

SANTA FE COUNTY
SPECIAL MEETING
BOARD OF COUNTY COMMISSIONERS

August 16, 2006

This special presentation meeting of the Santa Fe Board of County Commissioners was called to order at approximately 10:15 a.m. by Chairman Harry Montoya, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Following the Pledge of Allegiance and State Pledge, roll was called by County Clerk Valerie Espinoza and indicated the presence of a quorum as follows:

Members Present:

Commissioner Harry Montoya, Chairman
Commissioner Virginia Vigil, Vice Chairman
Commissioner Paul Campos [late arrival]
Commissioner Jack Sullivan
Commissioner Mike Anaya

Members Absent:

[None]

V. Invocation

An invocation was given by Monica Lovato from the County Clerk's office.

VI. Approval of the Agenda

The County Manager stated there were no changes to the agenda, with the exception of moving item K to follow item A. Commissioner Sullivan asked that the strategic plan be heard last. Upon motion by Commissioner Anaya and second by Commissioner Vigil, the agenda as modified was unanimously approved by 4-0 voice vote. Commissioner Campos was not present for this action.

VII. PRESENTATIONS

A. A Proclamation Recognizing the Dedication of Ms. Edith Powers to

the Santa Fe County Maternal and Child Health Program and Planning Council

Commissioner Vigil stated the Maternal and Child Health program emphasizes the importance of the earliest years in the subsequent development of the population and Ms. Powers has been instrumental in leading the program and she read the proclamation recognizing her achievements.

Lynn Hathaway from the City's Youth Commission lauded Ms. Powers and thanked the Commission for its support. She said the City honored Ms. Powers at the June meeting with a Bernie Beenhouwer certificate of appreciation. *[Exhibit 1]*

Edi Powers said she appreciated the honoring of her retirement and was grateful for the support shown by the County. She spoke of the continuing need for work for abused children and the importance of the Community Infant program. She noted that 80 percent of inmates currently in prison were abused or neglected as children. She urged the County to work closely with the Maternal and Child Health Council in the future so that children have the opportunity to thrive.

VII. K. Status of the Dale Ball Trail Network

Paul Olafson, director of the County's Open Space and Trails program, indicated that the Dale Ball Trail system is currently 22 miles long and further expansion is expected. He said, "It is an enormous, tremendous foundation that he's helped us create with the City and is heavily used."

Dale Ball, said in 2000 he appeared before the Commission and the City Council to ask for permission to build the trail system. Both governing bodies agreed, and with help along the way, the trails were built. In addition to the work of Mr. Olafson, Erle Wright and Jim Gallegos from the County, he particularly recognized Mike Wirtz for his work in physically laying out the trails, and his wife Sylvia for her auxiliary role in making the trails a reality.

Mr. González extolled the work of genuine trailblazers, and Commissioner Anaya said the trail was highly used. Commissioner Vigil said the County's Open Space and Trail program has been praised nationally.

VII. B. Recognition of Monica Lovato

Commissioner Vigil stated County Clerk Espinoza has introduced her to women's boxing, which demonstrated the dedication required by the participants. She stated Ms. Lovato, an employee in the Clerk's office, recently won a super-bantam weight bout in

California and will be leaving the County to train for the world championship.

Ms. Lovato thanked the County for the opportunity to work, and particularly thanked the County Clerk for her support.

Commissioner Anaya and Commissioner Montoya wished her luck and stated she was always welcome at the County.

Ms. Espinoza echoed their wishes.

[Commissioner Vigil left and Commissioner Campos joined the proceedings.]

VII. C. Recognition of Chase Massengill for Winning the National High School's Rodeo Association Finals Calf Roping Event

Commissioner Montoya read from the Santa Fe *New Mexican* article speaking of Mr. Massengill's accomplishment in rodeo competitions. He qualified in three events and won the calf roping competition at the national event. He presented him with a certificate of appreciation.

Cliff Massengill expressed his appreciation to his parents for their help over the years, and thanked the County's 4-H program. His father reiterated that he got his start in the 4-H program.

