

LOS ALAMOS

where discoveries are made



Popular Annual Financial Report

Incorporated County of Los Alamos

Fiscal Year Ended June 30, 2018



County Manager & Chief Financial Officer Message

To the County Council and Citizens of the Incorporated County of Los Alamos:

We are pleased to submit to you this **Popular Annual Financial Report (PAFR)** for fiscal year 2018. Our goal is to insure that the citizens are kept informed on the state of the County's finances and discover more about their County government's operations.

The Finance Division of Administrative Services Department has prepared this summary of the financial activities of Los Alamos County reported in the Comprehensive Annual Financial Report (CAFR). This **PAFR** includes condensed and selected information from the CAFR and therefore, is a non-GAAP (Generally Accepted Accounting Principles) presentation.

The CAFR outlines the County's financial position at June 30, 2018 and the results of its operations for the fiscal year. The CAFR represents the audited information for last year, is presented in GAAP format, and contains more detailed information. The CAFR is available to all citizens at the Municipal Building (1000 Central Avenue), on the County's website (https://www.losalamosnm.us/government/departments/administrative_services/finance_budget/reports_and_budgets), and also at both the Mesa Public Library and White Rock Branch Library.

Although the County is a relatively small government in terms of resident population served, the demands of our predominantly highly educated citizens for high quality services and the numerous direct and indirect relationships with the Department of Energy require levels of service and complexity normally found only in large metropolitan areas. As always, providing top-notch service is our number one priority. We work for you, the residents of Los Alamos County.

There has been continuous dialogue since the award of the Los Alamos National Laboratory (LANL) operations and management contract regarding the potential for Triad LLC to seek tax-exempt status. Work with regional neighbors and other organizations took center stage this summer when Triad LLC was awarded the LANL contract. The County continues to monitor any changes in Triad LLC's taxable status and due to the possible impacts of a change in tax receipts, the FY2019 proposed budget remains flat against the FY2018 adopted budget.

The accomplishments and financial results highlighted in this **PAFR** would not be possible without the dedication, commitment to excellent customer service, and professionalism of County employees.

Sincerely,

Harry Burgess
County Manager



Helen M. Perraglio, CPA
Chief Financial Officer



Contact us at lacbudget@lacnm.us or 505-662-8244



ACCOLADES



Government Finance Officers Association



27 Consecutive Years



26 Consecutive Years



2016 & 2017

- “2018 Top 10 Fastest Growing Micropolitan Area”**
 #5 - Los Alamos, NM -U.S. Census Bureau
- “2018 Top 10 Places Where Americans Live the Longest”**
 #8 - Los Alamos, NM - Realtor.com
- “2018 Healthiest Community in the Nation”**
 #4 - Los Alamos, NM - US News and World Report
- “2018 Small Towns with Big Millionaire Populations”**
 #1 - Los Alamos, NM - Kiplinger's



**NM Association of Counties & the State Auditor
Accountability Award
2012, 2014, 2016, 2017**



STRATEGIC FOCUS & PRIORITY AREAS

Economic Vitality

Economic Vitality

- Build the local tourism economy
- Promote vitality in our neighborhoods and downtown areas and eliminate blight in Los Alamos and White Rock as part of an overall property maintenance and beautification effort.

Quality of Life

*Housing &
Quality Cultural and
Recreational Amenities*

- Support development of affordable workforce housing
- Maintain and improve existing outdoor recreation and open space amenities.

Quality Governance

Operational Excellence

- Continue implementation of the Comprehensive Plan with an emphasis on neighborhoods.
- Maintain and improve quality essential services and supporting infrastructure including updated enterprise software and permitting.

