

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
SPECIAL BUDGET STUDY SESSION

May 2, 2017

Henry Roybal, Chair - District 1
Anna Hansen, Vice Chair - District 2
Anna Hamilton - District 4
Ed Moreno - District 5
Robert A. Anaya - District 3

SANTA FE COUNTY

SPECIAL MEETING

BOARD OF COUNTY COMMISSIONERS

May 2, 2017

I. This budget study session of the Santa Fe Board of County Commissioners was called to order at approximately 11:15 a.m. by Chair Henry Roybal in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

II. Roll Call

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

Members Present:

Commissioner Henry Roybal, Chair
Commissioner Anna Hansen, Vice Chair
Commissioner Robert A. Anaya [12:15 arrival]
Commissioner Anna Hamilton
Commissioner Ed Moreno

Members Excused:

None

III. Approval of Agenda

KATHERINE MILLER (County Manager): Mr. Chair, I just want to noted that some of this may not go in that exact order but all of this is in the presentation.

CHAIR ROYBAL: Thank you, Manager Miller.

COMMISSIONER HANSEN: I may to approve the agenda.

CHAIR ROYBAL: We have a motion to approve the agenda. Is there a second?

COMMISSIONER HAMILTON: Second.

CHAIR ROYBAL: We have a motion and a second.

The motion passed by unanimous [4-0] voice vote.

IV. Presentation and Discussion on FY 2017 Budget Development

- A. Review of Budget Calendar**
- B. 2018 Revenue Estimate and Expenses**
- C. Budget Priorities and FY 2018 Expense Requests**
- D. Employee Compensation**
- E. New FTE Recommendations**

- F. Fixed Asset Repair and Replacement Recommendations**
- G. New Capital and Maintenance Projects Recommendations**
- H. GRT Discussion**

MS. MILLER: Mr. Chair, what I'd like to do is just kind of go straight through the whole presentation and then go back to any areas that you would like to ask questions, discuss, and we can flesh out any particular area that's in the presentation, on the agenda, or even if it's not in here, if it's stuff that you would have questions about and like us to address between this meeting and the next meeting on the budget.

So if we could, if we could start. One of the things I did want to say is Finance Director Don Moya just went over to get a power cable, I think, and some other materials and Budget Director Erika Lovato have both been working diligently on trying to put our recommendation together. As I said, at the last study session, both of them are new to this particular budget process so we've been doing a lot of learning as we go, making sure that we're addressing everything that we have in our current budget and in our future budget and looking at the revenues in light of the legislative session and the legislative session still to come, at whatever point that's going to happen.

So some of the assumptions that we've made are trying to predict the future that we don't have control over. So I just put that caveat in and I'll discuss some of those as we hit them, as we go through this, but first off, just a reminder on the budget calendar. As we said, our internal department budget hearings concluded last month on April 14th. I truly want to commend all of the departments and elected officials' offices. They did a very good job in their budget submittals. We asked them to keep their operating budgets as flat as possible except where there were kind of unavoidable increases, and we'll talk about what ones those are, but they did an excellent job at that and were really good to work with in each of our department hearings to get their recommended operating budgets in front of you.

Then also we've had internal committees that have concluded meetings and made recommendations on FTES, fixed assets, maintenance and capital requests, and IT is also part of that. IT requests.

We've also, as I said, we have this budget study session, then we also have next week's BCC meeting, which we will come back and discuss developments from this study session to the next BCC meeting on the 9th, so next week. And then we have the budget on May 30th. We have a BCC meeting on May 30th. That's when we will ask you to approve the interim budget. That is not our final shot at the budget but that is – we really can't make any changes to recommendations and to your priorities and request that you make between now and the 9th, because we won't have time to change that. You can still request things but we then would put those in the final budget, which that final budget is submitted to DFA by the end of June and we would be coming to you for approval of that on June 27th at our regular BCC meeting.

So I anticipate that this is the last study session that we would need. If the Board feels that we need something else to flesh out any of these proposals we can do that as well between now and May 30th if we need to. So that's kind of our estimated calendar with our statutory deadlines.

So to go back to the way that the County has been approaching our budgeting

process over the last couple of years and what we're still trying to develop and still working on is our performance based budgeting. We try to look at submitting – having departments and elected officials submit their operating budgets based on Santa Fe County's four goals. Those goals are a safe community, a healthy community, a sustainable community and a proficient and transparent government. So everything that we work to do as County staff and the elected officials, appointees, everybody tries to look at these things. Are we making a safer community or making a healthier community? A sustainable community? And are we doing it in a proficient and transparent way as a government?

We do this based on results based accountability and that requires us to ask a couple questions along the lines of what do we do and how much do we do or how much did we do? How well did we do it? And how much or to what extent is anyone better off? And the idea of asking those questions is to try to set some basis for, well, how are we doing in our jobs? And where you put taxpayer dollars, can we see that we're making a difference? So the idea is to set up goals and strategies in each department and under one of these goal areas of a safe community, healthy community, sustainable community, or proficient and transparent government, to set up goals in those areas and set up strategies that we measure our performance against those strategies and targets and track these items on a quarterly basis to see how well we're doing.

Now, this is something that's been in the developmental stage. A lot of the departments have already set up all of their goals and are tracking things and measuring. The piece that we haven't done is implement a software system that would track it on a quarterly basis and bring that back to you so you could see on a quarterly basis how are we doing on our budget expenditures relative to meeting these goals. And so that's what you're going to be seeing, and on page 4 in your packet is just kind of an example of what some of those would look like.

I'll take the one – a department might look at our fuel usage and say, okay, in Finance, how many accounts and how much did we service for amounts of fuel users. And how many people have a fuel card and use County-paid for fuel? And then what does it take for Finance to book that fuel journal entry and how many days after the end of the month did it take for them to do that? So that when you look down at, is anyone better off? Well, how many of the directors and external department staff utilized a fuel analysis as a tool for internal controls and management? Are they looking at those fuel logs? Can they tell how much fuel they're using? Are they within budget? If they're not within budget, where might there be a problem? And it's to help us be alerted to and monitor what accounting is do, because you might think, well, what does Finance do? These are the types of things they do so this might be a goal in Finance where they're saying this isn't just for us to track and watch it but it also is a tool for our user and our user, the department directors and other external department staff.

And then, and how well are we doing it? And that is do we have errors in that information and what's the percent of user errors that were decreased in fuel cards, because there's a lot of details in entering that. And then also so if there's a decrease in the errors in fuel cards it would indicate that we have better adherence to establish policies and procedures and training efforts put forth.

So it's that kind of thing where each department – this is just one example, but

each department has several of these that they put in place in each one of their divisions, what type of work each employee does.

So that's just to give you an idea of how the performance based budgeting works and I didn't want to go into a lot of detail on that but I wanted you to know that departments and staff really do work on these goals and they try to refine them to something that's measurable and something that could say, well, is this activity that we're doing actually resulting in some better performance or better service for our constituents?

So if we go onto slide 5, the 2018 recognized operating budget priorities, this is a slide that was in the last presentation but it's been refined, based upon the direction that we got from this BCC. As I said, when we previously put that together those are things that we've heard over the last few months that this Board would like to prioritize, but additionally, it was stuff that we've been working on and focusing on over the last several years. But we kind of rearranged this as priorities as this is what we heard from the last study session as being some of your top priorities, and I tried to even put them kind of in more of an order of what we heard and that was public safety. I think it was pretty unanimous across the board, the BCC, that public safety was one of your top priorities, and that was with career staffing at the Fire Department, volunteer retention, Sheriff Department staffing, and detention facility programming.

Additionally, senior services. I think Commissioner Moreno called it the Silver Tsunami, that we have an aging population in Santa Fe County and we know that we have an aging population. All of our statistics show that we do, and so that's going to be the area that the County is going to focus a lot of its future revenues and services to the seniors in our community.

The sustainability program, we have recently revised our organization to have a sustainability office and Claudia Borchert oversees that office and we really want to beef up some of her funding in order to move forward with some initiatives that she's brought to the table.

Then also modifications to our health programming, predominantly behavioral health. That's been an issue that has not really been addressed in the community and it looks as though Santa Fe County is willing to take the lead in trying to move the mark and move the needle on addressing behavioral health issues in the community. We have in our GO bond question, we had \$2 million plus another \$200,000 of gross receipts tax for developing a behavioral health crisis triage center, but we do not have a revenue stream to operate that, so I do address that later in the presentation.

We've also talked about community based prevention and welfare and that would be led by our Fire Department in coordination with our Community Services, and it would also be related to a lot of the seniors who are out in the county in remote areas in making sure they have welfare checks from our own staff, either in senior services or in the Fire Department. We're also working on navigation systems that people will understand where they can get services – whether it's behavioral health or other health career services, and where to go to get those services.

And then we have our state requirements. We discussed at the last meeting that we do have state requirements for Medicaid match and we're always aware of that and making sure that we're paying attention to what's happening at the state level that might affect our funding streams.

We heard that youth programs, the summer intern program and our other youth programs were a priority and that there would be – if we could have some focus, some increased funds in that area. We have programming and operational funding for new facilities. Every time we bring on a new facility or a new program and new FTEs we always have to reserve funding in future years for the operations of those new facilities and increased costs relative to additional FTEs.

So we talked about the crisis triage center, looking for an operating funding source for that. We have the Stanley Cyclone Center, which I'll put a plug in: Don't forget this weekend is the grand opening of that on Saturday. The Cerrillos Senior Center, we're in design of the Cerrillos Senior Center, hope to have that up and running by the end of next fiscal year. And then additional seniors programming.

And then our facilities maintenance. We have numerous community centers, senior centers, public housing sites, fire stations and all of our own buildings. Our detention facilities – believe it or not the County jail is 21 years old so you have a lot of maintenance when buildings start to get to that age. And then our youth detention facility is the oldest I think we have that is still operating that hasn't been completely rebuilt. So there's a lot of maintenance and improvements that need to be made in those two large facilities.

Then we have open space. We have over 6,500 acres of open space and trails and so we have a lot of master planning going on on our open space properties and management plans coming forward of how we need to manage those open space properties and maintain them.

And then as always we have our Utility – water and wastewater and we have a master plan coming forward on our water and wastewater facilities as well as kind of understanding where our rates need to be to cover those costs of operating a utility. And I would say there are definitely other things. Those are just – I put those on that slide, there's constantly our regular operations and oversight that we need, but I wanted to make sure that you understood those are kind of the big areas where we see major changes in our expenditures based upon what we see as the Commission's priorities, what you've heard from your constituents, and where we see the biggest demand in growth in services from the County.

All of our other offices, we have growth in those just from an administrative standpoint. Any time we grow any other area of the County we have the administrative site that needs to grow at some proportion with that.

Then on slide 6, this is where we have some of our FY 2018 revenue assumptions and expense requests. The property tax revenue is estimated to collect about two percent over FY 16 budgeted property tax collections. I used that figure from FY 16, not FY 17 because we haven't finished FY 17 and May and June are two of our months where we collect a larger percentage of our property tax revenue for the year. And so we're using actuals from 16 and budget from 16, something that we've actually already finished and we can look back and see and also looking at FY 17 where we're year to date compared to last year's year to date.

