DRAFT

SANTA FE COUNTY

BOARD OF COUNTY COMMISSIONERS

BUDGET STUDY SESSION

February 19, 2009

Michael Anaya, Chair – District 3
Harry Montoya, Vice Chair – District 1
Kathy Holian – District 4
Liz Stefanics – District 5
Virginia Vigil – District 2

DRAFT

SANTA FE COUNTY

SPECIAL MEETING

BOARD OF COUNTY COMMISSIONERS

February 19, 2009

This special budget study session of the Santa Fe Board of County Commissioners was called to order at approximately 10:00 a.m. by Chair Mike Anaya, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Roll was called and indicated the presence of a quorum as follows:

Members Present:	Members absent:
Commissioner Mike Anaya, Chair	[None]
Commissioner Harry Montoya, Vice Chair	
Commissioner Kathleen Holian	
Commissioner Liz Stefanics	
Commissioner Virginia Vigil	

III. **Approval of the Agenda**

Upon motion by Commissioner Stefanics and second by Commissioner Holian the motion was unanimously approved.

IV. **Budget Presentation** *[Exhibit 1: Power Point Presentation]*

- A. **Positive Aspects of the Budget**
- B. **Challenging Aspects of the Budget**
- C. **FY 2010 General Fund Revenue and Expenses**
- D. **Using the Bank Account**
  - 1. **Reclaiming the General Fund Cash**
  - 2. **Cash Positions Going into FY 2010**
- E. **General Fund Services and Budget Cuts**
- F. **Budget Process Calendar for FY 2010**

V. **Focus Group – Subcommittee Presentations**

VI. **Mid-Year Budget Adjustment for the General Fund – Reduction Has Been Completed**

ROMAN ABEYTA (County Manager): Thank you, Mr. Chair. At this time I would like to turn it over to Teresa Martinez our Finance Director and she'll carry us through quite a lengthy power point presentation. The presentation is going to cover all of the items listed under agenda items IV, V and VI. So we'll just roll through all of these items.

CHAIRMAN ANAYA: So we've got two hours. How do you want to do this? Do you want to roll through it and then we'll ask questions later? Maybe we can tab our pamphlet?

MR. ABEYTA: I guess whatever the Commission prefers.

CHAIRMAN ANAYA: What does the Commission want to do? Do you want to ask questions right away and get it over with? I don't want to get bogged down on it.

COMMISSIONER STEFANICS: Mr. Chair, I'd rather ask questions as Teresa goes along but if Teresa's going to cover it at a later time, I'd be happy with that.

CHAIRMAN ANAYA: Yes, if you think we're going to cover it just say we'll cover it. We're going to get there. Sound good?

COMMISSIONER MONTOYA: I'd prefer to do it that way too.

CHAIRMAN ANAYA: All right, Teresa.

TERESA MARTINEZ (Finance Director): I've laid out a presentation for you today that basically is in line with the agenda that you have before you. The first thing we intend to do is talk about what are the good things. Then we'll go through what's not good about the budget right now – what are the challenges that [audio difficulties] So we'll go over the issues and the challenges that we're facing from a budget standpoint. We'll cover our plans for the next fiscal year's revenue and expense specific to the general fund. We'll cover the issues that in light of the recess, the possibility of using our bank account, basically having a run on cash to make ends meet.

We'll address what we did at our mid-year hearings. We'll give you an idea of the cash positions that we're predictions that we're predicting for the next fiscal year, and then we'll speak to general fund services and potential budget cuts that this County may be facing, and wrap it up with the budget process calendar for next year, as well as presentations from the subcommittees of our focus group.

Okay, if we go slide number three, we're speaking directly to property taxes and we're saying what's good about the budget? Well, property taxes have basically held their own. If you look at the first chart on top you'll see that the blue-coded line is basically our FY 2009 budget prediction. And you can see that right now, the red bold-faced line with the FY 2009 ACT, representing actuals, is just a little bit better than budget. So property taxes have held their own for this fiscal year. We've noticed that the current year taxes are being paid and it's the prior year, previous prior two years that are not – those payments are lagging behind. So the taxpayers are trying to keep up with their current liability. So property tax is fine in that budget.

If you look at the chart below, what we did is we compared it to previous tax years and we kept 2006 year as a baseline. And if you look at each of the lines, FY 2007 is just under the 2006 baseline. It met it at one point, went a little bit under and ended the year flat if you will.

FY 2008, you can see that it's a little bit less, a little bit more under, if you will. And you can that for 2009 we are under. We're not quite collecting what we have in years past but we're still at budget.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Thank you, Mr. Chair. I was dreaming about this the other night. When do mortgage companies actually pay us the taxes due?

MS. MARTINEZ: They're due in November and December. Most of them will send a tape for all of their accounts, so they'll send us the money through the lock box, and then typically, when they're due is November and December 10th. You'll see a small percentage come in in November but you'll see the actual receipt in January making the December 10th due date.

COMMISSIONER STEFANICS: So they're pretty reliable?

MS. MARTINEZ: We haven't had problems with the mortgage companies in the past. Where there's problems they're just internally.

COMMISSIONER STEFANICS: Okay.

MS. MARTINEZ: All right. Slide number four is going to speak directly to gross receipt taxes. What's good about the gross receipt taxes? Well, we've been before you before and we've been indicating that the GRT has held its own the first half of the fiscal year. So GRT for all aspects, with the exception of the fire tax, which we'll speak to in a little while, has come in above budget for July through December. Now, we just are reflecting the January collections, which would be indicative of November activity, and you can see that it's already declining. Our hope is that we wouldn't see – or our hope was that we wouldn't see that decline until the month of March, which would be indicative of the activity going on in January, but November is already seeing the GRT fall.

When compared, the November collections came in about 16 percent less than the average collections of the first half of the fiscal year. So we took July through December and we averaged what we were getting, and November's single month collections were 16 percent down from what we had been seeing. So it's here. The GRT is falling. And we believe that the Rail Runner held us above budget in the first half of the fiscal year, and now, if we fall below 20 percent, if the GRT actually starts to materialize at a lesser value than 20 percent, then we might have to see additional cuts being made.

Now, I think I just heard that the City's feeling that their December collections were down 12 percent. So we'll come to you each month with additional updates and we'll let you know how each month is progressing. But we are already seeing a fall.

COMMISSIONER STEFANICS: Okay, so Mr. Chair, Teresa, you're saying monthly that we have enough input.

MS. MARTINEZ: Yes. We'll come before you for the March admin, April admin, and then May with a recommendation. Okay. So the next slide on page five is a specific indicator of GRT, and this is what Paul Griffin tracks to kind of get an idea of how good or how bad gross receipt taxes are going to be. You'll notice that most of the tax classifications have a downward red arrow, meaning that they're falling, they're slipping. The one thing that, the one light that we're looking at is the Buckman project going on right now in the construction business indicator, which we think might help the drop that we were going to witness from the Rail Runner project being completed. You can also see the green line down at the bottom. You can see that the financial and real estate has already taken a significant drop. That makes sense with all that we're hearing in the news today.

So construction, our hope is that Buckman will help the economy and maybe help keep that GRT between 10 to 15 percent under what we're normally used to collecting. So again, we'll come back to you each month with an update.

COMMISSIONER HOLIAN: Mr. Chair, Teresa, is the Buckman – are they actually starting construction now?

MS. MARTINEZ: I think they're getting into the water treatment plant. So they are. And the pipeline.

COMMISSIONER MONTOYA: Mr. Chair,

CHAIRMAN ANAYA: Commissioner Montoya.

COMMISSIONER MONTOYA: Teresa, what about the courthouse?

MS. MARTINEZ: Well, the courthouse being located in the city will probably benefit the City more than us, but if they buy their materials out – well, it depends. If they buy the materials, let's say, out at Chaparral and the outlying County area then that would be our GRT. But we were factoring that the judicial will probably assist the City more than it would assist the County. But either way we want that activity to happen.

CHAIRMAN ANAYA: So we need to tell them to buy their material in the county.

COMMISSIONER MONTOYA: [inaudible]

MS. MARTINEZ: Buckman will probably benefit the County a little bit better than it would benefit the City; it's built in the county.

PETE GARCIA (Administrative Services Director): Yes, Mr. Chair, Commissioners, one thing we need to consider is how soon and how fast we can get projects started with the stimulus funds that we will be receiving, which is not effected in here but may be effected in the next year's budget. So that's another factor – unknown, but is a consideration.

CHAIRMAN ANAYA: Good point.

MS. MARTINEZ: Okay. So I'll move onto slide number 6. Now we go into the area of what are the challenges to the budget and what may pose a potential impact to the general fund. So we speak about the future of corrections. We know that our Corrections Department is lagging behind and the first chart will basically indicate to you that at the start of the fiscal year the revenue looks really good for them, and the reason it looks so good is because the Corrections GRT and the general fund make their transfers on July 1st, so they get that influx of money up front at the start of the fiscal year to the tune of just under $9 million. And if you then look at the line you can see the downward slope or the downturn where the care of prisoner revenue has just not materialized, and that's down a whole pod, the potential of 144 beds.

You'll see the blue line which is peak up in the middle of the fiscal year, and that's representative of the money that comes in via the St. Vincent's memorandum of agreement for the medical care of prisoners. So you'll see that that came in just about $3.4 million. So that will help. But then we're predicting that downturn again, with the fewer beds being filled and obviously lesser revenue. I do know from the Corrections Director that she recently brought in 50 from the Metropolitan Detention Center and hopefully there's plans for more to come into our adult facility. So that will help this picture and will help that downward trend line hopefully come up a little bit better and be a little flatter.

So right now, if you look at the picture, it's actually very grim. So we need to fill the beds and she's actively out there and working on that. So we did witness 50 inmates if you will in the last week and a half.

COMMISSIONER HOLIAN: Teresa, so this line does not reflect any of those new inmates that have come in?

MS. MARTINEZ: Not yet, no. This line was a predictor and this was prepared before they came in so this does not reflect the inmates we just received.

COMMISSIONER HOLIAN: So will you be giving us updates?

MS. MARTINEZ: Definitely.

COMMISSIONER HOLIAN: Oh, great.

MS. MARTINEZ: Every month. What you're seeing today you're going to have to get an update on monthly as we come before you.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Mr. Chair, Teresa, so the chart is inclusive of [inaudible]

MS. MARTINEZ: This right here is inclusive of everything. That's correct. And the biggest drain, if you will, is the youth facility right now. And then we'll go through the chart below, which is a forecast for the entire department for the next fiscal year as well.

CHAIRMAN ANAYA: Commissioner Vigil.

COMMISSIONER VIGIL: Thanks, Teresa. With regard to the memorandum of agreement that we have with other counties, how many of them are there, and how many inmates do we have from other counties besides the one that you just reported on?

MS. MARTINEZ: I wouldn't, Commissioner Vigil, I don't think I know that off the top of my head but I can get that to you. I've signed a few lately and I would say that I've signed at least five or six in the last couple of months. And at one time I know we had agreements with at least 15 to 20 different entities. It didn't mean that they had populations to bring us at the time but I've been seeing more agreements for both the juvenile and the adult in the last couple of months. So I can get that for you. I don't have a recent count, but I can try to get that for you.

COMMISSIONER VIGIL: Okay. And I was just going to comment, I know we worked really hard on those memorandums of agreement but I'm not sure how much outreach we're doing with regard to that. But that certainly would be a component of resolving this, dip into our general fund for corrections. Thank you, Mr. Chair.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Well, on that point, I just was out there with a tour listening to the agreement. [inaudible] One of the other counties up north had an agreement with us for women prisoners, and they had a staff assigned to do some outreach in the county. But it didn't seem like there many others except for those two. And then the youth facility of course, I don't think it's getting any. [inaudible]

MS. MARTINEZ: Well, I can tell you, Commissioner Stefanics, that I found I think about two or three at least for the youth specifically. Now, whether they actually have children at the facility, I don't know. When we prepared this presentation we had a total, I believe, of nine children at our juvenile facility, two of them being Santa Fe County. So 17 beds, basically. And when I spoke to Annabelle yesterday I believe we are up not to 20 and I think 10 of those are paying beds. So it's a little bit better, three more paying beds, but it's something that we're monitoring. I know she's talking to people, and the message that we're basically receiving is that they love our facility; they love the services that we're providing but with the budget crunches that everyone is experiencing they can't afford to send them to our facility.

COMMISSIONER VIGIL: Getting back to this, this is going to be a huge topic because it's a big area where we actually need to work on the deficit that it's creating in our fund. In the youth detention facility, that component that was closed down, the ARC program, have we done any outreach to have anyone utilize that part of the facility, because that would be another component that we might be able to address.

MS. MARTINEZ: Mr. Chair, Commissioner Vigil, we actually have. I don't think it's being used right now for how it is being set up. They're using portions of the facility to do actual trainings, because they're lacking a training room. There's been discussion of maybe bringing in other entities for training because they'll call us and they'll want our staff to train them, and we never had a place for them to stay and provide it for a one-week or two-week training. So that's one option that's being discussed. She actually centralized all of the population if you will into one of the pods or one of the units and I can't remember which one. It would be the one that would hold the higher number of juveniles with the reduced staff. So the plan was to make it fully detention and then get that one pod fully populated if you will, and then transition so that we could make the entire facility a secured facility.