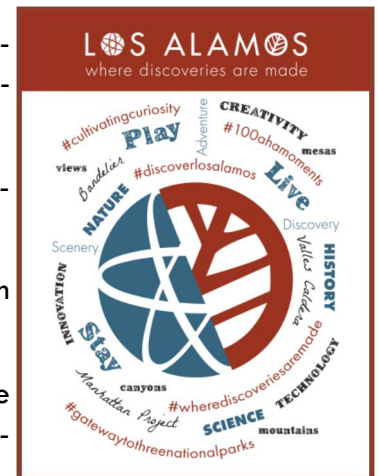




ACCOMPLISHMENT HIGHLIGHTS

Many exciting projects, opportunities and accomplishments occurred that lead us into FY2019...

- ◆ Sale of Parcel A-19 in White Rock anticipating 160 new housing units.
- ◆ Council approved a development proposal for approximately 150 rental apartments on the former Department of Energy Site Office parcel just south of Trinity Drive.
- ◆ A new affordable housing project located on DP Road with 70 units was approved .
- ◆ The County issued a Request for Proposal to sell six lots of land near the CenturyLink building at 20th and Trinity after completing a major road and infrastructure project last fall.
- ◆ Council approved the Mixed-Use zoning category and the Community Development Department (CDD) rezoned a number of strategic parcels to this new zoning designation to allow for both commercial and housing development.
- ◆ Through its Local Economic Development Act (LEDA) program, the County funded the purchase of new space for UbiQD, which is rapidly expanding and hiring more employees for its quantum dot technology business.
- ◆ New signs and wifi were installed in historic downtown district for the Manhattan Project National Historical Park walking tour.
- ◆ Tourism has become a top focus at the County, with the Council approving both a Tourism Strategic Plan and Wayfinding Plan which guide our future efforts.
- ◆ The County contributed \$1.2 million toward a renovation project at the Duane Smith Auditorium at Los Alamos High School, a project that was recently completed
- ◆ CDD implemented a series of public meetings with building inspectors, planners and code enforcement officers to improve our building permitting process.
- ◆ Permitting software automated the application processes and implemented a much improved Citizen Self Service portal.
- ◆ Council approved four recreation Capital Improvement Projects: Ice Rink Improvements, Golf Course Improvements, a Splash Pad for Pinon Park and a new Kiddie Pool at the Aquatic Center. All four recreation projects were placed on hold pending the final determination of Triad, LLC's taxable status.





GRT - HOW DO WE COMPARE?

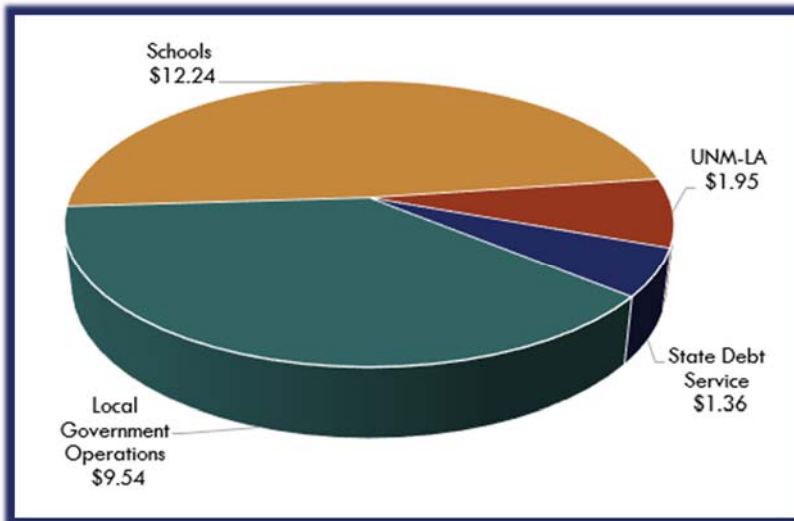
Gross Receipts Tax Rates



Did You Know?

Gross Receipts Tax, or GRT, is a tax imposed for selling goods; performing services (services include construction activities and construction materials that become part of the project); leasing or licensing property; granting a right to use a franchise; and selling research and development services. GRT is New Mexico's version of a sales tax. A portion of GRT is retained by the state with the remainder being distributed to individual counties/municipalities.

