

**San Juan County Commission
Special Meeting
May 9, 2023**

Chairman Lanier called the San Juan County Commission meeting to order on May 9, 2023, at 11:40 p.m. in the Commission Chambers located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Those present were:

CHAIRMAN	Steve Lanier
CHAIRMAN PRO-TEM	John T. Beckstead
MEMBER	Terri D. Fortner
MEMBER	GloJean Todacheene
MEMBER	Gary McDaniel
CHIEF DEPUTY ASSESSOR	John Kuhn
CLERK	Tanya Shelby
TREASURER	Carol Taulbee
SHERIFF	Shane Ferrari
COUNTY MANAGER	Mike Stark
DEPUTY COUNTY MANAGER	Jim Cox
ATTORNEY	Joe Sawyer
DEPUTY ATTORNEY	Ellen Wayne
EMERGENCY MANAGER	Mike Mestas
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
CHIEF HUMAN RESOURCES OFFICER	Roberta Padilla
ADULT DETENTION ADMINISTRATOR	Daniel Webb
FIRE CHIEF	David Vega
COMMUNICATIONS DIRECTOR	Nicole Brown
CHIEF IS OFFICER	Keith Lund
PUBLIC RELATIONS & FILM MANAGER	Devin Neeley
PROJECT MANAGER	Porter Smith

VISITORS:

4

New Business

1. Review of FY24 Interim 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, the 5-year and 30-year capital plan, and initiatives. The budget presented is a balanced budget, fully funds all capital needs, and includes strong cash reserves. The focus is on public safety, recruiting/retaining County staff, and the quality-of-life initiatives within the strategic plan. Mr. Stark thanked Kim Martin, Chief Financial Officer, and the Finance Department for 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 23, 2023; 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)
 - Overall 12% GRT budgeted increase from FY23 GRT budget
 - Retail and wholesale trade industry- increased 16.75% from 2022 taxable revenue
 - Mining, quarrying, and oil & gas extraction industry- increased 94.75% over the 2022 taxable revenue.
 - Health Care Assistance Program (HCAP) GRT- split 75% HCAP and 25% to the General Fund
- Property Tax
 - Residential- \$12,262,514; valuation increased 6%
 - Non-Residential- \$14,699,771; valuation increased 2%
 - Increase in property tax is due to the increase in home values in 2022- CNBC noted that the Farmington MSA had the largest home value increase in the United States at 20.3%
- One-time Revenues (not guaranteed to receive)
 - Payment in Lieu of Taxes (PILT)-- \$2,500,000
 - Gross Receipts Tax Equalization(recurring)-- \$1,000,000
 - Various Grants
- Oil & Gas Equipment and Production
 - Production: \$3,671,215 (budgeted 1.5% increase over FY23)
 - Equipment: \$925,315 (based on prior year production)
 - Revenues are a one-time revenue source due to its volatility

Expenditures

Payroll

- San Juan County
 - Proposed Market survey-- estimated at \$671,453
 - 1% COLA (Cost-Of-Living Adjustment)-- \$327,946
 - 3% Merit-based Increase-- \$542,731

- PERA contributions increase 0.5% for both employee and employer
- Health insurance employer cost increase of 30% (includes premium change as of January 1, 2023).
 - Proposed budget reflects 1/2 self-funded [77/23 split] and 1/2 State plan [80/20 split] (\$7.8M)
 - If the County were to stay self-funded, the increase would be 48% (\$8.9M)
 - A full year on the State plan would be a 21% decrease in premium cost for the County (\$6.9M)
- 6 new positions were added: Purchasing Coordinator, Marketing Assistant, Fire Engineer (SJC Squad), GIS Analyst, Office Assistant I (Senior Centers), and Lead Community Resource Technician; 21 frozen positions
- Communications Authority
 - 3% COLA and 1% merit-based increase
- Criminal Justice Training Authority
 - 1% COLA and 3% merit-based increase
- San Juan Water Commission
 - 6.4% COLA and 11.58% merit increase for one employee
 - Reclassing 1 position and 1 frozen position

Chairman Pro-Tem Beckstead requested information regarding the reclassification of the position for the Water Commission. Aaron Chavez, San Juan Water Commission Executive Director, stated that through the strategic plan, community projects such as infrastructure and efficiency projects have become the focus of the Water Commission resulting in the reclassification of the GIS Coordinator position to Planner, Grant Writer, and Media position.

