

**SPECIAL MEETING**

The Board of Commissioners of the County of Fremont, State of Colorado, met in Special Session on January 16, 2017, 615 Macon Avenue, Room LL3, Fremont County Administration Building, Cañon City, Colorado. Commissioner Chairman Debbie Bell called the meeting to order at 9:00 a.m.

Debbie Bell	Commissioner	Present
Tim Payne	Commissioner	Present
Dwayne McFall	Commissioner	Present
Katie Barr	Clerk and Recorder	Absent
Brenda Jackson	County Attorney	Present
Sunny Bryant	County Manager	Present
Matt Koch	Planning & Zoning Director	Present

Those present recited the Pledge of Allegiance to the Flag of the United States of America.

**APPROVAL OF AGENDA**

**Commissioner Payne** moved to approve the Agenda. Commissioner McFall seconded the motion. Upon Vote: Commissioner Payne, aye; Commissioner McFall, aye; Commissioner Bell, aye. The motion carried.

**NEW BUSINESS**

1. Consideration of a Resolution Stating Formal Findings and Justification of the Fremont County Board of County Commissioners Regarding the 2017 Budget Request of the District Attorney for the 11<sup>th</sup> Judicial District

**Commissioner Bell** noted the budget process is a long process that starts officially in August. All meetings regarding the budget are posted and open to the public. A budget analysis is performed on each department’s budget, but ultimately every department must fit into the entire budget. The intent of the findings are to be clear and concise in clearing up confusion surrounding the 11<sup>th</sup> Judicial District Attorney’s portion of the budget.

**Commissioner Payne** explained that it is the Board’s job to balance the Fremont County budget while maintaining a healthy reserve. Cuts and compromises were made within each department’s originally proposed budget.

**Commissioner McFall** felt the Board at the time was very fair in actions taken.

**Commissioner Payne** moved to approve Resolution #7 Stating Formal Findings and Justification of the Fremont County Board of County Commissioners Regarding the 2017 Budget Request of the District Attorney for the 11<sup>th</sup> Judicial District. Commissioner McFall seconded the motion. Upon Vote: Commissioner Payne, aye; Commissioner McFall, aye; Commissioner Bell, aye. The motion carried.

2. MMC 14-001 JMC Enterprises, Inc. (Medical Marijuana Center-Pharmacy)  
Request for issuance of a medical marijuana license renewal, Department file #MMC 14-001 JMC Enterprises, Inc. (Medical Marijuana Center-Pharmacy), by JMC Enterprises, Inc., doing business as Fremont Cannabis, for property which is owned by Gary Howard, to allow for a Medical Marijuana Center which is addressed as 1505 Elm Street (State Highway 115) and is located approximately 220 feet to the center of the property, from the intersection of Elm Avenue (State

Highway 115) and Lombard Street, in the Lincoln Park Area. The property is zoned Business and contains 0.81 acres.

Representative: Dana Soux/Jeff Cain

**Director Koch** said all application items were submitted as required. An updated renewed state license for a center is still outstanding, but the State has extended the renewal. Code Enforcement's review of the site and the lack of complaints deem the site a good site.

**Jeff Cain** said they are trying to keep everything in compliance.

**Deputy Sterling Jenkins** has been assured by the Department of Revenue and Medical Marijuana Enforcement with the State of Colorado that no complaints have been filed and the site is in compliance. The licensee has been very open and compliant with the Sheriff's Office.

**Commissioner McFall** moved to approve the renewal of MMC 14-001 JMC Enterprises, Inc. Commissioner Payne seconded the motion. Upon Vote: Commissioner McFall, aye; Commissioner Payne, aye; Commissioner Bell, aye. The motion carried.

