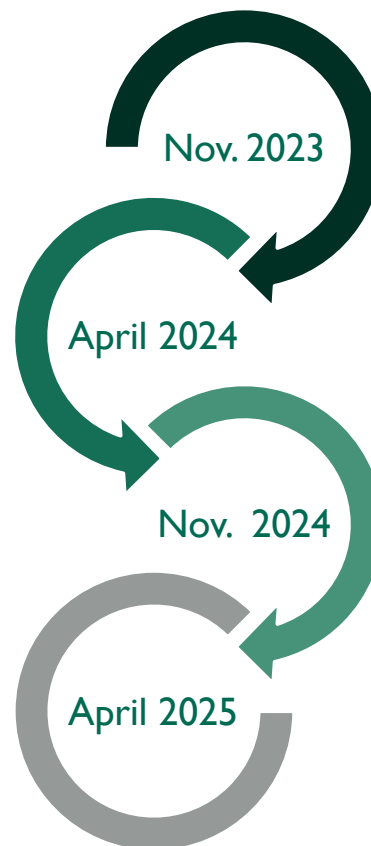
Lodgers Allocation?

Facilities/ Parks and
Recreation and/or Transit ?

Storm Water Utility?

Housing?

Library District Question?





DISCUSSION AND QUESTIONS



AGENDA DOCUMENTATION

Meeting Date: [write out full date, e.g., January 1, 2023]

TO: DURANGO CITY COUNCIL FROM: LUKE ALVEY-HENDERSON, LIBRARY DIRECTOR

SUBJECT: LIBRARY DISTRICT DISCUSSION AND TIMELINE

RECOMMENDATION:

We recommend the formation of an Issues Committee to pursue a petition process on a timeline agreed to by both City Council and the County Commission. Furthermore, we recommend a date no sooner than April 2024 for a ballot measure.

BACKGROUND SUMMARY:

On February 21, 2023 the Office of the County Attorney presented an Overview of Library District Formation Process to La Plata County Commissioners. The details of this presentation can be summarized as:

There are two main options for pursuing a library district with an existing library:

Legislative Action:

- 1. County must initiate. Public notice is given in newspapers.
 - a. The City would have 60 days to decide to participate.
- 2. Once notice is given there must be a public hearing from each Government Unit
 - a. Within 90 days, but no sooner than 30 days
- 3. Followed by that each unit must adopt a resolution establishing a Library District.
 - a. This would be provisional on passing of a Mill Levy increase
- 4. County must take action to put on ballot
 - a. Commissioners responsible for ballot language, Mill rate, and putting on board
 - b. County Assessor's office can provide Mill Rate options
 - c. Due by July 1st
- 5. Intergovernmental Agreement between City/County District must be approved by August 29th (unless all parties agree to postpone)
- 6. Interim Library Board must be formed-Trustee selection set by IGA

Petition Process:

- 1. A district is proposed by petition of 100 registered electors residing in legal service area
 - a. Unanimous choice of all Commission
 - b. Commissioner Church told Board if they prefer a Joint Resolution the Commissioners would reconsider
 - c. County Attorney would help write petition
- 2. County receives petition and either
 - a. Goes through Legislative Action (above)
 - b. Puts on ballot with no resolution

The County Commission unanimously recommends the Petition Process, but did not recommend a specific ballot date.

STRATEGIC PLAN ALIGNMENT:

FINANCIAL EXCELLENCE AND HIGH PERFORMING GOVERNMENT/ ENHANCED LIVEAVBILITY & SENSE OF PLACE

ALTERNATIVE OPTIONS CONSIDERED:

The alternative options would be to continue with services at the same or similar levels for the foreseeable future or to look for alternative forms of support. The 2021 Public Advisory Group Financial Analysis of the Durango Public Library attached shows the financial forecast. We do not see evidence of the necessary available city funding at this time or in future years.

Another option, the Library Foundations model requires an extensive donor roster, legal hurdles, and is very time consuming to pursue. The foundation model is usually successful where there is low financial support from local government. We do not believe we are positioned to be successful pursuing this model.

FISCAL IMPACT:

A successful ballot initiative for a mill rate of 3.65% would provide an estimated \$5,036,275 in first year revenues. It would make available roughly \$3 million from the Joint Sales Tax. It is estimated that a cost of \$1 per voter for a ballot initiative. Community funding for marketing, campaigning, and other associated costs have not yet been assessed. Looking at other communities it could range up to \$100,000 depending on the length and reach of campaigning/marketing. However, cost may be much lower for a community our size.

POTENTIAL ADVERSE IMPACTS:

Following the Petition or Legislative methods outlined in the presentation to not seem to provide much risk to the Durango Public Library or City of Durango. Both methods have clear legal frameworks and provide for citizen input.

NEXT STEPS AND TIMELINE:

The Durango Public Library will assist in the formation of an Issues Committee- April 2023

The Durango Public Library will present to the next Joint Session of City Council and County Commission- April 2023

The Durango Public Library will provide informational support for a Petition Process with a deadline set by City Council/County Commission

The Durango Public Library will provide a detailed timeline of necessary deadlines and process for an agreed upon ballot date- May 2023



MARCH 21st, 2023

CITY COUNCIL STUDY SESSION

LIBRARY DISTRICT UPDATE

LUKE ALVEY-HENDERSON

LIBRARY

FINANCIAL EXCELLENCE AND
HIGH PERFORMING
GOVERNMENT/ ENHANCED
LIVEABILITY & SENSE OF PLACE



Mission (Why we exist)

“The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.”

Vision (What we want to be)

“Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City’s resources in a fiscally responsible, environmental, and socially sustainable manner.”

Values (What we believe in)

Teamwork | Dependability | Professionalism | Service |
Respect | Innovation | Well-Being

- **We are looking for Council direction for next steps in pursuing a Library District**

LIBRARY DISTRICT UPDATE

OVERVIEW OF LIBRARY DISTRICTS

“Library district” is a public library established as its own taxing authority

- Established by one or more governmental units or parts thereof

A library district is a political subdivision of the state

Appointed Board of Trustees

LEGAL PATHWAYS FORWARD

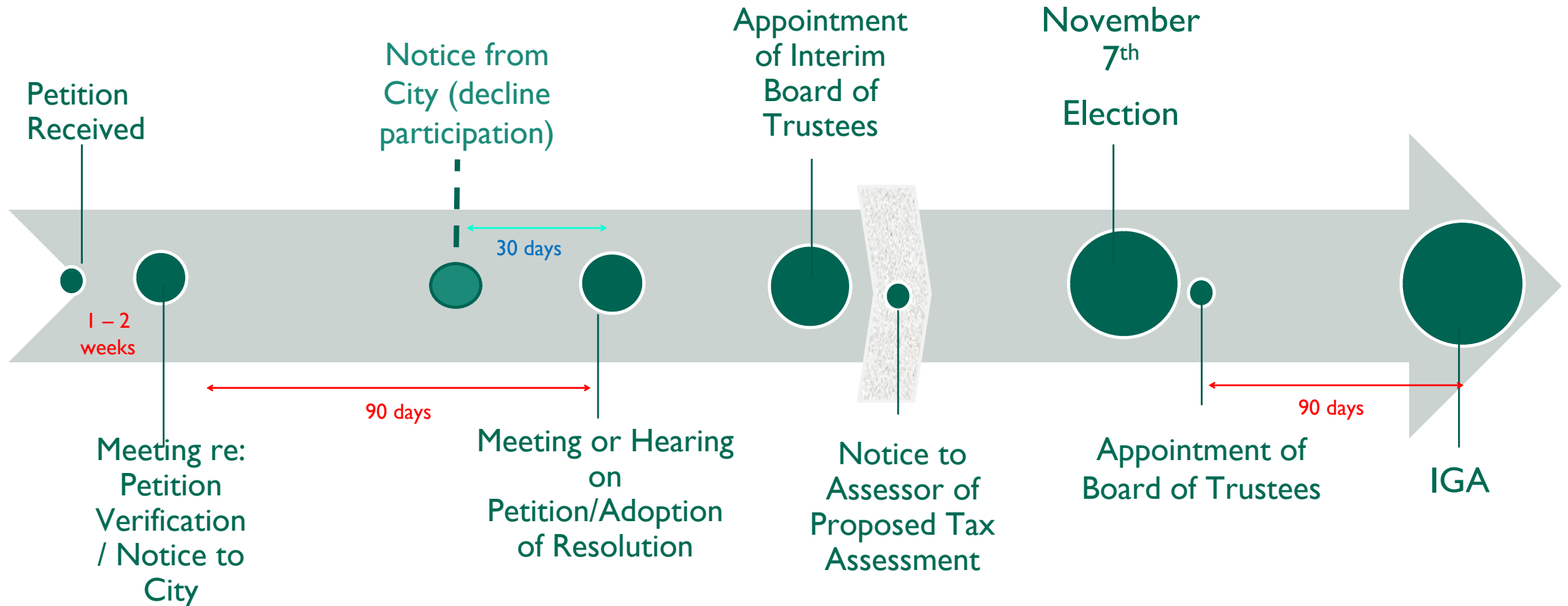
Legislative Action

- Requires 90 days Notice
- Public hearing by participating governments
- Resolution or Ordinance to set up district

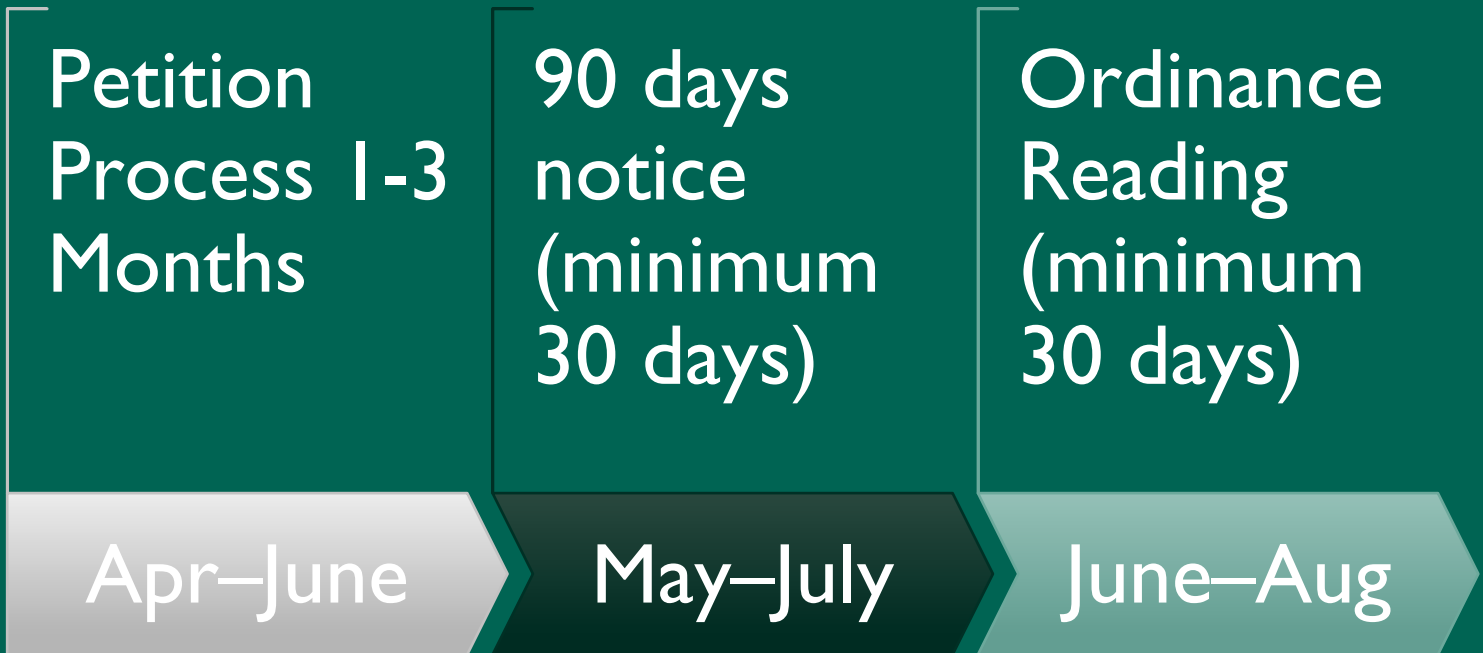
Petition of Registered Electors

- 100 Registered Electors signatures
- County then decides to pursue Legislative Action or Put issue on ballot

