

San Juan County Commission
Regular Meeting/Budget Workshop
May 7, 2024

Chairman Pro-Tem Fortner called the San Juan County Commission meeting to order on May 7, 2024, at 11:30 a.m. in the Commission Chambers located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Ms. Fortner requested a moment of silence in honor of Deputy Bill Hooser, who was killed in line of duty in Santaquin, UT. Deputy Hooser was a former San Juan County Deputy Sheriff and his wife, Kinda Hooser, served as an administrative member of the San Juan County Fire Department. Those present were:

CHAIRMAN	John T. Beckstead- ABSENT
CHAIRMAN PRO-TEM	Terri D. Fortner
MEMBER	Steve Lanier
MEMBER	GloJean Todacheene
MEMBER	Gary McDaniel
CLERK	Tanya Shelby
CHIEF DEPUTY CLERK	Alyssa Kuhn
CHIEF DEPUTY TREASURER	Bryan Myers
SHERIFF	Shane Ferrari
UNDERSHERIFF	Cory Tanner
COUNTY MANAGER	Mike Stark
DEPUTY COUNTY MANAGER	Steven Saavedra
ATTORNEY	Joe Sawyer
DEPUTY ATTORNEY	Ellen Wayne
CLAIMS MANAGER	Cynthia Singleton
EMERGENCY MANAGER	Mike Mestas
CHIEF FINANCIAL OFFICER	Kim Martin
DEPUTY FINANCE OFFICER	Travis Sisco
PARKS & FACILITIES ADMINISTRATOR	Steven Dansie
PARKS & FACILITIES DEPUTY ADMINISTRATOR	Michelle Murray
PUBLIC WORKS ADMINISTRATOR	Nick Porell
CHIEF HUMAN RESOURCES OFFICER	Roberta Padilla
DEPUTY HUMAN RESOURCES OFFICER	Melissa Wood
ADULT DETENTION ADMINISTRATOR	Daniel Webb
ALTERNATIVE SENTENCING ADMINISTRATOR	Jennifer Mitchell
JUVENILE SERVICES ADMINISTRATOR	Bowen Belt
JUVENILE SERVICES DEPUTY ADMINISTRATOR	Shane Starr
FIRE CHIEF	David Vega
DEPUTY FIRE CHIEF	John Gilbert
DEPUTY FIRE CHIEF	Donovan Mack
COMMUNITY DEVELOPMENT DIRECTOR	Michele Truby-Tillen
COMMUNICATIONS DIRECTOR	Nicole Brown
SAFETY & COMPLIANCE MANAGER	Stewart Logan
PUBLIC RELATIONS & FILM MANAGER	Devin Neeley
PROJECT MANAGER	Porter Smith

VISITORS:

2

Regular Meeting

New Business

1. Review of FY25 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 which fully funds all capital/operation needs and includes a strong cash reserve. Mr. Stark thanked Kim Martin, Chief Financial Officer, and the Finance Department for compiling/preparing the budget and Melissa Wood, Deputy Human Resources Officer for creating an analysis of a recent compensation study to present to the Commission. Ms. Martin reported the following to the Commission:

- The Interim Budget will be presented to the Commission for approval on May 21, 2024; 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 GRT budgeted a 4% increase from FY23 GRT budget
 - Health Care Assistance Program (HCAP) GRT has been budgeted 100%, the General Fund is no longer budgeting any revenue from HCAP
 - 37.7% of revenue
- Property Tax
 - Residential- \$12,899,721; valuation increased 5%
 - Non-Residential- \$14,099,059; valuation increased 4%
 - Non-Residential property value decreased due to the decommissioning of San Juan Generating Station
 - 21.7% of revenue
- Opioid and Cannabis Revenue
 - Revenues received from the Opioid Settlement and Cannabis sales that occur in the County will be allocated for Alternative Sentencing
 - Costs for the Sobering Center and Joint Intervention Program will be paid by an FY25 grant (one time source of revenue)
- One-time Revenues (not guaranteed to receive)
 - Payment in Lieu of Taxes (PILT)- \$2,500,000
 - Grants are 27.9% of revenue
- Oil & Gas Equipment and Production
 - Production: \$4,256,471 (budgeted 15% increase over FY24; however, a 53% decrease from FY23 actuals)
 - Equipment: \$898,303 (based on prior year production)
 - Revenues are a one-time revenue source due to its volatility

