



2025–2026  
INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO  
**Citizen's Guide to the Budget**  
FY2025–Proposed | FY2026–Proposed



LOS ALAMOS



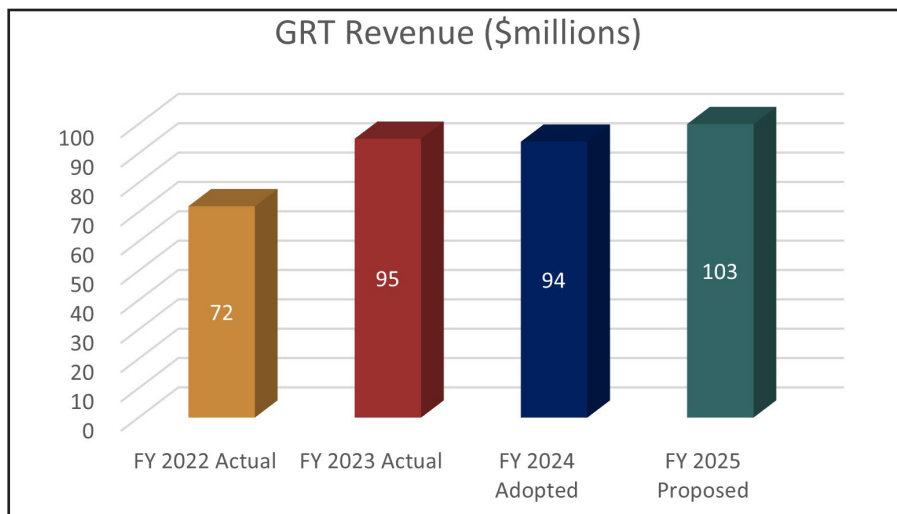


## *County Councilors and Citizens of Los Alamos –*

I am pleased to present to you the proposed Fiscal Year (FY) 2025 budget. This is the first year of the FY2025-2026 biennial budget cycle.

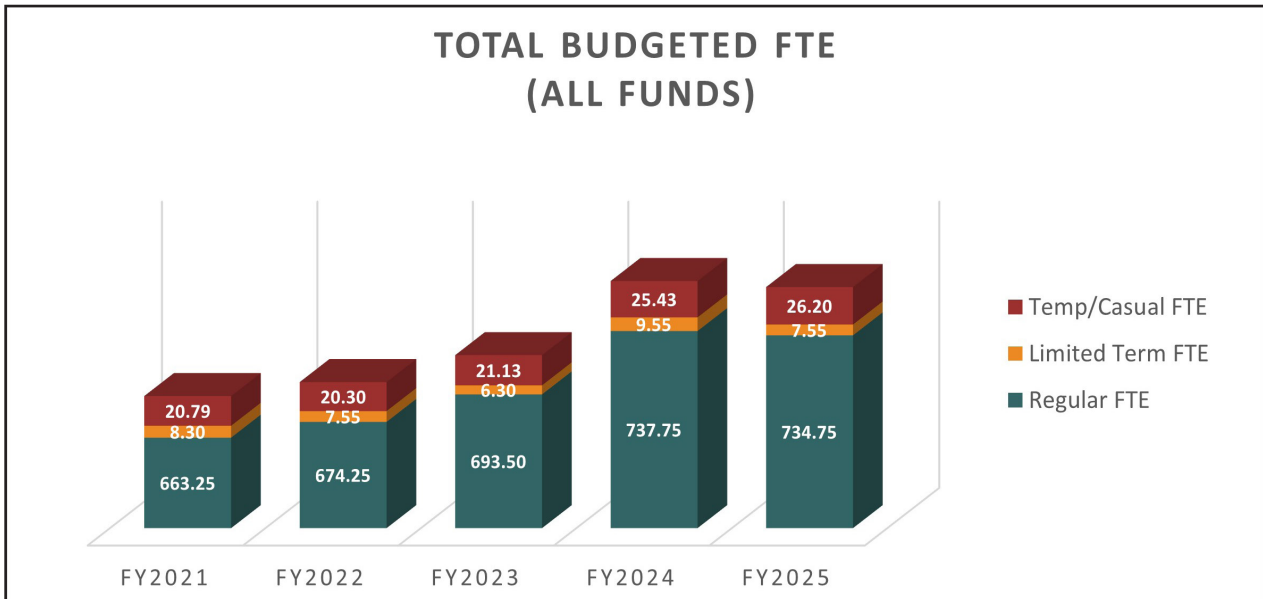
A driving force in developing our budget each year is the estimation of County revenues. Gross Receipts Tax (GRT) account for 75% and Property Taxes account for 7% of the total General Fund budgeted revenues. The remaining General Fund revenues are comprised of user fees, interdepartmental charges, investment income, and grants. GRT is primarily from the community's largest employer, LANL. Below is a chart of total GRT Revenue across all funds.

