



LIBRARY BOARD  
Andrea Cox, President  
Katie Cloudman, Vice President  
David Hamilton, Treasurer  
Marcie Taylor, Secretary  
Sherry Spears  
Gayle Dixon  
Al Northup

811 San Juan St  
Pagosa Springs, CO 81147

Barbara Brattin, Library Director

**Regular Meeting of the Library Board of Trustees**

**Wednesday, June 17, 2026**

**4pm**

**In person**

**811 San Juan St, Pagosa Springs, Colorado 81147**

**AGENDA**

- I. ROLL CALL AND DETERMINATION OF QUORUM
- II. AGENDA APPROVAL
- III. PUBLIC COMMENTS
- IV. CONSENT AGENDA
  - a. Approval of the May 20, 2026 regular board meeting minutes
  - b. Approval of the May 27, 2026 special board meeting minutes
- V. REPORTS
  - a. Foundation/ Development Report (Katie Dobbins, Foundation Director)
  - b. May 31, 2026 Financial Report (David)
  - c. Director's Report
  - d. Construction Report
- VI. NEW BUSINESS
  - a. Archuleta Early Childcare Strategic Investment Plan (Laura Mijares)
  - b. Reschedule October board meeting to October 14<sup>th</sup> to comply with DOLA budget calendar
- VII. UNFINISHED BUSINESS
  - a. Consideration of a Certificate of Participation
- VIII. LOOKING FORWARD
  - a. Return to in-person board meetings  
Library Vision: Mountains of opportunity to inspire ideas, enrich lives, and create community.

Library Mission: Your Library serves as a welcoming portal for open and equal access to information for residents and visitors of the community. Resources are provided through materials, classes, and events for achieving lifelong learning goals in culture, education, and leisure.

GOOD OF THE ORDER:

NEXT MEETING: July 15, 2026 4pm

ADJOURNMENT

## UPPER SAN JUAN LIBRARY DISTRICT

### BOARD OF TRUSTEES MEETING MINUTES

May 20, 2026

The meeting was called to order by Vice President Katie Cloudman at 4:00pm. Director Barb announced that the board will return to meeting in person in July of this year. The agenda of the meeting was approved as written. The minutes of the April 15, 2026 meeting were approved as written. Gayle Dixon/David Hamilton.

Recently there have been positive comments in the Pagosa Sun newspaper regarding the library update.

**New business:** The Friends of the Library book drive took place last week. The group has a new board member, Julie Fox. Director Katie continues to work on donor relations, as well as possible grants for the library renovation project. To date, Katie has heard back from one grant organization.

Two presentations were made regarding Certificates of Participation, a financial instrument available to special districts in Colorado and an option for the library as we struggle to complete fundraising for the new building. Jason Simmons of Hilltop Securities and Joseph McLiney of McLiney and Company each gave a presentation to the board regarding their services. The fees for service are \$35,000 for Hilltop and \$22,000 for McLiney and Company. Their firms would act as advisors regarding securing the additional financing for the library building project. It appears as though we need an additional 1.2 to 1.4 million dollars, to be repaid over 15 years or less. However, the library needs to have the flexibility of getting out of the payment contract early if we receive the necessary donations. The library project requires additional funding by September 2026, without voter approval, and requires the flexibility of refinancing within five years. Joseph McLiney indicated he could complete the project within 45 days and the library would have the flexibility of retiring the debt early at no charge.

Director Barb suggested the board choose the consultants today. Board member Gayle Dixon suggested we need seven days to do our due diligence in selecting the vendor. She will check the vendor's references and look at their fee and interest rates. Gayle will need copies of all resolutions. The board will have a special meeting on Wednesday, May 27<sup>th</sup> at 4:00pm to make the final decision.

**Financial Report:** David Hamilton indicated that the library financial report looks good. The areas where expenses have risen is expected for this time of year.

**Director's Report:** The children's summer reading program begins June 1 and ends August 30. Our new children's librarian, Saira, has been a wonderful addition to the staff. She has added a

weekly Baby Storytime to the children's programming and two additional large one-time events, Super Mario Bingo and Preschool Pasta Art. Saira also visited a number of local businesses to solicit donations for summer reading and two businesses have already agreed to participate.

Congratulations to librarian Taylor for being accepted into this year's Colorado Association of Libraries Leadership Institute cohort. The library staff and patrons are so proud of this amazing achievement by Taylor. She will bring home many ideas on how to grow our library.

The library recently closed for two days for the electrical connection of the new and old building. The electricians finished on time and we were able to reopen the library on the third day.

The Library Foundation has added three new members with strong backgrounds in fundraising. They will raise the remaining \$1 million needed for construction. Joseph McLiney and Jason Simons were interviewed at today's meeting, as indicated previously in the meeting minutes.

**Construction Report:** The library has applied for a solar grant, requesting the full \$100,000. This would include a battery backup system. The exterior library sign replacement plan has been modified due to the cost. The library will be closed the week of June 15 for construction requirements. After inadvertently hitting a geothermal line under the parking lot, things have gone more smoothly. Conduit is in place to bring the fiberoptic across the alley and into the library building. Trenching and conduit for the EV chargers will be part of the parking lot plan, as well.

The interior continues to come to life with colorful walls, cabinetry and flooring. The children's room rubber flooring in patterns of color is especially cheerful. Late next month we will switch to service in the new addition while the workers turn their attention to remodeling the old section. Our new program room tables and service desk will arrive mid-May and be assembled during the transition period.

**Unfinished business:** The library public comment policy was presented to the board for the second time and the policy passed unanimously. David/Al

The library grand reopening is currently planned for sometime after September 1, 2026.

The next library board meeting is June 17, 2026. A special meeting of the library board will be held on Zoom next week, May 27th, 2026.

A motion to adjourn the meeting at 5:30 was presented and passed. Sheri Spears/Marcie Taylor

Respectfully submitted,

Marcie Taylor Recording secretary

**UPPER SAN JUAN LIBRARY DISTRICT**  
**BOARD OF TRUSTEES SPECIAL MEETING MINUTES**

May 27, 2026

The meeting was called to order by Trustee Katie Cloudman at 4:00pm.

Members present: David Hamilton, Sherry Spears, Al Northrup, Gayle Dixon, Katie Cloudman, Marcie Taylor.

Staff members present: Library Director Barbara Brattin and Assistant Director Taylor Worsham Librarian Taylor Worsham.

**Public comments:** None

**Change to the agenda:** Gayle made a motion and Sherry seconded to table the decision about a certificate of participation or bank loan until the regular June 17<sup>th</sup> meeting. The motion was approved by the board.

**Construction payment schedule:** The library is billed at the end of each month for construction completed. The next payment is due June 30. The Foundation does not have much money coming in. This is a problem. Coors recently contributed \$30,000 to the campaign. The library board would like to borrow the additional funds without going to the voters. Board members Gayle and David will approach First Southwest Bank regarding a loan. The library does have savings which could be applied to the building deficit. The foundation also needs the ability to pay the loan off early.

The board tabled the decision until the June 17, 2026 meeting, regarding choosing between the two companies, McLiney and Company and Hilltop Securities, providing advisory services should the library need to borrow additional funds to complete the building project. The amount that the library would request in a Certificate of Participation is yet to be determined, based on our fundraising success from now until we enter into an agreement.

**Library Board meeting, June 17, 2026:** This meeting will be held in person rather than on line. It was suggested that we meet at the library but the board choose to meet in an offsite location in the community.

**Unfinished business:** None

**Motion to adjourn the meeting:** Gayle & Sherrie. The motion passed.

**Next meeting:** June 17, 2026 at 4:00pm

Respectfully submitted,

Marcie Taylor, Recording secretary

Foundation Report June 2026

Katie Dobbins, Foundation Director

This month we have been working on contacting unfulfilled pledge donors to make payment arrangements.

The Friends of the Library hosted another successful book donation drive and have filled the storage unit

for our upcoming book sale July 16th-18th at the Methodist Church. We also sent out a Friends update email

to Friends Members letting them know about what the Friends have been working on and the progress of the Library

expansion and renovation. I've been working with the Ruby's Writers Guild on a memorial for Gary Woods & the 4th of July table.

They will be hosting a table at the 4th of July celebration in Yamaguchi Park to sell copies of their two published anthologies.

The proceeds from book sales go directly to the Mountains of Opportunity Campaign.

## Ruby M. Sisson Memorial Library

## Balance Sheet

As of May 31, 2026

	<u>May 31, 26</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Bank of the San Juans 1460	491,905.33
Colorado Trust	351,451.09
<b>Total Checking/Savings</b>	843,356.42
<b>Accounts Receivable</b>	
Accounts Receivable	59,735.03
<b>Total Accounts Receivable</b>	59,735.03
<b>Other Current Assets</b>	
Property Taxes Receivable	600,525.10
<b>Total Other Current Assets</b>	600,525.10
<b>Total Current Assets</b>	1,503,616.55
<b>Fixed Assets</b>	
Books (Inventory)	457,159.08
Buldings	1,498,755.00
Building Improvements	168,372.40
Furniture & Equipment	379,176.00
Land	362,254.00
Land Improvements	470,940.00
Accumulated Depreciation	-1,553,291.62
<b>Total Fixed Assets</b>	1,783,364.86
<b>TOTAL ASSETS</b>	<b>3,286,981.41</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
*Accounts Payable	3,223.66
<b>Total Accounts Payable</b>	3,223.66
<b>Credit Cards</b>	
Commerce Bank 1756	2,535.65
<b>Total Credit Cards</b>	2,535.65
<b>Other Current Liabilities</b>	
Due to Capital Reserve	-600,000.00
Deferred Revenue	600,525.10
<b>Payroll Current Liabilities</b>	
Accrued Vacation/PTO	21,939.16
State Withheld & SUTA Payable	-1,107.09
<b>Total Payroll Current Liabilities</b>	20,832.07
<b>Total Other Current Liabilities</b>	21,357.17
<b>Total Current Liabilities</b>	27,116.48
<b>Total Liabilities</b>	27,116.48
<b>Equity</b>	
Offset for Long Term Liab	-21,939.16
<b>INVESTMENTS IN FIXED ASSETS</b>	1,783,364.86