Commissioner Anaya also recognized the role of the parents for being instrumental in their son's success.

VII. D. Recognition of Chief Stan Holden for Receiving the Top EMS Leadership Award

Jack Hiatt, interim Deputy County Manager, stated that several weeks ago the Robert Sabin Award was presented to Chief Stan Holden by the State EMS. This award is presented to someone in the state who has displayed prominent leadership in the field of emergency medical services. He has worked in various counties throughout the state in his 30-year career. Mr. Hiatt expressed his regard for the caliber of the Chief and his department.

Chief Holden in turn recognized his excellent staff and thanked the Commission.

Commissioner Anaya affirmed the Fire Department has come a long way under Chief Holden's leadership and looked forward to even more progress in the future.

Commissioner Sullivan stated Chief Holden has brought “an unprecedented level of professionalism” to the fire and emergency services. He said he supports his vision and will do everything he can henceforth to support him. Commissioner Campos and Commissioner Montoya thanked him for his leadership.

Mr. González said he has not only saved lives and property but saved the citizens of Santa Fe County money on insurance payments.

Chief Holden said that teamwork is key.

VII. E. Employee of the Quarter, Second Quarter 2006, Presented to Frankie Baca

Agnes Lopez, deputy director of PFMD stated that Frankie Baca was used by a customer service consultant as an example of how employees should act. He does his best to make sure that the County shines.

Ish Lovato, head of building services, stated he nominated Mr. Baca for his dedication not only to the County but also to the public.

Mr. González noted that Mr. Baca left to work at the Public Safety Complex and was brought back by popular demand. He is always smiling.

Commissioner Anaya suggested having a class where Mr. Baca could teach other employees how to treat people. Ms. Espinoza said he is never idle and helped her without complaint when she took office.

VII. F. Retirement of Deputy Chief Hank Blackwell

Chief Holden presented Mr. Blackwell with a silver trumpet for his eight years of service to the County. He said he was responsible for the County’s Urban-Wildland Interface Ordinance and put the County in the national spotlight. He has been loyal and dedicated.

Mr. Blackwell said he was grateful and honored. He said he was proud to go to work every day and the people he worked for and with were dear friends to whom he would trust his life.

Commissioner Montoya presented Mr. Blackwell with a certificate of appreciation. Mr. González noted that he spent endless hours working with the local communities helping with fire protection plans, both during the week and on weekends.

Commissioner Anaya said he met Mr. Blackwell when he worked as a volunteer and fought with him on many fires. "He is a solid individual."

Commissioner Sullivan pointed out that before it arose, he did not even know the Urban-Wildland Interface Ordinance was needed. He stressed the importance of leadership and teamwork.

Commissioner Montoya wished him luck in his retirement

VII. G. Retirement of Ray Mier of the Project & Facilities Management Department

Dennis Hernandez, Property Control Supervisor of PFMD stated Ray Mier was not able to attend the presentations, but Mr. Hernandez said he was honored to speak for him. He said he started in the Housing Services Division and later transferred to Projects Development in the PFMD, and finally to Property Control. He was essential in drafting in-house renovation projects. Additionally, he could back an "awesome banana cake".

Commissioner Montoya stated they would make sure Mr. Mier received his certificate of appreciation.

Commissioner Anaya also thanked Mr. Mier for his hard work and looked forward to horseback riding with him now that he is retired.

[The Commission recessed from 11:25 to 11:45.]

VII. H. The Health Security Plan for New Mexicans Campaign [Exhibit 2: Supplemental Material]

STEVE SHEPHERD (Health Department Director): Mr. Chairman, today we have Ms. Mary Feldblum here to discuss this plan and answer your questions.

MARY FELDBLUM: Thank you very much for this opportunity. I have to say that this has been one of the pleasantest County Commission meetings that I have ever attended, with all the nice people and staff clearly and the volunteers that you have in this County. I am the executive director of the Health Security for New Mexicans Campaign, which is a very broad coalition in this state of now 122 organizations. The latest to join, by the way, is the Hispano Chamber de Las Cruces. They unanimously have endorsed the proposal that I'm going to explain to you.

