Glenwood Springs Office

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MEMORANDUM

TO: Mountain Village Town Council

FROM: David McConaughy

RE: Charter Amendments – Proposed Ordinance

DATE: July 18, 2024

SUMMARY

Council approved this ordinance on First Reading at the June meeting. An updated version is attached for consideration on Second Reading with changes summarized below.

First, the ballot questions are now proposed to be considered at the regular Town election in June 2025. The proposal to change the election date has been deleted. Because the June 2025 election qualifies as a TABOR election, an additional charter amendment has been added to remove the requirement for an election before issuing revenue bonds. Under the Colorado Constitution, revenue bonds that are paid out of fees (such as water or sewer service charges) and not taxes can generally be approved without an election. The new amendment would make the Charter consistent with the Constitution.

The proposed amendments now are:

- 1) Allowing property owners holding property in LLCs or trusts to designate human beings to vote like other non-resident property owners can do now. (Note there is an open question about whether to include partnerships discussed below).
- 2) Clarifying the effective dates of ordinances
- 3) Allowing publication of ordinances via the Town website rather than by newspaper
- 4) Authorizing the issuance of revenue bonds without an election
- 5) Reconciling a conflict between the Town Code and the Charter regarding DRB terms

PROPOSED CHARTER AMENDMENTS

1. Voting

This amendment has been discussed extensively in prior meetings. As now proposed, voting rights would be extended to owners of residential property held in LLCs or trusts. Council should consider whether to add partnerships, which could include general partnerships, LPs, LLPs, or LLLPS (each of which is defined

by statute). As a practical matter, there is little difference between an LLC and an LLP. LLCs are treated the same as partnerships for tax purposes. As of the most recent check, staff is unaware of any residential property in Mountain Village owned by a partnership, but this may occur in the future for similar reasons as would apply to trusts or LLCs. Council should consider whether this makes sense to treat similar forms of entities the same. If so, any motion to approve could simply include a directive to add "partnerships" to the eligible voter category in addition to trusts and LLCs.

2. Procedures for Ordinances

The Charter requires two readings of ordinances but is silent as to when ordinances become effective. The amendment would clarify that all ordinances must be republished after second reading and then take effect 14 days later, except for emergency ordinances which can take effect immediately as they do now. The deadline to challenge an ordinance by referendum would also be changed to coincide with the effective date.

3. Publication by Website

Publication via the Town's official website would save time and money, provide more immediate notice to the citizens of the Town, and bring Mountain Village in line with other municipalities.

4. Revenue Bonds

The Charter would be amended to delete a requirement for an election before issuing revenue bonds, which is not otherwise required by Colorado law. This would give the town greater flexibility and potential savings when financing public improvements such as a new wastewater treatment plant.

5. Design Review Board

In 2022, the Town Council amended the Municipal Code to change the terms of DRB members from 2-year terms to 4-year terms to benefit from the experience and institutional knowledge of DRB members. That change conflicts with the Charter, which provides for 2-year terms. The proposed amendment would delete the 2-year term requirement in the Charter and provide that terms for DRB members shall be set by ordinance.

PROPOSED MOTION

I move to approve on second reading an ordinance of the Town Council of the Town of Mountain Village, Colorado, setting ballot questions for proposed charter amendments to be considered at the regular election in June 2025 [and adding "partnership" to the list of owners eligible to designate persons to vote].

ORDINANCE NO. 2024-

TO SUBMIT BALLOT QUESTIONS TO QUALIFIED ELECTORS AT THE SPECIAL REGULAR TOWN ELECTION ON JUNE 24, 2025 TO AMEND THE TOWN OF MOUNTAIN VILLAGE HOME RULE CHARTER

WHEREAS, the Town of Mountain Village ("Town") is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Town of Mountain Village Home Rule Charter of 1995, as amended ("Charter"); and

WHEREAS, pursuant to section 2.2(b) of the Charter, the Town Council may call a special election at least 60 days in advance of the election by ordinance, which sets forth the special purpose of such election; and

WHEREAS, pursuant to <u>section Section</u> 11.8 of the Charter, the Charter may be amended at any time in the manner provided in C.R.S. § 31-2-210, as amended; and

WHEREAS, Section 2.1 of the Charter provides that elections shall be governed by the Colorado Municipal Election Code of 1965 (the "Municipal Election Code"); and

WHEREAS, the Town Council finds and determines that the Town was designed as a resort community and, as such, it was known that there would be a significant proportion of the homes therein owned as "second homes," which is why the Charter provides that, in addition to residents of the Town, owners of property including second homes may vote in municipal elections; for various reasons since the Town's founding it has become common to own a home through a limited liability company ("LLC") or similar entitiestrust; that said form of home ownership is very popular in the Town today, but this form of ownership precludes voting in municipal elections in the Town; and that it is the best interests of the Town, its residents, and owners of real property therein to establish voting rights to homeowners with indirect ownership; and

