



ASSOCIATED GOVERNMENTS  
OF NORTHWEST COLORADO

MINUTES

**AGNC BOARD OF DIRECTORS & MEMBER MEETING**

**September 19, 2018**

*Town Hall, 129 Nancy Crawford Blvd., Oak Creek, CO 80467*

**9:00 am – 1:30 pm**

Pledge of allegiance

**Call to order and introductions**– Chairman, Ray Beck Called the meeting to order at 9:03 am; Chairman Beck thanked Mary Alice Page-Allen for working with the organization to host the meeting. Introductions were made. David Reynolds is the new town manager for New Castle and will serve as alternate board member for Grady Hazelton.

Approval of minutes: Mike Samson made a motion to approve the minutes from the August 15, 2018, meeting as presented; Si Woodruff seconded the motion; motion passed.

**Financial report:** Bonnie Petersen presented the financial report – total funds in checking and savings accounts at the end of August 2018 was \$312,579.01. Income for August was lower than projected budget, which is reflective of the EDA grant funding; year-to-date revenue is higher than the budget projection. August expenses were lower than budgeted and year to date expenses are lower than budgeted. Year to date net income is better than projected budget but remains in negative territory. As of September 17, 2018, accounts receivable totaled \$2,522.22. Chris Nichols moved to approve the financial report; Si Woodruff seconded the motion; motion passed.

The proposed 2019 budget was presented to the board anticipating grant funding would be received from EDA to fund continued economic development efforts toward the goals outlined in the recently completed CEDS. Member dues and anticipated funding to be received for economic development efforts related to the enterprise zone were included in the separate budget for the anticipated AGNC EDD resulting in a balance of zero for the EDD and a negative net income for AGNC. Current projections for end of year 2018, should they come to fruition, reflect an overall positive net income. Mike Samson moved to approve the 2019 budget as presented, Tim Redmond seconded the motion; motion passed.

Staff requested board approval for submitting a grant request to continue the mini-grant program for 2019. Chris Nichols made a motion to approve AGNC's application for the grant, John Justman seconded the motion; motion passed.

**Project and Committee Reports:**

**Dinosaur Welcome Center** – Cheryl McDonald provided a written update on the DWC; the DWC written report is included at the end of the minutes as Attachment A.

**CEDS/EDD Update** - Tiffany Pehl provided a progress report for the CEDS effort; the CEDS has been submitted and EDA has received the document. Tiffany provided an overview of the application process for AGNC to become an Economic Development District (EDD). EDA provided a planning grant which DOLA and AGNC matched - for the planning to become a region EDD including all 5 counties. Staff and consultants conducted many meetings and had participation from over 200 people. The region did not qualify previously to receive the designation but did this year. Patrick at EDA indicated he would help AGNC apply for a short-term planning grant to bridge between the EDA's decision on the designation and the funding opportunity. Tiffany is going to EZ Admin meetings in Denver after the board meeting where she will be working with the Colorado Department of Revenue on issues related to

rule making for tax credits. Kudos to Tiffany for her hard work on completing the CEDS process and submitting it two weeks early even though we were delayed by three months due to federal funding issues. Mike Samson made a motion to accept the CEDS document as submitted; Si Woodruff seconded the motion, motion passed.

**Local Governments Role in Wildfire Management** - Chuck Vale, Regional Field Manager with the Colorado Office of Emergency Management (OEM) provided an overview of issues local governments need to consider related to emergency management as well as the responsibilities of local governments in emergency management situations.