3. OPC 14-001 Today's Health Care, LLC/Today's Health Care II, LLC dba Today's Health Care II (Optional Premises Cultivation-Commercial Greenhouse) Request for issuance of a medical marijuana license renewal, Department file #OPC 14-001 Today's Health Care, LLC/Today's Health Care II, LLC (Optional Premises Cultivation-Commercial, Greenhouse), by Today's Health Care, LLC/Today's Health Care II, LLC, for property which is owned by COAZ North, LLC to allow for an indoor grown operation which is addressed as 934 C Street in the Beaver Park/ Penrose area which is located on the east side of C Street, approximately 978 feet to the center of the property from the intersection of State Highway 115 and C Street. The property is zoned Agricultural Rural and contains 10 acres more or less.

Representative: Natalie Romolt/Angela Morton

**Director Koch** reported the full renewal application was submitted. Code Enforcement visited the site 28 times in the past year dealing with complaints of odor and light. During inspection, the department found the odor within the 7:1 ordinance ratio, and the light source was an indirect light, which is allowable under state guidelines and rules.

**Natalie Romolt** said they have heard the complaints of odor from neighbors and have made adjustments. An odor mitigation system similar to what dairy farms use has been installed. Carbon filters have also been installed in every doorway. She has noted a drop in complaints after the installation of the odor mitigation system.

**Deputy Jenkins** reported that he has dealt with complaints of odor and light mitigation and have not found the complaints to be quantifiable. There have been no state violations.

**Commissioner Payne** moved to approve the renewal of OPC 14-001 Today's Health Care, LLC/Today's Health Care II, LLC dba Today's Health Care II. Commissioner McFall seconded the motion. Upon Vote: Commissioner Payne, aye; Commissioner McFall, aye; Commissioner Bell, aye. The motion carried.

4. OPC 14-002 High Mountain Medz, LLC dba Levity Wellness (Optional Premises Cultivation-Commercial Greenhouse) Request for issuance of a medical marijuana license renewal, Department file #OPC 14-002 High Mountain Medz, LLC (Optional Premises Cultivation-Commercial), by High Mountain Medz, LLC, doing business as Levity Wellness, to allow for an outdoor grown operation which is addressed as 3000 County Road 103, south of Florence, Colorado and is located approximately 3 miles southwest

from the intersection of Colorado State Highway 67 and County Road 103, thence west approximately 800 feet to the southeast corner of the property south of Florence, Colorado. The property is zoned Agricultural Forestry and contains 40 acres more or less.

Representative: Ryan Foster, Levity Wellness

**Director Koch** reported all items for the application have been submitted. Two of the three items for consideration have been submitted, leaving a Certificate of Occupancy from the Fremont County Building Department for the greenhouse structure as still outstanding. Code Enforcement has found the site to be in compliance with no complaints filed.

**Ryan Foster** assured the Board that the Certificate of Occupancy has been finalized, and he is waiting to receive the paperwork.

**Attorney Jackson** clarified that the licensee cannot occupy the greenhouse until paperwork has been received and submitted.

**Deputy Jenkins** said the site has no state violations, and the Sheriff's Office has not had complaints.

**Commissioner McFall** moved to renew OPC 14-002 High Mountain Medz, LLC dba Levity Wellness upon contingency items being met. Commissioner Payne seconded the motion. Upon Vote: Commissioner McFall, aye; Commissioner Payne, aye; Commissioner Bell, aye. The motion carried.

#### **PUBLIC HEARINGS SCHEDULED FOR 10 A.M.**

1. OPC 14-001 Today's Health Care, LLC/Today's Health Care II, LLC dba Today's Health Care II - Modification #2  
Request approval of a Modification of Premises for Department file #OPC 14-001 Today's Health Care/Today's Health Care II, LLC (Optional Premises Cultivation-Commercial, Greenhouse), by Today's Health Care/Today's Health Care II, LLC, (dba Today's Health Care/Today's Health Care II, LLC), for property which is owned by Coaz North, LLC. The address of the property is 934 C St, Penrose, Colorado (indoor grow), in the Beaver Park/Penrose Area, which is located on the east side of C Street, approximately 978 feet to the center of the property from the intersection of State Highway 115 and C Street. The property is zoned Agricultural Rural and contains 10 acres more or less. The modification will allow for 3 additional greenhouses, a new greenhouse replacing an existing greenhouse, and a 2,400 sq. ft. framed building for storing, curing, and processing.  
Representative: Natalie Romolt

