

State of the County 2020

Good Evening, community members, invited guests and elected officials. How do you in 10 minutes or less, share with the community what the State of the County is, especially since we have 47 boards and commissions we represent and 26 county departments that provide services to the citizens of Moffat County. The answer is you don't, at least not here this evening. What I can do, is, give you a high-level overview of some of the projects we have accomplished and some of the hurdles we are facing, going forward. I would like to refer to this as **The Good, The Bad and The Ugly**, and not necessarily in that order.

- Your Commissioners and County staff are on top of the Coronavirus latest information and preventative practices. Our newly established Department of Public Health, under the leadership of Kari Ladrow and Olivia Scheele, are in daily contact with the Colorado Department of Public Health and the Center for Disease Control. They are putting in long hours to assure ACCURATE AND TIMELY information is distributed to the public appropriately. It was once said “When we react before a pandemic, we are told we are overreacting” and after the pandemic we will be told we “hadn't done enough.” Rest assured that our County's health and safety is our number one concern for our employees and the community.

Since the announcement of the imminent closure of Tri-State G&T, the county has been busy meeting with other local elected officials and state agencies, including the Governor. You should know that Tri-State is our number one tax payer. With the pending closure of the Craig Station and coal mines, 46% of our current assessed value and 45% of all the taxes collected by all taxing entities are at risk over the next 5-10 years. The county's current property tax is \$8,624,526, 46% of that means the county receives \$4 million less once total closure occurs. Without knowing the plan of closure from these entities and taking into consideration that production may still occur during this time, the county has anticipated a yearly decrease of \$340,000 per year and to compound each year until closure occurs.

As a county, we are heavily reliant on property tax for our main source of revenue. For the 2020 budget, the current assessed value of the county is \$413 million. The highest tax payers are natural resource based, currently supporting 57% of the

property tax collected for the county. We've been fortunate as a community that our highest tax payers have historically contributed to the majority of the property tax collected.

In addition to the loss of coal mine and power plant revenues listed above, is the revenue from Federal Mineral Lease and Severance Tax. Both revenue sources have state distribution calculations that include the number of employees residing in a county related to natural resource production. The anticipation of the revenue decrease is \$60,000 per year for Federal Mineral Lease and \$22,000 per year for Severance Tax.

Your Board of County Commissioners are looking at five year and ten-year projections. The combined calculation from all county revenue decreases related to the closures are \$422,000 per year to compound each year until closure occurs.

- Approximately 657 direct jobs, which is about 9% of all jobs in the county, will be affected. This does not account for all those indirect jobs and contactors, or the huge effects it will have on our local businesses and local governments that provide essential services. To put this in perspective, we would need roughly 19 new super Walmart's built over the next 10 years to replace the assessed value that Craig Station provides.
- Even a bigger number than the 46% (mentioned above), is our county's reliance on our region's Natural Resources - Coal, Oil & Gas, and State Assessed valuations. All three of these sectors are under immense environmental and political pressures, and unless we see major changes in the near future, we can expect to see declines in value in all these resources over the next decade.
- The continued erosion of the statewide residential assessment rate from 7.96 to 7.15% is of concern. This 10% decrease in the state rates prevent our ability to capture those gains made over the past four years in our local residential sector. Changes in the 1982 Gallagher Amendment and Tabor are necessary for small rural counties to thrive during the highs and lows of both state and global economies. Bottom line, Colorado's demographic is much different today than it was 40 years ago or even 12 years ago for that matter.

This is not the first time the County has endured a financial impact from property tax. In the 2010 budget the County's valuation generated \$10.4 million then dropped an average of 3% each year through the 2018 budget where the valuation generated \$8.1 million or a total decrease of \$2.3 million in property tax revenue to the county. Due to the consistent decrease in revenue impacting the 2018 budget, many budget changes were made: cash on hand days reduced to 60 days, with total budget adjustments of \$1.7 million made to offset property tax decrease.

As a result of the revenue declines, county budgeted FTEs (full time equivalents) have been reduced by 20.72 since 2016. Going forward, the revenue reduction from these closures may impact service levels and will be a challenge for the community, current and future local government leaders.

