

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS

SPECIAL BUDGET SESSION

May 9, 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 9, 2017

I. This budget study session of the Santa Fe Board of County Commissioners was called to order at approximately 12:25 p.m. by Chair Henry Roybal in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

II. Roll Call

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

Members Present:

Commissioner Henry Roybal, Chair
Commissioner Anna Hansen, Vice Chair
Commissioner Robert A. Anaya [12:41 arrival]
Commissioner Anna Hamilton
Commissioner Ed Moreno

Members Excused:

None

II. Approval of Agenda

Commissioner Moreno moved to approve the agenda and Commissioner Hansen seconded. The motion carried by unanimous voice vote. [Commissioner Anaya was not present for this action.]

IV. Presentation and Discussion on FY 2018 Budget Development

- A. Budget Priorities and FY 2018 Expense Requests**
- B. FY 2018 Base Budget Recommendations**
- C. Employee and Bargaining Union's Compensation**
- D. New FTE Recommendations**
- E. Fixed Asset Repair and Replacement Recommendations**
- F. Maintenance Project Recommendations**
- G. Gross Receipts Tax Options and Legislative Risks**

KATHERINE MILLER (County Manager): Thank you Mr. Chair, Commissioners. I'm going to start today's presentation off with one of the slides from last week's presentation as well. I did not put the entire packet that we had last week back in today because I think today's focus, I wanted to focus primarily on not so much the

budget agenda and schedule and the calendar and our performance-based budgeting or anything like that. I wanted to go specifically into reconfirming the operating budget priorities that this Board has, as well as kind of developing, showing you where we are with a base budget and then looking at alternatives if the Board would like to consider any additional tax increments.

So on slide 2, I just wanted to go through as kind of a summary of where, from our previous two budget study sessions and other meetings where the Board has stated it has a desire to focus our FY 18 operating budget. And predominantly, that's in public safety, to include career staffing at the Fire Department, volunteer retention, Sheriff's Department staffing and detention facility programming. We have a need to make sure we continue and increase our senior services, support our new sustainability program and sustainability office, modifications to our health programming, particularly in the areas of behavioral health, and community based prevention and welfare, a navigation system for consumers, and then addressing state requirements.

We had also a focus on youth programs to increase our summer youth program funding and continue our summer intern programs, and then also looking at programming and funding for our new facilities, predominantly our Stanley Cyclone Center, which we just had a ribbon cutting on Saturday, a really nice event, the up and coming crisis triage center for behavioral health crises, our Cerrillos Senior Center and senior program. And then facilities maintenance throughout the county and our community centers, our public housing sites, fire stations and senior centers. Then additionally our open space and trails master planning and maintenance and capital improvements and our water planning and utilities expansion.

The next slide, slide 3, is just a restatement of the operating budget that the departments submitted. As I said previously, most of these operating budgets remained almost identical to this fiscal year's. The ones that had a few small changes were in Fire administration – this was a question that was asked as a result of our last study session, why did the Fire administration budget go down by \$163,000 when they're turning around asking for additional funds and expansion? Actually, what's in that is that we had shifted some of the operational expenses to what we call a fire excise tax fund that does not allow for salaries and benefits. It is not included in this. Remember, these budget funds here are predominantly those funds that carry operations of salaries, benefits and all other operating costs.

So what we did is actually shift some of the costs out of that Fire administration portion of the budget to free up some money to make sure that we had funding for additional Fire FTE.

And then also another question was on our Community Services Department. Why was that decreasing by about \$225,000 and that is in reference to the three-year plan. I mentioned at the last two meetings that we had a three-year plan to spend cash that we had available in what was previously called our indigent fund and the Commission last year passed a resolution to do that plan but it's not recurring revenue and it was designed to actually be spent over a three-year period with diminishing amounts each year. So eventually you will not see that in their budget at all.

