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County Clerk, Santa Fe, NM
Montoya
Deputy

SANTA FE

BOARD OF COUNTY COMMISSIONERS

SPECIAL BUDGET SESSION

May 16, 2007

- Virginia Vigil, Chairman
- Jack Sullivan, Vice Chair
- Paul Campos
- Michael Anaya
- Harry Montoya

SANTA FE COUNTY
SPECIAL BUDGET STUDY SESSION
BOARD OF COUNTY COMMISSIONERS

May 16, 2007

This special budget study session of the Santa Fe Board of County Commissioners was called to order at approximately 2:15 p.m. by Chair Virginia Vigil, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Roll was called by County Clerk Valerie Espinoza and indicated the presence of a quorum as follows:

Members Present:

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

Members Absent:

[None]

III. APPROVAL OF THE AGENDA

There being no suggested changes to the agenda, Commissioner Campos moved to approve and Commissioner Montoya seconded. The motion passed by unanimous [5-0] voice vote.

IV. FY 2008 Interim Budget [Exhibit 1: Power Point Presentation]
A. General Fund

CHAIR VIGIL: Who will take the lead on this?

ROMAN ABEYTA (County Manager): Thank you, Madam Chair. We have a presentation which we have passed out which is labeled FY 2008 Budget Study Session and the topics that we will discuss today are health and emergency services fund, fire operations and building blocks, jail fund, road fund, general fund, budget tasks and legal deadlines, and then

Peter Garcia, our Administrative Services Director will provide an analysis of the operational mill rate, and the County Assessor, Domingo Martinez will also participate in that discussion with us. So with that, Madam Chair, I'd like to turn it over to Teresa Martinez, our Finance Director and we'll start with the health and emergency services fund.

CHAIR VIGIL: I have a question from Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Abeyta, are there any particular issues that you would like to highlight as we go in, things that we should really start thinking about and focusing?

MR. ABEYTA: As we go through each slide, we will do that. I'll draw your attention to specific items.

COMMISSIONER CAMPOS: Even big picture items. Those that affect all of these discussions.

MR. ABEYTA: Yes. Even big picture.

B. Health & Emergency Services

TERESA MARTINEZ (Finance Director): The first thing you have in front of you is the analysis of the health and emergency services fund. This is the beginning of the presentation, if you will, because it is in our opinion the most important and critical component of this budget and the viability of this budget.

As we started to prepare this presentation I tried to think of the successes and the challenges that we're facing as we develop this budget. In terms of successes, I think the one thing we should make note of is the operation of the adult facility. We, for the first time now since we've taken over operation, feel that we comfortably know what it takes to run an adult facility financially. We still have areas of concern that we want to work on with our medical component, and I think we're making great strides in the right direction by the coordination we have with St. Vincent's for the doctor, as well as bringing on a medical administrator to oversee the entire medical operation. So we've made some great strides there.

And then the other thing that is large to this budget is over the years, the County's conservative budgeting on property tax has basically led us to a higher tax balance this fiscal year that we feel comfortable enough to allocate to different initiatives. So typically, we've budgeted somewhere between five and six percent on the property tax collection, and it come in usually between seven and ten percent. So this year as we get into the general fund analysis you'll see that we're comfortably budgeting the property tax revenue at a ten percent increase over the prior year.

Challenges for the 2008 – obviously the biggest challenge is the SCP/MOA coordination. The viability of this budget hinges on the MOA negotiations and the fact that we have to bring in \$9.2 million, exactly what we've committed to the sole community provider payment required by the state. So we're going to spend a lot of time on that as we go through this next slide.

The other area of concern this year will be the operation of the youth facility. We really need to keep an eye on this and hope that the population numbers must increase to sustain the operation of the youth facility and prevent future cuts. So with that I'll begin with the health and emergency services fund.

COMMISSIONER MONTOYA: Could you say that again? I'm sorry.

MS. MARTINEZ: On the youth? Okay. What we're saying is we want to watch the population numbers, and we want to make sure that they increase, basically, to sustain operations or we could be looking at potential cuts.

The first slide you have before you is actually on the page numbered 3, and it's called health and emergency services fund, and its scope of services. And a simple way to look at this is on the left-hand side, you have GRT. That's money coming into the County, totally committed to the sole community provider payment. And then within that is defined how that money comes in via the funds and how we are going to sustain that \$9.2 million requirement. Gross receipts tax comes in at a level of \$2 million, which is dedicated to the sole community provider. The remaining difference in the GRT is dedicated to the Medicaid contribution. The EMS Hospital collects about \$4.8 million from GRT that is completely dedicated to the sole community provider fund, and then this year in the picture we implemented or enacted if you will the new emergency center and EMS tax, so under that would fall the fire operations and the operations of the RECC. In order to make the sole community provider requirement this year, general fund is now contributing \$2.4 million to make that \$9.2 million commitment to the state.

If you look at the right hand of the slide, the right hand is basically the MOA money that would come back into Santa Fe County, and we're saying – I think, Commissioner, you have the initial one we gave you; there should be another one. We're on page 3. If you look at the right hand side of the slide, that represents the MOA – So again, the left-hand side basically summarizes the GRT money that the County receives and how it is committed to the sole community provider, and right-hand side of the slide represents MOA money back into the County and we're stressing here that what we pay out, \$9.2 million to the state, has to come back in from the St. Vincent's MOA. And it also has to come in in a timely fashion. We need that money to come in timely in order that we can make our payment requirements to the state.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Regarding that statement, how likely is that happen?

MS. MARTINEZ: I don't know. We're trying to contact the hospital to set up negotiations and it will be part of our proposal, but the likelihood I think is pretty high.

COMMISSIONER MONTOYA: Oh, it is?

MS. MARTINEZ: High that it wouldn't not occur timely. Because we'd have to make our first quarterly payment in October for the September quarter-ending, so we would want that money to start collecting effective July 1st. Past practice has been that we can make the commitment to the state, and then we don't start negotiating with St. Vincent usually till

October, and then you're looking at usually October-November where we don't even see a payment from St. Vincent. We're saying that practice cannot continue. We need the money to come in on time this year. There cannot be a lag for negotiations and there cannot be a lag between the two amendments. We need the money up front and right away.

CHAIR VIGIL: Teresa, did you say you're currently negotiating with St. Vincent?

MS. MARTINEZ: We initiated a letter to St. Vincent's, identifying dates and times and we're hoping to get that process started.

CHAIR VIGIL: Okay. Are the dates and times for the fall, or are you moving those requests up?

MS. MARTINEZ: We're moving the request up. We'd like to do it in May or June.

CHAIR VIGIL: Okay. And how much again was the amount that's due in November?

MS. MARTINEZ: Well, it's quarterly payments, so \$2.1, \$2.2 million.

CHAIR VIGIL: Okay.

PAUL GRIFFIN (Budget Administrator): I can answer that question. There are four - we received a letter from the Department of Human Services in the state that handles the sole community provider program requesting one quarter of the payment and the first payment is due July 31st. And then the second payment, October 31st, the third, December - do I have that right? And the fourth January, I guess and then April. But it's due every quarter beginning July 31st. And what we are trying to illustrate with this slide is that if we don't sign an agreement with St. Vincent's until December, like we did this year, in the very first place we're not going to even begin to get payments into the state sole community provider in the amounts that we need to, and secondly, for the entire year we'll get much less than the \$9.4 million back in the fiscal year.

Now, this budget is fairly delicately balanced on the proposition that we get back what we put in, because all of these health services are in funds that no longer have cash reserves. And if we don't get the money back, then we either don't produce the services or the funds will run bankrupt in the County. So it's a serious budget issue, probably the most serious budget issue that we face this year.

CHAIR VIGIL: Thank you, Paul.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Currently, what is the MOA?

MS. MARTINEZ: For the current year? It's \$7.3 million.

COMMISSIONER MONTOYA: And there was not an increase from last year.

MR. GRIFFIN: It was budgeted at \$6.8 million. An agreement was made with St. Vincent's that drove that to \$7.3 million. So from a budget to budget standpoint it's going from \$6.8 up to \$9.4 million. If you take snapshots at the beginning of each year.

MS. MARTINEZ: And there were no supplementals last year.

COMMISSIONER CAMPOS: Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Question. Recently, or not recently, maybe in the last six months, we had a discussion with St. Vincent's about an additional 1/16 GRT. Is that part of any of this?

MS. MARTINEZ: It's in a slide later. It's included in this presentation.

COMMISSIONER CAMPOS: It will affect this discussion though.

MS. MARTINEZ: It will.

COMMISSIONER CAMPOS: Okay.

MS. MARTINEZ: This balanced budget is contingent up implementation of that 1/16.

COMMISSIONER CAMPOS: It is contingent on that. Okay.

CHAIR VIGIL: Is there also – am I hearing that there's a contingency, a possible contingency if we are able to negotiate with St. Vincent's for them to reimburse us before July 31st?

MS. MARTINEZ: That's going to be part of our proposal, but I don't know if they'll agree to that.

CHAIR VIGIL: Okay.

MS. MARTINEZ: What I'd like to stress is what the MOA supports. Two million dollars is dedicated to the indigent services fund. It supports the administration as well as the direct health services to the providers. And under the classification of EMS services, you have the Maternal Child Healthcare plan, the mobile healthcare van, which the County will take over the operations of this fiscal year. The Regional Emergency Communications Center, Paratransit, and I want to especially point out that senior programs is back in this fund. Last year, to balance the budget we had to move that to general fund. So we've now put it back into the EMS healthcare fund and we've also put it in at a higher level, not knowing the outcome of senior services and the conversations back and forth. Currently, our community is about \$360,000, I believe - \$384,000, and the excess there is factored in if we have to support it at a higher level.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Is the \$9.2 million, is that what the Commission agreed to for the sole community provider?

MS. MARTINEZ: Yes, sir. It is.

COMMISSIONER SULLIVAN: Not including any supplemental.

MS. MARTINEZ: Right. That's strictly the base.

COMMISSIONER SULLIVAN: The base is \$9.2 million. Okay. Thank you.

MS. MARTINEZ: Also considered is the sobering center and also the cost of the dollars dedicated to inmate medical services. So all of these programs and functions are dependent on the MOA funding coming in at the \$9.2 million. In order for the Health Services Department to survive, we have to get back exactly that amount from St. Vincent Hospital.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: So Teresa, you're telling us that if we move the senior programs – when you say senior programs, what do you mean? Funding?

MS. MARTINEZ: Funding, right.

COMMISSIONER ANAYA: To give to the City?

MS. MARTINEZ: To the City. It's our JPA agreement with the City of Santa Fe.

COMMISSIONER ANAYA: And it used to come out of general fund.

MS. MARTINEZ: No, we had to move it to general fund last year to balance the budget. This fund could not sustain the senior services last year in order to balance the budget. This year we'd like to move it back where it belongs and negotiate all of this with the MOA.

COMMISSIONER ANAYA: Okay. So leave it just like it is?

MS. MARTINEZ: Yes.

COMMISSIONER ANAYA: Okay. Thank you, Madam Chair.

MS. MARTINEZ: Again, the next –

COMMISSIONER SULLIVAN: Is that just the contract with the City or does that include our staff time doing senior services as well?

MS. MARTINEZ: Right now, the excess above could entertain some of the questions that have come up. Additional meals, maybe additional days. It could maybe look towards some of the staffing, and I think it all hinges on negotiations with the City on that JPA.

COMMISSIONER SULLIVAN: Okay.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Teresa, so in the past, what was it? How much?

MS. MARTINEZ: It's grown consistently. It's been as low as \$350,000. It's grown consistently throughout the course of the years. But it's always been at the \$300,000 level in the last few years that I've been here.

COMMISSIONER ANAYA: Okay. Thank you.

CHAIR VIGIL: Teresa, are these dollars matched to the Agency on Aging for some dollars that they provide the senior programs?

MS. MARTINEZ: They have to be. I'm trying to think of some of the current agreements and the matching requirements. I'd have to check on that.

CHAIR VIGIL: Okay. Please proceed.

MS. MARTINEZ: Okay. So standing on our soapbox again. We want to make sure that it's clearly communicated that our ability to fund health services is dependent on the MOA funding for the sole community provider payments. The \$9.2 million County commitment to the sole community provider program begins on July 1st. We want the MOA agreement to begin on July 1st. Failure to receive the timely MOA payments equal to the sole community provider payments will bankrupt funds providing health services. We want to make it clear that the BCC's commitment of \$9.2 million to the sole community provider in FY08 to

the same commitment in FY09.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: If these don't come to fruition what can we reduce that by? Is it a certain percentage or can we go back to where we were for this fiscal year?

MS. MARTINEZ: I think we'd probably -- I'd have to talk with Steve Shepherd and maybe legal at the same time, but if we've made that commitment to the state, we sent that letter saying Santa Fe County will commit \$9.2 million in the FY08, I would imagine that we could send another letter saying that we cannot sustain that commitment and beyond that I'd have to research it to see what the process would be.

COMMISSIONER MONTOYA: Okay.

C. Fire Operations

MS. MARTINEZ: The next couple of slides will address the new emergency center and new emergency medical services tax that was recently enacted and effective July 1st. The way this slide is organized, we're showing you the sources and the corresponding uses. For sources we have the new GRT, which will collect, if you will, \$7 million this upcoming fiscal year. We are transferring \$1 million of that to support the RECC. Ambulance revenue comes in at about \$500,000. We have a JPA with Edgewood for a little more than \$100,000. Development permits bring in about \$100,000, and then grants at \$400,000, resulting in total funding sources of \$7.1 million.

The uses, baseline uses, fire administration, fire regions and grants total \$4.3 million. When you compare the baseline uses to the total resources, that leaves the total remaining revenue or sources, if you will, at \$2.8 million.

Now on the right of the slide are the building blocks, the proposed building blocks for this new tax, and they total \$3.5 million. Now, I just want to make the point that not all of these building blocks can be implemented day one, and so some of the things like item #11 revenue bond payment, we do not anticipate that happening in this fiscal year of the tax. So we feel comfortable that the fire chief will be able to accommodate his building blocks within his plan.

CHAIR VIGIL: Are there any questions? None? Please proceed.

MS. MARTINEZ: The next slide basically just tries to give you a little bit more detail for each of those building blocks.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: On item #2 of the building blocks, does that include the promised payments to the volunteers to reimburse for mileage? It's recruitment coordination.

STAN HOLDEN (Fire Chief): Madam Chair, Commissioner Sullivan, that is

actually the overall program, Commissioner. It's called the volunteer recruitment and retention program. I see it says coordination there but it's the entire program. And it does include what we have proposed through legal. Legal is helping us right now helping us go through what we can and cannot do legally under state law and even under federal law under the Fair Labor Standards Act. So that definitively hasn't been defined yet exactly what the program will entail, but that's the budget for that program.

COMMISSIONER SULLIVAN: Is that the big item in the budget or what other things are you anticipating other than reimbursements?

