

**San Juan County Commission
Special Meeting
May 6, 2013**

Chairman Eckstein called the San Juan County Commission meeting to order on May 6, 2013 at 9:00 A.M. in the Administrative Conference room located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Those present were:

CHAIRMAN	Scott Eckstein
CHAIRMAN PRO-TEM	Jack L. Fortner
MEMBER	GloJean Todacheene
MEMBER	Margaret McDaniel
MEMBER	Keith Johns
CLERK	Debbie Holmes
CHIEF DEPUTY CLERK	Tanya Shelby
COUNTY EXECUTIVE OFFICER	Kim Carpenter
ASSISTANT CEO	Linda Thompson
COUNTY OPERATIONS OFFICER	Mike Stark
ATTORNEY	Jim Durrett
CHIEF FINANCIAL OFFICER	Marcella Brashear
DEPUTY FINANCIAL OFFICER	Brooke Quintana
PUBLIC WORKS ADMINISTRATOR	Dave Keck
BENEFITS COMPENSATION MANAGER	Cricket Long
COMMUNICATIONS DIRECTOR	David Ripley
PRESS: Farmington Daily Times	Ryan Boetel
VISITORS: 1	

New Business

1. Review of the San Juan County Preliminary Fiscal Year 2014 Budget

CEO Kim Carpenter began the meeting with the discussion of Health Care Benefits. Cricket Long, Benefits & Compensation Manager reviewed the following proposed changes with the Commission:

1. Modify the employer/employee premium split. Currently the split is 80/20. A 75/25 split would result in an estimated savings of \$365,036 to the General Fund and a 78/22 split would result in an estimated savings of \$145,963 to the General Fund. The impact to the employee would be 5% to 25% depending on the split.
2. Implementation of a small per pay period premium for vision coverage. San Juan County funds the vision plan out of the General Fund. It is estimated that the recommended premium will save the County approximately \$39,000.
3. Clarify dental benefit to include verbiage clarification that shows oral surgery is paid through the medical plan and impacted teeth are not limited to wisdom teeth.

4. Utilize Restat's new pharmacy program called "ALIGN". There is no cost to the County and a potential savings of \$91,860. All prescriptions would be filled through an Align pharmacy. All major pharmacies in the County participate in Align with the exception of Kare Drug in Bloomfield and Aztec. Restat is working with those pharmacies to contract with the Align program. New co-pays under the Align program are \$5 less: \$10/\$20/\$40.
5. Increase maximum out-of-pocket expenses, as per the attached document, and allow the annual deductible to apply towards the maximum out-of-pocket. Staff is waiting to receive the estimated savings amount from Tall Tree Administrators.
6. Narrow the provider network by limiting the choice of providers and steering plan members to providers who have negotiated a greater discount with San Juan County. The estimated savings is \$40,000.
7. Case manage plan members identified with chronic health conditions. The accumulated savings for the first 6 months of 2012 was \$94,975.
8. Require mandatory employee Health Risk Assessment (HRA) program for all employees and covered dependents to help identify problem health areas early and allow for evaluation of prescriptive program for adjusted employee medical premium contribution. Employees who complete the HRA process may see a reduction in medical premium. Staff is awaiting estimated savings amount from Tall Tree administrators.
9. Require pre-authorization for colonoscopy testing with frequency and payment based on U.S. Preventive Services Task Force Recommendations; age related criteria determines if defined as preventive/no cost sharing. The estimated cost savings is \$400.
10. Limit choice on out of area Hospital tertiary care (members referred to other hospitals for treatment) to facilities with negotiated discounts. Staff is waiting to receive the estimated savings amount from Tall Tree Administrators.
11. Increase the co-pay for non-contracted urgent care to \$150 per visit. Staff is waiting to receive the estimated savings amount from Tall Tree Administrators.
12. Increase Emergency Room co-pay to \$250. A hospitalization as a result of the ER visit would not result in an ER co-pay. Staff is waiting to receive the estimated savings amount from Tall Tree Administrators.
13. Change maximum coverage on Chiropractic services from \$1000/year to 24 visits/year.

The Commission discussed each of the changes to the Health Care benefits.