3:12 PM

06/10/26

Accrual Basis

**Ruby M. Sisson Memorial Library**

**Balance Sheet**

As of May 31, 2026

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	<u>May 31, 26</u>
LIMITED FOR EMERGENCIES (Tabor)	4,633.65
COMMITTED FOR IMP & OUTREACH	162,000.00
Opening Bal Equity	-292,591.68
Unrestricted Net Assets	1,215,715.00
Net Income	408,682.26
<b>Total Equity</b>	<u>3,259,864.93</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>3,286,981.41</u></u>

**Ruby M. Sisson Memorial Library**  
**Profit & Loss - Actuals vs Budget**  
January through May 2026

Ordinary Income/Expense	Jan - May 26	Budget	\$ Over Budget
<b>Income</b>			
Foundation Admin Fee Income	1,200.00	1,200.00	0.00
Gifts/Donations (general)	780.85	9,000.00	-8,219.15
Gifts/Donations (restricted)	0.00	5,000.00	-5,000.00
<b>Grants (general)</b>			
Training Grants	750.00	1,500.00	-750.00
Program Grants	15,390.00	24,000.00	-8,610.00
Collection Grants	0.00	6,132.00	-6,132.00
<b>Total Grants (general)</b>	<b>16,140.00</b>	<b>31,632.00</b>	<b>-15,492.00</b>
<b>INCOME - PROPERTY TAX</b>			
2025 Abatement Rebate	0.00	4,257.00	-4,257.00
Property Tax	686,249.20	912,320.00	-226,070.80
Specific Ownership Tax	29,215.17	70,000.00	-40,784.83
Misc Tax Income	0.00	20,000.00	-20,000.00
Abatements	-230.35	-2,000.00	1,769.65
<b>Total INCOME - PROPERTY TAX</b>	<b>715,234.02</b>	<b>1,004,577.00</b>	<b>-289,342.98</b>
<b>INCOME - REVENUE</b>			
Book Sales - Taxable	95.76	600.00	-504.24
Copies	3,726.08	10,000.00	-6,273.92
Lost Books/ILL	312.95	800.00	-487.05
Other Revenue (& library cards)	165.00	250.00	-85.00
Use of Equipment	457.33	600.00	-142.67
<b>Total INCOME - REVENUE</b>	<b>4,757.12</b>	<b>12,250.00</b>	<b>-7,492.88</b>
Interest Income	14,912.01	40,000.00	-25,087.99
<b>Total Income</b>	<b>753,024.00</b>	<b>1,103,659.00</b>	<b>-350,635.00</b>
<b>Gross Profit</b>	<b>753,024.00</b>	<b>1,103,659.00</b>	<b>-350,635.00</b>
<b>Expense</b>			
<b>CAPITAL OUTLAY &amp; FIXED EXPENSES</b>			
<b>FIXED EXPENSES</b>			
Treasurer's Fees	20,544.19	26,829.39	-6,285.20
<b>Total FIXED EXPENSES</b>	<b>20,544.19</b>	<b>26,829.39</b>	<b>-6,285.20</b>
<b>Total CAPITAL OUTLAY &amp; FIXED EXPENSES</b>	<b>20,544.19</b>	<b>26,829.39</b>	<b>-6,285.20</b>
<b>OPERATING EXPENSES</b>			
<b>BUILDING EXPENSES</b>			
Alarm Monitoring	270.00	990.00	-720.00
Bldg Maintenance Costs	867.15	1,000.00	-132.85
Janitorial Service	6,199.82	19,300.00	-13,100.18
Janitorial Supplies	43.50	2,500.00	-2,456.50
Landscape/Grounds Maint	61.98	500.00	-438.02
Snow Removal	0.00	5,000.00	-5,000.00
Trash	639.62	1,512.00	-872.38
<b>Utilities</b>			
Electricity	8,764.87	8,200.00	564.87
Geothermal	3,700.11	10,833.00	-7,132.89
Water & Sewer	1,012.99	6,300.00	-5,287.01
<b>Total Utilities</b>	<b>13,477.97</b>	<b>25,333.00</b>	<b>-11,855.03</b>
Window Cleaning	0.00	1,000.00	-1,000.00
<b>Total BUILDING EXPENSES</b>	<b>21,560.04</b>	<b>57,135.00</b>	<b>-35,574.96</b>
<b>LIBRARY OFFICE EXPENSES</b>			
Accounting & Budgeting	2,628.00	5,500.00	-2,872.00
Auditing / Tax Return Prep	6,800.00	15,750.00	-8,950.00
Collection & Credit Card Fees	432.43	330.00	102.43
Equipment & Furniture < \$500	0.00	500.00	-500.00
Eqmt & Computer Maint & Parts	245.45	1,250.00	-1,004.55
Insurance Expense			

**Ruby M. Sisson Memorial Library**  
**Profit & Loss - Actuals vs Budget**  
January through May 2026

	<u>Jan - May 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Insurance - Bonding	0.00	400.00	-400.00
Insurance-Directors & Officers	0.00	2,700.00	-2,700.00
Insurance - Liab/Contents/Bldg	0.00	9,560.00	-9,560.00
<b>Total Insurance Expense</b>	<b>0.00</b>	<b>12,660.00</b>	<b>-12,660.00</b>
Internet / ISP	1,429.80	3,114.00	-1,684.20
Legal Services	50.00	500.00	-450.00
<b>Maint Agmts &amp; Licenses</b>			
Hardware Maint Agmts (Xerox)	1,036.82	3,000.00	-1,963.18
Software Maint Agmts	9,462.00	13,600.00	-4,138.00
<b>Total Maint Agmts &amp; Licenses</b>	<b>10,498.82</b>	<b>16,600.00</b>	<b>-6,101.18</b>
Office Supplies	1,687.14	3,500.00	-1,812.86
Postage / PO Box	420.97	1,200.00	-779.03
Sales Tax Expense	42.52	300.00	-257.48
Storage	1,048.48	2,500.00	-1,451.52
Telephone	1,110.96	2,610.00	-1,499.04
<b>SUBCONTRACTORS</b>			
IT Consulting	3,271.40	14,000.00	-10,728.60
<b>Total SUBCONTRACTORS</b>	<b>3,271.40</b>	<b>14,000.00</b>	<b>-10,728.60</b>
<b>Total LIBRARY OFFICE EXPENSES</b>	<b>29,665.97</b>	<b>80,314.00</b>	<b>-50,648.03</b>
<b>PROGRAMS &amp; PUBLIC USE EXPENSES</b>			
<b>PROGRAMS</b>			
Adult Programs (LLL,PALS,ESL)	131.04	3,000.00	-2,868.96
Children's Programs	299.04	2,500.00	-2,200.96
Summer Reading Program	1,677.25	2,500.00	-822.75
Teen Programs	324.53	1,000.00	-675.47
Grant Funded Programs	3,394.39	24,000.00	-20,605.61
<b>Total PROGRAMS</b>	<b>5,826.25</b>	<b>33,000.00</b>	<b>-27,173.75</b>
<b>PUBLIC RELATIONS</b>			
Advertising - PR	524.68	2,000.00	-1,475.32
Flowers	92.70	250.00	-157.30
Printing	774.71	2,200.00	-1,425.29
Volunteer Background Checks	97.80	400.00	-302.20
Volunteer/Staff Expenses	381.52	700.00	-318.48
<b>Total PUBLIC RELATIONS</b>	<b>1,871.41</b>	<b>5,550.00</b>	<b>-3,678.59</b>
<b>PUBLIC USE MATERIALS</b>			
Courier Service (ILL)	0.00	7,500.00	-7,500.00
Electronic Data Bases	2,493.03	13,500.00	-11,006.97
Lost Items Expenses	84.93	150.00	-65.07
<b>Non-Print Material</b>			
Audio Books	2,444.57	6,000.00	-3,555.43
DVD/Video	1,834.34	4,000.00	-2,165.66
Downloadable E-Books/Audio	8,000.00	17,000.00	-9,000.00
<b>Total Non-Print Material</b>	<b>12,278.91</b>	<b>27,000.00</b>	<b>-14,721.09</b>
<b>Print Material</b>			
Books	21,816.06	42,000.00	-20,183.94
Subscriptions	313.95	2,400.00	-2,086.05
<b>Total Print Material</b>	<b>22,130.01</b>	<b>44,400.00</b>	<b>-22,269.99</b>
Grant Funded Collections	0.00	6,132.00	-6,132.00
<b>Total PUBLIC USE MATERIALS</b>	<b>36,986.88</b>	<b>98,682.00</b>	<b>-61,695.12</b>
<b>Total PROGRAMS &amp; PUBLIC USE EXPENSES</b>	<b>44,684.54</b>	<b>137,232.00</b>	<b>-92,547.46</b>
<b>Total OPERATING EXPENSES</b>	<b>95,910.55</b>	<b>274,681.00</b>	<b>-178,770.45</b>
<b>STAFF, BENEFITS &amp; TRAINING</b>			
<b>STAFF EDUCATION</b>			
Conferences/Workshops	1,145.21	1,800.00	-654.79
Memberships	1,415.50	2,570.00	-1,154.50

