

Fiscal Year 2026

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

Citizen's Guide to the Budget

Fiscal Year 2025 – Adopted | Fiscal Year 2026 – Proposed

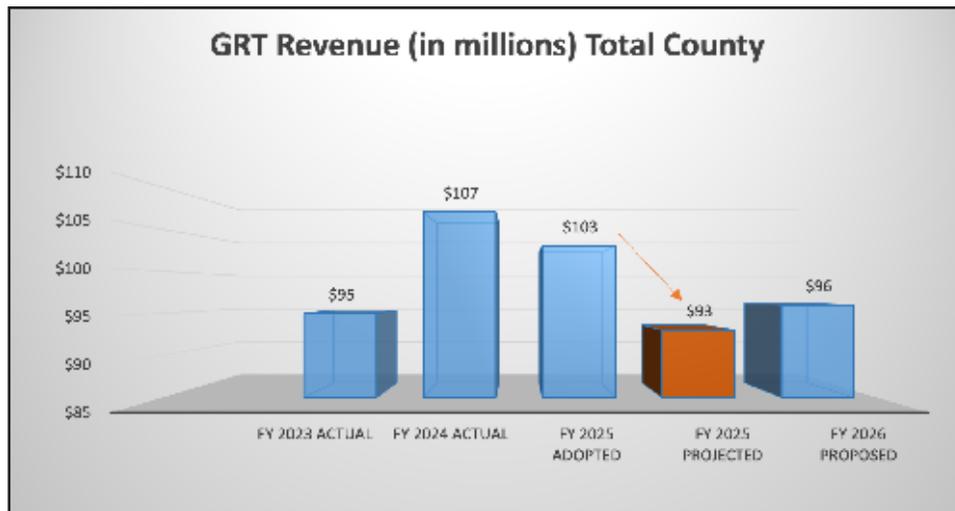
LOS ALAMOS



County Councilors and Citizens of Los Alamos –

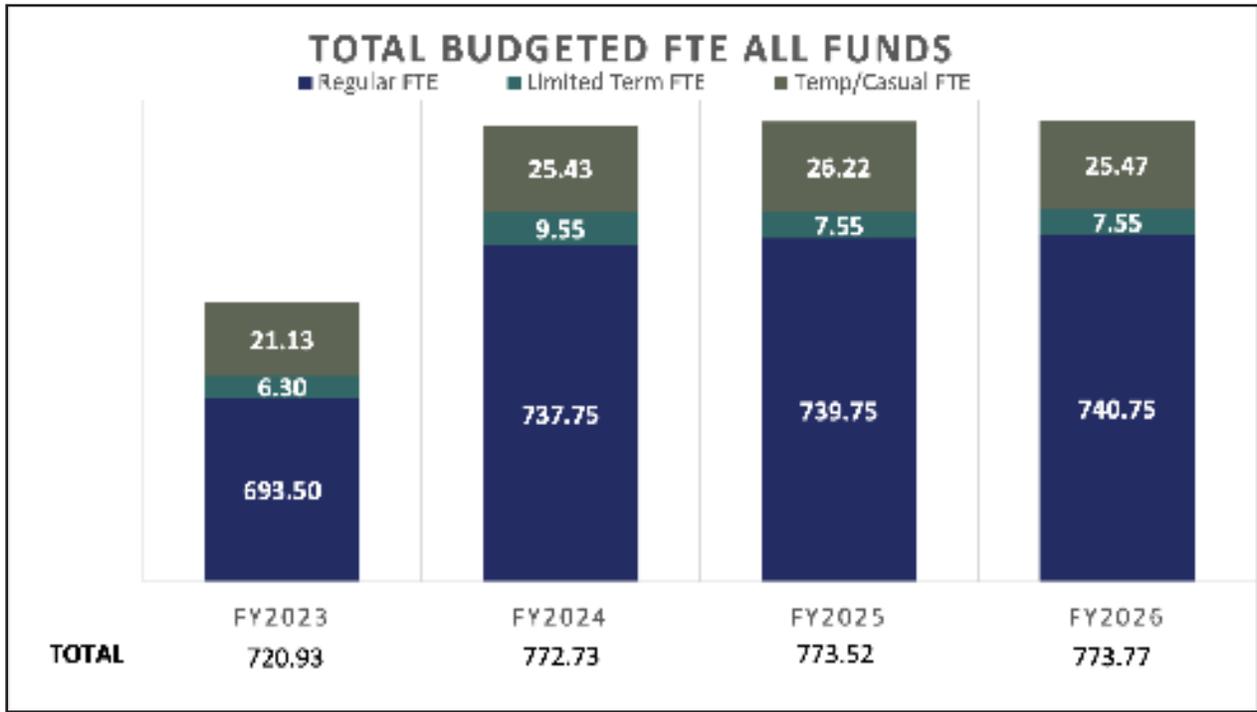
I am pleased to present to you the proposed Fiscal Year 2026 budget. This is the second year of the Fiscal Years 2025-2026 biennial budget cycle.

