

## Governor Speaks at Opening Session of 102nd Annual Winter Conference

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Governor Bill Ritter makes a joke while talking to over 350 conference delegates at the opening session of the 102nd Annual CCI Winter Conference.

Commissioners and council members from sixty two counties around the state attended this year's Winter Conference. Overall attendance was on par with previous year's numbers with over 350 elected officials and county staff in attendance.

In keeping with CCI's long standing tradition, the Governor addressed conference attendees at the Opening Session. Governor Bill Ritter began by thanking commissioners and council members for being public servants at such a difficult time. He described the state's economic situation as a "new economic reality" that requires everyone to think and do things differently. The state, he said, will not be coming out of the current downturn in a robust fashion. Manufacturing and innovation is what will ultimately help us out of the slump.

With this in mind, the Governor explained his approach to budget cuts. His administration, he explained, will spread the pain while protecting the safety net that a growing number of individuals rely on. Additionally, he will preserve programs that create jobs and help workers. Governor Ritter acknowledged that decisions to balance the budget are not popular but they are necessary.

Governor Ritter then turned his attention to the three 2010 ballot initiatives – A60 "Local Budget Constraints", A61 "Public Financing Ban" and Prop 101 "Public Service Cuts". He urged the crowd to join him in opposing all three initiatives and working together to defeat them despite the fact that 2010 is an election year. (See page 15 for the "Special Membership Meeting" article which reports on CCI's position on these initiatives.)

Attendees questioned the Governor on everything from his accounting process of stimulus funding to whether or not he would consider appointing someone with a public health background to fill the director position at the Department of Public Health and Environment. When asked if he would work to repeal FASTER, the transportation funding bill that passed last session, he replied it was not likely since he supported it. In response to whether or not he would support VMT (vehicle miles traveled) programs he explained that we have to start thinking about new ways to fund road and bridge construction and that we cannot continue to rely on a fuel tax. The Governor was also asked how centralizing human services would protect children. To this, he replied that it was simply a recommendation from the Child Welfare Action Committee that was big and bold in scope. Citing a commitment he made to commissioners and council members earlier this fall, the Governor reiterated that the recommendation would be vetted throughout 2010 and that he would work with CCI on it.

## CCI Legislative Reception

When: Thursday, January 21, 2009

Time: 5-7 p.m.

Where: CCI, 800 Grant Street, Suite 500, Denver, CO

RSVP to Annie at 303-861-4076 or aolson@ccionline.org

# Panel Members Discuss Next Steps Towards Fiscal Stability and BPPT Reform

This issue session for commissioners offered several perspectives on fiscal policy reform from members of the Long Term Fiscal Stability Commission and the Business Personal Property Tax Task Force. Senator Rollie Heath, chairman of the Fiscal Stability Commission, laid out the charge of his committee to consider what kind of state government Coloradans want and an appropriate fiscal structure to fund it. Sen. Heath observed that Colorado has a Gordian knot of fiscal policy that prevents state government from cutting in some protected areas or from making significant adjustments overall. He reported that the commission heard estimates that in five years 91% of the state budget will be devoted to mandatory expenditures in education, Medicare, and corrections. Sen. Heath said that, in light of the fact that it has been 50 years since the last comprehensive analysis of the state's fiscal structure, one of the fiscal stability committee's recommendations was to do such a study. The committee also authorized a bill to create a rainy day fund, although it fills very slowly. Sen. Heath expressed interest in a proposal for a constitutional commission that could make recommendations for resolution of constitutional fiscal conflicts that would be exempt from the single subject rule. He indicated his feeling that the constitutional issues have to be considered together in order to be resolved in a way that can be accepted by voters.

Sen. Greg Brophy followed, noting that he enjoys the distinction of representing more commissioners than any other member of the General Assembly. Sen. Brophy said that, rather than seeking ways to put the state's fiscal house in order, the fiscal stability commission heard almost \$8 billion in requests for additional spending. He agreed with Sen. Heath's comment that Colorado's tax burden is moderate overall but questioned some of the state's spending priorities. Sen. Brophy also concurred with the call for a tax study after all this time and questioned some of the proposed repeals of sales tax exemptions for purchases of goods used to make other products. With the respect to the proposed rainy day fund, Sen. Brophy said that recessions occur every 57 months – so a rainy day fund has to be replenished in that amount of time or less to be effective and the approved bill does not replenish the fund fast enough to meet this need.

Sen. Joyce Foster chaired the Business Personal Property Tax (BPPT) Task Force. She briefly recounted how the task force came about and said that the ultimate recommendation of the task force was to refer the issue for consideration by the fiscal stability commission, where it really belonged. Sen. Foster said that many members of the task force recognized that the impact

of a straight repeal of the BPPT would be catastrophic. She said that they looked for ideas that would not negatively impact local governments and that could be accomplished administratively. Tom Clark, Executive Vice President of the Metro Denver Economic Development Corporation and the Denver Metro Chamber of Commerce, testified before the task force and Sen. Foster reported that he said they can entice the businesses they need to – that elimination of BPPT would not be his first priority. Sen. Foster also noted Colorado's #4 rank in Forbes' evaluation of states' friendliness to business.



Senator Rollie Heath discusses his views.

