

**San Juan County Commission
Regular Meeting/Budget Workshop
May 6, 2025**

Chairman Fortner called the San Juan County Commission meeting to order on May 6, 2025, at 11:30 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
CHAIRMAN PRO-TEM	Sam Gonzales
MEMBER	Sandra L. Lanier
MEMBER	GloJean Todacheene
MEMBER	Gary McDaniel
CHIEF DEPUTY ASSESSOR	John Kuhn
CLERK	Alyssa Kuhn
SHERIFF	Shane Ferrari
UNDERSHERIFF	Cory Tanner
COUNTY MANAGER	Mike Stark
DEPUTY COUNTY MANAGER	Steven Saavedra
DEPUTY ATTORNEY	Ellen Wayne
CHIEF FINANCIAL OFFICER	Kim Martin
DEPUTY CHIEF FINANCIAL 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
FIRE CHIEF	David Vega
DEPUTY FIRE CHIEF	John Gilbert
COMMUNITY DEVELOPMENT DIRECTOR	Michele Truby-Tillen
CHIEF IS OFFICER	Keith Lund
SAFETY & COMPLIANCE MANAGER	Adam Ortega
PUBLIC RELATIONS & FILM MANAGER	Devin Neeley
BEHAVIORAL HEALTH SERVICES DIRECTOR	Megan Cullip
PROJECT MANAGER	Porter Smith
VISITORS:	4

Presentation

1. Certificate of Recognition – Marathon Petroleum Corporation

Steven Saavedra, Deputy County Manager, recognized Marathon Petroleum Corporation for a nearly \$3 million, 2-year clean-up effort for the vacant property at Road 350 and Hwy 64.

Commissioner McDaniel coordinated a meeting with Marathon Petroleum and Brad Schaeffer's team for demolition and clean up. The Commission asked various questions.

Regular Meeting

New Business

1. **Consideration for Award of Application No. 24-25-16, Economic Development Opportunity Lease of SJC Industrial Park to PESCO, Inc. of Farmington, NM**

Diana Chapman, Chief Procurement Officer, requested approval to submit an application for the lease of the 45-acre tract of land and industrial building located north of Farmington on Highway 170 on February 10, 2025. Two applications were received March 18, 2025, and evaluated by the Committee: Mike Stark, Diana Chapman, Chairman Fortner, Chairman Pro-Tem Gonzales, Commissioner Lanier, Commissioner Todacheene, and Commissioner McDaniel, in accordance with the evaluation criteria. Ms. Chapman stated that C&J Equipment withdrew their offer, due to moving forward with another property. Ms. Chapman requested to begin contract negotiations with PESCO, Inc. as the highest rated application for lease of the industrial building. A motion was made by Chairman Pro-Tem Gonzales, seconded by Commissioner McDaniel to approve the Award of Application No. 24-25-16, Economic Development Opportunity Lease of SJC Industrial Park to PESCO, Inc. of Farmington, NM. Upon voice vote the motion passed unanimously.

2. **Review of FY2026 Interim Budget**

Mike Stark, County Manager, commended the County department heads, elected officials, and other agencies that participated in the budget 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 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 20, 2025; it will then be submitted to the Department of Finance (DFA) for approval 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 3% increase from FY25 GRT budget
 - Health Care Assistance Program (HCAP) GRT has been budgeted 100%, the General Fund is no longer budgeting any revenue from HCAP
- Property Tax

- Residential - \$13,181,916; valuation increased 2%
- Non-Residential - \$14,946,355; valuation increased 6%
- Opioid and Cannabis Revenue
 - Revenues received from the Opioid Settlement and Cannabis sales that occur in the County will be allocated for Alternative Sentencing
- One-time Revenues (not guaranteed to receive)
 - Payment in Lieu of Taxes (PILT) - \$2,500,000
- Oil & Gas Equipment and Production
 - Production: \$3,768,021 (budgeted 6% decrease over FY25; however, this is a 16% decrease from FY24 actuals)
 - Equipment: \$606,442 (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) -- \$498,755
 - 3% Merit-based Increase -- \$1,024,556
 - Proposed Market survey -- \$562,669
- PERA contributions increase 0.5% for both employee and employer
- 6 positions were added or reclassified: 17 frozen positions
- Health Insurance - Interim budget includes 20% increase for both employee and employer.
 - Total increase for employer: \$1,279,283
 - Cost to supplement employee costs by 20% will be an additional \$158,000 until January 1, 2026.
- Communications Authority
 - 3% Step increase totaling \$74,272
 - New positions – Call takers (3), Radio Specialist (1)
- Criminal Justice Training Authority
 - Market increase adds an additional \$6,221 in salary/benefits
 - 1% COLA adds an additional \$575
- San Juan Water Commission
 - 5 staff members will receive between 6% to 8% increase in wages
 - Total salary/benefit increase \$53,538
- 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
- Capital Expenditures
 - The interim budget does not include purchase order carryovers
 - General fund impact -- \$10,107,367
 - Special Revenue impact -- \$11,419,731
 - Grant/Pre-funded impact -- \$1,848,318

