

Telluride Hospital District



Facility Advisory Committee Meeting

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Project Financing

General Obligation Bonds

General Obligation Bonds Defined

Bonds that are secured by a municipal issuer's full faith and credit. They represent general obligations of the issuer payable from the proceeds of an annual ad valorem tax levied, without limitation, on all taxable property within an issuer's boundaries in an amount sufficient to pay debt service on the Bonds when due.

Advantages:

- Viewed as the most secure type of municipal bond by investors
- Typically receive the highest possible rating for any particular issuer
- Achieve the lowest cost of capital

Challenges:

- Under TABOR, require voter approval
- Election question must allow room for uncertainty in total financing costs
- Both pro and con statements must be included in election bluebooks

General Obligation Bonds

General Obligation Bonds -- General Considerations

- Telluride Hospital District has previously issued General Obligation (“GO”) bonds
 - \$1.4 million Series 1997
 - Final payment made in 2007
 - Sold as non rated GO bonds
- Debt service mill levy requirement is an additional obligation on top of the District’s General Operations and Emergency Services mill levy requirements
- The District’s mill levy requirements must be evaluated in conjunction with overlapping jurisdictions – Town, School District, Fire Protection District and County Library District -- for total taxing impact
- Tradeoffs between overall financing costs and immediate taxing impact will also have to be considered: “Intergenerational Equity.”
- Decisions will also have to be made on the degree to which the District preserves future flexibility
- Additional operating costs associated with the new medical center will also have to be evaluated
- Potential changes in future net operating income and patient usage should also be considered

Questions for Consideration

- Who are the users of the Medical Center?
- What is the overlap between these individuals and District voters?
- Do they perceive the same facility needs as does the Board?
- Are voters in agreement in terms of the proposed solution?
- How well do they understand the alternatives that have been considered in arriving at a solution?
- How much are they willing to pay for the solution?
- Are potential donors in agreement on these same issues?

Communication Strategies

Boundaries:

- Medical Center Staff must understand the legal limitations that exist restricting a municipal issuer's involvement in an election
- District resources and staff may not be used to communicate or support an election question
- District may communicate factual information
- Outside of working hours, District staff members enjoy the same constitutional protection for political involvement as others

Additional Considerations:

- What are voters' perceptions and usage of the Medical Center?
- How well do voters already understand the identified needs or what additional information needs to be communicated to them? Do they know how others think?
- What financial resources are required to support these communication efforts?
- How will this effort be staffed?
- District may want to consider the use of a poll if these are factors are unknown.

Calculating and Communicating Potential Taxing Burdens

Calculating Tax Burden

- District will need to project taxing burden based upon anticipated financing costs
- Additional margin will have to be allowed for market movements, changes in assessed valuation and variance in credit outcome
- Ballot question must specify the total par amount of the issuance, the maximum annual repayment costs and the total repayment costs
- Balance must be found between allowing appropriate margin while meeting the test of reasonableness in voters' minds

Illustrative Taxpayer Impact: \$20,000,000 Issuance

Estimated Required Debt Service Levy ⁽¹⁾									
Residential					Commercial				
	20 Year GO Bond		30 Year GO Bond			20 Year GO Bond		30 Year GO Bond	
Market Value	Annual Cost	Monthly Cost	Annual Cost	Monthly Cost	Market Value	Annual Cost	Monthly Cost	Annual Cost	Monthly Cost
500,000	76.99	6.42	60.02	5.00	750,000	420.72	35.06	328.01	27.33
750,000	115.48	9.62	90.03	7.50	1,000,000	560.96	46.75	437.35	36.45
950,000	146.27	12.19	114.04	9.50	1,250,000	701.19	58.43	546.68	45.56
1,150,000	177.07	14.76	138.05	11.50	1,500,000	841.43	70.12	656.02	54.67
1,350,000	207.86	17.32	162.06	13.50	1,750,000	981.67	81.81	765.36	63.78
1,550,000	238.66	19.89	186.07	15.51	2,000,000	1,121.91	93.49	874.69	72.89
1,750,000	269.45	22.45	210.08	17.51	2,250,000	1,262.15	105.18	984.03	82.00
1,950,000	300.25	25.02	234.09	19.51	2,500,000	1,402.39	116.87	1,093.37	91.11
2,150,000	331.04	27.59	258.09	21.51	2,750,000	1,542.63	128.55	1,202.70	100.23
2,350,000	361.84	30.15	282.10	23.51	3,000,000	1,682.87	140.24	1,312.04	109.34
Add'l \$1MM	153.97	12.83	120.04	10.00	Add'l \$1MM	560.96	46.75	437.35	36.45

Assumptions	20 Year	30 Year
2015 Assessed Value	671,651,650	671,651,650
Avg Annual Debt Service	1,299,196	1,012,913
Mill Levy	1.934	1.508

(1) Preliminary. Estimated AA rates as of 3/13/2015.