**Chairman Bell** opened the Public Hearing at 10:00 a.m.

**Natalie Romolt** explained the modification is to add a solid-wall building, replace an existing Quonset hut with a greenhouse, construct three additional greenhouses, and extend the fence line. The plant count will not increase, but the additional grow space will allow bigger plants to be grown. Since the Quonset hut is not conducive to installing an odor or light mitigation system, the replacement of the hut will aide in addressing the concerns of neighbors. The solid-wall building will aide in odor mitigation while processing the plants and add a restroom facility to the property.

**Director Koch** reviewed the application for modification. Items for consideration include building and septic permits, letters regarding the odor and light mitigation systems installation, and approval from the Penrose Water District for the proposed modification. Code Enforcement has been to the site 28 times in the past year to

investigate odor and light complaints, but have found the site in compliance. Many written comments in regards to the application have been received and submitted into record.

**Kim Mowers**, a next-door neighbor to the operation, is against the modification. Her concerns include fire hazard from the debris along the fence line, lighting, and alarms going off in the middle of the night.

**Cathy Gonzales** is against the modification. Her property adjoins the back side of the facility. She feels that Today's Health Care is not a good neighbor by saturating the area with odors from open doors and disregarding concerns about fire hazard.

**Sandra "Sally" Nicholson** is against the modification.

**Tina Heffner** is against the modification. She said all three greenhouses are lit up at night.

**Clarice Roney** is against the modification. She is not happy with the effects of having the marijuana industry in her neighborhood. The property has not been maintained; promises have not been kept; and the odor has had a negative impact on her husband's health.

**Jay A "Tony" Gleiforst** is against the expansion due to the overwhelming odor.

**Stephanie Luck** is against the modification.

**Deputy Jenkins** has received several complaints for the smell. His concerns include safety issues and odor mitigation during construction.

**Natalie Romolt** explained that operations will continue as currently run until Certificates of Occupancy have been issued for the new buildings if the modification is approved. She feels the modification will address the two main concerns of lighting and odor, and the tree and wood debris are in the process of being removed from the property. Ms. Romolt made her contact information public, stating she would like to address concerns that neighbors have.

**Vince Linden**, as attorney for Today's Health Care, LLC, reiterated the intent of the modification through a question and answer session with Natalie Romolt.

**Chairman Bell** closed the Public Hearing at 10:57 a.m.

**Commissioner Payne** moved to table the Modification of Premises for OPC 14-001 Today's Health Care, LLC/Today's Health Care II, LLC dba Today's Health Care II to the regular meeting of the BOCC on February 14, 2017. Commissioner McFall seconded the motion. Upon Vote: Commissioner Payne, aye; Commissioner McFall, aye; Commissioner Bell, aye. The motion carried.

**Chairman Bell** adjourned the meeting at 11:01 a.m.

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**WHEREAS**, it appears to the Board that despite numerous conversations about the 2017 budget, the reasoning behind the decision of the Board remains unclear to Mr. LeDoux and Ms. Chilson, and the public at large; and

**WHEREAS**, the Board has determined that clearly setting forth findings and justification supporting its 2017 budget decision will inform the public and may help in the effort to avoid legal action.

**THEREFORE**, in consideration of all attendant facts and circumstances, including numerous workshop discussions, public and private statements from both Thom LeDoux and Molly Chilson, consideration of the 2017 Fremont County budgetary needs as a whole, and consideration of the reasonable and necessary needs of the district attorney's office as set forth in the 2017 budget request, the Board of Commissioners for Fremont County hereby makes and adopts the findings set forth herein.