And we have had one private company approach us and we've spoken with them and the conversations are still ongoing. They're getting information to us and we're getting information to them. And they're interested also in that one section as well. So there's conversations and there's research going on, but there's been no commitment yet, one way or the other.

COMMISSIONER VIGIL: I guess I'm just wondering again how much outreach we've done because the design of that ARC facility is phenomenal. It has so many possibilities. A residential treatment center which our community and the communities throughout the entire state are in need of is one component. I'm not sure if our outreach has gone to market it in any way, but the way it's designed it has so many possibilities so I don't know if I'm hearing you correctly but I'd have to have it be redesigned as a detention component of it because it really was designed for residential treatment. It concerns me that we're reversing something that we put so much effort in.

MR. ABEYTA: Mr. Chair, Commissioner Vigil, no, we're not redesigning the ARC section. What we are redesigning is the other side, the detention side. And part of the delay in getting children from the first time we introduced this topic was that we had to get recertified so that we could be not just a facility where we keep children for long term but we also needed a certification so that we can be a facility for just a detention for short term. And we've received that since then and I think that's why you're seeing the increase now in numbers. Like Teresa said, we have 20 children there now where before the numbers were just three and four and five. And so hopefully, ideally, we climb from 20 even higher.

COMMISSIONER VIGIL: Okay. Thank you. Thank you, Mr. Chair.

CHAIRMAN ANAYA: Teresa, go ahead.

MS. MARTINEZ: So we'll go to the second chart or the chart right below with the numbers, a spreadsheet if you will. This is our forecast for next fiscal year. We've defined it by facility. We break down by revenue and expense. These are estimates. We're on page 6, the second little number chart, if you will, below. This is a forecast, so this is a prediction, and this is us taking a look at where we're at today and trying to forecast out what we believe revenues and expenditures will we. So if you look at the adult facility, we are predicting that we will generate revenue of $3 million. Now, this is also not indicative of the 50 that we just brought in and the potential for more to come in, so this is worst-case scenario based on what we're seeing right now. So revenues would be generated at a value of $3 million. Expenditures would materialize at a value of $11 million. So right off the bat you see that we would have $8 million worth of a deficit with operational versus revenue generated.

The YDP, this is basically doubling the $500,000 in revenue that we have this fiscal year and the $2.7 million for operations is the reduced operational level that we're at right now. So you can see expenditures are just about twice the current value.

Medical is budgeted at $3.4 and I believe that's flat. It costs us about $5 million, the medical care of inmates. And we want to point out here that the memorandum of agreement is down $250,000 in helping cover that cost.

All other, which is basically administration and electronic monitoring, revenue generation of $200,000, expenditure of $1.9 million. We factored in on the revenue side the transfers from the general fund as well as the corrections GRT. So you'll see that our total revenue prediction is $18.8 million. Our total expenditure prediction is $20.6 million. So we are forecasting the start of the fiscal year with a $1.8 million deficit, recognizing and pointing out that if the population increases, obviously the revenue numbers will get better and the deficit will be less. So this is another something that I've got to bring to you every month, but you know how the progress is going on population counts and if it gets worse or if it gets better.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN ANAYA: Commissioner Montoya.

COMMISSIONER MONTOYA: Teresa, we had expected another increase in the MOA.

MS. MARTINEZ: Mr. Chair, Commissioner Montoya, I don't know. We're getting ready to call Alex and set up negotiations, but that would definitely be an area where I would predict they could try to make a reduction.

Okay. If we go to page 7, the numbers before you are specifically related to the youth facility only. In FY 2009, and this was as of a couple days ago, February 16th, we have revenue collections of $700,000. We have salary and benefits thus far spent to the tune of $1.4 million. We have "others" which is all other categories – travel, contractual maintenance, at $300,000. So if you look at the revenue and you compare it to the total expenditures we're in the hole right now a million dollars for the juvenile operations. If we try to forecast for next fiscal year we're forecasting a million dollars worth of revenue, expenditures at the reduced rate of operations at $2.7 million, so we'd be again in the hole $1.7 million next fiscal year.

So we just want to point out the other options. If we were to have to deal with the harsh reality of closing down our facility and sending our children elsewhere we based this on two juveniles at the time, that we had two county children when we prepared this presentation, two county children at $185 and $185 we're finding is a very high rate compared to what other agencies are telling us that they're charging. They're ranging between $124 and $165. So this just as a conservative estimate we said two juveniles at $185 a day would cost us $135,000.

Now, if we have 20 children now we now today that only ten of them are ours, but still, if we have 18 Santa Fe County children that we had to send elsewhere in the event we shut down our facility, that would cost us a million dollars. So operations reduced right now is a $2.7 million expenditure, contracting out is a million dollars so you can see that financially, it would be easier for us to contract out.

Now, let's talk about the program and the community and the whole goal of keeping the children. So you have to weigh both options. Keep the children close to their families for better success and anticipate and expect a deficit each year, or make the call that the deficit is much too high to manage and then we make a harsh decision that our children may have to go elsewhere.

So again, every month, you're going to see an update on this, as critical as it is right now.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Mr. Chair, Teresa, so have you projected out how much it would cost us to maintain [inaudible]

MS. MARTINEZ: We haven't. What we've done, Commissioner Stefanics, is we've come up with a break-even number. I think we're talking about – it depends if we use that building for training or other things. There's other ways to generate revenue. Our breakeven point is 24 paying beds, and that's about, I would say, about$1.4 million, $1.6 million. So if we don't have those 24 beds and the building sits totally vacant, then we'd be looking at a loss of revenue at least to the tune of the $1.4 million. Now, with regard to what would it take to keep the utilities running and that type of thing, I don't have that number before me but I can prepare that for the next presentation. But my hope is if it came to that, the way it's structured I don't think it's really set up for an office environment. There are some administrative offices in there but again, like Commissioner Vigil said, as much work as we put into that facility I'd hope that as a worst case we could look at maybe keeping that one section open. We could look at maybe just using it as a training facility and bringing in the revenues from other counties, other entities that would like to bring their people in to be trained, because we would still have the adult facility and we'd still have the training staff at the adult facility to conduct those trainings.

COMMISSIONER STEFANICS: My point is, Mr. Chair, Teresa is that anything that you let go still costs money.

MS. MARTINEZ: Right.

COMMISSIONER STEFANICS: So the risk part of it, the utilities, the whatever. But [inaudible] have that projection so we kept on the table that it's not a freebie.

MS. MARTINEZ: Right.

COMMISSIONER STEFANICS: And it's weighing what the expenses are to take care of the facility or to do something else with it versus the cost of just leaving it. [inaudible]

CHAIRMAN ANAYA: Commissioner Vigil.

COMMISSIONER VIGIL: Roman, I guess one of my concerns would be the human component to this, the one you referenced, Teresa. Have we been in communications with Judge Barbara Vigil, with the Juvenile Justice Board? With any of the stakeholders that have invested a lot of concerns on this juvenile detention facility? And if not, that's probably – I know this has happened at such a fast rate it's probably something we need to be in communication with. I would hate for them to learn something like this overnight.

MR. ABEYTA: Mr. Chair, Commissioner Vigil, we have communicated on a regular basis with them. We do communicate, but the extreme where we're at, like you said, it's happened pretty rapidly. But they do know our concerns, if we don't get our numbers up we are looking at that reality. It's kind of a double-edged sword though because at the same time they don't necessarily want to start sentencing more kids just so we can keep it open. So they also, the judges have a dilemma themselves. For the sake of keeping a few kids here do we sentence more kids? But it's something that after today's presentation – and we have the next slide as kind of a schedule that we're going to get much more aggressive with the judges as far as talking about this issue. Because I think it's becoming a harsh reality that this Commission is going to have to decide.

COMMISSIONER VIGIL: And I'm not a proponent of sentencing more. I don't know that that's the resolution, although that seems most apparent to us. But advising them and letting them know of this alternative, particularly the Juvenile Justice Board, who does look at alternative sentencing for incarceration. I think if we bring all the stakeholders in place there may be other options. I don't know if that's possible, but I do think the communications need to work.

CHAIRMAN ANAYA: Commissioner Montoya.

COMMISSIONER MONTOYA: [inaudible]

MS. MARTINEZ: Basically, Mr. Chair, Commissioner Montoya, the ten children are on County charges, so they're basically our responsibility to care for. The other ten are on charges, if you will, from other surrounding areas. So they're in our facility for whatever they did in that surrounding area and they're actually paying us to care for their children. If I say non-county or non-Santa Fe County beds, then that means that they're paying entities and they belong to another jurisdiction, not us.

COMMISSIONER STEFANICS: Well, Mr. Chair, this is a more programmatic question. Did we ever run Teen Court out of that facility?

MR. ABEYTA: Mr. Chair, Commissioner Stefanics, I don't believe we have run Teen Court out of there. We run it out of the district court and we run it out of other buildings, but I don't believe we've run it out of there.

COMMISSIONER STEFANICS: Well, Mr. Chair, the only reason I thought of it is psychologically, that really puts the kids on notice that there is a place for them to go if they do not [inaudible]

CHAIRMAN ANAYA: We could put it in the back. That way they would have to walk through everything to see it.

MS. MARTINEZ: Okay. So then we'll move forward to slide number 8. Here's kind of where we're at and how do we approach? What do we do with the juvenile incarceration program? Again, when we prepared this presentation we had a total population of nine, two of them were the County children. Today we know it's 20 and ten are paying beds and ten are County children. So what have we been doing? Well, besides obviously being out there and doing outreach from the corrections side, we've also been contacting other facilities statewide to see if there's any available beds in the event that we have to move our children out, and we are finding that there are some facilities that do have bed space at lesser rates and it would be a matter of negotiating a contract with them. So we're doing that research to be prepared in the event that that comes up. As of March 1st we've basically identified to Roman and to Annabelle that the breakeven number for the juvenile facility to stay open is 24 paying beds, 24 non-County juveniles.

So we know that's the number we need just to break even. So what we've said is by April 1st if we haven't seen those numbers materialize it's probably time to start talking to those other entities and negotiating contracts for the care of our juveniles in the event that this materializes. And then June 1st, if the population is still low, the decision has to be then brought before you, the recommendation for decision if you will, has to be brought before you as to whether or not that facility continue to operate or if it closes effective July 1st.

So that's kind of what we're working on. We pretty much meet with the Corrections Director once a week. We also have an attorney and the HR Director and myself meeting with the Corrections Director every two weeks trying to again, outreach, plan, brainstorm to see what we could try to do to keep this open.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Is the facility set up – and I can't remember even though I just walked through it today – set up so that it could be divided for use by the public and use by us?

MR. ABEYTA: Mr. Chair and Commissioner Stefanics, do you mean for this purpose? For a detention purpose or other?

COMMISSIONER STEFANICS: For a [inaudible] purpose. Could the facility be set up so that a portion of it was detention and the other portion was separated for outside training or stuff like that?

MR. ABEYTA: Yes. The layout does lend itself to that and in fact that's what we've done. To scale back we've closed off one whole pod or section if you will. And the way it's designed there's the three major sections. There's the ARC section and then the two detention sections. We've closed ARC and now we've transitioned inmates or kids from one section to – we've closed one completely off so out of the three sections we're operating out of one. So I would say it probably does lend itself to where we can do some kind of combination.

COMMISSIONER STEFANICS: Thank you.

COMMISSIONER HOLIAN: Mr. Chair, Teresa, how many, in that one section that's open, how many total kids can fit in there?

MR. ABEYTA: Between 30 and 35.

COMMISSIONER HOLIAN: Okay. So then if we had to have 24 we could only have like a maximum of nine or ten for our own.

MR. ABEYTA: Nine or ten. Which given the numbers we should be fine with.

COMMISSIONER HOLIAN: Okay. Thanks.

COMMISSIONER MONTOYA: Mr. Chair, Teresa, what are the alternatives in terms of other facilities? Have we looked into that at all?

MS. MARTINEZ: Actually we have, Mr. Chair, Commissioner Montoya. We've called several and we're actually waiting to hear back from others. The ones that said they had available beds if you will, were Curry County has a total of eight juveniles and they have a capacity for two more and they said yes, they would work with other counties to house them. Dona Ana has 232 current juveniles and they have a capacity of 50, and the note that I have says that the Lieutenant makes the decision whether or not they would accept any additional juveniles. Grant County has three currently. They have a capacity of six, so yes, through administrative contract negotiation they would allow three more. Lea County is not accepting juveniles from any other county as of right now. Luna County has three juveniles; they have a capacity for five total. McKinley has 17 current juveniles. They have a capacity for 22 and said, yes, with a contract they would work with us. Quay County has 38, has a capacity for 53 and said, yes, they would work with us. All we would need to do is negotiate a contract. And then Taos has six current juveniles and they're at capacity. They said if bed space became available they would work with us pending contract negotiations.

So there are a few out there and there are a couple counties that we have not heard back from yet. So there's a little bit of capacity. At least now for our current numbers there would be beds out there. Now, they'd be away from home. They'd be in two to three different counties if we had to send out ten children elsewhere right now.

