

Citizen's Guide to the Budget

FY2027 Proposed
FY2028 Projected

INCORPORATED COUNTY
OF LOS ALAMOS

1000 CENTRAL AVE,
LOS ALAMOS, NM 87544

LOSALAMOSNM.GOV

Budget Message

County Councilors & Residents of Los Alamos,

I am pleased to present the Proposed Fiscal Year (FY) 2027 Budget. This is the first year of the FY2027-2028 budget. This budget reflects continued fiscal discipline, thoughtful long-range planning, and our commitment to sustaining the high level of services that our community expects and deserves.

Gross Receipts Tax (GRT) remains the County's primary source of revenue, accounting for approximately 75 percent of General Fund revenues. Property taxes represent approximately 8 percent, with the remaining revenues derived from user fees, intergovernmental revenues, investment income, and other sources. Because of this reliance on GRT, fluctuations in economic activity directly affect the County's ability to support operations, maintain infrastructure, and fund long-term strategic priorities.

Over the past several years, GRT revenues have demonstrated volatility following unusually strong post-pandemic growth. After reaching peak levels, collections declined and have since stabilized at levels below prior highs. In FY2025, the County's GRT revenues fell by nearly 18 percent, with FY2026 projected to drop another 4 percent below the adopted budget. While Los Alamos County remains financially sound, this sustained shift in recurring revenue required a structural response to preserve long-term stability.

Effective July 1, 2026, the previously approved .625 percent Gross Receipts Tax increment increase will be implemented to align recurring revenues with ongoing operational and infrastructure obligations and make progress on Council's objectives. Regional and local partnerships, workforce housing, economic development opportunities, environmental sustainability, mental and physical wellness of County employees, and infrastructure maintenance remain top community priorities. FY2027 represents the first full fiscal year incorporating this adjustment. The increment was adopted following detailed modeling within the County's 10-Year Long-Range Financial Plan and careful consideration of reserve policies and capital requirements.



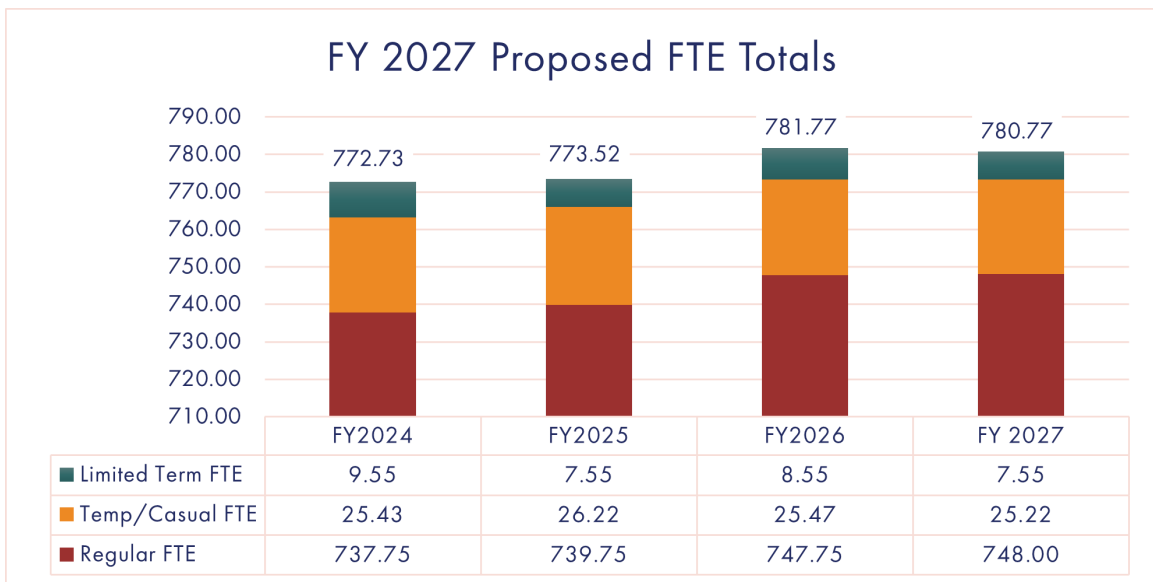
ANNE W. LAURENT
County Manager

The purpose of this adjustment was not fiscal expansion, but stabilization. It was designed to reduce dependence on accumulated fund balances, safeguard mandated reserve levels, and ensure that recurring expenditures are financed through sustainable, recurring revenue sources. This approach balances the needs of current and future generations as well as prevents the postponement of essential maintenance and infrastructure obligations.

