

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
SPECIAL MEETING - FY 2025 BUDGET
May 3, 2024

Hank Hughes, Chair - District 5
Camilla Bustamante, Vice Chair - District 3
Justin Greene - District 1
Anna T. Hamilton - District 4
Anna Hansen - District 2

SFC CLERK RECORDED 06/14/2024

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1. A. This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 3:05 p.m. by Chair Hank Hughes in the County Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico.

B. Roll Call

Roll was called by Deputy County Clerk Jennifer Wilson and indicated the presence of a quorum as follows:

Members Present:

Commissioner Hank Hughes, Chair
Commissioner Camilla Bustamante, Vice Chair
Commissioner Justin Greene
Commissioner Anna Hamilton
Commissioner Anna Hansen

Members Excused:

None

CHAIR HUGHES: Any changes to the agenda, Manager Shaffer.
GREG SHAFFER (County Manager): No, Mr. Chair. No recommended changes to the agenda from staff.

COMMISSIONER GREENE: Move to approve as presented.

COMMISSIONER HAMILTON: Second.

CHAIR HUGHES: All right. Motion by Commissioner Greene, seconded by Commissioner Hamilton.

The motion passed by unanimous [5-0] voice vote.

2. **Presentation and Discussion of the Fiscal Year 2025 Operating Budget Requests**

A. **Presentation and Discussion of the Fiscal Year 2025 Operating Budget Requests of Specific County Departments and Recommendations Thereon from the County Manager**

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MANAGER SHAFFER: Thank you, Mr. Chair and Commissioners.

Today's special meeting of the Board of County Commissioners, our first special meeting to discuss the fiscal year 2025 operating budget is going to be divided into two parts. The first part will consist of a high level overview from myself and our Finance Division Director, Yvonne Herrera, relative to the budget and the macro level recommendations that County Management is making with regard to it.

The second part of today's meeting will be focused specifically on the County Manager's Office to include our Legal Department, our Finance Division, our Human Resources and Risk Management Division and our IT Division. This is the first of four scheduled meetings and as we talk about towards the end of the opening presentation this is the Board's process and so if additional study sessions are required we have built into our schedule adequate time that they can be scheduled and this process again is yours and we built in such steps as we can provide you as much time as you desire relative to the various budgets that are before you for consideration.

So before we move on I just wanted to start by thanking Yvonne, Gabi Trujillo, our new budget administrator, as well as the rest of the budget team for all of the incredibly hard work that they've put into developing the budget to this point. Again, it's very, incredibly important but also can seem, I'm sure, an incredibly thankless task at times, other than they get to work with me, which they all tell me they greatly enjoy.

But the point of all of that is it's yet another aspect of County government that often goes unnoticed and we wouldn't be able to present you, hopefully with complete information and analysis and wouldn't be in a position to help support you in your job as policymakers without their tireless efforts, so thank you.

With that I will start with the high level overview presentation. Hopefully on your screen you will see a power point labeled Initial Fiscal year 2025 Operating Budget Presentation. I'll start with the goals of today's presentation. We wanted to provide the Board of County Commissioners with an overview of the County's recurring and nonrecurring revenue estimates, as well as my office's recommendations and go over the next steps in the budget development process.

A few important caveats that I want to get out on the table to begin with is we're presenting budgetary information at the 30,000 foot view for discussion and presentation purposes. Ultimately, when we build a budget that's at the fund and cost center level, and so as we move forward and implement the decisions of the Board, you may well see additional transfers from one fund to another as well as use of budgeted cash in order to implement certain recommendations and balance the budget at that level.

Our estimates, primarily on the expenditure side will continue to be refined as we go forward with the process and as we incorporate feedback from the Board.

I wanted to talk a little bit about the revenue projections upon which the budgets are built. We again contracted with I believe the name of the company is Erebor, but it's Reilly White, a professor at UNM. His company, Erebor, LLC, to project gross receipts tax, property tax, as well as lodgers' tax revenue for fiscal year 2024 to fiscal year 2023. I wanted to note that there are some things that you need to be aware of as you look at those numbers and compare them to the numbers that are presented later on relative to revenue. First of all, the GRT projections that we received from Erebor are net of the administrative fee that we pay on gross receipts tax to the New Mexico Taxation and

Revenue Department, so when you see in the budgetary presentation we report gross figures and then that administrative fee, in order to comply with GASBE is reported as an expense.

The GRT projections from the economist include pass-through revenue or revenue that we hold in a fiduciary capacity for the North Central Regional Transit District. That totals almost \$9 million, which again is not County revenue but does in fact go through our book. Then finally, some gross receipts tax increments cannot be used to support operations.

Continuing, Erebor provided three different estimates per revenue type. The mean prediction projects the most likely revenue by fiscal year. The low estimates projects lower revenue based upon a recession and other economic headwinds, and then the high estimate projects higher revenue based upon strong economic growth and other factors.

So the projections generally continue to reflect a greater County dependency on gross receipts tax, which is a less reliable revenue source than property tax because it is more responsive to macro economic conditions such as a recession. The projections also reflect not insignificant down side risk due to a potential recession. And then finally, looking beyond the next fiscal year, the projections reflect steady but not exceptional growth in future years in these three main tax revenue sources. And I depicted that in the table that follows.

So looking forward, from fiscal year 25 through fiscal year 30, and again, this uses the mean estimates, gross receipts is projected to increase on average over that period of time at the rate of 4.5 percent. Property tax is projected to increase on average 2.2 percent per year. And then lodgers' tax, starting from a much lower base in terms of the revenue is projected to increase on average at the rate of 7.25 percent over that period of time.

The slides that follow include or contain the projections by tax source and so you see on Table 2 from the economist report, the entire version of which is included in the packet for today's meeting and available on BoardDocs reflects estimated total gross receipts again including non-operational gross receipts as well as the North Central Regional Transit District pass-through of approximately \$102 million, close to \$103 million, excuse me, in fiscal year 25. Compare that to the low estimate which would project approximately \$99 million in gross receipts revenue, and then on the high end, you have an estimate of \$105.5 million.

Continuing on to property tax revenue, in fiscal year 25 total property tax is estimated to be \$59.1 million, versus \$58.354 on the low estimate, again reflecting that down side revenue risk.

And then finally, on the lodgers' tax, you can see significant growth from historic trends in 2021 to reflect changes that were made to the ordinance as well as the imposition of a higher level of lodgers' tax on both our main facilities as well as short-term rentals. So again, significant increase in lodgers' tax in recent years.

As we get then to how Management attempted to put together the recommended budget that we'll be presenting to you at a high level today, we wanted to focus on building a stable budget on the revenue side using the mean projections of revenue which again, is the most likely outcome per our economist, continue to use revenue replacement budget contingency to be able to withstand the difference between the mean estimates

and the low estimates should those lower estimates actually materialize. That allows us to maintain core services and staffing in the event that revenue is less than anticipated. It also allows us to continue to hire during any recession that may materialize when the pool of potential employees may be larger.

But looking beyond then the current fiscal year, any excess revenue or unused contingencies may be available for future investments, and you'll see that later in this presentation as we discuss our recommendation that we invest in excess of \$13 million in affordable housing. You'll see how those two ideas work in tandem.

Third, we recommend that we prioritize our investment in the existing workforce of the County as opposed to new FTEs. Those two ideas, in terms of growing the workforce and investing in our workforce, they're competing for the same recurring dollars for the most part. The reason we make that recommendation is that we want to continue to maintain our competitiveness in the area of total compensation, and our failure to do that could lead to vacancies which would run counter to the idea of increasing our bandwidth through additional FTEs. In other words, creating multiple paper positions does not in fact help us accomplish any of the Board's strategic or other objectives or meet our core service obligations.

In addition, we continue to make steady progress in terms of reducing our overall vacancy rate, though there are pockets of stubbornly high vacancy rates that still exist. As we fill those positions and bring on those new team members, we may well find that we have the bandwidth with our existing positions to meet articulated needs.

CHAIR HUGHES: I think the slides aren't keeping up with you.

