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Deputy S. Gallegos County Clerk, Santa Fe, N

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SANTA FE COUNTY

SPECIAL MEETING

BOARD OF COUNTY COMMISSIONERS

May 23, 2006

This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 3:00 p.m. by Chairman Harry Montoya, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Ross was called by Marcella Salazar and indicated the presence of a quorum as follows:

Members Present:

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

Members Absent:

[None]

III. Approval of the Agenda

Upon motion by Commissioner Anaya and second by Commissioner Campos the agenda was unanimously approved as published.

IV. Presentation/Discussion of FY07 Interim Budget

GERALD GONZALEZ (County Manager): Thank you, Mr. Chairman. I'll go ahead and lead off here and then turn it over to Finance and PFMD. I just wanted to note that the budget being presented this afternoon carries with it a number of positive developments and I credit the Commission in large part for those developments. In the first instance, we've been able to fund a number of needed new positions over the past year. In addition, we've moved forward with a number of additional programs, both filling in existing programs and beginning to move with others. We have moved forward, for example, with respect to the CARE Connection.

In addition, the Commission has undertaken some actions to improve our revenue

picture. These include the new - well, there's a 1/16 for general purposes and we have the for correctional purposes. In addition, the Commission has successfully moved us forward with getting additional bonding funding and at the staff level, at your direction, we're in the process of developing a more detailed program for moving forward the bonding revenues including a detail that will allow us to fund the additional facilities that are on the drawing board at this point.

We also had probably our most successful year, at least to my knowledge in terms of obtaining legislative funding during this past year and although not directly reflected in the general fund budget it is reflected in the movement forward fiscally that the County's encountering.

And then finally, we have begun to tie our strategic planning process to the budget, which is a first as far as I know, not only for this County but for any other county in New Mexico. We're here today as a preface to adopting the interim budget for the next fiscal year. This interim budget is due at DFA by May 31st so we'll be presenting it in its full glory at the next regular BCC meeting. This interim budget will be the template for the final budget, so this afternoon we are presenting it to the Commission so you have the opportunity to do whatever tweaking you feel we need to do before we send it to DFA and adopting the final budget.

The final budget will be considered in June for adoption by July 1st in order to get it to DFA and meet the deadlines they've set for us. So unless there are other questions, with that preface I'll go ahead and turn it over to Finance so that they can present the outline to the budget.

CHAIRMAN MONTTOYA: Commissioner Campos.

COMMISSIONER CAMPOS: You've outlined a lot of positive things. Where are our biggest challenges in the upcoming budget?

MR. GONZALEZ: The biggest challenges probably are in two areas, and I know that Paul Griffin will call those to your attention as we go through them. One obviously is Corrections, the biggest single general fund expenditure item that we have currently. As you know, we're about eight months into our new Corrections regime in which we're administering both the adult facility and the juvenile facility. At the staff level, we continue to watch the expenditures and the revenues and we'll have some notes for you as we go through that process. That's item one.

Item two, in the Health and Human Services area, expenditures there, which also relate to expenditures on the Fire side are of some concern. The funding for the MOU is a challenge for us. I think we will point out that we may have reached the limitations in terms of what we're able to fund, given what's occurred with respect to the ratcheting of the MOU in the past and that's an issue which I think will be reflected in the discussion between this Commission and the St. Vincent Board when we have that meeting in June on June 9th and 10th with their board. Those are probably the largest challenges. The other piece of course is that because of the programs that we have moved forward with during this past year, there's very little funding for moving forward with additional building blocks which will be somewhat limited during the coming year and again, we'll address those as we go through the budget.

COMMISSIONER CAMPOS: Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Okay. Other questions. Okay.

PAUL GRIFFIN (Budget Administrator): I've handed you a sheaf of papers dealing with the interim budget. [Exhibit 1] I want to present to you the make up of what we will consider right now to be the interim budget and to illustrate some of the challenges that we face in this budget and in budgeting in the future.

I'm not showing this on the screen or anything. I've handed handouts to you because there are some papers with a lot of numbers on them and that's very difficult to speak to if it's just shown on a screen. So each of these pages is numbered and I'll ask you to go to page 2, which is the one right under the top. Our budget this year is a little over \$129 million. That includes cash transfers which are really a double count, so it's closer to \$113 million if we take the cash transfers out.

They go to 40 different County funds, the main one of which is the general fund, which is supported mainly by property tax, some by gross receipts taxes, and the general fund is usually used for non-dedicated purposes, and I've listed them below the general fund. They run the gamut from what it takes to run the government and the infrastructure of the County to some Public Works activities. The general fund largely supports solid waste in this county. It supports the activities of the elected positions in this County and their offices and the things that they do, such as the County Clerk with recording and elections, the Treasurer, the Assessor and the Sheriff.

The second largest fund in the County now is the Jail Enterprise fund, which supports the adult facility and the youth facility and electronic monitoring. And it's about \$22 million large in this budget, of which \$6.5 million is coming from the general fund. The third largest fund or set of funds that we will talk about very specifically today is our two funds called the EMS/Healthcare Fund and the Indigent Fund. These funds are associated with the support of Fire. They are associated with what we call the sole community provider payment. This money is matched with federal money and returned to St. Vincent Hospital. We make a memorandum of agreement, or an MOA with St. Vincent's to get money to fund our various health services in the county.

We also pay the state about \$2.3 million in Medicaid payments and we provide an array of indigent health services where we pay directly to health providers.

I've talked about 2/3 of the funds now and as you can see all the other funds account for the remaining third, so three of the 40 take 2/3 of the budget. We have bond proceeds that are used for capital projects. We have some specialized funds that are dedicated to nothing but receive gross receipts taxes, which are all transferred to other places, other funds and used in those other funds. We have about \$5.25 million worth of debt in this County that we're paying off and those are housed in the debt service funds.

Page 3: Again, the total budget is \$129 million and there's about \$15 million in cash transfers so what I have done was to prepare a chart really showing where this money goes to without regard to cash transfers, because when I transfer from one fund to another I'm simply double counting the money. So where is this stuff used? In all funds, about 40 percent of the

money is used for salaries and benefits. Down below in the general fund, about 60 percent of the money is used for salaries and benefits. We have a large operational expense base in all funds. This is mainly due to the Sole Community Provider payments and then there are some other significant payments in funds other than the general fund that we make out of operational expense. The capital component is also much larger in all funds because we have capital dedicated funds such as the capital gross receipts tax fund, which is going to bring in \$9 million in fiscal year 2007.

Next page, 4: this gives you an idea of the growth of various funds and I'm concentrating on three, as I said on the first page that we started talking about – the general fund, the jail enterprise fund and the EMS/Healthcare and Indigent fund group. The general fund as you can see really has made quite an increase from 2006 to 2007. Half of that increase is due to the 1/16 tax increment that was passed by the Board. We started collecting money on that, really bringing money in about April, and we will have a full year's component of \$2.25 million next year from the 1/16. Lastly we have the EMS/Healthcare-Indigent complex and I'm going to talk to you about that because it's one of our greater challenges this year.

Next page: Recommended outcomes from the study session. Obviously, I need the interim budget adopted a week from today on May 30th so I can take it – actually, the due date for it is June 1st, so I can walk it over to DFA and submit it within the legal time frame for submitting the interim budget. The interim budget is not the last word. We really have another month after that to make any changes to what we would call eventually the final budget for the County. So you only have a week between now and the time we put the interim budget in, but you have a month from that point in time till – and I've given the date of the 27th of June as a final reckoning date for the final budget. And of course, if you want to do things beyond the start of the final budget, which would be July 1st, there is the resolution process and what not to deal with that.

I also want to examine some primary budget issues. I want to talk about the general fund and where it's going, the EMS/Healthcare and Indigent fund and the jail enterprise fund. Then we're going to look at some requested growth in the County. I call it requested growth because by far and large we have not been able to fund very much growth in services or in new services. And we'll give you the reasons why as we go down the line here.

Page 6: We divide budgets into what we call a baseline. This is the existing level of service and then beyond baseline, we ask people to submit what are called building blocks. These are either new services or expanded services. The baseline request for the general fund came in at \$47.8 million; the interim is going to be \$46.4 million. So we spent 2 ½ weeks in budget hearings bringing that budget down from \$47.8 down to \$46.4 million. A good part of that reduction was a reduction in the amount of money that was requested to be funded from the general fund to the jail fund. And we'll talk about that a little bit later.

We have what is called the capital package. All the capital of items that are bought in the general fund reside in the capital package and when people want to buy them, then we transfer the money over to their department and they get to buy them. And the request for the capital package came in at \$4.8 million. We generally have about \$2.1 million. We fund this

from cash in the general fund, not from ongoing revenues. We have about \$2.1 million worth of cash that we can fund the capital package with. Another \$200,000 is going to come back from advances made to the road project fund. We are going to use, we decided to use that money we had that can come back to the general fund to buy road equipment. So we're going to buy some road equipment with that extra \$200,000.

Building blocks for new and expanded services: We had a total of \$6 million requested in building blocks and expanded services from everybody, of which \$2.2 million came from the Manager and the Board of Commissioners. As I said, I had a tough time dealing with that and we'll talk about that down the line. We had in the general fund requests for 20 new positions in the County. Outside the general fund we had a request for 14 positions associated with the opening of the sobering center, and another 7 positions in all of the other funds in the County.

We had enough money to place on a list of staff people we can consider. They come into the County in fiscal year 2007. We placed six people of those 20 on that list. That accounted for about \$300,000. So those are some of the decisions, at least preliminary decisions that have been made.

Next page: Now you get to see some numbers. Page 7 is general fund changes in fiscal year 2006 to 2007. Let's look on the sources side and on the uses side. On the sources side, we have three main areas that we increased money to the general fund. One was of course property taxes, and this is very typical of the amount of money that we would receive year over year, about \$1.8 million. It's probably a little higher than typical because we've had three very good increase years in property taxes in this county, and we're on kind of the high end of the estimate with that 6.6 percent increase.

The gross receipts tax are increasing by almost \$2.5 million, but understand that the 1/16 increment accounts for \$2.25 million of that, so you only have about another \$240,000 that gross receipts taxes increased by. They are not big revenue increases from year to year. Gross receipts taxes never have been. Be thankful that we are not a general fund entity that derives its revenue from gross receipts taxes, because we'd only be able to grow one or two percent a year if we did.

Now, on the other hand, if we look at all of the funds that we have now, almost half - we have revenues in gross receipts taxes for all funds that are almost equal to the revenues from property taxes. It's because there have been a serious or gross receipts taxes passed over the last three years, mainly outside the general fund that have provided sizable increases in regard to that revenue, the main one being the capital outlay GRT, which mainly goes to water projects, 75 percent of that goes to water projects. Another 15 percent of that fund goes to open space. So that is providing \$9 million outside the general fund.

Investment income shows a \$900,000 increase in 07 from where we forecasted it this time last year, at \$1.3 million. It went up to \$2.2 million. It looks like we're going to be pretty close to the \$2.1 million mark this year for investment income, which makes me happy, because that replenishes cash that we used to buy the Paramount building. So we foresee a \$900,000 increase because the rate has gone from 3 percent up to 4.2 percent. That's a 1.2 percent absolute increase in rates, which is really significant to us. The cautionary tale here is

that this is not a recurring kind of revenue increase. I don't think I'm going to see a \$900,000 increase in fiscal year 08 from 07 because this rides the rate curve. If rates go back down again then we won't have an increase and we may even have a decrease in our revenue. If rates go up significantly from the point where we are now, we face another problem and that's called inflation. Everything that we gain from this from now on will be very quickly eaten up by inflation. We have some of those indications right now in regard to gasoline. We'll go over those.

All other revenue coming is general fund just lumped together, a \$200,000 increase. It's 40 or 50 items. Budgeted cash. Again, we budget cash. We're budgeting almost \$2.2 million for capital package items this year. Maybe \$2.1 million and a little bit of cash for a couple of other items in the general fund. And that's actually a drop from 06 and it's a drop because we leant money to the GOB 2005 fund to kick-start some road projects. And we got that money back during the year but we budgeted cash revenue to support that kick-start at the beginning of fiscal year 2006.

Money from other funds: I guess I don't need to go through every single one of these, but money from other funds, we are getting that \$210,000 from the road project fund this year in order to buy a particular piece of equipment that the road people have requested.

On the uses side: The 1/16 GRT increment is budgeted in the budget but it is budgeted right now as a set-aside; I have not integrated it into any department's budget or into any other activity that's going on now. That will eventually be a Board choice. And it's sitting in the budget in a fashion where the Board can make that decision and we can fairly quickly implement what the Board would like to do with that 1/16 increment.

I have some items that sort of have a brown background on them. The transfer to the jail fund, the senior food program and the debt to the Paramount building. I've highlighted those in brown because when we went into the budget hearings I told everybody we had anywhere from \$800,000 to a million dollars that we thought we would have available for increases, increased programs and what not. Very quickly I found out that this money has already been pretty well obligated. The jail asked for a \$1.5 million increase from the general fund. We worked long and hard on the jail budget and worked that back down to where the increase is only a half a million dollars or so. We took a million dollars out of the Corrections budget to bring that amount that's required from the general fund. But I still have almost a half million dollars more coming from the general fund to the jail enterprise fund than I did in fiscal year 2006.

CHAIRMAN MONTOYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Paul, a quick question. The 1/16 increment on the GRT, that was the jail increment. Is that correct?

MR. GRIFFIN: No, that is not the jail increment. The Board talked about that or discussed that increment as being available for the judicial center, but it was passed, the tax was actually passed without a constraint on its use. And that's why I've set it aside, because now's the time, or sometime between now and the end of June, or even going into the year - I'd just as soon keep it set aside to see what happens to the general fund. But you have the

choice as to how you're going to use that money.

COMMISSIONER SULLIVAN: Then was there a different 1/16 that was for the jail?

MR. GRIFFIN: We have a percent increment that is going to a Corrections GRT. That is in addition to the general fund money that's going. And I'll show you a chart that shows all of that.

COMMISSIONER SULLIVAN: Okay. And that's the one that was passed by negative referendum.

MR. GRIFFIN: Yes.

COMMISSIONER SULLIVAN: Okay. The 1/16 was not passed.

MR. GONZALEZ: Mr. Chairman, Commissioner Sullivan, they were both passed by negative referendum.

MR. GRIFFIN: They were both passed by negative referendum. All right. The next brown item is the senior -

CHAIRMAN MONTOYA: Paul, just to clarify. The 1/16 is general purposes, the is Correctional.

MR. GRIFFIN: Right. That is the way it's statutorily written.

COMMISSIONER SULLIVAN: So maybe then the question you can get to later is if 1/16 gives us \$2.2 million a year, gives us \$4.4 million a year, roughly, or \$4.5 million.

MR. GRIFFIN: Four and a half. Yes.

COMMISSIONER SULLIVAN: So if that's - and we've limited the jail to about a half million dollar increase, is that a half million dollars above the \$4.5 million that would be garnered from that ?

MR. GRIFFIN: Yes, it is. And I'll show you a chart that shows exactly how that revenue is behaving.

COMMISSIONER SULLIVAN: Okay. Thank you.

MR. GRIFFIN: And then I'll give you a recommendation on that down the line here. The second brown item is the senior food program. It used to be in the EMS/Healthcare fund, and it had to be moved to the general fund and I'll tell you why as we go through here. The EMS/Healthcare fund no longer has any cash reserve in it and we had to find ways to deal with a problem that is emerging in the EMS/Healthcare fund. So we moved the senior food program to the general fund and that took another \$325,000 that I thought was available for other purposes.

The third brown item is the Paramount building purchase. We used \$1.2 million in general fund cash and we used another \$900,000 in a loan that we took out from the state to pay for that \$2.1 million building. We have a \$300,000 a year payment for the next three years. So that's over and above what we saw in FY06, so right now I spent about \$61,000 retiring equipment debt in 06, and now I have a \$300,000 payment for the Paramount Building in 07, so there's another \$239,000. If you add the brown items together you get about a million dollars and that's where my money went.

