

**San Juan County Commission  
Special Meeting  
May 11, 2022**

Chairman Pro-Tem Lanier called the San Juan County Commission meeting to order on May 11, 2022, at 11:06 a.m. in the Commission Chambers located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico Those present were:

CHAIRMAN	Terri D. Fortner- VIA PHONE
CHAIRMAN PRO-TEM	Steve Lanier
MEMBER	John T. Beckstead
MEMBER	GloJean Todacheene
MEMBER	Michael Sullivan
CLERK	Tanya Shelby
SHERIFF	Shane Ferrari
UNDERSHERIFF	Cory Tanner
COUNTY MANAGER	Mike Stark
DEPUTY COUNTY MANAGER	Jim Cox
ATTORNEY	Joe Sawyer
DEPUTY ATTORNEY	Ellen Wayne
CHIEF FINANCIAL OFFICER	Kim Martin
DEPUTY FINANCE OFFICER	Travis Sisco
PARKS & FACILITIES DEPUTY ADMINISTRATOR	Steven Dansie
PUBLIC WORKS ADMINISTRATOR	Nick Porell
CHIEF HUMAN RESOURCES OFFICER	Roberta Padilla
DEPUTY HUMAN RESOURCES OFFICER	Tara Martinez
ADULT DETENTION ADMINISTRATOR	Daniel Webb
FIRE CHIEF	John Mohler
DEPUTY FIRE CHIEF	David Vega
DEPUTY FIRE CHIEF	Chris Cardin
PUBLIC RELATIONS & FILM MANAGER	Devin Neeley

VISITORS:

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Chairman Pro-Tem Lanier and Commissioner Beckstead announced the passing of Jim Dunlap, former County Commissioner and recognized his many years of service to the community.

**New Business**

**1. Review of FY23 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

and strategic plan that was introduced by Jim Cox, Deputy County Manager. The budget is focused on public safety, recruiting/retaining County staff and the quality-of-life initiatives within the strategic plan. The budget presented is a balanced budget. Mr. Stark thanked Kim Martin, Chief Financial Officer and the Finance Department in compiling and preparing the budget. Ms. Martin reported the following to the Commission:

- The Interim Budget will be presented to the Commission for approval on May 24, 2022; 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 may not equal expenditures and Special Revenue Funds (one-time funding sources) will spend down cash balances

### Revenues

- Gross Receipts Tax (GRT)
  - Overall GRT budgeted 17.5% increase over FY22 GRT budget which is made up of a 16% increase for internet sales and 1.5% for market activity
  - An additional 1/16th Emergency Medical Services (EMS) increment will be imposed July 1, 2022, and revenues will be distributed in September
  - Revenue projection for the additional 1/16th is \$1.6 million (9 months of collection)
  - Health Care Assistance Program (HCAP) GRT has been split 50/50 with the General Fund for the past two years; for FY23, the split has been changed to 75% HCAP and 25% to the General Fund
- Property Tax
  - Residential is estimated at \$10.3 million
  - Non-Residential is estimated at \$14.3 million
  - The estimates for property tax revenue includes PNM's valuation on January 1, 2022, effective through December 31, 2022
- One-time Revenues (not guaranteed to receive)
  - Payment in Lieu of Taxes (PILT) payment of \$3 million
  - Gross Receipts Tax Equalization payment of \$1.3 million
  - American Rescue Plan Act (ARPA) PILT is unbudgeted
- Oil & Gas Equipment and Production
  - Production: \$2.7 million (budgeted 12% increase over FY22 based on 4-year average percent change year over year)
  - Equipment: \$588,285 based on prior year production
- State Appropriation Funding
  - Funding for the Mental Wellness Resource Center and Senior Centers are not included in the interim budget

### Expenditures

#### Payroll

- San Juan County: 3% merit-based increase

- Budget includes 26 pay periods- increase in budget of \$740,306
- SB72 requires an increase of both employee and employer PERA contributions by 0.5% starting in FY23 for the next 4 years for all plans
- Reclassed Quality and Compliance Coordinator for a Program Facilitator for Juvenile Services
- Unfroze an Equipment Operator II and Accountant position to increase the quality of services for the County
- 13 new positions were added, and 24 positions are currently frozen
- Communications Authority- \$6.00 increase across the board which is an increase of \$403,992 (12% increase over FY22 budget)
- San Juan Water Commission- Consumer Price Index (CPI) adjustment of 5.4% across the board for all employees
- Criminal Justice Training Authority- 11% increase

Mr. Stark gave a brief explanation of the positions that have been unfrozen and added to maintain County operations. Melissa Wood, Benefits Compensation Manager, explained that a marketplace and compensation study was performed through Salary.com to ensure that the County is competitive to the market in an effort to retain current and recruit new employees. Ms. Wood gave a brief overview of the study and provided the results to the Commission. Tanya Shelby, County Clerk, expressed her concerns regarding the survey matrix results.