Sen. Mark Scheffel, the sponsor of last year's bill to phase out BPPT, said it made him enemies on both sides. He said that he was criticized for phasing it out so slowly – over 40 years – and for recklessly proposing elimination of the tax. Sen. Scheffel emphasized the comments he heard repeatedly that nobody likes this tax but that they do like the things that are done with it. As evidence, he described the unanticipated support for his bill through both houses before it was finally amended on the last day of the legislative session to create the BPPT Task Force. He characterized the BPPT as a job killer and described the referral to the fiscal stability

commission as a punt. Still, Sen. Scheffel said he is not discouraged and that he understands the legislative process is incremental and takes long term effort. He believes reducing the BPPT will stimulate the economy and is still interested in trying to align Colorado BPPT policy with federal depreciation schedules and other federal regulations.

Councilwoman Carol Boigon, who served on the fiscal stability commission, reinforced the importance of the entire fiscal conversation and looking at these issues in the bigger frame of view. She defended a number of the requests for modified spending that were presented to the commission and noted that Colorado is already spending \$1,400 less per student than the national average. She also reported some of the hard budget numbers that are on the table for Denver in the business personal property tax discussion, including \$40 million in revenue for the city and county and \$65 million for Denver's schools. She said that, while she is supportive of a tax study and a constitutional revision commission, she thinks timing will likely be a problem since Colorado would not see legislation or initiative language until 2011 or 2012. Councilwoman Boigon also indicated her belief that there is a general will to consider these difficult changes now in spite of the complexity.

Commissioner Sean Conway said he thought that the recommendation for a comprehensive study was the big story for the committee – after 50 years, it is time to do this. He also

said he thought it was good to have it done by the University of Denver and privately funded. After expressing his own observation that Colorado's higher education institutions need more revenue flexibility in light of state funding reductions, Commissioner Conway reviewed a few of the committee's ultimate recommendations. He indicated his agreement with



Denver Councilwoman Carol Boigon, Weld County Commissioner Sean Conway and Boulder County Commissioner Cindy Domenico, acted as the respondents during this session.

Sen. Brophy's assessment of the rainy day fund proposal and said that, with a 15 year refill schedule, the rainy day fund will always be drawn down before it can be replenished. Commissioner Conway closed with his feeling that his county has, in fact, lost business as a result of Colorado's business personal property tax.

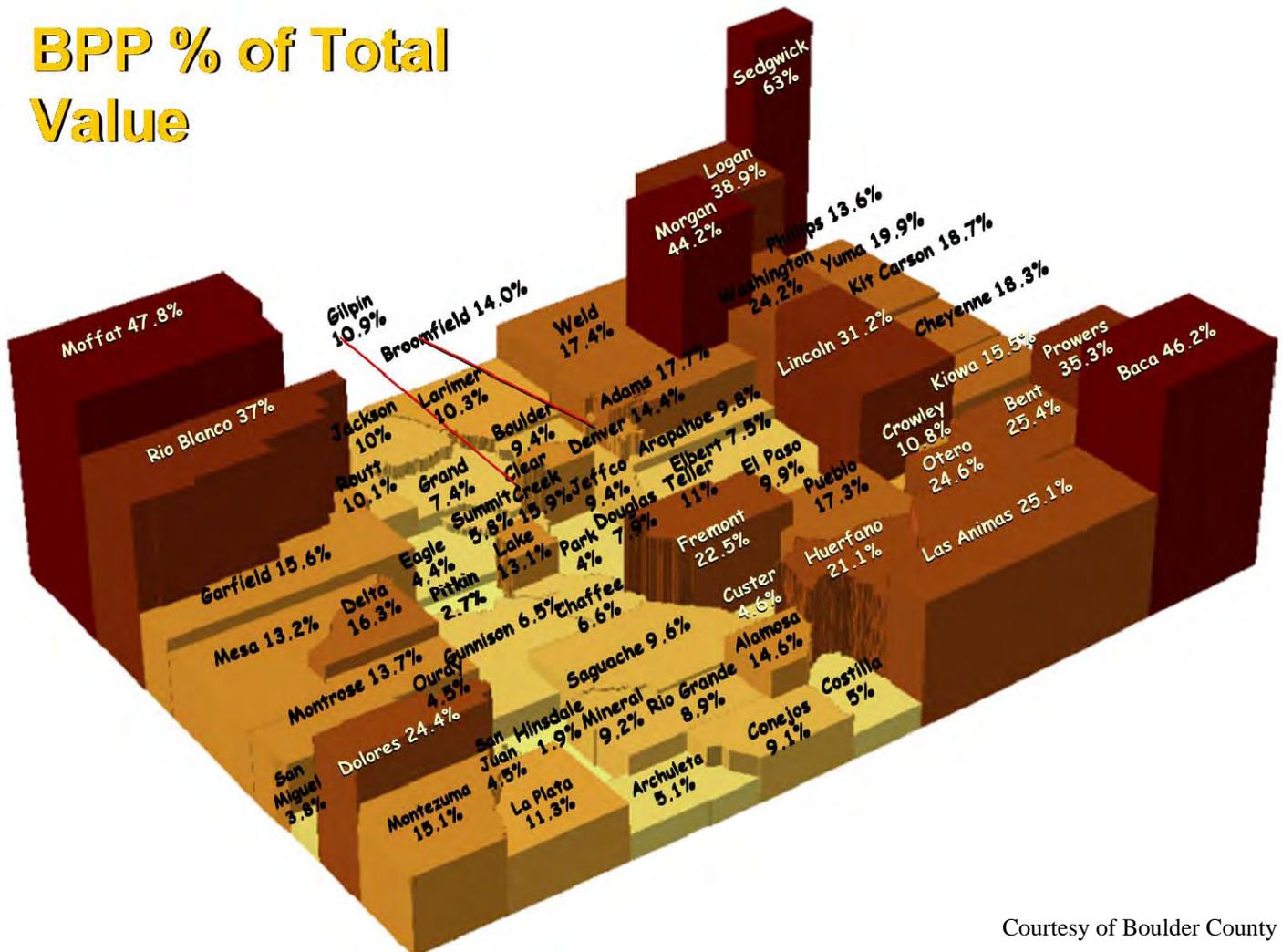
The last speaker on the panel was Commissioner Cindy Domenico, who served on the BPPT task force. She gave kudos to Sen. Foster for running a task force with limited