A driving force in developing our budget each year is the estimation of County revenues. Gross Receipts Tax (GRT) accounts for 72% and Property Taxes account for 8% 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 received primarily from the community's largest employer, Los Alamos National Laboratory (LANL). Realized GRT to date have declined and Fiscal Year 2026 proposed GRT includes projected decreases. Below is a chart of total GRT revenue across all funds.



The County began preparing the budget in December 2024. Our guidance for budget development was to begin with the Fiscal Year 2025 adopted budget, less one-time items, then allow for an average 6% adjustment in salaries (3% structure, 2% merit and 1% other cost of labor) for non-collective bargaining employees, a 5% increase to benefits which includes an anticipated increase in medical premiums and retirement expenditures Public Employees Retirement Association (PERA), and a non-labor expenditure target of 3% with the exception of contractual obligations and IDC's which include a 10% increase (15% general Insurance IDC's and 5% Fleet IDC's).

Based on the current projected revenues, which include a decline in GRT revenue and County financial policy guidance to maintain at least a 20% unassigned fund balance target, the Fiscal Year 2026 proposed budget is projected to create an operating shortfall in the general fund. The budget maintains required reserves, but programs the use of excess unassigned fund balance that has built up from previous year's growth, therefore there is a limited opportunity again



this year for Council to consider budget options in addition to the proposed budget. The focus remains on achieving the Council’s strategic goals, and to continue providing excellent day-to-day services to the citizens of Los Alamos County. Budget options must be carefully considered for the long-term impact on meeting targeted reserves adequately.

The Fiscal Year 2026 proposed budget has 740.75 regular, 7.55 limited term and 25.47 temporary/casual positions for a total of 773.77 budgeted full-time equivalents (FTE) in all funds. The overall increase is due to a fluctuation of temporary and casual employees and an allowable FTE within the Fire Department agreement with LANL.

Fiscal Year 2025 Highlights and Accomplishments

Fiscal Year 2025 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. Recruitment and retention efforts remained a priority including increased promotion on social media platforms, offering incentives, 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’s strategic plans and priorities.



INITIATIVES

Climate Action Plan. County Council approved the Climate Action Plan in November, culminating a multi-year effort that began with the recommendations of the Los Alamos Resiliency, Energy, and Sustainability Task Force. This Plan establishes a road map for achieving the vision of a resilient and sustainable community, with the goal of reaching carbon neutrality by 2050, with interim targets of 30% greenhouse gas reduction by 2030 and 80% reduction by 2040 (compared to a 2022 baseline). The Plan's strategies and actions contribute to this goal through two primary pathways: 1) Mitigation: Reducing greenhouse gas emissions from County government and community member activities; and 2) Adaptation and Resilience: Increasing County government and community resilience to climate change impacts such as drought, flooding, wildfire, and extreme heat.

Comprehensive Health Plan. In December, County Council adopted the Los Alamos County Comprehensive Health Plan. The Plan identifies the extent to which health-related services and resources are available and accessible to everyone in the community and recommends actions to improve the health and wellbeing of the community. Developed by the County Social Services staff and County Health Council members after extensive research, listening sessions, and surveys with community members and partners, the Plan will guide health, wellness, and social services planning in the County for the next five to seven years.

Affordable Housing Plan. The County Council approved a new Affordable Housing Plan in August to begin addressing the acute housing shortage affecting the County. The Plan outlines goals, strategies, and tools to support housing development to provide diverse, affordable housing options for residents across all income levels. Developed with input from a wide range of interested organizations and community members, the Plan includes a mix of public and private sector initiatives, focusing on expanding housing availability, promoting affordability, and ensuring that essential workers, including teachers, healthcare providers, and small business employees, have access to suitable housing within the County.