But their base operating budget of what it takes to fund their staff and the operations of their staff, utilities, fuel, travel, training, professional services contracts,

miscellaneous items, office supplies, that type of thing. What's predominantly in this budget that you see in front of you, these numbers, and that is where the departments did keep their budgets the same as they had for this year.

On to page 4, this slide shows you what we did do to continue services that we have been providing and to actually put in some additional funding as requested. So our youth programs – in the summer we do a solicitation and we do a solicitation in the spring for summer youth programs that are aligned with our *Health Action Plan*. And this past year we awarded \$225,000 in contracts to about 30 different organizations throughout the county and we upped that funding to about \$275,000. The Boys and Girls Club at our public housing sites had \$130,000 in the budget and we did increase that to \$150,000. The summer intern program is \$54,000 and that's for 15 summer interns.

Our seniors program, we are working on trying to get a safety and case management pilot project going and that's a project that goes with the Fire Department, Senior Services and the hospital and that has been included in the budget in the various different departments focusing some of our energies on getting that project going.

The also educational and career opportunities, we have \$55,000 in HR for employment related certifications. That's predominantly the EDGE certifications, and then each individual department has training money in their budget and travel money for specific certifications for their classifications of employees. So for instance, the appraisers have different levels of certification and the Assessor has money in his budget to send people for maintaining their certifications.

Then also we have \$35,000 in HR for tuition reimbursement so if somebody goes, takes college classes that are related to their job they can request tuition reimbursement if they receive appropriate grades.

Then I mentioned the three-year health navigation plan. We are in the second year of that three-year plan and the total that was allocated for that is \$3.3 million over three years.

The in operational funding for new facilities, we had I believe, around \$100,000 to get the Stanley Center started and this is an additional \$155,000 for operating costs. We also did budget in our budgeted revenue, we do anticipate receiving revenues off of that facility. There's a lot of entities interested in renting it for events and so we did budget some corresponding revenues to offset the operational costs.

Then on slide 5 we have those items that have been built into the base budget so that we can make sure that we have the basic operations of the County funded and cover these things that each individual department does not control that we put in at a macro level. Those are the \$365,000 in the increased base operating budget, the health premiums, we will have an increase in January, are likely to have an increase. We don't know exactly what that will be. We're estimating about \$250,000 for the County's side for six months.

Then multiline, Workers' Compensation, law enforcement insurance – the other one that's not on here is our medical malpractice as well as any of our small insurances that we have for different things like boiler insurance and different environmental insurances with \$300,000 for that. Utilities and fuel, \$135,000 and then in our water utility, \$250,000 for the increase in master meter fees as well as other fees to the City when we are not using Buckman Diversion or we are using the City's distribution system

for getting to the County customers.

Then we also tried to earmark approximately the dollar value of two percent across the board but for each of the six bargaining units as well as the non-bargaining unit employees. And then as I said, we had new FTE requests of \$1.88 million and we had \$893,000 recommended by committee that looks at new FTE requests and we have about \$600,000 available.

So just to give you a little bit better idea of how the compensation for the different bargaining units plays out: So how we approached this budget, we had conversations in the last meeting about potential gross receipts tax increment increases. We needed to actually approach the budget of developing a budget for recommendation to you and hopefully your approval if there are no changes to our revenues. And what I mean by changes to the revenues, any additional increments of gross receipts tax. There may be changes to our revenues based upon what happens in the legislature but I have slides in a little bit that will talk about how we're mitigating those risks. But what I tried to say, okay, that's what we have to work with is about \$2.5 million for all of the stuff that I just presented to you and that's the increases in the base budget, the increases to insurance and utilities and fuel, our employee compensation and new FTEs.

