

SANTA FE
BOARD OF COUNTY COMMISSIONERS
MEETING

May 27, 2008

Jack Sullivan, Chair
Paul Campos, Vice Chair
Harry Montoya
Virginia Vigil
Michael Anaya [Excused]

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 79

I Hereby Certify That This Instrument Was Filed for
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Witness My Hand And Seal Of Office
Valerie Espinoza

Deputy  County Clerk, Santa Fe, NM



SANTA FE COUNTY

REGULAR MEETING

BOARD OF COUNTY COMMISSIONERS

May 27, 2008

This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 10:15 a.m. by Chair Jack Sullivan, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Following the Pledge of Allegiance and State Pledge, roll was called by County Clerk Valerie Espinoza and indicated the presence of a quorum as follows:

Members Present:

Commissioner Jack Sullivan, Chair
Commissioner Paul Campos, Vice Chairman
Commissioner Harry Montoya
Commissioner Virginia Vigil

Members Absent:

Commissioner Mike Anaya

V. INVOCATION

An invocation was given by County Chaplain Jose Villegas.

VI. APPROVAL OF THE AGENDA

- A. Amendments**
- B. Tabled or Withdrawn Items**

CHAIRMAN SULLIVAN: The next item is approval of the agenda. Mr. Abeyta, would you bring us up to date on any changes or tablings?

ROMAN ABEYTA (County Manager): Yes, Mr. Chair. The first, coming under X. Matters from the Commission, A, A resolution in opposition to the United States Forest Service proposal to designate La Cueva and the Santa Fe National Forest as an off-highway vehicle recreational route has been tabled.

Under the Consent Calendar, XI. B, Miscellaneous, item 10, Request approval to enter into a grant agreement between Santa Fe County and the State of New Mexico Department of

Finance and Administration for legislative appropriations, that item has been withdrawn by staff at this time. We received an amended grant agreement from the state, so we're not ready to act on this at this time. And then continuing, Mr. Chair, under XII, Staff and Elected Official Items, C, the Growth Management Department, item 3, the update on the status of proposed water delivery agreements has been tabled, and item 4, 5, 6 and 7, all related to the Santa Fe Film and Media Studios have been tabled, and under update of various issues under Matters from the County Manager, I will be discussing a possible reschedule, perhaps maybe even a special meeting where we can discuss all of these items in relation to the Santa Fe Film and Media Studios application.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: If I may address the Manager.

CHAIRMAN SULLIVAN: Go ahead.

COMMISSIONER CAMPOS: Mr. Abeyta, I would suggest a special session with enough time so that we're fully briefed on all fiscal aspects plus contractual aspects. I think there's the issue of the electrical substation that's still outstanding and I think we're going to need some time to really fully consider this. Thank you.

MR. ABEYTA: And that concludes staff's amendments to today's agenda, Mr. Chair.

CHAIRMAN SULLIVAN: Okay. I'll add one. I was asked by the North Central Regional Transit District to table item X. B so we'll table that until the June 10 meeting. Are there any other agenda changes by the Board.

COMMISSIONER MONTOYA: Mr. Chair, move for approval as amended.

COMMISSIONER CAMPOS: Second.

CHAIRMAN SULLIVAN: Moved and seconded.

The motion to approve the agenda as amended passed by unanimous [4-0] voice vote.

VII. APPROVAL OF CONSENT CALENDAR

A. Consent Calendar Withdrawals

XI. CONSENT CALENDAR

A. Budget Adjustments

- 1. Resolution 2008-73. A Resolution Requesting an Increase to the General Fund (101) to Budget Agreements With Rio Arriba County, City of Santa Fe, City of Española, New Mexico Department of Transportation and the United States Geological Surveys for the Orthophotography Project of Santa Fe County / \$104,614. (Administrative Services Department)**
- 2. Resolution 2008-74. A Resolution Requesting an increase to the General Fund (101) to Budget an Order of Service Agreement**

- with the Bureau of Land Management for Law Enforcement Services on Public Lands, Waters, Roads and Trails Administered By the BLM / \$8,640. (County Sheriff)**
3. **Resolution 2008-75. A Resolution Requesting an Increase to the State Special Appropriations Fund (318) to Budget A Grant Awarded Through the New Mexico Department of Finance and Administration for the Stanley Fire Department Water Storage Tank / \$100,000. (Community Services Department)**
 4. **Resolution 2008-76. A Resolution Requesting a Reduction in the Operating Transfers from the Alcohol Programs' Fund (241) / Local DWI Program to the Housing Enterprise Fund (517) and to the Jail Operations Fund (518) for Fiscal Year 2008 / -\$62,500. (Community Services Department)**
 5. **Resolution 2008-77. A Resolution Requesting an Increase to the Fire Impact Fees Fund (216) for the Agua Fria, La Cienega, and Tesuque Fire Districts to Budget Prior Fiscal Year 2007 Cash Balances for Expenditure in Fiscal Year 2008 / \$145,484.87. (Community Services Department)**
 6. **Resolution 2008-78. A Resolution Requesting an Increase to the Fire Protection Fund (209) / Turquoise Trail Fire District and an increase to the Fire Operations Fund (244) / Administration to Budget Movie Production Stand-By Revenue for "Beer for My Horses" for Expenditure in Fiscal Year 2008 / \$1,891.94. (Community Services Department / Fire)**
 7. **Resolution 2008-79. A Resolution Requesting an Increase to the Fire Protection Fund (209) / Edgewood and Stanley Fire Districts to Budget forestry Reimbursement Revenue for Expenditure in Fiscal Year 2008 / \$1,005. (Community Services Department)**
 8. **Resolution No. 2008-80. A Resolution Requesting the Transfer of Funds in the Amount of \$23,483.46 to Assist in the Purchase of A Used Truck Equipped with New Potable Water Tank (Growth Management Department)**
 9. **Resolution No. 2008-81. A Resolution Requesting an Increase to the GOB Series 2005 Fund 9330) to Budget Prior Fiscal Year 2007 Cash Balance for the CR 42 GRIP II Improvement Project / \$1,500,000 (Growth Management Department)**
- B. Miscellaneous**
1. **Request Approval of the Accounts Payable Disbursements Made for All Funds for the Month of April 2008 (Administrative Services Department) Resolution 2008-82.**
 2. **A Resolution Authorizing the Surplus of Fixed Assets in**

- Accordance With State Statutes (Administrative Services Department)**
3. **Resolution 2008-83. A Resolution Authorizing the Donation of Two Voting Machines to the California Institute of Technology in Accordance With State Statutes (Clerk's office /Finance Department)**
 4. **Request Authorization to Enter into the Second Year of the Agreement for RFP 27-1917-FI/MS for the Financial and Compliance Audit Services for Santa Fe County Fiscal Year 2008, \$86,400.00 Plus Gross Receipts Tax (Administrative Services Department)**
 5. **Request Authorization to Enter into Amendment No. 2 to Agreement #27-0304-FI/MS for the Professional Services Agreement With Impressions Advertising, Inc., for Lodger's Tax Advertising & Promotional Services (Administrative Services Department/Finance Division)**
 6. **A Resolution Imposing an Annual Liquor License Tax Upon Persons Holding State Liquor Licenses (County Clerk's office)**
 7. **Request Approval to Enter into a New Lease Agreement for the Top of the World Farm (Community Services Department)**
 8. **Request Approval to Enter into a Service Agreement with the Madrid Merchants Association to Maintain the Vaulted Toilets that Were Installed By Santa Fe County Near the Old Coal Mine Museum in Madrid, NM (Community Services Department)**
 9. **Resolution No. 2008-85. A Resolution Authorizing Execution by the County Manager of an Agreement to Construct a Metal Building at the Santa Fe County Fair Grounds (Community Services Department)**
 10. **Request Approval to Enter into a Grant Agreement Between Santa Fe County and the State of New Mexico Department of Finance and Administration for Legislative Appropriations Authorized to Santa Fe County Resulting From the 2008 Legislative Session (Community Services Department)**
 11. **Request Approval of Amendment No. 2 to the Grant Agreement Between Santa Fe County and the State of New Mexico Department of Finance and Administration for Legislative Appropriations Authorized to Santa Fe County Resulting From the 2006 Legislative Session (Community Services Department)**
 12. **Request Approval of Two Full-Time and Two Part-Time Term Positions Term Positions to Transition From PMS Contracted Staff Positions to County Positions to Operate the Care**

- 13. Connection Assessment Center (Community Services Department)
Request Approval of the Memorandum of Agreement #7359 From the Department of Health/Public Health Division for the Administration of the Santa Fe County Maternal and Child Health Council in the Amount of \$132,523.00 for FY 2008-2009. (Health & Human Services/MCH)**
- 14. Request Approval of Amendment #4 to the Las Cumbres Community Services Agreement to Provide Mental Health Services Through Its Community infant Program in the Amount of \$178,000.00 for FY 2008-2009. (Health & Human Services/MCH)**
- 15. Request Approval of Amendment #4 to the Santa Fe Community College Agreement for Direct Services of the Temporary Childcare Assistance Program in the Amount of \$13,523.50 for FY 2008-2009. (Health & Human Services/MCH)**
- 16. Request Approval of Amendment #4 to the Presbyterian Medical Services Contract to Provide Direct Services At the Santa Fe Public Schools Teen Health Centers for Confidential Adolescent Reproductive Health Services in the Amount of \$24,464.00 for FY 2008-2009. (Health & Human Services/MCH)**
- 17. Request Approval of Amendment #4 to the La Familia Medical Center Agreement to Provide Direct Services for Promotora Perinatal Outreach and Service Coordination in the Amount of \$37,012.50 for FY 2008-2009. (Community Services Department/MCH)**
- 18. Request Authorization to Enter into A Funding Agreement with La Tierra Subdivision for Repair and Improvements to County Maintained Roads (Growth Management Department)**
- 19. Request Approval of Amendment #1 for \$25,925.00, Excluding Applicable GRT, to Contract #27-0611-PW/JC With Gordon Environmental, inc. for Architectural/Engineering Services for the San Marcos and Stanley Solid Waste Transfer Stations (Growth Management Department)**
- 20. Request Approval of SFC Agreement #28-0116-PW/MS for Cerro del Alamo Road Construction to the Lowest Bidder, Advantage Asphalt & Sealing Company, for the Amount of \$224,850.53 (Growth Management Department)**
- 21. Request Approval of SFC Agreement #28-0130-PW/MS for County Road 42 (Phase I) Road Construction to the Lowest Bidder \$1,995,233.57(Growth Management Department)**
- 22. Request Authorization to Enter into A Lease Agreement with**

- Plains Eagle Corporation to Continue Leasing office Space for the Region III Taskforce (Sheriff's office)**
23. **Resolution No. 2008-86. A Resolution Approving Participation in the Program of the North Central New Mexico Economic Development District (Manager's office)**
 24. **Resolution No. 2008-87. A Resolution Designating the County Manager or His Designee as Santa Fe County's Authorized Representative / Official for the Purpose of Signing and Accepting the HIDTA Grant Award Number I8PSNP573Z, for Fiscal Year 2009 (Sheriff's office)**
 25. **Consideration and Approval of Amendment No. 1 to the Employment Agreement for Roman Abeyta to Serve as Santa Fe County Manager**
 26. **Consideration and Approval of Amendment No. 1 to the Employment Agreement for Stephen C. Ross to Serve as Santa Fe County Attorney**

CHAIRMAN SULLIVAN: Any withdrawals on the Consent Calendar? All right, hearing none –

COMMISSIONER MONTOYA: Mr. Chair, move for approval of the Consent Calendar.

CHAIRMAN SULLIVAN: Okay, we have a motion for approval of the Consent Calendar.

COMMISSIONER CAMPOS: Second.

CHAIRMAN SULLIVAN: Seconded by Commissioner Campos, moved by Commissioner Montoya.

The motion passed by unanimous [4-0] voice vote.

VIII. APPROVAL OF MINUTES

A. April 29, 2008

CHAIRMAN SULLIVAN: I've got one correction. Any others?

COMMISSIONER VIGIL: What is your correction?

CHAIRMAN SULLIVAN: My correction? The correction is on page 64, the top of page 64, we were discussing the fact that St. Vincent Hospital had apparently made payments or a payment to Catholic Charities which hadn't been approved by the County Commission and the meeting minutes are quoting me and it says at the top of the page, I was concerned and stressed to hear that this had already been paid. Maybe I was stressed but what I said was I was concerned and distressed it had already been paid.

COMMISSIONER MONTOYA: You just looked stressed.

CHAIRMAN SULLIVAN: Maybe I looked stressed and the recorder accounted for that in her infinite wisdom, but either way that would be my change, Commissioner Vigil.

COMMISSIONER VIGIL: If there's a motion I'm ready to vote on it.

CHAIRMAN SULLIVAN: Okay, is there a motion? Did somebody make a motion?

COMMISSIONER CAMPOS: Motion to approve the minutes as amended.

CHAIRMAN SULLIVAN: Okay, and do we have a second?

COMMISSIONER VIGIL: Second.

CHAIRMAN SULLIVAN: Seconded by Commissioner Vigil.

The motion passed by unanimous [4-0] voice vote.

IX. MATTERS OF PUBLIC CONCERN – NON-ACTION ITEMS

CHAIRMAN SULLIVAN: The opportunity exists here for anyone who has joined us today who would like to bring up any issues that are not on our agenda for discussion later on. Who would like to do that? Anyone? Okay, I don't see anyone.

X. MATTERS FROM THE COMMISSION

C. Request Approval of a Memorandum of Agreement Between the New Mexico Department of Health and Santa Fe County in Order to Participate in a Grant Application for "Project Launch" (Commissioner Vigil)

CHAIRMAN SULLIVAN: A and B have been tabled so we'll move to Commissioner Vigil's item.

COMMISSIONER VIGIL: Thank you. I believe Steve Shepherd will be taking a lead on this. The handout that you have before you [*Exhibit 1*], our current services are being provided by United Way. Just to briefly explain that, the grant that is required to have a local government entity as a part of that grant will actually be building on these services, will enhance each and every one of these services and it's for close to \$940,000. It's to the Department of Health and it's a federal grant. I think it's a wonderful way to lead with our *Call to Action* by leveraging dollars to bring those dollars into the community and supplementing current services. So with that, I'll turn it over to you, Steve.

STEVE SHEPHERD (Health Department Director): Mr. Chair, Commissioners, this is a federal grant from the Substance Abuse and Mental Health Administration. The New Mexico Department of Health needs a local partner to apply. That's

what this memorandum is all about. It's a project launch grant and it would be used to replicate or expand the program known as the Santa Fe Children's Zone through United Way.

The grant application can be made up to \$916,000 for up to five years. There are six grants available nationwide. We do have Kathryn Freeman from United Way of Santa Fe County here today and I'd like to let her say a couple words.

CHAIRMAN SULLIVAN: Ms. Freeman.

KATHRYN FREEMAN: Mr. Chair, Commissioners, the Santa Fe Children's Project was approached by the Department of Health to apply with them for the Project Launch grant. The grant is focused in two areas, strategic planning at the state level and funding the demonstration project that's already on the ground, that already has a strategic plan that's already providing services to families, and the Santa Fe Children's Project really is the only one in the state that the Department of Health could choose.

The program currently funds the programs that are on the circles there, primarily in the Village of Agua Fria and you've known it historically as the Agua Fria Children's Zone. We've changed the name to the Santa Fe Children's Project because we're already looking at expansion of services for zero to three with St. Vincent Hospital and other providers in the community and the Santa Fe Public Schools. So the opportunity for the County is to dramatically increase services for kids and families zero to eight. It's a community wellness model aimed at prevention, obviously, by Substance Abuse and Mental Health, but I think all the latest thinking is around if we support parents and families well enough and get early intervention to kids we can do a lot better in our counties and in our state.

So it's an opportunity to, as I said, expand services in Santa Fe County but also to serve as the statewide model that will then be hopefully at least partially replicated in at least four other places in New Mexico. I'll take any questions.

CHAIRMAN SULLIVAN: Questions?

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: This local wellness coordinator will be paid by the grant?

MS. FREEMAN: Yes.

COMMISSIONER MONTOYA: So in terms of cost, it doesn't look like Santa Fe County is going to incur any costs? We're just going to become a partner?

MS. FREEMAN: Correct.

COMMISSIONER MONTOYA: Thank you.

CHAIRMAN SULLIVAN: Other questions?

COMMISSIONER MONTOYA: Mr. Chair, move for approval.

COMMISSIONER VIGIL: Second.

CHAIRMAN SULLIVAN: Moved and seconded. Any further discussion? Mr. Shepherd, anything else?

MR. SHEPHERD: No, sir.

The motion passed by unanimous [4-0] voice vote.

CHAIRMAN SULLIVAN: Thank you for bringing that forward, Commissioner.

X. OTHER MATTERS FROM THE COMMISSION

CHAIRMAN SULLIVAN: Commissioner Campos, we'll start on that side.

COMMISSIONER CAMPOS: Nothing.

CHAIRMAN SULLIVAN: Nothing. Commissioner Vigil.

COMMISSIONER VIGIL: Not at this point.

CHAIRMAN SULLIVAN: Commissioner Montoya stepped out. I have nothing, so we will go to page 4.

XII. STAFF AND ELECTED OFFICIALS' ITEMS

A. Administrative Services Department

1. Review and Discussion of the Monthly Financial Report for the Month of April 2008 Specific to the General Fund

TERESA MARTINEZ (Finance Director): Mr. Chair, members of the Board, this is typically the format that we've been submitting on a monthly basis. It summarizes the revenues and expenditures by major category, and through May we have a total revenue budget of \$65 million. We've collected to date \$40 million, and the lion's share of that again is property tax and then GRT. The expense summary is below that, broken down by major category again, total budget of \$65 million, and expenditures to date of \$40.4 million. And I'll stand for any questions.

CHAIRMAN SULLIVAN: This is just for one month, Teresa. Is that correct?

MS. MARTINEZ: This is just the year-to-date through May 13th.

CHAIRMAN SULLIVAN: Questions for Teresa on our general fund revenue summary? I think not, so thank you.

XII. A. 2. Resolution 2008-88. A Resolution Requesting Approval of the Fiscal Year 2009 Interim Budget

MS. MARTINEZ: Mr. Garcia is handing out the packets [*Exhibit 2*] so I'll wait till he gets those to you.

COMMISSIONER VIGIL: Are those packets, Teresa, the same as you emailed?

MS. MARTINEZ: Yes.

COMMISSIONER VIGIL: Thank you.

MS. MARTINEZ: Okay. If you'll go slide 1, this is a basic summary of housekeeping, if you will, what we need to do. We actually need this interim budget approved today so that we can take it to the Department of Finance and Administration by month-end, which is their deadline. This is an interim budget and we intend to have a study session between now and the final due date where we can hash out greater details as need by. Our hope today is that you can take this interim budget and approve it as is, and then when we have our study session we can fine-tune it as need be.