COMMISSIONER MONTOYA: So, Mr. Chair, does that $185 that you mentioned earlier, does that include transport?

MS. MARTINEZ: That could include transport because it is such a high number. The numbers I'm getting from other counties are $135, $105, $115 rate. The highest rate that I saw was $125 and $135. So even my high estimate of $185 could include the transportation. But we'll nail that down. If we have to pay for it we'd be able to put in that guesstimate.

Okay, we'll go ahead and move to the next slide on page 9. So we've left Corrections and now we're going to speak to our Fire Department and the main question here is whether or not the County can continue to expand the Fire Department. We are going to talk about it a little bit later, but we're experiencing a difference in our GRT collections with fire. We compare it to a very like tax of capital outlay GRT. That's the same increment and applied to the same – it's a countywide tax, both. Every month capital outlay GRT is coming in out two percent greater than what we're seeing on the fire side. So what does that equate to? On an annual basis it could be a loss of a million dollars, if there is a problem. We're calling Taxation and Revenue and right now, they're telling us that their calculations are correct; there are no problems, so staff is preparing a packet and making a comparison between the capital outlay GRT and what that brings in monthly versus the new fire tax and what's that bringing in monthly.

So as far as Taxation and Revenue is concerned they don't think they have a problem and we're trying to get an answer. If it's correct then our budget estimates were incorrect because we based it on that higher value, anticipating that that would materialize. And that equates to about a million dollars over the course of the fiscal year. So we've put together a chart for you that shows the two fiscal years, kind of where we're at today in fiscal year 2009 and where we're forecasting we'll be in fiscal year 2010.

If you look at 2009, we're sitting at just over $3.5 million of cash, and we're predicting that if we don't have any expansion whatsoever you'll see that the value will grow almost to $5 million at the end of fiscal year 2010. And again, this is a predictor. If we say that we go without any expansion, we have no additional academies – pardon me. If we go with an academy and we conclude that we allow the expansion to occur, we're forecasting that our cash could then go from somewhere between just under $5 million to $3 million. And that expansion is based on the premise that we would have an academy with 15 additional fire personnel. So this one is a tough one, because we're talking about FTEs, and we're also talking abut capital equipment, and how are we going to balance funding, both components?

If you look down below, the blue or greenish line is an indicator of revenue. And we're making the point that GRT is down. We think we have a problem. Taxation and

Revenue does not agree with us right now so we'll try to get to the bottom of that. So revenue is staying flat, just under a million dollars. We're showing that the expenditures with expansion, that is with an increase in FTEs and allowing the academy to occur is the yellow line. So we would show, that you'll see throughout, it will peak at levels greater than the revenue will generate in one year.

If you look at the red line, that would be basically leaving the expenditures as they are right now. No additional cadets. No additional academy. So the struggle that we have here, and Stan and I are in contact every day or almost daily, and we're trying to see how that tax is going to materialize over the course of the next couple of months, and we're also trying to see if we have a problem. We believe that we're being shorted; they do not. So we'll try to get to the bottom of that. So we're letting you know that there's an option out on the table: Do we have an academy? Do we not have an academy? From a financial standpoint and a conservative standpoint if you asked me today I wouldn't be able to commit to an answer because I don't know what's going on with the GRT. So I really need to find out if we've totally been shorted or if we're going to see that money that we think we're owed. And that would make the financial picture obviously better.

COMMISSIONER VIGIL: So that's aside from the lack of clarity on that one million dollars. Well, let me start this way. There's fire impact fees. There's the capital outlay gross receipt tax and then there's the additional gross receipt tax that we enacted. Is it the capital outlay gross receipt tax that sunsets and that we have to re-enact?

MS. MARTINEZ: The capital outlay GRT, I don't know if it sunsets. In my mind I'm thinking 2012 for some reason. But the fire excise tax, that definitely sunsetted in December. So that was something we relied upon heavily for capital infrastructure. So we're making the point to you today that we no longer have that excise tax, and if you ask budget we would tell you we need to resurrect that tax. Because there's no way with just the fire tax alone – and impact fees are down. We know that business permits are down. We know that construction's down, so that revenue source is down. So if we just look at the fire tax, which is the emergency medical services and emergency communications center tax, that alone will not be sufficient to sustain people and capital and equipment. We won't be able to do it.

COMMISSIONER VIGIL: We you be coming forth before us to consider re-enactment of the excise tax?

MR. ABEYTA: If that's the direction we get from the Commission.

COMMISSIONER VIGIL: I think we seriously need to consider it because I do believe that that was the tax that we set aside when we were trying to enact the other fire GRT tax. And I think it was capital tax that we sort of forestalled. So that's what you'll be bringing?

MR. ABEYTA: That's staff's recommendation is that we do.

COMMISSIONER VIGIL: And if that does come on will we be able to bring on the 15 cadets? My fear, and I want this really out there because I worked very hard on getting these excise tax heads to testify before many City committees and get the City on board to help us with this. My commitment, and I think Santa Fe County's commitment to the community at the time this happened, is that we would staff all the fire stations throughout the county for that emergency response. So we set a goal of 48, I believe it was, emergency responders and firefighters. That commitment was made to the community. I think it was even advertised that way, without us following through on that, and with emergency response being such a priority for safety, I think we need to create a focus to make this happen. And I think that 48 commitment was made to have it fulfilled by, was it 2010? Something like that. I know that Commissioner Holian and Commissioner Stefanics and all the other Commissioners, we work on staffing the fire departments, but in my district there's only one that truly responds to that district. They rely on other districts for the fire departments that go unstaffed. I think they have a little bit of staffing now. Stan, I'd have to refer to you. It's the La Tierra, and that community has had some real tragedies to deal with because of the lack of appropriate emergency response. And my fear always is no loss of life is worth that.

So if there's a way we can work this out I'd highly advocate for it. I think losing emergency respondents and firefighters should be a focus of our priority here.

MS. MARTINEZ: Mr. Chair, Commissioner Vigil, to Stan's credit I did go back and look. We have had two successful cadet classes and I think it resulted in a number of 36. I'd have to double-check with Stan to see if there's – 38? Thirty-eight new positions as a result of that new tax and the promotion that we made to get to that 48 number. So we're not too far off from the 48 FTEs that we committed to with that tax.

MR. ABEYTA: To get the 48 we would need to impose a fire excise tax.

CHAIRMAN ANAYA: Commissioner Stefanics and then Commissioner Montoya.

COMMISSIONER STEFANICS: Mr. Chair, my question is do we not need these new cadet trainings in order to respond to promises that we've made to, for example, Rancho Viejo Fire Station and other entities like Commissioner Vigil's talking about?

STAN HOLDEN (Fire Chief): Mr. Chair, Commissioner Stefanics, yes. In order to meet the commitment of the Project 48, which is what we titled the program, which is in part staffing Rancho Viejo and the La Tierra fire stations, we need the full 48 in order to accomplish that. I would like to mention the Commission some time ago recognized the potential for this issue to come up and directed the Fire Department through the County Manager to, as part of our five-year strategic planning to come forward with a recommendation. The County Manager's goal was to have that done by the end of December. We've not been able to accomplish that but we do have the plan in its final draft stages now and we will have the plan to the Commission at the March 31st meeting, which will accompany the recommendation about how we will proceed.

COMMISSIONER STEFANICS: Thank you, Mr. Chair.

CHAIRMAN ANAYA: Commissioner Montoya.

COMMISSIONER MONTOYA: Mr. Chair, how much will this fire excise tax generate?

MS. MARTINEZ: I think we only predicted $1.7 million in this last year because it was sunsetting, but I think it brings in about $2.4 million, if I'm not mistaken.

COMMISSIONER MONTOYA: And that's a pretty constant number?

MS. MARTINEZ: That's a constant number and that would definitely be able to fund our capital needs.

COMMISSIONER MONTOYA: Okay. So in terms of projections then, that would be an immediate need in order to fulfill what we've said that we're going to do?

MS. MARTINEZ: Yes.

COMMISSIONER MONTOYA: What about projected costs?

MS. MARTINEZ: For the future with regard to capital?

COMMISSIONER MONTOYA: After this year. After we take care of it this year then what happens next year?

MS. MARTINEZ: With regard to next year, if we had that excise tax – because it would take a while to get it implemented and then for the actual collections to materialize. But then what we would do is built that in as a capital component. We could then afford 15 additional, or the ten that I think we need, cadets, and still maintain a cash balance and still maintain our continued operations. Now, I know in light of the recent GRT and the dilemma, Stan has been very conservative in his budget and he's doing well, but I would like us to be able to allow for the capital, allow for the cadets if we needed it. And without that tax it just would not be possible. So we would count on that $2.4 million each year to assist with the capital and equipment needs.

COMMISSIONER MONTOYA: For how long?

MS. MARTINEZ: I don't know. We don't have to – it doesn't have a sunset clause.

CHIEF HOLDEN: Mr. Chair, Commissioner Montoya, the tax – this is sort of a Catch-22. After the last time we enacted this tax the County fire protection excise tax, we went to the legislature and successfully lobbied to have the sunset clause removed, and the clause was removed. And so now when the tax was renewed there will be no sunset clause. Interestingly enough, because of when our timing, when we renewed out tax, we were not a part of that. So now we have to renew the tax one more time, and then there will be no sunset. We're one of the few counties left, I think San Juan and ourselves are the two counties left in the state that have not renewed their tax under the new legislative language.

COMMISSIONER MONTOYA: And this is a one-eight?

CHIEF HOLDEN: Quarter percent.

MS. MARTINEZ: This is a quarter percent.

COMMISSIONER MONTOYA: This is a quarter percent? So this would be an additional quarter percent to the quarter percent that we enacted?

CHIEF HOLDEN: Mr. Chair, Commissioner Montoya, I apologize for interrupting but the different between the two taxes is the County fire protection excise tax is only collected in the unincorporated areas of the county, while the new fire tax is collected countywide. So that's the disparity you see in the revenue projects. $9 million versus about $2.3 million.

COMMISSIONER MONTOYA: Okay. And again, just to refresh and maybe for the new Commissioners, the reason that we allowed that to sunset because at the time we were told that we wouldn't need the additional funding in terms of having to ask the taxpayers, since they're going to continue to be taxed on this and it's going to sunset and se acabó, you won't have to pay any more. But now we're being told that it is in fact something that we are going to have to reconsider and I just hope that doesn't bear its head in terms of what was told previously. And this doesn't have to go through referendum?

CHIEF HOLDEN: It does.

COMMISSIONER MONTOYA: It does.

CHIEF HOLDEN: Yes, sir.

COMMISSIONER MONTOYA: So it has to go back to the voters. When would this be projected if we did do that, put it on the ballot?

CHIEF HOLDEN: Mr. Chair, Commissioner Montoya, the recommendation would be to go forth with a special election some time this summer. The projections are that it would cost the Fire Department approximately $60,000 to do a special ballot election, and then we would not be able to enact it until – or receive the collection until the following quarter, which would be January of 2010.

CHAIRMAN ANAYA: When we campaigned for the 1/16 percent, did we campaign that we would let this sunset?

MR. ABEYTA: Mr. Chair, we did, especially early on, but in order to get the City of Santa Fe's support, we had conceded to pay for the entire cost of the RECC. So when we were first saying that we could cover, we could let this excise tax go away, I don't think we were presuming or assuming that we would have to cover the entire cost of the RECC. And towards the very end with the negotiations with the City of Santa Fe we said, okay, if you'll support our tax, we'll pay for all of the RECC with that money. And as a result of that, we don't have as much available for the other things that we wanted. So things changed at the last minute as we were negotiating.

CHAIRMAN ANAYA: What about the Town of Edgewood? That's why they voted for that 1/16, because they knew that this other tax was going to –

MR. ABEYTA: Well, as I understand it, the tax won't affect the Town of Edgewood. The citizens won't pay it.

CHIEF HOLDEN: No, sir. It will not affect the Town of Edgewood because it's only in the unincorporated areas of the county.

MR. ABEYTA: But I think that's a good point and we would need to clarify that and make it clear to the Town of Edgewood that it won't affect them.

CHAIRMAN ANAYA: Okay. Teresa.

MS. MARTINEZ: Okay. So moving on to the next slide, on page 10 we kind of address this a little bit. This is Paul's sense of humor with regard to what is going on with our GRT. We call it the Case of the Missing GRT. This is what we just spoke about. Fire tax coming in slightly less than a similar tax, so again, we're working with Taxation and Revenue to get to the bottom of this. So if it turns out that Taxation and Revenue is correct then we could be looking at $1 million less of revenue. We're calling them every day, we're working with them every day and we're getting different answers every day, but we'll keep on it until we get an answer.

CHAIRMAN ANAYA: Commissioner Holian.

COMMISSIONER HOLIAN: Mr. Chair, Teresa, is it two different entities that are doing those calculations? Is that why it's different?

MS. MARTINEZ: No, it's all Taxation and Revenue doing it. Joseph Gutierrez, the director also said that I hope we don't find that we regret that we're researching this because maybe they've been making a mistaking on the other side, the capital outlay GRT. But it's the same entity doing it. So either way, we have to get to the bottom of it and see why we're being shorted on one when it's exactly the same tax, hitting the same community, the same people countywide.