1. The Boards of County Commissioners in the four counties that comprise the 11<sup>th</sup> Judicial District work together every year to reach consensus on the proposed and final budget for the Office of the District Attorney. The process for review and agreement on the District Attorney budget is not formally established and has been conducted quite informally.

2. To the best knowledge of Fremont County officials, 2016 is the first year that the collective boards of commissioners have failed to reach unanimous agreement regarding the proposed District Attorney's budget. The statutes governing the District Attorney's budget are silent regarding the process for resolution of disagreement among various counties regarding the final District Attorney's budget decision.

3. The District Attorney is entitled to collect and receive from the respective counties in the judicial district, the necessary expenses of maintaining an office for the transaction of official business, and the attorney salary expenses, which shall be borne by the various counties in the judicial district, each in the proportion that the population of the county bears to the population of the whole judicial district. However, any county or counties may agree to provide funding in addition to the funds provided for the reasonable and necessary expenses.

4. The office and salary expenses of the District Attorney are funded in part by Fremont County appropriations. The District Attorney, as with all other county-funded offices, departments, boards, commissions and spending agencies, make appropriate budget recommendations to the board of county commissioners for the operation of their respective offices; but the final budget determination of the board of commissioners is binding upon each requesting office or agency. §30-11-107(2), C.R.S.

5. It is the responsibility of each county-funded office, department and agency to demonstrate the necessity and reasonableness of each budget request, for the board's consideration.

6. The District Attorney presented the preliminary 2017 budget request in a document dated October 4, 2016, a copy of which is attached to this Resolution as Exhibit A. Generally, the District Attorney was seeking a 20% increase in the overall budget.

7. County commissioners and staff collectively reviewed the District Attorney's budget request with the District Attorney and Assistant District Attorney and considered the necessity and reasonableness of the request.

8. The District Attorney noted several issues in support of the request for a 20% increase for the 2017 budget, including;

- a. The increase in felony case filings in 2016, as compared to 2015, particularly in Fremont County, which allegedly are more complex and larger cases than in the past;
- b. The loss of approximately \$100,000 in revenue that will occur at such time that the Statewide Discovery Sharing System becomes fully functional;
- c. The funding of the District Attorney's office over the past 10 years has failed to keep pace with rising office costs such as health insurance.

9. The District Attorney's office received a 3% budgetary increase in 2014, a 3% increase in 2015, a 9% increase in 2016 for a total of 15% over three years. Attorney and staffing positions that were eliminated during the years of the recent recession (2009-2013) have been restored, but new positions have not yet been created.

10. The same funding issues with which the District Attorney expresses frustration, exist for every other county department, office and agency. All county offices are still recovering from the hardship created during the recession years. During that period of time, staffing levels were cut, employees were required to take furlough days, uniform allowances for sheriff's deputies were eliminated, county retirement contributions were eliminated, days and hours of service to the public were adjusted to save energy costs, and county reserve funds were depleted below acceptable levels, along with many other hardships. The Board must balance the needs and requirements of all county-funded services in its effort to restore and increase the level of service offered to the taxpaying citizens of the county.

11. The District Attorney notes that the felony case load for the District Attorney's office has increased in 2016, which is undisputed. However, looking only at the number of felony cases filed in one year without analyzing other factors is likely to lead to a false conclusion. The Board has reviewed the Annual Statistical Reports generated by the Colorado Judicial Branch, which track case filings and case terminations, and also track the criminal case filings by the type of case. The annual reports are based on a fiscal year, July 1 through June 30, and are current as of June 30, 2016.

