

SANTA FE
BOARD OF COUNTY COMMISSIONERS
SPECIAL BUDGET SESSION

June 22, 2007

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

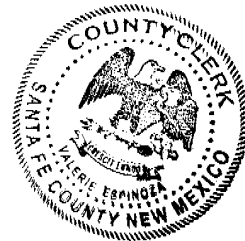
COUNTY OF SANTA FE
STATE OF NEW MEXICO

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BCC MINUTES
PAGES: 35

I Hereby Certify That This Instrument Was Filed for
Record On The 15TH Day Of October, A.D., 2007 at 09:33
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Deputy *Marcella [Signature]* Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM



**SANTA FE COUNTY
SPECIAL MEETING
BOARD OF COUNTY COMMISSIONERS**

June 22, 2007

This special study session of the Santa Fe Board of County Commissioners was called to order at approximately 9:07 a.m. by Vice Chair Jack Sullivan, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Roll was called by Deputy County Clerk Shirley Hooper Garcia and indicated the presence of a quorum as follows:

- | | |
|---|------------------------------------|
| Members Present: | Members Absent: |
| Commissioner Jack Sullivan, Vice Chair | Commissioner Virginia Vigil, Chair |
| Commissioner Paul Campos | |
| Commissioner Mike Anaya | |
| Commissioner Harry Montoya [9:15 arrival] | |

III. Approval of the Agenda

There being no suggested changes to the agenda, Commissioner Anaya moved approval as published and Commissioner Campos seconded. The motion passed by unanimous 3-0 voice vote. [Commissioner Montoya was not present for this action.]

IV. Budget Presentation

A. Total Budget Summary

ROMAN ABEYTA (County Manager): Thank you, Mr. Chair. We've put on the table a presentation that's labeled Santa Fe County Board of County Commissioners FY 2008 Budget Study Session, June 22, 2007. [Exhibit 1] We can actually turn to the last page, which is page 9. Our legal budget deadline is July 1st, the final budget gets integrated into the financial system; fiscal year operations begin. July 10th is when the BCC will approve the final 2008 budget. July 31st we submit the final budget to DFA and on August 1st, that's the first day the BCC resolutions changing the budget are permitted.

COMMISSIONER SULLIVAN: Roman, excuse me. Are there any other copies of this available in the back for the public?

TERESA MARTINEZ (Finance Director): I have some.

MR. ABEYTA: We'll pass them out.

COMMISSIONER SULLIVAN: We have some folks here representing the Vista Grande Library. I'm sure they might like to have a look. Thank you.

MR. ABEYTA: The purpose of today's study session is to continue to refine the new staff requests. The recommended building blocks that are both recurring and non-recurring. The second page in the presentation is just an overview of the 2008 budget, it's sources, which are \$181 million, and its uses, which balance \$181 million. Then the bottom is other operating funds which includes capital funds and general fund.

IV. B. New Staff Requests

Page 3 is the new staff requests. These were the new staff requests that we presented to the Board at our last study session, which had a County staff recommendation of six positions and elected official requests which totaled ten positions. After the discussion that we had at our last study session, staff went back, took a look at the requested positions, and we came up with the proposal on page 4. In working with both senior staff and the elected officials, and again, working with a budget of I believe it was \$365,000, the budget for new FTEs is \$365,000. The request was larger than that, so what staff is proposing is that the FTEs that be granted over the next year are a recording clerk for the County Clerk, quality control specialist for the Assessor, a deputy sheriff for the Sheriff, a microcomputer technician for Administrative Services, a Land Use Code Enforcement officer for Growth Management, a solid waste transfer station caretaker for Growth Management, a building maintenance specialist for Community Services.

Then in January, and this would be as of July 2008, and then in January, after seeing how the budget is doing and when the revenues have been all accounted for, then we would proceed with filling a voting machine technician for the County Clerk, a deputy sheriff for the Sheriff's office, a building services custodian for Administrative Services, and an open space field coordinator for community services. All of those positions would add up to \$409,742, which is \$44,742 over the \$365,000 budget.

What staff is proposing to balance this budget is to take the shortfall in the staff requests from the recurring expense budget, which is \$750,000, which is slide 5. And again, today's presentation is just staff recommendations. The purpose is to have discussion with the Commission and give us direction and even make changes that the Commission may want to make.

In regard to the new staff requests, the original request for the County Clerk was four positions; we've cut that back to two positions.

COMMISSIONER SULLIVAN: What page are you on now?

MR. ABEYTA: I'm still on the two slides, 3 and 4, I'm just comparing 3 and 4 now, the changes between slide 3 and slide 4. Slide 3, again, was original requests. You can

see the Clerk's original request was 4. We've cut that back to two. One now in July and one in January, depending on the budget, what it looks like at mid-year. The Assessor, the quality control specialist, we're recommending it be funded. The Assessor's office - we're proposing a new CAMA system over the next 24 months, and this quality control specialist will be responsible for assisting and implementing that new system.

[Commissioner Montoya joined the meeting.]

The Sheriff's Department requested five positions. Staff has cut that back to two positions. And I spoke with both the Sheriff and the Clerk and they support staff cuts. The staff recommendation was originally much more than this request. I believe the original request was more on the order of 17 or 18 FTEs. We met at the staff level and we cut that back to six positions. And again, we'll still see - we're still over the budget by \$44,000 - \$44,742 but we're proposing that we take that from the \$750,000 that is recommended for recurring expenses which we'll get to next.

So those are staff recommendations on the new FTE expansions. I don't know if you'd like to discuss that at this time or continue with the presentation and then go back. We basically have three categories today: new staff requests, recurring expense building blocks and non-recurring building blocks. So that concludes that presentation on new FTE requests.

COMMISSIONER SULLIVAN: Unless there's any questions right now it would probably be good to just move on.

COMMISSIONER ANAYA: Mr. Chair.

COMMISSIONER SULLIVAN: Commissioner.

COMMISSIONER ANAYA: What I'm hearing is pretty good.

COMMISSIONER SULLIVAN: Okay. Let's just move on.

IV. C. Building Blocks
1. Recurring Expenses

MR. ABEYTA: We go now to slide #5 in the presentation, these were the recommended building blocks that we discussed at our last study session and that we compiled on May 16th. You'll see again we had \$750,000 set aside for new building blocks that would be recurring that we would fund every year. The original request included \$10,000 for City/County energy initiative outreach, \$80,000 for a year-round state legislative lobbyist, \$65,000 for directory of County services, \$30,000 for illegal dumping task force for District 1, \$50,000 for the Española Library, animal shelter and recreation program, \$75,000 for the Boys and Girls Club services, \$7,500 to inspect the Santa Cruz flood control dams, \$10,000 for recreation program for Tesuque and Chupadero, \$20,000 for the Pojoaque School Recreation program, \$5,000 for Agua Fria trash pick up and \$50,000 for a graffiti cleanup initiative. These were the Commission requests.

Also, there was a request for the Eldorado Vista Grande Library of - I don't know if it was \$40,000 or \$50,000 - \$40,000. The County staff submitted building block requests of salary increases for nine IT personnel, which is \$50,918, improve the network administration

- active directory, which is also IT related, \$30,000, Santa Fe County bulletin, \$25,000, and the Santa Fe County bulletin is a newsletter that we did this past year. That came from the Commission. \$25,000 for network security, risk/needs assessment, which is also an IT project. Growth Management requested \$30,000 for economic development planning, \$100,000 to continue the Eldorado bus service. There was a request for \$45,000 to service the satellite offices. We've opened on in Pojoaque and we'd like to open one in Eldorado and Edgewood. So we've requested \$45,000 for that. An additional \$40,000 for legal support and \$50,000 for trail and park contracted maintenance.

So the request was in excess of the \$750,000 budget that was available. Page 6 is staff's latest recommendations for these recurring expenses. When looking back at the budget requests that were made we discovered that, and also now that we've wrapped up the class & comp plan, we have found that the class & comp plan is going to have a shortfall of \$130,000 to completely implement. And so what staff is recommending is that we completely implement the class & comp plan this fiscal year, and we take the \$130,000 shortfall from the \$750,000, which would leave us an adjusted budget of \$620,000 for new building block recurring expenses.

Staff recommendations, in putting the list together to balance, in determining what staff would recommend for recurring expenses, staff tried to recommend programs or initiatives that are pretty much countywide and not district specific. And we also saw that some of the - we saw that there were also related requests, for example, trash cleanup. There was a trash pickup request in Agua Fria and there was an illegal dumping task force for District 1, so we tried to combine those requests also into one and set aside an amount to address those requests.

So with that in, what staff came up was the year-round legislative lobbyist, we agree that we should have a year-round legislative lobbyist which is actually a County position, an FTE, and not a lobbyist. So we want to discontinue using lobbyists and we'd rather just have an FTE, a full-time employee dedicated to year-round lobbyist, both state and federal lobbying efforts. This position would be a term position. I propose it as a term position - or not term, excuse me, but an exempt position that is not classified, so that if we don't see successes over the next year we could then look again at what we do with that \$80,000. And if we do then maybe we decide to classify the position, but that would be up to the Board of County Commissioners.