resources and undertaking consideration of changes in this important local revenue stream and protecting local government at the same time. Commissioner Domenico said that it is vital that property tax be protected due to the uncertainty of valuations in the near future. Since property tax is the main revenue source for most counties, they are obliged to cut services or raise other revenue if property tax revenues decline

appreciably. Commissioner Domenico distributed some information that her county compiled on the importance of BPPT including a map showing the relative dependence of counties on BPPT.

Questions of the panel ranged from downsizing state government to the revenue source for rainy day funds to details of BPPT collection and backfill mechanisms – foreshadowing a number of conversations that will take place in the coming months. Stay tuned!

## BPP % of Total Value



## Winter Conference District Meetings

### Eastern District

All ten eastern district counties were represented at the winter conference's district meeting. Lincoln County Commissioner Gary Beedy and Elbert County Commissioner John Shipper, the Eastern District President and Vice President respectively began with introductions and welcomed Senator Greg Brophy, Lou Swanson and Greg Etl to the meeting. The members then unanimously elected Washington County Commissioner David Foy as their representative on CCI's Board of Directors. Commissioner Foy will also serve as CCI's President in 2010. Congratulations David! We're all looking forward to your leadership...and a year's worth of funny stories.



Yuma County Commissioner Trent Bushner and Morgan County Commissioner Brian McCracken discuss items during the Eastern District meeting.

Morgan County Commissioner Tony Carlson led his peers through a discussion on unfunded mandates. Citing a five-page laundry list of various unfunded mandates and other concerns, Commissioner Carlson challenged everyone to collectively identify their top priorities. Eastern district commissioners agreed that public health rules and regulations and courthouse requirements were the most onerous unfunded mandates. CCI's Southern and Western district did a similar exercise. Ultimately, these prioritized issues will be compiled and discussed in CCI's steering committees to determine how best to address each concern.

Commissioners then discussed the Governor's proposal to eliminate – for three years - the state sales tax exemption on pesticides and agricultural compounds. According to the Governor's Office, temporarily eliminating these sales tax exemptions will result in \$2.9 and \$1.5 million respectively. Senator Brophy argued that eliminating these exemptions will simply cause farmers and ranchers to buy products over the internet. This effectively means the

state will likely not see the revenue it anticipates seeing from such an elimination. Additionally, local hardware and supply stores will lose business because customers are turning to the internet and this could result in a subsequent drop in state sales tax and other revenue.

Next, the commissioners discussed the pros and cons of adopting a model traffic code. Generally speaking, commissioners felt that adoption of a model traffic code made the most sense for larger counties. Lincoln and Elbert Counties reported that they had recently adopted the code. Commissioner Shipper credited the county's adoption of the code for a 30% decline in accidents in the past year.

Commissioner Carlson then spoke about what counties can do to encourage coordination between all levels of government. He passed around copies of a draft resolution that formally requests coordination with all federal and state agencies maintaining jurisdiction over lands and/or resources within the county. Weld County Commissioner Dave Long joined the Eastern District during this conversation and stressed that while this tool is not a panacea, it will require higher levels of government to coordinate with the county. Commissioner Long said that once a county has such a resolution in place, the trigger to requiring coordination is that the county must have a plan that conflicts with the federal government's plan on, for example, the use of national grasslands. He said a county's plan does not necessarily have to be developed before the federal government has its plan. Finally, Commissioner Long cautioned that requiring coordination does not mean the county will get its way but it means the state/federal government will not necessarily get its way either.

### Front Range

The Front Range District meeting was called to order by Boulder County Commissioner and Front Range President Cindy Domenico. Introductions were made, and the roll call was taken by the Front Range District Vice President Dennis McCloskey of Broomfield, with a result that all member counties were in attendance.

The next order of business was the election of the 2010 CCI Board representative. Douglas County Commissioner Jack Hilbert was nominated, seconded and elected by acclamation.

The Chair asked Arapahoe County Commissioner Susan Beckman to give a post-Child Welfare Action Commis-



Arapahoe County Commissioner Frank Weddig jots down notes during the Front Range District meeting.

sion (CWAC) update. Included in this detailed discussion was a request for at least three members of the Front Range District who are willing to serve on the next version of the

CWAC, which will be appointed by the Governor for 2010. As part of this wide-ranging discussion Commissioner Kathy Hartman, Jefferson, discussed the Child Welfare Report soon to be released by the Federal government. She explained that there was some unwillingness on the part of the State to provide the state-by-state rankings, given that no state has managed to meet Federal goals, and Colorado has done very well by comparison to other states.

The following members, or county representatives, volunteered to serve on the post-CWAC entity:

Dave Long, Weld; Pat Noonan, Arapahoe; Barbara Kirkmeyer, Weld; Kathy Hartman, Jefferson; Carol Boigon, Denver; Cindy Domenico, Boulder; Barbara Drake, on behalf of Douglas County; Amy Lathen, El Paso and Sallie Clark, El Paso.