Illustrative Taxpayer Impact: \$15,000,000 Issuance

Estimated Required Debt Service Levy ⁽¹⁾									
Residential					Commercial				
Market Value	20 Year GO Bond		30 Year GO Bond		Market Value	20 Year GO Bond		30 Year GO Bond	
	Annual Cost	Monthly Cost	Annual Cost	Monthly Cost		Annual Cost	Monthly Cost	Annual Cost	Monthly Cost
500,000	57.74	4.81	45.01	3.75	750,000	315.52	26.29	246.00	20.50
750,000	86.61	7.22	67.52	5.63	1,000,000	420.70	35.06	328.00	27.33
950,000	109.70	9.14	85.53	7.13	1,250,000	525.87	43.82	410.00	34.17
1,150,000	132.80	11.07	103.53	8.63	1,500,000	631.05	52.59	492.00	41.00
1,350,000	155.89	12.99	121.54	10.13	1,750,000	736.22	61.35	574.00	47.83
1,550,000	178.99	14.92	139.55	11.63	2,000,000	841.40	70.12	655.99	54.67
1,750,000	202.08	16.84	157.55	13.13	2,250,000	946.57	78.88	737.99	61.50
1,950,000	225.18	18.76	175.56	14.63	2,500,000	1,051.75	87.65	819.99	68.33
2,150,000	248.27	20.69	193.56	16.13	2,750,000	1,156.92	96.41	901.99	75.17
2,350,000	271.37	22.61	211.57	17.63	3,000,000	1,262.10	105.17	983.99	82.00
Add'l \$1MM	115.47	9.62	90.03	7.50	Add'l \$1MM	420.70	35.06	328.00	27.33

Assumptions	20 Year	30 Year
2015 Assessed Value	671,651,650	671,651,650
Avg Annual Debt Service	974,355	759,655
Mill Levy	1.451	1.131

(1) Preliminary. Estimated AA rates as of 3/13/2015.

Illustrative Taxpayer Impact: \$10,000,000 Issuance

Estimated Required Debt Service Levy ⁽¹⁾									
Residential					Commercial				
Market Value	20 Year GO Bond		30 Year GO Bond		Market Value	20 Year GO Bond		30 Year GO Bond	
	Annual Cost	Monthly Cost	Annual Cost	Monthly Cost		Annual Cost	Monthly Cost	Annual Cost	Monthly Cost
500,000	38.49	3.21	30.01	2.50	750,000	210.33	17.53	164.00	13.67
750,000	57.73	4.81	45.02	3.75	1,000,000	280.44	23.37	218.67	18.22
950,000	73.13	6.09	57.02	4.75	1,250,000	350.55	29.21	273.34	22.78
1,150,000	88.52	7.38	69.02	5.75	1,500,000	420.66	35.05	328.00	27.33
1,350,000	103.92	8.66	81.03	6.75	1,750,000	490.77	40.90	382.67	31.89
1,550,000	119.31	9.94	93.03	7.75	2,000,000	560.88	46.74	437.34	36.44
1,750,000	134.71	11.23	105.04	8.75	2,250,000	630.99	52.58	492.00	41.00
1,950,000	150.10	12.51	117.04	9.75	2,500,000	701.10	58.42	546.67	45.56
2,150,000	165.50	13.79	129.04	10.75	2,750,000	771.21	64.27	601.34	50.11
2,350,000	180.89	15.07	141.05	11.75	3,000,000	841.32	70.11	656.01	54.67
Add'l \$1MM	76.98	6.41	60.02	5.00	Add'l \$1MM	280.44	23.37	218.67	18.22

Assumptions	20 Year	30 Year
2015 Assessed Value	671,651,650	671,651,650
Avg Annual Debt Service	649,510	506,446
Mill Levy	0.967	0.754

(1) Preliminary. Estimated AA rates as of 3/13/2015.