The Eldorado bus service, we've seen that ridership - we've seen that based on the program we started that there is a need for ridership. We'd like to continue that program for another year, so we're recommending that \$100,000 for the Eldorado bus service. We're recommending \$15,000 to address both trash and graffiti cleanup countywide and speaking with James Lujan, the Growth Management Director, he has indicated to us that he has \$30,000 in his budget now for trash and graffiti kind of initiatives. So with that we would have a total budget of around \$45,000 to start some type of program this next year, countywide. So it wouldn't be district specific but it would be countywide.

COMMISSIONER SULLIVAN: Roman, a quick question. On the Eldorado bus service. I believe, wasn't that the full cost of it? Maybe Commissioner Anaya knows better

than I do because he's on the transit board. Weren't we going to be getting some half or some portion of that from Los Alamos?

MR. ABEYTA: Mr. Chair, I believe we are but I don't know what the full amount is going to be.

COMMISSIONER SULLIVAN: It's still up in the air.

MR. ABEYTA: It's still up in the air so we wanted to make sure that we had enough.

COMMISSIONER SULLIVAN: If we do I guess then we could take that money and put it in some of these January things.

MR. ABEYTA: Yes. And that's exactly what we'll do. We'll be back to the Commission in January to talk about these three categories and maybe reallocate money. So that's one that we'll highlight and earmark to keep an eye on for January.

We had a request for library funding for both Española, Vista Grande, and in discussions with Commissioner Vigil, she has requested that we give funding to the City of Santa Fe also because she felt her constituents use that library, same with constituents from District 3 and even District 5. So she felt that if we're going to support the Vista Grande Library, Española Library, we should also support the Southside Library of the City of Santa Fe. So staff has recommended \$40,000 go to Vista Grande Library. Staff wasn't sure on the amount of Española Library because when the building block that was submitted had the Española Library combined with other Española programs, so we put \$10,000 for Española and \$30,000 for the City of Santa Fe Southside Library. And again, this is just staff's recommendation and the purpose was to try to address all of the library needs throughout the county.

COMMISSIONER SULLIVAN: Excuse me, Roman. If we make that appropriation will they name the library after us? Okay, continue.

MR. ABEYTA: Maybe you could get a room. We've been really aggressive this last 12 months with our energy initiatives outreach and we want to continue that so we're recommending the \$10,000 building block that was submitted for energy initiatives. What we did, we're proposing \$15,000, which is kind of a combination of the Santa Fe County Bulletin, that was requested and the directory of County services. We thought we do have a public information officer now. We are getting more active as far as advertising goes and op-ed pieces, advertisements so we didn't feel like we should fund the full \$25,000, the County Bulletin and also the directory of County services at \$65,000. We said, well, let's start with something small and see how we do with that. So we're only recommending \$15,000 that will hopefully start to address the County Bulletin and the directory of County services.

Economic development planning, we are recommending the \$30,000 that Growth Management submitted because of the progress that has been made on the economic development park. We may need some outside support on that so we are recommending we set aside \$30,000 for that. We do recommend legal support for the legal office, but instead of \$40,000 that was originally requested, we're recommending \$20,000 because we went back into legal's budget and we took a look at what was spent this last year and we've actually

increased legal's budget, we're proposing an increase to legal's budget of \$10,000 or \$15,000 and so instead of the whole \$40,000, we're just going to put in another \$20,000 to make sure we have enough over all.

Satellite offices, we are recommending the \$45,000 that was requested. We're supporting \$40,000 in IT salary increases, as opposed to the \$50,000 that was originally requested. We are proposing \$30,000 for network administration security. We're proposing \$35,000 for park and trail maintenance and \$75,000 for the Boys and Girls Club.

That totals \$575,000, with a remaining budget of \$45,000 that again, we would like to move over to cover the FTE requests in January. So again, these are just staff's recommendations. We tried to bring forward recommendations for building blocks that are more countywide instead of district specific and this is what we've come up with. And the purpose again of today's study session is to get feedback from the Commission on this and make changes where the Commission feels we need to make changes.

COMMISSIONER ANAYA: Mr. Chair.

COMMISSIONER SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: Roman, could you tell me what your thinking is on the recreational program, countywide?

MR. ABEYTA: Yes, Mr. Chair, Commissioner Anaya. We have been talking with the Boys and Girls Club, and since we are increasing their budget by \$75,000 they're going to have to show us what that \$75,000 is going to go to and I started talking to them about expanding recreation for the county, countywide, both down south and up north and so we're working on that. But in addition to that we've already requested information from the City of Santa Fe, their recreation budget for their program so we have an idea of how expensive it is, how many children they serve, and then we're going to take a look with that information and then information from the Boys and Girls Club, we want to take a look at starting a recreation program next year, but we're doing all the fact-finding now. It may be with the Boys and Girls Club; it may not. It just depends on the information that we get from both the City of Santa Fe and the Boys and Girls Club. Ideally, we could work out a partnership with an organization like the Boys and Girls Club but if not we may start our own recreation program.

COMMISSIONER ANAYA: So the \$30,000 that you have set aside, you're saying that that could possibly go to the City?

MR. ABEYTA: No, no. We know the City runs a successful program so we want to get an idea of how much it costs to run a program like that. We want to take a look at starting a recreation program long term for the county.

COMMISSIONER ANAYA: So the \$75,000 on top of the \$75,000 that we're already giving to the Boys and Girls Club - \$150,000 to the Boys and Girls Club - are they going to provide countywide services or not?

MR. ABEYTA: Yes, or else they won't get the \$75,000. And we're talking about that right now.

COMMISSIONER ANAYA: So we don't know exactly what kind of services they're going to provide.

MR. ABEYTA: Right. And I made it clear to the Boys and Girls Club that we have these requests for recreation programs and you and I have talked about going down south and I let them know: I can't do both. I can't do the \$75,000 this year plus these other things, so if you want that \$75,000, you're going to have to provide services out in the county in addition to what you do right now. And they've agreed and we're trying to work that out. If we can't work that out, then we'll put this \$75,000 towards maybe a program that we could do ourselves.

COMMISSIONER ANAYA: Our program? Because what my concern was, and I didn't know they were going to provide services countywide, so I was going to say that maybe we could split the \$75,000 in half and that way we have money for the County to do services towards countywide youth programs. But it might be better, since the Boys and Girls Clubs are already situated, that it might be better to give them this money and they provide the service.

MR. ABEYTA: That's what we're thinking.

COMMISSIONER ANAYA: When will we know that?

MR. ABEYTA: We'll know within the next 30 days. We need to bring forward an agreement to legal because we can't just give them \$75,000. We need to work out an agreement with them and our legal department and then we've got to come back to the Commission and show you, this is what you're going to get for your additional \$75,000.

COMMISSIONER ANAYA: Or, this is what we're going to get for \$150,000.

MR. ABEYTA: Exactly. Yes.

COMMISSIONER ANAYA: Okay.

MR. ABEYTA: They're open to the idea. They've already been working with staff. We're talking about facilities we can use, programs they can do. We're working on it, because they realize that. We can't do the \$75,000 more if we don't get some of our other recreational needs met, and we'd like to partner but if we can't, then we'll keep the \$75,000 and try to start something ourselves.

COMMISSIONER ANAYA: Then I guess I'll wait to hear what their proposals are.

MR. ABEYTA: Right. This may not be for the Boys and Girls Clubs. If you want, we could earmark it for recreation, the \$75,000, with them as kind of a priority.

COMMISSIONER ANAYA: Depending on what kind of proposal they bring to us.

MR. ABEYTA: Yes.

COMMISSIONER ANAYA: Then maybe we could - if it's not what we want, then we maybe we could use it for our services for countywide.

MR. ABEYTA: Yes. Exactly.

COMMISSIONER ANAYA: Thank you, Mr. Chair.

COMMISSIONER SULLIVAN: Other questions?

CHAIR VIGIL: Mr. Chair.

COMMISSIONER SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Regarding the Española and City of Santa Fe libraries, Roman, is it possible that maybe those be split?

MR. ABEYTA: Yes. Yes. Like I said, we just didn't know, Mr. Chair, because we had building blocks for Española Library, we had animal shelter, rec in there – just one amount. So we didn't know. But yes, we could take the \$30,000 and \$10,000, combine it to \$40,000 and do \$20 and \$20,000. That's the purpose of today.

COMMISSIONER MONTOYA: Because I've had requests since I came on the Commission from the Española Library and have never been able to provide anything in terms of any financial support. So I don't know if we've had repeated requests from the City of Santa Fe for those services but I'd like to see that maybe increased a little bit if possible.

MR. ABEYTA: What I would recommend is that we take the \$30,000 and \$10,000, combine it to \$40,000 and then decide how you want to divide it. Maybe divide it in half, \$20,000 and \$20,000. That's up to the Commission. But yes, that's the purpose of today. This was just staff's attempt at getting our budget balanced. But yes, what I would recommend then is that we combine the two and maybe we do \$20,000 and \$20,000.