CHIEF HOLDEN: Well, pay per call I think is going to be the biggest item in the budget and it will probably be around \$200,000.

COMMISSIONER SULLIVAN: What does that mean?

CHIEF HOLDEN: Where we're actually paying the volunteer to respond to the call.

COMMISSIONER SULLIVAN: Separate from travel or -

CHIEF HOLDEN: Yes, sir. Separate from reimbursing them from the gas expense. Yes, sir.

COMMISSIONER SULLIVAN: Okay. And is that something that is being done around the state or are we the first to do that?

CHIEF HOLDEN: No, we wouldn't be the first; we'd probably be the tenth or so to do something similar to that and across the country there are a number of agencies that do that, but I just have to caution the Commission that we're a government, obviously trying to implement this program. In many fire departments across the country they are non-profit, private entities, 501 (c)(3)s that are operating their fire departments under contract to local governments. So the rules apply to those agencies differently than they apply to government agencies and that's why we're working with legal to make sure that we're dotting our i's and crossing our t's before we implement any program.

COMMISSIONER SULLIVAN: And that pay per call would be EMT as well as fire?

CHIEF HOLDEN: Yes, sir.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Stan, in terms of the building blocks that you came up, was there input to get this from each of the fire chiefs?

CHIEF HOLDEN: Madam Chair, Commissioner Montoya, yes. We have what we call the Response Improvement Implementation Committee, which is made up of representatives from the union, representatives from fire administration, and representatives from the Chiefs Association, which are the volunteer district chiefs. And all of those individuals working together have made recommendations to me on how we move forward with the implementation of these programs.

COMMISSIONER MONTOYA: Okay. And then I know at one point we had talked about having kind of a regional type of training center that originally got us some

funding from the legislature but that never happened. With this new GRT is there a possibility of us creating that?

CHIEF HOLDEN: Madam Chair, Commissioner Montoya, it's still a real possibility. I'm still in contact with our legislative contingent on trying to get both state and federal for that program. Basically what I'm looking to the state to provide is access to land. We originally got the joint resolution from the Senate and the House that was unanimous in both bodies to allow us to utilize the old state prison for a combined public safety training facility and we haven't gone forward with that because there has been some opposition from the State Corrections Department, but we're still moving in that direction. We will be applying for federal grants under the Homeland Security funding sources in the future for these monies, and we could potentially also be looking to the new GRT to help us fund that facility for capital needs, like buildings and props, and things that we would need on site to actually conduct the fire training,

COMMISSIONER MONTOYA: So that potentially could be used for that then?

CHIEF HOLDEN: That's one of the potential uses. Yes, sir.

COMMISSIONER MONTOYA: Thank you.

CHAIR VIGIL: Stan, I don't see a building block for A & E for La Tierra Fire Station. Is that included in another item here?

CHIEF HOLDEN: Madam Chair, Commissioners, when we presented this budget we were sort of under the gun and we were working sort of fast and furious to get something submitted. Since that time our work committee has made their first recommendations and that recommendation was based on adding personnel immediately to Agua Fria, first and foremost, and then Edgewood, and then up north and then come back in the next phase in the next fiscal years to La Tierra for funding for both the addition that will be needed at that station to accommodate a paid staff as well as looking at that as an option for adding additional personnel.

CHAIR VIGIL: That's going to be difficult for that community to accept because they were probably the community at the forefront of actually putting in their own dollars to advertise for the GRT, with the expectation that as soon as possible we would be able to assist them, even to the extent that they were willing to put in a special assessment in that district for those firefighters. So I don't know whether that's an appropriate response for when we solicit support from the community to get their assistance and then not comply with that they're requests were.

CHIEF HOLDEN: Madam Chair, we've certainly been sensitive to that issue all along, right from the very beginning. And adding that additional full-time crew in Agua Fria will significantly decrease the response time to that entire community, not just to Agua Fria. Currently the paid crew responds from the station on 14, which is right across the street from the jail, so there's a good 10-minute difference there between the response from that station and the new crew that will be added in Agua Fria.

On the other side, we have 2,000 square miles that we have to cover, and if you look down south, the only thing I can point to is the recent tragedy that we had in the Edgewood

area, during the day when we had more than one call occur down south and we had no available response and our only response came from a mutual aid department from Torrance County and the response time was 38 minutes.

CHAIR VIGIL: It seems to me, Mr. Holden, that one of the selling features of that GRT was that we were going to put 48 FTEs. Probably what I'm seeing here is a response, but it's a phased-in response.

CHIEF HOLDEN: Correct.

CHAIR VIGIL: And I frankly just don't think that's fair to our communities to not comply with that specific requirement, and I don't know that it should be phased in. Part of the advocacy that I went to great lengths for to get this GRT passed was to the fact that this is going to put FTEs in our empty fire stations. I'm not sure that we're going to have any trust or faith from our community. I know I certainly won't feel it if we don't respond as we advocated we would. So while this probably meets some of your immediate needs, I'd like you to look at this budget again to see if there's a way you could fit in complying with those 48 FTEs. That GRT will actually be able to assist us in that and that was the selling feature of it.

CHIEF HOLDEN: Madam Chair, there's no doubt about that. The limiting factor that we felt we had this year was the fact that the tax is only going to collect \$7 million this year because although it goes into effect in July, we don't see the first disbursement until some time in October. Now the following year, beginning in July, we'll be on track to collect a little over \$9 million. And that's why, with this budget we have tried to take care of everyone's needs across the board and do it in a phased implementation. And while I understand it's not going to meet everybody's needs immediately, it's the best I could see that we could initially.

Now, I certainly will take the comments that you have rendered this afternoon and go back and re-evaluate and do the best we can.

CHAIR VIGIL: Okay. And one of the concerns I have is the volunteer recruitment coordination, I never knew that was going to be a part of the budget when we advocated for the GRT and I'm wondering, is there a philosophical shift here and we're trying to accommodate volunteer recruitments and balance that with FTEs? Or should we rethink and provide more FTEs before we go into a philosophical change of reimbursing volunteers?

CHIEF HOLDEN: Madam Chair, I certainly appreciate and see your concerns, but from my standpoint today, the necessity of having volunteers in our system is going to continue going forward. There is no way as a County that we could afford to replace the services that are being provided by our volunteers. And as those volunteers get up in age and they continue to retire, the problem is we're not replacing them on the front side. So this incentive program, which was a part of the package that I presented at the very first meeting to the Commission, included \$250,000 for a volunteer recruitment and retention program specific to our volunteers. The less and less we can rely on our volunteers, the more and more paid staff we're going to need as a County and at some point you're going to see the budget - if we move and transition from totally what we call today a combination department, which relies on both paid and volunteers, and we transition to a fully paid department, we'd be looking at a budget in excess of \$15 million within two years. And I don't think that we can afford that as a

community at this point, based on the revenues that we have available to us at this time. That's certainly a discussion that we can have at a future time.

But I'm trying to make this a win-win situation with both our commitment to the community that certainly did support us on that tax campaign, and I'm very aware of it and very sensitive to it, and any program that we implement going forward. And believe me, Commissioner, I know, I sat in those living rooms and I looked at those people face to face, so I know what commitment was made to those people and I'm going to try my hardest to live up to that.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Thank you, Madam Chair. I agree with the budget as presented by Chief Holden. I think it makes sense within the restrictions of the money that we're going to have for next year. I don't think it's fair to say that we've made certain commitments that we have to instantaneously provide. It's not - if we don't go through the phase-in we're not going to be able to get the kind of people that we really need long term for this department. I've had this discussion with Chief Holden; I think most of us have. I think based on what he's told me in those discussions I think this budget is very rational. It keeps to the commitment that we made. It's not instant, but it keeps the commitment. So I do disagree with you, Madam Chair, on your comments. I don't think they're fair to the fire department. Under the circumstances, we're going to be doing the best we can. Thank you.

CHAIR VIGIL: Let me just say that if it's an issue of fairness, we have to clump in what's fair to the community and what's fair to our commitment. And I recognize that you do have to balance a budget with that. But I also sat in on many of those meetings and heard the commitments we made to this community and that commitment was strong that we would man those fire stations. And I think you were there, Chief Holden, when I said that we would make sure that they would be right away, as soon as the GRT got collected. That community left those meetings with that believe and I know that that is what they're going to respond to when we look at this.

COMMISSIONER CAMPOS: Madam Chair, making a commitment right away was your personal commitment. I don't think that's fair to the rest of the community and it's certainly not a Commission decision. I think we're meeting our commitments in the best way we can. But to say that we're going to do it immediately was maybe a commitment that was not realistic.

CHAIR VIGIL: You didn't sit in on those meetings.

COMMISSIONER CAMPOS: No, but I was one of the first persons advocating for this tax. I took the lead in many respects and if you go to meetings and you make commitments that you're going to instantly do something, that's not a reasonable commitment.

CHAIR VIGIL: Commissioner Campos, that's not the scenario. This community met with us with regard to getting an assessment district identified for FTEs there. And when we discovered it might be difficult to overcome all of those, they came on board saying how can we make sure we get these fire protection and EMTs out there, because of all of the problems they were actually having there. And we said one way you can do it is to

actually move forward and assist us with this GRT, and that, without further ado, let's move on because I know I was there and it wasn't my personal commitment.

CHIEF HOLDEN: Madam Chair, I will go back and look at this budget now that we have some better numbers from Finance and I will commit to you that I'll look at it and I will communicate to you exactly what I think we will be able to do immediately, beginning July 1.

CHAIR VIGIL: Thank you. Please, Teresa, continue.

D. Jail Fund

MS. MARTINEZ: Okay. The slide on page 7 is an analysis of the jail enterprise fund. What this slide communicates is the various revenue funding sources that make that budget balance. Right now, we have revenue coming from the care of prisoners, the memorandum of agreement, the corrections fund and the general fund. The key here is to communicate that we are taking \$800,000 from jail tax to support operational expenditures, and that's something that cannot continue on an annual basis. That tax will support operational expenditures at both the youth facility as well as the ARC. So we feel that the adult facility budget has stabilized. We feel that we really need to focus on the youth and that the population numbers must increase or there will be potential cuts necessary next fiscal year.

We also want to – again, I mentioned – create a separate cost center for medical. And the reason for that is it will help us to review and control the medical costs, and it will also help us tie in the amount we need to see at MOA negotiations.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Could you expand a little bit on your comment that \$800,000 that you highlighted there cannot continue to be funded from the general fund?

MS. MARTINEZ: The point we're trying to make here, this is cash, not general fund. We're trying to make the point that these are recurring expenditures; these are operational expenditures that we are having to supplement this year if you will, send the jail cash to balance the budget. So we need the revenue generations to come up so we need the population numbers to increase.

MR. ABEYTA: And Madam Chair, Commissioner Montoya, if I could remind the Commission, we weren't supposed to have this situation with the youth facility. That was supposed to be the one where were going to actually come out in the black. We were going to make more money than what it was going to cost to run it. So it's showing now that we're not. We're in the red. And so we can cover that red this year with \$800,000 from cash, but then that's it. If we're in the red again next year we're going to have to cut programs.

COMMISSIONER MONTOYA: Maybe in anticipation of that, I had suggested at one point in time that we look at what would it cost to contract these services out as opposed

to us providing them. So maybe on a dual track, take a look at whether or not we should actually maybe contract out to Bernalillo County to take care of our juvenile offenders in anticipation of is it going to be cheaper for us to do it that way? Or to run our own facility? So I would just maybe recommend that at least we have that as an option because the adult jail was supposed to make money for us and that's far from – that's never going to happen. That's never going to happen. I don't know of jails that are making money for any county, to be honest. Counties are just trying to break through and that's not just in New Mexico. This is nationwide.

So just trying to break even. So I would suggest we consider that because we took a huge leap in the number of FTEs and everything if we took that on. So that's my suggestion.

MS. MARTINEZ: We can do that.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Ms. Sanchez, what is the jail cash fund?

MS. MARTINEZ: The cash balance in the jail fund?

COMMISSIONER CAMPOS: Yes. Tell me what that is.

MS. MARTINEZ: I've got it here. At the end of FY06, the cash balance in that fund was \$3.9 million.

COMMISSIONER CAMPOS: Which means – how did the money get there?

MS. MARTINEZ: Well, I think through the course of a year, this was what's fallen through the cash as well as the GRT. When we funded the current GRT that helped sustain – transfers in are the main revenue source or one of the main revenue sources for the jail and FY07 is an example of a year where we came in under-budget on the expenditure side. A lot of effort went into the last fiscal year's budget to align it properly with the actual expenditures and I think we've hit it pretty close again this fiscal year. So –

COMMISSIONER CAMPOS: I don't understand you. Tell me again in simpler terms.

MS. MARTINEZ: Okay.

COMMISSIONER CAMPOS: How was it generated? How did it come to be?

MR. GRIFFIN: Okay, what funds the jail is jail revenue from what we call care of prisoners. We take care of prisoners mainly from the state. It comes from – yes, it also comes from – we send general fund money to the jail fund. We have year after year. In the early years of this decade we sent money from the general fund to the jail fund and those transfers are all made on July 1st. And so that money sat in the jail fund and if the budget – if expenses did not meet budget then that money stayed there and collected as cash in the jail fund. That's essentially where that money has come from over the years.

COMMISSIONER CAMPOS: That's money that you charge for services that goes in this money and sits there until it's expended.

MR. GRIFFIN: Well, it's mainly general fund money that was transferred to the jail fund on top of the money that we charged for care of prisoners. As you have already stated, we're not making a profit from the jail from care of prisoners. It costs us more to run the jail that we get from outside entities for the care of their prisoners. And we supplement that

with the general fund, so look at it as a base of care of prisoners and then general fund on top of that to reach what we considered as a budget for the adult facility. If the adult facility expenditures did not come in as high as our budget then that money remained in the jail fund as cash.

MR. ABEYTA: So in other words we didn't put what was extra after that back into the general fund. We just let it stay there.

MR. GRIFFIN: We didn't move that back to general fund. We made that transfer the first day of the year and it stayed in the jail fund. Now we're pretty happy because of that because we've had some considerable requests for capital improvements out at the jail. Last year we bought new laundry machines and kitchen equipment. When we took it over we spent a lot of money on capital at that facility. I have \$760,000 of capital requests in Corrections right now, and most of those look pretty good. I'm going to cut it back some because I don't want to spend all the money that I have in one year, but most of the capital requests are for things, upon touring the facility, for instance, it was clear that there were really not enough surveillance cameras at the adult facility to make it as secure as it could be and we're probably going to put some money into the budget for that. That's capital money. That comes from cash. It's a one time only expenditure.

So I'm glad I have the cash in the general fund to support this. And we have an operational problem this year in that in fiscal year 2006 we built a model that said here are the number of residents that will be in the youth center and here's how much money they're going to generate. We have about ten to fifteen juveniles in that facility from Santa Fe County. But that facility in total was budgeted for about 60 juveniles, because we're the only juvenile facility in northern New Mexico so we get juveniles from the federal government, we get juveniles from - right now we're getting juveniles from the state with a guaranteed payment so that that at least keeps up, and we also get juveniles from various Native American Pueblos and Tribes and whatnot. And that was all budgeted this year to bring in about \$4.3 million.