Mr. Stark explained that it is not feasible to continue subsidies from the General Fund to sustain the current health plan design. Melissa Wood, Benefits Compensation Manager, provided a brief overview of the benefits plan under the State of New Mexico explaining that the benefit plan options are similar to the benefits currently offered at a lower cost to the employee and the County. The plan was at various open meetings with no negative comments received from those in attendance or by email. The State plan would begin on January 1, 2024, if implemented.

Ms. Wood presented the results of the compensation study conducted by Valliant Consulting Group to ensure that the County is aligned correctly to retain and recruit employees. Findings include the following:

- The County is aligned with market with less than a 1% difference between market averages and salary range midpoints
- 54 positions have midpoints 4% greater than market (16 positions have midpoints 10% higher)
- 92 positions have midpoints 4% lower than market (20 positions have midpoints 10% lower)
- Market average is based on individual pay rates which recognize different minimum qualifications, tenure, and/or performance

The proposal is to adjust the wages to market of the various positions that are 4% lower than market.

General Fund

- 5-year and 30-year Capital Plan
 - Elected offices and departments submitted a 5-year capital plan
 - 30-year capital plan
 - Fully funded through one-time revenue sources

Jim Cox, Deputy County Manager, explained that the 30-year Capital Plan was introduced to ensure the best utilization of public funds for capital needs. Debt service will be decreasing beginning next year, allowing for excess monies to be utilized to fund needs. This plan was submitted for the NACo Achievement Award for Debt-Free Long-Term Capital Financing. The County will continue to apply for grants to fund projects.

- Capital Expenditures
 - The interim budget does not include purchase order carryovers
 - General fund impact-- \$9,607,242
 - Special Revenue impact-- \$3,358,454
 - Grant/Pre-funded impact-- \$1,050,000
- Special Revenue Funds and Component Units
 - 50% of total expenditures
 - Used to subsidize the Road Fund, Corrections, Major Medical, HCAP, Communications, and the Water Commission.
- General Fund Expenditures
 - 22% of total budgeted expenditures
 - Total budgeted FY24 Revenues \$68,258,935
 - Transfers out \$50,490,876
 - \$.7 million transfers into General Fund
 - \$2.6 million into debt service fund
 - \$36 million to supplement special revenue funds expenditures in excess of revenues
 - General Fund reserve requirement is in excess of the State mandate by 53%

Nick Porter, Project Manager, highlighted the various capital projects that are near completion or completed:

- State funded capital projects: Kirtland Walk Path, Film Studio Totah Theatre & Backlot, Riverview Gold Course Water Line, San Juan Regional Medical Center (various projects), Road 5500 Crack and Chip Seal, Pinon Bridge Connection Project- RD 3900, Five Mile Bridge Alternatives Analysis, Cedar Hill Boat Ramp, Sheriff's Office Helicopter Replacement, Fire Apparatus, Industrial Park Improvements- Natural Gas Line, and McGee Park- Rabbit Poultry Barn
- State grant and Federal ARPA combined projects: East Culpepper Flats- Water project
- Federal ARPA projects: Totah Subdivision Water/Wastewater, Adult Detention Center- Training and Wellness Facility/Camera System, Animas Riverbank Stabilization, VFS #3-Waterflow Sleeping Quarters, Bridge 3121, 5722, and 8111 Replacements
- Federally funded projects: ADA Improvements- County Facilities, Industrial Park

Improvements, Freight Rail Planning Study, and San Juan Medical Center equipment (Telehealth services) & Generators

- Internally funded projects: McGee Park Lift Station and Cedar Hill Pedestrian Bridge

Debt Services

- \$27,065,000 principal outstanding debt
- \$33,485,000 budgeted principal payments
- \$1,236,738 budgeted interest payments
- NMFA loan from 2012 will be paid off in FY24 (\$498k savings in debt service payments)
- Refunding Revenue Bonds 2015A will be paid off in FY26 (\$1.8M savings in debt service payments)
- No General Obligation debt for over 32 years

Outside Agencies

- Proposed FY24 budget for outside agencies is:
 - Libraries/Museums \$54,500
 - Youth/Recreation \$73,100
 - Health & Wellness \$117,500
 - Economic Development \$120,000
 - Public Safety \$125,000
 - Contract Commitments \$343,158
- Starting in FY22, Intergovernmental Services was renamed to Contract Commitments. The Aztec, Bloomfield, and Navajo Senior Centers are accounted for under Contract Commitments.