Illustrative Taxpayer Impact: AA Rated vs. Insured

Estimated Required Annual Debt Service Levy Per \$1 Million in Market Value ⁽¹⁾									
Residential					Commercial				
	20 Year GO Bond		30 Year GO Bond			20 Year GO Bond		30 Year GO Bond	
Issuance Amount	AA	Insured	AA	Insured	Issuance Amount	AA	Insured	AA	Insured
10,000,000	76.98	78.60	60.02	61.88	10,000,000	280.44	286.35	218.67	225.44
15,000,000	115.47	117.91	90.03	92.81	15,000,000	420.70	429.57	328.00	338.13
20,000,000	153.97	157.20	120.04	123.73	20,000,000	560.96	572.72	437.35	450.79

Assumptions

2015 Assessed Value \$671,651,650.

(1) Preliminary. Estimated AA and Insured Rates as of 3/13/2015.

Election Timeline

General Approaches

Proceed with Election in 2015:

- Preserves momentum and provides urgency to fundraising efforts
- Supports notion of important, nondiscretionary needs
- Avoids potential crowding out of message and higher costs in 2016
- Full amount of bonds would not have to be issued until after fundraising results are known
- Potentially higher requirement for voter authorized amount

Proceed with Election in 2016:

- Higher voter turnout generally associated with reduced tax aversion
- Provides additional time for voter education
- Allows for full fundraising cycle with greater certainty about final bonding requirement
- May reduce size of bond authorization, increasing voter support
- Fall 2016 promises to be a crowded field. May be harder to capture and hold voter attention.

General Approaches

Hybrid Process:

- Similar to the process used by the City and County of Denver for Art Museum and Zoo improvements
 - 1) Determine total project costs
 - 2) Establish fundraising goal
 - 3) Authorize complementary bonding amount
 - 4) Communicate to voters that bonds will not be issued until commensurate fundraising is complete
- More effectively utilized when final timing is not critical, project can be funded in stages, or needs are discretionary

Election Timetable

COORDINATED MAIL BALLOT ELECTION TIMETABLE Ballot Issue Election - November 3, 2015

All statutory references are to the Colorado Revised Statutes, as amended; rule references are to the Election Rules of the Colorado Secretary of State, as amended, and in effect as of the date of this timetable. This timetable only provides dates for Ballot Issue Elections; no dates are included for Board or Council member elections. This timetable will vary depending on meeting schedules, publication dates, and any election contest.

DATE	EVENT
<p>July 24 (100 days before the election) (Since 100 days is Sunday, July 26, use Friday, July 24. §1-1-106(5)).</p>	<p>Political subdivision notifies County Clerk in writing regarding the political subdivision's participation in coordinated election, if the political subdivision has taken formal action to participate in the election. §1-7-116(5).</p>
<p>August 5 (no later than 90 days prior to the election).</p>	<p>County Clerk and Recorder or designated election official sends a proposed election plan for conducting a coordinated mail ballot election to the Secretary of State. The proposed plan may be based on the standard plan adopted by the Secretary of State by Rule. §1-7.5-105(1). Rule 7.1.1.</p>
<p>August 20 (within 15 days after receipt of written mail ballot plan by the Secretary of State).</p>	<p>Secretary of State shall approve or disapprove the written mail ballot plan for a coordinated election within 15 days after receiving it and shall provide a written notice of approval or disapproval. §1-7.5-105(2)(a). Rule 7.1.</p>
<p>August 25 (no later than 70 days prior to the election).</p>	<p>Intergovernmental agreement for coordinated election must be signed with County Clerk regarding election duties. §1-7-116(2); Rule 4.1.2. The designated election official must certify to the County Clerk the completeness and accuracy of the SCORE (computerized statewide voter registration list) address library for addresses within the district. Rule 4.1.3. The canvassing board is appointed in accordance with the intergovernmental agreement. §1-10-202.</p>

