

**San Juan County Commission
Special Meeting
May 11, 2021**

Chairman Beckstead called the San Juan County Commission meeting to order on May 11, 2021 at 12:07 p.m. in the Commission Chambers located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Those present were:

CHAIRMAN	John T. Beckstead
CHAIRMAN PRO-TEM	Terri D. Fortner
MEMBER	Steve Lanier
MEMBER	GioJean Todacheene
MEMBER	Michael Sullivan
UNDERSHERIFF	Cory Tanner
COUNTY MANAGER	Mike Stark
DEPUTY COUNTY MANAGER	Jim Cox
DEPUTY ATTORNEY	Joe Sawyer
CHIEF FINANCIAL OFFICER	Kim Martin
DEPUTY FINANCE OFFICER	Travis Sisco
PARKS & FACILITIES ADMINISTRATOR	Daniel Hill
PARKS & FACILITIES DEPUTY ADMINISTRATOR	Steven Dansie
PUBLIC WORKS ADMINISTRATOR	Nick Porell
ADULT DETENTION ADMINISTRATOR	Daniel Webb
FIRE CHIEF	John Mohler
SAFETY & COMPLIANCE MANAGER	Stewart Logan
PUBLIC RELATIONS & FILM MANAGER	Devin Neeley

The following attended via phone or via WebEx:

CLERK	Tanya Shelby
CHIEF DEPUTY CLERK	Alyssa Kuhn
VISITORS:	7

New Business

1. Review of FY22 Budget

Mike Stark, County Manager, commended the County department heads, elected officials, and other agencies that participated in the budgeting process for utilizing the baseline budgeting tool that was introduced by Jim Cox, Deputy County Manager. Mr. Stark thanked Kim Martin and the Finance Department in compiling and preparing the budget.

Kim Martin, Chief Financial Officer reported the following to the Commission:

- The Interim Budget will be presented to the Commission for approval on May 25, 2021; it will then be submitted to the Department of Finance (DFA) for approval by June 1st. Modifications of the budget will continue in preparation of the final budget.
- In July the Final Budget will be presented to the Commission for approval and must be submitted to the DFA by July 31st with approval from the DFA by September 6th.
- The County met the DFA requirement of a 3/12th reserve for general fund expenditures and 1/12th for the road fund

Revenues

- Gross Receipts Tax (GRT)
 - 30% of the budget
 - Overall GRT budgeted 2% increase over FY21
 - Additional 1/8th increment (based on 2 months of actual revenues received to date)
 - Internet sales will begin to be location-based beginning in July and collections should be coming in by September 2021, impacting the following: General Fund: \$576,000, Fire Fund: \$247,000, Health Care Assistance Fund: \$61,000, and the Emergency Ambulance (Communications Authority) Fund: \$185,000
- Property Tax (does not include the 5% allowance budgeted)
 - Residential is estimated at \$10.8 million
 - Non-Residential is estimated at \$14.3 million
- One-time Revenues (not guaranteed to receive)
 - Payment in Lieu of Taxes (PILT) payment of \$3 million
 - Gross Receipts Tax Equalization payment of \$1 million
- Increase in revenue budget for FY22 is due to 1/8th increment, estimated internet sales tax, and intergovernmental grants
- Oil & Gas Equipment and Production (budgeted flat for FY22)
 - Production: \$2.4 million (budgeted 31% decline in FY21)
 - Equipment: \$524,990 based on prior year production (budgeted 40% decline in FY21)

Expenditures

Payroll

- San Juan County: 3% merit-based increase (last increase was 1% in FY20)
- Budget includes 27 pay periods increasing budget by \$1.6 million
- SB90 requires PERA contributions on mandatory overtime (Bloomfield Fire), plus increase employee contributions by 1.5% for all certified fire employees effective FY22

- SB72 requires increase of both employee and employer contributions by 0.5% starting in FY23 for the next 4 years for all plans
- Communications Authority- Step Increase
- San Juan Water Commission- CPI (Consumer Price Index) Adjustment
- Criminal Justice Training Authority- No Increase

Mr. Stark explained that inflation has risen and employees have only seen a 3% total pay increase over the last five years. A compensation study is currently being conducted to ensure that there is internal equity amongst positions and employees, as well as ensuring that the County is competitive to the market. Corey Tanner, Undersheriff, stated that currently there are significant vacancies in the Sheriff's Department due to wages. Other law enforcement agencies are offering higher wages and sign-on bonuses.

General Fund

- Total budgeted FY22 Revenues \$58,708,702, Expenditures \$31,095,662
- Transfers out: \$32,654,643
 - \$.6 million transfers into General Fund
 - \$2.8 million into debt service fund
 - \$30.4 million to supplement special revenue funds expenditures in excess of revenues

Capital Expenditures

- \$3,332,038 impact on general fund
- \$921,250 impact on special revenue
- \$767,171 impact on grant/pre-funded
- \$2,564,779 impact on 2015 revenue bond- 5500 Bridge and bridge repair

Debt Services

- \$37,650,000 principal outstanding to date (FY21 payments to be made in May and June 2021)
- \$3,695,000 budgeted principal payments in FY22
- \$1,552,322 budgeted interest payments in FY22

Mr. Cox explained that elected offices and departments were asked to submit a 5-year capital plan. Public Works and Parks & Facilities were asked to submit a 30-year capital plan. All capital projects submitted for FY22 have been met with some exceptions.