And then the Ghost and the GRT was the 1/16 cent that was enacted to be able to pay the state supported Medicaid. We call it a ghost because we never see anything with regard to it. It goes to the state. We don't get a report. We have no idea what is being collected, so that's also a conversation that's ongoing with the state. Even if we could just get a report that would be beneficial.

COMMISSIONER STEFANICS: Mr. Chair.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Teresa, Secretary Hyde from Human Services contacted me last week to ask why we weren't doing the extra 1/16. But you're saying we are.

MS. MARTINEZ: We are. It was enacted just recently.

COMMISSIONER STEFANICS: Well, will somebody correspond with her so she doesn't keep lobbying me.

MS. MARTINEZ: You bet. Okay, we'll do that.

CHAIRMAN ANAYA: And we want to know where our money is too.

COMMISSIONER STEFANICS: Well, basically, she's lobbying that we give more money to St. Vincent's and basically saying we haven't enacted this 1/16, and will you find out why you haven't, and there's Medicaid money waiting to be spent and so on and so forth. And no matter what I said it didn't matter. So I would like for her to get the correct information.

MS. MARTINEZ: Okay. We did. In fact I think the last quarter of the last fiscal year was the first time a payment was made to them and the taxes are going directly to them. So we don't see a report, we don't see anything. But state supported Medicaid, we have enacted the 1/16 to accommodate that.

COMMISSIONER STEFANICS: Okay, and Mr. Chair, I think Anna Bransford is coming to our next HHS meeting, and we might want to make that point to her at that time too since she does that sole community provider fund under Secretary Hyde.

MS. MARTINEZ: Okay. We'll go ahead and move on to CARE Connection. This is the next challenge for the County. The big issue or the big question is who will support the CARE Connection? Now, again, we'll be getting ready to go into negotiations with St. Vincent's. And we were all at the joint meeting with their board and our Board and heard the comments that it will be difficult to fund the sobering center. So the hard action that will come before this Board is as we go through negotiations and it is determined that the memorandum of agreement can no longer support the CARE Connection to a level that it has, then we need to ask, okay, how will we do this? Do we continue this? Do we cease operations? How do we fund the CARE Connection?

Now, the point of the chart makes out that currently the CARE Connection in the MOA gets a current value of $300,000. The memorandum agreement has had a carryover for the last few fiscal years that we've been drawing down on. We want to make the point that there's a $558,000 carryover for this fiscal year. I think the estimates are at the end of the year we still may have $107,000 of that carryover remaining when all is said and done. So that would leave us with $407,000 for the next fiscal year. And that's only if it remains in the agreement and is funded by the agreement. So we just want to give you the heads-up that the time may come when we come before you and say, okay, this did not survive MOA negotiations. How do we proceed and how do we continue to fund the sobering center?

COMMISSIONER STEFANICS: Mr. Chair and Teresa and Roman, it's been brought to my attention that the programmatic scope of CARE Connection has changed over time, and that it's become more expansive. And a former City Councilor brought this to my attention and indicated that one way of continuing services might be to go back to the original intent. And since I wasn't here at that time I can't really speak to the details, but I'm just wondering if somebody could investigate that, and that might produce some savings. Thank you.

CHAIRMAN ANAYA: Thank you. Go ahead.

MS. MARTINEZ: All right. We'll move on to slide number 12. This is the biggy.

CHAIRMAN ANAYA: Commissioner Montoya.

COMMISSIONER MONTOYA: Teresa, how much is collected in fees?

MS. MARTINEZ: For the sobering center?

COMMISSIONER MONTOYA: Yes.

MS. MARTINEZ: I don't know that I know that. I'll have to ask – Paul, do we know? The Access to Recovery?

COMMISSIONER MONTOYA: So we don't charge?

MR. GRIFFIN: I feel like Dr. Strangelove. But that's not part of the sobering center. The sobering center does not collect fees. It's all supported by, right now, through the MOA agreement with St. Vincent's. There are three programs in CARE Connection – the sobering center, which is the newest one, the assessment program, which does an assessment as to whether there should be rehab associated with people that are convicted in the court of DWI, and then there is something called Access to Recovery, and the assessment program end is supported in part by fees and in part by governmental grants, and of course, Access to Recovery is a voucher program that is supported by a governmental grant through the federal government.

So the main thing that I'm concerned about is the sobering center. It's curious to me that the sobering center was set up largely at the behest of St. Vincent's to get people that are picked up off the streets from being brought into the emergency room. And now we're hearing from St. Vincent's that they may not be able to fund the sobering center. My attitude is if the main benefit of the sobering center is to keep people out of the ER then maybe the thing to do is to just not have the sobering center. But that's a decision that you people have to make.

The assessment program and the Access to Recovery is largely dependent on governmental grants and can run fairly well without any MOA money, although there is some MOA money associated with assessments also.

COMMISSIONER MONTOYA: Mr. Chair, I guess my point being that if we're not charging anything, and it's probably going to be difficult to charge indigent people anything and get anything in return. But I think Paul's exactly right in terms of the whole intent of diverting these patients or clients to our sobering center instead of having them in the hospital. I don't see any other way but to change. Whatever people can pay they can pay. The other reality is the. assessment and ATR program, those are time-limited in terms of those grants. I think they're probably a maximum of five years if I'm not mistaken. So those are going to be expiring some time in the next couple of years also. So then we'll be in the predicament of finding out how do we fund those services as well.

And then how much – is the City contributing anything toward the sobering center? Or any of these programs?

MS. MARTINEZ: I don't think we have any City contribution. No. The City does not contribute anything, does it Paul?

MR. GRIFFIN: I do not believe so.

MS. MARTINEZ: No.

COMMISSIONER MONTOYA: Okay. Thank you, Mr. Chair.

CHAIRMAN ANAYA: Commissioner Vigil.

COMMISSIONER VIGIL: Thank you. And I'm going to make this point again. I made it at the time we had the joint board meeting and I made it for the healthcare board. I don't understand why we're focusing on the sobering center as monies that will be taken away, because in fact those memorandums of agreements are negotiated for healthcare needs. Now, I understand that the history has been that there have been dollars that have been carried over, and perhaps that cannot occur anymore. But on a year to year basis, when we negotiate health needs through the memorandum of agreement, that is the opportunity to prioritize the needs of the community and work with St. Vincent's. I know that Alex Valdez has made the statement twice that the sobering or the CARE Connection will not be funded. I don't have a clear understanding of why it wouldn't be. I don't know why that has been the focus, because as we negotiate this it is my belief that this would be a priority. Perhaps other programs might not be funded but with regard to what is a priority for Santa Fe County and St. Vincent's this should be both our priorities. So I don't know that we should look at this as the program that would not be funded.

CHAIRMAN ANAYA: You should do the sobering center like you do the jail. If you have a city resident in there you could bill the City for that. If it's a county, then we take care of the county. Okay, moving on, Teresa.

COMMISSIONER MONTOYA: [inaudible]

MS. MARTINEZ: To my knowledge, no. I'll get with Steve Shepherd and we'll start working on that. We'll start targeting how we're going to approach the negotiations with the sobering center being the priority. I think this is all generated from the conversations that have occurred and the comments that have been made. So we'll fight to keep the sobering center in there. Mobile healthcare van, that's another issue. I think he would target, after the jail medical care, honestly. I think that would be an area he would try to cut. So we'll get together before hand and we'll come up with a strategy for negotiating and we'll make sure that we express the opinions of the Board.

CHAIRMAN ANAYA: Commissioner Holian.

COMMISSIONER HOLIAN: Mr. Chair, Teresa, is it possible, do you think, to get grants for the sobering center, like with the other two programs?

MS. MARTINEZ: Commissioner Holian, I do think so, and with the economy in the condition that it's in right now we are getting, probably every day I get ten to 15 emails about federal stimulus grants that are out there. Let us come help you get money. That type of thing. And every time we see something that's related to a health issue or a jail issue or a juvenile, youth, we forward those over to those departments. And then you'll hear later in the presentation some of the work that the focus group is doing in trying to get a centralized grant seeker who could go after those grants and get those types of fundings to assist with the areas that we're hurting in.

COMMISSIONER HOLIAN: Thank you.

CHAIRMAN ANAYA: Good comments. Thank you. Go ahead.

MS. MARTINEZ: Okay. Now, this to me is the most important slide of the entire presentation and I want to thank Paul for this. This took him about six hours to prepare. It's a very important slide and it's speaking to the general fund only. If you look at the half if you will of the triangle on the left, that's speaking to revenue. The right-hand side is speaking to expense. The revenue right now, again, this is our prediction based on what we're seeing with GRT. We are predicting that GRT will come in lesser, so we've made an estimate of how much property tax we think will materialize. How much gross receipt tax will material. We're also considering our investment income earnings, revenues generated from permits and fees, motor vehicle taxes and then all other revenues small enough lumped together.

So you'll see that we're just over $50 million, is what we are predicting for revenue. Now, this picture could change if the GRT continues to take a downward slope and if it takes a dramatic drop then this could become less revenue. If it doesn't take such a dramatic drop it could stay as we're predicting or it might even go up. So I just want to make it really clear, this is a prediction of what we know today, and again, we'll continue to update you monthly.

But as you look at the expenditure side, the way this was designed, it was designed if you will to go – the way I'll explain it is from the bottom up. Bottom up, being something that we just can't do anything about. We have jail debt. We have the judicial center debt. That's not just something we could just wish away. That's something hardcore that we have to pay, we have to be planning for.

And then in the middle of the pyramid, if you will, you'll see our functions, our general fund operations. Anywhere from the Manager's office to my office, to risk management, to IT, to the Sheriff, County Clerk, solid waste, Land Use. These are what we represent in the center, if you will, of operational expenditures. And then also included in there is Public Works, facilities, housing, open space, teen court. Just above that you see a contingency set aside that the County puts into place every year in the event of an emergency. Then beyond that you see some of the programs that have been more recently added in the last couple of years, which includes senior programs. We've expanded out senior program. We are providing money to surrounding areas for libraries. We have the bus to Eldorado. We have extension services. We have the County Fair. We added a recreation program for the summer. We've recently added satellite offices, and we have our summer intern program. So the logic in comparing this was to work our way to if the reality of a cut was necessary, this is one way to approach how would we begin cutting? And obviously, our recommendation would be we'd start at the top, and we go with the types of services that we think and believe could go away.

Now, this is a very difficult decision that you will be faced with. This right now again is a prediction. We're showing that we think we're going to bring in just over $50 million. If we stay flat like we're operating today we will have a $2 million deficit just to start with. So we want to pose the question or plant the seed that depending on how the GRT materializes there is a reality that we would be looking at additional cuts in order to balance the fiscal year 2010 budget.

CHAIRMAN ANAYA: Commissioner Stefanics, then Commissioner Holian.

COMMISSIONER STEFANICS: Thank you, Mr. Chair and Teresa. On that top line, the senior programs, libraries, etc. I'd like to identify each program there that receives outside funds.

MS. MARTINEZ: Okay.

COMMISSIONER STEFANICS: Senior programs, does it receive outside funds?

MS. MARTINEZ: Senior programs, right now, the way that operates, it doesn't. It's a combination of general fund had to subsidize it this year. The way it runs, obviously the City runs the majority of our senior centers for us and then we've had to contribute to sustain the Eldorado operation. Now, we do get money from the Agency on Aging, so I can get that for you, and it's grown.

COMMISSIONER STEFANICS: That's what I'm trying to identify. I want to go through each one of these. So we get some Triple A money for senior programs.

MS. MARTINEZ: For senior programs we do.

COMMISSIONER STEFANICS: Do we get any for library?

MS. MARTINEZ: The library, no. We've done that ourselves for the surrounding libraries. It's just a small amount. We give $20,000 to the City of Espanola. We give $20,000 to Eldorado, and then I think we give $40,000 to the City of Santa Fe. So we're talking about $80,000 right there. And that's money that we've given so they can continue with library services.

Let's go to the next slide, because it will break it down. Page 16 –

CHAIRMAN ANAYA: Can we do this? Can we wait?

COMMISSIONER STEFANICS: That's fine.

MS. MARTINEZ: Okay. So we'll stay with page 12. The only other point I want to make out is that we have the growth management plan, and that's something that's very much at the forefront to get done. And right now, that's not a budgeted item. So that's an additional item that we would have to find monies for in order for that to continue. So we would either have to look at a phased approach or look at other areas that we could cut in order so that we can continue.

COMMISSIONER STEFANICS: So, Mr. Chair, when we go on to page 16 or wherever, the point behind my question is what money is coming into any of these programs aside from the County, and what percentage of those is outside money? Because if we're getting 50 or 75 percent outside money and only pitching in 25 percent, then we're getting a deal. But if we're doing it wholeheartedly then I would like to know that. So, thank you.

CHAIRMAN ANAYA: Good point. Go ahead. Commissioner Holian.

COMMISSIONER HOLIAN: Mr. Chair, Teresa, if we cut out all of those things on the topmost tier, how much does that total?

MS. MARTINEZ: Just over a million dollars. And that's something we'll see – right.

COMMISSIONER HOLIAN: So it isn't even the total anyway.