### **General Fund**

- Capital Expenditures
  - General fund impact- \$3,719,006
  - Special Revenue impact- \$2,861,745
  - Grant/Pre-funded impact- \$2,582,712

Jim Cox, Deputy County Manager, explained that the beginning FY22 the 30-year Capital Plan was introduced to ensure the best utilization of public funds for capital needs.

- General Fund Expenditures
  - 21.9% of total budgeted expenditures
  - Total budgeted FY23 Revenues \$63,425,572
  - Transfers out \$38,010,461
    - \$ .6 million transfers into General Fund
    - \$2.6 million into debt service fund
    - \$36 million to supplement special revenue funds expenditures more than anticipate revenues
- General Fund reserve requirement is more than the State mandate by 54%; reserve requirement more than State mandate with comprehensive survey will be 46%, if used

### **Debt Services**

- \$30,410,000 principal outstanding debt
- \$3.3 million budgeted principal payments in FY22
- \$1.4 million budgeted interest payments in FY22
- No General Obligation debt for over 31 years

### **LG Abatement Opioid Fund**

- Created at the direction of DFA
- Budgeted revenues- \$1,093,459 (in the aggregate)
  - Will be working with City of Farmington to determine the allocation of funds

### **Cannabis Regulation Act**

- Created at the direction of DFA to track gross receipts tax revenue from the sale of cannabis

### **Outside Agencies**

Proposed FY23 budget for outside agencies is \$635,373, percentage breakdown as follows:

- Contract Commitments (includes Aztec, Bloomfield, and Navajo Senior Centers) 47%
- Public Safety 20%
- Health & Wellness 10%
- Economic Development 8%
- Youth /Recreation 9%
- Libraries/Museums 6%

Mr. Stark requested direction from the Commission regarding the Outside Agency list and the Compensation Study. Commissioner Beckstead requested that the Compensation Study be included in the budget. The Commission asked various questions.

Travis Sisco, Deputy Finance Officer, indicated that due to the rising costs of fuel, a budget adjustment was made for FY22. The Finance office will be conducting quarterly analysis to present fuel budget adjustments to the Commission for approval, as needed.

Mr. Stark stated that there are 34 projects on the Capital Projects list as of May 2022; some of which are completed or pending completion.

Mr. Stark indicated that last fiscal year a general fund subsidy was applied to the County medical plan due to an increase in expenditures, claims, and utilization. The County is self-funded and self-insured. There has been an increase in claims and utilization of the plan; but a decrease in plan participants due to frozen and vacant positions with departments. Melissa Wood, Benefits Compensation Manager, explained that there was a premium increase on January 2021 however, with the decline of plan participants, there is still a deficit in revenue funds. To decrease expenditures, the prescription exclusive mail plan was implemented in April 2021 and an additional increase in premiums, as well as plan modifications were implemented in January 2022. Though the changes were implemented, the plan remains underfunded. Ms. Wood presented plan comparisons/statistics and various options for Commission review and guidance.

The Commission commented and asked various questions.

**2. ARPA (American Rescue Plan Act) Projects**

Jim Cox, Deputy County Manager, presented a summary of the first quarter of ARPA funding. Mr. Cox requested additional allocations within the ARPA guidelines as follows:

- Valley Fire Station 3 (Waterflow) sleeping quarters completion- The original estimate of probable cost underestimated the market because of inflation and supply chain shortages.
- Cyber Security Improvements- The Commission approved the purchase of 40 VPN laptops as part of the original ARPA allocated budget. To enable full processing ability with increase security, the County was required to upgrade the 2016 server to a 2022 server. James Bean, Deputy Information Officer, briefed the Commission on current cyber security and the malware attempts daily. Staff requested approval to purchase the Crowdstrike Falcon Complete package as part of the County's attempt to ensure a robust cybersecurity infrastructure.
- Adult Detention Center Training Facility to replace the current undersized portable building. Daniel Webb, Adult Detention Center Administrator, explained the need for a new training facility, the benefits to the staff, and the amenities of the proposed facility.

The Commission asked various questions. A motion was made by Chairman Fortner, seconded by Commissioner Todacheene to approve the ARPA (American Rescue Plan Act) Project. Upon voice vote this motion passed unanimously.

**Adjourn**

Being no further business, Chairman Pro-Tem Lanier adjourned the meeting at 1:57 p.m.

**APPROVED THIS 5TH DAY OF JULY 2022**

**BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:**

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Chairman Terri D. Fortner

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Chairman Pro-Tem Steve Lanier

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John T. Beckstead

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GloJean Todacheene

\_\_\_\_\_  
Michael Sullivan

ATTEST:

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Tanya Shelby, County Clerk