

LOS ALAMOS

where discoveries are made



Popular Annual Financial Report

Incorporated County of Los Alamos

Fiscal Year Ended June 30, 2019



FULLER LODGE

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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 2019. 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. Fiscal Year 2019 (FY2019) began on July 1, 2018 and ended on June 30, 2019.

The Finance Division of the 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, 2019 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.

The LANL operations and management contract was awarded to Triad National Security, LLC (Triad) and they took over LANL operations on October 1, 2018. Triad is a nonprofit, public service focused organization made up of three members: Battelle Memorial Institute, The Texas A&M University System and the University of California. On February 28, 2019, Governor Lujan Grisham signed Senate Bill 11 into law which states that receipts of a prime contractor operating a laboratory facility in New Mexico are subject to gross receipts taxes. LANL is the County’s largest employer, with estimates that its expenditures provide, either directly or indirectly, approximately 90-95% of the County’s economic activity. For the year ended June 30, 2019, an estimated 75-80% of GRT revenues relate directly to LANL operations.

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 Perraglio, Chief Financial Officer



ACCOMPLISHMENT HIGHLIGHTS

Many exciting projects, opportunities and accomplishments occurred in FY2019 that led us into FY2020...

- ◆ Two planned affordable rental housing projects for DP Road will have been financed with low-income housing tax credits. The first project is “Canyon Walk Apartments” on Tract A-9, 120 DP Road. The project will be 70 rental units focused on workforce housing and construction. The second project, “The Bluffs” on 2.79 acres of Tract A-8-b at 135 DP Road will have 64 rental units for age 55 and over.
- ◆ Two housing projects that started in FY2018 continue to expand the available housing in Los Alamos. These projects are Parcel A-19 in White Rock anticipating 160 new housing units and development for approximately 150 rental apartments on the former Department of Energy Site Office parcel just south of Trinity Drive in Los Alamos.
- ◆ Two major natural events hit Los Alamos hard and County Staff rose to the occasion. In late December 2018 and January 2019, Los Alamos received over four feet of snow. Crews from Traffic and Streets, Parks, Utilities, Facilities, Custodial and Transit worked together on the massive snow removal efforts. County Chair Scott declared a state of emergency and as a result reimbursement for extraordinary costs and repairs to Diamond Drive have been submitted to the State. In March, a high wind and snow event dubbed a “bomb cyclone” resulted in hundreds of downed trees, trapped motorists and numerous power outages. Clean up work on trails impacted by downed trees and damage to roadways continues at this time.
- ◆ Crews from facilities and streets division of Public Works finished construction of a new hangar at the airport to accommodate up to six aircraft in four separate storage areas.
- ◆ The airport perimeter fence along Highway 502 was replaced.
- ◆ Mesa Public Library project including HVAC replacement, LED lighting, cleaning duct work and tinting the skylight was completed. During construction (August through December), the library was closed with alternate locations established for patrons.
- ◆ Public Works staff continued to work with DOE, NM-DOT, Bandelier, and Army Corps of Engineers to program, design and construct intersection upgrades to improve capacity and safety of State Road 4/East Jemez Road (Truck Route) intersection.
- ◆ A state led NM502 reconstruction project began in March 2019 which will redevelop the entrance to our community. The budget for the project is \$10.8 million and is scheduled to be completed in December 2020.



ACCOMPLISHMENT HIGHLIGHTS

Many exciting projects, opportunities and accomplishments occurred in FY2019 that led us into FY2020...