PROJECTS

Broadband Network. Implementing a multi-year strategic priority, the County Council approved two contracts in November with Bonfire Engineering & Construction, LLC to design/construct and manage an open-access broadband network in the County to provide reliable, high-speed internet services at reasonable costs. The open-access model will consist of three tiers: network owner, network management, and service providers.

Foxtail Flats Solar and Energy Storage Project. The Board of Public Utilities and County Council approved the Foxtail Flats Solar and Energy Storage Project scheduled to be operational in late 2026 in the Four Corners area. The project

will deliver 170 megawatts of carbon-free solar energy and provide 320 megawatt-hours of battery storage capacity. In partnership with the Department of Energy (DOE), this project will serve Los Alamos County, Los Alamos National Laboratory (LANL), Sandia National Laboratory (SNL), and Kirtland Air Force Base. This project aligns with the County's goal to achieve carbon neutrality in electrical supply by 2040.

Jemez Mountain Fire Protection Project. With three major wildfires—Cerro Grande, Las Conchas, Cerro Pelado—impacting the region over the past two decades, a critical project began in 2024 to enhance fire suppression capabilities as part of the Jemez Mountain Fire Protection Project. The project will construct a new 500,000-gallon water tank, four water booster stations, and 23,000 feet of 10-inch waterline along Camp May Road. The project will convey potable water from the existing water system in Los Alamos to the Pajarito Mountain 10-million-gallon reservoir, to the Pajarito Mountain ski facilities, and to the Camp May campground. The initiative is jointly funded by the New Mexico Legislature, Pajarito Recreation, and Los Alamos County.

White Rock Water Resource and Reclamation Facility. Replacing the 1960s wastewater treatment facility, the new White Rock Water Resource and Reclamation Facility completed in October provides class 1A effluent water, a high-quality effluent that is safer and cleaner and suitable for irrigation at parks and school grounds. This project, which began in 2016, was funded through the Clean Water State Revolving Loan under the New Mexico Environment Department Construction Programs Bureau to minimize rate increases for customers.

Kinnikinnik ADA Accessible Trail Project. This project, completed in 2025, involved the conversion of a 0.25-mile section of the existing trail into an ADA-compliant, crusher fine trail based on U.S. Forest Service standards, aimed at enhancing accessibility for individuals with mobility challenges. The accessible trail will foster social well-being and create community engagement while encouraging physical activity.

Golf Course Improvement Project. The Golf Course Improvement Project has been successfully completed, addressing safety concerns on the course, implementing long-overdue upgrades, and enhancing the overall playing experience.

Urban Trail Project. The Urban Trail is a new, 10 ft. wide, ADA-compliant multi-use trail through downtown Los Alamos that was completed in early 2025, funded by federal transportation grants and included in the 2017 Bicycle Transportation Plan. Running approximately one mile, starting at Trinity Drive and 20th Street, extending to the Aquatic Center, it features a 370 foot elevated precast concrete boardwalk for ADA access through sloped, wooded terrain. This trail marks a successful collaboration with the community and New Mexico Department of Transportation for funding.

Bomber, Hope, and Dara Jones Athletic Fields. These fields were renovated last year. The renovation included removal of existing sod, leveling of the playing surface, conditioning of the infields, and new sod. This project improved the playing surface of the fields which improved the safety and playability for participants.



ACCREDITATION

The County is proud to have earned recognition from various accrediting agencies that show the commitment of these departments to maintain high levels of professional standards in their respective industries/fields.