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16. The District Attorney has indicated that the highest case load increase is in the most complex and difficult cases, but has not provided any information to the Board explaining how and why the drug cases are the most complex and difficult. Regardless, it appears to the Board that these cases are either being plea-bargained or dismissed without trials. The District Attorney has publicly stated that marijuana enforcement is not a priority for his office, and many of these cases are not being prosecuted. To the extent that the drug cases are inmate cases originating in the Department of Corrections, the funding from the State for prosecutions needs to be addressed with the Department of Corrections. The Board is not intending to minimize the necessity or importance of prosecuting drug cases. It appears that there may be a need for policy and management decisions to find more efficient and effective ways to manage this portion of the case load.

17. The District Attorney has stated that approximately \$100,000 of revenue will be lost in 2017 due to the conversion to the statewide electronic discovery sharing system. The system is not yet fully functional and in 2016, the State Legislature passed a bill extending the "fully functional" deadline from July 1, 2016 to July 1, 2017. Until the system is fully functional, the District Attorney's office will still charge for paper and CD discovery production.

18. In the budget presentation to the Commissioners of the four counties, the District Attorney indicated that the amount of felony discovery produced out of the office in 2016 totals 250,773 paper pages and 3,464 CD's. Presumably, when the discovery sharing system is functional, the need to produce the paper and CD discovery will be eliminated, in large part. This should result in cost savings in the office and increase the availability of existing staff to work on other tasks. In the Final Fiscal Note of the Colorado Legislative Council Staff, dated July 14, 2016, it states that while "shifting to a digital format for collecting and exchanging discovery materials may create costs and workload for law enforcement and district attorneys, over the long term, the bill will reduce workload and revenue to district attorneys and local law enforcement for the duplication of discovery materials once the eDiscovery system is implemented." (Exhibit B)

19. When the eDiscovery system is functional, the Board expects to see discovery revenue decrease, perhaps entirely. However, the Board would also expect to see a decrease in expenses for office supplies and a reduced need for additional support staff, as the existing staff will not be busy duplicating and producing volumes of discovery. In the proposed 2017 budget, office supplies increase by 25% and one additional staff person is requested, and discovery revenues are completely eliminated.

20. James Howell, the Investigator for the District Attorney chose to retire at the end of 2016. Apparently, Mr. Howell performed both investigation and Information Technology (IT) services for the office of the District Attorney. In addition, the District Attorney contracted with a private company for IT services, paying for the services from the "Repairs and Maintenance" budget line item. The 2017 budget proposal anticipates replacing Mr. Howell with two full-time investigators and one full-time IT person. Presumably, this will eliminate the need to privately contract for IT services. Yet, the 2017 "Repairs and Maintenance" line item shows a 10% increase, which is inconsistent with presumed savings from the elimination of contracted IT services.

21. The Board approved a 9% budget increase for the District Attorney for 2016. It appears that a large portion of the increased funding was distributed and spent for attorney salary increases ranging from 9% to 17%. A review of the salary levels of the attorneys in the District Attorney's office indicates that the Assistant District Attorney presently receives a salary that is \$30,000 more than the highest paid Deputy District Attorney, with comparable years of experience. The proposed 2017 budget increases the disparity to \$34,000. This significant disparity has not been adequately explained.

22. The District Attorney has indicated that the increase in case filings is directly related, at least in part, to the hiring of additional deputies by the Fremont County Sheriff. However, at the November 22, 2016 public hearing on the budget, Sheriff Beicker clearly stated that the new personnel hired as a result of the funding from the 2013 voter-approved 1% sales tax are still in training and have sent no cases to the District Attorney for prosecution.

23. The District Attorney takes exception to the increased budget for the Fremont County Sheriff, which occurred as the result of the new 1% sales tax, approved by the voters in 2013 and limited in duration to 10 years to allow the Sheriff to make critical capital improvements to the county jail, purchase replacement vehicles, and otherwise make up for 15 years of underfunding. The Board is unpersuaded that these expenditures have impacted the work load or budget of the District Attorney.