MS. MARTINEZ: Right. Right.

COMMISSIONER MONTOYA: What is the projected cost for the growth management plan?

MS. MARTINEZ: We're hearing just under a million dollars. If we plan for it we're going to plan for a million.

COMMISSIONER MONTOYA: Okay. So we don't know where that's coming from right now.

MS. MARTINEZ: Right. So the next slide will summarize what we did at mid-year. We just conducted out mid-year reviews and we actually went in with a mentality of we need to cut. So what we did is we held reviews for an entire week with every department and this actually is a budget action that's recently been completed by Paul Griffin and staff, and is either posted or should be really close to posting. But as a result of the mid-year reviews we were able to cut the general fund by $727,000. And the pie below, if you will, breaks down by category where we were able to make those savings.

So this was additional money that was cut from the existing budget and departments were instructed at mid-year, depending on how taxes materialize, the intent for fiscal year

2010 is to go in with a flat-line budget and these cuts included in that flat-line budget.

The next chart on page 14 is a summary of cash. It gives you the cash position for the general fund and where we predict we will fall to start the fiscal year 2010. When we started this fiscal year on July 1, 2008, we had a budgeted cash balance of $38.9 million. What we did during this fiscal year is we have to obviously identify our reserves, so we have to accommodate the general fund reserve requirement of almost $15 million. We allotted $2.7 million for the capital package. This would include new vehicles for the Sheriff's office, if we had areas within the general fund operations that needed enhancements or improvements to the buildings, those types of things. We also had set aside a $1.6 million for the Public Works facility with regard to fixtures and equipment. The judicial center complex, this is a 1/16 GRT that has been earmarked for judicial. We had a cash of $4.6 million. We assumed that all of that would be used. We were able to this fiscal year set aside a water rights pot of money, if you will, to the tune of $8 million. We had to deal with the oil and gas ordinance, so that was a set-aside of $600,000.

We have other non-departmental, which is basically discretionary funds sitting in there. We have departmental one-time expenditures that we have, and a transfer to the road fund to assist with capital purchases. So the first column was budgeted. So that's what we started the year with. Those are the earmarkings or the set-asides that we had to make. If you look at the actuals column, we started the year with the $38.9 million, general fund reserve – that's state requirement. We needed that in there. Capital package – we are anticipated we will spend the entire capital package set-aside. Public Works facility, we are assuming that we will spend the entire set-aside. The judicial center complex, all of the $4.6 million will be used for the judicial center.

On the water rights we will see the biggest difference. We are anticipating that we will only spend four of the $8 million set-aside. Oil and gas issues, we have spent the $600,000. Non-departmental, we are assuming we will spend it all. One-time expenditures, we've spent it all. And the transfer to the [inaudible] fund will materialize.

So all these are things that will be tapped against that cash balance. And then the positive variances that we'll add to that cash balance are we are predicting that salaries and benefits will actually come in $2 million less than what we budgeted, due to vacancies and turnover, and then all other categories we are making again a prediction that they will fall $10 million short than what we budgeted. And then the mid-year generation of cuts that we did, another $720,000.

So when you take the beginning balance, subtract out everything in red, add everything in black, we're predicting that we will end the fiscal year with a cash balance of $9.4 million. So if we add the reserve back in and we say July 1 we will start with $24.4 million, we will be required, based on our predicted budget value to have a general fund reserve of $16 million. We want to have an earmarking for a capital package in 2010 of $2.5 million, slightly less than what we've done in years past. We want to keep the non-departmental at $300,000, and we will still assume that we will have a transfer to the road fund for capital purchases to the tune of $500,000.

Now, in the particular scenario, we're saying our predictions show revenue down. There's a potential we could have a $2 million deficit just to start next fiscal year. This gives a picture of, okay, if cash covers that $2 million variance, then we would end the fiscal year with $3.1 million cash. That wants to point out too that we don't have a set-aside for water. We don't have a set-aside for emergencies that might come up or issues that might come up like oil and gas and things of that nature. So it's tight.

I do want to point out though that we are probably in better shape than a lot of our surrounding agencies and entities and for that I am very grateful, and that I owe to the budget director as well as the previous directors who were extremely conservative. And we'll continue with that conservative. This picture shows cash to the tune of $2 million being tapped on to continue operations next fiscal year. Now, I have to tell you from a financial standpoint that we would never, never, never want to use our cash to continue operations and operations that are not going away, that will continue on an annual basis. If we had to do it we could do it. But if we had to go two, three years, in an economy like this we wouldn't be able to sustain operations and we would have to deal with a grim picture of, okay, where do we start cutting. Programs? FTEs? So there's options that we'll discuss a little bit later than we may have to explore. But again, I point out that we are in a very good position.

We did a bond rating call yesterday and they had no concerns. They said we were financially sound. We're forward-thinking. We're thinking of the future, the fact that the cuts are coming, the economy's not improving, so we're in a good position right now. So if we had to run on cash, we could. Do I recommend it? No. I don't recommend doing that.

CHAIRMAN ANAYA: Any comments? Commissioner Stefanics

COMMISSIONER STEFANICS: This is a question for later. If the County actually ends up receiving a portion of stimulus money to spend, how that would affect our credit or bond ratings? But that's a question for later.

MS. MARTINEZ: Okay. So if we go back to slide of the pyramid on screen 15. That's the expenditure side, and again, we kind of categorized for it. Absolutely at the bottom, those are expenditures that cannot go away. That middle section beginning with emergency communications and working its way to the manager, BCC, legal line, we need to look at that and see if there's any way that we can scale those operations back. Then we say, facilities, housing, open space through the County Clerk, those are definitely areas that can be scaled down there. And then we look at continuancy above, that's hardcore, that could go away. Now it wouldn't be without difficulty but those are types of things that could go away.

The next screen, on page 16, this is where we tried to tie a dollar value to those operations. So when I look at that top layer I'd say it equates to a savings of about $1.1 million. But that would mean we'd have to reduce the general fund support to the senior program to the tune of $300,000; library services, we would say we could no longer fund that; the transportation bus to Eldorado, I'm saying is that an option knowing that the regional transit district is up, the GRT is implemented, is that $120,000 going to go away? That would be helpful.

Recreation programs, $180,000; funding to the Boys and Girls Club, $75,000;

satellite offices, $70,000; summer intern program, $60,000; extension service, $150,000; County Fair, $60,000. So if we just looked at that top layer, those types of things that we know we've recently added and we think could go away, that only equates to about $1.1 million.

MR. GRIFFIN: Can I say something?

MS. MARTINEZ: Sure. Hold on.

MR. GRIFFIN: There might be a bit of ambiguity in regard to senior services. Senior services is funded mainly out of the EMS Health fund, $700,000. And that's money that flows into sole community provider and back out of the MOA. But it really comes from that health GRT. If the County takes over more services, and there's a lot of indication that the County's going to take over more of senior services next year, there will be an additional $300,000 that will have to come out of the general fund, because I'm tapped out in the other fund. So that's where that $300,000 comes from. Of everything you see there, only that Council on Aging money, $87,000 this year, is the only outside revenue that we receive for any of those things. So we're not receiving a great proportion of money to fund those outside programs. Those were all added, with the exception of the extension service and the fair. All of those programs have been added in the last two or three years by the Board. And they're funded out of the general fund.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Okay, well, this is going back to my question, Mr. Chair. Senior programs get some funding from the Triple A. Library services, no outside money. So the bus transportation, some from RTD?

MS. MARTINEZ: No, Commissioner Stefanics. We were hoping this could go away all together. This is an agreement that we had in place before, and this was the transportation bus to the Eldorado area. This, we were hoping with the transit district, the newly implemented GRT, that this would be something the transit district would take on and we would not have to fund the $120,000. But right now it's just part of that picture with the mission of the Regional Transit District. But we have no additional funding coming from them.

COMMISSIONER STEFANICS: Okay. And then, down the line, nothing else is subsidized, but then you said extension service and County Fair is subsidized some?

MR. GRIFFIN: There are no subsidies for them. That all comes out of the general fund. But those have been long-lasting. We've had a County Fair forever, and we've had the extension service probably for almost ever.

COMMISSIONER STEFANICS: So the extension service is not subsidized by New Mexico State University?

MR. GRIFFIN: No. Well, they subsidize some of it. This is the County contribution to it. We pay for their administration –

COMMISSIONER STEFANICS: Right. My question is what of these services are getting any outside money before I would consider putting them on the chopping block for consideration. That was my original question.

MS. MARTINEZ: Okay. So that would be senior services and the extension service, because there is an agreement with New Mexico State University for that. So those would be the only two programs that get some funding.

COMMISSIONER STEFANICS: Thank you.

MS. MARTINEZ: Now, below that, we don't have a dollar value but we want to make the point that we obviously didn't make our $2 million deficit if our predictions were untrue; we were able to raise one million. And that's all we're bringing before you is a potential. So the senior services, they could be scaled down. Reduced demand, we need to point out permits and development have seen less activity. County Clerk recording fees are down. Want to ask HR to look at further hires. We don't have a hard freeze right now but we really need to analyze each request for a new employee.

Corrections, we need to deal with the youth development facility. Elections, the point we're making is it's an off year so we shouldn't have as high expenditures. Deferred work, in there are areas where we can put projects on hold. Public Works project development, road maintenance, community services project development, the growth management plan, GIS initiatives, E-911, RPA, solid waste transfer station addition, any open space expansion – these are areas where we're saying can we afford to wait until the economy recovers. And then internal aspects of necessary services, obviously, we would look at all travel and training and we may look at our tuition reimbursement program. So this is an approach to come to you and say, these are areas that we are currently looking at, and if we do need to make a cut, these are the areas that we would target to try to accommodate a deficit.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Thank you, Mr. Chair. A comment to the Commissioners. This morning I just met with the Open Space staff and one of my concerns that came out of that conversation is that we're not really taking care of what we have. Like there's not enough money for maintenance. And we're talking about acquiring more. So I think that as we consider any of this in the future we need to look at maintaining and protecting what we have purchased. Just a comment.

CHAIRMAN ANAYA: Commissioner Vigil, then Commissioner Montoya.

COMMISSIONER VIGIL: Just a follow-up question to that, and I'm not sure anyone can particularly answer. The current taxing for the COLTPAC open space and trails, is it allowable to use it for maintenance? I thought that was a problem.

MS. MARTINEZ: Commissioner Vigil, no, we do not use that. When we initiated the open space program they created what was the fund 233, called the wildlife, mountain and trails –

COMMISSIONER VIGIL: It's really only for infrastructure, for purchase – and that's been part of the problem, and I know that staff has been working to try to connect with other ways of doing this. I know in some of the districts, and I've been working with Colleen on community service space volunteer programs on that. That's about the extent I thought we could do with that and that's part of the problem we have when we actually went to referendum on that. It was specifically for that. So even if we do have dollars left over we still can't use them for maintenance, correct?

MS. MARTINEZ: That's correct. And I'll clarify that we do have that fund 233, which was I think on the sale of every open space property we got five percent, if I'm not mistaken, that came back to us. That was put into a special fund and that was to be used to maintain. But we haven't acquired any properties like we were. There was a time when $8 million, $15 million here, and that five percent would come in. Now, part of that funding is being used to staff the open space staff and they're out there doing some of the maintenance and working with other staff. I know we've had times when we've borrowed staff from other functions to go out there to get that trail or that open space activity completed.

But what your comment rings across the board, Women's Health Services, there's a building that we now have to maintain and we have to operate. We're just bringing on the Public Works facility, that's going to add to our base with regard to maintenance of the building. So maintenance for open space, for buildings, anything of that nature, that's a huge factor for Santa Fe County and that's something we have to start building into our budget a little bit better.

CHAIRMAN ANAYA: Commissioner Montoya, and then I'll go to Victor.

COMMISSIONER MONTOYA: Thank you, Mr. Chair. In terms of – I like the way you broke this down in terms of reduced demand, deferred work. I don't see some of these as deferred though, in terms of road maintenance. That's got to happen.

MS. MARTINEZ: Okay.

COMMISSIONER MONTOYA: That needs to be maintained on an ongoing basis. Growth management plan, I really don't see that as something to be deferred. It's already been deferred for six years. I think it's about time we get that done. In addition the solid waste transfer stations additions, our employees need the quarters they're going to be able to work out of and feel comfortable working out of. I really see – and I think we're almost done with that, right? The addition.

MS. MARTINEZ: We are almost done.

COMMISSIONER MONTOYA: So I would say continue on with those right now, as opposed to deferring them. I had a question. In terms of public works project development, what are some of those projects we're talking about there?

MS. MARTINEZ: Commissioner Montoya, this is Chuck Vigil's shop, and I don't know – I can shoot out some names of the roads that they're working on. This is a budget that he has set up within the general fund that they use to get ready for road projects. They just approached me and I'm going to meet with them again. They were wanting to know if they could do some of the design and start some of the work that they would need for future bonds that were coming up. So in the past some of the things that we've done is like lend general fund money till the bond money – the bond is sold and the money comes in. So he uses this for some of the roads that I think fall under the work of our own staff.

I also know that he taps on it a little bit to get the design done or to work with the contractor to prepare for the work that maybe staff is going to do. So it is roadwork, definitely roadwork, and it is done by internal staff.