**Ruby M. Sisson Memorial Library**  
**Profit & Loss - Actuals vs Budget**  
January through May 2026

	<u>Jan - May 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Travel/Food Expenses	1,683.63	5,000.00	-3,316.37
Training Grant Expenses	0.00	1,500.00	-1,500.00
<b>Total STAFF EDUCATION</b>	<b>4,244.34</b>	<b>10,870.00</b>	<b>-6,625.66</b>
<b>SALARIES &amp; BENEFITS</b>			
<b>BENEFITS</b>			
Mileage Reimbursement	550.96	1,250.00	-699.04
Employee Assist Program (EAP)	0.00	3,521.00	-3,521.00
Health Insurance Allowance	12,195.00	36,000.00	-23,805.00
Social Security	12,314.72	33,320.16	-21,005.44
Medicare	2,880.04	7,792.62	-4,912.58
Retirement (CRA)	10,132.74	15,238.11	-5,105.37
State Unemployment	411.81	1,612.27	-1,200.46
Worker's Compensation Insurance	0.00	1,612.27	-1,612.27
<b>Total BENEFITS</b>	<b>38,485.27</b>	<b>100,346.43</b>	<b>-61,861.16</b>
<b>Salaries &amp; PTO</b>			
<b>SALARIES</b>	151,734.43	533,421.97	-381,687.54
Holiday Pay	7,070.29	0.00	7,070.29
Paid Time Off (PTO)	25,595.29	0.00	25,595.29
<b>Total Salaries &amp; PTO</b>	<b>184,400.01</b>	<b>533,421.97</b>	<b>-349,021.96</b>
Substitute Staff (subcontract)	2,029.38	4,000.00	-1,970.62
<b>Total SALARIES &amp; BENEFITS</b>	<b>224,914.66</b>	<b>637,768.40</b>	<b>-412,853.74</b>
<b>Total STAFF, BENEFITS &amp; TRAINING</b>	<b>229,159.00</b>	<b>648,638.40</b>	<b>-419,479.40</b>
<b>Total Expense</b>	<b>345,613.74</b>	<b>950,148.79</b>	<b>-604,535.05</b>
<b>Net Ordinary Income</b>	<b>407,410.26</b>	<b>153,510.21</b>	<b>253,900.05</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
Other Income (dividends,claims)	1,272.00	500.00	772.00
<b>Total Other Income</b>	<b>1,272.00</b>	<b>500.00</b>	<b>772.00</b>
<b>Other Expense</b>			
Suspense - Unknown	0.00	0.00	0.00
Void	0.00	0.00	0.00
<b>Total Other Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Other Income</b>	<b>1,272.00</b>	<b>500.00</b>	<b>772.00</b>
<b>Net Income</b>	<b>408,682.26</b>	<b>154,010.21</b>	<b>254,672.05</b>

**Ruby M. Sisson Memorial Library**  
**Profit & Loss - Actuals vs Budget**  
January through May 2026

	<b>% of Budget</b>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Foundation Admin Fee Income	100.0%
Gifts/Donations (general)	8.68%
Gifts/Donations (restricted)	0.0%
<b>Grants (general)</b>	
Training Grants	50.0%
Program Grants	64.13%
Collection Grants	0.0%
<b>Total Grants (general)</b>	51.02%
<b>INCOME - PROPERTY TAX</b>	
2025 Abatement Rebate	0.0%
Property Tax	75.22%
Specific Ownership Tax	41.74%
Misc Tax Income	0.0%
Abatements	11.52%
<b>Total INCOME - PROPERTY TAX</b>	71.2%
<b>INCOME - REVENUE</b>	
Book Sales - Taxable	15.96%
Copies	37.26%
Lost Books/ILL	39.12%
Other Revenue (& library cards)	66.0%
Use of Equipment	76.22%
<b>Total INCOME - REVENUE</b>	38.83%
Interest Income	37.28%
<b>Total Income</b>	68.23%
<b>Gross Profit</b>	68.23%
<b>Expense</b>	
<b>CAPITAL OUTLAY &amp; FIXED EXPENSES</b>	
<b>FIXED EXPENSES</b>	
Treasurer's Fees	76.57%
<b>Total FIXED EXPENSES</b>	76.57%
<b>Total CAPITAL OUTLAY &amp; FIXED EXPENSES</b>	76.57%
<b>OPERATING EXPENSES</b>	
<b>BUILDING EXPENSES</b>	
Alarm Monitoring	27.27%
Bldg Maintenance Costs	86.72%
Janitorial Service	32.12%
Janitorial Supplies	1.74%
Landscape/Grounds Maint	12.4%
Snow Removal	0.0%
Trash	42.3%
<b>Utilities</b>	
Electricity	106.89%
Geothermal	34.16%
Water & Sewer	16.08%
<b>Total Utilities</b>	53.2%
Window Cleaning	0.0%
<b>Total BUILDING EXPENSES</b>	37.74%
<b>LIBRARY OFFICE EXPENSES</b>	
Accounting & Budgeting	47.78%
Auditing / Tax Return Prep	43.18%
Collection & Credit Card Fees	131.04%
Equipment & Furniture < \$500	0.0%
Eqmt & Computer Maint & Parts	19.64%
Insurance Expense	

**Ruby M. Sisson Memorial Library**  
**Profit & Loss - Actuals vs Budget**  
January through May 2026

	<b>% of Budget</b>
Insurance - Bonding	0.0%
Insurance-Directors & Officers	0.0%
Insurance - Liab/Contents/Bldg	0.0%
<b>Total Insurance Expense</b>	<b>0.0%</b>
Internet / ISP	45.92%
Legal Services	10.0%
<b>Maint Agmts &amp; Licenses</b>	
Hardware Maint Agmts (Xerox)	34.56%
Software Maint Agmts	69.57%
<b>Total Maint Agmts &amp; Licenses</b>	<b>63.25%</b>
Office Supplies	48.2%
Postage / PO Box	35.08%
Sales Tax Expense	14.17%
Storage	41.94%
Telephone	42.57%
<b>SUBCONTRACTORS</b>	
IT Consulting	23.37%
<b>Total SUBCONTRACTORS</b>	<b>23.37%</b>
<b>Total LIBRARY OFFICE EXPENSES</b>	<b>36.94%</b>
<b>PROGRAMS &amp; PUBLIC USE EXPENSES</b>	
<b>PROGRAMS</b>	
Adult Programs (LLL,PALS,ESL)	4.37%
Children's Programs	11.96%
Summer Reading Program	67.09%
Teen Programs	32.45%
Grant Funded Programs	14.14%
<b>Total PROGRAMS</b>	<b>17.66%</b>
<b>PUBLIC RELATIONS</b>	
Advertising - PR	26.23%
Flowers	37.08%
Printing	35.21%
Volunteer Background Checks	24.45%
Volunteer/Staff Expenses	54.5%
<b>Total PUBLIC RELATIONS</b>	<b>33.72%</b>
<b>PUBLIC USE MATERIALS</b>	
Courier Service (ILL)	0.0%
Electronic Data Bases	18.47%
Lost Items Expenses	56.62%
<b>Non-Print Material</b>	
Audio Books	40.74%
DVD/Video	45.86%
Downloadable E-Books/Audio	47.06%
<b>Total Non-Print Material</b>	<b>45.48%</b>
<b>Print Material</b>	
Books	51.94%
Subscriptions	13.08%
<b>Total Print Material</b>	<b>49.84%</b>
Grant Funded Collections	0.0%
<b>Total PUBLIC USE MATERIALS</b>	<b>37.48%</b>
<b>Total PROGRAMS &amp; PUBLIC USE EXPENSES</b>	<b>32.56%</b>
<b>Total OPERATING EXPENSES</b>	<b>34.92%</b>
<b>STAFF, BENEFITS &amp; TRAINING</b>	
<b>STAFF EDUCATION</b>	
Conferences/Workshops	63.62%
Memberships	55.08%

**Ruby M. Sisson Memorial Library**  
**Profit & Loss - Actuals vs Budget**  
January through May 2026

	<b>% of Budget</b>
Travel/Food Expenses	33.67%
Training Grant Expenses	0.0%
<b>Total STAFF EDUCATION</b>	<b>39.05%</b>
<b>SALARIES &amp; BENEFITS</b>	
<b>BENEFITS</b>	
Mileage Reimbursement	44.08%
Employee Assist Program (EAP)	0.0%
Health Insurance Allowance	33.88%
Social Security	36.96%
Medicare	36.96%
Retirement (CRA)	66.5%
State Unemployment	25.54%
Worker's Compensation Insurance	0.0%
<b>Total BENEFITS</b>	<b>38.35%</b>
<b>Salaries &amp; PTO</b>	
<b>SALARIES</b>	28.45%
Holiday Pay	100.0%
Paid Time Off (PTO)	100.0%
<b>Total Salaries &amp; PTO</b>	<b>34.57%</b>
Substitute Staff (subcontract)	50.74%
<b>Total SALARIES &amp; BENEFITS</b>	<b>35.27%</b>
<b>Total STAFF, BENEFITS &amp; TRAINING</b>	<b>35.33%</b>
<b>Total Expense</b>	<b>36.38%</b>
<b>Net Ordinary Income</b>	<b>265.4%</b>
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Other Income (dividends,claims)	254.4%
<b>Total Other Income</b>	<b>254.4%</b>
<b>Other Expense</b>	
Suspense - Unknown	0.0%
Void	0.0%
<b>Total Other Expense</b>	<b>0.0%</b>
<b>Net Other Income</b>	<b>254.4%</b>
<b>Net Income</b>	<b>265.36%</b>

<b>Jan-May 2026</b>	<b>2026</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Property Tax	\$715,234	\$715,849	\$756,886	\$514,895	\$489,496
Other Income	\$39,062	\$288,547	\$33,271	\$28,475	\$14,984
Unanticipated Donation(s) *	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$754,296</b>	<b>\$1,004,397</b>	<b>\$790,158</b>	<b>\$543,370</b>	<b>\$504,480</b>
Capital & Fixed Expenses	\$20,544	\$48,704	\$20,228	\$15,630	\$13,940
Building Expenses	\$21,560	\$16,825	\$17,238	\$18,646	\$16,289
Office Expenses	\$29,666	\$37,086	\$14,139	\$26,002	\$16,918
Programs & Public Use Materials	\$44,685	\$40,345	\$40,566	\$37,895	\$31,974
Personnel & Benefits	\$229,159	\$220,337	\$165,702	\$158,871	\$147,231
<b>Total Expenses</b>	<b>\$345,614</b>	<b>\$363,298</b>	<b>\$257,873</b>	<b>\$257,044</b>	<b>\$226,352</b>
<b>Net Ordinary Income</b>	<b>\$408,682</b>	<b>\$641,099</b>	<b>\$532,285</b>	<b>\$286,326</b>	<b>\$278,128</b>
Development Officer Salary					
HVAC Replacement					
Master Plan Expenses	\$0	\$56,543			\$2,500
Gift to Foundation					
<b>Net Income</b>	<b>\$408,682</b>	<b>\$584,556</b>	<b>\$532,285</b>	<b>\$286,326</b>	<b>\$275,628</b>
<b>Cash on hand:</b>	<b>\$843,356</b>	<b>\$1,484,703</b>	<b>\$1,334,433</b>	<b>\$914,702</b>	<b>\$759,450</b>