WHEREAS, the Town Council find and determines that because the Town is a resort community and there are a significant number of second homes, many eligible electors are not present for regular municipal elections occurring on the last Tuesday of June in odd-numbered years; and that to ensure as many eligible voters as possible are able to participate in municipal elections, it is in the best interests of the Town and all eligible electors to change the date of regular municipal elections to the last Tuesday in July in odd-numbered years; and

WHEREAS, the Charter is silent as to the effective date of an ordinance; under Colorado statutes applicable to statutory towns with only one reading of an ordinance the effective date depends on the date of publication; the Charter requires two readings of an ordinance, but the Charter's requirements for publication differ based on whether or not changes are approved on second reading; as a result, there is potential for confusion concerning the effective dates of ordinances; and the Council finds that it is in the best interests of the Town and the public to clarify when ordinances become effective; and

WHEREAS, the Colorado Constitution and the Charter provide citizens with a right of referendum, and because the effective date of an ordinance may be suspended until the outcome of a referendum election, the Charter should be clear that the deadline for a referendum should fall before the effective date of any such ordinance; and

WHEREAS, the Town Council finds and determines that the internet has become a common and convenient source of information for the public and that Section 5.9 of the Charter, which requires publishing ordinances and notices in a newspaper, requires unnecessary costs and delay and should be replacedrevised to authorize publication via the Town's official website; and

WHEREAS, Section 8.5 of the Charter addresses municipal borrowing and authorizes the Town to issue revenue bonds and other like securities, but Section 8.5(d) requires an authorization for revenue bonds at a municipal election whereas Colorado law authorizes the issuance of revenue bonds without an election under appropriate circumstances such as revenue bonds issued by an "enterprise" as defined in Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Town Council finds and determines that it would be in the best interests of the Town and its citizens to remove the Charter's requirement of an election to authorize revenue bonds and eliminate the conflict between the Charter and general Colorado law so as to remove obstacles and expenses from municipal financing of public projects and public needs; and

WHEREAS, Article XII of the Charter provides for the establishment of the Design Review Board, and Section 12.1(b)(2) addresses the terms of Design Review Board Members; and

WHEREAS, the Town Council has previously determined in the enaction of Ordinance 2022-03 that the Town would benefit from the experience and institutional knowledge of members of the Design Review Board and that terms of Board Members should be four years, and the Council therefore finds that it would be in the best interests of the Town to amend Section 12.1(b)(2) to provide Council with the power and flexibility to establish and amend the length of terms by Ordinance; and

WHEREAS, the Town Council finds and determines that it is in the best interests of the Town and the public to call a special election to submit ballot questions to eligible electors to amend the Charter to address these issues as set forth herein at the regular Town election scheduled for June 24, 2025.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO, as follows:

<u>Section 1. Recitals</u>. The above recitals are hereby incorporated as findings of the Town Council in support of the enactment of this Ordinance.

Section 2. Election Call. The Town Council hereby calls a special election of to be submitted to the qualified electors to be conducted on Tuesday, _______ of the Town at the regular election on June 24, 2025, pursuant to the authority and requirements of the Charter and C.R.S. § 31-2-210.

Section 2.3. VOTER QUALIFICATIONS

- c) Qualifications of Non-resident Property Owners. NATURAL PERSONS OWNING Owners of real property located within the boundaries of the Town who are not legal residents of the Town may become registered electors of the Town and as such shall be qualified to vote for a municipal candidate, and on any municipal issue at any Town election, so long as they:
- 1) register with the Town Clerk, or the San Miguel County Clerk if they are residents of San Miguel County, at least twenty-nine (29) days prior to any Town election;
- 2) have been owners of record of real property within the Town for at least thirty (30) consecutive days immediately prior to the date of the election;
- 3) have during that time owned a minimum of fifty percent (50%) of the fee title interest in the subject real property; and AND
 - 4) will be at least eighteen (18) years of age at the time of the election.; and

Owners of residential real property located within the boundaries of the Town that are not natural persons, including partnerships, limited liability companies, and trusts, may designate at least one but no more than two natural persons, regardless of how many separate parcels may be owned by such owner, to act on behalf of such owner as registered electors of the Town and be qualified to vote for a municipal candidate and on any municipal issue at any Town election, so long as:

5) are natural persons.