Another large area of proposed budget growth this year relates to the projected financing of expenditures related to broadband and other capital improvement projects, which amounts to an estimated \$75 million.



The County began preparing the budget in December 2023. Our guidance for budget development was to begin with the FY24 adopted budget, less one-time items, then allow for an average 3% adjustment in salaries (2% merit, 1% cost of labor) for non-collective bargaining employees, a 5% increase to benefits which includes an anticipated increase in medical premiums and retirement expenditures (PERA), and a non-labor expenditure target of 3%.

Based on the current projected revenues and County financial policy guidance to maintain at least a 20% unassigned fund balance, there is an opportunity again this year for Council to consider budget options in addition to the proposed budget, which focuses on achieving the Council's strategic goals, and to continue providing excellent day-to-day services to the citizens of Los Alamos County.



The proposed budget has 732.75 regular, 7.55 limited term and 26.22 temporary/casual positions for a total of 766.52 budgeted full time equivalents (FTE) in all funds. During FY2024, Council approved the Cooperative Agreement with the Department of Energy (DOE) for Los Alamos Fire Department (LAFD) services. The first year of the ten-year agreement reduces FTE by 12 from what was anticipated during the FY2024 budget process to reflect a more gradual increase in staffing. There was also a reduction of one FTE in a limited term position supported by the American Rescue Plan Act (ARPA) and other funding. Two FTE were built into the FY25 budget, one in Emergency Management that is tied to grant funding, and one maintenance specialist in the Aquatics Center budget. The Department of Public Utilities (DPU) also added one FTE and three overfill positions. The combined net decrease of 6.21 FTE from the adopted FY24 budget is displayed in the proposed FY2025 budget.

## *FY2024 Highlights and Accomplishments*

FY2024 continued to be an exciting year for our community with services getting closer to pre-pandemic levels. The County also continued to face challenges with market supply chain, available workforce, and inflation challenges which resulted in increased costs of goods, services and projects. Staff vacancies continued in some areas of service such as Transit, Parks, and Recreation, and improved in areas such as Fire with a successful Fire Academy that offered temporary housing at the Smart House for recruits. Recruitment and retention efforts remained a priority including offering incentives, increased presence on Social Media platforms, and salary structure adjustments based on the completed compensation study. Through these challenges, the County continued to provide, support and promote services, programs, events and projects while keeping in mind the Council strategic plans and priorities.

- The July release of the award-winning biopic film “Oppenheimer,” featuring Cillian Murphy, Emily Blunt, Matt Damon, Robert Downey, Jr. and directed by Christopher Nolan, led to an unprecedented increase in visitors to Los Alamos County. At the Los Alamos History Museum and Fuller Lodge, buildings in use during the Manhattan Project that are now owned by the County, visitors increased by 60% over the previous year to about 35,000. And at the Bradbury Science Museum, owned by Los Alamos National Laboratory, visitors increased by 50% over the previous year to about 45,000.
- Received state capital outlay funding of \$7 million for the Jemez Mountain Fire Protection Project with additional FY25 funding expected (State and FEMA).

