

**San Juan County Commission  
Special Meeting  
May 7, 2019**

Chairman Fortner called the San Juan County Commission meeting to order on May 7, 2019 at 12:33 P.M. in the Administrative Conference Room located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Those present were:

CHAIRMAN	Jack L. Fortner
CHAIRMAN PRO-TEM	Jim Crowley
MEMBER	John T. Beckstead
MEMBER	GloJean Todacheene
MEMBER	Michael Sullivan
CLERK	Tanya Shelby
UNDERSHERIFF	Cory Tanner
COUNTY MANAGER	Mike Stark
COUNTY ADMINISTRATIVE OFFICER	Fran Fillerup
ATTORNEY	Doug Echols
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 WARDEN	Tom Havel
FIRE CHIEF	Craig Daugherty
DEPUTY FIRE CHIEF	John Mohler
HEALTH CARE ASSISTANCE PROGRAM COORDINATOR	Liza Lier
PUBLIC RELATIONS MANAGER	Devin Neeley
VISITORS:	9

**New Business**

**1. Review of FY20 Budget**

Mike Stark, County Manager, commended the departments and elected offices who assisted in balancing the budget and noted that the County will not be cutting services based on the budget presented. Mr. Stark explained that the County Gross Receipt Tax (GRT) has decreased by 12% year to date, which equates to \$4 million from the previous year and is 42% of the total revenue. The unincorporated part of the County has decreased 26% which adversely affects the Fire Excise Tax and Solid Waste (Environmental) Tax. Since 2009 the GRT is down 32% and there have been 50 positions that have been eliminated or frozen, which has saved the County \$3.2 million.

Jim Cox, Chief Financial Officer provided a powerpoint presentation on Fiscal Year(FY) 2020 with the following highlights:

## **Revenues**

- Gross Receipts Taxes: Historical perspective on collections
  - Approximate 1% decrease from FY19 revised budget
  - Note: Change in reporting
- Oil & Gas: budgeted 10% higher in FY20 than in FY19
- Property Tax Residential: .52% increase in assessed value
  - Note: Mill rate changed from .006545 to .006700
- Property Tax Non-Residential: .26% increase in assessed value

## **Revenue Assumptions/Major Changes**

- Payments in Lieu of Taxes (PILT) payment of \$2.250 million
- Navajo Nation payment of \$300,000 for operations of the transfer stations
- \$200,000 in County Equalization Distribution
- Presented budget does not include: Gross Receipt Tax (GRT) on internet sales (HB6), PILT & GRT Litigation, and New Mexico Department of Transportation (NMDOT) funds for the 5500 bridge project

## **Expenditures**

### **Payroll**

- San Juan County: 0% Step Increase
- San Juan Water Commission: 2% step increase and 2% Cost of Living Adjustment (COLA)
- San Juan Communications Authority: 2% step increase
- Criminal Justice Training Authority: 2% step increase
- Removed 17 positions
  - 14 positions not previously budgeted
  - 3 positions previously budgeted
- Added 1 Human Resource Clerk position (shared with the Treasurer's Office)
- Increase costs in temporary labor
- Increase in the PERA and health care costs

Mike Stark, County Manager, explained that though there are no County raises proposed, the County insurance health plan is a 79/21 split (79% for the County and 21% for the employee). There has not been an increase in the deductible in 6 years and no premium increase in 7 years. The increase in the health care costs to the County is specific to employees changing to a family plan or a new employee enrolling in the family plan.

Doug Echols, County Attorney, stated that the Criminal Justice Training Authority has one employee, an administrative assistant, in which a 2% step increase creates a minimal impact on the budget.

Aaron Chavez, San Juan Water Commission Executive Director, explained that there are 5 employees and the impact on the budget will be approximately \$30,000.

David Ripley, Communications Director, explained that the Communications Authority is 25% understaffed, the employees are on 12 hours shifts, and employees are resigning due to being undercompensated for the duties they perform. Mr. Ripley stated that the Communications Authority budget request is 1% less than FY19.