The proposed budget for FY2027 recommends increasing the targeted reserves of the unassigned General Fund balance by 5 percent. This adjustment raises the reserve goal from the current 20 percent target to 25 percent, which is based on actual revenue figures, and is proposed through the County's established financial policy. The intent of this reserve increase is to further strengthen the County's fiscal stability while maintaining ongoing support for essential services, public safety operations, infrastructure maintenance, and strategic initiatives.

With the structural revenue alignment now in place, the County is positioned to sustain service levels and advance priority projects while maintaining prudent financial safeguards.

The budget development process began in December 2025 and was guided by the Council's strategic goals and long-term financial framework. Departments were instructed to begin with the FY2026 adopted base budget, remove one-time expenditures, and carefully evaluate operational needs. Salary adjustments, benefit cost increases, inflationary pressures, and contractual obligations were incorporated within responsible expenditure targets. Throughout the process, maintaining structural balance and reserve compliance remained a central priority.



The following list represents highlights and accomplishments over the Calendar Year 2025 and are presented by Strategic Goal for achievements.

Quality Governance

- Ribbon Cuttings (Beehaus Ecodesign and Marketing, Urban Trail Project, Kinnikinnik Park ADA, Veterans Memorial Park in Española, Smith's Grand Re-opening, Golf Cart EVs, Kylee's Atomic City Fades, Leisure Lagoon Artwork, North Mesa Pickleball/Tennis, East Park Basketball).
- Continued capital project reimbursement for Rio Arriba County and City of Española including increased funding for Rio Arriba County Nursing Home.
- Received the following Government Finance Officers Association awards:
 - Certificate of Achievement for Excellence in Financial Reporting, 34th consecutive year
 - Award for Distinguished Budget Presentation for the Annual Budget, 34th consecutive year
 - Award for Popular Annual Financial Report, 9th consecutive year.

Operational Excellence

- Denver Steels Road & Utility Improvements design and award for construction.
- North Mesa Rd., San Ildefonso Rd., 35th, 36th, 37th and 39th Streets Pavement Rehabilitation completed.
- North Mesa and White Rock Pavement Crack Sealing completed.
- Completed State Route 4 water production line replacement along with installation of new conduit for future middle-mile fiber optic lines.
- The construction of the non-potable Bayo Booster Tank was selected as the Best Municipal & Utilities Project of the Year for 2025 by the Associated General Contractors of America.
- Job vacancies are at 5% as of Dec. 2025, compared with 7.2% this time last year. The County Management Action Plan identifies a goal to be less than 10%.



The Kinnikinnik Park ADA Trail Ribbon Cutting was celebrated March 25, 2025. | Rio Arriba County Nursing Home is in the process of being constructed. | The County Council recognizes members of the Administrative Services Finance Division on February 17, 2026 for their Triple Crown Honor issued by the Government Finance Officers Association (GFOA).

Economic Vitaliy

- January 2025—new contract with the Santa Fe Community Housing Trust for homebuyer and rehabilitation programs.
- Approved purchase, sale, and development agreement for the 20th Street mixed use development to RBMM Development LLC and Brott Real Estate LLC. Includes approx. 285 housing units (market rate rental apartments) and about 25,000 sf of retail space.
- Approved Purchase, Sale, and Development Agreement to Servitas for 380 Affordable and Market Rate Housing on the A-8-A Parcel (DP Road).
- Council approved the Small Business/Retail LEDA process and allocated \$400K initially to support the program. This process provides grants to expand or enhance existing and new small businesses. Between the new Retail LEDA and original LEDA programs, over 20 business have submitted inquiries. Two formal LEDA applications have been submitted, and one business has been approved by Council.
- East downtown Los Alamos Metropolitan Re-development Area Plan was approved. Applications will be accepted by the Community Development Department beginning January 5, 2026.

Quality of Life

- Implemented Closed Loop Referral System with contracted social service providers and completed training on new software.
- Completed work on Phase I and II of Urban Trail, a 10-foot-wide concrete multi-use trail from Trinity Drive/20th Street to Aquatic Center.
- Canyon Rim Trail Phase III design completed.
- Automated Speed Cameras Ordinance passed and allocated funding for two additional officers.
- Comparing crime reported to police in the second quarter of 2025 with the second quarter of 2024, overall crime was down 33%.



Bee City USA celebrates Earth Day at the Los Alamos Nature Center. | The Urban Trail Ribbon Cutting Ceremony was celebrated February 26, 2025. | County welcomes The Housing Trust to their new office space inside First National 1870.



Environmental Stewardship

- One-year anniversary of Bee City USA—7000 sq ft of pollinator gardens added at the golf course.
- Adopted the 2025 Open Space and Trails Management Plan.
- DPU created a Hydration Station Kit to lend out for community events to promote local tap water and refilling of reusable water vessels.
- DPU received the 2025 Sustainable Los Alamos Award from the Los Alamos Chamber of Commerce.
- Construction of 170 MW of solar with 80 MW of battery storage at Foxtail Flats underway – will supply most of County's daytime needs when complete.