As the year went by and we kept track of the population at the youth facility, we found out that the total number of youth at that facility is around 50 instead of 60, and that budget for care of prisoner - the actual revenue for care of prisoner has dropped to about \$3.7 million this year. So that's a \$600,000 deficit from what we said would be in the budget, and we're looking at fiscal year 2008 and we have a budget for staffing that facility, and I am building the model according to the population that we are reading and the trends that we are reading from fiscal year 2007. And I again, only come up with about \$3.8 million for care of prisoners at the youth facility and a budget of about \$4.5 million for staffing that facility and running it, and that's a deficit of around \$700,000 when you look at both the youth program and then the ARC program that they also run.

So I have a deficit there, where am I going to get the money for it? I could fund it out of the general fund but that will take away all the leeway that you have for looking at additional programs and looking at building blocks and additional people and what not. I decided not to do that. I said I have enough cash in the jail fund to allow this to go on one more year and then we're going to look at it very carefully and indeed, if we don't look any better for fiscal year 09

we may implement some of the recommendations you've may. We may look at maybe just housing the Santa Fe youth somewhere else in the state and not having a program up here. We may look at cutting the program, the staff and whatnot so that we run a smaller program. And we're giving them a little time to look at that and also to see if they can bring the population numbers up and possibly get more revenue.

Because the whole idea behind youth when you took it over in the first place was that they would be self-sustaining and they haven't turned out to be self-sustaining. They were for a while and then things didn't go well with us.

CHAIR VIGIL: Is that kind of the trend for most jails? Does anyone know?

MR. GRIFFIN: I had an interesting call. I'll tell. Nye County, Nevada, 40,000 people out there by Death Valley. They said we don't have any kind of a tax base here and we would like to get your comments on jails because we've decided as a commission that we are going to build a huge jail here, bring in all kinds of prisoners from all around, from the feds and the state and what not and make a lot of money. And I said you better look at that very, very carefully because I don't know of a jail in this country that makes money, especially if they have to take care of prisoners from its own jurisdiction. Jails have become more than jails. They don't just lock people up. We provide programs. We have to provide medical care and the medical care budget in total for this year is somewhere around \$3.6 million out of that jail. And we have to supply psychiatric care.

There are no psychiatric facilities in this state. The jails are the chief psychiatric facilities in the state of New Mexico. Bernalillo County has an entire wing of their jail that's nothing more than a psychiatric hospital. And we're expected, if we run a jail, to provide those kinds of services so I don't see any way in the world how we can make money running an adult jail when we have 380 prisoners from Santa Fe County in there.

CHAIR VIGIL: Thank you, Paul. Any other questions? Please proceed, Teresa.

MS. MARTINEZ: The revenue sources for the jail enterprise fund, they're both by program if you will, administration, adult detention facility, electronic monitoring, youth development and ARC, and the revenue is then broken down by source. So when we say revenue to \$10.5 million, that is the revenue generated from the care of prisoners for housing those prisoners. When you see memorandum of agreement, that's the money generated from the St. Vincent's negotiations dedicated towards medical costs for inmates. Corrections fund is actually the corrections GRT and then a small amount that we get from the state. And then general fund, that represents what the general fund transfers to make the jail enterprise budget balance.

So this slide is revenue, showing the dedications. The next slide shows the expenditure side. The sources on slide number 7 and actual uses on slide number 8. Again, segregated by the program and then broken down by general categories. Of the \$24 million budget, \$15.7 million is directed towards salaries and benefits and then debt is \$2.3 million and the remainder goes to operational and contractual services.

E. Road Fund

The next slide is simply a slide with regard to the road fund identifying the sources and the uses. I wanted to make a point here that the County still gets one cent with regard to the gasoline tax, and that's back to at least 1996. Gas is now \$3.39 in Santa Fe County and we're still getting one cent. And the other point we want to make is the majority of the funding for the road fund does come from the general fund.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: How can you get that increased?

MS. MARTINEZ: I think, Commissioner Anaya, that would be an effort for our lobbyists, and I think that would have to be a statewide initiative.

COMMISSIONER ANAYA: Okay. Thank you.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Correct me if I'm wrong here. We're putting in \$7.8 million of general fund monies into the jail fund to make up the deficit. I'm back on page 7 and 8. The jail's costing us \$24 million. Is that \$24 million out of our \$54 million projected general fund revenues? Or is it just the \$7.8 million?

MS. MARTINEZ: Only the \$7.8 million.

COMMISSIONER SULLIVAN: Only the \$7.8 million out of the \$54 million.

Okay. Thanks.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: The forest reserve – what is that?

MS. MARTINEZ: The forest reserve?

MR. GRIFFIN: That's money paid to us from the federal government.

COMMISSIONER ANAYA: Is that PILT?

MR. GRIFFIN: Sort of a PILT. It's kind of a PILT payment. I haven't received it yet. I haven't booked it yet this year. In fact when I went across this this week to make this slide I noticed we hadn't had any revenue. We usually always do and last year it was \$42,000, so I went to the accounting manager and said look that up and make sure that that gets booked, so I'm pretty confident we're going to get that.

COMMISSIONER ANAYA: Thank you.

COMMISSIONER MONTOYA: Madam Chair, on the gasoline tax, did you say that that went to some of our roads?

MS. MARTINEZ: That actually goes toward the whole road fund operations to the tune of \$550,000.

MR. GRIFFIN: That is road maintenance, not new road projects. And the point I'm trying to bring up here is that this amount, going to the County has been the same for at least ten years. I went back and got state gasoline taxes going back to about 1973 and how

they've increase and then I tried to find out what the County was getting and I went back as far as 1996 and we were getting a penny then. The point is that many of the materials that we use for road maintenance are oil-based. And so they're going up in price as fast as gasoline and so we continue year after year to get about the same amount from gasoline taxes and we're paying more and more general fund money to maintain roads and I get a hue and cry every year from everybody, I think including you folks, that we need to do more road maintenance. And I'm funding this out of the general fund and if we have a road fund I think we ought to have road fund revenues and the point I'm bringing up here is that comes about through a legislative state action and we need to work on that, because there's been a neglect for many, many years.

COMMISSIONER MONTOYA: And Madam Chair, I guess one of the concerns that I had, at least in the past was that in budgeting sometimes we were taking some of that fund and putting it for other uses and mixing apples with oranges. And I don't know if it was this fund or it was another one, but we weren't utilizing what we should have been in terms of maybe not maintenance but upgrades, repairs, that sort of thing. And I just want to make sure that if this is for road maintenance that it's used for road maintenance.

MR. GRIFFIN: It is.

COMMISSIONER MONTOYA: Not for anything else.

MR. GRIFFIN: Yes. There's one organization that uses it and it's called road maintenance. Actually, road maintenance is also slopped over into the general fund in an organization called Project Development in Public Works who also goes out and helps with road maintenance that money is spent directly from the general fund, so it's kind of hazy for me to figure out what the total road maintenance bill is but it's probably more than we have in the general fund, because Project Development doesn't only help with road maintenance, it also provides the project direction for new road projects and whatnot, legislative money that we get from the state for new roads.

CHAIR VIGIL: Paul, is it fair to say that the increase in gas prices - we see no benefit of that?

MR. GRIFFIN: No. There isn't any, because it's a cent, it isn't a percent, it is a penny per gallon.

CHAIR VIGIL: But the state's portion is a percent, right?

MR. GRIFFIN: No, the state is 18.75 cents right now. It's been 18.75 cents since, oh, at least 2000. I think before 2000 it was like 18, clear back to 1990 or something like that. It hasn't changed a lot.

CHAIR VIGIL: Okay.

MR. GRIFFIN: Now, we are the 11th lowest state in gasoline taxes now. And there are 27 states that charge more than 20 cents per gallon state tax and there are about ten states that charge more than 30 cents per gallon state tax. So we're really low on the scale. And all I'm saying is the state can do what it wishes but it's costing us more and more to do road maintenance and I think we ought to be getting more out of gasoline taxes than we have been in the past.

CHAIR VIGIL: Okay. Any further questions? Teresa.

MS. MARTINEZ: Slide number ten is an analysis of the general fund. The top portion of the slide summarizes the sources and the bottom summarizes the uses. Here is an analysis of the change from over the year 2007 if you will. We've broken them up by the different sources. Property tax, in FY07 we budgeted \$29.3 million. In FY08 we proposed a budget \$32.1 million, which is an excess change of \$2.8 million. And this is where we're saying we felt comfortable enough to budget property tax revenue at a ten percent increase, given that years past we've budgeted between five and six and actually collected between seven to ten percent. So we recommend the increase.

MR. GRIFFIN: The 9.4 you see there is because we did not increase prior year property taxes, which in fact have been going down a little bit, and so we've been very conservation about budgeting those for next year because we're actually receiving less in prior year taxes than we have. In good times, people pay their taxes, so we don't get prior year taxes. In bad times, they don't pay their taxes and then we get prior year taxes. So that's how that all works. So when you take all of the property tax components and prior year it's going to come out at about a 9.4 percent. And the average has been around 7, 7.5 in the last two or three years, and you'll see that in a slide coming up.

CHAIR VIGIL: Commissioner Anaya, then Commissioner Campos.

COMMISSIONER ANAYA: What do you mean when you say cash?

MR. GRIFFIN: That's cash in the bank and we've got a couple of slides on that, okay? That's money that we have sitting there, really making investment money for us right now and we're looking at spending some of that this year.

COMMISSIONER ANAYA: Thank you.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: That's the same question I had.

CHAIR VIGIL: Okay.

MR. GRIFFIN: It's called budgeted cash. In other words, what are you going to spend out of the bank? Now, that's by definition, non-recurring. I go to my bank account, I can't keep paying my credit payments out of my bank account forever because it's non-recurring. I only have so much in my savings account. So I make sure that we budget that for non-recurring expense. We'll get into that.

MS. MARTINEZ: In summary then, total sources budgeted in FY07 was \$46.3 million. In FY 2008 we see an increase to \$53.9 million, which is a total increase over the prior year budget of \$7.6 million. Again, pointing out that the cash balance is higher. The uses between all of the categories and the transfers to the jail enterprise fund and capital requests, judicial center, grants - we're showing total uses in FY07 of \$46.3 million, and again budgeting the uses to the current year requests of \$53.9 million. We're seeing a \$7.6 million overall change increase.

If you go to the next page it will support -

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: On the insurance, that's budgeted enough?

That's actual what we have?

MR. GRIFFIN: Well, that's as much as we know right now. I'm hoping it doesn't come in higher. Insurance has been going up pretty fast.

MS. MARTINEZ: Commissioner Montoya, that's actually considering the increases we witnessed this year and then when we went to the budget hearing with Steve and Jeff I think they have some good ideas for how we try to minimize these costs next year and how we work in partnership with the Association of Counties and other insurance agents.

CHAIR VIGIL: Teresa, could you give us some examples of other operating expenses?

MS. MARTINEZ: Sure. That's your utilities, seminars and workshops, registrations.

MR. GRIFFIN: Oh, gosh. It's all the materials and contracts and everything that's not specifically mentioned here. And it's spread across many, many organizations in the County and not any one of them are as great in dimension as these other things that we've shown. I've put them in a pile there for you.

CHAIR VIGIL: Thank you. Thank you for clarifying that.

MS. MARTINEZ: The next slide substantiates our 10 percent increase in budgeting for the property tax revenue. If you look at it from year to year, the blue color represents the actual budget and the lighter colored pink, if you will, orange, represents the actual dollars collected. So we've actually budgeted between 5 and 6.5 percent annually and collections have really materialized between 7.5 and 8.5 and we're confident that we're going to see that, at least that 9.4 percent increase in FY 2008.

MR. GRIFFIN: We're increasing the budget by this amount this year to catch this budget up so that it's closer to what we actually collect. And we feel confident that we can do that for one year. Now, I'm not going to guarantee ten percent increases in property taxes from now on unless something wonderful happens in this county, but I brought that up because I don't want to collect a whole lot more actually than I budget, because if I do it dumps into cash and as you'll see, we have a fair amount of cash and we're going to spend some of that cash but I feel like I'm comfortable in increasing the general fund property taxes by ten percent this year, and that we'll realize that.

MR. ABEYTA: So Madam Chair, I want to point out since there was a lot of discussion about where the cash comes from, if you look at the bar graph, the cash is the difference between the pink and blue. Blue is what we budget. The pink comes in a little higher so the difference is what we put into cash. That just goes into cash and that builds over the years.

COMMISSIONER MONTOYA: Thank you.

MS. MARTINEZ: And the comments to the right, if you will, are just the comments to made if the Board rather would choose to go with a lower percentage increase in property tax of 6.4, because that's what we've standardly done, then that would equate to almost a million dollars and we've have to look at - okay, there'd be no recurring revenue for service expansion. Maybe we'd have to cut our FTE pool set-aside for new employees. So

we're here in front of you strongly recommending the ten percent increase to that property tax revenue budget, and we think it's more than fine to sustain it.

CHAIR VIGIL: Okay.

MS. MARTINEZ: The next slide is our standard slide of gross receipts taxes which shows what we've enacted thus far, kind of segregated if you will by the entire county GRT, and then the portions that apply only to the unincorporated county GRT. Now, if you'll look at the right-hand side of the slide, you'll see that the penny, if you will, that's segregated by the orange color, those are all the taxes that are applicable to the unincorporated part of the county. The blue is the 1/16 general fund that has silently if you will, been earmarked for the judicial, that is the entire county. And then the yellow is pointing out our strong case for enacting that 1/16 tax, the health tax, that would be allowed for assistance on the state-supported Medicaid payment. And this is the tax we're saying that this budget is contingent upon it being enacted.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: So on the second penny, what's the remainder? What else is there?

MS. MARTINEZ: I think once we enact the health tax, there's a couple of more hospital taxes, though we don't actually operate the hospital tax, so we wouldn't be able to enact them. When I spoke with the financial advisor there was comment maybe made toward some type of maintenance agreement to enact those taxes. There's additional taxes out there that I had done a little analysis on and quality of life was one of those that I remember we mentioned in the past.

COMMISSIONER MONTOYA: So those are the bits that –

MS. MARTINEZ: Remain.

MR. GRIFFIN: We're pretty much to the end of the line in terms of additional taxes which we have not enacted. The next thing that I have my eye on and would recommend, obviously, is an increase – and this would have to be a legislative action – is an increase in the corrections tax from 1/8 of a cent to 1/4 of a cent, because again, we're sending \$7 million-plus general fund dollars to support the jail. If I could get another \$4.8 million out of the corrections tax that would defray the general fund and we would have some leeway for some other initiatives.