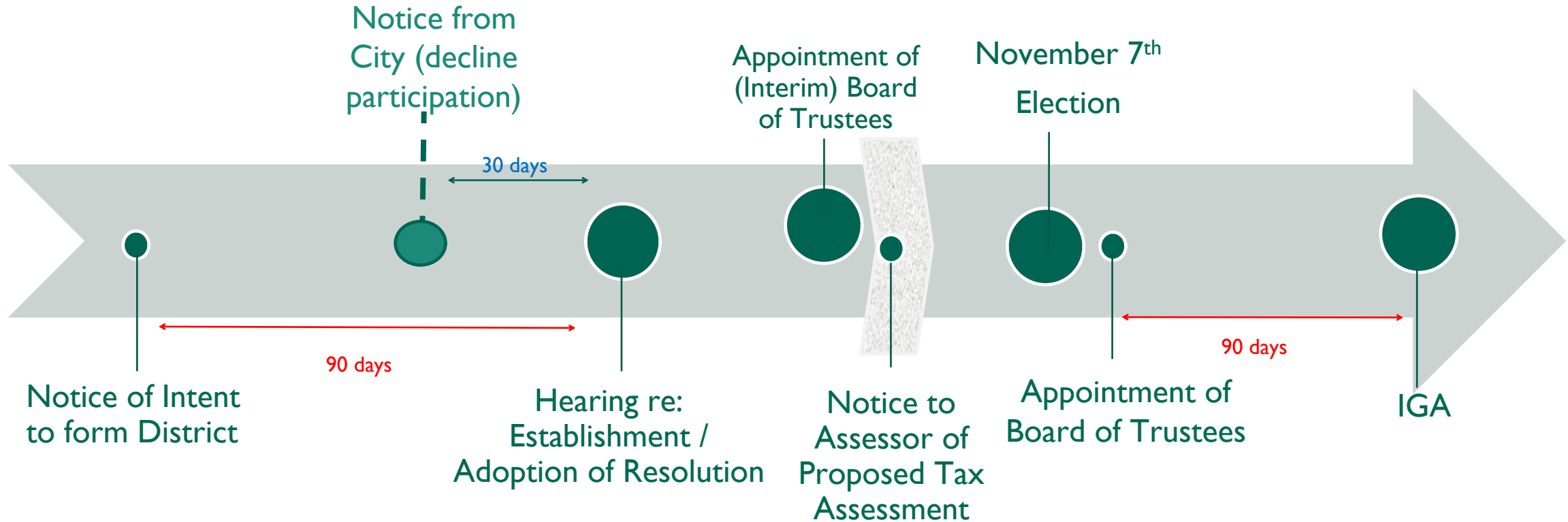
SAMPLE TIMELINE – PETITION PROCESS (OPTION 1) FORMATION QUESTION POSED TO ELECTORS



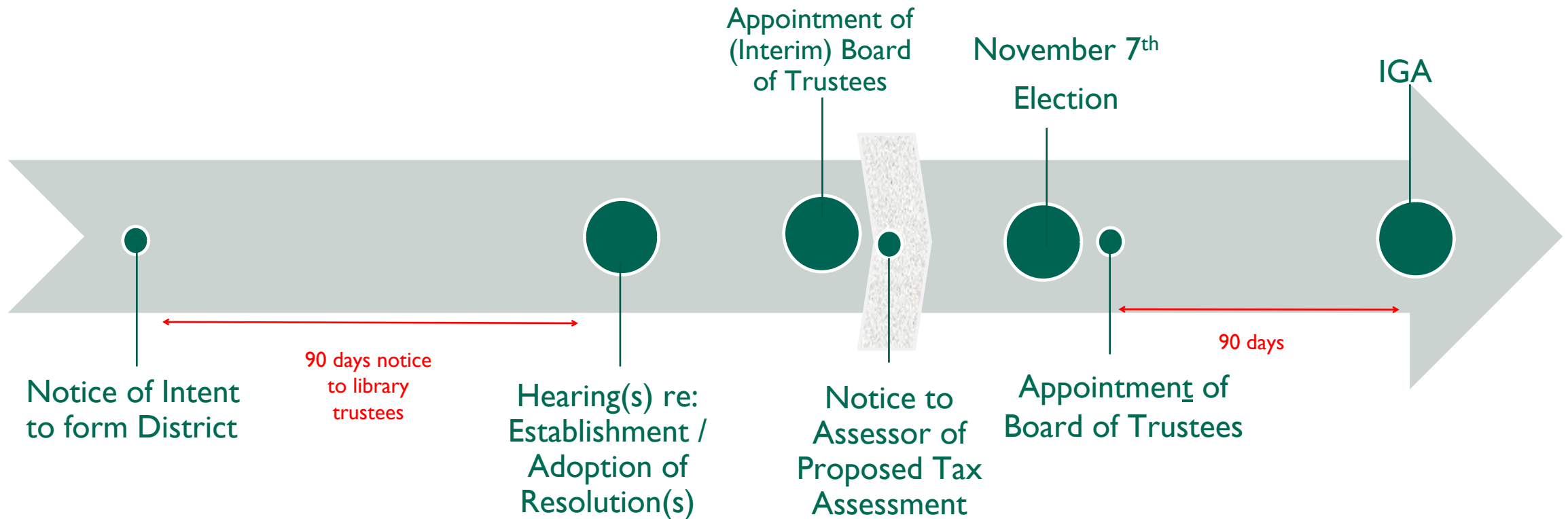
PETITION TIMELINE



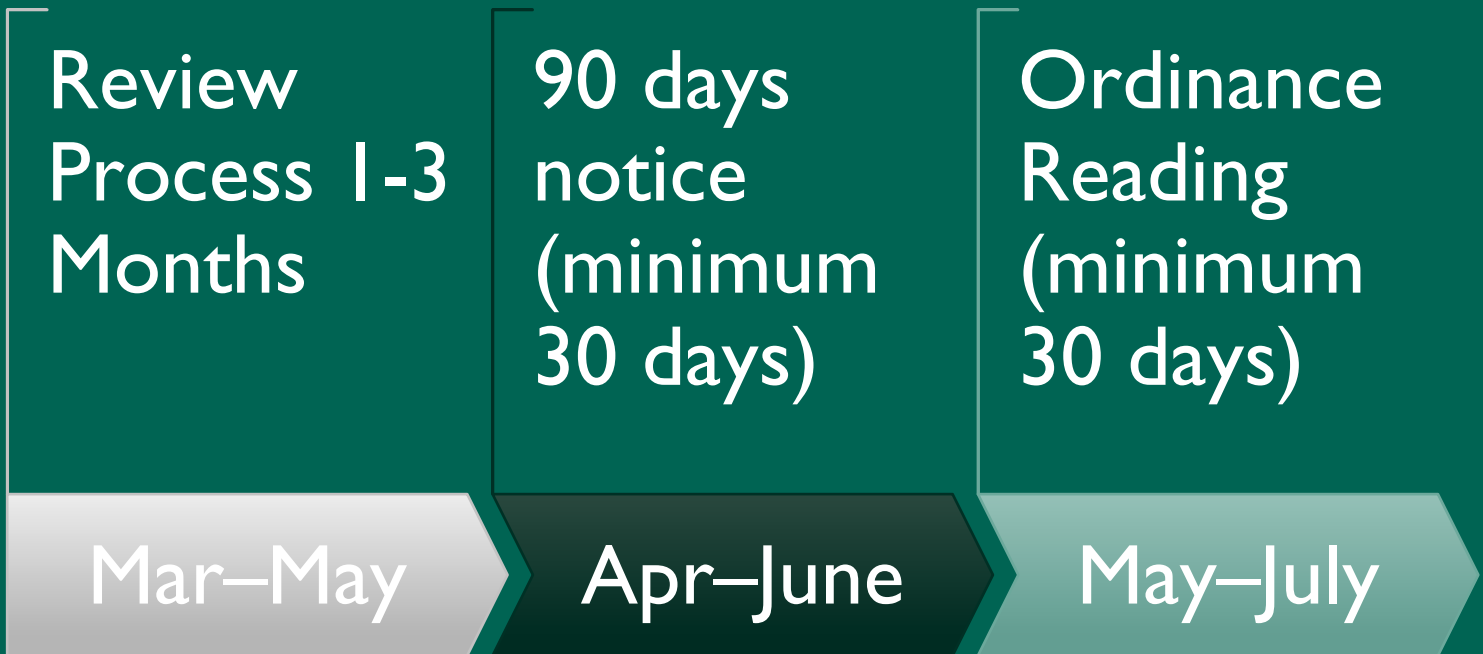
SAMPLE TIMELINE – LEGISLATIVE PROCESS (OPTION 2) CONDITIONAL FORMATION INITIATED BY BOARD



SAMPLE TIMELINE – LEGISLATIVE PROCESS (OPTION 2) CONDITIONAL FORMATION INITIATED BY JOINT ACTION



LEGISLATIVE TIMELINE



KEY INFORMATION REQUIRED- PROVIDED BY COUNTY

Description of proposed legal service area (map and legal description)

Specification of the mill levy to be imposed or other type and amount of financing (include statement that taxes cannot be levied until approved by electors)

Name or names of the governmental units to establish the district

ESTABLISHMENT OF LIBRARY DISTRICT- NEXT STEPS

Upon establishment of a library district, the initial library board of trustees must be appointed

Then, written agreement between the legislative body of each participating governmental unit and the library board of trustees within 90 days (timeframe may be extended by mutual agreement of the parties)

Set forth rights, obligations, and responsibilities, financial and otherwise, of all parties to the agreement

GOVERNANCE

Board of Trustees – 5 to 7 members

- Management and control of library generally vested in trustees

The board of trustees, immediately after their appointment must:

- Meet and elect a president and a secretary and such other officers as deemed necessary
- Adopt bylaws, rules, and regulations for its own guidance and policies for the governance of the library

Broad Governance Powers

- Budgets
- Policy approval

KEY DATES - ELECTION PROCESS

Notice of Decision to Participate in Election – Due 100 days prior to election

Election Services Intergovernmental Agreement – Finalized 70 days prior to election

- Assigns Designated Election Official (DEO) for district
- Defines timelines and duties of jurisdiction and county clerk

Ballot Content – Due 60 days prior to election

TABOR – Due 43 days prior to election

Cost – At least \$1.00 per voter

IGA- Due within 90 days after election

Mil Rate	1st Year Revenue	Level of Service	Year of Revenue Insufficiency	Debt Service Subsidy
3.00	4,139,404	Current Practices	2032	1,642,070
3.25	4,484,355	Current Practices	2036	581,132
3.50	4,829,305	Current Practices	2041	30,241
3.00	4,139,404	Current Services	2032	771,293
3.25	4,484,355	Current Services	2039	89,699
3.50	4,829,305	Current Services	2041	-
3.25	4,484,355	Extended Service #1	2034	1,162,114
3.50	4,829,305	Extended Service #1	2036	214,028
3.65	5,036,275	Extended Service #1	2039	7,058
3.25	4,484,355	Extended Service #2	2032	1,032,468
3.50	4,829,305	Extended Service #2	2038	173,506
3.65	5,036,275	Extended Service #2	2040	-

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT – INFLATION SITUATION B

The sufficiency of various mil rates to fund a library district that employs its own administrative support while managing debt service commitments, assuming current levels of inflation (inflationary situation B) is shown. In certain cases, the levy would require a debt service subsidy from external funding sources.

PROPOSED MILL RATE COMPARISON

OPTIONS

Petition Process

+Allows
voter input

-Time
Consuming

Legislative Option

-No voter
input

+Gives
government
support

Combined Approach

+Allows
voter input

+Gives
government
support

RECOMMENDATION



We recommend the formation of an Issues Committee to pursue a petition process on a timeline agreed to by both City Council and the County Commission. Furthermore, we recommend a date no sooner than April 2024 for a ballot measure.

1 The Durango Public Library will assist in the formation of an Issues Committee- April 2023

2 The Durango Public Library will present to the next Joint Session of City Council and County Commission- April 2023

3 The Durango Public Library will provide informational support for a Petition Process with a deadline set by City Council/County Commission

4 The Durango Public Library will provide a detailed timeline of necessary deadlines and process for an agreed upon ballot date- May 2023



QUESTIONS?

FINANCIAL ANALYSIS OF THE DURANGO PUBLIC LIBRARY TO INFORM CONSIDERATION OF CONVERSION TO AN INDEPENDENT LIBRARY DISTRICT

JOINT STUDY SESSION

DURANGO CITY COUNCIL & LA PLATA COUNTY COMMISSIONERS

APRIL 28, 2022

INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS

FORECASTING METHODOLOGY

Public Advisory Group approach:

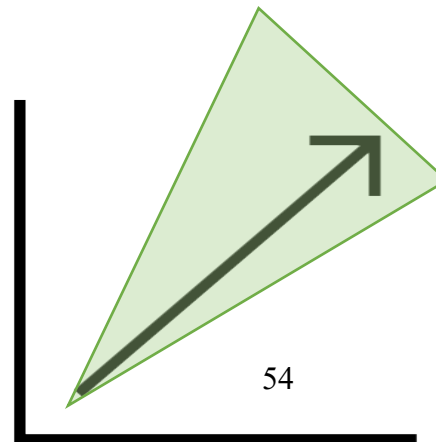
Start with: 1. Current Activity Levels

Add: 2. Inflationary Changes

3. Policy Changes

Revenue and expense “point” forecasts are always wrong.

A sensitivity analysis establishes the highest, lowest and the expected outcome.



FORECASTING METHODOLOGY

This sensitivity analysis uses 4 inflationary situations to provide the range of likely outcomes:

Inflationary Situation	Description	Inflation Parameters	Total Growth Rate
A	High labor and general goods inflation for entire forecast period.	7% Labor, 10% Health Insurance 5% All Other Goods	6.9%
B	Currently observed inflation rates for entire forecast period.	5% Labor, 7% Health Insurance 3% All Other Goods	4.8%
C	Moderate labor and general goods inflation for entire forecast period.	3% Labor, 7% Health Insurance 3% All Other Goods	3.6%
D	Low labor and general goods inflation for entire forecast period.	1% Labor, 5% Health Insurance 2% All Other Goods	1.9%

INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS

ANALYSIS OF THE CITY MANAGED LIBRARY

	2015	2016	2017	2018	2019	2020	2021
Joint Sales Tax Revenue	1,891,568	1,979,176	2,063,007	2,097,138	2,232,115	2,106,311	2,188,710
Other Revenue	150,038	211,894	163,543	74,493	124,465	133,572	50,310
Total Actual Revenue	2,041,606	2,191,070	2,226,550	2,171,631	2,356,580	2,239,883	2,239,020
Salary & Benefits	1,347,784	1,460,896	1,449,715	1,612,034	1,742,747	1,693,314	1,842,466
Material & Services	571,990	557,174	653,968	606,574	631,313	501,296	550,290
Capital	-	-	-	48,420	-	36,239	15,111
Total Actual Expenses	1,919,774	2,018,070	2,103,683	2,267,028	2,374,060	2,230,849	2,407,867
Budgeted Expenses	2,123,014	2,095,553	2,214,365	2,306,067	2,354,679	2,602,729	2,815,899
Budget Less Actual Expenses	203,240	77,483	110,682	39,039	(19,381)	371,880	408,022
Revenue Less Actual Expense	121,832	173,000	122,867	(95,397)	(17,480)	9,034	(168,847)

- From 2015 through 2021, actual expenditures grew at a compound annual growth rate (CAGR) of 3.8%; and grew at a CAGR of 5.5% from 2015 through 2019.
- Revenue from sales tax accounts for over 90% of library operating revenues.
- Salary and benefit expenditures account for approximately 75% of expenditures of the library.
- In most years, the Joint Sales Tax is sufficient to fund operations; a net balance of approximately \$145,000 was accumulated from 2015 through 2021.

ANALYSIS OF THE CITY MANAGED LIBRARY

Four Operating Scenarios

- **Current Practices** presents the library as it operates in early 2022.
- **Current Services** utilizes the same operating schedule as “Current Practices” but corrects certain noted inefficiencies.
- **Extended Service Option 1** estimates of the cost of adding weekday evening service.
- **Extended Service Option 2** estimates of the cost of adding seven-day per week service.

Current City of Durango practices are used, including the 2022 pay plan.

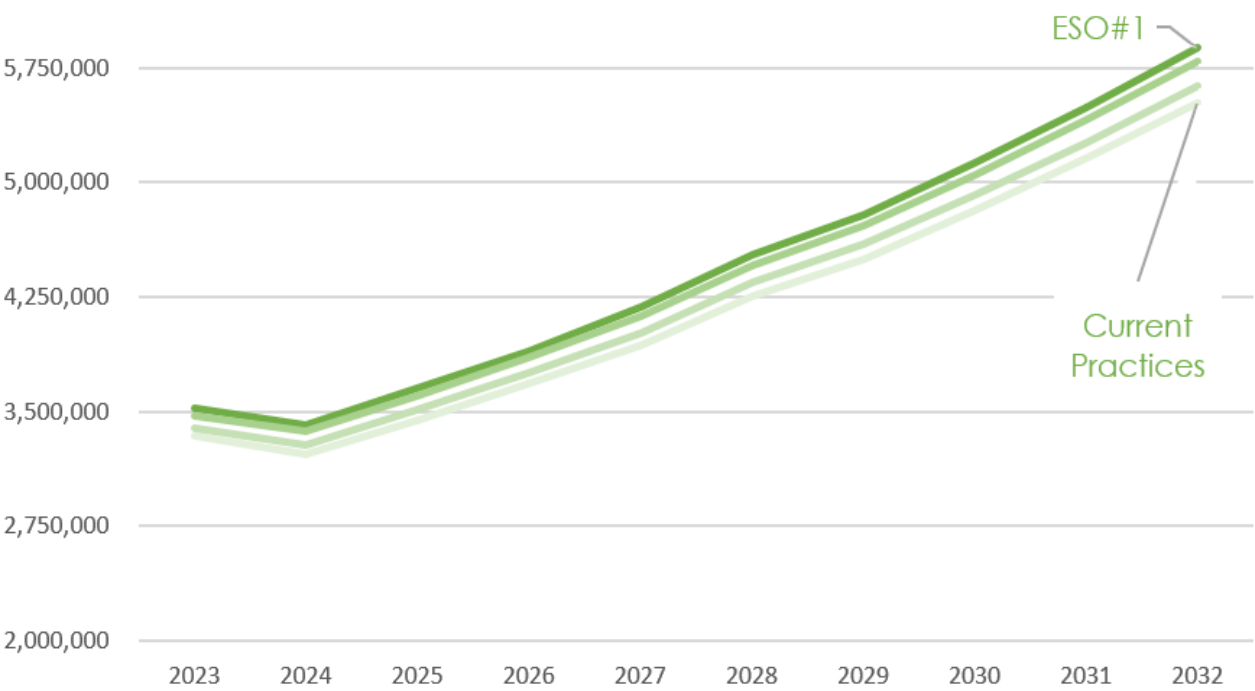
ANALYSIS OF THE CITY MANAGED LIBRARY

	Current Practices (Baseline)	Current Services	Extended Service Option 1	Extended Service Option 2
Monday Public Hours	9:30am—6:00pm (8.5 Hours)	9:30am—6:00pm (8.5 Hours)	9:30am—8:00pm (10.5 Hours)	9:30am—6:00pm (8.5 Hours)
Tuesday Public Hours	9:30am—6:00pm (8.5 Hours)	9:30am—6:00pm (8.5 Hours)	9:30am—8:00pm (10.5 Hours)	9:30am—6:00pm (8.5 Hours)
Wednesday Public Hours	9:30am—6:00pm (8.5 Hours)	9:30am—6:00pm (8.5 Hours)	9:30am—8:00pm (10.5 Hours)	9:30am—6:00pm (8.5 Hours)
Thursday Public Hours	9:30am—6:00pm (8.5 Hours)	9:30am—6:00pm (8.5 Hours)	9:30am—8:00pm (10.5 Hours)	9:30am—6:00pm (8.5 Hours)
Friday Public Hours	9:30am—5:00pm (7.5 Hours)	9:30am—5:00pm (7.5 Hours)	9:30am—5:00pm (7.5 Hours)	9:30am—5:00pm (7.5 Hours)
Saturday Public Hours	9:30am—5:00pm (7.5 Hours)	9:30am—5:00pm (7.5 Hours)	9:30am—5:00pm (7.5 Hours)	9:30am—5:00pm (7.5 Hours)
Sunday Public Hours	Closed	Closed	Closed	12:00pm—5:00pm (5 Hours)
Total Public Hours	49 Hours	49 Hours	57 Hours	54 Hours
Customer Service Hours	196 Hours	196 Hours	228 Hours	216 Hours