And so we broke that down at looking at if we did about equivalent of two percent to the employees, how does that break down by bargaining unit and for half a year. That's meaning that anything that would be negotiated in economic reopeners, or anything for non-union would come into effect January 1. So what you see here is for AFSCME medical. That equivalent is \$47,500 for half a year or \$95,000 for a full year for AFSCME blue collar, which is predominantly Public Works and some of our other departments. \$118,000 for half a year, \$237,000 for a full year. The Sheriff, \$57,700 for half a year, \$115,500 for a full year. Fire, we already negotiated their contract so we have built next year's – they already negotiated a pay scale so we built that in, but then we also have an economic reopener in August with them. That was part of the agreement and so we looked at having \$47,600 available for those negotiations. RECC, equivalent of two percent is \$19,750 for half year, \$39,500 for a full year. Corrections has already been built into our calculations. That's already negotiated. They don't have an economic reopener or a new contract until next fiscal year, so we had to account for that in our base salaries, and then non-union, two percent for half a year is equal to \$220,000 or \$440,000 for a full year.

So what we're recommending to be built into the base budget is the FY 2018 cost of a half year, which is \$510,000. That will mean in 2019 that compensation packet will have to be built into our salaries and benefits of a cost of about a million. So when factoring what we have available we kind of took about \$750,000, so \$500,000 of that would be used and then \$250,000 will be kept for the growth into a full year.

So as I said, what I'm looking to do with the Board today is actually get your – I don't want to say approval on a budget plan with just using the existing revenue stream, and that is the budget that we will build and that we'll bring back to you on May 30th for approval. And then anything in addition to that, based on revenues, that you would put in place, I have those options of how that would come in to play at the point that we start, that we know that we don't have legislation that prevents us from having new revenues as well as any legislation that may come in and change our expectations or the picture as we

know it today and as we think it will become at the beginning of the calendar year when any new tax increments would actually go into effect.

So on page 7, this is our recommendation with our existing revenue stream for new FTEs. It is the same more or less as what we showed you last week and that is taking all of the requests that we have and prioritizing that, predominantly with public safety and healthcare, except for one maintenance technician with Public Works. As you can see, what we end up with in this scenario is a total of 13 new FTE. One of those would be a security threat intelligence officer. I have to say the press did two stories. I think the *New Mexican* and the *Journal* did a story and they said these are the individual salaries. This is the total cost. It is, if you look at the top, it's the cost of the salary plus benefits, so both articles had that incorrect. It's \$52,000 for 16. That's the salary plus benefits. Our benefits run anywhere from 30 to 50 percent, depending on the employee and what union they belong to.

Behavioral health manager, one behavioral health manager, that's \$88,000. As I said that is salary and benefits, not just salary. The fire protection specialist, salary and benefits of \$56,700 but we have existing budget that we would use so we don't need additional funding for that position. We just need the position approved. And then three firefighter-EMT basics, for a total of \$154,609. Then one maintenance technician for Public Works at \$37,128. One administrative assistant for the Sheriff's Office at \$41,500. I would like to note that we are going to try to get a grant for another year. However, we have been told by the Department of Transportation that we only had a four-year grant. This is our individuals who does the forfeiture program. And we are going to go to them and see if we can get another year, but we want to make sure that we keep that program going so we do want to consider that we need to budget for the position if we don't get the grant.

And then a crime scene technician and three Sheriff deputy cadets, for a total of \$596,844, and 13 new FTE.

So that's where we are with the operating budgets, and then I'm going to go through with the fixed asset and repair and replacement recommendations. We're estimating that we will have \$4.5 to \$5 million to deal with our fixed asset repair and replacement needs and at the moment this is where we stand in recommended expenditures to that. And in your packets you have these large sheets. This lists out all of the vehicles and projects and fixed assets that would be approved if the Board gives the okay. We would build these into the budget that we bring back to you on May 30th. All of this goes through a process where the departments submit their requests and then they meet with a committee that's made up of various employees and department directors and division managers, employees, that have each department present their request to the committee and they vet them and at that particular time they sometimes withdraw things from their request, they prioritize their request and the recommendation comes out of that committee process.

So under the vehicles, which does not include the Sheriff's vehicles. That does not go through that process because pretty much they need their vehicles to carry out their mission. And so this vehicle request, the Sheriff's vehicle request is the small sheet. The first page after – the first attachment, which lists that the Sheriff would have 11 vehicles, patrol SUVs, ten patrol sedans, four patrol trucks and two animal control trucks.