You can take a look at most of the other things here. I've talked pretty well about the capital package and the Public Works truck. The other green item on the uses, the transfers to the 2005 GOB fund. We advanced them \$425,000 in FY06. We did get that money back, but in 07 we don't make an advance so there's no cash requirement there on the general fund.

Let's continue on. Page 8: Page 8 is a list of positions. The yellow positions were passed by the Board in the FY06 budget, but I requested of the Manager that they be placed on what I call a rolling staff list. In other words, we don't want to bring all of these people on on July 1st. There were 18 people and I said I don't want to bring them on on July 1st. I want to see how this fund goes and then after mid-year we will consider bringing these people on. That list evolved into a timetable for bringing these people on and that timetable has actually been slid forward into FY07. So the yellow items are positions that were approved in the FY06 budget, but will not come on until FY07 and I have money set aside for them in the FY07 budget for when they come in.

All the other requests, 07 requests, what you see here are all the general fund requests, the 20 people that I think I talked to you about. I hope there are 20 there. When all was said and done with the budget, we had about \$300,000 to deal with this people list. So the staff recommendation is to bring people on according to the timeframe that is highlighted in - it should be pink but it turned out kind of orange. And the rest of the people on the list, I have no accommodation for in the FY07 budget. Obviously, if the Board has a different mind certainly can work on that. But that's the situation with people that have been requested in the general fund.

Let's go on. Next section. We get more interesting things coming up here now. The EMS/Healthcare and Indigent fund. I've put them together because they're all associated with the Sole Community Provider program. I want to give you some definitions and some terms. When I talk about Sole Community Provider, I talk about money that I pay out to the State Department of Health. The State Department of Health matches that money, one part County, three parts state - I'm sorry. It matches that money to a federal grant wherein the one part of County money is matched with three parts of federal money. A check gets written back and goes to the local hospital, which in the case of Santa Fe County is St. Vincent Hospital. This Sole Community Provider program was a program instituted in 1993 in the federal government to support rural local hospitals.

So St. Vincent's gets money back. Well, we've given them, in this budget, they want almost \$7 million, \$6.9 million that we get from two funds - the EMS/Healthcare fund and the Indigent fund. We sit down with St. Vincent's, like we are going to start sitting down in another two weeks, and we craft a memorandum of agreement, MOA, with them, to get money back for various health services in the county. These health services cover not only these two funds but they cover two other very important areas. One of those areas is inmate medical care at the jail, which this year in the MOA agreement, we will receive about \$650,000 for, and the other one is for what we call the CARE Connection, which supports two programs, one called assessment, the other called sobering. Sobering is a brand new service in the County. We've been hammering on the building for about two or three years now, trying to get it ready for the

sobering program. Now there's a \$750,000 budget request to run the sobering program in FY07.

So this money goes into the state, and it comes back via a memorandum of agreement with St. Vincent Hospital. So these funds are really counted twice, because I'm sending money to the state then I'm getting it right back again through the MOA.

On the sources side I have \$4.5 million in the EMS/Healthcare fund and the Indigent fund. That gives me a total of \$9 million, two increments. I'll drop down to uses. Sole Community Provider, between the two funds, they want \$6.8 million, \$6.9 million almost - \$6.893 million. The request was for - I'll give you an example: EMS/Healthcare. The request from the EMS/Healthcare fund was \$4.9 million to go into the Sole Community Provider. I'm only getting \$4.5 million from GRT, and that's the only thing I can fund it with. So right off the bat I had a problem. The Indigent fund - so I spread it back to the Indigent fund to meet their request. So I'm paying \$6.893 million into Sole Community Provider and they're giving me about \$6.7 million back for various programs in the county.

But they're not giving it back to these funds. They're giving it back to two other funds. One's the jail fund, for prisoner healthcare, and the other one is this new program in CARE Connection dealing with the sobering center. So the fund is not getting back what it's paying out. The fund traditionally supports mainly Fire, and it supports an array of health services, including Maternal and Child Healthcare. And the Indigent fund supports - has that Medicaid payment of about \$2.3 million so you've got to take that off the top of the \$4.5 that it's getting in from GRT, because we have to pay that to the state. So that leaves me \$2.2 million left in the Indigent fund, the Indigent fund wants \$2.518 million to pay to Sole Community Provider. So I'm paying more out of the Indigent fund than I'm getting in from gross receipts tax, minus the Medicaid payment.

Where's that money coming out of? The only place it can come out of this year is direct services to indigent people, where we pay the care provider directly. So it's a matter of great concern to me because we have over extended ourselves in both of these funds.

Turn the page.

COMMISSIONER SULLIVAN: Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Paul, before you turn that page, how long have we been providing Sole Community Provider money out of the Indigent fund?

MR. GRIFFIN: This fund, well, both of these funds, were formed - the Indigent fund was formed a while ago, but the EMS/Healthcare fund was formed in 2003. We had a great deal of cash available and the state was criticizing - as I hear it anyway - we were getting a lot of criticism from DFA about all of this cash we were holding. So we made - and also that we had three increments of GRT and some of this money should be going for health purposes, but we were dumping it all into the general fund, where Fire was.

So between the MOA with St. Vincent's and the problem with the state dealing with the receipt of GRT, we created the EMS/Healthcare fund in 2003, and it had a lot of cash in it. We made a decision, a conscious decision, that we were going to use that cash over a period of

years and I said then, well, you've got about two years to use it, and then it's going to be gone and then we're going to be in a pickle. We're going to have to start looking for some more money. And it didn't last two years; it lasted four. But now we're into FY07 and we're reached the point where with the budget of FY07, at the end of FY07, there will be no cash in the EMS/Healthcare fund. There will be no cash in the Indigent fund.

Right now, the agreement with St. Vincent's has me paying more into the Sole Community Provider program than I'm bringing in taxes. Who gets harmed by that? Well, Fire is supported by the EMS/Healthcare fund, so I'm looking very hard at how I can support Fire down the road. So I have some recommendations for you.

COMMISSIONER SULLIVAN: Mr. Chairman, Paul, the right hand column where it says Sole Community Provider, \$6.129 million, that's how much was used by the Sole Community Provider program in 2006. Is that right?

MR. GRIFFIN: Yes. Look at the very last column, where it says "change". Gross receipts taxes went up \$400,000. By the way, that is a very liberal forecast, and it was caused by a series of events I'm kind of crossing my fingers hoping we're going to realize that, but I think we may. Now, let's look at the uses. Sole Community Provider went up by \$764,000. How does Sole Community Provider usually go up? We usually budget what we have signed up to in the agreement when we usually sign these agreements after the first of the calendar year. What happens is in September, the State Department of Health calls St. Vincent's up and says, Gee, the federals have \$4 million here, if you'll match it with \$1 million. And so we get a call here in the County and it's literally a decision that is made like in a couple of days. No budgetary review - no nothing. And suddenly I'm beset with, Oh, gee. We have a \$750,000 increase in Sole Community Provider. And one of my recommendations is that we can't do that any longer because we don't have any additional tax funding to support Sole Community Provider over and above what we have right now.

But the increases have been generated usually by the supplemental money that's been made available by the federal government to the state in the September timeframe. The County literally gets a call from St. Vincent and a lot of pressure put on it to give them all that money, because they get a four to one bounce on the money that we pay them. In fiscal year 2006 the increase was \$1.2 million to Sole Community Provider. This year it's about \$800,000. Actually it's more than \$800,000 between the funds. So it's something, as I say in my recommendations, I can't afford to do that anymore because I don't have the money available. We have exhausted the cash in these funds. So we can't play that route anymore.

COMMISSIONER SULLIVAN: I realize that that came up in that last supplemental and we had to reduce, and did reduce the supplemental to St. Vincent's because of that. But my question was, then that \$6.1 million, we get back, or we got back in 2006 \$5.4 million under the MOA.

MR. GRIFFIN: You get that back to these two funds. We get additional money back for the jail and for the sobering center.

COMMISSIONER SULLIVAN: That was my question. How much is that?

MR. GRIFFIN: It's a total of about \$6.7 million. We have about \$6.9 million

going out and we have about \$6.7 million coming back.

COMMISSIONER SULLIVAN: Where's the \$6.9 million?

MR. GRIFFIN: Where do I see it? \$6.893 in FY07 under uses, Sole Community Provider.

COMMISSIONER SULLIVAN: Oh, you're looking at FY07. Okay. I was looking at 06.

MR. GRIFFIN: In 06, it was \$6.129 million in 06.

COMMISSIONER SULLIVAN: So this current year –

MR. GRIFFIN: We've increased it by \$764,000.

COMMISSIONER SULLIVAN: Yes, but in this current fiscal year that's ending in July, we put out \$6.1 million under the Sole Community Provider program. Okay. Then, under the MOA we got back \$5.4 million.

MR. GRIFFIN: Yes, \$5.4 million, but again, we're getting more money back for jail prisoners. It was \$580,000 this year.

COMMISSIONER SULLIVAN: That's my question. You got to my question. Okay. \$5.431 million, plus how much?

MR. GRIFFIN: Plus about \$580,000 for jail prisoners.

COMMISSIONER SULLIVAN: And how much for the CARE Connection?

MR. GRIFFIN: Some money, but not as much as we're going to get next year through the new agreement.

COMMISSIONER SULLIVAN: Some money would be –

MR. GRIFFIN: I can't tell you exactly how that ranges because –

COMMISSIONER SULLIVAN: Two hundred?

MR. GRIFFIN: It's kind of foggy because it deals with cash carryovers and all kinds of things. Letters outside the agreement. I don't want to even get into that.

COMMISSIONER SULLIVAN: I'm trying to see how close we're matching.

MR. GRIFFIN: We're matching fairly closely overall. I guess the concern that I have is we're opening, in 07, we're planning to open up a brand new service with money that has traditionally gone back to the EMS/Healthcare fund, which I need to support places like Fire. But now we're opening a sobering center. I'm scratching my head and asking everybody, look at that very carefully because we may or may not be able to support that in the long run.

Let's go to the next page.

CHAIRMAN MONTOYA: Where's that \$580,000 that you're referring to for jail prisoners?

MR. GRIFFIN: It's in fund 518. It's not in this chart. It's in another fund entirely. This is simply to show the fact that these funds are not getting back nearly what they're putting into the program. I use that money, and have traditionally have used that money to support Fire. So what is needed to be done – look at the change column on the uses. It's a good show of what's going on. I got a \$754,000 increase in Sole Community Provider payment. I've got \$179,000 change in the Medicaid program. That's going up significantly every year. That's the money we just hand back to the state.

Where did I get all of this money from, because I don't have cash? Well, direct health services to indigents got bumped for \$525,000. That's not too bad because we're not really spending all that we're budgeting on it. But we can't do that ever again because we will start impacting those services if we do that. As far as we support three programs out of that, or have, the RECC or the dispatch center, paratransit, which is the bus, and senior foods. Senior food is the only program in these funds that is not mentioned in the MOA agreement. So I said I've got to get some money to support what they want. So the food program has got to be moved back to the general fund. So that's why you see the minus \$309,000 that's in these funds, but it's being supported through the general fund.

The Fire Department came in for some increases and probably \$150,000 of that was due to the labor negotiations that provided a better retirement program for them. Other than that the escalation is very typical of the amount of budget that they have there.

Next page: I want to show this page. This is the EMS/Healthcare fund. This illustrates the problem that I have. The yellow or gold line is the gross receipts tax revenue that I'm bringing into this fund. Notice that in past years it was higher than the Sole Community Provider payment out. So I had some money to spend on things outside the Sole Community Provider. So guess who got the money? Generally Fire got that money, because that's the main program in EMS/Healthcare.

In fiscal year 2006 that source dried up. So we used cash to support Fire out of that fund, the last cash that we had. This year, again the request was for \$4.9 million to be paid out to SCP, Sole Community Provider. I only have \$4.5 million coming in for GRT revenue. So I said, I can't live that way. I'm going to back that down, that SCP payment out of this fund, back down to \$4.5 million, which is equal to the GRT coming in. I actually backed it down a little bit more because the jail has \$125,000 expense item called Indigent Medical Requirements or something like that, so I backed it down to \$4.375 million and used the extra \$125,000 to support Fire in this fund.

I also did some other things. In the hearings, I said I've got to balance this fund; I have no choice. So instead of paying for the volunteer firemen's insurance, which is about \$71,000 out of this fund, I moved that payment over to the Fire Excise tax fund. I looked at the rules and all that and it very clearly said that you could use it for volunteer fireman's insurance. So I had little choice but to do that. So those two things got done. Senior food got moved to general fund. The volunteer fire insurance got moved over to the Fire Excise tax fund.

CHAIRMAN MONTOYA: Where is that reflected in this budget? In this handout?

MR. GRIFFIN: Moving those out? Well, I showed you the general fund where the food program was moved over. I don't have a sheet for the Fire Excise tax fund, so I'm just telling you know that we moved that over there. But my position right now, you can see what the cash position has been in this fund since 2003. It has gone down by \$400,000, \$500,000, \$600,000 a year and we budgeted the last \$600,000 in cash to EMS/Healthcare fund in fiscal year 07. By the end of fiscal year 07, there will be essentially no cash in this fund. We had some cash in the Indigent fund. We have a resolution before the Board next week to use the

remainder of that cash this year to pay for Sole Community Provider. So both funds are going to be drained of cash by the end of fiscal year 2007. The Indigent this year, EMS/Healthcare next year. So it's a serious problem to me. We've got to find money to deal with this problem and we're going to have to renegotiate our Sole Community Provider payment because just - we've take a \$2 million hit in the last two years in Sole Community Provider that I don't think we can continue to take. There's no revenue to support it.

Let's go on. This gives you an idea of the Sole Community Provider and the distribution of money back. I wanted to show you these two other funds that we have here. The blue line on the top is what we pay into the state and all of the other things are what we get back through the MOA with St. Vincent's. We have what we call above the line and below the line items. Above the line items are more or less guaranteed by St. Vincent's; below the line items are not guaranteed in perpetuity by St. Vincent's and so we have a fairly sizable disparity between the amount we're putting into SCP and the amount we're getting back above the line and I'm sure we're going to talk about that when we have negotiations with St. Vincent's. But \$6.893 million is probably too much money to be putting into Sole Community Provider. I don't have the revenue to support that, and I don't have any more cash anymore to support it. I can take care of you for 2007 but that's it.

Next page, 12: What did we do? I'll just summarize this again. We moved the senior food program to the general fund. We funded volunteer fire insurance from the Fire tax fund. I limited the Sole Community Provider payment and EMS/Healthcare at least to the GRT revenue. The FY07 - it says the FY07 does not do this, but instead uses on the Indigent side, it takes money away from the Indigent fund direct services to fund the Sole Community Provider. I decided I would meet that request but we have pulled all stops to meet that request and we're going to have to renegotiate this. That's what I said at the bottom of the page. This requires the County to renegotiate not only the supplemental in September but the base amount of the SCP prior to the FY08 budget, because we have absolutely no where to go in this fund anymore. We don't have enough revenue to support it.

CHAIRMAN MONTROYA: Commissioner Vigil.

COMMISSIONER VIGIL: On that point, and I'll refer either to you Paul or to our County Manager. One of the issues that we will be considering when we meet with St. Vincent's is whether or not they can in fact make that base payment. I think I received some information that San Juan Medical Center actually does. Is that an issue that's been resolved or is it still being researched?

MR. GONZALEZ: It's my understanding there's a preliminary response that St. Vincent's is putting in front of us indicating that from the Attorney General's standpoint, first of all the conclusion is that St. Vincent's is eligible for state funding by appropriation. The second piece of that is whether that qualifies them through the federal statutes and regulations to self-fund the Sole Community Provider funding. They believe that the opinion that they've received supports that.

COMMISSIONER VIGIL: Okay.

