

## San Juan County Commission Regular Meeting January 22, 2019

Chairman Fortner called the San Juan County Commission meeting to order on January 22, 2019 at 4:00 P.M. in the Commission Chambers located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Chairman Fortner gave the invocation and Commissioner Beckstead led the Pledge of Allegiance. Those present were:

CHAIRMAN	Jack L. Fortner
CHAIRMAN PRO-TEM	Jim Crowley
MEMBER	John T. Beckstead
MEMBER-Absent	Glojean Todacheene
MEMBER	Michael Sullivan
CHIEF DEPUTY ASSESSOR	John Kuhn
CLERK	Tanya Shelby
CHIEF DEPUTY CLERK	Alyssa Kuhn
UNDERSHERIFF	Cory Tanner
COUNTY MANAGER	Mike Stark
COUNTY ADMINISTRATIVE OFFICER	Fran Fillerup
ATTORNEY	Doug Echols
DEPUTY ATTORNEY	Joe Sawyer
RISK MANAGER	Cynthia Singleton
EMERGENCY MANAGER	Mike Mestas
EMERGENCY MANAGEMENT COORDINATOR	Ali Rye
CHIEF FINANCIAL AND STRATEGY OFFICER	Jim Cox
DEPUTY FINANCE OFFICER	Kim Martin
PARKS & FACILITIES ADMINISTRATOR	Daniel Hill
PUBLIC WORKS ADMINISTRATOR	Nick Porell
CHIEF HUMAN RESOURCES OFFICER	Charlene Wells
ADULT DETENTION CENTER DEPUTY WARDEN	Daniel Webb
ALTERNATIVE SENTENCING DEPUTY ADMINISTRATOR	Gail Peters
JUVENILE SERVICES ADMINISTRATOR	Traci Neff
FIRE CHIEF	Craig Daugherty
DEPUTY FIRE CHIEF	John Mohler
HEALTH CARE ASSISTANCE PROGRAM COORDINATOR	Liza Lier
GENERAL SERVICES ADMINISTRATOR	Larry Hathaway
SUBDIVISION REVIEW OFFICER	David Barnett
COMMUNICATIONS DIRECTOR	David Ripley
CHIEF IS OFFICER	Keith Lund
HOUSING EXECUTIVE DIRECTOR	Faye Anderson
SAFETY & COMPLIANCE MANAGER	Stewart Logan
PUBLIC RELATIONS MANAGER	Devin Neeley
PRESS: Farmington Daily Times	Hannah Grover
Talon	David Albright

VISITORS:

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## **Regular Meeting**

### **Approval of Agenda**

Mike Stark, County Manager, stated that there are no changes to the agenda. A motion was made by Chairman Pro-Tem Crowley, seconded by Commissioner Fortner to approve the agenda as presented. Upon voice vote this motion passed unanimously.

### **Consent Agenda**

1. Approval of Award of Bid 18-19-07, Price Agreement for the Purchase of Jet "A" Fuel to Epic Aviation (Primary & Alternate Bid) of Irving, TX
2. Approval of December Check Registers
3. Approval of December 18, 2018 Regular Meeting Minutes
4. Approval of January 3, 2019 Regular Meeting Minutes.

A motion was made by Commissioner Beckstead, seconded by Commissioner Sullivan to approve the Consent Agenda. Upon voice vote this motion passed unanimously.

### **New Business**

1. **Consideration of Resolution 18-19-37, Authorizing the City of Farmington Submittal of the FY2020 Local Driving While Intoxicated {LDWI} Detox Grant Application**

Edward Smylie, General Services Director, City of Farmington, communicated that Resolution 18-19-37 would authorize submission of the annual LDWI detox grant application and paperwork from the City of Farmington to the Department of Finance and Administration, Local Government Division. These funds will be used for the operation of the Joint Intervention Program (JIP) providing stable housing and intensive case management and treatment for 45 clients with substance abuse and related mental health issues. These services are contracted out to Totah Behavioral Health Authority dba Presbyterian Medical Services. Staff requested approval of Resolution 18-19-37 and authorization for the chairperson to execute all documents required for submission and continuance of the grant. A motion was made by Chairman Pro-Tem Crowley, seconded by Commissioner Beckstead to approve Resolution 18-19-37, Authorizing the City of Farmington Submittal of the FY2020 Local Driving While Intoxicated {LDWI} Detox Grant Application. Upon voice vote this motion passed unanimously.

