

Santa Fe County  
Budget Planning for FY 2010  
BCC Workshop, February 19, 2009



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**What's Good About the Budget**

**Property Taxes**

**GRT (so far)**

**What's Not Good About the Budget**

**Business Indicators for GRT in the Future**

**The Future of Corrections; Facilities for Youth and Adults**

**Can the County Support an Expanded Fire Department?**

**Who Will Support the Care Connection (Detox)?**

**FY 2010 General Fund Revenue and Expense**

**Using the Bank Account – Running on Cash**

**Reclaiming General Fund Cash – FY 2009 Midyear Hearings**

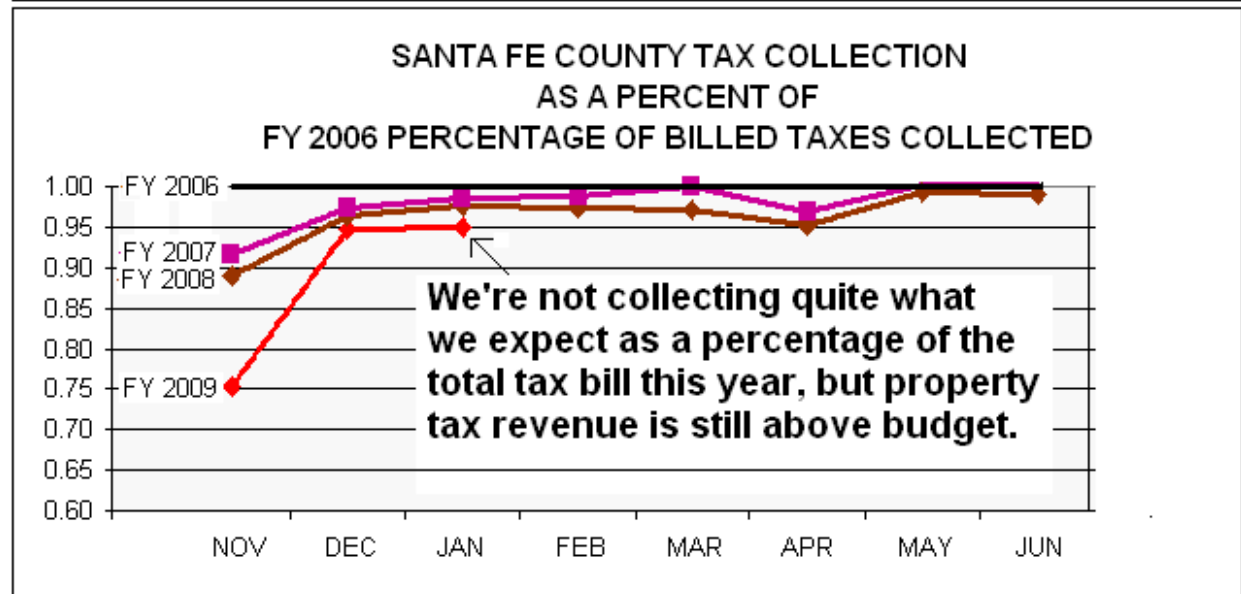
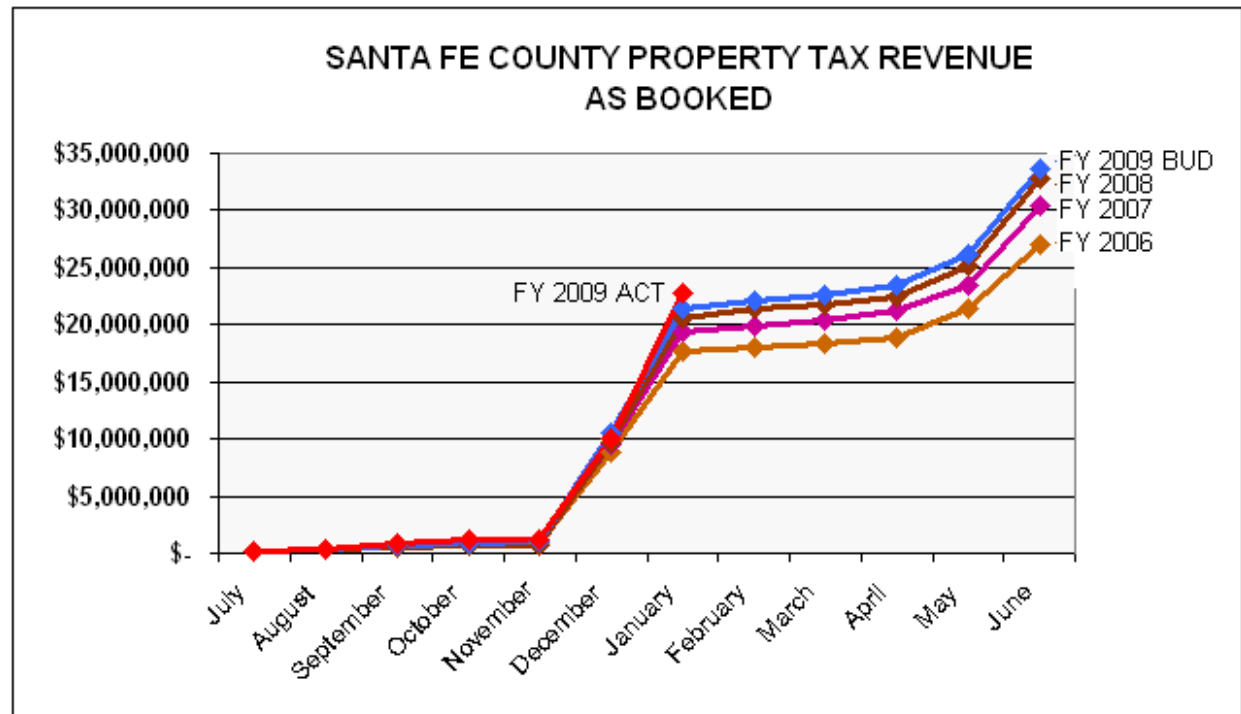
**Cash positions going into FY 2010**