COMMISSIONER MONTOYA: And I think the way the Association of Counties was trying to correct that was to actually get the state to reimburse us for the prisoners that they're supposed to be reimbursing us for, which would probably be more than what we would collect off an addition quarter percent on this.

MR. GRIFFIN: I'm very dubious of that.

COMMISSIONER MONTOYA: That would give us \$5 million.

MR. GRIFFIN: I'd much rather see the tax because it's clean. This other –

CHAIR VIGIL: It's sustainable. It isn't dependent on the legislature.

MR. GRIFFIN: It's a mess. Oh, well.

CHAIR VIGIL: So we have two items thus far to take to the Association: increase in gas tax and corrections increase from 1/8 to 1/4. Let me ask a question. The emergency communications and medical services is 1/4 that would start July, that's the GRT we just past.

MS. MARTINEZ: That is correct.

CHAIR VIGIL: There currently is a GRT for infrastructure that sunsets. Now, does it have to sunset? And if it doesn't sunset, can we continue it? And I know that those dollars are specific for infrastructure. Do you know if they are also specific to apparatus or anything else? Chief Holden, you may be more – and what is our status in terms of needs for infrastructure?

MR. GRIFFIN: That on the chart is called the fire excise tax. We have an infrastructure tax. That goes to general fund. But we have a one quarter cent unincorporated fire excise tax, which indeed does sunset. And Stan kind of knows my idea on that one.

CHIEF HOLDEN: Madam Chair, Commissioners, the tax is due to sunset effective December 2008. We will be the last county to have renewed its county gross receipts tax for fire protection under the new state law, which does not carry a sunset provision. So if the Commission was so desirous we could move forward with that effort in the very near future. We do need the money primary for funding future fire stations and this tax can be used for fire apparatus. In the past what we've used the tax for in that vein is we – you go out and get a revenue bond, and then you pledge a portion of that tax to pay that revenue bond off. And that buys all the new fire apparatus throughout the county.

We have improved the age of our fleet. When I arrived here in 1997 it was a little over 19 years of age, on average for the fire apparatus, and now it's a little bit less than 11 years of age per apparatus. So we have made significant improvements, but as I told this Commission at the time we were doing our new quarter cent gross receipts tax, because of the limitations of this tax, if I had to choose one or the other, I was going to have to go with the new tax, because it did not – it was not so restrictive and the real need was additional personnel, paid personnel. And that's why my recommendation was as it was to the Commission at that time.

CHAIR VIGIL: Stan, are you – am I hearing you say it would be good for us to consider keeping it from sunsetting and if we do, how would we do that?

CHIEF HOLDEN: Madam Chair, yes, that is what you're hearing from me, and the way we would do that is we would have to come back to the Commission at a future meeting and it would have to go out to referendum to the voters again to be reauthorized under the new provisions of the changed state law. And as I pointed out, that law now does not require a sunset.

CHAIR VIGIL: Okay. And how much does this generate?

CHIEF HOLDEN: About \$1.6 million a year.

CHAIR VIGIL: Okay. And we've had this in effect for the last five years?

CHIEF HOLDEN: No, ma'am. It goes all the way back to the early 1980s.

CHAIR VIGIL: Okay.

CHIEF HOLDEN: It has been the primary funding source for all capital and

apparatus fire station funding in the past.

CHAIR VIGIL: Okay. Thank you. Please proceed.

MR. ABEYTA: Madam Chair, the next slide is new staff requests that we're recommending to be funded this next fiscal year. When the budgets were submitted we had an original list of 26 positions, totally about \$1.25 million. In sitting down with Finance we found that we have \$365,000 available for new FTEs so we had to make several cuts. I sat down with the department directors. I've spoken with the County Clerk and with the Sheriff, and what I am proposing that we fund with the \$365,000 that we have available is, first of all, I'll start with County staff. Again, I sat down with the department directors. We're proposing that we fund one custodian for administrative services and one micro-computer technician for MIS.

Growth Management, we would like to fund a Code enforcement officer for Land Use, a transfer station caretaker for Public Works, and a building maintenance specialist for Projects and Facilities Management Division. And for Community Services, we would also like to fund a field coordinator for open space, which would total \$269,968. That's actually going to be a little less because the Code enforcement officer at \$66,000 is more like \$41,000. So that's a little less than \$269,000, about \$25,000 less.

Then with the \$120,000 that's available, we would like to fund two positions for the County Clerk's office. Her original request is for four; we'd like to fund two of those. We'd like to fund a quality control specialist for the Assessor's office and I would like to be able to fund two Sheriff's positions for the Sheriff's Department. And with that we would be balanced with the \$365,000 that we have available. Those are my recommendations. I've spoken with both the County Clerk and the Sheriff. They're in agreement with me, and staff is in agreement with me as far as the County staff positions that we're proposing to fund.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: What's the vacancy rate now in the Sheriff's Department?

ROBERT GARCIA (Sheriff's Department): Madam Chair, Commissioner Montoya, I actually couldn't give you a direct number exact right now, but I want to say, not counting the four DWI positions being granted by the state, and seeing those [inaudible] I want to say we have about five or six positions that we're looking to fill right now.

COMMISSIONER MONTOYA: Five or six.

MR. GARCIA: Yes.

COMMISSIONER MONTOYA: And do you feel confident that those are going to get filled?

MR. GARCIA: I feel very confident that we'll get there. We're in negotiations again and we do have to compete, especially with the City of Santa Fe but we're hoping and we're moving in that direction. For some reason we seem to be able to attract more applicants with the Sheriff's office than what I've seen with the City. We're in the process of - I won't mention the County because at this point deputies fear retaliation for whatever reason but we're looking at a few and hoping to have very good complete staff here soon.

COMMISSIONER MONTOYA: Because I know, what was it? A couple years ago? I think that this Commission actually elevated entry-level salaries so we were pretty much competitive with just about every law enforcement agency around here. So I think that's helped in terms of reducing what was probably triple that many vacancies at that time. Now we're down to about five or six, so we're headed in the right direction.

MR. GARCIA: With that last negotiations that we went through and the Commission being generous enough to see that, it did help and will continue to help and I do appreciate that.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Roman, I don't understand on page 13, if we have \$365,000 available for new staff requests, the two columns that you have there total about \$500,000. What am I missing here?

MR. ABEYTA: The yellow column doesn't have a total after the reduction, so what you're looking – I don't think – what is the difference here?

COMMISSIONER SULLIVAN: It says \$213,016, recommended, and the County staff one is \$269,000 and that's reduced a little bit, because of the \$41,000. That's still over \$450,000.

MS. MARTINEZ: That's correct, Commissioner Sullivan. If you were to fund the total request. The total request between the final yellow column, \$213,000, and the annual salaries and benefits recommendation from the County Manager, \$269,000, that's a total of \$482,000. So what we're working with here is we've identified that we could cut the Code enforcement officer down to \$41,000, but if you look at the top of the elected officials, the pot available was \$120,000. And that number is basically saying if we go with the County Manager's recommendation for County staff of \$270,000, we could work with \$120,000 to try to accommodate the elected officials. And the excess dollars then would have to come from that dollar that we'll get to in a little bit that we've earmarked for recurring initiatives.

COMMISSIONER SULLIVAN: Where does the \$365,000 come from?

MS. MARTINEZ: It's not on this page. It's what we as the Finance Department have set aside as a pool of money for new FTEs.

COMMISSIONER SULLIVAN: Is that for new FTE elected County officials, staff, as well as County staff?

MS. MARTINEZ: That's correct. Countywide.

COMMISSIONER SULLIVAN: So we're still above that \$365,000 by \$100,000.

MR. GRIFFIN: Yes. But there are ways, and we'll show those to you.

COMMISSIONER SULLIVAN: Well, we either have the money or we don't have the money. If it's \$365,000 we don't have the money for this amount of FTEs.

MS. MARTINEZ: Maybe it would help if we continued through the – the point I'm – let me just tell you what we're doing here is we set aside \$365,000 for new FTEs.

We've also stated in slides to be seen after this that we are willing to set aside or recommending a set-aside if you will of \$750,000 for building blocks, \$750,000 for recurring initiatives, and \$750,000 for non-recurring initiatives. So if the Board's pleasure was to staff this at the total request of \$482,000 right now, then that excess over the \$365,000 set-aside would have to come out of the recurring pot of \$750,000, which would then eat into your building block initiatives on the recurring side.

COMMISSIONER SULLIVAN: But that \$1.5 million that you're going to get to here pretty soon is kind of a bonus this year because of the ten percent property tax. And you've just told me that you can't guarantee that next year. So if you're putting that money into recurring positions, what are we going to do?

MS. MARTINEZ: We're putting only \$750,000 of that \$1.5 million --

COMMISSIONER SULLIVAN: Okay, so you're guaranteeing me it will go up five percent next year then.

MS. MARTINEZ: Yes, sir.

COMMISSIONER SULLIVAN: I want to see that in writing.

MS. MARTINEZ: I'll sign in blood.

COMMISSIONER SULLIVAN: I think, myself, we should stay at the \$365,000. I think 11 FTEs is a lot for one year.

MR. ABEYTA: But if we stay at the \$365,000 then we would have to cut about two positions. How many to stay at the \$365,000?

MS. MARTINEZ: It would probably be two positions, depending on the funding of that position. Keep in mind that the total County staff is now down to \$229,000, or \$228,000.

COMMISSIONER SULLIVAN: Well, we'll see what folks want to do.

MR. ABEYTA: So as far as recurring expenses, building blocks, we received requests from both elected officials and County staff. The original request that I received from County staff including the elected officials totaled about \$1.7 million. Now, Teresa told me you have a window of about \$750,000 to fund in recurring expenses. I left the elected officials alone and I cut from the County staff. We sat down, myself and the directors, and we prioritized recurring expenses, and what we came up with, from administrative services, we need to do a salary increase to the IT personnel of at least \$2 an hour for all of the IT personnel. We just -- we're not competing with the surrounding agencies for IT people. And so we need to do that. We need to improve our network administration to the tune of \$30,000. The County Commission newsletter that we have started is going to cost around \$25,000 a year, and then we also want to take a look at our network security needs assessment. That will cost \$25,000. There were a lot more IT improvements we needed, but we sat down with the IT director and the ASD director and these are the ones that got prioritized being that we had to cut.

Growth Management, the Land Use Division is requesting \$30,000 to assist us with our economic development planning that we're currently doing. We would hope that if we're successful with the business park, this \$30,000 could then be used for something else next year.

Then the Eldorado bus service is \$100,000 a year if we want to continue providing that service. We've started up the satellite office in Pojoaque. We're talking to Edgewood and looking at opening one in Eldorado, so we would like a budget of \$45,000 to cover the rent expenses and other expenses this next year in operating satellite offices.

We're asking for \$40,000 for legal support, primarily to deal with all of the different buildings, project leases, the legal review that goes into every time we get a building like Women's Health and we have to contract with outside help to process the leases. We want \$40,000 for that. And I think that was even cut. The original request was \$80,000. And then trail and park contracted maintenance, we would like \$50,000, for a total of \$395,000.

The elected official requests, Commissioner Campos requested \$10,000 for City/County energy initiative outreach, \$80,000 for a year-round state legislative lobbyist, directory of County services, which will cost \$65,000. Commissioner Montoya requested \$30,000 for an illegal dumping task force, \$50,000 for the Española library and the animal shelter. This is attributed to Commissioner Montoya but the entire Commission talked to the Boys and Girls Club two weeks ago. They want an additional \$75,000. Then \$7,500 to inspect the Santa Cruz flood control dams, \$10,000 for Tesuque-Chupadero recreation program, \$20,000 for Pojoaque schools recreation program. \$5,000 from Commissioner Vigil for Agua Fria trash pickup and \$50,000 for the graffiti cleanup initiative, for a total of \$402,500.

So if you add the two figures together, we're about \$50,000 over budget. So we would have to cut - if we wanted to fund everything, \$750,000 worth of recurring expenses, we'd have to cut \$50,000. We could cut another \$100,000 to accommodate the previous slide, \$100,000 in FTEs, bringing this down to \$650,000. So you have to either cut a minimum of \$50,000 from here or \$100,000 from here if you want to accommodate the \$100,000 in the previous slide.

COMMISSIONER SULLIVAN: Madam Chair.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Roman, I don't see any of the requests from District 5 in here. I had several requests that I gave to Jennifer and none of them are in here. We've got here Española library, \$50,000. I asked for occupational expenses for the library in Eldorado - I don't think I asked for that much. I asked for funding for the senior center, for operational funding for the senior center. Nothing - and there was a couple of other ones that I had in there too.

MR. GRIFFIN: The senior center building block is in the EMS healthcare fund.

MR. ABEYTA: We're just building that into the budget.

MR. GRIFFIN: Yes. We built that into the budget.

MR. ABEYTA: We're going to cover that. But the other requests -

COMMISSIONER SULLIVAN: I had other -

MR. ABEYTA: On the next page, non-recurring, we do have down the restoration of Lamy Church, and the others, I'll have to check and see where the breakdown was between the Manager's office and Finance and whether or not those building blocks were submitted correctly.

COMMISSIONER SULLIVAN: Yes, well, the most important one is the library because that's operational funds and they get no operational funds. Here we are operationally funding the Tesuque recreation program and the Pojoaque recreation program and the Española library and all these other things and we're not doing diddly for the library. It's the only library that Santa Fe County has.

COMMISSIONER MONTOYA: My response also, Madam Chair, is I was asked by Lisa to give a wish list of what things I needed in my district that have been recurring year after year. So I gave her this list and it's on there, so I don't know if we all submitted it or not but I did and –

MS. MARTINEZ: Madam Chair, Commissioner Sullivan, what we could offer at this time is this is the interim budget. We have two weeks to finalize this and get it turned in to DFA. So what we could do is we don't have to sit here today and identify specifically which projects would be funded or not funded. We could do this as a set-aside, if you will. We'll just mark \$750,00 for recurring expenditures, and then between now and the final budget we could finalize exactly how that dollar will be distributed, and we could even do it after the final budget is turned in via resolution. So there's time to go back, work Jennifer, get those requests in, prepare another list, and then bring that before the Board on May 29th, when we try to adopt the final interim budget.

CHAIR VIGIL: And perhaps we could reserve a lot of the discussion for that, but I'd like to throw this out for the Commissioners to just think about, unless they want to make a response. On the year-round state legislative lobbying, and I think, Roman, we had spoken about this and there was going to be some follow-up with some of our state legislators with regard to that. I really, I guess, from my experience at the legislature, I wonder if that's something that we need to reconsider and if so, what are the alternatives to reconsidering that? Roman, did you have a chance to get some feedback?

MR. ABEYTA: Yes, Madam Chair, and I had actually highlighted that on my copy of the presentation because I think we can do something that's less than \$80,000. We may not even need a lobbyist in the interim. But at the same time we may want somebody to help us with that. I need to do that analysis internally first and see if we have the resources in staff that can start that project for us. But we definitely need to do something this interim. But maybe it's not to the tune of \$80,000, but we've got to do something.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Going to the discussion of the legislative lobbyist, I'm not sure where the figure came from. Was the proposal to hire on contract or to have a new FTE or what was –

MR. GRIFFIN: It was a contract.