Mike Stark, County Manager, explained the request process for outside agencies to receive funds and the various agencies that submitted requests. San Juan College High School submitted a request to be included with the other seven high schools that receive funding for Project Graduation. Commissioner McDaniel requested that \$15,000 be added for a foundation pad for a storage building for the Nageezi Chapter. Commissioner Todacheene asked if the Shiprock Marathon submitted a request for funding. Mr. Stark indicated that a request was not received, however, it can still be considered in the interim budget. Chairman Pro-Tem Beckstead requested that Byron's House of Hope be notified regarding the application process for County funding.

Jim Cox provided information regarding the current process in determining the mill rate for the Water Reserve Fund. Mr. Cox stated that in the past, the mill rate was not calculated by the statutory yield control formula and that the Water Reserve Fund currently receives an allocation of 1/2 mil. Consideration as to how the mill rate is to be calculated will be presented to the Commission prior to the submission of the final budget.

The Commission asked various questions.

2. Consideration of ARPA (American Rescue Plan) Reallocation Revisions

Jim Cox, Deputy County Manager, requested re-allocation of ARPA funds that were allocated for COVID-related costs. Staff is requesting funding be re-allocated to the Waterflow Sleeping Quarters design/build, Adult Detention Center (ADC) camera system replacement/upgrade, and the ADC Training and Wellness Facility furnishings. Funds need to be obligated by December 31, 2024. A motion was made by Chairman Pro-Tem Beckstead, seconded by Commissioner Fortner to approve the ARPA (American Rescue Plan) Reallocation Revisions. Upon voice vote the motion passed unanimously.

3. Consideration of Approval of Resolution No. 22-23-62, Providing Additional Compensation to the County Assessor and Appraisers for Obtaining Greater Qualification Levels


Joe Sawyer, County Attorney, indicated that in its 2023 session, the New Mexico Legislature amended NMSA 1978, § 4-39-4 and § 4-39-5 to increase the amounts payable for "Appraiser 1", "Appraiser 2", "Appraiser 3", and "Appraiser 4" certificates. If the Commission approves Resolution No. 22-23-62, the County Assessor and Appraisers will receive the maximum amounts available for the qualification levels they have achieved. The additional amount received by the Assessor will be \$5,500 for an Appraiser 4 certificate, and the appraisers will receive an additional \$1,500 for an Appraiser 4 certificate. The amendments to Sections 4-39-4 and 4-39-5 make the amounts received by the Assessor and the appraisers equal (formerly the appraisers earned more for the same qualification levels). If approved, the increase of \$23,250.26 will be included in the FY2024 final budget. A motion was made by Chairman Pro-Tem Beckstead, seconded by Commissioner Todacheene to approve Resolution No. 22-23-62, Providing Additional Compensation to the County Assessor and Appraisers for Obtaining Greater Qualification Levels. Upon voice vote the motion passed unanimously.

Adjourn

Being no further business, Chairman Lanier adjourned the meeting at 2:03 p.m.

APPROVED THIS 6TH DAY OF JUNE 2023

BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:



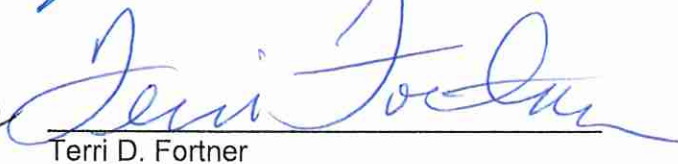
Chairman Steve Lanier



Chairman Pro-Tem John T. Beckstead



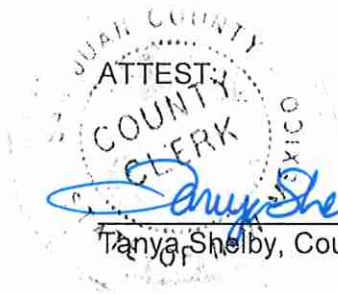
Glo Jean Todacheene



Terri D. Fortner



Gary McDaniel



Tanya Shelby, County Clerk