The two items that we left off the table right now is a crime scene van and a rescue response vehicle. What we need to do is see where we actually end the fiscal year and if we have additional funding available we'd come back and make some recommendations, so potentially buy one or both of those vehicles as well as some other heavy equipment in Public Works. But at the moment I don't feel comfortable recommending anything more than what's in the packet until we see our total revenues for the year, our total expenditures and get a sense of exactly what our cash that we have fall out of the budget in that process, our kind of one-time revenue that did not get used for recurring expenditures, how much of that is available.

So at the moment we're targeting with this package a \$4.5 to \$5 million package for these items.

Then our IT related equipment and software, that is also on your list that is behind the VURB. I could go through all of the items in the VURB but I think you can see there's Corrections vehicles, risk management vehicle replacement for the Sheriff. We give you in these spreadsheets the age of the vehicles and what they're replacing and why they need to replace them. Growth Management would have vehicles for their code enforcement and their building and development services and their open space. Public Works, one for their sustainability program, two vehicles for building services, one for open space and trails, one for property control, one for road maintenance. The dispatch, one vehicle replacement there.

Administration Services, this is where we get into the IT-related. The Administrative Services, all those top 11 projects, those are all Countywide IT needs. And then you have Community Services, a router and antenna for their health van, healthcare assistance, computer and phone for a new FTE, healthcare assistance software, purchases for the CARE Coordination program. Then Corrections, a PC computer cascade, electronic key management system and PC replacement cascade. County Manager's, one laptop and the engagement software for financial statement creation. Then for Growth Management IT, peripherals for the new FTE and asset renewal, high-end GIS desktops, six of those. And then IT peripherals for new FTE.

RECC, replacement of administrative staff laptops, three of them. Sheriff's administration, scanners, court division communications desktops, fatal team cameras, fatal Trimble station, inventory management system and LIDAR. So that's the IT.

And then when you get into fixed assets and heavy equipment you have – I won't go through all those but you can look through that's predominantly fixed asset and heavy equipment is Community Services, Corrections and Public Works and the Sheriff.

So those would be the items that make up the totals on slide 8 and that's vehicle replacement, the IT replacements and fixed asset and heavy equipment replacement.

Then in maintenance and repair we have a roll-over list from 2017 that did not get completed and that's because we actually got a late start on 16 so they needed to finish up 16's, and that's because that was the first time we had this fund and this program of doing maintenance and repair, and we have so far \$333,000 for 2018 but we do have recommendations that we'll come back to add to that to complete the full \$2 million that we have available for maintenance and repair projects Countywide, and that's based upon what was set aside for doing maintenance and repair out of the hold-harmless gross receipts tax, not the distribution but the GRT increment that we put in place two years

ago in 2015. Two million of that is dedicated to doing maintenance and repair on existing facilities and the remainder of that will be brought forward at the May 30th meeting. And that list of what is carryover from 17 and new for 18 are the last two pages of the attachments to the presentation.

So with that, that is what our base budget is and what I would like to talk to the Board about relative to, at the end of our study session, making sure that that's something we can develop and put together for submission to DFA. Then, what I wanted to go into next, and so I can either break and answer any questions about that, or I can go into the gross receipts tax options from the May 2nd meeting where we were asked to come back with two GRT options. So I stand for questions or I can keep going, Mr. Chair.

CHAIR ROYBAL: Okay, we do have some questions from the Board. I'll go to Commissioner Anaya.

COMMISSIONER ANAYA: So I think we've had a lot of discussion and we're going to have more discussion but I just wanted to cut to the chase on three questions I'd like to ask the Manager relative to the proposal on gross receipts tax on the 1/16 and the 1/8. My three questions are this, and they're just straightforward, yes or no questions. If you want to expand you're welcome to but Mr. Chair, if I could.