We had budget actions during this current fiscal year that resulted in financial obligations that were greater than the revenue growth, if you will. The budget is balanced but with some fine-tuning, so we'll go through that in detail. You may make further changes to this before we submit the final budget and if after that deadline there's still additional changes we want to make we can do it in the August BCC meeting, to fine-tune at that time. And again, as we approach the final budget we'll bring you an additional amount of non-recurring revenue so that as Commissioners you can prioritize which projects you would like to assign that revenue to. We'd like to wait to close the fiscal year and see where we fall with cash and other revenue collections before we deem an amount for that pot of money if you will.

If you turn to slide 2, page 2, this will basically summarize the budget for you. The FY 2009 budget totals \$198.9 million. The biggest share of that budget is represented by the general fund which totals \$60 million and then the next largest portion is the capital funds, which is \$47.2. That number for the capital funds will increase because it does not yet include the state appropriations. We haven't received that final amount from the Department of Finance and Administration.

Then the remainder is made up by the jail operations fund with a total budget of \$26.4 million, fire department, \$13.7 million, health, \$12.7 million, debt service requirements of \$12.3 and additional revenue funds of \$16.1 million. The total budget of \$198.9 million compared to the prior year budget of \$181.4 million. Sixty percent of the budget is relative to operating funds that support direct services, 25 percent of it is dedicated to capital funds or capital projects, and revenue funds are tax receipt funds which are transferred to operating funds, so if you think of the corrections GRT, we count that when it comes in, and then we also transfer it to the jail fund to help balance that budget. So we're making the point that it is double-counted. It's counted when it's collected and counted when it's transferred to the fund that it assists with its operations.

If you turn to slide number 3 it will break down the increases for you. So the FY09 increase over the FY08 increase represented a total of \$17.6 million. And on this chart you'll see how that breakdown is split between the different funds. The capital funds increased by \$4.5 million. The general fund increased by \$3.4 million, which we will have additional slides to indicate how those increases occurred. Fire department funds increased by \$2.5 million. Health funds by \$2.2 million. Debt service by \$2.2 million, and jail operations fund

by \$1.9 million.

If we turn to slide 4 that will break down the general fund in detail. It's broken down mainly by recurring versus non-recurring. The operating expense budget totals \$42.3 million. Recurring expense is the operating baseline – salaries, benefits, things that occur on an annual basis. That is funded from taxes, fees and grants. It also includes any transfers that we may make to the jail, solid waste, any of the funds that we assist in supporting the operation.

Non-recurring expense is largely capital projects expense and the total FY 2009 budget for recurring operating expense after transfers are excluded totals \$42.3 million. This is for all the elected officials, the County Manager's office, the Board, Administrative Services, Community Services, excluding fire and health, and Growth Management. You compare that total general fund budget of \$42.3 to the jail budget or the Corrections budget of \$25.8 million.

If you look at slide page 5, we labeled it Where did all the money go? This will show you how the general fund increased. We assisted the jail fund, if you will, with increases, corrections officers' wage increases. We increased our medical staff at the jail. We have a decrease in state prisoner revenue and we're seeing a rise in increase in our Santa Fe County inmate county. So \$2.2 million accounts for that general fund increase. In addition to the Sheriff's we did \$1.2 million to assist again with labor negotiations and wage increases. We saw insurance increases to the tune of \$600,000. General fund will assist the RECC operations to the tune of \$500,000. With the Information Technology Department we see a \$400,000 increase, that's representative of wage increase and additional staff. Human Resources had one FTE and arbitrage costs, additional contract costs that we were not prepared for this year, so that increased \$300,000. We are now renting the Bokum building, expansion of staff and lack of space in this building, if you will, increased to the tune of \$300,000. And then all other, which is a bunch between all the different funds to the tune of \$1.1 million.

So the importance of this chart is to show that expense grew to the tune of \$6, \$7 million. Revenue growth to the tune of \$4 to \$4.5 million. So what assisted us in balancing this year's budget is the fact that you enacted the new health tax which will go to pay for the state-supported Medicaid. That something we hadn't had in the past. That will relieve the indigent 1/8 from paying into the SCP and help us in balancing. So it will go – what was previously used for indigent fund to pay state-supported Medicaid is relieved to the tune of \$2.5 million. That \$2.5 million will be redirected to the sole community provider payment, which will assist the general fund in the amount that it has to transfer to the jail to help pay for medical costs with regard to inmates.

So property taxes will increase to the tune of about \$3.9 million. GRT will increase to the tune of about \$400,000, and then the fact that we have that new health tax to the tune of \$2.3 million assisted us and saved us in balancing this year's budget.

If you look at page 6, this is analysis of property tax. Our budget is based on trend-based conservative budget history. So if you'll look at fiscal year 2000, you'll see that we were in the neighborhood of just over \$15 million. As we got to 2001, that was the last time

this County has done an increase, if you will, in property taxes. If you look at fiscal years 2003 and 2004, mainly 2003, this was a recessionary year, similar to what we are about to enter into. So actual collections were below the budgeted amount. If you look at 2005/2005, we started increasing and if you'll look at the redline, actual collections came in above budget. So those dollars fell to cash, and assisted us in being fiscally sound. If you look at FY06, you'll see that we did a budget increase because collections were coming in greater than what we had budgeted and in that fiscal year we chose to increase the budget to accommodate the collections. If you look at FY 2007 and FY 2008 you'll see the area that's identified as dollars. The collections actually came in greater than the budget. So that assists the general fund cash balance to grow, basically. And that's going to help us balance this budget and be in a better position with the recession setting in. We're very fortunate that we were able to budget the balance because there are a lot of counties right now and other entities that are struggling to even budget their balance for fiscal year 2009. So that conservative habit, if you will, assists us to have the cash balance to accommodate where we are today.

If you look at slide number 7, it's basically a definition as to how we balance the budget. We did a couple of things to balance the budget. We increased our estimate of recurring resources. We increased our property tax to a higher level, we increased our investment income to a higher level. So we budgeted them at a higher dollar. We defined certain recurring expenses as non-recurring, so we took them from annual recurring expense to a non-recurring, one-time only. We did that with the -- we have one final payment of debt service if you will for our loan on the Paramount building. We'll make that this year or in FY09. We had set aside legal fee dollars, if you will, for what is coming up with the oil and gas issues, and we are going to basecourse milling. So we're going to call those one-time expenses and fund them from a non-recurring source, versus a recurring.

In addition, general fund costs passed to other funds. The new health GRT that I spoke of earlier will pay for the state-supported Medicare. It will relieve the indigent funds 1/8 GRT to assist us in paying the sole community provider payment requirement, and then that in turn will relieve the general fund of having to pay for inmate medical expense to the tune of \$2.3 million. General fund will share RECC costs with fire operations. If you'll recall, last year fire operations transferred \$1 million to the RECC to assist with operations. This year they will transfer \$.5 million, \$500,000, and the general fund will cover the other \$500,000 for the RECC operations.

Slide or page 8 if you will, breaks down the non-recurring general fund budget. We will require a cash carryover of \$23.5 million on July 1st. \$15.2 million, \$15,150,000 represents the 25 percent legal reserve requirement. The other \$8.3 million is made up commitments that we have already made. We again, the Paramount, the last payment for that we are treating as non-recurring, so we will need \$300,000 for that. We are setting aside \$1.6 million for the Public Works fixtures for the new building. We set aside a pot of \$600,000 for the oil and gas potential legal issue that may arise. The road fund for heavy equipment, a one-time cost of \$385,000. General fund capital package is slightly higher this year to the tune of

about \$200,000 to \$300,000, so that totals \$2.9 million, and the general fund designated carryover if you will for the judicial center is \$2.5 million.

You can see then with the reserve requirement and then the set-asides for commitments that we've already made we're at the \$25.3 million cash for July 1st.

Slide 9 breaks down our red flag issues. I want to make the point that the general fund recurring revenues typically increase to the tune of \$4 to \$4.5 million each year. We did budget actions this fiscal year to the tune of \$6.6 million. That leaves no recurring revenue or sources for new programs in the FY09 budget. And that would have been all the things I went through – Bokum rent, labor negotiations, insurance – the one where the pig was on that slide.

There will be no additional general fund positions requested in the FY 2009 budget. So for the interim budget we are not recommending any new FTEs. We'd like to wait to midyear, see where collections come in, and see if the County can sustain any new growth. The FY 2009 budget baseline for materials has been minimally increased for inflation. There is some concern that we may not have sufficient budget for commodities with extraordinary inflation and the best example would be gasoline. So again, this is another one of those things we'd like to wait till year-end, see how we fall at the end of the fiscal year, and we may need to designate additional resources for operating expenses such as fuel. We know that they'll increase.

Wage increases granted last year will affect the revenue for purposes in the FY09 budget and the FY 2001 budget. We want to make the point that with the increases that we've done so far, half of the FY 2010 increase resources will already be committed to baseline expenses. They'll be committed to those step plans or those negotiations that we dealt with and we very much had to deal with because we were losing staff and we were looking at impact of service delivery. So those were negotiations that were very necessary. Any future new or expanded County services will basically require an increased tax or fee or a cut in existing services. So we have to look very closely at our growth for the next several fiscal years.

Page 10 is a breakdown of the jail enterprise fund. Total budget is \$26.4 million. The way the pie is designed, it breaks down by function, if you will, the amount of the budget, and then it shows you the percentage of the dollar increase. So the adult facility's total budget of the \$26.4 million is \$11.8 million. That represents an increase to the tune of \$900,000, basically for wage increases and more inmates. More inmates being Santa Fe County inmates versus revenue generating inmates.

The inmate medical, we have paid a lot of attention to this last fiscal year. A lot of it is relative to the Department of Justice. We've increased our staff and we're meeting those standards, so that budget represents \$4.4 million, and it increased to the tune of \$400,000. The youth development, total budget, \$4.2 million, wage increase of \$400,000. Corrections administration budget, \$1.2 million. Electronic monitoring, \$700,000. The jail building debt requirements, \$2.3 million, and the capital package at \$600,000. And that will total the \$26.4 million budget is broken down for the jail enterprise fund.

State inmates in our facility are down by 30 percent, reducing our revenue by a potential of \$1.2 million. So we need to take a very good look at the vacant beds and we need to try to fill them with revenue generating beds. Staff, both at my office and the facility, are looking at why the County population is increasing and the trend everywhere else is decreasing, and with no explanation. I contacted a few people and they can't tell you why their bed population is down. And if you look at our DOC contract which is mainly the contract that satisfies our debt service requirements, that's down and the Department of Corrections themselves are closing pods within their own facilities, so there's no need for our beds. So we're working together with Annabelle and I know that MBC has expressed interest in some of our beds. So we're approaching that effort, because we need to keep revenue generating beds up and research why our county numbers are increasing so rapidly.

All of this must be funded by the general fund, which is a \$2.2 million increase in FY 2009 by increased redirection of MOA health program to funding the inmate health. So we'll be working closely with the Director of Corrections to ensure that those beds are filled as quickly as possible.

The next title or next screen if you will, we labeled the public safety dilemma. This kind of summarizes the issues that we've faced over the last fiscal year or the last several fiscal years. We saw that we had issues with both our Sheriff and our Corrections Department. We needed to become more competitive with the wages that we offered. With the Sheriff's office we lost several staff to the City at a time when we were doing labor negotiations anyhow. So we did a wage increase and we assisted with retaining and recruiting and keeping our staff rather than losing them to competitive markets. In this fiscal year I believe the Sheriff's office is asking for an additional five deputies.

In the Corrections Department we did an emergency wage increase so that we could again recruit people and retain them. We're seeing an increase in our inmate population. The revenue generating population is decreasing and our youth programs are not breaking even.

The RECC right now has a vacancy rate and is looking like we probably have to explore emergency wage increases there. And we're currently doing negotiations with our fire department. The current budget this year is requesting a 30 percent increase, asking for 30 additional cadets and we have to keep in mind that the quarter cent capital tax is sunseting this December. So all of that will impact their budget. And the point I want to make here is that all of these are funded by gross receipts tax that increases in the neighborhood of four percent each year. So our demands are growing greater than our revenue sources.

And lastly, page 12, we balanced the FY 2009 budget without any excess recurring revenues. We want to make the point that we cannot sustain the same growth rate in fiscal year 2010 without an increase in taxes or fees or really look at a sacrifice in services or benefits with regard to our programs. We cannot sustain double-digit wage increases and a property tax and gross receipts tax revenue environment that grows at single-digit rates. Our health programs designated revenues are increasingly being drawn upon to support the growth of our jail operations expense. The growth of our jail operations expense demands an increase in the corrections GRT above the present 1/8 cent rate. We need to look at certain

service fees and try to adjust them to ensure that they cover the program costs and a perfect example of that would be solid waste, and maybe we could look at our state-shared taxes supporting road maintenance and other functions that haven't been increased in the last 20 years. We support – we being the general fund – support $\frac{3}{4}$ of the road fund.

So it's a serious time. We're heading into a recession so we need to take a solid look at any new recommended growth and a solid look at our revenues and explore the possibility of an increase in our revenue. I'll stand for questions.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Questions for Teresa. Commissioner Montoya.

COMMISSIONER MONTOYA: In terms of the insurance, I know that we had talked a little bit about the possibility of looking at Santa Fe County doing that internally. A couple questions: One, what percentage increase is this \$600,000 to what we were paying previously, and then secondly, where are we, Roman, on that particular expiration.

MS. MARTINEZ: It's a twenty percent increase.

MR. ABEYTA: Mr. Chair, Commissioner Montoya, we have developed an RFP that we can put out to see what other options we have available to us. We may want to have that discussion amongst the Commission though before we actually put it out so that we get clear direction from the Commission to do that. Because we have been contacted by the New Mexico Association of Counties and they've stated that they have some concerns with us doing that, because they would be impacted the most by a decision like that. So we could have the discussion at next month's administrative meeting and get clear direction from the Commission as to whether or not we should do that, because we're at the point where we're ready to do that if the Commission desires to.

COMMISSIONER MONTOYA: Okay. I would encourage this Commission to seriously consider that. I think at this point in time insurance is pretty competitive and I think we could probably do a lot better than 20 percent increases each year. So I would just ask that we look at that in terms of cost savings for Santa Fe County.

In terms of the fire department, they're requesting a 30 percent increase in salaries?

MS. MARTINEZ: That's correct, Commissioner.

COMMISSIONER MONTOYA: Didn't we just negotiate with them a pretty significant budget package that included earlier time for retirement as well?

MR. ABEYTA: Mr. Chair, Commissioner Montoya, we're in the middle of negotiations right now with them, and that amount reflects what we're currently negotiating. And we did three years – 2 $\frac{1}{2}$ years ago, we did give them a 20-year retirement during that contract negotiation. So now what's left is looking at their salaries.

COMMISSIONER MONTOYA: And my recollection at that point was that that would help significantly in terms of retention within the fire department. Have other fire departments, and this is just a rhetorical question, given 30 percent increases that we're that far behind on our salaries?

MR. ABEYTA: Mr. Chair, Commissioner Montoya, we have done a salary analysis and based on what we have found we think there is a need in order to stay

competitive with the surrounding agencies.

COMMISSIONER MONTOYA: But maybe not necessarily at the 30 percent that they're requesting?

MR. ABEYTA: Well, that's something we need to discuss and I'll update the Board.

COMMISSIONER MONTOYA: Okay. And then for the 30 additional cadets, where are they proposing that that come from, in terms of funding?

MS. MARTINEZ: Mr. Chair, Commissioner Montoya, that would come from the latest tax that we incorporated for the fire department, which is the emergency medical services and emergency operations center tax. So it would be part of that total budget.

COMMISSIONER MONTOYA: Okay. Now, do we have within that budget the capability of adding 30 additional officers?

MS. MARTINEZ: We do over time, yes. I think, if I'm not mistaken, we're looking at potentially 15 now in July, and we're trying to the, we incorporated I think a total of 19 last year. So we'd be looking at doing the remainder after we run this next cadet class.

COMMISSIONER MONTOYA: Okay. And then in terms of the 1/8 percent that we're currently getting from the corrections GRT, that's the maximum that we're allowed to by statute. Isn't that correct?

MS. MARTINEZ: Mr. Chair, Commissioner Montoya, that's correct. I don't know if you recall – I don't remember if it was last year or two years ago, Bernalillo County tried to have that increased, but that is currently set by statute.

COMMISSIONER MONTOYA: I don't think that went anywhere, did it?

MS. MARTINEZ: No, it didn't.

COMMISSIONER MONTOYA: Okay. And then on the chart that you have given us that showed the increases over the years, you said 2001 was the last time that there was a mill rate increase?

MS. MARTINEZ: That's correct.

COMMISSIONER MONTOYA: That the County imposed.

MS. MARTINEZ: Mr. Chair, Commissioner Montoya, that's correct.

COMMISSIONER MONTOYA: And that was a seven percent. In terms of the millage that we have within Santa Fe County, aren't we one of the lowest in the state right now?

MS. MARTINEZ: We are. Yes, sir.

COMMISSIONER MONTOYA: So if we were to consider that as a possibility, what would be looking at in terms of making up for some of the shortfall that we may be experiencing as a result of jail costs and emergency services costs and safety costs?

MS. MARTINEZ: Mr. Chair, Commissioner Montoya, I don't think we have a solid number for you. We can prepare that. Last budget session – I think it's been two budget sessions now where we've kind of started to talk about the potential for increasing property tax and going through the yield control formula. I don't know that we've worked up a final number. Do you want to speak to this, Pete?

PETE GARCIA (Administrative Services Director): Mr. Chair, Commissioner Montoya, in terms of back in 2001, the half-mill adjustment brought Santa Fe County to the statutory maximum, which is 11.85 mills for the operational general fund revenue source. Over time and applying the yield control formula, it's down to 7.-some mills, or 6.85 mills. I forgot the exact amount. And yes, we have one of the lower operational mill assessments of comparable size counties in New Mexico. But we can't increase the operational rate through a resolution. The only thing we can do is budget the net new construction that comes in. New properties are added to the tax rolls and estimate those, work with the Assessor and include those in the property tax revenue, applying the same mill rate that's in effect.

The other component that we can add to the revenue source in terms of property tax would be there was a proposal from the Assessor to hire a personal property tax clerk, so to speak, and all businesses in Santa Fe County are required to report annually their inventory – their computers, their office equipment, and I don't think that has been updated and that's a source of revenue that Santa Fe County could tap. I know when I was here we did a pilot program the last year I was here and we had a person assigned full time to the personal property tax assessment component, and it generated \$500,000 in additional revenues back then. But in terms of statutory millage increases, there is a maximum and we can't apply it. But like I said, there's other ways. We budget the net new homes added each year, and we also look at the personal property tax component.

COMMISSIONER MONTOYA: Okay. Thank you.

MR. GARCIA: Thank you.

CHAIRMAN SULLIVAN: Okay. Other questions from Commissioners?
Commissioner Campos.

COMMISSIONER CAMPOS: Quick question for both the Manager and for you, Teresa. I've asked regularly about what we're going to do about older buildings as far as making them energy efficient. And the idea was to do an assessment and then set aside some budget money each year so that we can invest in improving our buildings so that they do become energy efficient. What's the status of that?

