

SANTA FE

BOARD OF COUNTY COMMISSIONERS

SPECIAL MEETING

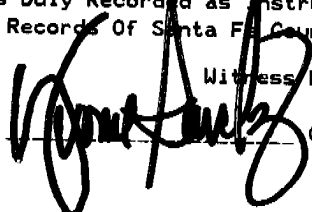
November 18, 2003

Jack Sullivan, Chairman
Paul Campos, Vice Chairman
Paul D. Duran
Michael D. Anaya
Harry B. Montoya

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 40

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SANTA FE BOARD OF COUNTY COMMISSIONERS

COMMISSION CHAMBER COUNTY ADMINISTRATION BUILDING

SPECIAL MEETING
NOVEMBER 18, 2003 - 2:00 p.m.

Notice of Special Meeting

Notice is hereby given that the Santa Fe Board of County Commissioners, Santa Fe County, Santa Fe, New Mexico, will hold a Special Meeting on Tuesday, November 18, 2003, at 2:00 p.m. in the Commission Chambers at the County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico.

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Selection of 2004 CDBG Project
- V. Study Session – GRT / Santa Fe County 2004 Capital Outlay Funding Strategy
- VI. Adjournment

The County of Santa Fe makes every practical effort to assure that its meetings and programs are accessible to the physically challenged. Physically challenged individuals should contact Santa Fe County in advance to discuss any special needs (e.g., interpreters for the hearing impaired or readers for the sight impaired).

SANTA FE COUNTY

SPECIAL MEETING

BOARD OF COUNTY COMMISSIONERS

November 18, 2003

This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 2:10 p.m. by Chairman Jack Sullivan, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

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

Members Present:

Commissioner Jack Sullivan, Chairman
Commissioner Paul Campos
Commissioner Paul Duran
Commissioner Mike Anaya
Commissioner Harry Montoya

Members Absent:

[None]

III. Approval of the Agenda

CHAIRMAN SULLIVAN: We have an agenda, gentlemen. How does that look to you? Any changes? Additions?

GERALD GONZALEZ (County Manager): Nothing to add or change, Mr. Chair.

COMMISSIONER MONTOYA: Move for approval.

COMMISSIONER CAMPOS: Second.

The motion to approve the agenda as published passed by unanimous [5-0] voice vote.

IV. Selection of 2004 CDBG Project

CHAIRMAN SULLIVAN: You all should have gotten a booklet that Tony put together with 13 possible projects included in there and I'll turn it over to staff to take it from this point.

TONY FLORES (Project Manager): Thank you, Mr. Chair. Before we start our discussion I'd like to just preface my remarks by saying that the applications that have been received by Santa Fe County are important projects that have been received for specific requests for ongoing projects that have been included in this packet. If a project is not selected as part of the CDBG process that does not mean that the project will go away or that the staff would not view it as a critical project. We will continue to look for other sources to complete the projects that are listed on this list and that are included in our ICIP package. I just wanted to point that out before we go through it. This is only one process for one funding source through the Housing and Urban Development Department and the State of New Mexico, so it does not exclude any project that is not selected as a CDBG application, that it would go away. Basically we would continue to try to develop the project application for the County development.

Basically, the Board gave staff direction to open up the application period for the 2004 CDBG program. We had two public hearings to receive public comment on potential projects. We also prepared an application form and technical assistance form that is in correlation to the application form that DFA will require of staff to submit to them no later than January 9, 2004 with this new project application. Once the applications were received at the end of October they were assimilated. Staff did an evaluation using criteria that the Department of Finance and Administration has provided to the County for each of the projects. The criteria that are used are the same criteria that DFA is going to evaluate the project that we submit to them. We wanted to keep the applications somewhat simple at first and then to allow us to use the same criteria to evaluate the projects internally that we would be held to the same standards by by DFR.

Staff has looked at all 13 applications. The project ranking has been provided to you. This is a staff project evaluation. This is in no way a recommendation of any particular project. It's trying to show which projects are project-ready that can be utilized for this funding source. And I stand for any questions.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Flores, project-ready are number one, Eldorado, two, Agua Fria and five, the Youth Shelters. These are ready to go, right?

MR. FLORES: Mr. Chair, if you look at County projects, the Eldorado Senior Center, Agua Fria Community Center and Youth Shelters are ready and can begin construction if we're awarded the full \$500,000.

COMMISSIONER CAMPOS: So the other projects are not quite ready for the money so that they can actually break ground early next year.

MR. FLORES: Mr. Chair, Commissioner Campos, that's correct.

COMMISSIONER CAMPOS: Now, as far as the application from the City of Santa Fe Southside library, what's lacking there?

MR. FLORES: Mr. Chair, based upon the application, funding shortfall, [inaudible] the second part of that is you have to complete all the government requirements including environmental assessment, archaeological review and survey that is required for us to do show that that area is low to moderate income.

COMMISSIONER CAMPOS: Okay. So they're a ways from being ready for this kind of a application.

MR. FLORES: Commissioner Campos, as far as construction ready, I believe they are. Today, I believe there are some problems with getting the application ready for this type of funding and archaeological and environmental reviews.

COMMISSIONER CAMPOS: Now, the major stumbling block then is the survey that you have to perform according to the DFA standards?

MR. FLORES: Mr. Chair, Commissioner Campos, yes. We're required to complete a survey of the project area once the Board has selected that. Then we will have to do an evaluation of the households within that area excluding vacant land, businesses, and governmental institutions, then put in a application letter request basically to DFA requesting authorization of our survey methodology. I'm going to be recommending whatever project we select that requires a survey that we do door-to-door survey and also the third option is mail, which I don't believe we would have as good a response. Once that is approved by DFA we would immediately have to begin the survey door-to-door after we defined the area, have those completed and ready for the application so I can present to you at the end of December, basically, a resolution adopting the application for submission. So we basically have five weeks to complete surveys and applications.

COMMISSIONER CAMPOS: And the criteria is that it must help 51 percent of the population in low to moderate income levels.

MR. FLORES: Mr. Chair, Commissioner Campos, one of the objectives is that within the project area, there has to be a benefit to 51 percent or more.

COMMISSIONER CAMPOS: Of the people living in the project area. Now, as far as time, how long would it take you to get a survey, because as I understand it, if we took a survey and didn't get the 51 percent, we would be in a bad situation as far as having any hope for getting some money.

MR. FLORES: Mr. Chair, Commissioner Campos, we have talked about that internally. We would push to try to get the numbers completed within a three-week time period once you give me direction on a project. That would still allow me two weeks, basically, three weeks to get a second project if that one did not meet the 51 percent or greater guideline requirements.

COMMISSIONER CAMPOS: As far as dollars to do the survey? Are we looking at a lot of money?

MR. FLORES: Mr. Chair, we would bear all the costs of printing in-house. We have a survey document that DFA has provided to us. It would be a matter of reprinting those.

It would be encompassing on staff to go out and perform these surveys. We have internally suggested amongst ourselves that we have involvement from the residents or constituents that are pushing for this particular project assist us in preparing and doing the surveys with us so that we have some involvement from the community. So again, that's staff time that would be involved in the surveys.

COMMISSIONER CAMPOS: So that's staff time, your time, Mr. Garcia's time. Your department would have to go out and conduct surveys.

MR. FLORES: That's correct.

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

CHAIRMAN SULLIVAN: Tony, are there any of these 13 projects that don't require a survey?

MR. FLORES: Mr. Chair, based upon the DFA guidelines, senior centers or senior center programs are exempt from the requirement of surveys. They would meet the maximum points under the benefit to low and moderate and appropriateness, based upon DFA's guidelines. So those would not require surveys.

CHAIRMAN SULLIVAN: Let me ask at the state level. When they rank them, the fact that we can apply for \$500,000 doesn't mean that we're going to get \$500,000. It means we're going to get whatever their board determines, based on what the other projects are. Does the fact that you are serving more low and moderate income, or have higher points in that criteria affect the funding, or is it simply a pass-fail thing? You either make it or you don't?

MR. FLORES: Mr. Chair, they will be evaluated on the entire criteria similar to our evaluation. The low to moderate is a component that's 23 percent of the total scoring at DFA's level. So it's based upon the total project, not just the low to moderate. That is a component of it, but it's only 23 percent of the entire evaluation. So it's not based purely on that requirement.

CHAIRMAN SULLIVAN: So a project that had 80 percent low and moderate income would get somewhat higher points in that 23 percent category.

MR. FLORES: Mr. Chair, the maximum points it could receive in that category is 23.

CHAIRMAN SULLIVAN: So if they were only 51 percent, other areas might get more points.

MR. FLORES: Mr. Chair, that is a possibility.

CHAIRMAN SULLIVAN: I'm just speculating at the state level. So that's one thing to consider, if we want to be competitive at the state level. So we obviously want to look closely at projects that have high benefit to low and moderate income residents. You had more? Other questions? Commissioner Duran.

COMMISSIONER DURAN: Tony, I was either not paying attention or thinking when you explained that 51 percent requirement. Could you explain it to me one more time?

MR. FLORES: Mr. Chair, Commissioner Duran, once a project is selected we have to go out and do a survey of the project area as we define it. Basically, we will go into the

Assessor's Office to determine households within that project survey area, identify businesses, governmental institutions and vacant properties to start the survey. Within a survey boundary, a project area, there has to be a number of 51 percent or more low to moderate income households within that project area in order to meet the national guidelines or objectives of the program since it is under Housing and Urban Development.

COMMISSIONER DURAN: So when you prioritized the projects, did you -- was that taken into consideration?

MR. FLORES: Mr. Chair, Commissioner Duran, it was, but only to the degree that we have current data. We use the census data from 2000 and the census tracts. So we were not able to pinpoint an exact radius of a project area. Instead we used the census tract area and tried to determine what the numbers were based upon that without a survey. And that's why you will see under number two, the total point value is 18 with six points each, because of the data that we have currently available. We did not want to make any further assumptions on low to moderate within that area. We use census data that basically tells us what the population is, how many people are at the poverty level or below, and then we use different household incomes to determine what that level was. So it was a component of this evaluation.

COMMISSIONER DURAN: But it would seem to me, correct me if I'm wrong, the senior center might rank -- this is the Eldorado Senior Center. Correct me if I'm wrong. So in thinking about whether or not the Eldorado Senior Center should be the recipient of the CDBG grant money, would we consider or factor in how many seniors live out there? Would that be of some consideration? Because I'm not sure that there's a large senior population out there. And then if you go to the Agua Fria Community Center, it seems to me that the entire community could benefit from that. You go to the City of Santa Fe Southside Library, a larger percentage of the community would benefit from that and then you just go through all of these, trying to determine whether or not in your own mind you think that you would be able to meet that requirement.