- ◆ The housing rehabilitation and homebuyer assistance programs continued to provide assistance in the form of loans to income eligible households in Los Alamos.
- ◆ Golf and Open Space worked together to create a 2.8 mile groomed cross-county ski track on the front 9 of the Golf Course. The course was utilized by individual skiers and the Nordic ski team, and was extremely popular.
- ◆ Public Health Office services were greatly reduced in 2016 and the County sought to restore these services ever since. The County solicited for services from private providers to expand services.
- ◆ The County continues its commitment to operational excellence. The Government Finance Officers Association awarded Los Alamos County with the Certificate of Achievement for Excellence in Financial Reporting (27 consecutive years) for the Comprehensive Annual Financial
- ◆ Report (CAFR), the Distinguished Budget Presentation Award (26 consecutive years) and the Outstanding Achievement in Popular Annual Financial Reporting (2 years) for the County's PAFR which we began publishing in FY2017. At the 2019 New Mexico Association of Counties (NMAC) Annual Conference, Los Alamos County received the NMAC and State Auditor's Audit & Accountability Award for Continued Excellence.
- ◆ The County successfully went live on its new Enterprise Resource Planning (ERP) system after significant coordinated efforts were accomplished by the Finance, Utilities, Human Resources, and Information Management teams. FY19 was the first year of operating the new system, and the County put forth large efforts in internal change management with the roll out of standard operating procedures, electronic workflows and paperless technology.





STRATEGIC FOCUS & PRIORITY AREAS

Economic Vitality
Economic Vitality
Financial Sustainability

- 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.





GRT - HOW DO WE COMPARE?

Gross Receipts Tax Rates



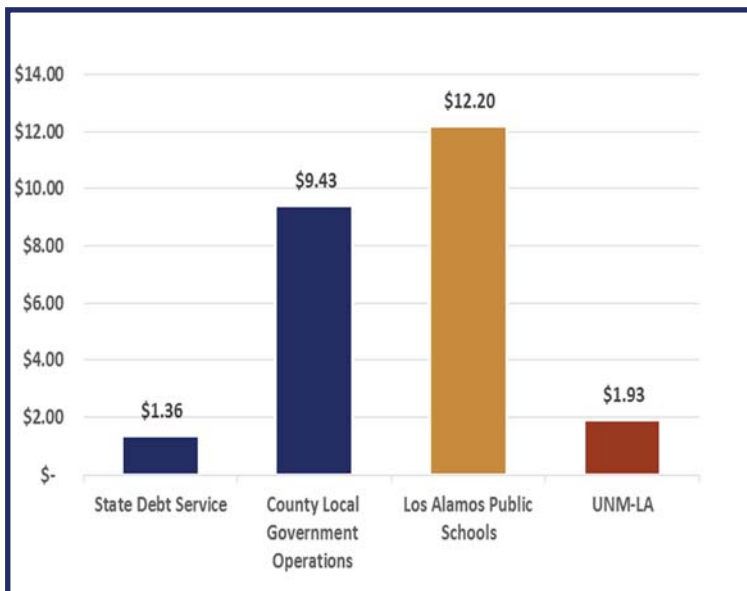
Did You Know?

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?

Ten Principal Property Tax Payers

- PHC - Los Alamos Inc.
- Central Park Square LLC
- Topvalco, Inc.
- Los Alamos Commerce & Development Corp.
- Los Alamos National Bank
- Canyon Village Housing Solutions
- Qwest Corp.
- Smith's Food & Drug Centers, Inc.
- NMC Holding LLC
- CC&F Los Alamos Invest Co.