MR. GONZALEZ: It fulfills the issue, when sitting down with St. Vincent's, if

they do in fact completely self-fund, of looking to the County anyway and saying, well, we gave up all this money in order to provide the Sole Community Provider funding so now we need something on the other side. It's almost the flipside or the reverse side of the MOA that we currently have in the way that it would operate. But those terms are still up for discussion, negotiation and I'm not sure what proposal we'll have in terms of self-funding. So we'll have to wait and see what numbers they're talking about.

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

COMMISSIONER SULLIVAN: Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Paul, you keep referring to the senior food program. Is that our senior services contractual agreement with the City of Santa Fe?

MR. GRIFFIN: Yes, it is.

COMMISSIONER SULLIVAN: Okay. That's more than food.

MR. GRIFFIN: Well, it may be. That's what I know it by.

COMMISSIONER SULLIVAN: That's a program that provides senior services to all of the County's senior facilities which includes recreational programs, trips and maintaining – not maintaining the building; that's done by PFMD, but it's not – once or twice a weeks there's Meals on Wheels but it's not just food. It's a lot more than food. In fact I would guess that the food is a lesser part of it.

MR. GRIFFIN: Well, that is a program that I have not been integrally familiar with and I've only known it by the senior food program.

COMMISSIONER SULLIVAN: Okay. Maybe we could call it senior services.

MR. GRIFFIN: Okay, senior services –

COMMISSIONER SULLIVAN: That's a contract that we have. And I would add to your consternation that that's going to go up dramatically this year. I don't see that reflected here. It says \$325,000. My understanding is the current agreement with the City of Santa Fe doesn't include the opening of the senior center in Eldorado. And once that opens, the estimates are another \$80,000-some thousand or so that will be required to fund that. So that will add to your nightmares.

MR. GRIFFIN: Well, that may be a contingent expense. I don't know.

CHAIRMAN MONTOYA: Paul, regarding the issue on the Fire programs and Fire tax, I received a correspondence from David Durrell, who's our Fire Chief in Pojoaque saying that apparently there is some movement to have that quarter percent gross receipts tax on the ballot for this November.

MR. GRIFFIN: I have heard that. As a matter of fact, when we get down toward the end I've made a number of fundamental recommendations and one of the fundamental recommendations was to support that move. That's one way of dealing with Fire. The one way of dealing with the EMS/Healthcare fund, in fact if we got a dedicated Fire fund – I won't give any promises, but right now let's just talk about EMS/Healthcare. That's one way of alleviating the pressure that I feel with regard to funding Fire. It would be very helpful. It would fund both RECC, which is \$650,000, and it would give us some additional funding for

Fire. It would be very helpful. The savings from RECC would probably just be churned right back into supporting Fire. But I've got to find money somehow. In 2008 I've got a brick wall that I see down the way and I've got to deal with that somehow.

Let's go on to more easy funds, like on page 13, the jail enterprise fund. This used to be – well, it was my worry. I spent many, many hours working on this jail budget and trying to deal with it as best I could and I think I reaped some benefit from spending that time, but this is the jail enterprise fund. Again, they're coming in for about \$466,000 more from the general fund than they did in FY06. This is in addition to the Corrections GRT money, and you'll see that in just a second.

As far as the sources are concerned, where you see care of prisoners, the adult facility estimate for care of prisoners is considerably above fiscal year 2006. Part of that is due to the fact that for the first three months and ten days, that was all absorbed in the MTC contract. So we got no money out of that. So that FY06 is not an annual figure. It's like a nine months figure.

The second thing is that we have looked at the actual history of prisoners in the jail and that forecast for adult care of prisoners for 07 looks fairly solid, based on what we see today in regard to revenue. So I feel pretty good about the adult side. Electronic monitoring is up considerably. I hope that they realize that. It looks like they're going to realize about \$115,000 actually this year so we may go up to \$130,000 next year.

The youth facility is my biggest concern. Last year they forecast \$4.4 million. I haven't looked for six weeks at the revenue but it looks like it's going to be down around three this year. Considerably lower. So I've got a million dollar disparity in the youth side. This is offset somewhat by expense actuals being below budget and so we'll have some savings there but we're still going to end up using some jail cash to make up what is really a deficit. They are forecasting \$4 million next year and this is based on the prospect of getting residents in from state facilities and residents in from a couple of jurisdictions that are outside the state. And if they do this – and I've gotten some very encouraging e-mail, by the way, in the last couple of weeks on this, then we'll be all right. But this is predicated on things to happen that haven't happened yet.

COMMISSIONER VIGIL: Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: On that, is there a predication that the Bureau of Prisons youth will be returning?

MR. GRIFFIN: I heard through the e-mail, that was one of the happy things I heard is that they planned, the BOP people would be increasing. They were going to increase the number again. That is not really in this forecast, by the way. This is based on the acquisition of state children as residents in the youth facility.

COMMISSIONER VIGIL: Greg Parrish is here. Could you affirm whether or not that actually will be happening. I know there's an anticipation as far as I learned, but have we finalized that, or is it still in negotiations. The Bureau of Prisons, the youth detention facility lost. Are they returning?

GREG PARRISH (Corrections Director): Mr. Chairman, Commissioner Vigil, we recently received seven additional juveniles. Five of those had been sent to Alabama. We got those five back, plus another two. They're also negotiating, the Bureau of Prisons, with getting four juveniles that they sent to Montana. So our population has increased. We based this budget, I believe it was on 17 BOP and we're at about 26 right now.

MR. GRIFFIN: That's good news. Very, very good news for us.

COMMISSIONER VIGIL: Is it fair to say Mr. Chairman and Mr. Parrish, that we have improved relations with the Bureau of Prisons and our juvenile detention facility?

MR. PARRISH: Mr. Chairman and Commissioner Vigil, I think it's fair to say that. I think the Manager recently received some information from them in conversations that they had that they were very pleased with the operation as of approximately a month ago. And they related that same information to the department.

COMMISSIONER VIGIL: Thank you, Greg. Thank you, Mr. Chairman.

COMMISSIONER SULLIVAN: Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Greg, while you're there, what's the status of the study that's supposed to be looking at alternatives for our jail and youth facility?

MR. PARRISH: Mr. Chairman, Commissioner Sullivan, that has been put on hold. Paul has offered to work up models for us, but because he's been so involved in the budget process we haven't developed those yet. But there were several alternatives that we were looking at at the time that I discussed with you that we still will be developing those models using different alternatives that we could do with the facility.

COMMISSIONER SULLIVAN: I'm really anxious that we move forward with that because we're constantly budgeting on expectations in dealing with both the jail and the youth facility. Each year we see those expectations not met so something needs to change and I'm not sure what it is short of closing both facilities down. But I sure would like to get some professional advice on what we should be doing.

MR. PARRISH: Mr. Chairman and Commissioner Sullivan, I will get the proposed figures to Paul. He had volunteered to model those for us on what it would cost. We'll get that to him within the next three weeks so that he can address that.

COMMISSIONER SULLIVAN: We have a firm selected for that study, right?

MR. PARRISH: Commissioner Sullivan, I don't believe so. We're just doing the modeling in-house for financial alternatives.

COMMISSIONER SULLIVAN: I thought that we put it out for RFPs. I remember selecting a firm to do the work.

MR. GONZALEZ: Mr. Chairman, Commissioner Sullivan, I think there are two different things we're looking at. One is modeling what alternatives there would be for the County in the event, for example, that we were to shut down and send all the prisoners some place else. That is separate from the RFP that was originally released. The original RFP called for somebody to come in and do a complete evaluation of the facility. We had a bid of I think in excess of \$200,000 from a Texas firm that was going to do that, but after reviewing the

RFP, the conclusion at the staff level was that basically, they would just come in and do the same thing that SOP already does when they do come in.

Based on that, the decision that was made was rather than to do that, we thought that it would be much more helpful to have on board, on staff, the kind of expertise that would allow us to take a look at the operations and the organization of the facility on an ongoing basis so that we could internalize rather than just having a report, a \$250,000 report at the end that we would have to implement, having that sort of expertise built in. To that end, we have hired someone who has that expertise using one of the FTEs at the facility. That person is Annabelle Romero and she has the expertise, the background and the ability to go in and assess the organization, to provide us with ongoing feedback as opposed to a static report at the end of the study and to ensure that we continue to embody internally the kinds of processes and organizational structures that will allow us to choose the greatest efficiencies.

COMMISSIONER SULLIVAN: I wasn't aware of that. The last I heard was an e-mail from Roman Abeyta that we were putting that study on hold pending a change in the scope of work. If this individual has this capability why do we need Paul to do this? Why isn't she doing it?

MR. GONZALEZ: There are two different pieces of this. One is the examination of the internal structure, personnel, operations, organization and so forth. The second piece of it, and that's the question that you initially raised was what alternatives do we have to continuing to operate the facility and we felt that we could analyze that internally in the same way that we did when we brought on board the juvenile facility. As you recall, we looked at the options of closing the juvenile facility and sending juveniles elsewhere, doing all those other alternatives.

So it's two different sets of information, both of which will be helpful from a decision making process and from an ongoing process, but we felt those two could be separated out. The RFP that went out did not call for the fiscal assessment that you've asked about.

MR. GRIFFIN: So I guess I'm on the hook.

COMMISSIONER SULLIVAN: When are we going to get a report from this person that knows about jail operations?

MR. GONZALEZ: She'll be giving us ongoing reports. Annabelle, if you would stand up. She's over on the right hand side. Annabelle Romero will be providing a series of ongoing reports based on her review of the facility.

COMMISSIONER SULLIVAN: And when will we get this report?

MR. GONZALEZ: Well, it's not a report; it's a series of reports, but -

COMMISSIONER SULLIVAN: To be more specific, when will we get the first report?

MR. GONZALEZ: That, I need to sit down with her because she just came on board on Monday and work out the schedule, but I'm assuming we'll be looking at quarterly reports. At least that's what I've anticipated.

COMMISSIONER SULLIVAN: Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Greg, I have one more question before you leave.

Are we getting reimbursed from the BOP the contract amount that was negotiated, or did it go down?

MR. PARRISH: Mr. Chairman, we get the contracted amount from BPO.

CHAIRMAN MONTOYA: Okay. Thank you. Paul.

MR. GRIFFIN: Other than care of prisoners, and understand that the adult figure, from a financial budgetary standpoint, looks very good because it's pretty well predicated on what is existing. The youth figure depends on state youth coming in and if indeed the BOP contingent of residents has gone up, that will be extremely helpful to us. It may nearly solve that problem by itself. I keep track of that month by month. As I told them, I'll keep a hawk eye on this thing because if it doesn't pan out in the third quarter I'm going to raise a fuss with them and see – we need to look at alternatives and what not. But I will keep track of this. I do anyway.

You see outside of care of prisoners, the Corrections GRT is there, \$4.5 million. The general fund is there, \$6.441 million, \$482,000 over what it was this year. Notice that the St. Vincent's MOA amount for medical care of prisoners is in there also at \$614,000. That is as it is written into amendment number nine of the agreement.

Let's turn the page. Uses are pretty straightforward there. We did break out an administrative organization that was largely based in the adult facility this year and a couple of positions from the youth facility, and that's a separate organization now. That's probably the only thing of any noteworthiness there.

Next page: You asked about what's funding this thing. This gives you chart-wise what is happening. Notice that the Corrections GRT has filled in a spot. It has lowered the general fund amount that has been sent to the jail. We reached a high point in fiscal year 2005 where \$7.4 million was sent from the general fund to the jail enterprise fund. This year it's going to be \$6.4 million. In 06 it was \$5.9 million. It went from \$5.9 to \$6.4 million and that's almost ten percent and I'm not bringing in taxes or anything that is equal to a ten percent increase, so I'm looking at this very carefully in regard to our ability to sustain increases like this.

Also understand as you look at the total on the top where you see the percentages by which this has gone up, they've been fairly fantastic up to 2006, and then this year, reworking the budget, it's only up eight percent. Well, eight percent is greater than the amount of money that we bring into the County on a percentage basis year after year, and we can't even sustain an eight percent overall increase, say to the whole County. A disproportionate amount of money will have to continue going to the jail. So I have a recommendation to make in regard to that.

Next page, 15: This is the fun stuff, 15. This is what I call the impact of prior year budget actions. To my dismay, things happen during the year that result in budgetary obligations that use up money and add to the baseline in the following year to the extent for when we figure it all out, we don't have any money for any additional services that are asked during the spring, during the budget process. Again, the Sole Community Provider payment, and I have gone through this ad nauseum so I'm not going to say much about that, but still there has been a \$2 million impact in the last two years – \$1.2 million in 06 and \$0.8 million

in 07. These were done as a result mainly of okaying the supplemental money that came in September and then when the agreement was written later on, it incorporated that into what we had to pay to Sole Community Provider. So we stepped up fairly remarkably in our Sole Community Provider payments really because of sudden increases of money that were in federal money that became available during the year. And then the County was requested to pitch in and match that amount so that the hospital could get more money.

We bought the Paramount building in 2007. We drew down \$1.2 million in general fund cash. General fund in this County has historically been very strong. DFA doesn't bother me on a lot of the accounts because they know our general fund is strong and we have cash in there to meet our requirements plus some more cash, so they're not all that concerned about Santa Fe County like they may be concerned about other counties. But we did draw it down by \$1.2 million.

We took - that should really be \$0.9 million requiring \$300,000 a year payment. That impacted us by \$300,000. That wasn't done as a matter of the spring budget process. That was done really when we bought the Paramount building, because we obligated ourselves to that loan at that time.

Other actions that have happened - labor contracts that happen during the year have budgetary impacts. For instance, Fire had that \$150,000 impact simply because of the retirement situation that they got out of their 20-year retirement instead of a 25-year retirement. By the way, I am not criticizing the things from a policy standpoint. That's your decision to make, but I criticize it from a financial standpoint because when the money is used during the year, when I come around to spring to act on budget requests I suddenly find I don't have any money because the baseline has been increased.

Departmental initiative: The Sheriff was before you not long ago stating that on July 1st he would start impounding people who were pulling over for DWI, impounding their automobile. Well, that had a \$115,000 impact on capital requests to build a lot to put the cars in, and then I had another request for \$50,000 for a person to manage that. And I guess from a budgetary standpoint I kind of drew the line and said, Okay, I'll try to get your lot into the capital package, but as far as the person is concerned, you can use your existing people and if you find that you're selling these cars and making enough money we may add a person then, but I'm not giving you additional people right now to run the DWI impoundment thing.

The County Clerk has been up before you for imaging projects for old probate records and old recording records and what not, and while these are wonderful projects, if they're okayed, then that has a budget impact on me. And the problem that I have - I can be really frank with the Board, being as old as I am - people come before you and say I've got this great idea. I want to go out and do thus. And the Board say, Yes, I think it's a great idea and you all agree and smile and say, Okay, therefore we move that this is a great idea. Essentially, that's what happens. So it sits there in stasis because there's been no budget action on it, but the person comes down the hall in a couple of weeks saying, Hey, I need a BAR for \$80,000 to do imaging. And I say, You've got to be kidding, because I don't have any money.

But as we add these things into the program, if you will, and the sobering program is a

beautiful example of that in EMS/Healthcare where we created an entirely new service out of negotiations with St. Vincent's for what we were going to get back in the MOA. It has some decided benefits to St. Vincent's for us to have a sobering program. And yet we implicitly created a brand new service that came at me for \$750,000 this year. And I have other things, like Fire and what not to support from that money. So I care a lot about these things. I guarantee you I will be sitting in board meetings all through the year and if any of this stuff comes up, and it creates a budget obligation I will be very happy to come right up and talk about it, because it really has an impact on what you want to do. What you state you want to do in the spring, and I suddenly have no money because the baseline has been totally soaked up.

Let's look at the next to the last page.

COMMISSIONER SULLIVAN: Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Paul, on your concerns with the Sole Community Provider, and I certainly agree with you on the sobering center issues that if for some reason St. Vincent's were to self-fund the Sole Community Provider, they do benefit from the sobering center and also the CARE Connection and we would need to charge them appropriately for those services. That's one thing we'd have to work out with them. But let's say St. Vincent's did fund. We spend \$6 million a year for Sole Community Provider matching. We get essentially \$6 million back in terms of the MOA and the funds that go to the CARE Connection and the EMS fund. Now, if St. Vincent's self-funds, we don't need to put forward that \$6 million, but we're still using that \$6 million.