We have been working, our coalition has been working on a plan to ensure that all New Mexicans have healthcare coverage since 1992. Perhaps some of you remember a bill called New Mexicare that was introduced by Representatives Coll and Varela, and that legislation is the great-great-great-great-grandfather of what I'm presenting. We have gone

around the state, some of us for years, had workshops, met with people, received input from all kinds of folks around the state about this proposal. And while that's been happening, our healthcare crisis has clearly continued to worsen. It is far worse, I would maintain, than it was in the early nineties, and you as County Commissioners are really responsible for indigent care and you are probably very sensitive to the issues of rising healthcare costs.

So what is the proposal? I want to let you know that your County Attorney and Manager have copies of the last version of the bill that was introduced in 2005. But the proposal and the idea is really quite simple. Why don't we just set up our own health plan in New Mexico with freedom of choice of doctor, provider, even across state lines, and a benefit package of services that can be no less than what state employees have. That's the simple part of it. It's been how you develop it that has been the more complex. What does it look like?

So under this proposal, most, not all New Mexicans would be covered under this plan. There are two groups that would be excluded. The military, the military retirees would be excluded, as would the federal programs, federal retirees. Then there are two groups that can voluntarily come in: the tribes, the sovereign nations and also large companies that self-insure. They come under a federal law called ERISA and states can't mandate and regulate them but we think that in our discussions with some of these large companies they are really hurting regarding healthcare and they see the economies of scale of a large risk pool.

So about 1.6 million New Mexicans could be part of this health risk pool. It's an old fashioned idea – young, old, healthy, not-so-healthy – all in it together sharing the risk in a state with a very small population and limited resources. As I mentioned before, there would be complete freedom of doctor and hospital. No more networks. You can stay with the doctor that you want to. Very, very important value for people who are concerned about healthcare today.

The benefit package, as I said, can be no less than what the state employees have. Who would administer it would be a very new entity created in the state of New Mexico. It's a commission that's geographically representative from around the state. There are 15 commissioners, ten of whom represent consumer and business interests, five represent health facility and provider interests. So it's not a state agency. It's not a cabinet secretary that sits on this commission. As some farmers and ranchers have said to me, this sounds much more like a cooperative.

This is the entity that would be responsible. They would hire a CEO; they'd have staff. If they choose to contract with a private company to process health claims, health claims must be processed in New Mexico. We've never seen a study about what percentage of claims are processed outside of New Mexico. I know mine personally are. But at least if we're setting up our own co-op-like plan, we want the jobs created here in the state for claims processing.

It would be funded through a combination of existing public dollars, not all of them, but existing public dollars that go towards healthcare, combined with premiums based on

income with a cap to it and employer contributions. All of this is to be determined in what we call a go-slow process. If New Mexico takes this important step it is really important not to do it quickly and so the bill is a very unusual piece of legislation it's 54 pages that outlines a lot of what I've described, but it also talks about a process. It mandates a process that's really go-slow, in which we could change our minds.

So you'll see on the green sheet that you have, there are these checkpoints in year one. So after the bill passes, in the first year, there is a year of numbers crunching and financing to figure out what would this plan cost in three years. That's when it's estimated that it could possibly begin, and what public monies might be used to offset the cost of this plan. The counties have indigent funds. How would you all see your indigent funds being a part of this? It would be very important. What portions of Medicaid could be used to offset the cost? Then the remainder is made up with the premiums and the employer contributions.

In addition, we pay for healthcare through other types of insurance policies. Auto insurance and workers' comp are two big ones. Under this proposal, in that year the superintendent of insurance is mandated to give estimates by how much auto and workers' comp can be reduced because of this plan paying for the health component, then you don't need to pay double in terms of the premium in your auto or workers' comp.