MANAGER SHAFFER: Thank you for that, Mr. Chair, and I will make sure as we move forward that they are in fact continuing to keep up. Third, there are various initiatives that are underway and that are planned that will potentially increase our efficiency or otherwise free up bandwidth by changing our business needs and processes. The several that I've listed here include the enterprise resource planning system that we recommend pursuing over the next two fiscal years. We are already in the process of migrating to Microsoft 365 and Teams, which is anticipated to increase overall efficiency at the County for those who use those products. We are outsourcing network administration Countywide because of its critical importance to our IT posture. In addition, we continue to work with departments on business opportunity assessments to help identify efficiencies and process improvements. So for all of those reasons we're recommending that we prioritize our recurring investment in our existing workforce.

Finally, the budget as we go through it does include the potential elimination of some positions that have been determined to be unnecessary to meet the core mission and current state of operations in the Corrections Department. So subject to any notification requirements that might exist and discussion requirements relative to those positions, we are recommending that those positions, five of them, be eliminated to fund two registered nurse positions, as well as to help fund the reclassification of three other positions throughout the County.

Finally, relative to guiding principles, the budget that we will be presenting does recommend the strategic use of uncommitted and unassigned fund balance to support key initiatives as identified by the Board in the strategic plan as well as by staff in certain other areas. First and foremost is \$13.135 million in affordable housing programs. This

would be in addition to the \$4 million that the Board allocated to the Developer Assistance program this fiscal year, for a total investment in affordable housing of \$17.135 million.

Secondly, we're recommending and our Human Resource and Risk Management Division Director, Valerie Park, can speak to the \$2.6 million that we're recommending in nonrecurring funds for a comprehensive employee and facilities safety program during the upcoming fiscal year. And finally, there are several various transformative technology projects that we are recommending to fund to include \$10 million to select, purchase, implement and adopt the Countywide ERP system, \$5.2 million to complete the funding for the next phases of the P-25 public safety radio project, \$2.5 million in additional public safety IT upgrades to help support all aspects of our public safety divisions, and then finally – this is a total figure, but approximately \$500,000 for the balanced resource acquisition and information network to analyze the County's current and historical utility and building performance related data. It's a key component of our continued effort to reduce our greenhouse gas emissions and be able to track our energy efficiency – where we need to make investments to help further reduce those emissions, but it will also assist the County in ensuring that the solar panels that we install actually meet their performance specifications. It will help make sure that all of those various investments are in fact returning the investment that was promised.

So I would note that as we developed the budget the departments were not constrained in any way in terms of the requests that they could submit. The guiding principles that I mentioned before in terms of where we make our recurring investment does mean that most FTE requests are not recommended or are not recommended as permanent staff and generally speaking, I think I'm confident in saying that the directors, at least on the Management team, support investing first in our existing staff and our bandwidth, rather than expanding through additional FTEs.

In terms of the estimated recurring revenues that are available for recurring expenditures, we started with the fiscal year 2023 budgeted recurring revenue then we added and subtracted to that figure significant revenue changes. From that we looked at significant recurring investments that Management recommends. To start with, a compensation package that includes money for an anticipated COLA effective January of 2025 for all County employees except members of the Deputy Sheriffs and Local 4366 bargaining units. Separately, that package includes money for collective bargaining with those public safety bargaining units. And then finally, we recommend that the County pick up an additional 1.125 percent of employees' PERA contributions.

I wanted to unpack that last point a bit. Over the last – pursuant to state law, both the employer and employee PERA contributions are set to increase a total of two percent, .5 percent per year beginning in fiscal year 23. So that was the first increase. The second increase was this fiscal year, the third increase is in fiscal year 2025 which begins on July 1, and then the fourth increase is scheduled to go into effect on July 1 of 2025 or fiscal year 26. So through fiscal year 25 there will have been a total increase of 1.5 percent on both the employer side as well as the employee side, relative to our defined benefit retirement plan. County employees participate in different plans but all County employees participate in.

State law authorizes local governments such as the County to pick up 75 percent of the employee's share. Prior to those increases the County had in fact been picking up 75 percent of the employee's contributions to PERA. We are recommending that we begin in fiscal year 25 picking up 75 percent of that 1.5 percent increase that has been gradually put in place over the last three years. So what is 77 percent of 1.5? It's 1.125.

The important things that I would note relative to that, it is one of the most significant benefits that the County offers. After the pickup it means that County employees, because we're picking up that portion, that goes straight into their take-home pay. So in other words, that 1.125 percent that the County would be picking up. Without the pickup, employee would be paying that to PERA. With the pickup it means the County is picking up that portion for employee and they're able to take that home instead of paying it to PERA. Obviously, I'm leaving aside taxes and the like, but in any event, that's the importance of the pickup. I think it's a very valuable benefit to our employee and will continue to help us maintain the competitiveness of our overall compensation package.

In addition, our consultant relative to group health insurance benefits is projecting that we need to increase both employer and employee contributions in the calendar year 2025 plan year by 9.8 percent. That reflects the continuing cost of healthcare, which has and continues to outstrip inflation by a fairly wide margin.

So relative to personnel and the budget, we are seeking Board approval for potential elimination of positions as well as the creation of positions. The HR Handbook and AFSCME 1782 contract generally delegates authority over the classification and compensation system, including job classifications, job titles and the set salary or ranges for a position to the Human Resources Director subject to any notification or negotiation requirements.

So what's included in the budget are the impact of the HR Director's approved reclassification requests, including any range changes that are recommended, having gone through the County's established process to evaluate such requests.

A few other highlights of the proposed operating budget would be the following: Last year the Board set aside approximately \$10 million for County capacity building as it relates to grants and projects. We are recommending that a portion of that set-aside be used to provide surge capacity in our Procurement Department through the hiring of four temporary procurement specialists, as well as a grant manager position to help the County better identify and pursue grant opportunities.

In addition, on the group self-insurance side as I previously mentioned, Gallagher, the third party consultant that we utilize to advise us relative to our group self-insurance plan is projecting a need for a 9.8 percent increase in employer and employee medical and Rx contributions. Dental is estimated to remain flat and costs for the employer and employee for vision may increase by cents per pay period. So not really separately discussed because of its negligible impact.

Obviously, 9.8 sounds like a big increase but I think it's always important to remember that any COLA, as well as any negotiated increase will more than offset that increase in medical and Rx contributions since the percentage may be higher than the COLA but the increase is on a much smaller number, i.e., the amount you pay for insurance rather than your entire paycheck.

So I did want to mention briefly of any COLA that may ultimately be awarded based upon CPI data later this calendar year. For AFSCME 1782 and non-union step eligible positions, again COLA both adjusts the minimum and the maximum of the range as well as any steps in the range. So we do that to ensure both our ranges remain competitive, but that also any steps that an employee receives over time up to midpoint represents true salary growth. So I wanted to emphasize that important component of the COLA.

Secondly, as it relates to RECC, AFSCME 1413 and AFSCME 1413-M, COLA adjusts the pay scales or set pay for those bargaining unit members as well. Again, such adjustments to the pay scales and set salaries help ensure that the step and pay scale increases represent true salary growth, and it also helps to maintain our external competitiveness.

I would also note, because I don't believe I emphasized it, that when a COLA is granted the insurance tiers that define how much an employee pays for insurance automatically shift with the COLA. So at the County the more that an employee makes the more they will pay or contribute to group health insurance, and those are set by the employee's salary, but if a COLA is given the tiers change as well. And the point is we don't want somebody to end up paying more for their insurance because they received a COLA since that's just maintaining the purchasing power of their existing salary. It doesn't reflect more purchasing power. And so we do make that adjustment to our insurance tiers whenever a COLA is granted.

So I want to discuss a little bit uncommitted and/or unassigned fund balance. Two things to highlight. First, we are in our proposed budget for the County Manager's Office, we do recommend that we pursue development of a risk-based reserve policy. Our current policy with which you are familiar tends to set reserves based upon the amount of money that we have, as opposed to assessing what the risks are for which we are actually reserving those funds. And we would look to contracting in the first half of the fiscal year with an independent consultant that actually is capable and has the model set up to run the type of risk-based analysis that insurance companies do when they're looking at the amount of capital that they should be reserving for the different risks that they are insuring against, which is this component of our reserve policy.