- Wildfire is one of the top matters local government has to contend with. We need to get homeowners to understand their responsibility in the urban interface and convince them to take care of their back yard – local government has challenges about how to convince homeowners to do that. Burned homes eliminates the local tax base and there is no overnight fix.
- The current drought and weather patterns are resulting in fires blowing up again; fires are behaving differently than the experts expect adding to the challenges. Luck has been on our side and, it's by the grace of God that we haven't burned a lot of homes. We need to keep pushing at the federal level to get forest policy fixed.
- We must strengthen first responders; we don't have enough first responders in rural communities.
- The Colorado statute that created the OEM at the state government level ties to the federal FEMA and says that county commissioners are responsible for all the people in the county – commissioners don't understand that. Some emergency operations plans signed by county commissioners exclude the towns in the county which is illegal. County commissioners need to re-read their emergency plans and if anything is excluded, they must fix the plan.
- County commissioners are to appoint an office of emergency management; this region should have 10 human beings to call on as emergency managers; this work cannot be done on a part-time basis these days, it is more than a full-time job.
- Emergency managers need support from commissioners; today some cannot even get to commissioners. Continuity is lost when the emergency managers have to go through the Sheriff to get to the Board of County Commissioners (BOCC) – the emergency management office needs to stand alone and interact with the BOCC directly.
- Counties are required to have an emergency operations plan (EOP) and there are three standards that counties can be held accountable to in a court of law. Counties need to sit down with people to determine if they have the right things in the plan.
- Colorado cannot tell local governments what to do – if citizens of a county are in trouble and there is no plan, the county may be held liable.
- Places impacted by fire and flood find that finance is the biggest problem. The number one failure in these situations is that the city and county won't help emergency managers track costs. Need finance people at the table to help track costs – without accurately tracking costs, it is hard to know who will pay for the cost of the emergency. Where are the dedicated funds when there is a bad day in the county?
- GIS is an important tool for emergency management; often GIS does not have the necessary information because they don't have time for "that stuff" but when an emergency hits, responders need to know where the homes are, power lines, underground gas lines. A map is needed to identify lines to stop a fire. The GIS department should be locked tight to the OEM.
- The recovery manager is the BOCC in the county. Lawsuits are being lost in communities where the OEM failed to tell the public something and they couldn't get out.
- NW Colorado is in the process of writing a strategic plan; they have spent about \$20 million of a federal grant to make the region stronger for emergency response. We also have the option of calling for assistance from other regions – when we don't have enough to run an incident command post, it is not a show of weakness to call in other teams to help manage an emergency.

**Amendment 73 Overview:**

Dr. David Ulrich, Superintendent of Schools in Moffat County provided an overview of the positive benefits Amendment 73 would have on Moffat County schools – if passed, the amendment will increase

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Moffat County funding by about \$2.6 million. Schools have not recovered from the recession and since 2010 the state education system has not realized over \$441 million. Colorado schools are ranked 42<sup>nd</sup> in spending per pupil across the country but Colorado ranks second in return on investment just behind Utah. Colorado could do more with more. The amendment generates income in two ways:

- Those that earn more than \$150,000 per year would be subject to a graduated income tax, and
- Taxes on C corporations would be raised by 1.437% making the income tax rate 6% which still keeps Colorado in the bottom 10 state of the U.S.
- The amendment also makes changes to the Gallagher amendment and would drop current residential property tax rates to 7%; business property tax rates would drop from 29% to 24% - the amendment affects only the school portion of the property taxes to provide some savings to property owners.
- The additional funding would go into operating funds and have the same rules and restrictions currently in force – the funds flowing into counties would support local businesses.

Mesa County Assessor, Ken Brownlee and Routt County Assessor Gary Peterson provided an overview of the impacts Amendment 73 could have on special districts funded by property taxes.

- The assessor's pointed out that the amendment really puts into place a 30% tax increase on C corporations.
- The amendment's changes to the Gallagher calculations for the school portion of property taxes could affect other taxing entities like fire districts.
- Gallagher was put into place to limit property taxes and protect homeowners – it requires that a 45/55 residence to business property tax ratio be maintained. If the 45% provision is ignored, there will likely be a lawsuit. If the school portion of the property tax is 7% all other special districts will have to reduce their receipts to average out the overall property tax assessment of 6.1% which is the anticipated change for the next year.
- If residential rates go to 6.1%, then residential property owners will pay a 14% premium for the school district, there will not be a savings.
- If businesses property tax rates are reduced from 29 to 24% other special districts will be heavily impacted – counties will have to increase the mill levy to get to the funding levels needed to sustain the districts – there won't be any savings to businesses in that respect either.
- Administrative costs for assessors will also be different; it is expected that there would be a huge expense in assessing property taxes to administer the provisions of Amendment 73.