Outside Agencies

Proposed FY22 budget for outside agencies is \$386,363, percentage breakdown as follows:

- Contract Commitments (includes Aztec, Bloomfield, and Navajo Senior Centers) 51%
- Health & Wellness 14%
- Economic Development 13%

- Youth /Recreation 9%
- Libraries/Museums 7%
- Public Safety 6%

Mr. Stark presented the Outside Service Provider Funding Request list to the Commission and explained that there were some entities that have received funding allocations from the United Way. Waterflow Community Hall Association was not allocated monies because they no longer provide services as a polling site, as indicated in the contract. Tanya Shelby, County Clerk, explained that Waterflow Community Hall Association is no longer used as polling place after switching to Voting Convenience Centers. Ms. Shelby also indicated that the Farmington Library did allow the library to be used as an early voting site in the 2020 General Election but has denied the request to be used as an early voting site in the future. Bloomfield Library, Waterflow Community Hall Association, and People Assisting the Homeless (PATH) did not meet reporting requirements. Red Apple Transit has been funded by the CARES Act for six months; a budget adjustment will be needed to fund the remaining portion of the fiscal year.

Commissioner Sullivan requested that the amount funded to Project Graduation be increased to \$1,000 for each high school.

Mr. Stark requested input from the agencies, department heads, and elected officials:

Aaron Chavez, San Juan Water Commission Director, explained that the long term goal of the water commission is to continue to research pipeline planning from Animas/LaPlata to the County (easements, funding, costs, and efficiency) and short-term goals are river diversions and localized/regional water storage facilities.

Daniel Webb, Adult Detention Administrator, stated that correction officers have been working extensive overtime due to staff shortages. An incentive program, beginning May 30, has been set up to aid in recruitment and retain staff.

Mr. Stark gave a brief overview of the funding of Communications/EMS and explained that a proposed 1/16th tax increase (presented to the voters for approval) would assist in continuation of the services currently provided. Jim Cox, Deputy County Manager, explained that there is a deficit in the Comm/EMS fund and provided to the Commission an explanation of the current funding status. George Duncan, Chairman Board of Directors for the San Juan County Communications Authority, explained the Communications Center serves as the dispatch center for all of San Juan County. Retention of staff is difficult; currently of 47 positions there are 13 vacancies. To offset the deficit, Mr. Duncan requested consideration of presenting a 1/16th tax increase to be placed on the November ballot. Joe Sawyer, Deputy County Attorney, explained the timeline required to the Commission in order to add this item to the November ballot.

Mr. Cox explained that the County is in the process of creating a Strategic Plan for 2022-2026 and introduced Jeff Kiely of Kiely Consulting. Mr. Kiely gave a brief overview of the planning workshops conducted on March 4th and 25th. From the planning workshops, 26 broad goal statements and 112 proposed initiatives (or projects) were generated. The 112 initiatives were then distributed to County department heads with the most direct and relevant involvement in the work that would be involved in those projects for rating on the basis of four criteria: fit & feasibility, resources needed, timeline, and impact on the community. Based on the ratings, the initiatives were then scored, ranked, and placed on a spreadsheet. Mr. Kiely requested that the Commission select their 20 top projects and the results of their selection will then be compiled

into a master list. County staff will work up tasks, costs, and timelines to refine the County's understanding of feasibility, resources, and overall timeline for strategic plan implementation which will then be presented to the Commission for further review and finalization. Once a draft is finalized, it will be presented to the citizens for confirmation, and presented in August to the Commission for adoption of the plan.

Mr. Cox indicated that the American Rescue Plan Act (ARPA) was signed into law and guidance was released. The County has been allocated \$24 million. A plan is being drafted to ensure that there is no overlapping of funding when utilizing the monies which must be utilized by December 31, 2024.

Mr. Stark explained that the healthcare plan ended with no cash reserve due to the costs of Covid testing and higher usage of the medical plan. Melissa Wood, Benefits Compensation Manager, explained that she is currently in the process of doing cost comparison of the County PPO plan, the State plan, and other entities plans. A survey will be presented to the employees and modifications may need to be made. Mr. Stark stated that the plan will continue to be monitored and is an important aspect to recruitment and retention of employees.


The Commission made various comments and asked questions.

Adjourn

Being no further business, Chairman Beckstead adjourned the meeting at 4:03 p.m.

APPROVED THIS 25TH DAY OF MAY 2021


BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:

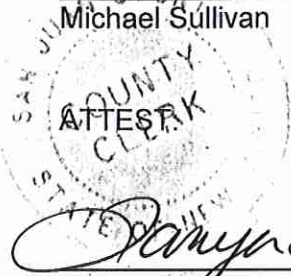

Chairman John T. Beckstead


Chairman Pro-Tem Terri Fortner


Steve Lanier


GloJean Todacheene


Michael B. Sullivan




Tanya Shelby, County Clerk