MR. GRIFFIN: Yes, we'll have to turn that money back and fund directly those programs because St. Vincent's won't be giving us dollars to do it.

COMMISSIONER SULLIVAN: We'll have to fund it ourselves.

MR. GRIFFIN: But meanwhile, we have created a new service. Instead of using for traditional purposes EMS/Healthcare, we suddenly have a brand new program. I'm not talking about the social benefit of it or anything like that policy-wise. There are admirable things to say about almost everything that we want new. I'm talking from a pure financial standpoint where I don't have money to create new services out of the MOA, because it really isn't St. Vincent's money; it is our money, because we're putting it in and then getting it back out.

COMMISSIONER SULLIVAN: Are you seeing then any savings to the County through St. Vincent's self-funding?

MR. GRIFFIN: There is none to date. There will be savings because we never have totally gotten back all we've put in every year I've been here. It used to be very bad, like a half a million to a million dollars a year. Now it's a couple hundred thousand. But we're still not getting everything back that we're putting into it. So if they self-funded, yes, we'd have a couple extra hundred thousand dollars that we could fund our own programs with.

COMMISSIONER SULLIVAN: But beyond that, there's no other -

MR. GRIFFIN: It's a double-edged sword. It really is. It's a very complicated issue. Why? Because we deal with St. Vincent's for a lot of things. We send prisoners - we

get, I don't know what it said here, \$615,000 for care of prisoners at the jail. We send prisoners to St. Vincent's for outside services. They bill us back \$500,000 for those services, of the \$615,000 that we're getting. So essentially, as far as the jail cost of medical services with our own medical staff, we're hardly getting anything from St. Vincent's. So I'm a bit critical of that. But that might get worse if they self-funded. They might say, well, we're just going to charge the rack rate for everything and the rate's going to go way up. I've always been for the County hospital supporting the medical of the jail a little bit more than this County's hospital does, because most other county hospitals in the state do support the jail medical to some considerable extent. But that's another issue that's just illustrative of the complexity of this whole thing. It is very complex, not easy to solve.

MR. GONZALEZ: Mr. Chairman, Commissioner Sullivan, just some thoughts going into the meeting with St. Vincent's. A couple of questions that I've raised and I don't have answers for yet would be if St. Vincent's were to self-fund and to ratchet up in a way that we currently are doing by self-funding not only the base Sole Community Provider amount but also self-funding the supplemental, as you know, that ratchets up the base for the following year. And the concern that I would have is that if they did that, that they wouldn't walk away from it at that point and say, Okay, it's back to the County. So that's probably an issue that needs to be worked out at some level.

The other concern that I have - it's not a concern but it's a potential gain out of the whole process is if they do self-fund, then obviously they could self-fund for the full amount of the supplemental, which increases the total amount that's available for healthcare services as opposed to having been stuck with the lower amount that we had this last year. It's my understanding that they want to move fairly quickly in order to self-fund for the portion of the supplement that was not funded by the County this last round, and we still don't have the mechanism defined for how to do that. Somehow they think they would write us a check for, I think it was \$250,000 or \$300,000, \$400,000, and then we would forward that on to the state. Their understanding is that's how it is done in San Juan. My understanding is that in San Juan, the hospital simply writes the check directly to the state without going through the County. So there's still details that need to be worked out there as well.

CHAIRMAN MONTOYA: Okay. Could we take a five-minute think break?

[The Commission recessed from 4:35 to 4:45.]

CHAIRMAN MONTOYA: I need to be out of here by 5:00.

MR. GRIFFIN: The reason why there is no extra money is that it has already been spent. Page 15 illustrates that. Now we're on page 16. Things we'd like to have. These are the major building block and capital package items that were requested by you folks and by other people in the County.

CHAIRMAN MONTOYA: Which folks?

MR. GRIFFIN: By the Board. Eldorado Senior Center improvements, I think was a Board request. I don't know. I can see a couple here. Madrid and Cerrillos restroom facilities was a Board request. Now, these all came out of building blocks in the budget. They're not funded because I have no money, and the reason there isn't any money is because

it's already been spent on these other things that have an impact on fiscal year 2007. So if you want to add this in, or even the senior services program, we've got to figure out where to get the money from. So the most brutal way of doing it is to say what person on that people list that I have in pink do you want off that list to fund the senior services program? Those are the kind of hard choices that we're at right now.

Let's go on to page 17.

CHAIRMAN MONTOYA: Okay. I just want to make one observation before we move on 16 is that none of those are any of the requests that I've made so I don't see any problem.

MR. GRIFFIN: No, I didn't see any there. You may have made some minor ones. Anything under \$100,000 didn't get up here. I guess \$75k got on, the Eldorado soccer fields got on but there were a lot of lower level requests in regard to the amount of money that I didn't put up there. There's just too much stuff. Just the big major guys got up there.

JAMES LUJAN (Public Works Director): Commissioners, Mr. Chairman, I know that the spreader box to pave the roads is for District 1.

CHAIRMAN MONTOYA: Okay, the spreader box? I made that request. Okay.

MR. GRIFFIN: Page 17, this is my last page, or next to the last page. The last page we've already gone over. Budget strategies for the future. This is what I'm looking for in regards to assistance for the future. First of all, we've talked about this forever. Bring the SCP/MOA agreements under control and attainable within current GRT resources. Maybe the self-funding of St. Vincent's will fix this problem. We've got to look at it and we've got to come up with a solution before we go forward with the FY08 budget.

Broaden the base of the Fire Excise tax to cover the entire county. I think one of you raised that and I have heard of it before and I put it down here because I think that's a wonderful thing to do. It would fund the dispatch center, it would give the City funding and it would give us extra funding for Fire and I'm all for that.

COMMISSIONER CAMPOS: Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Campos, and then Stan, I'd like for you to address that also.

COMMISSIONER CAMPOS: Mr. Griffin, you read the first part of that sentence, but there's a comma, it says with funding for the City and the RECC. What does that mean?

MR. GRIFFIN: It will give funding to the City Fire Department because the City is -- we have to give them some of this money. It will pay for RECC, for which we're paying \$650,000 out of the EMS/Healthcare fund, from the existing increment that we're getting in taxes. It will alleviate the pressure on that fund a great deal to have Fire funded out of a countywide Fire Excise tax.

COMMISSIONER CAMPOS: And how do you determine the split?

MR. GRIFFIN: Right now we're getting 2. -- gosh, I can't remember what the amount is from the Fire Excise tax, but I know we would be getting \$4.5 million from a countywide tax.

COMMISSIONER CAMPOS: How would you divide that with the City and the RECC?

MR. GRIFFIN: Oh, I don't know. We'll talk about that with them. I know that RECC – what I would go for, although I don't even know that I'll be among the group of people that negotiate, but what I would go for is to have both the City and the County side of RECC funded from that. But I may be off base there, so I have to talk to people first. But all I know is that it will be of great benefit to the County and particularly to this fund if we have that.

CHAIRMAN MONTROYA: Stan.

STAN HOLDEN (Fire Chief): Mr. Chairman, thank you for the opportunity, Commissioners. This is sort of a last-minute consideration and we recognize this for the Commission. There is an allowable ¼cent gross receipts tax for emergency services that the County has yet to enact. We've sort of been holding back in abeyance for some time because we knew that we were going to need some funding source at some point to fund our new regional quint crews as part of the Commission's previously approved five-year plan for the department. Quint crews are a multi-task type unit that can provide a pumping capacity – it operates like an engine, but it also operates like an aerial device because it has a large ladder or a tower that's also on the vehicle. It can also operate like an EMS unit because the people that are on it carry emergency medical equipment and lifesaving equipment on that vehicle. It can also operate as a rescue vehicle because it carries things such as the jaws of life and those types. It serves many different functions.

In most larger departments they have specific equipment that performs specific functions. We don't have that luxury so we would be looking at a vehicle and a crew that would perform many different types of functions and that's what – that was in the five-year plan. So we've already had discussions with the City Fire Chief previously. We've had very brief conversations with the new City Fire Chief. We know that they're in significant need of new funding sources for their growth that they need to have in the City Fire Department. We certainly have significant needs in order to meet the requirements that we have for the public in Santa Fe County and this Commission knows first hand the huge growth that we're experiencing in the County because at every land use meeting you're having to approve and consider all these new developments, and we're trying to keep up. And the fact of the matter is we're having a very difficult time trying to keep up, and what we're finding is that having two people in four geographic regions of the county to try to respond to all these calls with what few volunteers we have available Monday through Friday 8:00 to 5:00 is just not cutting it.

There are many times that we have two and three calls happening at the same time within the same region, and we're falling short in being able to meet our response times and not to mention the fact that it's very difficult to fight a structure fire or a large commercial fire when you only have two firefighters on duty in four regions of the county. It's not safe. So we have a huge problem. We're certainly not here to moan and groan about the budget and where we find ourselves today. We know that moving into a Class A county, our needs are growing and we're being approached by many different partners in the community who need help and

assistance. And the Fire Department is just one of those. What we're trying to bring to you today is a potential solution.

This new quarter cent gross receipts tax we believe will provide sufficient funding for us to meet those immediate needs that we need for the next five to ten years. And it would raise, I believe, approximately \$9 million.

MR. GRIFFIN: Nine, not 4.5. I was thinking about a . . . A quarter cent would bring \$9 million.

CHIEF HOLDEN: We have already, as I said, we already had some previous, very early discussions with the City about perhaps them receiving \$2.5 million of that \$9 million right off the top for their immediate growth needs that they have. Certainly they have not committed to anything and I don't speak for the Commission. I'll assure you that. In the spirit of trying to provide public safety, which is really what the fire departments are about in our community, we're just trying to do our best to try to cover revenue sources whatever way we can to meet the needs that we seek. And I'd be happy to stand for any other questions, Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: Thank you, Mr. Chairman. Stan, are you asking us to increase the GRT tax from to $\frac{1}{4}$? What are you asking?

CHIEF HOLDEN: Mr. Chairman, Commissioner Anaya, no. Specifically, this would be a new tax. This is a new, quarter cent, countywide tax. The existing tax that I think you're referring to is just collected within the unincorporated areas of the county and that tax cannot be used for any services other than operation. In other words, I can't use it for salaries. I can't hire firefighters with the existing quarter cent. That's just for capital infrastructure. This tax has no restrictive language on it and can be used for capital, it can be used for personnel. It can be used for equipment. So we can actually hire additional people. We could actually perhaps come up with some new incentive programs to help recruit and retain our volunteers. That's another big issue as well.

We appreciate the help that the Commission has given us thus far with our recruitment and retention program. We're making great strides. I wish I could report it's 100 percent successful; it's not. We're just getting started. We know that we're going to need other incentive programs that we're going to need funding for for our volunteers as well.

COMMISSIONER ANAYA: You're asking the Board to put it on the ballot, to go to the voters?

CHIEF HOLDEN: Mr. Chairman, Commissioner Anaya, that would be correct. The Commission would allow this question to be placed on the November ballot. It would have to go to referendum. It cannot be imposed in a negative fashion. It has to go to the voters for approval.

COMMISSIONER ANAYA: And the money would just be used for City and County? So \$2.5 million would go directly to the City?

CHIEF HOLDEN: Mr. Chairman, Commissioner Anaya, we have not committed. I was just trying to relay that we've begun some early discussions with the City

about perhaps how we could approach that.

COMMISSIONER ANAYA: Thank you, Mr. Chairman. Thank you, Stan.

CHAIRMAN MONTOYA: Okay. Commissioner Campos.

COMMISSIONER CAMPOS: I had the same questions.

CHAIRMAN MONTOYA: Okay. Commissioner Sullivan.

COMMISSIONER SULLIVAN: Stan, would another alternative to provide funding, since 80 percent of your calls, from my understanding, are related to EMT calls, not fire, and those are directly related to growth and more people living in the area in the city and county, would an increase in the fire impact fee be appropriate to do that as well?

CHIEF HOLDEN: Mr. Chairman, Commissioner Sullivan, that's an excellent question. Unfortunately, the answer is no. Fire impact fees cannot be utilized for salaries, personnel expenses. They can only be used for capitalized expenditures with a life expectancy of ten years or more, or a value greater than \$5,000 or more.

COMMISSIONER SULLIVAN: Okay, but can the EMS fund money be used for salaries?

CHIEF HOLDEN: No, sir. The problem is that all of our funds, other than the third gross receipts tax for emergency services and other healthcare needs, that third that we went to the voters to in 1998, to ask them to redirect that tax to the Fire Department for emergency services, that money is the only revenue source that we have to date that funds our salaries for our Fire Department. All the regional personnel, all the Fire admin, are paid off of that tax. And we, at the Fire Department we receive about half of that tax. The rest of that tax goes for other -

COMMISSIONER SULLIVAN: That's what I'm getting at. So we've been borrowing from that ?

MR. GRIFFIN: That flows through the SCP and comes back through the MOA. They get about half that of the total.

COMMISSIONER SULLIVAN: So if you were able to increase the fire impact fees, which would help you with your capital requirements in that area, and would help the County's budget, then we would be able, hopefully, to have those funds available, the rest of that half of that eighth available to go where it's supposed to go in the first place, which is to the Fire staff.

CHIEF HOLDEN: Mr. Chairman, Commissioner Sullivan, I like the way you ended that sentence, but unfortunately the answer is still no, again because the growth that we have, the needs that we have within the organization, within the Fire Department are personnel-related. They're not fire equipment related. We're doing okay today with our existing 1/4cent and with the fire impact fees. We're doing okay. We're keeping up with our 15-year cyclical replacement program for apparatus, equipment and for fire stations, as far as those capital needs. The problem is we have no additional money, as of today, from what I'm being told by the Grim Reaper here, we have no additional funding available for growth within the Fire Department.

Now, even if we were able to utilize the other 50 percent of the third gross receipts

tax for emergency services for the Fire Department and add additional people, I'm sorry to tell you that within two years I would still come back to the Commission and tell you I'm going to need additional money in order to fully implement the five-year plan to put those quint crews on as we projected that we were going to meet that growth need.

COMMISSIONER SULLIVAN: Two million dollars a year, that's not a drop in the bucket.

CHIEF HOLDEN: Well, it doesn't go up two million dollars a year. It goes up a total of two million dollars, so it doesn't grow each year, subsequently. It only goes up two million. That's the cap. If it went up two million every year, you'd have a very happy Fire Chief.

COMMISSIONER SULLIVAN: I'm just saying if you were able to use all that money where it belongs, you would have an additional recurring income of two million dollars a year.

CHIEF HOLDEN: Yes, sir, that's true. Yes, sir.

CHAIRMAN MONTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: Could you further clarify that for me, Stan? The cap at two million? Does that mean this gross receipts has a life span and the cap is two million, or if it was enacted, it will be recurring funds?

CHIEF HOLDEN: Mr. Chairman, Commissioner Vigil, the new ¼cent gross receipts tax for emergency services does not have a cap and it does not have a sunset clause, which is currently something that we deal with with the existing quarter cent for fire protection, the capital tax. This new tax does not have a sunset and it does not have any restrictive language regarding how the money can be expended, other than it has to be expended for emergency services. I am thankful that if we are capable, or at some point we do allow this to go forward, we won't be spending any money for jail prisoners, medical expenses out of this tax. It's not allowable.

MR. GONZALEZ: Mr. Chairman, Commissioner Vigil, the current quarter percent that's only county based expires in two years anyway so we still have to come back and renew it.

CHAIRMAN MONTOYA: It has to go on the ballot again? Do we authorize it?

CHIEF HOLDEN: Mr. Chairman, yes sir. For one last time. We went back to the legislature in 2003 and asked them to remove that restrictive language, and I believe we will be the last county subsequently now to go back out to have it renewed finally, and we won't have to renew it again.