## Ruby Sisson Capital Improvement Fund

## Balance Sheet

As of May 31, 2026

	<u>May 31, 26</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Bank of San Juans	240,330.46
Total Checking/Savings	<u>240,330.46</u>
Total Current Assets	<u>240,330.46</u>
<b>TOTAL ASSETS</b>	<b><u>240,330.46</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	480,212.77
Total Accounts Payable	<u>480,212.77</u>
Other Current Liabilities	
Due to Operating Acct	836.44
Total Other Current Liabilities	<u>836.44</u>
Total Current Liabilities	<u>481,049.21</u>
Total Liabilities	481,049.21
Equity	
Retained Earnings	80,828.93
Net Income	<u>-321,547.68</u>
Total Equity	<u>-240,718.75</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>240,330.46</u></b>

**Ruby Sisson Capital Improvement Fund**  
**Profit & Loss Budget vs. Actual**  
January through May 2026

	<u>Jan - May 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>Grants</b>			
Federal Grants	0.00	25,000.00	-25,000.00
State Grants	391,662.46	650,000.00	-258,337.54
Foundation Grants	1,505,611.80	3,683,653.80	-2,178,042.00
<b>Total Grants</b>	<u>1,897,274.26</u>	<u>4,358,653.80</u>	<u>-2,461,379.54</u>
Donations & Gifts	20,062.39	500.00	19,562.39
Interest Income	2,767.57	600.00	2,167.57
Other Income	602,300.00	60,000.00	542,300.00
<b>Total Income</b>	<u>2,522,404.22</u>	<u>4,419,753.80</u>	<u>-1,897,349.58</u>
<b>Expense</b>			
Credit Card/Square Fees	94.15		
<b>Facilities Improvements</b>			
Architect/Professional Fees	37,940.50	31,449.02	6,491.48
Contractor Fees	2,772,081.19	3,844,168.50	-1,072,087.31
Furnishings	28,891.46	150,000.00	-121,108.54
Unanticipated building repairs	360.68	198,915.00	-198,554.32
<b>Total Facilities Improvements</b>	<u>2,839,273.83</u>	<u>4,224,532.52</u>	<u>-1,385,258.69</u>
<b>Mechanical Improvements</b>			
Solar Project	0.00	60,000.00	-60,000.00
Unanticipated Improvements	0.00	18,000.00	-18,000.00
<b>Total Mechanical Improvements</b>	<u>0.00</u>	<u>78,000.00</u>	<u>-78,000.00</u>
<b>Technology Improvements</b>			
Computer Replacements	4,583.92	25,000.00	-20,416.08
EV Charging	0.00	10,000.00	-10,000.00
<b>Total Technology Improvements</b>	<u>4,583.92</u>	<u>35,000.00</u>	<u>-30,416.08</u>
<b>Total Expense</b>	<u>2,843,951.90</u>	<u>4,337,532.52</u>	<u>-1,493,580.62</u>
<b>Net Ordinary Income</b>	<u>-321,547.68</u>	<u>82,221.28</u>	<u>-403,768.96</u>
<b>Net Income</b>	<u><u>-321,547.68</u></u>	<u><u>82,221.28</u></u>	<u><u>-403,768.96</u></u>

**Ruby Sisson Capital Improvement Fund**  
**Profit & Loss Budget vs. Actual**  
January through May 2026

	<u><u>% of Budget</u></u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Grants</b>	
Federal Grants	0.0%
State Grants	60.26%
Foundation Grants	40.87%
<b>Total Grants</b>	<u>43.53%</u>
Donations & Gifts	4,012.48%
Interest Income	461.26%
Other Income	1,003.83%
<b>Total Income</b>	<u>57.07%</u>
<b>Expense</b>	
<b>Credit Card/Square Fees</b>	
<b>Facilities Improvements</b>	
Architect/Professional Fees	120.64%
Contractor Fees	72.11%
Furnishings	19.26%
Unanticipated building repairs	0.18%
<b>Total Facilities Improvements</b>	<u>67.21%</u>
<b>Mechanical Improvements</b>	
Solar Project	0.0%
Unanticipated Improvements	0.0%
<b>Total Mechanical Improvements</b>	<u>0.0%</u>
<b>Technology Improvements</b>	
Computer Replacements	18.34%
EV Charging	0.0%
<b>Total Technology Improvements</b>	<u>13.1%</u>
<b>Total Expense</b>	<u>65.57%</u>
<b>Net Ordinary Income</b>	<u>-391.08%</u>
<b>Net Income</b>	<u><u>-391.08%</u></u>

## **Director's Report June 2026**

Healthy Archuleta is forming the Archuleta Youth Prevention Coalition. This countywide effort focuses on youth wellbeing, mental health, and substance use prevention. Taylor will represent the library in this important work.

Enclosed in this packet is an overview of another initiative that the library has been invited to join. The Archuleta Early Childcare Strategic Investment Plan is a concept being presented to the Archuleta County Board by the Early Childhood Council of Archuleta County for potential funding from lodging tax to support early childhood education county-wide. The State of Colorado provides 10 hours per week of preschool to every four-year-old in the state. There is no state support for younger children. Instead, individual counties create their own programs. There is currently no program in Archuleta County. Laura Mijares from the Early Childhood Council of Archuleta County will join our meeting to provide a brief overview and ask the library board for their support in this project.

DOLA has responded to our request for supplemental funds for the construction project in the amount of \$104,392. The original contract will be amended and we will receive higher reimbursements at our quarterly requests. Reynolds Ash, our architecture firm, has discounted their fees. Going forward, we will only be billed for consultants they use, which is now estimated at no more than \$5,000. This saves us over \$100,000 on the original estimate, a very welcome relief! Included in this packet is the updated project budget that shows the change in the architect fees as well as the DOLA supplemental grant.

Ballentine Family Fund funded our request for STEM activities for the new children's room, delivering a check for \$4,000. The State Grants to Libraries program provided \$1659 toward large print books. We have submitted a \$10,000 mini-grant request to the state for new public computers and LCD screens and will hear their decision in July. I am writing a grant application to the Rural Tech Education fund for makerspace equipment.

The All Points North Foundation has invited us to the final round of the \$100,000 grant application for a solar roof installation. The foundation is the official applicant, as they only award to 501c(3) organizations. Katie, Jonathan Dobson, and I will deliver a presentation to their foundation board on June 30<sup>th</sup>. If the board says yes that evening, we will receive the award which includes support for battery backup.

The 2025 audit is nearly complete and will be presented to the Board at the July meeting.

We will be moving the old library into the new library wind all week, with a targeted reopening date of June 22<sup>nd</sup>.

Here's what we've communicated to the public:

On Monday morning, June 22, we will reopen for service in the new section of the library. You will be able to park in the original, repaved parking lot off 8th Street and walk through our new front doors. Our new bright children's room will be open, but not the children's garden, as the fence between the garden and the parking lot is yet to arrive and safety is our priority!

You will have access to a meeting room, so call us to make a reservation (970-264-2209). We will limit the reservations to groups only at this time to make the best use of the space. We will have many new books for you to enjoy and a good selection of materials to browse for the next few months. And, of course, the children's collection will be fully available. You will be able to place holds on our new collections, and request titles from other libraries. All digital products remain fully available 24/7.

We'll be temporarily moving our blue book drop to the new side of the building until we decide where else in the community to place it. You can return items at the front of the building through a front wall chute to the right of the main doors all hours of the day. The book drop at City Market will also remain available.

The old section of the library is scheduled to be ready September 4th. Once again, we will need to do some moving of collections from storage to the shelves and place the furniture in its new position. So, we will close for a week to get everything in order.

### **Construction Report June 2026**

The final walk-through with the architect was conducted on Wednesday June 10<sup>th</sup> and a punch list was created. The fire inspection passed as did the plumbing inspection. The temporary wall will come down on Tuesday, June 16<sup>th</sup> and the staff and volunteers will be working hard to get things set up for public service.

FCI will hand over the keys to the finished building by September 4<sup>th</sup>. We will take a week to move back into the old section of the library and get everything in order. A special donor event will be hosted by the Foundation the evening of September 11<sup>th</sup> and the public Grand Opening Celebration will be held 9am-3pm on Saturday, September 12<sup>th</sup>.

Copy of Current Budget Report 61526

6/15/2026	Contract	Paid to date	Balance			
<b>EXPENSES</b>						
Construction contract	\$ 5,518,644.32	\$ 3,633,785.53	\$1,884,858.79			
Architectural Services	\$ 331,118.66	\$ 129,055.00	\$5,000.00	per architect		
Inspections and Permits	\$ 22,207.50	\$ 22,207.50	\$0.00			
Electrical upgrades	\$ 57,687.00	\$ 57,687.00	\$0.00			
<b>TOTAL EXPENSES</b>	<b>\$ 5,929,657.48</b>	<b>\$ 3,842,735.03</b>	<b>\$1,889,858.79</b>			
<b>INCOME</b>						
DOLA	\$ 840,000.00	\$ 489,714.61	\$350,285.39			
DOLA Supplemental	\$ 104,392.00		\$104,392.00			
Library capital account balance			\$240,548.82			
EV Charger grant	\$ 11,900.00		\$11,900.00			
Library Contribution from reserves	\$ 600,000.00	\$ 600,000.00	\$0.00			
Foundation accounts			\$240,615.76			
Garden grant	\$ 2,000.00	\$ 2,000.00	\$0.00			
Kitchen appliances donations	\$ 5,000.00	\$ 5,000.00	\$0.00			
<b>TOTAL AVAILABLE INCOME</b>			<b>\$947,741.97</b>			
<b>SHORTFALL</b>			<b>\$942,116.82</b>			



# ARCHULETA EARLY CHILDCARE STRATEGIC INVESTMENT PLAN



Archuleta County needs a strong early childhood system to support children, working families, and the local economy. About 559 children are ages 0 to 4, but licensed childcare capacity meets only about 32% of local need. A strategic investment plan can expand care, reduce the childcare gap, strengthen providers, support the workforce, and improve long term economic resilience.

## BY TAKING A HIGHLY COLLABORATIVE APPROACH, THE PLAN WILL:

1



### IDENTIFY PARTNERSHIP OPPORTUNITIES

Coordinate public and private partners, including local government, schools, providers, employers, health partners, and philanthropy. About 55.5% of young children in Archuleta County have all parents in the labor force.

2



### RECOMMEND VIABLE INVESTMENT STRATEGIES

Recommend practical strategies that support provider sustainability, workforce retention, recruitment, facilities, and shared services. Archuleta County has about 250 unfilled jobs, showing how childcare gaps affect the workforce.