2. **Consideration of Resolution 18-19-44, Supporting an Out of Zone Film Tax Credit**

Mike Stark, County Manager, explained that currently the State of New Mexico offers film production companies a rebate of up to 30% of their spending in the State as a film incentive program. Most of the film union membership lives in the Albuquerque/Sante Fe area and when filming occurs outside of the Albuquerque/Santa Fe area, the production companies are required to pay extra travel-based expenses to crew members which can cost as much as

\$500,000 per production. Resolution No.18-19-44 urges Governor Grisham and the State Legislature to establish an additional 5% tax rebate to film production companies that film in under-served parts of the State. The available credit would then be raised to 35% to rural areas which include San Juan County. Various questions were asked by the Commission. A motion was made by Chairman Pro-Tem Crowley, seconded by Commissioner Sullivan to approve Resolution 18-19-44, Supporting an Out of Zone Film Tax Credit. Upon voice vote this motion passed unanimously.

### **3. Consideration of Federal Services Programs**

Mike Stark, County Manager, voiced that with the federal government shutdown continuing and the funding for federal programs uncertain, staff would like to receive input from the Commission on the continuation of services for two affected programs: United States Marshals Service contract and the Section 8 Housing Voucher Program. San Juan County received notice from the US Department of Justice (USDOJ) regarding our current Intergovernmental Agreement regarding the housing of federal detainees. San Juan County is contracted with the USDOJ at a daily rate of \$65.00 (average monthly revenue of \$855). The letter classifies our services as essential to US Marshals Service operations, however, payment for services ceased as of December 21, 2018 and to date, we have been holding these detainees as a matter of public safety. Historically, previous federal government shutdowns have always led to back payments for services provided to the federal government. Staff recommended the continuation of providing these services. The San Juan County Housing program administers the Section 8 Housing vouchers. Program eligibility and monthly assistance is determined by the Public Housing Authority. Some tenants are 100% funded but most are paying some portion of the agreed upon contract rent -- the largest category of tenants pay approximately 40% of the rent. The balance being paid by the San Juan County Housing Authority to the landlord. The program is currently funded in full until the end of March. County Manager Mike Stark also noted that the Juvenile Detention Center Lunch program could also be impacted. Staff requested direction from the Commission on continuing the provision of services to housing federal detainees on behalf of the United States Marshals Service and housing assistance via the Section 8 Housing program. The Commission asked various questions. County Manager Mike Stark stated that this is advisory at this point, he will bring the item back for direction from the Commission if the shutdown continues after the current funds run out.

### **4. Consideration of Resolution 18-19-42, FY19 Budget Adjustments #6**

Jim Cox, Chief Financial & Strategy Officer, presented budget adjustments resulting from a severe decline of approximately 11.9% in collections over the prior fiscal year. Staff evaluated the decline of Gross Receipt Tax (GRT) revenues and estimated the need to reduce the County's revenue budget by \$3.7 million to ensure the County has adequate cash reserves to provide services to the County through the remainder of the 2019 fiscal year. County departments and elected offices worked together to make reductions to their operating budgets. Revenues will decrease by a total of \$3.47 million. The net reduction includes the full \$3,731,198 reduction in GRT revenue coupled with a \$159,209 increase in revenue for intergovernmental agreements for Geographic Information Services (GIS) and \$98,431 in new grants signed. Expenditures will decrease by a total of \$ 1.49 million. The reduction can be broken down into several distinct components:

1. \$1.6 million in budget reduction provided by departments and elected officials
2. \$0.4 million in salary savings for the first 14 pay periods of the fiscal year (for vacant positions and other personnel related items)
3. \$0.1 million in the cost of one total position removed as an available position (vacant for a period in which the department head didn't feel it was needed)
4. \$0.61 million in expenditure increases as a result of newly signed grants, increase of \$60,000 for EMS review services (approved by the Commission at the January 3rd meeting), increase in cost of litigation services, increase in budgeted 2015 bond projects as a result of Commission resolution 18-19-33, and increase for GIS imagery services that will be paid for through intergovernmental revenue contributions from the surrounding governments.