ANALYSIS OF THE CITY MANAGED LIBRARY

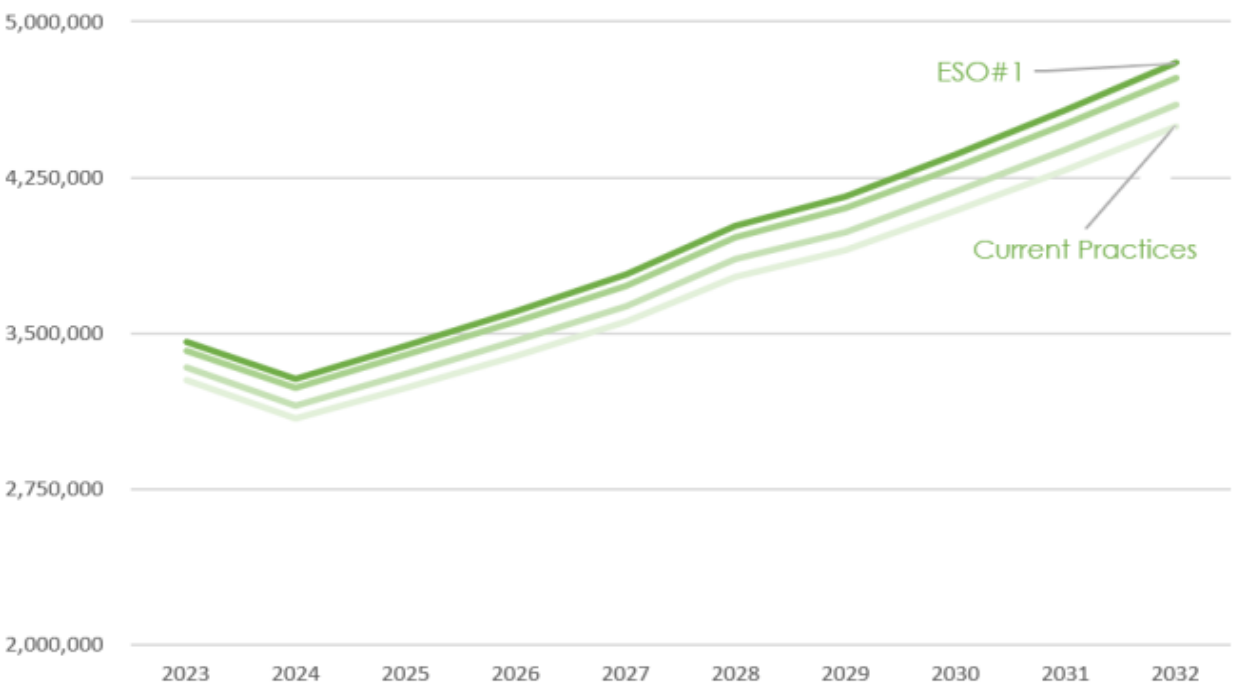
	Current Practices			Current Services			Extended Service #1			Extended Service #2		
	Total	Desk	% Desk	Total	Desk	% Desk	Total	Desk	% Desk	Total	Desk	% Desk
Administration	120	23	19%	120	0	0%	120	0	0%	120	0	0%
Information Tech.	75	5	7%	75	0	0%	75	0	0%	75	0	0%
Library Supervisor	120	26.5	22%	120	26.5	22%	120	26.5	22%	120	26.5	22%
Librarian	120	35.5	30%	120	35.5	30%	120	35.5	30%	120	35.5	30%
Para-Librarian	40	17	43%	40	17	43%	40	17	43%	40	17	43%
FT Library Associate	240	83	35%	240	83	35%	320	111	35%	280	104	37%
PT Library Associate	61	26	43%	101	54	53%	81	43	53%	101	54	53%
Material Handler	38	0	0%	38	0	0%	38	0	0%	38	0	0%
Total	814	216	27%	854	216	25%	914	233	25%	894	237	27%

ANALYSIS OF THE CITY MANAGED LIBRARY –INFLATION SITUATION A



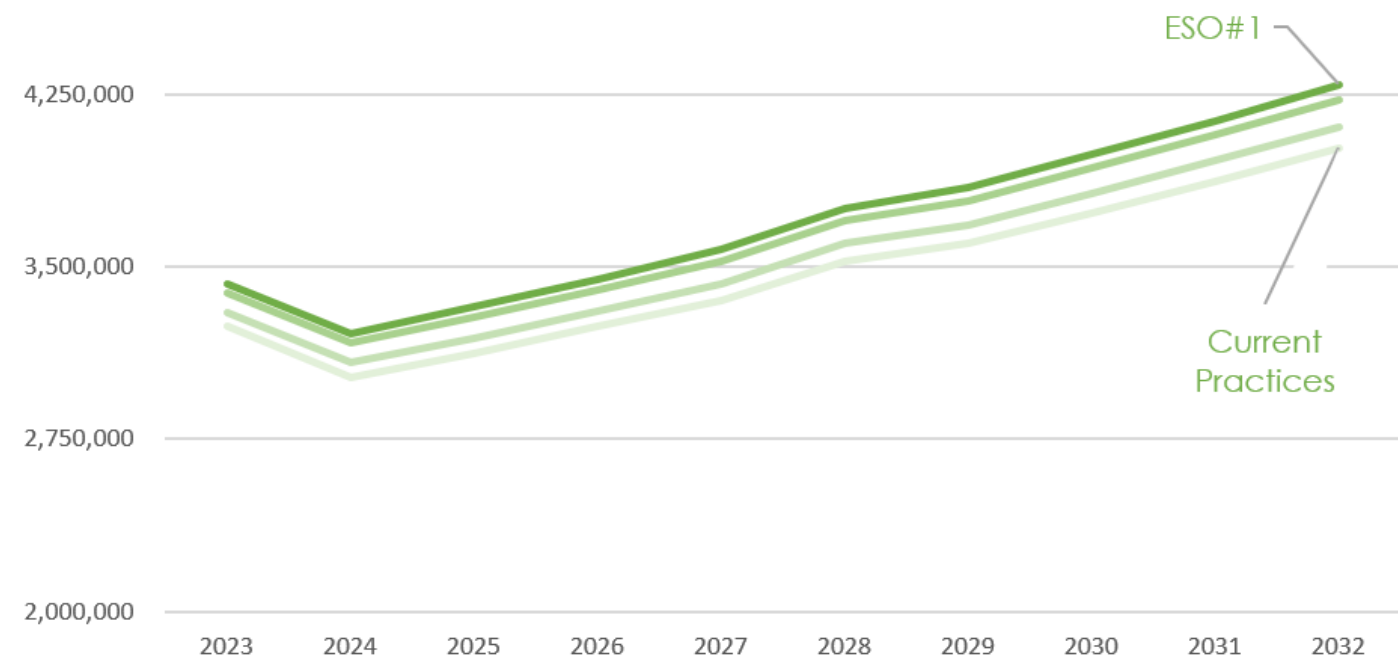
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current Practices	3,334,160	3,216,324	3,438,438	3,676,633	3,932,130	4,256,247	4,500,406	4,816,145	5,155,124	5,519,137
Current Services	3,393,298	3,280,274	3,507,529	3,751,216	4,012,579	4,342,963	4,593,819	4,916,712	5,263,334	5,635,513
Ext. Svc. #1	3,517,142	3,412,266	3,650,121	3,896,959	4,179,105	4,522,981	4,788,465	5,127,222	5,491,052	5,881,899
Ext. Svc. #2	3,474,537	3,365,882	3,599,619	3,850,304	4,119,225	4,457,772	4,717,446	5,049,869	5,406,792	5,790,109

ANALYSIS OF THE CITY MANAGED LIBRARY –INFLATION SITUATION B



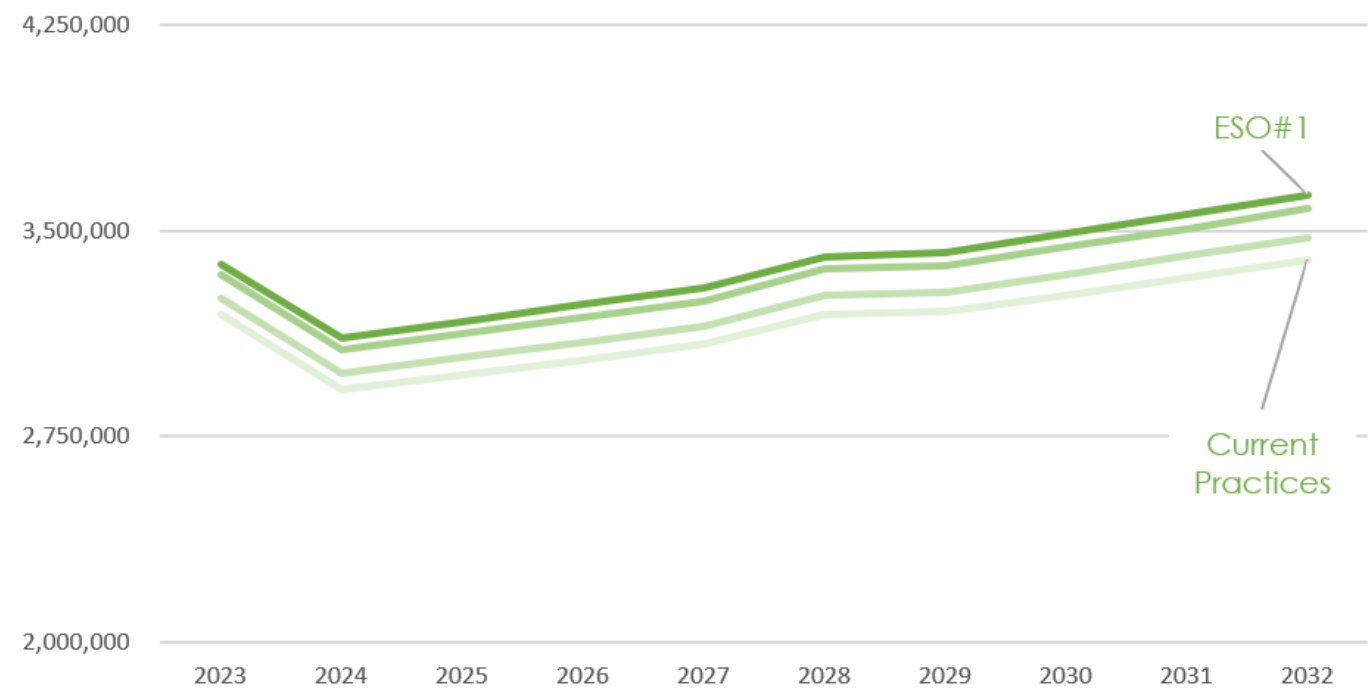
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current Practices	3,274,070	3,088,974	3,235,970	3,390,437	3,552,777	3,773,415	3,902,797	4,091,398	4,289,717	4,498,283
Current Services	3,333,528	3,152,299	3,303,349	3,462,068	3,628,866	3,854,180	3,988,466	4,182,209	4,385,922	4,600,145
Ext. Svc. #1	3,457,857	3,281,891	3,440,247	3,606,701	3,781,691	4,015,677	4,159,148	4,362,621	4,576,639	4,801,780
Ext. Svc. #2	3,417,336	3,238,732	3,394,282	3,557,751	3,729,564	3,960,172	4,100,049	4,299,697	4,509,646	4,730,457