While fiscal conditions remain dynamic, Los Alamos County continues to plan conservatively and monitor revenue trends closely. The proposed FY2027 budget reflects a measured approach that balances operational sustainability, capital investment, and financial resilience. Additionally, the FY2027 proposed budget is \$18.6 million lower than the FY2026 adopted budget, driven primarily by a significant reduction in capital funding, which demonstrates the County's trend towards maintenance of existing facilities rather than proposing new facilities.

Our focus remains steady: preserve essential services, maintain and modernize infrastructure, and support the long-term success of the community.

Respectfully submitted,

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

Anne W. Laurent,
County Manager

Summary Of Significant Changes

This narrative describes the significant changes between the proposed FY2027 budget and FY2026 adopted budget. Following this narrative are tables and graphs that provide additional information, including revenue and expenditure comparisons.

Some of the changes are common to all departments and funds. They are described here by expenditure type so that the same comments will not be repeated throughout the fund and department statements. In some instances, the change described may not be apparent within a specific expenditure line item because offsetting changes are included in that line. Where significant, those changes will be noted separately.

Common Changes

Salaries, Benefits, Staffing, and Other Changes

The budget development process began in December 2025 and was guided by the Council's strategic goals and long-term financial framework. Departments were instructed to begin with the FY2026 adopted base budget, remove one-time expenditures, and carefully evaluate operational needs. Salary adjustments, benefit cost increases, inflationary pressures, and contractual obligations were incorporated within responsible expenditure targets. Throughout the process, maintaining structural balance and reserve compliance remained a central priority.

The proposed budget has 748.77 regular, 7.55 limited term and 25.22 temp/casual positions for a total of 780.77 budgeted FTE in all funds. There was a fluctuation in the temps and casual category and the Fire Department.



Other Significant Changes

The overall County proposed FY2027 expenditures are \$349.3 million as compared to FY2026 adopted expenditures of \$367.9 million. Overall County revenues are \$334.2 million as compared to FY2026 adopted revenues of \$331.9 million.

General Fund

In FY2027, General Fund proposed revenues are \$15.9 million or 13.3%, higher than in the FY2026 adopted Budget for a total of \$137.6 million. Projected GRT, Property Tax, Investment Income and Interdepartmental Charges are most of the budgeted revenue.

A total of \$112.9 million in expenditure is \$9.9 million, or 9.6%, higher than the adopted FY2026 Budget. This increase is attributed to increases in salaries and benefits, general increases to existing contractual obligations in departmental operating budgets along with collective bargaining agreements, new and anticipated agreements in Information Management, Police, and Communications and Public Relations as well as an increase to the planned and approved Cooperative Agreement with the Dept. of Energy/National Nuclear Security Administration (DOE/NNNSA) for the County's cost share in Fire..



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 FY2027, Special Revenue Funds experienced a \$1.4 million decrease which is a 7% decrease compared to FY2026 adopted budget. This decrease is attributed to the large increase in a transfer to the Economic Development fund in FY2026 which was unique to that year.

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 FY2027 are budgeted at \$1.9 thousand above the 2026 adopted budget. The transfer from the General Fund is proposed at \$650,000, which is the same as the adopted budget to help address the shortfall which must be covered by the fund balance and may need to be increased in the future.

The Economic Development Fund has budgeted revenues of \$108 thousand and budgeted expenditures of \$12.4 million which includes \$1.25 million for the Los Alamos Public Schools (LAPS) and University of New Mexico – Los Alamos (UNMLA) grants, Local Economic Development including Infrastructure and Housing programs of \$10.75 million for future economic development projects, and \$400 thousand for Housing grants. These program expenditures are funded from prior year and current year proposed transfers in from the General Fund. The net decrease in fund balance/working capital is due primarily to the Economic Development Fund having no steady recurring stream of revenue other than potential future land sales, and is balanced with General Fund transfers for consideration in future years.

Capital Improvement Projects (CIP) Funds

For FY2027 expenditures in the CIP Fund total \$26.3 million which is \$13.6 million lower than FY2026 due to specific projects scheduled for FY2027 vs. FY2026 per the detailed CIP project schedules. The County proposes balancing funding for those CIP projects that have been planned and in the works with both General Fund transfers and proceeds from the issuance of bonds.

Some planned projects have been deferred and some new projects added to balance within the County's ten year Long Range Financial Projection and the mix of grant, bonds, and transfer revenue sources.

Joint Utility Systems Fund

The Joint Utility System Fund revenues for FY2027 are proposed at \$97.0 Million, which is \$9.9 million (10.2%) below the FY2026 adopted budget. Expenditures are budgeted at \$94.7 million, which is \$14 million (14.8%) less than the prior year.