The district members discussed the size of population and caseload, and for that reason suggested that a larger, weighted number of Front Range commissioners would be more appropriate.

The next subject was a presentation from JoAnn Groff, Director of the Division of Property Taxation. She covered a number of issues that may be foretelling greater fiscal impacts to counties, as the valuations of residential property and commercial property are lagged, and will result in lower tax revenues over the next several years. There was also discussion about the Business Personal Property Tax Interim, Chaired by Senator Joyce Foster, who was in attendance and was introduced to the members.

Following this presentation the counties each provided detailed updates on their individual projects and programs as well as any significant problems they were facing. This was a very interactive and interesting session, with

full participation by all counties. Among other issues was a lengthy discussion about TIF and the problems that Weld and other counties have overcome in disputes with municipalities attempting to use questionable projects under the TIF statutes.

In other business, there was a request from the members that the Board consider a by-laws change regarding the legislative committee's future voting process for selecting the legislation agenda. Commissioners feel strongly that a 2/3's vote should be required for any requests that go forward to legislation, in order to assure that the organization is running legislation that has significant support of the membership.

At 2:50pm the Front Range District adjourned, and the 50,000+ population counties convened. By acclamation Commissioner Domenico was asked to chair this meeting. The purpose of the meeting was to elect two Board members, the Secretary and the Treasurer.

In each case by acclamation, Commissioner Dennis Hisey, El Paso was re-elected Secretary, and Commissioner Frank Weddig, Arapahoe, was re-elected Treasurer. The meeting was adjourned.

**Mountain District**

The Mountain District convened on Tuesday with only one county not in attendance. District President, Teller County Commissioner Jim Ignatius, opened the meeting with an update on the success story of the Cripple Creek and Victor Gold Mining Company's (CC&V) operations and reclamation projects in Teller County. Commissioner Ignatius emphasized the extensive permitting and technical requirements involved in the modern mining operation that extracts silver and gold from huge quantities of ore



Pitkin County Commissioner Rachel Richards makes a point at the Mountain District meeting while Pitkin County Administrator Hilary Fletcher listens.

and produces small bells or “dore buttons” of the precious metal. He also reviewed the successful reclamation results of the Millsap Creek Tailings Project that involved millions of dollars and 20 different participating agencies and also CC&V’s participation in the makeover of Woodland Park’s Main Street.

The Mountain District also had a wide-ranging discussion on unfunded mandates that are particularly hard on rural counties and which of these should be prioritized for resolution. Commissioners identified mandates related to: courts and jails, social services, election equipment, fee caps unrelated to program costs, cumbersome ARRA administrative requirements, assessor training, weed districts and weed eradication, retro-reflective sign requirements, dust control, and public health services. These will be consolidated with mandates identified by the Eastern and Southern Districts and used to focus future unfunded mandates discussions.

Clear Creek County Commissioner Harry Dale described the NACo resolution he submitted on Intercity/Interstate Rail and his desire for true high speed rail, not under the jurisdiction of the Federal Railroad Administration (FRA). Commissioner Dale described the potential of true high speed trains – potentially achieving average speeds over 100 miles per hour – that are beyond the current expertise and interest of the FRA or the capacity of the current national rail infrastructure.

The District wound up its meeting with discussion of the request for an agricultural assessment interim committee that is part of CCI’s legislative agenda and that Rep. Tom Massey is considering. Commissioners recognized that some support from agricultural interests will be critical. The commissioners also discussed sales tax “leakage” among counties and past attempts to provide for revenue sharing among jurisdictions. A few existing sharing relationships in the San Luis Valley, in Boulder County, and among the gaming areas were identified as potential models for future review.

### **Southern District**

Spike Ausmus, Chair and Crestina Martinez, Vice Chair, called the meeting to order. 100% of the counties in the district were present. After roll call the group voted to re-elect John Sandoval to the CCI Board of Directors.

The District representatives then nominated three com-



Conejos County Commissioner Joe Mestas, Huerfano County Commissioner Art Bobian and Costilla County Commissioner Eddie Roybal listen during the Southern District meeting.

missioners to be possible participants in ongoing conversations counties are having with the state concerning the Child Welfare Action Committee recommendations. Crestina Martinez, Joe Mestas and Art Bobian were nominated. One Commissioner of the three will be chosen by the Governor.

Commissioners discussed the list of unfunded mandates that had been generated prior to the meeting. Discussions surrounded three main areas out of the more than 35 issues listed. Funding for weed districts, elections and social service mandates were named as the three highest priorities for the district’s counties. CCI will compile a list of prioritized unfunded mandates and continue to examine possible solutions to these problems.

Transmission lines dominated the majority of the meeting. With some of the best renewable energy in Colorado located in the Southern district counties, the slow pace of establishing transmission lines to get the energy from the rural areas to the grid is frustrating. Energy companies have invested resources to build wind and solar farms, yet the decisions on siting and the construction of transmission lines continues to hamper the economic development of the area. The District voted to draft a letter expressing their concerns and send it to various power companies and the State Public Utilities Commission.