OWNERS OF RESIDENTIAL REAL PROPERTY LOCATED WITHIN THE BOUNDARIES OF THE TOWN THAT ARE LIMITED LIABILITY COMPANIES OR TRUSTS MAY DESIGNATE AT LEAST ONE BUT NO MORE THAN TWO NATURAL PERSONS, REGARDLESS OF HOW MANY SEPARATE PARCELS MAY BE OWNED BY SUCH OWNER, TO ACT ON BEHALF OF SUCH OWNER AS REGISTERED ELECTORS OF THE TOWN AND BE QUALIFIED TO VOTE

FOR A MUNICIPAL CANDIDATE AND ON ANY MUNICIPAL ISSUE AT ANY TOWN ELECTION, SO LONG AS:

- 1) The designated natural person(s) must register with the Town Clerk at least twenty nine (29) days prior to the date of the election; and THE DESIGNATED NATURAL PERSON(S) MUST REGISTER WITH THE TOWN CLERK AT LEAST TWENTY-NINE (29) DAYS PRIOR TO THE DATE OF THE ELECTION; AND
- 2) The owner must be an owner of record of at least a 50% interest in the residential real property within the Town for at least thirty (30) consecutive days immediately prior to the date of the election, provided that if two entities meet this requirement for a single parcel then each may only designate one natural person to vote; and THE OWNER MUST BE AN OWNER OF RECORD OF AT LEAST A 50% INTEREST IN THE RESIDENTIAL REAL PROPERTY WITHIN THE TOWN FOR AT LEAST THIRTY (30) CONSECUTIVE DAYS IMMEDIATELY PRIOR TO THE DATE OF THE ELECTION, PROVIDED THAT IF TWO ENTITIES MEET THIS REQUIREMENT FOR A SINGLE PARCEL THEN EACH MAY ONLY DESIGNATE ONE NATURAL PERSON TO VOTE; AND
- 3) Each natural person designated by such owner must have owned at least a 50% interest in the entity that is the owner for at least thirty (30) consecutive dates immediately prior to the date of the election, or if the owner is a trust then the trustee or trustees may designate only one natural person for each qualifying trust, and such designated person must be a trustee or beneficiary of the trust; and EACH NATURAL PERSON DESIGNATED BY SUCH OWNER MUST HAVE OWNED AT LEAST A 50% INTEREST IN THE ENTITY THAT IS THE OWNER FOR AT LEAST THIRTY (30) CONSECUTIVE DATES IMMEDIATELY PRIOR TO THE DATE OF THE ELECTION, OR IF THE OWNER IS A TRUST THEN THE TRUSTEE OR TRUSTEES MAY DESIGNATE ONLY ONE NATURAL PERSON FOR EACH QUALIFYING TRUST, AND SUCH DESIGNATED PERSON MUST BE A TRUSTEE OR BENEFICIARY OF THE TRUST; AND
- 4) Each natural person so designated must be at least eighteen (18) years of age at the time of the election EACH NATURAL PERSON SO DESIGNATED MUST BE AT LEAST EIGHTEEN (18) YEARS OF AGE AT THE TIME OF THE ELECTION.

Any real property owned by natural persons OWNED BY NATURAL PERSONS will qualify for the purposes described above regardless of whether it is intended for residential or commercial use, but only residential property ownership will qualify LLCs or trusts for voting rights BUT ONLY RESIDENTIAL PROPERTY OWNERSHIP WILL QUALIFY LIMITED LIABILITY COMPANIES OR TRUSTS FOR VOTING RIGHTS. The fee ownership in such property shall include, without limitation, ownership interest in any platted parcel of land, or townhome, or condominium unit, as well as ground leasehold real estate interests. Such property interest shall not, however, include Ownershipownership of parking spaces, religious or other charitable facilities, hotel units, roads, or common areas intended for non-profit use. In the case of condominium, townhome, and similar common interest ownership regimes, the commonly owned areas shall not be deemed property interests separate from the ownership interests to which they may be appurtenant, and no person owning, or belonging to, any association, partnership or other entity formed for the purposes of managing or owning such common areas shall, because of that fact alone, become a registered elector. To be an "owner of record" there must be a deed or other instrument recorded with the San Miguel Clerk and Recorder reflecting such ownership.

f) Only One Vote Per Person. No person shall be entitled to cast more than one vote in any election, regardless of whether or not he or she may be a qualified legal resident and/or own one or more parcels of qualified real property and/or be designated by a property owner that is not a natural person AND/OR BE DESIGNATED BY A PROPERTY OWNER THAT IS NOT A NATURAL PERSON.

Section 2.2. DATES AND TIMES FOR ELECTION.

a) Regular Municipal Elections of the Town shall be held on the last Tuesday in July of odd-numbered years.