The first question is the 1/16 and 1/8 proposal – and I appreciate that you made this reference last time, culminates in just under 19 cents per \$100. Is that correct?

MS. MILLER: Mr. Chair, yes. If you look on slide 10, actually break out how much it is, current tax rate, and then the second column in the green is the 1/16 and 1/8. What it would be in the county, in the Town of Edgewood, and Espanola and the City of Santa Fe.

COMMISSIONER ANAYA: Thank you, Mr. Chair, Ms. Miller. My next question is the 1/16 and 1/8 proposal equates to, I think it's even a little more than 85 percent now of the positions, requested, recommended come from the public safety arena. Is that correct?

MS. MILLER: Mr. Chair, I don't know the exact percentage but the majority of the positions that would be recommended with existing budget are public safety and in any increment that you would suggest, but on the 1/16 and the 1/12, most definitely, when you get to the 1/8 and the 1/16 we do have to bring in additional administrative staff, but still the most of it is public safety.

COMMISSIONER ANAYA: So the last – at the first budget study session, the total requested was at 85 percent, so it's going to be in that same range.

MS. MILLER: Mr. Chair, yes, or even more.

COMMISSIONER ANAYA: So if anything it's going to go up, not down.

MS. MILLER: Correct. I think in the last proposal it would be something like 60 FTEs and only five to ten of those would not be public safety related.

COMMISSIONER ANAYA: Okay. And then, does the 1/16 and 1/8 proposal include in it – this was discussed, but would it include in it an increase? Currently it was my understanding there was a two percent budgeted amount that was to be allocated to the collective bargaining units and also included an amount for non-collective bargaining units. We talked about six collective bargaining units, plus non-union. Would the 1/16 and 1/8 account for an increase to that from two to three percent, as discussed?

MS. MILLER: Mr. Chair, I believe it is on slide 15, you'll see that we added in that 1/8 and 1/16, there is funding for an additional one percent COLA for equivalent, and it comes into play in the last quarter of next year, because we don't start receiving revenue, but then it would be built into the full year the following year. So we did account in that scenario to add an additional one percent for bargaining purposes.

COMMISSIONER ANAYA: So the timing on it is not as straightforward as the percent, but the percentage that would be afforded, if we went with the 1/16 and 1/8 is built in, as you're putting it, for an additional percent. So it would be three collectively. Is that right?

MS. MILLER: Mr. Chair, Commissioner Anaya, yes.

COMMISSIONER ANAYA: Okay. My last question and then I have a couple comments, because we do have the Sheriff here this time, when we give him the opportunity to make some comments. We have the representatives from Sheriff's collective bargaining unit here, sitting right behind you, and we also, I think we have Fire here, Corrections here and E-911 here as well. But the last question is does the 1/16 and 1/8 option accommodate – and this is the best I can do with the wording and you can help me, based on the discussion we had last time, does the 1/16 and 1/8 assist with jump-starting behavioral health functions that we discussed as well?

MS. MILLER: Yes, Mr. Chair, Commissioner Anaya, it does.

COMMISSIONER ANAYA: And so, Mr. Chair, I guess this would be the last question before I'm hoping, Mr. Chair, you give the Sheriff and deputies and a few others an opportunity to maybe add a few brief comments. The last thing I have is that we also – not we, I – made some comments and I believe some Commissioners echoed that they were important functions, and I think I saw notes in here relative to increasing youth expenditures and seniors. Could you just comment on that particular piece relative to if the 1/16 and 1/8 option was something the Commission felt was appropriate?

MS. MILLER: Mr. Chair, Commissioner Anaya, yes. We actually did build some increases into the base for youth summer funding. The total program funding would be \$275,000. The Boys and Girls Club at our public housing sites would be \$150,000, and our intern program would be 15 interns at \$54,000. However, additionally – so that would be in 2018. Because we don't receive the revenues completely until 2019 we did leave what I'll call money on the table to address those things when we hit the 2019 budget.

