

**San Juan County Commission  
Special Meeting  
July 21, 2020**

Chairman Fortner called the San Juan County Commission meeting to order on July 21, 2020 at 12:05 P.M. in the Administrative Conference Room located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Total attendees present were:

CHAIRMAN	Jack L. Fortner
CHAIRMAN PRO-TEM	Jim Crowley
MEMBER	John T. Beckstead- VIA PHONE
MEMBER	GloJean Todacheene- VIA PHONE
MEMBER	Michael Sullivan- VIA PHONE
COUNTY MANAGER	Mike Stark
ATTORNEY	Doug Echols
CHIEF FINANCIAL AND STRATEGY OFFICER	Jim Cox
DEPUTY FINANCE OFFICER	Kim Martin
PUBLIC RELATIONS MANAGER	Devin Neeley

The following attended via phone or via WebX:

CLERK	Tanya Shelby
CHIEF DEPUTY TREASURER	Carol Taulbee
DEPUTY ATTORNEY	Joe Sawyer
RISK MANAGER	Cynthia Singleton
CHIEF HUMAN RESOURCES OFFICER	Roberta Padilla
DEPUTY HUMAN RESOURCES OFFICER	Tara Martinez
JUVENILE SERVICES ADMINISTRATOR	Traci Neff
FIRE CHIEF	John Mohler
VISITORS:	3

**New Business**

**1. Review of FY21 Budget**

Mike Stark, County Manager, explained that the budget for FY21 presented to the Commission is a balanced budget through cash reserves primarily due to conservative fiscal oversight from the Commission. Mr. Stark presented the following:

- Final budget for FY21 (July 2020 thru June 2021) totals \$122 million
- No decrease of programs or services to the citizens except for the recent operation day changes at the solid waste transfer stations which are reflected in the final budget
- Adequate funding for capital requests which includes body cams the Sheriff's Office is required to have within the next 90 days

- Reserve balance estimated at \$1.7 million above the 3/12 required, which is minimal with the potential decline in revenue
- The current economic impact of the pandemic nationally and at a statewide level causes the current budget to not be sustainable beyond FY22; however, Management and the Commission continue to be proactive in budgeting in the upcoming years
- Current budget reflects an anticipated Gross Receipt Tax (GRT) reduction of approximately 16%
- Oil & Gas Production/Equipment has seen a 40% decline from last year
- Since 2010 there have been 77 positions frozen or eliminated due to the decline in oil & gas industry
- Detention Center now video remotes hearings for the detainees. Currently there is not a sound-proof room and there are two laptops; however, Chief Justice Townsend has given notice that remote hearings will be a continuing process. Not having to transport detainees has been beneficial to the operational budget.
- Building Automation Systems (BAS) heating/cooling controls will be installed into all County buildings. It is web-based system and can be controlled remotely which will save on energy costs and eventually operational costs.
- FY21 budget is 6.62% lower than FY20 which is a significant change (\$8 million reduction)
- San Juan Safe Communities will not be receiving additional funding from the County due to a \$65,000 Pass-Through Grant from the State of New Mexico

Jim Cox, Chief Financial and Strategy Officer, presented the following to the Commission:

- Budget meets the 1/12 Road Fund requirement and the 3/12 general fund reserves requirement
- Revenues:
  - Total budgeted fund revenue is \$97,650,720
  - McGee Park revenues declined due to the COVID pandemic
  - Revenues decreased by \$5.9 million due to intergovernmental grants funds change
  - Revenue reductions do not anticipate an estimated loss of \$1,545,457 in property tax due to the closure of Public Service Company of New Mexico (PNM)
- Transfers are to meet the cash requirements of each fund which increased by \$1.7 million between the interim and final budget due to purchase order carry forwards
- Expenditures:
  - Total budgeted fund expenditures are \$122,251,698
  - Additional changes to personnel decreased the budget by \$335,892
  - 27 frozen or eliminated positions through attrition since March saved the County \$1.5 million
  - Due to SB8 requirements for an Evidence Custodian Assistant position has been added
  - 7 positions have been added for Bloomfield Fire Department effective September 6, 2020 which have not been included in the revenue and expenditures in the budget
  - 1 position in the Assessors Office has been added
  - 6 positions have been added for the senior centers
  - San Juan Water Commission approved 1 position to be frozen

- Communications Authority was allowed to unfreeze 4 positions due to vacancy savings
- Legislation requiring 0.5% employer contributions to PERA over a four-year period starting in FY23 has not been factored
- Commended the County departments and elected officials for their assistance in the balancing of the budget by reducing their capital requests
- There is a \$2.4 million capital expense carryover in open purchase orders from FY20
- Outside agencies changes:
  - Red Apple Transit- City of Farmington received a grant to provide for this operation which saved the County \$14,447

Chairman Pro-Tem Crowley requested discussion regarding the funding of Desert View Family Counseling- IHC Fund 103. Mr. Crowley requested the funding for behavior health be increased to \$75,000 and make it a public proposal in a Request for Proposal (RFP) to directly affect the GAP analysis.