MR. ABEYTA: Mr. Chair, Commissioner Campos, we have just recently put out a request for proposals. We received two proposals and we're evaluating those and could do just what you – to have a third party come in and do just what you have suggested.

COMMISSIONER CAMPOS: But it seems even if we do the evaluation, the budget as I hear it explained is going to be very tight. And if the evaluator said, yes, we need a million dollars, a half a million dollars this year to start a project of improving our buildings, would we be in a position to that? Are we looking at the next budget year to have any real dollars?

MR. ABEYTA: Mr. Chair, Commissioner Campos, I think that we need to wait to see what the actual budget is, because something like that isn't a recurring cost, so it may be a little easier to realize than if we were asking for new FTEs, things like that. But part of the request in the RFP is that we asked to give us scenarios as to how we could implement it over time and not just one time, realizing that we are facing this tighter budget. So we hope

to get something back that says here's three or four different scenarios as to how you accomplish this giving current projections for County revenue.

COMMISSIONER CAMPOS: So this still does not propose the granting of money for this project.

MR. ABEYTA: No.

COMMISSIONER CAMPOS: Some time this fiscal year.

MR. ABEYTA: Right. No, it does not. It may be smaller, we may have to start off smaller than what we want to, but at least we can get started.

COMMISSIONER CAMPOS: Okay. Because I know the jail is a big operation and that's probably the place where we should start. I understand it's going to be incremental but I appreciate it. Thank you. Mr. Chair, I need to be excused, probably until about 5:00 this afternoon.

CHAIRMAN SULLIVAN: We'll be gone.

COMMISSIONER CAMPOS: We'll be gone. Okay. Well, thank you very much.

CHAIRMAN SULLIVAN: Hopefully. Is there anything on that other item you wanted to discuss?

COMMISSIONER CAMPOS: Well, there's the water issue discussion about how to allocate some of the moneys for water projects. I'm very concerned about the Cañoncito issue and that we've allocated some money for that. If there's going to any really major changes to that part of the allocation I would like for it to be tabled to the next meeting so I can be present, because that is in my district and it's something I've been working on for a number of years, and I think it's important to get that issue resolved, one way or another.

CHAIRMAN SULLIVAN: That's item C. 1 under XII. All right then.

[Commissioner Campos left the meeting.]

CHAIRMAN SULLIVAN: I think we have a resolution here.

COMMISSIONER VIGIL: Move for approval, Mr. Chair.

CHAIRMAN SULLIVAN: Okay. That's a motion approving the fiscal year 2009 interim budget.

COMMISSIONER MONTOYA: Second.

CHAIRMAN SULLIVAN: Seconded by Commissioner Montoya.

The motion to approve Resolution 2008-88 passed by unanimous [3-0] voice vote.

XII. A. 3. Presentation of IT Strategic Plan-Information Purposes Only

CHAIRMAN SULLIVAN: All right. The next item we have before us is a very short, concise, 61-page Information Technology which is going to be summarized for us in three minutes.

SAM PAGE (IT Director): Mr. Chair, members of the Board, I've been the IT Division Director now for possibly two months. The IT strategic plan that you have presented to you was actually prepared by the previous IT Director and other members of County staff last November. You also have in your packet a brief memorandum that I prepared outlining some of the highlights of the plan and some of the status of what some of the major projects are. And to keep it under three minutes, I'll stand open for any questions.

CHAIRMAN SULLIVAN: Actually, I was kidding. You've got four. Is there anything that you would like to highlight on the summary that the Commission should focus on here?

MR. PAGE: Yes. There are some items they're working on. One of the big items on there is the CAMA application, which we'll be getting a status report, a more detailed status report a little bit later on. But IT has become very intimately involved with the Assessor's office and we plan on being a very key component of that CAMA implementation. We're also working with the Finance Division to implement a time-tracking application. Many of the hardware and software components have already been ordered and we've got a few more other things to order on it and we hope to have the trial implemented within the next couple of months.

We're also looking at some enhanced bandwidth application, working with Qwest to try to improve our bandwidth without really increasing the cost in there. We have a lot of old T-1 lines in there that are kind of fairly expensive. There are new technologies in place in there where I think we can improve our network without any increase in costs. We're also working with the Santa Fe County Treasurer's office to implement the online tax payment system in there. IT has become very closely involved with the Treasurer's office and we hope to have that coming on board fairly soon.

The email archiving system, since I wrote the memo, we have received and installed the email archiving system so we'll now be able to start archiving long-term email storage. We're also going to be implementing a new network storage system within the next couple of months. We've gotten the price quotes and we're preparing the purchase orders now to greatly enhance our storage system to be able to accommodate the CAMA and GIS projects.

We're also working with the City and RECC to develop and implement a new disaster recovery for our AS/400 involving with the RECC AS/400, will serve as backup for Santa Fe County. We're also working with the City since they're one of the big users of the CAD system on the RECC AS/400.

We also recently underwent a reorganization in the IT Division. We had 12 FTEs and prior to reorganization they were all direct reports to the division director. I did set up two new support sections in there, technical support section and applications support section, which will reduce the span of control for the IT Division Director from 12 down to approximately four or five.

CHAIRMAN SULLIVAN: I notice that we've had a couple of Countywide email crashes lately. Is that just to be expected or is something happening that's unusual?

MR. PAGE: Email crashes?

CHAIRMAN SULLIVAN: Suddenly people can't get in or out.

MR. PAGE: Oh, we did have a problem with our phone system where people couldn't get in and out on it. We had a power failure that affected some of the systems at Public Safety. None of the emergency systems were affected in there, but in the process we also found that there was a loose connection at one of the hardware components and those are extremely difficult to track down. It took us a while longer. We're currently working with Public Safety now where we're going to start having some regular meetings in there so we can develop a better plan where we can be better prepared for this, for any type of outages that happen to make sure that we do have proper notifications of everybody and we have procedures in place to try to minimize the downtime. We weren't really happy with our response on this last outage in there where we are working very closely with RECC and Public Safety staff to try to improve that type of response.

CHAIRMAN SULLIVAN: Any other questions? I guess not. We'll read, memorize and destroy all 61 pages. Commissioner Montoya.

COMMISSIONER MONTOYA: I don't have a question. Just a request, Samuel, that if you could follow up. I had an inquiry from an individual from San Ildefonso Pueblo about interfacing with Santa Fe County and what it is that we're doing with IT. I know that we had – I guess begun the discussion with them some time back but never followed up and I'd just like to ask you to follow up with that communication to see what they're doing and see how Santa Fe County residents may be able to benefit from that also.

MR. PAGE: Okay.

COMMISSIONER MONTOYA: I'll give you his card here.

MR. PAGE: Mr. Chair, members of the Commission, I believe Amanda Hergis is also going to be presenting a status on the GIS.

AMANDA HERGIS (GIS Division): Mr. Chair, members of the Commission, I'm Amanda Hergis from GIS Division and I have a presentation for you. I'll give you a handout so you have it in your hands. *[Exhibit 3]* Mr. Chair, members of the Commission, I just wanted to update you on the status of the E-GIS project, which has a heavily focused IT part of it. I want to talk about what our overall plan is, our progress to date, and then what we're doing next.

As a reminder of why we're doing this, it's because we make decisions as a County that affect the lives, the welfare, the health, the finances, of all of our constituents and in order to make good decisions we have to have good data. A lot of our County data is geographically focused. A prime example of that is the whole oil and gas thing that's going on right now and gravel plants and things like that.

So the overall plan: This is what we were doing for fiscal year 08. This is what you budgeted for, and a check mark indicates that it's been completed. The nitty-gritty details on this slide is that this is all of the underlying IT infrastructure that's necessary, not visible to you as an end-user, but it's necessary so that we can implement things that are useful to the end-users. The end-users being yourselves, your staff, the division directors, Land Use, Open Space, trails, IT, GIS, emergency services – basically every department in the County uses

this information.

And then again, this is what was budgeted for fiscal year 08. The little arrow indicates that we're currently working on it. We have contractors. As part of what you budgeted for the E-GIS plan was a parcel editing system, the money for that went into – is enhancing what the CAMA is doing, so this is all integrated. So we have servers and software and networking equipment that's going into that. We're also working on enhancement for our online mapping, so if you go to legend and click on the ArcIMS link over on the left, what we have currently is not adequate for our current needs. So we're working on that.

Also a report generator will be in on that and not part of the E-GIS plan what you did budget for is ongoing right now, which is an orthophotography update.

The plan for fiscal year 09 as outlined in the study that was developed in 2006, was to implement a business data warehouse, meaning all of the data that everyone in the County uses, how can we make it all work together. I'm working on that right now. Even though we're not in fiscal year 09 yet I've gotten a good start on that. And then we're going to basically enhance, integrate, get old stuff updated, do some quality control checking so that when we do queries on our various County databases they will be useful and not sort of random. I'd also like to work on an address repository and get some more mobile mapping so that when people go out in the field to do fieldwork, such as appraisers or inspectors, they can have in their hand a device that they can have maps on and also query. And that's becoming cheaper by the day. Vastly cheaper than it used to be even a couple of years ago.

For fiscal year 10, again, the little arrow indicates that we're working on it already with money that was budget for this year. So we're working in-house with the Land Use Department to develop a zoning data layer. That wasn't actually a budget item; that was we just said we'd have to do it so we're just doing it. We've also started scanning old documents such as the 1980 plan maps and getting those referenced in real world coordinates so that you can draw them up on the screen behind other mapping information, so that they're in the right place in space. And then a mailing list and label generator will be part of our online mapping enhancement.

The address enforcement is something that really we need a database administrator for. Enforcing address data validation really means that we are making sure that when someone types an address into their County database for whatever their purposes, that it gets to be the correct address, so if we want to search on address then it's the same address in every database.

So where are we so far? Well, you saw the check marks and the arrows. I showed you this slide the last time I gave you a presentation and this slide just shows how we want to integrate all of our systems into one useful, one-stop shop for all the departments including geographic information, Assessor's, Treasurer's, Clerk's Sheriff's, etc. So I've outlined in red what we've accomplished so far in fiscal year 08 and the little arrows, what we're working on. And that is the easy side, the geographic base side. All of that data is already integrated because it has an inherent integration component which is where it is in space. That's fairly simple.

Then for fiscal year 09, I hope to complete the integration with CAMA and get started on a more text focused information page. So right now we have our online mapping which is very much map based. I'm hoping to additionally have a very text based system where people can query and get a whole list of information: What Commission District am I in? What's my zoning? Am I in the floodplain or not?

And then the plan for fiscal year 10 would be to get this integration with all of the other departmental databases, which currently are somewhat scattered and those would also feed into this more text based, informational system.

So what do we need? We need clean data, and that's where this address repository comes in. We also need clean UPC data which is the unique parcel identifier code. That needs to be consistent, having solid connection between the reception number on recorded documents. A UPC would be a very useful thing to have. And probably we'll need some analysis of work flow, Countywide, amongst departments. And then of course this all needs a strong IT core, a database administrator, business analyst and servers, which you have budgeted for, so that's wonderful. Thank you.

Future consulting needs according to the study that was completed two years ago, are \$140,00, \$120,000 a year, basically going out into the future to continue this, although I will be revising those numbers as we complete more tasks. So expect to see me again in future years.

So basically right now what we're trying to solve is the fact that it takes a long time to get things done. We have messy, scattered, incomplete data. It's difficult to pull in matching data across different departments because of the way different departments store their particular data, and so what we hope to have when we're done with all this is that it's going to mean that it's quicker to get answers in terms of geographic questions and in terms of what's happening on this piece of property in the Land Use Department and in Open Space and Fire, and Sheriff and everything. And it will be much faster to get you the answers that you need to make your decisions.

So the end result will, I hope, be better decision-making using data that is integrated across all different departments, primarily with a geographic or spatial focus. Do you have any questions for me?

CHAIRMAN SULLIVAN: Questions?

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Tell me, how far along are we then where we're not going to be getting phone calls asking, Well, we had to go to the Assessor's, and then we had to go to the Clerk's, and then we had to go back to the Treasurer's office. So we're having one answer so that person is not going all over.

MS. HERGIS: Right. Mr. Chair, Commissioner Montoya, I'm hoping that is the piece of the pie that looks like fiscal year 09, the second diagram here where it says fiscal year 09. Where we have a more text-based information, so your example is someone needs to go to the Treasurer to find out if they've paid their taxes. Then they need to confirm their

rural address, then they need a building or a development permit, and then they need a this and then they need a that. And if we can have – we can build something where it's basically check marks all down the road. I want to know am I good to go to get a building permit. Put in your address and check it off. Yes, you've paid your taxes. Yes, you've confirmed your address. Yes, yes, yes. The key there is notice I said put in your address. If you put in your address at 450 Camino Lorca – I'm making up an address here – and in one database it's spelled Camino and in another database it's spelled Cam., and in another database it's just C., they don't match. Therefore you're going to get inconsistent results. So for that type of address-based query you need consistent addresses.

The flip side of that is we could find your address and get your UPC code, your parcel code, and for that kind of consistent query to work then your parcel code has to match in all of those databases. So that's where the database cleanup comes in. So your answer is it's fairly straightforward in a technical world, and it's fairly messy in the clean data world. So I'm hoping to get a really solid start on that with fiscal year 09. Does that answer your question?

COMMISSIONER MONTOYA: So, we're looking at what? July of next year?

MS. HERGIS: If I can get clean data, yes. I have been talking with, for example, the Assessor and other departments about how do we work this into our work flow. And so technically, if we had the money for it, I could get started on it June 1 and have it ready August 1. That's on the technical side of things. Again, we need to get clean data.

COMMISSIONER MONTOYA: Okay.

CHAIRMAN SULLIVAN: A question I had was, under our Consent Calendar we just approved an additional LiDAR mapping contract. How does that fit into your GIS program?

MS. HERGIS: Mr. Chair, I'm glad you asked. I wondered why you didn't question it when it was on Consent. That is part of an ongoing effort to remain up to date in several arenas. What you approved today on Consent was collaborator dollars, just essentially allowing us to budget for getting collaborator dollars and paying for a chunk of that project. And part of that came from the USGS, the Department of Homeland Security funding for – they require updates of 133 different cities on an every three-year basis, and so because of the cost-sharing and the economies of scale type of thing, they pitched money at our project so that they could fulfill their mandate, which is every three years, updates of aerial photography.

So the other orthophotography updates are useful for all of the different departments. Land Use Planning uses the orthos, Open Space, Sheriff, Fire, Assessor of course, to find missing assessments, and so basically everybody Countywide uses this.

CHAIRMAN SULLIVAN: Is this new area or is this updating old, earlier mapping?

MS. HERGIS: It's both. It's updating areas – it's essentially almost the entire county is being flown with aerial photography. And we're not – the only LiDAR update that

we're doing is in the Rail Runner corridor where the surface of the ground has changed significantly, and you need to know where the surface of the ground is to correct the aerial photography so that you can measure from it, essentially. So we're updating areas of the county that we had flown in 2005, so that was the core, basically the City of Santa Fe and right around there, and then we're gathering new for the first time aerial photography at this resolution in areas such as – basically from Eldorado on south, and that's the new area.

CHAIRMAN SULLIVAN: Okay. Other questions on the E-GIS report? Okay. Well, thank you. Appreciate that update. That's a non-action item.

XII. A. 4. Update Report on CAMA

DOMINGO MARTINEZ (County Assessor): Mr. Chair, members of the Commission, we continue to work with our contractor, Manatron, to get the system in place so that we start doing appraisals and administering the property tax portion of values with the new contractor. We've had several meetings with several teams from that contractor and we continue to develop those things that we need to develop from the Assessor's standpoint. As you remember, when we first started in office back in 07 I made a report to you indicating that we virtually had nothing as far as automation within the Assessor's office. The past year and for many months this year staff has been very diligent in trying to capture all that information that we needed to put into the form of automation so that the new system could use it.

In the process we identified many problems, many shortcomings, and those kinds of issues that took a lot of time and a lot of effort from staff to put them into that automation type of data, while keeping with the regular duties of appraising properties and putting them on the tax roles for the next budget cycle.

So all in all, working with the contractor, they have asked for a 30-day extension in putting together their first report to us, which is the Fit/GAP report, which basically allows them to come into the County and see how our processes match their automation and how they foresee how we're going to work together. They thought they could implement or give us the report within 30 days and they have to ask for an additional 30 days. So tomorrow will be the day that we sit down with them. We've already started looking at part of their report, their draft report, and tomorrow we'll be discussing with them some of those issues where things needs to happen so that we can bring those gaps into better alignment with what we do and us, what we're doing compared to them.

One of the main issues that we've encountered so far is that the contractor has asked us to speed up the process a little bit so that it will accommodate them a little bit better so that they can meet the deadline of April 1, 2009 to have this thing virtually implemented. We are kind of skeptical about it from the Assessor's standpoint because if we speed it up the problem is that the individual that we need assigned to work on this project will be very busy with protests and things of that nature, so those are things that we need to discuss with the

contract. And that's virtually where we're at. Hopefully tomorrow when we start discussing the Fit/GAP report with them we'll have a clearer understanding as to where we're at.

So that's where we're at. If you have any questions I'd be more than willing help answer that. We've got of course IT are with us. Steve Myers, who is on contract with us to help us get this thing done. And of course Amanda and Victor and all those people that helped us put this thing together. So if you have any questions, I'd be happy to answer any questions you may have.

CHAIRMAN SULLIVAN: Domingo, you're referring to this request from a contractor, this go-live request that they've made and you sound a little nervous about doing that. If they – because of your staffing are you saying that you don't think you can meet this April 2009 completion date?

MR.MARTINEZ: The completion date will still be 2009 but what they want us to do is start training our people and being able to use some of the processes within the computer system. In other words we'd have access to it through computers to start looking at it and basically training our people within our office. The problem is is that those people will be very, very busy doing protests from taxpayers that have protested their values for 08. So we won't be able to utilize the system the way they think we would because we've got people working on their regular duties and we would not be able to afford them the luxury of putting them on a computer and start learning the system.

CHAIRMAN SULLIVAN: But this protest and so forth you don't feel is going to delay the April implementation.

MR.MARTINEZ: When the protests are over it will probably be June or July and by that time, according to the schedule before they put this before us, the change in the dates, we believe that the dates, the way we had it in the RFP would work for us better. But we're willing to listen to them tomorrow and the Fit/GAP report and see what we can do to accommodate them but not take time away from our people to do what their statutory duties are and that is to work with the protestants across the county.

CHAIRMAN SULLIVAN: Other questions for the Assessor? I don't see any, so I appreciate your giving us that update.

MR.MARTINEZ: You're welcome.

CHAIRMAN SULLIVAN: We'll look forward to seeing that online. I know you will.

XII. B. Corrections Department

2. Request Authorization to Enter into an Agreement with Justice Benefits, Inc. The County Requires the Services of the Contractor to Identify Opportunities for New Federal Financial Participation (FFP) and to Secure Additional FFP as May Be Appropriate for the County. These Grants Are Provided for Housing Illegal Immigrant Offenders

CHAIRMAN SULLIVAN: I see our Corrections Director here. Are you the lead on this?