Election Timetable

DATE	EVENT
<p>September 4 (no later than 60 days before the election).</p>	<p>Designated Election Official certifies the order of the ballot and the ballot content to the County Clerk of each county that has territory within the political subdivision. §1-5-203(3)(a). The list of ballot issues shall be in the following order: referred amendments shall be printed first, followed by initiated amendments, referred propositions, initiated propositions, county issues and questions, municipal issues and questions, school district issues and questions, ballot issues and questions for other political subdivisions which are in more than one county, and then ballot issues and questions for other political subdivisions which are wholly within a county. §1-5-407(5)(a). Measures are ordered as follows: (1) referred measures to increase taxes; (2) referred measures to retain excess revenues; (3) referred measures to increase debt; (4) other referred measures; (5) initiatives to increase taxes; (6) initiatives to retain excess revenues; (7) initiatives to increase debt; (8) other citizen petitions. Rule 4.5.2. See §1-41-103 for local government ballot matters arising under Article X §20 of the Colorado Constitution.</p>
<p>September 18 (by the end of the business day on the Friday before the 45th day before the election. §1-7-901(4)).</p>	<p>Last day to file pro and con statements on ballot issues with Designated Election Official. Colo. Const. Art. X §20(3)(b)(v); §1-7-901(4). TABOR Notice should be finalized. For political subdivisions of the state that have no Designated Election Official, the governing body of a Political Subdivision shall be solely responsible for preparing the summary of the filed comments in favor of and in opposition to the ballot issue for the TABOR Notice. §1-7-903(3.5).</p>
<p>September 19 (not more than 45 days prior to the election).</p> <p>September 19 (not later than 45 days prior to the election).</p>	<p>First day that the County Clerk and Recorder can hold a class of instruction for election judges and special school of instruction for supervisor judges. §1-6-101(5).</p> <p>Last day for Designated Election Official to transmit a ballot and balloting materials to all Uniform and Overseas Citizens Absentee Voting Act (UOCAVA) covered voters who by this date submit a valid ballot application. §1-8.3-110(1).</p>

Election Timetable

DATE	EVENT
<p>September 21 (no later than 43 days before the election).</p>	<p>If ballot issue is on the ballot as the result of a citizen’s petition, petition representatives are required to submit to the Designated Election Official a summary of favorable comments. §1-7-903(3).</p>
<p>September 22 (no later than 42 days before the election).</p>	<p>Designated Election Official shall prepare and deliver to the County Clerk(s) for the county or counties in which the political subdivision is located the full text of any required ballot issue notices (TABOR Notice). §1-7-904. (Pursuant to an intergovernmental agreement for a coordinated election, the County Clerk(s) may have additional requirements or require notice earlier. §1-7-116(2).)</p>
<p>September 24 (no later than the 40th day preceding the election).</p>	<p>Last day for Designated Election Official to order the registration records of eligible electors, §1-5-303(1);</p> <p>For elections where owning property is a requirement for voting in the election, last day for Designated Election Official to order the list of property owners from the County Assessor. §1-5-304(1).</p>

Election Timetable

DATE	EVENT
<p>October 2 (no later than 32 days before the election).</p>	<p>Ballots must be printed and in possession of the County Clerk and Recorder. §1-5-403(1).</p>
<p>October 2 (at least 30 days before the election) (Since 30 days is Sunday, October 4, using Friday, October 2. §1-1-106(5)).</p>	<p>Mailing of TABOR Notice by County Clerk or Designated Election Official, at the least cost and as a package where districts with ballot issues overlap. Colo. Const. Art. X, §20(3)(b); §1-7-906(1); §1-40-125; Rule 4.9.</p> <p>For Special Districts: The designated election official is responsible for mailing the TABOR Notice to each address of one or more active registered electors who do not reside within the county or counties where the Political Subdivision is located. §1-7-906(2).</p> <p>The text of all ballot issues that are subject to Article X, Section 20 shall be printed in all capital letters. §1-40-115(2)(a); Rule 4.8.1.</p> <p>The names of all candidates and all other ballot issues and questions shall be printed in upper and lower case letters. Rule 4.8.1.</p>

Election Timetable

DATE	EVENT
<p>October 9 (no later than 25 days before election).</p>	<p>Last day for governing body of political subdivision to withdraw a ballot issue from election. §1-5-208(2).</p> <p>If a municipal clerk has registered any eligible electors who appears in person at the municipal clerk’s primary office at any time during which registration is permitted in the office of the county clerk and record, the municipal clerk shall deliver the new registration records to the office of the county clerk and recorder either in person or by mail no later than the tenth day of each month for the month immediately prior and in person on the day following the last day for registration for the election. §1-2-202(2).</p>
<p>October 13 (no later than 22 days before the election) (Since 22 days before the election is Monday, October 12, a legal holiday, use Tuesday, October 13. §1-1-106(4)).</p>	<p>Last day to timely register to vote by submitting an application through a voter registration drive. §1-2- 201(3)(b)(I).</p>
<p>October 13 - 16 (not sooner than 22 days before a general, primary or other mail ballot election and no later than 18 days before the election) (Since 22 days before the election is Monday, October 12, a legal holiday, use Tuesday, October 13. §1-1- 106(4)).</p>	<p>County Clerk and Recorder or Designated Election Official mails a mail ballot packet to each active registered elector (§1-7.5-107(3)(a)). All mail ballot packets must include a ballot, instructions for completing ballot, secrecy envelope and return envelope. Secretary of State may otherwise prescribe the form of materials to be used. §1-7.5-106(1)(a).</p> <p>For a Special District mail ballot election, no sooner than twenty-two days prior to the election and until 7pm on election day, mail ballots made available at the office of the designated election official, or the office designated in the mail ballot plan filed with the Secretary of State, for eligible electors who are not listed on the list of property owners or the registration list but who are authorized to vote pursuant to §32-1- 806 or other applicable law.</p>