MR. FLORES: Mr. Chair, Commissioner Duran, as I indicated earlier, seniors are exempt. Seniors as their own body, their own group of citizens are categorized as low to moderate income, based upon their senior status. That is why DFA and federal guidance have come down to us that they will receive the maximum points. Now, we did not factor in that 243 current membership or current seniors within that Eldorado Senior Center area of Glorieta, Lamy, Galisteo and Eldorado. What the benefits -- currently they have 243 members. They would meet the low to moderate requirements from DFA. As compared to the community center in Agua Fria, the community of Agua Fria, that has an approximate potential of 300+ residents that could potentially use that for different functions. However, because they are not a senior center, they would be required to meet the survey guidelines and in that project area, 51 percent or more would have to be low to moderate. So the difference is that seniors receive an exemption on that requirement from DFA when they evaluate this application.

COMMISSIONER DURAN: So tell me once more, which are the ones that are ready to move.

MR. FLORES: Mr. Chair, if we deal with County projects specifically, the

Eldorado Senior Center, the Agua Fria Community Center and the Youth Shelters and Family Services, Phase II.

COMMISSIONER DURAN: So we wouldn't have threshold issues with them if they were the recipients, right?

MR. FLORES: Mr. Chair, threshold problems will not be a factor because this is the first application we can submit in three years. So once the final, the existing CDBG applicant is closed out, which is basically in audit right now, we have met all threshold requirements.

COMMISSIONER DURAN: Okay. All our projects have been completed?

MR. FLORES: That's correct.

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

CHAIRMAN SULLIVAN: Thank you. Tony, one other question. Taking for example the Youth -- and then Commissioner Montoya -- the Youth Shelters and Family Services one, under the benefits to low and moderate income, you have 14.43, 15 percent. Does that mean that 15 percent of the service area is low and moderate income?

MR. FLORES: Mr. Chair, that's based upon the current census number today. That is not based upon any surveys.

CHAIRMAN SULLIVAN: I understand. And typically, they do the surveys to up those numbers a little bit.

MR. FLORES: Correct.

CHAIRMAN SULLIVAN: But that's at least a guideline and my experience with the CDBG projects in the past is that addressing slum and blight is a pretty difficult condition to qualify under. I mean, well, you can say there's some trash out on the site and it doesn't look very nice, but it isn't slum and blight -- it's a pretty hard criterion to meet.

MR. FLORES: Mr. Chair, it's one of three that have to be met. Not all three have to be met. It's one of three. We posed that question to DFA when we received the rule. Basically, they're going to interpret that as if we have a vacant lot or a vacant piece of property that may have situations around it, trash or dilapidated buildings, etc. that by putting in a facility, a new building on a property that is vacant that can collect trash, it would help in the elimination or prevention of a blighted area because of the fact we have new going on it. That's how DFA is going to pose or evaluate that slum and blight issue.

CHAIRMAN SULLIVAN: So that if a property can't qualify under 51 percent low and moderate income, then it would need to qualify under the slum and blight or immediate threat to health and welfare. Is that correct?

MR. FLORES: That's correct, Mr. Chair.

CHAIRMAN SULLIVAN: So again, my experience has been that the majority of them qualify under the 51 percent rule.

MR. FLORES: Mr. Chair, if I may, Youth Shelters and Family Services qualified in the last round at a 68 percent low to moderate income level for that site. So I can tell you with the information that we have today, this is what the census tells us, but I can tell you with historical data from that survey that we completed in 2000, they were almost at 70

percent. I believe they will hold true with other areas once those surveys are completed.

CHAIRMAN SULLIVAN: Okay. And if they're not, then we have to, if we want to stay with that project, we've got to make a slum and blight finding. The threat to health and welfare is I think even more difficult. Okay, Commissioner Montoya.

COMMISSIONER MONTOYA: Tony, regarding the projects that you said are ready to go, those three, under the leveraging piece for Eldorado, could you explain each of those three in terms of where they are in terms of the leveraging?

MR. FLORES: Sure. Mr. Chair, Commissioner Montoya, the Eldorado Senior Center, based upon a project requirement, we currently have in the bank \$122,750 of hard dollars that would be leveraged for this project. For the Agua Fria Community Center we currently have in the bank \$143,000 of state monies for the project.

COMMISSIONER MONTOYA: Mr. Chair, Tony, before you go too quick, where are those monies from?

MR. FLORES: Through severance tax bonds, through the legislative process.

COMMISSIONER MONTOYA: So these were appropriations that came from legislators in those districts?

MR. FLORES: Yes. And then for the Youth Shelters and Family Services, we have \$100,000, a little more than \$100,000 in severance tax money and also the governor's economy and tax relief program that we budgeted last month. In addition to that, we have used a very conservative number for in-kind or additional leveraging, which would be soft match. For this program we require 10 percent cash which would meet these numbers for these projects. But in addition to that, we would receive additional points at the state level if we leveraged additional match, in-kind services. We have given you a conservative number of about \$18,000 in staff time of soft match for each of these -- actually across the board for all these projects. So that's how that number was arrived at. That does not take into consideration property values or anything else. That's purely a conservative number that we used consistently across the board. So for each of those projects, that's where the dollars stand.

COMMISSIONER MONTOYA: Okay. And then regarding the funding that each of these have received, is there any -- I know Youth Shelters, I went to their opening recently, but is there anything on the ground in Eldorado or Agua Fria?

MR. FLORES: Mr. Chair, Commissioner Montoya, in what respect?

COMMISSIONER MONTOYA: Anything, I mean pipes, sewer, septic, water, existing building already?

MR. FLORES: Mr. Chair, Commissioner Montoya, for the Agua Fria Park, it's a combination of La Familia Medical Center is currently in there, the sewer line and the road. We have the fire station across the street which is on a well, a regional well. I shouldn't say regional well, a large well, and we have the ball fields and concession at Agua Fria Park which is the location of the Agua Fria Community Center.

COMMISSIONER MONTOYA: And they'd hook into those --

MR. FLORES: We would look at all the utilities when we complete the analysis which is actually underway right now for the master plan of the park. For the Eldorado Senior

Center, there was a committee that looked at, I think it was 13 different sites or locations for the location of that. That was County staff, City staff and residents of Eldorado, senior residents out there. They narrowed that down to select the site where the Vista Grande public library is currently located, which is in our park. We currently have water, a well onsite, and utilities that go to the library. That was the reason, I believe that that site was selected is there was some existing infrastructure there that we could tie into basically for the senior center.

COMMISSIONER MONTOYA: And then regarding CDBG funds, and again, I know Youth Shelters has received money in the past, what about Eldorado and Agua Fria?

MR. FLORES: Mr. Chair, Commissioner Montoya, we went back and did a quick analysis. Neither of these areas have received CDBG funds with the exception of Agua Fria Park. La Familia Medical Center was built, a portion of that through CDBG funding, for that project specifically. Not for a community center or other type of project. As far as Eldorado, the library was actually built with severance tax bond funds through the legislature.

COMMISSIONER MONTOYA: Okay. All special appropriations?

MR. FLORES: Yes.

COMMISSIONER MONTOYA: Thank you, Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: Tony, of the money, are there land acquisition expenses on either one of the -- Eldorado or the Agua Fria?

MR. FLORES: Mr. Chair, Commissioner Duran, no, we own those parks. Those are County parks that we would be locating these facilities within.

COMMISSIONER DURAN: Does the Eldorado Senior Center fall into the moratorium issues at all?

MR. FLORES: Mr. Chair, we've kicked that around with Land Use and that is something that will have to be discussed if they're selected as a site. I can't answer that question today. I know there were some exemptions on that moratorium placed years ago. I can't tell you whether they fall within that or not.

COMMISSIONER DURAN: When we built the library, did that --

MR. FLORES: That did not fall within that moratorium. They were able to do that under the moratorium guidelines.

COMMISSIONER DURAN: That was my next question. They're not using Eldorado Utility.

MR. FLORES: We're on a private well.

COMMISSIONER DURAN: Okay. Thank you.

CHAIRMAN SULLIVAN: Other questions? How would you like to -- would you like a moment to go through these?

COMMISSIONER DURAN: I'd like to make a motion.

CHAIRMAN SULLIVAN: Go ahead, Commissioner Montoya.

COMMISSIONER MONTOYA: Mr. Chair, I was going to make a motion that we put forward the Agua Fria Community Center to be considered for CDBG funding.

COMMISSIONER DURAN: I second it.

CHAIRMAN SULLIVAN: Okay, motion and a second. Discussion? I guess I think we have a lot of good projects here. Personally, I feel the senior center would be a good one, mainly because of the 7,000 people in the area we haven't been serving and I don't know if you all saw this senior calendar. We've got five senior centers and they all seem to be in the north, in Chimayo and El Rancho and Rio en Medio and Santa Cruz. Four of them in the north. And of course we have one in Edgewood as well that's functioning. I just think there's a real need out there for that and there's been a lot of effort. So that's my feeling. But again, it's hard to make these kinds of choices when you're comparing apples and oranges.

COMMISSIONER DURAN: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: I agree with you that the senior center is needed, but if you recall, we're having issues, the senior centers in the city and the county are having difficulty funding their programs and Gerald has been in negotiations with the City over that issue and how we're not contributing as much to the senior centers as the City would like for us to and based on our budget constraints I don't know if we're going to be able to find the money to fund another one. We can build one but then we have the issues of funding it and keeping the program going. I think the Agua Fria Community Center is needed in the area. They've been meeting in the fire station for the last four or five years and it would be nice for them to have their own building, their own community building. I appreciate Commissioner Montoya making that motion.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: I'd like to make a comment and maybe ask for a little discussion on the Youth Shelters option. To me that's really critical as far as community need. We have phase 1. Phase 2 is needed and it serves a very direct public health concern that we've had over a number of years. We always talk about helping the youth and doing something about all these problems and I think going with number 5, Youth Shelters, really gives us that option. I agree, we need senior centers and community centers, but youth shelters and counseling, this to me is critical. It's an acute need and I'd like to hear from the other Commissioners on what they think about Youth Shelters. To me, it's the most important as far as a needed proposal.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya, then Commissioner Duran.

COMMISSIONER MONTOYA: On that point, I totally agree with Commissioner Campos in terms of the service that Youth Shelters is providing. I think it's a needed service that is very valuable for this whole area within the county. What I was looking at specific to the question that I was asking Mr. Flores was in terms of the allocations that have been made previously regarding CDBG funds and where they've gone, if any have gone into the Agua Fria Community Center or to the Eldorado Senior Center. And I think it's maybe a good practice in terms of attempting to distribute the funding as much as possible to different

organizations that haven't had the opportunity to apply for these funds and that was the reason that I suggested the Agua Fria Community Center. But I agree with you, Commissioner Campos, that certainly Youth Shelters is a needy project and I think they've got some good programs going in terms of fund raising that are pretty aggressive that they'll probably get where they need to get pretty quick, in terms of not necessarily needing the CDBG funding and I don't know about the Agua Fria Community Center. That's my thoughts, Mr. Chair.

CHAIRMAN SULLIVAN: Thank you, Commissioner. Commissioner Duran.