ANALYSIS OF THE CITY MANAGED LIBRARY –INFLATION SITUATION C



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current Practices	3,240,463	3,019,071	3,126,918	3,239,209	3,356,162	3,528,009	3,604,992	3,737,370	3,875,415	4,019,416
Current Services	3,299,921	3,081,610	3,192,630	3,308,189	3,428,509	3,603,824	3,684,378	3,820,435	3,962,269	4,110,173
Ext. Svc. #1	3,424,250	3,209,800	3,326,612	3,448,273	3,575,023	3,757,117	3,844,821	3,988,420	4,138,214	4,294,521
Ext. Svc. #2	3,383,729	3,167,154	3,281,713	3,400,986	3,525,204	3,704,611	3,789,465	3,930,038	4,076,621	4,229,518

ANALYSIS OF THE CITY MANAGED LIBRARY –INFLATION SITUATION D



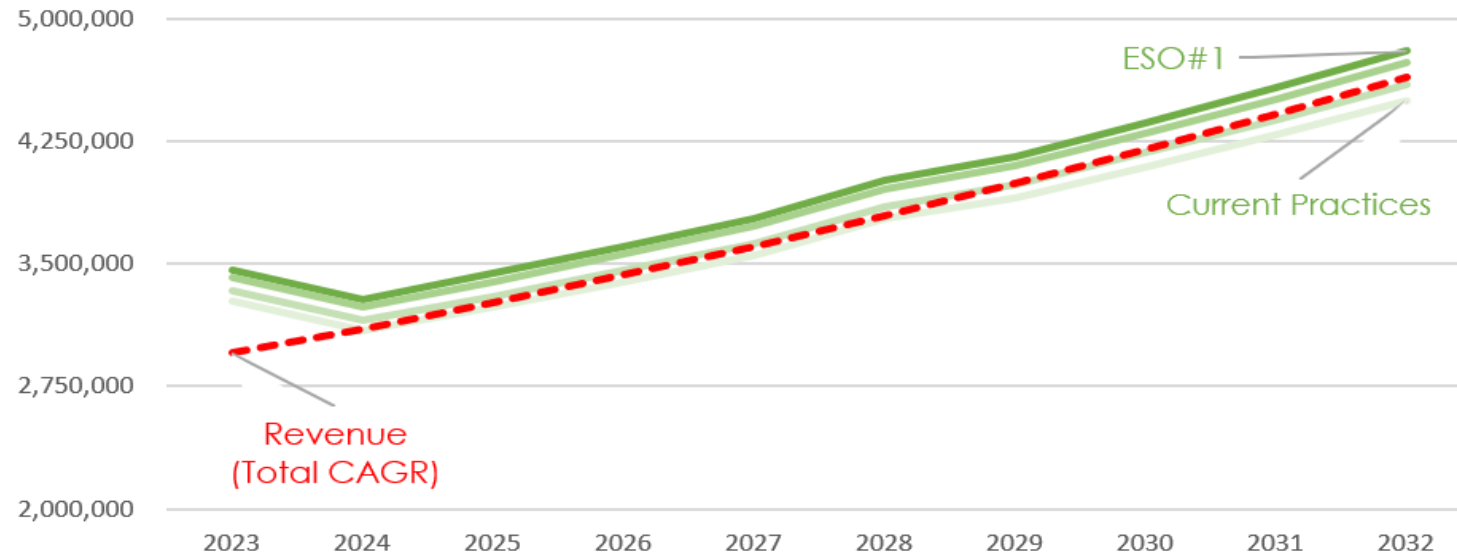
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current Practices	3,191,728	2,918,973	2,972,687	3,027,928	3,084,755	3,193,232	3,203,424	3,265,399	3,329,230	3,394,992
Current Services	3,251,346	2,980,801	3,036,750	3,094,249	3,153,359	3,264,143	3,276,668	3,341,001	3,407,216	3,475,387
Ext. Svc. #1	3,375,918	3,106,857	3,166,050	3,230,745	3,289,544	3,403,980	3,420,305	3,488,595	3,558,929	3,631,390
Ext. Svc. #2	3,336,438	3,066,161	3,124,084	3,183,627	3,244,856	3,357,837	3,372,638	3,439,332	3,507,996	3,578,709

ANALYSIS OF THE CITY MANAGED LIBRARY – JOINT SALES TAX ANALYSIS

Taxing District	Applies to Sales	Tax Rate
State of Colorado	Statewide	2.9%
La Plata County	Countywide	2.0%
Bayfield	Citywide	3.0%
Durango	Citywide	3.5%
Ignacio	Citywide	1.0%

- Local entities that are enabled to collect both property and sales taxes often do so.
- The compound annual growth rate of the Joint Sales Tax Fund since 1990 is 5.2%.

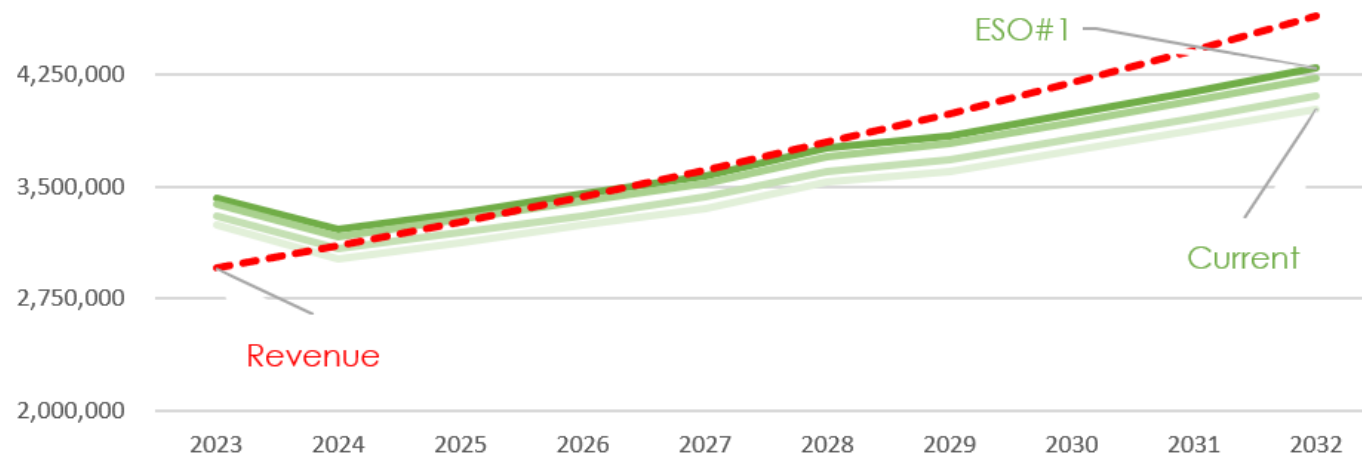
ANALYSIS OF THE CITY MANAGED LIBRARY – FEASIBILITY OF SCENARIOS (INFL. B)



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenue Total CAGR	2,952,861	3,105,111	3,265,212	3,433,567	3,610,603	3,796,767	3,992,529	4,198,385	4,414,855	4,642,486
Current Practices	3,274,070	3,088,974	3,235,970	3,390,437	3,552,777	3,773,415	3,902,797	4,091,398	4,289,717	4,498,283
Current Services	3,333,528	3,152,299	3,303,349	3,462,068	3,628,866	3,854,180	3,988,466	4,182,209	4,385,922	4,600,145
Ext. Svc. #1	3,457,857	3,281,891	3,440,247	3,606,701	3,781,691	4,015,677	4,159,148	4,362,621	4,576,639	4,801,780
Ext. Svc. #2	3,417,336	3,238,732	3,394,282	3,557,751	3,729,564	3,960,172	4,100,049	4,299,697	4,509,646	4,730,457

- Revenue is sufficient to fund Current Practices, excluding large capital items.
- By 2029, revenue will grow to fund the Current Services model

ANALYSIS OF THE CITY MANAGED LIBRARY – FEASIBILITY OF SCENARIOS (INFL. C)



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenue	2,952,861	3,105,111	3,265,212	3,433,567	3,610,603	3,796,767	3,992,529	4,198,385	4,414,855	4,642,486
Total CAGR										
Current Practices	3,240,463	3,019,071	3,126,918	3,239,209	3,356,162	3,528,009	3,604,992	3,737,370	3,875,415	4,019,416
Current Services	3,299,921	3,081,610	3,192,630	3,308,189	3,428,509	3,603,824	3,684,378	3,820,435	3,962,269	4,110,173
Ext. Svc. #1	3,424,250	3,209,800	3,326,612	3,448,273	3,575,023	3,757,117	3,844,821	3,988,420	4,138,214	4,294,521
Ext. Svc. #2	3,383,729	3,167,154	3,281,713	3,400,986	3,525,204	3,704,611	3,789,465	3,930,038	4,076,621	4,229,518

- Revenue is sufficient to fund Current Services in 2024.
- Revenue grows to fund Extended Service Option 2 in 2026 and Extended Service Option 1 in 2027.

INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

As a separate entity, a library district would have additional financial responsibilities including:

- **Administrative Services** related to the library's accounting, administration, budgeting, human resources, information technology, legal, marketing, payroll and procurement which are currently managed by the City of Durango.
- **Debt Service** related to the construction of the Durango Public Library which was funded by a municipal bond. The debt service schedule continues through December 2025 with annual principal and interest payments.
- **Reserve Funds** to serve as a capital or operating reserve for the library.

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT – ADMINISTRATIVE SUPPORT

Two forecasts of administrative support expenditures are shown below: (1) assumes that the service is contracted with the City of Durango, using the 2022 budget methodology of the City while (2) assumes that the library district independently manages its administrative support responsibilities.