#### **Amendment 74 Overview:**

Richard Connell, Vice President of Training and Development with the Farm Bureau provided an overview of and presentation for Amendment 74 which deals with compensation for private property rights.

- The constitution states that private property cannot be taken or damaged for public or private use without just compensation. Amendment 74 adds that private property cannot be reduced in fair market value by government law or regulation.
- The Court has a narrow view on takings and citizens have had to go to court to get compensation. Per se taking says property is totally damaged or taken by some process reducing 100% of the value. The loss cannot be speculative and the plaintiff must define the investment that is lost. The amendment is trying to provide equity and provide for compensation for losses that are less than 100% of the property value.
- The amendment adds 11 words to the article “or reduced in fair market value by government law or regulation” that would potentially open the door to step back and see if the right decisions are made. It would open the door for landowners across the state to determine if they can go to court and prove economic loss. The language has no prescriptive formulas and does not put in specific values it continues to leave determinations to the court where it resides right now.
- Property owners are losing money, up to 95% of their property value and have no recourse. The Farm Bureau worked diligently to strengthen the requirements for constitutional revisions and they think this levels the playing field.

- Rick Ridder joined the meeting via conference call to provide another view on Amendment 74. He noted that he has seen a similar initiative passed in Oregon - it passed and over the next 3 years, the state had over \$19 billion in claims against it. Fundamentally, the state handed out \$5 billion in claims and waived various regulatory activity for remaining \$14 billion; 3 years later the citizens revoked the initiative. Washington state tried to pass the same initiative and the University of WA showed that the average resident would pay an additional \$1000 per year in taxes to pay litigation costs for the initiative.
- This is a constitutional amendment which cannot change without a vote of people. Litigation would be the avenue for application of this amendment, there are no exceptions to amendment. Unlike OR and WA, there is no carve out for public health and safety, there is no grandfathering so existing rules could be challenged.
- Lawyers will love it as they will open offices to handle the civil lawsuits it is likely to create; the lawsuits will bankrupt communities. Bonding agencies will have to increase interest rates for state and local governments if this passes and they will have to issue notices about potential failures.
- People have indicated that they want to take on paving of road for compensation due to the perceived lowering of value and zoning for adult entertainment centers and other establishments are targets. This is an initiative where left and right have met both sides are urging a no vote.
- Richard noted that the courts have already decided and provisions for lawsuits are already set in precedent by the courts. The OR amendment didn't do anything this one does it set up an administrative process and did not rely upon courts to make those per se decisions.
- Issues raised by attendees include concerns that should the amendment pass, short term rentals may be challenged, local governments may be constrained in addressing land use issues, private water rights could be challenged as there are vast implications on water calls and rights. Finally, a concern was raised that existing court precedence may not stand given the new language in the constitution.

**Legislative Up Date** – Dianna Orf Reviewed the ballot initiatives we will see in November, they are fully described in the attached report. The interim committee looking for Gallagher alternatives will vote on those to introduce - on October 3rd they will vote on whether or not to forward to be bills in the next session. One option being considered is the reclassifying of short term rentals as commercial or non-residential and to reset valuations of residential property on a flexible basis. They reviewed options to protect special districts because of Gallagher in the event the school district amendment goes through. Tomorrow the new economic report will be released. The water resources review committee had 9 draft bills looking at the state's operational fund, uses of severance tax dollars - this last year, Tier 2 programs are used for water infrastructure and funding has become short, this bill sets up a new distribution mechanism based on actual severance tax collections. A written report was also provided and can be found as attachment B at the end of these minutes.