All of this would be – there would be public comment, public input into this process. The Legislative Finance Committee would have to send a report to the legislature. So this is after the bill is passed, there's the financing, then the reports to the legislature. If the numbers don't look good there's actually a self-destruct clause in the bill. Nothing happens. Actually, we've spent money on a study. But if the numbers do look good then it's estimated to take two more years in which this Commission would be set up with input from around the state, figure out how this plan is going to work for doctors, for hospitals, for patients, for rural New Mexico. We're going to have to assume a plan like this is going to have problems. What are our rights under it? All of these pieces have to be worked out and again, the brakes can be put on if it doesn't seem feasible or the direction could change if it doesn't seem the right direction to take.

So that's the proposal. I want to just stress the large numbers of organizations that are supporting this. We have grown as a coalition from 28 to 122 organizations in less than four years. And you have a list and you can see that from around the state, and as I pointed out earlier, the newest that you need to add to the list is the Hispano Chamber de Las Cruces. And I hope the United Food and Commercial Workers Union is on that list. We just have to change the list constantly, which is a nice pleasure. And I stand for questions.

CHAIRMAN MONTROYA: Okay. Thank you, Mary. Any questions?

Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chairman, thanks. Steve, how do you feel about the program? It sounds like it's a good deal if it goes through

MR. SHEPHERD: Mr. Chairman, Commissioners, yes, I do personally like the program. I think it would be probably prudent for the Commission to ask the Health Planning Commission for a recommendation. There's talents and knowledge on the commission that I don't have and I think that would be the place to ask them to give you a

recommendation on this plan and other plans that have been looked at and taking a look at what the Governor's Task Force is going to do as well.

COMMISSIONER ANAYA: Yes, I think that's a good idea. So Mary would do a presentation to the Health Policy and Planning, and then they would come to us. I like that. Thank you, Mr. Chairman. Thanks, Steve.

CHAIRMAN MONTROYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: I would be interested in what the thoughts of your campaign is on the Sole Community Provider program and how that would interact with the hospitals as well as whether this 15-person organization would negotiate rates and how you would wind in the indigent fund, because with the County Commission, the indigent fund and the Sole Community Provider program are the two large dollar programs that we deal with and they're also, particularly the Sole Community Provider program, one of the more difficult programs that we have to deal with.

MS. FELDBLUM: In the legislation, it's in the interest of this plan to maximize federal dollars, obviously, and the Sole Community Provider program is part of that. The advantage in having a very go-slow process, that two years, is to figure out how we can maximize and not lose the Sole Community Provider revenues, and you as a County Commission, how do you see your indigent fund – what it's role would be under a system like this. I can't answer that question. Under the legislation, a hospital – and I've met with Alex Valdez in St. Vincent's and we've talked about the way we work for a hospital is that there is a budget, that the hospital would negotiate with this plan, an operating budget, based on the services they provide in a community, not who shows up at the door.

So there's no more multiple charges for the same procedure. No more multiple plans, headaches with submitting to insurance, dealing with uncompensated care. And then if the plan and the hospital can't agree there's actually mediation that kicks in. We have been seeking input from all kinds of providers about those provisions in the bill and they've changed over time because of that input. But for hospitals that deal with a lot of charity care and uncompensated care, having a stable revenue source and not having to deal with uncompensated care or cost shifting is really critical.

COMMISSIONER SULLIVAN: I think that maybe one area to work on then is to look at if there's a mechanism through this legislation, which I would guess would have to be with the federal government as well, to self-fund the Sole Community Providers because the problem you're going to deal with is that some are self-funding, such as San Juan Medical Center, and others are not. And others think they are, such as St. Vincent's Regional Center. So we as counties, as you look at all 30-some counties, each one is going to be in a different situation if they have a different Sole Community Provider obligation, and that Sole Community Provider obligation on the part of Santa Fe County has become extremely burdensome, over \$6 million last year, this current year.