Forecast #1

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Salary & Benefits	-	-	-	-	-	-	-	-	-	-
Material & Services	322,308	337,456	353,317	369,923	387,309	405,513	424,572	444,527	465,419	487,294
Capital	-	-	-	-	-	-	-	-	-	-
Total	322,308	337,456	353,317	369,923	387,309	405,513	424,572	444,527	465,419	487,294

Forecast #2

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Salary & Benefits	374,865	394,733	415,654	437,684	460,881	485,308	511,029	538,114	566,634	596,665
Material & Services	6,250	6,438	6,631	6,830	7,034	7,245	7,463	7,687	7,917	8,155
Capital	25,000	5,000	-	-	-	15,000	-	-	-	-
Total	406,115	406,171	422,285	444,513	467,916	507,553	518,492	545,800	574,551	604,820

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT – DEBT SERVICE

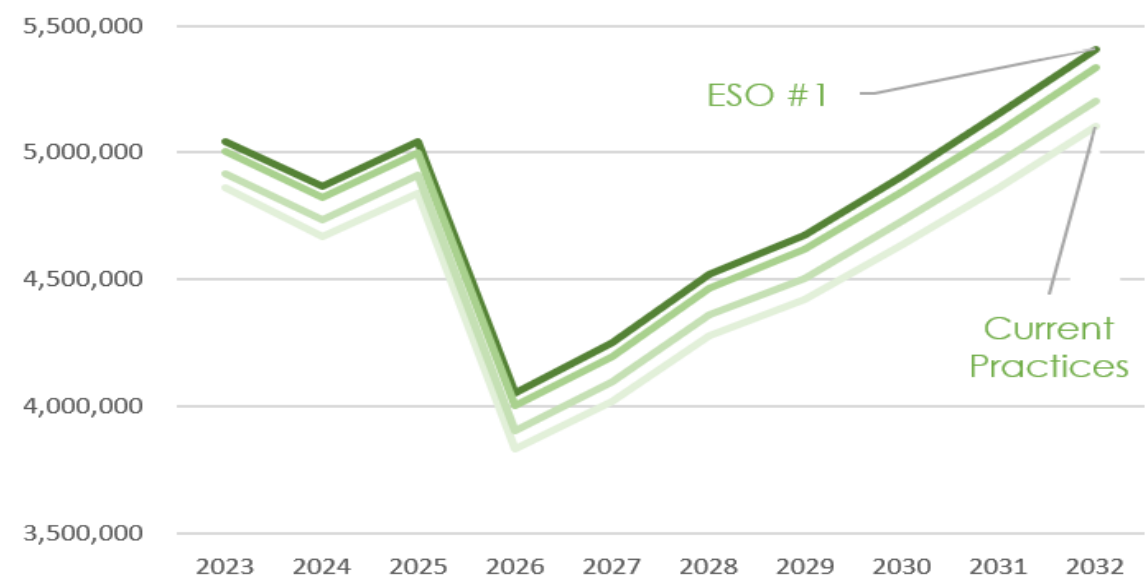
The current debt service schedule showing the principal and interest remaining on the bond is as follows:

	2023	2024	2025
Principal	\$ 1,110,000	\$ 1,130,000	\$ 1,160,000
Interest	\$ 69,360	\$ 46,716	\$ 23,664
Total	\$ 1,179,360	\$ 1,176,716	\$ 1,183,664

- The assignment of debt service to the library district would enable the City of Durango to reprogram over \$1 million annually through 2025.

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT –INFLATION SITUATION B

A summary of the four operating scenarios for a library district that employs its administrative support, manages debt service and experiences inflation situation B is presented below.



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current Practices	4,859,546	4,671,861	4,841,919	3,834,950	4,020,693	4,280,968	4,421,289	4,637,198	4,864,268	5,103,104
Current Services	4,919,004	4,735,185	4,909,297	3,906,581	4,096,782	4,361,733	4,506,958	4,728,010	4,960,473	5,204,965
Ext. Svc. #1	5,043,333	4,864,778	5,046,196	4,051,215	4,249,606	4,523,230	4,677,640	4,908,421	5,151,190	5,406,600
Ext. Svc. #2	5,002,811	4,821,619	5,000,231	4,002,265	4,197,480	4,467,725	4,618,541	4,845,497	5,084,197	5,395,278

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT –PROPERTY TAX DISTRICT ANALYSIS

District Characteristics	
Total Number of Parcels	21,566
Total Value of Land	\$ 3,406,799,220
Total Value of Improvements	\$ 7,182,053,760
Total Assessed Value of Property	\$ 1,313,314,880
Average Assessed Property Value	\$ 60,897
Median Assessed Property Value	\$ 30,030
% of Assessed Value that is Housing	82%

Approximately 79% of the assessed value is located in ten La Plata County tax areas, shown below.

Tax Area	Description of Major Levies	Total Assessed Value	Total 2021 Mil Levy
1111	LPC, City of Durango, Durango Schools,	\$ 522,595,140	39.6910
1106	LPC, City of Durango, Durango Schools, Durango Fire	\$ 95,503,220	42.8840
1186	LPC, City of Durango, Durango Schools	\$ 94,376,150	41.6910
1147	LPC, Durango Schools, Durango Fire	\$ 86,594,030	41.4840
1103	LPC, City of Durango, Durango Schools, Durango Fire	\$ 54,653,980	42.8840
1193	LPC, Durango Schools, Durango Fire, Tamarron Metro Dist.	\$ 49,686,050	96.9840
1132	LPC, Durango Schools	\$ 36,169,130	32.9320
1183	LPC, City of Durango, Durango Schools	\$ 32,706,380	39.3990
1197	LPC, City of Durango, Durango Schools ⁷³	\$ 30,761,450	38.6990
1317	LPC, City of Durango, Durango Schools, Conference Ctr BID	\$ 29,983,740	41.6910

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT –INFLATION SITUATION B

The sufficiency of various mil rates to fund a library district that employs its own administrative support while managing debt service commitments, assuming current levels of inflation (inflationary situation B) is shown. In certain cases, the levy would require a debt service subsidy from external funding sources.

Mil Rate	1st Year Revenue	Level of Service	Year of Revenue Insufficiency	Debt Service Subsidy
3.00	4,139,404	Current Practices	2032	1,642,070
3.25	4,484,355	Current Practices	2036	581,132
3.50	4,829,305	Current Practices	2041	30,241
3.00	4,139,404	Current Services	2032	771,293
3.25	4,484,355	Current Services	2039	89,699
3.50	4,829,305	Current Services	2041	-
3.25	4,484,355	Extended Service #1	2034	1,162,114
3.50	4,829,305	Extended Service #1	2036	214,028
3.65	5,036,275	Extended Service #1	2039	7,058
3.25	4,484,355	Extended Service #2	2032	1,032,468
3.50	4,829,305	Extended Service #2	2038	173,506
3.65	5,036,275	Extended Service #2	2040	-

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT –INFLATION SITUATION C

The sufficiency of various mil rates to fund a library district that employs its own administrative support while managing debt service commitments, assuming moderate levels of inflation (inflationary situation C) is shown. In certain cases, the levy would require a debt service subsidy from external funding sources.

Mil Rate	1st Year Revenue	Level of Service	Year of Revenue Insufficiency	Debt Service Subsidy
3.00	4,139,404	Current Practices	2039	1,431,682
3.25	4,484,355	Current Practices	2047	370,744
3.50	4,829,305	Current Practices	2058	-
3.00	4,139,404	Current Services	2045	558,453
3.25	4,484,355	Current Services	2054	56,091
3.50	4,829,305	Current Services	2063	-
3.25	4,484,355	Extended Service #1	2041	944,955
3.50	4,829,305	Extended Service #1	2048	180,421
3.65	5,036,275	Extended Service #1	2054	-
3.25	4,484,355	Extended Service #2	2042	816,888
3.50	4,829,305	Extended Service #2	2050	139,989
3.65	5,036,275	Extended Service #2	2057	-

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT – PROPERTY TAXES

Entity	2021 Net Levy	Single Family (\$300,000)	Single Family (\$750,000)	Multi-family (\$200,000)	Multi-family (\$350,000)	Hotels/Motels (\$2,000,000)	Agriculture/ Renewable Energy (\$100,000)	Commercial Vacant Industry (\$100,000)	Oil & Gas (\$100,000)
LA PLATA COUNTY	7.115	\$148.35	\$370.87	\$96.76	\$169.34	\$4,126.70	\$187.84	\$206.34	\$622.56
DURANGO	5.007	104.40	260.99	68.10	119.17	2,904.06	132.18	145.20	438.11
PINE RIVER LIBRARY	4.000	83.40	208.50	54.40	95.20	2,320.00	105.60	116.00	350.00
SW LA PLATA LIBRARY DISTRICT	1.500	31.28	78.19	20.40	35.70	870.00	39.60	43.50	131.25
IGNACIO COMM LIBRARY DISTRICT	1.500	31.28	78.19	20.40	35.70	870.00	39.60	43.50	131.25
DURANGO SCHOOL DISTRICT	18.249	380.49	951.23	248.19	434.33	10,584.42	481.77	529.22	1,596.79
	3.25	67.76	169.41	44.20	77.35	1,885.00	85.80	94.25	284.38
	3.50	72.98	182.44	47.60	83.30	2,030.00	92.40	101.50	306.25
	3.65	76.10	190.26	49.64	86.87	2,117.00	96.36	105.85	319.38

INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS

The following general recommendations are made about determining whether to pursue a library district:

- ◆ Evaluate Demand for Library Services
- ◆ Evaluate Community Amenability to a New Property Tax Levy

If a new district is pursued, the following recommendations are made concerning the process:

- ◆ Develop an Implementation Plan
- ◆ Consider the Relevant Deadlines for Action
- ◆ Determine Initial Operating Arrangement
- ◆ Establish Initial District Funding Plan
- ◆ Establish Library Assets and Debt Transition Plan
- ◆ Determine an Employee Transition Plan
- ◆ Determine a Suitable Levy

QUESTIONS

Thank you

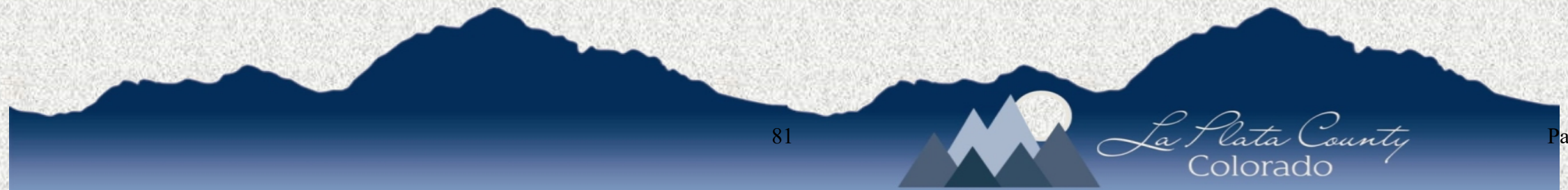
Overview of Library District Formation Process (related to current Durango Public Library)

Office of the County Attorney
February 2023



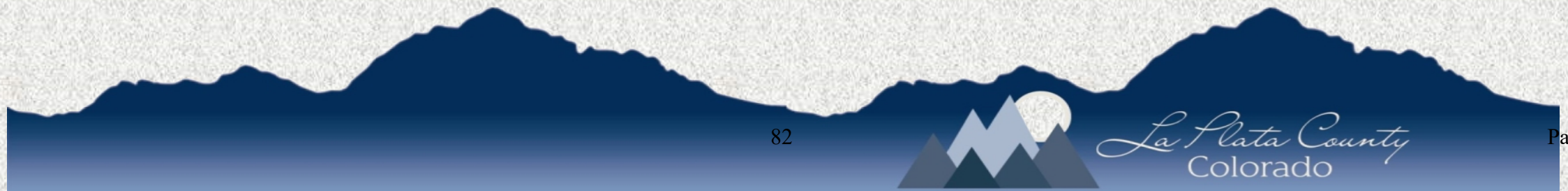
Applicable Laws (and related Date Considerations)

