

**A RESOLUTION OF THE
BOARD OF COUNTY COMMISSIONERS OF OURAY COUNTY
DESCRIBING A PROPOSAL TO PERMIT OURAY COUNTY TO INCUR DEBT
UP TO A TOTAL OF \$2.5 MILLION DOLLARS
THROUGH A MULTIPLE-FISCAL YEAR COMMITMENT OF REVENUES FROM THE
THREE PERCENT USE TAX, GENERAL FUND MONEYS AND OTHER
LEGALLY AVAILABLE FUNDS**

WHEREAS, the Board of County Commissioners of Ouray County ("Board") has determined that a feasible means of funding additional maintenance as well as improvements and upgrades to Ouray County roads is through a use tax on building and construction materials as well as on motor vehicles purchased at retail for which a registration is required ("Use Tax"); and

WHEREAS, the Board has placed on the ballot for the November 6, 2007 election the question of approval of a three percent (3%) Use Tax; and

WHEREAS, the revenues generated by the Use Tax will be used by the Board solely for performing additional maintenance and repairs on Ouray County roads and bridges as well as to fund certain capital upgrades to certain roads within Ouray County; and

WHEREAS, there is a critical need for a county-wide Use Tax to provide for required maintenance and repairs to Ouray County roads and bridges as well as to finance capital upgrades to certain Ouray County roads; and

WHEREAS, it will be more cost-effective to complete such capital upgrades and improvements now rather than wait until adequate revenues from the Use Tax, or other sources, can be realized, since the price inflation of materials and supplies necessary to complete the improvements will be increasing annually and cost savings can be achieved by combining several projects rather than completing several small projects over the course of many years; and

WHEREAS, the adoption of a county-wide Use Tax is a cost-effective method of obtaining additional revenues which can be used for road and bridge capital projects and to provide the revenue stream for the repayment of debt that may be incurred by Ouray County to finance capital road and bridge improvement projects, without an increase in any other county-wide tax; and

WHEREAS, it is anticipated that the Use Tax will also provide additional moneys for maintenance of all Ouray County roads and bridges as well as to provide necessary maintenance for those roads and bridges that will receive capital upgrades; and

WHEREAS, due to the immediacy of the need, Ouray County debt should be increased up to a total of \$2.5 million in order to allow road and bridge capital improvement projects to take place as soon as possible and to allow the ability to combine projects to realize cost efficiencies in bidding of such projects, said debt to be repaid through a multiple-fiscal year commitment of revenues received from the county-wide Use Tax, and, to the extent moneys from such tax are not sufficient, moneys from the County's general fund and other legally available funds may be used to repay such debt; and

WHEREAS, this Board finds that incurring debt in an amount up to \$2.5 million and the exemption of such revenues, proceeds and the interest thereon, from the fiscal year spending limitations of article X, section 20 of the Colorado Constitution, would permit additional revenues to be utilized now to further accomplish certain road and bridge capital improvement projects at lower cost to the public than if such projects were postponed to future years; and

WHEREAS, Ouray County, with voter approval, is statutorily authorized to incur debt and to repay such debt from any revenue source available to the County; and

WHEREAS, the Board of County Commissioners of the County of Ouray, State of Colorado, desires to refer to the registered electors of the County of Ouray, State of Colorado, to be determined by a majority voting thereon, the question of whether Ouray County debt should be increased and a voter-approved revenue change shall be approved or disapproved; and

WHEREAS, it is the intent of the Board of County Commissioners that, should the proposal to approve a county-wide three percent (3%) Use Tax not be approved by the electorate at the election on November 6, 2007, the approval to incur debt provided by this Resolution shall become null and void and of no force or effect;

NOW, THEREFORE, BE IT RESOLVED, there shall be referred to the registered electors of the County of Ouray at the coordinated election to be held on Tuesday, November 6, 2007, the following proposal:

1. The approval for the Board of County Commissioners of Ouray County to incur debt in the amount of up to \$2.5 million dollars to fund capital improvements to certain Ouray County roads or bridges. Such debt shall be repaid as soon as possible and within ten (10) years of the date that such debt is incurred and repayment of such debt shall be from the Use Tax, if approved by the registered electors of Ouray County, and, to the extent moneys from such Use Tax are not sufficient for the repayment of the debt, from the County's general fund and other legally available funds.
2. The maximum net effective interest rate at which the debt may be repaid shall be **5.75 percent** with a repayment cost of such debt of \$3.4 million.
3. The cost of the election shall be paid from the general fund of the County of Ouray.
4. The conduct of the election shall conform so far as is practicable to the general election laws of the State of Colorado.
5. The net proceeds from the debt incurred by Ouray County shall be expended by the County of Ouray for the following purposes:
 - (a) Capital improvements to those certain roads described in the attached Exhibit "A", to include chip sealing selected roads;
 - (b) Expenses associated with such capital improvements including engineering, materials, labor/personnel, outside contracting, and equipment costs, including the purchase and repair of equipment;
 - (c) To pay the costs of debt service of the debt incurred, including principal and interest thereon, as authorized by this resolution.
6. The County of Ouray will not use any of the revenues received from the issuance of the revenue obligations for any other purposes than as described herein.
7. For purposes of Colo. Const., Art. X, Section 20, the receipt and expenditure of revenues from the incurring of debt, if any, together with earnings on the investment of the proceeds of the tax and bonds, shall constitute a voter-approved revenue change.
8. If any portion of this Resolution is found to be void or ineffective, it shall be deemed severed from this Resolution and the remaining provisions shall remain valid and in full force and effect.
9. Upon passage of this Resolution and approval thereof at a subsequent election by the registered electors of Ouray County, Colorado the proposals

described in this Resolution shall take effect immediately upon approval of the electorate.