COMMISSIONER DURAN: I agree also with Commissioner Campos but I think that we need to distribute this funding for other programs that are needed out in the community. I don't know if you've been to the Youth and Family's facility at their new location but it's a wonderful building. It really provides some space for the growth that they've needed. And they still have a building on Airport Road that they could use at some point to generate revenue to help them promote their programs. So I don't think they are by any means in dire straits. I think their program is working. They're going to need a lot of help from the local legislators and I still believe that the Agua Fria Community Center is needed and I don't think we're sacrificing our youths' needs by giving them the grant.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Let me ask a question and then Commissioner Anaya. A comment was made about operations costs for a senior center, who would handle the operations costs for the Agua Fria Community Center?

MR. FLORES: Mr. Chair, the maintenance costs, as with any kind of facility are borne by the County.

CHAIRMAN SULLIVAN: And what about operations in terms of programs, utilities, insurance, that type of thing? Is that our cost as well?

MR. FLORES: That would be the County's responsibility.

CHAIRMAN SULLIVAN: Thank you. Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, all these projects are needed projects in the communities all over the county. And it would be nice if we could fund them all but we can't and it's a tough decision here today to just make one decision on one of these projects. But after going back eight years from now, we're talking about spreading the monies around the county. About eight years ago, I believe, the Boys and Girls Club in the northern part got the money. Then La Familia Medical Center in the Agua Fria area got the money. Then Hands Across Cultures in the northern part got the money. And then Youth Shelters, Phase 1 in Agua Fria got the money again. It seems like we're always concentrating up in the Santa Fe area or in the northern area. Not always, but for this money it seems like it has been. And nothing's gone to the southern part of Santa Fe County yet.

I know that we have -- the Boys and Girls Club is a youth facility. The teen center is a youth facility. The Youth Shelter is a youth facility. And the La Familia Medical Center is both youth and elderly. And I think that, two things. We need to concentrate on the elderly people, the seniors, and we need to concentrate on spreading the money to the southern part of Santa Fe County. And hopefully, eventually, get down to the deep southern part of Santa Fe County

where I'm from. But we're headed that direction, hopefully. So Mr. Chair, those are my comments.

CHAIRMAN SULLIVAN: Thank you, Commissioner. Other comments?
Commissioner Campos.

COMMISSIONER CAMPOS: Youth Shelters services the whole county. Everybody. It services youth in crisis. It's not just a fun place for kids to hang out. It's for kids in crisis. It serves everybody in the community. We need the counseling. We have some beds for kids that don't have any place to go. We could expand that service to treat children who need counseling. And that goes a long way in solving a lot of our social problems. To me that's critical. It's not entertainment. It's not socializing like a community center or senior center. They're all important but these are kids in crisis. That's why I think it's more important.

CHAIRMAN SULLIVAN: Thank you, Commissioner. Other comments, questions of staff? Commissioner Montoya.

COMMISSIONER MONTOYA: Commissioner Anaya, did you say that Youth Shelters have received twice?

COMMISSIONER ANAYA: No, just once.

COMMISSIONER MONTOYA: Just once. Oh, okay.

COMMISSIONER ANAYA: The new one. Phase 1.

COMMISSIONER MONTOYA: Phase 1. Okay.

COMMISSIONER ANAYA: And I believe that was CDBG.

MR. FLORES: Mr. Chair, Commissioner Anaya, a portion of that was CDBG, \$300,000.

CHAIRMAN SULLIVAN: Okay if there's no other discussion --

COMMISSIONER DURAN: I have one more, Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: What is the cost of -- if it went to the senior center or if it went to the Agua Fria or Youth Shelters, and let's say we only received \$300,000. Actually, haven't we only received \$300,000 the last three or four years?

MR. FLORES: Mr. Chair, in 2001 they changed the guidelines for the maximum funding. It's not \$500,000 and they changed the threshold requirements. So in the past, yes, \$300,000 was the amount that was received, maximum amount received. Since they changed the guidelines where we can only have one project open they have raised that to \$500,000.

COMMISSIONER DURAN: We never received more than \$300,000 though.

MR. FLORES: This will be the first application we present at this level.

COMMISSIONER DURAN: So if we were to receive \$300,000 or \$400,000, would that be enough to build the facilities that are proposed?

MR. FLORES: Mr. Chair, Commissioner Duran, yes.

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

CHAIRMAN SULLIVAN: Okay. Commissioner Anaya.

COMMISSIONER ANAYA: Tony, just to get the record clear, the projects that

we have on this list, the one that we pick and the ones that aren't going to be picked, we're going to be doing something about those. We're going to continue to look for funding and move these projects forward?

MR. FLORES: Mr. Chair, Commissioner Anaya, yes.

COMMISSIONER ANAYA: Thank you.

CHAIRMAN SULLIVAN: Okay. Seeing no other comments or questions, there's a motion that we designate the Agua Fria Community Center as the 2004 CDBG application.

The motion to nominate the Agua Fria Community Center for CDBG funding failed by a 2-3 voice vote with Commissioners Montoya and Duran voting in favor.

CHAIRMAN SULLIVAN: That motion is defeated. Is there another motion on the floor?

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya.

COMMISSIONER ANAYA: I move that we put the CDBG project for the Eldorado Senior Center and that would not only benefit the Eldorado residents, senior residents but it will benefit the surrounding people, the surrounding towns like the town of Glorieta, the town of Galisteo, the town of Lamy and kind of make it a regional senior center. I think that we need to pay attention to the seniors and I think it would be a good place. It's going to next to a school, which the seniors could help out there. I think it's a good, well thought out plan. That's my motion.

CHAIRMAN SULLIVAN: We have a motion. I would second the motion.

Discussion?

COMMISSIONER DURAN: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: I think it's important that this Commission is unified on whatever we decide to vote on. I think that to vote against this motion would portray those that voted against it in the wrong light. I think we're all in favor of senior centers and I think we tried to get the Agua Fria project out there but I do believe it's important that we're unified in this because they're all good projects. They're all worthy of being considered and being approved. That's all I want to say. Thank you.

CHAIRMAN SULLIVAN: Thank you, Commissioner.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Anaya and then Commissioner Montoya.

COMMISSIONER ANAYA: I completely agree with Commissioner Duran.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Mr. Chair, I completely agree with Commissioner Anaya and Duran and I also have some thoughts myself. I think the one thing

that we really need to look at though, Tony, and then it's going to relate to Susan also in terms of what are we looking at approximately in terms of operational costs that are going to be coming from the County's budget and how are we going to address those costs?

MR. FLORES: Mr. Chair, Commissioner Montoya, I think we struggle with that with any facility that we bring on line whether it's a senior center or coordinated health complex or anything else. I believe though that based upon our discussions with Rita Maes from Senior Services at the City of Santa Fe, a lot of it's going to depend on one, how big a building we're going to build and get for the buck, two, what that will allow us to do as far as the types of services we would be able to provide out there. And that will dictate whether they have meals five days a week or three days a week. Whether they're able to do meals on wheels out of that location. So I agree with you 100 percent that that is a contributing factor. I don't have that number for you know because we're not sure exactly what type of exact programs are going to be run out of that facility.

COMMISSIONER MONTOYA: Any idea what we're paying for some of these other senior centers?

MR. FLORES: As far as program costs, it varies. I know that the current situation in Eldorado, the one day meal a week, if I remember the last numbers, \$2,000 a month, around that. It's \$24,000 a year for program dollars, all the way up to El Rancho which gets five days a week and I believe that one had a total County contribution of close to \$60,000. Gerald?

MR. GONZALEZ: Those numbers are in the right ballpark.

COMMISSIONER MONTOYA: Okay. Again, I support this project as well. Senior centers are always something that's needed. I believe that we just need to be cognizant of the fact that we're going to be looking at additional costs and we need to start thinking about how we're going to cover those costs as we go through our budget process.

CHAIRMAN SULLIVAN: Commissioner Campos, then Commissioner Duran.

COMMISSIONER CAMPOS: Just my comment is the same. Youth Shelters, kids in crisis. That should be our priority. Senior centers are important. All these projects are important and they're all good projects, but we can't afford all of them. In years to come we're going to afford even fewer of them so the decision is going to be harder. So I think we need to put our money with the kids in crisis now.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: When this goes before DFA for their review, I can remember going to a CDBG grant meeting where they were very concerned about how the project was going to survive, how was it going to be funded and that was part of their consideration in granting the funds. So do you think that you'll have these answers in place by then?

MR. FLORES: Mr. Chair, Commissioner Duran, I believe that after we select a project and determine, one, the size that we're going to be able to get and two, what types of programs, whether it's a senior center or the community center. I think then yes, we'd be able to use historical data based upon other facilities of the same size and similar programs and

services that we would be able to have a number for that. The Youth Shelters program, there's no impact to our budget because it's a pass-through thing and other than that, they take care of the operations for their facility, as would something like the library.

COMMISSIONER DURAN: And the Agua Fria Center?

MR. FLORES: The Agua Fria Community Center would be our responsibility. That would be a County facility. It would not be turned over to the association. It would be maintained as a County facility. We'd be responsible for maintenance as well as utility costs.

COMMISSIONER DURAN: Okay. Thank you.

CHAIRMAN SULLIVAN: Other questions for staff or comments on the motion? If not, those in favor of the motion say "aye." Those opposed? Could we have a show of hands please. I heard, I thought, two or three ayes and two noes but I wasn't quite sure. Let me rephrase the question. The question was for approval of the Eldorado Senior Center as the first submittal.

The motion to nominate the Eldorado Senior Center for CDBG funding failed by a 2-2 voice vote with Commissioners Anaya and Sullivan voting in favor and Commissioners Duran and Campos voting against.

CHAIRMAN SULLIVAN: Let me make another suggestion. Let me make a motion, just for try out, that we designate a number one and a number two project, because in the event that something happens in the process, I think Tony would need direction for that. Let me just ask for some discussion on that. Does that seem reasonable or not. Does anybody have any thoughts on that?

COMMISSIONER DURAN: I think we should just pick one.

CHAIRMAN SULLIVAN: We'll need a second one.

COMMISSIONER CAMPOS: I think it would be a good idea to have a second one that could be ready if the first one isn't successful in the survey, even though I think Youth Shelters would clearly be successful in the survey, but if it's not, we can have a second option.

CHAIRMAN SULLIVAN: Well, my motion was going to be to do Eldorado first and Agua Fria second, in the event -- the chairman gets to make a motion once in a while. But I'll open the floor for a motion.

COMMISSIONER DURAN: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: I'd make a motion that we -- I'd like for the CDBG block grant money to go to the Agua Fria Community Center. I'd like to make that motion one more time.

CHAIRMAN SULLIVAN: I think we already heard that motion.

COMMISSIONER DURAN: I have the right to make that motion.

COMMISSIONER MONTOYA: Second.

CHAIRMAN SULLIVAN: Okay, we have another motion for the Agua Fria Community Center to be the 2004 Community Development Block Grant application.

COMMISSIONER DURAN: And I'd like to amend it, Mr. Chair.

CHAIRMAN SULLIVAN: And we have a second by Commissioner Montoya.

COMMISSIONER DURAN: The amendment would be to have the Eldorado as number two.

CHAIRMAN SULLIVAN: Okay, there's an amendment by the maker. Is the seconder --

COMMISSIONER MONTOYA: That's fine.

CHAIRMAN SULLIVAN: Discussion?