- Community Services used recommendations from the Integrated Master Plan and the Americans with Disabilities Act (ADA) Audit to prioritize and budget asset maintenance. Projects in progress for FY25:
  - Renovation of three athletic fields (Hope, Bomber, Dara Jones).
  - Renovation of two athletic courts (East Park Basketball, North Mesa Tennis).
  - Renovation of two playgrounds (Piñon, 37th Street).
- 2024 Upcoming Housing Projects:
  - 20th Street redevelopment solicitation for mixed-use residential/commercial received three proposals. Selection of a development team is slated for early Q1 2024 followed by sale, purchase, and development agreement.
  - A-8-A development solicitation for a medium density single- and multi-family residential development, including open space and trail connections, is anticipated in Q1 2024.
  - Agreement in consideration for the development of an affordable attached single-family home development at 36th and Trinity is anticipated by Q2 2024.
  - A technical update to the Affordable Housing Plan to include low- and moderate-income households and associated policy recommendations will be presented for Council approval by Q3 2024.
- By year end 2023, the County awarded \$1.95 million to the local business community, as provided by ARPA. Of the 56 applications received, 35 businesses received funds from the three programs offered: COVID-19 Financial Assistance, Technical Assistance, and Deferred Investment Assistance. Funds will continue to be distributed in 2024.
- Started or completed projects in the Capital Plan such as the urban trail and the temporary chiller at the Ice Rink.
- Negotiated a new Cooperative Agreement between LAFD and DOE/NNSA.
- The County continues its commitment to operational excellence. The Government Finance Officers Association (GFOA) awarded Los Alamos County with the Certificate of Achievement for Excellence in Financial Reporting (32 consecutive years) for the Annual Comprehensive Financial Report (ACFR), the Distinguished Budget Presentation



Award (14 consecutive years) and the Outstanding Achievement in Popular Annual Financial Reporting (7 consecutive years) for the County's Popular Annual Financial Reporting publication, which we began publishing in FY2016. These achievements garnered the County GFOA's Triple Crown Honor.

As a result of our current efforts to contain expenditures and a historically conservative approach to fund balance reserves, the County's Governmental Fund balances have remained positive. Projections for the long-range financial outlook are based upon the following assumptions:

- FY2025 and forward, the long-range financial outlook includes a \$1.6 million per year transfer from the General Fund to the Economic Development Fund for the housing loan programs and assistance to schools.
- FY2025 and forward includes planned operational costs within Community Services and Public Works in the General Fund for capital projects under construction and for planned future projects.
- FY2025 includes a 3% increase to salaries and a 5% increase in medical premiums.
- FY2025 and later includes a 3% inflation factor for revenue and expenditures.
- FY2027 and later Inclusion of a new ¼ cent GRT increment, of which would increase revenues to be effective July 1, 2026.

## *FY2025 Budget at a Glance & Major Change in Fund Revenues and Expenditures*

The overall County proposed FY2025 expenditures are \$371.7 million as compared to FY2024 adopted expenditures of \$382.1 million. Overall County revenues are \$410.9 million as compared to FY24 adopted revenues of \$391.3 million.

### **GENERAL FUND**

In FY2025, General Fund revenues are projected to be \$124.8 million, or 8.3%, higher than in the FY2024 adopted budget for a total of \$114.8 million. Projected GRT, Property Tax and Interdepartmental Charges make up the majority of the budgeted revenue.

At a total of \$92.2 million, expenditures are \$3.5 million, or 4%, higher than the FY24 adopted budget.

### **SPECIAL REVENUE FUNDS**

These funds account for expenditures restricted to specific purposes such as grants, Lodgers' Tax, health care assistance, economic development and other special programs. In FY2025, Special Revenue Funds projected to have \$15.5 million in expenditures, which is \$0.7 million more compared to FY2024 adopted budget.

The State Grants Fund proposed expenditures of \$3.5 million which is about \$126 thousand higher than the FY2024 adopted budget.

The Health Care Assistance Fund expenditures are exceeding revenue due to the GRT revenue not covering the required payments to the State for the Medicaid and Safety Net Care Pool. As a result, expenditures for FY2025 are budgeted at \$1.2 million above the FY2024 adopted budget. The transfer from the General Fund is proposed at \$650,000, which is the same as the FY24 adopted budget to help address the shortfall, which must be covered by the fund balance.



The Economic Development Fund has budgeted revenues of \$154,428 and budgeted expenditures of \$4.6 million, which includes a placeholder of \$2 million for the Middle Mile Project and a placeholder of \$1.2 million for the LAPS and UNM-LA grants. The \$400,000 budgeted in FY2025 for the Housing Rehabilitation and Down Payment Assistance programs continue to be funded by a transfer from the General Fund. This net decrease in fund balance/working capital is due primarily to the Economic Development Fund having no recurring stream of revenue.

