

April 29, 2005

Fire Chief Kent Holsan
Clifton Rural Fire District
P.O. Box 386
Clifton, CO 81520

Dear Chief Holsan

This letter is based upon your request from our meeting last week to provide you with some written history of the double taxation issue in the Clifton Fire District that is regulated by the Persigo Agreement. This letter is my perspective on the issue.

When the agreement was implemented in 1999, any new development within the Persigo Agreement boundaries had to be annexed into the City of Grand Junction. The agreement also stated Clifton Rural Fire District would be kept whole financially. As a result, new developments starting with the 2000 assessment for the tax year of 2001 have had the Clifton Fire District mill levy and the City of Grand Junction mill levy imposed on their property tax bills. The first three years of history of the Clifton Fire District mill levy being imposed on City of Grand Junction residents/businesses was the following:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Parcels	326	200	86
Owners	215	155	22
Refunds	\$18,558	\$6,907	\$1,368

Based upon the annexations in accordance to the Persigo Agreement between the City of Grand Junction and Mesa County, the past practice in 2001, 2002, and 2003 was to directly refund the recently annexed parcel owners the Clifton Rural Fire District mill levy. There were meetings held in 2002 and 2003 between County, City, and Clifton Rural Fire District leadership that agreed to this reimbursement method, with the caveat that an effort should be made to try to develop a better way for reimbursement. But as you know, there have not been any further meetings since 2003 until we met last week.

Now the past two year's of Clifton Rural Fire District mill levy on City of Grand Junction residents/businesses is the following:

	<u>2005</u>	<u>2004</u>
Parcels	602	550
Owners	476	346
Refunds	\$28,412	\$24,285

Clifton Rural Fire District Mill Levy Reimbursement – page 2

As a result of our meeting last week, there are two activities now taking place:

- ⊗ The City of Grand Junction will be processing and mailing reimbursement checks to the parcels that have been taxed in 2004 and 2005. Those should be mailed on or about May 16th. At the meeting, you were given a list of the property owners, addresses, and amounts. The checks will also include an explanation letter from Mayor Hill. You will get a copy of that letter.
- ⊗ Mesa County administration is taking the lead and will help facilitate a process whereabouts the City of Grand Junction will be able to do one annual reimbursement to Clifton Rural Fire District and follow the Persigo agreement to keep the Fire District “whole” financially. I know they are working on this process and should have something to report back to us in the near future.

As a representative of the City, I appreciate the on-going positive relationship we have with Clifton Rural Fire District. We both provide an essential service to our customers and working together is important. Please let me know if you have any questions about the information provided in this letter.

Sincerely,


Kelly Arnold
City Manager

Cc: City Council
Mesa County Commissioners and Administration
Chief Beaty