3



### WORK WITH PROVIDERS TO IDENTIFY GAPS AND PRIORITIES

Work with childcare providers to identify shortages in infant and toddler care, affordability challenges, staffing needs, and culturally relevant, accessible, and bilingual supports.

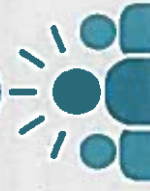
4



### ASSESS VIABILITY AND SUSTAINABILITY

Childcare in Archuleta County costs about \$9,636 to \$16,128 per year and can consume up to 24% of household income. Assess proposed initiatives for feasibility, long term funding, and sustainability.

5



### BUILD A STRONGER FUTURE TOGETHER

Create a shared roadmap that closes the childcare gap, supports families, improves school readiness, strengthens the workforce, and builds a more resilient Archuleta County.

## TOGETHER, WE CAN EXPAND CHILDCARE OPTIONS, CLOSE THE CHILDCARE GAP, SUPPORT FAMILIES, STRENGTHEN THE WORKFORCE, AND BUILD A THRIVING COMMUNITY.



STRONGER CHILDCARE SYSTEM



SUPPORTED FAMILIES



STRONGER WORKFORCE



GREATER ECONOMIC RESILIENCE

# Why Early Childhood Investment Matters in Archuleta County

Investing in early childhood education is a practical economic development strategy for Archuleta County. Childcare is workforce infrastructure. When families cannot find reliable, affordable care, parents miss work, reduce hours, leave jobs, or choose not to stay in the community. This directly affects local employers in a county already facing approximately 250 unfilled jobs.

The need is clear. Archuleta County has about 559 children from birth to age four, but licensed childcare capacity meets only about 32 percent of that need. Infant and toddler care is especially limited. Many families are left piecing together informal care, delaying a return to work, or turning down employment opportunities. For employers, this means staffing shortages, reduced productivity, and difficulty retaining workers.

Affordability adds another barrier. Childcare in Archuleta County is estimated to cost between \$9,636 and \$16,128 per year, which can represent up to 24 percent of household income. When care costs this much, families face hard choices. Some parents leave the workforce because childcare costs more than they earn. Others remain underemployed because care is unavailable or does not align with their work schedules.

A stronger early childhood system supports the investments Archuleta County is already making in housing, workforce development, education, and business growth. Workforce housing alone cannot solve recruitment and retention challenges if families still cannot find childcare. Business growth is limited when employers cannot fill positions. School readiness suffers when young children lack access to stable, high-quality early learning.

The fiscal case is simple. When childcare works, parents can work. When parents can work, businesses are more stable. When businesses are more stable, the local tax base is stronger. Investing in early childhood education helps reduce workforce disruption, support family stability, strengthen school readiness, and build long-term community resilience. For Archuleta County, early childhood investment is not only compassionate. It is a smart economic policy.



## **Budget Calendar 2026**

**Early August** – Assessor certifies preliminary 2026 district valuation for tax purposes. Library can calculate preliminary 2027 income based on 1.5 mill levy

**September-** Library Director presents draft 2027 budget to the Library Board for consideration.

**By October 15-** (our rescheduled meeting would be October 14<sup>th</sup>) deadline for Library Board to approve the 2027 budget. Public comment period begins. Notices must appear twice in the newspaper between October and November board meetings. (October 22 and October 29<sup>th</sup>)

**November** – Public Hearing on the Budget

**By December 10-** County assessor notifies district of final property valuation. We have traditionally received this in late November.

**By December 15-** Library Board adopts 2027 budget and sets the mill levy. Deadline to provide certification notice to county commissioners. (Our meeting is scheduled for December 9<sup>th</sup>)

Three resolutions are required and must be done in this order:

1. Resolution to Adopt the Budget
2. Resolution to Appropriate Sums of Money
3. Resolution to Set the Mill Levies

**By January 31, 2027** File the District's 2027 budget including all resolutions and budget narrative with DOLA

# Chapter X

## Public Financing

To pay for public projects, special districts must save for the project, incur debt, or seek other financing. Special districts may borrow money and incur debt; however, TABOR imposes certain obligations on the district prior to incurring most kinds of debt. There are other types of financing options that are not considered debt and would allow the district to pay-as-you-go.

### A. Authorization

A special district is authorized to enter into many types of financing agreements and is expressly authorized by statute to borrow money and incur indebtedness. *§§32-1-1001(1)(d)(i), (1)(e), and (1)(n), C.R.S.*

### B. Types of Financing

1. **General Obligation Debt:** *(Ballot)*  
The full faith and credit of the district, including the general taxing and further borrowing powers, are used to secure the debt.
2. **Revenue Bonds:** *NO* *Ballot*  
Specifically identified revenues *(not taxes)* of the district are used as the source of bond repayment. The bonds may not be paid unless the revenue is available; furthermore, a higher risk will likely result in a corresponding higher interest rate.
3. **Enterprise Obligations:** *NO - Does Not apply*  
The district may issue revenue bonds through an enterprise. In most cases, the district may create an enterprise if it has bonding capacity and receives less than 10% of its annual revenue in grants from Colorado state and local governments combined. Unlike general obligation and revenue debt, enterprise revenue bonds do not require an election. *Art. X, Sect. 20, Colo. Const.*
4. **Refunding Obligations:** *NO - does not apply*  
Refunding bonds are used to restructure the payment of an existing debt obligation. Refunding obligations may sometimes be combined with new debt obligations.
5. **Lease/Purchase:** *Yes*  
A lease-purchase agreement provides that portions of lease payments are applied to the ultimate purchase of certain property. These obligations are dependent upon the district appropriating money each year and are often secured by the item being purchased. Districts with lease-purchase obligations must comply with audit law reporting requirements.

Properly structured lease-purchase agreements have been held by the Courts to be valid under TABOR without the need to hold an election. *Board of County Commissioners of Boulder County v. Dougherty, Dawkins, Strand & Bigelow*, 890 P.2d 199 (Colo. App. 1994). Certificates of Participation (COPs) are a variation of the lease-purchase arrangement.

6. **Tax Anticipation Note:** *NO - taxes won't cover*  
A tax anticipation note is a short-term obligation payable from bills the receipt of pending tax payments.
7. **Bond Anticipation Note:** *NO existing bonds*  
A bond anticipation note is a short-term obligation issued in anticipation of redemption through the issuance of long-term bonds.
8. **Other:**  
There are other financing options occasionally used, but they generally fit into some variation or combination of the above categories.

### C. Bankruptcy Protection

For those districts experiencing financial distress, bankruptcy protection may be available under Chapter 9 of the United States Bankruptcy Code.

### D. Special Requirements

State statute and TABOR impose certain obligations upon districts. These include:

1. Conducting a debt authorization election for general obligation or revenue debt. *Art. X, Sect. 20, Colo. Const.*
2. Posting of a special 24-hour notice when issuing or refunding general obligation debt (or consolidating, dissolving, making a contract with a Director, filing for bankruptcy, or not making a bond payment). *§32-1-903(3), C.R.S.*
3. Compliance with Colorado Securities Commission filing and approval requirements.
4. For districts with authorized but unissued general obligation debt approved before July 1, 1995, the results of the election at which such approval was given and a statement of the principal amount of debt must be certified and sent by certified mail to the Board of County

Commissioners or the governing body of the municipality no later than 30 days before issuing any new general obligation debt. *§32-1-1101.5(1), C.R.S.*

5. Filing results of a debt authorization election with the Board of County Commissioners or municipality that approved the service plan, and with the Division of Securities, within 45 days after the election. *§32-1-1101.5(1), C.R.S.*
6. Filing a report of outstanding unrated securities with the Division of Local Government by March 1 of each year. *§11-58-105, C.R.S.*
7. The district's audit report must include the amount of any authorized but unissued general obligation debt as well as current or anticipated plans to issue such debt. *§29-1-605, C.R.S.*

#### **E. Disclosures Prior to Issuing Debt to Metropolitan District Directors**

On and after January 1, 2024, prior to issuing debt to a Director of a metropolitan district or to an entity with respect to which a Director of a metropolitan district must make disclosure under the state ethics law, the Board must receive a statement of a registered municipal advisor certifying that the interest rate of the debt does not exceed the lesser of the municipal market data "AAA" general obligation, 30 year constant maturity, or a successor index, if replaced, plus 400 basis points with a final maturity of not more than 40 years from date of issuance or the current market rate for the debt based on criteria determined by the registered municipal advisor. *§32-1-1101(7), C.R.S.; SB23-110.*



# Certificates of Participation

Colorado Government Finance Officers Association

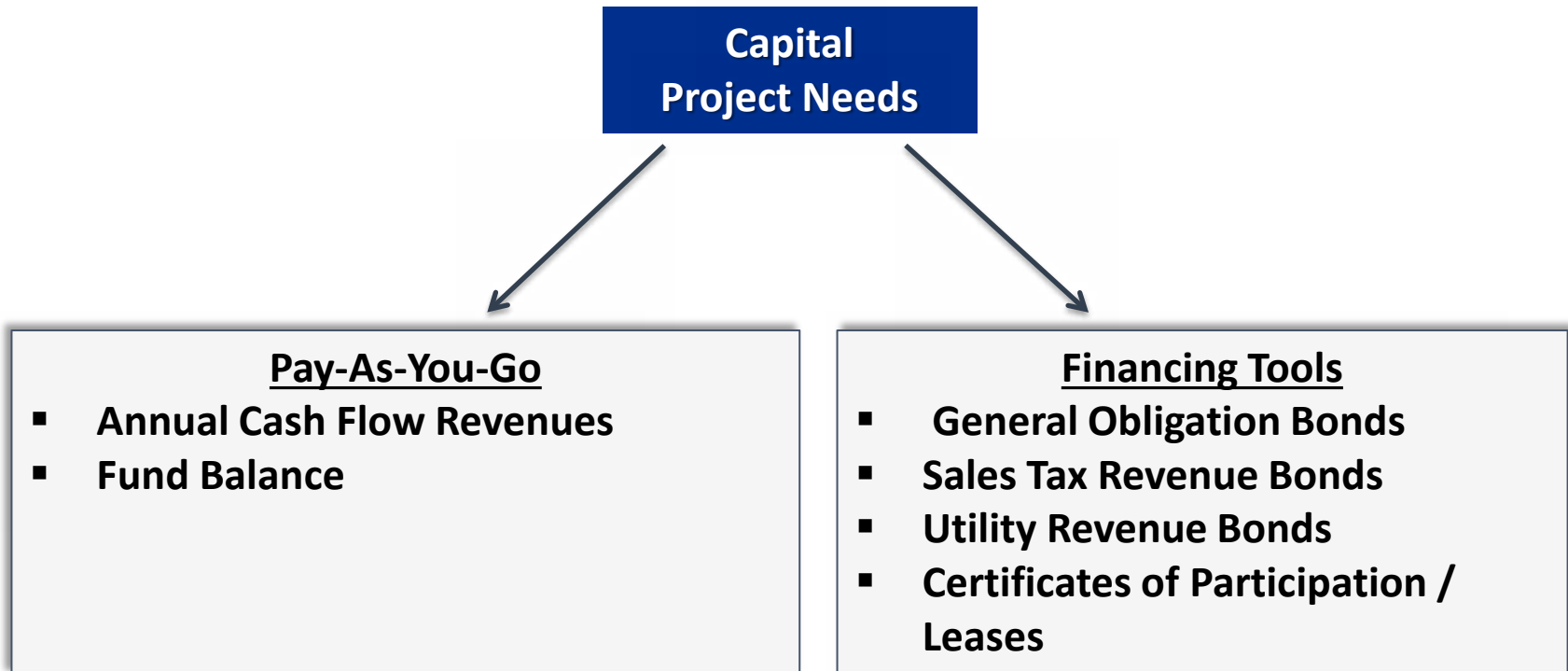
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May 22, 2024