On the Horizon: Proposed transmission lines may have valuations that would generate enough property tax to offset the Craig Station Unit 1 closure. The two power lines we expect to be built include the Trans West 500 KV Direct Current line from Wyoming to Nevada and Gateway South, a 500 KV alternating current three phase transmission line.

During the 2019 reappraisal cycle, we saw a very strong residential market for the first time in over ten years. Assessed residential values are now starting to recover from the 2009 recession where we once saw a high of \$64.3m, then dropping to a low of \$50.4m in 2015, and now have rebounded to \$56.2m for 2019. The new transmission lines for Trans West\Gateway South and a new 145mgw solar farm are estimated to generate an additional \$1.5-\$2 million in tax dollars once they are completed.

City-County-Partnerships-The County operates on the philosophy that by working together we can accomplish more than going it alone. As a county, we continue to look for ways to partner with other government leaders and entities so that community services and assets are available to the best of our abilities. Most of that work has been with the City of Craig, which includes combining the County Building Inspector with the City in 2017, sharing services to GPS the sewer lines in Maybell, which, once completed will be able to accurately provide underground locates. We also work in partnership for the City/County Clean-Up days which is scheduled for May 16th and 17th. Budgeting funds for the Human Resource Council, sharing expenses for our Craig-Moffat County Airport, the complete rebuild of the Shadow Mountain sub-division and now working together to help save one of our biggest assets, Loudy-Simpson Park. Our last endeavor was the transfer of the Museum of Northwest Colorado and all its assets to the City of

Craig. This was driven by our local citizens and supported by the Craig City Council and the Moffat County Commissioners. Other projects the county has completed and will be working on in 2020 are:

1. Partnering on three different local solar projects, a net metering project for public facilities, a regional solar garden, and a regional solar farm.
2. Upgrades at Sunset Meadows I completed in 2019, renovated the elevators, replaced windows, and carpet in all the commons areas.
3. Last year, MC Housing Authority received a grant for \$360,000 to replace windows; automatic entry doors; upgrade elevators; common area floor covering; and overlay the asphalt in the parking lot for Sunset Meadows #2. Work will begin this spring.
4. Received two grants for the courthouse: \$80,000 from Underfunded Courthouse, \$20,000 from DOLA. We are exploring options for safety and security or relocating to the vacant Kmart building. If the feasibility study proves this can be done, it will be a huge cost savings to the tax-payers.
5. Ongoing maintenance and repair at the Public Safety Center (20 years old), replacing two air conditioning units per year, improvements to showers in the Jail, and floor covering.
6. EV Charging Stations for Dinosaur Welcome Center grant through the Colorado Energy Office and Local Marketing District. Revenues to help fund the Welcome Center, which is a huge asset to our County and the town of Dinosaur. The town of Rangely also benefits from the presence of The Dinosaur Welcome Center.
7. Updated lighting throughout most of the facilities to LED for efficiency and costs savings to our tax-payers.

Wolves- After years of hunter and citizen reports and sightings of wolves in Moffat County, Colorado Parks and Wildlife confirmed a pack in NW Colorado. As we speak, CPW is attempting confirmation of other sightings of tracks north of Hayden and other reports in Moffat County. We know that Initiative 107 will ask voters in November if they want to introduce wolves in Colorado, and there is Senate Bill 171 that proposes some sideboards on an introduction. **YOUR COMMISSIONERS ARE ACTIVE ON A DAILY BASIS OPPOSING ANY EFFORT TO INTRODUCE WOLVES TO MOFFAT COUNTY. WE ARE UNITED AND WE ARE RESOLUTE** in our opposition of wolf introductions.

With that said, there are limitations on state control of wolves until they are “de-listed” from the Endangered Species Act. While “listed”, wolves are still under federal management. We expect a delisting announcement from the US Fish and Wildlife Service in the next couple months. Then we expect law suits from pro-wolf groups to stop the de-listing. Throughout the next few years, there will be consistent jockeying for political positions regarding wolves and we will be representing this community through it all.