### **Federal Delegation Updates:**

Betsy Bair, representing Senator Gardner reported that last month she participated in a staff trip to China where they toured energy projects and talked about NW Colorado. Senator Gardner's addiction recovery act passed, and 2.0 cleanup legislation was authorized which continued CARA funding for some rural grants and law enforcement communities related to opioid addictions. The bill provides more authority to address the opioid issue. The Senator had a great roundtable talking about bringing BLM HQ to Grand Junction and he had some meetings with law enforcement at a roundtable. They talked about legislation the Senator introduced to fund type 2 vests; vests in use now will stop a round from a handgun but not a rifle so the funding will cover type 3 vests - most assaults are with rifles. Grants are available at the state for CARA funding; when EMS people go out and don't know what they are going into, if there may be mental health or opioid situations, the responder is paired with a trained person to handle the situation, so they don't all go to emergency rooms which could help to reduce medical costs. The Senator did another roundtable with the State Department and Interior about Jordan cove; Coos Bay and FERC representatives came out. We expect that on November 18 or 19 we will know if export facility will be fully approved by FERC. DOS talked about energy independence DOI talked about drilling on public

lands. Justice Kavanaugh hearings have taken up the last two weeks and the Senator continues work on foreign relations.

Shannon Wadas provided an update for Senator Bennet's office. The Farm Bill is still in conference committee, it's highly unlikely it will pass before it expires the end of this month. Senator Bennet is still very much at the table - hemp is still in there. The Senate passed the preemie act which reauthorized the CDC to research premature babies. The Opioid Crisis Response Act passed the Senate with four provisions the Senator advocated. Senator Bennet introduced network hubs bill and a veteran's bill to aid with transitioning out of service housing, it creates grant funding to aid with those transitions. The Senator is co-sponsoring SB 593, it passed out of committee to develop and maintain more shooting ranges; he also co-sponsored draft legislation to end surprise medical bills. Under the provisions of the bill, patients would not have to pick up additional cost past what is provided for in their medical plan and a provider would be required to provide information about additional costs if the service is provided out of network. The concept has just been released and it is the start of a conversation about the issue.

Chairman Beck asked if the board would like to take a formal position on Amendments 73 and 74. Commissioner Justman stated that it is time to stop taking private property away from owners. Commissioner Samson noted that those points are well taken and that all are strong believers in strong property rights but as an elected official representing community, this amendment puts officials in harm's way. Private property takings need to be addressed but this is not the answer as the unintended consequences will be huge. Mike Samson made a motion that AGNC oppose Amendment 74, Chris Nichols seconded the motion; motion passed with one opposed.

Regarding Amendment 73, it was noted that there are a lot of unknowns and the amendment makes the complex Gallagher Amendment more difficult. Concerns about where funding will come from for other special districts were discussed; all would like to see better funding for education, but local governments have to look out for the interests of all residents. It was noted that only 8% of the state's population and its corporations are going to pay for the increase in funding. Everybody needs to buy into education funding. Mike Samson made a motion to oppose Amendment 73, Si Woodruff seconded the motion; motion passed.

#### **Administrative Update:**

Bonnie Petersen provided an administrative update. The Colorado Rural Energy Action Council requested that the AGNC board consider passing a resolution in opposition to Proposition 112 which would require set backs of 2,500 feet from buildings, areas of sensitivity, parks and many other types of land uses. Passage of this proposition would effectively eliminate the development of as much as 90 percent of oil and gas resources in the state. Si Woodruff moved to adopt Resolution AGNC 18-4, Chris Nichols seconded the motion; motion passed.

The AGNC Executive Committee met with the Steamboat Springs City Manager, Gary Suiter, and council President Pro-Tem, Kathi Meyer requesting they consider a reinstatement of their membership. Gary and Kathi asked if there is a way for Steamboat to be a member without full member dues to re-evaluate the benefit of membership. AGNC provides an opportunity for an associate membership to entities outside the region, the question before the board is if they would like to extend an associate membership opportunity to Steamboat Springs for the period of one year only. Chris Nichols made a motion to offer an associate membership to the City of Steamboat Springs for the period of one year, Si Woodruff seconded the motion; motion passed.

DOLA is proposing some changes to the mini-grant program and the open meeting is taking place at the same time as the AGNC board meeting. One of the proposals is to limit the amount of mini-grants a region can offer to \$5,000.00; AGNC thinks it is important to maintain some flexibility with regard to those amounts and would also like to have the flexibility to allow members to combine efforts on projects. Since AGNC could not be at the meeting, Richard Orf is attending in our stead and will share these concerns with the group.