I can't predict, obviously, what that might show. I would note that we talked about this concept earlier this week at our Board meeting when we talked about the New Mexico County Insurance Authority which went through a similar exercise. Ultimately, what came back and the policy that was adopted, set a target net position figure which was double the previous policy. Now that may or may not happen in our case, but the point of investing in that exercise is that it enables us, we County Management and the Board of County Commissioners, to have a robust analytical conversation both with ourselves as well as with the public as to what the appropriate level of reserves are and why it is that we're maintaining those reserves. So we would recommend and strongly believe that that is money that is well spent.

I just want to note a bit about the timing. That did grow out of the strategic planning that we did with the Board last fall was to look at reserve levels. Because you are in fact reserving money against hazards that you are potentially going to respond for or that could strike you, those two things – the hazard mitigation plan as well as the risk-

based reserve policy – they’re co-dependent. And so the risk-based reserve policy will start with the hazard mitigation plan which defines those things that you’ve identified, that we’ve identified, are the hazards that are of most concern to our community. And so that’s where the consultant will begin building their model to decide and look at, well, what costs could you potentially incur? What things should you be potentially prepared to deal with?

In addition, I would note that a variety of our departments are in the process of planning as to how to strategically use other uncommitted or unassigned fund balance for major initiatives. The Board’s aware that we are fairly far along in our Building Bridges initiative to look at how we can augment within the County jail both the management of withdrawal as well as the induction of MAT, and then also planning for how we can provide a continuity of care in the community for those constituents who suffer from substance abuse disorder. That will most likely if not certainly entail major capital improvements to the Adult Detention Facility and our medical wing so that we’re better able to meet the needs of that population. Our Community Services Department is also working intimately with the Adult Detention Facility on that initiative as well as looking at new or expanded programming in accordance with the recently adopted Health Action Plan.

And then finally, our Fire Department is actively developing an asset replacement plan for its major apparatus. So as you’ll see as we move in the presentation, we’re already recommending strategic investments of our existing fund balance and there will be more such significant investments on the horizon.

So with that, as a long introduction, you’ll see here on slide 18 an overview of our recurring operational revenue, i.e., revenue to support recurring type activity. As I mentioned, we started with our fiscal year 2024 recurring revenue and then we looked at major significant changes across significant revenue streams. We do propose – and this is a common theme throughout this budget, that we begin to utilize the first hold harmless increment, which is for the express purpose of maintaining and I believe operating County infrastructure, that we begin to leverage that source to support the road fund and ongoing and needed capital maintenance pursuant to their road maintenance plan, and take pressure off of the general fund, general fund resources and general fund balance being our most precious commodity as it were.

In addition, it’s reflected here a small amount of cash from the Housing fund that would be budgeted to meet the matching requirements for one of our Housing Authority Division’s grants. And the finally, as we built this budget, we applied the same methodology from last year, which was to assume that approximately ten percent of our salary and benefits would be available year over year to support the next year’s budget.

So that brings us to a total estimated recurring revenue of approximately \$198 million.

So the recommendations that we discussed earlier are presented on this slide in terms of some of the big picture recurring investments and those total approximately \$9 million. In addition, in terms of the department requests that are recommended by County Management, those total about \$184 million and transfers out, this is using what could be operational resources for debt service is approximately \$5.1 million, for a total recurring expenditure request of \$198 million.

Moving forward to the fixed asset and non-recurring operational recommendations, this next slide lists the potential sources to fund such fixed asset and non-recurring operational recommendations. They include vacancy savings over and above what is being scored as recurring revenue. They also include projected excess revenue over expenditures for fiscal year 24, as well as unused set-asides from the current fiscal year, meaning revenue replacement and capacity and contractual services. They also include federal and state grants as well as the use of budgeted cash from a variety of our special revenue funds.

I would focus in particular on the law enforcement operations fund, as well as the Fire operations fund budgeted cash, as well as the continued use of the hold harmless increment to help support our road maintenance. And finally the Corrections fund budgeted cash.

The overarching principle there is again, those are legitimate expenditures of those funds but we want to, to the maximum extent possible, free up general fund resources as well as general fund fund balance, as it allows us to invest in affordable housing, for instance. We can't take money from the Fire operations fund for affordable housing but if we fund other aspects of fixed assets from the Fire operations fund then we are preserving general funds with which we can make that investment.

So as you tent go down to large items. Number one, we do recommend that we continue to include a recession revenue replacement budget contingency. That is down from \$12 million in the current fiscal year because as you go back to the revenue estimates for both gross receipts and property tax. The difference between the mean estimate and the low estimate is much smaller this year so we're recommending that we set aside less money to meet that potential contingency.

The delta between that \$12 million this year and the \$4.8 million is a large component of what we recommend that we invest in affordable housing. So again, the point being that we believe that you can build a fiscally sound and prudent recurring budget and still ultimately have resources that will allow you to make significant investments in those areas that the Board has identified as being of most importance to our community, and obviously affordable housing is the top of that list.

As I mentioned, we recommend that a portion of the money that had been set aside for grants and capacity augmentation be utilized to help support temporary positions in our Procurement Division, as well as for a grant manager. Those are broken out separately just so that you can see that, and then finally we propose to replenish the general budget contingency fund that we include in each budget.

Finally, in terms of those fixed assets that are recommended and other non-recurring requests, they total \$33.8 million for fixed asset requests, as well as \$13 million in other non-recurring requests. So that gets us to a total non-recurring recommendations of approximately \$74.5 million and leaves an excess of non-recurring revenue over recommendations more accurately than requests of \$6.3 million.

I do want to pause for a second to highlight that some of the items that are in the non-recurring requests, that \$13 million for example that includes the \$4 million that the Board previously allocated for affordable housing. So in other words it was allocated this fiscal year but because it won't be spent this fiscal year it shows both on the top in terms of revenue because it will, theoretically, if you will, come back into cash and needs to be

rebudgeted. So that number looks big but I want to emphasize that there are components of that built in, both on the top end as it relates to revenue, and then on the bottom end, some things that you see in that number are carry-forwards from this fiscal year of allocations that weren't implemented fully or could not be implemented in the fiscal year in which they were made.

In terms of the next step looking at the budget development, we did schedule already four special budget study sessions of the Board of County Commissioners as a committee of the whole. This is the first such session. The next three are next week, May 6th, May 8th and May 10th. We can schedule additional meetings at your direction. Absent that we have tentatively targeted May 14th, the regular BCC meeting as another opportunity to both discuss the budget as well as potentially adopt the interim budget, but again, that is at your decision as to the pace for making those decisions. And we've built into the processes additional time for additional meetings in May if and as you direct us.

The deadline though for the development and submission of the interim budget to DFA is June 1st, so again, that's when it has to be submitted. Obviously we need to approve it before then, but that's the submission deadline. In June we will prepare the final fiscal year 25 budget which would include all subsequent changes and additions since the adoption of the interim budget as well as capital projects and we're targeting the approval of the final budget, including capital project budgets at the last regular meeting of the BCC in June. So those are the overviews, and then there are a variety of appendices that were include in the presentation which, unless there's interest in me going through them, I will not vet at this time. With that I'd be happy to stand for any questions relative to that very high level overview of the budget that will be presented to the Board by individual departments beginning today with the County Manager's Office and then continuing next week. Thank you.

CHAIR HUGHES: Thank you. Are there any questions? Commissioner Greene.

COMMISSIONER GREENE: Thank you, Mr. Chair. Thank you, Greg for the high level conversation or presentation here. We'll get to the conversation now. So if I'm correct, if I remember correctly, rough ballpark in order of magnitude, our projections were about \$12 million off. We ended up adjusting the mid-year budget by \$12 million. Was that all revenue that was projected wrong from the initial budget last year and then the mid-year adjustment?

MANAGER SHAFFER: Mr. Chair, Commissioner Greene, if I understood the question, it is what is leading to an excess of revenue over expenditures. I think that there are two components to that. First, revenue did outperform what the budget was based on. I wouldn't necessary characterize that as being a missed forecast. It was within the range of forecasts. So any time you're doing the revenue forecasting there's uncertainty. And so you have a low estimate and you have a high estimate and then you have, in the case of our estimates, what the economist believes to be the most likely. In the event, it came in on the high end. And so again, I wouldn't say that was a missed estimate. I would just say that was within the realm of what was provided.