What we're noticing with property tax from FY 16 to FY 17 is it's pretty flat. So it's about the same. We're not seeing a large increase. We typically don't see huge increases in property tax revenue. What we see is about while we might have an increase

in valuation we do have a thing called yield control and when we get later in the year I will make sure you get a presentation on what yield control is. I won't go into it now, but basically it's a formula that the state statute puts in place to limit our growth in property tax revenue. So if you have a high spike in values or you have a significant drop in values in any given year you don't have a corresponding spike in revenues or drop in revenues. It's designed to keep your property tax revenue relatively stable.

So we're looking at two percent over FY 16 for property tax collections. We are also looking – now gross receipts tax, this was something where I'm saying we're trying to – we do have growth in gross receipts tax of one to two percent over last year, but as I said in the last study session and I also said it during the legislative session, the part that's been very hard for us in gross receipts tax has been the last few years of threats by the legislature to – if you had put an eight increment, either one or any of them in place to substitute your loss in a hold-harmless distribution – and I'll just remind you, what the hold-harmless distribution is is back in 2003 the state took the tax off of food and medical. What they said at the time that they did that is that they will keep local governments whole. We will hold you harmless for taking that out of the base. And so we will distribute to you a hold-harmless distribution equivalent to what you would have received in taxes and your tax base.

And there have been several attempts to get out of that obligation, because that obligation costs the state quite a bit more than they anticipated at the time that that was done. So about three years ago they phased out that distribution and it has a – so we started losing money last year, in fiscal year 16 of that distribution. That distribution was close to \$4 million a year for us and now it's about \$3.5 million, and it's being phased out at about seven percent per year. But what the legislature has done and several bills have gone through over the last two or three sessions that it said, well, if you put a tax in place to replace that revenue, we're just going to take your distribution away entirely.

So this second bullet under revenue, what we did is we actually took that hold-harmless out as recurring. We can't – it's been increasingly difficult to count on it to pay for salaries and benefits if every single session the state says, Maybe you have it; maybe you don't. Maybe you will; maybe you won't. And, at a minimum, you're going to lose seven percent of it per year.

So what we did is we actually made an increase in our property tax revenue projection to be closer to what we think actual is, and a decrease in our GRT. We're still going to receive the revenue but we don't think it's appropriate to keep budgeting it for salaries and benefits in recurring expenditures because it is constantly being threatened. It's gotten to a point where, and in light of the last session and the Governor's action on veto that she will not increase revenues or any taxes. There are only so many places that the state can go to make up their deficit and the one that they constantly look at is the distribution to the local governments. And their basis for looking at that is they say, well we gave you an ability to raise taxes to make it up.

So we have taken it out of the revenue estimate as recurring. We have not taken it out of the revenue estimates, but as a recurring revenue stream to pay for salaries and benefits. It will be going away anyway, so it was a matter of at what point do we just finally say, we can't count on this.

So due to uncertainty of legislation the hold-harmless GRT should not be

considered as a recurring revenue.

State shared taxes remain flat. We do receive some excess taxes that we share with the state but they have been pretty flat year over year so we don't see any increase there. We are increasing our ambulance billing budget by \$75,000 and we had actually, this year, FY 17, we had budgeted initially \$800,000. Then we did a budget increase to \$889,000, I believe, and next year we are budgeting \$965,000. I'd like to commend the Fire Department on this. This is – we used to budget about \$750,000 and now we're able to budget about a million. I think that we can count on that as a recurring revenue stream. They have this year, they're on line to collect even more than that, but as far as a basis for counting on it year after year, we're looking at closer to a million dollars.

On the expense side, departments, as I said earlier, were asked to maintain budget requests as flat as possible, and while they did request FTEs and they requested capital and fixed asset replacement, and several million dollars of one-time items, they really did keep their operating budgets flat and once again I'd like to thank them for that.

We have – it's really hard for us to tell what our health insurance premiums will be. We may have more information before the end of May before we bring the interim or the final budget back, but we are estimating an increase, seven to ten percent for the County's side and we budgeted an additional at this point \$250,000 to cover that for January 1 through June 30. It may not be that but it is so hard to tell. This is another one of those areas with what's happening at the national level, it's very difficult for us to tell how healthcare will play out in our budget.

Then, as I said, we had fixed assets, renewal and replacement and IT requests and some capital improvements. This is not our regular capital budget and I will talk about that in a minute, but of \$7.68 million, we have maintenance requests of maintaining facilities at \$2.4 million, new FTE requests of \$1.88 million, and then we also had to incorporate in the base known negotiation compensation changes. So as you know we have approved some of our bargaining units contracts and so some of those increases have come into effect. They're built into the base, and then we're reserving funds for the next round of negotiations. We do have economic reopeners with most of our bargaining units next year, or now, and would need to be built into the budget for next year.

What I was going to say about capital, we typically do our overall capital funding on a two-year basis. So last year we did GO bonds, what we would take to the voters last November for GO bonds, and that's on a four-year cycle, and we just last year approved \$35 million to take to the voters and thankfully the voters supported all of our bond questions and we did receive voter authorization for \$35 million worth of general obligation bond projects. And then we also allocated several million dollars worth of gross receipts tax. What we have is a quarter cent capital outlay gross receipts tax that after we pay debt service for BDD, predominantly BDD. I think it's mostly BDD, but after we pay that we usually have \$3 million or so that we put towards other capital projects.

We did budget those funds last year for FY 17 and 18. So we're not looking at that capital outlay. We try to do that on a two-year basis so that we can do planning and construction. So that will come around – those particular funding sources of that capital outlay will come around next year but probably in the fall is where we'll start asking you what we do with FY 19 and 20. But we do have some capital requests that come through

and I call them capital because they are capital improvements. And there are some funding sources that we use in the budget for that and so that's where you'll see – you might see a capital request in our current budget.

Additionally, anything that was approved previously as we received the revenue we will build that into the budget. And so later today we have a presentation on projects. You will see just how many projects we have that are currently funded and that we're working on. We have plenty of dollars in capital to work with as far as staff's capacity to deal with projects.

On slide 7, this is where we're trying to give you an idea of what we're looking at for our recurring revenue stream for budgeting our recurring expenditures next year. As you can see, under property tax, property tax is what we did increase from \$45.2 million to \$48.7 million. This is one we are going to make sure that we verify that this is a solid number. I do believe that our actual in 16 exceeded that and we'd be good. We just want to make sure before we finalize our budget that we're confident we will receive at least that funding in FY 17 as well as FY 18.

Then as I said, GRT. We're estimating on a recurring basis to be \$43.9 million, almost \$44 million, down from \$45 million. What that is, as you can see we budgeted growth, but then we subtracted out about \$3.5 million. Right, Erika? About \$3.5 million. So we had about \$2.5 million of growth, but then we subtracted out \$3.5 million for that hold-harmless. So we're still going to show that as a one-time revenue stream that will go to cover some of those fixed asset and capital requests but we're no longer counting it in the base. So you'll see for years going out we'll eventually come back above that \$45 million, but it won't include hold-harmless distribution.

And then property valuation fee, we see a little growth in that. What property valuation fee is is that the Assessor receives a fee of one percent on all of the properties that are assessed and taxed in Santa Fe County. He receives that funding to go to a property evaluation fund to pay for reappraisal of property. So that's how we keep – that funding source is designed to keep property values as current as possible. It can only be used for reappraisal purposes.

Then franchise fees and state shared taxes, as you can see we have some growth in some of our additional funds, \$2.1 million to \$2.3. License, permits and fees, we see a little growth there from \$1.89 to \$2.048 million. Care of prisoners – we've been receiving a little bit more than the \$4.4, \$4.5 million, but it does fluctuate based on whether the US Marshal does put their inmates and how many of their inmates they put at our facility. That's the majority of those funds. It's also revenue from Rio Arriba County, City of Santa Fe, some of the pueblos, City of Española. Those are smaller ones; we get a few inmates at a time, but that's total. Those are the primary entities that pay for care of prisoners. But the majority of that is approximately 100 to 120 federal inmates at any given time.

Then our ambulance billing, as I said we'll be close to a million dollars on a recurring basis there, and then the last one is our interest earnings. We have seen a drop in our interest earnings from around \$1.6 million to this year estimated something between \$1 to \$1.2 million. I do want to work with the Treasurer and do an analysis to see if we can determine – I know we've done some changes to the portfolio. There were, prior to his terms as Treasurer there were some long term securities that our policy

changed and our policy was to get all of our portfolio to be around five years with another amount of our portfolio that could not go out more than ten years. We had investments that were out 20 and 30 years. We didn't think that that was appropriate. The County Commission and Treasurer changed the policy and so some of this is a result of bringing things into shorter term maturities.

On slide 8 you can see where department budgets are at this point. Now, we have not built everything into every department's request here but this is to show you where we came up with a total increase from prior year to this year in the department operating budgets of \$365,000, so that is something that we built into the base that we need to fund with additional revenues. There are salaries and benefits included in these. However, they do not include salaries and benefits that may change through the year-end. Additionally, whenever there's a vacancy we always budget the vacancy at midpoint and so it takes going back in and adjusting and I have to give Sharon Vigil just a short out and an enormous amount of credit because she enters every one of these individually. She's not here because she's still doing it.

Departments and elected officials are allowed to give merits and pay adjustments through May 6th and we try to make that the cutoff. So we get hundreds of them, literally, at the end of the year and she is in there entering every one of those into the individual department salary analysis and making sure we account for any one of those changes in salary and that it's carried through into the next fiscal year. So a lot of that still has not been built in. So these numbers will change slightly, but I did want to let you know that that's where you can just get an overall idea from this slide where every department's budget is and how well they did in keeping it right on target from the previous year.

And Public Works is the one that shows a large increase and I just want to comment that a lot of that has to do with Utility and Utility is an enterprise fund but we had increases from BDD and also when we have more customers we have higher costs and we have higher revenues. But we had increased costs from BDD as well as an agreement with the City relative to what we will pay them for wholesale water, which is our backup water whenever BDD isn't operating, so that's an increase based upon a negotiated rate that took us close to two years to negotiate with the City. So we're now seeing what a full year of that increase would look like, but that's something that they had wanted for several years.

Then on slide 9, we have continued funding for ongoing initiatives. As I said from the last study session, we heard youth programming, seniors, educational, career opportunities, were things that some of the Commissioners mentioned as priorities. I just want to say we've put the youth program funding – every year we do what I call a notice of funding availability for summer initiatives like non-profits and school districts apply for funding to help augment their summer programs. That's what that \$250,000 goes for. I can tell you that is up from what we used to do, about \$60,000 and each year we've added a little more. The unfortunate part of that is so have the demands this year. We had \$225,000 and we had about \$650,000 to \$700,000 in requests.