Jason Simmons | Senior Managing Director  
[jason.simmons@HilltopSecurities.com](mailto:jason.simmons@HilltopSecurities.com)



## How Do You Pay for Capital Projects?

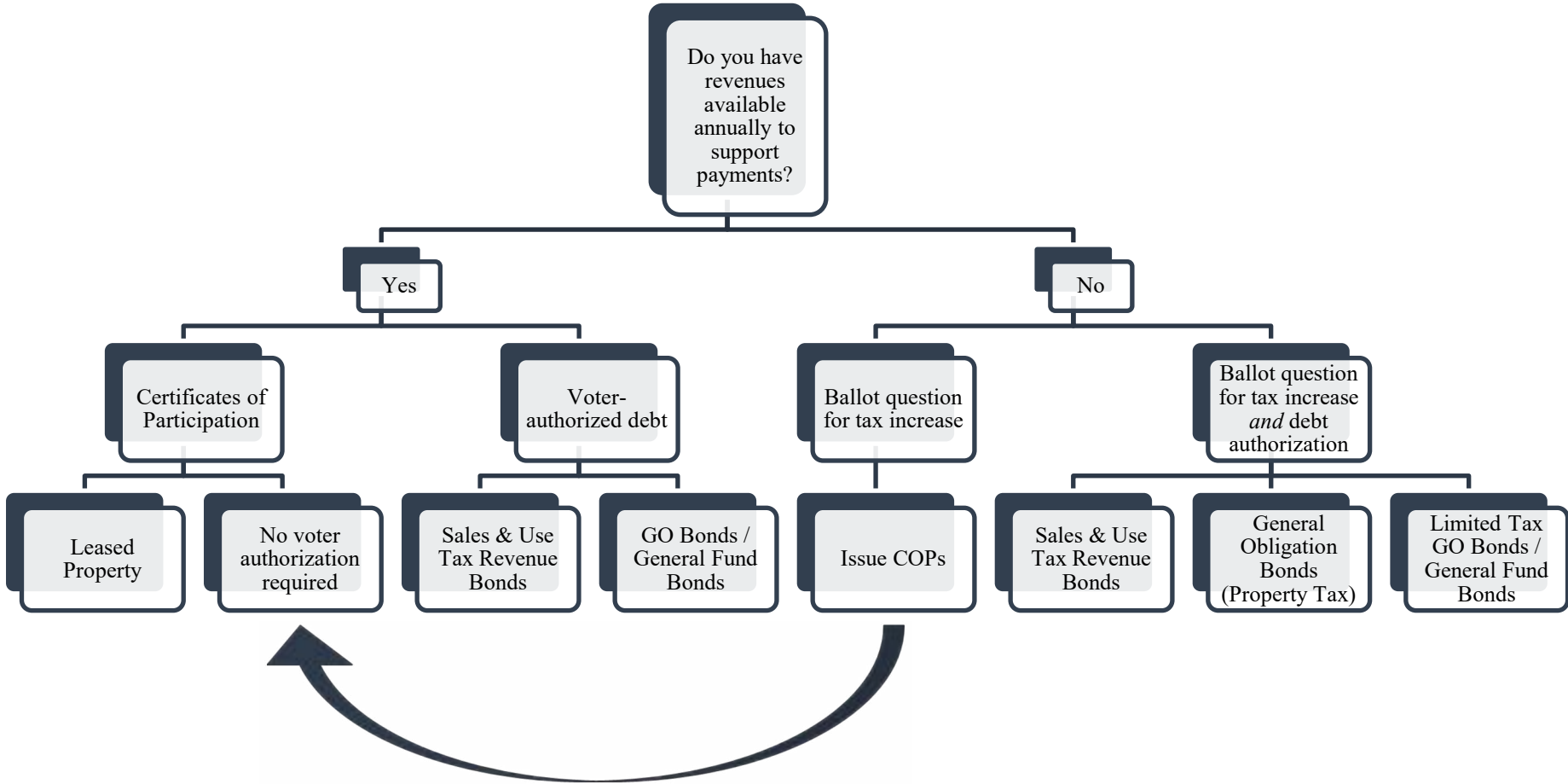


- What projects you decide to fund with cash versus a financing will depend on the type of project, available resources, and preferable financing mechanism.

# Financing of Capital Projects



For Colorado Local Governments – General Governmental Purposes





## Overview

- Certificates of Participation (COPs) are a form of lease-purchase financing.
- COPs are one of the most common financing methods used by Colorado local governments to construct public facilities and capital improvements (other than utility enterprises).
- There is no specific pledge of revenue from the issuer for payment of the COPs other than lease payments.
- COPs require an asset of the issuer to serve as the Leased Property and generally the value of that property needs to be in the range of the par amount of the COPs.
- Colorado Local Governments can issue COPs without requiring voter authorization.



## Legal Structure

- In a COP transaction, the issuer enters into a lease for the identified property with a bank or a trustee.
- Lease payments are annually appropriated from any legally available funds by the issuer to pay off the COPs.
- The issuer may continue to use the leased property so long as lease payments are appropriated every year in the annual budget process. If payment is not appropriated for the coming year, the issuer would lose its right to occupy and utilize the leased facility until the end of the lease term.
- When the lease is paid off, the property is unencumbered and returned to the issuer's control.
  - The issuer maintains ownership of the leased property throughout the entire term of the financing.
- COPs and other annually-appropriated lease financings are not considered to be multi-year financial obligations under Colorado law.



## Credit Details

### Leased Property

- The leased property can be the project being financed or it can be a property already owned by the issuer but not related to the project.
  - If it is not the project being constructed, we typically try to identify an asset that has an insured value approximately equal to the amount being financed.
- Institutional investors have become much more lenient about what leased property they will accept, although it can impact rates.
  - Examples include open space or parks, recreation facilities, golf courses, etc.
  - Commercial banks are more concerned about the essentiality of the leased property

### Credit Rating

- COPs typically have a rating one or two notches below the assumed general obligation bond rating.
  - This notching is a result of the annual appropriation nature of the credit.
  - A two notch difference is due to an asset that is deemed less essential by the rating agency (Moody's only).

**Jason Simmons**

Senior Managing Director  
Public Finance

May \_\_, 2026

Mrs. Barbara Brattin  
Library Director  
Upper San Juan Library District  
811 San Juan St.  
Pagosa Springs, CO 81147

Dear Mrs. Brattin:

On behalf of Hilltop Securities Inc. (“HilltopSecurities”), we appreciate the opportunity to serve as Municipal Advisor to the Upper San Juan Library District (the “Issuer” or the “District”). This letter will confirm the basic terms of our engagement and is dated, and shall be effective as of, the date executed by the Issuer as set forth on the signature page hereof (the “Effective Date”).

Hilltop Securities will serve as Municipal Advisor to the Issuer and agrees to perform the Municipal Advisory Scope of Services outlined in Appendix A through the term of this agreement identified below. The term of this Agreement begins on the Effective Date and ends, unless terminated pursuant to the language below, on December 1, 2026 (the “Termination Date”). This Agreement may be terminated with or without cause by the Issuer or HilltopSecurities upon the giving of at least thirty (30) days’ prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due HilltopSecurities for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

In consideration of providing the requested services, HilltopSecurities shall receive fees as outlined in Appendix B. In any event regardless of the cause of action, HilltopSecurities’ total liability (including loss and expense) to the Issuer in the aggregate shall not exceed the gross amount of fees received by HilltopSecurities pursuant to this letter agreement. The limitations of liability set forth in this letter agreement are fundamental elements of the basis of the bargain between HilltopSecurities and the Issuer, and the pricing of the services set forth above reflect such limitations. This letter agreement shall be constrained and given effect on accord with the laws of the State of Colorado.

HilltopSecurities is providing its Municipal Advisor Disclosure Statement in Appendix C (the “Disclosure Statement”), current as of the date of this Agreement, setting forth disclosures by HilltopSecurities of material conflicts of interest, if any, and of any legal or disciplinary events required to be disclosed pursuant to Municipal Securities Rulemaking Board Rule G-42. The Disclosure Statement also describes how HilltopSecurities addresses or intends to manage or mitigate any disclosed conflicts of interest, as well as the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by HilltopSecurities with the Securities and Exchange Commission.

We look forward to working with you during this engagement. Please acknowledge acceptance of these terms by signing in the space provided below and returning an electronic copy.

Sincerely,

Jason Simmons  
Senior Managing Director

**Upper San Juan Library District  
Agreed and Accepted:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX A**  
**MUNICIPAL ADVISORY SCOPE OF SERVICES**

This Appendix A sets out the scope of the Municipal Advisory Services to be performed by HilltopSecurities pursuant to the Agreement, subject to the limitations in scope set out in paragraph C of Section I of the Agreement, and with the understanding that:

1. Individual actions taken within this scope shall be consistent with any request or direction provided by an authorized representative of the Issuer or as HilltopSecurities determines to be necessary or appropriate in furtherance of any matter for which it serves as municipal advisor. However, not all listed activities will be appropriate, necessary or applicable to any particular matter subject to this Agreement.
2. For purposes of this Agreement, an issuance of municipal securities (an “issuance”) shall encompass any and all stages in the life of an issuance, from the pre-issuance planning stage to the repayment stage.