The proposed FY2027 Joint Utility Fund budget includes previously approved rate changes by the Board of Public Utilities (BPU) and the County Council, including an 8% increase in Electric rates and a 7% increase in Wastewater rates. The FY2027 budget also includes a proposed 27% increase in gas rates and 8% in wholesale, potable, and non-potable water rates.

Other Enterprise Funds

FY2027 revenues totaling \$64.3 million in these business-type activities funds are proposed to be \$1.5 million, or 2.4%, higher than FY2026. Total expenses of \$63.5 million for the proposed FY2027 budget are \$2.7 million or 4% larger than FY2026.

The Environmental Services Fund expenses are \$7.4 million in the proposed FY2027 budget which is \$.2 million more than the adopted FY2026 budget. The Proposed FY2027 revenues of \$6.7 million are \$.453 million higher than in FY2026 which is related to loan proceeds that were budgeted in FY2026.

The Transit Fund expenditures are \$8.4 million or \$1.2 million above the FY2026 budget due primarily to the timing of related grants. The proposed revenues of \$6.8 million are \$1.5 million above the adopted FY2026. General fund transfer of \$1.2 million supports grant matching requirements and support of the transit program.

The Fire Fund proposed expenditures are budgeted at \$46.7 million and revenues are \$50.2 million for FY2027. The \$1.4 Million dollar increase in expenditures is due primarily to planned amounts within the DOE Cooperative Agreement. This budget is in line with the associated DOE Cooperative agreement.



The Airport Fund proposed revenue of \$.5 million and expenditures are \$1.1 million. The budgeted revenues are lower than in FY2026 due to receipt of a grant. Expenditures are 6.4% lower than the adopted budget.

Internal Service Funds

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

Total FY2027 proposed expenditures in the Fleet Fund are \$8.1 million or 4.5% lower than in FY2026. adopted revenues are \$0.52 million lower than the FY2026 adopted budget. The decrease in expenditure is due primarily to the current need for replacement vehicles in our fleet.

The Risk Management Fund FY2027 proposed revenues and expenditures are \$ 14.2 million and \$14.9 million, respectively. The revenues decreased by \$.832 million or 5.5% from the adopted budget while expenditure decreased \$.150 million or 1%. The decrease in both revenues and expenditures stem from intradepartmental charges and health insurance which correlate to the premiums and claims.

Participate in the FY2027 LOS ALAMOS COUNTY BUDGET HEARINGS

MONDAY, TUESDAY AND WEDNESDAY, APRIL 27-29*

ALL MEETINGS BEGIN AT 6:00 P.M.

*Scheduled budget hearings may be cancelled if the budget is adopted at an earlier hearing. Additionally, 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 FY2027 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@losalamosnm.gov OR countycouncil@losalamosnm.gov

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 31, or electronically on the County's website under the Administrative Services Department:
[HTTPS://LACNM.COM/BUDGET](https://lacnm.com/budget)



FTE Changes

FY2027 Proposed: 780.77
FY2026 Adopted: 781.77
Net Decrease: -1

FY2027 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
FY27 PROPOSED								
Total Beginning Fund Balance/ Working Capital FY2027	70,393,742	8,921,527	339,737	65,948,212	62,581,142	10,384,723	18,994,375	237,563,457
Revenues & Other Sources	137,916,258	6,553,874	10,192	6,554,000	97,028,980	64,252,602	21,896,273	334,212,179
Transfers from Other Funds	4,812,226	8,710,000	8,179,409	11,219,000	0	1,700,000	0	34,620,635
Expenditures	112,981,557	20,644,888	8,179,409	26,257,315	94,688,744	63,513,529	23,039,846	349,305,288
Transfers to Other Funds	28,032,409	0	0	1,776,000	1,254,226	3,558,000	0	34,620,635
FY28 PROJECTED								
Total Fund Balance/ Working Capital / Ending FY2027	72,108,259	3,540,513	349,929	55,687,897	63,667,152	9,265,796	17,850,801	222,470,348
Revenues & Other Sources	141,406,606	6,582,095	10,813	4,500,000	132,486,549	64,278,254	22,798,601	372,044,918
Transfers from Other Funds	5,028,580	7,800,000	8,176,128	19,630,060	0	1,700,000	0	42,334,768
Expenditures	115,635,480	9,260,514	8,176,128	22,165,060	129,185,614	65,755,285	24,077,402	374,255,484
Transfers to Other Funds	35,366,188	0	0	1,940,000	1,339,580	3,689,000	0	42,334,768
Total Fund Balance / Working Capital / Ending FY2028	67,541,777	8,662,094	360,742	55,712,897	65,610,507	5,799,765	16,572,001	220,259,783