It is a never-ending request and demand so the more we put the more people ask for. We have about 35 to 40 contracts, so we actually have a capacity issue. To put much more money there would actually be difficult to manage those contracts. They are spread out all over the county for different youth programs, youth summer programs that are

also tied to our Health Action Plan goals. So we actually do score the applications and there are some entities that don't receive funding. This isn't a guaranteed if you apply you will receive it. Your programs need to try to meet the goals in our Health Action Plan as well as be accountable, that we can make sure they're measurable and that they're serving county youth.

Then our Boys and Girls Clubs at the public housing sites. There was a request to increase some funding there. I think we spend about \$120,000 per their current contract so we upped that to \$150,000 which would be about \$50,000 per site for services that they provide to the youth at the public housing facilities. Those programs are also open to kids who don't live in the public housing sites but live in the area and might want to partake in the Boys and Girls Club activities. We do that on an RFP basis, but that is our current contractor that provides those services, but we do RFP that out for those services. But we did increase that.

Then we have our summer intern program which is for high school students, typically going on to college or college students. This is for 15 interns. It comes out to about three per Commissioner. That – we had eliminated that program during the budget difficulties back in 2010 but we built it back in and we started with about five and then we went to ten and fifteen is about the capacity that we have facilities and staff that can work with interns. So that's kind of an ideal number for that program. There's always – well, could we have more? The problem is we don't have desks. We don't have offices, and we don't have staff to oversee them. So the only other thing that we have thought about is contracting, say, with the Youth Corps to do more on our trails. And so that might be something that we could target for funding.

Then the seniors program, I said one of the areas we really want to try to get off the ground and that is with the safety and case management pilot project that's in the seniors and in Community Services in coordination with the Fire Department. And then educational and career development opportunities, we have \$55,000 in the budget for employment related certifications. And I do want to add, every department has their own budget for specific training. For specific training and travel for conferences, seminars, and their own certifications. But this is in HR. This is predominantly for EDGE classes that are more general, general governance and this amount we do believe is enough to cover any requests that we would have, and then same with the \$35,000 for tuition reimbursement. Those numbers both exceed what we have needed in the past couple of years. And they're in addition to what every department has built into their base budgets for training that is specific to their job.

And then last year during the budget sessions and over the course of the fiscal year and calendar 2016 we allocated out of the cash balance in what used to be the indigent fund. So we used to have what we called an indigent fund. Now it is called the healthcare assistance fund, I believe. We had a cash balance that the state was continually saying they were going to take to use for Medicaid match from any county that had a cash balance. Well, we had already had a plan for those funds and so we reserved those funds on a three-year basis using a \$3.3 million plan per Resolution 2016-140. If you have not seen it I can get you a copy of it. But what it is is trying to develop a health navigation plan.

And so Community Services has been diligently working on that for the past year.

We have two more years of that funding and that was developed in last year's budget session and then memorialized in Resolution 2016-140 so that you understand what we were doing with that cash balance and where it was going.

Then we also, as I said previously, we counted in operational funding for any of the new facilities or expanded facilities that we have.

On slide 10 we have some of the other increases. So you saw the base operating budgets for all of the departments and elected officials' offices and you saw the \$365,000. So we're estimating roughly about \$2.6 million that we could work with of what all call – at the state they call it new money. We call additional revenue over last year's operating budget. So that's what we're working off of here on this slide. \$365,000 of that went to the base operating budgets. We have reserved \$250,000 for estimated increase to our health insurance premiums that would come January 1, 2018. Also we have multi-line, workers comp and law enforcement and medical malpractice is in here as well, which we saw a significant increase. We saw almost \$200,000 in our medical malpractice from last year to this year. It was \$80,000, went up to \$280,000. I don't think we'll have that kind of jump but what we did want to do is make sure that we built in room for increase so set aside \$300,000 for increases in multi-line, workers comp, law enforcement and medical malpractice, and any of our other insurance policies. If you care to see how many of them we have I'd be happy to share them but those are the big ones. There's a lot of small ones.

And then utilities and fuel, across the board we built in \$135,000 increase in budgets for that, and then as I said, under the water utility there's \$250,000. It's not just master meter fees but it's all of the cost associated with receiving water from the City as a backup instead of BDD. We estimate that BDD is down ten to fifteen percent of the time. I believe we pay around \$5-something. I don't know the exact change per thousand gallons is what it costs us to take water out of BDD, and with the City, when we use the City for backup it's \$6.06 per thousand. So that's related to that.

We also reserved funding, and I don't have it broken out at the moment by union. Bernadette did contact all of the unions. This is something we were trying to do, to contact all the bargaining units, all six of them, and talk to them about what they think their request would be with their economic reopeners or a new contract. And so they have given us those. They're not – with bargaining units you don't do a okay, Commission says everybody gets cost of living across the board and that's what you all get.

What we try to do is say for non-union, here's what you're going to get and we try to tie that with the AFSCME blue collar, and then we try to give the equivalent amount of money to each of the other bargaining units to say how would you like that distributed amongst your members? What would you like it to go towards? It might go towards increased PERA. In the case of the sheriffs that the request they had because they're a lower contribution from the County than any of the other bargaining units. It might be to adjust the incoming salary for, say, dispatchers because the base rate last year was \$12.50. They said we'd like to focus ours and bring it up to \$14.50. So things like that.

So what we did is we put \$750,000 aside for dealing with those and we will, before we come back to you on May 30th we will have that broken down by bargaining unit, because they are all a little different and we need to figure out what that would be for each one, trying to get as close to an average.

And then as we said at the last budget study session, we had new FTE requests of \$1.88 million. I'll back up a little bit. When it comes to recommendations for FTEs, fixed assets, renewal and replacement, vehicles and IT we have four committees that work to review all of those requests and try to prioritize them and make recommendations to Finance, ultimately to me and then to you. So those are taken into consideration. Obviously, the Board has final say in that but I just wanted to let you know they do go through a process where each department and elected official's office has to go to the committee, justify their request, say why they need it and it's weighed against the other requests in the County and particularly when we have a cutoff of dollars. If they're asking for \$8 million worth of fixed assets and IT and things like that and we only have \$6 million, then they try to prioritize that to say here's what we recommend that \$6 million go towards.

And they try to work with the departments in that to saying if there's something here you don't need what would it be versus what you really need. So they do ask the departments to prioritize.

FTEs go through a similar process with the – I think they call it HUG. The HUG review committee looks at all the FTE requests and we had \$1.8 million. They recommended \$893,000, but as I said on the previous slide we have about \$600,000 available if we look at \$2.6 million. So when you add up all these other things that have been built into the base we believe we have about \$600,000 available in the existing revenues to dedicate toward new FTE if once we take care of these other things on that slide.

So then that takes us to the FTE recommendations, which is what everybody always wonders how many new employees am I going to get and how many cars am I going to get? I think those are the most interesting things for the departments. And every now and then what kind of cool IT thing am I going to get?

So this is the request. This chart, what we tried to do is break this down in a couple of different ways. So first off, what you see on the left is what requests were put in, and as I said the last time I was probably getting things thrown at me from the departments and they said, no, sorry, you can't request that. So if I put it in I would get it. But that's not necessarily true because as I said, even if you put in a request it's still going to go through the committee, the HUG committee. They're going to really grill you as to whether it's something you really need and then there's going to be their recommendation, and then there's going to be the reality of how much money we have.

So putting in a request doesn't necessarily mean it will get funded. It's going to go through a lot of scrutiny and then the final say is where the Board feels those priorities are, based upon all of the requests, the reviews they've had, the recommendations of the committee, the recommendations of the Manager in coordination with HR and Finance when we figure out dollars we have, and then your final decision as to whether that's where you think the direction of the County should be.

So in this, as I said, we've had several public safety requests. They were the largest requests. We had, I think six FTE requested in Corrections, four in Fire and six in Sheriffs and four in RECC. So out of the 32 you can see the majority of them were public safety. But we also had requests for additional economic development staff. We have only had one economic development person since we've had an economic development

department. We don't really have a department; we have an economic development director. And we had IT requests as well as maintenance technicians and project managers, and safety coordinator.

So those are the requests, and as I said, the committee, in the blue column, the light blue column, they went through I think several hours of meeting with every department that had a request and had them justify their requests and they did not, as you can see, recommend every one of those positions be authorized by the Board. They felt that the top priority of the requests that came in, knowing that we did not have \$1.8 million, they felt the top priority were those positions that they recommended. And so if you read across here, they recommended the security threat intelligence officer for \$52,000 in Corrections, the training coordinator, \$52,000. The in CSD, the behavioral health manager at \$87,000, the senior services navigator, \$77,000, the firefighter/EMT basic, intermediate and paramedic – I will say that the Fire Chief did say if he could have anything it would be those three, so he said he would be okay if he didn't get the fire protection specialist, but I'll let you know that as we looked through his budget we do believe he's got capacity in his existing budget to pick up that position if it were authorized without any increase to the budget.

Then we have the economic development specialist, the open space resource management specialist, one of the four requested maintenance technicians and then down to the Sheriff's Office, the administrative assistant. I will let you know that position has been – I think we've had that position for three or four years but it's been grant-funded. That position deals with our DWI forfeiture program. The grant runs out. They said we could have that grant, I believe for four years. That grant runs out in September, so the Sheriff would very much like to keep that program going and keep that position. So we are going to try to see if we can get the grant, but we'd like to have the position authorized and the budget authorized for that in order to keep it if we don't get the grant.

COMMISSIONER HAMILTON: What's the position?

MS. MILLER: It's the administrator in the Sheriff's Office, the administrative assistant; it deals with the DWI forfeiture program. That position and that person. Then the crime scene technician and then the three Sheriff's deputies.

So that was what was recommended by the committee. Now, if you look in the purple column, and I love these colors. I think Erika picked them. They look like Easter eggs. So in the purple column is the reality of the existing budget. What we have in existing revenues after we take care of base budget needs, and we estimate we could afford about \$600,000 and as I said, we still have to go through all of our – we still want to go back through between now and next week all of our revenue assumptions and all of our expenditure assumptions and make sure that we have not forgotten everything and built everything in, but to date, everything that we're looking at, we think that we can afford this with our existing budget.

And as you can see, we had to take out some of the positions to go from the \$900,000 down to the \$600,000. So the ones – what we heard from the study session was the importance of our public safety positions, so we did keep in the security threat intelligence officer. Also our behavioral health manager, it's probably one of our highest needs without any staff to deal with it. If you have noticed our CSD Health Division is pretty limited with staff to deal with major health initiatives and issues so that one stayed

in. The three firefighters stayed in, one maintenance tech and the admin assistance. Like I said, that, if we get the grant we would not need that \$41,000. We might be able to fund a different position, but if we don't get it we definitely need that in order keep the staff – the crime scene tech and the three deputies.

So that would be the recommendations based on existing revenues. Now, we did have a discussion, and I'm going to skip this last column for right now. We'll come back to it because what we did have a discussion on at the last study session was a discussion on potential additional GRT revenue. Just to refresh everybody's memory, what we discussed at the last session was that we have three – there's other increments but we have three general purpose increments out there that we could implement by Board action, by Board resolution to address some of our concerns relative to the state, potentially yanking our hold-harmless or requiring an increase in our Medicaid base funding.