General Fund

- General Fund Expenditures
 - 23% of total budgeted expenditures
 - Total budgeted FY26 Revenues \$70,960,026
 - Transfer out \$40,743,195
 - \$.7 million transfers into General Fund
 - \$2.3 million into debt service fund
 - \$38 million to supplement special revenue funds expenditures in excess of revenues
 - General Fund reserve requirement is in excess of the State mandate by 43%
- Debt Service
 - \$20,430,000 – Principal Outstanding
 - \$3,300,000 budgeted principal payments
 - \$915,513 budgeted interest payments
 - 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 34 years (debt that is backed by property taxes)
- Outside Agencies
 - Funding was approved for all agencies that met the requirements
 - Commissioner McDaniel recommended \$2,500 for Shermot Psychosocial Intervention-Mobile Food Bank and Pantry.
 - Mike Stark, County Manager, stated that Bloomfield Library did not submit an application for funding, therefore, the amount awarded will match the prior year.
 - Commissioner Lanier asked for clarification on San Juan County Museum Association requested amount of \$15,000 but was awarded \$25,000. Mr. Stark noted a typographical error and stated that the actual request was for \$25,000.
 - Commissioner Todacheene questioned Waterflow Community Centers request of only \$500. Mr. Stark indicated that their request of \$500 falls in line with their utility usage of approximately \$450.

Shane Ferrari, Sheriff, explained that in 2024, San Juan County was awarded \$3.2M to assist in police reform benefits, recruiting, and retention for law enforcement agencies. Mr. Ferrari stated that agencies from within the State are offering longevity pay to successful new hire candidates therefore, new recruits are seeking and accepting positions with larger benefits/incentives. The Sheriff's office requested longevity pay to encourage deputies to continue their careers and loyalty to the department. Mike Stark, County Manager, stated that it will be added to the May 20th interim budget. The Commission asked various questions.

John Kuhn, Chief Deputy Assessor, presented a brief overview of the veteran's property tax exemptions passed in the most recent legislative session with HB47. This law increases the veteran's exemption from \$4,000 to \$10,000 and allows for disabled veterans to receive an additional tax exemption equal to their disability percentage. There are still many items that need clarification from the State including, how to obtain a veteran's disability percentage without violating their privacy, addressing multiple owners on the deed or deeds held in trusts, stacking exemptions, and veterans who own multiple properties. The Commission asked various questions.

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

- San Juan Regional Medical Center Women’s Inpatient Unit Improvement is a \$4M project for the remodeling of the childbirth center and are up to 70% complete and will finish at the end of June.
- County Extension office is 40% complete.
- McGee Park Rabbit and Poultry Barn had a ribbon cutting ceremony last year.
- Totah Subdivision Water and Wastewater project is and \$8 to \$9 million dollar project and is 65% complete.
- San Juan County Fire and Emergency Management self-contained breathing apparatus (SCBA) received a \$600,000 congressional direct spending and applied for a New Mexico match fund to get another \$400,000 and acquired \$1 million.
- The County was awarded Capital outlay funding for three projects:
 - Crisis Triage Center, \$7 million
 - Clerks’ office expansion renovation, \$2.5 million
 - EMS Station 6 project, \$200,000

The Commission asked various questions.

Alyssa Kuhn, County Clerk, gave a brief update on the Clerk’s Office Expansion.

Melissa Wood, Deputy Human Resources Officer, presented a revamped salary structure, which was approved by the Commission in March.


Adjourn


Being no further business, Chairman Fortner adjourned the meeting at 1:51 p.m.

APPROVED THIS 20TH DAY OF MAY 2025

BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:


Chairman Terri D. Fortner


Chairman Pro-Tem Sam Gonzales


Sandra L. Lanier

GloJean Todacheene


Gary McDaniel

ATTEST:


Alyssa Kuhn, County Clerk