COMMISSIONER CAMPOS: It was a contract.

MR. GRIFFIN: None of these involve FTEs.

COMMISSIONER CAMPOS: So, I think it's important to have year-round interim. Every year we come to the same problem. We come to the end. Things have not been done. People have not been paying attention to what's going on in the interim. We're losing

out. To be effective I think we have to make an investment in that. Let me ask you a question, Mr. Abeyta about directory of County services. It doesn't sound - I don't understand what that is. That's under my name.

MR. ABEYTA: I don't know. It was something that Lisa submitted on your behalf. I don't know what that is. And like I said, I didn't touch any of the elected official stuff.

COMMISSIONER SULLIVAN: Just change that to read the Vista Grande Library.

COMMISSIONER CAMPOS: I think Jack Sullivan was late on his requests.

COMMISSIONER SULLIVAN: Jack Sullivan is not late. Jack Sullivan's request is not here.

COMMISSIONER CAMPOS: Jack, it's too bad.

COMMISSIONER SULLIVAN: Jack Sullivan submitted a list and I don't know where it is but I'll give you a copy of the list.

CHAIR VIGIL: I have to say it's apparent that this list is not only incomplete but perhaps there needs to be a check and balance because I will tell you that the Agua Fria trash pickup is not something that I recall having a conversation with anyone about. So let's do as Teresa suggested. Come back. Identify what these building blocks are per district, per Commissioner, and we will be able to better clarify this. Because it does seem to me that it's incomplete. At minimum.

COMMISSIONER MONTOYA: Madam Chair, on the legislative lobbyist year-round, I would agree with Commissioner Campos. I think we need to look at someone who's going to be able to be there during the interim period as well. I think some of the work that was done up front with some of the legislation that was passed happened because it happened during the interim, not during the actual session itself. So if there's things that we need to work on during the interim we need to make sure that we have representation there. So that would be my thoughts on that as well.

CHAIR VIGIL: Thank you. Could I take a second here to introduce a guest that we're honored to have in our presence, the Speaker of the House, Ben Lujan. Would you please stand? Thank you so much for joining us. We're honored to have you with us.

Okay, shall we continue?

MR. ABEYTA: Madam Chair, the next slide is non-recurring building blocks. The original requests that we received totaled about \$1.2 million in requests. Again, the elected official requests I left alone. I didn't make any cuts, but I made a lot of cuts to the County administration requests, and what we came up with, what we prioritized was for administrative services, we about twice the IT personnel, that's not right.

MR. GRIFFIN: That's not right.

MR. ABEYTA: But we have a telephone and public safety and Public Works system that we need to install for \$70,000, network security, risk needs assessment - I don't know if that's the same as the last; we might be able to cut that. But an upgrade to the audio-video equipment in the chambers of \$50,000, and an upgrade to the Finance/Human Resources HTE system of \$125,000. \$50,000 for the Code rewrite in Growth Management, and \$200,000

that we're going to need this next year for the relocation costs as a result of the new judicial complex construction.

As far as the list we received from elected officials, we got a request for acequia rehabilitation at \$30,000, restoration of Lamy Church at \$50,000, the County Treasurer put in a request to improve security and accept credit cards at \$10,000, a tax billing software of \$107,000 and the Sheriff requested field reporting from CRIMES data system which would be \$61,250.

And again, so we're about \$80,000 over if we stick to the \$750,000 budget that we have available for non-recurring expenses. And again, we'll go back, we'll make sure that we have all of the elected official requests for non-recurring, and then we'll try to budget within \$750,000.

MR. GRIFFIN: Roman, with the two items that should be on the other list we're about even now.

MR. ABEYTA: Okay, so the two items we just took off that were on the other list we're balanced, but I need to make sure that there weren't other requests from Commissioners that didn't make this list before we commit to that.

COMMISSIONER MONTOYA: Which items are we taking off?

MR. ABEYTA: The salary increases for IT personnel, that's a recurring cost so that gets taken off this list, and then the network security needs assessment, that was on the other list also.

COMMISSIONER MONTOYA: Oh, okay. So Madam Chair, Roman, as I understand it then the recurring and the non-recurring are both at \$750,000.

MR. ABEYTA: That's the budget we have available.

CHAIR VIGIL: Okay, I'd like to hear further questions on this page and then take a few minutes for just a five-minute recess. Are there any other questions on this?

COMMISSIONER SULLIVAN: Madam Chair.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: I'm guessing, Roman, that that network security needs assessment is not a recurring expense on page 14. I think probably you want to take that out on page 14 and leave it in on page 15, would be my guess. I don't think we need to do needs assessments every single year.

MR. ABEYTA: Right.

COMMISSIONER SULLIVAN: Either way, the net effect is the same which is it reduces it by \$95,000.

CHAIR VIGIL: Any other questions? Roman, on the upgrading of audio-video equipment in chambers, that dollar amount, part of the problem we've had with getting the BCC meetings out to the public is we really do not have a clear, concise contract with Santa Fe Community College on this and I think that actually happened in this morning's meeting because we did not contract with them for the air time or whatever. Does this dollar amount include any kind of contractual arrangements we need to make with them?

MR. ABEYTA: No. This is just literally for equipment for this room. We still

need to have those discussions with them, but related to that, we're in the middle of discussions with the City of Santa Fe because they are going to start a government channel and they need an easement from us, from our judicial complex up the street to get the fiber-optics they need for their government channel and they're willing to negotiate airtime on that channel in exchange for that easement. So that's something that I'm discussing with them right now. But we're going to have to have a larger discussion because that would affect whether or not we still use the Community College.

CHAIR VIGIL: Okay.

MR. ABEYTA: But no. To answer your question directly. It's for the sound system in this room and the video – the cameras in this room only.

CHAIR VIGIL: And it seems to me that if it's really critical we have that upgraded equipment but it's not going to create any benefit if we can't get the airtime.

MR. ABEYTA: Right.

CHAIR VIGIL: So as long as we can get that contractual arrangement clarified so we can move.

COMMISSIONER MONTOYA: Madam Chair, I have a question.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: And this is for Domingo. Regarding the – was this the CAMA system that we're talking about? Is that built in somewhere else in this budget or as a request? Because I think talked about needing to upgrade that.

DOMINGO MARTINEZ (County Assessor): Madam Chair, Commissioner Montoya, I think it's in another part of [inaudible] We had budgeted about \$300,000. I think we upped it to about half a million, trying to get that implemented [inaudible]

COMMISSIONER MONTOYA: Okay, so it is still in here.

MS. MARTINEZ: It's built into the capital package.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIR VIGIL: Okay, are there any further questions? Seeing, hearing none, we'll take a five-minute recess.

[The Commission recessed from 3:50 to 4:10.]

CHAIR VIGIL: We are finishing up page 15. Is there anything else we need to add to that?

MR. ABEYTA: Madam Chair, the only thing I'm going to add is that we will, just to summarize, we're going to go back, take a look at the list of building block requests and then we'll continue the discussion with the BCC before the budget is due at the end of the month.

CHAIR VIGIL: Okay. And I would just suggest that communications be really clear because when I said I wasn't sure about the Agua Fria trash pickup, it easily could be the program that we contract with inmates to pick up trash there, and of course I'm in support of that, but I didn't recognize what it was on the ledger. So maybe that could be clarified too.

MR. ABEYTA: I'll have individual discussions with you between now and the end of the month. Hopefully, I can bring at the end of the month a balanced budget that you are all in agreement with. Page 16.

MS. MARTINEZ: The intention of this slide is to show the general fund cash picture.

CHAIR VIGIL: Let me just say, Teresa, if it's at all possible, we're all hoping to get out of here by 5:00.

MS. MARTINEZ: We should be able to do that. The point of the slide then is to show how that cash base has grown. And we're showing both by property tax and by investment. Each year, these are the actual dollar amounts that receipts have come over the budgeted amount. So if you look at property taxes, we have collected in excess of \$3.9 million in revenue over what we've budgeted, so again, that would fall into the cash balance, and the same on investments. Kudos to the Treasurer. He has brought in investments above and beyond what we budgeted to the tune of \$3.2 million. So we come up with a \$7.1 million. And these are our recommendations for the uses of that cash.

Obviously, the capital package at \$2.6 million. The Public Works building fixtures. What this is is the Public Works building is going up right now and there are dollars needed for the furniture, fixtures and equipment for that facility. We have estimated \$1.6 million. We're proposing it here rather than cutting already budgeted dollars for specific growth projects. That way we continue with the road projects and we only take it from cash and we don't reduce the road effort.

The non-recurring initiative, that's the \$750,000 we've earmarked for non-recurring initiatives which we will clean up and bring back to the Board at the end of the month. The classification and compensation study actions - initially the information that we got from the contractor was that we would need about \$455,000 to bring that minimum salary level up to \$9.60 per hour: \$455,000. But it's only stated as \$200,000 here because did that emergency enactment to bring the salary or the wages up at the corrections facility, so that accounted for about \$275,00 of that total.

COMMISSIONER MONTOYA: So we got halfway there by doing that.

MS. MARTINEZ: We did. We did. So we budgeted the remaining \$200,000 to bring the other FTEs whole, to that minimum wage dollar value. And then we've put in the \$1.9 for the land purchase of the Santa Fe Business Park. And that's how we've accommodated the excess \$7.1 million cash balance.

COMMISSIONER MONTOYA: Madam Chair, that land purchase, would that be from the state?

MR. ABEYTA: Yes.

COMMISSIONER MONTOYA: So they were willing to sell it to us?

MR. ABEYTA: Yes. We submitted an application to purchase that property and hopefully we can get this money back when we develop the property.

COMMISSIONER MONTOYA: Right.

MR. ABEYTA: That's the intent.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Teresa, the capital package, what is that?

MS. MARTINEZ: That is all the capital requests – the CAMA system that we were just speaking of, vehicles, that type of thing.

COMMISSIONER SULLIVAN: Requests by whom?

MS. MARTINEZ: By all the departments. This is part of their budget process where they request along with operational requirements –

COMMISSIONER SULLIVAN: Is this back on previous pages?

MR. GRIFFIN: No, it is not in here, but we had \$2.4 million in capital requests.

COMMISSIONER SULLIVAN: So we gave them \$2.6 million?

MR. GRIFFIN: I'm sorry. And that was the total of the request. And we had cash enough in the general fund that we recommended that we fund the capital requests that were made out of the general fund.

COMMISSIONER SULLIVAN: Does that include vehicles?

MR. GRIFFIN: It includes the Sheriff's vehicles. It includes – which is about \$600,000 by itself. It includes all repairs to buildings and whatnot, the new HVAC and whatnot that's requested by those folks. It includes – it has money in there for what I call orderly replacement of old computers so we replace a certain percentage every year. Oh, gosh. It has just a whole lot of things in it.

COMMISSIONER SULLIVAN: That doesn't include, like, is it only Sheriff's vehicles? What I'm getting at is, I'm just trying to resurrect my hybrid of fuel efficient vehicle, because I wondered –

MR. ABEYTA: Madam Chair, Commissioner Sullivan, that's going to be in the \$2.6 million and we are going to purchase hybrid vehicles with that.

MR. GRIFFIN: We have received some requests directly for hybrid vehicles and we put them in there. We felt like we had cash enough this year to support that. We also have cash enough we feel to support the Public Works fixtures instead of drawing all of the funds out of the bond fund from road projects and spending them on the fixtures for the Public Works building. We felt like the County would benefit if we went ahead with these road projects, and we should leave them with roads instead of with the Public Works building. So since we have enough general fund cash to support that I felt like we should do that. That was the recommendation.

CHAIR VIGIL: Okay.

MS. MARTINEZ: The next slide is just, if you will, the planting of a seed for future thoughts. Given predictions and estimates on an annual basis and seeing what possibly will fall into cash in excess of what we budget, we want to start thinking in line of maybe doing more than what our reserve requirements are, specifically for funds reliant on the MOA. So what we show you here is our legal reserve requirements for the general fund are three months, and we're required to reserve \$13.5 million. There's an additional BCC reserve requirement of

\$2.5 million, and then the road fund, that requirement is \$200,000.

So what we're proposing below is we should give future thought to possibly – we're not required by state statute or law, but we should probably give some thought to making reserve requirements for some of the funds that are very contingent on the MOA funding, and that is the only point of this slide.

MR. GRIFFIN: If I can raise my hand on that, these state requirements were made many, many years ago when the only operational funds the County had were the general fund and the road fund. Now we have a number of other operational funds. We have the jail fund with a \$24 million budget, for instance, which is almost half of the general fund budget. No reserve requirement. Fortunately, we have jail cash, so that's covered. But we have the health funds, the indigent fund. Now we have this emergency communications and medical tax fund. I call it the fire operations fund because it's essentially funding the fire department and none of these newer funds that are operational have any legal cash requirements. But I'm sitting out there with an MOA agreement to be made yet with St. Vincent Hospital with no cash in these funds in case something goes awry with that. And I feel like we should have cash somewhere in this County to cover that, instead of running directly into bankruptcy if we stumble on this thing.

And I feel that we should have at least one-month reserve in funds that are fairly stable, and anything that is connected with the sole community provider should have a three-month reserve in it. So we can absorb a great deal of general fund cash for those purposes if we desire to do that, and I'm happy that we have a lot of general fund cash because we're sitting in a fairly precarious position on these other funds right now that are out of cash.

COMMISSIONER MONTOYA: Madam Chair, where is that reserve coming from? The general fund? Is that what you're suggesting?

MR. GRIFFIN: Well, right now the general fund has the money in the bank that would cover it if these other funds went bankrupt. I hope that doesn't happen, but I have a contingency to keep this County solvent in case the health side doesn't pan out the way we wish it to do so.

COMMISSIONER MONTOYA: So this \$6.2 million that you're suggesting that we have in reserve, that you suggest come out of general fund?

MR. GRIFFIN: Well, it doesn't have to. We could say we – the Board could pass an ordinance that says that these funds should have these reserves and we would gradually – if operations continued okay with these funds we'd gradually build that reserve up in those funds without using general fund money. But since I have no reserves in those funds, I look to general fund cash as having to cover it if I have a disaster face me in terms of the finances of the County.

COMMISSIONER MONTOYA: How would you build it up without any general fund money?

MR. GRIFFIN: We wouldn't budget all that we received. We'd let it build up in cash. Or if we received more in GRT, than we had budgeted, we'd just let that build up in cash. But GRT is different than property tax. GRT only advances about three to four percent in

good years. In bad years it's about even or maybe one percent. So we don't gain a great deal in GRT. In property tax, however, it's been like 7.5 percent every year for the last three years so we've been able to get a lot of general fund cash out of that. These other funds would have a much harder time generating cash.