So one of the things that we thought would be the best thing for that is there is an increment that sunsets on June 30, 2017, if you have not taken action to enact it. It will sunset. It will go away. That authorization will not be there any longer based on existing statute. And that is for a 1/16 or a 1/12. I have no idea why it's one or the other, but that is what's in the legislation. It gives you the option – not both, but one or the other. And it was put in place, that authorization was put in the legislation because they were requiring counties to contribute the equivalent revenue that a 1/12 of a percent of GRT would generate. They're requiring us to give that to the state for Medicaid match.

So they two years ago put that in place. They said you will now pay us for Santa Fe County. That is about \$3.1 million that we have to pay the state that we did not enact another revenue stream for. We took that directly out of our current operating funds and have for the last two fiscal years been paying that to the state. We did not put a revenue in place of that. What we did do is we used to provide some funding – not that much funding, but around \$2.5 million we provided to a program called Sole Community Provider. We'd write a check to the state, the state would match it with federal funds and then they would give it to St. Vincent's Hospital, Española Hospital and I believe Los Alamos. I can't remember for sure but we did – the majority of it went to Christus St. Vincent's.

They stopped that program so we did take those funds and we added another \$600,000, \$700,000 to those funds from our Health program funds and sent that to the state. We did not enact anything to replace that. And so this is the last opportunity to use the increments that were authorized in the legislation for counties to implement in order to make that payment to the state. So that's where the 1/16 or 1/12 comes from. The 1/12 is an odd increment. I was sharing with a couple of you why I don't like it; it's because it doesn't round off. I like my numbers neat and .083333 is not neat. But a 1/16 is .0625 and 1/12 is .0833333.

And what they generate for the County is 1/16, without hold-harmless distribution, because this would not receive a hold-harmless distribution, generates about \$2.3 million and 1/12 generates about \$3 million. Roughly. \$3 million to \$3.1 million.

So I tell you that because that's the first revenue stream that's available to us. The others are when the state said that they were going to take back the hold-harmless distribution they did say we will give you the ability to implement tax increases in order

to make up that revenue. And they gave three 1/8 increments. As I said, a 1/8 increment is equal to about \$4.6 million countywide and we have implemented one of those increments. There is no tie in current statute that says it can only be equivalent to what you lost or will lose in food and medical hold-harmless distributions. They are truly just general purpose increments that can be imposed by a County Commission via resolution. We have imposed one of those. And we did that about a year and a half ago or two years ago. And we have collected about a year and eight months on that particular increment and it generates, as I said, about \$4.5, \$4.6 million a year.

So we also had, at the last general election, we put an advisory question on our ballot, and this was in the 2016 November general election. At the Board's direction they requested that we add an advisory question to the ballot. It was the last question on the ballot. It came after all of our general obligation bond questions but it was there as an advisory question, and that question was should Santa Fe County enact a countywide gross receipts tax for behavioral health services that would increase the aggregate gross receipts tax rate by up to 1/8 of one percent, or .125. That question was designed to gauge the public sentiment about addressing the behavioral health issues that we have in the community, and it was in reference to one of those two eighths that we still had remaining. And they were the results of the individuals that answered that question, so it was 52 percent in favor and 47.9 against. I just put that in there for information for you. It was not a binding question; it was purely an informational question, an advisory question that we asked for.

So when you turn to the next slide, slide 14, this is discussion and information of additional GRT increments, if you were to implement them. As I said, 1/16 is .0625 to our current tax rate. That would be in the county as well as incorporated areas of Edgewood, Española and Santa Fe. For fiscal year 2018 – because the tax would not come into effect until January 1, 2019, and we actually don't start collecting, because the vendor starts collecting on January 1 at the point of sale, but the vendor does not have to pay that to the state until February, the end of February, and we don't get a distribution of that until March. So we wouldn't actually realize any revenues until March of 2019, and this goes for any increment that we would put in place because the only two times that a tax can be enacted – you can vote and pass a resolution to put it in place but they can only come into effect on July 1 or January 1. And we are too late. You would have to have imposed something or voted on something by March 30th to have had it effective July 1. But if you were to vote on something prior to June 30th, between now and June 30th, to put one of these increments in place, then it would become effective January 1. So that's why we showed you what the actual revenues would be for a third of the year. So basically we would collect revenues for four months out of next year.

So 1/16 would be about \$767,000 and then from fiscal year 19 for a full year and beyond, it would be \$2.3 million. The time limit to impose that is June 30, 2017. Same with the 1/12. These are an either/or proposition. As you can see, Finance put the or in there because you can only do one or the other. They are authorized in the same piece of legislation but it would be .0833 and generate a million dollars for fiscal year 2018, a third of a year, or about \$3 million for a full year.

These numbers, where we say 19 and beyond, obviously, we would either have growth or if we had an economic downturn it could be less. We have lost as much as 20

to 25 percent in our GRT revenues when the economy turned down in – for the County it was probably 2009 and 2010 that were the worst years.

And then the other eighth, as I said, we have the ability for two more eighths. An eighth is .125 and added to the tax level at the county level, our current rate is seven percent, so 7.0. So it would be 7.125. That's in the county. And then you'd have to add the .125 on to each municipality and whatever their rate is. I believe in Santa Fe the 1/16 would take us close to 8.4 percent, because I think that inside the city limits right now it's at 8.3125. So you can see that would put it to 8.4 percent. Anything else would put it slightly over 8.4 percent.

And that generates for a third of the year, \$1.5 million and \$.6 million for a full year. And that does not have – that is one of the hold-harmless, general operating increments and does not have a hold-harmless distribution in it.

I would like to say that the other thing, and I mentioned it at the last study session, the state, one of the things they have done with these hold-harmless increments as well as said, well, if you haven't imposed them we'll take them away or we might even take one of the eighths away even if you've imposed it at such time as your debt service or whatever has expired, if you have bonded against it. It will expire. It will be rescinded. And they've actually passed, this last time they did pass a piece of legislation that made it all the way to the Governor's desk but was vetoed by the Governor. They did have a provision that if you have not enacted all three eighths you will lose one of them.

So unfortunately, it's kind of a reward to the bad actors that put all three eighths in place before they ever even lost any of their hold-harmless distribution, they would get to keep them but anybody who did not, and Santa Fe County is one of those, would lose one of those eighths. So we have two 1/8 increments left and then we have 1/16 or a 1/12.

So with that, what I tried to do is just predominantly for discussion purposes, but to give you what the budget might look like if you were to – so I gave you what it would look like from a recommendation from us if there is no increase, but then I wanted to give you proposals if you implemented 1/16, 1/12 or 1/8, with most of that going to two primary areas that I've heard that the Commission is very concerned about and very dedicated to addressing and that's public safety as well as our behavioral health and seniors.

So if you were to impose 1/16, as I said, that would generate about \$2.3 million per year, what we would recommend – and this includes the \$600,000 in existing budget plus what we would recommend as additional. So what it shows you is that you would end up – and then you would have to flip back to that other slide – because this is where – because we would shift the public safety FTEs to this increment and you would end up then with a total of six firefighters, two basics, two intermediates, two paramedics at \$357,000, the fire prevention specialist at no cost because as I said I believe they can absorb that in their existing budget, and then a little additional overtime because every time that you have 24/7 operations you end up with some additional overtime, particularly the way the Fire Department does their shifts. Then Sheriff's Department, they would have their cadet, their deputy, and their deputy II, their administrative assistant, their investigator, plus one of the requests that their union has is for an increase to their PERA contributions. All the other bargaining units have a take-up of 75 percent of the employee's contribution is covered by the County. In the Sheriff's union it's 56.8.

And so one of the things they want to do is be on parity with the others. As I said, a two percent increase that we counted in the other said that they got one percent COLA. They got a two percent COLA but they used their pay scale. That's one percent at about \$50,000 for them. The other one percent would go towards paying for this but they would need an additional \$75,000 to \$80,000 in order to implement that in their request.

Also, when we add this many public safety staff to the Fire Department and Sheriff's obviously we need more dispatchers so we would recommend two additional dispatchers and associated overtime. We would also recommend in Corrections the additional positions besides the security threat individual, we would recommend the training coordinator and the warehouse/fleet clerk. So a million of that \$2.3 million would be dedicated to the public safety.

Then on the behavioral health side, as I said previously, we have in the bond question we have \$2 million and \$200,000 in GRT for developing our crisis triage center, but we do not have funding to operate it. I've been working with Rachel and Patricia how might we get something and we're looking at a network of providers and think that we would be able to do something between a million and \$1.5 million and so this proposal would have the behavioral health manager coming out of this funding source and a senior services navigator, as well as at \$165,000, and then the remaining \$1.1 million to be dedicated towards the crisis triage center in 2019, because if you recall, I said we would not receive, nor are we ready to open operations in 2018 for a crisis triage center, but that would be the revenue that would come in in 2019, for a total of \$1.265. And then as I said, so all of this looks at what will be needed out of that proposal in 2018 would be \$1.164 million. We would receive revenue of \$767,000, so we would look at cash or the hold-harmless distribution that we said is not recurring to plug that gap of \$400,000, or \$397,000.

And that's what's reflected, by the way, if you go back to the – so then, because we shifted, in that proposal we shifted some of those FTE to this funding source it allows us to then, if you look at that like green column, to pick up some of the other FTE that were requested. So if you look at these together you have to look at those two slides together of what we would recommend out of 1/16, it would be all of these positions in addition to the other ones. So they would go, because of that \$1.6 million at the bottom, a million of that comes from over here. Actually, \$1.16 million comes from the new GRT. And so that's where you see where we went from \$596,000 to \$1.15 million for FTEs. It's using that \$1.150 that it was in FTEs in the 1/16 proposal. I didn't break it out but if I had taken what's just FTEs, not overtime, not anything else, it's about \$1.150 million from slide 15 that's added to this figure.

And so that's where you get the \$1.615 million on that light green column, is it's the \$660,000 plus about \$1.1 million from the other slide for FTE. And so that gives you all of those FTE and these and it basically is saying, and if you notice this is the recap of then what those FTEs are. It would be the security threat intelligence officer for Corrections, it would be the training coordinator for Corrections. It would be the warehouse/fleet clerk for Corrections. It would be the behavioral health manager for CSD. It would be the senior services navigator for the frail and elderly program for senior services. It would be the fire protection specialist at no additional cost. It would be two firefighter/EMT basics, two firefighter/EMT intermediates, two firefighter paramedics,

one economic development specialist, one open space resource management specialist, one desktop support supervisor, one IT security administrator, one project manager II, two maintenance technicians, two emergency communications specialists, one safety coordinator. Then the administrative assistant/DWI forfeiture individual, the crime scene technician and one deputy cadet, one Sheriff deputy I and one Sheriff deputy II.