COMMISSIONER ANAYA: Okay. So Mr. Chair, I'm going to say this next piece with respect. A couple meetings in a row we came to discussion and I had some comments that I made to my colleagues on the Commission, respectfully. I looked at each of my Commissioners and I said I'm not going to make a motion because I'm going to defer to the end of discussion and I said, Mr. Chair, I'd like an opportunity at the conclusion to make a motion, and then one of my other colleagues made a motion right after I said that. So given that practice and that experience, respectfully, completely respectfully, understanding that we may have much more dialogue and much more things to decide before something is voted on here today, I'm going to move the 1/16 and 1/8 for the reasons previously cited at the last meeting and those additionally cited today. So I'm just going to go ahead and do that right now and then I'm going to defer to my colleagues, Mr. Chair and any other discussion that we have collectively as a

Commission.

CHAIR ROYBAL: Okay, so Commissioner Hamilton, you had a comment as well.

COMMISSIONER HAMILTON: Yes, I had a comment and I have one minor question but it's not actually relevant to this motion. But I do have – the general question is whether we are going to have a little bit of discussion about how we frame the recommendations for how the revenues would be spent. Like what kind of direction we provide and what kind of flexibility we provide. I think there's a fairly broad agreement on most of the reasons for considering this, but there's one thing in particular that just strikes me as a little bit restrictive and that has to do with the three versus two percent to collective bargaining. And I think the idea of making sure there's money to go to that, to the collective bargaining, to those groups, is important. I have no disagreement on that. I just wonder whether to limit it that way. Because there are other things that those groups might need, like salary readjustment.

And I don't know specifics. I'm not saying that I have all the information on that. But in the case that there are groups that require other things in terms of how their salary is negotiated I wonder if there might be a way to provide that recommendation moving forward in a less restrictive way.

MS. MILLER: Mr. Chair, I can give some insight into that. One of the things that Bernadette did is she did contact each one of the bargaining units and we did discuss what things is it that they would like to see and what they're likely to ask for in their next economic reopener or in their next opportunity to negotiate their contract. So we do have an idea of what those things are and things that we know need to be addressed. I do believe that for the most part if we had an equivalent of three percent we'd be able to address most of the things that they're asking for, and then as I said, for fiscal year 19, because of the way these revenue streams would actually come into play, we only receive about one third of the revenue in this next fiscal year, so there is – and I'll use that term again – money on the table to deal with those things when we hit next year's budget cycle. I don't want to try to do two years of budget right now, so I'm not trying to say, hey, let's make sure we spend money we haven't even collected yet.

So we left room, and as we go through the slides I can kind of who you how – there's just a few more slides but it does address some of these issues that have come up.

COMMISSIONER HAMILTON: Great.

CHAIR ROYBAL: Thank you, Manager Miller. I think that we probably want to get through – how much – are you about halfway through the presentation?

MS. MILLER: Well, Mr. Chair, the rest of the presentation really does go to the proposals of any – so what I did to this point was what we would do with existing – what our recommendation is with existing revenues. The next five, six slides which are the final slides would be discussing the options and what it means in the way of a tax increase. What it means in how we would allocate, how we might structure the ordinance, etc.

CHAIR ROYBAL: Okay. I think we want to probably go ahead and maybe go through those scenarios but I'll go ahead and give Commissioner Hansen an opportunity to –

COMMISSIONER HANSEN: I just want to reiterate, I want to hear what

the County Manager has to say about the rest of the proposal before we start making motions and before we start making decisions about how we're going to increase the budget. I also want to understand that what you're submitting to DFA is the flat budget, because of the fact that we are in such an extraordinary situation where we are about to have a special session and we don't know what is going to happen. Is that correct?

