

September 2006

To the Residents of Archuleta County:

The Archuleta County Board of County Commissioners (Board) is concerned that there are services the County should be providing, such as road maintenance, which has been curtailed due to State-imposed financial constraints. We are concerned that continued population growth, inflation and financial constraints will outpace our ability to provide essential County services.

If the Property Tax Rate Stabilization ballot measure 1A passes this fall, we will not begin to see an increase in property tax revenue until 2008. (By stabilizing the mill rate at the 2006 level of 18.233, we will be giving the same tax credit to tax payers in 2007 as was given in 2006, and therefore we will see no increases in revenue for 2007.) For 2008, given the following assumptions:

- a 40% increase in Oil and Gas production from new wells on Public Lands,
- a 30% increase in net assessed valuation,
- a 20% increase in net new construction and
- all other factors remaining the same from 2006 preliminary assessed valuation numbers,

estimated extra property tax revenue to the County would be \$1,300,000.

We believe that our role and the role of County government is to serve the public to our highest ability, and therefore we are making the following commitments to you:

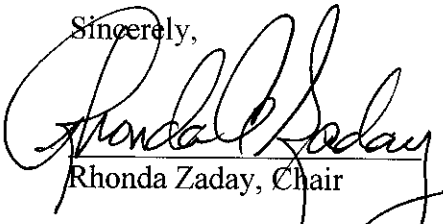
Upon the passage of Ballot Issue 1A:

1. In good faith to the County tax payers, we will use reserve funds (savings) in the amount of \$500,000 to maintain all County roads in 2007. The County will provide a minimum of one grading prior to snow fall and snow removal.
2. In 2008, we will maintain all the County roads to at least a minimal level in the amount of \$500,000 or 40% of the extra property tax revenue (1A funds), whichever is greater.
3. In 2008, we will spend 20% of 1A funds on General County Services by training staff and addressing technology needs to service the demands of population growth. This may include sponsoring a driver's license office or implementing a reverse 911 program, and will be determined in detail during the 2008 budget process.
4. In 2008, we will spend 20% of 1A funds on developing parks and recreation opportunities in collaboration with other interested parties.

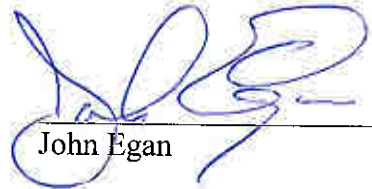
5. In 2008, we will spend 20% of 1A funds to pay for architectural plans and the public planning process involved with building a new jail and Sheriff's facilities.
6. Each year during the budget process, we will publish a financial statement of extra property tax revenues made possible by a successful ballot measure, a statement of project status for projects made possible by a successful ballot measure, and a project list for the following year.
7. The County will not use 1A funds for expenditures on capital projects or personnel that may have implications for yearly costs beyond the means of the County budget, if said budget was ever again limited by TABOR.

We take seriously our role as public servants, and appreciate the trust you have vested in us.

Sincerely,

  
Rhonda Zaday, Chair

  
Robin Schiro

  
John Egan

Commissioners, Archuleta County Board of County Commissioners