**New Business:**

Commissioner Justman indicated that Mesa County is doing a resolution to the Colorado Congressional delegation regarding Representative Degette's Wilderness Act of 2018. This act is introduced annually with no conversation taking place in the communities impacted and Mesa County suggests that AGNC pass a resolution or send a letter in support of the Mesa County resolution. Discussion around the subject resulted in the board asking staff to draft a resolution that would provide a long-term standing position on this issue.

*Next Meeting will be October 17, 2018, Rangely District Hospital, 225 Eagle Crest Drive, Rangely, CO 81648*

Meeting was adjourned at 1:48 pm.

**Attendance:**

Betsy Bair, Senator Gardner's Ofc.  
Ken Kreie, Town of Fruita  
Amy Provstgaard, Battlement Mesa  
Si Woodruff, Rio Blanco County  
Jeff Comstock, Moffat County  
Ray Beck, Moffat County  
Tiffany Pehl, AGNC  
Bonnie Petersen, AGNC  
David Reynolds, Town of New Castle  
Mike Samson, Garfield County  
John Justman, Mesa County  
Chris Nichols, City of Craig  
Ted Orf, Orf and Orf  
Shannon Wadas, Senator Bennet's Ofc.

Christina Oxley, Colorado Workforce Center  
Mary Alice Page-Allen, Town of Oak Creek  
Chuck Vale, CO Office of Emergency Mgmt.  
Tim Redmond, Town of Hayden  
Dianna Orf, Orf and Orf  
Merrit Linke, Grand County  
Ken Brownlee, Mesa County Assessor  
Gary Peterson, Routt County Assessor  
Richard Connell, Colo. Farm Bureau  
David Ulrich, Moffat Co. School Superintendent  
Rim Watson, So. Routt County School Superintendent

**VIA CONFERENCE CALL:**

Rick Ridder, Ridder Braden, Inc.

## Attachment A

### AGNC REPORT SEPTEMBER 2018

Visitation for August was up 4.59% compare to August 2017.

Greeting 4076 travelers and continue to stay busy with visitors coming down from Yellowstone. They stop at our center for information on the Dinosaur National Monument and then head on to Rocky Mountain National Monument. Our calendar year numbers are up 19.87% totaling 19,899 visitors from March 1<sup>st</sup> through August 31<sup>st</sup> 2018.

We have had requests from surrounding towns to advertise their special events. We are now advertising the upcoming Colorado Mountain Winefest in Palisade and a welcome greeting for the hunters.

Our bathroom project is coming along. Will be ordering the partitions soon and installing them when the center closes for the season.

The CTO office sent all the volunteers polo shirts with the LNT message on the sleeve.

Cheryl McDonald Mgr.  
Colorado State Welcome Center

## Attachment B



### Associated Governments of Northwest Colorado (AGNC) Legislative Update September 19, 2018

#### **BALLOT ISSUES**

**Referred Measures.** The following proposed constitutional amendments were referred to the voters by the legislature acting by bill.

Amendment X – defines Industrial Hemp to be the same as that in federal law, or as defined in state statute (currently it is in the state constitution which makes it difficult to change when federal law changes).

Amendment V – lowers the age for an individual to serve in the state legislature from 25 years of age to 21.

Amendment Y – changes the process for redrawing congressional districts in the state. (SCR 18-004)

Amendment Z – changes the way legislative districts are reapportioned (SCR 18-005)

**Initiatives.** The following initiatives will appear on the November 6 ballot.

Proposition 173 (Initiative #93 Funding for Public Schools will be on the ballot. The measure increases income taxes for individuals earning \$150,000 or more taxable income per year with graduated increases. C Corporations will also be taxed at a higher rate, with a 1.37% additional amount to a total of 6%. The increased revenues will be placed into the Quality Public

Education Fund. For purposes of school district levies, residential property assessments will be 7.0% and non-residential property excluding oil, gas, and mining will be at 24%. The calculation for the target percentage and the residential assessment rate will be determined by the assessed values used for all other local governments and is unaffected by the measure. The initial fiscal impact statement notes that assessors will be required to update or change property tax computer and data systems and may require additional staff to implement the measure, although specific impacts will vary among counties.