In addition to revenue outperforming what our budget was built upon or based upon for fiscal year 24, as we look forward now, you are in fact still seeing some money not being expended through continuing vacancies, so that is something that is going to be

an annual event as well as some expenditures, in particular non-recurring expenditures were not completed this fiscal year. So I hope that addressed your question and if it didn't give me another one and I'll try and do better.

COMMISSIONER GREENE: Thank you. I think 50 percent of it was there but maybe more specific. So thank you for giving a second opportunity at it. The \$12 million that we were off by, how much of that was – if I look at the projections, there was no \$12 million between the mean number and high estimates. So if it came within the projection range, what of that was within there? Or was it just that we got lucky and there was a lot of excess spending in Santa Fe County the last year. So if there's \$12 million of excess where we did mid-year adjustments, \$5 million was from vacancies, \$7 million was excess GRT, and it fell within the range or it didn't and it was way – it was double what the range was, or of the high, the median that we budgeted for to the high.

MANAGER SHAFFER: Mr. Chair, Commissioner Greene, Yvonne might have more encyclopedic knowledge of that. I don't think that at mid-year I recall adjusting the budget by \$12 million. There was \$4 million, certainly, for affordable housing, and there were other adjustments that were made. But I would have to go back and look at the mid-year BAR relative to that. So again, that number is not top of mind, but Yvonne can speak to that as well.

In addition to any increase in anticipated revenue, whether we budgeted that or whether we budgeted existing fund balance is six of one, half a dozen of the other. So if you budget the revenue or you budget the fund balance you're going to end up at the end of the fiscal year in the same place. So again, I would have to go back and look at the actual resources that we budgeted. I don't recall that we adjusted the revenue estimates. So I believe that we ended up budgeting fund balance at mid-year. Did I recall that right, Yvonne?

YVONNE HERRERA (Finance Director): Chair Hughes and Commissioner Greene, yes. For the mid-year BAR, the resources that were used for the increase in expenditures was budgeted cash. We didn't make any adjustments to revenue. If we did it may have been only related to like grants, but our core, recurring revenue was not adjusted during mid-year.

COMMISSIONER GREENE: Okay. Good. So we were within our scope of variance. It just seemed like there was a big increment that we came back mid-year to adjust. I seem to remember it as a big number. Four million's a big number, \$12 million's a bigger number.

And then in terms of vacancies, we're budgeting, it seems you said ten percent of those. Then when we decide how do we sort of get to the point where we decide to – this is an unnecessary vacancy at this point and let's just reallocate that? Is it after two years of people operating at a certain point and we haven't filled that position, that maybe that position is no longer actually necessary, or is there a process to sort of analyze this. I bring that up because I've actually seen it presented yesterday at BDD, and a whole bunch of where they were sort of saying, well, maybe we don't need those positions at a certain point and they shouldn't be budgeted.

MANAGER SHAFFER: Thank you, Mr. Chair and Commissioner Greene. So that is a conversation that does in fact happen during the budget process, and so as you look at what was presented today, Corrections, for example, concluded that

there were five positions that due to technological and other changes that they were no longer needed to meet their core mission. So that is an ongoing conversation. I don't believe it would be fair to say that we have an automatic cutoff of at two years, three years, you've gone this far; do you still need that position? That I don't think would be an accurate statement.

The 10 percent overall vacancy rate, though, that's a different thing. I think – and Valerie, our HR Director, can speak to this better. That's overall. No organization operates at 100 percent of filled positions. And so the ten percent, if we were on average running that across the entire County, I would submit that we're having a stable labor force, but within that you are going to have natural turnover, whether that's through retirement, whether that's through someone leaving the County for a different job – what have you. There will always be some turnover. So the ten percent vacancy rate is really not the vacancy rate but the ten percent amount that would be available in future years, just as an overall figure based upon the amount that we allocate for salary and benefits, as opposed to specific positions. And again, that would be due to a variety of factors, but that's the natural turnover in any organization.

CHAIR HUGHES: Let's move to Commissioner Hamilton.

COMMISSIONER HAMILTON: I just wanted to clarify for an accurate record what happened in BDD. There was a BAR presented at BDD that proposed to use accumulated vacancy savings to fund another aspect of the budget that had been under-budgeted. We didn't propose to eliminate positions because they hadn't been filled for a while. That's a very, very different thing. I just wanted to clarify that.

CHAIR HUGHES: I have two questions but mine are pretty quick. One is how much excess revenue expected did we get to budget? Was that what the \$25 million that you're advocating for affordable housing and other things?

COMMISSIONER GREENE: It was \$5 or \$17 million.

CHAIR HUGHES: On slide 11.

MANAGER SHAFFER: Chair Hughes, Commissioners, so we are projecting for fiscal year 24 excess revenue over expenditures of \$31.9 or almost \$32 million. And I think Yvonne, which in the appendix would actually show the – so if we're trying to zero in on the revenue, it would be on slide 24, which is what I just forwarded to, and revenue overall across the County in excess of what was in the budget totaled \$17 million.

CHAIR HUGHES: Okay. So \$17 million and \$31 million, what's the difference?

MANAGER SHAFFER: So the \$31 million figure is comprised of two different components. It's – here's your budget, and that includes budgeted revenue, and then here are your expenditures. And so expenditures were less than what was budgeted and revenue was greater than what was budgeted. So you have to account for both of those factors, and that's where you get to that \$31 million, is that it's both budgeted resources that were not expended, as I indicated, many of which are carrying forward into the current budget recommendation, but then it was also revenue that exceeded what we budgeted. Does that answer your question, Mr. Chair?

CHAIR HUGHES: Yes, it does. I'm not sure – so \$17 million is the excess revenue and then the additional is basically savings, right?

MANAGER SHAFFER: That is an accurate description in terms of expenditures being less than what was budgeted and that includes both salary and benefits, that's a different line item in the presentation and how it was presented. But then separately, amounts that were not expended during the fiscal year.

CHAIR HUGHES: Okay. And then my other question is how much money do we have placed in reserves right now? And then we're going to evaluate it and adjust, but how much do we have now? I don't mean the total cash balance, I just mean the amount we have placed in reserves.

MS. HERRERA: Mr. Chair, we have, as of fiscal year –

MANAGER SHAFFER: I think he's asking about committed fund balance.

MS. HERRERA: Committed fund balance?

MANAGER SHAFFER: And so the committed fund balance is the last appendix and this is what was committed by the Board in Resolution No. 2023-64, as amended, and it's broken out both by category as well as the various funds. So I won't purport to add them up. I'll ask Yvonne to do that, but within the general fund, the contingency reserve, disaster reserve, uninsured losses and major infrastructure repair and replacement total \$42.1 million, and the amount set aside in the various special revenue funds total \$18.8 million, I believe. And then in our enterprise funds they total approximately \$6.2 and change.

CHAIR HUGHES: Okay, and then you're going to evaluate this and then possibly come with a higher number. That's what you said.

MANAGER SHAFFER: Or it could be lower. Again, we're going to do the analysis on a risk-based model to actually run a variety of multiverse simulations to present the Board with a more robust analysis with the risk that we are attempting to ensure against through our fund balance, and then provide the Board recommendations. And again, I don't want to prejudge what that result will be but it's certainly within the realm of the possible that the number will be higher when you start to assess your reserves based upon the risk you're ensuring against instead of the money that you have in the bank, so to speak.

CHAIR HUGHES: Commissioner Hamilton.

COMMISSIONER HAMILTON: Thank you. Since we're on the reserves, several years ago, early in our experience – there was some talk of reserves and how they related – are there some aspects of reserves that are recommended by the state, or required. And then we I think did a little better in many cases than what was strictly required. I'm just wondering if that's true, and I can't swear that that's true, how that relates to our proposal to go to a risk-based analysis where it's reserves. I assume maybe if those represent a bottom line. Then it wouldn't be in any conflict, but I just wanted to ask that. But to say that I actually really like the idea of doing a risk-based analysis, to support what we do in reserves. But nevertheless, I'm just curious.