Section 5.2. PROCEDURE FOR ORDINANCES.

- f) Any ordinance may be amended at any time before it is finally approved by the Town Council. <u>If it is amended in substance</u>, The Ordinance shall be published in full within seven (7) days after its final passage, unless otherwise provided in this Charter.
- h) Except for emergency ordinances enacted pursuant to Section 5.8 below, ordinances shall become effective fourteen (14) days after publication following second reading.
- H) EXCEPT FOR EMERGENCY ORDINANCES ENACTED PURSUANT TO SECTION 5.8 BELOW, ORDINANCES SHALL BECOME EFFECTIVE FOURTEEN (14) DAYS AFTER PUBLICATION FOLLOWING SECOND READING.

Section 5.4. PROCEDURE FOR REPEALING ORDINANCES BY REFERENDUM.

Repeal of an ordinance by referendum shall be initiated according to the procedures set forth in Sections 5.3(a) and (b), except that the referendum petition must be filed with the Town Clerk prior to the date that the subject ordinance becomes effective pursuant to Section EXCEPT THAT THE REFERENDUM PETITION MUST BE FILED WITH THE TOWN CLERK PRIOR TO THE DATE THAT THE SUBJECT ORDINANCE BECOMES EFFECTIVE PURSUANT TO SECTION 5.2(hH). Any other matter recognized by state law as appropriate for referendum shall be initiated according to procedures set forth in Section 5.3(a) and (b).

Section 5.9. PUBLICATION OF ORDINANCES AND OTHER PUBLIC NOTICES.

Ordinances and other public notices as required in this Charter may be published <u>on the official website</u> <u>ofin a newspaper of general circulation in the Town ON THE OFFICIAL WEBSITE OF THE TOWN</u> or posted in at least three (3) public places within the Town and at the office of the Town Clerk.

Section 8.5 MUNICIPAL BORROWING

Revenue Securities. The Town Council may, pursuant to an ordinance and duly authorized at a regular or applicable special municipal election, issue revenue bonds or like securities made payable solely from revenue derived from the operation of the project or capital improvements acquired with the securities' proceeds, or from other projects or improvements, or from the proceeds of any sales tax, use tax or other excise tax, or from any source or sources except ad valorem taxes of the Town, so long as

the full faith and credit of the Town is not pledged for the payment of such securities. Such revenue bonds or like securities shall not be deemed to be subject to any debt limitation.

Section 12.1 DESIGN REVIEW BOARD.

b) DRB Membership.

- 1) The DRB shall consist of seven (7) members, all appointed by the Town Council.
- 2) The termsterms for a members of the DRB shall be as established by Ordinance of the Town Council AS ESTABLISHED BY ORDINANCE OF THE TOWN COUNCIL two (2) years, with three (3) members appointed in odd numbered years and four (4) members appointed in even numbered years.

Section 4. Official Ballot Questions. At the 2024, special election, there shall be submitted to the qualified electors the following ballot questions:

Ballot Question No. 1

Voter Qualification of Non-Natural Persons

Shall Section 2.3 of the Town of Mountain Village Home Rule Charter be amended to allow owners of residential real property within the Town that are not natural persons, including LLCs andor trusts— to designate a natural person to act on behalf of such owner as a registered elector and be qualified to vote in municipal elections so long as:

the designated natural person registers with the Town Clerk at least 29 days prior to the date of the election;

the owner is an owner of record of at least a 50% interest in the residential real property for at least 30 consecutive days immediately prior to the date of the election, provided that if two entities meet this requirement for a single parcel then each may only designate one natural person to vote;

each designated natural person has owned at least a 50% interest in the entity that is the owner for at least 30 consecutive days immediately prior to the date of the election, or if the owner is a trust, then the trustee(s) may designate only one natural person for each qualifying trust; and

each designated natural person is at least 18 years of age at the time of the election?

NO/AGAINST

Ballot Question No. 2 Change Regular Municipal Election to July Shall Section 2.2 of the Town of Mountain Village Home Rule Charter be amended to change the date of regular municipal elections from the last Tuesday in June to the last Tuesday in July of odd-numbered years? YES/FOR NO/AGAINST **Ballot Question No. 3** Clarification of Ordinance Effective Date and Referendum Deadline Shall Sections 5.2 and 5.4 of the Town of Mountain Village Home Rule Charter be amended to establish that, except for emergency ordinances enacted pursuant to Section 5.8, ordinances shall become effective 14 days after publication following second reading and that a referendum petition challenging any ordinance must be filed with the Town Clerk prior to the date that the subject ordinance becomes effective? YES/FOR ____ NO/AGAINST **Ballot Question No. 43** Publication of Ordinances and Public Notices on the Town Website Shall Section 5.9 of the Town of Mountain Village Home Rule Charter be amended to authorize publication of ordinances and public notices via the Town's official website rather than a newspaper? YES/FOR NO/AGAINST **Ballot Question No. 4 Issuance of Revenue Bonds** Shall Section 8.2 of the Town of Mountain Village Home Rule Charter be amended by deleting the requirement for an election to authorize the issuance of revenue bonds? YES/FOR NO/AGAINST