- The Community Services Department received Commission for Accreditation of Park and Recreation Agencies (CAPRA) accreditation for the first time for the County and is the first County in the state of New Mexico to achieve this. CAPRA is the only national accreditation for park and recreation departments, serving as a key measure of operational quality, management, and community service; achieving accreditation demonstrates a department's commitment to providing the highest level of service.
- The Los Alamos Police Department (LAPD) has maintained the Commission on Accreditation for Law Enforcement Agencies (CALEA) accreditation and is one of four law enforcement agencies nationally accredited within New Mexico. CALEA accreditation can limit potential liability and risk exposure because it demonstrates that internationally recognized standards for law enforcement have been met, as verified by a team of independent outside CALEA-trained assessors. LAPD strives to provide the best service possible, and CALEA ensures the Department maintains a high level of standards
- In 1997, the Los Alamos Fire Department (LAFD) became one of the first five to receive international accreditation from the Commission on Fire Accreditation International (CFAI). Out of over 35,000 U.S. fire departments, only 320 are accredited. This recognition demonstrates LAFD's commitment to industry best practices and accountability through external peer review. The CFAI accreditation sets an international benchmark for fire and emergency services quality. Recently, LAFD has assisted Albuquerque Fire & Rescue, Bernalillo Fire, Y12 National Laboratory, Idaho National Laboratory, and others in their accreditation process and is preparing for its sixth accreditation visit this fall.
- The Department of Public Utilities (DPU) received full accreditation from American Public Works Association (APWA) and is in full compliance with the recommended management practices set forth in APWA's Public Works Management Practices Manual. Accreditation is designed to assist the agency in the continuous improvement of operations and management, and in providing a valid and objective evaluation of agency programs as a service to the public and the profession. DPU is the second agency in the state of New Mexico to be formally awarded the prestigious accreditation by APWA's Accreditation Council. In addition to Los Alamos County, the other accredited agency in New Mexico is the Los Alamos National Laboratory.
- The Community Development Department-Building Safety Division, has received accreditation by the International Accreditation Service (IAS). This achievement underscores the division's unwavering commitment to excellence, safety and customer service in the building industry. IAS audited the Division by reviewing policy, procedures, permitting and inspections. Building Safety scored high in timeliness, quality and staff professionalism with no corrective action in any areas.





Fiscal Year 2026 Budget at a Glance & Major Change in Fund Revenues and Expenditures

The overall County proposed Fiscal Year 2026 expenditures are \$364.9 million as compared to Fiscal Year 2025 adopted expenditures of \$377.5 million. Overall County revenues are \$332.0 million as compared to Fiscal Year 2025 adopted revenues of \$410.9 million. (See the Combined Budget Statement on page 11.)

GENERAL FUND

In Fiscal Year 2026, General Fund revenues are proposed to be \$2.9 million or 2.4%, lower than in the Fiscal Year 2025 adopted budget for a total of \$121.9 million. Projected GRT, Property Tax and Interdepartmental Charges make up the majority of the budgeted revenue.

A total proposed budget of \$101.3 million in expenditures are \$4.9 million, or 5.1%, higher than the Fiscal Year 2025 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 Fiscal Year 2026, Special Revenue Funds proposed to have \$22.1 million, which is \$6.5 million more compared to Fiscal Year 2025 adopted budget.

The State Grants Fund proposed expenditures of \$1.4 million which is about \$2.1 million less than the Fiscal Year 2025 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 Fiscal Year 2026 are budgeted at \$141.5 thousand more than the Fiscal Year 2025 adopted budget. The transfer from the General Fund is proposed at \$650,000, which is the same as the Fiscal Year 2025 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, which include loan repayment and interest. Budgeted expenditures equal \$12.7 million, which includes funding for future economic development projects, which was transferred from the general fund in Fiscal Year 2025 and will continue to draw down fund balance as projects are programmed. This net decrease in fund balance is due primarily to the Economic Development Fund having no recurring stream of revenue. However, Fiscal Year 2026 and in future years budget for recurring transfers for \$1.2 million in Los Alamos Public Schools and UNM-LA grants, \$400,000 for the Housing Rehabilitation and Down Payment Assistance programs, and \$200,000 in Local Economic Development Act (LEDA) initiatives.

CAPITAL IMPROVEMENT PROJECTS (CIP) FUNDS

For Fiscal Year 2026, expenditures in the CIP Fund total \$39.9 million, which is \$37.2 million lower than Fiscal Year 2025 due to specific projects scheduled for Fiscal Year 2025 vs. Fiscal Year 2024 per the detailed CIP project schedules, which include Broadband and ongoing maintenance and replacement needs. Anticipated bond proceeds and correlating projects were budgeted in Fiscal Year 2025 which accounted for the large decrease between the two years.