We're at the point where we can't provide the full match to maximize the federal funds. That's just a fact of life. The Sole Community Provider funds have gone up 20 to 25 percent a year and our gross receipts tax goes up three to four percent a year. So the lines will never converge or cross. So I think something that would help the County, or all the

counties would be to try to come up with a procedure that makes all of those hospitals uniform in terms of how they're dealt with at the federal level. If these federal funds are available, and the hospital wants to use them then they should match them and use them.

Or the state should do it. Why does it pass through the County in the first place? What's the need for that? And we're talking a lot of money. In Santa Fe alone, at St. Vincent's, it's over \$24 million. So if we can find a mechanism, and maybe it passes through this organization, this 15-member board. I don't know. But there's a large amount of dollars there that we're finding that we have to spend a lot of time dealing with. And then of course on the other side is the indigent program, and that is not so burdensome to deal with. I think we can work and we should work and continue to work and be the indigent agency. We have that responsibility to our residents and to our citizens. It's an important service that we provide and we need to continue to provide it. And to control it and to have fiscal responsibility for it, which we do, because it's funded through gross receipts tax, which we also are required to administer.

So those are some thoughts I had. Anything in that sound familiar?

MS. FELDBLUM: Very, very much so, in discussions I've had with County Commissioners in different parts of the state. And I think that one of the advantages of this approach is that it is go-slow. So if the numbers look good, if it looks like, gee, it's affordable for us in New Mexico to have a plan that has a good benefit package and covers about 1.6 million people, thinking three years down the pike, then the questions that need to be fleshed out are precisely the ones that you're raising. And that needs to be done carefully and slowly. And if we can't figure them out, then this plan is not going to start up.

But what this does is we are so inefficiently using our healthcare dollars in New Mexico. There are enormous numbers of insurance plans out there and policies. Lovelace offers 100 different types, and so does Presbyterian. I just saw an announcement at a doctor's office talking about the 30-some odd different insurance companies that they deal with and each one of course has multiple policies. It has become so complex and we are a poor state. So this old fashioned idea of actually setting up a co-op and doing it slowly and carefully makes sense. We think that this is the way to go. We don't have all the answers.

What I describe the bill as is a great recipe. And we're going to be the cooks to see if it can develop into something very special. And that's what I think it's about.

COMMISSIONER SULLIVAN: Thank you, Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Campos.

COMMISSIONER CAMPOS: Ms. Feldblum, could you tell me a little bit about your plan and other models that exist out in the world and have had some success.

MS. FELDBLUM: Okay. In the United States I don't know that we can say that at all. I would say nationally, in the United States there are two paradigms, to be a little crude. I'm a social scientist, so I think this way. One paradigm is relying on the current, private insurance system model in a variety of forms and fashions. It could be expanding in our state, expanding Medicaid, expanding state coverage initiatives, setting up an STPs program for children, all of which involves using taxpayer dollars to subsidize a private insurance system.

Massachusetts is also an example and it's been in the press. In Massachusetts, their model, which did pass, is like buying auto insurance. It's mandated that the uninsured in Massachusetts purchase health insurance. And they'll do it through an entity called the Connector. And the Connector will actually help them shop around. Now, what hasn't been figured out in Massachusetts are the subsidies that they're going to offer to people up to 300 percent of poverty, so if I'm uninsured in Massachusetts, is the subsidy going to be sufficient for me to buy something? And what do I have to buy? In auto insurance there's always a basic that you've got to buy. That hasn't been worked out either. And then there's severe penalties in Massachusetts if I don't buy it.

So it's what we call a leap before you look approach. Ours we think is a look before you leap approach. And it's still relying on a private insurance system, because the subsidies will go to private premiums. There's no built in, inherent cost controls to the insurance system, so it's a real serious question about whether this model would work. Maine is another example of a state that has passed a different model, again relying on the private insurance question.

COMMISSIONER CAMPOS: Let me ask you a question. Does this compare in any way to the single-payer system in Europe or in Canada?

MS. FELDBLUM: At this point it's such a home-grown plan because of – in France and Germany and in Canada, they all do it so differently.

COMMISSIONER CAMPOS: Each country does it differently?