Water- The onslaught of water issues that have flooded this county in the last five years is demanding. There is more money being thrown into water issues than ever in history. Moffat County, in addition to many local citizen volunteers are consistently participating in the following water topics:

- Integrated Water Management Plan for the Yampa
- The Yampa Fund
- Basin Roundtable
- Basin Implementation Planning
- In-Stream Flow review
- Colorado River Water Conservation District

There are a multitude of meetings and proposed laws that will shape a new future for statewide water management. The Commissioners, as well as our Moffat County Land Use Board members, and various citizens interested in water, are actively participating in these meetings and we appreciate their involvement.

The Moffat County Land Use Board is one of the many valuable citizen-based boards that advise Moffat County Commissioners on federal land management issues. They have a great working relationship with BLM and are participating in:

- Travel management inventories of road networks, Trans West and Gateway South power line permitting
- Sage grouse planning and rules and regulations
- Transfer of the Browns Park School to the Alumni Association for a community center
- Updating BLM’s grazing regulations

“Just Transition” - With the passage of HB 1314 (Just Transition Legislation) last year, it states there will be an established State Advisory Council made up of 19 members and state agencies across the State representing coal impacted

communities such as Moffat County. It also states the purpose of the “Office of Transition” is to identify or estimate to the extent practicable, the timing and location of facility closures and job lay-offs in coal-related industries and their impact on affected workers, businesses, and coal transition communities. Recommendations will be made to the Just Transition Advisory committee, as part of its work outlined in subsection (6) of this section. Recommendations will be made as to how the office can most effectively respond to these economic dislocations. The draft recommendations are due on or before July 1, 2020 to the Executive Director of DOLA and the Department of Labor. The final document will be submitted by the Director of Transition to the Governor and the General Assembly on or before December 31, 2020. The thing that is most challenging to work through is that the existing legislature, which has placed much of the economic burden on this community from years of anti-coal bills and anti-fossil fuel bills, now they come to us and want to help us “recover”.

Maybell Park – The Road and Bridge Department and the Office of Development Services will be working with the town of Maybell to make improvements at the park, including new, larger camp sites, improved roads, a pay dump site and a new game cleaning station. The County received \$116,000 from CPW for Loudy-Simpson river access, river bank stabilization, and to rebuild the boat ramp, scheduled for the fall of 2020. The County Road and Bridge Department will be providing in-kind work for both the Maybell Park and Boat Ramp projects. There is also an asphalt overlay planned for the golf course road at a cost of approximately \$180,000.

Roads- Paving aprons at intersections of county roads and state highways to alleviate potholing caused by traffic accelerating and braking, as budget allows. We will spray approximately 630,000 gallons of magnesium chloride, covering around 130 miles of gravel road. The magnesium chloride attracts water and has a positive charge, which attracts small soil particles that are negatively charged, binding the soil particles together. This helps eliminate dust and also helps prevent potholing. The mag budget is unchanged at \$500,000 for 2020. The rising price of mag chloride has forced us to scale back each of the last 6 years. We will be spraying about 9 less miles than last year.

Some Important future projects that may be affected by budget constraints: overlaying the asphalt on County Road 4 near the Wyoming line. While the road isn’t bad at the present time, failure to overlay will lead to accelerating degradation of the existing surface. Once the pavement develops “alligator cracking” it will require an expensive milling process before new asphalt can be applied. Continued

delays will result in complete deterioration of the roadway. CR 4 was “chip sealed” several years ago to extend the life of the road to this point. Shadow Mountain Village needs to be chip sealed this year. This will protect the asphalt in two ways: it gives a new rock driving surface protecting the rock in the asphalt and it provides shade for the oils in the asphalt preventing them from drying out (similar to applying sun screen to your skin). The cost of chip seal for Shadow Mountain is around \$80,000.

We have several bridges nearing the end of their useful life. Some of the smaller bridges can be replaced with box culverts or, in the case of some seasonal drainages, dry crossings. Others will need grant money to replace, but grants are hard to come by as there are many counties with needs similar to ours.

Emergency Management-The commissioners re-established a full time Emergency Coordinator that will serve under the Sheriff’s Office. An MOU will be approved and this position will also receive funding from the state. The Public Health Director and the Emergency Manager are required per Colorado Revised Statutes.

On behalf of the Board of County Commissioners, we would like to thank many of our staff from various county departments for their contributions to this State of the County speech.

Ray Beck
District II
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Don Cook
District I

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District III