MS. MILLER: So Mr. Chair, Commissioner Hansen, the slides that I want through to slide 8 is – I won't use the term flat budget. We did ask departments to keep their operating budgets flat but it is the budget with existing revenue streams that we would propose to put into DFA because one, there's a session that still has to happen and they can do a number of things. That's not to say not to take action if you want to impose additional revenues and have a plan of what we would do with that, but it's to say because I don't know what they might do, we still have to have a budget that survives and we can operate from regardless of what they do. So that's what I've put in front of you is with existing revenues and considering some things they might do, this budget I believe is a solid budget with where we stand today, before there is a special session.

Then the proposals that come in the next few slides, then if you opt to implement any increment, whether it's 1/16, 1/12, 1/8 and a 1/16, 1/8 and 1/12, then what I have in front of you is how we would then move forward, and how it would play out, depending on potential things that the legislature might do.

COMMISSIONER HANSEN: I would love you to do the rest of the presentation so that we can have a full picture.

CHAIR ROYBAL: Commissioner Hansen, are you okay with that? So we'll go ahead and do that and of course we'll – Commissioner Anaya did make a motion and so we'll go ahead and let the presentation get to its end and then we'll bring the Sheriff and 911 and others forward to talk as well. And then we'll still keep Commissioner Anaya's motion.

MS. MILLER: Okay. So then that takes us to slide 9, and this is a slide that just kind of summarizes what I took and what we took away from the last BCC meeting on May 2nd to really flesh out a little further. Because truthfully there's about six or eight options. Now you have your budget the way it is, a budget with 1/16, a budget with 1/12, a budget with 1/8 and a 1/16 and a budget with 1/12. A budget with two 1/8s – there's a bunch of different option which you could go with. But these are the two that from our last meeting that you actually asked us to flesh out the most.

So that was if we just did one of the increments where we have legislation that allows us, before June 30th, to take action for 1/12 or 1/16. The Board ultimately said look at the 1/12. So the 1/12 is eight cents or .0833, eight cents on \$100. It will generate annually approximately \$3 million when it's imposed for a full year, and as I said it's eight cents per \$100. But for 2018, the budget that we're working on, it will only generate about \$1 million, or one third. And that's because the tax does not go into effect until January 1, and that happens at the point of sale, January 1, but then that vendor has a full month to collect, and then they report and send in their taxes in February, and then Tax & Rev distributes to us in March.

So I will only have in next fiscal year March, April, May and June of revenue, and that's after the tax goes into effect. So that's about \$1 million. And the other what the Board asked us to look at the other option was 1/8 and 1/16. If we did the 1/16 out of that

piece of statute where it says 1/16 or 1/12 and we took one of the remaining 1/8 increments that we had from the hold-harmless legislation that passed a couple of years ago or in 2013 that said you have up to three 1/8 increments that we can put in place to replace the money that we're losing from the state in hold-harmless distributions.

That would generate, the two of them together, would generate \$6.9 million annually and that's \$2.3 million for the 1/16 and \$4.6 million for the 1/8. And that costs, as Commissioner Anaya had indicated earlier when he was speaking about this option, it's approximately 18 ¾ cents per \$100 at the point of sale. For FY 2018 those two increments together would only generate \$2.285 million from March to June. Same reason. It can't come into effect until January 1. We don't actually realize any revenues till March.

So we had to look at this from what can we do in 2018, and then what does it look like in the outgoing years, taking into consideration all of the things that the Board asked that we look at, and that was increased COLA, additional firefighters, additional Sheriff's deputies, additional dispatchers, additional Correction employees, and then whatever support services we would need to take care of that.

On slide 10, I just wanted to give you what that looks like if you went with the 1/12. That's scenario 2 in the blue, and if you went with the 1/16 and 1/8, that's in green. And then we show you by if you're just in Santa Fe County in an unincorporated area, and then what it is in each of the incorporated areas. And you can see the percentages that would be in effect if you go to the register and buy something that actually has GRT that applies to it, and then what that translates to in if you had \$100 how much would you need to pay in gross receipts tax at the register.

So you see that in Santa Fe County, out in the unincorporated areas right now, you pay \$7 on \$100 and if we put in the 1/16 and the 1/18 you'd pay \$7.19 on \$100. And if you were within the City of Santa Fe, you'd go from \$8.31 to \$8.50. So that's how it plays out at the register.