**General Fund Services and Budget Cuts**

**Budget Process Calendar**

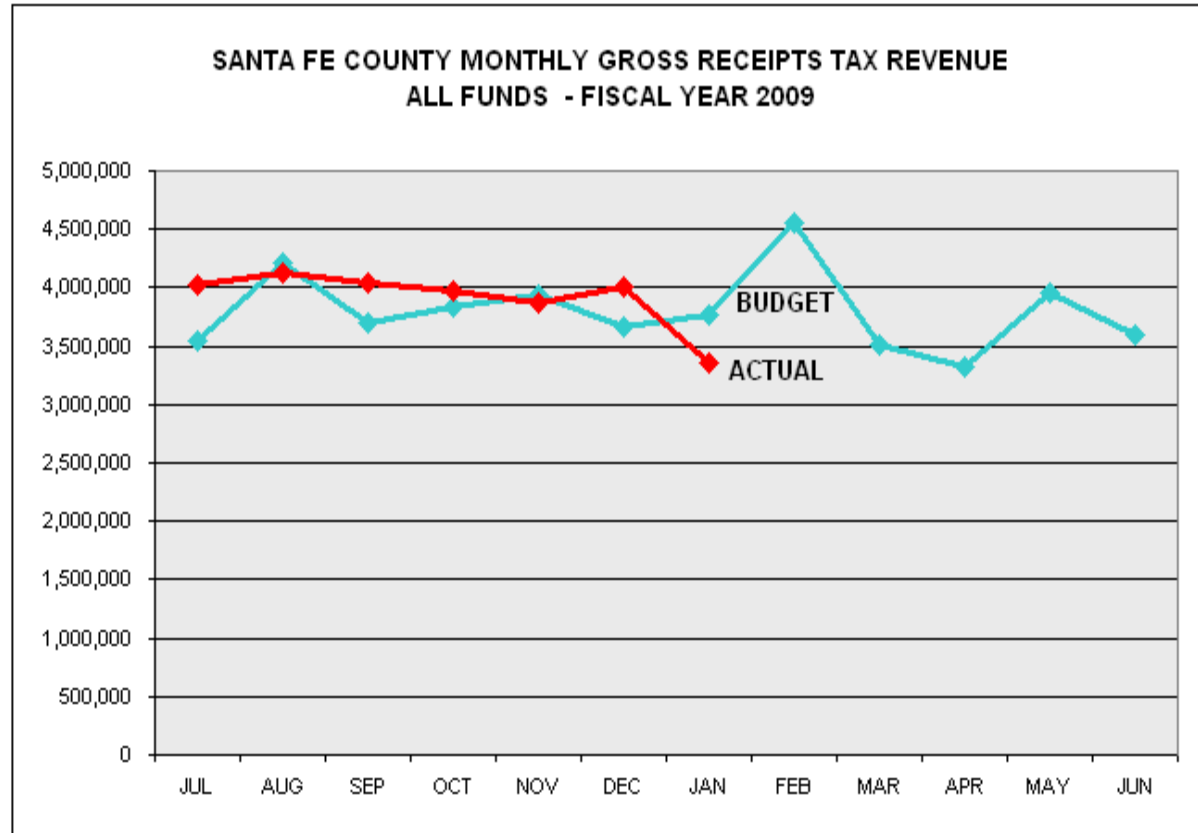
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WHAT'S GOOD  
 ABOUT THE BUDGET  
**PROPERTY  
 TAXES**



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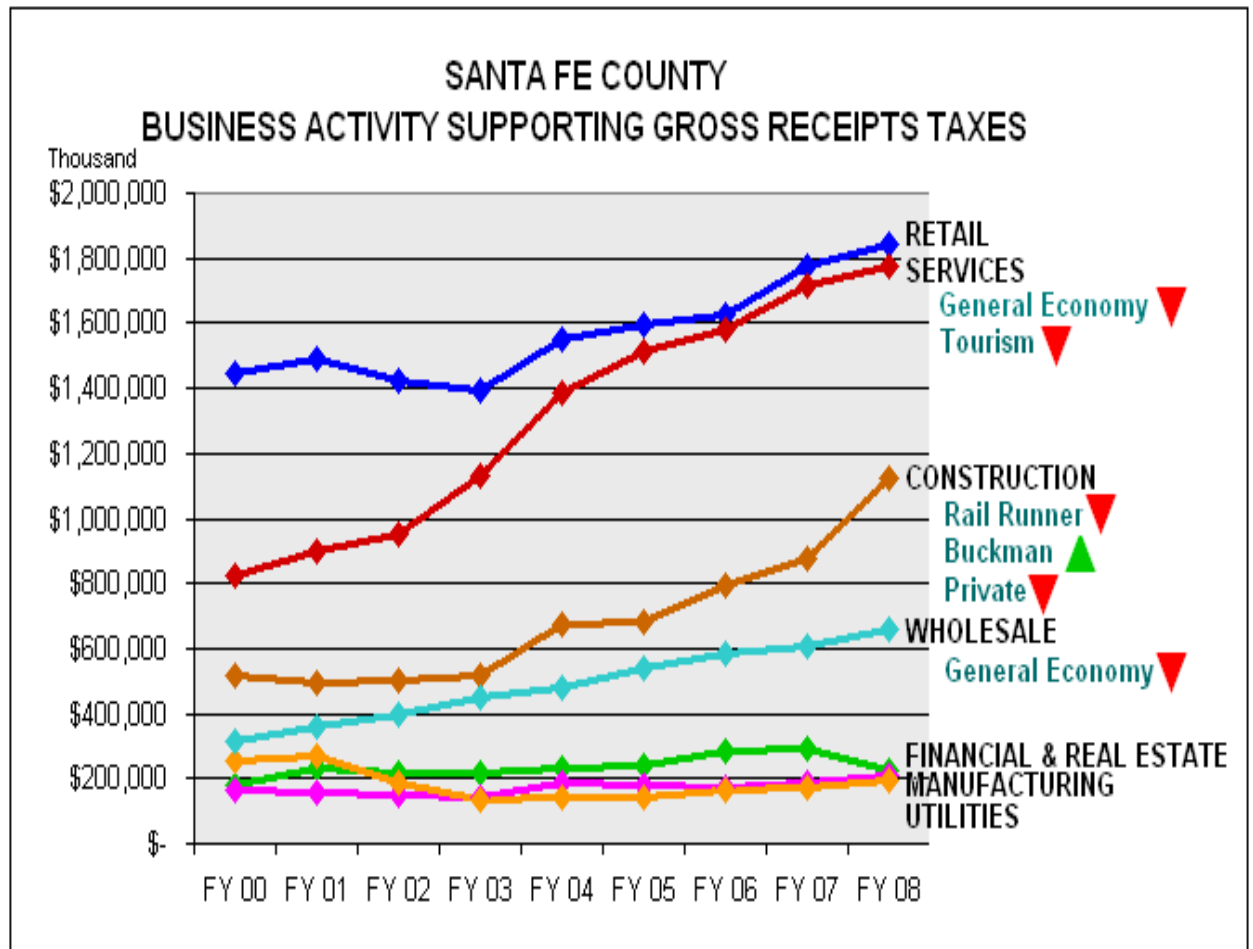
WHAT'S GOOD  
ABOUT THE BUDGET  
**GROSS  
RECEIPTS  
TAXES**  
(so far)



- ▶ The economy is down, but the Rail Runner project maintained GRT collections above budget in the first half of FY 2009. What about the second half?
- ▶ January GRT (November business) revenue was down 16% from the average of the first half of the fiscal year.