MS. FELDBLUM: They really do it very differently, and even the way they finance it is different, depending on the country. In Canada you have a provincial model. But what is very clear, whether it's Japan, or Canada or France or Germany, that those countries spend far less per capita than we do in the United States. They have increases in health costs. They have aging populations. They have certainly high tech. So you can't say it's just the aging population or the high technology that is creating the problem for us in the United States. It's the way the organization of economic cooperation and development talks about, it's the way healthcare is organized. And it's an old fashioned risk pool. That whatever they have in those countries, they are sharing the risk and it's an administratively simple process.

Now, you can purchase, and under our proposal, you can do that too, supplemental insurance. And you can in France and in Germany and Canada as well. In Japan too. In Japan, supplemental insurance doesn't cover your co-pays. Interesting. But again, those are all very different models. But we've had to grapple with is we're a state within the United States, and when they established their systems in Europe, it was after World War II, they didn't have Medicare to deal with. They didn't have a whole lot of complex laws that we have to deal with in terms of Medicare and Medicaid. So what we've done is something very home-grown and home-spun and what I'm very pleased to hear – I heard from a state legislator who is the leader of the House Democrats in Arizona, several months ago. He name is Representative Phil Lopez. And he had contacted quite a few national organizations. He wanted a practical approach to covering everybody in Arizona. There was a poll in Arizona that indicated 81 percent of the people in Arizona wanted something

done, either by Arizona or the federal government.

So he was looking for a solution and he was told to look at the Health Security Act. He called me, because he got my name through Legislative Council, and he said I read that bill, and he had the older version, 2003 version, and he said I think it's a wonderful bill and I'm introducing it in the Arizona State House. He didn't think it would go very far because there's all the organizing and background and it's a more conservative legislature than we have here. But he plans to reintroduce it next year. But it was quite an honor for us in New Mexico to have someone say, this is a good idea. And he adapted it to Arizona circumstances, how their co-op would run would be different from what we feel comfortable in New Mexico with.

COMMISSIONER CAMPOS: I wanted to ask you about the political climate, the upcoming 60 days. I know you have a plan. I understand the Governor may have a plan using key legislators.

MS. FELDBLUM: The Governor's plan is what is announced as a five-point plan. Four of those –

COMMISSIONER CAMPOS: Does that differ from your plan?

MS. FELDBLUM: Well, the four points are here and now. Even if this bill were passed this session, it's going to take time to get this up and running. We can't let the system fall apart. So whatever can be done to expand Medicaid, to maximize federal dollars, is needed. The Chinese have a saying, let's walk on two legs, not just one. And the fifth one is he's set up a task force, a 21-person task force that's going to look at different models and come up with a – and have national expert analyze those models in terms of costs, and then come up with a report in the spring of 2007, in time for the interim committees to discuss the report and hopefully come up with some legislation in the 30-day 2008 session. So that's – the decision that we have to make in New Mexico is the decision that has to be made, I think, in every state, is what path do we take? Do we continue to look at models that still support a private insurance system, private insurance market system that has really failed or do we want to think of something new and different. And that's what's important, I think, that we feel is so important for you to be aware of and perhaps even make a statement about your feelings about the direction that you feel that New Mexico ought to take.

COMMISSIONER CAMPOS: Thank you very much. Thank you, Mr. Chairman.

CHAIRMAN MONTROYA: Thank you. Thank you, Mary for addressing us this morning. I think it's important that we're informed as much as we can be about the different options that are going to be presented and we'll continue to monitor through Steve exactly where we are in the process for the County. Thank you.

MS. FELDBLUM: Thank you so much for your time.

CHAIRMAN MONTROYA: You bet.

VII. J. Presentation of Current IT Environment

MR. GONZALEZ: Mr. Chairman, members of the Commission, we wanted to bring you an update on what's happening with respect to IT, where we are, where we're headed for. I know there's been a lot of questions about e-mail and other kinds of issues. That raises some broader concerns. We'll try to address both in the presentation that Agnes is going to make and with that I'll go ahead and turn it over to Agnes.