WHERE DO YOUR PROPERTY TAX DOLLARS GO?



The Los Alamos County Property Tax Rate in Mills is \$25.087

Total Property Tax = \$1,673 on \$200,000 Residential Property

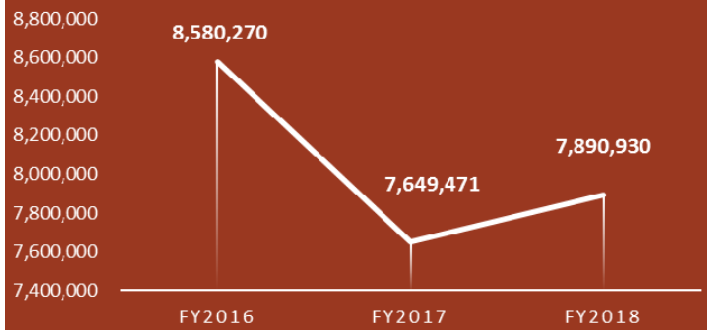


UTILITIES AT A GLANCE

NUMBER OF MEGAWATT HOURS SUPPLIED



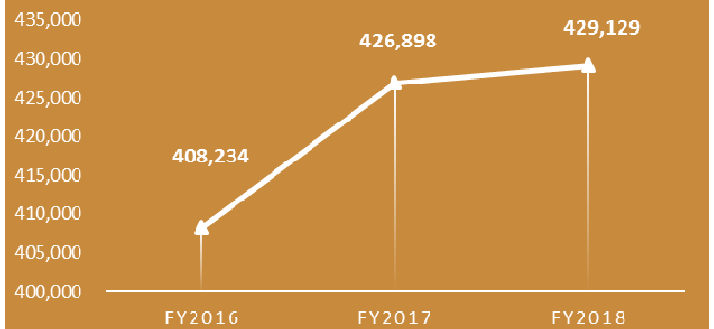
NUMBER OF THERMS DELIVERED



WATER SOLD IN THOUSANDS OF GALLONS



SEWAGE CONVEYED IN THOUSANDS OF GALLONS



Did You Know?

Utilities produces green energy

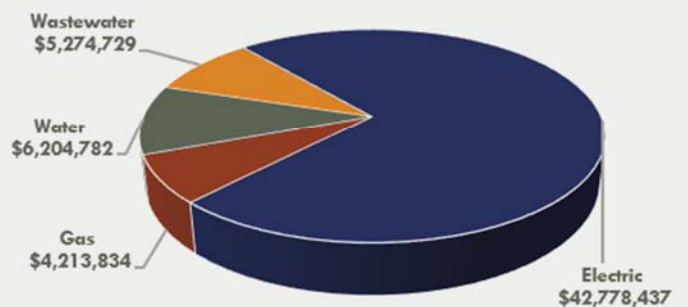
The Department of Public Utilities generates clean energy for Los Alamos County and Los Alamos National Laboratory through two hydroelectric facilities at Abiquiu and El Vado, as well as a solar array field in Los Alamos.

Did You Know?

The road to the Los Alamos Reservoir reopened to pedestrian traffic in 2017 after being closed for 5 years following the 2012 flood event. The Department of Public Utilities continues additional road stabilization work.