MANAGER SHAFFER: Thank you, Mr. Chair, Commissioner Hamilton. So the short answer is the state minimum is one-twelfth, which is really more of a cash flow reserve. They want to make sure that you have adequate cash to fund your operations, given the fact that revenue comes in not equally throughout the year, and in particular, property tax revenue comes in in two slugs, in November-December and in

April and May. So that's really a cash flow figure. Generally speaking, there are some guidelines relative to what one may want to target as a minimum, and I think that our current policy is generally in line with those numbers as I've seen them.

And then moving to a more complete analysis model is where we're recommending that we go, so that we're not using rules of thumb or looking at what our own resources are, but are instead modeling what are the risks that we're actually attempting to reserve against – unforeseen drops in revenue, like a pandemic, like the Great Recession. What are we looking at in terms of what would it cost to truly replace some of our critical infrastructure if there was an uninsured failure of it. Those types of things that again, are most based upon the risk that you are self-insuring against, rather than looking at what resources you have. I hope that answers your question.

COMMISSIONER HAMILTON: It does. Thank you very much.

CHAIR HUGHES: Thank you. Commissioner Greene.

COMMISSIONER GREENE: Thank you. Just to continue then, if we had \$13, \$14 million of unspent savings, you may call it but we might call it, some of it is vacancy savings per se and some of it is just un-deployed money because we couldn't get it out the door or whatever, the projects didn't line up. Do we have a chart of those things, like specifically of how much didn't get done because of – and we can call it savings but things that we budgeted for and we couldn't actually follow through on for a variety of reasons. Do we have a chart of that? Maybe not today.

MANAGER SHAFFER: Mr. Chair, Commissioner Greene, we do not have that prepared for today but if that is something that the Board would like to see we could certainly prepare that.

COMMISSIONER GREENE: Good. And that how much was set aside for matches last year that didn't get – similar question – that we didn't either get the grants or I heard the number of \$10 million I think thrown out there, and then how much of that did get deployed and then didn't get deployed because for whatever reason we didn't get the opportunities to match something?

MANAGER SHAFFER: Mr. Chair, Commissioner Greene, the amount that was set aside for those purposes was \$10 million. The amount that was committed was about \$650,000 for a grant with the Administrative Office of the Courts for security upgrades at the First Judicial District Court. That money was set aside with a particular grant in mind so much as to be available in the event that opportunities presented themselves, and secondly, it was also my recollection, a discussion about having additional resources available to help move both grant funded projects as well as other projects forward, which is why we're recommending that a portion of that be allocated to help bolster our now fully staffed Procurement Division to move projects forward even more quickly.

COMMISSIONER GREENE: And lastly, just a note, just something that seemed quite remarkable. If we've got \$17 million in our affordable housing allocation for this year, rough numbers, that's about ten percent of our budget, correct? Slightly less, maybe eight percent, but it's pretty close to ten.

COMMISSIONER HAMILTON: Of the recurring budget.

COMMISSIONER GREENE: Yes. \$190 million –

COMMISSIONER HAMILTON: That's just the recurring budget. There's the non-recurring portion. It may not matter.

COMMISSIONER GREENE: It just seems significant. I thought it was worth nothing.

COMMISSIONER HAMILTON: That's cool.

MANAGER SHAFFER: Mr. Chair and Commissioner Greene, I think that's an overarching point is that there are a variety of factors that contributed to the accumulation of fund balance over and above what is called for in our policy over the last few years, one being exponential revenue growth. Two being the Great Recession and subsequent labor shortage which we were working through, but at least from where I sit, the goal is not to endlessly accumulate reserves above and beyond that which policy calls for, but at the same time one wants to develop plans to spend them that meet strategic objectives. So one example that I would highlight as we move forward is the P-25 radio project which is millions of dollars of significant public safety infrastructure that we're self-funding. The other is our Fire Department asset renewal plan, which allows us to replace aging – will allow us to help accelerate the replacement of aging apparatus, both in districts as well as our regional stations. Then I highlighted three in terms of – or two others in terms of significant investments that we can foresee on the horizon. Even though I can't give you a concrete dollar figure I can easily say that each of those will be millions of dollars.

So again, it's not my expectation and I don't believe it's the Board's expectation that that is in fact a strategy to continuously augment and grow reserves and in fact the affordable housing allocation is a reflection of that. If we have the resources and we now have programs to deploy those resources, that we begin to do that.

COMMISSIONER GREENE: Thank you.

CHAIR HUGHES: I'll just say I totally agree that we should, as we have money, we have plenty of reserves that we already know. So allocating excess money to affordable housing is a great idea. Anything else?

COMMISSIONER BUSTAMANTE: Mr. Chair, if I may just say as well, it's commendable. I want to make sure that there's some recognition that that's much appreciated. We're acknowledging it and it's commendable to be able to make that kind of commitment.

COMMISSIONER HANSEN: Mr. Chair, yes, I think that it is important. Affordable housing, workforce housing, is something that we need to invest in and the fact that we have not been able to do Nueva Acequia because we were not funded by the legislature. I think we can self-fund or use some of that money to actually really benefit the community and show a significant investment towards affordable housing that is really needed. But also workforce housing, HUD housing, the whole gamut. I think affordable housing is over-used as a word that everything gets lumped into and then we're not thinking about building workforce housing for our police sheriff, teachers, people who we need to have in the community and not be driving to Rio Rancho and Espanola. So that's important to me. So I think that's a good use of money.

CHAIR HUGHES: Commissioner Greene.

COMMISSIONER GREENE: I tend to agree, but I also have a nuanced approach to this. We do have to put money towards affordable housing without a doubt,

but at the same time a worthy project like Nueva Acequia that has lots of grants and opportunities to be built using outside sources and only has the impact – only, I say in quotes – for 124 families, which are well deserving and needed, when we have an emergency radio project that all of us will benefit, all of our constituents will benefit. Or any hazard mitigation plan which all of our residents will – having an impact on the broadest group of people in Santa Fe County is kind of what we’re up here for, as well as for affordable housing. But over-committing to a singular project concerns me sometimes when we do have some big ticket items that would potentially impact all of us and all of our constituents. And I think all of our constituents deserve their attention, not just some. And that goes to our workforce housing, not just affordable housing. And reforming the SLDC which could have more of an impact on bringing affordability and more housing on line and prioritizing that as opposed to 124 units of a beautiful project but yet only of a limited impact.

COMMISSIONER HANSEN: So I don’t think that it eliminates us investing in the radio by investing in workforce or affordable housing. I think all of that is already in the budget. It’s right there. So I don’t think it’s an either/or. I think if we don’t start building – we have land on Galisteo that we have talked about for years of also building affordable workforce housing on. It is our old Public Works Department, and that really needs a master plan and a development. And so there are many ways that I can see us investing in that. But what I’m hearing from the community is that affordable housing is a huge issue.

COMMISSIONER GREENE: I understand. I understand also that when I talk to the community and parse out with their talking about, they’re not talking about 124 units. They’re talking about generalized affordability across the community. There are very few people that actually get the chance to be in a “affordable” home. But housing affordability is the issue. So understanding that if it’s between housing affordability and affordable housing is a big difference. Anyway, just a point of having a bigger impact as opposed to an impact for 124 families. They need the help, no doubt, but there are thousands of workforce members in our community that need affordability.

CHAIR HUGHES: So I think the affordable housing money is going to go to a whole program of affordable housing, not just one project.

COMMISSIONER GREENE: Again, it is the lowest – these folks definitely need assistance but affordability is the biggest, overarching issue in our community. Multi-generational, there’s a lot more people that are in that working poor, or working class folks that need affordability, not affordable housing. It may sound the same but they’re not the same.

COMMISSIONER BUSTAMANTE: Mr. Chair, I do think that we might be in this conversation, or at least based on what you’re saying, underestimating the benefits of having affordable or mid-tier housing available for public residents. I don’t agree that we wouldn’t all benefit from having more people able to live at that mid-tier level. We’re not there. So as much as we would benefit we will and it is in the budget to get the radio system, etc. There is evidence that having more middle class support within a community is also what benefits the community at large. I think it’s important to recognize that.