ANNABELLE ROMERO (Corrections Director): Thank you, Mr. Chair, Commissioners. Essentially we're just asking for permission to enter into this contract that we enter into, I understand, every year, and it is with Justice Benefits, Inc. and essentially they look for money that we may be able to access. The money that they have identified for us in the past and that we have accessed is money for housing people on 48-hour holds, where there is a detainer already in place. So it's for those additional 48 house where we've held people for immigration.

CHAIRMAN SULLIVAN: I was a little confused. Is that all, Annabelle?

MS. ROMERO: That's it. That's all that we've used so far.

CHAIRMAN SULLIVAN: And this firm has been used before, so are they on a continuing contract?

MS. ROMERO: I don't know how frequently the contract expires. It's a contract – I know that it's going to expire now June 1st and that we have to enter into the contract with them prior to June 1st so that they will be on the contract with us next year.

CHAIRMAN SULLIVAN: I was just wondering if it's a contract that has a continuing provision up to the statutory four years, or whether it's necessary to go out for RFPs for a provider.

MS. ROMERO: Apparently, we enter into the contract every year.

CHAIRMAN SULLIVAN: What's the amount of the contract?

MS. ROMERO: It's 22 percent of the money they collect for us.

CHAIRMAN SULLIVAN: But in dollars?

MS. ROMERO: The last time that we received money through this contract was \$40,000, so 22 percent of \$40,000.

CHAIRMAN SULLIVAN: Mr. Abeyta, is this a contract that the County Manager can enter into? How does that work?

MR. ABEYTA: Mr. Chair, that's something that we need to research. It sounds like it may be, but because of the way the payment is it could exceed the County Manager's threshold, just depending on how much money we receive.

CHAIRMAN SULLIVAN: So we probably should keep on top of that if it's expiring in June.

MS. ROMERO: It was our understanding that because it's a revenue contract

that we had to bring it before BDD.

CHAIRMAN SULLIVAN: Well, we appreciate that coming here. My question is is this a contract that the County Manager can approve based on his authorization or is it one that you need to go out for a request for proposals for on a competitive basis.

COMMISSIONER MONTOYA: It seems like it's dependent on how much we collect, based on services, unless I'm missing something.

MR. ROSS: Mr. Chair, those are two different questions. The County Manager's signature authority is \$100,000 in the aggregate. Revenue, expenses, it doesn't matter. His signature authority is \$100,000. So that dictates whether it comes on the agenda or not. That's a different question from whether it needs to be bid out through a request for proposal project. And I believe the threshold there is \$50,000. So if we think, under some set of circumstances that the revenue generated by the contract would exceed \$50,000 or \$100,000, we need to think about, number one, whether to put it out for competitive proposals, or two, whether to put it on this agenda or not. So when there's a chance that either one of those thresholds would be exceeded we should err on the side of caution.

CHAIRMAN SULLIVAN: So far you're saying the total is \$40,000, of which they received 22 percent.

MS. ROMERO: Yes, sir.

CHAIRMAN SULLIVAN: At least it was last year. So it sounds like we're only at the \$10,000 level. And how long has this contract been in place?

MS. ROMERO: It's annually, and my understanding is it's been at least four years, that it renews annually.

CHAIRMAN SULLIVAN: That's another issue too that we may want to look at, because I think four years is the maximum that we can renew contracts. I may be wrong about that. Is that correct, Mr. Ross?

MR. ROSS: That's correct for contracts of this dollar amount.

CHAIRMAN SULLIVAN: Okay. So we may want to look at that as well. And the last question was, explain to me what this is. For inmates who are brought in on 48-hour holds. If this firm researches and determines if they're indigent? Is that correct? And then we get funding for that?

MS. ROMERO: No, they look for money that's available to pay for that in various grants, federal grants, to see if we're eligible for any money that's out there that's available through the federal government.

CHAIRMAN SULLIVAN: Money for what?

MS. ROMERO: Well, they've had success in identifying so far, where we have collected revenues has been from a fund called SCAAP, and that fund provides money for facilities that hold individual, honoring the 48-hour hold. For example, when someone comes into a facility and they're arrested on other charges, if there's already a detainer on them by immigration, we are required to hold them for 48 additional hours after they've resolved their charges and to identify immigration. For those 48 hours, this fund will reimburse us.

CHAIRMAN SULLIVAN: I see. That fund is only for immigration holds.

MS. ROMERO: Yes.

CHAIRMAN SULLIVAN: And that's where most of this is.

MS. ROMERO: That's what they have identified for us so far and that's where we've actually seen revenues.

CHAIRMAN SULLIVAN: Okay. Thank you. Other questions? Commissioner Montoya, then Commissioner Vigil.

COMMISSIONER MONTOYA: Is this something that can be done internally?

MS. ROMERO: It's a pretty big project. It would require, for one individual to be doing that almost full time. They could also possibly find other revenues, other than the ones they've identified so far.

COMMISSIONER MONTOYA: So in terms of this company's time, they have someone, about an FTE assigned to it?

MS. ROMERO: I would suspect that they do at least.

COMMISSIONER MONTOYA: So then they're not making a whole lot of money then, right? If they're only getting \$40,000 of which they keep 22 percent.

MS. ROMERO: But they do a number of facilities, so in terms of their revenue – but in terms of what they make from us, it's not very much.

COMMISSIONER MONTOYA: That's why I was just wondering if it was a huge amount of probably paperwork, but I don't know in terms of the clientele. If we have a lot of illegal immigrant prisoners.

MS. ROMERO: A large number do go through there. Whether we hold them for 48 hours or not depends on whether we have a detainer, and so they provide statistics and information regarding that for us, as well as do searches to see if there's other funds that we can access. So far this has been the only thing that has resulted though.

COMMISSIONER MONTOYA: And are they pretty successful? In terms of getting us reimbursement?

MS. ROMERO: They have been regarding this one fund.

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

CHAIRMAN SULLIVAN: Commissioner Vigil.

COMMISSIONER VIGIL: I'm moving to approve.

COMMISSIONER MONTOYA: Second.

CHAIRMAN SULLIVAN: Okay, this is discussion and direction. I guess perhaps if we want to make a motion to provide positive direction with regard to this firm, perhaps we ought to condition it on a review of the contract status by the Manager's office, because we did have this issue about the four years.

COMMISSIONER VIGIL: I'm reading this caption to say request authorization to enter into –

CHAIRMAN SULLIVAN: Oh, excuse me. I'm one down. You're right.

COMMISSIONER VIGIL: So I move to authorize.

CHAIRMAN SULLIVAN: Okay. So regardless of the four years.

COMMISSIONER VIGIL: I think this would be the fourth year, so I think we're still – is that my understanding?

MS. ROMERO: I'm not positive.

COMMISSIONER VIGIL: Mr. Ross, would there be any problem with this motion? Would we be violating any –

MR. ROSS: Mr. Chair, Commissioner Vigil, what I guess I don't understand is whether we're entering into a new contract with them or whether we're renewing an existing contract. If it's a new contract, there's no issue. If it's a year-long contract we're just offering a year-long contract. But if it's the fourth year of a four-year contract, or the fifth year of a four-year contract then there could be an issue. Does anybody know the answer to that?

MS. ROMERO: My understanding is it's a brand new contract but that that's how it's handled every year. I'm not certain why that is.

MR. ROSS: So if it's a brand new contract it's just a one-year contract.

COMMISSIONER VIGIL: I think the caption actually reads request to enter into an agreement. It doesn't say to extend a current agreement. So the way the caption reads and the way my motion would state is that we do enter into a new agreement with them. Nothing is lost. They were quite –

CHAIRMAN SULLIVAN: This is with the understanding that this is a one-year agreement. Is that your understanding, Annabelle?

MS. ROMERO: Yes. That's correct.

CHAIRMAN SULLIVAN: If that's the case then as Mr. Ross says, the County Manager would have the authority to enter into a new one-year agreement, if it was under this \$50,000 level. And I assume you could put in the agreement that it was not to exceed \$50,000 and that would deal with that issue, and it sounds like it's a long ways from that if it's only around \$10,000 a year. But I'll second that motion. So we have a motion and a second. Further discussion?

The motion passed by unanimous [3-0] voice vote. [Commissioner Campos was not present for this action.]

XII. C. Growth Management Department

1. Discussion and Direction Regarding Previously Funded County Water and Wastewater Projects

MR. ABEYTA: Mr. Chair, I can present this. It was requested at the last BCC meeting that we provide the Commission with an update of the \$2.5 million allocation that was made last year by the BCC for water and wastewater projects. In the packet you have a memo that states where the \$2.5 million was allocated. \$500,000 of Commissioner Campos' money

was proposed for Cañoncito. \$500,000 from Commissioner Sullivan was proposed for Cañoncito. Commissioner Anaya proposed \$100,000 for Cañoncito and allocated \$400,000 for Edgewood. Commissioner Vigil proposed \$100,000 for Cañoncito and has earmarked \$100,000 for Agua Fria. Commissioner Montoya had allocated \$500,000 to Chimayo.

To date, \$900,000 of the available \$2.5 million for water and wastewater projects has been allocated or earmarked for projects in Santa Fe County. The remaining \$1.2 million has been earmarked for a water line from Santa Fe County to Cañoncito. The total project cost for that water line is \$4.3 million, leaving a shortfall of \$3.1 million. And again, on May 13th it was requested that this update be presented to the Board so that there could be discussion amongst Commissioners regarding reallocation of these monies to a project or projects that may be further along or more feasible at this time than the Cañoncito water line.

CHAIRMAN SULLIVAN: Commissioner Vigil.

COMMISSIONER VIGIL: I do recall Commissioner Campos saying he would like to be a part of these discussions. I'm wondering is there a need for us to have these discussions or can we continue this until our next meeting?

MR. ABEYTA: Mr. Chair, this was requested by Commissioner Montoya to have it at this meeting, so it's up to the Commission as whether or not you want to postpone it. We could do it at the land use meeting in two weeks or wait for another 30 days for the administrative meeting to have the discussion.

COMMISSIONER VIGIL: I'll defer to Commissioner Montoya.

COMMISSIONER MONTOYA: I'm fine with waiting till the next meeting. Maybe we can have it at the next meeting.

MR. ABEYTA: In two weeks?

COMMISSIONER MONTOYA: Two weeks.

MR. ABEYTA: Okay.

COMMISSIONER MONTOYA: That's fine. Unless I can get one of you to go along with me making a motion to reallocate.

CHAIRMAN SULLIVAN: That may be a little – and Roman, you say to date \$900,000. Do you mean \$900,000 or do you mean \$1.3 million? Because you say the remaining \$1.2 million. The \$400,000, you say proposed for Agua Fria. That's proposed, but for some reason it's in bold type. Is that proposed the same as the \$100,000 or the \$500,000 proposed for Cañoncito?

MR. ABEYTA: I think we're pretty solid on the \$400,000 going to Agua Fria. We don't have an agreement in place, but we've been in discussions with them and we're close to that \$400,000 being allocated to Agua Fria.

CHAIRMAN SULLIVAN: Okay. So that would be further along than the Cañoncito.

MR. ABEYTA: Yes. It's much further along than the Cañoncito line.

CHAIRMAN SULLIVAN: Okay. So then maybe that \$900,000 should read \$1.3 million.

MR. ABEYTA: Right.

CHAIRMAN SULLIVAN: Because \$1.3 million plus \$1.2 million would equal the \$2.5 million of the total. Right?

MR. ABEYTA: Yes.

CHAIRMAN SULLIVAN: Okay. So we'll clear that up and we'll discuss that our first meeting in June.

MR. ABEYTA: Mr. Chair,

XII. C. 2. Discussion of Bicycle Technologies International Ltd. Economic Development Project Application Submittal Pursuant to the New Mexico Local Economic Development Act in Accordance with Ordinance 1996-7

ROBERT GRIEGO (Senior Planner): Mr. Chair, Commissioners, Bicycle Technologies International has submitted an application for a Local Economic Development Act project application. BTI, which they're called, it's a local company. It's been in Santa Fe since 1996. This company is currently located at Richards Avenue Business Park, and they're looking to expand their business in the Santa Fe Community College District. The project application that they've submitted includes an economic impact analysis that was submitted by New Mexico Economic Development Department.

Staff has met with New Mexico Economic Development Department staff. They have provided an incentives analysis for the company. They've also looked at the capital outlay funds that this project might qualify for. That is the reason for this economic development project application. It would allow the funds to come through Santa Fe County for BTI.

Mr. Chair, what we're requesting today is direction to go forward with this project application submittal. If the Board gives us direction to move forward with it we would request a resolution approving the project at the next BCC meeting, and we'd also request authorization to public title and general summary of the ordinance at the next Board meeting following that.

In addition to the economic impact assessment that was done by New Mexico Economic Development Department, Santa Fe County also contracted with our economic consultant who has provided analysis of that to look to ensure that in accordance with our ordinance that this project meets the requirements of that. And I have a copy of that assessment which was not available at the time of the packet material. [Exhibit 4] So I can hand that out to you at this time.

CHAIRMAN SULLIVAN: That's fine. Is that it, Robert? Who's the consultant?

MR. GRIEGO: Bruce Poster.

CHAIRMAN SULLIVAN: Oh, okay. Are there any questions for Mr. Poster or for Robert on the Bicycle Technologies project?

COMMISSIONER MONTROYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: So, as I understand this, Robert, we were just asking, essentially, for Santa Fe County to become the fiscal agent for this grant that would go to BTI for improvements of some sort.

MR. GRIEGO: Mr. Chair, Commissioner Montoya, that's correct. I just want to add one thing. Also within the application they will come forward at a later time to request industrial revenue bonds for this project. That's not required as a part of this process right here, which is an economic development application. It's just part of their submittal. If they will request IRBs they will come in front of the Board through the normal process with an additional resolution and an ordinance to approve that as well.

COMMISSIONER MONTOYA: If they do do that.

MR. GRIEGO: If they do do that, and that's a separate thing.

COMMISSIONER MONTOYA: Okay. Mr. Chair, I would move for approval.

COMMISSIONER VIGIL: Second.

CHAIRMAN SULLIVAN: Okay, motion of approval. Well, this is a discussion item so we don't need a motion. I think they're looking for direction or just discussion. It just says discussion. The question I would have, I see that they will be coming in for tax abatement and that tax abatement over 30 years would be \$1.38 million. So I think we need to of course consider that issue in the mix.

The other question I had, Robert, is it seems like we're going to be getting a lot of these, because it's apparently free water, free taxes, and in some cases public improvement districts, so we've got free infrastructure and any number of other things including sometimes funds from the State Economic Development funds to assist from the state. So I think we need to have some criteria beyond our technical review criteria that we require, which is the economic feasibility, because any business that's going to expand, the economic feasibility is always going to indicate that it's going to be a positive benefit. So that's hard for us to use that as our only decision maker.

I wonder, for example, on water. Will this application also include free water?

MR. GRIEGO: Mr. Chair, Commissioner Sullivan, this project does not request any water whatsoever. The project is part of the master plan for La Entrada project, so they would go through the existing water system. They would request water from Santa Fe County utility, but they would go through the normal process of acquiring water for this project.

CHAIRMAN SULLIVAN: But that's through Rancho Viejo? Through their allocation?

MR. GRIEGO: Yes.

CHAIRMAN SULLIVAN: Okay. Because we have in the economic report of the costs to the County of this undertaking, \$24,784 as a cost of providing utility services. Is that water rights or is that something other than their normal rate that they're charged by Santa Fe County which is supposed to break even.

MR. GRIEGO: Mr. Chair, yes. We did look at that. This economic impact analysis, it was part of an economic impact model that was done that New Mexico Economic Development Department used, so that's why we had our consultant do an assessment of that. This project is not requesting water from the County other than the normal process that would go forth. So, yes, they would utilize the County water system, but it would be based on the existing processes that are in place.

CHAIRMAN SULLIVAN: And in the following chart it indicates the cost of providing utility services to the firm and new residents of \$158,000. Do you know what that is?

MR. GRIEGO: Mr. Chair, no, other than this is part of the template that they use for the economic model that was done.

CHAIRMAN SULLIVAN: Maybe Mr. Poster knows what the \$158,000 and the \$24,000 is.

MR. GRIEGO: Mr. Chair, Bruce Poster is the individual who did our assessment of this and he did talk with the individual who did the analysis for the state and he can address that question.

BRUCE POSTER: Mr. Chair, my name is Bruce Poster. I did review the application. I didn't put as much attention on the utilities portion of it because I consider that basically to be a wash, that we assume that the costs that the County is charging or that other utility providers are charging are going to be – that's going to be compensation for that through either the extension charges or through the rates over time. So in my own analysis I assumed that was a wash and did not consider that either a net gain or a loss for the County. If you like, we could get some more information on that point.

CHAIRMAN SULLIVAN: Well, I would think it would be too, given what Mr. Griego said, but I'm seeing \$158,000 and so I'm just wondering what, as a part of a total cost of \$1.1 million and I was just wondering – that's 15 percent of those costs and if we don't have the answer perhaps we could get that next time when the applicant comes back.

I guess the only other – two other comments that concern me. As we review these applications – perhaps this one is not going to ask for water rights, but the others seem to, and we have a finite number of water rights that we've allocated for economic development, and in fact I believe Santa Fe Studios wants all of those. So if we go forward with that we'll have none left, unless we allocate more from some other place, which I don't know where that would be. So I think when we look at these applications we want to take a very careful look at the water and what they need now.

And the other thing is, I noticed on Santa Fe Studios that it was a 20-year IRB commitment and this is a 30-year commitment. What's the difference? Ten years, you're going to say, right? But other than that. Is there a set time for IRBs or is that something that the Commission itself allocates as well. And we're just fortunate to be able to have our bond expert here, Mr. Peter Franklin, who's obviously here for the next item down the agenda. Maybe you can explain that to me, Mr. Franklin.

PETER FRANKLIN (Bond Counsel): Mr. Chair and Commissioners, really

the term usually is identical to whatever the financing that's going to be provided. In other words if you have a 30-year bond term that's essentially repayment of the debt that the bonds represent, stretched over a 30-year maturity period. But since these are probably not being done as – I actually don't know, but these are being done really to get the property tax abatement and the gross receipts tax relief, it is really typical for an applicant to request the longest abatement available under the statute, and that's something the County can negotiate.

CHAIRMAN SULLIVAN: Okay, so it can be 30 years, it can be 20 years, it's project-specific.

MR. FRANKLIN: Yes.

CHAIRMAN SULLIVAN: Okay. I guess where I see IRBs, I'm a little nervous about a 30-year abatement to the tune of \$1.38 million. Where I see IRBs as being a real benefit is particularly for expansion as well as for new economic development initiatives to help them get going, to help them over that hump of staying competitive and dealing with Santa Fe prices and housing costs and water costs and all of those things that we know are higher in Santa Fe. So I'm just a little nervous of setting a policy where we just approve one after another of these 30-year abatements, not only for property tax, which is very important to Santa Fe County, but to gross receipts tax as well. I just think we need to look at that very hard from a policy standpoint and really say what is the need of this organization for new buildings, new infrastructure and so forth versus what is nice to have. I would like to submit as an economic development project too for tax abatement but I don't think the Commission would okay it. So I think that's important.