Continuing the discussion about energy and impacts, Susan Kirkpatrick, Director, Department of Local Affairs, addressed the group and spoke about the energy impact assistance grants and the cuts made due to the fiscal environment. She made clear that even though the money from these grants had been diverted for this year to help balance the budget, there will be money in the grant program for FY10/11. She emphasized that many legislators making the budget decisions do not understand the importance and nuances of the energy impact grants and com-

missioners must continue to educate legislators if they wish to protect this funding stream in the future.

## Western District

The district re-elected Garfield County Commissioner Trésí Houpt to the CCI Board of Directors.

District priorities were settled through an electronic brainstorming process over the period of a month. The purpose of the prioritizing was to select top issues for the district to discuss over the next year. The top three priorities voted upon were Energy Impact Assistance Fund, Social Services proposed centralization and Anticipated Budget Shortfalls & State Budget Cost Shifting.

Susan Kirkpatrick, DoLA Executive Director, was invited to discuss current status of Energy Impact Assistance Fund: EIAF. She identified a few fundamental problems with the fund:

- The economy is changing for oil and gas and it won't come back the same as it was;
- Emphasis on fuel efficient cars and trucks and
- General Assembly does not appropriate EIAF and thus view it as a pot of money to solve the state's problems.

Ms. Kirkpatrick outlined the current status of EIAF:

- Governor Ritter now clearly understands the importance of EIAF and how vital it is to counties;
- \$80/million direct distribution is solid counties for 2010;
- The grant program is zeroed out for 1 year;
- EIAF operates on less than 3% administration and
- In unusual emergency cases EIAF can be used for county operating.

The discussion then turned to budgets. Examples of budget innovation to confront current and anticipated future revenue shortfalls after 2011 valuations:

San Miguel – planned for and executed a 6 month operating reserve fund; county planning for a 5 year frozen revenue stream; have frozen salaries of staff making more than \$80,000 and are providing modest raises for those making less; have a zero based budgeting process; are experimenting with joint town and county hires; completing a review from the ground up of employee benefits and the IT department.

Rio Blanco – county did not raise employee salaries this year but they did pick up the 13% increase in

health benefits that were to be passed on the employees.

Montrose – reduced all departments 3% for 2010; raises in the county are tied to Social Security Administration's COLA and this year there is no SSA increase so no raises in the county; County Health Pool increase was 4% and the county will pick it up instead of the raise; all hires within the county including other elected officials are reviewed by BOCC; BOCC meets bi-weekly to review the budget and review scenarios of what to do if the revenue picture turns bleaker.

Routt – had to lay off 20 FTEs in 2009.

Archuleta – in 2007 had to lay off 30% of county staff so “the county was well positioned for the current crisis.” In fact the county is coming out its worse fiscal problems but now the county is in a good position.

La Plata – has asked all departments to submit 5% and 10% reductions in anticipation of a \$5-10 million shortfall in 2011.

Weed Districts are an unfunded mandate placed in state statute about seven years ago. The Colorado Weed Management Association (CWMA) is proposing a bill that would fund the districts. The CWMA has hired a lobbyist to handle the bill development, find a sponsor and lobby in during the session. CWMA is asking for CCI support for the bill.

The Montezuma County assessor appraisals of CO<sub>2</sub> wells in their county was disallowed by the Division of Property Tax. The county is appealing the decision to district court. If the county wins it will have an effect on other counties with CO<sub>2</sub> wells. Montezuma County will apprise CCI of progress and CCI will pass on the information to the district.

Finally, it was requested that the Salazar and DeGette Wilderness Bills be discussed in the Public Lands Steering Committee and that the staff compare the two bills for discussion.



Gunnison County Commissioner Hap Channell and La Plata County Commissioner Wally White listen during the Western District meeting.

# 102nd Annual CCI Winter Conference Photo Highlights



Jefferson County Commissioner Kathy Hartman, Boulder County Commissioner Cindy Domenico and Gilpin County Commissioner Jeanne Nicholson get ready for the Women's Commissioner Breakfast.



Weld County Commissioner Barbara Kirkmeyer and Custer County Commissioner Carole Custer catch up during the Women's Commissioner Breakfast.



Logan County Commissioner Debbie Zwirin and Ouray County Commissioner Heidi Albritton share ideas at the Women's Commissioner Breakfast.



Adams County Commissioner Skip Fischer and Arapahoe County Commissioner Frank Weddig discuss conference sessions during the coffee break.



Elbert County Commissioner John Shipper, Custer County Commissioner Jim Austin and Huerfano County Commissioner Roger Cain catch up prior to the opening session.



Pitkin County Manager Hilary Fletcher and Routt County Manager Tom Sullivan get ready to hear an update from the Governor.



Summit County Commissioner Karn Stiegelmeier and Eagle County Commissioner Peter Runyon smile for the camera prior to the opening session.



Otero County Commissioners Kevin Karney, Keith Goodwin and Jim Sandoval take a moment to pose together after a conference session.



Crowley County Commissioner Matt Heimerich poses a question to Governor Ritter.



Larimer County Commissioner Steve Johnson chuckles at a comment made during a conference session.



San Miguel County Commissioner Art Goodtimes and San Juan County Commissioner Pete McKay catch up during conference.



Former Douglas County Sheriff Micheal Acree and Former Douglas County Commissioner Melanie Worley, now both with Correctional Healthcare Management, enjoy the closing lunch.



Washington County Commissioner Lea Ann Laybourn and Custer County Commissioners Jim Austin and Lynn Attebery listen during the Governor's opening address.



Cheyenne County Commissioner Bob Paintin, Lincoln County Commissioner Steve Burgess, Sedgwick County Commissioners Glen Sandquist and Gene Bauerle recap everything they learned at conference.