COMMISSIONER GREENE: I just don't know where the middle tier fits in this budget. But thank you. Yes. I'm just voicing my concern of a focused investment on a certain segment as opposed to looking at reform of the SLDC to make sure that we have affordability as our main aspect, not affordable units. They are two different things.

CHAIR HUGHES: Okay. I think we're ready to move on to the first presentation from a department or whatever's next.

County Manager's Office

MANAGER SHAFFER: Thank you, Mr. Chair and Commissioners. So we're going to start with a high level overview of changes from last year's budget to this year's budget and we'll be providing such summary sheets for each of the departments going forward. So this is again a roll-up for the entire County Manager's Office. In terms of significant decreases, insurance premiums came in much lower than anticipated and are anticipated to be lower than what was budgeted for fiscal year 24, so that's a significant reduction at the top. In addition, there's reduction in contractual temp services due to increased staffing levels, I believe primarily in our Finance Division.

As we then look down in terms of significant recurring changes, the first is to reflect that the Office of Emergency Management operations will now be part of the County Manager's Office. In addition, we're recommending an increase in terms of non-deductible losses to vehicles, buildings and infrastructure. We're also proposing to consolidate advertisement for procurements and public hearings within the Purchasing Division and the Legal Department for efficiency purposes, and increase in the amount allocated for our internal and external audit.

In addition, additional budget to continue the entire Countywide migration to Microsoft 365 and Teams. Additional costs associated with our storage with the Department of Information Technology as well as Cisco maintenance services. A big increase is to our contract currently with IT Connect, which provides security as well as network monitoring for the County's IT infrastructure. This move towards outsourcing our security as well as network monitoring is a reflection of the fact that larger companies have more resources and more stable resources to provide to those critical areas. In addition, we have an increase in what we estimate for the low income property tax rebate.

Moving down, these are non-recurring expenses. I want to just remind and re-emphasize that the fact that something is scored as non-recurring doesn't necessarily mean that it might not appear in the budget from year to year. It simply means that it's an expense that if we could cut, if we had to cut we could cut and that it's not something that we are committed to doing in order to provide core services. Of course that doesn't mean that the expenditure isn't worthwhile or bonafied. It simply means that it's not built in to our recurring budget.

I'll take a relatively simple example. The Dell monitor cascade, for example. Monitors do need to be replaced but it's probably an expense that if we had to cut our budget could be in fact postponed for a couple years. We could go back to the old days when you only had one monitor, what have you. So that's one example of an expense that is scored as non-recurring even though you could see it come up from budget year to budget year.

The temporary procurement specialists and grants manager, by their nature, they are in fact temporary positions. That's why they're scored that way. In addition, there are the OEM contractual services to accelerate the work. We are suggesting that we budget \$250,000 to support our refocused Office of Emergency Management to help them if needed, accelerate the work that the Board approved recommendations for moving forward with OEM.

I will just take a minute to highlight the very large number of \$2.6 million. What that represents, there are two components to this and concededly, it is a very rough estimate of what might be involved. The first is employee safety. Nothing is more important to the County and I know to you as well as to myself is our employees' safety. So the challenge that Ms. Park and her team have accepted is that within the course of one fiscal year we're going to go throughout all of our County operations to identify areas in our safety program or gaps in our safety program that we need to address, policies and procedures that are needed to be developed and to be implemented. But then also to revisit any existing policies to see if they need to be updated. So that's a tall order, but that's one component of it is to augment our internal staff with outside subject matter experts so that we can develop and refine and build upon our safety program.

The second component of this is to look at employee safety from a different perspective but also to look at the safety profile of our critical infrastructure. So that could range from looking at some of our facilities to see if there might be a need for more access control, so that folks who are coming to do business with the County might not necessarily have access to the entire building, say at Public Works to use but one example. Or we might look at our fueling stations. But the point is it's more of a facility safety analysis which also relates to employee safety in a different way, but beyond that, we're looking at our critical infrastructure to see if there are improvements that we need to make.

I would emphasize that that second component, obviously would not be done in a vacuum or in isolate from our Facilities Management team, but it's included here as a roll-up number so that it was budgeted in one place and could be managed through one project manager, program manager to tackle, again, both of those components which is employee safety as well as a facilities safety program.

In addition, there were several reclassifications that we'll get to as it relates to the FTE requests that I'll let individual departments or divisions speak to, and finally one new FTE that is recommended is a data analyst manager that is consistent with the strategic plan and will help us provide data analytics, both to the Board of County Commissioners but also throughout the County to those departments and divisions that don't have that resource internally.

So I can go on, Mr. Chair, through all components of the County's budget to include FTE requests as well as fixed asset requests or I can pause here for questions at the pleasure of the Board.

CHAIR HUGHES: Well, let's see if there's any questions. Commissioner Greene.

COMMISSIONER GREENE: Thank you, Mr. Chair. Thank you for the presentation on your budget. First on the Emergency Management operations, we have Emergency Management operations and they're getting transferred, some of them at

least, from Fire. What is the difference between where it's coming from – so a reduction in Fire and then an increase. So I see an increase here for what's going into your office, but what's the net of it?

MANAGER SHAFFER: Mr. Chair, Commissioner Greene, and Yvonne, you can support me here. The net is really the Emergency Management Director, in terms of the increased cost. So the other operational costs are going to carry over, basically without change on a recurring basis and you would see a corresponding reduction in the Fire Department, with the exception of the Assistant Chief of Special Operations and Emergency Management. That position will remain in Fire. So Yvonne might be able to help me out with the dollar figure but that's really the delta is that new civilian Emergency Management Director position.

COMMISSIONER GREENE: Thank you. And I'm encouraged and happy to see the procurement specialists and the grants manager, because if we put \$10 million to matching money for grants and we only spend \$600,000, well, maybe this will help us go get some grants and leverage what we do best or what we should do. Thank you.

CHAIR HUGHES: Anybody else? I guess we can continue.

MANAGER SHAFFER: Moving forward, me, Commissioners, the next document that we're looking at, these were actually the FTE requests as submitted by the various component of the County Manager's Office. The procurements specialists we've already talked about. There is a proposal to reclassify two, I believe, accountant tech senior positions to accountants to better align those jobs with their actual responsibilities, if I understand correctly. In addition, the Human Resources Division is proposing to reclassify one of its positions to a lower grade, if I'm not mistaken, and that is to a department administrator position to better provide administrative and other support to the overall operations of HR.

There were several requests that were put forward by the IT Division which are not recommended at this time. As we discussed there was trade-off between investing in our current workforce and new FTE requests, but this also relates to the changes that I was articulating in terms of seeing how different changes to our operations will impact our ultimate capacity in the IT space.

Finally, we talked about the grants administrator but we do recommend creation of a data analyst manager position in the County Manager's Office to, again, help improve the County's overall collection, analysis, and use of data.

Finally, moving forward to the fixed asset requests, fixed asset requests that were IT in nature were reviewed by an ad hoc IT committee set up for that purpose, so what you see here are the recommendations of that IT committee, or in the case of vehicle requests, the Vehicle Utilization Review Board. So some of this is our effort to keep our laptops, desktops, what have you, fresh, so we have a regular cascade program. I'll let Daniel go ahead and speak a bit relative to the VNM ware, or VM ware server expansion as well as the laptop replacements, as well as the – on the second page of this list, the audio visual upgrades for the BCC chambers. Go ahead, Daniel.

DANIEL SANCHEZ (IT Director): Thank you, Manager Shaffer, Commissioners. As the County Manager mentioned, we've had several requests from IT. Some of them are regarding VM ware. Those are specific to our disaster recovery centers, either [inaudible] here in Santa Fe. We're [inaudible] not to provide more backup and

recovery for various system. Our laptops and cascade process for PCs and laptops, as Manager Shaffer mentioned, we try to keep those up to date, current with the current technology. We are continuing to try to move to a more mobile workforce in the event that we have to have staff work from home, which will allow them to transition that process more. We'll always have PCs in house just because, people like the Treasurer's cashiers or Public Safety officers, they don't really need or want PCs. We're trying to get people with laptops wherever possible and appropriate.