COMMISSIONER MONTOYA: Mr. Chair, I guess my only question is what type of burden is this going to put on staff?

COMMISSIONER DURAN: For what?

COMMISSIONER MONTOYA: If we're looking at a one and a two. Is this going to be something that you're going to have to do simultaneous?

CHAIRMAN SULLIVAN: Correct me if I'm wrong, Tony. Commissioner Campos just mentioned if it were the Eldorado you wouldn't need a survey there. So I think that's where the bulk of your time is in putting these together, isn't it? I'm just concerned that if for any reason one would fall by the wayside we'd have to reconvene and lose that time. If you don't get those in on time they're dead. That was my thinking on that whichever one was first. Other discussion on the motion? We have the Agua Fria Community Center as the recipient with Eldorado being the also-ran. Further discussion?

The motion to name the Agua Fria Community Center as the CDBG nominee, with the Eldorado Senior Center as the second passed by majority [3-2] voice vote, with Commissioners Sullivan and Campos voting against.

COMMISSIONER DURAN: Thank you, Tony. Good work. Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: I'd just like to say for those of you who didn't get the funding or didn't get selected, I think that now is the time to start working on your projects for next year.

V. Discussion of GRT Distribution

MR. GONZALEZ: Mr. Chair, members of the Commission, my suggestion was that perhaps we could run through this study session by beginning with taking a look at projected revenues, then discussing the GRT structure, then moving to funding options, discussing staff level proposals for projects, then funding for projects outside of the ordinary department endorsed projects, and then a discussion of Commission priorities which all of this would be headed towards which at the staff level we think is critical with where we move with GRT prioritization. I know there was a request to discuss both the RPA and the non-RPA side

of the GRT funding, so I have passed out a memorandum that kind of describes what the current structure is with respect to RPA, non-RPA and would be glad to review that when we get to the appropriate point if that seems like an okay way to proceed from the standpoint of the Commission.

If there's no objection then, I'll have Susan sort of do a review of what the projected revenues would be that we'll be working with with respect to GRT that provides the base for whatever we do and the direction that the Commission will provide.

SUSAN LUCERO (Finance Director): In terms of what funding is available in terms of capital outlay GRT, we're presenting here a picture that show you by ordinance, as required by the ordinance, the total revenue projected for this year is just under \$8 million. And by ordinance, 75 percent of that is dedicated to water -- water/wastewater. The other 15 percent is dedicated to open space, land acquisition, and the remaining 10 percent is dedicated to roads and "other" -- other meaning the same purposes and other purposes as allowed by law.

The ordinance further dictates a split-out between regional and county, so that you can see the same pie above split exactly in half to the resources of water, open space, roads and others. You will see on the county's side that thus far, the only area of realized expenditure has been in the road category, where of the total \$194,750 budgeted, we have spent \$185,513, with the remaining \$9,237 unexpended. This is the only use area that so far has brought very specific uses and projects for those purposes.

On the next slide --

COMMISSIONER DURAN: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: Do we ask questions when we're on that slide?

CHAIRMAN SULLIVAN: Let's go ahead and ask if it's about this slide.

COMMISSIONER DURAN: Okay. You split it up into two. Did you split up the 75 percent into two? I'm not sure how that split takes place.

MS. LUCERO: That split is exactly there as required by ordinance, where in terms of what was voted on by the voters, it was 75 percent to water and regional projects related to water, 25 percent to all other uses as allowed by law. But the ordinance itself dictates a further split-out.

COMMISSIONER DURAN: Half? 50-50? Half regional, half County?

MS. LUCERO: Right. Or it indicates at least, over the next ten years, at least 50 percent of the revenues will be used for regional project, the remaining 50 percent for non-regional.

COMMISSIONER DURAN: Okay, I knew that. I forgot.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTROYA: Mr. Chair, Susan, where is the money now in terms of the collection phase? And then, what has been collected, where is that?

MS. LUCERO: That is going to come on a further slide. We have that so you can see where we are dollar-wise. If you don't mind, we'll get to that.

CHAIRMAN SULLIVAN: Susan, I had a question still on this slide. You have

it broken down, roads, five percent and all others five percent in your pie at the top. Doesn't the ordinance say roads and other, ten percent?

MS. LUCERO: Yes it does. It should say roads and other.

CHAIRMAN SULLIVAN: So it's not limiting roads to five percent, or conversely, it's not limiting all other to five percent. It's really roads and other. It could all be buildings if that's what the Commission determined, or it could be all roads or it could be a combination. Chances are it will end up being a combination. But I just wanted to be sure that the Commission and everyone understood that that's not a five percent limitation on either.

MS. LUCERO: Yes, Commissioner Sullivan you're correct. The previous fiscal year the pattern had already started where we allowed, since there was no indication of what specific projects were to be used for roads or other. We just tried to be fair and split it in half. But you're right. The five percent is not restricted either way to roads or to others, but ten percent in total.

CHAIRMAN SULLIVAN: And nothing's been spent in the other category yet.

MS. LUCERO: That is correct.

CHAIRMAN SULLIVAN: So roads is the only category that there's been any expenditures as you indicated.

MS. LUCERO: Right.

CHAIRMAN SULLIVAN: Other questions on this first slide?

MS. LUCERO: Okay, we'll go to the third slide. Basically, what we want to accomplish is a capital program planning objective to facilitate advanced planning for capital projects and facilities. Currently, what is our process? Currently specific funding sources are appropriated for specific capital facilities and projects as identified during the annual budget process as well as throughout the year based on budget adjustment resolutions brought to the BCC and subject to BCC approval. So for example, this current fiscal year, in the three sources that you see there which are all bond proceeds from a '97 bond issue, we have \$900,000 appropriated of remaining cash for water right acquisition, the public safety revenue bond that was issued in '97 as well, we appropriated \$500,000 for building improvements, furniture acquisition as related to the Anacon Building, the coordinate health complex, etc.

We also, through the Board and through the budget process have appropriated \$3.67 million for the Public Works facility construction, based on the bond from 2001, as well as another \$2.5 for the fire training facility and other substations. Then we go into the capital outlay GRT, and I want to discuss what exactly can we use that money for so it's real clear to us.

CHAIRMAN SULLIVAN: Susan, I've got a question on this slide. On the GO bond 2001 sales, that was for \$8.5 million, was that allocated for just those two facilities or are we --

MS. LUCERO: Yes, it was. It was allocated specifically. \$4 million was allocated to fire equipment and station construction and I believe another \$4.5 to the Public Works facility.

CHAIRMAN SULLIVAN: And what's the current estimate for the Public

Works facility?

MS. LUCERO: Or maybe it was the other way around. I can't remember exactly. The current estimate for the Public Works facility, as I heard it two days ago, I believe was \$8 million. We're short.

CHAIRMAN SULLIVAN: Is there any way we can get it going? I don't know what the fire substation estimate is but if I add these two together it comes to about a little over \$6 million and if we have a bond issue for \$8.5, if we added \$2 million more to the Public Works facility would that get us at least a start at a facility?

MS. LUCERO: Well, I think there may be other alternatives that the Commission could entertain. We wouldn't want to change the dedication of that issue based upon how it was voted on by the public, etc. where so much was for fire substations, etc.

CHAIRMAN SULLIVAN: Excuse me, and you said it was \$4.5? Which one was the \$4.5 million?

MS. LUCERO: I can't remember whether it was the fire that was \$4.5 or Public Works.

CHAIRMAN SULLIVAN: I bet Stan can remember. I bet the \$4.5 was for the fire station.

STAN HOLDEN (Fire Chief): Mr. Chair, members of the Commission, actually it was a \$4.5 million general obligation bond and two million of that was for equipment, apparatus for the Fire Department, and the other \$2.5 million which she has allocated here is actually for construction of the training facility and also there was a half million in there originally for the Regional Emergency Communication Center equipment that was required in order to operate that center. That's where we started from.

CHAIRMAN SULLIVAN: Okay, so \$4.5 of the \$8.5 was for fire improvements but two million of it was equipment, in addition to the \$2.5 for the fire substation.

CHIEF HOLDEN: That's correct.

CHAIRMAN SULLIVAN: So it would eat up that remaining --

MS. LUCERO: Yes it has. The equipment has.

CHAIRMAN SULLIVAN: That's already been spent. Okay. So we can't wring any more water out of that \$8.5 million stone then.

MS. LUCERO: No.

CHAIRMAN SULLIVAN: Is what it appears. Okay. Thank you. On to what capital outlay dollar can be used for.

MS. LUCERO: Now, in terms of GRT from capital outlay, let's review what the dollars can be used for.

MR. GONZALEZ: And in addition, the specific language out of the statute is outlined at the bottom of page 1 and the top of page 2 of the memorandum that I passed out if you want to look at the actual language.

MS. LUCERO: Based on -- this is straight out of state statute. These are all the possible uses that this money can be used for for our County. Design, construction, acquisition,

improvement, renovation, rehabbing, equipping, furnishing public buildings or facilities. In addition, acquisition, construction, improvement of water/wastewater or solid waste systems or facilities. Design, construction acquisition, improvement or equipping of a County jail, juvenile detention facility or multi-purpose regional adult or juvenile detention facility. We may have to add on because so many of those folks anymore are ours. Also construction, reconstruction or improvement of roads, streets or bridges, including rights-of-way. If we want to get into the business of an airport facility, we can design, construct, improve or equip that as well. Acquisition of land for open space, public parks or public recreational facilities. And finally, we can also use the dollars for payment of gross receipts tax revenue bonds.

CHAIRMAN SULLIVAN: One question on that, Susan. I noticed in the statute, it says payment of gross receipts tax revenue bonds issued pursuant to Chapter 4, Article 62 NMSA 1978 for infrastructure purposes. So my question is, is the only think that we can bond, because we've gone back and forth about should we work on a cash basis for a while, should we jump in there and bond a bunch of these things and get more money up front and you've given us figures about how much we have to have in reserves, which is like about a third, I think.

MS. LUCERO: I think it's about ten percent.

CHAIRMAN SULLIVAN: Ten percent in reserve. Okay. And then of course, interest. You pay interest on it too. But does this mean that you can only bond infrastructure. I wouldn't consider a juvenile detention facility as infrastructure. Or I wouldn't consider a new County building infrastructure. Is that our reading?

MS. LUCERO: Well, when you read the state statute it goes into specific revenue bonds that are eligible, what items you can bond off of. For example, fire equipment is eligible. And infrastructure is considered building as well as roads and bridges, which is a typical kind of explanation of infrastructure. But in terms of what the state statute addresses, it does address buildings.

CHAIRMAN SULLIVAN: I understand that on a revenue bond, on a revenue bond statute, but in the statute that created the quarter percent gross receipts tax, I'm concerned about that clause that says we can bond infrastructure. Is there a definition, Steve, of infrastructure in the statute or anywhere?

MR. ROSS: I'd have to go get it to answer that question specifically. I think what this provision in intended to address is revenue generated from gross receipts tax to pay the annual payment on.