24. The District Attorney, at the November 22, 2016 budget hearing, indicated that the office would have to make cuts if the full 20% increase is not approved. If the full 20% increase is approved, the District Attorney indicated that the office intends to hire two additional attorneys, an investigator, an IT person and one administrative staff person. The Board struggles with the inconsistency that the District Attorney will make cuts under a 10% increase, but will hire five additional people with a 20% increase. It is unclear whether the intent is to hire one or two investigators to replace Mr. Howell.

25. The purpose for \$15,000 in a contingency fund and an increase of \$10,000 (50%) for Capital Outlay have not been adequately explained.

26. The Board has encouraged the District Attorney to meet with the Fremont County Sheriff to discuss sharing funding between the two offices to meet present budgetary needs. At the November 22, 2016 budget hearing, the Sheriff publicly expressed a willingness to have a conversation with the District Attorney, but the District Attorney did not express a similar willingness. The Board is willing to consider making transfers from the Sheriff's budget to the District Attorney's budget, at the Sheriff's request.

27. The Board of County Commissioners of each county has exclusive power to adopt the annual budget for the operation of the county government, including all offices, departments, boards, commissioners, other spending agencies of the county government, and other agencies which are funded in whole or in part by county appropriations. §30-11-107, C.R.S. During budget discussions, various commissioners from the other three counties in the judicial district have indicated that their 2017 budget decision is not intended as a mandate imposing an obligation on Fremont County to appropriate additional funds.

28. All budget workshops on the 2017 budget conducted by the Fremont County Commissioners were properly noticed and otherwise held in full compliance with the requirements of the Colorado Sunshine Law, §24-6-101, et seq., C.R.S.

29. The Board's decision regarding the 2017 budget should not, in any way, be viewed as a negative comment toward the attorneys and staff of the District Attorney's office. Rather, it is a decision based on the difficult task of balancing the needs of all county-funded offices, departments and services together with the need for a gradual replacement of reserve funds that were significantly depleted during the recession years. Restoring funding to acceptable levels is a process that will not be accomplished in a single year.

With the 10% approved increase for 2017, the District Attorney's budget has been increased by almost 25% in three years, more than any other county-funded budget (except the Sheriff as noted above).

30. The Board has great admiration and respect for the dedicated attorneys and staff working in the office of the District Attorney. They selflessly work to protect the community and victims of crime, prosecute those who commit criminal offenses, and support law enforcement efforts to keep all citizens safe from harm, resulting in a better quality of life. As Ms. Chilson has stated on numerous occasions, attorneys don't enter into a career as a prosecutor for the financial rewards. These attorneys and staff work in this field for the intangible rewards that accrue as a result of public service, a higher and noble purpose. All citizens owe them a debt of gratitude.

CONCLUSION:

The Board's decision to fund a 10% increase in the 2017 budget for the District Attorney results in a budget that is approximately \$100,000 less than requested. The Board finds that a 10% increase is reasonable and necessary, but a 20% increase is not, when consideration is given to the circumstances and factors set forth above. This determination is not intended to be a criticism or comment on the decision of the Boards of County Commissioners in Chaffee, Custer and Park Counties to fund the full 20% budget increase. The courts and legislature offer no guidance for resolving a failure of the counties to reach unanimous agreement regarding the budget of the District Attorney in multi-county judicial districts, except to provide that Counties may choose to fund programs, projects, personnel, or salaries that are in addition to the funds provided for the reasonable and necessary expenses of the district attorney. §20-1-302, C.R.S.