# 2009 CCI Awards Banquet



Larimer County Commissioner Kathy Rennels (right) presents the Freshman Commissioner of the Year award to Costilla County Commissioner Crestina Martinez.



Boulder County Commissioner Cindy Domenico smiles in delight as she receives the Commissioner of the Year award from CCI.



Routt County Commissioner Nancy Stahoviak received the Distinguished Service Award during the awards dinner.



Washington County Commissioner and new CCI President David Foy presents a plaque to Larimer County Commissioner Kathy Rennels for her tenure as CCI President in 2009.



Archuleta County Commissioner Bob Moomaw (right) discusses why his county nominated ACCA Administrator of the Year Greg Schulte.



Alamosa County Commissioner George Wilkinson, Rio Grande County Administrator Suzanne Benton and Commissioner Robert Hagedorn enjoy dinner together.



Gunnison County Commissioners Paula Swenson and Hap Channell catch up after a long day of sessions during dinner.



Commissioner Kathay Rennels, County Administrator Frank Lancaster and Commissioner Tom Donnelly, all of Larimer County, enjoy the CCI Awards Dinner.



Chief Financial Officer Tom Hemmings of the Colorado Housing and Finance Authority, makes comments during dinner.



Sedgwick County Commissioners Jim Beck and Glen Sandquist share what they learned during conference.



County Manager Tom Sullivan and Commissioner Nancy Stahoviak, both of Routt County, celebrate Nancy's Distinguished Service Award.



La Plata County Commissioner Kellie Hotter and Road & Bridge Director Doyle Villers smile for the camera.



Alamosa County Administrator Barry Shiohita, Conejos County Commissioner John Sandoval, Conejos County Administrator Tressesa Martinez and Conejos County Commissioner Steve McCarroll share ideas during the awards dinner.

## Amendment 20: Medical Marijuana



Conejos County Commissioner John Sandoval uses a prop during the marijuana session.

In response to the increasing number of medical marijuana (MMJ) dispensaries opening around the state, two presenters spoke to a large group of Commissioners interested in what the Colorado Department of Public Health and Environment (CDPHE) is doing with rules and administration of dispensaries, as well as zoning requirements for dispensaries in the unincorporated areas of the counties.

Ann Hause, the Director of Legal and Regulatory Affairs in CDPHE spoke about the process the Department established for processing the MMJ cards for patients. After recent Board of Health rules and an October memo from a US Deputy Attorney General stating the federal government will not prosecute certain marijuana related activities in states where MMJ was approved, the number of applicants for MMJ cards increased dramatically. CDPHE is having troubles processing the more than 23,000 applications received since January, 2009.

Brian Treu, Eagle County Attorney, spoke to commissioners about how Eagle County recently went through the process of determining where MMJ dispensaries could be located in the county. The most important part of Brian's presentation emphasized the point that Commissioners do not need to personally get involved in the debate of pro vs. con on allowing dispensaries, rather, zoning powers already inherent in their position allows them to strategically and logically avoid future legal battles and site MMJ dispensaries where they wish in the county. Some examples of Eagle County's process included clearly defining the various terms associated with the business, identifying specific qualifications for the businesses, such as setbacks and signage requirements, and finally, using GPS mapping to illustrate to the public and business owners the areas MMJ dispensaries would be allowed to operate.

CCI thanks both the presenters for their excellent information. With the upcoming General Assembly session the MMJ issue will certainly be one of the more discussed issues under the dome. CCI will continue to ensure that counties continue to have the local discretion and power necessary to manage and regulate the marijuana dispensaries in our state.

## CCI Annual Winter Conference Business Meeting

On Tuesday, December 1<sup>st</sup> CCI President Kathay Rennels called the 2009 Winter Conference business meeting to order.

CCI Treasurer Frank Weddig presented the proposed 2010 budget and dues schedule to the membership. Once again, the CCI Board of Directors was able to develop a balanced budget and dues structure that which included a freezing of the county assessment at the 2008 level. The proposed budget and dues schedule passed unanimously.

Broomfield Councilmember Dennis McCloskey spoke on behalf of the CCI Bylaws Committee requesting that the proposed bylaws change to allow a city and county representative on the Board of Directors be pulled from the agenda. The request was accepted by the CCI President and Chair of the Business Meeting. The proposed change will be reconsidered at a later date and staff will provide further information, including pros and cons of the proposal, throughout the coming year.

Commissioners were presented with language for three proposed NACo resolutions for discussion. Resolutions discussed included Railroad Relations, High Speed Transit for the 21<sup>st</sup> and 22<sup>nd</sup> Century and Nurse Home Visits. The resolutions were accepted by the membership and will move forward to the NACo Annual Conference in March 2010.

Following the discussion of proposed resolutions, the 2009 Winter Conference Business Meeting was adjourned.

# A Perspective on Tough Economic Times

At lunch on the final day, attendees were treated to a presentation by Fred Crowley, Associate Director and Senior Economist for the Southern Colorado Economic Forum and professor at UCCS. His comments focused on a state level review of economic indicators and fiscal information. He said that, notwithstanding the national trend of unemployment rates, the current recession is over. He also pointed out that Colorado's unemployment rates are already trending down and never went as high as the national average. Professor Crowley presented snapshot looks at several economic indicators (his slides are available at [www.ccionline.org](http://www.ccionline.org)), including per capita income distribution around the state; a comparison of housing price indices with California showing comparatively little downturn for Colorado; as well as the relative share of the state budget compared to state "GDP", which has held at 7.5-7.75% since 1999. Crowley also presented some statistics related to the use of money made available by Referendum C and his point that, while real dollars for education and health care increased (as promised), they became a smaller overall share of state spending.