So that's if we did 1/16. So these all build on each other, by the way. So everything that's there in the 1/16 is in the 1/12 and then we added to it. So if you do the 1/12 the areas that you'll see the increases, so you'd have everything that's in that 1/16 plus we would add three more firefighters, so it would be one more basic, one more intermediate and one more paramedic. We'd still have the fire prevention specialist. In the Sheriff's, we would add three more deputies. So it would be one more cadet, one more deputy I, one more deputy II. That would bring the Sheriff's Department to their goal of 100 deputies on the street.

Then we have the admin assistant still, the crime scene investigator and the additional PERA. We have to build in vehicles on a recurring basis, so when we have six new deputies every year you need at least two vehicles – those vehicles last about three years. So you have to build that in as a recurring cost, so we'd need to build in that every year you'd need at least, for those six new deputies two more vehicles.

We would fund the initial vehicles and we have already in the current recommendation for current year and existing funding we have already built in the vehicles that would go with them for the first round. Then we have the two dispatchers and in Corrections, the STI officer, the training coordinator, warehouse/fleet clerk, for a total in Public Safety of almost \$1.5 million. And then the only difference over on the behavioral health side is that we would put an additional \$250,000 to the crisis triage in 2019.

These also, into this proposal would be phased in. We would not – the additional firefighters and additional deputies would be brought in towards the latter. So we'd authorize half of them come July 1 and then the other half in January and we would use cash to cover the difference before we have the full year of revenue.

Then if you go to the 1/8, the proposal for 1/8 of an increment, it builds on that same one, but basically, you end up with about \$1.5 million, or under that scenario you'd go from \$3 million a year to \$4.6 million, so we have \$1.6 million. What we would do under that scenario is you would end up with a total of 18 firefighters. We'd add six basics, six intermediates and six paramedics. The Fire Department's goal is 23 additional. This gets very close. I can tell you when I met with the union a couple of times, from the union firefighters, they said 18 would be fabulous. So 18 gets us pretty close to where the Chief says we need to be. It would give the fire prevention specialist, a quartermaster to track all their fixed assets. We kind of need that but I keep telling Dave we get firefighters first, and a fleet technician about half way through implementation of that, because obviously we wouldn't bring on 18 plus fill all of our vacancies at once. And a volunteer retention coordinator and the overtime.

In the Sheriff's Department, it would be the six deputies, the admin assistant, the crime scene investigator, the records clerk, the additional PERA and their vehicles. And RECC, at this point, additional dispatchers. They've asked for four. This would get them to their four dispatchers.

And then Corrections, it would be their safety threat officer, training coordinator, their warehouse/fleet clerk, their fire safety and sanitation officer, and their warehouse and fixed assets supervisor. As I said, these would be phased in over the year, possibly a year to a year and a half, totaling \$2.429 million.

Then over on the behavioral health side, we'd still have the behavior health manager, senior services, crisis triage would go to about \$1.6 million and then for all of this, like it or not, when you add this many FTE you have to have administrative support in Finance, HR and IT. And so there is something built in for making sure that we have the administrative support to deal with that additional staffing.

So those are for discussion. Obviously, those aren't set in stone by any means of where we would recommend, just showing what we could do in the areas of public safety and behavioral health, and have appropriate support to go with that, and that's based upon what we heard from the last study session as areas of priority. Obviously, there's other areas in the budget that could be addressed if we went as high as an eighth or anything else. I know that senior services is another area in our programming where we could use additional staff and additional programming funds. I also know that Public Works could use additional funding.

CHAIR ROYBAL: Commissioner Anaya had a question.

MS. MILLER: Okay.

COMMISSIONER ANAYA: She can finish, Mr. Chair. I just had some comments when she's done.

MS. MILLER: So that, as I said was from our last session. You wanted to hear about some potential proposals if we did 1/16, 1/12, or 1/8. Obviously, on the last page and we'll take all kinds of questions, but on the last page there what we will need to go on to the next session with you is kind of where you'd like us to target, what revenue scenario you'd like us to target, if there's anything in the FTE recommendations per that revenue scenario that you have concerns about or would like us to look at differently. Also if you feel we have addressed COLA in the new contracts appropriately and any other funding priorities.

Then I also included in this, but not for today's discussion, we'll come back to you next week and go into a little more detail but I did put in all the requests that we had for vehicles, all the IT requests, all we had in fixed assets and I can tell you that the committees did finish their recommendations but one of the things we want to do is go back and take another look at estimating our cash, what we'll have in cash by the end of the year to determine what our funding level will be for these. We're hoping we might have a little bit more than what we set the mark at so far, that we might have a little bit more to address some of the additional requests because what's recommended by the committees is not all that has been requested.

So we want to go back and take another swipe at that before we bring the recommendation back to you on that. And with that I stand for questions.

CHAIR ROYBAL: Commissioner Anaya.

COMMISSIONER ANAYA: Thank you, Mr. Chair. I have five points I'm going to go through. First, I know the Sheriff couldn't make it, but is Captain Pacheco here? Captain, if you could come forward first, I just have a quick question, Mr. Chair, for the Captain before I get into my other comments. And then so my question, Captain,

is very simple. I had a conversation, several conversations with the Sheriff regarding this potential budget and in particular increases to the Sheriff's Department. I asked the Sheriff do you support an increment or multiple increments if we're able to enhance public safety across the board, not just in the Sheriff's Department – public safety, fire, our RECC and even the other recommendations we have forward.

The other conversation I had with the Sheriff was that it's County in a holistic manner so it's not just public safety but all the programs. So I flat out asked the Sheriff, would you support an increment or multiple increments to reach those objectives and he said he couldn't make it but he said you were going to be able to be here, so on the record I wanted to see if you could provide the perspective of the Sheriff and the Sheriff's Department.

CAPT WM. PACHECO: Correct. Thank you, Commissioner. On behalf of Sheriff Garcia, he fully supports Commissioner Anaya's idea of the gross receipts tax and he fully supports you in the matter.

COMMISSIONER ANAYA: Okay. Thank you, Captain. That's all I have for now unless other Commissioners have questions relative to the Sheriff. And then, so my first question, Manager Miller, connects to the discussion we had at the last meeting and I made a recommendation and had a discussion relative to the positions we saw in front of us. It's my understanding the Sheriff and others gave you some feedback that you guys went back and looked at more positions. What's different, specifically, just quickly? We don't need to get into a long discussion. Just tell me, did you take anything off? Did you take any positions off of the list that we saw last time? That's the first question.

MS. MILLER: Mr. Chair, Commissioner Anaya, if you go to slide 11 or the one that doesn't have a number as best I can see, if you look on the left side those are all the requests, so we didn't take any requests out. And if you look at the light blue column, that is what the committees recommended. The purple column is if we don't do any increase in GRT, what we believe we can afford, and then the light green column was the 1/16. We couldn't fit the 1/12 and the 1/8 on there but what we did is we just said, okay, basically, if you did 1/16 you could do mostly just about everything that was requested except for three that were withdrawn: the fire safety sanitation officer I believe was withdrawn at the committee level, if they had to give one up and it also didn't do the warehouse/fixed asset supervisor but they did get the warehouse/fleet clerk.

COMMISSIONER ANAYA: So hold on. Now I'm just catching up to you. So you did take some off.

MS. MILLER: We didn't take them off of the list. They just aren't recommended funding.

COMMISSIONER ANAYA: Okay. I got it.

MS. MILLER: So at 1/16, almost all of them are recommended to be funded except those three that I just mentioned and what was added were the additional firefighter/EMT basic, an additional firefighter/EMT intermediate, and an additional firefighter paramedic. Those were added. And then when you get to 1/12, if you go slide

COMMISSIONER ANAYA: So I think I'm okay to that point because what I'm going to suggest I think will accommodate everything. So that answers several of the other questions. The one specifically about the gap, or not the gap but that

essentially we'd have \$596,000 on that purple column if we did nothing. Right?

MS. MILLER: Correct.

COMMISSIONER ANAYA: If we do nothing, that's the dollar figure. Let's just take our positions out of our mind. That's a dollar figure that we have to work with to cover FTEs. Right?

MS. MILLER: Yes.

COMMISSIONER ANAYA: Okay, so that information said, and I know we have to talk about it holistically because every single bargaining unit has their own autonomy to negotiate in good faith, but collectively, when we look at available budget in the proposed budget before the increments, how much money do we have for dealing with providing collective bargaining, a figure, right, and it gets divided amongst – what, seven now? We have seven collective bargaining – is it seven?

MS. MILLER: Mr. Chair, Commissioner Anaya, we have six plus then all non-union, so you could look at it as seven. Seven groups.

COMMISSIONER ANAYA: If we're looking at it holistically, all of the employees and people that we're trying to as, from a budgetary standpoint provide coverage for in any proposed increases or augmented equipment or stuff they need to do their job. We have seven. Six union and one non-union. Right?

MS. MILLER: Yes.

COMMISSIONER ANAYA: How much money do we have in that?

MS. MILLER: So on page 10 we reserved \$750,000 to deal with COLA for union, non-union and for any kind of – and we haven't, as I stated earlier, we haven't broken that down. What we have tried to do is go talk to each – Bernadette has contacted each collective bargaining unit and tried to get an idea of what it is that they would like. So for instance, the one that I can say off the top of my head and give you numbers was the Sheriff's union. Their priority is to get a parity with the other unions at employer contributions at PERA.

COMMISSIONER ANAYA: And I apologize for interrupting but I want to just because I think we'll get to that point that you're discussing, but I guess in my mind I'm trying to wrap my head around the total figures, okay, that that \$750,000 might equate to. So let's just, for discussion sake, and we might need some help from your pros that are next to you to help calculate it, but if we just adhere to the cost of living only. Two percent across the cost of living only, we know that in negotiations that doesn't – that's not the only item but for discussion say it's two percent. And so what would equate to a three percent across the board?

MS. MILLER: Mr. Chair, to that number we'd probably add about \$375,000.

COMMISSIONER ANAYA: So \$375,000. So 1.12 something. Somewhere around there. 1.1 – what? Just for ballpark. We're thinking globally of how we might fill that bucket.

MS. MILLER: So 1.125.

COMMISSIONER ANAYA: So \$1.125 million, just COLA three percent. Not including any other discussions. So with that as a frame of reference, and then also, considering your comments, and I appreciate very much that you brought up the substance abuse and mental health question that went out to voters. I also appreciate that

you brought up a discussion on other capital discussions that we'll need to have as a Commission. So collectively, when we look at what you're recommending, when we look at what you have had requested, right, and we discuss the range of jobs that they will fulfill, if we presume an increment. And I'm going to make a recommendation we look at two increments for multiple reasons.

I don't think the trend of where we're headed is going to shift because the state is still seeking to figure out how to balance the budget. That's a known reality. So I think we need to also prepare and get ahead of some of that curve if we can, going to your points that likely, those eighths increments that were open to all counties are likely going to get pulled back and shifted maybe into state funding mechanisms because they need some mechanisms to fill the budget. Understanding from my perspective that it's going to be difficult but I don't doubt that it could happen that the state could pull back some of the increments from the counties that already implemented them, but I think that's going to be difficult to do when you take into account the uses of those funds in those counties throughout the state of New Mexico. They've spread that money into many categories across many uses.