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**EXHIBIT**

A

	2016		2017	
	Budget	%	Budget	%
<b>EXPENSES</b>				
<b>PERSONNEL</b>				
DA SALARY	130,000	0.0	130,000	0.0
EMPLOYEES SALARIES	1,260,545	8.4	1,462,899	16.1
DA PERA	25,025	10.2	27,000	7.9
FICA/MEDICARE	94,880	13.3	98,000	3.3
UNEMPLOYMENT INSURANCE	4,175	19.3	4,500	7.8
<b>PAYROLL TAXES + PERA</b>	<b>124,080</b>	<b>12.9</b>	<b>129,500</b>	<b>4.4</b>
WORKERS COMPENSATION	3,265	-18.4	3,500	7.2
HEALTH INSURANCE	284,750	10.7	305,000	7.1
CCOERA	45,000	5.3	47,500	5.6
<b>SUB TOTAL</b>	<b>1,847,640</b>	<b>8.3</b>	<b>2,078,399</b>	<b>12.5</b>
<b>OPERATING</b>				
BUILDING RENT/UTILITIES	61,256	0.0	61,256	0.0
BANK CHARGES	0	0.0	0	0.0
REPAIRS AND MAINTENANCE	30,000	0.0	33,000	10.0
ACCOUNTING + AUDIT	10,500	0.0	11,500	9.5
POSTAGE	9,500	0.0	9,500	0.0
EMPLOYEE TRAVEL & MEALS	25,000	0.0	28,000	12.0
WITNESS EXPENSE	1,000	0.0	1,000	0.0
DUES, MEETINGS, SCHOOLS	30,000	0.0	33,000	10.0
LIBRARY	4,000	0.0	4,000	0.0
SUPPLIES	20,000	0.0	25,000	25.0
TELEPHONE	30,000	3.4	33,000	10.0
CAPITAL OUTLAY	20,000	0.0	30,000	50.0
CONTINGENCY FUND	15,000	0.0	15,000	0.0
<b>SUB TOTAL</b>	<b>256,256</b>	<b>0.4</b>	<b>284,256</b>	<b>10.9</b>
<b>FUND BALANCE</b>				
VEHICLE PURCHASE	0	-100.0	0	0.0
MAJOR CASE	0	0.0	0	0.0
<b>GENERAL FUND EXPENDITURES</b>	<b>2,103,896</b>	<b>6.3</b>	<b>2,362,655</b>	<b>12.3</b>
<b>STATE MANDATED COSTS</b>	<b>23,814</b>	<b>0.0</b>	<b>23,814</b>	<b>0.0</b>
<b>PROGRAMS</b>				
JUVENILE DIVERSION	76,000	0.0	76,000	0.0
VICTIM ADVOCACY	165,868	0.0	165,868	0.0
CO FELLOWSHIP PROGRAM				
<b>SUB TOTAL</b>	<b>241,868</b>	<b>-11.7</b>	<b>241,868</b>	<b>0.0</b>
<b>TOTAL EXPENSES</b>	<b>2,369,578</b>	<b>4.1</b>	<b>2,628,337</b>	<b>10.9</b>