### **CAPITAL IMPROVEMENT PROJECTS (CIP) FUNDS**

For FY2025, expenditures in the CIP Fund total \$77 million, which is \$2.5 million higher than FY2024 due to the specific projects scheduled for FY25 vs. FY24 per the detailed CIP project schedules, which include broadband and ongoing maintenance and replacement needs.

The CIP proposed budget focuses on long-range projects that may require financing through the issuance of GRT revenue or other debt in order to be completed in FY2025 and forward.

### **JOINT UTILITY SYSTEMS FUND**

The Joint Utility System Fund revenues for FY2025 are proposed at \$104 million, which is \$5.4 million (5%) below the FY2024 adopted budget. Expenditures are \$99.4 million, which is \$17.8 million (15.2%) lower than the prior year.

The FY2025 proposed Joint Utility Fund budgets include the effect of planned rate changes previously approved by the Board of Public Utilities (BPU) and the County Council for a 9% increase in electric rates, 2% increase in sewer rates, 6% increase in retail water rates 5.5%, and a 5% increase in wholesale potable and non-potable water. The FY25 budget also includes a 5.5% increase in gas distribution rates. BPU and Council previously approved 3% increase for gas rates and DPU will return for approval of an additional 2.5% increase ahead of July 2024.



## OTHER ENTERPRISE FUNDS

FY2025 revenues totaling \$62.9 million in these business-type activity funds are projected to be \$0.4 million, or 1% less than FY2024. Total expenses of \$62.3 million for the FY25 proposed budget are \$0.1 million less than FY24.

The Environmental Services Fund expenses are \$10.4 million in the proposed FY2025 budget, which is \$0.4 million over the FY2024 adopted budget. The proposed FY25 revenues of \$10.2 million are \$0.4 million higher than in FY24.

The Transit Fund expenditures are \$7.5 million or \$0.47 million above the FY2024 budget due primarily to the timing of bus replacement and related grants. The proposed revenues of \$5.7 million are \$0.7 million above the adopted FY24 budget. A General fund transfer in of \$1.2 million supports grant matching requirements and supports the transit program.

The Fire Fund proposed expenditures are \$43 million and proposed revenues are \$46 million for FY2025. The \$1.2 million (a 3.3% decrease) in expenditures is due primarily to the planned amounts within the DOE Cooperative Agreement, and temporary reduction in allocated FTE, and is fully offset by associated increases in related revenue from both the General Fund and DOE.

The Airport Fund proposed revenue is \$120,000 and expenditures are \$848,817. The proposed budgeted revenues and expenditures are in line with the operations of the Airport.



## INTERNAL SERVICE FUNDS

These funds account for goods and services provided by one County department to another.

Total FY2025 proposed expenditures in the Fleet Fund are \$7.6 million or 13.2% higher than in FY2024. Proposed revenues are \$0.78 million higher than the FY24 adopted budget. The increase in expenditures is due primarily to the escalation in prices and the unprecedented higher costs of supply chain, which impacted the replacement costs of our fleet.

The Risk Management Fund proposed FY2025 revenues and expenditures are \$13.6 million and \$12.9 million, respectively. The revenues increased by \$0.79 million or 6.2% from the FY2024 adopted budget, while expenditures increased \$0.65 million or 5.3%. The additional revenue is from an increase in intradepartmental charges, which correlate with the increases in premiums and claims.

## CONCLUSION

The FY2025 proposed budget includes some significant changes. Work over the past two years has culminated in new projects and initiatives, such as the Community Broadband Network initiative, the Greenhouse Gas Inventory and associated Climate Action Plan, and the Comprehensive Health Plan. New assessments, such as Community Services' Integrated Master Plan, have provided important new data that is now being incorporated into the County's capital and maintenance plans. Despite currently higher GRT revenues, the budget includes a proposed new GRT increment in FY2027. All these items, and the budget in general, are focused on the long-term success of the County. We aim to have the County's long-term financial plans and strategies support and enable achievement of the County's overall strategic goals.

I am pleased to present the FY2025 proposed budget and look forward to the Council's and community's consideration of it. Los Alamos County strives to provide excellent service to our citizens. Our progress would not be possible without the dedication, commitment to excellent customer service, and professionalism of County employees. They are the backbone that makes this an organization of excellence. Thank you, Los Alamos County employees, for your loyalty and service!