Chairman Fortner and Chairman Pro-Tem Crowley also discussed Four Corners Economic Development Foundation and stated the importance of the foundation.

Mr. Cox explained the balancing of the budget with a \$6.6 million deficit in revenues from FY20:

- Recurring expenditures have been reduced by \$1.9 million
- Net salary savings by eliminating 27 positions
- Utilization of short-term solutions 1-2 years max
- Additional HB6 Special Session- Internet Sales Distribution adds an estimated \$473,000 to the budget (recurring) beginning in September 2020 with an increase in September 2021
- Departments and Elected Officials reducing their operating budgets

Chairman Fortner requested Mike Stark, County Manager, and Staff generate ideas for prudent solutions to operating the County fiscally and conservatively.

Mr. Stark presented the following potential solutions to the budget shortfalls:

### Revenue

- Water Reserve Fund Re-Allocation of .375 mils an estimated \$1.3 million in funding which would be a short-term offset
- Implement 1/8th (0.125) GRT unrestricted without referendum an estimated \$2.8 million in revenue
- Property tax increase of 0.5 mil an estimated \$1.4 million recurring revenue
- Increase Healthcare Premiums (105 Fund only)

Chairman Fortner requested further discussions regarding the water reserve fund re-allocation or implementation of the 1/8th GRT rather than raise property tax.

### Expenditure

- Freezing positions thru attrition short/long term offset duration dependent on overall County need an estimated annual County cost of \$67,903 per employee average

- Continue cutting operational expenses without cutting services (long term recurring)
- Furlough all San Juan County Employees one day per month (8 hours/day short term offset)
- Furlough all Non-Public Safety Employees one day per month (8 hours/day short term offset)
- Pay Cut of 1% (long term recurring)
- Program/services modifications and/or cuts via priority base budgeting (long term recurring)

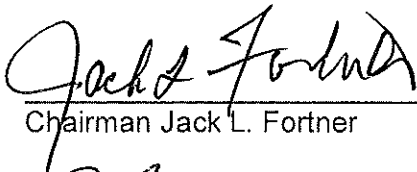
The Commission made various comments and asked questions.

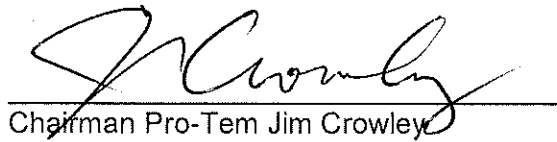
**Adjourn**

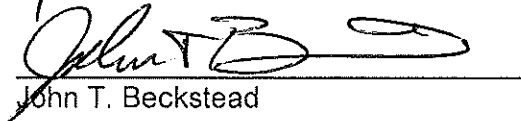
Being no further business, Chairman Fortner adjourned the meeting at 1:43 p.m.

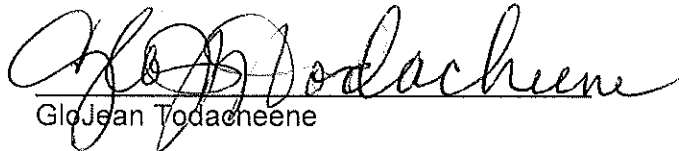
APPROVED THIS 18TH DAY OF AUGUST 2020

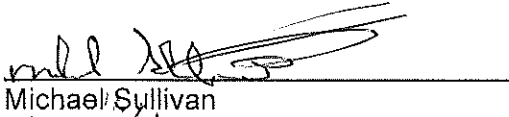
BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:

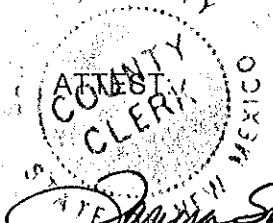

  
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Tanya Shelby, County Clerk