Expenditures

Payroll

- San Juan County
 - 1% COLA (Cost-Of-Living Adjustment)-- \$438,659
 - 3% Merit-based Increase-- \$733,397
 - Proposed Market survey-- estimated at \$1.7M (salary/benefits)
- PERA contributions increase 0.5% for both employee and employer
- 12 new positions were added: Alternative Sentencing Case Manager (grant funded), Code Compliance Officer, Budget, Audit and Special Projects Manager, Firefighter (2 positions- Town of Kirtland funded and 3 positions-City of Bloomfield funded), Housing Administrative Assistant, IS Generalist (Fire), Maintenance Technician II and Safety Coordinator; 18 frozen positions
- Health insurance- Interim budget includes 10% increase for both employee and employer.
 - Calendar year 2024 premium increase was covered by San Juan County at the direction of the Commission
 - General Fund subsidized Major Medical \$900k for 6 months prior to moving to the State of New Mexico Health Insurance
- Communications Authority
 - 2% COLA
 - New position- Warrant Supervisor- \$35.11
 - Three vacant Call Taker positions to be filled in FY25
- Criminal Justice Training Authority
 - 3% merit-based increase
- San Juan Water Commission
 - 3.1% COLA
 - Water Resources, IT, and Web-Design Specialist- 7.9% step increase
 - Project Planner Specialist- 6.5% step increase
 - Administrative Assistant- 6.2% step increase
 - Reclassing a frozen position- Administrative Assistant- \$29.24
- 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
 - Assists in budgeting funds for equipment, maintenance, and improvements to the facilities
 - The County has received the NACo Achievement Award for Debt-Free Long-Term Capital Financing
- Capital Expenditures
 - The interim budget does not include purchase order carryovers
 - General fund impact-- \$9,425,662
 - Special Revenue impact-- \$961,923
 - Grant/Pre-funded impact-- \$1,200,000

General Fund

- General Fund Expenditures

- 23% of total budgeted expenditures
- Total budgeted FY25 Revenues \$68,826,199
- Transfers out \$38,627,443
 - \$.7 million transfers into General Fund
 - \$2.4 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 50.3%
- Debt Service
 - \$23,580,000- Principal Outstanding
 - \$3,150,000 budgeted principal payments
 - \$1,073,013 budgeted interest payments
 - NMFA loan from 2012 will be paid off in June 2024
 - Refunding Revenue Bonds 2015A will be paid off in FY26 (\$1.8M savings in debt service payments)
 - NMFA Loan for Series 2017 refunding revenue bond will be paid off in FY27 (\$2.1 savings in debt service payments)
 - No General Obligation debt for over 33 years (Debt that is backed by Property Taxes)
- Outside Agencies
 - Funding was approved for all agencies that met the requirements
 - At the request of Commissioner Todacheene, the funding for San Juan County Museum Association will be changed from \$10,000 to \$15,000.
 - The County received applications for funding after the deadline from the Four Corners Home for Children and the People Assisting the Homeless (PATH) due to changes in administration. The Commission agreed that the funding would still be issued.

Commissioner Todacheene expressed her desire to provide funding to the 8 non-certified Navajo Nation Senior Centers in addition to the 8 certified that are currently funded. Mr. Stark indicated that per the notice received from the Navajo Nation Department of Justice in 2019, the County can only send funding directly to the certified centers; to fund the non-certified senior centers would require the funds to be sent to the Navajo Nation in Window Rock to disperse amongst the 16 centers. The Commission agreed to continue to provide funding to the 8 certified Navajo Nation Senior Centers.

Mr. Stark indicated that a compensation study has been conducted for the last 4 years, to ensure that the County is aligned correctly to retain and recruit employees; the Commission has previously implemented the findings of the study. Valliant Consulting Group (Valliant) reported that there had been a 4% change in the COLA and recommended a 3% merit-based increase which currently is in the proposed budget, and an additional 1% COLA prior to implementing the findings of the recent study. The recommended 1% COLA would offset the 0.5% increase in PERA contributions and the 10% increase in health insurance costs. The recent compensation study conducted was a review of 321 positions within the County which is over two-thirds of the County; 421 employees would receive a market increase, if implemented by the Commission. Valliant's study found that these positions are currently below market and recommended implementation which would cost \$1.7 million annually; with the COLA included, \$2.1 million. The March staffing table shows that as of March 2024 there is a vacancy rate of 10%, a decrease from 14% in 2023; 72% the vacancies are in the Detention Centers, Sheriff's Office, and licensed Counselors/Therapists. Melissa Wood, Deputy Human Resources Officer, stated that Valliant has conducted the past two compensation studies, that their findings are reliable