The budget was subsequently evaluated based on ending budgeted cash levels which resulted in proposal of budgeted cash transfers in various funds. Such cash transfers included the \$1,864,734 reimbursement to the general fund from the 2015 bond fund related to the McGee Park electrical upgrade. Upon final review of the proposed budget adjustment, staff has concluded that the newly revised budget, that would be in effect after this adjustment, would be sufficient to ensure adequate cash levels to provide services to the County through the remainder of this fiscal year. The approved budget adjustment will be sent to the New Mexico Department of Finance and Administration for their approval. The sufficiency of this budget is solely based on GRT not declining further throughout the fiscal year. Staff has considered additional means of revenue generation that could come to fruition and be utilized should the GRT continue to decline. Those potential sources include:

- Approximately \$760,000 of additional tax proceeds from settled protests
- Receiving \$58,733 in settlement from the PILT lawsuit should the outcome be favorable
- Receipt of settlement from taxation and revenue for improper assessment of administrative fees on the hold harmless increments should the outcome be favorable

Various questions and statements were made by the Commission. A motion was made by Commissioner Sullivan, seconded by Chairman Pro-Tem Crowley to approve Resolution 18-19-42, FY19 Budget Adjustments #6. Upon voice vote this motion passed unanimously.

**5. Consideration of Resolution 18-19-43, Authorizing the Removal of Inventory Whose Cost is \$5,000 and Below from the County's Inventory System**

Jim Cox, Chief Financial & Strategy Officer, explained that the New Mexico State Auditor recently changed the requirement to track and inventory items that cost \$5,000 and below. Historically, when the capitalization threshold increased from \$1,000 to \$5,000 in June 2005, the inventory whose cost was between \$5,000 and \$1,000 was required to be inventoried and tracked until disposed of. The 2018 New Mexico State Audit Rule changed that requirement to only capital above \$5,000. Staff met with the County's current external auditors as well as the County Attorney to confirm agreement that staff would be able to remove inventory with an original cost of \$5,000 and below from the County's system. Staff would no longer be required to inventory such items; however, would be required to dispose of each asset in accordance with County disposal procedures (Sections 13-6-1 to 13-6-8 NMSA 1978 would still be required). Due to the nature of electronic equipment including, but not limited to, computers,

tablets and virtual desktop infrastructure devices, County Staff would continue to track and annually inventory electronic equipment regardless of unit cost. Currently, there are 3,917 inventory items with a total cost of \$8,471,917.79 that staff is requesting approval of Resolution 18-19-43 to remove from the County's system and no longer annually inventory. Of the total inventory items, 1,497 items are specifically fire emergency equipment with a total cost of \$2,982,943.38. A motion was made by Chairman Pro-Tem Crowley, seconded by Commissioner Beckstead to approve Resolution 18-19-43, Authorizing the Removal of Inventory Whose Cost is \$5,000 and Below from the County's Inventory System. Upon voice vote this motion passed unanimously.

**6. Consideration of Resolution 18-19-46, Amending and Updating County Purchasing Policies and Procedures**

Diana Chapman, Procurement Manager, requested approval of the following proposed changes to the Purchasing Policies and Procedures: Any item costing \$5,000.00 or more, with a life span of at least one year becomes a part of the San Juan County Fixed Assets Inventory and is considered capital outlay and must be listed as part of the Capital Outlay Budget. Current Capital Asset amount is \$1,000. References to the Small Purchase Orders have been removed as the County no longer utilizes the Small Purchase Order books. The current office hours of Central Purchasing are Monday through Thursday, 7:00 am to 5:30 pm. References made to the County Executive Officer are now changed to County Manager. Staff requested that the Commission consider adoption of Resolution No. 18-19-46 a revision to the San Juan County's Purchasing Policies and Procedures to ensure that concise and effective procedures are followed for County procurements. A motion was made by Commissioner Beckstead, seconded by Commissioner Sullivan to approve Resolution 18-19-46, Amending and Updating County Purchasing Policies and Procedures. Upon voice vote this motion passed unanimously

