

Good Evening, Audrey Danner.

It is my pleasure to represent the Moffat County Board of Commissioners at this evening's State of the County. Thank you to Chris Oxley, staff, and Board of Directors for hosting this annual event.

Let's begin with 2011 highlights:

In order to meet our community needs and maintain a balanced budget, we continue to prioritize and plan effective strategies. Our state and federal leaders are struggling with a balanced budget and that negatively affects Moffat County with our energy impact assistance grants for roads and infrastructure and social service funding, for example.

Last year was our first Budget in Brief as a means to simply describe our budget and the services that our staff and other elected officials provide for all the citizens of Moffat County. We have the 2012 Budget in Brief for each of you to review. Our entire budget is on line at www.Colorado.gov/MoffatCounty or available in the Administration office at the Courthouse.

Your county budget includes Sunset Housing Authority along with our airport, museum, 3 libraries, many public facilities, youth services, Social Services, CSU Extension services, a state renowned Fairground facility, pest management and so many essential services we as citizens have come to expect.

Sheriff Tim Jantz manages the Sheriff's department for the entire county including Dinosaur and our county jail very well by watching the trends of federal agencies. Both he and Undersheriff Abdella face the tough decisions that go along with operating a 24/7, every day of the year facility for our public safety.

The Department of Social Services invited Health Care Policy and Finance to evaluate their process for the increase in service requests. Marie Peer and all of Social Services continue to meet increased demand for services without increasing staff. Assistance payments for Food Stamps in 2011 were at an all time high of \$2.5M (\$2,555,766.00.) In perspective, years 2007 and 2008 were approximately \$850,000 on average.

The Commissioners Strategic Plan was developed with department leaders to plan for our future needs and promote alignment with all department goals.

Our Plan is to:

- ❖ **Develop our strong energy based economy** – our natural resources of water, land, gas and oil and coal all play a role in providing essential services to others in our state and nation. That is our economic base.
- ❖ **Maintain a balanced regulatory environment** – health and human services, road and bridge, including our landfill with its' many regulations, and our energy exploration and development has consistent pressure. We are diligent in watching legislative and process rules that are unnecessary or harm our economic base.
- ❖ **Develop an effective and efficient government** –
We are working with our department heads and other elected officials to find those efficiencies in costs and staffing and effectively provide services.

Financial overview of 2011:

I present these numbers to highlight the various fluctuations.

- Property tax revenue decreased approximately \$800,000 from prior year due mainly to a decrease in production of oil and gas leading to a 43.5% decrease in value from prior year.
- Sales Tax increased 11.28% or in real dollars \$300,884. From prior year.
- Specific ownership tax was down 4.5% which amounted to approximately \$31,000.
- Severance Tax increased 32.4% which amounted to \$155,060. From prior year.
- County owned mineral revenue decreased \$351,996 from 2010.

- Employees did not receive a salary increase and the county budget absorbed the health insurance increase. In 2012 we were able to provide a 2% salary increase.
- We have new health care insurance coverage and will improve our wellness program this year.
- Total revenue from 2010 to 2011 decreased approximately \$2.9M or 8.2%.
- Total expenditures from 2010 to 2011 increased \$1.4M or 4%.
- Note: We budgeted cautiously on the low side and then some revenues came in over these low projections.
- We anticipate a similar financial picture in 2012 as our energy development progresses.
- Moffat County opted to create a Federal Mineral Lease District and \$1,163,830 was put into this fund and has not been spent.
- Capital projects increased \$3.5M from 2010 to 2011 and all projects – whether roads or building improvements were completed with county funds and without any Energy Impact Grant assistance.

A county wide Facilities Department was implemented last fall. This includes an improved system to monitor all current and future repairs to know our costs and project that information into the future.

A snapshot of our activities for 2012:

We are completing the energy upgrades on county buildings following an energy audit and subsequent renovations to improve our buildings this year. This year we will finish this phase of energy upgrades for decreased utility costs and improved comfort with new windows at the court house and our heating and cooling system from the mid century will be improved. Our Dinosaur Library now has a new heating and cooling system.

Shadow Mountain street re-pavement was begun last year. This year we intend to work with the City of Craig and continue improving the side streets, sidewalks and infrastructure.

We will continue to use mineral lease funds to improve our facilities such as the Pavilion, Auxiliary building under grandstands and the Luttrell Barn for public use.

General improvements at Loudy Simpson Park continue on river access, fishing opportunities on the east side of Ranney, the ball fields and the equipment. We refurbished the motors and ice making equipment in the ice arena for cost savings.

Lila Herod is working with a team of elected officials and staff to improve our document storage for ease in accessing public documents in house and on line.

The Museum of NW Colorado hosted the 100th Moffat County Centennial Celebration last February. In addition to the many exhibits, they have published the Buster Brown book and continue to showcase our history. An additional source of revenue for the Museum has resulted from their diligent work on mineral leases deeded to the Museum.

Of no small amount is the amount for repairing and repaving our county roads. Due to changes in state government use of Energy Impact Funds, we have not had those dollars and must rework our plans to pay for those costly road expenses ourselves.

In 2011 our Road Dept overlaid 4.6 miles of county roads and chip sealed 26.5 miles of CR4 with the help of the City of Craig Road Dept.

Internet speeds have increased at our public library system along with their new electronic services. For all readers, under consideration is the addition of eBooks.

All of these reorganization changes have increased workload on our internal departments such as human resources, administration and finance. Our 200 plus employees are at the core of how Moffat County provides excellent service.

We must continue to work with our state legislators, Senator White and Representative Baumgardner, and federal legislators, Sen. Udall, Sen. Bennet and Congressman Tipton to pay careful attention to natural resource legislation. All of the rules from federal and state level affect coal mining, our electricity production, gas and oil drilling and our land and water use.

We are participating in the future of our new energy technology. Clean coal technology is happening south of Craig. This is an innovative project to capture the carbon from the coal production of electricity and store effectively deep underground.

Of concern are the sage grouse issues that have the potential to impact our energy exploration and our economy. As you read the news articles about the changing rules for sage grouse management, please use the adopted Sage Grouse Working Group Plan. The full report is on our web site. Federal and state agencies wrote this local plan and put their signatures to the work.

The Bureau of Land Management Resource Management Plan initiated by BLM and Moffat County Commissioners in an innovative process was signed as a record of decision this year after several years in waiting. We are carefully watching the changes that were adopted.

The national push to use gas over coal for electricity generation affects our local power plant and the coal mines that provide the fuel source. Along with Economic Development board members, I testified at the Air Quality Control Commission to bring our local voice to a frenetic state discussion.

Economic development efforts benefit from our attention. That includes broadband infrastructure, offering weed eradication to have an attractive community, state air quality regulations challenging the Tri State Generation and Transmission power plant, enterprise zone designations and maintaining a balance of public and private lands.

Moffat County Tourism work plan supports events for tourists and all of us to enjoy.

Tom Gray serves as Board Chair this year. He provides leadership with Yampa White Basin Round Table with the crucial water discussions and serves on the State Land Board. Tom Mathers represents Moffat County on Associated Governments of NW Colorado and the Legacy Initiative. I will chair the Yampa Valley Economic Development Council and push the ball forward on broadband capabilities for NW Colorado by serving on the State working group. The commitment to respond to legislative action at the state level continues with our consistent – often weekly – discussions with our AGNC lobbyist on behalf of all of Moffat County and towns of Dinosaur and Craig.

The capable staff of Moffat County provide services on your behalf.

As the sign above my desk reads: *We serve the people of Moffat County.*

Please review the Budget in Brief, check out our web site and contact us with questions or ideas.

Thank you.