CHAIR VIGIL: It seems to me that that's a really critical policy issue for this Board, because while GRT is not as increasingly sustainable as property taxes are, I'm not very comfortable with the increase in property taxes as we see them today, particularly for a Commission who's setting forth policies on affordable housing. It seems to me that one of the things we need to be very cautionary about is who we impact when we look at enacting taxes. With the GRT, one of the benefits of that is that in fact it doesn't directly affect every pocketbook of every citizen of Santa Fe County. The GRT is strongly supported through the tourism industry and that to me is a strong policy consideration.

Whereas an increase in property taxes can have an increasingly adverse impact on our local residents who are already moving out of Santa Fe County because of the market value escalation. So that policy discussion I think need to be had specifically.

MR. GRIFFIN: Our property taxes are driven both by appreciation of property – but that is limited by the state. It's also driven – what has really driven it upward in this county in the last three years has been new construction. But new construction implies a need for additional services. So I don't know how much we're winning out of getting new property taxes because we need a bigger police department, we need a bigger fire department and all of these things are coming to the fore. Well, what is the fire department supported by? It's supported by GRT. What is our emergency communications supported by? It's supported by GRT. And so property tax is not supporting everything in this county and it cannot. And that's one thing I worry about a little bit and that's one reason I want to see this health 1/16 tax pass, is because it will give me a little leeway in regard to the growth of these organizations that are supported by GRT right now.

CHAIR VIGIL: Okay. Thank you.

F. Budget Tasks and Legal Deadlines

MR. ABEYTA: So Madam Chair, finally, the budget tasks, we need to resolve budget issues. For example, the general fund cash for Public Works fixtures. I didn't hear any objections from the Commission for doing that. Prioritizing recommended positions, I will go back and I will try to get the positions to balance with the \$365,000. If you have any ideas or suggestions regarding that I would appreciate any feedback you have on that. As far as the building blocks, we will get a complete list. We'll check with you one more time to make sure we have all of your building blocks, both recurring and non-recurring. We will stay within the \$750,000. I will try to bring a balanced budget for both of those before the Commission. If I can't, and there's unresolved issues then we'll just have to discuss it as a group and you'll have to make the decision as to what gets funded and what doesn't. But again, I'll do my best to try

to balance those.

And then finally, we're going to need to implement the 1/16 cent health tax. And so that's something that we'll be discussing in the near future.

MR. GRIFFIN: This does not have to all occur in the next two weeks. We can set aside money in the budget for those decisions to work against, and then you'll be able to deal with those decisions in an orderly fashion. I hardly have time – as a matter of fact I have two weeks from today to get this budget approved and into DFA. And that doesn't give me a whole lot of time. And I'm probably going to end up setting aside pools of money – these \$750,000 pools, if you will, to deal with these kinds of considerations, and then give you time to hash this out and come to a reasonable budget decision. If you feel like you can do it in two weeks, that's fine, but I am to the point now where I've got to put this interim budget together and get it to the state. There's an interim budget due on the 29th of May – I'm sorry. You will approve it on the 29th. It is due to the state on June 1st, and as they keep reminding me, this is legislatively determined; we cannot give extensions and so forth and so on.

And then the final budget is due – well, let me tell you how that works. By June 1st, I put the system into effect that will constitute the final budget. So decisions on the final budget really need to be made during the month of June so that on July 1st we can start operating. I don't have to have a final budget in to DFA until the 31st of July, so that means that I really need the decisions made if we're going to put line items into the budget against these pools of money for the final budget by the end of June and then I'll put them into the final budget to be submitted by the end of July.

If you don't make the decision by then I still can have these set-asides so that you can make that decision during the year through Board resolution. So you're not going to lose the money or lose the opportunity to make decisions on building blocks or new staff positions or any of that if you don't act in the next two weeks. I almost plead with you on that. Don't rush into it because you feel like you have to do it in the next two weeks. You don't. I'll set some money aside and you'll have that to work with.

MR. ABEYTA: Madam Chair, that concludes our presentation.

COMMISSIONER SULLIVAN: Madam Chair.

CHAIR VIGIL: Commissioner Sullivan.

COMMISSIONER SULLIVAN: On item 4, the 1/16 tax, is that mandated to be just a Commission vote, or is that – can that also be a public referendum?

MS. MARTINEZ: It's purely a Commission vote.

COMMISSIONER SULLIVAN: So we can't put it out to referendum?

MS. MARTINEZ: I don't believe so, sir.

COMMISSIONER SULLIVAN: I think we should. I think that the purpose of that tax is a conditional draw on us for the purpose of providing more money to St. Vincent's, which they haven't made the case that they need. And I think if that were put out to the public it would become incumbent on the hospital to make their case as to what that tax would do. I know it's used to pay the Medicare portion but –

MR. GRIFFIN: That pays Medicare which frees up money in the indigent

fund and I would use that money in the indigent fund as part of the sole community provider, thereby freeing the money up from the EMS healthcare fund which is now going to pay St. Vincent's for inmate medical care. That gives me money in the EMS healthcare fund, which is funding, among other things, RECC, which budget is increasing, has increased very rapidly in the last two or three years. I'm a little bit afraid of fiscal year 2009 because again, I am sustaining these operations through GRT growth, which is only three or four percent, and I'm getting a ten percent increase in the RECC budget. And so I need the money to sustain those operations.

COMMISSIONER SULLIVAN: The bottom line is that we didn't even consider this or need it until we made a commitment of the Commission to the \$9.2 million sole community provider, and I think that commitment was a big one and one that this Commission is not getting credit for, and in fact activities in the legislature by the hospital are actually counter to what we've done, counterproductive and denigrating to what the County's doing. And so I'm not at all enthusiastic about imposing this tax on residents myself, and I would like to see the recipient of this be out there and making their case. Obviously, if we can't take it to the public, we can't take it to the public, but I am just curious as to whether that was an option. Is that an option, Steve?

MR. ROSS: Commissioner Sullivan, exactly what are you proposing?

COMMISSIONER SULLIVAN: I'm proposing that the County consider a 1/16 health tax and that it be placed as a referendum for a public vote.

MR. ROSS: Madam Chair, Commissioner Sullivan, I'll have to double check the statute but I think that that's certainly a possibility, a positive or negative referendum on any gross receipts tax now. I have to check that specific tax though to make sure that's included in the group that are subject to both positive and negative referendum.

COMMISSIONER SULLIVAN: I think it would pass, I assume it would pass. The public's been pretty good on EMT and fire and health-related issues like that, but I think the process of it being out there and the process of having the hospital explain to the community what the sole community provider program is about and the fact that Santa Fe County is running a hospital is not widely known. So it's a suggestion just for the Commission to think about. Thank you.

CHAIR VIGIL: Other comments.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: I agree in principle with that and I think if it's realistic then we should consider doing that. I guess my biggest concern is what are the time lines that we're looking at. We're trying to collect some of this money by the end of July. We're not going to have an election by the end of July.

MS. MARTINEZ: Madam Chair, Commissioner Montoya, if Paul had his way we would start collecting that July 1st. If we bring that to you maybe on a June agenda and we could implement it by January 1st collections would then begin January 1st and we'd only be looking at a couple months of collection. So in the ideal world we would have

loved for it to be enacted and in place in July, but if we bring that to you before June, the soonest we'd be looking at is January, without a referendum.

MR. ROSS: Madam Chair, the proposal to publish title and general summary is on the next agenda for the 29th. No matter when we impose it after that, just as long as it's before October it can't be collected until January 1 under any scenario.

COMMISSIONER MONTOYA: Oh. Whether it goes out for a vote or whether we impose it.

MR. ROSS: Right. And the vote would have to be carefully timed. It would probably have to occur in August in order to ensure that collections begin on January 1st.

COMMISSIONER MONTOYA: So if we were looking at an election it would have to be in July.

MR. ROSS: It would have to be in August.

COMMISSIONER MONTOYA: It would have to be in August?

MR. ROSS: What you do first is you enact a resolution, which would probably – if you chose to go that route – I should probably run up and grab the statute and bring it back to see if a referendum is even an option on this particular tax, but assuming that it is, we will call for the election, we'll enact an ordinance making it subject to a referendum of the voters, enact approximately the same time a resolution calling for a special election in August. Then the special election will take place and then we have other filing requirements that have to be met so that the canvas and the certified ordinance are in the hands of the Taxation and Revenue Department around October 1st for collection in January.

COMMISSIONER MONTOYA: In January. Okay.

CHAIR VIGIL: There are no other elections, Steve, that the referendum could be combined with? It would have to be a special election?

MR. ROSS: Well, if you wanted to collect it in January you could not do a November election, for example. And there is not a November election this year so it would have to be a special election. I don't know what else might be floating around in terms of school elections or anything like that; I haven't heard of any. But I could check with Valerie and see what's on her calendar and maybe combine it with something else. But if it's a school election it's still going to be essentially it's own separate election because there will be different precincting and all different kinds of requirements. So it probably makes sense just to plan it as a special election. Although let me go up to my office and grab the volume and come back to make sure that a referendum is even an option.

COMMISSIONER MONTOYA: Madam Chair, what is the cost of a special election?

CHAIR VIGIL: \$300,000, are you saying Steve?

MR. ROSS: \$30,000 to \$40,000.

CHAIR VIGIL: Okay. \$30,000 to \$40,000.

COMMISSIONER CAMPOS: I think we should put out the discretionary

Commissioner funds to public vote, see if we get an up or down. I want Sullivan to argue this. How about that?

CHAIR VIGIL: Well, if you're against them, don't spend them.

Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I just want to thank staff for putting this together. I know it's a difficult process to keep all the entities running and not eliminate anything that we have in place and try to keep five Commissioners happy. It's difficult. I noticed on there that we have recreational programs throughout the county and I'd just like to throw out that maybe one day we might want to consolidate all those programs and maybe come up with a County recreational youth program. I know when I was growing up as a kid we had, the County did have that and they provided services for us.

It's good to see that you have the satellite offices in there because that helps out our constituents in the rural areas, surrounding areas. I'm also happy to see that we have another Code enforcement officer and just thank you for all the hard work.

MS. MARTINEZ: Thank you. Madam Chair, Commissioner Anaya, I just want to give a lot of the credit to Paul and Sharon for putting this all together, scheduling the budget hearings and working with all the staff to get to this end product. I apologize for the mistakes and we'll get them fixed and bring you a good list on May 29th.

COMMISSIONER ANAYA: Appreciate it.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Abeyta, are we going to get some more – another opportunity to discuss this with staff before we consider it as a body? Because I think there's a lot of questions.

MR. ABEYTA: Yes. What we'll do is, we'll do as Paul suggested. We'll set aside \$365,000 for new FTEs, \$750,000 for non-recurring and \$750,000 for recurring, and then we'll have discussions for how those three funds get spent.

CHAIR VIGIL: I also think we need to have further discussions about the GRT and the property tax and balancing those issues. And I'd like some more information. What I'm really looking towards is putting forth a really fast paced effort of working with St. Vincent's. And I think, Roman, you're right. I think you once told me we allow the dollars before we negotiate with them. We need to reverse that. And that's a message we need to give them loud and clear. If they are scheduling meetings in the near future I would like to be a part of those meetings, because one of the remedies we have here, it seems to me there's time lines, one of the remedies we have here is for St. Vincent's to write their check a lot sooner than what they do. Let's look at that alternative too.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Is the two-day turnaround, or three, whatever, May 29th to June 1st enough.

MR. GRIFFIN: Well, as I said, I'd rather set aside money now, pass the

interim budget with that set-aside, and then have you make the decision. You can even make the decision before but the interim budget will show the set-asides and when I do the final budget it will show where things are really going.

COMMISSIONER MONTOYA: Oh, okay. So we do have some time then.

MR. GRIFFIN: Oh, yeah. I want to do it legally but at the same time I'm running out of personal time to put this whole thing together.

COMMISSIONER MONTOYA: Okay.

CHAIR VIGIL: Commissioner Campos and then Steve Ross is back.

COMMISSIONER CAMPOS: What's the status of the Commissioner discretionary fund? What's the proposal? I haven't seen it here. Is there a proposal? Has some thought been given to it?

MR. GRIFFIN: Okay, let me tell you. Right now it's \$200,000, \$40,000 per Commissioner, but at the same time I'm seeing a lot of building blocks that are district-oriented, and I scratch my head and say, these have been handled out of the discretionary funds in the past. Should we handle them out of the discretionary funds in the future? Or should we do away with the discretionary funds and just handle them out of the \$750,000 pot? Or do what? And I'm a little bit mystified by that. I guess I will set aside the \$200,000 as discretionary funds but from a financial standpoint I look askance at district-oriented building blocks, to be funded from a general pool, if you also have a discretionary fund. You guys can all get together, now, there are issues here. If we do libraries, what about doing libraries in the county? If we do rec programs, what about doing rec programs in the county? Then that takes it from being a district-oriented issue to a countywide-oriented issue and it's more properly addressed out of the \$750,000 pot than it is out of anybody's discretionary fund.

But that's something that you folks have got to sit down and decide. As long as it is district-oriented, I think it ought to be coming out of discretionary funds, but that's just me.

MR. ABEYTA: Madam Chair, the way the way the budget has been proposed though is the discretionary funds are still taken into account. So this is on top - so you're still going to get your discretionary funds.

MR. GRIFFIN: Yes, you will.

MS. MARTINEZ: At the same level.

MR. ABEYTA: As the same level as last year.

CHAIR VIGIL: Commissioner Campos would like to have a discussion about that.

COMMISSIONER CAMPOS: Yes, now we're getting district projects, like Mr. Griffin says, out of the \$750,000, plus this on top of this. I think it has to be discussed seriously. I think we've got to be serious about taxpayers and what they're putting in and what we're doing and not have those slush funds for the Commissioners to expend as they wish. I think that's bad public policy. But it looks like there's at least four Commissioners that support that bad public policy.

CHAIR VIGIL: Bad, bad, bad Commissioners. I actually think we do need to. I'd like some more input from Finance with regard to this because with regard to the building blocks – and correct me if I'm wrong. My memory sometimes totally fails me. I don't remember us allocating dollars for building blocks and maybe that's a component that was there last year and I just –

MR. GRIFFIN: We did not fund any building blocks in fiscal year 2007.

CHAIR VIGIL: Well, thank you. Then I can rely on my memory. When I actually saw them, I thought – and I asked Commissioner Campos, are these discretionary funds or not. So because we have incorporated it as a new element in this budget I think we do need to have further discussion on it. It's very possible to me that there is district-oriented funding that seems to be occurring with discretionary funds could be taken care of with this. It also seems to me that those need to be balanced with the dollars that we get from the state legislature for some of those district-oriented funding. So perhaps we do need to have a discussion. So I somewhat agree with Commissioner Campos, but very reluctantly. Are there any other questions?