**7. Consideration of Resolution 18-19-45, Adoption of Required Community Development Block Grant Policies and Certifications**

Fran Fillerup, County Administrative Officer, explained that in order to receive funds through the federal Community Development Block Grant (CDBG) entities must adopt and ensure compliance with the following plans and codes: Citizen Participation Plan, Fair Housing Resolution, Residential Anti-Displacement and Relocation Plan, Section 3 Plan, and the County Purchasing Policies and Procedures. The Commission previously approved the CDBG policies during previous funding years. Adoption of the new resolution maintains continuity of these policies and certifications. Staff requested approval of Resolution No. 18-19-45, Adoption of Required Community Development Block Grant Policies and Certification. With an amendment of the Purchasing Policies and Procedures being considered on this same date, the most recent version will be used. A motion was made by Commissioner Sullivan, seconded by Chairman Pro-Tem Crowley to approve Resolution 18-19-45, Adoption of Required Community Development Block Grant Policies and Certifications. Upon voice vote this motion passed unanimously

**8. Consideration of Maintenance Agreement, Signal and Intersection Lighting, for US 64 at County Roads 350 & 5500**

Fran Fillerup, County Administrative Officer, presented a traffic signal and street lighting maintenance agreement between the County and the NM Department of Transportation. The agreement will cover the signals and street lighting at the intersection of US Highway 64 with County Roads 350 and 5500 (near McGee Park/Lee Acres). The County has historically entered agreements with the NMDOT for maintenance of traffic signals and street lighting at intersections of County Roads with State or U.S. Highways. The agreement is an update to an agreement entered for the existing signal in 1992. NMDOT is undertaking a widening of US 64. The State pays for installation of new signals and lighting, and the County will pay for repairs and services, as well as electricity. The County contracts with the City of Farmington for repair services. Based on recent pricing, annual services for the signals is estimated to be \$336; electricity is approximately \$200 per month (\$2,400 per year). The estimated total annual cost is \$2,736 and other service calls and repairs would incur additional costs. Various questions were asked by the Commission. A motion was made by Chairman Pro-Tem Crowley, seconded by Commissioner Beckstead to approve the Maintenance Agreement, Signal and Intersection Lighting, for US 64 at County Roads 350 & 5500. Upon voice vote this motion passed unanimously

**9. Consideration of Resolution 18-19-47, Annual New Mexico Department of Transportation Road Mileage Certification**

Nick Porell, Public Works Director, reported that the New Mexico Department of Transportation requires an annual certification of county maintained roads and the associated mileage, location, and surface. This is submitted electronically to NM DOT in spreadsheet, GIS, and map formats. The included annual mileage has been prepared using the best available roadway data compiled by Public Works and GIS departments. The total miles of maintained and lesser maintained roads in 2019 is 743.24; the same figure in 2018 was 746.24 miles. The difference is the result of continued refinement of GIS data versus available aerial photography and City limits. A resolution signed by the County Commission is required to accompany the package. A motion was made by Commissioner Sullivan, seconded by Chairman Pro-Tem Crowley to approve Resolution 18-19-47, Annual New Mexico Department of Transportation Road Mileage Certification. Upon voice vote this motion passed unanimously

**10. Re-Certification of Boards and Committees**

Mike Stark, County Manager, stated that each year the County Commission reviews and approves the list of representatives who serve on various Boards and Committees. Staff requested the discussion, review, and approval of Appointees. Two vacancies were communicated. Chairman Fortner will be the alternate on the San Juan Regional Board, and Mike Stark, County Manager, will serve on the San Juan Safe Communities Board. The Commission has a position on the Four Corners Economic Development Foundation Board, Chairman Pro-Tem Crowley suggested a position on the Four Corners Economic Development Board. This suggestion will be investigated further by Mike Stark, County Manager. A motion was made by Commissioner Beckstead, seconded by Chairman Pro-Tem Crowley to approve the Re-Certification of Boards and Committees, as amended. Upon voice vote this motion passed unanimously.