Design Review Board

Ballot Ouestion No. 5

Shall Section 12.1(b)(2) of the Town of Mountain Village Home Rule Charter be amended to provide that the Town Council shall establish the terms of Design Review Board members by Ordinance?

YES/FOR	NO/AGAINST
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<u>Section 5. Severability</u>. If any portion of this Ordinance is found to be void or ineffective, it shall be deemed severed from this Ordinance and the remaining provisions shall remain valid and in full force and effect.

<u>Section 6. Safety Clause</u>. The Town Council hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the Town, that it is promulgated for the health, safety, and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The Town Council further determines that the Ordinance bears a rational relation to the proper legislative object sought to be obtained.

Section 8. Public Hearing. A public hearing on this Ordinance was held on the __ day of _____, 2024, in the Town Council Chambers, Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado 81435.

<u>Section 9. Publication</u>. The Town Clerk or Deputy Town Clerk shall post and publish notice of this Ordinance as required by Article V, Section 5.9 of the Charter.

TOWN OF MOUNTAIN VILLAGE:	
10 WIN OF MOUNTAIN VILLEAGE.	TOWN OF MOUNTAIN VILLAGE,
	COLORADO, A HOME-RULE
	MUNICIPALITY
	By:
	Martinique Prohaska, Mayor
ATTEST:	
ATTEST.	
Susan Johnston, Town Clerk	
- I	Town Council of the Town of Mountain Villag
Colorado this day of, 2024.	
TOWN OF MOUNTAIN VILLAGE:	
	TOWN OF MOUNTAIN VILLAGE,
	COLORADO, A HOME-RULE
	MUNICIPALITY
	By:
	Martinique Prohaska, Mayor
A IDENTICIES	
ATTEST:	
Susan Johnston, Town Clerk	
Susan Johnston, Town Clerk	
Susan Johnston, Town Clerk	
Susan Johnston, Town Clerk Approved as to Form:	

I, Susan Johnston, the duly qualified and acting Tov ("Town") do hereby certify that:	vn Clerk o	of the Tow	n of Mount	ain Village, Colorado			
1. The attached copy of Ordinance No. 2024 ("Ordinance") is a true, correct, and complete copy thereof.							
2. The Ordinance was introduced, read by title, app	roved on	first readi	ng and refe	rred to public hearing			
by the Town Council the Town ("Council") at a regular meeting held at Town Hall, 455 Mountain							
Village Blvd., Mountain Village, Colorado, on, 2024, by the affirmative vote of a quorum							
of the Town Council as follows:				-			
	T		T	1.			
Council Member Name	"Yes"	"No"	Absent	Abstain			
Martinique Prohaska, Mayor							
Scott Pearson, Mayor Pro-Tem							
Harvey Mogenson							
Peter Duprey							
Jack Gilbride							
Tucker Magid							
Huascar Gomez							
 3. After the Council's approval of the first reading of the Ordinance, notice of the public hearing, containing the date, time and location of the public hearing and a description of the subject matter of the proposed Ordinance was posted and published in the Telluride Daily Planet, a newspaper of general circulation in the Town, on, 2024 in accordance with Section 5.2(d) of the Town of Mountain Village Home Rule Charter. 4. A public hearing on the Ordinance was held by the Town Council at a regular meeting of the Town Council held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on, 2024. At the public hearing, the Ordinance was considered, read by title, and approved without with amendment by the Town Council, by the affirmative vote of a quorum of the Town Council as follows: 							
Council Member Name	"Yes"	"No"	Absent	Abstain			
Martinique Prohaska, Mayor							
Scott Pearson, Mayor Pro-Tem							
Harvey Mogenson							
Peter Duprey							
Jack Gilbride	•						
Tucker Magid							
Huascar Gomez							
5. The Ordinance has been republished following s the Mayor, sealed with the Town seal, attested by in the official records of the Town.							
IN WITNESS WHEREOF, I have hereunto set my l, 2024.	nand and a	ffixed the	seal of the	Town this day of			
Susan Johnston, Town Clerk (SEAL)							