- Colorado Library Law – C.R.S. § 24-90-101 *et seq.*
- Uniform Election Code of 1992 – C.R.S. § 1-1-101 *et seq.*
- Property Tax Laws – C.R.S. § 39-1-110



Overview of Library Districts

- “Library district” is a public library established as its own taxing authority
 - Established by one or more governmental units or parts thereof
- A library district is a political subdivision of the state
- Appointed Board of Trustees



Options for Forming Library District

- ❑ (1) Legislative action of 1 or more governmental units, each proceeding to adopt a resolution or an ordinance establishing the library district

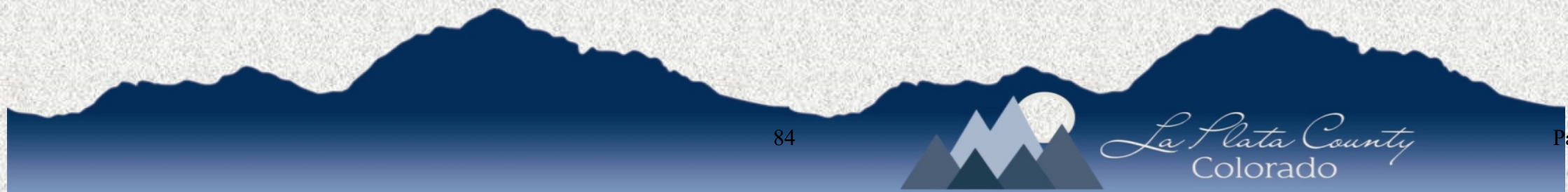
OR

- ❑ (2) Petition Process of Registered Electors



Key Information Required

- Description of proposed legal service area (map and legal description)
- Specification of the mill levy to be imposed or other type and amount of financing (include statement that taxes cannot be levied until approved by electors)
- Name or names of the governmental units to establish the district



Existing Library - Notice Required

- Notification of proposed district must be given at least 90 days prior to anticipated action to (1) each governmental unit maintaining a public library in the legal service area of the proposed district, and (2) the board of trustees of each library.
- The legislative body of such governmental unit must decide, by resolution or ordinance, whether to participate in the district
 - Notice not to participate must be provided to the BoCC at least 30 days prior to action being taken to establish the District or hold an election regarding the same



Key Dates – Tax Collection

■ Collection of Tax Levies - C.R.S. § 39-1-110 (1)(a)

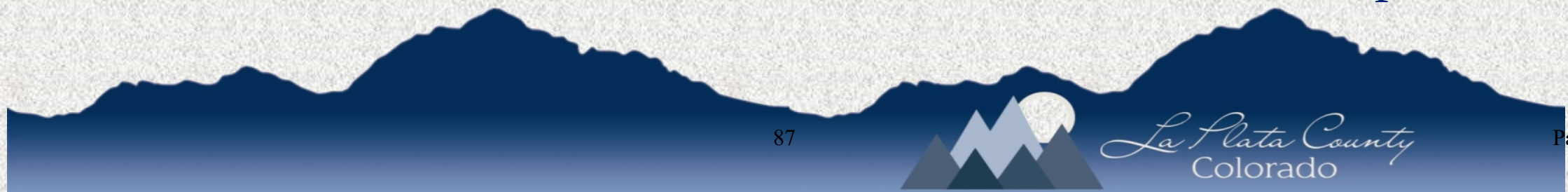
No political subdivision shall levy a tax for the calendar year in which it has been organized unless, **prior to July 1 of said year**, the assessor and the board of county commissioners of each county within which such political subdivision is located have been **notified of its organization** and have **received** from its governing body the **following**:

- Official notice that a tax will be levied for such year;
- A legal description; and
- A map of the political subdivision.



Key Dates - Election Process

- Notice of Decision to Participate in Election – Due 100 days prior to election
- Election Services Intergovernmental Agreement – Finalized 70 days prior to election
 - Assigns Designated Election Official (DEO) for district
 - Defines timelines and duties of jurisdiction and county clerk
- Ballot Content – Due 60 days prior to election
- TABOR – Due 43 days prior to election
 - Cost – At least \$1.00 per voter

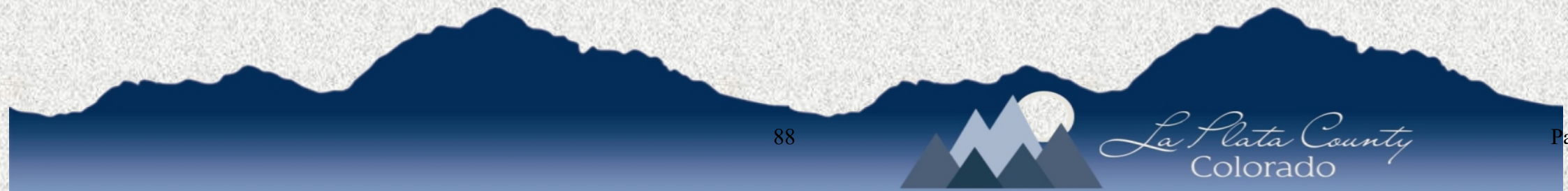


Legislative Action (Option 1)

A library district may be formed by 1 or more government units, each adopting a resolution or ordinance to that effect

Process:

- Public hearing must be held by each government unit forming the district
 - Discuss (1) purposes of library district, and (2) where more than 1 government unit is involved, the powers, rights, obligations and responsibilities (financial and otherwise) of each government unit
- Adoption of resolution or ordinance by each government forming the district that sets forth boundaries and means of financial support
 - Adoption of resolution by County to run tax question (and participate in election)



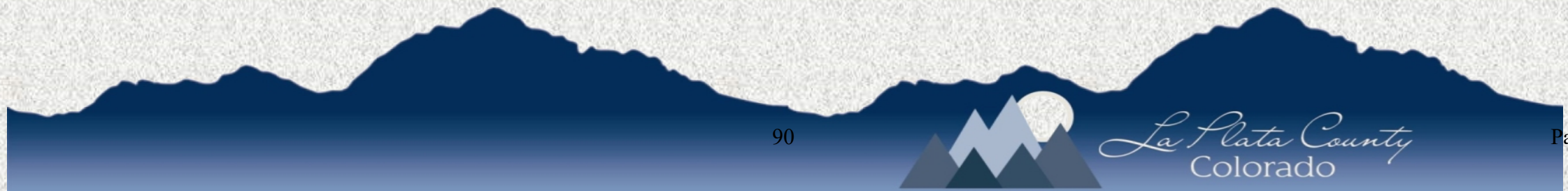
Petition Process (Option 2)

- A library district may be proposed by petition of 100 hundred registered electors residing within the proposed library district's legal service area
 - Petition must be addressed to Board of County Commissioners
- Petition must include:
 - Request for establishing the library district
 - Name or names of the governmental units to establish the district
 - Name of the proposed library district
 - Description of proposed legal service area
 - Specification of the mill levy to be imposed or other type and amount of financing (include statement that taxes cannot be levied until approved by electors)



Petition Process (CONT'D)

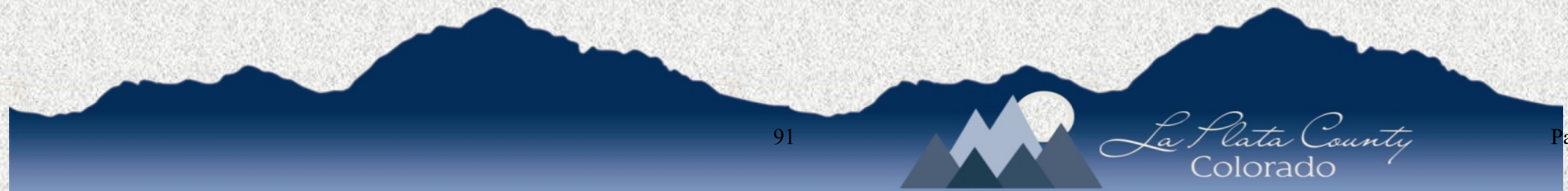
- Generally, bond must be filed with the Board of County Commissioners
 - Amount sufficient to pay all expenses connected with the organization of the library district if such organization is not affected
- Upon receipt of petition (after verification of signatures), the legislative body(ies) shall either:
 - (1) Establish the library by resolution or ordinance (after a hearing), or
 - (2) Submit the question of establishment to a vote of the registered electors residing in the proposed library's legal service area



Election Process

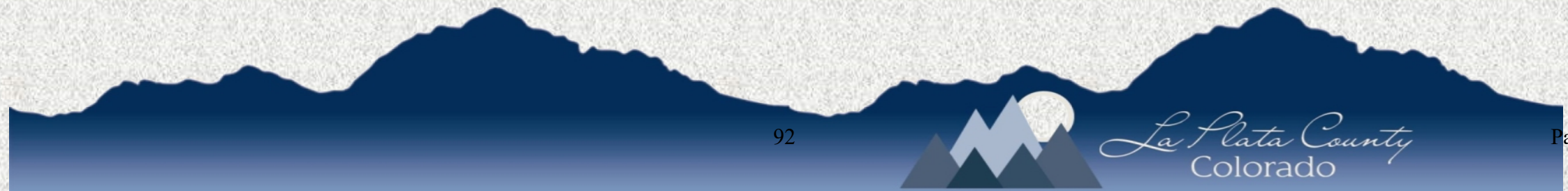
Election to: (1) establish district, and/or (2) approve mill levy held in November

- Public hearings must be held by the legislative bodies proposing to form the district prior to the election
 - Discussion of purposes of library district
 - Powers, rights, obligations and responsibilities of each governmental unit (when more than 1 unit will participate)
- Majority of electors voting on questions must approve to establish district and/or approve tax



Establishment of Library District

- Upon establishment of a library district, the initial library board of trustees must be appointed
- Then, written agreement between the legislative body of each participating governmental unit and the library board of trustees within 90 days (timeframe may be extended by mutual agreement of the parties)
 - Set forth rights, obligations, and responsibilities, financial and otherwise, of all parties to the agreement