And then, Mr. Franklin, would there be a bond issue as a part of this?

MR. FRANKLIN: Well, I don't know, Mr. Chair. My understanding from listening to Mr. Griego is that they anticipate they may make a request in the future for an industrial revenue bond, but that that's not part of this request before the County right now.

CHAIRMAN SULLIVAN: right. It's a little confusing. It says, as Commissioner Montoya mentioned, that they're going to be eligible for \$500,000 in state capital outlay funds. If that's enough for their expansion, then the only way they can get tax-exempt status is for the County to issue industrial revenue bonds. Is that correct?

MR. FRANKLIN: No, Mr. Chair. The industrial revenue bonds, unless I misunderstand what BTI does, and I actually am familiar with them, is not tax-exempt and the industrial revenue bonds would not be tax-exempt either. The economic development assistance they're getting from the state is under really – it's an appropriation, as I understand it, from the legislature to the County to be used as economic development assistance, and it's under the Local Economic Development exception to the anti-donation clause of the constitution. But that doesn't really bear on whether bonds would be taxable or tax-exempt.

CHAIRMAN SULLIVAN: What part of their application then determines that this would be tax-exempt for 30 years?

MR. FRANKLIN: I think we're talking about two different kinds of tax impacts. The kind of bonds that the County typically issues to finance public roads, water and so on, the interest on those bonds is tax-exempt to the investor in those bonds. I think

probably what you're talking about and I apologize. I misunderstood. I think what you're talking about the property tax abatement that would be available through the issuance of an IRB, and so if the County chose to go forward with an IRB transaction for the benefit of BTI, the period for which those bonds are outstanding would take that property off the property tax rolls. There would be no property tax per se payable on that property for that period. And again, that period is subject to negotiation.

Another thing that's subject to negotiation and that I think Steve Ross and I have talked about this some – it would be appropriate for the County to have a policy about this – is an IRB policy that addresses payments in lieu of taxes, which is another item that can be negotiated between the County as the issuer and the company as the beneficiary.

CHAIRMAN SULLIVAN: Okay. I think that would be a good idea because it does indicate that BTI is planning to invest \$10 million into the development of this facility in phase 1 over the next ten months, and an additional \$6 to \$8 million in phase 2 in five to ten years. So it looks like probably they are looking for a \$16 to \$18 million industrial revenue bond and they have a calculation that over 30 years they would have an abatement of \$1.38 million over a 30-year period. So it sounds like the IRBs are a part of their financing strategy and I think we have folks here that can confirm that if it's not. But I do believe that it's still something that we need to discuss as all of these come forward because before we get done we're going to have every parcel in the county tax-exempt and that may be good for economic development but it may not be good for County government so we've got to make that call and balance that.

Thank you, Mr. Franklin, for explaining that for me. Other questions for Robert?

MR. GRIEGO: Mr. Chair, Commissioners, I just wanted to let you know that a couple of the principals from BTI are here, Andrew Wright and Preston Martin.

CHAIRMAN SULLIVAN: Come on up and give us a quick summary. We have the financial summary in our packet.

ANDREW WRIGHT: Good afternoon, Mr. Chair, Commissioners. My name is Andrew Wright. I'm the president of BTI, Bicycle Technologies International. Our main goal is to stay focused and keep our business running and growing in Santa Fe and New Mexico. As Robert pointed out, we moved here in 1996. We started out company in Oregon in 1993 and moved it here after about 2 ½ years and in the 12 years we've been here we've gone from two employees to now almost 43 employees as of last week. It's our intention to keep growing that employment base for Santa Fe.

CHAIRMAN SULLIVAN: Right. Well, thank you. We appreciate your contributing to Santa Fe County's economy. Any other questions? We have a motion. We have a second. Yes, it wasn't required, I guess. Let me just resuggest that we want to provide direction, I think. They're not even asking for direction. This is discussion, but I think what Mr. Griego asked for was some direction for them to pursue this and to do a title and general summary. Is that the direction that the Commission would like to give?

COMMISSIONER MONTOYA: Yes, that was the intent of my motion.

CHAIRMAN SULLIVAN: Well, you're welcome to make a motion to give

direction. How about that?

COMMISSIONER MONTROYA: Yes.

CHAIRMAN SULLIVAN: All right. So we have a motion to give direction. Is that acceptable to the seconder?

COMMISSIONER VIGIL: Yes.

CHAIRMAN SULLIVAN: So we have a motion to give direction with regard to Bicycle Technologies, Inc.

The motion passed by unanimous [-0] voice vote. [Commissioner Campos was not present for this action.]

CHAIRMAN SULLIVAN: If there is anyone present for items C. 3, 4, 5, 6, or 7, those items have been tabled until our next Commission meeting.

COMMISSIONER VIGIL: Or until we set a special one.

CHAIRMAN SULLIVAN: Or a special meeting as the case may be.

XII. C. Ordinance No. 2008-___. An Ordinance Authorizing the Issuance and Sale of the Santa Fe County, New Mexico County Gross Receipts Tax Revenue Bonds, Series 2008, in a Principal Amount Not to Exceed \$30,000,000 for the Purpose of Defraying the Costs of Construction of and Improvements to the County Courthouse and Other Public Facilities

MR. ROSS: Mr. Chair, unfortunately, we need four people to do this item, four Commissioners. At this point we only have three.

CHAIRMAN SULLIVAN: I'll vote twice. Can't do that? You want to just brief on this and we may have to handle this at the next meeting, Mr. Franklin.

COMMISSIONER MONTROYA: Move to table.

COMMISSIONER VIGIL: Second.

CHAIRMAN SULLIVAN: Okay, we have a motion to table, non-debatable motion.

The motion to table passed by unanimous [3-0] voice vote. [Commissioner Campos was not present for this action.]

MR. FRANKLIN: Mr. Chair, if it's the Commission's wishes, I'll do a 30-second briefing on this.

CHAIRMAN SULLIVAN: Go right ahead.

MR. FRANKLIN: Several meetings ago the BCC adopted a resolution of intent and directed publication of the title and summary of this ordinance. It authorizes the issuance of gross receipts tax revenue bonds in a maximum amount of \$30 million for

courthouse construction and if there's any bond proceeds left over after that construction is completed for unspecified public improvements in the County. The security for the bonds is 3/16 of one percent gross receipts tax increment, composed of the third 1/8 of one percent originally enacted by Ordinance 1997-6, and the most recently enacted 1/16 percent increment.

In order to permit the pledge of that 3/16 this ordinance actually amends the dedication clause in Ordinance 1997-6 which had dedicated half of the third eighth to indigent care. And it's my understanding that the County – actually I know the County no longer needs to dedicate the funds that way so this ordinance actually rededicates the third one eighth for general County purposes. I would suggest that we try to get this on at either the next BCC meeting or if we go a month, that will, instead of having this be a parameters ordinance what we will actually have marketed the bonds and it will become the final bond ordinance for those bonds.

CHAIRMAN SULLIVAN: Okay. Skip a step. Sounds fine. Appreciate that and we'll try to get it on when we've got an additional Commissioner here.

XII. D. Community Services Department

1. Discussion and Approval of Capital Projects to be Funded Via the Proposed General Obligation Bond for the November 2008 Election

CHAIRMAN SULLIVAN: While they're handing that out, what's the wishes of the Commission? We have three items left here. Do you want to duke this out or do you want to break for lunch.

COMMISSIONER VIGIL: I want to duke it out. I don't know if Commissioner Montoya has a prior commitment, but I'd like to duke it out.

CHAIRMAN SULLIVAN: Okay. Is that okay, Commissioner Montoya?

COMMISSIONER MONTOYA: I may not be here. I have a pretty limited time.

COMMISSIONER VIGIL: So let's do as much as we can is what you're requesting? Or will you be able to come back after lunch?

COMMISSIONER MONTOYA: I was hoping that we would break for lunch and then come back and take care of this, but I may not have the option.

COMMISSIONER VIGIL: You may not be able to come back after lunch?

COMMISSIONER MONTOYA: Right.

CHAIRMAN SULLIVAN: How much time do you have now, Commissioner?

COMMISSIONER MONTOYA: Probably about 20 minutes.

CHAIRMAN SULLIVAN: Twenty minutes? Okay. We would like to get these Community and senior service agreements signed. They've been a thorn in people's sides there. So Joseph, can you make this very quick? And if necessary we'll carry it on the

next meeting as well.

JOSEPH GUITERREZ (Community Services Director): Okay. Mr. Chair, in front of you you have a brief presentation, and it's called Santa Fe County infrastructure financing. [Exhibit 5] This is a follow-up to the meeting we had 30 days ago in terms of letting the Board know in terms of the financial opportunities we have in terms of bond financing and the projects that would be associated with it. This is basically outlining the projects. We've had several meetings within the County, with the County Manager, and this is what we've come up with.

On the second page of that handout, I'll just go over some action items for 2008 that are going to be in front of you. Again, the sale of the balance of the water bonds, which is \$32.5 million theoretically proposed for the Buckman project, voter approval of \$35 million of GO bonds, that's what we're discussing today. And then also there's the fire tax that's scheduled to sunset at the end of this year, and if we want to continue that tax, we'll have to put it on the ballot sometime before the end of this year.

On the third page, just discussing the \$35 million. I was just talking to our financial advisor, Kevin Powers, that we would have two bond sales with that. We would sell \$17.5 million in 2009 and \$17.5 in 2011. At the last meeting the Commission asked what we would do with these funds so staff came together and we outlined the projects that would actually be project ready, which was a big key to how we would disperse these funds. For the funds to be used in 2009, the \$17.5 million, this is actually going to change. I just talked to James and Robert and instead of South Meadows Road, this would be County Road 42, and you'll see that on the next page. So it's just a switching of those two projects. There's Agua Fria Phase II, \$3.5 million, that's a road project; County Road 84, which is another road project, \$800,000; Western Region fire station, \$3.5 million, that's the Rancho Viejo; upgrades to the fairgrounds, which have been rather slow, would be \$1.5 million; the Santa Fe River project would be \$1.9 million; and this should really read Eldorado/Cañoncito water line, \$3 million.

So this would be the use of the 2009 \$17.5 million bond sale. So everything on that page is recommended with the exception of South Meadows, and that would be replaced by County Road 42.

On the second page –

COMMISSIONER VIGIL: Mr. Chair, on that, just a question, Joseph. Are you saying that South Meadows – this isn't necessarily in a priority, I'm thinking. It's just these are the ones that are project ready.

MR. GUTIERREZ: These are project readies. Actually, we brought the list down because when we first met there was many millions of dollars of projects and with only \$35 million available over the next two to four years we've narrowed the list down to project readies and what with the priority of the road project, the water department, and the community projects.

COMMISSIONER VIGIL: And the \$3.0 for County Road 42, I assume that that's going up to the top of the list because it's a GRIP II funded project. Is that correct?

MR. GUTIERREZ: Mr. Chair, Commissioner Vigil, I would let James answer that, because he brought that to my attention, so I assume that you're probably right.

COMMISSIONER VIGIL: I guess the question I would have – let me ask this. If County Road 42 does go to the top of this project, that doesn't necessarily mean that that's going to be the first project worked on. Is that correct?

ROBERT MARTINEZ (Public Works Director): Mr. Chair, Commissioner Vigil, the reason why they were swapped was because the Board at this meeting awarded part of 42. 42 is ready to build. It's designed in its entirety. South Meadows Road, we're still in the right-of-way process of South Meadows, so I don't anticipate us being ready in 2009 to go to construction on South Meadows Road. That's why the two projects were swapped. And the GRIP II funding that you're talking about, yes, County Road 42 did receive some GRIP II funding and we're using it for the section that you awarded the contract for here today.

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

MR. GUTIERREZ: Mr. Chair, members of the Commission, on the next page, the uses of the fund –

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Since we're taking questions, I need to go back a couple of pages. We have mentioned that this fire tax that we were going to be sunseting, that it wouldn't need to be continued. Now we're saying that it may need to be continued?

MR. GUTIERREZ: Mr. Chair, Commissioner Montoya, you're correct. I don't have a lot of familiarity because fire wasn't under my purview at that point, but I went back to the meeting notes in terms of when that was discussed and the question did come up if that fire tax was passed, would we need this tax and the answer was that we wouldn't need this tax. But talking with the Fire Chief, at that point he was – it was his understanding that the funding for the fire department would be that fire tax plus the money that they were getting out of the MOA at that point. At this stage of the game they're not getting any MOA monies. They're solely funded on the fire tax. So if he would have had the \$9 million from the fire tax, plus the MOA money, which I believe was somewhere between \$3 and \$4 million, which was funding the fire department at that point, there wouldn't be the need for this tax, which is about \$1.7 million annually.

Since the tax was passed the fire department receives no funding from the MOA, so their annual revenue stream for the fire department on a full-year basis when the tax – because this is just part of your – is approximately \$9 million. This \$1.7 million really funds their capital and capital replacement needs. And if the Fire Chief was here he'd probably give you more specifics on that, but that's my understanding, going back to that presentation. The fire department's budget at that point, with the MOA and the \$9 million was in excess of about \$12 million.

COMMISSIONER MONTOYA: Well, I guess the concern that I have is that

we were told that this is probably going to be something that was not going to be needed. Not probably – it was pretty, I think straightforward that it wasn't going to be needed and now we're being posed with a question as to whether or not we're going to impose it again. So I'm hearing a lot of mixed messages here in terms of we need it, we don't need it and now we need it.

Then in terms of the projects, there's none listed for the Sombrillo wastewater project. Was that not one that was considered?

MR. GUTIERREZ: Mr. Chair, Commissioner Montoya, in terms of water projects that were recommended, when we got together those came out of the water department, so I'll let them speak to that. Is Doug here? Mr. Chair, Commissioner Montoya, that was the Cerrillos water project?

COMMISSIONER MONTOYA: Sombrillo.

MR. GUTIERREZ: Sombrillo. Okay.

COMMISSIONER MONTOYA: Wastewater.

MR. GUTIERREZ: Sombrillo wastewater. We did add Pojoaque wastewater on the second sale. And also, if you go to the second page there's also \$2.5 million that we didn't allocate at this point and that was to discuss with the Commission in terms of projects that they would see in the districts. And again, this is only for discussion at this point. I realize that there isn't all the Commission here. In talking to Peter Franklin, in terms of decision making, what gets placed on the ballot in November, those decisions would need to be made probably no later than July.

COMMISSIONER MONTOYA: Okay. That's all I have at this point.

CHAIRMAN SULLIVAN: Okay. And I see the next page is the fire tax question that Commissioner Montoya had.

MR. GUTIERREZ: Yes. Mr. Chair, the fire tax brings in \$1.7 million. The uses are for capital items and capital replacement. It could be on the ballot in the November 2008 election. It could be taken out of consideration and have a special election in December, which the Fire Chief has discussed the possibility that he could afford that special election. In terms of his plan, in terms of equipment that's needed over the next few years is about \$5.2 million worth of fire trucks and fire apparatus. If this tax were approved by the voters this would not be an additional tax. So this isn't necessarily a tax increase; it would be a continuation of a tax. And also the \$35 million bond question, that is also not an additional tax to the voters. That is covered under the property tax revenue as it stands.

CHAIRMAN SULLIVAN: Other questions for Joseph? Commissioner Vigil.

COMMISSIONER VIGIL: I have a concern. We just heard the mid-year fiscal review and one of the perhaps proposed recommendations that will be made is that we increase our corrections GRT which currently we have at 1/8 and I don't know what the maximum increase for that would be, but the GRT issue needs to be, I think further analyzed. I agree with Commissioner Montoya. A lot of discussion was had, especially when we were looking to the GRT for operations, that the infrastructure and capital GRT would sunset. And now, I don't know if things have changed for that and apparatus and those kinds

of infrastructure needs have been reanalyzed or what but I am concerned that because of our jail operations right now, we're going to have to seriously consider an increase to that GRT, and I don't know that we want – I think we're going to have to have some kind of analysis in terms of what our priorities are going to be here, particularly because the jail operations are creating a huge deficit to our general fund.

So the kind of analysis that I'm sort of feeling needs to be done is further than what we currently have today, Mr. Chair. That's all.

MR. ROSS: Mr. Chair, there's also a problem with the timeline that's in the previous slide. If the intent is to leave the fire tax in place without cessation of collections of the tax, you'd have to start the process now. You'd have to have a special election because the election results have to be in, canvassed, something like four months before the date proposed to collect the tax. So if the tax is sunsetting and it won't be collected after December, we need to start now and have a special election well prior to the November election or it will sunset and there will be a period when the tax will not be collected, and there would be – it would be a tax increase next June or next July when it's started to be collected. So the timeline is wrong. I don't want you to think that that timeline will work, because it won't.

MR. GUTIERREZ: Mr. Chair, Commissioner Vigil, Steve is exactly right. In discussions with Stan, he was aware that the tax would – it was more to get the tax approved so it wouldn't sunset. And he had accounted for the loss in revenues in that four- to six month period that the revenues would not come in in terms of getting on the ballot, as opposed to having a special election and continue the tax effective January 1st. So the timeline for the ballot question is still feasible November, December. But Steve's exactly right in terms of there would be a gap in terms of the revenue collection for that approximately six-month period.

CHAIRMAN SULLIVAN: Okay. Any other discussion on these items which I imagine will come back again. Is that right? To the whole Commission?

MR. GUTIERREZ: Mr. Chair, it was the wishes of the Commission to look at what projects would be proposed for the new – for the question in terms of what would be in front of the voters in November, and this is items for discussion, but I did mention that we did have several meetings with staff and the County Manager and this is what kind of rose to the top in terms of projects. It was actually far in excess of \$35 million that came to the table, but in terms of what we feel is project ready this is what we have in front of you. And certainly this can be tweaked with the wishes of the Commission.

CHAIRMAN SULLIVAN: Okay, so the only change on the page for 2009 is Agua Fria Phase II would become County Road 42. Is that correct?

MR. GUTIERREZ: Mr. Chair, it's South Meadows.

CHAIRMAN SULLIVAN: South Meadows. Excuse me. And then are there any changes on the 2011 phase?

MR. GUTIERREZ: Mr. Chair, we would substitute South Meadows for County Road 42.

CHAIRMAN SULLIVAN: Okay. So you're just switching them in time, not in funding. Okay. Except South Meadows there was \$3.3 million in 2009 and County Road 42 is \$3.0 million. So would South Meadows then be \$3.0 million on 2011?

MR. GUTIERREZ: Mr. Chair, we would have to look at the allocation of the projects again because there's a \$300,000 allowance by adjusting those two projects.

CHAIRMAN SULLIVAN: Okay, so what are you looking for now from the Commission?