COMMISSIONER MONTOYA: Okay. And then regarding the satellite offices, have sites been identified in Edgewood and Eldorado?

MR. ABEYTA: We're looking at that. We don't have specific sites. In Edgewood, however, the mayor has offered us space in their existing building and so we're looking at that. We're also talking about what we're going to do with the fire stations down there because there's going to be some construction and additions to one or two of them, so there might be space there. So we're looking at that. But we do have a committed space in Edgewood from the City right now.

COMMISSIONER MONTOYA: Okay. And then on the IT salary increases, is that \$40,000 enough to get everybody up to where they need to be, so that we're competitive?

MR. ABEYTA: Mr. Chair, yes. We feel it is and it also is in accordance with the class & comp study.

COMMISSIONER MONTOYA: It is?

MR. ABEYTA: It is.

COMMISSIONER MONTOYA: Thank you, Mr. Chair. That's all I have.

COMMISSIONER SULLIVAN: Okay. Thank you, Commissioner. I think in the Eldorado area there's a couple of options for a satellite office. One is the senior center.

COMMISSIONER MONTOYA: There's room there?

COMMISSIONER SULLIVAN: There's room right now and we only have budgeted funds to run it three days a week anyway. So that's one possibility. Another one was the new fire station. The Fire Department is not quite as enthusiastic about that. They build a big community room and then they want it all for themselves. They tend to break it up between fire stations that have live-in and those that don't. And the new one is a live-in one. So we might have to arm-wrestle with them about that. But the senior center is a distinct possibility.

COMMISSIONER MONTOYA: Okay.

COMMISSIONER SULLIVAN: Okay, other questions on the recurring

expense building blocks. Want to go on to the non-recurring, Roman?

IV. C. 2. Non-Recurring Expenses

MR. ABEYTA: Thank you, Mr. Chair. Slide 7 is the original requests that were submitted for non-recurring expenses, and the original requests were \$30,000 for acequia rehabilitation, \$50,000 for restoration of the Lamy Church, \$10,000 to improve security and accept credit card payments at the Treasurer's office, \$107,625 for tax billing software in the Treasurer's office, \$61,250 for the Sheriff for field reporting from CRIMES data system. County staff has recommended \$50,000 to upgrade the audio and video equipment in the chambers, \$125,000 to upgrade the Finance/HR HTE system software, \$50,000 for the Code rewrite in Growth Management, and \$200,000 for relocation costs that we're going to have once we break ground on the new judicial courthouse up the street.

Now, staff took a similar approach to the non-recurring expenses. We had, again an available budget of \$750,000 but the requests were greater than that and so staff just prioritized. The other thing we didn't take into consideration was the GIS Weston study that we did and the implementation of that study when we prepared the building block request back in May. So as a result, when we took the available budget, plugged in the implementation of the Weston study, what staff came up with as a recommendation was \$70,000 for this VOIP Telephony Public Safety and Public Works. This would be the new Public Works facility, \$50,000 to upgrade the audio-video equipment in the chambers, \$125,000 to upgrade the financial and human resource software applications, \$50,000 for orthophotography, to update our orthophotography, \$20,000 for hardware and servers, \$115,000 for software, and again, this is all recommended by the Weston study, and this will assist us in implementing the recommendations from that study.

We're recommending the \$50,000 for the Land Use Code rewrite. We expect that to be adopted this next fiscal year, the new Code. We're recommending the \$200,000 for the Enacon and Paramount relocation costs. We do plan on breaking ground on the new facility in January. And then we are recommending the \$10,000 to accept credit card payments in the Treasurer's office, and we're recommending \$60,000 for the CRIMES data system that the Sheriff is proposing. So staff really just - we're recommending things that are needed for the County as a whole.

So what that left off was the tax billing software that the County Treasurer has requested of \$107,000. However, the CAMA project that we're undertaking, the tax billing software may or may not be needed, so we want that CAMA system to come in first and then that will dictate to us what we do with the Treasurer's software. So that's why we weren't ready to fund it this year. But it may be something that we fund next year as a result of the new CAMA system. So there really isn't a need for the tax billing software yet, so we left that off the list. And then the restoration of the Lamy Church building, again, if we take care of our internal needs we don't have budget available for that. Same with the acequia restoration.

Then we got a request from the Mayor of Española, actually, to help repair their jail facility, but in talking with some of the City Councils from Española, that actually has been a request that was made by the Mayor and not the governing body. So they're open to continued discussions with us on that, kind of government to government, but by all means, a request has not been made by the governing body of Española yet. So I'm not recommending that we entertain that until we have the discussions government to government. I will be sending a letter to the Mayor and the City Manager from the chair basically saying we're open to discussions with you but we're not going to fulfill that request at this time.

So again, our recommendation for non-recurring, which is based on internal upgrades that we need to make. I would just ask for the Commission's input on this and any changes that the Commission would want to make we can discuss.

COMMISSIONER SULLIVAN: Roman, on the Land Use Code rewrite, we've been trying to move that forward for quite some time. I'm wondering what the \$50,000 is for. My understanding is that we hired that consultant who did something - I'm not quite sure what - and that most of the issues now we're legal ones, going through and being sure that we're not repeating ourselves in other sections and undoing a lot of lack of clarification that was in the current Code as a result of piling things on top of things over the years. So then is this going to be for additional staff or for consultants, or what will that \$50,00 be for?

MR. ABEYTA: Mr. Chair, the \$50,000 is a one-time cost that we may or may not have but that we're preparing for in case if we have publication costs. There may be a cost to put it on the webpage, to make it web-ready, and then production costs. We want to produce the Code, how many copies we want to produce of the new Code. But I don't believe it's going to be for consultants or anything like that. I think we're pretty much done with that. It's more for extra costs we may have as a result of having a new Code. Like I said, making copies, if there's publication of notices we need to do during the adoption of it, getting it web-ready, things like that. And like I said, we may or may not use the \$50,000. We'd just like to have the money available if we do find that we are running short.

COMMISSIONER SULLIVAN: And what does VOIP mean? \$70,000, what is that and what does that get us?

PAUL GRIFFIN (Budget Administrator): Voice Over Internet Protocol. I'm trying to explain things for Agnes here, but what we are doing, and have done over a period of time is to convert our inside the County telephone system from the switchboard status that we have had to the use of telephones via our intranet. We're near the end of this project and this amount of money is supposed to complete this project this coming year.

COMMISSIONER SULLIVAN: Does that mean, if somebody calls in, what happens?

MR. GRIFFIN: Well, if somebody calls into the County they won't experience anything different but our use of phones between offices in the County and

whatnot will all be done over our Internet lines. It will save us money in regard to telephone service as far as that is concerned.

COMMISSIONER SULLIVAN: Is it wireless?

MR. GRIFFIN: It's a new technology. I don't know. They call it wireless but it really isn't because we have wired links between our buildings in regard to our Internet right now. And again, this is all inside the County, the phones that you and I have on our office desks are slowly being converted over to this Internet protocol.

COMMISSIONER SULLIVAN: Is this some proprietary system?

MR. GRIFFIN: Internet protocol, well, there are a number of companies that put out quasi-proprietary systems. I wouldn't say that VOIP by itself is proprietary. I think - I hate to talk for her, but we're highly Cisco-oriented and that's the company we're dealing with in regard to this, I believe. I don't know for sure because I'm not the IT person. We've very nearly gotten this done but we're a half-year short from finishing the project and this is the last of the money for this project.

MR. ABEYTA: Mr. Chair, more than half of our phones are on one system and the remaining are on a second system. So this will put us all on the same system to complete that project.

COMMISSIONER SULLIVAN: And the field reporting from the CRIMES system, is the CRIMES one of the federally funded programs that the Sheriff has?

MR. ABEYTA: Mr. Chair, I'm not certain. I don't know.

COMMISSIONER SULLIVAN: What the Sheriff wants to do is to have some of his vehicles made capable to access this CRIMES system so that when a deputy is out in the field they can bring it up and look up records on it and so forth. It's just an extension of the ability to find out information about a person or a crime directly from the vehicle rather than I guess I would suppose they would radio into the Public Safety building and the people in the Public Safety building would find this out. It just saves time. It was originally submitted as part of the baseline budget, but since it's an extension of service it's something we've not done before, we placed it in a building block category.

COMMISSIONER SULLIVAN: Okay. Other questions on non-recurring?

COMMISSIONER MONTOYA: Mr. Chair.

COMMISSIONER SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Just related to that, is there then a monthly fee or an annual fee that the Sheriff's office has to pay for accessing that data system?

MR. GRIFFIN: Probably not from the vehicles. We're probably paying for accessing the system now as it stands anyway, because we do it from the Public Safety building.