### **General Fund**

- Total budgeted FY20 Revenues \$45,775,480, Expenditures \$30,710,914
- Transfers out \$21,424,229
  - \$1.763 million into the general fund
  - \$2.881 million into the debt service fund
  - \$0.500 million for the 5500 bridge project
  - \$19.81 million to supplement special revenue funds expenditures in excess of revenues
- Outside Agencies
  - Budgeted FY20 payments of \$540,919
  - Budgeted FY19 payments of \$560,762

### **Special Revenue Funds and Component Units**

- Corrections, Major Medical, Roads, HCAP, Communications, and Water Commission
- \$19.81 million in net transfers from the general fund to supplement special revenue fund expenditures in excess of revenues

### **Capital Projects**

- \$3,149,683 impact on general fund
- \$423,373 funded by grants or fees
- \$6,045,542 funded by bond monies
- \$2,577,486 funded by special revenue funds

### **Debt Services**

- \$45,030,736 principal outstanding to date (FY19 payment to be made in May and June 2019)
- \$3,420,000 budgeted principal payments
- \$1,845,572 budgeted interest payments

The budget has met the 3/12 required reserves of \$7,677,729, which is \$31,292 over the required reserves.

The Commission expressed their concern regarding the costs associated with animal welfare and the cuts in budget to various groups.

The Commission requested comments from the agencies, departments heads, and elected officials regarding their budgeting needs:

Aaron Chavez, San Juan Water Commission Executive Director, gave a break-down of the Water Commission budget which has been reduced by 22%.

Diane Clark, San Juan Regional Medical Center Emergency Medical Services, stated that there are six 24-hour transport vehicles, two 12-hour transport vehicles, and one out of the County transport vehicle. The newly purchased ambulances budgeted in FY19 will arrive the first week of June. Ms. Clark explained that EMS is not fully staffed but at the point of maintaining minimum staffing on the ambulances in service. Chairman Pro-Tem Crowley requested information in regards to the previous arrears in billing services. Mike Stark stated that following an audit, a third-party billing may be suggested as an option.

Craig Daugherty, Fire Chief, explained that there are approximately 200 volunteers with the fire department. Paid staff overtime has increased due to lack of volunteers and reduction in aid from municipalities. Chief Daugherty explained that the department is becoming dependent on grants with the decline in revenues.

Tom Havel, Adult Detention Center Warden, explained that staff members are fatigued and that there are several people on light duty which has extended overtime due to understaffing. Mandatory double shifts due to employees that do not show for their shifts is reducing morale. Mr. Havel stated he has considered reducing the hiring age from 21 to 19. Mr. Stark explained that positions are being created to possibly alleviate employee fatigue.

Cory Tanner, Undersheriff, stated that their budget was reduced but the capital items were fully funded, excluding a generator. Undersheriff Tanner explained that a grant application will be submitted for possible funding of the generator.

Tanya Shelby, County Clerk, explained that due to the new election requirements the Election Department budget increased for poll-workers, temporary employees, and overtime costs. The Recording Department overtime was not reduced because of the assistance they provide to the election department; however, all other costs were reduced in the budget.

Bonita Hulin, San Juan Regional Medical Center, expressed her concern regarding the County's revenue.

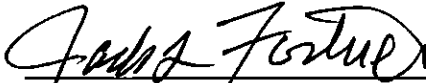
The Commission made various comments and asked questions.

### **Adjourn**

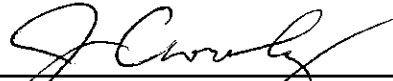
Being no further business, Chairman Fortner adjourned the meeting at 3:26 p.m.

APPROVED THIS 21ST DAY OF MAY, 2019

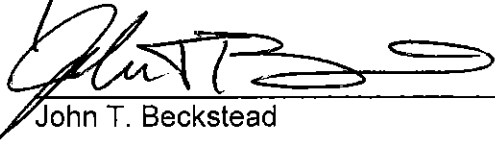
BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:



Chairman Jack L. Fortner



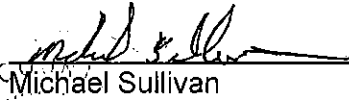
Chairman Pro-Tem Jim Crowley



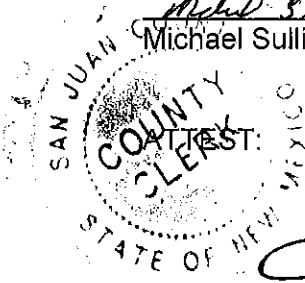
John T. Beckstead



Glojean Todacheene



Michael Sullivan



Tanya Shelby, County Clerk