So I think it's going to be a cumbersome task to begin to try and roll back, if you will, those increments. So I think we need to consider seizing the opportunity not willy-nilly or half-cocked but based on sound positions that we need, which we know we have in the recommendations from public safety that at the last meeting was about 85 percent of the requests made, and then we had some other adjustments come in, so from what I'm hearing, based on the discussions that the internal committee had and that you've had and Finance and everyone else has had, that percentage is likely going to go up because you added positions mostly oriented around Fire and did I hear Sheriff's also?

MS. MILLER: Mr. Chair, yes. I know that the Sheriff had a goal of 100 deputies and he's currently at 94. We're recommending the three in the existing budget and then when you get to I believe the 1/12 or the 1/8, it might have been the 1/8, where I said the other three so he would have his 100. And then with Fire they have a goal and have been trying to get their – needing an additional, I don't know exactly the number of firefighters. They have 81 union members, but there was an additional 23 firefighters needed and we get with the 1/8 to 18 additional, from their existing, authorized.

COMMISSIONER ANAYA: Okay. So, Mr. Chair and staff and everyone listening and present, my recommendation is simple. To cover those positions that were on the – that were vetted, right? You went through a vetting process before you even got to the initial recommendations that we got at the last meeting, and then you went back to the drawing board and retooled those recommendations to get us here today with what we have in front of us. Not speaking to the specific recommendations but the whole list of needs. It took some time and effort to get to that point in the process to bring those positions forward. Correct?

MS. MILLER: Mr. Chair, yes, and as a matter of fact I'd like to point out that some of these requests were made last year, but we did not fund any new FTE last year, so for sure the Fire and Sheriff were – they did make those requests last year. We recommended them but we did not recommend any new FTE. They were the top positions that were recommended out of the committee were the public safety positions but we didn't actually fund any due to the not releasing much of a revenue increase, plus

what was happening at the state.

COMMISSIONER ANAYA: Awesome. So what I'm recommending is 1/8 increment and 1/12 increment. I'm not so keen on the 1/16 but I definitely feel strong about at least the 1/12 and the 1/8 increment to not only cover the recommendations that we had at the staff positions that were requested at the last discussion but also would include the increased positions necessary, predominantly in public safety, including the offsetting needs to be able to manage those positions. Right? Those other functions necessary in Admin and Finance and elsewhere to accommodate that.

It also provides us that resource that we will need to facilitate the vote that took place by the public to not only construct a facility that deals with mental health and substance abuse matters but actually functionally has the resources to operate it. And the third piece that I think is important to me, especially coming out from times where we've gone from an evolution at the County in the last decade of having resources to be able to provide to employees in the collective bargaining units to not having any at all to provide to those employees, to now building on a bridge to increase, to give a little more latitude to those collective bargaining units, as well as those non-union employees, to get back to what I still would say is behind the curve from where we were before the great recession hit.

So I think it does those three things. It provides adequate staffing, public safety as well as a few other areas – Public Works, I think we had a couple in there and some others. Emergency communications. It provides what's needed to the unions and it also offsets and provides us resources to implement what the public said that they said they would support in the way of a mental health and substance abuse framework. And so rather than getting into the detail of each dollar subset and that allocation I think the 1/8 and the 1/12 gets us completely there and puts us in the position to now get through the vetting, detailed process of the specific allocation. Because I know we don't know that last, that one variable associated with mental health and substance abuse, we don't know how that will play out and it's likely, based on recommendations from you and from the Health Planning Commission and other staff is going to be something that we would have to phase in incrementally.

The other thing it does is we talked about seniors. We all agreed on seniors. We all agreed on youth. It also still keeps whole and that opportunity to deal with those youth matters and all those items that we've discussed on the record at the last meeting and throughout multiple Commission meetings. So Mr. Chair, I took a little time. I appreciate you affording the time, but I think that gets us where we need to be and it puts us in a position where we're not going to lose the ability to get those increments which we know is on the horizon, specifically with the 1/12 and the 1/16. Correct? That goes away.

MS. MILLER: Mr. Chair, Commissioner Anaya, yes. Those go away for sure.

COMMISSIONER ANAYA: So that's my recommendation, Mr. Chair. the 1/12 and the 1/8. Thank you, Mr. Chair.

CHAIR ROYBAL: Thank you, Commissioner Anaya. Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Commissioner Anaya, and Manager Miller. Thank you very much for your overview. I feel fairly strongly that two

increments is really too much. I don't think that the public really wants to support that. The vote was 52 to 47 for 1/8 and doing another 1/12 on top of that is way too much to burden the public with. I feel like we're still coming out of a recession. We are still having a lot of issues and there are many other taxes that are being imposed on people. I think that 1/16 is adequate because that represents basically half of each of the voters. There was 52 percent for and 48 percent against 1/8 of a percent. Therefore if we did 1/16 of a percent we're kind of recognizing those voters who said I don't want a higher tax rate and we're also recognizing those voters who said, yes, I am willing to have my taxes raised.

A sixteenth brings us closer to where we are. I could support 1/12 of a percentage because I see then some extra money in there that we could do a few more things and it provides for a few more of the necessities. Having had time to look over the budgets and issues that I really care about, some of those issues are I am definitely still very concerned about the Housing Authority and the roofs on their buildings. I also would like to know about electric cars for the Sheriff's Department, if that's where we're going to go with replacing vehicles. Does that work? I don't know. I'm not a Sheriff so I don't know what it is like to drive an electric car, if it can provide them with what they need.

I'm also extremely concerned about the youth detention facility and the state that that is in and that we need to think about how we can redesign that facility. I think that these are issues that have maybe not been touched upon, and I do understand the need for collective bargaining and raising that percentage at some point but at the same time if we're putting in two percent and we're making headway. I am also very concerned about the firefighters and making sure that we do have more firefighters. That is a high priority for me.

But I think that 1/12 is more than – is as much as I would want to go with the voters. I feel like the voters have said it was basically 50-50 of where they wanted to go with the 1/8 percent raise of a GRT. So I just want to put that out there because I think that those are important things to think about and I think it's important to think about the voters when we are talking about raising taxes, because they are the people who are carrying the burden of this. So I just want to share that piece for the moment.

CHAIR ROYBAL: Thank you, Commissioner Hansen. Commissioner Hamilton.

COMMISSIONER HAMILTON: So I have a couple of questions to see if you could reflect on. One of them was how fast the authority for the 1/8 increments might be lost, recognizing that some of the is a threat that's ill defined, time-wise. Is there a formal –

MS. MILLER: Mr. Chair, a special session hasn't been called yet, has it? As soon as one is called it's on the table. It's not at the moment but –

COMMISSIONER HAMILTON: So it's not next year; it's right now that we're –

MS. MILLER: The reason being is it's become a bargaining chip in legislation. There are a lot of legislators who don't like that local governments have used all three 1/8s and they're also – because it's increased local gross receipts tax rates. And many of them believe that some of those rates are too high. Here in Santa Fe County within the municipalities it's over eight percent and some are pushing up near nine. So

it's become – while taking 1/8 away from a local government doesn't create revenue for the state a couple things they could do either to cause us to implement one to pay for something for the state, would it be if they once again put a proposal through that in order to shore up their Medicaid budget they tap local governments.

So one bill that was put through last session that didn't make it was putting another 1/16 or \$2.6 million for Santa Fe County on Santa Fe County to give to the state. So if you do that you need to have a source and so the source would be using – and their philosophy is use one of your eighths. Use one of your eighths and you can pay that. So that's one way that they could effectively use up one of the two eighths that we have left. Another is that they have used it as, like I said, as kind of a bargaining chip in other pieces of legislation. So there was a piece of legislation that kind of redid the taxes. It said, here's kind of a tax reform, and we're going to lower the overall – we're going to first of all stop local governments' ability for at least two years to implement any increments. That's one thing that may happen.

So that we can see what everything looks like. You can't put anything else in place. And then secondly, we're going to take one of those eighths. If you haven't imposed it we're going to take one away. And that was in there.

Now, what the bill did on the flip-side of it, what the bill did is it did increase one of those bills, increased the tax base by putting taxed – putting hospital services back into the base. So it did bump up revenue elsewhere. Whether it's for each county, because they would not do that analysis, whether it's equivalent to what you lose? Don't know.

But that one – that one did make it. That particular bill did make it to the Governor's desk. She did not sign that one. The other bill that didn't make it all the way through was a tax reform that had the moratorium on any local government being able to impose a tax, and that was one that was supposed to increase the base statewide, lower the rate. But meanwhile you can't impose anything.

So all those, if they have a special session, any one of those or all or other options could come forward.

COMMISSIONER HAMILTON: Next question is about the 1/12. You did the whole analysis of what we could do with that. Do you have an idea of what might be critically missing from that?

MS. MILLER: Mr. Chair, Commissioner Hamilton, I do think that there are other areas in the budget that perhaps departments or elected officials did not request because we said keep your operating budgets flat and we even said don't request very many FTE. Some said, well, I'll keep my operating budget flat but I still need to put in front of you and in front of the Board what we need in the way of staffing, and some did not put all of their requests. From a critical operational standpoint I don't know that there's anything major missing. I do believe our public safety needs, if you want to call it a shot in the arm in Fire and Sheriffs

And in the detention area, I did want to point out that some of those detention positions we asked for, the work is being done by detention officers. So really detention officers ought to be detention officers and not having to pull them to do other administrative functions. So that's why they don't necessarily have a request for more detention officers, because I don't think we need more detention officers. What we need is to be able to put duties to the appropriate positions.

Like I said I do believe dispatch needs and if we did the 1/16 I think dispatch needs additional funding. And we've had on the whole in dispatch, we have had difficulty recruiting because our salaries are low. And we've been working on changing that but that would be something more than like a two or three percent COLA would address. We'd need to put something in to shore up the base of that.

And then obviously, our senior and health services, there's always needs in those areas. So we did not beef up a lot of that, but those are – I didn't add anything additional other than the behavioral health side and the staffing to deal with seniors navigation and behavioral health programming.

COMMISSIONER HAMILTON: My last question was do you have any practical concerns? Obviously, on one side we have this issue that opportunities to implement these revenue streams are limited. Doing 1/12 is limited or the 1/16 is limited in a fixed way and there's a lot of high risk around the 1/8. Apparently everybody seems to think that's going to go away really quickly as well. Do you have any concerns about implementing both increments in terms of actually being able to utilize them appropriately?

MS. MILLER: Mr. Chair, Commissioner Hamilton, I think – obviously, well, because there is a phase-in timeframe we wouldn't even start collecting revenue for about a year, so there is – there's time to adjust to building up staff. Obviously, we wouldn't be able to spend it all on – if you did two increments you wouldn't necessarily spend it all right away but we don't necessarily want to spend it all right away because we would want to build into the budget, into the operating budget, those operations of a triage center. There's a lot of things we can do on contract until we have our own thing.

The sobering center is still at risk. We're right now, the sobering center, which is an existing service. It's not our service. It used to be our service then Christus St. Vincent took it over and we're working to try to keep that operational but there is an area that might be able to absorb some of that while we're working on getting a triage center together.