I also want to thank our County Council for their commitment, leadership, and guidance, especially over the past year with their continued recruitment and retention support. As the newly appointed County Manager, I am looking forward to working together as a team and a community. Our collective efforts will move the County forward in a positive direction.



Respectfully submitted,

A handwritten signature in black ink, appearing to read "A.W.L.", written in a cursive style.

Anne W. Laurent  
County Manager





# Participate in the FY2025 LOS ALAMOS COUNTY BUDGET HEARINGS

MON AND TUES, APRIL 22-23 | MON AND TUES, APRIL 29-30\*

ALL MEETINGS BEGIN AT 6:00 P.M.

\* Scheduled budget hearings may be cancelled if the budget is adopted at an earlier hearing. Additionally, location is planned for a hybrid format, to be conducted both in-person and via Zoom. See Note Below.

**AGENDA:**

- Introduction and Overview
- Department Budget Summaries
- Parking Lot – Outstanding/Unresolved Items
- Possible Adoption of the FY2025 Budget
- Long Range Financial Projection
- Consideration of Budget Options

**PUBLIC COMMENT:** Council invites public comment on any portion of the proposed budget at the beginning of each meeting.

**MAKING YOUR VOICE HEARD:** YOUR INPUT IS ENCOURAGED!

**E-MAIL:** [lacbudget@lacnm.us](mailto:lacbudget@lacnm.us) OR [countycouncil@lacnm.us](mailto:countycouncil@lacnm.us)

**MAIL:** Los Alamos County Manager  
1000 Central Ave., Suite 350, Los Alamos, NM 87544

**NOTE:** These meetings will be held in person and open to the public at the Council Chambers in the Municipal Building at 1000 Central Ave., Los Alamos, NM 87544. However, for convenience, a Zoom meeting link and/or telephone call-in numbers will be published along with the agenda for public viewing and participation.

**WHERE TO READ THE BUDGET:** Copies of the proposed budget and a summary in the form of a Citizen’s Guide will be available for inspection by the public in the County Municipal Building lobby and at both Public Libraries after March 31st, or electronically on the County’s website under the Administrative Services Department site:

[HTTPS://LACNM.COM/BUDGET](https://lacnm.com/budget)



FTE Changes

FY2025 Proposed: 766.52  
FY2024 Adopted: 772.73  
Net Decrease: -6.21

FY2025 BIENNIAL PROPOSED BUDGET - COMBINED BUDGET STATEMENT

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	JOINT UTILITIES FUND	OTHER ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTAL
<b>FY25 PROPOSED</b>								
Total Beginning Fund Balance/ Working Capital FY2025	67,155,490	13,952,169	333,975	38,829,330	9,370,890	12,285,523	17,330,985	159,258,362
Revenues & Other Sources	124,886,347	7,544,124	10,019	90,021,549	104,006,473	62,932,165	21,536,783	410,937,461
Transfers from Other Funds	5,110,237	2,280,000	4,549,159	23,244,614	0	1,889,326	0	37,073,336
Expenditures	92,234,153	15,548,992	4,549,159	77,071,614	99,371,582	62,327,189	20,614,352	371,717,041
Transfers to Other Funds	30,333,099	0	0	1,630,000	1,248,237	3,862,000	0	37,073,336
<b>FY26 PROJECTED</b>								
Total Fund Balance/ Working Capital / Ending FY2025	74,584,822	8,227,301	343,994	73,393,878	12,757,544	10,917,825	18,253,417	198,478,782
Revenues & Other Sources	128,311,679	6,943,624	10,320	4,530,000	112,997,590	60,130,503	22,800,781	335,724,497
Transfers from Other Funds	3,978,000	2,280,000	9,826,159	25,655,538	0	1,889,326	0	43,629,023
Expenditures	96,014,033	9,491,922	9,826,159	27,585,013	110,947,061	60,403,800	21,471,836	335,739,824
Transfers to Other Funds	37,881,023	0	0	1,682,000	1,352,334	3,978,000	0	44,893,357
Total Fund Balance / Working Capital / Ending FY2026	72,979,445	7,959,004	354,314	74,312,403	13,455,739	8,555,854	19,582,362	197,199,120