On the second page as Manager Shaffer mentioned, audio visual upgrades to the chambers, the system here was really designed and implemented in 2019, 2018, prior to COVID. We had a lot of lessons learned. Hybrid was not necessarily a thing then, so we're trying to – a big shout out to Matt, who you all know and love. He's done a great job of managing the system and cooperating with our vendor, making sure that it's functional and operative for hybrid needs. However, it wasn't designed that way. It really was designed to broadcast through Facebook at a minimum and then catch one system here.

When we introduced hybrid it obviously added some more complexities to the process, so we are working with our partners to streamline the process, simplify the process, make it redundant, more effective and efficient for what we consider the highest level of authority at the County. So we want to make sure that that is not a distraction for you. So we're looking into making it, again, more redundant and more – well, basically easier to use. Because Matt is great at what he does but it's fairly complex. If you haven't seen it back there working the magic, the man behind the curtain so to speak, he's doing a lot back there. It's pretty complex so we're trying to simplify that for him and other staff.

MANAGER SHAFFER: Page 2, the other two items that I would emphasize is that for any new FTEs that are approved by the Board, the budget necessary to support those new FTEs will reside in the IT Division. Just the way that we try to help streamline some of the budget preparation so that individual departments were trying to request those things. Some did, nonetheless but the idea was to consolidate that budget in IT so that it could make those purchases for the new FTE as approved by the Board.

We did put in as a placeholder \$10 million for an ERP system. I emphasize that that includes, would include funding for all aspects of that project from system defining to system selection to data cleanup, data migration, other implementation of the system and most importantly, through the adoption and education of our staff as we move forward with that. This is a multi-year project and is going to consume a significant amount of County bandwidth, but we do think that it will be transformational in the end in terms of increased efficiencies throughout all County operations.

The last thing that I would note is that we are going to attempt to have under the ERP umbrella every module or component of County operations that we can. I believe some of you have heard me say this that over the years I believe, and Daniel can speak to this, that we've undervalued as an organization integration and overvalued certain features of various programs that we felt were of import. What that has left us with is a current state is a lot of systems that aren't integrated and don't necessarily talk to each other. The Assessor's system and the Treasurer's system, for example, even though they're both part of the property tax cycle would be an example.

But the idea again is that we would have in one system as many components or modules as possible to include potentially a new CAD system for our RECC dispatchers, a new jail management system for the Adult Detention Facility, a Treasury module for the County Treasurer, on and on down the list. As that is refined and that is developed, it may well be that a portion of those costs or additional costs are allocated out to those cost centers and I would just note that in terms of what the goal is and what we hope to accomplish through that migration and selection of an ERP system, and Daniel, if you have anything to add to what I said, please do. Otherwise, I think we'll stand for questions on any either fixed assets or on FTEs. But before I forget I would just note that because it was done internally and the only thing that's presented is the budget, is that in the Legal Department the reclassification that's been approved by the HR Director was for an IPRA paralegal to more of a records and program manager position to more accurately reflect the work done by that position. So I'll stop and see if Daniel has anything he wants to add relative to our current state and how we got here with our systems.

MR. SANCHEZ: Manager Shaffer, I couldn't have said it better. I think that over the years we've had the systems and they've evolved on their own. We're trying to put guardrails so that we can assure that we have one system to support that's easier for staff to utilize. It's easier to support and maintain, and cost out. So I think it's a benefit to the County as a whole. We've worked to consolidate most of those. I think we can't put enough value on the interoperability, the consolidation of those systems and the systems being able to talk to one another. There's so much data analytics available from that perspective that we can utilize and move forward, and make decisions with.

CHAIR HUGHES: Okay. I certainly appreciate the support I've gotten when I've needed it from IT.

MR. SANCHEZ: Thank you, Mr. Chair.

CHAIR HUGHES: Commissioner Bustamante.

COMMISSIONER BUSTAMANTE: Greg, could you share your screen again? Thank you.

MANAGER SHAFFER: Mr. Chair, Commissioner Bustamante, which component would you like me to share?

COMMISSIONER BUSTAMANTE: Page 2 of 2. The new FTE for the equipment setup. Is this – this is a permanent position? I'm assuming for a full-time employee, and I guess if this is a new position for bringing in the new hardware that we're going to be getting. Is there are reason why this would be a full-time permanent position, or not a contracted position to establish the setup.

MR. SANCHEZ: It's the equipment. It's not the employee. It's for new –

MANAGER SHAFFER: I apologize, Commissioner Bustamante, if our titling was misleading. This is equipment for new FTEs that the Board approves. So we're trying to consolidate that budget in IT so that departments don't have to worry about it.

COMMISSIONER BUSTAMANTE: I'm sorry. When I see new FTE – all right. Thank you.

CHAIR HUGHES: Commissioner Hamilton.

COMMISSIONER HAMILTON: Just a quick thing. I want to say the intention to try to move to having more laptops so people can be mobile is appropriate. Our mobile new jobs can work during a pandemic or just to have a more flexible workforce is well motivated. That's a really good idea.

CHAIR HUGHES: Commissioner Greene.

COMMISSIONER GREENE: Thank you, Mr. Chair. Thanks again for this presentation. One question on the audio visual upgrades to the BCC chambers. Are we also talking about working on some acoustic upgrades here that are sort of low tech but have to do with some sound attenuation and like making less echoey in here. I get it. Screens are great. Microphones are great, but some of it has to do with deadening the walls a little bit. This sounds like a great room for opera but not for quiet conversation. Anyway, that's just more of a comment than it is actually like. But hopefully some of the budget goes to some of those panels or something on the back that can keep my voice from coming back to me a microsecond later.

And then in the fleet plan, I'm wondering, we've come – a number of us up here have advocated for electrifying our fleet and I think we've done okay, but I've also heard some grumbings from part of our Public Works and fleet people. Or not the fleet people but from other folks, that we're not making the progress that we should. So I'm wondering what we can do and how that's progressing and how that can be mapped out. Maybe not today at these presentations, but how we're progressing on that. And if we need to create a resolution that says by certain dates and let's go put a fleet conversion plan together by 2030, by 2035 or whatever it is, that we can get there and then I guess for IT, do you want an electric car? Do you want – you'll survive with an electric car. You will. Good. Good answer. Thank you.

And then a last IT question is somehow connecting us to the REDI-Net network. We are of the eight partners on REDI-Net. We still remain to be the last partner to connect to REDI-Net. The REDI-Net fiber at its longest distance to this building or to Catron is about four blocks away but there are ways to get it from just across the street over at the Carlos Gilbert Elementary School. Given our IT problems that we've had and have had to delay a few Commission meetings and had some down time, I think REDI-Net has a pretty high reliability and it is something that uses our own system and that we're a partner in. And if we are going to give money to somebody, we better give it to somebody that's a partner of ours. That's better than giving it to an outside organization that is for sure out of state. I think there's an opportunity there and I'm wondering how that shows in the budget. Thank you.

MR. SANCHEZ: Mr. Chair, Commissioner Greene, a couple things. So the acoustics in the room, yes, it's always kind of been a problem for us. It's a beautiful room but it's also very challenging from an acoustics perspective. We had some individuals this past Tuesday. If you noticed, somebody came in kind of concerned that something was wrong. It was they were doing an assessment of the system and just as a byproduct of that they did mention that this is a challenge. Obviously, putting up some of the sound boards. The recommend covering up some of the beautiful roof. So there's some things that can be done. P.J. from Public Works actually had an assessment done, a study. They came into the room and they actually did a bunch of sound – like loud sound

noises and he has those results and we have to work with Public Works to figure out and work with them accordingly. And also aesthetics. They have to be accounted for as well.

Regarding REDI-Net. Thank you for the conversation before the meeting. We are looking for backup, always looking for backup solutions in relation to backup internet solutions. Actually when we built 100 Catron we actually put conduit to that side of the building because at the time Comcast was there, [inaudible] so we could use the [inaudible] building as a backup solution for these two sites. These two sites are interconnected to fiber. Pushing out to other main campus like Public Works and Public Safety might be more of a challenge but we sort of want to get started here.