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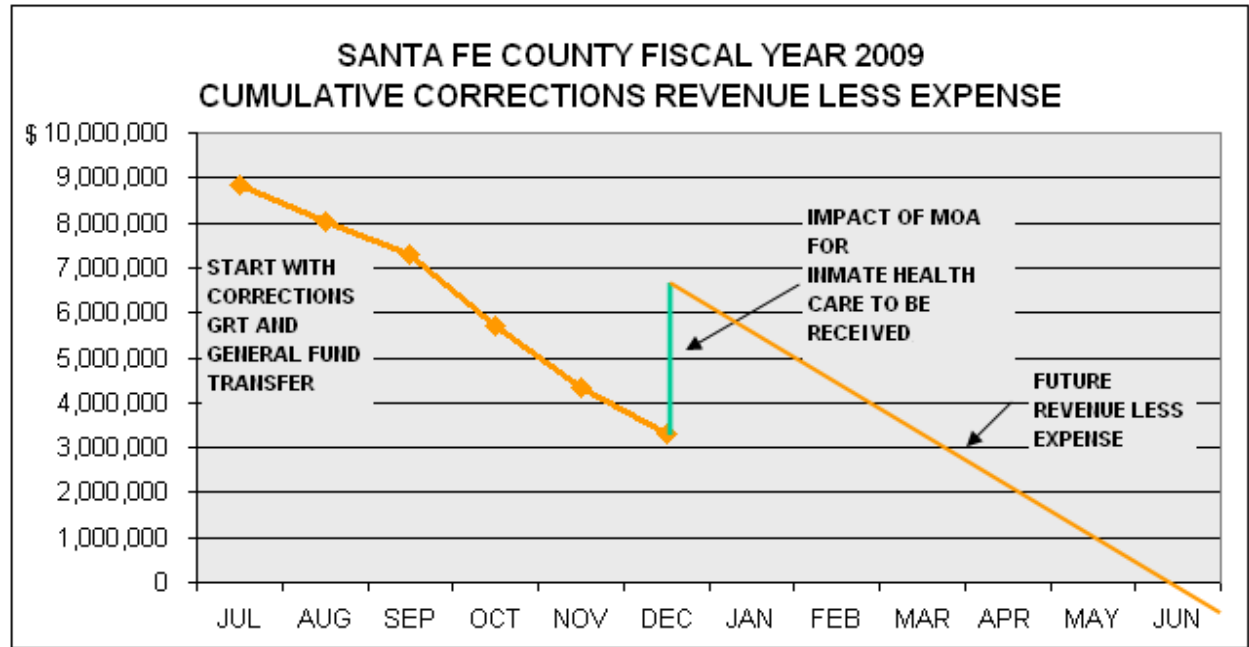
WHAT'S NOT GOOD  
 ABOUT THE BUDGET  
**BUSINESS  
 INDICATORS  
 FOR FUTURE  
 GRT**



- ▶ Without the Rail Runner Project, GRT should fall 10% in the remainder of FY 2009. The Fiscal Year GRT total should equal budget.
  - ▶ Continued recession points to a flat to 10% decrease in GRT in FY 2010.
- 5** Work on the Buckman Diversion Project may mitigate the impact.

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**WHAT'S NOT GOOD  
ABOUT THE BUDGET  
THE FUTURE  
OF  
CORRECTIONS**



| CORRECTIONS FY 2010 FORECAST |                |                |                       |  |
|------------------------------|----------------|----------------|-----------------------|--|
| FACILITY                     | REVENUE        | EXPENSE        | NOTES                 |  |
| ADF                          | \$ 3.0         | \$ 11.0        | CURRENT REVENUE       |  |
| YDP                          | \$ 1.0         | \$ 2.7         | TWICE CURRENT REV     |  |
| MEDICAL                      | \$ 3.4         | \$ 5.0         | MOA DOWN \$250K       |  |
| ALL OTHER                    | \$ 0.2         | \$ 1.9         | ADMIN, E-MONITORING   |  |
| GENERAL FUND                 | \$ 6.4         |                | SAME AS FY09          |  |
| CORRECTIONS GRT              | \$ 4.8         |                | 5% DECREASE           |  |
| <b>TOTAL</b>                 | <b>\$ 18.8</b> | <b>\$ 20.6</b> | <b>\$1.8M DEFICIT</b> |  |

▶ Additional non-County Inmate revenue would mitigate the deficit.

**6** ▶ The worst deficit is with the Youth Facility

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WHAT'S NOT GOOD  
 ABOUT THE BUDGET  
**CORRECTIONS**  
**DILEMMA –**  
**The Future of**  
**The Youth**  
**Facility and**  
**Continued**  
**Operations**

|                      |                   |
|----------------------|-------------------|
| FY 2009 REVENUE      | \$ 0.7 M          |
| FY 2009 EXPENSE      |                   |
| SALARY/BENEFIT       | \$ 1.4 M          |
| OTHER                | \$ 0.3 M          |
|                      | <hr/>             |
| <b>SHORTFALL</b>     | <b>(\$ 1.0 M)</b> |
| <b>AS OF 2/16/09</b> |                   |
| <hr/>                |                   |
| FY 2010 REVENUE      | \$ 1.0 M          |
| FY 2010 EXPENSE      | \$ 2.7 M          |
|                      | <hr/>             |
| <b>SHORTFALL</b>     | <b>(\$1.7 M)</b>  |

**OTHER OPTIONS**

PAY OTHER ENTITY

|              |          |
|--------------|----------|
| 2 JUVENILES  | \$ 135 K |
| 18 JUVENILES | \$ 1.0 M |

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## What to do about Juvenile Incarceration

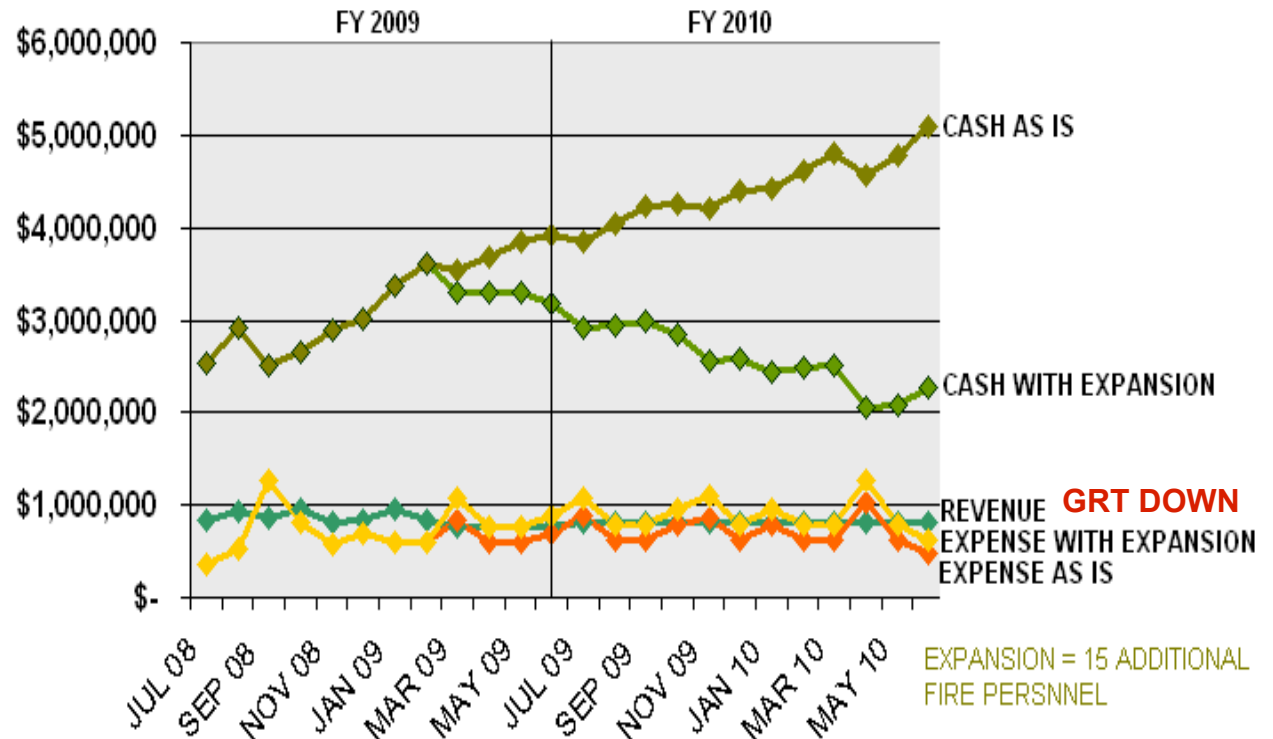
WHAT'S NOT GOOD  
ABOUT THE BUDGET  
**CORRECTIONS**  
**DILEMMA –**  
**The Future of**  
**The Youth**  
**Facility and**  
**Continued**  
**Operations**