COMMISSIONER MONTOYA: I guess if we're going to continue with some of those projects that we already have on the ICIP and everybody's looking for this stimulus bill as the savior of all this country, we should keep those in terms of on-line also, I think. I know that there's a lot of projects in our districts that are already shovel-ready for that type of stimulus.

MS. MARTINEZ: Commissioner Montoya, we had a meeting yesterday, a directors meeting, and we specifically spoke to that and started to identify staff pertinent to the road function, pertinent to the health function and how we would coordinate and have follow-up meetings so that we have a designated person who's in charge of – who's familiar with roads. Let's go after that money for that project. And if they're in health and the money's out there, let's go after that. So we are working on that and it's been a lot of the conversation that's gone on with the focus groups as well.

COMMISSIONER MONTOYA: Thank you, Mr. Chair.

CHAIRMAN ANAYA: Let's go to Victor and then I'll go to Commissioner Holian.

VICTOR MONTOYA (Treasurer): The question that I have is regarding open space [inaudible] and I just wonder if the Commission considers how much taxable land values total [inaudible] Once we acquire the property we can no longer generate tax on that property. And so I see us acquiring a lot of land. Has anybody done a study to see what effect that has on loss of income, in terms of taxes?

CHAIRMAN ANAYA: Thank you, Victor. Next time we purchase property or talk about purchasing property that could be a good question to ask. Let me go to Commissioner Holian then Commissioner Vigil.

COMMISSIONER HOLIAN: Mr. Chair, I would like to make a comment about that, because I feel that our open lands and our beautiful areas are actually what bring in tourism here too. So I think that we have to consider that as well if we consider loss of revenue from property tax we also have to consider what we are gaining in the way of tourism and so on into our area.

And another comment that I wanted to make about the growth management plan is, my understanding is we don't really collect impact fees and so on in the county for development, so I'm wondering if while we're doing that growth management plan we could build in some more income in that area.

CHAIRMAN ANAYA: Okay.

MR. ABEYTA: Mr. Chair and Commissioner Holian, all of that is inclusive in this million dollar projection. Ideally, it would bring us the tools we need to start imposing impact fees and other development-related fees.

CHAIRMAN ANAYA: Commissioner Vigil.

COMMISSIONER VIGIL: Thanks. And I'm going to put this out there. Colleagues, please be patient with me on this. Actually on the services that could go away I didn't notice that the community funds are a part of that, that the Commissioners distribute. This is really a serious time that we need to consider that. I think that's about $400,000, isn't it? Forty times five – $120,000?

MS. MARTINEZ: It's $250,000. [inaudible]

COMMISSIONER VIGIL: I think that should be factored in there. Sorry, everyone, but it was a very good opportunity to address needs in our own system and process. We aren't able to because we don't have an administrative ability to do it, yet those needs are still out there. And I so appreciate the opportunity to do that. I think that $250,000 should be a part of a possible cutback and factored into all of this, if we are moving to look at every possibility.

CHAIRMAN ANAYA: That's the last time you speak. Commissioner Stefanics.

COMMISSIONER STEFANICS: Well, this is following up, but, Commissioner Vigil, I think a lot of that money might have already been spent, because of votes we just recently took and the previous Commissioner in my seat spent part of it already, etc. So I do think some of it's been spent. But my comment is more general. I think philosophically, if we want to maintain stability here in Santa Fe County that we are going to have to give up some things in order to remain stable. We don't want to get to the same situation that the state and the City is in. We don't want to be on the front pages of what we are cutting from benefits and from millions of dollars in services. And so I know that we all have pets, but it's probably in my mind coming down to when we have to have those hard discussions what are the absolute necessities for the people who live here in our county. Because we're going to recoup in a couple years and when we recoup then we can be back on track, but we might have to have a couple of years where we are not looking at things that are favorite to us, but things that are just basic to the people who are living here. I just want to make that philosophical comment. We might just have to say, I'm willing to do this for a year or two, and then I'll revisit it. None of us want to cut anything, but we want to remain stable and we don't want to get into the same situation that our surrounding neighbors are in.

CHAIRMAN ANAYA: I completely agree. We've got to go back to the basics and the basic services for the people of our county. So that's a good comment. All of them were good comments. Go ahead. Continue.

MS. MARTINEZ: Okay. So on slide number 17, up to this point we've spoken with regard to the general fund. The potential $2 million deficit, all again leveraging on how the GRTs materialize. Now, what are the other issues out there, challenges out there, threats, as we've labeled them, that could potentially affect the general fund? Weli, we have a youth development facility that is suffering so we say that it could be a two or three million dollar need that the jail fund may have to sustain if operations continue as they are. Adult detention facility – again, population revenue generating is down. It could be an additional need of up to two million dollar. CARE Connection, sobering center – we know that this is going to become a priority for us in our negotiations. We're talking anywhere from $800,000 to $1 million. Fire expansion and continued operations of the RECC could be up to $1.5 million, and County operation of senior services, an additional, we said $300,000 but we're saying in this statement up to $500,000.

So in addition to revenue coming down, expenditures being greater than revenue, these are other areas in the county that may potentially threaten or need assistance from the general fun.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN ANAYA: Commissioner Montoya.

COMMISSIONER MONTOYA: I'll just ask staff, and Roman, you are looking into it, but in terms of the costs of the RECC, and you mentioned it earlier, maybe we need to look at the City coming back on board and paying a portion of the costs for that too, as opposed to us absorbing the whole cost, which is going above and beyond the tax that's being collected.

MS. MARTINEZ: To qualify, Commissioner Montoya, right now, the way it runs is we do 100 percent operational, and if there's a need for capital they do share that cost with us 50-50. But we still need – we should pursue assistance on the operational side.

COMMISSIONER MONTOYA: Okay.

MS. MARTINEZ: Okay. So one of the messages that we want to leave you from a financial standpoint, and I think, Commissioner Stefanics, you've basically said it already, we need to spend within our means. So some of the things that we're looking at, we've been doing all along and we're continuing to do is audit our routine expenditures. We need to look at our cell phones and our land line usage. I still believe that there's savings that can be made there. Office and janitorial supplies, what we're trying to say here is let's purchase smarter. Let's purchase the needs of the entire County and get a better deal for our money. Publications, we can look at that. Travel and memberships, we can look at that. Those are probably areas that we can still sustain further reductions if need be.

We need to manage our risks. Our insurance premiums and our claim settlements are costly, and that's a tough one. We need to implement purchasing practices that can reduce costs, and we need to improve our billing and our collections procedures. Get the money that's out there that's owed to us and get it quicker. So these are things that we're targeting and working on.

The next slide basically points to the fact that increases in cost are basically outpacing our revenue growth. So how do we address this? What are the first steps we could take in the County to address this? First one, obviously, implement a hard staffing freeze, Countywide, across the board, all offices. Freeze out of state travel, across the board, all offices. Change work schedules and times open to the public. If times get bad enough, we may have to look at four days a week availability. We may have to pursue employee furloughs one day a month.

So these are all options that we're working with the appropriate staff to say if the reality comes true, how do we do this? And again, this will be part of our regular updates to you on a monthly basis. We could eliminate take-home vehicles and that might help save some money. We need to maintain our established reserves, and when I say that, in the budget policy we have additional reserves as a County that we have made an importance or a priority. Funds like health. Funds like jail. We require a one-month reserve. So I just want to stress the importance of establishing our reserves, not dipping into our reserves, and then running out of reserves.

And then our fiscal discussions begin with how much money do we have, rather than how many projects or how many expenditures do I want out there. So the focus has to change in these tough times. We're making it clear; costs are greater than revenue and we should be basing a budget on available revenue.

CHAIRMAN ANAYA: What do you mean employee furlough one day one month?

MS. MARTINEZ: Where everybody's work one day off with no pay. There would be one pay with no pay to the employee, and that would help on a salary and benefit basis. So if we had to go to that extreme, employee furloughs would mean one day out of the month of February I would not get paid, basically.

I don't know if you've seen a lot of the reports on the news. There's a lot of people already at furloughs. I don't think there's a day where I wake up and I don't here 14,000 people lose their job; 10,000 lose their job. Zangara Dodge is trying to open their doors again. So this is something that's already happening in a lot of places and there's already a lot of counties out there that are in bankrupt status.

CHAIRMAN ANAYA: So you can't give us an estimate?

MS. MARTINEZ: We'll give you a plan if we have to get to that point. Definitely.

MR. ABEYTA: Mr. Chair, the next section of our agenda is regarding the focus group that we've created. When we first met as a Commission with the outgoing Commissioners and the two new incoming Commissioners there was a lot of concern regarding –

COMMISSIONER MONTOYA: Mr. Chair, before we move on to this section, are we going to have questions on what we just completed?

CHAIRMAN ANAYA: Go ahead.

COMMISSIONER MONTOYA: Actually, the question that I have is on page 18. The office and janitorial supplies, I know that NACo, the National Association of Counties also offers a buying program. Do we participate in that?

MS. MARTINEZ: I don't know about it. We can research that.

COMMISSIONER MONTOYA: Okay. I think we really need to look at it, because there's significant savings similar to what our prescription drug card offers to residents, it offers to county governments in terms of purchasing.

And then under the managed risks, I have brought this up. We really, at this point need to look at what we're paying for these insurance costs. I had asked that we look at these premiums that are being paid currently through the pool that we're involved in, and whether or not we might be able to manage some of those costs or reduce some of those costs. The information that we have received preliminarily has indicated that we could potentially save a million dollars in insurance premiums if we were to self-insure. And I would just ask again that we reconsider that. I know previously we have not been willing to look at that but I think now, Mr. Chair, more than ever before we really need to look at the cost that we are paying for insurance premiums and see where we can be saving and reducing our costs. So I would just ask that we throw that into the equation as well. Thank you.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Mr. Chair, on that point, I thought someone was preparing a claims history. Having had a past in risk management I would really want to see what our insurance payments are and our claims history, like for five or ten years, because Commissioner Montoya did speak to me about this earlier and I indicated that from my perspective, in analyzing the numbers that that's what I would need to see. So I don't know if the Association of Counties was doing that for us as a general body or one of our staff was doing it, but I would request that information.

MR. ABEYTA: Okay. We can put that together.

COMMISSIONER STEFANICS: Thank you.

CHAIRMAN ANAYA: Commissioner Vigil.

COMMISSIONER VIGIL: [inaudible]

CHAIRMAN ANAYA: Victor.

MR. MONTOYA: Mr. Chair, Commissioners, the Multi-line Pool Board [inaudible] and I can tell you that, yes, the premiums have gone up, but we still have a lot of bad history and the history that's really hurting us is 2006 claims. Because of that the premiums went up substantially. [inaudible] And I could provide the Commissioners with a copy of our premiums and what the percentage increase is this year. We can also participate in what Bernalillo County is doing to save some premium [inaudible] and that is that they're adding $1000 deductible [inaudible] and that's taking some money off that.

But I don't debate that we're dealing with some of the best insurance companies in the country. I don't know. We might be able to get a decent rate but eventually, when they consider our past history, that is [inaudible]

CHAIRMAN ANAYA: Thank you, Victor. Okay, Roman.

MR. ABEYTA: Thank you, Mr. Chair. A concern that the Commission raised early on, when we started identifying the recession that we're going into and how it could potentially affect the County was employees and employee morale. You all expressed that we need to do everything we can to keep the employees notified of what's happening and be transparent with our employees. So as a result we expanded our focus group that we had. We have employees that participate in this focus group from throughout the County within every County department. And what we've broken ourselves into is four subcommittees of that focus group. The first being a revenue generating committee, a committee that looks at potential revenue generating ideas and resources. We created a cost savings subcommittee, a committee that will look at different ways we can save money as a County. An employee information subcommittee, a committee that's responsible for getting the word out to as many employees as we can and keeping our employees informed, and then an implementation subcommittee, a subcommittee made up of employees that would track these items and assist us in making recommendations to the Board as to what we think should be implemented and when.

So the next slides are just the work that's been done to date by some of these subcommittees, the first being the revenue generating subcommittee. These employees have identified the following potential revenues, such as grants and other funding. We are going to assign an employee to be kind of a clearinghouse and the point of contact for the County in regards to the economic stimulus money that's going to become available. We've identified the need to take a look at all of our fees and charges; maybe we need to increase those. We have very low, really low solid waste fees, and so that's something that we're exploring and taking a look at.

Road cut and penalty fees are very low also. Water and wastewater fees, we're going to look at, and then Countywide printing and copying policies, so that we're charging the same fees from department to department. Right now, depending on what department you go to you may be charged a different cost for copying. So we're taking a look at that. To date, the action that we have taken as a committee, or the subcommittee has taken, we've implemented an enterprise fund report card, which is a schematic that helps us evaluate revenue adequacy to continue supporting those departments that run off of an enterprise fund.

We've designated a staff person who will coordinate and take a look at all of the potential grants that are out there, and go after those grants. We meet on a monthly basis and we monitor the actual versus the budgeted revenue that comes in.

COMMISSIONER STEFANICS: Mr. Chair.

CHAIRMAN ANAYA: Commissioner Stefanics.