Governance

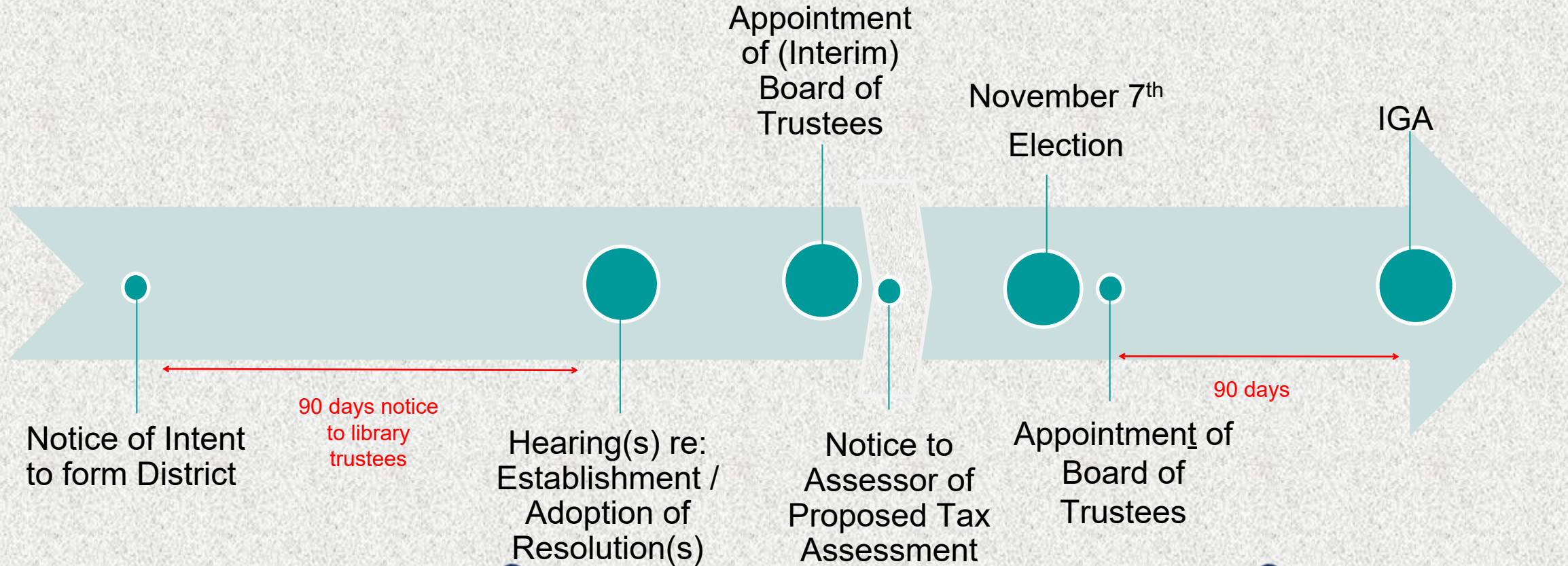
- Board of Trustees – 5 to 7 members
 - Management and control of library generally vested in trustees
- The board of trustees, immediately after their appointment must:
 - Meet and elect a president and a secretary and such other officers as deemed necessary
 - Adopt bylaws, rules, and regulations for its own guidance and policies for the governance of the library
- Broad Governance Powers

Sample Timelines



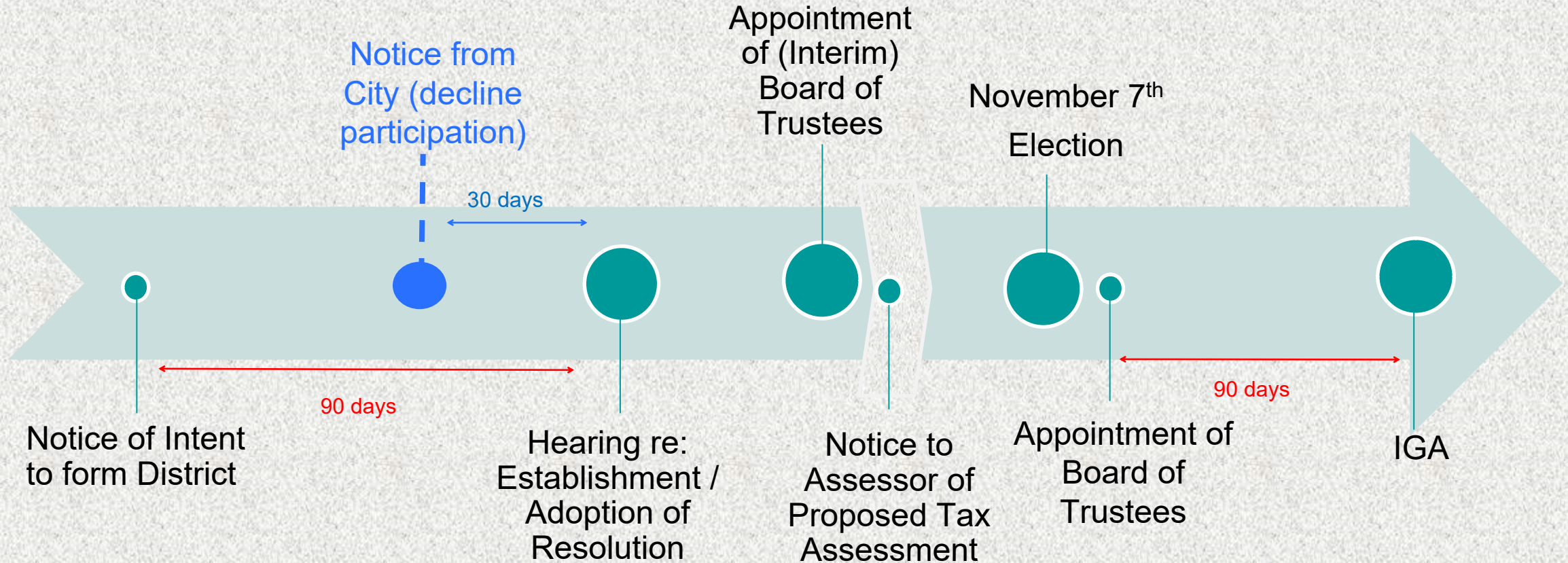
Sample Timeline – Legislative Process (Option 1)

Conditional Formation Initiated by Joint Action



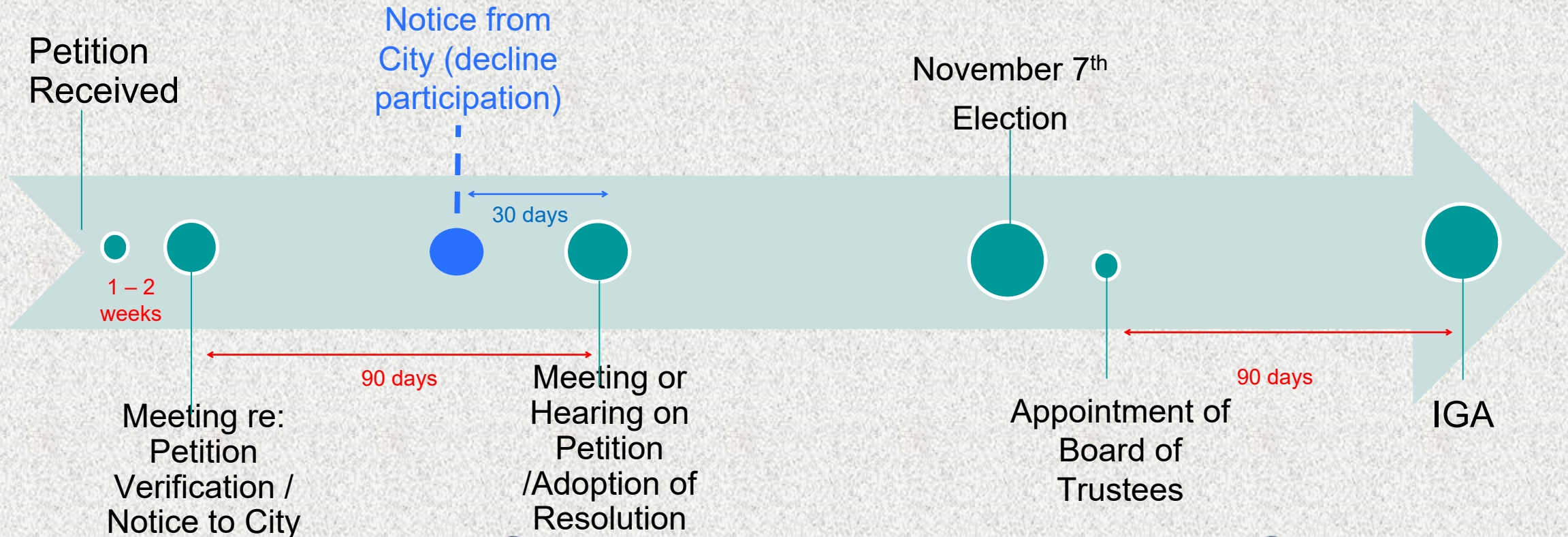
Sample Timeline – Legislative Process (Option 1)

Conditional Formation Initiated by Board



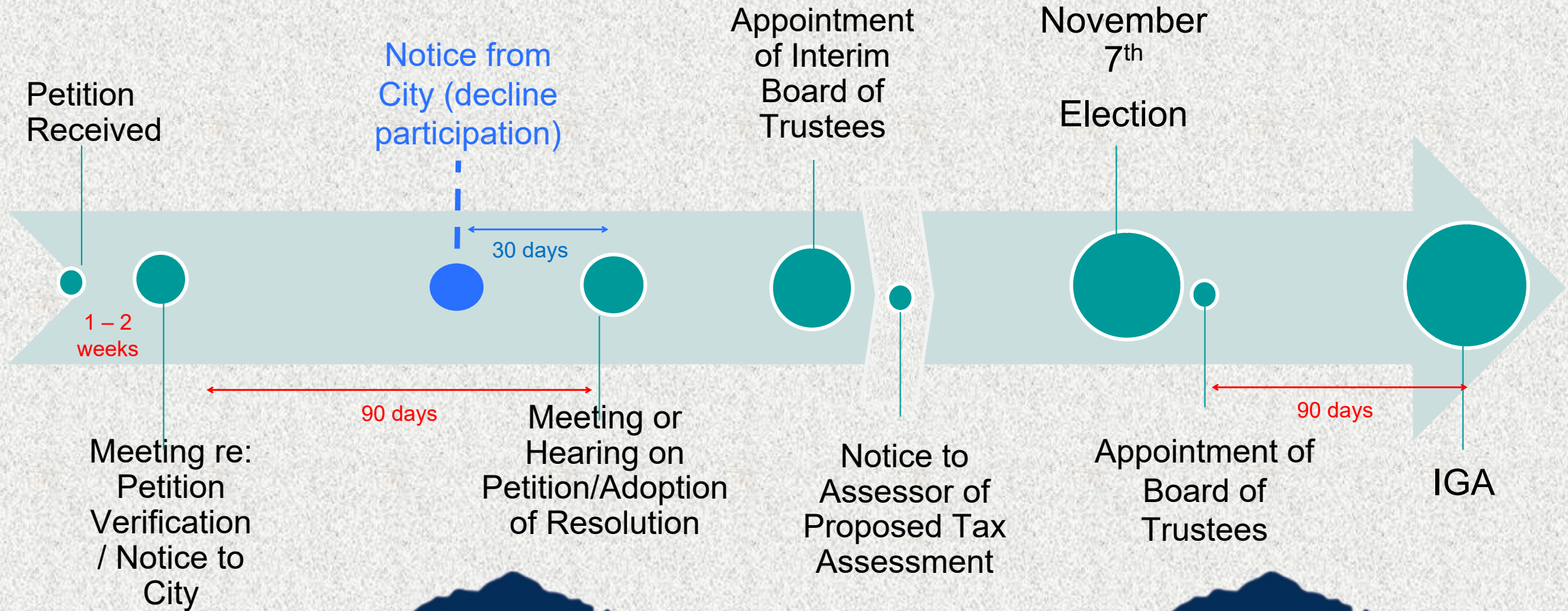
Sample Timeline – Petition Process (Option 2)

Formation Question posed to Electors



Sample Timeline – Petition Process (Option 2)

Conditional Formation by Board



Questions