COMMISSIONER MONTOYA: Mr. Chair, I'm glad to see that the Weston study is going to be implemented, because I think that's going to provide a lot of internal communication in terms of lack of - or some sort of breakdown when a constituent comes in and wants to do transactions between the Assessor's, the Treasurer's, the Clerk's office, so that is certainly something that is going to move us forward technologically in terms of

really getting us to speed. And I don't know if you can answer this question or not, but will that - I've had a number of constituents who have asked why doesn't the County send out a notice if we haven't paid our taxes or if we haven't received our tax bill? That's happening quite a bit still. Will this allow that to occur? Is that what Victor was asking for in that tax billing software? Again, I don't know if you can answer that question, but just as a concern that if it's possible to send out a notice to the taxpayer that they're delinquent or haven't paid.

MR. ABEYTA: Mr. Chair, Commissioner Montoya, ultimately, we may be able to get there, but I think these are kind of the missing pieces. For example, once all of our GIS data is up-to-date, then we will have a good record, a better record of property taxes. Right now, we have a problem with return mail. People that aren't getting their tax bills because we don't have the right information. So I think eventually we'll get there but these are some of the pieces that we need in order to improve on that.

COMMISSIONER MONTOYA: Thank you, Mr. Chair. And I support these requests.

COMMISSIONER SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Abeyta, as far as energy conservation and making our buildings more energy-efficient, it seems to me that we have to make a commitment to that on an annual basis so that we can have a plan, a funding plan. And I'm just curious about your thoughts about that.

MR. ABEYTA: Mr. Chair, staff agrees with you and that's why we listed the energy initiative outreach in the recurring expense category. It's only at \$10,000, so I think we could possibly see an increase in next year's request to \$15,000 or \$20,000, even more, depending on the work we continue to do. But we did want to start by listing it in the recurring expenses as something that we're going to look at year after year and not just a one-time non-recurring expense.

COMMISSIONER CAMPOS: How do you contemplate using the \$10,000?

MR. ABEYTA: We haven't discussed that kind of detail yet.

COMMISSIONER CAMPOS: Because it seems to me that making our buildings more energy efficient is a much more expensive proposition. We have to make a significant contribution on an annual basis to do that. I know the City of Albuquerque commits a certain percentage of its budget every year to rehabbing buildings. I think that's something we need to seriously consider. \$10,000 outreach - I'm not sure if that's going to be - it doesn't go very far. So I think we have to look at that issue, even for this year's budget, if at all possible. Thank you, Mr. Chair.

COMMISSIONER SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, I'll move that we approve the new staff request of \$365,000 and taking the \$45,000 from the recurring expenses and moving it over to the new staff requests so that we have enough money to support this.

COMMISSIONER SULLIVAN: Okay, this is just a study session, but we could take a motion just to indicate the direction of the Commission. We'll actually be

voting on it on July 10th, I believe, according to the schedule. But if the Board would like to just indicate by motion what our general direction is, I think that would be in order, don't you?

MR. ROSS: Mr. Chair, it's noticed as a budget presentation, as opposed to action, so maybe if we could hear from the Board and get a consensus of what you're thinking. Now we know what Commissioner Anaya thinks and maybe if everybody else would say -

COMMISSIONER SULLIVAN: Commissioner.

COMMISSIONER ANAYA: I agree with the new staff requests and moving that money. I also agree with the recurring expenses and taking the Española Library and the City of Santa Fe and equaling those two up to \$20,000 each. I'm going to wait to hear from the Boys and Girls Club to see what kind of services they're going to supply countywide. Also I'm in favor of your proposal for the non-recurring expenses that you have listed. Thank you, Mr. Chair.

COMMISSIONER SULLIVAN: "You" being the staff.

COMMISSIONER ANAYA: The staff, yes.

COMMISSIONER SULLIVAN: Just to clarify, if it was me, I'd add the Lamy Church to that and that didn't make the cut.

COMMISSIONER MONTROYA: Ditto on that, Mr. Chair.

COMMISSIONER SULLIVAN: Commissioner Montoya agrees.
Commissioner Campos.

COMMISSIONER CAMPOS: I agree generally. I think it's a pretty good budget. I still think that we have to make a bigger commitment to energy efficiency.

COMMISSIONER SULLIVAN: That's something to look at at our January configuration.

COMMISSIONER CAMPOS: I've been using a lot of my Commissioner budget for that but I think it's going to take a lot more. Those are just tiny bites at a huge problem. And we as the public have a responsibility to set the example for the community and show that we are going to make the buildings more energy efficient. Not only does it save money, it helps in so many other ways. It's going to be a huge commitment. I think that should be analyzed.

MR. ABEYTA: Mr. Chair, we will analyze it and we will bring something back at mid-year for something much larger.

COMMISSIONER SULLIVAN: I agree and I commend the staff for working through this clearly and consistently and trying to juggle these new - I did want to just point out on the Vista Grande Library that that is a County facility, just like our senior centers and so forth, and so we have there, County-owned and library-operated facility that of course serves a great area and in fact we're now adding an addition to that so we're seeing even more uses, projecting more use. So it's - I'm not opposed to donating to other library systems. I just think we need to be careful when we're dealing with the City of Santa Fe and I'm not familiar with the Española Library at all. I know

when we deal with the City, for example, on these quarter percent gross receipts tax funds they tend to view it as a bequeathment. In that particular case of course our ordinance only says that we're doing that for a ten-year period but it sometimes comes back to haunt us. Our generosity sometimes gets taken for granted and then if we make any changes to that amount we become the bad guys and the County is withdrawing its support from the City's Southside Library as opposed to all these years the County has provided additional assistance. We don't provide assistance of course to the senior centers in the city and that type of thing.

So I think we want to be careful in that regard and perhaps deal with that through a legal MOU or something that would tell them what we're - and the same applies for us, what we're anticipating and what our expectations are and obviously we can't commit future Boards to that. Just makes me a little nervous on the City of Santa Fe, that's all. But as I said, I do agree that we've split up the pie as best we can. Anything else you'd like to bring forward? Commissioner Montoya.

COMMISSIONER MONTOYA: Am I correct that the Vista Grande Library was previously funded through your discretionary fund and will now be picked up on our general budget?

COMMISSIONER SULLIVAN: Yes, it was previously funded through discretionary funds but the most that I could put forward was \$15,000. And I'm going to have to continue to do some discretionary funding for the library. They're just outstripping - the demand is outstripping the resources. So their budget is over \$100,000 a year now. That's with all the volunteers that participate. Some of the folks you see out here - maybe raise your hands [nine people raised their hands] are some of those volunteers. I don't think any of them are paid folks. So it's just a facility who's a victim of its own success and the rapidly growing area, particularly if the moratorium is lifted and development accelerates. It's a long answer to your question but the answer is yes, I have and yes, I will.

COMMISSIONER MONTOYA: Okay. And then Roman, in terms of the recreational services that were being discussed, is the potential there that the Pojoaque recreation program may be picked up as part of the new services that the Boys and Girls Club - that you're negotiating with right now?

MR. ABEYTA: Mr. Chair, yes. And we talked with - as Commissioner Anaya said, what I'll do is I'll bring forward a plan with the Boys and Girls Club before we commit that \$75,000 to the Commission to consider action and even make amendments if we have to to make sure that all those needs are being met, both Pojoaque and Edgewood and the areas in between. So we're just at this point setting aside \$75,000. We hope it can go to the Boys and Girls Club in some kind of partnership but we need to make sure it addresses the needs countywide. And I'll talk to them about Pojoaque specifically.

COMMISSIONER MONTOYA: Okay.

COMMISSIONER SULLIVAN: Anything else?

MR. GRIFFIN: I need to talk a little bit to the mechanics here of the

budget. From what I have heard, my intent with the final budget that will be presented to you on the 10th of July is that I am going to include in that budget, the new staff requests for people coming on July 1st. The ones coming on in January will continue to be held as set-aside money for new staff and when January comes we'll make that determination. I have the leeway of either setting aside this or if it's fairly clear that this is the intent of the Board, I'd like to put it in the final budget.

In regard to the recurring expense, from what I am hearing right now is that the Boys and Girls Club and the City of Santa Fe Library I will continue to hold in set-aside, because we need to hear more about those kinds of things. Most everything else on this list, what I am hearing is I can put those items in the final budget. If I hear differently, then I'll set aside the money rather than putting it there and give you the leeway of voting on it later, if I hear different than what I perceive here.

In regard to non-recurring, I haven't heard anything but my intent right now is to put the non-recurring money into the budget, possibly with the exception of GIS and I'd like to hold that in set-aside until the GIS people come forward with their specific contracts and plans and then we will BAR the money from set-aside into that GIS effort. Because I like to see plans and more exact costs written down before I just put a budget into somebody's organization.

So that's my intent right now and if you have differences in regard to recurring expense or non-recurring expense, this is the time to let me know and if there are any differences at all or any inclination to hold this money, I'll keep it in set-asides and I won't put it out into the budget.

COMMISSIONER SULLIVAN: Commissioner.

COMMISSIONER ANAYA: I thought we were going to do Española/City of Santa Fe \$20,000/\$20,000.