So then on slide 11, this goes to what our budget would look like and what we would suggest if you put in the 1/12 increment. The 1/12, as I said, in a full year would generate \$3 million annually, but for the first year would only generate \$1 million. So what we looked at is, yes, we'd be able to fund more positions but we would need to push them out to a different start date. And so the recommended start date at this point would be November 1st, because as you can see we would end up – so we would take everything that's in the purple column and then we would add to it everything that's in the green column. And in the green column, you can see that's what it is for fiscal year 2018, the cost \$900,000, and then for the out years those salaries and benefits would be closer to \$1.4 million on an annual basis.

But what that would get for the County is we'd end up with the security threat intelligence officer for Corrections, we'd have the training coordinator for Corrections, we'd have a warehouse/fleet clerk for Corrections, we'd have the behavioral health manager for Community Services. We'd have the Senior Services navigator for the elderly and frail program. We would have the fire protection specialist. We would now go from having three firefighter-EMT basics to then additionally having three firefighter-EMT intermediates and another three firefighter paramedics. We'd have one economic development specialist, one open space resource management specialist, one desktop

support supervisor, one IT security administrator.

We'd go from – we'd have two maintenance technicians, one project manager II, two emergency communications specialists, one safety coordinator, one administrative assistant, one crime scene technician, three Sheriff deputy cadets, and then two Sheriff deputy I's, and one Sheriff deputy II. And then they would – if you did propose this, even though we wouldn't start seeing the revenue till March, what we did is we said how much of it is for – how much do you get for the total timeframe, so then at what part could you start hiring and not run short on the budget.

And when you look to page 12, there's a couple other things that go with that. So for fiscal year 2018, as we said, we'd have about \$1 million in revenue. We'd hire the FTE as recommended. The ones that are in the purple column could still start July 1. The ones in the green column could come on November 1. And then, for a total additional cost of \$903,000 for FTE. The Sheriff, one of the things that we had talked about was that they are looking to pick up the higher PERA percentage. This would allow us to look at doing that at some time mid-year. In addition, we'd need two additional Sheriff vehicles that are not budgeted for.

We would have to supplement that proposal with about \$100,000 of cash that we would budget. And then you can see on the 2019 side, how that plays out for a full year. That's where you'd have those FTE for a full year, plus additional public safety overtime in a full year. The Sheriff's PERA for the full year, the additional vehicles, and the \$1.35 million towards operations of a crisis triage center.

So just trying to show you how those decisions, when you do hire staff you have to calculate it out even if you hire them halfway through the year you have to build it into your next year's budget for a full year. So that gives you approximately \$3 million in a full year.

Now I did the exact same scenario or same approach to the 1/8 and 1/16. You have the base budget that we've already discussed in purple. That doesn't change; that stays the same. But if you then opt to do 1/8 and 1/16, the additional FTE that you would get for doing that scenario comes out in the green column also with a start date of November 1st. So you'd end up with a few additional positions in Corrections, getting a fire safety sanitation officer is additional, getting a warehouse/fixed asset supervisor is additional. We'd already counted for the behavioral health manager, the senior services, fire protection, but now you get six firefighter-EMT intermediates and six firefighter paramedics, and an additional EMT basics. So that your total is six each of those or 18, versus in the proposal of the 1/12 your total is nine of three each. And in this scenario it's 18.

And then all the other positions are the same until you get down to RECC, you add an additional two emergency dispatch communications specialists. Then you also end up, on the next slide I think everything there is the same for the 1/12. But then for the next slide, this is where I said, when you start adding that level of staffing throughout you need administrative support. So I told you we'd have about \$400,000 to \$500,000 of administrative support but some of that administrative support is specifically for the Fire Department and that is a quartermaster to manage their fixed assets, a fleet technician to deal with their vehicles, and a volunteer retention coordinator to help with our volunteer retention.