CEO Kim Carpenter explained to the Commission that the following has already been done or is in the process of being done to reduce the current budget:

- Increased frozen positions
- Reduced hours of operation at transfer stations
- Parked vehicles used for commuting
- Froze virtually all capital and travel expenditures

- Instructed departments not to make purchases unless absolutely necessary
- Cut in Public Works' temporary laborers – 6 not filled
- Reducing landscaping at the Administration Building
- Reduce desk top printers to reduce ink (\$80,000 currently)
- Changed T-1 data line provider (savings \$112,533/yr)
- Reduced dust control services on lesser maintained roads (savings \$100,000/yr)
- Riverview golf car lease buyout \$140,000 over 4 years
- Changed Riverview golf course fees
- Implemented fingerprinting fees
- Changed fees at McGee Park
- Navajo Nation agreement for Public Works to perform road work

Deputy CEO Linda Thompson indicated that \$410,188 is needed to meet the required reserves. Ms. Brashear provided a power point presentation on the FY 2014 interim budget with the following key points:

- Total revenues \$106,192,924, Gross Receipts Tax 32%, Oil & Gas Revenue 6%
- Total expenditures \$121,249,502
- Estimated 5% decrease in Gross Receipts Tax, 20.38% decrease from 2009
- Included new 1/16 Gross Receipts Tax and decrease the Hospital GRT from 1/8th to 1/16th and the General Fund GRT will be implemented at 1/16th effective 1/1/2014. The 1/16th for the General Fund is estimated to generate \$741,674 in FY14
- San Juan County has the second lowest mill rate in the state
- Oil & Gas production has decreased from the FY08 by 66%
- Oil & Gas revenue has decreased from the FY10 by 65%
- Receipts from Sun Ray have decreased by 40%
- 27 Frozen positions saving the County \$1.6 million
- Outside Agencies – Staff sent a letter to all agencies to let them know that the County was taking requests. Staff requested the Commission review the agencies and advise staff on how they would like to proceed.

CEO Kim Carpenter advised the Commission of the following future items that will affect the County:

- Sale of the Navajo Mine – Impact on property taxes of \$736,529
- Power Plant Decommissioning Units – APS/PNM loss of property taxes
- Gross Receipts Taxes – impact from Navajo Mine & Power plant closures
- PILT – unknown funding levels
- PERA – increase in County portion by .4% = \$129,507/yr
- Obama Care Fees Increase – Transitional Reinsurance Program Fee - \$111,258
- GRT Hold Harmless Repeal
- Farmington Annexations – loss of GRT
- Indigent Health Care – State determined to take the County's 1/8th GRT
- Increasing Animal Shelter costs

Proposed options for the Commission to consider to balance the budget:

- Impose Fees at the Landfill

- Close Transfer Stations on Reservation
- Short Term Solution – Utilize Water Reserve Fund to balance
- Mandatory 4-10 Work Schedule
- Short Term Solution – Utilize Capital Reserve Funds to cover General Fund Capital requests
- Health Insurance Premium – change percentage split to 75%/25% = \$436,330 savings
- Health Insurance Premium – change percentage split to 78%/22% = \$145,963 savings
- 1% pay decrease = \$338,901
- 2% pay decrease = \$579,961
- Implement 1/3 mill – estimated revenue = \$1.2 million
- Franchise Tax – increase 3% to 4% = \$14,614 in revenue, increase from 3% to 5% = \$29,228 in revenue
- Reduce the Hospital GRT remaining 1/16th and implement 1/8th Hold Harmless GRT – estimated revenue FY14 = \$1.5 million
- Implement Business Licenses
- Implement Fees at the McGee Park
- Implement Vendor Registration Fees
- Implement Flood Plain Assessment Fees
- Review Compressed Natural Gas Initiative
- Lease out Huerfano (DZ) Sheriff Substation
- Implement Notary Fees
- Sell Golf Course

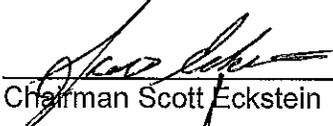
This was an informational meeting only. No action was taken.

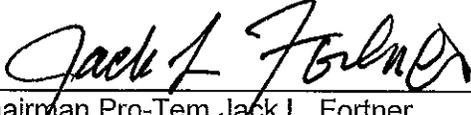
Adjourn

Being no further business a motion was made by Chairman Pro-Tem Fortner, seconded by Commissioner Johns to adjourn the meeting. Upon voice vote this motion passed unanimously and the meeting adjourned at 12:50 p.m.

APPROVED THIS 21st DAY OF MAY, 2013

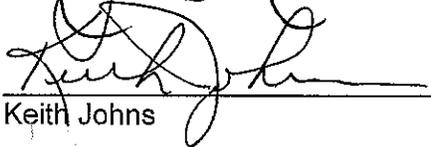
BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:


Chairman Scott Eckstein

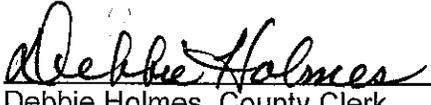

Chairman Pro-Tem Jack L. Fortner


Margaret McDaniel


Glojean Todacheene


Keith Johns

ATTEST:


Debbie Holmes, County Clerk