|         |  |
|---------|--|
| 2/12/09 | Population 9 (2 SFC juveniles)   |
| Ongoing | Contact other facilities statewide to allocate beds to accommodate SFC juveniles                                   |
| 3/1/09  | Population must increase to 24 non-SFC juveniles to break even   |
| 4/1/09  | Negotiate contracts with other juvenile facilities for the care of Santa Fe County juveniles                       |
| 6/1/09  | <b>IF</b> population is still low, close the facility by 7/1/2009 and transition all juveniles to other facilities |



WHAT'S NOT GOOD  
 ABOUT THE BUDGET  
**CAN THE  
 COUNTY  
 CONTINUE TO  
 EXPAND THE  
 FIRE  
 DEPARTMENT?**

**SFC FIRE DEPARTMENT REVENUE AND EXPENSE  
 STAFF SCENARIOS FY 2009 - 2010**



**ASSUMPTIONS**

- ► “As Is” = No Cadet Class of 15 additional firemen
- ► Assumes continued \$688K of annual support to RECC
- ► Materials and Services expense @ \$110,000/month
- ► No Capital in this Budget, but Fund 222 has \$1.7M as of 7/1/09. **THE FIRE EXCISE TAX MUST BE REVIVED FOR CAPITAL SUPPORT TO AN EXPANDED FIRE DEPARTMENT**

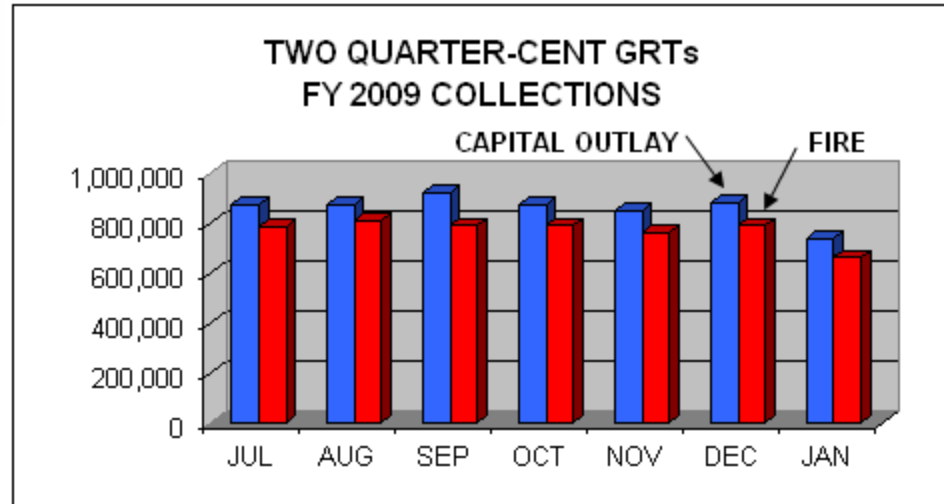
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## THE CASE OF THE MISSING GRT (\$1 million



# MYST ERY TIME



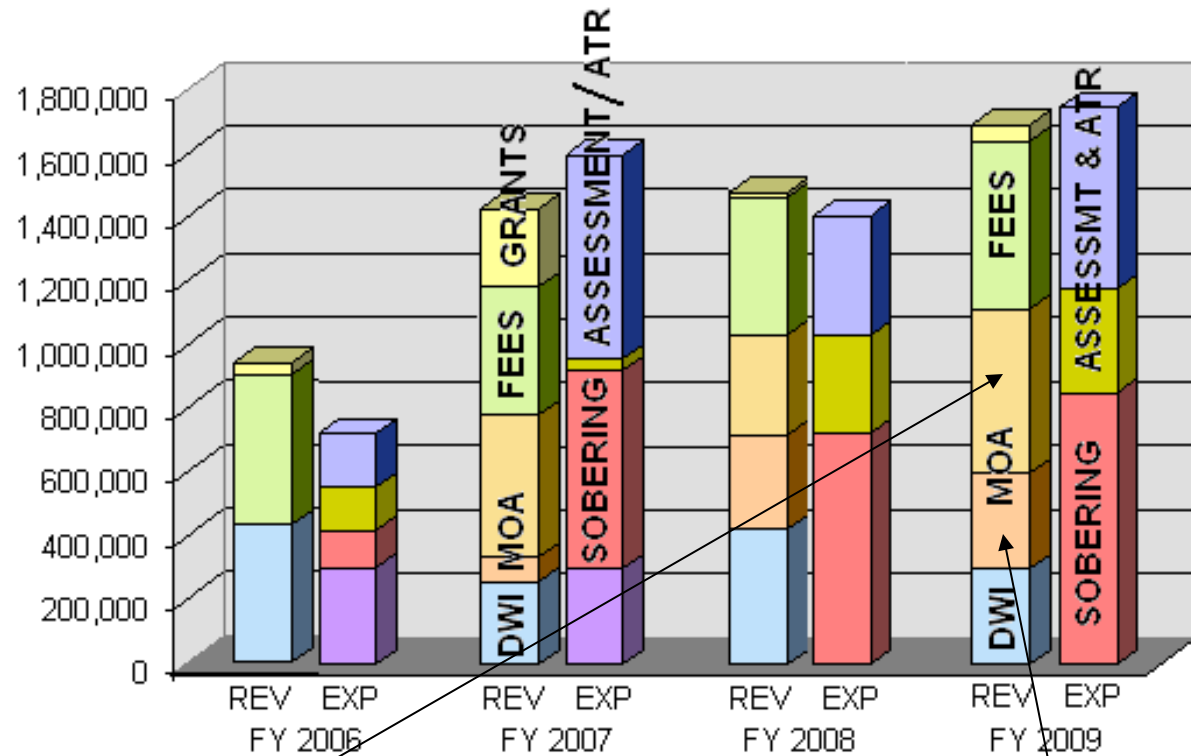
## THE GHOST IN THE GRT

**1/16 CENT HEALTH GRT ENACTED 1/1/2008  
TO PAY COUNTY SHARE OF MEDICAID**

- ▶ THE STATE TAKES IT DIRECTLY
- ▶ NEITHER TAXATION AND REVENUE NOR DEPARTMENT OF HEALTH WILL REVEAL ACTUAL AMOUNT COLLECTED, THOUGH IT IS A COUNTY GRT.