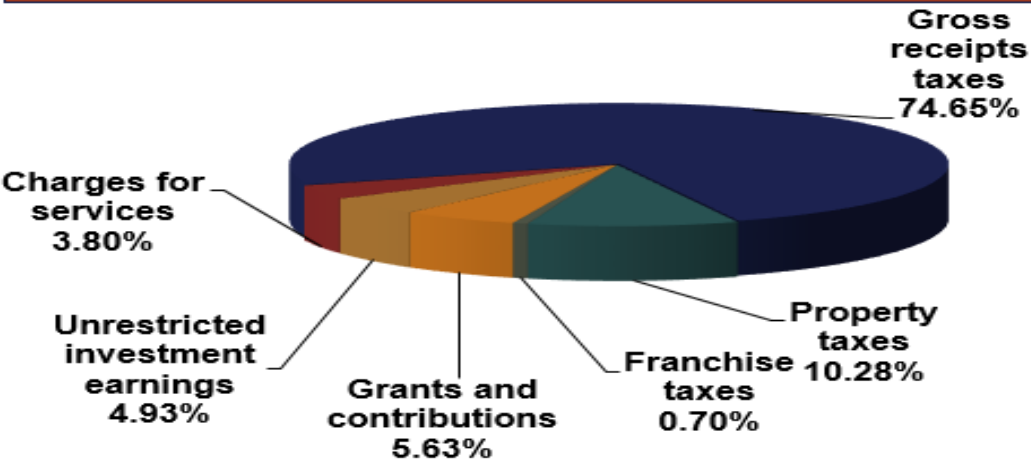


General Fund Activities

Expenditures

General Fund Expenditures			
	FY2017	FY2018	FY2019
County Council	\$ 320,224	\$ 416,268	\$ 394,776
Municipal Court	463,525	474,329	475,235
County Manager	3,404,188	3,375,242	3,179,516
County Assessor	385,554	405,752	416,237
County Attorney	595,085	645,014	680,206
County Clerk	599,704	529,379	557,178
County Probate	4,525	4,587	4,540
County Sheriff	16,436	16,694	12,204
Administrative Services	7,224,563	7,283,349	7,337,414
Public Works	10,989,657	9,451,049	14,547,257
Community Development	1,732,259	1,804,465	1,573,284
Fire	5,011,730	5,629,137	5,381,751
Police	9,100,438	8,151,630	8,241,900
Community Services	10,372,274	10,364,600	9,941,705
TOTAL EXPENDITURES	\$ 50,220,162	\$ 48,551,495	\$ 52,743,203

FY2019 Revenues by Source Total: \$68.3M



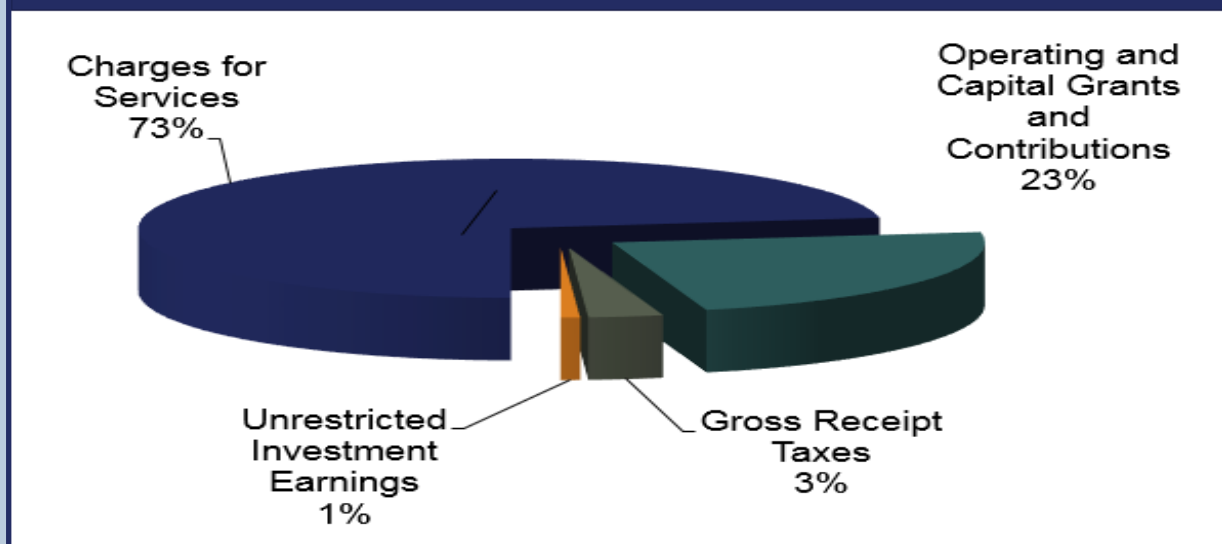


Business-Type Activities

Expenses

Expenses (in millions)			
	FY2017	FY2018	FY2019
Electric	\$ 41.10	\$ 42.05	\$ 45.10
Gas	4.70	4.42	5.10
Water	7.20	6.68	7.00
Wastewater	4.10	4.19	4.20
Environmental Services	4.60	4.49	4.80
Transit (Atomic City)	4.00	4.24	4.10
Fire	29.00	26.74	28.10
Airport	1.60	1.13	0.90
TOTAL EXPENSES	\$ 96.30	\$ 93.94	\$ 99.30