Election Timetable

DATE	EVENT
<p>October 14 (at least 20 days before each election).</p> <p>(no later than 20 days before a general, primary or other mail ballot election election).</p>	<p>Last day to post polling location signs; signs must be posted during the period polling locations are open. §1-5-106.</p> <p>Last day for County Clerk and Recorder or designated election official to provide notice by publication of mail ballot election, §1-7.5-107(2.5)(a); and to mail a copy of such notice to the County Clerk, §1-5-205(2)). See §1-5-205(1)(a) through (e) for items to be included in notice.</p> <p>A local government (excluding enterprises) submitting a ballot issue concerning the creation of any debt or other financial obligation shall post notice of audited (if available) financial information prescribed by §1-7-908(1) on the local government's web site, or if the local government does not maintain a web site, at the local government's chief administrative office. See §1-7-908(1)(a)(I) through (V) for specific notice requirements through (e) for items to be included in notice.</p> <p>A local government (excluding enterprises) submitting a ballot issue concerning the creation of any debt or other financial obligation shall post notice of audited (if available) financial information prescribed by §1-7-908(1) on the local government's web site, or if the local government does not maintain a web site, at the local government's chief administrative office. See §1-7-908(1)(a)(I) through (V) for specific notice requirements.</p>

Election Timetable

DATE	EVENT
<p>October 19 (for the 15-day period prior to and including the day of the election).</p> <p>(no later than 15 days before the election).</p> <p>(at least 15 days prior to the election)</p>	<p>Voter service and polling centers must be open, at a minimum, by this date, except that voter service and polling centers are not required to be open on Sundays. §1-5-102.9(2). Each polling location shall comply fully with the current "ADA Standards for Accessible Design" promulgated in accordance with the federal "Americans with Disabilities Act," and no barrier shall impede the path of electors with disabilities to the voting booth. §1-5-703.</p> <p>Last day Designated Election Official or coordinated election official <u>MAY</u> mail a voter information card to each household where one or more active eligible electors reside. §1-5-206(2) (discretionary). The information may be included with the TABOR Notice.</p> <p>Election officials may begin counting mail ballots. §1-7.5-107.5; §1-7.5-202(2).</p>
<p>October 19 - November 3 (from the 15th day prior to and including Election Day).</p>	<p>Voter registration conducted at locations designated as voter service and polling centers by County Clerk and Recorders. §1-2-201(3)(b)(V), §1-2-217.7(3)(a), §1-5-102.9(2), Rule 7.8.</p>
<p>October 23 (at least 10 days prior to the election) (Since 10 days is Saturday, October 24, use Friday, October 23. §1-1-106(5)).</p>	<p>Notice of election posted in a conspicuous place in the office of the designation election official or the County Clerk and Recorder until 2 days After election (i.e., November 5, 2015). §1-5-205(1.3).</p>
<p>October 26 (through the 8th day prior to an election).</p>	<p>Last day to timely register to vote by submitting an application through the mail, a voter registration agency, a local driver's license examination facility, or the on-line voter registration system. §1-2-201(3)(b)(III); §1-2-217.7(3)(c).</p>