CHAIRMAN MONTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: Gerald, or perhaps anyone from Finance. I guess I have several questions when it comes to gross receipts. Number one, the state legislature did enact the opportunity for local governments to go out for a quality of life gross receipts. I think that was up to a quarter percent. Does that quality of life include basic services? Or do we have anyone that knows anything about that? Paul, you're looking at me.

MR. GRIFFIN: I'll have to get back to you on that. All through this budget

process I've told everybody, I've got this big list of possibilities in regard to GRT, and I just haven't had time to go through all of that. And with the recommendations I made here, I just wondered if I should make any more tax recommendations, because I have two here. But I'll get back with you and let you know on that. It's a bit of study I need to do.

MR. GONZALEZ: Mr. Chairman, Commissioner Vigil, it's my understanding that there's a restricted list of uses and I don't think it would encompass Fire.

CHIEF HOLDEN: I don't think it encompasses Fire.

CHAIRMAN MONTOYA: Are there any more questions for the chief? Chief, I see all of the chiefs, or --

CHIEF HOLDEN: Mr. Chairman, thank you for recognizing them. These are our regional personnel and if they would stand and be recognized. I appreciate them coming today. They have a significant interest, obviously. They're the ones out providing the services. They know the lack of services that we're currently unable to meet as a result of our restricted funding and I appreciate them being here and I appreciate the great work that they do for our community.

CHAIRMAN MONTOYA: Thank you, guys. I'll just add that I think with the volunteer services that are provided throughout the County, we probably save, I think according to what David Durrell told, me in excess of about \$6 million. So I think if we could look at what we're looking at here. I just want to see a show of hands. Will you help us get this passed if we put it on the ballot? [There was a unanimous show of hands from the approximately 25 firefighters in attendance.] Thank you all for being here. I appreciate it. Thank you very much. Paul, do you want to go ahead and wrap up?

MR. GRIFFIN: Okay, I'll try to wrap this up. The third recommendation is to support an effort to increase the corrections GRT from to ¼ cent. This will probably be taken to the legislature by Bernalillo County who has had a \$60 million jail dumped on them from the City of Albuquerque and they are hurting so bad you can't imagine because they have a \$30 million increase in the jail this year. They have talked about going to the legislature to enable a ¼ cent rather than a cent GRT. And I told people all through the budget process, we ought to be in line behind them. As I say, this is not a real serious problem right now, but we are in a position where the general fund transfers to the jail now again are starting to increase, and it's increased this year by ten percent, which is more than the general fund increases by. So it's something we ought to look at if indeed Bernalillo County makes that decision, or the Association of Counties makes the decision to go to the --

CHAIRMAN MONTOYA: So this is new legislation?

MR. GRIFFIN: The new enabling legislation. And then with that enabling legislation we would make that consideration to increase the GRT.

The last recommendation I have here is to construct a three-year baseline revenue and operations plan. This is a baseline plan. I think it can be done particularly for the general fund and it probably should be done for these funds that we have talked about today. And we'll link this budget forecasting to the strategic planning process. This is something that I have done before I came to this County, built these baseline revenue and operations plans. I worked at one

county before this very early in my career. We were extremely successful with the board in regard to telling them the limits by which we could grow. And it made us, as budget analysts very happy because if anything was brought before the board, the board members would raise their hand and say, Does this violate the 6.2 percent growth restriction that we have in this county? That took care of a lot of problems and helped us a great deal. I'd like to do that for Santa Fe County and give you a figure of baseline growth that is acceptable to us, so that when you see programs come forward with increases more than that, you'll know that it has to be taken from somewhere else.

Last page, and we mentioned this. In a week we need the interim budget adopted. I don't see a lot of change happening between now and a week. I don't really want it, because I'm already starting to fill forms out for it. It gets handed into DFA on June 1st, and then you have until June 27th to make – I call it balanced budget changes. If you want more money, if you want more budget for some kind of an operation or a capital item or something, you've got to tell me where that money's coming from because I don't have spare money in the budget set aside, with the exception, possibly, of the 1/16 increment, and that's something that you're going to have to think really long and hard about.

CHAIRMAN MONTOYA: What's that again, Paul?

MR. GRIFFIN: I don't have extra money to deal with in the budget, with the possible exception of the 1/16 increment, but we've already talked about that going to the judicial center. Right now it's just set aside in the budget and nobody can really touch it until a decision is made as to how we're going to use it and you people have to make that decision. By July 1st my final budget is finalized as the original budget. So although you will adopt the final budget, you can adopt a final budget as late as the 25th of July, I don't want to see changes after the 1st, because it's already in the system and we're already spending against it.

So you have the month of June to make changes and get them into a final budget, but July, we start using that budget. You will adopt that budget in July and then on July 31st is the legal date for submitting the budget to the DFA. Beyond that, again, changes can happen in regard to resolutions and budget actions. I will be looking very carefully at implicit budget actions where somebody makes a presentation and the Board says, Yes, we think this is a great idea. Go with it, without any budget guidance. I may stand up and say, Hey, this may have an x-hundred thousand dollar impact on the budget. Because we've got to watch that very carefully and not spend our money during the year and obligate ourselves for fiscal year 2008. I am close enough to the edge right now that I don't want obligate money like that.

So if there's any questions, I'd be glad to help you. If you want further help or gory detail on this subject I'll get it for you, just let me know. If you want to meet together informally and get some more information about something that concerns you, I'll be very happy to work with you on an individual basis if you have individual questions. Come down or give me a call and I'll come to where you are and sit with you on it.

CHAIRMAN MONTOYA: I've got just a couple of questions and then I need to leave. Commissioner Vigil will take over after I get done. On the debt service fund on page 2, does that include any debt service on bonds that we currently have? Any arbitrage?

MR. GRIFFIN: Well, it doesn't include arbitrage, but it includes the money that we are paying on bonds. Now, this is a combination of general obligation bonds for which a special assessment, a property tax is made over and above the operating property tax for the County and it also includes bonds that are supported by GRT, for instance, that we pay out of our operating funds. So it's kind of a mix of both.

CHAIRMAN MONTOYA: Those service funds, are those penalties or –

MR. GRIFFIN: No, that's debt and interest. Arbitrage and penalties and things like that are beyond that. That's budgeted in the regular operating budget and we don't have much budgeted there. We have much budgeted there. We have a couple hundred thousand dollars set aside and we have a study ongoing right now to find out what our obligations might be. The opinion is that we don't have many obligations because many of those bonds that we might have arbitrage on were sold at fairly high interest rates and what you have to have is income coming off from the residual that you're holding in the bank that is over and above the interest rate that you charge for the bonds. That's considered as income to the County and the IRS wants us to have it. But those bonds are all five, six, seven percent. Now we're getting up to the point where we're going to incur arbitrage because the rates are starting to increase and if they get up above five percent then we've got a problem. But as long as they've been below it, we haven't gotten enough in interest back to match what we have to pay out in regard to interest on the bonds to the bondholders.

CHAIRMAN MONTOYA: Okay. So that's not reflected on this budget then.

MR. GRIFFIN: No. There's a little bit held –

CHAIRMAN MONTOYA: That would come out of the general fund?

MR. GRIFFIN: That would come out of the general fund. Well, it comes out of a specific fund, because the point is that we're holding money in the bank. We have leftover money in a specific fund and so we budget that money. I know of one case we're budgeting that money as arbitrage payments. So we can't use that money or revert it to the general fund or anything. It's held there for arbitrage considerations.

CHAIRMAN MONTOYA: Until we use it for a specific purpose.

MR. GRIFFIN: Until we find out whether we have an arbitrage obligation or not. That's the point. And Teresa is working on that right now.

CHAIRMAN MONTOYA: Could I get that information? I'd like to see what we're looking at there. And then the other, page 7, under the investment income, I'd just like to point out that I think the Finance Committee has been very active and thanks to the Treasurer, Victor Montoya, who has been very pro-active in terms of looking at high interest yielding sorts of bonds and mutual funds and all that. He's done a really good job along with the other people on that committee in terms of looking at the potential growth for investment off of there.

And then on page 8, you mentioned there were 20 additional employees?

MR. GRIFFIN: Well, where it says FY 2007 budget request, there are 20 listed there.

CHAIRMAN MONTOYA: Oh, from there down.

MR. GRIFFIN: From there down to the bottom.

CHAIRMAN MONTOYA: Oh, okay.

MR. GRIFFIN: Both the pink and the white. And the pink were funded. If you have druthers about that, let me know or let Gerald know and we'll reconsider that in regard to getting them into the budget. You really have until the 27th of June to make those considerations because the interim budget as it goes to the state is fund-based and we hardly even recognize this kind of thing other than in dollars to the state right now.

CHAIRMAN MONTOYA: So those six are funded.

MR. GRIFFIN: Those six are funded.

CHAIRMAN MONTOYA: And what about the ten above?

MR. GRIFFIN: The ten above are also funded because they were approved by the Board in the FY06 budget, and we just took carryover to fund them. So there's a little additional cash in the general fund that's being used for those people.

CHAIRMAN MONTOYA: So then some of those positions then account for the reason why there's no extra money because it was already spent.

MR. GRIFFIN: Well, you can say that but again, it's carried over from this year because we had put money in this year's budget for them and now we've made the decision not to bring them on until later. We're actually saving money by doing that. And I'm a happy man because I'm replenishing cash in the general fund through those savings, and remember we spent \$1.2 million on the Paramount building so if I can get some of that back, great.

MR. GONZALEZ: If you recall, Commissioner, we decided to wait and see with respect to filling some of these positions based on what would happen with the jail and debt funding. So we tried to space everything out in a way that would save us some money in the long term.

MR. GRIFFIN: The beginning of last year I think I said hold off until mid-year because we're bringing a jail on. We don't even know how much we're going to be in for for sure, at least until mid-year. And mid-year turned into March and then these people ended up first, I think - I don't know. I think we brought about six of them on on May 1st. So they really were held back and we saved most of the money in 06 that we had set aside for these people. But more of them are going to come on in 07 and we felt like it was fair to include these people in the 07 budget and not to delete them simply because they didn't come in 06. And some of them are really needed there. I've got a voter information specialist that has to be on board for the election and so forth and so on. Some of these people, they are really looking forward to bringing them on.

CHAIRMAN MONTOYA: And then on page 16, I guess I would just myself suggest that we try to look at Countywide sorts of things that we'd like to have, in terms of where these would be used Countywide, in terms of those resources. So that's just my comment on that. And on page 16 -

MR. GRIFFIN: Page 16, the list of things we'd like to have. I have my own thoughts about that, being part of the infrastructure. I see some infrastructure things that I think we need pretty badly, like a new payroll system, for instance.

COMMISSIONER VIGIL: Right.

CHAIRMAN MONTOYA: Yes. Exactly.

MR. GRIFFIN: And I'd like to fund that but I got to the point where I couldn't fund it. I don't have enough money to cover that and the other things in the capital package. We looked at the capital package first from a replacement standpoint. We replace, other than the Sheriff, who drives – those cars are their offices, if you will, and they drive them a tremendous amount every year, so we replace vehicles that may be only three or four years old, but all other vehicles replaced in the County were pre-2000 vehicles. Vehicles that were considered to be in poor condition and they had definitive assignments out to people and it was almost a safety matter to replace those vehicles. Not very many, but we replaced some. We look at all things on a replacement basis first and then we went to the list that we might consider as being additional things that we might buy. And there aren't too many additional things when we got through with the replacement list. So we were very tight-fisted with the capital package money this year and made sure it was mostly spent in the areas to continue our infrastructure.

CHAIRMAN MONTOYA: Okay, and then on page 17, I guess in terms of the strategies, I agree with all of those. I would support St. Vincent's self-funding if they can at some point. Certainly with the support of the Fire Department, working toward the ¼cent, putting that on the ballot for November and taking a look at the new legislation to increase the Corrections GRT from to a quarter, and certainly tying in the budget to the strategic planning process, I think we need to definitely look at doing that. So those are my comments and I will turn it over to you, Madam Chair.

[Commissioner Montoya left the meeting.]

COMMISSIONER VIGIL: Thank you, Mr. Chair and all of the staff.

Commissioner Sullivan.

COMMISSIONER SULLIVAN: Paul, so right now the budget is balanced.

MR. GRIFFIN: Right now it's balanced.

COMMISSIONER SULLIVAN: Okay. Does it include the money for the sobering center?

MR. GRIFFIN: It includes the money for the sobering center but that's hanging way out there.

COMMISSIONER SULLIVAN: What does that mean, hanging way out there?

MR. GRIFFIN: I have money "below the line" coming from the St. Vincent's agreement, that I already told you that we probably need to renegotiate, so whether that money remains there or not, I don't know. I have money from carryover that is not even mentioned in the agreement. In fact I asked the people in the program to get me documentation that we indeed have that carryover money and we got a letter from St. Vincent's Hospital saying, yes, you indeed have the carryover. And I said, that's fine, but next year for sure, put that into the MOA agreement because I don't like money supposedly being available that is not listed in the agreement.

So the funding is there but it's a bit wobbly and in fact what I suggested internally is that we probably wait a little bit to open this center to see how all these other things develop,

because if we renegotiate an MOA that doesn't have the CARE Connection in it, or if St. Vincent's becomes self-funding, and then the County has to make a decision between that and something else, as I say, it's on a wobbly basis and I'm concerned about the continual availability to run that kind of a program right now. We're not in a position in the County that we can open new services.

COMMISSIONER SULLIVAN: I think we've been battling for at least the 5 ½ years that I've been on the County to get that sobering center and I certainly wouldn't support not opening it.

MR. GRIFFIN: Okay.

COMMISSIONER SULLIVAN: Let me respond to that quite quickly. What is, on the list of staff, what is a \$60,000 growth management coordinator? What does he or she do? On page 8.

MR. GRIFFIN: It's under the Manager's office. I'll let Gerald speak to that. I don't have a specific answer on that.

MR. GONZALEZ: Madam Chair, Commissioner, that is the position that we've talking about with respect to the strategic planning, about how to move forward and keep the strategic plan moving forward. So it would be the person who would be responsible for making sure that we continue to develop the Countywide strategic plan and to ensure that we keep that in front of the Commission.

COMMISSIONER SULLIVAN: Well, when he or she comes in at 8:00 in the morning, what does she do? Plan the next growth management meeting? Or what is this - I think everybody would say growth management is a great idea. We're running out of water, we're running out of services, we're running out of space. Is that what this person is going to be doing? Going to be a meetings coordinator? Or what are they going to do?

MR. GONZALEZ: It will be a combination of things but that is a piece of it. It's also taking a look at all the existing plans that we have and making sure that we get them integrated when we meet as a group. We're talking about meeting once or twice monthly and there's a selected list of regular participants who would be participating in creating a growth management plan which would be both external and internal. It would require looking at resources, making sure we have internal resources in order to continue that and at the same time, looking externally at bringing to the Commission recommendations about how we feel that we need to integrate roads, utility services, water and utilities, Fire. Right now, as an example, we have a five-year plan but that was created kind of in the blind without having the other departments at the table. I know it's been a particular frustration for Fire, having created the five-year plan, brought it to the Commission, had it approved, and then looking at what the impacts are, and then we sit down and look at the budget as a whole because we've had some difficulty in moving all those pieces forward at the same time.

COMMISSIONER SULLIVAN: How does that person do something other than what Paul is doing here, which is telling us that we have to live within our budget? If it's truly going to be a growth management person it seems to me it needs to be in the Land Use Department and they need to be doing something specific about the growth management. Are

you talking about growth in the County? Is this someone that is coming to the County Commission and making pitches for new FTE's?

MR. GONZALEZ: No. The person who coordinates the growth as a whole, who would come up with a plan that would be presented to the Commission. It's an outgrowth of the strategic planning process that we've just run through. That was an intensive process that we actually had to contract out because we didn't have the resources in-house in order to do it. The question is, having adopted a growth management plan, how do we stay on track? Do we just put it on the shelf like we've done all our strategic planning in the past or does it become a living document that continues to interface with budget.