So in answer to your question, it's kind of difficult to say. It would be very hard to bring on 30 new FTE all at once when the employment pool isn't necessarily there. Plus you have to buy all the vehicles, the supplies, everything. So it would be phased in. So it wouldn't all be spent right as it comes in the door. But we would work – if you did implement more than one increment we would work to phase in each component, as well as something that Commissioner Hansen said, the Housing roofs. Well, if you have a year that you don't have, say, the triage center operating yet you have some revenue there for a one-time thing that you can take that and say, okay, well, let's dedicate that to fixing the Housing roofs. So there are things like that that before you would actually use the full recurring revenue stream there are definitely some needs that could be addressed on a one-time basis as we build – as we get the triage center up and operational, as we get staffing levels built up, that we would direct and recommend to direct some of those additional revenues to.

COMMISSIONER HAMILTON: I appreciate that. That was actually my last question.

CHAIR ROYBAL: Thank you, Commissioner Hamilton. Commissioner Moreno.

COMMISSIONER MORENO: Thank you, Mr. Chair. I'm just uncertain. The Governor has made it really awful for local governments to make sense out of what's happening and the longer it goes the anxiety is compounding. It was – I do respect the vote that we did, the advisory vote. I think it's close and I don't want to take it off the table just yet because there's so many other moving parts that would dwarf this activity. So what would be a safe budget, given all the uncertainties, would preserve what we currently have and also maintain current commitments for the future?

MS. MILLER: Mr. Chair, Commissioner Moreno, I was thinking about that I'm like – I'm trying to think of all the potential threats and the things that keep coming up. So if you want to look at the things, the three biggest threats I think we have from the state are one, taking away one of the eighths, two, saying that counties need to take on a greater burden of the Medicaid. So let's just give that 1/16, because that's what was floated out there. The reason the 1/12 came about, by the way, which is I said, an odd increment is they had previously tried for an eighth. Counties fought back so they do 1/16, and the compromise was the 1/12. That's the only 1/12 increment that I know of at the state or local level. So that's how you ended up with that odd number of 1/12.

So the state has never given up on the idea, at least HSD, the department, that counties should be contributing 1/8. So they're still after that difference of 1/24 in order to get them to their 1/8. So they're not going to do 1/24. They're likely to do 1/16. And then there is the removal of our hold-harmless. What I have tried to account for, if you say a safe budget, what I have tried to account for in here is the removal of the hold-harmless distribution that we currently have. I took that out of counting on it as recurring and I also tried to account for that one. The thought that they could take 1/8, it's out there. So there's two eighths. If we impose one; they took the other. It just means we don't have anything in the future, but it wouldn't hurt anything that we're proposing or that anybody's talked about so far.

The one that I can't deal with in this current budget proposal is if they say give us that additional 1/16. So we've accounted for the possibility of the pulling back the hold-harmless distribution. We've accounted for the fact that they might take 1/8, because we have two eighths available, but have not accounted for or put in a revenue stream if they say, and we want you to kick in more money for the state's Medicaid. So that's the one that's not there from a state threat perspective.

From a federal threat perspective, like I said, we don't have a lot of wiggle room for increases in healthcare costs or if whatever might happen with Obamacare. One of the things that has shifted the burden off of our indigent fund or our healthcare claims was having Obamacare. If that's repealed and something else is put in place I don't know what kind of demand that would have as kind of a resurgence of demand on our healthcare funds, but we have been moving away as much as we can from claims-based and trying to do contracted provider services to get us out of that potential problem.

And we've also tried to not rely completely on things like PILT and that for recurring things because that's another – PILT is payment in lieu of taxes for your federal lands that don't pay property taxes. So our forest lands. We receive about \$750,000, roughly, and we try not to count that towards salaries and benefits. We do count in in our revenues but we don't count it towards recurring items.

And so these are some things that we've tried to build in in answer to your

question, Commissioner Moreno, a safe budget. We've tried to build those things in, as well as what isn't in here yet, which you will see before we bring you an interim budget for approval is how we set our reserves and what we need for cash to set specific reserves for not only state required reserves but our own reserves for emergencies.

COMMISSIONER MORENO: Mr. Chair, do we have time on our side? It takes time to put these ballots to increase the tax.

MS. MILLER: Mr. Chair, Commissioner Moreno, we don't need to go to the voters for these taxes. These are authorized by statute by doing them at the Board level. We don't have time relative to the 1/16 or the 1/12 increment, either/or. That needs to be done before the end of May; the Board would need to take action on that, but the other two eighths time is on our side only if the state legislature doesn't touch them. They don't have a – if you look when we did a chart. I don't know what page it is but we gave you on the chart of what the increments – it's slide 14. We did put the time limit on those. June 30 if it's 1/16 or 1/12 and not a time limit that we are aware of that's currently in place on 1/8. But as I said, in answer to Commissioner Hamilton's question, how soon could something happen, it could happen in a special session. Any one of those things that I said at a state level. And they could come up with something else, to be honest. Those have just been the ones over the last two years that have been proposed at the legislative level, are taking away the increments, freezing the increments or taking your hold-harmless distribution if you implemented any of them.

CHAIR ROYBAL: Commissioner Moreno, are you –

COMMISSIONER MORENO: I think I'm done.

CHAIR ROYBAL: Thank you, sir. We have Commissioner Hamilton, then we'll have Commissioner Hansen and then we'll go to Commissioner Anaya.

COMMISSIONER HAMILTON: So there are some things that seem really critical to me. I've been aware for obvious reasons for quite a while about the Fire Department needs. The other public safety needs just add on to that. It's very difficult to fill those. It's very difficult to get FTEs and revenues for us to do it. And so in some ways I'm saying that because earlier on the Commissioner hasn't make a comment about the fairness and the concerns about putting multiple additional taxes on the citizenry and I think that's a really serious concern. But it's very – I don't know – appealing I guess is not quite the right word but the idea of taking what might be a very time limited opportunity to be able to increase the basis County services that are really, really needed.

That's one of them, and the healthcare is another, especially, and Manager Miller you brought it up just a moment ago, the other threats of loss of healthcare and how that might come back on us at the very least in terms of the indigent fund. And so it almost seems that to fill all of these things that we've talked about as being critical you need to more than – you could just do 1/8 and you can do a fair amount of it because what we can do with 1/12 is obviously pretty good but it doesn't get us all the way there.

And given that we're going to lose this opportunity, that's what I see as this sort of difficult question of being able to build up our capacity to meet the needs of the citizens while we have the authority to do that sort of thing, compared to the downside of very quickly putting financial pressure on the public. So from that regard, you have a fair amount of experience in taxation policy and what not. Do you have any comments on the downside of going to two increments while we have the opportunity to do it?

MS. MILLER: Mr. Chair, Commissioner Hamilton, I think the downside in the tolerance for tax increases at the point of sale, because these are GRTs and the downside is that businesses or individuals who feel our current tax rate is too high will voice that increases taxes more above our current GRT rate is too high. You will have the municipalities, because it goes across their boundaries, although I have to say a lot of these proposals, for instance in all of them that we've said so far, we would be – the dispatch, we help the City of Santa Fe, Edgewood, all that. So that's directly – and the same with behavioral health. That's directly something that serves the residents of the municipalities as well, as does any kind of public safety coverage, because we do share – we have mutual aid agreements with all of the entities.

So a lot of it where you might hear, well, what's in it for us, from a municipality, there's a lot in the proposals that we put forward in making sure that it's public safety for the whole area, which includes people within incorporated areas. It may not seem like direct services to them but that's one that you'll hear. And then the other you will hear is does it push us up at the register. I just want to point out, the smallest increment we proposed was a .0625. That's six cents on \$100. If we did 1/12, that's roughly eight cents on \$100. If we did 1/8 and a 1/16, that's 18 or almost 19 cents on \$100, and Commissioner Anaya's proposal of 1/8 and 1/12 is .208 or almost 21 cents on \$100.

And it's less than a quarter cent. And to put it into related to other increments we have, we put a quarter cent countywide in place for capital outlay back in 2001, which is predominantly what funded our portion of BDD. We put a quarter cent in place for RECC, for dispatch and fire, back in 2006, I believe. So this would be less than that. So the County has implemented taxes, an increment of a quarter cent, which is .25 or 25 cents on \$100. So just to give you some perspective on what the different proposals are, they go from six cents to about 21 cents, and we have done at an individual time, we have gone to the voters for a quarter cent for public safety and that was approved in 2006 when we did the quarter cent for the dispatch and the firefighters. I think that was the last time we did – and I wasn't here so I'm not 100 percent sure, that was the last time we did a quarter cent though out to the public. The only other increment we have imposed since that time was the 1/8 that we did two years ago.

CHAIR ROYBAL: Okay. Commissioner Hamilton, was that it?

COMMISSIONER HAMILTON: Yes. Thank you.

CHAIR ROYBAL: Commissioner Hansen.

COMMISSIONER HANSEN: So if we did the 1/8 and the 1/12 it would mean that people would be paying over \$1.04 per \$100 in tax. Or how much would they pay. Because there's already 8.3125.

MS. MILLER: Well, I can tell you for sure – well, out in the county we're at seven even. So in the county they'd be paying – so that's \$7 on \$100. And they'd be paying \$7.21 on \$100. And then in the City they'd be paying – add .208333 to that. So they'd be paying \$8.520833. So it would be \$8.52. So outside of city limits, in the county, outside of the City of Santa Fe I honestly don't know the others off the top of my head, you'd go from \$7 on \$100 to \$7.21, roughly, and in the city limits you'd go from \$8.31, roughly, on \$100 to \$8.52.

COMMISSIONER HANSEN: Okay.

MS. MILLER: So that's the difference.

COMMISSIONER HANSEN: How soon does the Governor need to call a special session? Since the budget year ends on June 30th and we don't have a budget. What's her deadline?

MS. MILLER: Mr. Chair, Commissioner Hansen, that's a really good question. I think that every local government would like to know the answer to that question, as well as the state agencies that aren't funded right now. I don't – I haven't seen a situation before like this, so in 20 years of being in the local government and state government finance-wise. So I'm not exactly sure what the plan is at the state level, how they will address it.

COMMISSIONER HANSEN: Is there any state mandate for them to have a budget done by June 30th or not?

MS. MILLER: Mr. Chair, Commissioner Hansen, there's a state law says they'll have a balanced budget, I guess before they start the fiscal year, but I don't know. Greg, do you have any insight into what that requires of the state? I mean they have a balanced budget, I guess if you consider that higher ed and the legislature aren't funded, but I don't think – and that's something – the vetoes are going to the Supreme Court this month. So I think there's a lot to still be played out at the state level so I can't really say, but I would say they probably need to do something before the end of the fiscal year in order to set a budget for next fiscal year. I don't have any insight into what the thinking is at the state level right now.

COMMISSIONER HANSEN: I was wondering if there was something in the state law that required the state to be in that position.