10. (a) Conduct of Election. The Board hereby designates the County Clerk as the Election Official for the Conduct of the Election on behalf of the County, with the authority and direction to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and all constitutional and statutory provisions governing the conduct of this election. The County Clerk and Recorder, as election officer, shall undertake all measures necessary to comply with the election provisions set forth in Colo. Const., Art. X, Section 20(3), including, but not limited to, the mailing of required election notices and ballot issue summaries.

(b) Ballot Title. The ballot title for the debt question shall be in substantially the following form:

SHALL OURAY COUNTY DEBT BE INCREASED, BY UP TO \$2.5 MILLION, WITH A MAXIMUM REPAYMENT COST OF UP TO \$3.5 MILLION, SUBJECT TO VOTER APPROVAL OF A BALLOT QUESTION FOR A USE TAX, FOR THE PURPOSE OF FINANCING THE COSTS OF CAPITAL UPGRADES TO CERTAIN OURAY COUNTY ROADS, INCLUDING COSTS NECESSARY OR INCIDENTAL THERETO, BY ISSUING REVENUE OBLIGATIONS WHICH SHALL HAVE A NET EFFECTIVE INTEREST RATE NOT EXCEEDING 5.75 AND PAYABLE FROM THE THREE PERCENT (3%) USE TAX, GENERAL FUND MONEYS AND ANY OTHER LEGALLY AVAILABLE FUNDS, AND MAY ALL REVENUES GENERATED BY INCURRING SUCH DEBT BE COLLECTED, RETAINED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE, OFFSET AND EXCEPTION TO THE LIMITS THAT WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, ALL IN CONFORMITY WITH OURAY COUNTY RESOLUTION NO. 2007-053?

_____ **FOR COUNTY INDEBTEDNESS**

_____ **AGAINST COUNTY INDEBTEDNESS**

IT IS HEREBY DECLARED by the Board of County Commissioners of the County of Ouray and State of Colorado that this Resolution is necessary for the immediate preservation of the public health, safety and welfare, and that it shall become effective immediately upon its adoption.

APPROVED AND ADOPTED AT A SPECIAL MEETING THIS 28th DAY OF AUGUST, 2007 BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF OURAY, STATE OF COLORADO.

BOARD OF COUNTY COMMISSIONERS
OF OURAY COUNTY, COLORADO

Attest:

Don Batchelder, Chair

Heidi M. Albritton, Vice Chair

Michelle Nauer, Clerk and Recorder
By: Linda Munson-Haley, Deputy Clerk of the Board

K. Keith Meinert, Commissioner Member

EXHIBIT A

Table 2-A includes subtotal for pre-chip seal								
	Rte	length	sub-base	base	stdnd drainage	SUBTOT	Selected chip seal	Selected total
1	1	5.67	236,830	91,576	130,410	458,816	279,418	738,234
2	1	1.37	57,224	22,127	31,510	110,860	67,514	178,374
3	12	1.66	0	17,873	12,724	30,597		30,597
4	14	1.00	29,602	10,767	84,640	125,009		125,009
5	15	5.35	0	0	0	0		0
6	15	1.82	0	0	41,860	41,860		41,860
7	17	0.62	0	6,676	19,009	25,685		25,685
8	22	3.34	0	0	25,601	25,601		25,601
9	22	1.74	72,678	18,735	40,020	131,433		131,433
10	24	4.00	0	0	177,828	177,828		177,828
11	24	0.55	16,281	5,922	12,650	34,853		34,853
12	24	1.17	48,870	18,897	8,968	76,734	57,658	134,392
13	24	0.68	28,403	3,661	5,212	37,276	33,510	70,787
14	24	0.21	8,771	1,131	1,610	11,512	10,349	21,861
15	24C	0.68	20,129	0	15,640	35,769		35,769
16	24D	0.42	12,433	4,522	12,877	29,832		29,832
17	361	0.20	2,785	1,077	1,533	5,394	9,856	15,250
18	361	1.51	21,024	8,130	46,297	75,450	74,413	149,863
19	361	1.34	0	14,428	30,820	45,248		45,248
20	5	4.95	146,530	20,996	113,850	281,376		281,376
21	5	1.66	49,139	17,873	38,180	105,192		105,192
22	5A	1.23	0	0	37,712	37,712		37,712
						1,904,039		2,436,756
	conting	12%				228,485		292,411
						2,132,524		2,729,167