



# County of Los Alamos

## Council Meeting Staff Report

April 17, 2018

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**Agenda No.:**

**Indexes (Council Goals):**

**Presenters:** Harry Burgess; Steven Lynne

**Legislative File:** 10475-18

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### **Title**

FY2019 Budget Hearings.

### **Recommended Action**

#### **Tentative Approval**

As the Council proceeds through each department, they may choose to indicate initial acceptance of each department when that presentation and discussion is complete. Such initial acceptance is subject to further changes during the budget hearings and during final budget adoption.

**I move that Council tentatively approve the budget for the \_\_\_\_\_ Department as presented (or as amended with the following changes: \_\_\_\_\_)**

#### **Budget Adoption**

Council could adopt the budget on April 16, 17, 23, or 24, 2018.

**I move that Council adopt the FY2019 budget in the amount of \$188,769,256 (or amended amount of \$\_\_\_\_\_) as described in Attachment H, Summary of Changes from Proposed to Adopted Budget.**

**I further move that Council approve the following items related to the adoption of the FY2019 budget:**

- 1. Summary of Pension Fund Administrative Costs in Attachment F;**
- 2. FY2019 Long Range Financial Projection in Attachment B;**
- 3. FY2019 Equipment Replacement List in Attachment E; and**
- 4. FY2019 Recurring Grants in Attachment G.**

**I further move that Council approve continuing appropriations in the FY2019 budget for the following items from the FY2018 budget:**

- a) all valid encumbrances outstanding at June 30, 2018;**
- b) all unexpended and unencumbered previously approved project budgets at June 30, 2018;**
- c) all unexpended and unencumbered previously approved Major Facilities Maintenance budgets at June 30, 2018;**
- d) the unexpended and unencumbered previously approved budget for Fire Mitigation; and**
- e) all unexpended and encumbered grant budgets at June 30, 2018 that are permitted to be carried forward by their governing grant agreements.**

#### **County Manager's Recommendation**

**The County Manager recommends that Council adopt the FY2019 budget.**

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## Body

### **BUDGET HEARINGS (and potential budget adoption)**

The FY2019 Budget Hearings are scheduled for Monday, April 16, 2018, Tuesday, April 17, 2018, Monday, April 23, 2018, and Tuesday, April 24, 2018, beginning at 6 p.m. each evening. The proposed budget has been distributed separately, and reference copies are available online at the County's website, at the libraries and at the Customer Care Center. Additional reference copies will be available at the hearings.

Each evening will stop at 10 p.m. or earlier. Budget presentations will be made in the order identified on the agenda. After each department presentation and discussion, Council may tentatively approve the department budget. Parking lot items should be held to a minimum and will be resolved prior to the adoption of the budget.

**Public Hearings:** Council will reserve up to the first 30 minutes of each session for public comment on any portion of the proposed budget. Once all comments have been provided, or after this time has expired, budget presentations and discussions will continue.

### **Introduction, Overview, Budget Summary and Long Range Financial Projection**

The County Manager will present an introduction and overview. The overview will address the high-level goals of the proposed budget. Highlights from the Budget Summary section of the proposed budget (pages 26-54) will be presented by Steven Lynne, Deputy County Manager and Karen Kendall, Budget & Performance Manager.

### **Elected Officials - County Assessor, County Clerk, Probate Judge, Municipal Court, County Sheriff**

These elected officials will provide an overview of their departments.

### **General County Operating Budgets**

Department Directors will provide an overview of individual departmental highlights.

### **Joint Utilities Fund Budget**

The Utilities Manager will present the Utilities Department Budget.

### **Parking Lot - Outstanding / Unresolved Items and Budget Options**

Any changes made or direction received during the budget hearings will be incorporated into the proposed budget. Attachment H, Summary of changes from proposed to adopted will be updated as Council makes changes.

### **Summary of Pension Fund Administrative Costs**

Although the expenses of the Pension Plan are passed on to the plan participants, the County Council, as the Plan Sponsor, has routinely established and approved an administrative budget for the Pension Fund to provide system controls over these payments. Because this is a trust fund, the administrative costs are not a formal part of the County's budget. See Attachment F.

### **FY2019 Long Range Financial Projection**

The attached Long Range Financial Projection (Attachment B) is presented here. The County's financial policies require Council approval of the projection which indicates Council's long-range financial policy direction.

### **FY2019 Equipment Replacement List**

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Approval of this list (Attachment E) at this point in time will eliminate the need for additional formal Council action for routine replacement of vehicles at a later date.

### **Recurring Grants**

Each year departments are required to notify Council of their intent to apply for recurring grants. Attachment G is a list of the recurring grants and estimated amounts for FY2019. This will eliminate the need for additional formal Council action at a later date unless actual received amounts are different than originally budgeted. If that is the case, these routine adjustments will be lumped together and brought before Council during mid-year budget revisions.

### **Continuing Appropriations**

In addition to adoption of the budget, carryover of certain current year budget items are presented at this time because of their routine nature. There are six basic categories for these appropriations, five of which are proposed for consideration at this time:

- a. Encumbrances - commitments to purchase, but for which delivery of goods or services has not yet been made and associated payments will cross fiscal years.
- b. Unexpended and unencumbered project budgets - project budgets that Council has previously, specifically approved such as CIP or other projects.
- c. Unexpended and unencumbered budget that Council has previously approved for Major Facilities Maintenance (MFM).
- d. Unexpended and unencumbered previously approved budget for Fire Mitigation;
- e. Unexpended and unencumbered grant budgets for programs that extend over fiscal years.
- f. (To be considered with the closing of the FY2018 financial records in August / September as specific items are identified.) Other unexpended and unencumbered project budgets or capital purchases, evaluated individually, that satisfy the following criteria:

- The project, type of project, or item was included in the original FY2018 budget; or
- It must have been identified during the FY2019 budget development process as a capital item more appropriately spent from the FY2018 budget (for example, certain hardware replacements).

### **Alternatives**

Council may amend the proposed budget. The State requires that the governing body adopt its budget each year with requests due by June 1. State statute does not allow for an extension to this deadline.

### **Fiscal and Staff Impact/Planned Item**

See the FY2019 Proposed Budget and accompanying Budget Options

### **Attachments**

A - FY2019 Proposed Budget - The complete FY2019 proposed budget was distributed separately. Reference copies are available on line at the County's web site, at the libraries and at the Customer Care Center. Additional reference copies will be available at the hearings.

B - FY2019 Long Range Financial Projection

C - Department and Elected Officials Presentation Slides

D - Budget Options for FY2019

E - FY2019 Equipment Replacement List

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F - FY2019 Pension Administrative Costs  
G - FY2019 Recurring Grants List  
H - FY2019 Summary of changes from proposed to adopted