Crowley then reviewed the results of an El Paso Economic Base Study he performed a couple of decades ago to look at economic diversification and identify the most desirable business sectors for direct revenue and for their tax multipliers (secondary revenue that results from the

presence of jobs in these sectors). He reported that there was growth in the 16 most desirable sectors from 2001 through 2004 and reductions in the jobs and income associated with the unselected sectors. He also argued that the most desirable sectors yielded tax multipliers more than 15% higher than the employment growth across all business sectors, as projected by the Department of Labor and Employment. Professor Crowley suggested that this kind of selective diversification can help minimize TABOR problems by providing a more stable revenue stream.



University of Colorado at Colorado Springs Professor Fred Crowley discusses the state of the economy in Colorado.

In Q&A, Crowley said that he believes banks are now worried about commercial property values, especially because of the larger dollar amounts at stake. However, he also said that banks are maintaining higher reserves and continuing to be tight-fisted in their lending policies. In response to a question about the large multiplier effect of social services pay-

ments, Crowley pointed out that recipients tend to spend all of the money they receive in their community. People who are employed tend to save some and use some to pay down debt, which does not have the same economic benefit as spending. Professor Crowley also discussed the impact of military bases on a community, as well as the rising impact of internet retail activity. In the end, he extracted a commitment from everyone present to spend more in Colorado!

## 2010 CCI Board Sworn In



After the CCI Business Meeting, the 2010 CCI Board of Directors was sworn in by Past President and Crowley County Commissioner Matt Heimerich. The following members make up the 2010 board: (from left) Arapahoe County Commissioner Frank Weddig (Treasurer), Gilpin County Commissioner Jeanne Nicholson, Washington County Commissioner David Foy (President), Larimer County Commissioner Kathay Rennels (Past President), Conejos County Commissioner John Sandoval (President-Elect), Garfield County Commissioner Trésí Houpt, El Paso County Commissioner Dennis Hisey (Secretary) and Douglas County Commissioner Jack Hilbert.

## Innovative Budget Processes

The Innovative Budget Processes workshop was organized and facilitated by the Association of Colorado County Administrators (ACCA) with Hilary Fletcher, Pitkin County Administrator, acting as moderator. The session was organized into three discussion tables of about 10 commissioners and administrators each. At each table counties were asked to discuss their most innovative budget processes and then pick the top three ideas from each table to present to the group at the end of the discussion. The vast majority of counties in the workshop noted that their 2010 budgets were less than in 2009. Ideas presented were:

**Non-profit organizations** are funded by a county to provide services the county couldn't provide or it chose to out-source. The BOCC decided to put the issue of supporting non-profits to the ballot in an upcoming election.

**1.5% of the budget is held in reserve** and will be reviewed in June to ascertain whether to release or retain the reserve.

**Health care costs** were evaluated and found that few employees had hospital stays. In negotiating the 2010 county health contract the hospital co-pay was raised to \$1,000 from \$500. The effect was to reduce employee and county contributions—to offset employee co-pay the county agreed to pay the \$500 difference for those few employees that are hospitalized.

**5 year roll over budgeting** or its variant was used by a several counties in which each year a 5 year budget was presented by departments to the BOCC for approval. This permits counties to see the impact of budget increases (FTEs, capital expenditures, enterprises, operations, etc.) from year one out to year five.

**Redistributive staffing** in which seasonal employees were cross trained in other needed areas of county work. As many positions as feasible are being cross trained in case of illness, death or worsening of hard times. Voluntary 9 month status was offered to those employees that wanted it; it was accompanied by the equivalent pay reduction. All of these have had very good employee buy-in.

**Process mapping** of every program and project to analyze processes and indentify the numerous steps with the result of reducing time spent and to reduce duplication. Again great employee buy-in.

**1 mill levy rebate** to county residents because of a 30% increase in valuation.

**Policy governance** budgeting is a series of prioritizing by the BOCC. Commissioners prioritize proposed programs and projects, after prioritization budgets are attached; assuming expenditures exceed revenues, commissioners re-prioritize repeatedly until there is a balanced budget. Performance measures are attached to each program and project for evaluation purposes.

**Adoption of Uniform Traffic Code** assisted several counties boost revenues. One county revenue increased dramatically.

## Larimer Commissioner Resigns



Larimer County Commissioner Kathay Rennels has decided to resign her position as commissioner effective December 31st and will take a position with Colorado State University as the Director of Economic Development. Commissioner Rennels has served in Larimer County since 1999. She chaired the board in 2001 and 2004 and most recently in 2009. Her current term ends in 2010.

Her involvement with CCI began early on as she became an active member. In 1999 she won the CCI Freshman Commissioner of the Year. Commissioner Rennels has served on the CCI Board of Directors both as Secretary and most recently as the President. She has been very active in CCI Steering Committee meetings and attends CCI events regularly.

Commissioner Rennels says this is the right time for this move, “This feels like a natural progression of my years in office. It will allow me to use all of the tools and skills that I have acquired. I will continue to help bring together local government, the University and the State in order to maximize the knowledge and passion they all have for the citizens of Larimer County, Northern Colorado and the State of Colorado. Local government is the key to delivering services, growing economies and serving citizens. The University is one of the best assets we have and I look forward to improving and maximizing our partnerships.”