## **11. Review of the February Meeting Schedule**

Mike Stark, County Manager, explained that the Clerk's Office is conducting a Special all mail Election for the Aztec, Bloomfield, and Central Consolidated School Districts on February 5, 2019. Under the new local election act the Board of County Commissioners is responsible for canvassing all elections in the same manner as we do the Primary and General elections. Staff requested the February 5, 2019 meeting be moved to February 7, 2019 at 4:00 p.m. A motion was made by Commissioner Sullivan, seconded by Chairman Pro-Tem Crowley to approve the February Meeting Schedule. Upon voice vote this motion passed unanimously

## **Report from County Manager**

Mike Stark, County Manager, stated there are up to 600 Bills up for vote at the state level currently. He will be monitoring them through New Mexico Legislative Reports. The two most impactful to the county that were mentioned are House Bill 6, a tax reform bill, and the Energy Transition Act.

## **Reports from Elected Officials And Department Heads**

Chairman Fortner communicated that he met with the film industry to promote San Juan County.

Nick Porell, Public Works Deputy Director, updated the Commission regarding the trail project on BLM property.

Commissioner Sullivan, requested an update on the new Highway 550 bridge. Nick Porell, Public Works Deputy Director, stated that an anticipated start date of construction to be Summer 2020. The county has currently received two million dollars in Federal funding for the project.

## **Comments / Input from The General Public**

Etta Arviso, resident of Nagezzi, requested support from the Commission to slow down traffic on U.S. 550 around the Nagezzi chapter house and school. Nick Porell, Public Works Administrator, stated the county can request a state road safety audit for this stretch of U.S. 550.

## **Closed Executive Session**

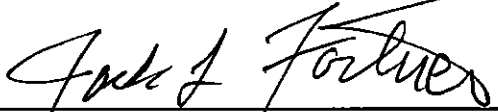
A motion was made by Chairman Pro-Tem Crowley, seconded by Commissioner Beckstead to go into closed executive session to discuss Legal Strategy Relating to PNM Matter, Including Potential Appeal, and to Receive Advice from Legal Counsel. Upon voice vote this motion passed unanimously. Upon return a motion was made by Commissioner Sullivan, seconded by Commissioner Beckstead to go back into open meeting. Upon voice vote this motion passed unanimously. Chairman Fortner stated that nothing other than what was stated in the motion to go into closed executive session was discussed.

**Adjourn**

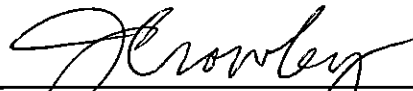
Being no further business a motion was made by Commissioner Sullivan, seconded by Chairman Fortner to adjourn the meeting. Upon voice vote this motion passed unanimously and the meeting adjourned at 5:52 p.m.

**APPROVED THIS 19TH DAY OF FEBRUARY, 2019**

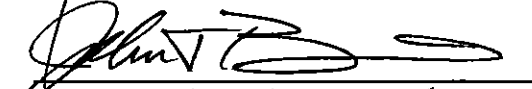
**BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:**



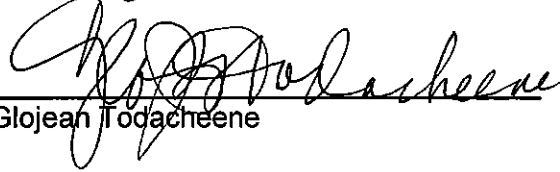
Chairman Jack L. Fortner



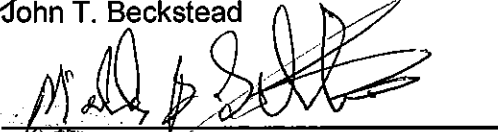
Chairman Pro-Tem Jim Crowley



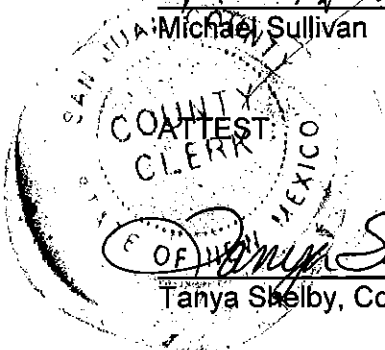
John T. Beckstead



Glojean Todacheene



Michael Sullivan



Tanya Shelby, County Clerk