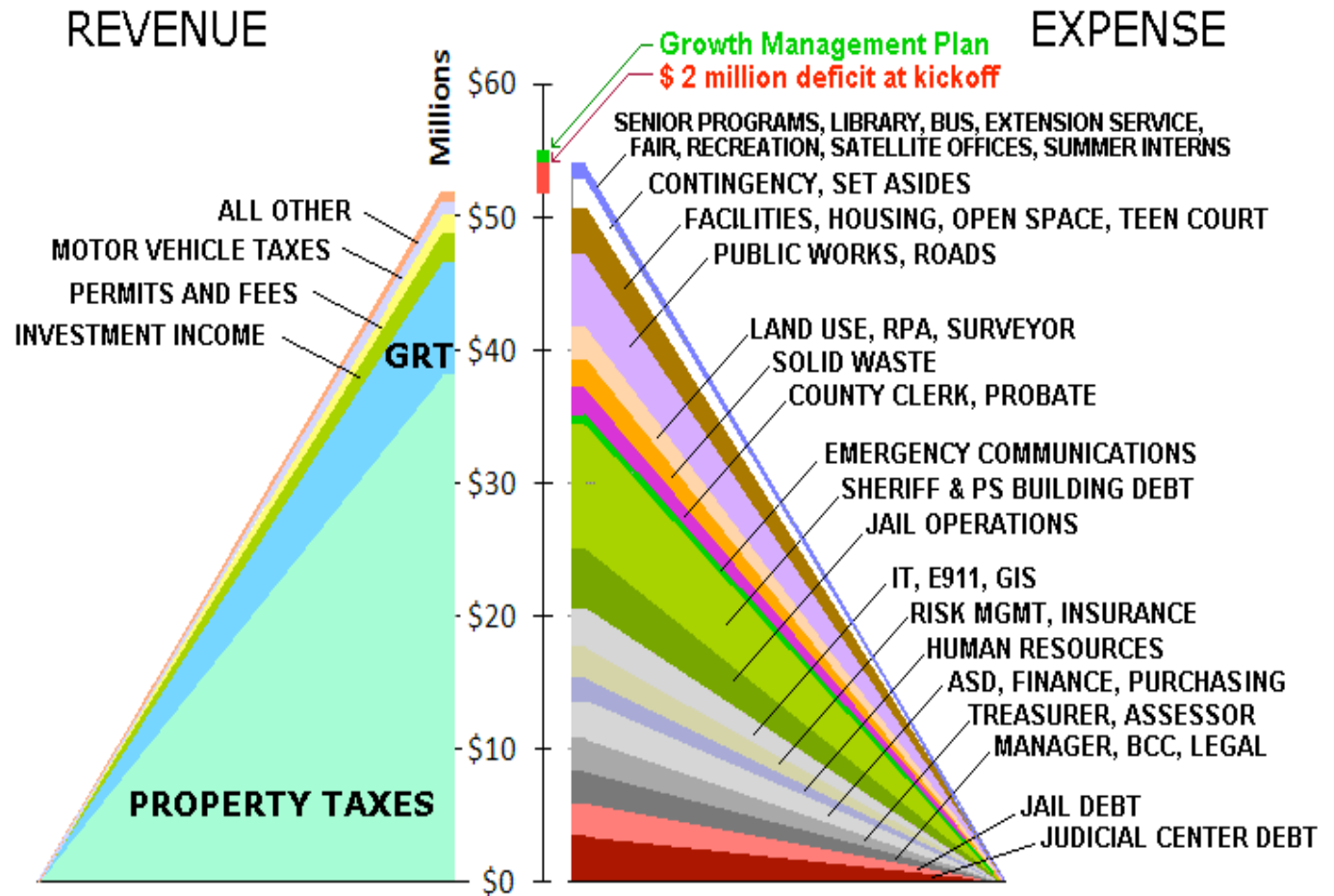
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WHAT'S NOT GOOD  
 ABOUT THE BUDGET  
**WHO WILL  
 SUPPORT THE  
 CARE  
 CONNECTION?**



- ▶ Latest MOA agreement supports Care Connection with \$300k current and \$558k carryover. Carryover will be exhausted in 2010.
- ▶ What funds the Sobering Program if MOA support goes away?

# General Fund FY 2010 Recurring Revenue and Expense

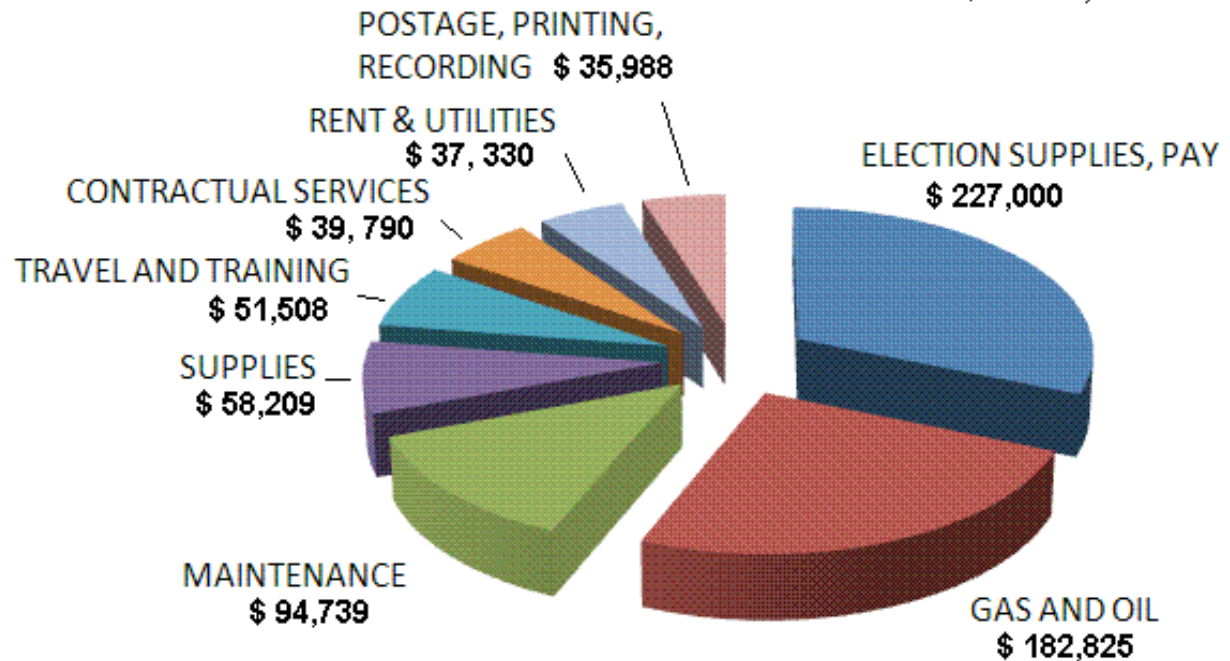


FY 2010  
 BUDGET  
 PREPARATION  
**POSITION**  
**AT**  
**OUTSET**  
**OF PROCESS**

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## FY 2009 GENERAL FUND MIDYEAR CUTS