FY2018 Utility System Operating Revenue



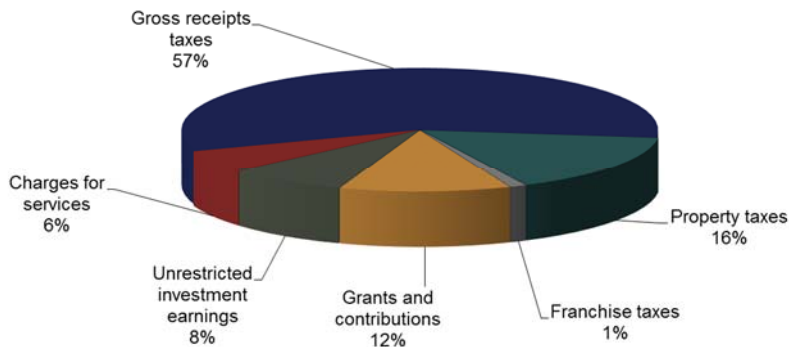


General Fund Activities Expenditures

General Fund Expenditures (in thousands)			
	FY2016	FY2017	FY2018
County Council	\$ 324.98	\$ 320.22	\$ 416.27
Municipal Court	441.77	463.53	474.33
County Manager	3,619.00	3,404.19	3,375.24
County Assessor	385.72	385.55	405.75
County Attorney	657.05	595.09	645.01
County Clerk	439.70	599.70	529.38
County Probate	4.99	4.53	4.59
County Sheriff	62.62	16.44	16.69
Administrative Services	7,235.91	7,224.56	7,283.35
Public Works	11,375.55	10,989.66	9,451.05
Community Development	1,527.08	1,732.26	1,804.47
Fire	4,267.59	5,011.72	5,629.14
Police	8,524.19	9,100.44	8,151.63
Community Services	9,566.30	10,372.27	10,364.60
TOTAL EXPENDITURES	\$48,432.45	\$50,220.16	\$ 48,551.50

Revenues

FY2018 Revenues by Source
Total: \$51.7M





Business-Type Activities Expenses

Expenses (in millions)			
	FY2016	FY2017	FY2018
Electric	\$ 40.50	\$ 41.10	\$ 42.05
Gas	3.90	4.70	4.42
Water	7.50	7.20	6.68
Wastewater	4.00	4.10	4.19
Environmental Services	3.70	4.60	4.49
Transit (Atomic City)	3.70	4.00	4.24
Fire	25.10	29.00	26.74
Airport	1.80	1.60	1.13
TOTAL EXPENSES	\$ 90.20	\$ 96.30	\$ 93.94

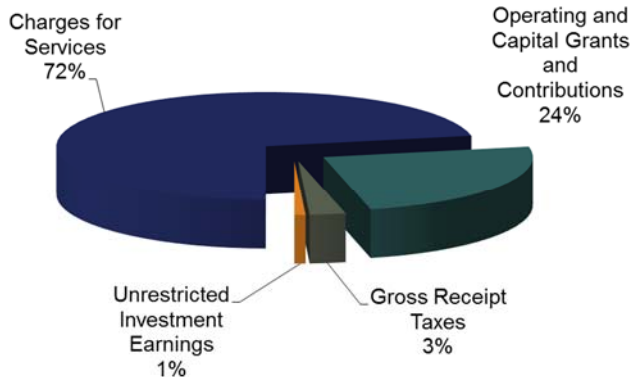
Did You Know?

Los Alamos County collects and processes 1,229 tons of recyclables, 1,213 tons of trash, and 74 tons of compostable materials on a monthly average.

Revenues

FY2018 Revenues by Source

Total: \$92.9M





FUND BALANCE

Did You Know?

Fund Balance in governmental funds is the difference between assets and liabilities.

	Unassigned Fund Balance	Committed Fund Balance*	Total Fund Balance
General Fund	\$ 13,177,552	12,126,366	25,303,918
Economic Development	-	7,260,477	7,260,477
Emergency Declarations**	(796,699)	-	(796,699)
Capital Improvement Projects	-	20,187,853	20,187,853
Capital Projects Permanent	-	29,628,380	29,628,380
Other Governmental	-	2,140,127	2,140,127
Total Governmental Funds	\$ 12,380,853	71,343,203	83,724,056

* Non-spendable, Restricted, Committed or Assigned
 **Negative Fund Balance is due to a grant receivable at year end