	2016		2017	
	Budget	%	Budget	%
<b>COST RECOVERY</b>				
<b>STATE OF COLORADO</b>				
STATE DA SALARY	104,000	0.0	104,000	0.0
STATE PERA CONTRIBUTION	20,021	10.3	20,021	0.0
STATE SUBPOENA BY MAIL	1,750	0.0	1,750	0.0
DEPARTMENT OF CORRECTIONS	60,000	0.0	60,000	0.0
CO FELLOWSHIP PROGRAM				
<b>SUB TOTAL</b>	<b>185,771</b>	<b>-14.0</b>	<b>185,771</b>	<b>0.0</b>
<b>INTERNAL</b>				
DISCOVERY FEES	100,000	0.0	0	-100.0
CHECK FRAUD FEES	3,500	0.0	3,500	0.0
INTEREST INCOME	0	0.0	0	0.0
<b>SUB TOTAL</b>	<b>103,500</b>	<b>0.0</b>	<b>3,500</b>	<b>-96.6</b>
<b>COUNTY</b>				
ANNUAL CONTRIBUTION	1,800,424	9.0	2,160,000	20.0
CONTIGENCY FUND	15,000	0.0	15,000	0.0
FUND BALANCE	0	-100.0	0	0.0
<b>SUB TOTAL</b>	<b>1,815,424</b>	<b>7.2</b>	<b>2,175,000</b>	<b>19.8</b>
<b>FUND BALANCE</b>				
VEHICLE PURCHASE	0	-100.0	0	0.0
MAJOR CASE	0	0.0	0	0.0
<b>MISCELLANEOUS</b>	<b>0.00</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>
<b>GENERAL FUND COST RECOVERY</b>	<b>2,104,695</b>	<b>3.7</b>	<b>2,364,271</b>	<b>12.3</b>
<b>STATE MANDATED COSTS</b>	<b>23,814</b>	<b>0.0</b>	<b>23,814</b>	<b>0.0</b>
<b>GRANT</b>				
JUVENILE DIVERSION	76,000	0.0	76,000	0.0
VICTIM ADVOCACY	165,868	0.0	165,868	0.0
<b>SUB TOTAL</b>	<b>241,868</b>	<b>0.0</b>	<b>241,868</b>	<b>0.0</b>
<b>GENERAL FUND COST RECOVERY</b>	<b>2,104,695</b>	<b>3.7</b>	<b>2,364,271</b>	<b>12.3</b>
<b>GENERAL FUND EXPENDITURES</b>	<b>2,103,896</b>	<b>6.3</b>	<b>2,362,655</b>	<b>12.3</b>
<b>Difference</b>	<b>799</b>		<b>1,616</b>	<b>102.3</b>
<b>TOTAL COST RECOVERY</b>	<b>2,370,377</b>	<b>3.2</b>	<b>2,629,953</b>	<b>11.0</b>
<b>TOTAL EXPENSES</b>	<b>2,369,578</b>	<b>4.1</b>	<b>2,628,337</b>	<b>10.9</b>
<b>Difference</b>	<b>799</b>		<b>1,616</b>	
<b>FUND BALANCE</b>	<b>175,000*</b>			

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**Colorado  
Legislative  
Council  
Staff**

**EXHIBIT**

**B**

**SB16-091**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-0915 **Date:** July 14, 2016  
**Prime Sponsor(s):** Sen. Lambert **Bill Status:** Signed into Law  
 Rep. Hamner **Fiscal Analyst:** Amanda Hayden (303-866-4918)

**BILL TOPIC:** DELAY START OF STATEWIDE DISCOVERY SHARING SYSTEM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	See State Expenditures section.	
Appropriation Required: See State Appropriations section.		
Future Year Impacts: Ongoing reduction in state expenditures.		

**Summary of Legislation**

This bill delays the start of the statewide discovery sharing system (eDiscovery system). It moves the deadline by which the system must be operational from November 1, 2016, to July 1, 2017. The bill repeals statutory provisions concerning actions that have already occurred.

**Background**

Senate Bill 14-190 appropriated \$5.3 million General Fund to the Judicial Department to oversee implementation of a statewide discovery system housed in the Colorado District Attorneys Council (CDAC). The eDiscovery system is intended to allow materials to be transmitted from law enforcement agencies to prosecutors and from prosecutors to the defense in an electronic or digital format. The eDiscovery system will eliminate the need for state judicial agencies, primarily the Office of the State Public Defender (OSPD), to reimburse the prosecution for duplication costs, which total about \$2.5 million per year. Funds saved by the state will be used to maintain the eDiscovery system. SB 14-190 also created the Statewide Discovery Sharing System Surcharge Fund (Surcharge Fund) to offset the costs of maintaining the system. CDAC has begun work on the eDiscovery system.

**State Expenditures**

It is expected that the 2016-17 Long Bill will make budget changes to bring funding in line with the updated implementation time frame and project costs for the eDiscovery system. These costs will be paid using \$1.8 million General Fund and \$70,000 from the Surcharge Fund. In addition, the Long Bill will reduce appropriations by \$1 million General Fund in various judicial agencies for discoverable materials and reallocate this funding to the Judicial Department for continued work on the eDiscovery system.

January 16, 2017

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