\$ 727, 389



GENERATING  
GENERAL FUND  
CASH

## MIDYEAR BUDGET HEARINGS

► MIDYEAR BUDGET HEARINGS CONDUCTED IN  
THE LAST WEEK OF JANUARY, 2009

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| GENERAL FUND CASH                                    |  | BUDGET        | ACTUAL        |
|--|--|---------------|---------------|
| Cash - July 1, 2008                                  |  | \$ 38,961,297 | \$ 38,961,297 |
| FY 2009 BUDGET                                       |  |               |               |
|  | FY 2009 General Fund Reserve                                 | (14,942,508)  | (14,942,508)  |
|  | Capital Package  | (2,762,020)   | (2,762,020)   |
|  | Public Works Facility Fixtures & Equipment                   | (1,600,000)   | (1,600,000)   |
|  | Judicial Center Complex Project                              | (4,680,590)   | (4,680,590)   |
|  | Water rights set-aside                                       | (8,000,000)   | (4,000,000)   |
|  | Legal - Oil and Gas Issues                                   | (600,000)     | (600,000)     |
|  | Non-Departmental   | (300,000)     | (300,000)     |
|  | Departmental one-time expense                                | (40,192)      | (40,192)      |
|  | Transfer to Road Fund (Capital Purchases)                    | (549,800)     | (549,800)     |
|  | Cash Generated from lower than budgeted Salaries & Benefits  | -             | 2,000,000     |
|  | Cash Generated from lower than budgeted Materials & Services | -             | 10,000,000    |
|  | Cash Generated from Midyear Reviews                          | -             | 720,000       |
| Available Cash June 30, 2009                         |  | \$ 5,486,187  | \$ 9,486,187  |
| Available Cash July 1, 2009 (add reserve back in)    |  |               | \$ 24,428,695 |
| FY 2010 BUDGET                                       |  |               | BUDGET        |
|  | FY 2010 General Fund Reserve                                 |               | (16,000,000)  |
|  | Capital Package  |               | (2,500,000)   |
|  | Non-Departmental   |               | (300,000)     |
|  | Transfer to Road Fund (Capital Purchases )                   |               | (500,000)     |
|  | Subsidize \$2 million Deficit                                |               | (2,000,000)   |
| Available Cash June 30, 2010 (No special Set-asides) |  |               | \$ 3,128,695  |

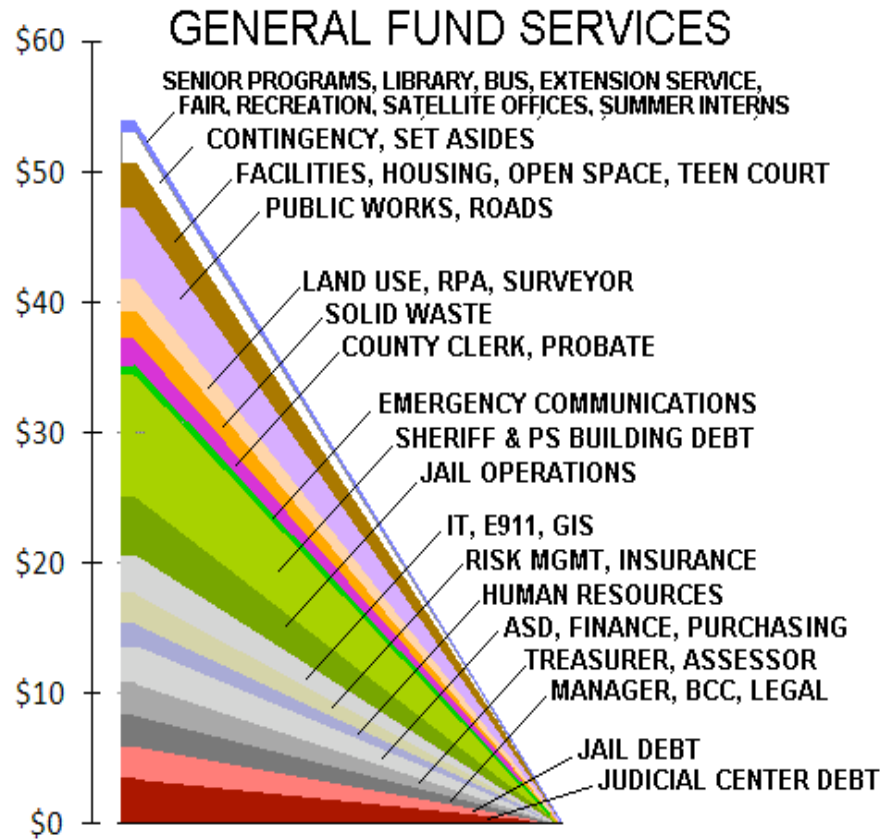
USING THE  
BANK ACCOUNT  
- RUNNING  
ON CASH  
AVAILABLE  
GENERAL  
FUND CASH



UTILIZING CASH TO FUND ONGOING  
OPERATIONS IS A POOR FINANCIAL PRACTICE

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DEVELOPING  
THE GENERAL  
FUND BUDGET  
**REDUCING  
SERVICES**  
(OR INCREASING  
REVENUES)