Top Six Employers in Los Alamos County

1. Los Alamos National Laboratory (10,954)
2. Los Alamos Public Schools (678)
3. Los Alamos County (677)
4. Centerra (268)
5. Los Alamos Medical Center (252)
6. Los Alamos National Bank (97)

Los Alamos County Population
18,738

LOS ALAMOS

GATEWAY TO THREE NATIONAL PARKS



Bandelier National Monument
210,763 visitors in 2018

Valles Caldera National Preserve
60,000 estimated visitors in 2018

Manhattan Project Historical Park
12,866 estimated visitors in 2018



OPERATING INDICATORS



MOBILITY

- ◆ 448,366 Transit passenger rides
- ◆ 60 mile network of hiking trails



RECREATION

- ◆ 172,527 aquatic center visits
- ◆ 17,370 golf rounds
- ◆ 24,258 ice rink visits
- ◆ 944 park acres maintained



ENVIRONMENTAL
STEWARDSHIP

- ◆ 52% of waste diverted from landfill
- ◆ 38,916 Nature Center participants
- ◆ 921 megawatts solar energy produced



CULTURE

- ◆ 18,725 Historical Society museum visitors
- ◆ 162 Historical Society archive visits
- ◆ 2,026 Historical Society lecture-program attendees
- ◆ 35,938 Fuller Lodge Art Center program participants
- ◆ 11,081 Los Alamos Arts Council participants



OPERATING INDICATORS



OPERATIONAL
EXCELLENCE

- ◆ 106.5 street miles maintained
- ◆ 247,997 square yards of sidewalks maintained
- ◆ 15,393 service calls responded to by Police
- ◆ 180 reported traffic accidents
- ◆ 2,367 Fire Protection Services reponses
- ◆ 827 construction permits issued
- ◆ 1,528 seniors served by the Senior Center
- ◆ 9,207 parcels assessed for tax year
- ◆ 592,980 megawatt hours supplied (Electric)
- ◆ 1,245,609 thousand gallons of water produced
- ◆ 7,890,930 therms of gas delivered
- ◆ 429,129 thousands of gallons of sewage conveyed



EDUCATION

- ◆ 5,958 NMSU Cooperative Extension participants
- ◆ 412,745 library materials circulated
- ◆ 97 Safety Town participants





CAPITAL PROJECTS

CAPITAL PROJECTS COMPLETED IN FY2016

- White Rock Library
- White Rock Youth Activity Center
- Western Area Road Replacement Phases II & III
- Ice Rink Parking Lot
- Sherwood Blvd. Reconstruction
- Teen Center

CAPITAL PROJECTS COMPLETED IN FY2017

- White Rock Senior Center
- 2017 Bond Projects Conceptual Design
- Central Avenue Improvements Phase II
- Western Area Road Replacement Phase IV
- Canyon Rim Trail extension

CAPITAL PROJECTS COMPLETED IN FY2018

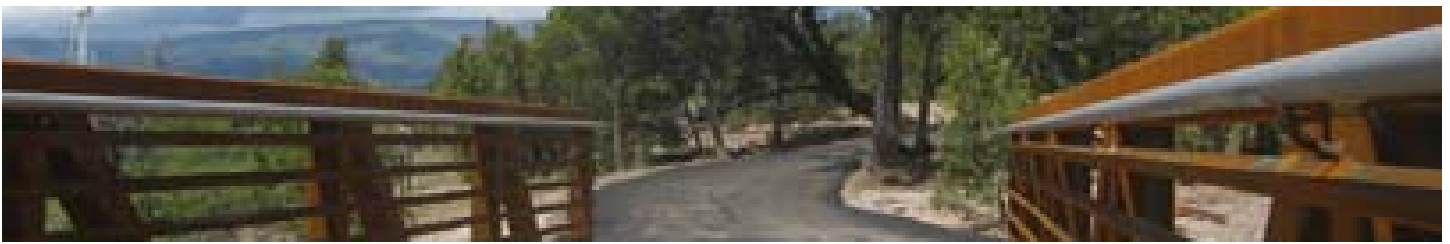
- 20th Street Extension
- North Mesa - Cumbres del Sol Road Project
- Manhattan Project National Historic Park
Downtown WIFI Project
- PRISM - ERP Project

FY2019 PLANNED CAPITAL PROJECTS

- Road Reconstruction Projects
- *Note: Many Capital Projects in FY2018 and planned for FY2019 are on hold pending the determination of Triad, LLC's taxable status.*

Canyon Rim and Western Area Road Replacement are multi-year, multi-phase construction projects.