**I. New Issuances of Municipal Securities.** At the direction of or upon the request of the Issuer, HilltopSecurities shall provide advice to the Issuer on any new issuances, including reofferings of outstanding issuances that are treated for purposes of the federal securities laws and/or federal tax laws as new issuances, throughout the term of this Agreement. The activities to be performed by HilltopSecurities may include, depending on the specific circumstances of an issuance and any request or direction of the Issuer, one or more of the following:

**Planning for New Issuance**

1. ***Survey and Analysis.*** Surveying the financial resources of the Issuer in connection with its capacity to authorize, issue and service the contemplated issuance. This survey would be expected to include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, would include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the contemplated issuance, the survey would be expected to take into account any outstanding indebtedness payable from such revenues, additional revenues to be available from any proposed rate increases, and additional revenues resulting from improvements to be financed by the contemplated issuance, as projected by consulting engineers engaged by the Issuer.
2. ***Future Financings.*** In connection with the contemplated issuance, considering and analyzing future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, engaged by the Issuer.
3. ***Recommendations.*** Making recommendations to the Issuer on the contemplated issuance, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options for prepayment, security provisions, and such other provisions as may be appropriate.
4. ***Market Information.*** Advising the Issuer of HilltopSecurities' view of current bond market conditions, other related forthcoming bond issues and general information (including applicable economic data) which might normally be expected to influence

interest rates or bidding conditions relevant to setting an appropriate date and time for the sale of the issuance.

5. ***Elections.*** In the event it is necessary to hold an election to authorize the contemplated issuance, assisting in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to the Issuer's bond counsel.

### **Debt Management and Financial Implementation for New Issuance**

1. ***Method of Sale.*** Evaluating the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:
  - a) If the issuance is to be executed as a direct bank loan with a commercial lender, HilltopSecurities will:
    1. Assist in the development and distribution of an RFP to commercial banking institutions; and
    2. Assist in the review, evaluation, and selection of a lender.
  - b) If the issuance is to be sold by a competitive sale:
    1. Coordinating the preparation of the notice of sale and bidding instructions, official bid form and such other documents as may be required and submitting all such documents to the Issuer for examination, approval and certification.
    2. Supervising the sale of the municipal securities;
    3. Disseminating information to prospective bidders, organizing such informational meetings as may be necessary, and facilitating prospective bidders' efforts in making timely submission of proper bids;
    4. Assisting the staff of the Issuer in coordinating the receipt of bids and the tabulation and comparison of submitted bids;
    5. Advising the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids; and
    6. Obtaining CUSIP numbers on behalf of the Issuer.
  - c) If the issuance is to be sold by negotiated sale:
    1. Assisting the issuer with an RFP process to select one or more investment banking firms, as sole underwriter or as managers of an underwriting syndicate, if necessary;

2. Cooperating with and assisting any selected sole or managing underwriter and its counsel, in the review of a bond purchase contract, an underwriters' agreement and other related documents;
  3. Providing a cost comparison to the then-current market of underwriters discount, expenses, interest rates and prices which are proposed by the underwriters;
  4. Advising the Issuer on the fairness of the price offered by the underwriters;
  5. Advising the Issuer in connection with any terms and conditions it may wish to establish with respect to order priorities and other similar matters relating to the underwriting of the new issuance;
  6. If the new issuance will have a retail order period, advising the Issuer on retail eligibility criteria and other features of the retail order period and reviewing information provided by the underwriters to the Issuer in connection with retail orders received; and
  7. At the request of the Issuer, reviewing required disclosures by underwriters to the Issuer relating to their role as underwriter, conflicts of interests, material terms and risks of the issuance, and any other matters, and providing any appropriate advice to the Issuer in connection with such disclosures.
- d) If the Debt Instruments are to be executed as a direct loan with the Colorado Water Resources and Power Development Authority, the Colorado Water Conservation Board, the U.S. Department of Agriculture, or the U.S. Environmental Protection Agency, HilltopSecurities will:
- i. Assist in the application process; and
  - ii. Assist in the development and execution of loan documents.
2. **Bond Counsel.** Maintaining liaison with bond counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the municipal securities.
  3. **Offering Documents.** Coordinate Disclosure or Underwriter's Counsel, as applicable to prepare any Official Statement as needed and such other documents as may be required and submit all such documents to the Issuer for examination, approval, and certification.
  4. **Credit Ratings.** Making recommendations to the Issuer on the advisability of obtaining one or more credit ratings for the issuance and, when directed by the Issuer, coordinating the preparation of such information as may be appropriate for submission to any rating agency. In those cases where the advisability of personal presentation of information to a rating agency may be indicated, HilltopSecurities will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be approved or directed by the Issuer.
  5. **Trustee, Paying Agent, Registrar, Professionals and Other Transaction Participants.** Upon request, providing advice to the Issuer in the selection of a trustee and/or paying agent/registrar, legal, accounting or other professionals, and other transaction participants relating to any issuance.

6. **Financial Publications.** When appropriate, advising financial publications of the forthcoming sale of the municipal securities and providing them with all pertinent information.
7. **Consultants.** After consulting with and receiving directions from the Issuer, arranging for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the issuance.
8. **Auditors.** In the event formal verification by an independent auditor of any calculations incident to the issuance is required, making arrangements for such services.
9. **Issuer Meetings.** Attending meetings of the governing body of the Issuer, its staff, representatives or committees as requested when HilltopSecurities may be of assistance or service and matters within the scope of this engagement are to be discussed.
10. **Printing.** To the extent authorized by the Issuer, coordinating all work incident to printing or final production, physical or electronic, of the offering documents.
11. **Delivery of the Municipal Securities.** As soon as a bid for the purchase of a competitive issuance is accepted by the Issuer or the bond purchase contract for a negotiated issuance is signed by the Issuer, coordinating the efforts of all concerned to the end that the municipal securities may be delivered and paid for as expeditiously as possible and assisting the Issuer in the preparation or verification of final closing figures incident to the delivery of the municipal securities.
12. **Debt Service Schedule.** After the closing of the sale and delivery of the issuance, delivering to the Issuer a schedule of annual debt service requirements for the issuance.
13. **Continuing Disclosure.** Providing guidance to the Issuer with regard to its continuing disclosure undertakings for its new issuances in coordination with Disclosure Counsel.

**II. Baseline Advice on Outstanding Issuances of Municipal Securities.** HilltopSecurities shall provide baseline on-going advice to the Issuer on any outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. **Exercising Calls.** Providing advice and assistance to the Issuer with regard to exercising any calls of outstanding municipal securities unrelated to a refunding of such securities.
2. **Refundings and Tender Offers.** Providing advice to the Issuer with regard to opportunities for refundings of outstanding issuances or to make tender offers for outstanding issuances, whether by means of a new issuance, bank loans, or other funds of the Issuer, but not including serving as advisor in connection with the specific transaction through which such refunding or tender offer is effected. Transaction-based advice in connection with a specific new issuance of bonds to effectuate any such refunding or tender offer would be provided within the scope of Municipal Advisory Services for new issuances described in Section I above.
3. **Continuing Disclosure.** Providing guidance in coordination with Disclosure Counsel to the Issuer with regard to continuing disclosure undertakings for outstanding issuances; processes, policies and procedures to comply with continuing disclosure undertakings; and coordination of continuing disclosure obligations arising from different continuing

disclosure undertakings for its various issuances. However, the preparation of continuing disclosure documents, other than in the capacity of dissemination agent under a continuing disclosure undertaking, would be provided within the scope of other services described in Section V. below.

**III. Particularized Services on Outstanding Issuances of Municipal Securities.**

HilltopSecurities may provide to the Issuer certain additional advisory or related services in connection with particular outstanding issuances or matters affecting multiple outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. ***Other Post-Sale Services.*** Reviewing the transaction features and documentation of outstanding issuances with legal counsel for the Issuer, bond counsel, auditors and other experts and consultants retained by the Issuer and assisting in developing appropriate responses to legal processes, audit procedures, inquiries, internal reviews and similar matters, or other services related to one or more outstanding issuances as may be agreed to by the Issuer and HilltopSecurities.
2. ***Brokerage of Municipal Escrow Investments.*** At the request of the Issuer, brokering the purchase of municipal escrow investments in connection with a refunding of an outstanding issuance, together with any recommendations by HilltopSecurities (but not by Hilltop Securities Asset Management, LLC as an investment adviser) with respect to such brokerage.

**IV. Services as Independent Registered Municipal Advisor (“IRMA”).** At the written request of the Issuer, HilltopSecurities shall, as the Issuer’s IRMA, review and provide advice to the Issuer in connection with any recommendations, proposals, ideas or matters suggested or otherwise communicated by a third party to the Issuer with respect to the same aspects of the issuance of municipal securities or municipal financial products that are within the scope of Municipal Advisory Services. There are no aspects of the issuance of municipal securities or municipal financial products that are outside the scope of Municipal Advisory Services set forth in this Appendix.

**V. Other Consulting Services.** HilltopSecurities agrees to make available to the Issuer other consulting, when so requested by the Issuer and subject to a separate task order agreement by Issuer and HilltopSecurities regarding the specific requirements and scope of services with respect to such services, which requirements shall be made part of the scope of Municipal Advisory Services and included in this Appendix as an amendment or addendum, which services may include, without limitation:

1. ***Capital Improvement Programs.*** Providing advice and assistance in the development of any capital improvement programs of the Issuer.
2. ***Long-Range Planning.*** Providing advice and assistance in the development of other long-range financing plans of the Issuer.

\* \* \* \* \*

Amendments to this Appendix A may be effected by replacement of this Appendix A with a new version hereof or by the addition of an addendum to this Appendix A, and this Appendix A, as it may have been amended, shall be dated and effective as of the most recent of the date set forth in any such amendment or the date set forth in any addendum to this Appendix A.