So Finance will be an important piece of the process as we go through this, but it will require sitting down, coordinating what resources we have in terms of the utilizes, where we can provide those, looking at planning and land use, for example, where in terms of future zoning do we feel from the staff standpoint that it's appropriate to try and direct the infrastructure that we have. How are going to plan out roads for the entire county? How do we prevent leap-frogging by trying to focus where we bring the County infrastructure to? At the same time, what are we going to need in terms of public works? Operational equipment? Manpower? It's a complete growth management plan as it is. It's not a land use plan; it's a complete growth management plan for the entire county.

COMMISSIONER SULLIVAN: I guess what I'm not seeing here, and that sounds awful fuzzy to me. I think of these 16 FTEs that we're going to be funding starting in September of this year, I'm not seeing anyone that's going to be going out and dealing with issues like Code enforcement. I just am disappointed that we constantly are building up our management staff and we're failing to - and some things that we have to do of course, that are mandated in terms of voter information and so forth, but I just am not seeing the staff personnel out on the street who are providing the services to the community. I'm just seeing these fuzzy planner positions.

I'm concerned about that and I'm also concerned in terms of the presentation of the budget, what we see here is a presentation of how to collect more money. Whenever the legislature allows us to collect more money, we go to the people and try to collect more money. I think the budget process should be one of alternatives of saying, now you can collect more money and do this, but you can also reduce expenditures and that would do that. I'm not seeing any emphasis on that. I think there are areas where we could reduce expenditures. Sixteen FTEs is certainly one. And if we look at that side of the coin we've given ourselves more alternatives. I don't see that anywhere here in what we were given.

MR. GONZALEZ: Commissioner, if you look at the list, in Land Use we have a transportation planner. Under the County Sheriff, County Clerk, those positions are basically statutorily driven, either federal law or state law. With respect to Finance, we have additional support for Finance. We have PFMD, a maintenance specialist, and then if you look at the pink list, we have in addition for Land Use a Code enforcement officer, Public Works, we've got a parts clerk, and PFMD we've got someone who will help administer the projects, the database administrator who will also strengthen projects with respect to IT. And then we have a

maintenance specialist who is required because of the buildings that we're currently required to cover. Those people are, I think, the kind of line people that we may be talking about.

COMMISSIONER VIGIL: Commissioner Sullivan, anything further?

COMMISSIONER SULLIVAN: No. Those are my comments, Madam Chair.

MR. GONZALEZ: One other comment is that we have been looking at the organization for the purpose of maximizing the use of the personnel that we currently have. As you and the other Commissioners are aware of, we have an item on the BCC agenda for next week to discuss reorganization to create an Administrative Services Department which we think will strengthen some of the support services that we're all concerned about.

COMMISSIONER VIGIL: Thank you. Commissioner Campos.

COMMISSIONER CAMPOS: A follow-up to Commissioner Sullivan, the Diane Quarles position, that was in your office, that was the strategic planner. Is that the same position as the growth management coordinator? Are you converting that or where has that gone?

MR. GONZALEZ: Madam Chair, Commissioner Campos, it sort of morphed. That's basically the position that we're looking at. And as we went through the strategic planning process, the shifts in the load that we were bringing forward in the strategic planning process were what basically resulted in the changing of the term here, but it's the same position. It's a position that would be designed to keep us on track with a strategic plan, but now it's gone beyond simply land use because as you recall, Ms. Quarles' focus was primarily land use. Because of the strategic planning process, that charge has become much larger than strictly land use planning.

COMMISSIONER CAMPOS: I understand that, but is Diane Quarles' position eliminated or are you adding another position, plus Diane Quarles' position to your staff?

MR. GONZALEZ: Diane Quarles' position has been eliminated.

COMMISSIONER CAMPOS: Okay. One thing I'd like to suggest to the Commission is that we have a discretionary Commissioner fund that has gotten some public attention lately and I think we should consider eliminating it. It's pretty clear that we have a tight budget and this money could be used more productively. So at the next meeting, I'd like to ask all the Commissioners to think about it next week and I'd like to make a decision about that. We could save some money. I think the taxpayers expect us to use our money in the most effective way to produce the best product for the county residents. So I'd like to do that.

And to reiterate what Commissioner Sullivan said, part of this analysis has to be what are our primary functions and focus, and what isn't? So at some point we have to make the decision: Do we go to the taxpayer again and again? Or do we really, through our strategic planning process say this is our primary public service plan, and stick to that and see where we can save money. I bring this up every year and I never get any feedback from staff on this issue. I've asked for you guys to talk to us about it but we don't get it. Maybe now, with the strategic plan, we're going to be in a better place.

I know we're now a Class A county. Demands are growing. Population is growing. So there's a natural connection there. But there is also probably things that we could look at

internally, just to maybe move personnel to places where we need them more and can use them more effectively. And I'd like that to be part of strategic planning and the reorganization.

MR. GONZALEZ: Commissioner Campos, that's an excellent observation. If you recall, as we did the tail end of the strategic plan this past round, we tried to identify the County's core responsibilities and then two other categories, and then the third area for working through the strategic plan was the internal response to how do we support those particular projects. That's the hope as we move forward with the strategic plan, that we'll be able to address exactly what you're talking about.

COMMISSIONER VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Thank you, Madam Chair and Commissioners. I want to thank Gerald and Paul and Teresa and the staff for putting this together. I know it's a very complicated issue to deal with, the budget. I agree with Commissioner Sullivan in terms of the Code enforcement officers. As I drive around the county, this county is becoming in some areas trashed out. I think that we need to keep up with that in terms of hiring more Code enforcement to clean this county up.

Another important issue is our seniors. And we need to continue to fund that and increase it, because we are going to have another senior center in Eldorado. So our seniors are very important and I think we need to keep that in mind and increase that. And in terms of seniors, where is the money coming out of now, Paul? Is it out of the general fund?

MR. GRIFFIN: It will be out of the general fund in fiscal 2007. We had to move that out of the EMS/Healthcare fund.

COMMISSIONER ANAYA: Okay. So we want to move it out of the EMS and put it into the general fund.

MR. GRIFFIN: Yes, that's where it will be.

COMMISSIONER ANAYA: Okay. So I'd like to see that increased. I know it's difficult. Everybody wants, and we have a certain amount of money to deal with.

MR. GRIFFIN: I need both sides of the equation. It's one thing talking about cutting back, cutting services, or selecting what we're not going to do, and it's another thing committing - I'm sorry. I shouldn't be preaching, but committing yourselves as a Board to actually doing that. Because I see a lot of reluctance to do that when it really comes down to the point where that has to be done. We can talk all we want about it, but where are you going to cut? Let's see. Manager's office? Well, you could I guess. Legal? Shall we cut back a few attorneys? Finance? If you cut back any more Finance people you're going to have two people quit, because we can hardly keep up right now. Health is all run pretty well by grants and the MOA. Land Use? Nobody wants to cut Land Use. Public Works? Nobody wants to cut roads and roads has been held steady because of all this other activity. That's the one department that really hasn't come up and complained a whole lot because we give them about the same every year out of the general fund. And so the road maintenance is the same. And the only advantage we get is more money from the legislature to do road projects.

Okay, let's continue on. PFMD? That's the infrastructure of the County. The buildings, IT. Let's go on from there. Eight is Fire. Well, that's in the EMS/Healthcare fund. We've all

talked about how we have to preserve Fire. The next one after that is the elective offices, the County Clerk. You want to go tell her that you're going to cut back her programs? Number 10, the Treasurer. I don't know where I can cut back the Treasurer. Number 11, the Assessor, same problem. Number 12, the Sheriff. Shall we have fewer deputies out on the streets? And that pretty well covers it.

The general fund impacted stuff, I can't cut the jail. I guess we could just decide to close the youth center and not give it a chance to not bring in the money to become self-sustaining. That's another choice you have. All I'm trying to illustrate here is they are very hard, difficult choices to make. And as I said, maybe rather flippantly, if you want more senior programs, look on this list and cross out one of these positions that you don't want to come in so you can support that. That's what it really boils down to in the front end. Now, if you want to look at other kinds of budget items, I'll be glad to work with you on a one-to-one basis, bring you in individual organization budgets and so forth and so on, and let you try and make that decision there. But the infrastructure's been held rather flat. And general fund, other than the Sheriff, pretty well supports the infrastructure in this County.

COMMISSIONER VIGIL: Paul, I think you're just restating the problems that we're faced with. Commissioner Anaya, did you have anything further?

COMMISSIONER ANAYA: Thank you, Madam Chair, yes. You touched on roads. Roads are a big issue in my district. Like I said earlier, this is difficult and I'm just telling you what is important to me. The Cerrillos Community Visitors Center. Very important. Cerrillos doesn't have a community center; a lot of communities do. The Madrid and Cerrillos restroom facility. Very important. The Galisteo Park improvements. Now, I don't think right now that that is a top priority in my area, and in Eldorado, the soccer fields. I think those could hold off. But the other things are important to me. That might be important to Commissioner Sullivan, but I'm not sure.

The last item was the four things that you talked about including the quarter percent for the County. I'd like to look at it more. I'm going to look at this whole thing more. Maybe when we come back we'll have some other ideas from myself or other Commissioners or even staff. But this is a starting point. We can look at it. I don't agree with Commissioner Campos in terms of our discretionary funds; those are important to each Commissioner and I know we had a little write-up but I still agree that what we're doing with those monies are good for the county and it gives us the opportunity to give things to certain communities that don't usually get in here like for example the restrooms in Cerrillos and Madrid. If we didn't have the discretionary funds they wouldn't have what they are getting now.

But I do understand, Commissioner, what you are trying to get at. Those are my comments. Thank you, Madam Chair. And thank you all very much for the presentation.

COMMISSIONER VIGIL: Yes. Thank you. And I'll defer to you all if there's any further questions. I do have a couple of comments. With regard to page 16. I need some further explanation on this. Things we'd like to have. Now, does this mean that these are already in the budget or they're going to be in the budget?

MR. GRIFFIN: They were not funded. They were essentially building blocks

that were submitted by members of the Board and other organizations within the County. I just took the biggest ones and put them down here. I'm just saying that this is an illustration of all the nice things that a lot of different people would like to have. But I just don't have additional funding. Again, like new services or anything else, we'd like to have all of these things, but we only have an x-percent rate at which we are growing in revenues. If you want to have these things and you can't want to cut back, and I just preached about how difficult it is, really, to go in and cut back, then the only route you have is to increase the tax to get the revenue to do it.

COMMISSIONER VIGIL: Let me just say as I look through this list there are particular items that benefit the entire County and those are the infrastructure items that include a data conversion of the GIS, the chip spreader, a street sweeper, computerized HR actions and workflow, computerized time and payroll system, and the other items seem to me that those are ICIP items, that those items are items that should go through our ICIP process and be requested from the state legislature. I think if we need to start looking at cutting I would request that we look at where we cut and requesting the appropriate projects within the appropriate scope of funding sources that we have. All the other projects that I see in there, the Cerrillos Community Center, the Eldorado Senior, the Madrid and Cerrillos restrooms, the Galisteo Park, the Eldorado soccer fields, those are all sort of project-specific and they're also district specific and I don't see any projects from Commissioner Campos', mine or Commissioner Montoya's requests here. I also have projects in my district that are ICIP and capital infrastructure.

So I think maybe we could look at distinguishing what is countywide and what is district specific, because the district specific, we already have our ICIP process. We can actually go to the legislature.

The other comment I have is with regard to senior services. It is a project that we definitely need to support. We do have an in-house specialist on senior services and that's Rita Maes, constituency services liaison. She has reported and she reported at the Regional Planning Authority that at the last legislative session, the County was not a part of the legislative bill request. So if we can get her on board and make sure that the County gets into that bill a lot of the funding that we will be looking at right now from our general fund would be supplemented or substituted by the state legislature again, because there is a specific bill that provides for services, and I believe infrastructure for senior services, we just didn't get to be a part of that bill last year. I think we need to next year and I think we can utilize Rita Maes' services for that and that might help create a little bit of an offset there.

I definitely want to ask just a couple more questions and I won't keep the Commission any longer. The public improvement districts that we've been considering, is that a potential funding source that might offset some of these costs for us, Gerald, or anyone from Finance?

JACK HIATT (Deputy County Attorney): Madam Chair, the PIDs aren't meant to be a revenue source for us. It's meant to be a turn-around so that the people in the areas can fund their own - whether they want EMT services or something else. I don't think it will ever be a funding source for us. You approved a \$40,000 fee for that, but that's generally going to all go to our outside counsel who do the advice in terms of the bond itself and whether or not it's feasible, economically feasible.

COMMISSIONER VIGIL: Okay. And at some point in time, I sort of see the PIDs as a potential possibility to relieve us at some level of some of the costs that go to some of our basic services, like EMTs and things of that nature. Roads, that kind of thing. So I'm not sure in the future if those are enacted they wouldn't provide a support system.

The other thing I would like, and I may take you up on this, Paul, I'm really wanting to learn if we have an accurate accounting of the gross receipts that we are supposed to be receiving. I get information regularly from the film industry or something saying I'm not sure Santa Fe County is collecting all their gross receipts. That may be something we need to connect with DFA about. I'm sure it is.

MR. GRIFFIN: Or TRD.

COMMISSIONER VIGIL: Or TRD. And I'm just wondering if you all have a sense of confidence that we are getting -

MR. GRIFFIN: We get two reports from TRD. One, of course, is a breakdown of what we receive in terms of money in the GRT, and I keep track of that monthly, so I can know where we're going and make accurate forecasts. We also receive another report, which I call the business basis of GRT. In other words, it tells you from what industry you are getting money in your GRT. And I do that. It's kind of a long-term look at what is supporting this county. In other words, I determine from that - and of course it's not a hard guess - that we're heavily supported by tourism here. That is a blessing to us because it's really a buffer against bad economic times. So we don't have either heavy increases or heavy decreases in GRT with the economy because of that tourist aspect.

The second greatest business contribution to GRT is construction. And we are getting a lot from construction. It's doing okay, and three percent is okay. But it has done like one or two percent. We've had a flat year even, since I've been here. So GRT is nothing that I can rely on to grow very fast, unless we do what we have done before and that's institute more GRT. Now, I told people all through the budget hearings that the other tourist town I know of that collects a lot of money in GRT is Moab, Utah, because people come from Europe and they get bussed down to Moab to see the Canyon Country. Their GRT is 9.2 percent, which I thought was fantastically high, until I went to the GENERAL FUNDING conference and heard somebody from Chicago talk. They said the GRT in Chicago ranges from 9 to 10.2 percent, depending on what part of Chicago you're in. He says we tax everything that moves in Chicago.

Everybody east of the Mississippi, I hear nothing but war stories about how desperate they are. They lose businesses and things like that and their economies crash and they have a terrible time maintaining their governmental structure and services.

COMMISSIONER VIGIL: Who does the accounting for the GRT?

MR. GRIFFIN: TRD. Taxation and Revenue Department.

COMMISSIONER VIGIL: Okay. And do they actually have justification for reconciling how much goes to the City, how much goes to the County?

MR. GRIFFIN: Well, kind of. Trying to drag it out of them is kind of an interesting process. But beyond the reports that we get from them, I think we're doing all right

in GRT. Where the City suffered early in fiscal year 2006, the County didn't nearly so much. They kept coming back to me and saying, are we getting our GRT? The City keeps saying that they have a 10 percent decrease in their GRT and they're pulling their hair out trying to figure out where they're going to get their money. Of course, they're opposite. They get 70 percent GRT and 15 percent property taxes. We get 70 percent property tax and 15 percent GRT in the general fund.

I've looked at the figures month to month and I said, no, we're doing pretty well. Of course we were very conservative about our forecast for GRT. The City went out and forecast a six or seven percent increase in GRT. We forecast like three percent. So we didn't get dinged last summer.

COMMISSIONER VIGIL: Okay. Good. Are there any further questions from any members of the Commission? Seeing none, are there any further comments from staff or from the manager?

MR. GONZALEZ: Just one, and that's that the GRT really spreads the hit the County and the City take to all the folks who come in from the outside, because it's basically a tourism based tax for this community.