COMMISSIONER STEFANICS: Roman, I'm not sure I understand road cuts and penalties.

MR. ABEYTA: Right now we have – you have to come in and any time you're going to cut a County road to lay a utility line or a telephone line you've got to come in and get a permit. And if you do that without a permit – and so there's a cost for that. If you do it without a permit and we catch you there's a penalty you pay but the penalty and the permits are I think less than $50 or something, and so it's really minimal. So we identified that early on that we need to start charging more for those incidents.

COMMISSIONER STEFANICS: So, Mr. Chair and Roman, if you were going to consider any of these increases, you would prepare the proposal to bring to the Board?

MR. ABEYTA: Yes.

COMMISSIONER STEFANICS: And are you going to wait until 2010? Are you going to post something before 2010?

MR. ABEYTA: Well, we have put together – the next slide talks about some action or potential things we would bring forward to the Board in the next six months to consider, and the first would be a revision of the Solid Waste Ordinance, the fee structure. We are prepared to bring forward a proposal or at least a discussion in March regarding solid waste fees. It doesn't mean we have to increase them, but at least let you know we are considering a plan, putting a plan in place.

We could bring something as soon as April to the Board regarding road cut fees and penalties. In May we think we could have a policy on copying and printing that we could bring to the Commission. And then we're just going to continue to work with the enterprise funds for short- and long-term planning of sustainable revenues. And then continue to work on revenue generating initiatives that we can bring to the Board.

So that's, like I said, Mr. Chair, kind of a summary of what the revenue generating subcommittee is working on.

The next slide is our cost savings and feasibility subcommittee information. Their purpose is to evaluate all ideas generated by the larger focus group to determine the cost savings and feasibility. To date, we've gotten a lot of suggestions and recommendations. They've been able to categorize these suggestions into three general areas: personnel focus, energy supply and efficiency focus, and budget purchasing focus. We continue to evaluate new ideas and monitor existing ideas for further savings, then we will make recommendations to the implementation subcommittee.

Action that has been taken or progress that has been made to date is we've identified and implemented many energy supply focus ideas, the earliest beginning in December of this past year, and some of the ideas that we have identified or are currently working on is a supply budget. We think there is a potential savings of $58,000 in general fund. The jail fund, we might be able to realize a savings of $30,000 for supplies. Contractual services, general fund, we may be able to realize about $40,000 in savings. Jail fund, $160,000.

We've taken a look at take-home vehicles. To date we've saved $13,000 but there may be additional cuts we can make there. Closing prior year encumbrances, the general fund, we hope we could see under $98,000 that could potentially revert back to cash, and then in other funds up to $700,000 that could revert back to cash. We've already closed the adolescent residential center. We've realized a savings of $450,000. We've frozen the merit pool money, which is $200,000. And in our advertising alone we have reduced and have saved $12,000 in advertising. So with what we've done and what we think we can do, hopefully we can realize a little over $2.5 million in potential savings.

Our other subcommittee is the information subcommittee. One of the first tasks of the information subcommittee was to come up with a name or an acronym for all the work that we are doing and what the employees came up with was the SAVE initiative, which stands for Santa Fe County Accountability Value and Efficiency initiative. And there's kind of a flow chart that shows the Board of County Commissioners, the manager and then the SAVE subcommittee, and then the three other subcommittees, revenue generating, cost savings, and implementation all provide the information to the SAVE Subcommittee, and then from there the information subcommittee generates or gets the word out to County staff, and the way staff receives information is emails, flyers that we place in areas of view, flyers that we actually take to staff that don't have email access, and then verbal communication. So this is an ongoing initiative to keep the employees informed as to what we're doing.

The next slide is our budget calendar, and starting on the 26th we will start our budget preparations with all our departments. On the 26th each department will start putting their budgets together for the FY 10 budget. On the 15th those requests are due. So the department budgets are due to the Finance Department by the 15th of March. Then we will set up hearings with myself and the elected officials to go over their proposed budget that they put together.

Then, on May 11th we will bring the budget forward to the Commission and start those hearings. By the 26th we have to have our interim budget approved by the Board. Then on the 30th we have the final budget, the 30th of June we have the final budget approved by the Board.

CHAIRMAN ANAYA: One question, on May 11th, I know some of us will probably be in Washington. Can we look at changing that? Who's going to go? Are you going to be there, Commissioner Montoya? Oh, no. I'm talking about March 11th. I'm sorry.

MR. ABEYTA: This is May 11th.

CHAIRMAN ANAYA: Okay. That would be a different issue. Commissioner Vigil.

COMMISSIONER VIGIL: On the schedule, going back to page 21, looking at the policy on copying and printing, I wonder about the policy on cell phoning, I know that you've already been working on that, But I'm just probably – and I'm not sure the copying and printing category is the best place for that, but I do know that this committee has made recommendations, there are so many additional charges that we are paying for right now that may not be needed. So if you could incorporate that.

MR. ABEYTA: Yes, we will. And we have made one round of cuts on cell phones. But we probably do need to make another one. And then make sure that we're all on a standard plan, a calling plan so that we don't have different charges for different departments and users, so we will include that.

COMMISSIONER VIGIL: Okay. Thank you.

MR. ABEYTA: So to summarize today, Mr. Chair, if there are no other questions, to summarize today with regards to this year's budget, FY 2009, with the mid-year reductions we made and the expense/revenue variances, the County should be able to complete this fiscal year without any further reductions. Pending though, that there are no major drops in the gross receipt tax collections. So we sill have a few more months to go, but we think with what we've done we should finish the year out with a balanced budget. In regards to 2010 though, we are currently facing a $2 million deficit that we will need the Board to address with our recommendations.

So what we are planning and the way we are planning to get there is that in March, we will start presenting you with different financial scenarios with the different projections and updates on gross receipt tax revenues and property tax revenues. We'll begin those updates at the March administrative meeting. Then in April we'll start refining the financial scenarios. We'll have more information as far as revenue coming in. And then in May, when we come to you May 11th with the recommendations from the budget hearings. That's where we're going to get the Board to start making cuts.

And then that way we could go into the fiscal year – the goal is to go into fiscal year 2010 with a balanced budget.

CHAIRMAN ANAYA: Okay. Any questions of staff?

COMMISSIONER MONTOYA: As I see it, what we're looking at primarily from Corrections and from Fire.

MS. MARTINEZ: Definitely coming from Corrections. Now, the Fire and the Health category, RECC, those types of things are really contingent on the GRT. So if the GRT tanks then that's a threat. But if it holds it's own and we resolve what's going on with Tax & Rev then they may not be as big a threat. But I think your biggest threat right now to the general fund is the Corrections Department. Yes.

COMMISSIONER MONTOYA: Okay.

CHAIRMAN ANAYA: Any other comments? Commissioner Stefanics.

COMMISSIONER STEFANICS: Mr. Chair and Commissioners, if we went along and did nothing for the rest of the year, based upon what's being discussed today, and we just funded everything, then we really don't have the opportunity to pull back those funds after we make the decision. So my question is really whether or not we're going to continue in the spending mode. It kind of goes back to Commissioner Vigil's comment about the discretionary funds. It goes back to the recreation programs. It goes back to other things that are coming up. Is it our intent to spend this year? Or is it our intent to go away, think about this and then make some decisions?

CHAIRMAN ANAYA: Commissioner Vigil.

COMMISSIONER VIGIL: And I think staff would probably like some specific direction with that. I appreciate the question being brought up. I thoroughly appreciate this presentation. I think it's an excellent presentation. I actually read it last night be email and sent you a thank you on it. I am totally in favor of going with the recommendations as have been stated before us today on holding back on spending. I think we're fortunate in the County because we have had conservative budgeting, but being at the legislature and hearing updates on the revenues that are not coming in that were predicted, it's really kind of scary. I think, going back to some of the comments we've heard earlier, we do need to go back to basics. I would be highly concerned about job security for our employees. I want to make sure that that is a critical component of our budgeting. So I actually would go totally in favor with all of the recommendations that we have before us. Now, I don't know if that's sufficient, Roman, for you, if you want us to address each particular recommendation. I know that some of them are somewhat nebulous, whether or not we should have a definite hiring freeze or not. I think currently, what we're under is we're on a hiring freeze only except for relevant or significant positions. So is that what you're referencing?

COMMISSIONER STEFANICS: Well, Mr. Chair and Commissioner Vigil, I'm looking at page 26 which says "should be able to complete this fiscal year without further reductions pending no major drops. So that's really my question that I was coming up with. Do we continue to do business as usual? Because the other recommendations that I'm seeing in the report are if things drop. So I'm not hearing a specific recommendation from staff about cutting something now. So that's why I even pose the question.

MR. ABEYTA: Mr. Chair, Commissioner Stefanics, that's right. We can continue to do business as is, but if we see a report come in from the December GRT and then January, when it really tanks. Then we may have to make cuts to get us through the rest of this year. Today, we're not projecting that we will. So I think what we need to do is monitor this every two weeks and provide some kind of update to the Commission at every BCC meeting as to where we're at. Because I may show up at the first meeting in March, for example, and say, we don't want you to spend any more of your contingency funds or your community funds for the rest of the year because of this. Or, we want to take this measure because of this drop we just saw in GRT. But right now, as it stand today, we could make it through to the end of the fiscal year with business as usual, right to June. But that can change.

But when we get to developing next year's budget, then by April and May we are going to want you to tell us which services you want to cut for next year, like the recreation program. Are we going to have that or not? What are we going to do with the senior program? What are we going to do with your community funds? So we're going to want those decisions made in April and May for next year, for July 1.

CHAIRMAN ANAYA: I just want to thank all of you, Roman and the entire staff and all the employees at the County for working together on this. I feel this was a very good presentation. The staff, along with the Commissioners have a lot of work to do in the upcoming year or six months to decide on what the best direction is that the County should take. You've lined out some of the things that you're going to bring before the Commission. The solid waste ordinance fees, the road cut fees, those are some of the steps that we're going to take. But we're always going to look at other ways to save money, which you described. I think I understand what Commissioner Stefanics is saying, that we don't necessarily need to spend the money that we already have budgeted. If things come up we can say, well, wait a minute. And I don't know what page it's on but the list – oh, here it is. The monies that are for the senior program, which I think are very important, the library services. Have those monies already been cut? Have they been sent to those entities already?

MR. ABEYTA: I think two or three out of the four have, yes. So that's another thing. As those things come up we might say, Commissioner, well, wait a minute. Maybe not. The Boys and Girls Club. I hate to hurt any seniors or youth programs but as they come up, maybe we don't have to give them the total amount. We can cut those back. I know that we are – I have had several meetings with the Treasurer and the Assessor on issues of people paying property tax. And the conversation I had with Domingo and Victor yesterday is maybe we need to possibly fund their offices more to catch up to speed to generate more funding for the County. I'll bring that out to the Board for possible discussion.

I know that Domingo talked about the CAMA system and that probably could help, but not only cutting but how do we generate more funding. And I know you've talked about that in your plan too. I guess I'll close by saying this was an excellent – Paul put it together? Paul, this is excellent. Next time, don't sit in the back over there. But anyway, I'll turn it back over to the Commissioners for further comments. Thank you. Commissioner Vigil.

COMMISSIONER VIGIL: Thank you, Roman, and I did hear the possible recommendation that we hire an FTE to look at the stimulus package.

MR. ABEYTA: We're going to assign an FTE, not hire one.

COMMISSIONER VIGIL: Assign an FTE. That is a hugely critical component of where we need to go, because we will lose out if we don't stay on top of it. And I point to a most recent experience I had. DOT is actually already taking applications for road projects through the stimulus package, and I'm not even sure we submitted any. I think what they're looking at are what's gone through on the MPO at this point in time. But things are happening so fast with the stimulus package and there are agencies that are already establishing procedures and I'm not sure that we're really on top of all of that. We need someone to be able to do that. We will lose out if we don't.

CHAIRMAN ANAYA: I want to go to – Domingo, do you guys have any comments? Victor? Closing comments?

MR. MARTINEZ: You know for ten years now I've been talking to management and I've been talking to some of the Commissioners and evidently my message has fallen on deaf ears. The County Assessor's office is the major generator of revenue for the County. If you look at page 12 and you look at that pyramid, you'll see that property taxes is the turquoise. That's what we generate. Our budget, if you look way down at the bottom in the light gray, that's how much money we spent to generate all this money. Together. We generated [inaudible] The issue has been when I took over the Assessor's office two years ago we recognized that one of the major things that we were missing was a tool called the CAMA system. Santa Fe County being the capital city was one of the very few counties that didn't have a CAMA system. Given the fact that we're the second in the state for valuation of property and we didn't have a CAMA system.

There was no way that staff of the Assessor's office could keep up with the growth of Santa Fe County with the numbers that they had, the number of employees that they had, but yet the number of employees stayed the same for decades. So what you had was a group of individuals that were well qualified, tried to do the best they could but were never able to appraise properties correctly. As a matter of fact, when we started implementing CAMA system we had to inventory property record cards. We had to look at all the errors that were created for decades back in the sixties. And we find, just in looking at that area that we have properties that have never paid property taxes before. Bunches of them.