CHAIRMAN SULLIVAN: I understand and that's what the little slide here says, payment of revenue bonds. But that's not what the statute says. I consider infrastructure to be sewer and water and roads and drainage and those types of capital improvement things, most of which are covered here, street, wastewater, but where we have public buildings, I've never heard of a building called infrastructure. But you're saying under the revenue bond statute that infrastructure does include buildings.

MS. LUCERO: Yes.

CHAIRMAN SULLIVAN: So if you imputed that over to this gross receipts tax

then maybe you could say that that would also include buildings.

MS. LUCERO: Right. I believe you're referring to Chapter 4, Article 62 NMSA 1978. Was that the section that you just now quoted?

CHAIRMAN SULLIVAN: No, I was reading on the second page of Gerald's memo where he's reading subsection C of the statute that states what uses are allowed for the funding purposes. It's about a quarter of the way at the top of the page. It's section 7.

MS. LUCERO: Okay. Subsection C.

CHAIRMAN SULLIVAN: Parens 7. It's following down your slide. Your slide follows that. But the difference between the slide and this is just the word infrastructure.

MR. GONZALEZ: Steve went to look for it.

CHAIRMAN SULLIVAN: Okay. We'll get back to that issue. Question, Commissioner Duran.

COMMISSIONER DURAN: Is it possible, on the third bullet where it says design, construction, acquisition, improvement or equipping of a County jail, can we use these funds to supplement the financial drain that our existing facility has on our general fund?

MS. LUCERO: We could in terms of what you appropriate for capital, in terms of whether it's equipment for the building or actual improvement of the building. For example, this is a good example, this past year, or just recently in the last two months, the County built a second fence and that came directly from the enterprise fund, from the jail itself and was not anticipated. But that would be something that the capital outlay GRT, as far as the "other" category could accommodate to pay for that.

COMMISSIONER DURAN: What about staffing?

MS. LUCERO: No.

COMMISSIONER DURAN: So that's not --

MS. LUCERO: Operational costs cannot be covered with this type of GRT.

COMMISSIONER DURAN: Okay. So then my other question is can we just dump this whole quarter percent in our general fund?

CHAIRMAN SULLIVAN: I think you probably could, Commissioner, as long as you then allocated out of that general fund --

COMMISSIONER DURAN: Certain amounts.

CHAIRMAN SULLIVAN: Certain amounts. 75 percent for water and 15 percent for open space and so forth and so on. Would that be your --

MS. LUCERO: You're right. In terms of capital and equipping type infrastructure purposes.

COMMISSIONER DURAN: You would still have to be accountable for that seven million dollars, right?

MS. LUCERO: Absolutely.

COMMISSIONER DURAN: Unaccountability, I guess, doesn't work.

MS. LUCERO: Makes it murky.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Mr. Chair, as I read this then, under bullet 2,

that's -- because the other thing that we need to again be aware of is that my understanding now, as I learn more and more about this is that essentially the question was written according to what the law states. Is that correct, Gerald? The question that went out to the voters?

MR. GONZALEZ: The voter question used the language that appears in the statute but made an allocation. But the language was drawn from the statute. That's correct.

COMMISSIONER MONTOYA: Okay. So under the bullets that we have up there, 75 percent is for bullet 2, which is water, wastewater, etc. Ten percent is for construction, reconstruction, improvement, roads. Or actually, when you get down to the second to the last bullet, which is the acquisition for the open space, which is 15 percent, and then actually the ten percent is for roads and everything else in between so we could actually construct an airport facility if we wanted to, right? In terms of what that ten percent other -- is that correct?

MR. GONZALEZ: That's correct.

MS. LUCERO: That is correct. We have a slide on the actual ballot question and we could jump there.

COMMISSIONER MONTOYA: Okay. Before we go there, I just wanted to get some clarification also on construction, improvement of water -- we're talking about water systems there and I believe that, my understanding is that the acequias were included or should be included as part of a water system. Is that correct?

MS. LUCERO: It's my understanding in discussion with our auditing firm, since they're considered government entities that we can work with them in terms of providing funding for water and wastewater purposes through this GRT.

COMMISSIONER MONTOYA: Okay. Thank you.

COMMISSIONER DURAN: Mr. Chair, pertinent to this slide.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: The payment of gross receipts tax revenue bonds, we can use this revenue to pay for bonds that we might get based on this revenue?

MS. LUCERO: Right. For example, the two revenue bonds -- we actually have three. Fire has one, but the other two revenue bonds we have are the jail bond and also the Public Safety Complex bond.

COMMISSIONER DURAN: Oh, the jail bond is a revenue bond?

MS. LUCERO: Right. That's a revenue bond. Now that is pledged with dollars that actually go for care of prisoners. And the GRT is a back-up in the event that those dollars don't come through. Now, as far as the Public Safety Complex, that annual debt service is, I think, right around \$425,000 a year. That comes straight out of the general fund GRT right now. But this would be an appropriate use of that money.

COMMISSIONER DURAN: Let me tell you what I'm trying to get to here. I'm trying to find a way of diverting some of this money to the jail because we're paying for it out of general fund and it has prevented the County from growing and being able to provide services that the community needs because we're always feeding that thing. So if we could use some of this revenue and free up some general fund money, I think that should be something

we should at least consider and discuss. So what I hear you say is that we could possibly do that.

MS. LUCERO: Possibly, but I'd want to work with our legal section and with the trustee because there's very specific language in that bond document regarding the jail bond and how the debt service is to be paid and where it's supposed to flow from. Where it's dedicated source is from. So we'd need to research that but --

COMMISSIONER DURAN: Could you get back to me on that?

MS. LUCERO: That's something we can discuss but we need some time to research that.

MR. GONZALEZ: If I understood what you're suggesting, Commissioner is that perhaps we could take some of the GRT and use that to offset general fund expenses that we're currently making in order to cover some of the jail expenses. Did I hear that correctly?

COMMISSIONER DURAN: Right.

MR. GONZALEZ: And one possibility would be, because this does allow for equipping of jails, one possibility would be use some of that funding for some of that equipment that we've had to replace. We had, for example, had to replace food warmers and food trays, some of the kitchen equipment, similar kinds of expenditures. And then there's been some basic structural issues having to do with reinforcement, that sort of thing, and perhaps roofing would be another potential use that our current needs that we have for both the juvenile facility and the adult facility. I think that we would be able, if we applied it correctly to some of those funds to offset monies that we're currently diverting out of the general fund to cut some of those expenses.

COMMISSIONER DURAN: That would be good. My concern is that Commissioner Campos indicated to me yesterday that there might be a million dollar shortfall in the coming budget because of jail issues and I'm trying to anticipate that and come up with some ideas on how we might be able to deal with that. And I agreed with him when he told me yesterday that it would have a major impact on our ability to provide services and continue operating as we have, as we are operating now that we are going to have to find some ways of funding that shortfall.

CHAIRMAN SULLIVAN: Did we find out, Steve, what Chapter 4 is? What's Chapter 4, Article 62? I think that's pertinent to the question of Commissioner Duran. What could we pay -- according to the way I read this, we could pay for gross receipts tax bonds issued, that we've already issued, if they were issued for infrastructure purposes. Now, one of those bonds was a jail bond. So the question is back to my question, is the jail infrastructure?

MR. ROSS: There's no definition of infrastructure but I think it's probably broad enough, either in the revenue bond section or the gross receipts revenue tax section or the revenue bonds. There's no definition of infrastructure. But it seems to me infrastructure is probably broad enough to encompass buildings, in addition to things like pipelines, roads. I think it is.

CHAIRMAN SULLIVAN: So there might be that possibility.

MR. ROSS: It's not defined.

CHAIRMAN SULLIVAN: One thing I'm thinking just as an extension of that is that if there was some way to pay off the jail bonds with gross receipts tax bonds, new gross receipts tax bonds, because, my understanding is that the jail bonds are non-callable. So if we could get rid of that burden on our backs by refunding the whole issue and then pay for it under new gross receipts tax bonds, the Commission might have some more flexibility in how to deal with prison financing and with other entities and even someone that we might partner with on the prison the way we've been thinking about with the juvenile facility. Or selling it. Sell it to a private offeror.

MS. LUCERO: There's quite an intricate balance when you review potentially refunding of those jail bonds because those are non-callable. You're restricted in how you can consider any type of refinancing option if at all. But there are some options out there. I've started some discussions with a couple of investment firms but I still need to gather a lot of information. It is a risky process.

CHAIRMAN SULLIVAN: So I guess that what we're saying here is that there seems to be some flexibility. There's some possibilities we can explore regarding the jail.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: And I think that is correct, but I'd hate to put a damper on it. We're only talking about an additional \$100,000 at this point.

MS. LUCERO: You're right. You're right. That mortgage payment every year is about \$2 million on the jail with the debt service there. That's an annual number.

CHAIRMAN SULLIVAN: Two million. And where did the \$100,000 come from, Commissioner?

COMMISSIONER MONTOYA: That's the split from roads and others. It's actually about \$194,000 if we were to dedicate all of that other to the jail.

CHAIRMAN SULLIVAN: I see what you mean. Right.

COMMISSIONER MONTOYA: It's a help but I think there are going to be other others that we're going to talk about.

MS. LUCERO: A lot of others. There's also a County correctional GRT but I think the language is very specific where if you're a Class A county and you've issued a GOB to pay for at least half of your facility, then you're allowed to implement this GRT to pay for your debt service. And in this case we didn't issue a general obligation bond to build our jail; we issued a revenue bond. So there's different -- they way the statute is written it doesn't exactly mimic what we've done and I don't know if there's any chance to change legislation regarding that or not. But that's something we'd have to look into. But there is such a thing as a County correctional GRT. I think Dona Ana County is the only one that has that.

CHAIRMAN SULLIVAN: Let's go on to the other slide here. We need to press forward here.

MS. LUCERO: Paul, could you jump to slide 7 where we discuss the ballot issue because we just -- here, in reference to what Commissioner Montoya brought up is how the question was read on the ballot.

CHAIRMAN SULLIVAN: This is on page 4.

MS. LUCERO: How the voters approved it. 75 percent in total for water, wastewater, roads, streets, bridges, open space, public parks. The remaining 25 percent for all preceding purposes as well as public improvements as allowed by law.

CHAIRMAN SULLIVAN: Our ordinance, Susan, then further defines that 25 percent.

MS. LUCERO: Yes.

CHAIRMAN SULLIVAN: So what one could say, again, just as an option I would assume, is you could change the ordinance but you couldn't change the purpose that you listed on the ballot.

MS. LUCERO: Exactly.

CHAIRMAN SULLIVAN: So if you want to go back and say we don't want to do just ten percent on roads and other, we want to do 15 percent for roads and others, we would have to change the ordinance to do that.

MS. LUCERO: That's exactly right. Paul, can you go to the next slide? I realize I am going to be biting into other people's time and I don't want to do that. Here, based on how the question was voted and how it was dedicated, you see there, for example, in terms of the budget of this year, \$7.7 million, 75 percent is \$5.8 million and then the other 25 would be \$1.9. If based on just the question as approved by the voters, then in terms of the ordinance, that 75 percent to water is split between regional and County and so on and so forth. The open space is split between regional and County, etc. So it further dictates a further split-out.