COMMISSIONER GREENE: Just for all of us on the Commission but for everybody here, the group that did the school district's network, Conterra, had previously worked with some of the folks at the County to map the current Conterra network to be – to analyze and identify opportunities to connect to County facilities to the Conterra network. And it was not a very large lift to do it. And it has been mapped to the Conterra network and Conterra network is – it would be a capital build no doubt, but it's not millions of dollars. It's – and it would be able to bring our entire – maybe not entire; sorry, that's an overstatement, but all of our County facilities within the city would be able to be connected, including some of the County facilities outside of the city in Eldorado and just at the periphery of the city.

And so there's an opportunity here for IT to look at this and again, work with a partner to prove out how a partner can be a JPA member or a JPA that we're a member of, would be able to facilitate our IT needs. Thank you.

COMMISSIONER HAMILTON: Could you just clarify – sorry if I missed it. What's the Conterra network?

COMMISSIONER GREENE: So back about five years ago the Santa Fe Public School District got federal money, almost entirely paid for by the feds to build a network. But the network that was built –

COMMISSIONER HAMILTON: Internet?

COMMISSIONER GREENE: Yes. So a fiber ring around the city and basically around the city but it goes all the way to Eldorado and it goes up to Tesuque and it goes to the Community College area. But all of the public school buildings across the –

COMMISSIONER HAMILTON: I didn't know it was called the Conterra network.

COMMISSIONER GREENE: Conterra owns the network. It was overbuilt so the school district got eight pieces of fiber or something like that, some minimal amount of fiber but it was enough for them. Conterra overbuilt it, because once they're digging and hanging fiber on the poles they actually put like 144 fibers. So Santa Fe County, for instance, if we needed eight fibers off of that would be able to contract with them and basically have our own network around the county or around the city, at our facilities around the city area, relatively affordably.

COMMISSIONER HAMILTON: What's either the trade-off or the relationship between that and REDI-Net?

COMMISSIONER GREENE: So REDI-Net has an agreement with Conterra to do some stuff, and I think they actually have a specific fiber agreement on a

number of strands, and increasing that would be relatively easy for Santa Fe County's purposes.

COMMISSIONER HAMILTON: I see.

CHAIR HUGHES: Commissioner Hansen.

COMMISSIONER HANSEN: Thank you. Thank you, Daniel. As somebody who uses this sound system to hear people because different voices are very different in this room, I am completely opposed to doing anything to the ceiling. This is a historic building. SHPO would be really unhappy with us. But I think there are ways that we could add more sound boards of something. Maybe – I'm not a sound engineer so that's not my specialty but I do think there are ways to improve this room so it's better for the audience and for the Commissioners. Because one of the complaints that we do get is from the audience is that they can't hear. It is improved but it still needs work.

I'm quite familiar with this public school broadband that was installed. It was actually during my first term and I was aware of that and it was basically off limits. That's the way they spoke about it.

COMMISSIONER GREENE: The school district's fiber is off limits but Conterra owns another hundred –

COMMISSIONER HANSEN: So at that time when they were selling it it was like every time I talked to anybody was, no, we can't do this. No, we can't do this. But I think that it's really important if Conterra is involved in it that we find a way to connect all of our buildings, especially since it's so close at Carlos Gilbert to be able to connect in, and I think that Manager Shaffer put up a picture for a brief moment of some of the connection points. I'm assuming that's what that was.

MANAGER SHAFFER: It actually was for a different purpose. I'll let you finish and I'll explain what it was.

COMMISSIONER HANSEN: Okay. So I'd like to know why you put that up. I just see that we have one new vehicle and it must be a Leaf or something like that. I hope it's an electric car, but that's in the price range of a Leaf.

MANAGER SHAFFER: Mr. Chair, Commissioner Hansen, actually, the new vehicle for IT was not recommended, so it's not something that we're recommending at this point. The VURB felt that, I believe, that the vehicle that currently exists could last another year or so. So it's not a recommendation that is being made, and it wasn't recommended by the VURB.

The reason I briefly put up, which I can add again, the slide relative to 100 Catron, is there's a very small budget item that was highlighted which is \$7,000 for business cards. We are going to work with the City of Santa Fe to readdress 100 Catron. 100 Catron was the address of the former First Judicial District Courthouse, and when we built the new structure it continued. Undoubtedly you've noticed that there is no public-facing entrance to the building at 100 Catron, and in addition, it has caused challenges whenever we've had to call first responders. So we will be moving forward to establish various – I believe four in total addresses associated with the building. The one on the business cards will be – it will have a Grant Avenue address and so we just put money aside in order to address the business card needs of the entire workforce located at 100 Catron.

So what I had shown briefly was just what those various address points would be. Again, there would be one specifically for the entrance into the underground parking lot off of Griffin I believe, 100 Catron will remain for certain purposes. But then the upper parking lot and the main entrance for pedestrians will be off of Grant Avenue. So that's what I wanted to explain.

COMMISSIONER HANSEN: Mr. Chair, I think that's great, because nobody liked – what do you mean, 100 Catron? We all know – we know that that's what that means and a lot of people do, but I think that's a good point, but I wondered what that picture was.

I do see that the car's not allocated at this time. I guess when we get to fleet or some other we'll be talking about other vehicles so I'm not going to ask that now. That's it. Thank you, Mr. Chair.

CHAIR HUGHES: Commissioner Greene.

COMMISSIONER GREENE: Thank you. I am thrilled that we're going to re-address 100 Catron to a Grant Avenue address. But additionally, if we're going to address it as Grant Avenue I would hope that we could open the door on Grant Avenue if it's possible, to the public. I know that I'm lucky enough to have an ID that gets me in that door when I walk over there, but the public would love to access it from that. If we're encouraging pedestrian access that's the way that we should go over there.

Then in terms of – I'm sure it's going to show up somewhere else, but just in case it's not going to show up somewhere else – let's make sure it will – we are receiving Three million dollars-plus - \$3.3 million for EV chargers and that's going to be a new capital request somewhere, capital projects, and I'm wondering where that will show up and the easy answer could be wait till Monday but just in case it's not wait till Monday, it will now magically show up Monday.

MANAGER SHAFFER: I think it will actually be Wednesday, in terms of the schedule of departments and as part of the fleet migration plan, Paul and his team I think will also be prepared to speak to that.

COMMISSIONER GREENE: Thank you.

CHAIR HUGHES: And I just want to add that I'm glad we're not going to be addressed on Catron Street since Catron was the leader of the Santa Fe Ring and was famous for stealing land from indigenous – anybody, really. Yes, stealing land from everybody. It still bothers me that we all the other building Catron. Let's have a break.

MANAGER SHAFFER: I believe that's the end unless there are more questions. That was the end for today. This was focused to the high level overview of the County Manager's Office.

CHAIR HUGHES: Is there anything else?

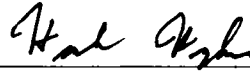
MANAGER SHAFFER: No.

3. Concluding Business

A. Adjournment

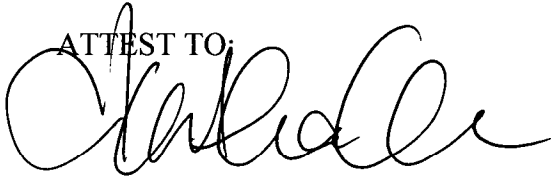
Commissioner Hamilton moved to adjourn and Commissioner Bustamante seconded. With no further business to come before this body, Chair Hughes declared this meeting adjourned at 5:00 p.m.

Approved by:




Hank Hughes, Chair
Board of County Commissioners

ATTEST TO:



KATHARINE E. CLARK
SANTA FE COUNTY CLERK

Respectfully submitted:


Karen Farrell, Wordswork
453 Cerrillos Road
Santa Fe, NM 87501



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 27

I Hereby Certify That This Instrument Was Filed for
Record On The 14TH Day Of June, 2024 at 08:54:50 AM
And Was Duly Recorded as Instrument # 2035724
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Katharine E. Clark

Deputy  County Clerk, Santa Fe, NM

SFC CLERK RECORDED 06/14/2024