COMMISSIONER SULLIVAN: Madam Chair, I did want to mention just one thing that I advocated for several times and it's not on the list. Someone that's out in the field checking the subdivision development, that it complies with our Code. We don't have a staff person that does that. We don't check these things until they're turned over to the County, the roads, the drainage, and as a result, we don't know what we're taking over when we take it over. We have someone in the white list here called a Subdivision Review Analyst in the Manager's office, but that's not what I had in mind. I had in mind someone who is checking on all of this development that is occurring to be sure that it meets the conditions of approval. We don't have that. We've fallen behind in our water databasing and we're falling behind as development picks up in ensuring that all of the conditions that we agonize over so much on each of these projects is in fact carried out in the field. And in many cases, it's not happening. So I've advocated for that and I will continue to advocate for that. I think, quite frankly that would be of much more value than a growth management coordinator. I think that we need to have someone who's overseeing these developments to make sure that what we've mandated actually gets put into the ground.


But I do want to also, as Commissioner Anaya did, compliment the staff on the budget presentation. Paul always does a great job on this and he doesn't pull any punches. This information is a l extremely useful and it will be very helpful for our meeting with St. Vincent.

COMMISSIONER VIGIL: Thank you. Thank you all very much for the work you put into this. I thought it was very concisely done. Thanks, Paul.

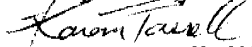
V. Adjournment

Vice Chair Vigil declared this meeting adjourned at approximately 6:00 p.m.

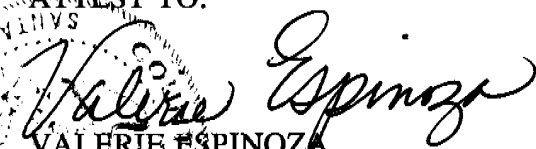
Approved by:


Board of County Commissioners
Harry Montoya, Chairman

Respectfully submitted:


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

ATTEST TO:


VALERIE ESPINOZA
SANTA FE COUNTY CLERK



Santa Fe County
Board of County Commissioners



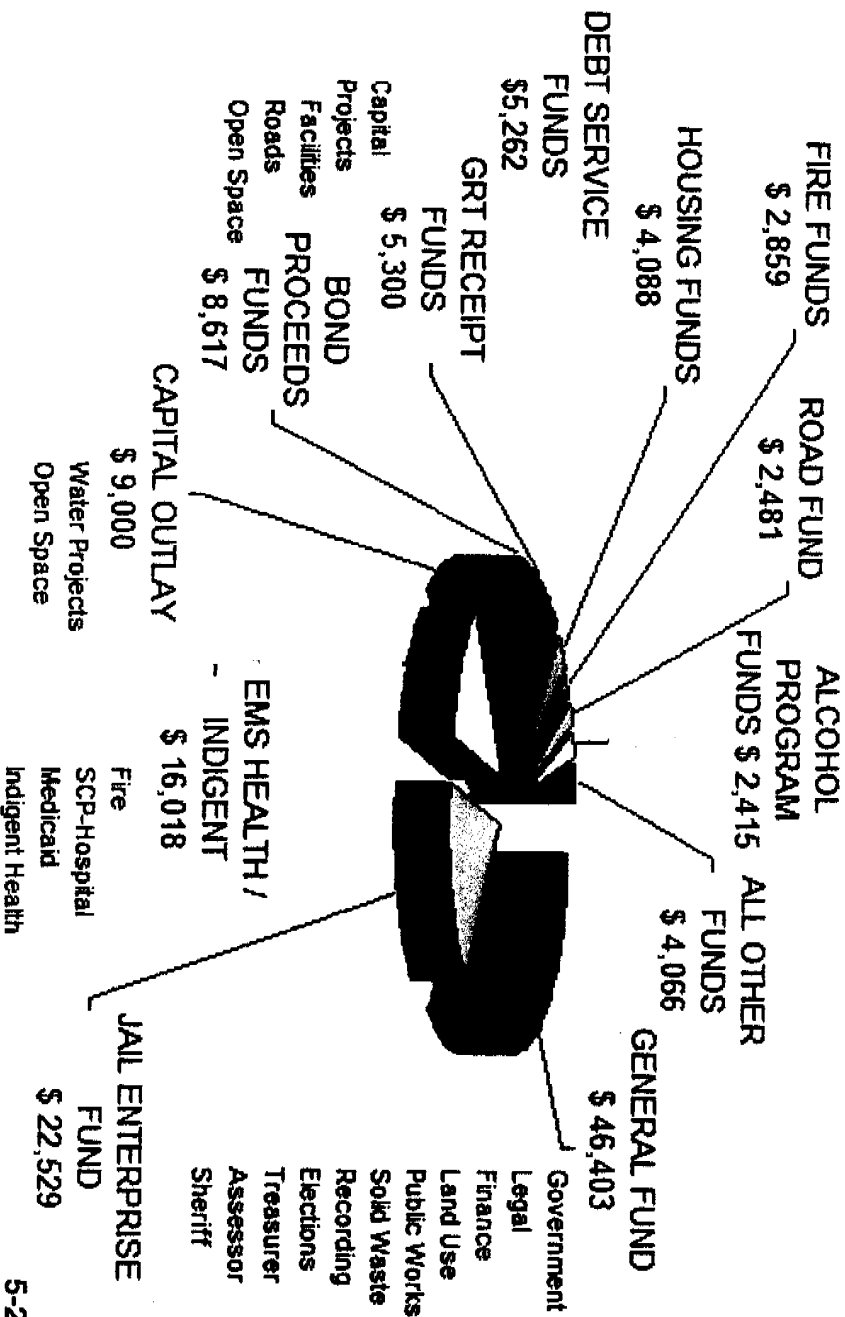
**FY 2007
BUDGET
STUDY
SESSION**

Santa Fe County FY 2007 Budget Study Session

40 COUNTY FUNDS

\$ thousands

TOTAL BUDGET \$129,038



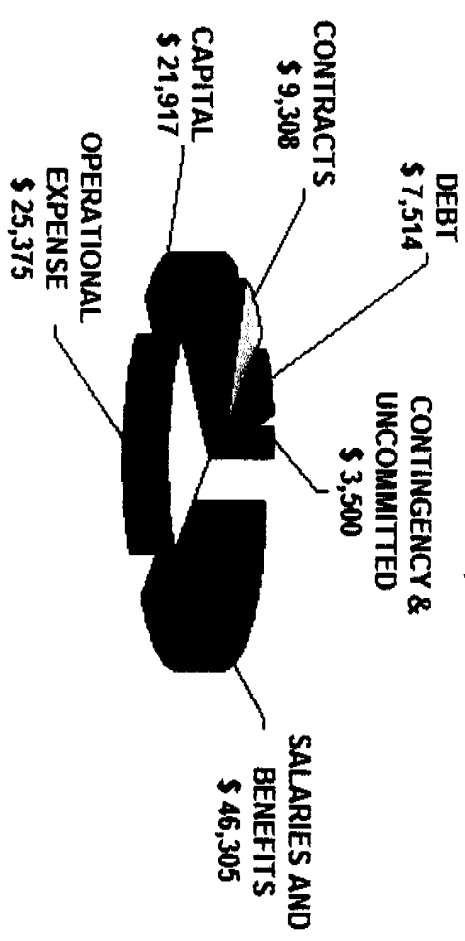
Santa Fe County
 FY 2007 Budget
 Study Session

FY 2007
 BUDGET
 EXPENSE BY
 CATEGORY
 (\$ THOUSANDS)

EXCLUDING
 CASH
 TRANSFERS

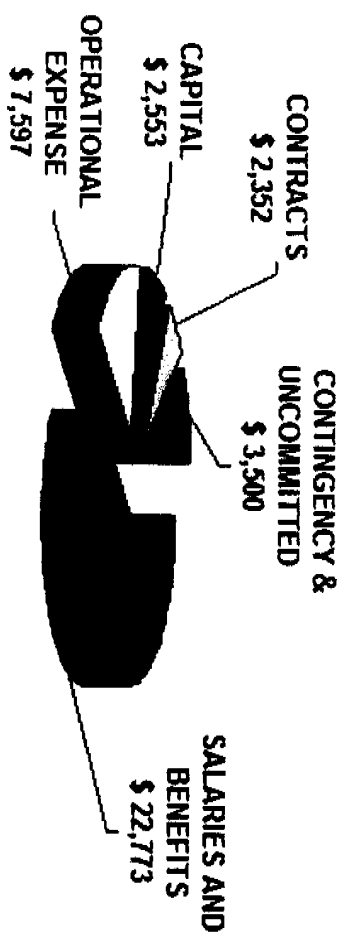
ALL FUNDS

EXPENSE	\$ 113,919
TRANSFERS	\$ 15,119
TOTAL	\$ 129,038



GENERAL FUND

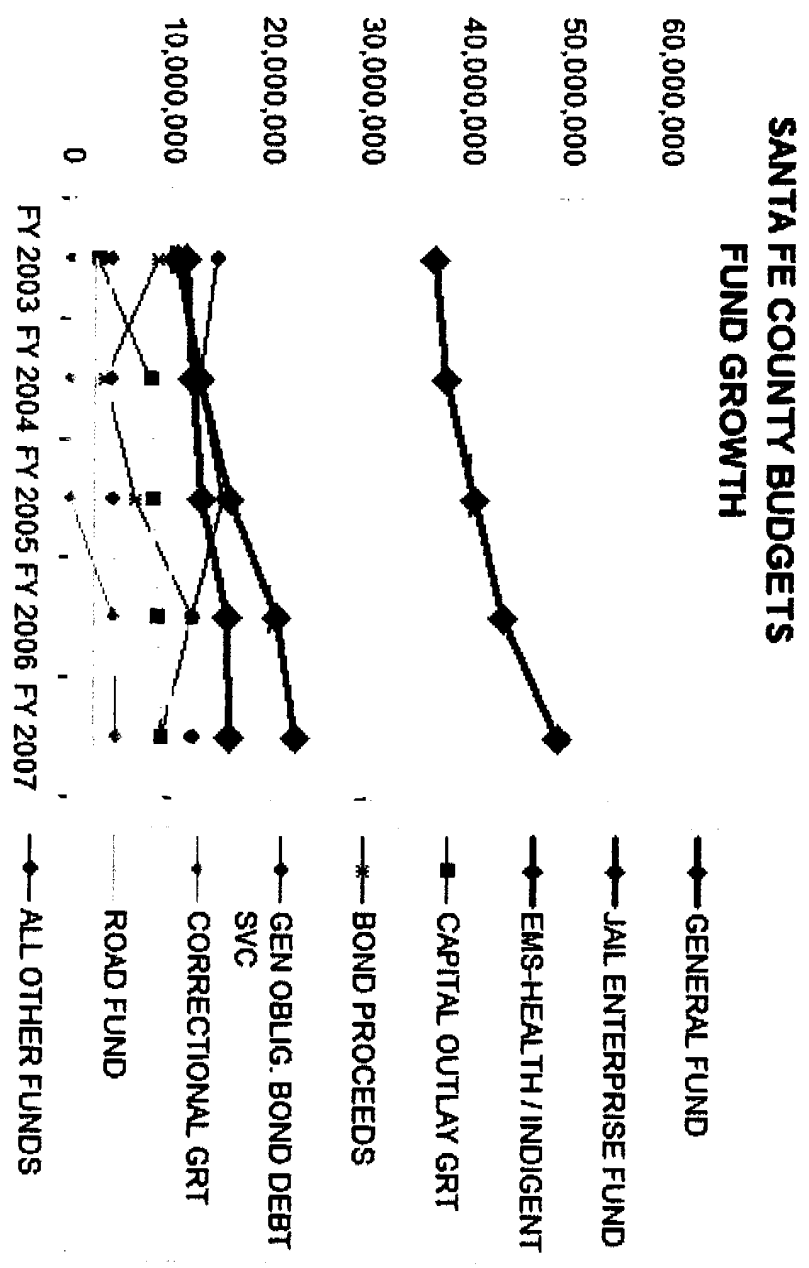
EXPENSE	\$ 37,525
TRANSFERS	\$ 8,878
TOTAL	\$ 46,403



5-23-2006

Santa Fe County FY 2007 Budget Study Session

BUDGET GROWTH



Santa Fe County
FY 2007 Budget Study Session

RECOMMENDED OUTCOMES FROM
THE STUDY SESSION

1. Formal adoption of Santa Fe County FY 2007 Interim Budget (May 30, 2006 BCC Meeting)
2. Examination of Primary Budget Issues
 - a. The General Fund
 - b. EMS Health Care and Indigent Funds
 - c. Jail Enterprise Fund
 - d. County Requested Growth

Santa Fe County
FY 2007 Budget Study Session

FY 2007 BUDGET PROCESS

1. FY 2007/08 BASELINE GENERAL FUND (FY06 \$41.3M)
REQUEST = \$47.8M, INTERIM = \$46.4M*
2. GENERAL FUND CAPITAL PACKAGE
REQUEST = \$4.8M, INTERIM = 2.3M
3. BUILDING BLOCKS (NEW & EXPANDED SERVICES)
REQUEST (MGR/BCC) = \$2.2M,
(TOTAL) = \$6.0M
4. NEW STAFF REQUESTS (FTE's)
GENERAL FUND = 20, DETOX = 14, OTHER = 7
6 General Fund positions on FY 2007 staffing list

• Strictly General Fund – Alcohol and Detox Programs Omitted

Santa Fe County
 FY 2007 Budget Study Session
 GENERAL FUND CHANGES FROM FY 2006

SOURCES	FY 2007	FY 2006	CHANGE	NOTES
PROPERTY TAX	29,364	27,544	1,820	6.6% INC
GROSS RECEIPTS TAXES	7,550	5,060	2,490	1/16 INCREMENT \$2,250
INVESTMENT INCOME	2,200	1,300	900	FY06 \$2.3M, 1.2% RATE INC
ALL OTHER REVENUE	3,176	2,975	201	
BUDGETED CASH	2,190	2,482	(292)	NO LOAN TO BOND FUND
FROM OTHER FUNDS	981	693	288	\$210K FROM ROAD PROJ
GRANTS	943	1,318	(375)	REGION III, HFG. NOT IN
TOTAL GENERAL FUND	46,404	41,372	5,032	
USES	FY 2007	FY 2006	CHANGE	NOTES
1/16 GRT INCREMENT	2,250	0	2,250	1/16 INC SET-ASIDE
TRANSFER TO JAIL FUND	6,442	5,959	483	ADF INCREASE
CAPITAL PACKAGE	2,376	1,999	377	PW TRUCK FROM 311
HUMAN RESOURCE/RISK MGMT	2,235	1,859	376	WORKLOAD INCREASE
SENIOR FOOD PROGRAM	325	FUND 232	325	NO \$ IN FUND 232
STAFF ESCALATION	1,607	1,313	294	FY07 STAFF ROLLING LIST
COUNTY SHERIFF	7,112	6,838	276	GASOLINE \$135K
DEBT - PARAMOUNT BLDG	300	61	239	LOAN PAYMENT
LEGAL	986	786	201	ATTORNEYS, SECY
SOLID WASTE	1,846	1,713	133	CARETAKERS, GASOLINE
TRANSFER TO 2005GOB FUND	0	425	(425)	ADVANCE IN FY06
GRANTS	956	1,236	(280)	REGION III, HFG'06
ALL OTHER (42 COST CENTERS)	19,968	19,183	785	BASELINE ESCALATION
TOTAL GENERAL FUND	46,404	41,372	5,032	

Santa Fe County
 FY 2007 Budget Study
 Session
 GENERAL FUND
 STAFF LIST AND
 REQUESTS