FY2019 Revenues by Source Total: \$92.9M





FUND BALANCE

	Unassigned Fund Balance	Committed Fund Balance*	Total Fund Balance
General Fund	\$ 25,370,753	8,864,160	34,234,913
Economic Development	-	5,645,944	5,645,944
Emergency Declarations**	(510,303)	-	(510,303)
Capital Improvement Projects	-	20,187,853	21,916,230
Capital Projects Permanent	-	29,628,380	30,165,442
Other Governmental	-	2,140,127	2,544,629
Total Governmental Funds	\$ 24,860,450	66,466,464	93,996,855
* Non-spendable, Restricted, Committed or Assigned			
**Negative Fund Balance is due to a grant receivable at year end			



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.

County-wide Results

Overall, the County continues to have a strong financial position, with operating reserves and assets available to provide services to citizens.



FULL TIME EQUIVALENTS (FTE)

County employment in Full Time Equivalents (FTEs)	FY2016	FY2017	FY2018	FY2019
County Council	7.00	7.00	7.00	7.00
Municipal Court	4.75	4.75	5.50	5.30
County Manager's Office	23.00	23.00	22.00	22.00
County Assessor's Office	7.00	7.00	7.00	7.00
County Attorney's Office	5.00	5.00	5.00	5.00
County Clerk's Office	6.94	7.16	7.16	6.77
Probate Court	1.00	1.00	1.00	1.00
County Sheriff	1.94	1.98	1.00	1.00
Community Development	15.00	15.00	16.00	16.00
Administrative Services *	48.01	46.01	52.01	47.61
Community Services	94.49	95.04	94.15	91.73
Fire Department	150.00	150.00	150.00	150.00
Police Department	75.00	73.00	74.75	74.75
Public Works	132.83	133.83	136.55	137.55
Utilities	98.32	98.34	98.30	97.60
TOTAL FTE's	670.28	668.11	677.42	670.31

* The change in FTE count for FY18 and FY19 was largely due to the 6 Limited Term positions added for the PRISM - ERP implementation project, which went live on July 1, 2018. Since the ERP implementation, the 6 Limited Term positions have been removed and the County added a equipment operator for Environmental Services. The net result is a total budgeted FTE count of 670.31

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?



CAPITAL PROJECTS

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

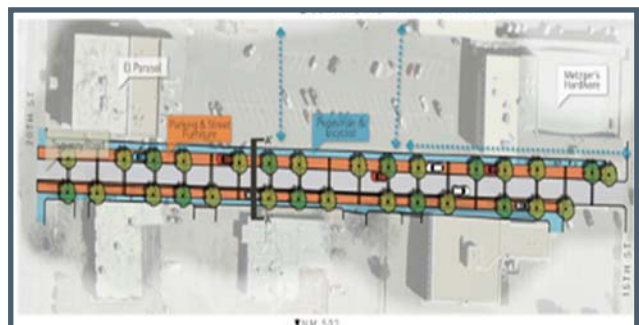
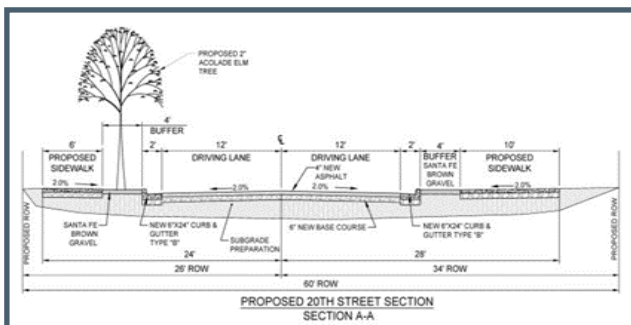
- 20th Street Extension
- North Mesa – Cumbres del Sol Road Project Phase I
- Manhattan Project National Historic Park Downtown WIFI Project

Capital Projects Completed in FY2019

- Sherwood Blvd Road Project
- PRISM – ERP Project
- North Mesa – Cumbres del Sol Road Project – Phase II