and recommended that the findings are implemented. Mr. Stark deferred to Ms. Martin, who stated that upon review of the GRT for FY24, the estimated amount is \$54 million, 12% over budget leaving 6-8% variance and that implementation of the study would not put a strain on the revenues. Mr. Stark stated that historically, 78% of the total budget is generally related to human capital; without people, services would not be provided to the community and recommended that the County continues to stay up to date with the market.

Steven Saavedra, Deputy County Manager, gave a brief overview of the current economy and highlighted the following:

- Public sector investments creating temporary construction jobs
- Private development- car washes, Maverik, a new medical facility, and an Amazon warehouse
- Diversification of energy opportunity
- The County has had an increase in applications for employment

Porter Smith, Project Manager, highlighted the following Capital Projects:

- Completion of State funded projects: Kirtland Walk Path Project, Riverview Golf Course Water Line Project, San Juan Regional Medical Center (SJRMC) Chiller Plant Replacement, and the SJRMC UV Light Upgrades to HVAC System
- Current State funded projects: SJRMC Women's Inpatient Unit Improvements, Sheriff's Office Helicopter Replacement, McGee Park-Rabbit & Poultry Barn, New Mexico State University (NMSU) Extension Office, Lower Animas Valley Trail, Outdoor Recreation Master Plan, and the Gravel Bike Route Marketing
- Current State Grant & Federal ARPA Combined projects: East Culpepper Flats and Totah Subdivision Water/Wastewater
- Completion of Federal ARPA Projects: Training and Wellness Facility and Camera System at the Adult Detention Facility
- Completion of Federally Funded Projects: Americans with Disabilities Act (ADA) Improvements at County Facilities and Emergency Generator & SJRMC Telehealth

Commissioner Lanier asked for clarification of the delays on the Pinon Hills Bridge project. Nick Porell, Public Works Administrator, reported that there were delays in Right of Way acquisitions and that following a meeting with the Cabinet Secretary, categorical inclusions to proceed were permitted. There have also been funding delays, due to the distribution of funds between entities.

2. Consideration of FY24 Budget Adjustment #13 -Resolution No. 23-24-63

Kim Martin, Chief Financial Officer, presented final budget adjustments to the Commission for approval which will be sent to the NM Department of Finance and Administration for their approval. The following adjustments to the budget were presented for consideration:

- \$1,393,610 increase- FY24 budgeted revenues
- \$358,864 increase- General Fund revenues (recognized revenue received over budget)
- \$712,580 increase- Intergovernmental Grants Fund revenue (received additional grant funding)

- Criminal Justice Training Authority revenue received was over budget by \$37,000
- Housing Authority received additional \$325,000 in funding for units leased and an adjustment will be made to their voucher payment line by \$325,000 due to more units being leased
- \$2,071,677 increase- FY24 budgeted expenditures
- \$343,719 increase- General Fund (unanticipated expenditures)
- \$54,945 increase- Corrections Fund expenditure to purchase equipment at a discounted price in FY24
- \$37,000 increase- Criminal Justice Training Authority expenditures to cover a third training class being paid out of FY24 budget
- \$1,245,868 increase- Intergovernmental Grants Fund expenditures (additional grant funding received)
- San Juan Water Commission's Board approved during their April 3, 2024, board meeting to purchase a new vehicle for \$50,000.
- A new security fence will be installed at Adult Detention Center and there was a slight price increase for the Geographic Information System's plotter which increases the Capital Replacement Fund by \$15,145.
- The Major Medical Fund revenues were decreased to reflect what was received by \$39,834.

A motion was made by Commissioner Todacheene, seconded by Commissioner Lanier to approve the FY24 Budget Adjustment #13 -Resolution No. 23-24-63. Upon voice vote the motion passed unanimously.

Adjourn


Being no further business, Chairman Pro-Tem Fortner adjourned the meeting at 1:42 p.m.

APPROVED THIS 21ST DAY OF MAY 2024

BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:


Chairman John T. Beckstead


Chairman Pro-Tem Terri D. Fortner


Steve Lanier


GloJean Todacheene


Gary McDaniel




Tanya Shelby, County Clerk