Paul, could you go to slide 5, I think it is. So as you've already discussed, we have certain use limitations regarding the GRT, funding requirements as established by ordinance. We need to follow those. In order to further work on the regional portion, we need operating, maintenance and ownership agreements to be established that dictate who's responsible for what, who takes ownership of the capital project and who takes ownership of the operating and maintenance costs. The other issue as we were discussing and as Commissioner Duran brought up there are no funds available for operations through this GRT. And any additional capital projects as we approve them, we need to be concerned about a provision for operational costs as needed elsewhere in the budget.

So funding options, we basically have three. Pay as you go, based on appropriating the budget in terms of projected cash flow per project use area, and limit it to whatever we bring in each year. We can use it as a start-up pool for matching federal grants that come in or it's typically a 25 percent match minimum that you need to bring to the table, or for a collector of funds to use for an investment towards special improvement districts. Special improvement districts may be approved or brought forward we would use the funding to kick-start these types of project.

The other option then is bonding and bonding comes in when it's certainly a large-scale project that requires a lot of cash and long-term financing. And there you have two options, either general obligation where the debt is spread and shared over the entire tax assessment base. It's your cheapest form of long-term financing. It doesn't impact the County in terms of

requiring additional operational revenue. That debt service is spread over all tax payers across the entire county. The other option is the revenue bonds where the cost of the debt is pledged with funding from the revenue base, as in this case the GRT. Provides for long-term financing but you use that operational revenue then and it's dedicated towards debt service repayment, at least to some degree.

The very last slide here, Commissioner Montoya brought up the issue of what has been, what have we brought in thus far. This shows the cash flow and available cash balances as of November 18th, today. We split it between County and regional, the County being the bar on the left and regional being the bar on the right. And thus far we've brought in, as you can see, probably a little over \$3 million in terms of cash flow. Last fiscal year we were down by about 16 percent. The collections were lower. We're also seeing that the trend of County capital or County GRT, and this is a County increment here, that the growth every year is only about 1.25 percent. We're not seeing anything more than that. So you can consider that each year, if that increment typically brings in just under \$8 million, \$7.7, then maybe \$100,000 is the amount of growth that you'll see added to that each year.

So here we see of course the majority of the funding being dedicated towards water. Water expenditures to date have been only on the County side, a little over \$300,000, and road expenditures to date, we have maximized the amount budgeted there, so the road portion seems to drop down a little bit because we've actually already funded basecourse and we've funded new roads prior to the cash actually coming in. But we anticipate it will be here throughout the year. But it's based on budget. So cash flow wise, that's where we are right now.

CHAIRMAN SULLIVAN: Susan, question on open space, the bar shows, shade bar is down below the unshaded bar. Does that mean we've made regional expenditures for open space?

MS. LUCERO: No. What it means is last year the agreement was that 50 percent of the entire GRT would go towards water projects, so that's why you see on the water side of the bar on the right, the regional bar is higher and when you compare that to the open space side, the open space portion is lower since the 50 percent from last year all went to water rather than it being spread between open space, road and other.

CHAIRMAN SULLIVAN: Oh, that's right. Just on the regional half it went that way.

MS. LUCERO: Right.

CHAIRMAN SULLIVAN: Our County side, so to speak is still the 75/15/10.

MS. LUCERO: Right. Yes.

CHAIRMAN SULLIVAN: So this shows us as it says the available balance is because of those allocations. And nothing in the regional side has been expended yet.

MS. LUCERO: That's correct.

CHAIRMAN SULLIVAN: Because we don't have any operating agreements.

MS. LUCERO: Right.

CHAIRMAN SULLIVAN: And with regard to water, we can point out that part of the water services agreement, also known as the wheeling agreement, includes, at least with

regard to the Buckman wells, that that document is in fact the operating agreement. If the City ever comes to agreement with it.

MS. LUCERO: Correct.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: Susan, getting back to my previous question then, where is this sitting now? Are we investing any of this? Are we seeing additional interest generated through this?

MS. LUCERO: What we do see, we see an increase in our overall cash available for investment. Right now, the investment rates are extremely low. The average over the last two months, I think we saw 1.4 in July, at state pool, 1.8. And that's where the majority of this funding is going. So the rates are extremely low and because of that we're not necessarily seeing an increase to our operational revenues as a result of this cash flow. I think as we get more educated on what our funding options are and what our investment portfolio can look like with this additional revenue that will change.

COMMISSIONER MONTOYA: How long do you think that will be before we can get that kind of --

MS. LUCERO: I'm actually collecting some of this data now as we speak and there are parties that are actually researching some of this information. The investment committee is trying to reconvene. We've been discussing off and on different options that have come up. Today for example, one came up. So I think within the next 60 days or less we can probably have a package that we could bring to you for some consideration.

COMMISSIONER MONTOYA: For my clarification, under the funding options on the bonding, the jail is currently funded through a revenue bond? Is that --

MS. LUCERO: The construction of it was a revenue bond. A 30 million dollar revenue bond issued in '97.

COMMISSIONER MONTOYA: And we're kind of stuck with that is my understanding.

MS. LUCERO: That bond was set up as a non-callable bond, which means it's not eligible for a straight refinancing as we've already done in one of our GO bonds for example, we did a straight refinancing. That rate is at six percent, which probably at the time was good, although I was told that if we had made it a callable bond, the difference would have been 6.2 versus 6 percent, which kind of floored me. So we do have -- we're strapped as far as what we can do. We do have some options but they are risky and we need to really research what's available to us.

There are -- I believe it's Bernalillo County that has gone through a similar revenue bond when they built their facility. Actually, the money that they used to build their current facility, the new one, was a similar bond constructed in a similar way as what we have now. So we can do some research with that entity and try to see how they worked around that because apparently they did refinance at least a portion of that, I was told. They had to go to the State Board of Finance to get that approved.

COMMISSIONER MONTOYA: So there's a potential --

MS. LUCERO: There's apparently some mechanism there available to us and we need to research how good or not that is. What the pros and cons are.

COMMISSIONER MONTOYA: Then, Mr. Chair, what you were suggesting then, in terms of the infrastructure, was it paying off some of that? I wasn't quite following.

CHAIRMAN SULLIVAN: In terms of the revenue bonds? I was just trying to get a clarification because if we were going to issue revenue bonds to for example, build the San Juan/Chama Diversion. Let's say we want to pay \$50 million for the San Juan/Chama Diversion and obviously, we're not going to have that much revenue so we have to issue revenue bonds. So the question is, is the San Juan/Chama Diversion infrastructure? And I would say as an engineer, yes it is. My usual understanding of infrastructure is things that are flat. Roads, streets, water line, sewer line, those type of things. When you get into buildings, people usually call those buildings.

COMMISSIONER MONTOYA: Not infrastructure?

CHAIRMAN SULLIVAN: Not infrastructure. Infrastructure is a support mechanism, like with power lines and gas lines and water lines and it's a support mechanism which is what the word means, to something else, i.e., a building facility. But if statute defines it differently, that's fine. We just need to know that for sure, because if we're going to issue revenue bonds at some point, whether it be now or five years from now, we need to be sure that we're issuing them for what the statute allows us to issue them for.

COMMISSIONER MONTOYA: Okay, and then, Mr. Chair, the other thing that I understand it may be going off the subject here but the ordinance that was passed by the Commission is the one that stipulated the 50 percent County, 50 percent RPA expenditures or allocations for expending. I guess my question would be is there a possibility to revisit that ordinance?

CHAIRMAN SULLIVAN: You want to respond, Gerald, to that?

MR. GONZALEZ: I think there's always the ability to revisit it. The question is, and it's probably more of a political question but maybe there's some legal ramifications as well. The ordinance was adopted just before, I think, the issue went to the voters. I don't know if that would prohibit the County from taking a look again at the ordinance and even changing it in the future. The political aspect of it, Steve can help me with this where he deems appropriate, the political aspect is that my understanding is the ordinance and the subsequent changes to the JPA, the RPA's JPA, were adopted in conjunction with sort of an understanding between the County Commission and the City Council as to how the money would be allocated. That's where the 75 percent 15, 10 and the 50 percent splits came from. Both of those operate independently, by the way, so 50 percent was to go to County projects, 50 percent to benefit the residents of the City. That doesn't mean that they have to be used within the city. I think that's the way it was interpreted here on the County side, but simply have to provide benefits to folks within the city.

I think the City sees that a little differently in terms of how they would read the language. I don't know of anything that would prevent the Commission from going back and revisiting

the ordinance but I'd have to defer to Steve on that standpoint.

COMMISSIONER MONTOYA: Mr. Chair, I guess I'm probably asking it more from a legal than a political standpoint.

MR. ROSS: Mr. Chair, Commissioner Montoya, in order to amend the ordinance, you'd have to amend the dedication, which would mean a new dedication, if there were a new dedication proposal you'd have to go back to the voters. But it could be done. It has been done in the past.

COMMISSIONER MONTOYA: Oh, so we'd have to go through another election in order to amend the ordinance?

MR. ROSS: To amend the original dedication, but it's possible.

CHAIRMAN SULLIVAN: But the original dedication didn't split it half to regional and half to County projects. The original dedication just split it 75 percent and 25 percent. So if you amended that, then you'd have to go back to the voters, am I right?

MR. ROSS: Anything that was voted on on the ballot. We're trying to get a hold of the ballot right now. Anything that was in that ballot that changes would have to be reapproved by the voters. But it can be done. It's not impossible.

COMMISSIONER MONTOYA: So maybe it wasn't an ordinance. Was it a resolution, Gerald, that passed? It was an ordinance?

COMMISSIONER DURAN: But I don't think the ordinance was passed until after the election. How could we have an ordinance without -- Am I wrong in what I heard? You said that it was approved prior to the voters approving it?

MR. ROSS: That's my general recollection.

COMMISSIONER DURAN: That we voted on the ordinance before the voters approved it.

CHAIRMAN SULLIVAN: I think it was a resolution. I think it was a resolution before the vote and then after the vote it was a resolution.

COMMISSIONER DURAN: Right. That's what I think too.

MR. ROSS: Mr. Chair, I think I can shed some light on it. You'd have to have a resolution calling for an election. The ordinance itself apparently was passed on the 26th day of March 2002. It was intended to become effective January 1st. You have to do the ordinance first and then you have the election on the ordinance. The tax only goes into effect if the voters approve the ordinance.

CHAIRMAN SULLIVAN: But we're talking about two different ordinances.

COMMISSIONER MONTOYA: There are two different ordinances?

COMMISSIONER DURAN: Yes.

CHAIRMAN SULLIVAN: There was one ordinance authorizing the bond issue and then a second ordinance, based upon a resolution, which I think we passed to mollify the City ahead of time.

COMMISSIONER DURAN: That was founded in regional issues.

CHAIRMAN SULLIVAN: Right. And then we defined that later with an ordinance. Because I can remember arguing ad infinitum over that ten percent and whether it

was going to five percent or ten percent and it eventually ended up being ten percent. And I think all of that was after the election. But we can check the dates.

COMMISSIONER DURAN: So we wouldn't have to go to the voters on the second one. We would on the first.