MR. ABEYTA: We are.

COMMISSIONER ANAYA: Okay.

MR. ABEYTA: We are. But we need to work out some kind of agreement with both those entities to make it clear why we're doing it.

COMMISSIONER SULLIVAN: It's set aside. I think it's just subject to a final agreement because it's not a County facility; it's an out-of-County facility. Commissioner Montoya.

COMMISSIONER MONTOYA: I guess I'm not clear why we would not include the GIS as part of this budget.

MR. ABEYTA: Mr. Chair, we are including it. What we're saying is we'll need an actual contract with somebody for the orthophotography. We'll need a contract, we'll need to review and negotiate a contract for the hardware servers and the software. We are.

MR. GRIFFIN: We'll set it aside for the GIS contract, but I'm not going to BAR it or make a staff budget change. These kinds of changes don't require Board approval because they're already in the budget. But I'm not going to pass that to the

organization until I see the contract on it. The reason is is that sometimes when I put large amounts of money in contractual services I get down to January or March or April and suddenly I get a request to spend it on something else. And I'd rather see that money held in set-asides. We do the same thing with capital package money. We ask people to specify what they're going to buy, and when they get ready to buy that thing, then we BAR the money over to let them buy it. So it's just kind of an act of conservatism on my basis to make sure that we spend the money on what the Board intended it to be spent on.

I'd like to also go back to page 2 just for a second and reiterate something I spoke about in May. If you look at the little coin on the bottom you'll see the general fund at about \$56 million, which is about a third of our budget. Other operating funds, money that we are spending on people and operations in this County are totally - are as big as the general fund now. None of those funds have any cash reserve requirement. And I am writing budget policy and I will put this before the Board on a number of budget issues, and one of the policies that I wish to write is that these other funds that support the County operations have some reserve requirement. Right now, I'm thinking about a one-month, or 8.33 percent reserve requirement.

I just came back from a GFOA conference where they talked about financial policy and budget policy and the counties in California that are doing really well have a 20 percent requirement for cash on hand at the end of the year in these operating funds. So I'm asking for half of that.

MR. ABEYTA: And Mr. Chair, the final thing that we have is we're going to pass out a fact sheet that Pete Garcia has put together on property taxes, an analysis [*Exhibit 2*] While we pass that out, the other thing we're going to do this year, in addition to studying property taxes, we're also going to start doing fiscal impact reports that we're going to provide to the Board with new ordinances that are proposed, new programs that are proposed, new initiatives, we're going to attach a fiscal impact report to it, so that when we budget next year we can compile those reports and see, well, this is the impact of decisions we've made over this last 12-month period has been to the budget and here's how we need to prioritize things based on these programs that we undertook.

The other thing that we're going to start doing is providing a report to the Commission every three months, kind of a general budget summary for the Commission to see and be updated on, like I said, every three months. Those came out of discussions that I had with Commissioner Montoya. So with that, Mr. Chair, we have a brief explanation of the fact sheet that we passed out and this is something that we will continue to monitor over the next year in regards to our budget.

V. Property Tax Analysis [*Exhibit 2: Fact Sheet*]

PETE GARCIA (ASD Director): Mr. Chair, Commissioners, I'd like to start by going to the last page of your handout, which is Exhibit A, a table that compares the last three tax years and the current year under consideration. It breaks out the taxable

values, both residential and non-residential, the operational mill rates for each one, and the total property tax collections based on those assessments. Then it does a comparison analysis from the previous year in terms of either a percentage or an actual millage increase. That's Exhibit A and it's just a comparison analysis of what our property tax rates have been and what our net taxable values and what they generate for the tax year 2007 which is part of the FY08 budget and the three previous years.

I'd like to if I could move to page 1 of the fact sheet and kind of go over some bullet points that I think are of interest to you and certainly something you need to take into consideration if you do decide to increase taxes. I don't mean increase taxes, but the net new values that are added each year, we never budget for, and what happens is when we don't budget for them they get assessed through yield control. It goes through a yield control formula by DFA and the state. They come up with a millage - a millage for the residential and a millage for the non-residential. They both feed the operational fund. Then those new properties that we didn't declare then pay their respective millage and that tax revenue just goes into the County coffers. It's not directed towards the budget for programs and services, it just goes to fund balance.

That's one of the reasons why the County fund balance has really grown significantly over the past few years, even over and above the 25 percent or three-month cash reserve requirement.

So I'd like to maybe go back to page 1 and just kind of go over some of the bullet points that I think are of interest and point out the fact where Santa Fe County stands in respect to property tax mill rates and what we charge, compared statewide and compared to some of the more comparable larger counties in the state.

On page 1, Section I, from tax year 2004 to tax year 2007 the operational residential mill rate increased by a mere 3600 so one-hundredth of one percent, or four cents from \$4.61 mills to \$4.65. And that's over a four-year period. And that's where each \$1000 of net taxable value. The non-residential increase for the same period of time was an increase of 80 cents or 12.23 percent from 9.861 back in 2004 to 10.667 for 2007. For this same four-year period, property tax collections went from \$25,762,028 to a projected \$32.1 million with the FY08 budget or an increase of \$6.3 million, or averaged out over the four years it's 24.7 percent, and that's property tax collections or revenue.

Since tax year 2006 the Assessor has added - this is the current year - has added \$207 million of new residential values and \$202 million of new non-residential values, which equal a total of \$410 million, or an eight percent increase from the previous year. For the interim FY08 budget these new added values of \$410 million were not budgeted, and if they were they would have meant additional property tax revenues - this is money the County could have used for funding additional programs or projects or other budget priorities.

Under Section II, what happens to net new values added to the tax roles and what happened if they're not budgeted? What happens is as I mentioned before, they just go back to the fund balance or the cash balance of the general fund if they're not used.

They're collected but if they're not budgeted they stay in the reserve. One thing I'd like to point out is that these net new property owners are not paying higher taxes; you're not raising taxes on them, they're just paying the same rate after DFA applies the yield control formula to the values that are brought forward plus the net new, whether they're budgeted for or not within the property and budget.

COMMISSIONER MONTOYA: Mr. Chair.

COMMISSIONER SULLIVAN: Yes.

COMMISSIONER MONTOYA: Why aren't we budgeting these?

MR. GARCIA: I think, Commissioner Montoya, it's been a policy of the administration and the Commission that they choose not to budget. They have the option of not budgeting these revenues but I think it was a decision that's been made, I guess by previous Commissions and administration, maybe for fiscal conservancy or fiscal – trying to be prudent. They've built up a cash reserve. They've opted not to budget these new properties that come in. That is the Commissioners' discretion but when you don't do that it just adds to fund balance. But if you declare it in the budget then you can say, well, I want to use this net new property tax revenue or whatever to fund these additional programs.

COMMISSIONER MONTOYA: So it's a policy decision then.

MR. GARCIA: Yes. It comes down basically to a BCC policy decision to say do we budget the revenue from the net new values the Assessor allows each year or do we not. Basically what happens in the interim budget, as far as DFA is you take last year's values and you apply last year's rates to come up with the property tax revenue for the FY interim budget. So the Commission does have the option of saying, well, we want to take that plus the new values that have been added. But that is a policy decision.

MR. ABEYTA: And Mr. Chair, Commissioner Montoya, it is a policy decision, but you've got to also, before you make that decision you've got to look at the consequences also. It means less cash for savings, which is pretty much what it means. So then, if we do run into situations or we have programs that we're using that savings and in some cases we have been using that savings and it's been good that we've been that conservative. So there is an effect that we would need to analyze before we did this. This is just something we want to monitor over the next year and take a look at and then have a detailed discussion about it. But we did – we started researching, but like I said, there is also the effect of not having that available cash. We do have things like purchasing the business park or other programs that aren't doing so well and we are using the cash to help, like in the case of the youth facility, we're using some cash to help us to cover some of those shortfalls. So it is a policy decision but we really have to do an in-depth analysis before we make the decision, like next year. And that's why we didn't do it this year, because we felt that we'd need to really get more information and see what the effects, the total effects would be to the County.

COMMISSIONER MONTOYA: And these are just the new taxable –

MR. ABEYTA: Yes.

MR. GARCIA: Values, yes.

COMMISSIONER MONTTOYA: Balances that are coming in. So this isn't even talking about – our millage rate is significantly lower than anyone, in terms of Doña Ana County. They're at 7.8 percent, San Juan County, 6.2 percent, Bernalillo County, 7.3 and we're at 4.4. So that's not even discussing the potential of a millage increase, right? Those are totally separate?

MR. GARCIA: They are separate, Commissioner, because according to DFA, I spoke to the deputy director there, Santa Fe County is already authorized at the full millage operational rate of 11.85 mills. What brings it down to the 4.4 mills you see from last year was yield control. Yield control over many years. And basically what yield control – it's a complex formula but what it does is it sets the mill rates from one year to the next so that the property tax revenue generated from one year to the next cannot exceed five percent. So with that factor, the mill rate is based on how their yield control doesn't apply to new values. And that's one of the key considerations is that when you apply the millage to new values of \$410 million, yield control, you get full value. If you don't take those properties and opt not to include it in your budget, they'll still get taxed and still pay their property tax. What happens is that next year, it can only grow by five percent, the generation from that \$410 million.