FROM FY 2006 BUDGET - ROLLING STAFF LIST		ANNUAL
Land Use	9-1-06 Transportation Planner	60,000
County Clerk	9-1-06 Voter Information Specialist	34,221
County Sheriff	9-1-06 Sexual Predator Enforcement Officer	54,125
Human Resources Manager	9-1-06 Employee Development Program Spec	60,000
PFMD	9-1-06 Growth Management Coordinator	60,000
PFMD	9-1-06 Project Specialist	60,000
County Clerk	1-1-07 Voter Information Specialist	34,221
Finance	1-1-07 Accountant III	62,000
PFMD	1-1-07 Maintenance Specialist II	37,639
County Clerk	1-1-07 Recording Clerk	31,803
FROM FY 2007 BUDGET REQUESTS		
Manager	9-1-06 Affordable Housing Specialist	69,504
Clerk	10-1-06 Temporary Election Workers (10)	26,616
Land Use	2-1-07 Code Enforcement Officer I	34,694
Public Works	2-1-07 Parts Clerk	26,021
PFMD	2-1-07 Database Administrator	75,171
PFMD	2-1-07 Maintenance Specialist II	40,477
Requests not accommodated in Interim Budget		
Manager	Economic Development Planner	69,504
Manager	Subdivision Review Analyst	69,504
Finance	Senior Budget Analyst	55,600
Public Works	(2) Equipment Operator I	65,052
Public Works	Solid Waste Compliance Officer	44,814
PFMD	Systems Administrator	75,171
PFMD	Project Manager	54,933
PFMD	Field Coordinator	52,042
Assessor	Temporary Employee	25,285
Sheriff	Corporal / DWI Forfeiture	45,797
Sheriff	(2) Deputy Sheriff / Patrol	90,957
Sheriff	Computer Forensic Lab Analyst	45,479
Sheriff	Deputy Sheriff / School Resource Officer	45,479
Housing	Maintenance Specialist II	34,694

5-23-2006

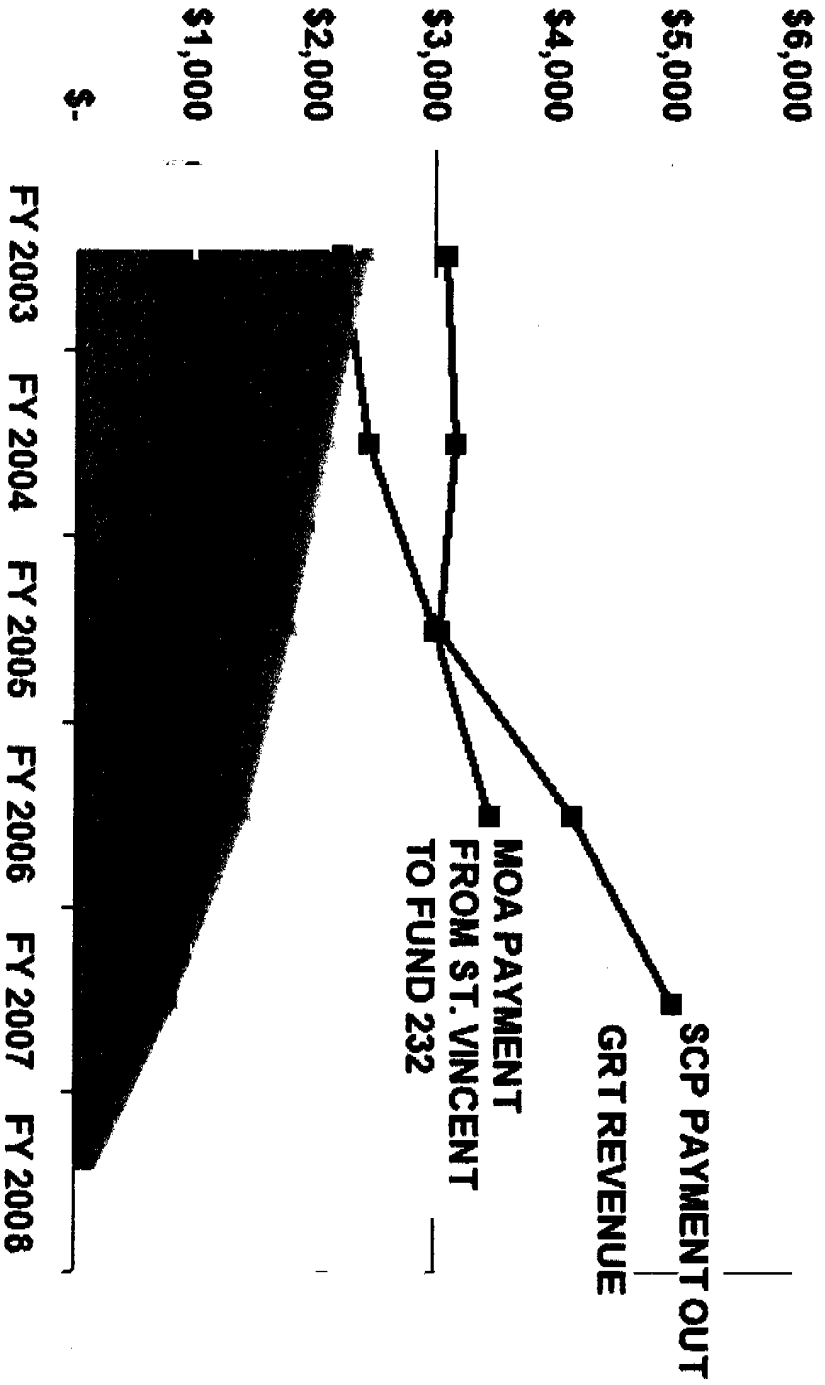
Santa Fe County
 FY 2007 Budget Study Session

EMS HEALTH CARE AND INDIGENT FUNDS

SOURCES	FY 2007		FY 2006		TOTAL CHANGE
	EMS HL FUND	INDIGENT FUND	EMS HL FUND	INDIGENT FUND	
GROSS RECEIPTS TAXES	4,500	4,500	2,000	4,500	8,500
ST. VINCENT MOA	3,516	1,915	5,431	3,584	1,847
ALL OTHER REVENUE	983	0	983	824	0
BUDGETED CASH	604	0	604	610	163
TOTAL EMS / INDIGENT	9,603	6,415	16,018	9,318	6,300

USES	FY 2007		FY 2006		TOTAL CHANGE
	EMS HL FUND	INDIGENT FUND	EMS HL FUND	INDIGENT FUND	
SOLE COMM. PROVIDER	4,375	2,518	6,893	4,129	2,000
MEDICAID PAYMENT		2,569	2,569	2,390	2,390
DIRECT HEALTH SERV	180	1,071	1,251	140	2,000
RECC, PARA, FOOD (06)	773		773	1,082	2,390
ADMINISTRATION	273	257	530	322	2,390
FIRE DEPT	4,002		4,002	3,645	2,390
TOTAL EMS / INDIGENT	9,603	6,415	16,018	9,318	6,300
MOA IN - SCP OUT	(859)	(654)	(1,462)	(545)	(153)

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EMS HEALTH CARE FUND
SCP AND THE ST. VINCENT MOA



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 FY 2007 SCP AND MOA DISTRIBUTION

	EMHS FUND	INDI- GENT FUND		TOTAL
PAID OUT	232	220		
SOLE COMMUNITY PROVIDER	4,875	2,518		6,893
PAID BACK - MOA AGREEMENT 9				
PARA TRANSIT	85			85
MOA COORDINATOR	165			165
MCH INFANT AND CHILD	180			180
EMS MEDICAL (FIRE)	2,920			2,920
LEGISLATIVE LIAISON	92			92
INDIGENT CARE		1,915		1,915
MEDICAL CARE - IN CUSTODY			683	683
ABOVE LINE MOA	3,442	1,915	0	6,040
CARE CONNECTION - DETOX			585	585
MOBILE HEALTHCARE UNIT (FIRE)	75			75
BELOW LINE MOA (NOT GUARANTEED)	75	0	585	660
TOTAL MOA	3,517	1,915		6,700

MOA SCOPE HAS BEEN EXPANDED TO COVER JAIL MEDICAL COSTS AND TO FUND DETOX (ASSESSMENT AND SOBERING CENTER)

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EMS HEALTH CARE FUND
FY 2007 BUDGET MEASURES

1. Move Senior Food Program to General Fund
2. Fund Volunteer Fire Insurance from Fire Tax Fund
3. Limit SCP payment at least to GRT Revenue.
(The FY 2007 Budget does not do this but instead uses Indigent Fund direct services to fund SCP). This requires the County to renegotiate the base SCP payment prior to the FY 2008 budget.

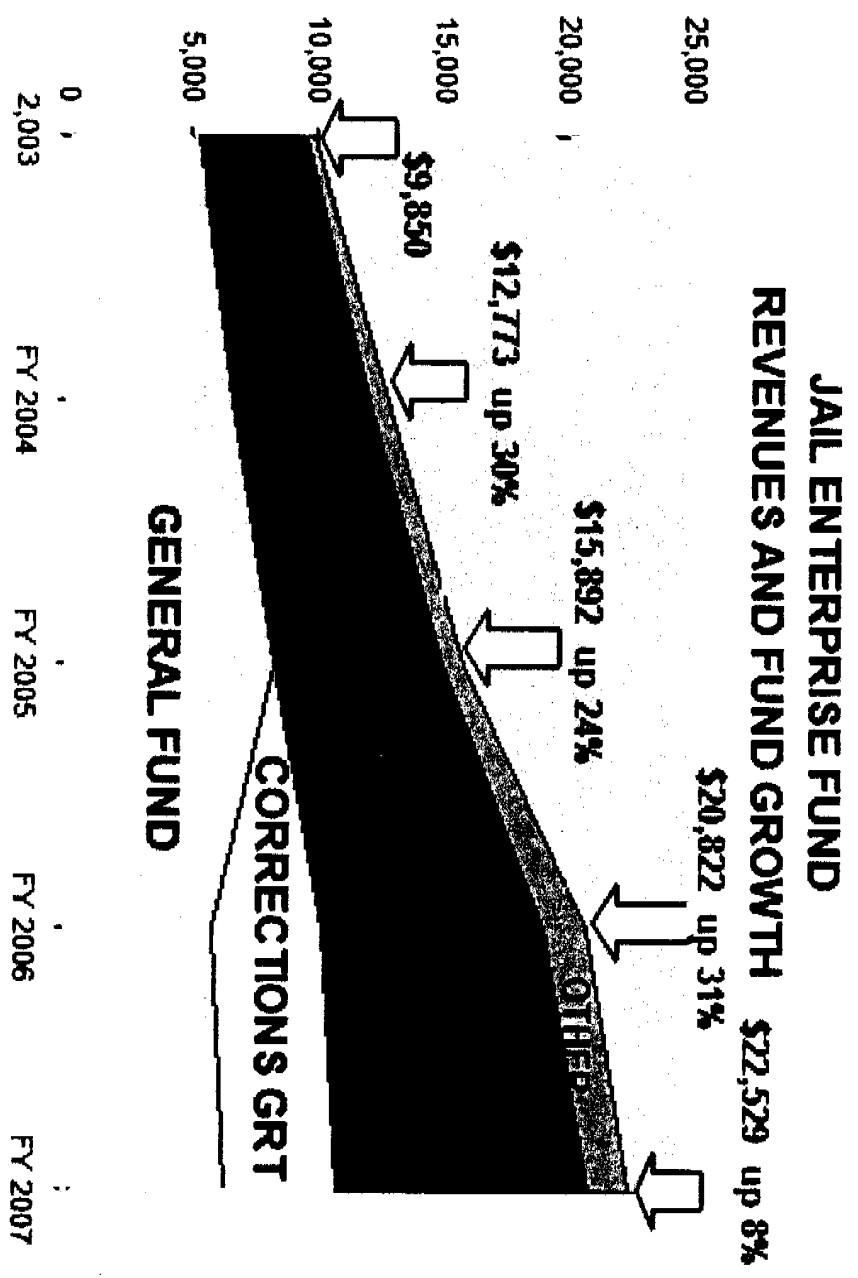
Santa Fe County
 FY 2007 Budget Study Session
 JAIL ENTERPRISE FUND

SOURCES	FY 2007	FY 2006	CHANGE	NOTES
CARE OF PRISONERS				
ADULT	4,808	3,199	1,609	BASED ON '06 ACTUALS
ELECTRONIC MONITORING	130	100	30	
YOUTH - YDP	4,090	4,447	(357)	\$2.7M IN '06, STATE IN '07
YOUTH - ARC	989	1,070	(81)	
YOUTH - DAY REPORTING		233	(233)	GRANT ENDED 3/06
CORRECTIONS GRT	4,500	4,220	280	
CORRECTIONS FUND	250	400	(150)	
GENERAL FUND	6,441	5,959	482	
ST. VINCENT MOA	614	558	56	
ALL OTHER REVENUE	251	194	57	
BUDGETED CASH	456	444	12	
TOTAL SOURCES	22,529	20,824	1,705	

USES	FY 2007	FY 2006	CHANGE	NOTES
CORRECTIONS ADMIN	817		817	\$690 FROM ADULT
MANAGER - JAIL LIAISON	118		118	FUNDED FROM CASH
ADULT DEVELOPMENT FAC	15,877	14,529	1,348	
ELECTRONIC MONITORING	602	657	(55)	
YOUTH DEVELOPMENT PRG	4,129	4,319	(190)	
YOUTH - ARC	986	1,086	(100)	
YOUTH - DAY REPORTING		233	(233)	
TOTAL USES	22,529	20,824	1,705	

Santa Fe County
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JAIL ENTERPRISE FUND SOURCES



Santa Fe County

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FY 2007 Budget Study Session

FY 2007 BUDGET OVERVIEW

THE IMPACT OF PRIOR YEAR BUDGET ACTIONS

1. \$2 million increase in Sole Community Provider Payments, FY 2005- FY 2007
 - a. Creation of a new County Service – Sobering Center, \$750K budget
 - b. Diversion of \$650K to support Adult Facility Medical

RESULT:

 - (1) Depletion of cash in EMS Health Care and Indigent Funds
 - (2) SCP obligation in MOA exceeds GRT income
 - (3) Senior Food Program \$325K impact on General Fund
2. \$2 million purchase of Paramount Building in FY 2007
 - a. \$1.2 million drawdown of General Fund Cash
 - b. \$0.8 million loan requiring \$300K/year payment

RESULT: Paramount loan \$300K impact on General Fund
3. Other actions
 - a. Labor Contracts
 - b. Departmental Initiatives
 - DWI Auto Impoundment
 - Imaging Projects
 - Unfunded Mandates

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The reason why there is no extra money is that it has already been spent.

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THINGS WE'D LIKE TO HAVE

County Strategic Planning Process	\$ 500K
Cerrillos Community Visitor Center	\$ 275K
El Dorado Senior Center Improvements	\$ 225K
Chip Spreader for Road Projects	\$ 210K
Data conversion of GIS program	\$ 165K
Street Sweeper	\$ 150K
Computerized HR Actions & Workflow	\$ 130K
Madrid and Cerillos Restroom Facilities	\$ 105K
Computerized Time and Payroll System	\$ 100K
Galisteo Park improvements	\$ 80K
El Dorado soccer fields	\$ 75K

The reason why there is no extra money is that it has already
been spent.

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FY 2007 Budget Study Session

BUDGET STRATEGIES FOR THE FUTURE

1. Bring the SCP/MOA agreements under control and attainable within current GRT resources.
2. Broaden the base of the Fire Excise Tax to cover the entire county, with funding for the City and RECC.
3. Support efforts to increase the Corrections GRT from 1/8 cent to 1/4 cent.
4. Construct a 3-year baseline revenue and operations plan for Santa Fe County services & organizations, and link the budget forecast to the strategic planning process.

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NEXT STEPS IN THE BUDGET PROCESS

1. May 30, 2006 - BCC adoption of interim budget
2. June 1, 2006 - Interim budget due to State DFA
3. By June 27, 2006 – BCC may submit balanced budget changes to the interim budget, to the County Manager as desired.
4. July 1 - Final FY 2007 budget is established in the financial system. Any subsequent changes are made through budget amendments.
5. July 25 - Formal BCC adoption of Final FY 2007 Budget.
6. July 31 – Submission of Final budget to State DFA