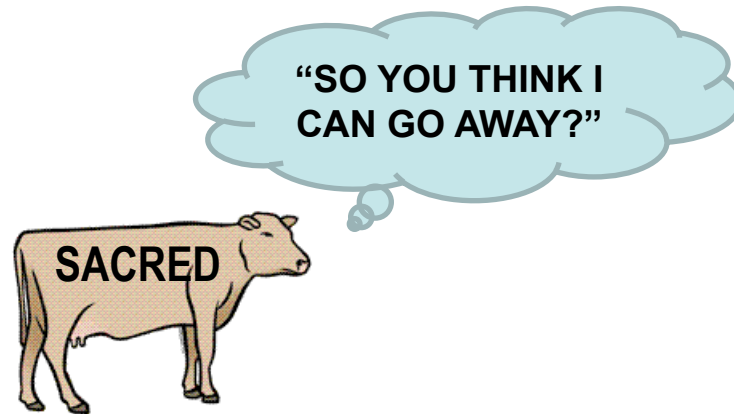


CAN GO AWAY

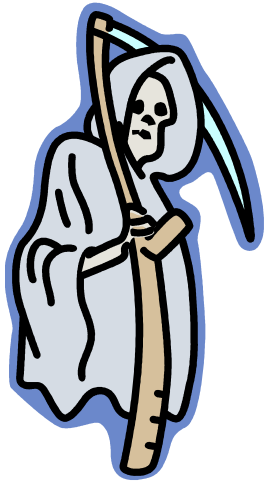
CAN BE  
SCALED  
DOWN

LOOK FOR  
INTERNAL  
ASPECTS  
THAT CAN BE  
SCALED BACK

CAN'T GO AWAY



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DEVELOPING  
THE GENERAL  
FUND BUDGET  
**CUTTING  
BUDGETS**

**SERVICES THAT COULD GO AWAY**

|                              |                     |
|------------------------------|---------------------|
| SENIOR PROGRAMS - GF SUPPORT | \$ 300,000          |
| LIBRARY SERVICES             | \$ 100,000          |
| BUS - TRANSPORTATION         | \$ 120,000          |
| RECREATION PROGRAMS          | \$ 180,000          |
| BOYS AND GIRLS CLUB          | \$ 75,000           |
| SATELLITE OFFICES            | \$ 70,000           |
| SUMMER INTERNS               | \$ 60,000           |
| EXTENSION SERVICE            | \$ 150,000          |
| COUNTY FAIR                  | \$ 60,000           |
| <b>SUBTOTAL</b>              | <b>\$ 1,115,000</b> |

**SERVICES THAT COULD BE SCALED DOWN**

**REDUCED DEMAND**

|  |
|--|
| LAND USE - PERMITS & DEVELOPMENT         |
| COUNTY CLERK - RECORDING                 |
| HUMAN RESOURCES (FEWER HIRES)            |
| CORRECTIONS - YOUTH DEVELOPMENT FACILITY |
| ELECTIONS (OFF-YEAR)                     |

**DEFERRED WORK**

|  |
|--|
| PUBLIC WORKS PROJECT DEVELOPMENT       |
| ROAD MAINTENANCE                       |
| CSD PROJECT DEVELOPMENT                |
| GROWTH MANAGEMENT PLAN                 |
| GIS INITIATIVES                        |
| E-911 (UTILIZE U.S. CENSUS)            |
| RPA                                    |
| SOLID WASTE TRANSFER STATION ADDITIONS |
| OPEN SPACE EXPANSION                   |

**INTERNAL ASPECTS OF NECESSARY SERVICES**

|  |
|--|
| COUNTYWIDE -EMPLOYEE TRAVEL AND TRAINING |
| HR -TUITION REIMBURSEMENTS               |





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DEVELOPING THE  
GENERAL FUND BUDGET

# THREATS

## Non-General Fund Operations that may require additional General Fund Support



YOUTH DEVELOPMENT FACILITY  
(UP TO \$3 M)



ADULT DETENTION FACILITY  
(UP TO \$2 M)



CARE CONNECTION - SOBERING  
(UP TO \$1 M)



FIRE EXPANSION AND RECC  
(UP TO \$1.5 M)



COUNTY OPERATION OF SENIOR  
SERVICES (UP TO \$0.5M)

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DEALING WITH  
THE BUDGET  
CRISIS

**NEXT  
STEPS FOR  
FY 2010**

## **SPEND WITHIN OUR MEANS\***

- ▶ AUDIT ROUTINE EXPENDITURES
  - \* Cell Phones and Landline Usage
  - \* Office and Janitorial Supplies
  - \* Publications, Travel and Memberships
- ▶ Manage Risks (insurance premiums and claims settlements)
- ▶ Implement purchasing practices that can reduce costs
- ▶ Improve billing and collections procedures


\* Focus Group Initiatives



DEALING WITH  
THE BUDGET  
CRISIS

**NEXT  
STEPS FOR  
FY 2010**

## IF INCREASES IN COSTS OUTPACE REVENUE GROWTH

- ▶ IMPLEMENT A HARD STAFFING FREEZE
- ▶ FREEZE OUT-OF-STATE TRAVEL
- ▶ CHANGE WORK SCHEDULES AND TIMES  
OPEN TO THE PUBLIC
  - \* 4 DAYS / WEEK AVAILABILITY
  - \* EMPLOYEE FURLOUGHS 1 DAY / MONTH
- ▶ ELIMINATE TAKE-HOME VEHICLES 
- ▶ MAINTAIN ESTABLISHED RESERVES
- ▶ FISCAL DISCUSSIONS SHOULD BEGIN WITH  
AVAILABLE REVENUE SOURCES RATHER  
THAN EXPENSES.

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DEALING WITH THE  
BUDGET CRISIS  
**REVENUE  
GENERATING  
SUB-COMMITTEE**

**20**

## ▶ **POTENTIAL REVENUES**

- ✓ GRANTS AND OTHER FUNDING (ECONOMIC STIMULUS)
- ✓ GENERAL FEES AND CHARGES
- ✓ SOLID WASTE FEES
- ✓ ROAD CUTS & PENALTIES
- ✓ WATER & WASTEWATER FEES
- ✓ COUNTYWIDE PRINTING/COPYING POLICY

## ▶ **ACTIONS TAKEN**

- ✓ IMPLEMENTED ENTERPRISE FUND REPORT CARD SCHEMATIC TO EVALUATE REVENUE ADEQUACY TO SUPPORT OPERATIONS.
- ✓ DESIGNATED A SANTA FE COUNTY GRANT SEEKER WHO WILL COORDINATE A SUB-COMMITTEE TO GO AFTER ALL AVAILABLE FUNDING.
- ✓ ONGOING MONTHLY MEETINGS AND MONITORING OF ACTUAL VS. BUDGETED REVENUE.

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DEALING WITH THE  
BUDGET CRISIS  
**REVENUE  
GENERATING  
SUB-COMMITTEE**

**21**

## **ACTION PLAN OVER NEXT SIX MONTHS**

▶ REVISE SOLID WASTE ORDINANCE FOR FEE STRUCTURE.

Will bring proposal to BCC March 10, 2009

▶ REVISE ROAD CUT FEES & PENALTIES  
(Ordinance 2003-1)

Will bring proposal to BCC April 14, 2009

▶ COUNTY-WIDE POLICY ON COPYING AND PRINTING

Will Bring to BCC in Resolution form on  
May 26, 2009

▶ WORK WITH ENTERPRISE FUNDS FOR SHORT AND LONG-TERM PLANNING OF SUSTAINABLE REVENUES

▶ CONTINUE WORK ON REVENUE-GENERATING INITIATIVES TO BRING TO BCC



DEALING WITH THE  
BUDGET CRISIS  
**COST SAVINGS &  
FEASIBILITY  
SUBCOMMITTEE**

## Purpose

- Evaluate all ideas generated by large focus group to determine cost savings and feasibility
- Differentiate ideas into 3 categories:
  - personnel focus
  - energy/supply efficiency focus
  - budget/purchasing focus
- Continue to evaluate new ideas and monitor existing ideas for further savings
- Make recommendations to the Implementation Subcommittee