FY2020 Planned Capital Projects

- Barranca Mesa Road Project
- Diamond Drive Road Project
- North Mesa Infrastructure Project
- Recreation Projects
 - Golf Course Improvement
 - Kiddie Pool
 - Splash Pad
 - Ice Rink
- Economic Development Projects
 - Infrastructure for parcels on DP Road & former LASO site. (A-9, A-8b, A-16, A-9 & A-13)



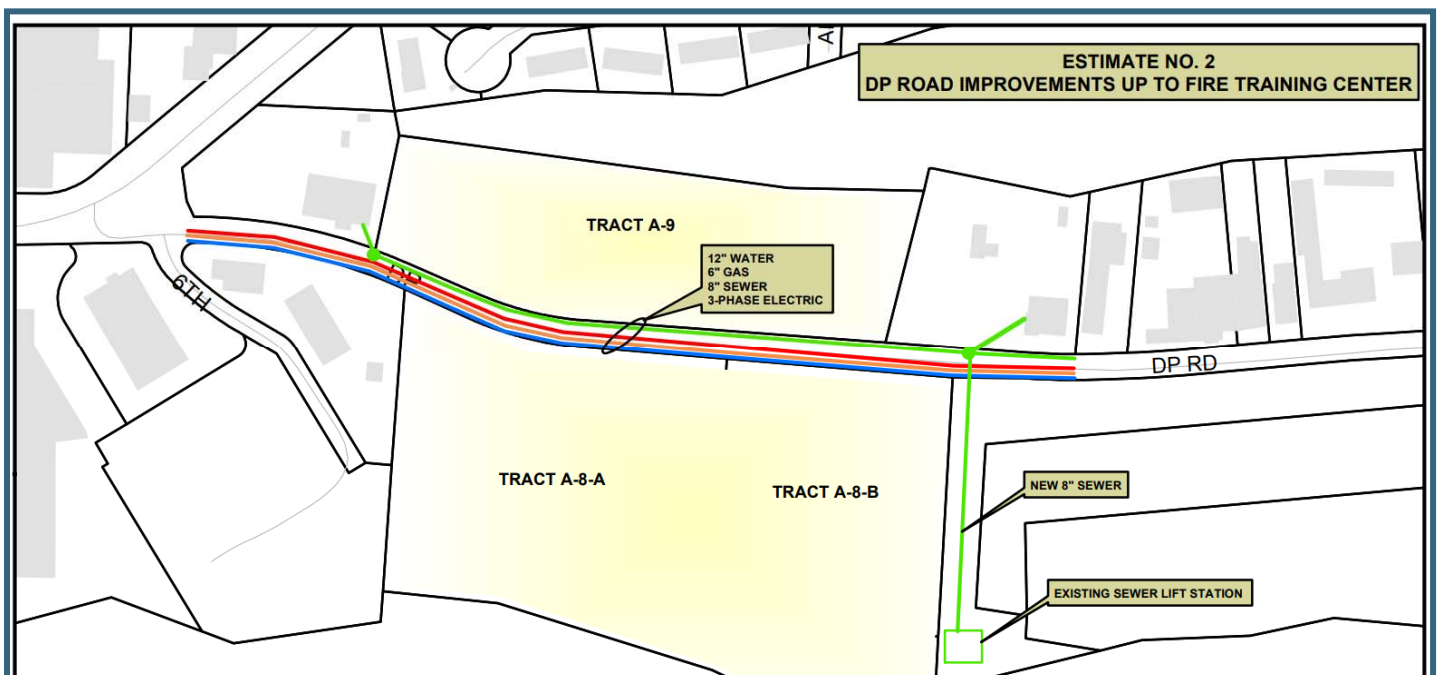


CAPITAL PROJECTS

Affordable Housing Development Infrastructure

Two affordable rental housing projects are planned for DP Road. The infrastructure including water, sewer, gas and electric lines are included in the County's FY2019 budget as Economic Development projects.