JOINT UTILITY SYSTEMS FUND

The Joint Utility System Fund revenues for Fiscal Year 2026 are proposed at \$106.9 million, which is \$2.9 million (2.7%) above the Fiscal Year 2025 adopted budget. Expenditures are proposed at \$107.3 million, which is \$6.6 million (6.6%) higher than the prior year.

The Fiscal Year 2026 proposed Joint Utility Fund budget includes the effect of planned rate changes previously approved by the Board of Public Utilities (BPU) and the County Council for a 5.5% increase in gas rates, 6% increase in retail water rates and a 5% increase in wholesale potable and non-potable water. The Fiscal Year 2026 budget also includes a proposed 9% increase in electric distribution rates and 7% in wastewater rates. BPU and Council previously approved 2% increase for wastewater rates and DPU will return for approval of an additional 5% increase ahead of July 2025.

OTHER ENTERPRISE FUNDS

Fiscal Year 2026 revenues totaling \$62.7 million in these business-type activities funds are proposed at \$0.18 million, or 0.3%, lower than Fiscal Year 2025. Total expenses of \$60.7 million for the Fiscal Year 2026 proposed budget are \$1.5 million or 1% lower than Fiscal Year 2025.

The Environmental Services Fund expenses are \$7.2 million in the proposed Fiscal Year 2026 budget, which is \$3.3 million less than the Fiscal Year 2025 adopted budget. The proposed Fiscal Year 2026 revenues of \$6.3 million are \$3.9 million lower than in Fiscal Year 2025.

The Transit Fund expenditures are proposed at \$7.2 million or \$0.3 million less than the Fiscal Year 2025 budget due primarily to the timing of related grants. The proposed revenues of \$5.2 million are \$0.4 million below the adopted Fiscal Year 2025. The General fund transfer of \$1.2 million supports grant matching requirements and the transit program not covered by grants.

The Fire Fund proposed expenditures are budgeted at \$45.2 million and revenues are \$48.8 million for Fiscal Year 2026. This budget is in accordance with the associated DOE Cooperative agreement.

The Airport Fund has proposed revenue of \$2.4 million and expenditure of \$1.1 million. The budgeted revenues are higher than in Fiscal Year 2025 due to the anticipation of a grant and additional revenue due to fuel sales. Expenditures are 34.2% higher than the Fiscal Year 2025 adopted budget.

INTERNAL SERVICE FUNDS

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

Total Fiscal Year 2026 proposed expenditures in the Fleet Fund are \$8.5 million or 9.3% higher than in Fiscal Year 2025. Proposed revenues are \$0.3 million higher than the Fiscal Year 2025 adopted budget. The increase in expenditure is due primarily to the escalation in prices and the unprecedented higher costs of supply chain, which impact the replacement costs of our fleet.

The Risk Management Fund Fiscal Year 2026 proposed revenues and expenditures are \$15.0 million and \$15.1 million, respectively. The revenues increased by \$1.3 million or 9.8% from the Fiscal Year 2025 adopted budget, while expenditures increased \$2.2 million or 16.8%. The increase in both revenues and expenditures is from an increase in intradepartmental charges and health insurance which correlate to the increases in premiums and claims.

CONCLUSION

The Fiscal Year 2026 proposed budget is more restrained by adding new programs and staff than the previous few years. Progress has been made over the past two years on new projects and initiatives, such as the Community Broadband Network project, the Climate Action Plan, the Comprehensive Health Plan, and Affordable Housing Plan. Despite higher GRT revenues in Fiscal Year 2024, Fiscal Year 2025 GRT revenues have declined below the Fiscal Year 2025 adopted budget. In order to maintain the planned maintenance, new capital projects, and normal inflation for operations, the Fiscal Year 2026 budget includes a proposed new ¼-cent GRT increment to be in effect beginning in Fiscal Year 2027, which has carried over from Council's Fiscal Year 2025 adopted budget guidance. All these items, and the budget in general, are focused on the long-term success of the County. Our aim is to have the County's long-term financial plans



and strategies support and enable the achievement of the County's overall strategic goals.

