

Dear Santa Fe County residents,

I haven't had time to bring you up to date on many of the issues that have been on the County radar screen, but we have been discussing and making decisions on the budget for the next fiscal year. This is a very important snapshot of what is happening at the County. I firmly believe that the most important way to get a window on what the priorities are for a local government is to see what that government actually spends money on.

The Board of County Commissioners must submit an Interim Budget for Fiscal Year (FY) 2013 by June 1st to the Department of Finance and Administration (DFA). In order for the County to be able to process financial transactions as of July 1st, the DFA must approve the budget by that date. The BCC will vote on the FY 2013 Interim Budget at our next meeting, scheduled for May 29th. We will approve the final budget at our meeting on June 26th.

There is some good news. The operating budget for FY 2013 will increase by about \$2.5 million over FY 2012 (the "budget" is planned spending, as opposed to actual outlays at the end of the year). The reason for this is that the income to the County was actually \$2.5 million higher for last fiscal year than was budgeted. Our Finance Department staff believes that we can count on that extra amount this year as well; I want to emphasize that this is mostly due to healthier gross receipts tax collections than was expected last year. We have not raised any taxes -- neither the rate for property taxes nor the amount of gross receipts taxes. I will explain more below as to how we might spend that "extra" money.

## **PERFORMANCE-BASED BUDGETING**

The County has made a major change in the budgeting process this year. We have gone to what is termed "performance-based budgeting." The major principles of this type of budgeting are:

- relevance to the priorities of the government and the community,
- alignment of spending with priorities and desired results,
- decisions driven by timely and accurate data, and
- transformation of the management and policy-making processes toward more accountability.

The above does sound like a lot of buzzwords. I would summarize this budgeting process as "spending money on what the people in the community actually want."

The County will track the performance through quarterly reporting so that we can determine how well the County has succeeded in doing what it has set out to do.

## **PUBLIC PRIORITIES**

Just to give you some background, there was a survey done in 2010 that attempted to answer the question as to what the priorities of the citizens in our County are. The following areas came out as being high priority:

- 1) Roads
- 2) Education (improvement)
- 3) Public Safety (security and fire protection)
- 4) Lower Taxes
- 5) Water Conservation and Renewable Energy
- 6) Youth/Senior/Library Services
- 7) Economic Development

- 8) Mobile Health Van
- 9) Solid Waste Services

I have to admit I am not sure whether the above list is in order of priority, but all items were important to the people who live in the County.

### **COUNTY COMMISSION PRIORITIES**

The County Manager and staff from the Finance Department also met with all of the Commissioners to determine their priorities. These are as follows (again, not in any particular order):

- 1) Land Development Code rewrite
- 2) Employee Development (with respect to advancement)
- 3) Open Space Maintenance
- 4) Energy Efficiency/Renewable Energy
- 5) Economic Development
- 6) Road Improvement
- 7) Water/Wastewater Systems
- 8) Curbside Trash Pickup
- 9) Public Safety (adequate personnel)
- 10) Senior Services/Youth Programs
- 11) Better Health Insurance for Employees
- 12) Reduce Solid Waste Fees
- 13) Asset Management

Under the performance-based management system, each of the activities that money is spent for will be evaluated as to how it fits in with the priorities of the public and of the Commissioners.

### **COMPARISON OF BUDGETS**

The original FY 2012 budget for operating expenses in the County was \$131.3 million. The proposed budget requested by staff for this fiscal year (FY 2013) is \$133.8 million. (These numbers are rounded off.)

In carrying out the performance-based budgeting process this year, the departments throughout the County were asked as to what they felt that they needed to effectively carry out their duties. In addition, the Commissioners made requests for new initiatives.

In all, there were \$3.6 million in requests for extra operational needs, \$2.7 million for new full-time employees (FTEs), and \$1.25 million for unfreezing FTE positions. This adds up to around \$7.5 million in requests for roughly a \$2.5 million increase in the budget. In addition to this, the County Commissioners have requested roughly \$1.35 million for their new initiatives.

### **NEW SPENDING**

The Board of County Commissioners has not voted on this yet. However, here are the recommendations from the staff as far as new spending goes.

- Sheriff's Office (4 new patrol deputies, 2 new Court security, 1 new animal control officer) (\$274,830)
- Fire Department (new and unfrozen positions) (\$153,197)
- Unfreeze 5 positions in Roads Department (\$77,963)
- Additional road maintenance (\$300,000)
- Road striping compliance (\$30,000)
- Additional funding for open space, trails, and park maintenance (including extra staff) (\$100,210)

Senior Services (expand services and activities) (\$165,000)  
Employee development (\$205,848)  
Youth programs (extra funding above what is currently expended) (\$35,000)  
Library services (additional funding) (\$75,000)  
Mobile Health Van (new position and additional services) (\$63,633)  
Better health insurance benefits for staff (\$519,319)

There will be further discussion on the priorities and amounts allocated to each of the above areas. But I wanted to give you an idea of the types of services and positions that might (and probably will) receive extra funding this coming fiscal year. The total of the amounts for the above listed items is \$2 million.

There were other items that were requested by staff and that are important needs to fund. These support other functions performed by the County or they allow for the expansion of programs tied to the above citizen and BCC priorities. These were things like unfreezing positions and adding employees. Here is the list.

Unfreeze Senior Accountant position  
New utilities staff  
Clean energy programs  
New Courthouse custodial and maintenance staff  
New maintenance staff  
Unfreeze maintenance technician  
New indigent claims investigator  
Transition temporary to permanent employee in Housing Department

In addition, staff is recommending quite a few new positions for the Corrections Department. But the cost of these positions will eventually be offset by the care of prisoners revenue from the additional inmates that the County Adult Detention Facility is housing from other jurisdictions. (I will write more about this in future e-mails.)

The total cost of the above proposed recommendations (excluding additions to the Corrections Department) is \$342,650.

### **ONE-TIME REQUESTS FOR FUNDING FROM CASH RESERVES OF VARIOUS FUNDS**

Finally, there were a number of requests from the Commissioners and from the various County Departments for one-time outlays of funding for various new initiatives. The proposal is for the funding for these items to be from our cash reserves. These items are as follows:

Economic development initiatives (\$500,000)  
Energy efficiency initiatives (revolving loan fund) (\$500,000)  
Contract Attorneys (specialized legal services) (\$153,420)  
Employee one-time incentives (\$150,000)  
Emergency Medical Service data reporting software (\$129,677)  
Citizen survey (\$20,000)  
Rodeo de Santa Fe (\$19,000)  
Health Policy and Planning Commission plan (\$15,000)

The above one-time requests add up to around \$1.5 million.

### **SUMMARY**

I am pleased to report that our budget is improving. The income that the County is receiving has stabilized and might even be going up slightly. In addition, we are significantly improving the bottom line at our Corrections Department (the single biggest drain on the County's budget) by increasing our care-of-prisoner revenue.

Please let me know if you have any comments or suggestions or questions on the above priorities for spending. We are now at that critical moment of determining budget priorities, which ought to reflect the true bottom line of what the citizens in our County believe is important. I am also fairly sure that the above numbers will change to some extent after our next meeting.

Sincerely,  
-Kathy

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