The housing projects will be financed with State low-income housing tax credits and built by Bethel Developments. Construction of the first project, "Canyon Walk Apartments" at 120 DP Road (A-9) for 70 workforce housing units on 4.25 acres, is anticipated to begin January 2020. Tenants will be able to move in by November 2020. Construction of the second project, "The Bluffs" at 135 DP Road (A-8-B) for 64 rental units for age 55 and over on 2.79 acres, is anticipated to begin November 2020. Tenants will be able to move in by November 2021.





Operating Indicators **BY THE NUMBERS**

451,793

Transit Passenger Rides



65

Miles Network of Hiking Trails

175,444

Aquatics Center Visits

20,745

Golf Rounds



18,962

Ice Rink Visits

944

Park Acres Maintained

20,206

Historical Society Museum Visitors

2,862

Historical Society Lecture Program Attendees

35,482

Fuller Lodge Art Center Program Participants

10,011

Los Alamos Arts Council Participants



51%

Waste Diverted from Landfill

44,334

Nature Center Participants



558,282

Megawatts Solar Energy Produced





Operating Indicators BY THE NUMBERS

108.3

Street Miles Maintained

248,531

Square Yards of Sidewalk Maintained

13,533

Service Calls Responded to by Police

212

Number of Traffic Accidents

2,294

Fire Protection Services Responses

795

Construction Permits issued

4,633

Seniors Served by the Senior Center

9,224

Parcels Assessed for Tax Year

558,287

Megawatt Hours Supplied (Electric)