CHAIRMAN SULLIVAN: If you want to change anything on this first page here that say the proceeds will be used 75 percent for regional water resources, aquifers or 25 percent for all other improvements allowed by law. Those are our two categories that went to the voters. If you wanted to change that, my understanding is you'd have to go back to the voters. If you wanted to change the ordinance about the regionalism, you'd have to answer to the City, League of Women Voters and everyone else who is interested and felt that was a reasonable allocation of the gross receipts tax. I understand the City is thinking about doing a quarter percent gross receipts tax and I'm just hoping that they'll reciprocate and give us half of those.

COMMISSIONER DURAN: Karen Heldmeyer said she would.

CHAIRMAN SULLIVAN: And Karen Heldmeyer said she would. So we'll hold her to that.

COMMISSIONER DURAN: She did at a Regional -- in fact, I asked her. It's on record. It's in the minutes.

CHAIRMAN SULLIVAN: Commissioner Montoya, you still have the floor.

COMMISSIONER MONTOYA: Mr. Chair, I guess the reason I asked that question is because the more and more that I look into this whole situation especially on the water and wastewater issue, I think that we really need to start looking at what the needs are that we're going to have and whether or not this 50-50 split on that 75 percent is going to cut it in terms of what we need in terms of a regional water system. That's just my thinking on that. I think Gary and I had a pretty good discussion in terms of what we need to be looking at and the reciprocation that we're getting from the City has been pretty limited at best.

CHAIRMAN SULLIVAN: What a diplomat.

COMMISSIONER MONTOYA: Thank you. But that's the reason that I bring that question up is because I believe that we are, and I think Commissioner Campos has mentioned this in the past, we are a regional government and we need to think and act regionally, as opposed to just locally and that's what this pool of money is here in terms of what I see it's used for. That's the reason I asked the question and asked that it be placed on the agenda regarding the RPA GRT and the non-RPA GRT.

CHAIRMAN SULLIVAN: I think that's a good comment, Commissioner, and I think that we've got some latitude in there because reading that ordinance, it says it shall be used for joint regional projects that benefit residents within the incorporated boundaries of the city. And then we list a number of projects like the Buckman-Rio Grande Diversion project and so forth, aquifer recharge and all these types of things. Certainly a case could be made that aquifer recharge, for example, would benefit residents living within the city boundaries. It would also benefit us. And I see the RPA as the body to discuss this but ultimately, I think it's the County Commission's obligation to determine what are the regional projects that are going

to benefit residents within the city boundaries and outside the city boundaries. So I think we've got some flexibility there.

Now, as Gerald said, the City may not read it exactly that way.

COMMISSIONER DURAN: That's the way I read it.

COMMISSIONER CAMPOS: Mr. Chair.

CHAIRMAN SULLIVAN: Was there anything else, Commissioner Montoya?
Commissioner Campos.

COMMISSIONER CAMPOS: Going back to the time before we adopted this tax, I was there, I was one of the principal proponents. It was tough. We had to go out to the community and meet with a lot of the groups. And it was a compromise process, talking to a lot of the major groups in the community as to how we were going to do the split about the 50-50. At the time our assessment was that if we didn't do it this way we were likely not to get a positive vote on it. As it turned out, we crafted this document very carefully. Got just about everybody on board and it passed handily. If we had not done it this way we would have had a serious problem passing it. The City argument is We generate 75 percent of the GRT, so why should you be getting it? It was a tough situation. I think we made a real commitment to the community to use 75 percent to water and we still can. We have flexibility by using it within the metropolitan area. Just about any improvement to infrastructure benefits the citizens of the city. So I still think we have plenty of flexibility and I think if we thought about changing this in any way it would cause quite a political uproar.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: I agree with the Chairman. I think we have enough flexibility to pretty much make the decision as to whether or not we feel that the project that we're considering funding is based in regionalism and I think we have that flexibility. Without causing a ruckus because they would definitely.

COMMISSIONER MONTOYA: Okay, would you strike all of what I said about that from the record?

COMMISSIONER DURAN: I have one other question.

CHAIRMAN SULLIVAN: Commissioner Duran.

COMMISSIONER DURAN: Is it possible -- I've asked you this before, but I just want to make sure. The open space allocation, that can be used to maintain and manage our existing program in addition to acquiring new properties. Is that correct?

MS. LUCERO: Commissioner Duran, what it can be used for is managing in terms of improving our equipment, but again, not operational costs. As long as it's used for original set-up [inaudible]

COMMISSIONER DURAN: Did we ever hire that ranger, Ranger Doug? For the open space? We did?

CHAIRMAN SULLIVAN: There's a position called Ranger. Okay, we have a half hour left before the RPA meeting.

MS. LUCERO: That concludes my presentation.

CHAIRMAN SULLIVAN: Who else is scheduled to present here, Gerald?

MR. GONZALEZ: Well, we've covered funding options and we're going to talk a little about staff and department level priorities. Those priorities basically are contained in the ICIP listing of projects. The exception to that is water and wastewater projects. Those are not contained in the ICIP. That's a process we're working on. We did approach the ICIP listing this year by taking the approach that everything that we're going to do in terms of capital projects ought to appear on the ICIP list. So that's in process. We do have a list coming from Gary, what his water and wastewater projects are. We didn't include debt service payments as an option on there. And the potential consolidated County facility is not listed on the ICIP plan, but that -- it's on there? Okay.

So that's where staff came out with respect to our priorities. The questions that still remain are how do we deal with funding other priorities that are off the ICIP list. For example, the possibility of providing GRT support for acequias, community water systems, community wastewater systems and other community facilities and simply appear out of nowhere, when for example, we're in the middle of a legislative session.

And then the last piece, which I really wanted to get on the table was how do we accommodate, having already done our ICIP list, our prioritization and so forth, how do we accommodate Commission priorities with respect to the use of the GRT. Because to the extent that we start adding additional priorities or we start dealing with district by district kinds of projects, then we're taking away from what we've done by doing the entire ICIP planning process. That's sort of a compression of where I think we're at. So, Tony, any thoughts about the ICIP process?

CHAIRMAN SULLIVAN: While he's coming up, Gerald, the only comment I would have on that is that the only problem is that the ICIP is not prioritized.

MR. FLORES: It is, Mr. Chair.

CHAIRMAN SULLIVAN: I don't remember prioritizing it. I don't remember the Commission prioritizing it.

MR. FLORES: Mr. Chair, we authorized and prioritized the ICIP prior to the submission [inaudible] The ICIP plan itself was authorized by the Board on July 29 prior to the Commission actually prioritizing it.

CHAIRMAN SULLIVAN: What's the first project? What's number one?

MR. FLORES: For the facility projects, the Santa Fe Fair Grounds. For health projects, Santa Fe Coordinated Health Complex.

CHAIRMAN SULLIVAN: Right, but within all of those categories they're prioritized, but when you get down to the questions --

MR. FLORES: That may be true, but what I submitted to you in April, and again in July was that after we finished the first phase of the ICIP then we would come back and do a phase 2 funding strategy. The CDBG was a component of it today. So, yes, you're absolutely correct. I apologize. When it comes back down to the final prioritization of project it would be funding or seeking appropriations of funding for that we will come back as phase 2. That's what I submitted to the Board in April [inaudible]

CHAIRMAN SULLIVAN: I think logically, the taxpayers expect that a

reasonable portion of their taxes should go back to provide services to their communities. And while the Commission may change that and put more in one area and less in another, I think that we have to give some thought to equalizing to some extent funding over all of the five Commission districts. Not exactly dividing the pie into fifths but trying to look at all the needs that aren't necessarily the people who are at our Commission meetings and we're used to seeing or dealing with. I think that's where we've lost some of the focus in terms of who we're representing.

What would you propose, Gerald, to deal with Commission priorities? What mechanism?

MR. FLORES: Mr. Chair, what we've been trying to accomplish, the second part of the outlay which is this working document in progress, which is our capital outlay funding strategy. Which is really an offshoot of the ICIP. I think for the Commission district projects, those are going to happen on an ongoing basis because of issues that may come up in review. This plan is fluid. The ICIP in my vision anyway is to be used as the plan and adopt it purely to establish the framework or the groundwork or the foundation of what direction the County is going to go in as far as capital outlay. All the projects, not only facilities but equipment, etc., as we go through and the Commission identifies priorities or projects that we need to go after and look for funding, what we need to come back to you is to look at the plan again and make changes internally, set the bar up so the next time we submit the ICIP, which will be coming up again this spring, we can improve that.

So knowing that there's priorities from the Commission that comes up throughout the 12 months of the year prior to submission or in between submissions, I think we come back and we analyze the project, bring it back forward and use this document as it's intended to be, that is purely to plan our direction, at your direction, basically, of where we're headed. I think that's the way I would like to handle -- or at least my thoughts are on the Commission priorities, the Commission projects is let's address those. Let's see where they fall. But at the same time let's also be aware that if a priority changes there is a ripple effect to that because if we're expected to take the project to the legislature, for instance, for lobbying efforts and it doesn't exist on our ICIP, it may tie our hands in the ability then of getting that legislation passed or that appropriation passed. So we would have to look at that on a project or project or instance by instance basis.

CHAIRMAN SULLIVAN: Tony, let me ask a question. Aren't a lot of those projects under the "other" category. In going to each of these categories, we know we have water and we have a lot of money for open space, but if you look at even regional other, and certainly when we're doing a project that could have a regional component to it, just doesn't have to be located within the City of Santa Fe as we talked about before, according to Susan's chart, we only have \$389,500 for other projects and a similar amount for roads, some of which we've already used. So we have just a few hundred thousand dollars to apply to that whole book of ICIP projects.

MR. FLORES: Actually, Mr. Chair, you're correct. However, we set up the plan that we would take projects had existing funding. Projects that are on the books today, and

use those projects as a base for capital funding outlay funding strategy. Take those projects, secure funding to complete a project, and some of those projects even existed in the CDBG applications that were before you today, and get that project off the list. It was not the intent of that to use all of those funds for a project. It was to infill or complete a project, not to replace entire funding packets. So out of the \$73 million that exists in the ICIP in 2004, potential other projects total almost \$50 million.

CHAIRMAN SULLIVAN: So you had the answer before I even asked the question.

MR. FLORES: What we did then is tear down the 70 or so facility projects down to seven that we would actually lobby for or look for dollars in totality to complete a project. So we've narrowed the process even further of finding projects that have existing dollars in place through grants, loans, severance tax appropriations, etc. and use those as a benchmark for facilities to find other sources of revenue to complete and remove off the list.

CHAIRMAN SULLIVAN: Okay, we heard today the Commission focused on three projects for example, three facility projects, one of which is going out for CDBG funding. There were two other projects that were discussed at length. Could we take some money out of this other category and fund both of those projects?