Now, I have reported to management that invest in my office and I can generate the funds. Last year I asked for eight employees – five appraisers, another accountant type appraiser to do personal property. We're not generating any money off of personal property, maybe 25 percent of what we should. I asked for an additional clerk because I need some help in some of the areas downstairs, and I asked for a second quality control person. Last year they finally gave me one quality control person but that guy is – it's over his head. There's just too much volume coming in for us to keep in touch with everything that's going on.

If you invest in my office, give it a little time and that investment actually generates the money for you. And I'm not saying that we're going to increase taxes for anybody, what I'm saying is we're going to have people pay taxes for the first time on property that's never been taxed. It's a drop in the bucket I think from what we can generate. But I need the investment from you all in staff, and a little bit of time to train them, and we can hit the ground running and get it done. But I can't do it with the people that we have.

I'll tell you where we're at right now for this year, and I reported this to Roman. We have a limited staff. We have to implement the CAMA system and I'm telling you we found errors and problems that are decades old. So my main emphasis has been to do the CAMA system. During the year you have a whole bunch of houses that have been built. You have a bunch of building permits. In other words, homes that have either added a living room, a bedroom, a garage, whatever. There's about 4,000 of those and about 2,400 of new homes. We've done very few of those because we're concentrating on processing the CAMA, getting the CAMA going for the NOVs to go out some time in April.

Right now you're looking at all of that revenue is not going to come to you, because we haven't put them on the tax rolls. What I'm hoping to do is after the NOVs go out, we go out and we appraise those and we put them in as properties that were omitted by us. Which is going to create a big problem for the Treasurer because it's all handled manually to a certain extent because we have a new CAMA system but he didn't convert to the new CAMA system. So it's going to create a problem for us.

But we realize we've got to generate the money and we'll do it that way. The problem is since we don't have those properties in the certification of values and you want to generate the same amount of dollars you generated last year, that's actually going to have to go up to generate the same amount of money. And then later on we'll capture that money at a high tax rate.

So what I'm telling you, and I don't want to belittle this report or anything like this, but we generate the revenue for the County and not only the County. We generate it for the school district, we generate it for the City, we generate it for the Community College, we generate it for Rio Rancho, the special district. We generate that money for all those entities. All of them are hurting. I got a call from the Community College the other day saying what does it look like? And I said, looks bad. And I told them what I'm telling you here and they said, well, our budgets are going to have to fall. And I said, well, if I had the staff to do this we could do it. And they said well, what's happening with the money that is produced through the one percent revenue? And I said our regular budget. My office wasn't about the $3 million budget. $1.2 million came from the one percent money that was generated off of property tax. We stopped generating at $1.2 million. The other $1.7 comes from appropriations from the Commission from our general fund. But if you look at it, we generate for a $1.7 million general fund budget in my office, we're generating $53 million to the County.

In other words, every time you give me $1.70, I spend $1.70, I generate $53 for you. $1.70 and I give you back $53. If you look at the entire budget of $2.9 million and the total revenue generation for the schools, the County and everybody else, we're generating $136 million. For every $2.90 that I spend in my office, I'm generating $136. The rate of return is high. I just can't understand why people don't understand. Invest in my office and I can get the job done.

Now, understand, there's going to be a law of diminishing returns because once we pick up those properties, there aren't any big amount of properties we can pick up. I'll tell you, I've got a residential property right now that we predict is going to appraise at $20 million. I haven't picked up because I don't have the manpower. We're working on getting the computer system going. That house would probably generate $140,000 worth of property taxes next year. Probably around 50 percent of that goes to the County, $70,000. Just one house. Can't pick it up. I don't have the manpower to do it.

COMMISSIONER HOLIAN: What do you think the component that we're missing is?

MR. MARTINEZ: In my office?

UNIDENTIFIED SPEAKER: $420,000

COMMISSIONER HOLIAN: Well, that's interesting too, but how much – if you were fully staffed up, how much extra do you think you could bring in? How much additional revenue?

MR. MARTINEZ: How much would we generate?

COMMISSIONER HOLIAN: How much would you generate?

MR. MARTINEZ: That's the part that's hard to get a hold of, because we don't know actually how many properties there are, but I can venture to say, honestly, an educated guess, $2 million would be easy to generate with the amount of property that we haven't put on the property tax rolls. Look at this one. This one alone will generate $140,000. One property.

CHAIRMAN ANAYA: Any other questions?

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN ANAYA: Commissioner Montoya.

COMMISSIONER MONTOYA: I just want to say that we've been working on trying to get this CAMA system in place even before you were on board. Your predecessor had come to the Commission. We've been working on it. And I think we're finally getting to the point where we're able to work this in and work in the requests that have been coming from the Assessor's office for at least the last six years that I've been on board. I think we, as has been outlined today, need to look at the recommendations that are coming through, the requests that are coming through, and it really comes down to determining – and I've got to speak for myself in terms of priorities – I hear residents asking for trash pick-up. I hear them asking to have their roads paved. I don't hear a lot of them asking to have their taxes increased, so in terms of trying to weigh and balance everything out, I feel that we've done as good a job within our means as was indicated in the very last slide here, trying to live within what we have.

The unfortunate reality is that we can't put everything in for what everybody needs. I know the Clerk has continuously asked me for money so that they can get all of those books archived and they've been waiting to do that for years and we're just starting to get it done. But I think we're doing it. And I do take exception. It hasn't fallen on deaf ears with me, Domingo. I'm listening to what's going on. I'm just having to prioritize what I feel needs to be done in order for operations to continue as best as they can within Santa Fe County.

MR. MONTOYA: Mr. Chair, I'd like to state a few things also. I'm like Domingo. Again, if you look at that graph on page 12 where it says property taxes. You know, and I think this is what Domingo is saying. If we had the resources together, we could collect even more. Maybe another – just for example, let me – last year we were scheduled to collect $121 million, and we came very, very close to that. We're about 98 percent collected, 97 percent. This year we're scheduled to collect $136 million. That means about $15 million more than last year. That means for us, 40 percent of that, that's $6 million more for the County. So when you invest in his office, like $400,000, I mean, that's a result of him going out and valuing more property and property being, you know, just naturally going up in value.

In my case, he got the CAMA system. He's got the entire program. I'm stuck with the old program and I can't – in other words, there's portions of his program that will not function unless he has this other part of the CAMA system which is called Ascend. Now, I can just piggy-back on Ascend and we'd both be able to communicate with both departments. You know, he can set value, but I collect. And if I don't have good means of collection, some of it falls between the cracks. So you know he's denied generally the greatest portion of the revenue that comes into the County. And right now, for example, you probably heard Teresa say earlier that the collections were down in the prior two years. Yeah. And we have some delinquent accounts. But with property tax, they have a guy that's there now who's working the accounts that are over two years old. And they get to keep all the penalty and interest on those accounts.

Since I've been Treasurer, what I try to do is I have my staff work delinquent accounts more so that we can collect the penalty and interest on the two years that are available to us. And if we collect those within two years then the state gets less penalty and interest on the other years. But I found out from property tax that we have about 110 accounts that are uncollectable. Totally uncollectable. And those affect my receivables that are shown for ten years by Finance. And that's just not a fair assessment to charge money for those ten years as delinquent accounts.

But all of this, to put it all back together is we need the resources if you want us to do a better job in collecting the revenues that are available. I don't know how else to put it. Right now there's a House Bill 572, introduced by Representative Egolf and what that does it allows the Commission to create, I guess, a solar PID or SID or whatever you want to call it, and it allows any, I guess homeowner, taxpayer, to put solar equipment on his house and have the mortgage company transfer I guess basically the loan to me, or the information about the loan, and I would collect the money on that installation, and remit the payment to the financial institution. So that to me puts me, makes me like a financial institution. I'll have to keep a set of books, if the Commission approves this bill and if it gets passed by the legislature and signed by the Governor, and I'm sure being Santa Fe County, and Santa Fe County wants everything when it comes to the taxpayers. They want all kinds of services. So if we have 56,000 accounts and just ten percent of those decide to use this means of financing their solar installations, who's going to be stuck with keeping track of all that money coming in that has nothing to do with taxes. Nothing. I just have to collect it and remit it to a financial institution. Am I going to be able to do that? To me it's an unfunded mandate because the money is not going to be there upfront, even if I get an administrative fee for doing it. I would have to come and ask you for funding for about two positions and possibly a whole new software package.

So I hope – I called Representative Egolf and I told him I was against the bill. And I've heard some of the other counties are against the bill. But you know, when we get placed or, charged with unfunded – you know, and maybe I'm overreacting right now because the bill hasn't been passed, but the I guess gossip or the – Mr. Egolf's opinion is that it's well received at the legislature. It has the support of the speaker. So I'm assuming that it's going to pass. I just hope you as a County Commission don't pass a resolution that forces me to do this, because it's going to incur a lot of costs.

And going back to Commissioner Holian's observation about economic and economy and tourism when it comes to open space, you know I think it's a great idea but what happens is you take properties off the tax roll, and not just the County suffers. You know, there's the schools, the Community College, everything else, you know. So when we take off a million dollars worth of property off the tax rolls, you know, that's $330,000 of property valuation that's no longer there. And I just want you all to know and to think about that, because it's not just the cost of the property, it's the cost of the loss in taxes. That's it.

CHAIRMAN ANAYA: Thank you, Victor, and thank you Domingo. I know that I sit on the Investment Committee to generate funding for the County with Victor and Roman and a few other people. And it would be the same thing if we invest our money into the Treasurer's and the Assessor's, we would be getting money back. And then we would be able to take care of more of those services – the trash collection, those services, the roads that we need to. I don't know. I'm just throwing this. I'm throwing it out to the Commission because I think this is very important. You've got some people that are paying – it says here it's not going to raise the property taxes, it's going to bring those people up there that have property that are low in property taxes. No?

MR. MARTINEZ: No taxes at all.

CHAIRMAN ANAYA: No taxes at all. What do you mean by that?

MR. MARTINEZ: We have homes that aren't on the property tax rolls.

CHAIRMAN ANAYA: So we're getting those homes that are not on the tax rolls, on the tax rolls, which to me makes sense. If we're going to generate $450,000 or expend $450,000 and generate $2 million back as an estimate, I think that's an investment for the County.

COMMISSIONER MONTOYA: Where would we get that? Where would we cut back in order to invest from?

MR. ABEYTA: Well, Mr. Chair, that was going to be my comment. We're facing a $2 million deficit now. Another million to finish up growth management. We'll sit down with Domingo and I heard the estimate of $420,000. I don't know if that includes office space we would need to rent, and other equipment. But we could come back to you with a plan but you would have to then find or cut instead of $2 million, you're cutting $3 million, $3.5 million. That's all. But it may be worth the cut.

CHAIRMAN ANAYA: But that is why we're at this table, to talk about where and how we can get the funding to do these things.

MR. ABEYTA: Right.

CHAIRMAN ANAYA: I'm not saying, okay, let's come up. Let's give them the $450,000 now. We don't know. We don't know where we're going to get it. That's why we're having this meeting, to talk about and bring up the issues that they have.

MR. ABEYTA: Exactly. And the cuts may be deeper if the GRT continues to tank.

CHAIRMAN ANAYA: And maybe you don't give them $450,000. Maybe you give them $200,000 as a start.

MR. ABEYTA: Right.

CHAIRMAN ANAYA: Commissioner Vigil.

COMMISSIONER VIGIL: One of the benefits of these kinds of discussion is that it gives us more insights into many of the issues that we get to deal with. And with regard to unfunded mandates, there is no government entity that deals with unfunded mandates more than local government. We have jails, we have health, we have lots of unfunded mandates. So as a Commission, trying to balance all of those, it's huge.

I think one of the larger benefits of the economic situation that we're in now is it's really allowing us to scrutinize what we've experienced and where we need to go, and what are the better decisions. Because it is really my belief that we have been operating on a day-to-day basis as is. So that moving forward with what is in the best interest of the County is something that I'm hoping will be the outcome of these kinds of discussions. I'm really grateful, and I think the focus of today has been where are we going to cut back, and I think overriding, for me is how can we mutually cooperate to make these decisions in the best interests of the County. As long as we go forward with those kinds of discussions I think we are serving the best interest of our residents.

That will mean that there will be sacrifices that need to be made. That will mean that there are going to be decisions that are going to be made that not everybody is happy with. That will mean that maybe there are decision that are going to be innovative that we haven't really gotten ourselves engaged with. I am hoping that these decisions are all a part of our future, and I hope that we can move forward in that direction. And if it does mean looking at where our investments are and looking at supporting ortho-digital photography or CAMA, whatever. Let's bring them all to the table and scrutinize them and move forward in the best possible way we can, but know that it has to be from a sense of mutual cooperation on this. That's all I have to say.

CHAIRMAN ANAYA: Okay. I hear a lot of stomachs growling out there. Thank you. This was a great presentation, good comments, good communication.

VII. Adjournment

Chairman Anaya declared this meeting adjourned at 12:30 p.m.

Approved by:

____
Board of County Commissioners
Mike Anaya, Chairman

ATTEST TO:

VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Respectfully submitted:

Karen Farrell, Wordswork
227 E. Palace Avenue
Santa Fe, NM 87501