Election Timetable

DATE	EVENT
October 26 - November 3 (at a minimum, the 8 days prior to and including the day of the election).	Voter service and polling centers shall be open; except that voter service and polling centers are not required to be open on Sundays. §1-7.5-107(4.5)(c). The minimum number of required voter service and polling centers is described in §1-7.5-107(4.5)(a).
October 27 (no later than the close of business on the 7 th day before the election).	Last day to file application for a mail-in/absentee ballot if applicant wishes to receive ballot by mail. §1-7.5-116(3).
October 30 (no later than the close of business on the Friday immediately preceding the election).	Last day to file application for an absentee ballot (if the applicant does not wish to receive the ballot by mail). §1-7.5-116(3).
October 30 - November 3 (at a minimum, 4 days prior to and including the day of the election).	Drop-off locations shall accept mail ballots by electors during, at a minimum, reasonable business hours; except that mail ballots are not required to be accepted on Sundays. §1-7.5-107(4.3)(b). The minimum number of required drop-off locations is described in §1-7.5-107(4.3)(a).
November 3 - Election Day	<p>ELECTION DAY. (7:00 a.m. to 7:00 p.m.) Colo. Const. Art. X, §20(3)(a); §1-41-102(1); §1-7-101.</p> <p>Same day registration permitted. §1-2-201(3)(b)(V); §1-2-217.7(4).</p>
November 3 - 20 (no later than 17 days after the election).	<p>Canvass board certifies the abstract of votes cast to Designated Election Official. §1-10-102(1), §1-10-203(1). Rule 10.</p> <p>Clerk and Recorder shall examine official abstract of votes cast and order appropriate recount, if required. §1-10.5-103. Mandatory recount is required if the difference between the highest number of votes cast and the next highest number of votes is less than or equal to one-half of one percent of the highest number of votes cast. §1-10.5-101(1)(b).</p>

Election Timetable

DATE	EVENT
November 3 – November 30 (immediately after abstract of votes cast is prepared and certified).	Following completion of the abstract of votes cast by the canvass board, Designated Election Official notifies the governing body of the political subdivision and the petition representatives of election results and makes certificate of election available for public inspection in the office of Designated Election Official for no less than ten days. §1-11-103(2).
November 12 (by the close of business on the 8 th day after the election) (Since the 8 th day after the election is Wednesday, November 11, a legal holiday, use Thursday, November 12. §1-1-106(4)).	Last day to receive a mail ballot from a UOCAVA-eligible elector, if such ballot was postmarked by 7:00 p.m. on the day of election, in order for the ballot to be counted. §1-8.3-111; §1-8.3-113(2); Rule 16.1.6.
November 13 – November 30 (within 10 days after official survey of returns is filed with designated election official).	Last day for an eligible elector to file a written statement of intent to contest ballot issue election in district court. §1-11-213(4).
November 17 (within 14 days after election).	Last day for Designated Election Official to complete verification and counting of provisional ballots. §1-8.5-105(5); Rule 17.
December 3 (within 30 days after the election). (no later than the 30 th day after election).	The results of a Special District election shall be certified to the Division of Local Government. §1-11-103(3); §32-1-104(1). Mandatory recount must be completed. §1-10.5-103.
December 4 (within 31 days after election).	Last day for an interested party to file a notarized, written request for a recount on ballot issues at his or her own expense. §1-10.5-106(2).
December 7 (within 1 day after request for recount is filed) (Since 1 day after is Saturday, December 5, use Monday, December 7. §1-1-106(4)).	Election official with whom notarized written request for recount is filed notifies the political subdivision that an interested party has requested a recount. §1-10.5-106(2).

Election Timetable

DATE	EVENT
December 10 (no later than the 37 th day after election).	Requested recount must be completed. §1-10.5- 106(2).
December 18 (no later than the 45 th day after the election).	For special districts: the results of a special district ballot issue election to incur general obligation indebtedness must be certified by the special district by certified mail to the Board of County Commissioners of each county in which the special district is located or to the governing body of a municipality that has adopted a resolution of approval for organization of a special district. The special district shall file a copy of certification with the Division of Securities. §32-1-1101.5(1)

Path to Victory – Ensuring Election Success

Building Blocks of a Successful Election

Transparent and Open Planning Process

Clear, Straight Forward Statements of Needs and Objectives

Get-Out-The-Vote Campaign

Supportive Professional Assistance



Well Organized & Outlined Strategy



Regular and Consistent Communication to Fine-Tune Messages and Leverage Opportunities

Active & Energized Fundraising & Messaging



Sound Budgeting

Supportive Civic Groups



Neutral Opponents



Positive Press/Editorials



Government Endorsement

Getting to “Yes” on an Election Campaign – Recipe for Success

- Trust is built over time. It’s never too early to begin work in developing community support.
- Knowledge is power, and undertaking a poll can be helpful.
- Grass roots organizing is essential. Communication efforts and political support must be developed on a localized basis.
- Users and providers must care – passionately. Otherwise no one will.
- Consistent, well-organized oversight and coordination is critical.
- Straight-forward and simple messaging is important. In an environment of limited resources and competing demands, constituents need to know what they are buying.
- Enlisting others to tell your story can be extremely helpful.
- The “no” vote always shows up. The key is to drive in the “yes” votes.