MR. GUTIERREZ: Mr. Chair, if there was a full Commission here it would be to move forward with putting this on the ballot in November and the steps that need to take place. But there's still time to do that and there's still time for the Commission to review these projects. In addition, I mentioned there's \$2.5 million that's not allocated in terms of projects and we were hoping to get that input from the Commission in terms of projects, maybe in their district that's not allocated at this point with that \$2.5 million.

CHAIRMAN SULLIVAN: Well, is this an action item?

MR. GUTIERREZ: Mr. Chair, it doesn't have to be an action item at this point; it can be just discussion.

CHAIRMAN SULLIVAN: We can approve it if you like, because that would still give the rest of the full Commission the ability to tweak it in terms of the \$2.5 million other district projects and in terms of minor tweakings of the cost.

MR. GUTIERREZ: Mr. Chair, that seems appropriate. The concerns I hear mostly are about the fire GRT at this point.

CHAIRMAN SULLIVAN: Okay, so what's the pleasure of the Board. Do you want to give direction with regard to these 2009/2011 projects and then make them subject to a final determination before they go out to bond? Or do you want to discuss the whole thing at another meeting?

COMMISSIONER MONTOYA: Mr. Chair, I'd just like to put out for the record that the Sombrillo wastewater project and even the Chimayo water project are currently moving and probably in line for funding immediately. That's why I asked for discussion previously on one of the other items that we have on the agenda.

CHAIRMAN SULLIVAN: Okay, so perhaps we better then take a look at those as well as the ones you presented here and then come back with a final recommendation with those included in the analysis at least and see if we can come up with a final direction, because you do have to indicate these projects in the bond. Is that correct?

MR. GUTIERREZ: Mr. Chair, it's my understanding that we don't have to specify the project but the uses would be for roads, water, but as we speak to what the actual uses are we would have this as a backup.

CHAIRMAN SULLIVAN: For promoting the bonds.

MR. GUTIERREZ: Exactly.

COMMISSIONER MONTOYA: Mr. Chair, what are the transfer stations? Is that upgrade? Purchase land and build?

MR. MARTINEZ: Mr. Chair, Commissioner Montoya, for Jacona, that is for

an enclosed facility. We are currently working with the Pueblo of Pojoaque and we will be improving that station and constructing an enclosed facility. Same thing with San Marcos transfer station. San Marcos is currently designed. We just currently don't have enough funding to award both the Stanley transfer station improvements and San Marcos. So San Marcos is not an enclosed facility but it is improvements.

COMMISSIONER MONTOYA: Okay. And on this fire tax, I guess the last statement on there, would not be a tax increase if approved by the voters. How will it not be a tax increase?

MR. GUTIERREZ: Mr. Chair, Commissioner Montoya, and Steve's point is well taken. If we put this on the ballot in November, December and the voters approve to extend it, the tax rate will actually go down in the interim period between January and June, and when it goes back in effect in July, the net would be a tax increase. If this was effective January 1st, from what they're paying right now, there would not be additional tax because they're paying that tax as it stands right now.

COMMISSIONER MONTOYA: That's all I had, Mr. Chair.

CHAIRMAN SULLIVAN: All right. Is that where we are on this now? Do we want to fine-tune this? Question from Commissioner Vigil.

COMMISSIONER VIGIL: I need further direction, perhaps from legal. Are we required to take action on the item for the fire tax to the extent that we give staff direction to pursue that as a referendum today? Or did I hear you say that even today is too late?

MR. ROSS: Mr. Chair, Commissioner Vigil, I haven't run a timeline on that but normally, when we set out to impose a GRT that would be effective January 1st, we normally start those processes in June and count on an August special election. That just cuts it very close, but it would work. So if we were going to prevent the current fire tax from sunseting we'd need to start like right now. We can run a timeline and take a look at it. Put the appropriate items on the agenda.

CHAIRMAN SULLIVAN: Anything else, Commissioner Vigil?

COMMISSIONER VIGIL: No. I will make a motion. It sounds like you're asking for approval of capital projects to be funded via the proposed general obligation bond for the November 2008 election, but that isn't specific to the fire tax.

MR. GUTIERREZ: Mr. Chair, Commissioner Vigil, that's correct.

COMMISSIONER VIGIL: Okay. So with that, I would move that we approve the capital projects to be funded as presented by staff, with the option of further amending those as we have a full Commission and bringing it forth when that full Commission is here.

CHAIRMAN SULLIVAN: Okay, there's a motion. Is there a second?

COMMISSIONER MONTOYA: So we're leaving out completely the fire tax?

COMMISSIONER VIGIL: Yes.

COMMISSIONER MONTOYA: Okay. Second.

CHAIRMAN SULLIVAN: Motion and second. Discussion?

The motion passed by unanimous [3-0] voice vote. [Commissioner Campos was not present for this action.]

CHAIRMAN SULLIVAN: That gets you part of the way there, Mr. Gutierrez.

XII. D. 2. Resolution No. 2008-89. A Resolution Amending Policies and Procedures for County Owned or Leased Community Centers

PAUL OLAFSON (Community Projects Division): Mr. Chair, Commissioners, I'm just going to give a two-second introduction. We had originally brought forward a set of policies and procedures for community centers and senior centers. That was last year. Then we had a second round of it; you all approved it. You made some additional changes. In the interim we've also had input from the community and other interested parties. We've continued to refine these policies and procedures and now we're bringing them back forward to you today. I'm going to ask Agnes Lopez to go through the details.

AGNES LOPEZ (Community Services Department): Mr. Chair, Commissioners, there's a couple of things that were revised. There was some concern about items that were to be donated to the County, and we have language in there now that the Risk Management Department would review any donations to the County and if acceptable to the County, would then be tagged and put in the community centers.

The other thing that was revised was the rental fee, from \$50 to \$100, and the cleaning deposit from \$75 to \$150. There are some restrictions to use. No alcohol or smoking, as well as no political activity in our community centers. The boards will be elected for two- and three-year terms. And I stand for questions.

CHAIRMAN SULLIVAN: I had one question, Agnes. In the resolution here it doesn't mention the Ken and Patty Adam Center. Is that included in this?

MS. LOPEZ: No, Mr. Chair. The Ken and Patty Adam Senior Center, as well as the Edgewood Senior Center are excluded from these policies. Steven Shepherd from our Health Division will be working on a separate policy for those two. That is because of funding restrictions for funding of those community centers with the New Mexico Department of Aging and Long-term Care, which restricts usage for only senior center activity.

CHAIRMAN SULLIVAN: Okay, because that question has come up as well as the questions of political activity. We're in limbo over these issues. Of course the political activity will drop off after June 3rd, but when will we expect those other two?

MR. SHEPHERD: Mr. Chair, Commissioners, we'll try to get some general policies written up in the next few months, but our contracts with the state do restrict the use of those two centers as community centers for 20 years.

CHAIRMAN SULLIVAN: Okay. Any other questions on this resolution
2008-89?

COMMISSIONER VIGIL: I have a quick one, Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Vigil.

COMMISSIONER VIGIL: Agnes, have the governing boards from each community been advised of these policies and have they reviewed them and had input? Are they okay with it?

MS. LOPEZ: Mr. Chair, Commissioner Vigil, we have had some discussion and input, especially from the Agua Fria Community Center, because I know there's been some concern out there. So they have had some input into these policies, as has the Ken and Patty Adam Senior Center. So in working through these we have had some input.

COMMISSIONER VIGIL: Okay. And part of the problem I believe that they're having is they're getting an inordinate amount of requests for that center and setting guidelines for those requests. Now, can a community center set specific guidelines to meet the needs of their particular community center that would differ from these uniform requirements to this policy?

MS. LOPEZ: Mr. Chair, Commissioner Vigil, as of now, no. I think we've addressed most of their concerns in these policies, but if they do have other concerns we can look at those and I think that we can also work through these policies and amend on an annual basis as needed. So if we feel that there's other issues that come up we can amend on an annual basis.

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

CHAIRMAN SULLIVAN: Okay. We have a resolution.

COMMISSIONER VIGIL: Move to approve.

CHAIRMAN SULLIVAN: All right. Motion. Is there a second? I'll second.
Further discussion?

The motion to approve Resolution 2008-89 passed by 2-0 voice vote with Commissioner Montoya abstaining.

XII. D. 3. Approval Memorandum of Agreement Between the City of Santa Fe and Santa Fe County for the Provision of Senior Services in Santa Fe County (Community Services Department)

MR. SHEPHERD: Mr. Chair, Commissioners, this is a proposed memorandum of understanding between the City of Santa Fe and Santa Fe County for provision of senior services within the five centers that exclude Eldorado. The County continues to operate Eldorado and we plan on doing that. The amount of the JPA, and this is for fiscal year 2008, the fiscal year we're in currently, is \$424,551.53. I know this has been a contentious item prior to me getting the program. I think if you look in your packet material there's a spreadsheet that gives a fairly good breakout of units of service and we thought that that was a pretty good basis for the memorandum we're proposing here today. I stand for any

questions.

CHAIRMAN SULLIVAN: So Steve, this excludes Eldorado and Edgewood?
No, not Edgewood. Edgewood is still served.

MR. SHEPHERD: Correct.

CHAIRMAN SULLIVAN: So Eldorado is doing its own Meals on Wheels
now.

MR. SHEPHERD: Right.

CHAIRMAN SULLIVAN: And I think by the way, we need to have some
focus there on eligibility for that. I don't think we have a review process for that, as well as at
the other centers too, to be sure that the recipients are still getting that. And we're amending
apparently the existing agreement.

MR. SHEPHERD: That is correct. Our plan is to amend the existing
agreement. It will cover the end of this fiscal year and then we'll be at the beginning of
another four-year cycle.

CHAIRMAN SULLIVAN: Because this existing agreement talks about
Eldorado, talks about the Glorieta Eldorado Community Center.

MR. SHEPHERD: That's correct.

CHAIRMAN SULLIVAN: I imagine you'll have to fix that.

MR. SHEPHERD: Yes. And we're fully aware of that.

CHAIRMAN SULLIVAN: And then these four amounts, the \$362,000, the
\$45,000 and the \$16,000 which make up the \$424,000, why are they broken out like that?
Does each one come from a different source?

MR. SHEPHERD: Initially, the proposed amount was \$362,750. That was our
starting point. When the City went back and did its accounting they figured we were
\$45,674.53 short. So they added that to it. The \$16,127 is money we received from the State
Agency on Aging and what we did with that was to ask the City to expand working hours at
several of the centers – Rio en Medio, El Rancho, expand staff hours with that money.

CHAIRMAN SULLIVAN: Are we getting Agency on Aging monies for
Eldorado?

MR. SHEPHERD: Well, what we got this fiscal year was \$16,127 for all six
of them.

CHAIRMAN SULLIVAN: We're allocating all of it to the pie?

MR. SHEPHERD: We are. Because we're funding Eldorado fairly
significantly out of MOA money and – I'm trying to think what else we put in there. Pretty
much MOA money. It's money that –

CHAIRMAN SULLIVAN: MOA – you mean St. Vincent MOA money?

MR. SHEPHERD: That's correct.

CHAIRMAN SULLIVAN: Okay. That's all the questions I had. Other
questions? Commissioner.

COMMISSIONER VIGIL: I'm concerned about alienating Eldorado and them
not being factored into funding formulas or City support services at a point in time where we

might need that, because the MOA is finite. We might not be able to use that as a funding source. How do you respond to that?

MR. SHEPHERD: Correct. The application that we've got into the Agency on Aging specifically deals with Eldorado, and so we've got a pending application there. They haven't gotten back to us on what we might or might not get awarded.

COMMISSIONER VIGIL: So that next year it's very possible that Eldorado will be factored in and not treated separately with a separate agreement.

MR. SHEPHERD: Correct.

COMMISSIONER VIGIL: Okay. Can we move to approve? We don't have a quorum.

CHAIRMAN SULLIVAN: Anything else, Commissioner?

COMMISSIONER VIGIL: That's it.

CHAIRMAN SULLIVAN: So basically, Steve, we're paying about \$61,000 more for our contract with the City than we did the previous year, or \$61,000 more than we thought it was worth?

MR. SHEPHERD: That's correct.

CHAIRMAN SULLIVAN: Which one's correct?

MR. SHEPHERD: I believe the \$362,000 number was our number to begin with.

CHAIRMAN SULLIVAN: Okay. But it's more than \$61,000 above the prior year's agreement.

MR. SHEPHERD: It probably is. I'd have to look at this really quickly.

CHAIRMAN SULLIVAN: The last – highest number I saw in fiscal year 06/07 was \$348,000.

MR. SHEPHERD: That's correct.

CHAIRMAN SULLIVAN: So it's the difference between \$348,000 and \$424,000, is the difference. Plus one senior center has been dropped out of the mix.

MR. SHEPHERD: That's correct.

CHAIRMAN SULLIVAN: And the staff is recommending –

MR. SHEPHERD: Yes. We think what they've done accounting-wise to show what their costs are and what federal and state reimbursements are, they've done a fairly good job of justifying it.

CHAIRMAN SULLIVAN: Okay. While we're waiting, Mr. Abeyta, would you like to talk about the scheduling for the Santa Fe Studios under County Manager's report?

XII. E. Matters From the County Manager

1. Update on Various Issues

MR. ABEYTA: Yes, Mr. Chair. Would the Commission like a special meeting to deal with that one issue? That probably is the best thing to do because to try to fit that in a regular meeting agenda could be difficult to do.

CHAIRMAN SULLIVAN: It's a big issue. Commissioner.

COMMISSIONER VIGIL: I agree and I think Commissioner Campos also recommended a special meeting. I think we should have a special meeting. I also have a concern about that fire tax. If we're really up to timelines for that and a decision needs to be made to meet all the referendum requirements we might need to consider hearing about that at a special meeting too. Because the motion as we know went forward without the fire sunset.

MR. ABEYTA: I spoke with the Finance Director, Mr. Chair, Commissioner Vigil, and we will sit down with Joseph and Stan and we will determine whether there really is a need for that tax or not. And so we'll have that discussion. The other thing we need to determine is the tax for the Regional Transit District and whether or not we want to have a special meeting or deal with that at the same time, in the same special meeting that we do the Santa Fe Studios. Because it's my understanding not all the Commissioners may be available when that tax has been scheduled to be heard, which is the end of June.

COMMISSIONER VIGIL: Okay. I think as much as we can get a full Commission here for the issues that affect GRT, we should move forward with that.

CHAIRMAN SULLIVAN: Okay, let's back up just a moment. Are you finished, Commissioner?

COMMISSIONER VIGIL: I am.

CHAIRMAN SULLIVAN: Let's back up to the memorandum of agreement between the City and County on senior services.

XII. D. 3. Approval Memorandum of Agreement Between the City of Santa Fe and Santa Fe County for the Provision of Senior Services in Santa Fe County (Community Services Department)(Continued)

COMMISSIONER VIGIL: Move to approve.

CHAIRMAN SULLIVAN: We have a motion for approval.

COMMISSIONER MONTROYA: Second.

CHAIRMAN SULLIVAN: And a second from Commissioner Montoya. Any further discussion on that?

The motion passed by unanimous [3-0] voice vote. [Commissioner Campos was not present for this action.]

XII. E. Matters From the County Manager

1. Update on Various Issues (Continued)

CHAIRMAN SULLIVAN: Commissioner Montoya, Roman was just reporting that the recommendation seems to be for a special meeting to deal with the Santa Fe Studios issues and Commissioner Vigil suggested we also deal with the fire tax issue at that meeting, and then Mr. Abeyta also said that if we're going to move forward with a regional GRT on top of that for the North Central Regional Transit District, that that may also need to be considered at that meeting because we may not have a full contingent at the end of June meeting. So there were three things that we were discussing. Anything else, Mr. Abeyta, regarding that meeting?

MR. ABEYTA: No, Mr. Chair. I was just talking to the County Attorney about the noticing for the RTD tax. So we'll start working on that and we'll also, we'll start polling each of you regarding a meeting date that we can set up to deal with these three issues all at once.

CHAIRMAN SULLIVAN: Do we have dates, Commissioners, that you can't do it? Let's throw any of those out. After June 3rd would be for Commissioner Montoya I'm sure. Is it the 3rd? Is that the election? Or the 6th?

COMMISSIONER VIGIL: Seven days.

CHAIRMAN SULLIVAN: The 3rd. We're going to discuss the RTD on the 10th. So we should have a pretty good handle where we're going with that by then, so probably shortly after the 10th we could deal with it. It's always hard to get special meetings in.

COMMISSIONER MONTOYA: We have the Association of Counties in the middle of the month and then NALEO is at the end of the month. So there's two timeframes that I don't have with me right now but those are points in time when a number of us will be out.

CHAIRMAN SULLIVAN: Roman, could you email us with four or five suggested times and dates and just let us kind of comment on each one, whether we can make it or not.

MR. ABEYTA: We'll do that, Mr. Chair.

COMMISSIONER VIGIL: And I would just for the record, Mr. Chair, on the Association of Counties, that is scheduled for June 16th through the 20th, and the NALEO Conference is June 25th through actually the 28th, or 29th, which is a Sunday. So we will have to have this perhaps, right after the election or if necessary, right before. I don't know how we'll be able to match everybody's schedule.

MR. ABEYTA: We'll work on that. We'll give you dates.

CHAIRMAN SULLIVAN: When is the June Commission meeting?

MR. ABEYTA: The June Commission meeting is the 24th.

CHAIRMAN SULLIVAN: The 24th. Then perhaps some time between the 20th and the 25th. That would be one possibility. Or between the 10th and the 16th would be another possibility. Anything else, Mr. Abeyta?

MR. ABEYTA: No, Mr. Chair. Thank you.

CHAIRMAN SULLIVAN: Okay, that concludes the agenda and I know Commissioners have commitments here. Is there anything from the County Attorney that we absolutely must get done in executive session?

MR. ROSS: I don't think so, Mr. Chair. I'll be contacting some of you or all of you in the next couple weeks to talk about some things that we're going to be putting before you in the next meeting. So we'll give you a heads-up on that.

XIII. ADJOURNMENT

Chairman Sullivan declared this meeting adjourned at 12:55 pm.

