

**San Juan County Commission
Special Meeting
September 9, 2020**

Chairman Fortner called the San Juan County Commission meeting to order on September 9, 2020 at 12:00 P.M. in the Commission Chambers located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Those present were:

CHAIRMAN	Jack L. Fortner
CHAIRMAN PRO-TEM	Jim Crowley
MEMBER	John T. Beckstead
MEMBER	GloJean Todacheene
MEMBER	Michael Sullivan- VIA PHONE
COUNTY MANAGER	Mike Stark
DEPUTY COUNTY MANAGER	Jim Cox
ATTORNEY	Doug Echols
DEPUTY ATTORNEY	Joe Sawyer
EMERGENCY MANAGEMENT COORDINATOR	Ali Rye
CHIEF FINANCIAL OFFICER	Kim Martin
PUBLIC RELATIONS MANAGER	Devin Neeley

The following attended via phone or via WebX:

CLERK	Tanya Shelby
CHIEF DEPUTY CLERK	Alyssa Kuhn
RISK MANAGER	Cynthia Singleton
EMERGENCY MANAGER	Mike Mestas
PRESS: Farmington Daily Times	Hannah Grover
VISITORS:	2

New Business

1. Issue Written Order to Impose FY21 Property Tax Rates

Kim Martin, Chief Financial Officer, explained that the Board of County Commissioners is required to issue a written order imposing the property tax at the rates set on the taxable value of property allocated in the appropriate governmental units. The order must be issued within five days of receipt of the Department of Finance & Administration's Property Tax Rate Setting Order. The Commission's written order must be delivered to the County Assessor immediately. The finance officers of the municipalities, school districts, and San Juan College have been notified and have confirmed in writing the new tax rates for their governmental units. Ms. Martin presented a PowerPoint presentation which highlighted the following:

- New Mexico Department of Finance and Administration (DFA) sets the rates and the

County Commission issues/delivers its own written order to the County Assessor who prepares the property tax schedule to the County Treasurer by October 1 of each tax year. The County Treasurer shall mail all tax bills no later than November 1.

- There is a combination of different taxing authorities who can issue tax rates and the tax set by the taxing authority is subject to change due to the "Yield Control Statute"
- The Yield Control Statute considers growth control factors such as inflation and new construction
- In San Juan County 8.5 mills imposed remains the second lowest mill in the state for 2019 tax year (second to Eddy County at 7.5 mills)
- San Juan County New Taxable Values for 2020 tax year are: Residential 42%, Non-Residential 46%, Oil & Gas Production 10%, and Oil & Gas Equipment 2%
- The County has issued no General Obligation Bond debt in 29 years
- The last property tax increase was in FY2005 in which the mill rate increased from 8 to 8.5 mills to fund the Water Reserve Fund for the San Juan Water Commission

The Commission asked various questions. A motion was made by Commissioner Todacheene, seconded by Commissioner Beckstead to approve the Issue Written Order to Impose FY21 Property Tax Rates. Upon voice vote this motion passed unanimously.

2. Ratification of CARES Act Funding- Notice of Award from State of New Mexico

Mike Stark, County Manager, indicated that San Juan County applied for CARES Act funding with the State of New Mexico. The County was awarded \$2,042,500 in CARES Act funding that can be used in accordance within the Coronavirus Relief Fund Guidance from the Federal government and \$1,061,500 in Business Continuity Funding that must be used in accordance with State of NM guidelines. The funding expires on December 30, 2020. The Small Business Grant funding opportunity was posted on the San Juan County website and applications have been submitted. Mr. Stark requested ratification of the grants and stated that the grant agreements will then be issued. The Commission asked various questions. A motion was made by Commissioner Beckstead, seconded by Chairman Pro-Tem Crowley to approve the Ratification of CARES Act Funding- Notice of Award from State of New Mexico. Upon voice vote this motion passed unanimously.