From Bond Election to Bond Issuance

Developing and Executing a Financial Plan: Initial Administrative Planning

Initial District Administrative Planning	
Key Tasks	Piper Jaffray Support
<ul style="list-style-type: none"> • Convening of Working Committee • Development of optimal project packages for proposed funding amounts • Development of multi-year financial projections • Modeling of debt capacity scenarios • Projections of tax implications of differing bond issuances and mill levy override questions • Identification of additional resources available • Development of overall timing goals in moving the decision making process forward 	<ul style="list-style-type: none"> • Support work of Working Committee and District Staff in modeling proposed financing packages • Assistance in constructing and modeling future taxing requirements and financial results based upon reasonable tax base and operating projections • Incorporating assistance available from outside sources and funds into appropriate cost models • Modeling differing amortization structures for future obligations • Provision of future year projections of tax implications to residential, commercial and agricultural components based upon differing bond issuances or mill levy decisions • Development of initial timetable for moving forward with decision process

Developing and Executing a Financial Plan: Meaningful Public Input & Participation

Engaging Meaningful Public Input and Participation	
Key Tasks	Piper Jaffray Support
<ul style="list-style-type: none"> • Targeting key projects in conjunction with the District’s staff and Working Committee • If required, development of political poll to determine level of support among broader constituent base • Determining what outside groups, such as the chamber of commerce or business associations should be included in discussions and fact gathering • Coordination with architects and engineers to develop accurate estimates of costs associated with priority projects • Reaching agreement among participants on: priority needs; available resources; estimate of likely project costs; support for additional taxes; and community impact 	<ul style="list-style-type: none"> • Generating debt service schedules reflecting market conditions that translate project costs into expenditure figures incorporating full financing costs • Assisting District staff and Working Committee in examining potential trade-offs among differing project lists or design options • Quantifying outside resources available from fundraising, developers, or municipal entities to support capital needs • Incorporating operating costs of planned facilities into multi-year financial projections • Measuring range of property tax implications to determine likely levels of support • Identifying impacts on taxing capacity of differing amortization structures • Attendance at planning meetings and development of briefing packages for outside organizations