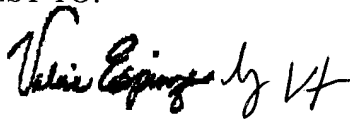
Approved by:



Board of County Commissioners
Jack Sullivan, Chair




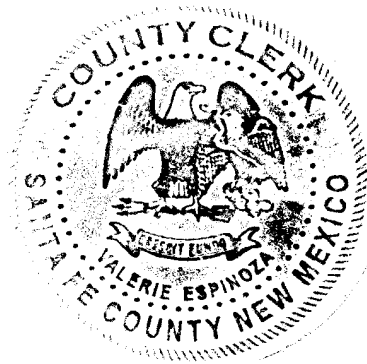
ATTEST TO:



VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Respectfully submitted:


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





Our kids, our town, their future

A United Way of Santa Fe County initiative

First Born

Prenatal - 3 year olds

- * Universal homevisiting for first born babies of families in Santa Fe County

Baby University

0 - 3 year olds

- ✓ Homevisiting child development & parenting curriculum
- ✓ Parent-child book clubs
- ✓ Parent support groups

Economic Development

family & community

- ✓ Family savings program
- ✓ Financial literacy

Career Path

13 years old - college

- ✓ Career exploration in middle school
- ✓ College planning in high school
- ✓ College scholars: support & mentorship
- ✓ Peer group support

Santa Fe Children's Project Vision

Pre-K
* Expanding into new schools

Pre-K

4 year olds

- ✓ Classrooms
- ✓ Intensive family support

Out-of-School-Time Program

5 - 12 year olds

- ✓ Community-school model: Enriching activities for kids & parents to enhance academic performance

Early Childhood Policy & Advocacy

- ✓ Statewide business community advocacy
- ✓ Chairing Early Childhood Action Investment committee

Focus for Fiscal Year '09:

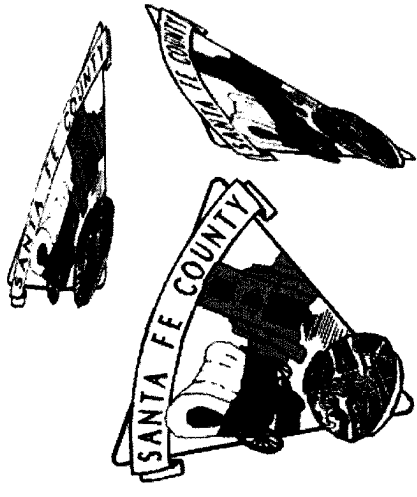
- * Expand Home Visitation Countywide
- * Expand High-Quality Pre-K Countywide



United Way of Santa Fe County

With Innovation Comes Lasting Change™

Santa Fe County, New Mexico



Fiscal Year 2009 Interim Budget

Santa Fe County, New Mexico

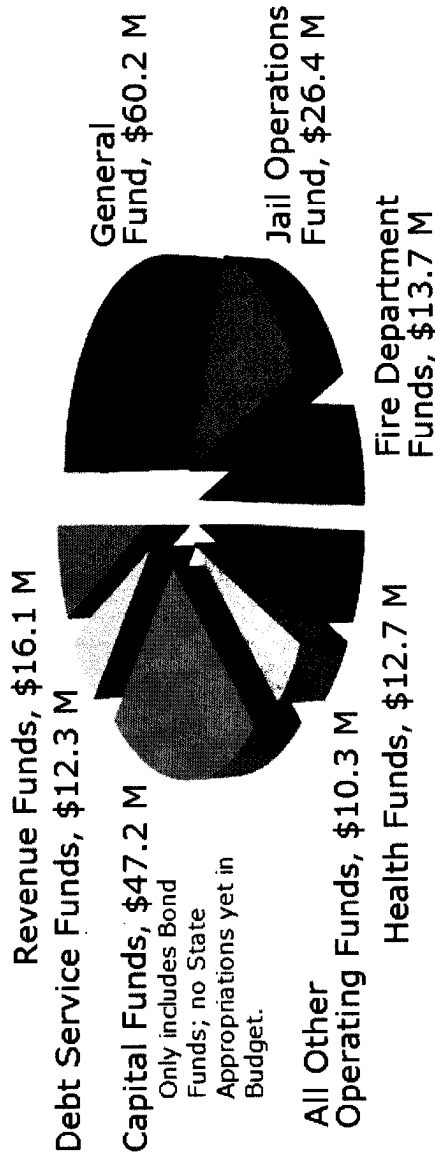
Fiscal Year 2009 Interim Budget

- The Interim Budget is an initial budget that must be approved on May 27 and submitted to New Mexico DFA by the end of the month.
- Budget actions during the current fiscal year resulted in financial obligations greater than the typical growth of revenues; however, the Interim Budget is balanced.
- After Interim Budget approval, during the month of June, the County Board of Commissioners may examine the budget in detail and make and approve any desired changes in time for submittal of the Final FY 2009 Budget.
- The County Board of Commissioners may make further changes to the Budget by means of Resolutions after the Final Budget has been submitted to the New Mexico DFA, starting on August 1, 2008.
- An additional amount of non-recurring Resources will be available for the County Board of Commissioners to incorporate into the Final Budget.

Santa Fe County, New Mexico

Fiscal Year 2009 Interim Budget

Total Budget = \$198.9 million



The total Fiscal Year 2009 Budget of \$198.9 million compares to a total Original budget in Fiscal Year 2008 of \$181.4 million.

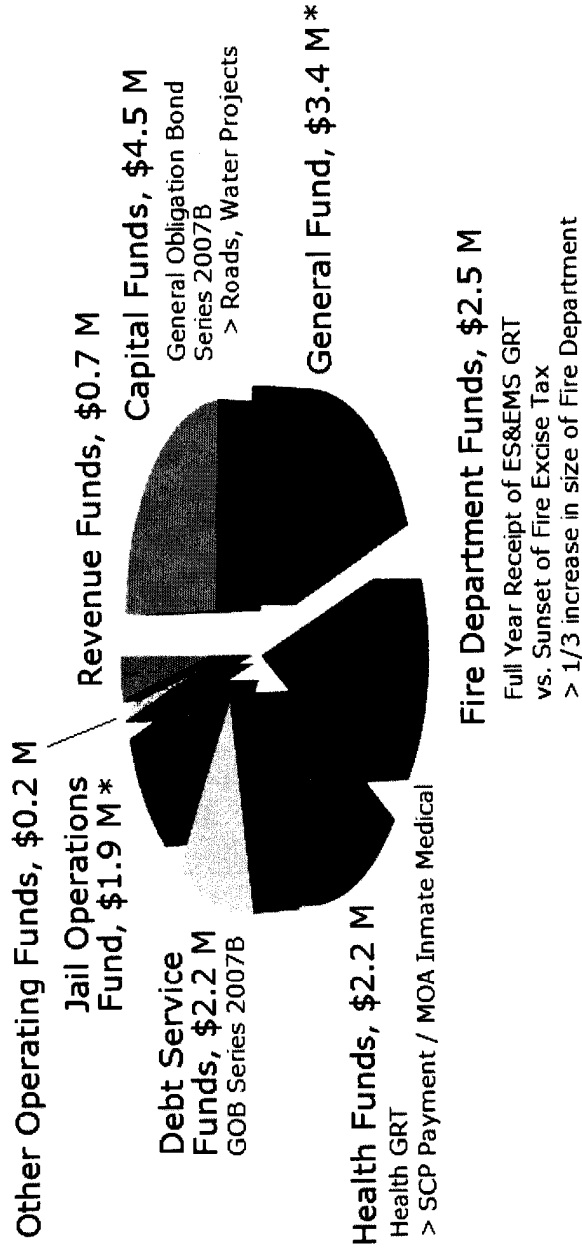
- 60% of the budget are Operating funds that support direct services.
- 25% of the budget are Capital Project funds, though State appropriations for road and facility projects that would contribute another \$20 million are not yet included.
- Revenue funds are tax receipt funds which are transferred to operating funds; thus the \$16.1 million is double-counted, as is \$9.8 million in cash transfers from the General Fund to other operating funds.

Santa Fe County, New Mexico

Fiscal Year 2009 Interim Budget

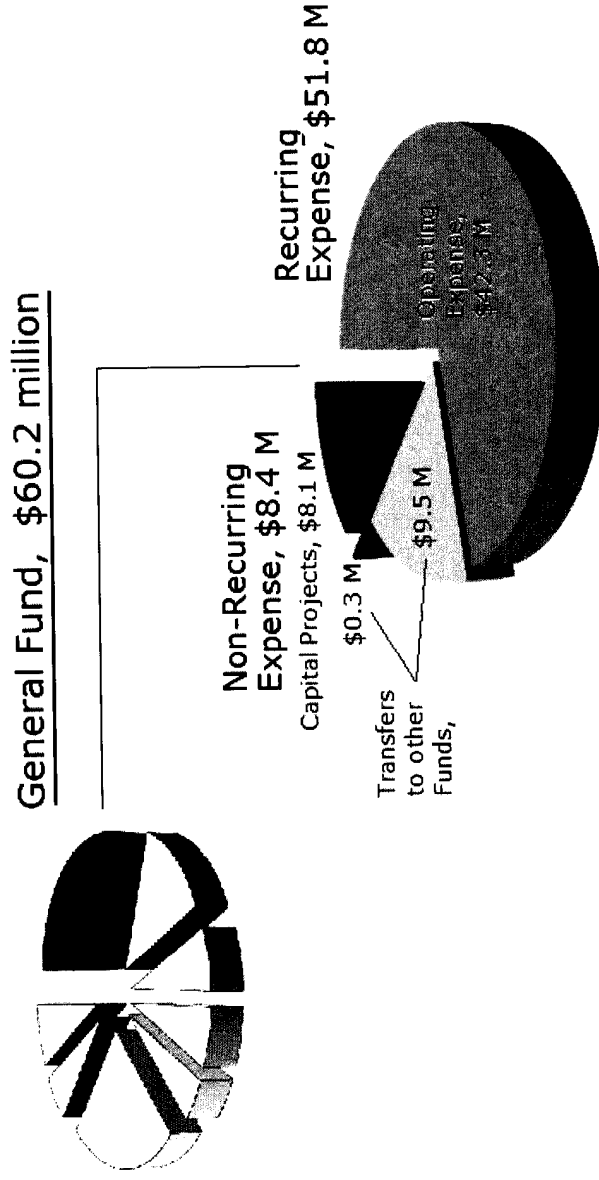
Fiscal Year 2009 Increases from Fiscal Year 2008

Total Increases, \$17.6 million



* Discussed below

Santa Fe County, New Mexico Fiscal Year 2009 Interim Budget

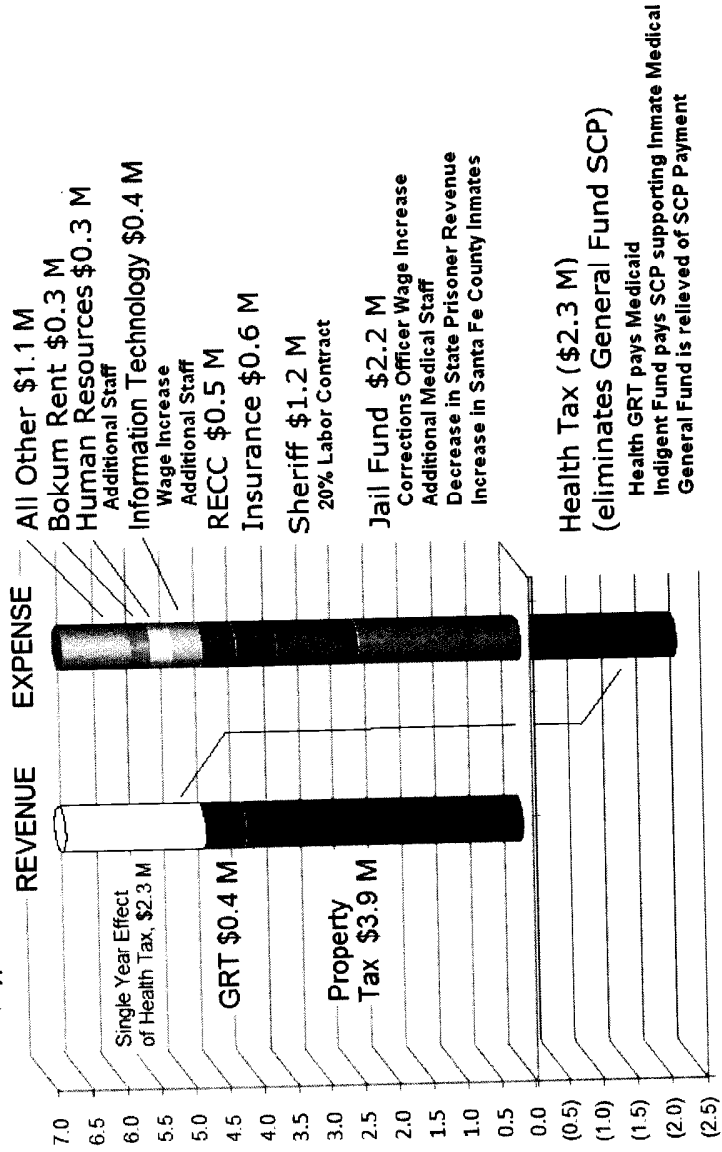


- Recurring Expense is the operating baseline for County Services. It is funded from Taxes, Fees and Grants. Transfers to the Jail, Road, and Debt Service funds are recurring.
- Non-Recurring Expense is largely capital project expense.
- The FY 2009 budget for recurring operating expense after transfers to other funds is \$42.3 million. This is for all elected offices, the County Manager, and Board, Administrative Services, Community Services except Fire and Health, and Growth Management. Compare this to the Corrections operating budget of \$25.8 million.

Santa Fe County, New Mexico Fiscal Year 2009 Interim Budget Disposition of Additional FY 2009 General Fund Recurring Resources

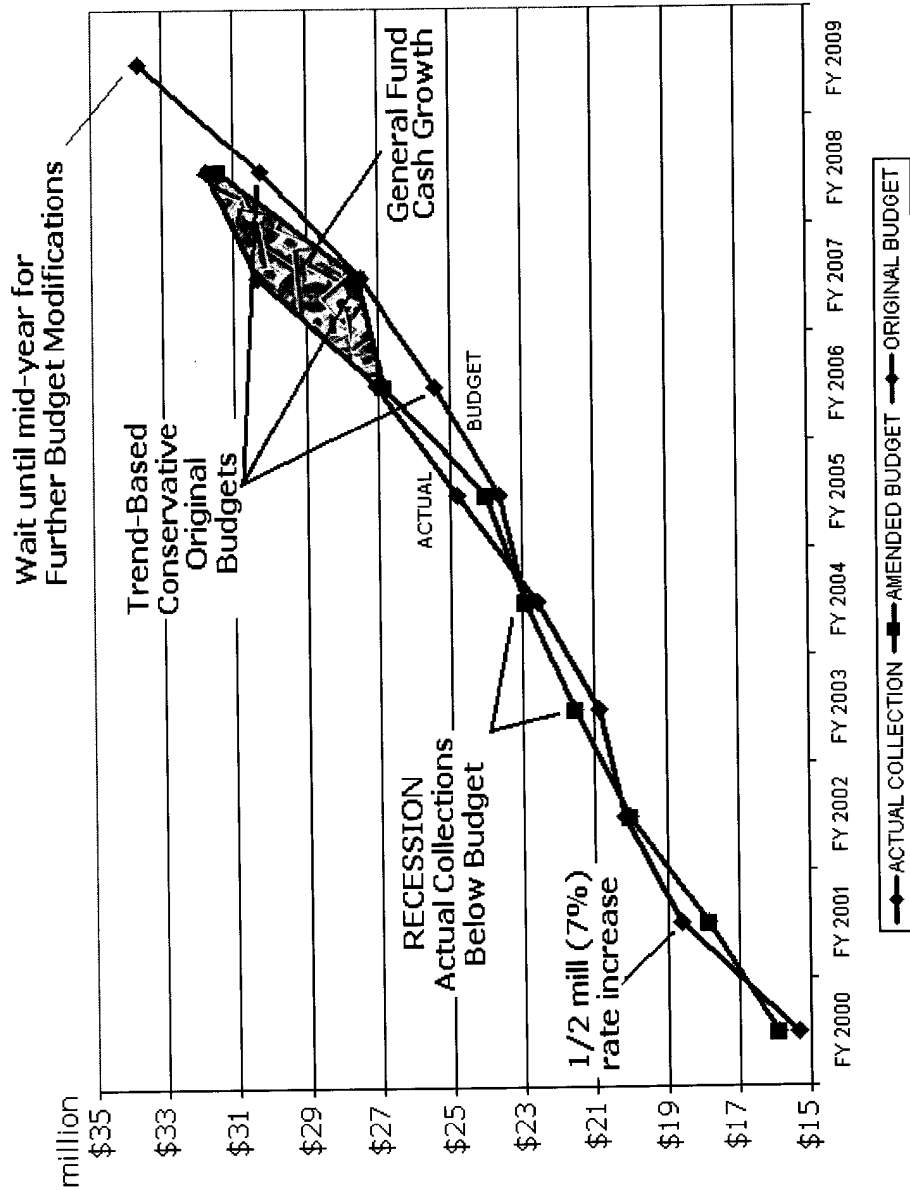


Where Did All the Money Go?



Santa Fe County, New Mexico Fiscal Year 2009 Interim Budget

Current Year Property Tax Budget and Collections

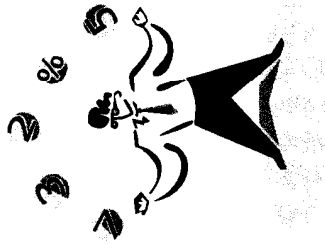


Cash available in FY08 for Business Park and Public Works Building Fixtures

Santa Fe County, New Mexico

Fiscal Year 2009 Interim Budget

How the General Fund Budget was Balanced

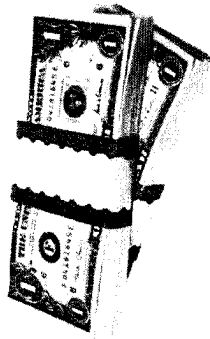


- INCREASED ESTIMATE OF RECURRING RESOURCES
 - ▶ Property Tax
 - ▶ Investment Income (Recurring Baseline)
- DEFINED CERTAIN RECURRING EXPENSE AS NON-RECURRING (FUNDED WITH CASH)
 - ▶ Last Debt Service Payment for Paramount Building
 - ▶ Legal Fee Set-asides for Oil & Gas Issues
 - ▶ Unique Purchase of Road Basecourse Millings
- GENERAL FUND COSTS PASSED TO OTHER FUNDS
 - ▶ Health GRT pays for Medicare, relieving Indigent Fund. Indigent Fund pays SCP for MOA to fund Inmate Medical, relieving General fund of \$2.3 million expense.
 - ▶ General Fund shares RECC costs with Fire Operations (\$0.5 million each) instead of assuming \$1 million cost.