We thank Kathay for her eleven years of service to not only her county but also CCI.

## Special Membership Meeting

At a special membership meeting, CCI’s members were asked to consider three 2010 ballot initiatives and to vote on a CCI position.

Mr. Jim Jacobs, an economist and private consultant, outlined the provisions of each of the three initiatives and highlighted the state and local impact of each one. He started with Amendment 60, a proposed constitutional amendment that would constrain local budgets. A60 will reverse local voter decisions to allow counties, municipalities, special districts and school districts to retain revenue above the TABOR limit. Mr. Jacobs surmised that A60’s negation of local de-brucing questions would result in a new word for Coloradoans – “rebrucing”. Additionally, A60 states that all future tax rate increase will expire within 10 years and future de-brucing efforts will expire within 4 years.



Jim Jacobs discusses the ballot initiatives and how they could affect counties during his presentation.

Mr. Jacobs then described Amendment 61, another proposed constitutional amendment that will limit public financing. A61 sets the total allowable debt limit for local governments at 10% of assessed valuation. Currently, a county can accumulate debt up to 3% of the county’s actual valuation. A61 requires all local borrowing to be repaid in 10 years. Finally, it requires local governments to cut their tax rates equal to the average annual amount paid on any debt after the debt is paid off.



Weld County Commissioner Barbara Kirkmeyer makes a comment during the meeting.

Finally, Mr. Jacobs explained the features of Proposition 101. This proposed statutory amendment will result in public service cuts. Prop 101 reduces the state’s income tax from 4.63% to 3.5%, cuts specific ownership taxes to \$2/new vehicle and \$1/used vehicle, eliminates FASTER’s registration and car rental fees, exempts the first \$10,000 of a vehicle’s value from sales tax, and eliminates all telecommunication fees other than 911 charges. Collectively, these cuts will equate to a \$1.7 billion loss in state revenues and a \$622 million loss in local revenues.

Following Mr. Jacob’s presentation, one commissioner asked what governmental services would be left if these initiatives passed. Another commissioner reflected on A60 and questioned the legality of overturning locally approved de-brucing questions. CCI’s members then discussed the organization’s involvement on these initiatives and gave staff direction accordingly.

CCI members ultimately voted – unanimously – to oppose each initiative. All three initiatives were considered as separate items and all three received unanimous opposition without any abstentions or votes in support.

## Upcoming Steering Committee Meetings

**January 22, 2010**

- Tourism, Resorts & Economic Development
- General Government
- Taxation & Finance
- Transportation & Telecommunications

**January 29, 2010**

- Public Lands
- Agriculture, Wildlife & Rural Affairs
- Land Use & Natural Resources
- Health & Human Services

**February 12, 2010**

- Tourism, Resorts & Economic Development
- General Government
- Taxation & Finance
- Transportation & Telecommunications

**February 19, 2010**

- Public Lands
- Agriculture, Wildlife & Rural Affairs
- Land Use & Natural Resources
- Health & Human Services

**All meetings are at CCI and begin at 9 a.m.**

## CHFA Announces New Mini-Bond Program



With the shifts in the global, national, and state economy, the Colorado Housing and Finance Authority (CHFA) has been working diligently to ensure our lending products continue to be a valuable resource for Colorado's affordable housing and economic development needs.

Like many of you, CHFA is focused on ensuring our resources are used to stimulate economic activity, with a primary focus on job creation. One example of how CHFA does this is by using Private Activity Bonds to support manufacturing companies, which traditionally have the highest job creation impact of all businesses. CHFA annually allocates approximately \$20 million of its Private Activity Bond cap to support manufacturing businesses. We partner with local lending institutions to complete these transactions, which are typically two-to-three percent (2%-3%) below conventional interest rates, saving the borrower thousands of dollars over the life of their loan.

Typically, manufacturing projects helped by tax-exempt Private Activity Bonds are obtaining financing for \$10 million projects. To expand on this successful model, CHFA is launching a Mini-Bond program in early 2010. The Mini-Bond program will allow companies seeking financing between \$500,000 and \$2 million to use Private Activity Bond financing. By doing so, we will assist small manufacturing companies, which previously have been unable to realize the benefits of using Private Activity Bonds due to high transaction costs, such as the costs of bond issuance and legal costs. The Mini-Bond program will be targeted to businesses with 50 or fewer employees, and is being modeled off of similar programs in other areas of the nation such as, Saint Louis, Idaho, Nevada, Oregon, and Minneapolis.

For more information about CHFA's new Mini-Bond program visit [www.chfainfo.com](http://www.chfainfo.com) or call our Denver office at 800.877.2432 or Western Slope office at 800.877.8450.

**About Colorado Housing and Finance Authority (CHFA)** – CHFA finances the places where people live and work. Created in 1973 by the Colorado State Legislature, CHFA strengthens communities by making loans to low- and moderate- income homebuyers, affordable multifamily rental housing developers, and small and medium sized businesses. CHFA also provides education and technical assistance about affordable housing and economic development. CHFA is a self-sustaining public enterprise funded by issuing bonds, and receives no tax dollars. CHFA issued bonds are not obligations of the state. For more information about CHFA please visit [www.chfainfo.com](http://www.chfainfo.com). Contact our Denver office at 1.800.877.chfa (2432), or our Western Slope office at 1.800.877.8450.

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