Developing and Executing a Financial Plan: Constituent Communication

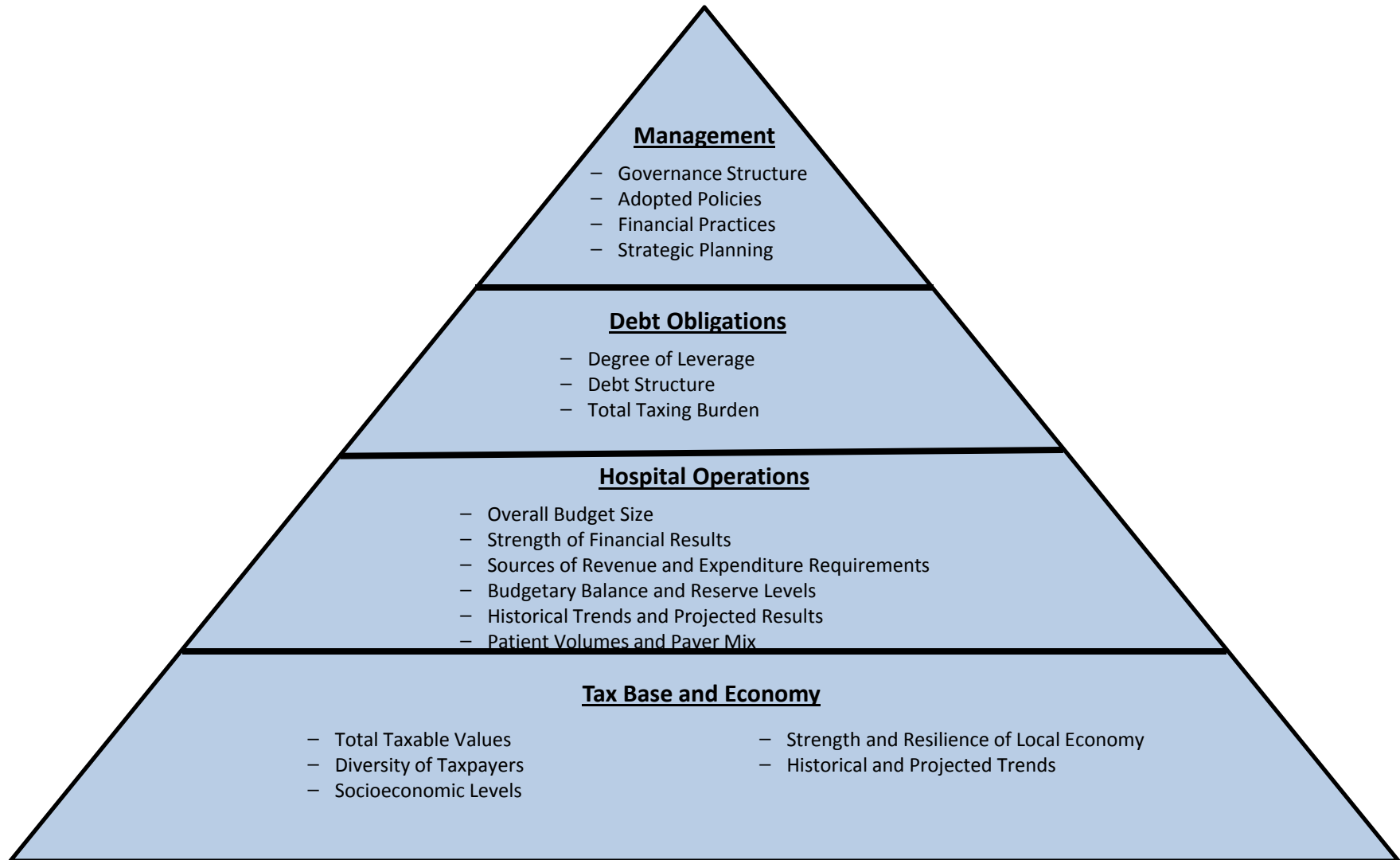
Constituent Communication	
Key Tasks	Piper Jaffray Support
<ul style="list-style-type: none">• Identification of Election Committee membership• Development of central messages on key needs and associated costs for the District• Development of an election timetable and budget• Determination of key messaging strategies and avenues through media, mail, print or community meetings• Regular monitoring by Election Committee on status of revenue raising and expenditure levels of the campaign	<ul style="list-style-type: none">• Provision of projected debt service schedules that allow for accurate election question parameters• Development of Key Fact sheet for Election Committee members• Assembling of Q&A on election questions including operational impacts of the question's failure• Assistance in development of communication strategies and messaging pieces for voter education• Attendance, as requested, at constituent or civic meetings on election question

Developing and Executing a Financial Plan: Transaction Execution

Transaction Execution	
Key Tasks	Piper Jaffray Support
<ul style="list-style-type: none">• District moves forward with debt issuance	<ul style="list-style-type: none">• Development of financing timetable• Assistance in review and development of legal documents, offering statements and rating presentations• Provision of regular market updates to ensure that anticipated financing costs match targeted levels• Development of financing structures to ensure efficient outcomes• Identification of targeted investors, including local retail interest• Development of investor communication strategies including conference calls or Internet Roadshows to increase investor confidence and interest• Facilitation and communication, if desired, of priority retail orders• Communication with underwriting desk to determine appropriate timing• Transaction execution• Deal summary report to District staff and board members

Presenting a Credit to the Market

The Pyramid of General Obligation Credit Quality



Selected Colorado Hospital Districts

Key Rating Factor	Aspen Valley Hospital District	Grand River Hospital District	Rangely Hospital District
G.O. Rating	Aa2 (Moody's)	A (S&P)	Baa1 (Moody's)
Relevant Ratings	Pitkin County Aa1	Garfield County	
Geographic Boundaries	Pitkin County	Western half of Garfield & small area of Mesa Counties; Rifle & Parachute	Western Rio Blanco and southern Moffat Counties
Population	17,379	27,000	2,365 (Town of Rangely)
Assessed Valuation	2,584,898,380	2,621,267,090	446,219,370
Operating Revenues	74,064,853		13,667,351
Days' Cash	192	219	22

Relevant Ratings: Town of Telluride (Aa3/AA); Mountain Village Metro District (Aa2)

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