**APPENDIX B  
FORM AND BASIS OF COMPENSATION**

This Appendix B sets out the form and basis of compensation to HilltopSecurities for the Municipal Advisory Services provided under this Agreement as set forth in Appendix A; provided that the compensation arrangements set forth in this Appendix B shall also apply to any additional services hereafter added to the scope of the Municipal Advisory Services, unless otherwise provided in the amendment to the Agreement relating to such change in scope of Municipal Advisory Services.

**Transaction Fee Guidelines.** The fees due HilltopSecurities in connection with the Municipal Advisory Services set forth in Section I of Appendix A hereto for each new issuance of municipal securities will not exceed those contained in our fee schedule as listed below:

For the issuance of Certificates of Participation in the approximate amount of \$1,500,000 either through the issuance of publicly offered securities or through a direct bank plan HilltopSecurities proposes a fee of \$35,000 to be paid only upon closing from the proceeds of the financing.

**APPENDIX C**  
**MUNICIPAL ADVISOR DISCLOSURE STATEMENT**

This disclosure statement (“Conflict Disclosures”) is provided by **Hilltop Securities Inc.** (“the Firm”) to you (the “Client”) in connection with our current municipal advisory agreement, (“the Agreement”). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

**PART A – Disclosures of Conflicts of Interest**

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

***Material Conflicts of Interest*** – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

***General Mitigations*** – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

**I. Affiliate Conflict.** The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer’s annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities investment options for their

cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

**II. PlainsCapital Bank Affiliate Conflict.** The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

**III. Other Municipal Advisor or Underwriting Relationships.** The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

**IV. Secondary Market Transactions in Client's Securities.** The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

**V. Broker-Dealer and Investment Advisory Business.** The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may

be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

**VI. Compensation-Based Conflicts.** Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

## **PART B – Disclosures of Information Regarding Legal Events and Disciplinary History**

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

**I. Material Legal or Disciplinary Event.** The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's [BrokerCheck](#) webpage.
- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one

branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of \$100,000 for these self-reported violations.

- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The Firm was censured and ordered to pay disgorgement of \$206,606, prejudgment interest of \$48,587 and a penalty of \$85,000.
- On August 14, 2024, the Securities and Exchange Commission ("SEC") entered into a settlement order with Hilltop Securities Inc. ("Hilltop") to settle an administrative action finding that Hilltop failed to (1) maintain and preserve off-channel communications related to Hilltop's broker-dealer business, as well as related to recommendations made or proposed to be made and advice given or proposed to be given with respect to Hilltop's investment advisory business; and (2) reasonably supervise its personnel with a view to preventing or detecting certain of its personnel's aiding and abetting violations of certain provisions of the federal securities laws. Hilltop admitted to the facts in the settlement order, acknowledged its conduct violated the federal securities laws, and agreed to: (a) a cease-and-desist order, (b) a censure, (c) payment of a civil monetary penalty in the amount of \$1,600,000, and (d) certain undertakings related to the retention of electronic communications.

**II. How to Access Form MA and Form MA-I Filings.** The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

### **PART C – MSRB Rule G-10 Disclosure**

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at [www.msrb.org](http://www.msrb.org)
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take to you to the electronic version [MA Client Brochure](#).

**PART D – Future Supplemental Disclosures**

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.



8055 E. Tufts Avenue, Suite 350  
 Denver, CO 80237  
 (303) 771-0217 Direct

**Jason Simmons**  
 Senior Managing Director  
 Jason.Simmons@hilltopsecurities.com

**Date:** May 26, 2026  
**To:** Barbara Brattin  
 Director  
 Upper San Juan Library District  
**Subject:** Follow-Up for Municipal Advisory Services

**1. A list of 2-3 current or previous clients we can contact as references.**

Upper San Juan Health Service District (Pagosa Springs Medial Center)	Montrose County	City of Steamboat Springs
<b>Ann Bruzzese</b> Chief Administrative Officer and In-House Legal Counsel  (970) 507-3801 <a href="mailto:ann.bruzzese@psmedicalcenter.org">ann.bruzzese@psmedicalcenter.org</a>	<b>Cindy Dunlap</b> Finance Director  (970) 252-5077 <a href="mailto:cdunlap@montrosecounty.net">cdunlap@montrosecounty.net</a>	<b>Kim Weber</b> Finance Director  (970) 871-8250 <a href="mailto:kweber@steamboatsprings.net">kweber@steamboatsprings.net</a>

**2. A spreadsheet that shows what our annual payment for a \$1.5 million COP would be under these circumstances**

	10-Years*	15-Years*
4.00%	\$184,936	\$134,912
5.00%	\$194,257	\$144,513

\*Assumes 10 or 15-year equal annual payments

**3. It would also be helpful to include your fees for the \$1.5 million COP as well as ballpark fees for all associated services including the Bond Attorney on the same sheet.**

For the issuance of Certificates of Participation in the approximate amount of \$1,500,000 either through the issuance of publicly offered securities or through a direct bank plan HilltopSecurities proposes a fee of \$30,000 to be paid only upon closing from the proceeds of the financing.

Estimated fees for other required service providers are detailed in the table below. These fees are not controlled by HilltopSecurities and they will be determined by each firm selected by the District.

Other Estimated Costs of Issuance	
Bond Counsel	\$40,000
Title Insurance	\$15,000
Bank Counsel	\$10,000
Trustee	\$5,000



## MUNICIPAL ADVISORY AGREEMENT

President and Board of Trustees  
c/o Barbara Brattin, Director  
Upper San Juan Library District  
811 San Juan Street  
Pagosa Springs, CO 81147

Dear President and Board:

1. McLiney And Company, a division of SAMCO Capital Markets Inc., understands that your District, from time to time, will consider the issuance of debt or lease obligations and that in connection with the authorization, issuance, sale and delivery of such obligations you desire the McLiney And Company Municipal Advisory Team to perform professional services in the capacity of Municipal Advisors for your District.
2. We agree to provide all services related to the development and implementation of a debt and/or lease management plan. These services include, but are not limited to, the structuring of a debt model, the formulation of a debt program, the analysis and completion of refunding programs (if any), consultation regarding bond elections, consultation regarding bond ratings, consultation regarding the available types of financings, etc. The services also will include communicating and coordinating with other professionals involved in bond transactions and related services (e.g. bond counsel, rating agent, credit enhancement providers, verification agent, arbitrage rebate provider, etc.). The advice and assistance include servicing as a fiduciary to the Issuer and representing the Issuer's interest in the sale and distribution of any debt or lease obligations.
3. We agree to direct and coordinate the entire program of financing herein contemplated. It is specifically understood and agreed, however, that this obligation on our part shall not cover payment of any expenses associated with the issuance of the obligations or the expenses of any litigation, if such would occur.
4. As consideration for the services rendered by us and as reimbursement for the expenses which we are to incur, it is understood and agreed that the District is to pay a cash fee for such professional services in accordance with the fee schedule set forth on the following page. Such fee shall become due and payable simultaneously with the delivery of the bonds to the purchaser. It is understood that a miscellaneous expense will be added to the fee to cover reimbursables. This amount shall be capped at \$3,000.

## FEE SCHEDULE

The following schedule is an estimate of fees due for Municipal Advisory work. The actual fee will be more or less based upon work performed.

Base Fee – Any issue							\$5,000
Plus \$12.50	per \$1,000 next	\$500,000	or	\$11,250	for	\$500,000	Bonds
Plus \$8.00	per \$1,000 next	\$500,000	or	\$15,250	for	\$1,000,000	Bonds
Plus \$5.50	per \$1,000 next	\$1,500,000	or	\$23,500	for	\$2,500,000	Bonds
Plus \$3.50	per \$1,000 next	\$2,500,000	or	\$32,250	for	\$5,000,000	Bonds
Plus \$2.00	per \$1,000 next	\$5,000,000	or	\$42,250	for	\$10,000,000	Bonds
Plus \$1.50	per \$1,000	thereafter					

Fees for Refunding Bonds, Revenue Bonds, Lease Purchases, Certificates of Participation, Neighborhood Improvement District Bonds or Bonds issued to State or Federal Agencies shall be computed from the above schedule, plus 25%. For any issue of Refunding Bonds and/or other Debt Instruments *involving Escrow Agreements*, it is understood and agreed that our fee will be the fee schedule set out above plus 10%.

Fees for special assessment bonds, (CIDs, TDDs, etc.) or Tax Increment Finance (TIF) bonds will be handled at a flat fee of 2% of the par amount of bonds issued.

McLiney And Company will bill the Issuer at Closing for each issue of obligations a net amount which will include a fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the Issuer for the Bond Attorneys, preparation, printing and distribution of the Notice of Sale, Official Statement, Uniform Bid Form or Private Placement Memorandum, independent consultants, information meetings, if any, presentations to rating agencies and rating fees, if any, printing of Obligations, and all appropriate costs and expenses associated with the closing and delivery of the Obligations.

5. If appropriate, we will assist with the annual filing of all documents related to the Securities Exchange Commission Rule 15c2-12 (Continuing Disclosure). It is understood that we are not your agent for Continuing Disclosure because McLiney And Company cannot be assured of being informed on a timely manner of all material events that require filing during the year. It is further understood that any fees due us for our work in this capacity will be determined on a case-by-case basis.
  
6. This Agreement will commence on the date of acceptance and shall remain in effect until terminated or replaced with a subsequent agreement. This Agreement can be terminated at any time, with or without cause, with simple written notice.

Respectfully submitted,

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By: G. Joseph McLiney  
Senior Managing Director  
McLiney And Company

### ACCEPTANCE

Passed by Resolution and adopted by the Board on this the 20th day of May, 2026

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President

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Secretary



# Ruby M. Sisson Memorial Library

Upper San Juan Library District

## Payment Comparison

Amount	1,500,000	1,500,000
Length (years)	Payment @ 4%	Payment @ 5%
10	\$184,936.42	\$194,256.86
15	\$134,911.65	\$144,513.43
20	\$110,372.63	\$120,363.88

Amount	2,000,000	2,000,000
Length (years)	Payment @ 4%	Payment @ 5%
10	\$246,581.89	\$259,009.15
15	\$179,882.20	\$192,684.58
20	\$147,163.50	\$160,485.17

*Anticipated Fees for a Direct Placement:*

Municipal Advisor	22,500.00
Bonds Attorney	20,000.00
Title Work	5,000.00
Miscellaneous	3,000.00
Total	50,500.00