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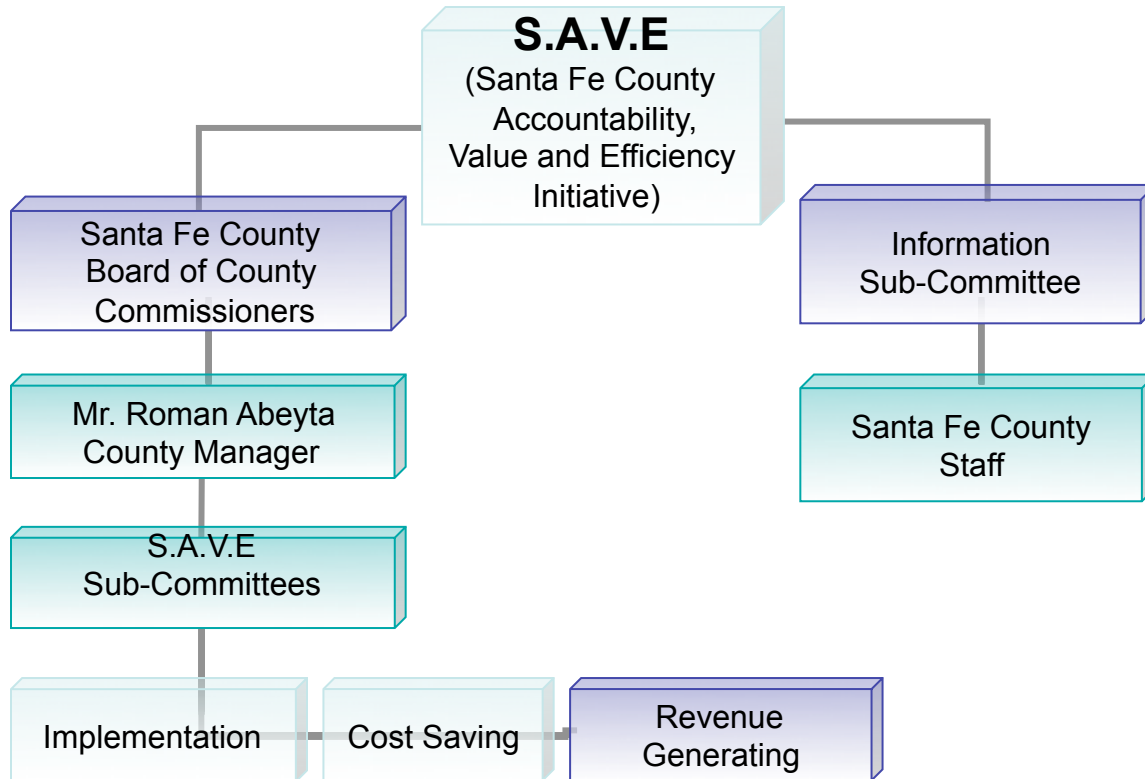
- Progress
- Identified and implemented many energy/ supply focus ideas effective December 2008
- Implemented some ideas under the budget/ supply focus

DEALING WITH THE  
BUDGET CRISIS  
**COST SAVINGS &  
FEASIBILITY  
SUBCOMMITTEE**

| <u>Reduction</u>                             | <u>Savings</u>  |
|--|---|
| supply budget                                | general fund \$58,209<br>jail fund \$37,000   |
| contractual services                         | general fund \$39,790<br>jail fund \$160,000  |
| additional take home vehicles                | to-date \$13,000  |
| closing prior year encumbrances              | general fund \$898,620 will revert back to cash<br>all other funds \$701,083 will revert back to cash |
| closing of the Adolescent Residential Center | \$450,800   |
| Merit Pool Money                             | \$200,000   |
| Advertising                                  | \$12,000 (HR only)  |
|  | <b>Total \$2,570,502</b>  |

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# S.A.V.E. INFORMATION SUB-COMMITTEE



## PURPOSE OF INFORMATION SUB-COMMITTEE

How does staff receive information?.....

- E-Mail
- Flyers – Placed in areas of view
- Flyers – Taken to staff without e-mail access
- Verbal communication



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**FY 2010  
BUDGET  
PROCESS  
CALENDAR**

- ▶ FEBRUARY 26      BUDGET PREPARATION  
KICKOFF
  
- ▶ MARCH 15      BUDGET REQUESTS  
DUE
  
- ▶ APRIL 8-15      BUDGET HEARINGS
  
- ▶ MAY 11      RECOMMENDED  
BUDGET –  
BCC HEARINGS
  
- ▶ MAY 26      INTERIM BUDGET  
APPROVED BY BCC
  
- ▶ JUNE 30      FINAL BUDGET  
APPROVED BY BCC

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FY 2009 AND 2010  
**FUTURE  
SCENARIOS AND  
RECOMMENDED  
REDUCTIONS**

**26**

**FY 2009** With mid-year reductions and expense/revenue variances the County should be able to complete this fiscal year without further reductions **pending no major drops in the gross receipt tax collection.**

**FY 2010** Currently facing a **\$2 M** deficit that will be addressed with recommendations from staff.

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**BCC Administrative Meetings**

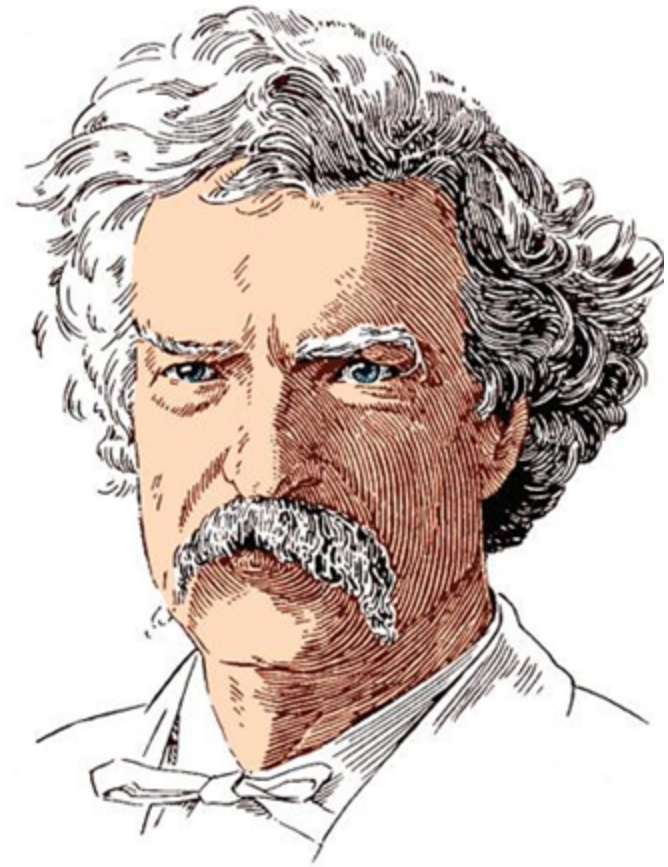
**MARCH** Present different financial scenarios with corresponding reductions.

**APRIL** Refine financial scenarios with final recommendations

**MAY** Budget approval with recommended reductions

*The perfection of wisdom and the end of true philosophy is to proportion our wants to our possessions, our ambitions to our capacities, we will then be a happy and virtuous people*

- quoted in *Our Famous Guest, Mark Twain in Vienna*, Dolmetsch



*Illustration of Mark Twain from the collection of Dave Thomson.*