So yield control is what has brought down the County's mill rate from 11.85 down to 4.4. Another factor is when you add new values, the mill rates – actually the overall mill rate decreases because it's spread out over a much larger base, both debt service and operational. So that's a good – it's been a way that Santa Fe County taxpayers have paid over the years a very reasonable rate because of policy decisions made by the Board, but also an aggressive program of adding all the value to come on to the books, and making sure that everybody pays their fair share in terms of property tax.

Then Section III on page 2 is just a comparison of operational mill rates between Doña Ana County, San Juan County and Bernalillo County, but you can see where Santa Fe County right now, the lowest mill rate in that grouping. We have a mill rate 4.45, or \$4.45. We're 27 percent lower than the lowest rate noted about, which is Bernalillo County, of 6.113. That's a significant difference. But it's not adversely affecting our budget or anything, it's just that over time and over our values it's worked out to.

And then I wanted, on Section IV, just to go over the makeup of the 2006 property tax rates on the residential. There's a total of 17.69 mills, or \$17.69, but at that breakout, \$1.29 or seven percent goes to state debt service, \$4.45 or 25 percent goes to County operational, \$1.69 or ten percent goes to County debt service, \$1.03 goes to municipal operational, and there are the breakouts from the school districts and the Community College. So it's important to note that the County is really responsible for a total of 6.15 mills, \$1.69 of it being debt service and the other 4.45 being operational, or 25 percent of the total millage. So when people talk about tax rates being high they really need to look at some of the other players, which is the state of New Mexico, the City of Santa Fe, Santa Fe Public Schools and the Community College, in both their impositions for operational

and debt service levies through property tax.

And then the reasons to consider budgeting this additional property tax revenue is the state allows the counties to declare these net new values and budget the additional property tax they generate because they're cognizant of the fact that when you add these new developments and new housing and new properties it does have a direct impact on County services. There's an increased demand for County services: public safety, fire, water, roads, etc. So they realize that the costs for bringing in brand new construction, new developments, there is a service cost. And then the demands on the general fund continue to increase.

I just did a breakout of the current year of how much money goes from the general fund in terms of an operating transfer to these respective funds for their support, and the total is \$9.7 million this year. Then as Paul mentioned a while ago, there are several funds that are in the red or not in the red but do not have an adequate cash reserve. So this additional money could be possibly used to redirect and supplement those particular funds. And then another possibility would be setting aside funds for long-range water acquisition, planning and implementation.

And then another component I added just on my own was funding strategic plan initiative, which is a long-range facilities master plan and space needs analysis and an energy rehabilitation plan. So these are all possible uses of this additional revenue. But I wanted to bring this information to you forward so that for next year at least you'd be able to see where we stand in terms of property taxes and what options we have and the fact that we are very low in terms of our operational rates.

MR. ABEYTA: Mr. Chair, again, that's something that we're going to continue to analyze and look and something that we could possibly consider in next year's budget, FY09 and 10. So that concludes staff's presentation this morning and we will bring forward the new staff requests, the recurring expense building blocks and the non-recurring expense building blocks as directed by the Commission today. Those will be reflected in the July 10th BCC budget that we present to you for approval.

COMMISSIONER MONTTOYA: Mr. Chair.

COMMISSIONER SULLIVAN: Commissioner.

COMMISSIONER MONTTOYA: Pete, thank you for this detailed analysis and I'm glad to hear that we're going to be looking at the potential in terms of what we can do in terms of being still fiscally responsible, in terms of whatever's done. And I would encourage particularly on Section IV that somehow all of this information would be great to have out in the public but if we have to pick and choose, certainly IV explains - because I always get the comment, "Well, we pay taxes." Yes, but we only have 25 percent of what's collected that goes into our coffers to provide all of the services that are required. And I don't think taxpayers realize that that's the reality of what we have to operate on the taxes that are collected, and from there it goes from A to Z for all the services that are provided. Thank you.

COMMISSIONER SULLIVAN: And we get even less than that on the gross

receipts tax.

COMMISSIONER MONTROYA: Exactly.

COMMISSIONER SULLIVAN: It's less than 25 percent on gross receipts tax collection.

MR. GARCIA: You're right. Just one final thing. Property taxes, as you all know, are the least regressive in terms of you pay based on value, which the gross receipts, if you're a millionaire or if you're a minimum wage worker you pay the same rate. So property tax, prudently used I think is the most fair way of generating income.

COMMISSIONER SULLIVAN: Okay. Thank you, staff and Board members and thank you those from Vista Grande Library for giving us your support this morning and being here to answer any questions and it seems like we have a general plan for the July 10th meeting.

V. ADJOURNMENT

Vice Chair Sullivan declared this meeting adjourned at approximately 10:27 a.m.



Valerie Espinoza
VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Approved by:

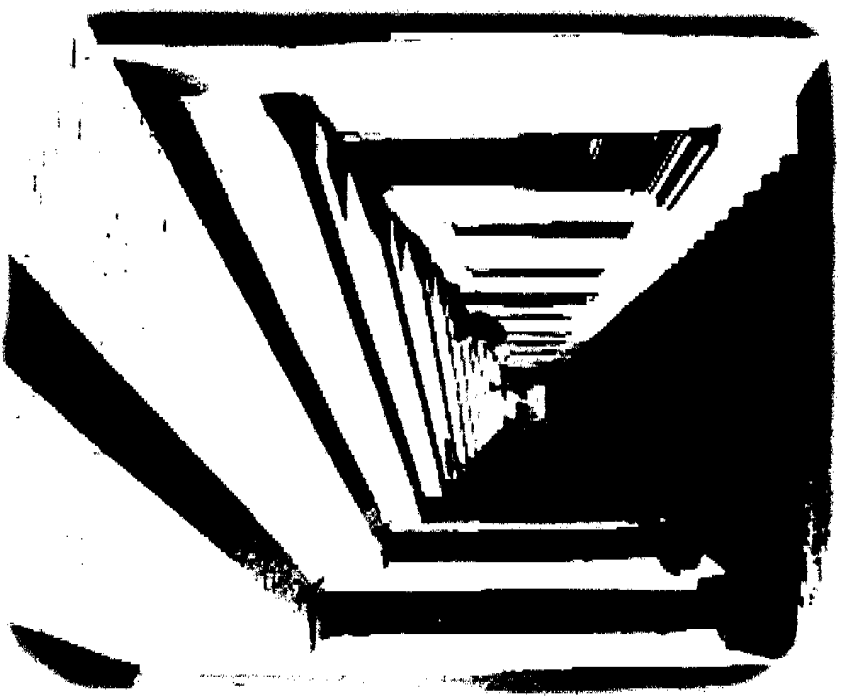
Virginia Vigil
Board of County Commissioners
Jack Sullivan, Vice Chairman
Virginia Vigil

Respectfully submitted:

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



Santa Fe County
Board of County Commissioners

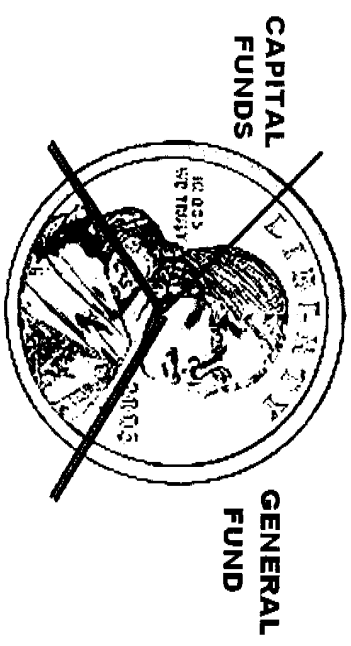
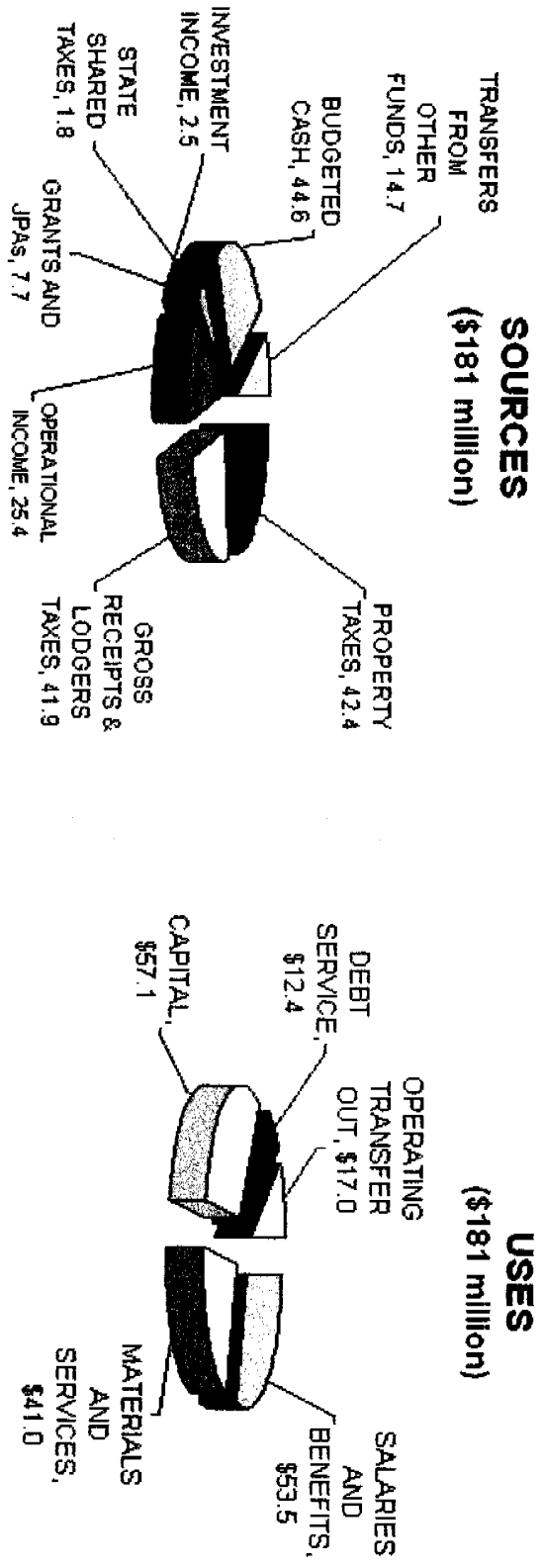