MR. FLORES: Mr. Chair, I believe we can. I don't believe that we would get the entire project but we would get a portion of the project. Then we would find out what the funding shortfalls are then use our efforts for lobbying to take up the balance. So out of those projects for the funding that was approved today, these are the projects that were in facilities, less one now, because the Agua Fria Community Center was on this list. Youth Shelters is still on there as is the Eldorado Senior Center. Stanley Fairgrounds, the Coordinated Health Complex, the juvenile facility, Public Works Facility and Youth Shelters. Those are existing projects that we have dollars in place for now for continued development. These would be the ones that we would focus on for legislative appropriations, grants, potential GRT to be able to complete the project until it's off the list.

CHAIRMAN SULLIVAN: If we took that list and for the first four or five, or three or four, or whatever the Commission determines of that list, and allocate it out, not only the County money but the regional money, because I see these projects as being regional when you're looking at a number of these facilities, there's no restriction on having residents of Santa Fe using them as well as the county. Can we take the next step at least on the others and begin to look at where we could best leverage funds within the monies that we have here according to Susan's chart?

MR. FLORES: Mr. Chair, I believe that if we take the "other" category and determine a utilization both on roads and others, in other words, take a portion of that to use for the road projects, and then I don't know how we would split it up. It's just a thought.

CHAIRMAN SULLIVAN: Half and half for now. Just as a guideline.

MR. FLORES: I believe then yes, we could take that other category if we decide not to do anything with bonding or anything else, we could do these projects or allocate enough dollars for these projects and if they are not project ready they would be project ready

to be able to get to the next level. So the short answer is yes. The long answer may be a little bit more complicated.

MR. GONZALEZ: In a sense, we're sort of competing with ourselves, trying to figure out where to put the dollars. In the ICIP plan, it's given us sort of the first step as Tony indicated in terms of doing that, where we recognize also that the Commission has it's own priorities and may want to do some allocation of funding different than how the ICIP allocation is. And that's one of the reasons we want to have this discussion today to see what thoughts were on the part of the Commission. How do we approach that? Do we split the funding and say half of it goes to ICIP and the rest of it we figure out how to allocate to district by district on projects? And if we do that, how do we deal with long-term bonding for projects that we may not have the money for if we divide up the pie that way. So it's really trying to figure out how to take a piece of each of those slices in the pie and make sense out of where we direct the money. ICIP plan, Commissioner priorities and or long-term bonding.

CHAIRMAN SULLIVAN: Right. And I think that what I'm getting at is I'd like to see us get a few small projects out on the ground. Some roads, some buildings, some facilities, some services to the community so that they can tangibly see what their money has bought. One of the big justifications of the quarter percent was water. We were, we still are in the drought and that was a big justification. So we can't fritter it all away. But we don't have the demand for the money yet for the water. We don't even know how much the County's share is going to be in the San Juan/Chama Diversion or whatever water projects, or anything that comes from the Aamodt settlement, if we put money into that, which ultimately would benefit the City too, as it got into the city.

So that's off on the horizon and we've got -- we can't eat our seed corn there. But if we focus, even if we just focused on the \$389,500, or the other category, leaving the roads aside, saying, Okay, put roads for \$389,000, put other for \$389,000 and divvy that bucket up for this year and get something going that the public can utilize. We're still going to have to save the big chunk for the big expenditure which is the regional water component, however it eventually plays out here.

MR. FLORES: Mr. Chair, my professional recommendation is that would be the way to go to be able to take care of the current funding. That would allow us to move projects. That would allow us also the ability, when we go back and lobby for new projects in the session to show movement. One of the questions that we received over and over last year is why are you requesting funds if you have the GRT package and they don't know the split or the ordinance or resolution. So if you ask from a facility standpoint, I'd say I agree with that position.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN SULLIVAN: Commissioner Montoya.

COMMISSIONER MONTOYA: I guess one of the things that I would like to see and I don't know, it's been a while since I looked at the ICIP document. Does it have it broken out according to similar percentages in terms of water, wastewater, roads, open space. Is it broken up that way at all?

MR. FLORES: Mr. Chair, Commissioner Montoya, it's not broken up with the GRT in mind, with that split.

COMMISSIONER MONTOYA: Okay. So then is it broken up according to Commission district?

MR. FLORES: Mr. Chair, Commissioner Montoya, the priorities in the first phase of the ICIP were broken up by Commission district. So there was priority one for each of the Commission districts, two, three, four, and then down. The second part of it, which this document is the study for, is not broken down by Commission district. Rather it's broken down by projects that have existing funding in place that we need to complete and move off the books. So the original document, which is this one, was broken up that way. The second part of it was broken up on projects that have received funding from the legislature or some place else that need to be spent.

COMMISSIONER MONTOYA: Okay. So I guess I would like to see us, in terms of moving this forward, because we're certainly not going to have enough time today to discuss what needs to be done with this, but to move it to the next step, I would like to see that kind of a comparison in terms of what are the priorities by district. And I mean priorities in terms of -- it's good to see bricks and mortar going up if it's really something that's needed but we have guardrails that are down and haven't been up for years. Things that need to be repaired. That that be considered also in terms of priority. And I know it's not all project facilities and a lot of this is actually public works in terms of my comments here. And taking a look at what's out there.

Then I think the other thing I would like to see in terms of what Commissioner Sullivan mentioned is long term, before Gary leaves on December 31st I'd like to see a Utilities Department -- I'd just like to see kind of a long-term plan in terms of what is our projected role in terms of a regional water authority, so that we take a look at that, so that we'll know, long-term, what we need in terms of potential funding for that area as well. So it's kind of broken up according to the percentages that we have. And then open space. I'd like to know much open space is out there that we're going to continue to buy. Maybe we need to revisit at some point the 15 percent that we're looking at and no offence at all to Paul. I think he's doing a great job with that program, but how much do we want to get, how much do we want to maintain? It's all running into --

MR. FLORES: Mr. Chair, Commissioner Montoya, I can actually say that the open space portion of the GRT, both RPA's side and the County's side, I think Paul is doing an excellent job in outlining that without acquisition. We submitted to this Board when we took over the open space program that we would complete our open space acquisition, not only buying them but putting in the trails, putting in the signage, making them accessible to the public, those that are accessible, and leaving the ones that are in their natural state alone. I think that plan has been well thought out and rehashed. I think we went through seven or eight revisions. I think the open space part, we can take that out of the ICIP. It is included, by the way. Not by percentage, but all those projects are included in here as well and we can get that for you. But I think the GRT usage of the 15 percent, on both sides, I think we worked

extremely close with the City on the regional side and Paul did an excellent job on the County side. So I think that one is in good shape.

COMMISSIONER MONTOYA: So we could use it for trails?

MR. FLORES: For trail building, those type of issues. For capital improvements. Not for maintenance and not for staffing.

CHAIRMAN SULLIVAN: I agree, Commissioner Montoya. We could move the next step forward and get a breakdown. I'd like, as I said before, have the staff give us a breakdown of the roads, of the \$389,000 in roads. Just give a rough cut. Not down to the dollar, but that would in their judgement categorize as regional road projects. And \$398,500 of other projects, within priorities in each district. Looking, again, at funds that are already there. How can we leverage money? A wise investment decision type approach, and come back and say, Here's a first cut. We could put so much into the Stanley Fairground facility. It wouldn't be everything they needed but it would enable them to go out and get more funding from legislators from the southern part of the county. Ms. King.

MR. FLORES: Mr. Chair, that was the intent, to set this up as our lobbying strategy.

CHAIRMAN SULLIVAN: As our leveraging. And we could walk in, as you say, to the legislature, saying we've got x-dollars here committed for the Eldorado Senior Center. It's not \$500,000, but it's something. Can you finish it? And we've got xy-dollars for the Stanley 4-H facility. Can you finish it? Can you at least match us? How about that? Challenge grant.

MR. FLORES: That was the purpose of this strategy.

CHAIRMAN SULLIVAN: If we could Gerald, come back at our next meeting with that as a start, looking at two times \$389,000 and begin to get some direction to move. And remember, this is just one year's funding. If we argue over this too long we're going to have two years funding. So we're going to double. I think that's a good start. Commissioner Anaya, you've been kind of quiet down there. Any thoughts?

COMMISSIONER ANAYA: I completely agree with that. I think that's a good start.

CHAIRMAN SULLIVAN: Commissioner Campos.

COMMISSIONER CAMPOS: As I understand it, you're talking about Commissioner priorities, using the GRT money for that, defining projects and saying, Okay, these are our top Commissioner projects --

CHAIRMAN SULLIVAN: Road and other funds.

COMMISSIONER CAMPOS: Right. And then going to the legislature and saying, Hey, we've got these projects. We've got allocations from the County. Could you match us? That makes sense to me but we have to sit down as a group and prioritize. Like we did last time.

CHAIRMAN SULLIVAN: I want to start with the staff evaluations. I'd like to start with a staff amount assigned to these. As wild as it might be, as small as it might be. It might be \$5,000 here, it might be --

MR. FLORES: Mr. Chair, we're there as far as facilities. We're ready for that part. Let's just pull all the pieced together.

CHAIRMAN SULLIVAN: Okay. That could get us started. And then I think we could move to the next step which Commissioner Montoya brought up, which is we need a longer term strategy on water, and I think we already have the numbers on open space. We've pretty well shaved and honed and beat the open space to death with the City. But Paul, can we get those numbers into some dollar format that we can look at? Is that doable? Okay. He's shaking his head.

COMMISSIONER CAMPOS: Mr. Chair, the white elephant in the room is the jail. And it's sitting there but we're not talking about it and we're talking about money. If DOJ makes us spend another million dollars at the jail, where is it going to come from? We're just talking fantasy right now. We've got to have a contingency plan. If we get to the point where we're going to have to hire 30 or 40 more guards to run that operation, how are we going to do it? What contingency plans does our Manager have, our Finance Director? We're going to have to make some really tough decisions next year. It's going to be a very tough year. We talk about all this stuff, but the big issue we're not talking about.

CHAIRMAN SULLIVAN: Well, I think we can if we talk about these bond interest payments. Because in the utility category, for example, where we have 75 percent for water, and if interest and refunding is eligible, if we can refund some existing bonds with gross receipts tax money, then we have other general fund money, we've freed up other general fund money to use against the prison. So I'm thinking that that's another alternative that you should explore, Gerald.

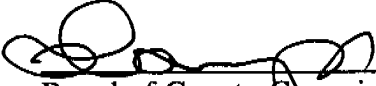
MR. GONZALEZ: And that can be part of our discussion. My thought is, and I wasn't sure how far down the road we were going to be able to get today, but the thought was to get together again before we hit the legislative session and refine the discussions we've had today. We've provided the base for it, now we can come back and do the numbers that you're talking about, and also, incorporating in that discussion some discussion of where we are in the jail, how we can handle that and what decisions are coming up down the road.

CHAIRMAN SULLIVAN: Okay, I think we need to wrap up here unless you have any other good news for us. We've got just ten minutes before the RPA starts.

ADJOURNMENT

Chairman Sullivan declared this meeting adjourned at approximately 4:20 p.m.

Approved by:




Board of County Commissioners
~~Jack Sullivan~~, Chairman
Paul Campos

Respectfully submitted:



Karen Farrell, Commission Reporter

ATTEST TO:



REBECCA BUSTAMANTE
SANTA FE COUNTY CLERK