1,175,975

Thousand Gallons of Water Produced

9,449,825

Therms of Gas Delivered

397,929

Thousands of Gallons of Sewage Conveyed



6,595

NMSU Cooperative
Extension Participants

367,065

Library Material
Circulated

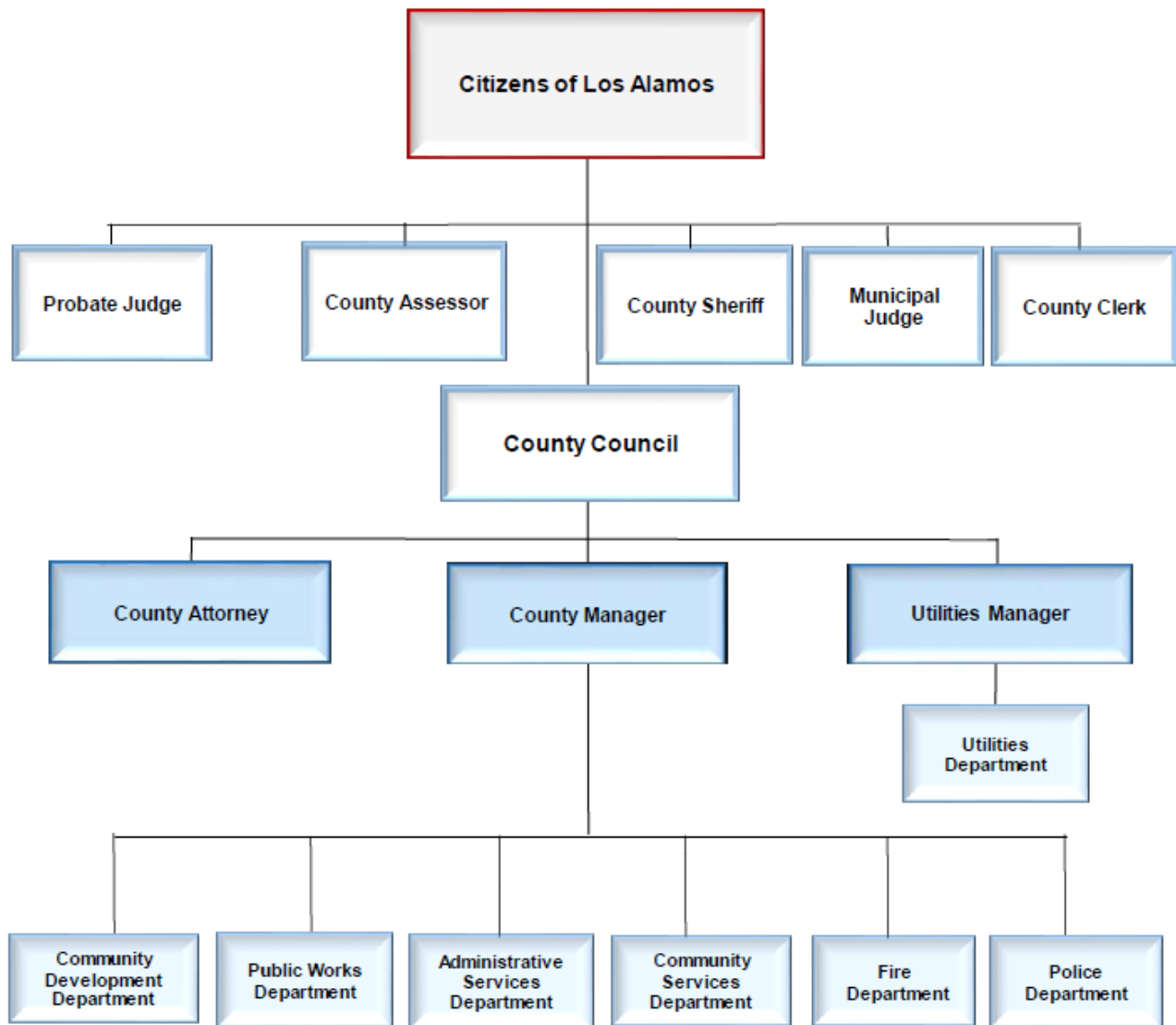
94

Safety Town
Participants





COUNTY-WIDE ORGANIZATION CHART



Legend:

Elected
Offices

Appointed
Positions



COUNTY COUNCIL



LOS ALAMOS COUNTY

POPULATION

19,101

The Council of the Incorporated County of Los Alamos is the governing body of Los Alamos County and was created by the Los Alamos County Charter. The Council consists of seven members elected at large for four-year, staggered terms. Each year the Council elects a Chair and Vice-Chair from within its membership.

An incorporated county is established under a special provision of the state constitution. It has both county and municipal authority and powers. Los Alamos County Council has also adopted a home rule charter which allows the County to depart from certain statutory requirements. Under the Charter, the Council is the governing body of the County.



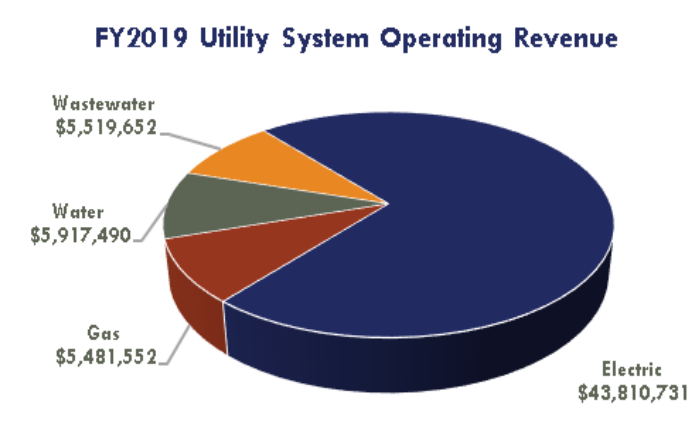
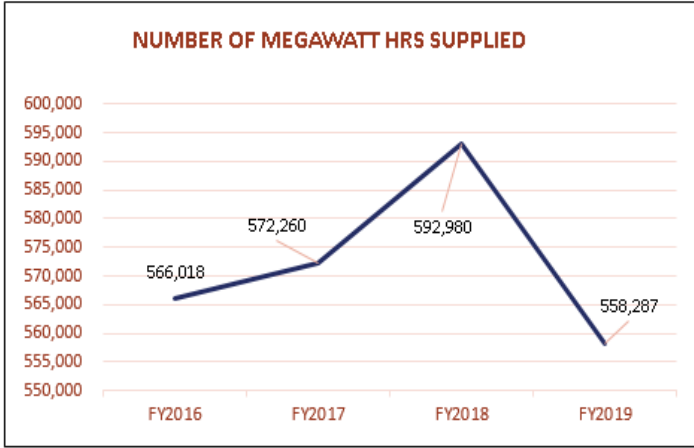
Sara Scott, Chair

