

Happy New Year! We wish everyone a happy, healthy and prosperous new year.

We would like to review some of the happenings in the county in 2009. Some were good things, some not so good.

The commissioners worked hard on budget as a number one priority. We reviewed income levels, and expenses. At managers meetings, we encouraged everyone to do their best to hold costs down. Some costs were unexpected like the roof on the jail, the courthouse and the museum. Some costs employees were able to keep at a minimum.

The county experienced lower revenues than had been anticipated. Some of that due to lower interest income on investments, some from lower HUTF (highway user's tax) people were driving less, and thus lower taxes on fuels. The State of Colorado also made cuts to many programs and grants that the County had been receiving, yet they increased fees on registrations, and took more from the County.

So a rough bottom line for Rio Grande County for the budget shows that we had to dip into reserves for about \$800,000. to balance our 2009 budget. Because we were seeing revenues declining, when we started work on the 2010 budget, we asked each department to cut 10% to begin. Once those budgets came in, and we were still not balanced, the commissioners worked on making more cuts. The bottom line then for the 2010 budget is major cuts in all areas of County operations.

The commissioners have many mandated things to cover, which amount to about 95% of the budget. So monies that are not mandated were the only funding left to make cuts in. Unfortunately, that meant cuts to many very worthy causes. It is a shame that the mandated items must be covered even when the State and Federal governments take away monies to serve these items. The residents of the County suffer from that.

Another issue that has reduced the Road and Bridge fund involves HB09-1250. The County receives PILT monies from the Federal government. PILT is Payment in Lieu of Taxes.

Two federal laws, the Secure Rural Schools Act (SRS) and Payment in Lieu of Taxes Act (PILT), compensate counties for the tax exempt status of federal lands. This bill addresses the moneys for federal forest land payments provided through the Secure Rural Schools Act. Although the bill only addresses the distribution of the forest land payments, there is interplay between the two sources of funds due to the way that PILT moneys are calculated.

In the past, the PILT has been split between County General Fund and Road & Bridge Fund with the SRS payments going into the County Road and Bridge fund. Secure Rural Schools Act payments are subtracted from the PILT amount which results in the majority of these two federal payments being directed only to the Road and Bridge Fund.

In 2009, the State legislature passed HB09-1250 which now says the County must pass this money on to the schools, starting with a minimum of 25% the first year, 35% the second year and 50% the third year.

The commissioners decided to give the full amount to the schools based on the assurance that the formula used by the Federal government would not reduce the PILT payments. The Federal government last year only guaranteed full funding of PILT for four years, so there is always a possibility that those payments could be cut out of the Federal budget at any given moment.

In November, the County paid the SRS funds in the following amounts:

Del Norte Con 7:	\$ 88,709.80
Center JE 26:	15,056.69
Sargent RE 33T:	46,608.61
Monte Vista Con 8:	169,299.87

This is above and beyond what the School District receives from your regular tax payments. This week, the County received another SRS payment of \$225,661.00 and we will be sending that money to the schools based on student population as well.

The commissioners are not opposed to schools or school functions, but want folks to realize that here is another example of a mandate from the State which in this case, gives Federal monies to schools, that in the past was designated by the Federal government to go to the Road and Bridge Fund, thus less revenue coming into the County. The monies that were required by State law the County gave to the schools, could have been used to help pave roads, plow snow and do maintenance on County roads.

The County has always had rental fees for the Annex and McMullen buildings. In the past, the County has waived these fees for most public events. This year, the fee structure is being enforced. These will be reviewed on a case by case basis, and so folks can request that the fee be waived. The fees for the McMullen building are \$40.00 for a ½ day, \$75.00 full day. The Annex fee is \$75.00 per day.

Many policy changes were not what the commissioners wanted to do, but in view of declining revenue, and wanting to maintain reserves, we must. This is the new economic time we live in. Unlike the Federal government, the County cannot borrow monies to operate; we must maintain a balanced budget.

Looking forward in 2010, one big project the commissioners are working on is the extension of the runway at the Del Norte airport. The commissioners feel this is a big need especially for the Flight for Life from Rio Grande Hospital. The quicker we can get seriously injured folks out to higher level trauma centers, the better their chances are.

Last year the County received a grant for Phase One of the airport runway construction in the amount of \$250,000. We have been notified that the County will receive an additional \$250,000 for this Phase One from the CDOT Aviation board. So this summer,

work can begin on the base work for this much needed project. Total estimated cost of the project is \$1.2 million. The other key part is that now the Del Norte Airport is also qualified for investment tax credit. So anyone wishing to help this project can donate and receive a tax credit as well.

We are working on various other issues for the county as well. We have just placed a moratorium on medical marijuana shops in our County until we can better understand the laws and put in place required policies for this. The commissioners did a similar thing while we worked on the gas and oil regulations. Work is being done on updating the master plan and zoning as well.

The last big concern for the County and citizens of not only the county, but the state are three issues that will be on the ballot this fall. They are Proposition 101 and Amendments 60 and 61. They sound good, but when you dig into the detail, they will be most detrimental to our State as a whole and Rio Grande County as well.

Here is what Governor Ritter said in his State of the State address last week: “Coloradans must unite against three of the most backward-thinking ballot measures this state has ever seen. Proposition 101 and Amendments 60 and 61 would shut down colleges, and prisons, increase class sizes, put thousands of teachers out of work, and prevent the repair of unsafe roads and bridges.” Rio Grande County Commissioners support his statement on this completely. Please study these issues very closely, because if they pass on the ballot, if you think the changes the county has made this year in budget is bad, wait until these go into effect.

On that note, once again, we wish you a healthy, happy and prosperous new year,