COMMISSIONER MONTOYA: Madam Chair, I just wanted to point out that I think Commissioner Anaya made a good observation and that's that recreation programs did used to be funded by the County and that's how the Pojoaque recreation program began. Tesuque-Chupadero is requesting one. They don't have anything in place right now, and if we are to look at something that, I would be in favor of looking at a countywide recreation program as well, provided that those services continue to be maintained. It turned into discretionary fund after the recreation fund was essentially eliminated as a result of the loss of the cigarette tax that we were collecting at one time, and it had to go. So that's where the Commissioners who preceded me began what I inherited as having to continue to fund that particular program. So that's been an expectation for 20 years, over 20 years already. So I think that in order to put that into perspective I would be in favor of doing that in terms of a countywide recreation program.

COMMISSIONER CAMPOS: Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Just in response to Commissioner Montoya. I think we've got to really be careful as to what we put on our plate. We have a lot on our plate. If we want to continue to add more that just makes it more difficult to be effective and it means that we're going to have less dollars for projects that are essential to our main mission. Maybe we need to decide what our main mission is and whether we're going to start using money for all kinds of projects. The more projects you go out and do the less effective you are with your main mission. We only have so many dollars.

And I think before we go out there and initiate new programs keep in mind that the jail's still draining us. The youth facility is draining us. I'm very skeptical of starting new programs with a really important – without having a good discussion here because in the past, things just get added on. One year somebody says this is good and we've added on. The next year somebody says, let's do this this year. It's just keeps growing, and it gets

out of control. It's not focused; it's not well thought out.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I would rather spend taxpayers' money on youth programs than spend taxpayers' money on jails and detention centers. And I think that if we put these youth programs up and start this, that will help us in the long run later on down the line. Just a comment.

CHAIR VIGIL: Steve Ross, you were going to get us an update on the GRT.

MR. ROSS: Madam Chair, when they amended the County gross receipts tax statutes in 2006, they did not include the County healthcare gross receipts tax in the referendum selection portions of the statute. It still says what it has said for 20 years, that the ordinance shall not be subject to a referendum.

CHAIR VIGIL: Oh. So shall not – it's mandated. Interesting.

COMMISSIONER SULLIVAN: I know how I'm going to vote.

COMMISSIONER CAMPOS: We all knew that, Jack.

CHAIR VIGIL: Anything else? Thank you very much. Please thank your staff, Teresa. Thank you, Pete; you were effervescent.

PETE GARCIA (ASD Director): Madam Chair and Commissioners, I had been doing an analysis on property taxes that I think would be very informative for you. Of the three largest counties, Doña Ana, Bernalillo, we are the lowest operational rate mill issue. It's 4.450 as opposed to Doña Ana at 7.823 and Bernalillo County at 8.-something. But just a 20 percent increment increase, generates a million dollars in the operational rate. I know there's also – I have examples broken out in terms of different homeowners and the effect and it is relatively minimal, but that's a discussion that we should be definitive in terms of the Commission having a full analysis of revenue enhancing options that may be under consideration. I know that GRT, we're almost maxed out in terms of impositions that we can impose, other than the 1/16 that may go forward. But we are the lowest large-county operational mill rate. And just, like I said, a 20 percent increment generates an additional million dollars.

CHAIR VIGIL: But we're also the highest in property tax –

MR. GARCIA: Not actually. Bernalillo is some \$29 billion and we were \$5.4 billion last year.

CHAIR VIGIL: I guess I'm talking per residential and commercial taxpayer. Doesn't Santa Fe County –

MR. GARCIA: Commercial would not be –

CHAIR VIGIL: They're not one and the same, I know but because the formula is driven by the market value and because Santa Fe County's market value constantly increases despite the yield formula, we actually – a pay more taxes than my counterpart in Albuquerque does for the same – well, relatively the same value. Maybe that needs to be further clarified. Because if I'm in error, I'd really like to be clarified because as an elected official that's my hugest concern, increase in property taxes, when,

as I spoke earlier, when we can look at GRTs and not affect the direct Santa Fe County resident.

MR. GARCIA: If we're funding the jail to the tune of \$7.8 million [inaudible] and funding the road department at \$2.1 million and that's increasing every year from general fund, then it's having a negative effect in terms of general fund revenues again. I think a 20 cent increase in the operational rate that would generate a million dollars, even on the high-end taxpayers like about \$112 a year effect. It's minimal but it's something that I think at least should be discussed and considered.

CHAIR VIGIL: Thank you, Pete. Thank you all. Really appreciate it. Victor, did you want to add anything. I wanted to thank you for all your diligence in our investment and affecting our income revenue so positively.

VICTOR MONTOYA (County Treasurer): I just wanted to mention, there was an article in the *New Mexican* several months ago that clearly showed New Mexico has the lowest tax – one of the lowest tax rates in the country. So maybe Santa Fe County might be a little bit but in general most taxpayers here pay less than they do anyplace else in the country and I think we're like number nine or twelve – something like that, and so we're not high at all in comparison to the rest of the country.

COMMISSIONER CAMPOS: Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Montoya, isn't it a question of evaluating both the GRT and the property? For example, Texas has high GRT but low property. Is that right? Or is it the opposite? I think they have high GRT and hardly any property. So you'd have to evaluate both to see who's a high-paying or low-paying. Because we're a combo state; we do both.

MR. MONTOYA: And I think that gross receipts to me is more regressive because all lower taxpayers have to pay that. [inaudible] appliances, all that stuff. [inaudible] But overall, it's the people here who are affected by gross receipts. To me that lowers your spending power. Because not all people that live here in Santa Fe County have homes and [inaudible]

CHAIR VIGIL: This is a strong policy discussion that I think we really need to get on board with.


COMMISSIONER MONTOYA: Let's take the next five minutes and solve it.

CHAIR VIGIL: You have the floor, Commissioner Montoya.


V. ADJOURNMENT

Chair Vigil declared this meeting adjourned at approximately 4:55 p.m.


Approved by:


Board of County Commissioners
Virginia Vigil, Chair

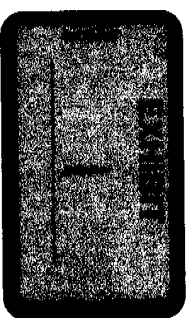
Respectfully submitted:


Debbie Doyle, Wordswork
227 E. Palace Avenue
Santa Fe, NM 87501

ATTEST TO:


VALERIE ESPINOZA
SANTA FE COUNTY CLERK





Santa Fe County
Board of County Commissioners



**FY 2008
BUDGET
STUDY
SESSION**

MAY 16, 2007 1

Santa Fe County
FY 2008 Budget Study Session

TOPICS OF INTEREST

- Health and Emergency Services Funds
 - ⇨ Health Funds GRT, MOA and Services
 - ⇨ Sole Community Provider and St. Vincent's MOA
- Fire Operations and Building Blocks
- Jail Fund
- Road Fund
- General Fund
 - ⇨ Sources and Uses, Property Tax & GRT Growth
 - ⇨ Employee Requests and Building Blocks
 - ⇨ General Fund Cash Increases
- Budget Tasks and Legal Deadlines

Santa Fe County
 FY 2008 Budget Study Session

HEALTH & EMERGENCY SERVICES FUNDS
SCOPE OF SERVICES

GRT		MOA	
\$ 2.0	INDIGENT HOSPITAL FUND	\$ 2.0	INDIGENT SERVICES FUND
	<ul style="list-style-type: none"> ▶ SOLE COMMUNITY PROVIDER ▶ MEDICAID CONTRIBUTION 		<ul style="list-style-type: none"> ▶ INDIGENT ADMINISTRATION ▶ DIRECT HEALTH SERVICES
\$ 4.8	EMS HOSPITAL FUND	\$ 0.2	EMS SERVICES FUND
	<ul style="list-style-type: none"> ▶ SOLE COMMUNITY PROVIDER 		<ul style="list-style-type: none"> ▶ MATERNAL-CHILD HEALTH ▶ MOBILE HEALTH CARE VAN ▶ RECC - EMERGENCY COMM ▶ PARA-TRANSIT ▶ SENIOR PROGRAMS ▶ HEALTH ADMINISTRATION
	<ul style="list-style-type: none"> ▶ EC & EMS FUND ▶ RECC (\$1M TRANSFER) ▶ FIRE OPERATIONS 		<ul style="list-style-type: none"> ▶ ALCOHOL SOBERING FUND ▶ CARE CONNECTION-SOBERING
\$ 2.4	GENERAL FUND	\$ 3.2	JAIL FUND
	<ul style="list-style-type: none"> ▶ SOLE COMMUNITY PROVIDER 		<ul style="list-style-type: none"> ▶ INMATE MEDICAL SERVICES
<u>\$ 9.2</u>		<u>\$ 9.2</u>	

Santa Fe County
FY 2008 Budget Study Session

SOLE COMMUNITY PROVIDER PROGRAM AND ST. VINCENT'S MOA IN FY 2008

- ◆ SANTA FE COUNTY'S ABILITY TO FUND HEALTH SERVICES IS DEPENDENT ON MOA FUNDING EQUAL TO SOLE COMMUNITY PROVIDER PAYMENTS.
- ◆ THE \$9.2 MILLION COUNTY COMMITMENT TO THE SOLE COMMUNITY PROVIDER PROGRAM BEGINS ON JULY 1, 2007. THE NEXT MOA AGREEMENT MUST BEGIN AT THE SAME TIME.
- ◆ FAILURE TO RECEIVE TIMELY MOA PAYMENTS EQUAL TO SOLE COMMUNITY PROVIDER PAYMENTS WILL BANKRUPT FUNDS PROVIDING DIRECT HEALTH SERVICES.
- ◆ BCC COMMITMENT OF \$9.2M TO SOLE COMMUNITY PROVIDER IN FY08 DOES NOT BIND THE COUNTY IN FY09.

MAY 16, 2007



Santa Fe County
FY 2008 Budget Study Session
FIRE DEPARTMENT BUDGET AND INITIATIVES
FIRE OPERATIONS FUND 244

SOURCES	BUDGET \$ million	BUILDING BLOCKS	BUDGET \$ 000
EC&EMS GRT	7.0	1 TRAINING PERSONNEL	140
LESS TRANSFER TO RECC	(1.0)	2 VOLUNTEER RECRUITMENT COORD.	266
AMBULANCE REVENUE	0.5	3 TRAINING CATCH-UP	202
EDGEWOOD JPA	0.1	4 WILDLAND FIRE PREVENTION	66
DEVELOPMENT PERMITS	0.1	5 FIRE ADMINISTRATION SUPPORT	95
GRANTS	0.4	6 FLEET MAINTENANCE EXPANSION	47
TOTAL \$	7.1	7 ENGINE COMPANY - NORTH	637
USES			
FIRE ADMINISTRATION	1.7	8 ENGINE COMPANY - SOUTH	428
FIRE REGIONS	2.2	9 ENGINE COMPANY - WEST	637
GRANTS	0.4	10 A&E FOR SOUTHERN STATION	200
TOTAL BASELINE \$	4.3	11 NEW FIRE REVENUE BOND DEBT	739
REMAINDER	2.8	12 A&E FOR AGUA FRIA ADDITION	107
		TOTAL BUILDING BLOCKS	\$ 3,563



Santa Fe County
 FY 2008 Budget Study Session
FIRE DEPARTMENT BUDGET AND INITIATIVES
FIRE OPERATIONS FUND 244

BUILDING BLOCKS		PERSONNEL REQUESTS	BUDGET (\$000)
1	TRAINING PHASE 1 EMS, Fire & Rescue training of 80 paid and 300 volunteer personnel.	Assistant Chief, Lieutenant	140
2	VOLUNTEER RECRUITMENT Volunteer coordination and fees for volunteers	Volunteer Recruitment & Retention Coordinator	266
3	TRAINING NEEDS Personnel and Instructor Cost for Training Needs Catch-up		202
4	WILDLAND FIRE PREVENTION Community wildfire protection program and mitigation efforts	Captain, Wildland Fire Prev. & Suppression	66
5	FIRE ADMINISTRATION SUPPORT Support services for up to 48 additional staff	Admin Assistant, Secretary	95
6	FLEET MAINTENANCE PROGRAM Additional fleet maintenance capability	Emergency Vehicle Technician	47
7	NORTHERN REGION PHASE II Staff an engine company in Northern Region (Tesuque), and Fire Engine	(3) Paramedic/Firefighter, (3) EMT-I/Firefighter	637
8	SOUTHERN REGION PHASE I Staff an engine company in Southern Region	(3) Paramedic/Firefighter, (3) EMT-I/Firefighter	428
9	WESTERN REGION PHASE I Staff an engine company in Western Region (La Cienega), and Fire Engine	(3) Paramedic/Firefighter, (3) EMT-I/Firefighter	637
10	A&E FOR SOUTHERN REGION STATION A&E costs for Edgewood area fire station		200
11	REVENUE BOND DEBT PAYMENT Debt Payment on \$3.5 million EC&EMS GRT-funded Revenue Bond		738
12	A&E FOR AGUA FRIA FIRE STATION ADDITION A&E for new addition to Agua Fria Fire Station (in addition to \$342 funded from Impact Fees)		107
TOTAL \$			3,563

MAY 16, 2007

Santa Fe County
 FY 2008 Budget Study Session

JAIL ENTERPRISE FUND

REVENUE FUNDING SOURCES \$ million

COST CENTER	REVENUE	MOA	CORR. FUNDS	GENERAL FUND	TOTAL
ADMINISTRATION				1.2	1.2
ADULT DETENTION FACILITY	5.6	0.7	5.0	5.3	16.6
ELECTRONIC MONITORING	0.2			0.5	0.7
YOUTH DEVELOPMENT FACILITY	3.7			0.6	4.3
ARC	1.0			0.2	1.2
TOTAL	10.5	0.7	5.0	7.8	24.0

FUNDED FROM JAIL
 FUND CASH

- ▶ ADULT FACILITY BUDGET IS STABILIZED
- ▶ WILL CREATE SEPARATE COST CENTER FOR INMATE HEALTH
- ▶ YOUTH AND ARC POPULATION, REVENUE & BUDGET OF CONCERN. FUTURE POTENTIAL CUTS IF POPULATION DOES NOT INCREASE

MAY 16, 2007

Santa Fe County
 FY 2008 Budget Study Session
JAIL ENTERPRISE FUND

COST CENTER	SALARIES & BENEFITS	CONTRACTUAL SERVICES	OTHER OPERATING COSTS	DEBT	TOTAL
ADMINISTRATION	1.1		0.1		1.2
ADULT DETENTION FACILITY	10.1	1.6	2.6	2.3	16.6
ELECTRONIC MONITORING	0.3	0.3	0.1		0.7
YOUTH DEVELOPMENT FACILITY	3.3	0.5	0.5		4.3
ARC	0.9	0.1	0.2		1.2
TOTAL	15.7	2.5	3.5	2.3	24.0

Santa Fe County
 FY 2008 Budget Study Session

ROAD FUND FISCAL YEAR 2008 BUDGET

SOURCES

	\$000
STATE	
GASOLINE TAX	550
MOTOR VEHICLE TAX	150
TOTAL STATE	700
OTHER REVENUE	
ROAD CUT PERMITS	10
FOREST RESERVE	42
GENERAL FUND TRANSFER	2,140
TOTAL SOURCES	\$ 2,892