MS. MILLER: Mr. Chair, Commissioner Hansen, I don't know if they go into a shutdown and kind of limp along mode like the federal government does, if they don't have a budget. I'm not really sure.

CHAIR ROYBAL: Is that it, Commissioner Hansen?

COMMISSIONER HANSEN: Yes.

CHAIR ROYBAL: I'm going to go to Commissioner Anaya next and then I'll come back to you, Commissioner Moreno.

COMMISSIONER ANAYA: So, Mr. Chair, I really appreciate all the feedback of my colleagues and the work of staff, and as I was sitting here thinking about not just the last several years that I've been on the Commission, but I was actually thinking about the last 25 years as a County. When you think about the County 25 years ago, even 15 years ago, I would say, it was a much different county. It was a County that was heavily reliant on external funding factors like the federal government and the State of New Mexico. In working in County government and working around County government, there's still many county governments that wait around to see what funding streams are going to come in from the federal government or the state government to help them do whatever it is they need to do.

But if we fast forward into the last decade we've become a County that has fortunately been able to sustain the ups and the downs of the economy and we've become more and more and more self-reliant for funding from our constituencies, our citizens, to be able to do base, core, essential functions in the community. And when I think about, and I very much appreciate what you said about applying what we're talking about in real dollars, if we looked at 22 cents on \$100, less than a quarter cent, less than the 25-cent

mark that we've been at before, and then you look around the county and you can pick any segment of the county. Fifteen years ago you couldn't look at every quadrant of the county, every nook and cranny, and point and touch a service. You couldn't. Because frankly the County Commissions of that time and those days didn't have the resources and the ability to cover and provide services and coverages through the whole county.

And when we look at the Sheriff's Department as one prime example, I can now, right now, right now get in my car and drive to Edgewood or Stanley and it won't take me long to find a Sheriff's deputy [inaudible] to help facilitate coverage in that area. I can do the same thing going up north or going to Glorieta or going to La Bajada, if we looked at four quadrants of the county. There's coverage. I can get in my car and go to any part of the county – rural or urban – and find that our Public Works Department has done a phenomenal job to put chip seal and asphalt down and to grade roads to levels that we would have never imagined 20 years ago when I sat on the Road Advisory Committee.

And when we speak to fire, we look to fire stations. You can point now. We can go anywhere in the county and somebody could say, What does the County do for me? We can point at it. We can say that fire station right over there. Houses, full-time staff, 24/7/365. That senior center in Eldorado serves every single day. That library provides facilities for kids and for youth and for families. We can point at it everywhere.

And so the last person and Commissioner Hansen, I respect completely your comments. The last person that anyone in this audience knows me, or even constituencies would have thought was going to sit here in this room today and propose any increments and be a front person on an increment it would have been me, based on my track record and what's occurred in my tenure as a Commissioner.

But that being said, we are in a position, because of all the external factors that we don't know about, to self-determine and continue to not only provide the services we have, but to reach out, as you're saying, Commissioner Hamilton, and do some things that maybe we couldn't have otherwise done. And understanding as a businessperson and as somebody that's worked in business as well in the private sector, there's an impact. I get it. But the offsetting benefit from my perspective, respectfully, is that it's an opportunity to have maybe another deputy in the southern part of the county and more deputies around the urban-plex here in Eldorado, in La Cienega and Madrid and Chimayo. And to have more coverage, which is what we keep hearing from our 24/7/365 fire stations on those shifts so that they adequately can serve those areas and take care of those needs and that we have that additional support staff, because it's not only those essential public safety needs, but it's also people like P. J. and his crews. Right? And the people doing the open space work that we see every day – we're everywhere in the county.

Now you can point everywhere and see the benefit of your tax payments you make – property tax and gross receipts tax and any other tax that we've had to impose to do a direct service. And so I'll step back and say it's different for me to be in this particular position but I think it's a necessary position. And I think it gives us a really good opportunity to finally get ahead of the game and effectively render an expanded service that's not only needed but desired and requested when we go out in the field.

My last comment, Mr. Chair, is this. Whatever the determination of the majority of the Commission does it sounds like we're headed in the direction of some level of

increment. If we have to get into the position of prioritizing that increment then I'm going to say today on the record that that public safety component that we've discussed and those positions is number one. And I think we have another huge opportunity to take care of our existing stock and that's our employees. And I think we have an excellent opportunity to deal with an increased amount that we can help with across the six and the non-union, because I include them in the mix as well, to be able to get a little bit further down the road.

And I'm not taking away the substance abuse priority. I invested a lot of passion and heart alongside of many people for several decades now to get to the point where we're finally going to maybe have a good comprehensive triage facility. I just see that as an evolution of expenditures. I see that as maybe, if I had to choose, that would be one that would be something that we implement a little more down the road once the facility is constructed.

So, Mr. Chair, I appreciate very much for the indulgence and I very much respect and appreciate each and every comment that's been made thus far by the Commission. Thank you.

CHAIR ROYBAL: Thank you, Commissioner Anaya. Commissioner Moreno.

COMMISSIONER MORENO: I'll pass.

CHAIR ROYBAL: Okay. Do we have any other questions or comments from the Board? Thank you, Manager Miller for your presentation and Manager Miller, so you have something?

V. Direction From the Board of County Commissioners

A. Balancing Needs and Priorities

MS. MILLER: Mr. Chair, I do. If you look at the last slide that I had. It was slide 18, which I've now scribbled all over so I couldn't even read my own numbers, was getting some direction for the next meeting, May 9th, and in light of what I've heard maybe you could give me some feedback on what you think – I guess, Mr. Chair, I kind of agree with Commissioner Anaya. What I'm hearing is I would like to look at least an additional 1/16 or 1/12 unless I haven't heard that. Because it makes a big difference in what we bring to you, because –

COMMISSIONER ANAYA: Mr. Chair, on this point.

CHAIR ROYBAL: Commissioner Anaya.

COMMISSIONER ANAYA: Respectfully, I'd like to just get a pulse of the Commissioners. I'd like to look at 1/8 and 1/12, and unless there's absolute objection to that, if we're going to one then I say we go with 1/8. But I'd just defer to my colleagues. I do think we should provide some direction, whatever that is. Whatever the majority will is.

MS. MILLER: Mr. Chair, just one comment on that. The reason I said the 1/16 or the 1/12 is those are the ones that go away. The 1/8 would still be there after that. But I get what you're saying because I think, we put a proposal together with 1/8 and there's obviously areas we could still address, even with 1/8 or beyond 1/8. So I was just saying if we wanted to look at what goes away, the 1/16 or the 1/12 is the one that has a

timeframe. But otherwise, I'm totally open to and I agree with Commissioner Anaya. I'd be more than happy to hear the pulse of the Commission on two increments because I need to figure out what to bring back to you next week.

COMMISSIONER ANAYA: Mr. Chair, what's 1/16 and 1/8? What's that on \$100?

MS. MILLER: 1/16 is six cents and 1/8 is eight cents. So what I wrote is if you went – or say if you wanted 1/16 and 1/8 combined, it's 18, almost 19 cents.

COMMISSIONER ANAYA: Mr. Chair, I said 1/12 but we could do 18 and 1/16 as opposed to the 1/12 that brings down the per \$100 four cents. I'm ready to – I guess, respectfully, Mr. Chair, I apologize, but I'm ready to – whatever it is – I respect the decision of the majority but I'm ready to give some clear direction today if we can.

MS. MILLER: It would be helpful.

CHAIR ROYBAL: And I think we need to look at the two that are going away and have those come back.

MS. MILLER: Mr. Chair, it's one that goes away. It's either the 1/16 or the 1/12. You can't do both. So – and I see where Commissioner Anaya is going. He's saying, well, if the 1/12 seemed a little high, if 1/8 and 1/12 seemed high you could do 1/8 and 1/16. But what definitely goes away is at least 1/12.

COMMISSIONER ANAYA: I'm thinking of the context of the two.

MS. MILLER: Right.

COMMISSIONER ANAYA: Providing more coverage and we're accommodating our goal. Right?

MS. MILLER: Yes, Mr. Chair.

CHAIR ROYBAL: Commissioner Hansen.

COMMISSIONER HANSEN: I'll make a motion to go with the 1/12 and have that be what we raise the gross receipts tax to. Is that clear?

MS. MILLER: Mr. Chair, that's clear.

COMMISSIONER HANSEN: I'm just putting it out there.

MS. MILLER: We have five different options.

COMMISSIONER HANSEN: So I'm putting out one option.

COMMISSIONER HAMILTON: Certainly, if we only do one increment and we're concerned about the 1/16 or the 1/12 going away and we want to consider that, I would favor going with the 1/12, partly because I'm all over oddball mathematics, despite how uncomfortable it makes you. But I'm not sure we should dump off the table going for both increments, yet.

CHAIR ROYBAL: I would agree. I think we need to look at both increments. Commissioner Moreno.

COMMISSIONER MORENO: My inclination is to go with the 1/16 but I might be able to be coaxed into 1/12.

COMMISSIONER HAMILTON: As a single increment?

COMMISSIONER MORENO: Well, either one.

COMMISSIONER HAMILTON: And not consider doing the 1/8 as well.

COMMISSIONER MORENO: Not the 1/8.

MS. MILLER: Mr. Chair, then I have a suggestion, based on what I just heard. I will bring back for next Tuesday a proposal that is, if we just did one increment it

would be the 1/12, and that if we did two increments it would be the 1/16 and the 1/8.
How does that sound? And then you could look, give us direction next week which of
those two options – and I'll consider all of the things that we talked about today in both –

COMMISSIONER ANAYA: And apply the positions and everything?

That sound reasonable?

CHAIR ROYBAL: I'm fine with that. Is the Commission fine with that?

COMMISSIONER HAMILTON: I'm fine with that. I'm grateful to have
time to consider too both options. I really appreciate that.

CHAIR ROYBAL: Commissioner Hansen.

COMMISSIONER HANSEN: Yes.

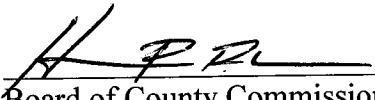
MS. MILLER: Okay. Great. That will work. That will give us something
to bring to you next week.

CHAIR ROYBAL: So we have the clear direction.

VI. Adjournment

Upon motion by Commissioner Hansen and second by Commissioner Moreno,
and with no further business to come before this body, Chair Roybal declared this
meeting adjourned at 1:50 p.m.

Approved by:



Board of County Commissioners
Henry Roybal, Chair

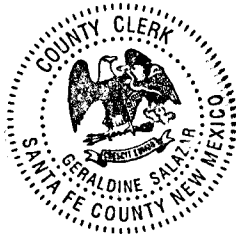
ATTEST TO:


GERALDINE SALAZAR
SANTA FE COUNTY CLERK



Respectfully submitted:



Karen Farrell, Wordswork
453 Cerrillos Road
Santa Fe, NM 87501



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 35

Hereby Certify That This Instrument Was Filed for
Record On The 31ST Day Of May, 2017 at 08:42:21 AM
and Was Duly Recorded as Instrument # 1827063
If The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy  County Clerk, Santa Fe, NM