**FY 2008
BUDGET
STUDY
SESSION**

JUNE 22, 2007

Santa Fe County FY 2008 Budget Study Session

FISCAL YEAR 2008 BUDGET



CAPITAL FUNDS

GENERAL FUND

OTHER OPERATING FUNDS

JUNE 22, 2007

Santa Fe County FY 2008 Budget Study Session

NEW STAFF REQUESTS – May 16

ELECTED OFFICIALS \$120,000 available

COUNTY STAFF

Organization-Position County Clerk	ANNUAL		ANNUAL	
	FTE REQUESTED	SAL & BEN	FTE RECOMMENDED	SAL & BEN
Recording Clerk	2	87,891	2	69,440
Voting Machine Technician	1	35,219	TOTAL	TOTAL
Voter Information Specialist	1	34,221		
Assessor				
Quality Control Specialist	1	56,576	1	56,576
Sheriff				
Computer Forensics Analyst	1	44,868	2	87,000
Deputy Sheriff	4	178,672	TOTAL	TOTAL
TOTAL ELECTED OFFICIALS	10	\$ 417,247	5	\$ 213,016
Organization-Position				
Administrative Services				
Custodian (Building Services)	1	22,630	1	22,630
Microcomputer Technician	1	64,976	1	64,976
Growth Management				
Code Enforcement Officer (Land Use)	1	66,239	1	66,239
Transfer Station Caretaker	1	25,601	1	25,601
Community Services				
Field Coordinator (Open Space)	1	48,090	1	48,090
Building Maintenance Specialist	1	42,432	1	42,432
TOTAL COUNTY STAFF	6	\$ 269,968		

JUNE 22, 2007

Santa Fe County FY 2008 Budget Study Session

NEW STAFF REQUESTS – June 22

FISCAL YEAR 2008 BUDGET BCC WORKSHOP, JUNE 22, 2007

FISCAL YEAR 2008 ROLLING NEW POSITION LIST

	SAL & BEN	FY 2008
	ANNUAL	BUDGET

County Clerk	7-1-07	Recording Clerk	33,946	33,946
County Assessor	7-1-07	Quality Control Specialist	56,576	56,576
County Sheriff	7-1-07	Deputy Sheriff	44,668	44,668
Administrative Services	7-1-07	Microcomputer Technician	64,976	64,976
Growth Management	7-1-07	Land Use Code Enforcement Officer	66,239	66,239
Growth Management	7-1-07	Solid Waste Transfer Station Caretaker	25,601	25,601
Community Services	7-1-07	Building Maintenance Specialist	42,432	42,432
County Clerk	1-1-08	Voting Machine Technician	35,219	17,610
County Sheriff	1-1-08	Deputy Sheriff	44,668	22,334
Administrative Services	1-1-08	Building Services Custodian	22,630	11,315
Community Services	1-1-08	Open Space Field Coordinator	48,090	24,045
LIST TOTAL			\$ 485,045	\$ 409,742
BUDGET		Interim Budget Set-Aside for New Positions		\$ 365,000
		Shortfall		\$ (44,742)

Surplus From Recurring Expense List \$ 45,000

Santa Fe County FY 2008 Budget Study Session

RECOMMENDED BUILDING BLOCKS RECURRING EXPENSE – May 16

ELECTED OFFICIALS

AVAILABLE \$ 354,082

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

COUNTY STAFF

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

JUNE 22, 2007

Santa Fe County FY 2008 Budget Study Session
RECOMMENDED BUILDING BLOCKS
RECURRING EXPENSE – June 22

FY 2008
RECOMMENDED BUILDING BLOCKS - RECURRING EXPENSE BUDGET

Available Budget \$ 750,000
 LESS: Additional Need for Class & Comp Plan \$ (130,000)
 Adjusted Available Budget \$ 620,000

Board of County Commissioners	Year-Round Legislative Lobbyist	80,000
Board of County Commissioners	Eldorado Bus Service	100,000
Board of County Commissioners	Trash and Graffiti Clean-Up	15,000
Board of County Commissioners	Libraries	
	Vista Grande Library	40,000
	Espanola Library	10,000
	City of Santa Fe	30,000
Board of County Commissioners	Energy Initiative Outreach	10,000
County Manager	County Public Outreach/Bulletin	15,000
County Manager	Economic Development Planning	30,000
Legal	Legal Support	20,000
Administrative Services	Satellite Offices	45,000
Administrative Services	IT Salary Increases	40,000
Administrative Services	Network Administration/Security R	30,000
Community Services	Trail and Park Maintenance	35,000
Community Services	Housing - Boys and Girls Club	75,000
	TOTAL	\$ 575,000
	Remaining Available Budget	\$ 45,000

Items Not Funded:

Board of County Commissioners	Federal Lobbyist Operations	10,000
Board of County Commissioners	Espanola Animal Shelter	50,000
Board of County Commissioners	Recreational Program Countywide*	30,000
Board of County Commissioners	Santa Cruz Flood Control Dams	7,500
	Total	\$ 97,500

* Boys and Girls Club

JUNE 22, 2007

Santa Fe County FY 2008 Budget Study Session

RECOMMENDED BUILDING BLOCKS NON-RECURRING EXPENSE – May 16

ELECTED OFFICIALS

AVAILABLE \$ 179,082

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

COUNTY STAFF

ORGANIZATION - BLOCK

BUDGET

Administrative Services	
Upgrade Audio-Video Equipment in Chambers	50,000
Upgrade Finance/HR H.T.E. system	125,000
Growth Management	
Land Code Rewrite	50,000
Community Services	
Enacon and Paramount Relocation Costs	200,000
TOTAL COUNTY STAFF	\$ 425,000

JUNE 22, 2007

Santa Fe County FY 2008 Budget Study Session

NON-RECURRING EXPENSE – June 22

FISCAL YEAR 2008 BUDGET BCC WORKSHOP, JUNE 22, 2007

RECOMMENDED BUILDING BLOCKS - NON-RECURRING EXPENSE FY 2008 BUDGET

Available Budget \$ 750,000

Administrative Services	VOIP Telephony at Public Safety, Public Works	70,000
Administrative Services	Upgrade Audio-Video Equipment in Chambers	50,000
Administrative Services	Upgrade Financial and HR Software Applications	125,000
Administrative Services	GIS Data - Orthophotography Update	50,000
Administrative Services	GIS Data - Hardware and Servers	20,000
Administrative Services	GIS Data - Software	115,000
Growth Management	Land Use Code Rewrite	50,000
Community Services	Enacon and Paramount Relocation Costs	200,000
County Treasurer	Improve Security and Accept Credit Cards	10,000
County Sheriff	Field Reporting from "CRIMES" Data System	60,000
SUBTOTAL		\$750,000
Remaining Available Budget		\$0

Items Not Funded:

County Treasurer	Tax Billing Software / Increase Internal Control *	107,625
Board of County Commissioners	Restoration of Lamy Church Building	50,000
Board of County Commissioners	Acequia Restoration	30,000
Board of County Commissioners	Espanola Jail Facility	100,000

* CAMA Project

Total \$ 287,625

JUNE 22, 2007

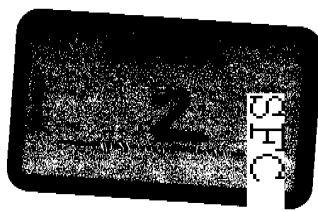
Santa Fe County
FY 2008 Budget Study Session

LEGAL BUDGET DEADLINES

- July 1 “Final Budget” integrated into Financial System.
Fiscal Year Operations Begin
- July 10 BCC Approval of the Final FY 2008 Budget
- July 31 Submission of the Final Budget to DFA
- Aug 1 First Day BCC Resolutions changing the budget
are permitted.