Pete Sheehey, Vice-Chair

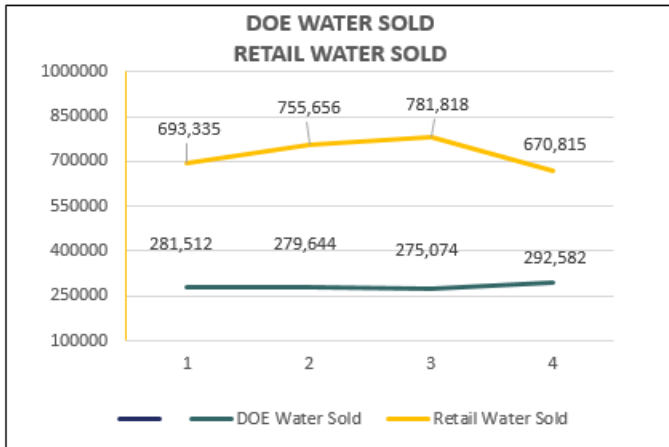
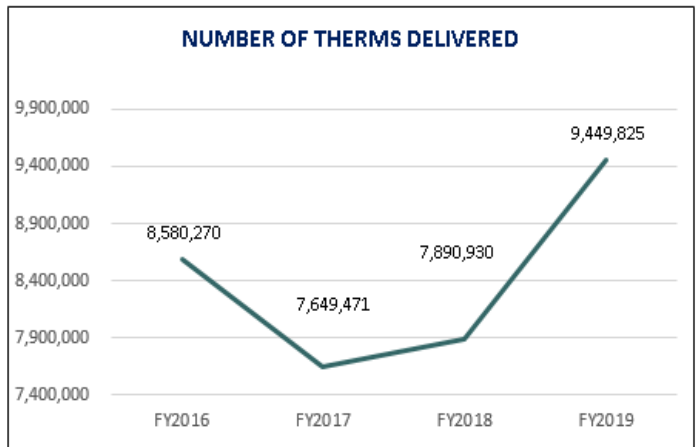
David Izraelevitz, Councilor	Antonio Maggiore, Councilor
Katrina Martin, Councilor	James Robinson, Councilor
Randall Ryti, Councilor	



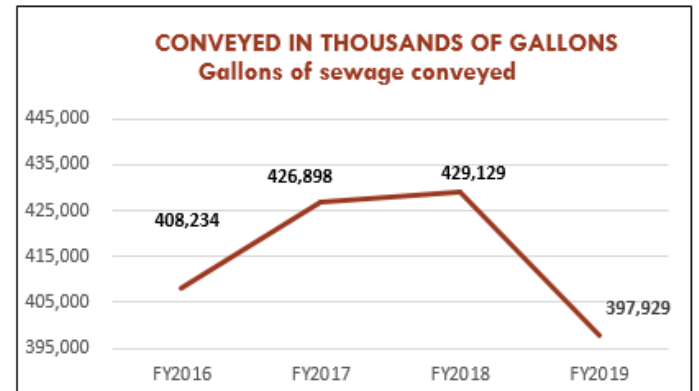
UTILITIES AT A GLANCE



Did You Know?
 DPU reclaimed 78 million gallons of water to irrigate Los Alamos Golf Course and Parks..



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.





2019 BEST OF LOS ALAMOS

- * Best Counties to Live in America (#1) - Niche.com
- * 25—Best Counties to Live in America—(#3) Los Alamos—24/7 Wall Street, USA Today
- * America’s 50 Best Cities to Live—(#31) Los Alamos—27/7 Wall Street
- * Best Places to Live in New Mexico—(#1) Los Alamos, (#2) White Rock—Money Magazine
- * Most Generous Counties in New Mexico (#1) Los Alamos— SmartAsset

Top 5 Los Alamos County Employers

Los Alamos National Laboratory	11,970
Los Alamos County	670
Los Alamos Public Schools	638
N3B	390
Other Employers	2,947



LOS ALAMOS



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

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/