Santa Fe County, New Mexico

Fiscal Year 2009 Interim Budget

The Non-Recurring General Fund Budget



THE GENERAL FUND WILL REQUIRE A CASH CARRYOVER
OF \$23.5 MILLION ON JULY 1, 2008 (This is expected)

TRANSFER TO FUND 403 - PARAMOUNT LAST PYMT	300,192
PUBLIC WORKS BLDG FIXTURES	1,600,000
OIL AND GAS LEGAL ISSUES	600,000
ROAD FUND NON-RECURRING – HEAVY EQUIPMENT	385,000
GENERAL FUND CAPITAL PACKAGE	2,959,320
GENERAL FUND (1/16 GRT CARRYOVER) - JUDICIAL CENTER	2,500,000
CASH CARRYOVER SUPPORTED NON-RECURRING	\$ 8,344,512

ALSO, A 25% LEGAL RESERVE REQUIREMENT	\$ 15,150,000
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Santa Fe County, New Mexico

Fiscal Year 2009 Interim Budget

General Fund

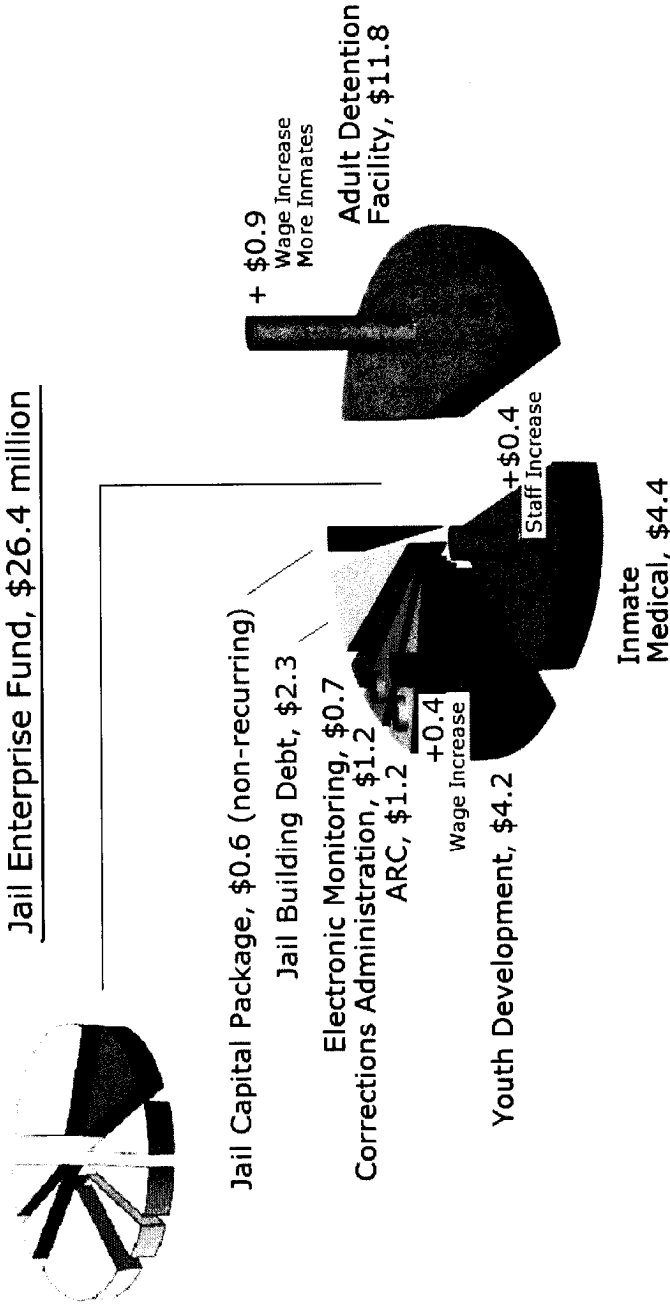


Red Flag Issues

- General Fund Recurring Revenues typically increase from \$4 to \$4.5 million each year. This Fiscal Year's budget actions impacted the FY 2009 Budget by \$6.6 million, leaving no recurring sources for new programs.
- No additional General Fund positions requested in FY 2009 budget preparation are in the budget.
- The FY 2009 budget baseline for materials has been minimally increased for inflation. There may not be sufficient budget for commodities with extraordinary inflation rates, such as gasoline.
- Wage increases granted this year will negatively impact available revenue for other purposes in the FY 2010 General Fund budget. Half of the FY 2010 increased resources are already committed to baseline expense.
- Any future new or expanded County services will require increased tax or fee revenue, or cuts in existing services.

Santa Fe County, New Mexico

Fiscal Year 2009 Interim Budget

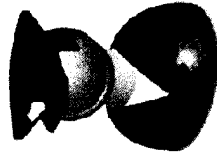


- State Inmates in SFC ADF will be down by 30%, reducing revenue by \$1.2 M
- Santa Fe County Inmate population has increased by a third during FY 2008.
- All of this must be funded by:
 - a) the General Fund, \$2.2 million increase in FY 2009
 - b) by increased re-direction of MOA health program funding to Inmate Health.

Santa Fe County, New Mexico Fiscal Year 2009 Interim Budget

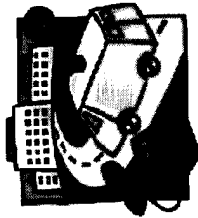
The Public Safety Dilemma

- WAGE INCREASE
- ASKING FOR 5 DEPUTIES

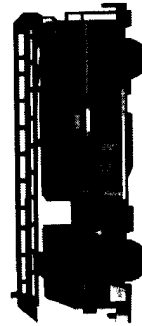


SHERIFF

- EMERGENCY WAGE INCREASE

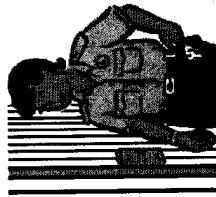


RECC



- REQUESTING 30% INCREASE
- ASKING FOR 30 ADDITIONAL CADETS
- CAPITAL TAX SUNSETTING

FIRE



- EMERGENCY WAGE INCREASE
- SFC INMATE INCREASE
- ADULT POPULATION REVENUE DECLINING
- YOUTH PROGRAMS NOT BREAKING EVEN

CORRECTIONS

ALL OF THESE
ARE FUNDED BY
GROSS
RECEIPTS TAXES
THAT INCREASE
4% PER YEAR

Santa Fe County, New Mexico

Fiscal Year 2009 Interim Budget

Countywide Financial Issues

- The Fiscal Year 2009 Budget was precariously balanced without any excess recurring revenue.
- The County cannot sustain the same growth rate in Fiscal Year 2010 without an increase in taxes or fees, or a sacrifice in services for the benefit of other programs.
- The County cannot sustain double-digit wage increases in a Property Tax and Gross Receipts Tax revenue environment that grows at single-digit rates.
- Health-program designated revenues are increasingly being drawn upon to support the growth of jail operations expense.
- The growth of jail operations expense demands an increase in the Corrections GRT above the present 1/8 cent rate.
 - Certain service fees should be adjusted to insure program cost recovery (e.g. Solid Waste)
 - State-shared taxes supporting road maintenance haven't been increased in 20 years. The General Fund supports 3/4 of the Road Fund.



Santa Fe County's
E-GIS Plan
Status Report

May 27, 2008

- The Overall Plan
- Progress to Date
- Next Steps & Requirements

- Enterprise GIS (E-GIS)
- Why?
- Because we make decisions
 - We need good data to make good decisions
 - Most County data is geographically-based

- The Overall Plan...

- E-GIS Plan, FY08
- ✓ Implement Database server & software
 - ✓ Develop geodatabase design
 - ✓ Implement ArcSDE
 - ✓ Load geodatabase
 - ✓ Parcel data conversion

- E-GIS Plan, FY08
- Parcel editing system
 - Online GIS Viewer enhancements
 - Report Generator
 - Orthophotography update

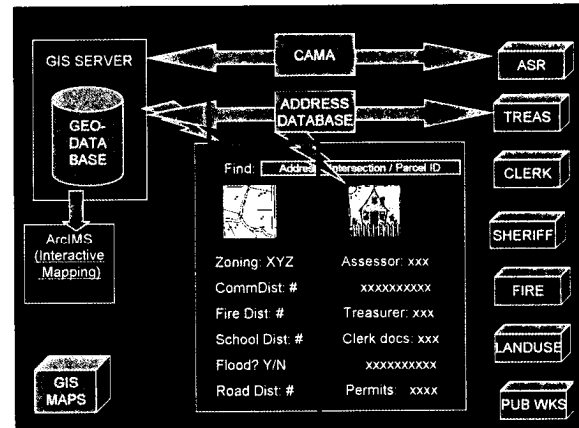
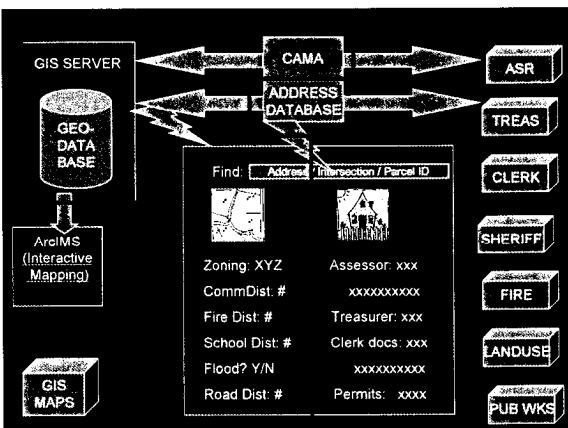
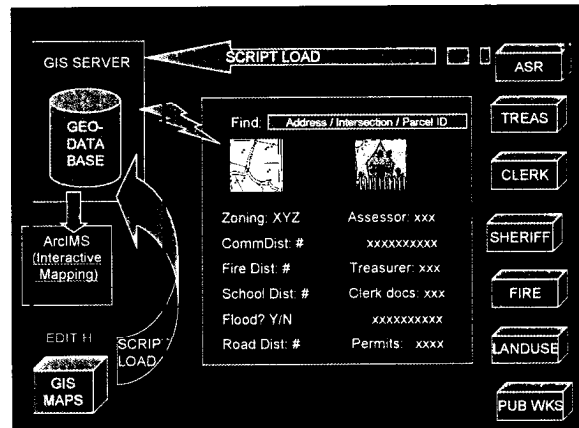
E-GIS Plan, FY09

- Business Data Warehouse design
- Develop data translation from old to new
- Develop AS400 valid values list
- Address Repository
- Mobile Mapping

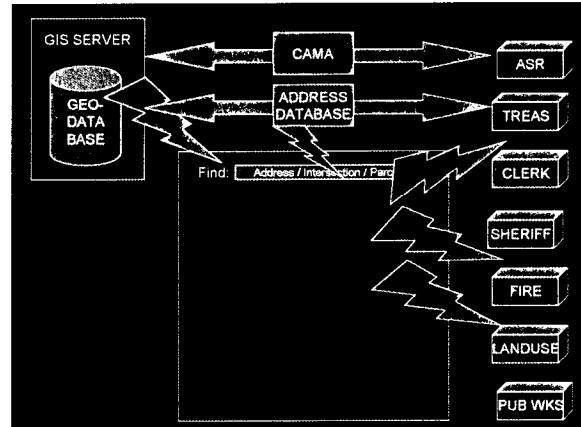
E-GIS Plan, FY10

- Develop zoning data layer
- Spatial indexing of historical documents (e.g. 1980 Plan maps)
- Mailing list and label generator
- Enforce address data validation in other county business systems

• Progress To Date...



• What's Required...



FUTURE CONSULTING NEEDS

FY09	\$144,500	Service-oriented web
FY10	\$147,500	Address database
FY11	\$122,500	Business data cleanup

SOLVING PROBLEMS

- Takes weeks to research information from various departments/offices
- Takes days/weeks to produce informational maps for BCC and management
- Messy, scattered, incomplete data
- Minimal ability to analyze different geographic data to create new information & make decisions

AFTER COMPLETION (2011)

- Takes only hours or minutes to research departmental/office info
- Takes only hours to produce maps for management information and decision-making
- Takes only hours to analyze geographic patterns to make decisions

END RESULT

Better Decision-Making

...using integrated geographic and departmental data

**ASSESSMENT OF
BICYCLE TECHNOLOGIES
INTERNATIONAL LTD.**

**Prepared for:
Santa Fe County
P.O. Box 276
Santa Fe, NM 87504-0276**

**Prepared by:
Bruce Poster
Southwest Planning & Marketing
3600 Cerrillos Road, Suite 107
Santa Fe, NM 87507**

May 2008

Bicycle Technologies International Ltd. (BTI) has submitted a LEDA application to Santa Fe County. BTI is a global wholesale distributor and stocks 300 unique brands of bicycle components, parts, accessories and clothing. BTI sells exclusively to bicycle dealers.

BTI seeks to construct a new facility in Rancho Viejo and wishes to access \$500,000 in capital outlay money from the State of New Mexico Economic Development Department (NMEDD). BTI also requests an industrial revenue bond (IRB) from Santa Fe County to abate property taxes on its project. To support its LEDA application, BTI has submitted an economic impact report prepared by NMEDD.

The first phase of the project involves an investment of \$2 million in land, \$7,800,000 in buildings and improvements and \$1,000,000 in furniture, fixtures, and equipment (FF&E), for an initial investment of \$10.8 million. The second phase of the project (in year 5) involves an investment of \$6.5 million in buildings and improvements and \$1.5 million in FF&E, for an additional investment of \$8.0 million.

As mentioned above, NMEDD submitted an economic impact report, which was reviewed by the County's independent economic consultant for the reasonableness and accuracy of the analysis. After this review, NMEDD revised the report to correct several factual errors. The revised report appears to be generally accurate; however, it does not provide a direct analysis of the impact of the IRB on property tax collections, but does provide information on property values from which the County's consultant was able to make such a determination.

In the balance of this report, we assess the costs and benefits of the project to Santa Fe County and to other entities. We find that the benefits of the project would be significant, even when the abatement of property taxes is taken into account. There are few, if any, adverse impacts related to the project.

COST OF THE PROJECT TO THE COUNTY

The cost of the project to the County is the annual value of lost property taxes related to the IRB. This value amounts to \$633,071 over the first 10 years of the project and roughly \$2.2 million over the first 30 years of the project. Of course, without this project or a similar project, the County would not be able to collect this level of tax revenues. At present, the property only generates about \$200 in annual property tax collections.

There are expected to be no significant impacts on the County Sheriff or Emergency Services Department. The project will receive utility service from the County and is not expected to consume large amounts of water. In addition, no significant impact is expected on the supply of and demand for housing or the need for classrooms for students entering the Santa Fe Public Schools.

COMMUNITY BENEFITS OF THE PROJECT

BTI is currently operating out of a building within the City of Santa Fe and employs 40 persons. BTI intends to expand employment at its new location. BTI is expected to add 45 new employees in Phase 1 and another 90 employees in Phase 2, for a total workforce of 175 persons. Average pay (excluding benefits) is currently \$36,000 per year. In addition, BTI provides medical and dental coverage, profit-sharing, and retirement contributions. BTI expects to hire 80% of its staff locally and is working with the State JTIP program for career development training. BTI's annual payroll is expected to increase by \$8.3 million by the tenth year of the project. An additional 70 new jobs would be created in the community as a result of the multiplier effect.

BTI offers cash incentives for using alternative transportation to work. BTI considers itself a "green" industry and employs as many energy-saving practices in its operations as possible. BTI intends to use local vendors and materials and to encourage its employees to purchase homes located in proximity to the facility.

PUBLIC BENEFITS OF THE PROJECT

The County will benefit from the project in two ways: from gross receipts taxes and property taxes. In addition, other entities will also realize income taxes and lodgers taxes related to the project.

Gross Receipts Tax Revenues

Gross receipts tax (GRT) revenues will be collected on the construction of the new building and on a limited number of new homes to be built for the workforce. Taxes will also be derived on a limited amount of retail sales at the facility. There will also be spending by the firm, visitors to the firm, and its workforce, as well as a multiplier on the sales and spending. The total impacts on gross receipts tax for Santa Fe County over the first ten years of operation are as follows:

• Construction spending	\$346,384
• Worker spending	339,382
• Visitor spending	98,484
• BTI sales	10,969
• BTI purchases	<u>61,317</u>
• TOTAL	\$856,536

Gross receipts tax revenues would also be realized by the State of New Mexico (\$3,286,567 over 10 years) and the City of Santa Fe (\$1,312,641).

Property Tax Revenues

Property taxes would normally be collected on one-third of the assessed valuation of the building and equipment; however, it is proposed that these taxes be abated. Taxes will be

collected on a limited number of new homes to be built for the workforce. The residential property tax revenues that would be collected over 10 years are shown below.

• Santa Fe County	\$35,352
• City of Santa Fe	5,774
• State of New Mexico	6,871
• Santa Fe Public Schools	33,540
• Santa Fe Community College	<u>17,552</u>
• TOTAL	\$99,089

Other Tax Revenues

In addition to the gross receipts and property tax revenues, the State of New Mexico would realize personal and corporate income taxes, the City would realize lodgers tax revenues, and both the City and County would realize limited revenues related to utility fees and taxes and other miscellaneous taxes and user fees; these taxes and fees would be roughly equivalent in magnitude to the cost of providing the utilities and other services and are considered a wash. The Public Schools would realize additional state and federal funding approximately equivalent to the additional operating costs of providing education to the new students.

CONCLUSION

In summary, over the first 10 years of the BTI project, Santa Fe County will receive gross receipts tax revenues of \$856,536 and property tax revenues of \$35,352, for a total of \$891,888. This compares with the \$633,071 in property tax revenues that the County would forgo due to the IRB.

Other entities (the City of Santa Fe, the State of New Mexico, the Santa Fe Public Schools, and Santa Fe Community College) will, in aggregate, receive roughly \$8.6 million in tax revenues over the 10 years. The Santa Fe Public Schools and Santa Fe Community College would forgo \$676,536 in property tax revenues due to the IRB, the State would forgo \$65,197 in property tax revenues, and NMEDD intends to contribute \$500,000 in capital outlay money.

EXHIBIT

5

tabbles

Santa Fe County
2008
Infrastructure Financing
Second Presentation
5/27/08

Action Items for 2008

Sale of 2004 GOB approval balance, \$32.5 million for water projects. (Buckman)

Board & Voter approval of \$35 million GOB bonds. (Ballot question November 2008)

No new tax increase

Board & Voter approval to continue existing Fire Tax. (Tax to sunset 12/31/08)

No new tax increase

2008 \$35 million GOB

Would sell \$17.5 million in early 2009

Would sell another \$17.5 million in early 2011.

Uses of the 2009 \$17.5 million

South Meadows Rd.	\$3.3 million
Aqua Fria Phase II	\$3.5 million
County Rd. 84	\$0.8 million
Western Region Fire Station	\$3.5 million
Fairgrounds	\$1.5 million
Santa Fe River Project	\$1.9 million
<u>Canoncito Water Line</u>	<u>\$3.0 million</u>
Total	\$17.5 million

Uses of the 2011 17.5 million

Caja Del Rio Rd	\$3.0 million
Ave Vista Grande	\$0.86 mil.
Santa Fe River Project	\$3.1 million
County Rd. 42	\$3.0 million
Pojoaque Waste water	\$2.0 million
Fire Training Center	\$1.5 million
Transfer Stations	\$1.5 million
Jacona, San Marcos	
<u>Other District Projects</u>	<u>\$2.5 million</u>
Total	\$17.5 million

Fire Tax

Annual revenue of \$1.7 million

Uses are for new Capital items and Capital replacement

Could be on November 2008 election

Could have a special election December 2008

Capital needs of Fire Dept are \$5.2 million over the next few years

Would not be a Tax increase if approved by the voters

Next Steps

- Board approval
- Coordinate with Bond Counsel and Legal Counsel
- Public outreach and polling
- Prepare ballot language