Proposition 112 (Initiative 97) Setback Requirement for Oil and Gas Development – establishes minimum setback of 2500 feet for all oil/gas facilities from occupied structure, playground, park, and vulnerable areas. OGCC states 85% of private land would be closed to new drilling. (Statutory amendment)

Amendment 74 (Initiative #108) Just Compensation for Reduction in Fair Market Value by Government Law or Regulation. Applies to any law or regulation that a court finds have reduced the fair market value of private property. (Constitutional amendment)

Proposition 111 (Initiative #126 Payday Loans Limits the interest that may be charged on a payday loan to annual percentage rate of 36 percent. (Statutory amendment)

Proposition 110 (Initiative #153) Transportation Funding. Increases sales and use tax rate from 2.9% to 3.52% for 20-year period and allows CDOT to issue bonds totaling up to \$6.0 billion. Total repayment cost may not exceed \$9.4 billion over 20 years. Bond repayment and state transportation funding receive 45% of revenue; multimodal transportation would receive 15%; and municipal and county transportation projects 40%. (Statutory amendment)



Proposition 109 (Initiative #167) Authorize Bonds for Transportation Projects Directs CDOT to issue Transportation Revenue Anticipation Notes (TRANs) no later than July 1, 2019, in a maximum amount of \$3.5 billion with a maximum repayment cost of \$5.2 billion over 20 years, and repayment must be made without raising fees or taxes. Voter-approved proceeds from TRANs are TABOR-exempt and must be used exclusively for road and bridge expansion, construction, maintenance, and repair on the 66 projects identified in the measure, which include projects in each of the state's 15 transportation planning regions, excluding transit projects. (Statutory amendment)

Amendment 75 (Initiative #173) Campaign Contributions if a candidate contributes or loans more than \$1.0 million to his or her election campaign, then other candidates in that race may accept aggregate campaign contributions that are five times greater than the limits specified in current law. (Constitutional amendment)

### **Interim Committee Work**

The Alternatives to Gallagher Amendment Study Committee has requested several bill drafts ranging from a referred measure to repeal the Gallagher Amendment to various measure intended to mitigate the impact the Amendment has on special districts. Specific drafts under consideration include:

- Repeal of Gallagher
- Statutory classification of short-term rental units as non-residential
- Allows the legislature to set the ratio of valuation for residential real property beginning Jan. 2, 2019 until the next valuation (indeterminate number of years).
- Authorizing fire protection districts that have not raised their mill levy and whose adjusted residential property tax has decreased by 5% or more from 2018 to receive backfill from the state general fund to offset the loss.
- Authorizes library districts to receive state backfill when residential property taxes decreased by 5% or more (conditions like previous bill)
- Authorizes state property tax administrator to establish regional residential real property ratios.
- Authorizing general fund backfill for fire districts and library districts (combining concepts of two previous bills).

The committee will meet to vote on its final recommendations on October 3.

The Water Resources Review Committee members have requested nine draft bills. Of interest to AGNC is a bill to stabilize funding for the Operational Fund within the Department of Natural Resources which relies on severance tax. The bill refers to “core programs” (those operating as regulatory divisions within the department) and “grant programs” (previously referred to as tier 2). The core programs receive priority in funding (as they currently do). The required reserve for the “grant programs” would be increased to 100% of a year’s funding, and the distribution for the grant programs would not occur until August 15 after a fiscal year with transfers based on actual revenues rather than projected revenues. Money remaining after the program are funded and reserves are filled would be transferred to the Perpetual Base Account (for water projects).

Other bills requested for consideration include a bill authorizing the CWCB to include deficit irrigation in its approved pilot projects as an alternative to “buy and dry” and a bill changing the hard rock reclamation requirements to prohibit approval of a mine or mine amendment if no end date could be specified for water treatment,

The committee will meet on Sept. 26 and 27, with voting on the bills September 27.