NM GASOLINE TAX IS 18.75 cents/gal. The County gets 1 cent. Hasn't changed at least since 1996

THE GENERAL FUND SUPPORTS ALMOST 3/4 OF THE ROAD FUND

USES

OPERATING	2,547
CAPITAL (FROM GF CASH)	345
TOTAL USES	\$ 2,892

Santa Fe County
 FY 2008 Budget Study Session

GENERAL FUND

SOURCES	FY 2007 BUDGET	FY 2008 BUDGET	CHANGE
DOLLARS IN MILLIONS			
PROPERTY TAX	29.3	32.1	2.8
GROSS RECEIPTS TAXES	8.2	8.7	0.5
ALL OTHER REVENUE	5.8	5.8	0.0
CASH	2.2	6.5	4.3
GRANTS	0.8	0.8	0.0
TOTAL SOURCES	\$ 46.3	\$ 53.9	\$ 7.6

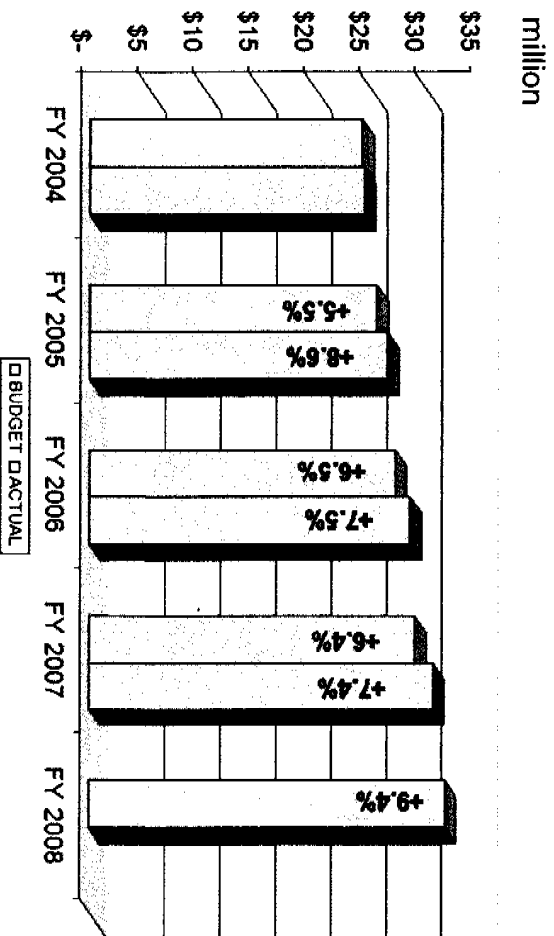
UP
9.4%

CASH USE UP

USES	FY 2007 BUDGET	FY 2008 BUDGET	CHANGE
DOLLARS IN THOUSANDS			
SALARIES & BENEFITS - COLA & NEW EMPL	20.8	22.3	1.5
JAIL ENTERPRISE FUND	6.4	6.8	0.4
INSURANCE	1.2	1.5	0.3
OTHER OPERATING EXPENSE	14.9	16.0	1.1
CAPITAL (CASH)	2.2	4.0	1.8
JUDICIAL CENTER (CASH FROM 1/16 INC)	0.0	2.5	2.5
GRANTS	0.8	0.8	0.0
TOTAL USES	\$ 46.3	\$ 53.9	\$ 7.6

Santa Fe County
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PROPERTY TAX GROWTH



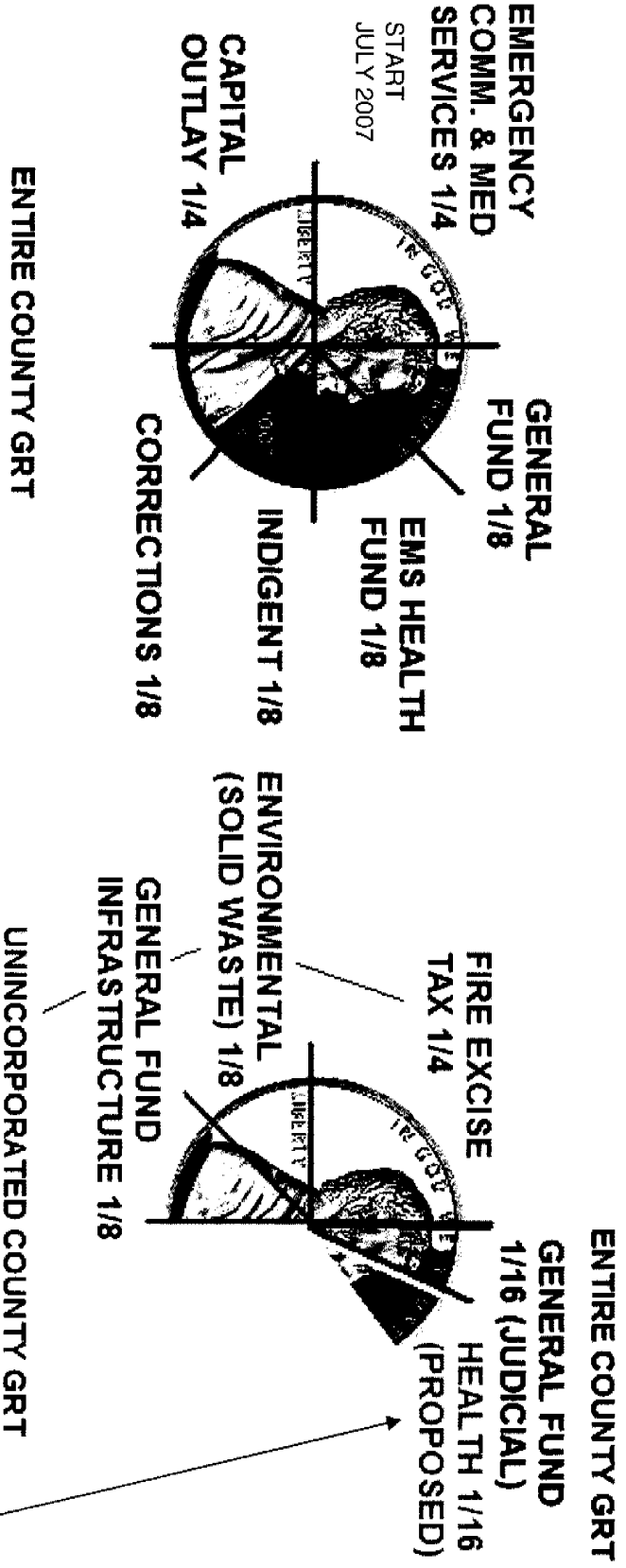
The 9.4% increase in FY 2008 includes a 10% increase in current year property taxes. Prior year tax collections are flat.

Percentages are budget to budget and actual to actual increases from the prior year.

- A reduction in the FY 2008 increase to 6.4% has a minus \$960,000 impact on General Fund revenues
- ▶ No recurring revenue available for service expansion
 - ▶ Funds set-aside for new positions cut from \$365k to \$200k.

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GROSS RECEIPTS TAXES



THE PROPOSED HEALTH 1/16 cent GRT WILL PROVIDE RESOURCES FOR THE INDIGENT FUND MEDICAID PAYMENT TO THE STATE IN ORDER TO BALANCE THE BUDGET

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NEW STAFF REQUESTS

ELECTED OFFICIALS				\$120,000 available	
Organization-Position	FTE REQUESTED	ANNUAL SAL & BEN		FTE RECOMMENDED	ANNUAL SAL & BEN TOTAL
		REQUESTED	TOTAL		
County Clerk					
Recording Clerk	2	67,891		2	69,440
Voting Machine Technician	1	35,219		TOTAL	TOTAL
Voter Information Specialist	1	34,221			
Assessor					
Quality Control Specialist	1	56,576		1	56,576
Sheriff					
Computer Forensics Analyst	1	44,668		2	87,000
Deputy Sheriff	4	178,672		TOTAL	TOTAL
TOTAL ELECTED OFFICIALS	10	\$ 417,247		5	\$ 213,016

COUNTY STAFF			
Organization-Position	FTE RECOMMENDED	ANNUAL SAL & BEN	
		RECOMMENDED	TOTAL
Administrative Services			
Custodian (Building Services)	1	22,630	
Microcomputer Technician	1	64,976	
Growth Management			
Code Enforcement Officer (Land Use)	1	66,239	
Transfer Station Caretaker	1	25,601	
Building Maintenance Specialist	1	42,432	
Community Services			
Field Coordinator (Open Space)	1	48,090	
TOTAL COUNTY STAFF	6	\$ 269,968	

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**RECOMMENDED BUILDING BLOCKS
RECURRING EXPENSE**

ELECTED OFFICIALS		AVAILABLE \$ 354,082
ORGANIZATION - BLOCK		BUDGET
Board of County Commissioners		
City/County Energy Initiative Outreach (C)		10,000
Year-round State Legislative Lobbyist (C)		80,000
Directory of County Services (C)		65,000
Dist 1 Illegal Dumping Taskforce (M)		30,000
Espanola Library, Animal Shelter, Rec Prog (M)		50,000
Additional Boys and Girls Club Services (M)		75,000
Inspect Santa Cruz Flood Control Dams (M)		7,500
Tesquque, Chupadero Recreation Program (M)		10,000
Pojoaque Schools Recreation Program (M)		20,000
Agua Fria Trash Pickup (V)		5,000
Graffiti Cleanup Initiative (V)		50,000
TOTAL ELECTED OFFICIALS		\$ 402,500

COUNTY STAFF		BUDGET
ORGANIZATION - BLOCK		BUDGET
Administrative Services		
Salary Increase of \$2 to 9 IT Personnel		50,918
Improve Network Administration - Active Directory		30,000
Santa Fe County Bulletin		25,000
Network Security Risk Needs Assessment (IT)		25,000
Growth Management		
Economic Development Planning		30,000
Eldorado Bus Service		100,000
Community Services		
Pojoaque Satellite Office		45,000
Edgewood Satellite Office		all
Eldorado Satellite Office		offices
Legal Support re: Building Project Leases		40,000
Trail and Park Contracted Maintenance		50,000
TOTAL COUNTY STAFF		\$ 395,918

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RECOMMENDED BUILDING BLOCKS NON-RECURRING EXPENSE

ELECTED OFFICIALS		AVAILABLE \$ 179,082	BUDGET
ORGANIZATION - BLOCK			
Board of County Commissioners			
Acequia Rehabilitation (M)		30,000	
Restoration of Lamy Church (S)		50,000	
Treasurer			
Improve Security and Accept Credit Cards		10,000	
Tax Billing S/W - Increase Internal Control		107,625	
Sheriff			
Field Reporting from "CRIMES" data system		61,250	
TOTAL ELECTED OFFICIALS		\$ 258,875	

COUNTY STAFF		BUDGET
ORGANIZATION - BLOCK		
Administrative Services		
Salary Increase of \$2 to 9 IT Personnel		50,918
VOIP Telephony at Public Safety, Public Works		70,000
Network Security Risk Needs Assessment (IT)		25,000
Upgrade Audio-Video Equipment in Chambers		50,000
Upgrade Finance/HR H.T.E. system		125,000
Growth Management		
Land Code Rewrite		50,000
Community Services		
Enacon and Paramount Relocation Costs		200,000
TOTAL COUNTY STAFF		\$ 570,918

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GENERAL FUND CASH INCREASES

CASH GENERATION

\$ million



ACTUAL RECEIPTS ABOVE BUDGET		INVESTMENTS		TOTAL	
PROPERTY TAX					
FY 2005	\$ 0.9	FY 2005	\$0.5		
FY 2006	\$ 1.3	FY 2006	\$1.3		
FY 2007	\$ 1.7	FY 2007	\$1.4		
TOTAL	\$ 3.9	TOTAL	\$3.2	TOTAL	\$ 7.1

CONSIDERED AS NON-RECURRING REVENUE

FISCAL YEAR 2008 BUDGET FROM CASH

▶ CAPITAL PACKAGE	\$ 2.6
▶ PUBLIC WORKS BUILDING FIXTURES	\$ 1.6
▶ NON-RECURRING INITIATIVES *	\$ 0.8
▶ CLASSIFICATION / COMPENSATION STUDY ACTIONS	\$ 0.2
▶ LAND PURCHASE - SFC BUSINESS PARK	\$ 1.9
TOTAL	\$ 7.1

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THE CASE FOR MORE GENERAL FUND CASH

LEGAL RESERVE REQUIREMENTS (\$ million)

FUND	TOTAL	RESERVE	REQD
GENERAL FUND	\$ 53.9	3 months	\$13.5
GENERAL FUND - BCC RESERVE			\$ 2.5
ROAD FUND	\$ 2.6	1 month	\$ 0.2

TODAY THERE ARE MANY MORE OPERATIONS FUNDS THAT SHOULD HAVE AT LEAST A ONE MONTH RESERVE, OR THREE MONTHS FOR MOA-CONNECTED FUNDS

FUND	TOTAL	RESERVE	REQD	CONDITION
INDIGENT FUND	\$ 4.8	3 months	\$ 1.2	no reserve
EMS HEALTH CARE FUND	\$ 4.8	3 months	\$ 1.2	no reserve
FIRE OPERATIONS FUND	\$ 8.1	1 month	\$ 0.7	no reserve
ALCOHOL & DETOX FUNDS	\$ 3.7	3 months	\$ 0.9	no reserve
WATER ENTERPRISE FUND	\$ 1.7	1 month	\$ 0.1	sufficient cash
HOUSING ENTERPRISE FUND	\$ 1.3	1 month	\$ 0.1	sufficient cash
JAIL ENTERPRISE FUND	\$ 24.0	1 month	\$ 2.0	sufficient cash

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BUDGET TASKS

1. RESOLVE BUDGET ISSUES
 - ▶ GENERAL FUND CASH FOR PW FIXTURES (\$1.6M)
2. PRIORITIZE RECOMMENDED POSITIONS
 - ▶ (\$365K is set aside for new positions throughout the year)
3. PRIORITIZE BUILDING BLOCKS
 - ▶ Up to \$750K available for non-recurring initiatives
 - ▶ Potential of \$750K available for FTEs and Building Blocks
4. IMPLEMENT 1/16cent HEALTH TAX

**FUNDS CAN BE SET ASIDE AND THESE TASKS CAN BE COMPLETED
AT ANY TIME BEFORE OR AFTER APPROVAL OF THE INTERIM BUDGET**

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LEGAL BUDGET DEADLINES

- May 29 BCC Approval of the Interim FY 2008 Budget
- June 1 Submission of Interim Budget to DFA
- July 10 BCC Approval of the Final FY 2008 Budget
- July 31 Submission of the Final Budget to DFA
- Aug 1 First Day BCC Resolutions changing the budget are permitted.