FACT SHEET ANALYSIS ON PROPERTY TAXES

Narrative Explanation of Exhibit A



SANTA FE COUNTY

Exhibit A lists net taxable values for residential and non-residential properties, Operational Mill Rates for residential and non-residential properties, and total General Fund property tax collections for the past 3 tax years including projections for the 2007 tax year (total of 4 years).

Key Points:

I. Over the past 4 years, the impact of property tax increases has been quite minimal as evidenced by:

- From Tax Year 2004 to 2007, the Operational Residential Mill Rate has increased by a mere 0.036 mills (1/100th of 1 percent) or 4 cents from 4.617 mills (\$4.617) to 4.653 mills (\$4.653) for each \$1,000 of net taxable value;
- The non-residential increase for this same period of time is an increase of 0.806 mills (12.234%) or 80.6 cents from 9.861 (\$9.861) to 10.667 (\$10.667) for each \$1,000 of net taxable value;
- For this 4 year period property tax collections went from \$25,762,028 to a projected \$32.1M or a total increase of \$6,356,788 or an average of 24.7% per year;
- Since Tax Year 2006, the Assessor had added a total of \$207,499,234 of net new residential and \$202,896,096 of net new non-residential for a total net new added values of \$410,395,330 or an 8% increase from Tax Year 2006;
- For the Interim FY08 Budget, these net new added values of \$410,395,330 were not budgeted; if they were it would have meant additional property tax revenues----this is money the county could have used for funding additional programs and projects or other budget priorities that may have been budget requests but failed to make the Interim Budget;

II. Net new values added to tax rolls and what happens if they are not budgeted for

- What happens to this money when net new values are not included in the budget request is that these taxpayers will pay the new projected yield control mill rates, however these funds just go to the County's cash balance and then to the County's fund balance but they are not used to support programs and projects or other budget priorities the BCC may wish to fund. This is precisely what has happened the last few years and is the reason the County's cash balance has grown significantly over the (3 months or 25% reserve requirement);
- It is important to point out that these net new property owners are **not** paying higher taxes just the **same** yield control rates that are applied to property owners who were on the books for the year before----this is **not** an increase above that requested within the budget process to property tax rates, rather they are just paying what the other tax payers are paying;
- The effect of adding these new values to the tax rolls will be to actually lower the overall rate because the tax burden for operational needs and debt service requirements is spread over a larger base;

SFC CLERK RECORDED 10/15/2007

- Yield Control plays a part in the assessment of net new property values added. Yield Control is a complex formula that is actually written into state statutes that insures that the mill rates a taxpayer pays from one year to the next will be set so that total property tax generated from these rates will not increase by more than 5%. The key word in this description is from one year to the next which means that Yield Control applies to properties that have been on the tax rolls for more than 1 year. Yield Control does not apply to newly added properties which is an even greater incentive for the County to declare this additional tax revenue in the current year budget request. If these new properties are added in the budget process for next year all that will be derived in property tax revenue is 5% more than they paid this year.

III. Mill Rate Comparisons with other similarly sized counties:

- Dona Anna County is also at the statutory maximum of 11.850 mills; their operational rates are:
2006 Residential Rate-7.833; Non-residential Rate-11.850
2005 Residential Rate-7.620; Non-residential Rate-11.850
2004 Residential Rate-7.891; Non-residential Rate-11.850
- San Juan County operational rates are:
2006 Residential Rate-6.237; Non-residential-8.000
2005 Residential Rate-6.127; Non-residential-8.000
2004 Residential Rate-6.161; Non-residential-8.000
- Bernalillo County operational rates are:
2006 Residential Rate-6.113; Non-residential-10.650
2005 Residential Rate-6.131; Non-residential-9.783
2004 Residential Rate-7.031; Non-residential-11.600

Santa Fe County's Residential Operational Mill Rate for 2006 of 4.450 is significantly lower, 27% lower than the lowest rate noted above (Bernalillo County-6.113).

IV Makeup of 2006 Property Tax Rates, Residential-17.690 mills; Non-residential-26.442 mills:

Residential Rate Breakout:

- 1.291 or 7% goes to State Debt Service
- 4.450 or 25% goes to County Operational
- 1.697 or 10% goes to County Debt Service
- 1.033 or 6% goes to Municipal Operational
- 0.114 or less than 1% goes to School District Operational
- 3.448 or 19% goes to School District Debt Service
- 2.000 or 11% goes to School District Capital Improvements
- 1.437 or 8% goes to HB33 School Building

FACT SHEET ANALYSIS ON PROPERTY TAXES

Page 3

Narrative Explanation of Exhibit A

- 1.174 or 7% goes to Santa Fe Community College (1)
- 1.046 or 6% goes to Santa Fe Community College, Bldg. Levy (1)

The County is responsible for a total of 6.150 mills (Operational-4.450 and Debt Service-1.697) or 25% of the total millage imposed for the Operational Rate. The other rates are set by the State of New Mexico, City of Santa Fe, Santa Fe Public Schools, and the Santa Fe Community College. So when taxpayers complain that their rates are going up, Santa Fe County has a very small impact----they need to look at rates being charged by the schools, community college, and the state for operational and debt service needs.

V. Reasons to consider budgeting this additional property tax revenue:

- The state allows counties to declare these net new values and budget additional property tax revenue from these properties because they cognizant of the fact that by adding these new properties and developments the county will inherit the responsibility of providing these constituents with basic county services such as public safety, fire, water, roads etc.
- The demands on the General Fund continue to increase. For example, the FY08 Interim Budget includes:
 - a) \$2,138,936 going to the Road Fund;
 - b) \$50,000 going to the Alcohol Program Fund
 - c) \$300,131 going to the Equipment Debt Service Fund
 - d) \$397,425 going to GRT Bond Debt Service Fund
 - e) \$100,000 going to RPA Fund and
 - f) \$6,713,923 going to the Jail Enterprise Fund


Total General Fund transfers out: \$9,700,415

- Budgeting this additional Property Tax Revenue could alleviate the large drain on the General Fund and provide funding for additional programs.
- During the FY08 Budget Development Process, Paul Griffin, Budget Manager brought up the fact that several health related funds do not have adequate cash reserves. These funds include: the Indigent Fund, EMS Health Care Fund, Fire Operation Fund, and Alcohol & Detox Fund.
- Setting funds aside for long-range water acquisition, planning and implementation.

SFC CLERK RECORDED 10/15/2007

FACT SHEET ANALYSIS ON PROPERTY TAXES
 Exhibit A

SANTA FE COUNTY
General Fund Property Tax Revenues
Analysis of County Operational Mill Rate for past 3 years including projection for Tax Year 2007



2004	3,228,093,490	1,146,501,219	4.617	9.861	25,762,028			
2005	3,637,538,338	1,249,803,142	4.452	9.957	27,446,000	12%	-0.165	0.096
2006	4,034,418,956	1,370,595,807	4.450	10.238	29,196,927	11%	-0.002	0.281
2007a	4,241,918,190	1,573,491,903	4.653	10.667	b 32,118,816	8%	0.203	0.429
					c 34,200,000			10%
								17%

- a Projected figures based on: most recent Assessor's figures for total new residential and non-residential values added; with a budget requested 10% increase in property tax collections for the FY08 Interim Budget Request. The mill rates for residential and non-residential properties are the result of the Yield Control Calculation that includes a 4.8% growth factor and net new values for residential of \$207,499,234; \$202,896,096 for non-residential (of which \$96,827,548 is centrally assessed property, net of protests).
- b Property tax collection of \$32.1M are derived by taking last year's values times last year's mill rates (DFA Interim Budget Instructions).
- c Property tax collection of \$34.2M reflects last year's values added to net new values times projected yield control operational mill rates.

Darlene Mares, Deputy Director of the DFA Local Government Division informed me that Santa Fe County is already at the maximum authorized statutory mill rate of 11.85 mills; but yield control applied over the years has brought down the rates to those imposed above. Therefore, there is no additional statutory rate that can be imposed by the BCC. The only other available means of increasing property tax revenues for any given fiscal year is to increase the budget for the additional revenues that would be generated by including the net new values added by the County Assessor.

Yield Control is a complex calculation employed by the State Taxation and Revenue Department to insure that the Operational Mill Rates imposed from one year to the next will be set so that total Property Tax Revenue generated will not increase by more than 5%, provided that these properties were on the books the previous tax year. Yield Control does not apply to newly added properties, i.e. they pay full value for the first year only.

Source: Annual Certificate of Tax Rates and Santa Fe County Fiscal Year 2007 Budget