

Official Testimony Script: Restoration of Ross Pit Royalties

"Chair Garrett, Commissioners Magruder and Smith—my name is **Lawana**. I am here today to address a critical fiscal policy that is currently undermining our local infrastructure: the diversion of **Ross Pit commercial royalties** from our roads to the General Fund. This is not merely a budget request; it is a call to return to the **'Full Cost Recovery'** model this Board officially adopted in 2018."

The Core Argument: The "Double-Dip": "According to **Board Order 28-2018**, the County shifted to a business-like model to ensure departments are self-sustaining. However, the Road Department is currently being 'double-dipped':

1. **The Fee:** The General Fund already 'bills' Public Works a **9.1% IGS fee** for central administration (HR, Finance, Legal).
2. **The Grab:** On top of that fee, the General Fund 'harvests' nearly **\$1.35 of every \$1.50** generated per ton of rock sold commercially. If the IGS fee already covers administrative costs, taking 100% of the royalties constitutes an **unjustified profit** extracted directly from our failing road system."

The Infrastructure Crisis: "While the General Fund uses this roughly **\$540,000 annual royalty** to solve its own structural deficits, our infrastructure is liquidating.

- Our current Pavement Condition Index (PCI) is **52 out of 100 (Fair/Poor)**.
- Public Works admitted in late January 2026 that they have moved to **'reactive maintenance,'** effectively putting out fires while the system deteriorates.
- That \$540,000 represents **2.5 miles of chip seal** or **1 mile of high-intensity overlay** every single year—repairs that could be happening on failing routes like **Apiary Road** or **Pittsburg Road** right now."

Closing Demand:"The **FY 2016-2017 Budget** promised that mining proceeds would be a **'one-time'** revenue source to bridge a gap. Ten years later, it has become a permanent subsidy for General Fund overhead. I ask this Board to follow its own **'Full Cost Recovery'** mandate and reallocate the **\$1.35 commercial royalty** back to the Road Fund for the 2026-2027 cycle. Let's put the 'user fees' back on the roads where the users are."

Revenue Component	Amount per Ton	Destination	% of Total Value
Knife River Royalty	\$1.35	General Fund	90%
Admin Depletion Fee	\$0.05	General Fund	3.3%
Road Maintenance Fund	\$0.10	Road Fund	6.7%
TOTAL REVENUE	\$1.50		100%

- **The Math:** \$1.35 (Royalty) + \$0.05 (Admin Fee) = **\$1.40 per ton** diverted to General Fund.
- **The Impact:** \$540,000 = ~2.5 miles of chip seal/year.
- **The Condition:** Current County PCI is **52** (Target: 70–85).
- **The Resolution:** Resolution 32-2025 (Internal Service Reimbursements).