3. Consideration of IRS & U.S. Treasury Joint Notice 2020-65

Jim Cox, Deputy County Manager, stated that on August 8, 2020 President Trump issued a Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster which directed the Secretary of the Treasury to defer the social security tax on wages paid during the period of September 1, 2020 thru December 31, 2020 as long as the employee's bi-weekly pay period generally is less than \$4,000 calculated on a pre-tax basis. The memorandum further directed the Secretary of Treasury to issue guidance on implementation. On August 28th the U.S. Treasury Department and Internal Revenue Service released Notice 2020-65, Relief with Respect to Employment Tax Deadlines Applicable to Employers Affected by the Ongoing Coronavirus (COVID-19) Disease 2019 Pandemic. Within the memorandum the County determined that this is a deferral of tax rather than a tax break in that each employee whom would elect the deferral would be required to make payment during the period of January 1, 2021 thru April 30, 2021. The joint notice placed the responsibility of repayment on the

employer who would be subject to interest and penalties if the collections were not made during the repayment period. The County reached out to several New Mexico governmental entities and there is an overwhelming response that each governmental entity is electing not to participate within the program due to 1) there only being a deferral of social security tax which puts a burden of twice the amount of tax withheld on the employees paycheck in the first quarter of 2021, 2) the concern of ensuring the County receives 100% of the amount deferred should the employee terminate employment with the County, 3) the complexities involved in making this an optional program for employees to opt into vs. those that don't would require a payroll overhaul, and 4) the fact that the County is ultimately liable for the collection and remittance of the deferred social security tax to the IRS. Staff requested the County elect to not participate in the tax deferral and concurrence or direction from the Commission as to whether or not the County should offer this option to the employees. The Commission had various questions. The Commission concurred to not participate in the IRS & U.S. Treasury Joint Notice 2020-65. A motion was made by Commissioner Todacheene, seconded by Chairman Pro-Tem Crowley to opt out of IRS & U.S. Treasury Joint Notice 2020-65. Upon voice vote this motion passed unanimously.

4. Consideration of Approval for Budget Adjustment-Bar #2, Resolution No. 20-21-16

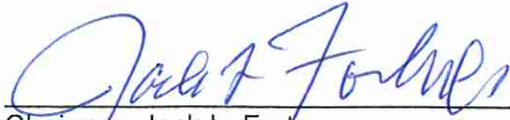
Jim Cox, Deputy County Manager, presented the final budget adjustments to the Commission for approval. The budget adjustments approved by the Commission will be sent to the NM Department of Finance and Administration for their approval. On September 1, 2020 the State of New Mexico Department of Finance and Administration awarded the County the CARES Act grant in the amount of \$2,042,500 and the CARES Act Business Continuity grant in the amount of \$1,061,500. Due to the Commission ratifying both agreements at this September 8th meeting staff is requesting the Commission authorize the budget of those expenditures and related revenues to make the funds provided by this reimbursement-based grant available. A motion was made by Chairman Pro-Tem Crowley, seconded by Commissioner Todacheene to approve the Budget Adjustment-Bar #2, Resolution No. 20-21-16. Upon voice vote this motion passed unanimously.

Adjourn

Being no further business, a motion was made by Commissioner Todacheene, seconded by Commissioner Beckstead to adjourn the meeting. Upon voice vote this motion passed unanimously and the meeting adjourned at 12:45 p.m.

APPROVED THIS 6TH DAY OF OCTOBER 2020

BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:



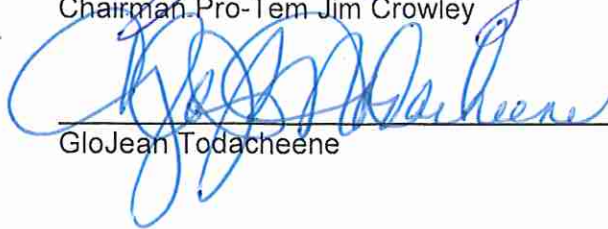
Chairman Jack L. Fortner



Chairman Pro-Tem Jim Crowley



John T. Beckstead



GloJean Todacheene



Michael Sullivan

ATTEST:



Tanya Shelby, County Clerk