CAPITAL PROJECTS

Canyon Rim Trail Project

Phase I - Complete

- Asphalt surfaced 1.5 mile trail with bridge.
- Opened to the public in 2010.
- South of New Mexico Highway 502 between the guard tower and the East Road Fire Station.
- Parking Area at east trailhead accommodates ten vehicles.
- Spectacular mountain views

Phase II - Complete

- Multi-use 0.75 mile asphalt trail including a bridge spanning the canyon near DP Road.
- Opened to the public in December 2016.
- The Canyon Rim Trail is 10 feet wide that begins near Camino Entrada and runs along Los Alamos Canyon to Knecht Street.



Building Phase II of the Canyon Rim Trail

Underpass & Phase III Planned

- Canyon Rim Trail Underpass which will run under New Mexico 502 allowing pedestrians and bikes to safely cross from the trail to Camino Entrada.
- The County received both federal and local funding for the underpass project.
- Design phase scheduled for FY2019 and construction in FY2020.

- Phase III of the Canyon Rim Trail would extend the existing trail to 20th Street.
- Phase III is under preliminary design to be completed during FY2019 and easement and/or parcel acquisition.
- This trail extension is part of the high priority corridor discussed in the 2017 Bicycle Transportation Plan approved by County Council.

Canyon Rim Trail Phase I Opened in 2010





FULL TIME EQUIVALENTS (FTE)

County employment in Full Time Equivalents (FTEs)	FY2016	FY2017	FY2018
County Council	7.00	7.00	7.00
Municipal Court	4.75	4.75	5.50
County Manager's Office	23.00	23.00	22.00
County Assessor's Office	7.00	7.00	7.00
County Attorney's Office	5.00	5.00	5.00
County Clerk's Office	6.94	7.16	7.16
Probate Court	1.00	1.00	1.00
County Sheriff	1.94	1.98	1.00
Community Development	15.00	15.00	16.00
Administrative Services *	48.01	46.01	52.01
Community Services	94.49	95.04	94.15
Fire Department	150.00	150.00	150.00
Police Department	75.00	73.00	74.75
Public Works	132.83	133.83	136.55
Utilities	98.32	98.34	98.30
TOTAL FTE's	670.28	668.11	677.42

* The change in FTE count for FY18 was largely due to the 6 Limited Term positions added for the PRISM - ERP implementation project, which went live on July 1, 2018. Over the past five years, County FTEs are declining as the County has focused on cost cutting measures and sought to improve the efficiency of its operations. Since the ERP implementation, the 6 Limited Term positions have been removed, resulting in a County total budgeted FTE count of 671.42

Changes in FTE

The Los Alamos Fire Department provides fire protection services to Los Alamos National Laboratory (LANL) under a cooperative agreement. Through this partnership, LANL and the community receives an elevated level of fire protection and ambulance services. The cost of services provided to LANL are reimbursed to the County through monthly billings.

Did you know?



LOS ALAMOS

COUNTY COUNCIL

David Izraelevitz, Council Chair

Christine Chandler, Council Vice-Chair

Susan O'Leary

Morris Pongratz

Antonio Maggiore

Rick Reiss

Pete Sheehey



Incorporated County of Los Alamos, New Mexico
Administrative Services Department - Finance Division
1000 Central Avenue, Suite 300
Los Alamos, New Mexico 87544

https://www.losalamosnm.us/government/departments/administrative_services/