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

- Fiscal Year 2026 earmarks \$2.5M in support of regional strategic partnerships.
- Fiscal Year 2026 and forward, the long-range financial outlook includes a \$1.85M recurring transfer from the General Fund to the Economic Development Fund for the housing loan programs, assistance to schools and LEDA programs. Proposed in Fiscal Year 2026 and Fiscal Year 2027 also includes additional one-time transfers of \$2.8M for other infrastructure projects.
- Fiscal Year 2026 includes planned operational costs within Community Services and Public Works in the General Fund for capital projects under construction.
- Fiscal Year 2027 includes an influx of an additional \$1.5M recurring funds to Major Facilities Maintenance projects budgeted in the General Fund to meet anticipated needs, bringing a new baseline to roughly \$5M in continual recurring budget needs in future years to address maintenance of existing facilities.
- Fiscal Year 2026 includes transfers for planned CIP projects inclusive of a \$4.5M increase to the Computer Aided Dispatch, Mobile Apps, Records Management, and Jail Management Systems (CMRJ) implementation, however Fiscal Year 2027 to Fiscal Year 2029 have been decreased by roughly \$34M as we propose deferring transfers to catch up with projected decreases in GRT.
- Fiscal Year 2027 and later includes a 3% inflation factor for revenue and expenditures.
- Fiscal Year 2027 and later includes a new ¼-cent GRT increment, which would increase revenues to be effective July 1, 2026, to meet required reserve targets while maintaining recurring and one-time expenditures proposed.

I want to thank our County Council for their commitment, leadership, and guidance, especially over the past year with their continued recruitment and retention support. Although it is projected that GRT revenues will continue to decline in the coming year, our resilient financial policies and planning ensure operations and projects can continue.

Our ongoing work and 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 am looking forward to working together this coming year as a united team and community. Our collective efforts will move the County forward in a positive direction.

Respectfully submitted,



A handwritten signature in black ink that reads "Anne W. Laurent". The signature is fluid and cursive.

Anne W. Laurent
County Manager

Participate in the FY2026

LOS ALAMOS COUNTY BUDGET HEARINGS

MON. AND TUES., APRIL 21-22 | MON. AND TUES., APRIL 28-29 * *

ALL MEETINGS BEGIN AT 6:00 P.M.

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

AGENDA:

- Introduction and Overview
- Long Range Financial Projection
- Department Budget Summaries
- Consideration of Budget Options
- Parking Lot - Outstanding/Unresolved Items
- Possible Adoption of the FY2026 Budget

PUBLIC COMMENT:

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

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. However, for convenience, a Zoom meeting link and/or telephone call-in numbers will be published in the agenda 72 hours prior to the meetings for public viewing and participation.

MAKING YOUR VOICE HEARD:

YOUR INPUT IS ENCOURAGED!

E-MAIL: lacbudget@lacnm.us OR countycouncil@lacnm.us

MAIL: Los Alamos County Manager
1000 Central Ave STE 350, Los Alamos, NM 87544

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 31, or electronically on the County's website on the homepage under What's Happening and at this link: [HTTPS://LACNM.COM/BUDGET](https://lacnm.com/budget)



FTE Changes

FY2026 Proposed: 773.77

FY2025 Adopted: 773.52

Net Increase: .25

FY2026 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
FY26 PROPOSED								
Total Beginning Fund Balance/ Working Capital FY2026	80,381,693	14,913,566	377,969	70,591,926	87,270,750	14,399,502	19,272,035	287,207,441
Revenues & Other Sources	121,948,538	7,183,544	11,339	9,914,115	106,946,895	62,743,691	23,246,972	331,995,095
Transfers from Other Funds	4,816,084	3,800,000	9,826,159	30,097,538	100,000	1,889,326	0	50,529,107
Expenditures	101,396,159	22,081,395	9,826,159	39,913,064	107,289,835	60,778,807	23,572,022	364,857,441
Transfers to Other Funds	43,901,023	100,000	0	1,712,000	1,220,084	3,596,000	0	50,529,107
Total Fund Balance/ Working Capital/Ending FY2026	61,849,133	3,715,715	389,308	68,978,514	85,807,726	14,657,712	18,946,985	254,345,095

6PM, Mon.-Wed., Apr. 21-23*

*At April 22 hearing, Council will decide whether to continue hearing on April 23 or April 28, if needed.

6PM, Mon.-Tues., Apr. 28-29**

**Scheduled budget hearings may be canceled if the budget is adopted at an earlier hearing.