AGNES LOPEZ (Deputy PFMD Director): Mr. Chairman, Commissioners, I'm going to go through a couple of topics today. I'd like to go through the e-mail. It's been an issue recently, our IT accomplishments that we've had in the last 18 months, future projects, IT needs and some recommendations.

A little bit of background on our e-mail. We use a UNIX-based e-mail application right now which we implemented in 1996, and at that time it supported about 200 users. And the reason we selected the UNIX application was because it had a low total cost of ownership, and it was very secure. It was also very reliable and actually as an application still is very reliable. Currently, the County continues to support this UNIX-based e-mail application and that's what was giving us problems, but mostly it was a spam issue. We service 600 mail boxes right now.

The current issue was the spam. We had somewhere along the lines of 29,000 spam e-mails coming in a day. That, as you know, spam has been an industry-wide issue. And we have had certain efforts to try to get rid of our spam but they have been ineffective, so recently we acquired a third-party contractor who has been filtering our spam. So our e-mail is actually being sent to this contractor who filters it and then sends it back on to the County.

This slide shows the spam that we were getting. If you notice the top we were getting around, on the 7th of August, around 16,000 spam e-mails a day. And the drop-off, as you see in the green shows that as the spam comes into this contractor or the service that we've acquired, they actually notify where the spam is coming from not to send spam any longer so it's dropping off. But the bottom box says 29,000 e-mail of spam coming in and 99 percent of that has been identified as spam and is being denied. One percent is being quarantined. So what's happening now is it gets quarantined. The user will get an e-mail saying they have quarantined e-mail. They are to go in there and check it and see if it's actually legitimate e-mail and it does this on a percentage of confidence of whether it's spam or not, and you can indicate whether it's good e-mail or it's not.

Ongoing project enhancements – in April of 2006 we hired a contractor to replace the current e-mail application with a Microsoft Exchange application. What Exchange will give us is centralized calendaring, easier collaboration, and more functionality. So we will have remote access to e-mail, which is something we haven't had in the past. It offers a platform that's easier to support. The UNIX platform has been difficult for us to find support services for because not many people use that application, whereas many, many people use Exchange. It will be a clustered solution, which means we'll have two servers that are tied to each other in the event that one fails, the other one will take over the services. So it will provide more redundancy than we have right now.

In June of 2006, we hired a contractor to monitor the network and provide

telecommunications support, so we have that service right now, and in August we expanded the contract with our contractor to help us resolve some issues as they arise.

This is the time line for the Exchange project. We are currently in the middle of the project. We have added some disk to our fileserver where the mail will be stored, and now we're in the process of looking at each machine that needs to be upgraded in order to handle the new Exchange application. We will do testing and training in the week of September 11th through the 14th; we'll provide training to all staff, and then we'll head over to Exchange in the middle of September.

The next two slides are geared towards showing the accomplishments of IT in the last 18 months. In October of 2005, the County assumed the jail and that was quite a workload for IT. We redesigned and implemented a network infrastructure. We implemented a new telephone system, which is about 75 telephones and installed a video surveillance system for them throughout the pods in the jail. In February we installed a network for animal control. They moved to their new spot off of 599 and also installed a small telephone system network and tied it back to the County's network.

In April 2006 we implemented a network within the Paramount, and that's transitional work space, so we put about 25 data drops in there – telephones, so that we could move people in and out as we remodeled. In June 2006, we did security enhancements for the Youth Development Facility and we designed a security phone and networking systems for the sobering center.

We did all of that also with the current support that we have to support. We currently support ten sites, so that's the network infrastructure at 10 different sites throughout the County, which is routers, switches, the core infrastructure that ties it back to our network here at the County. We also have 450 desktops that we support. We support the County's main application server, the AS/400. We have 600 telephones and voice mail servers throughout the County and we support all the applications, Clerk imaging, financial applications, land based, payroll, utilities, housing, GIS applications and all desktop applications.

The staffing that we currently have today, we have a network administrator, one telecommunications specialist, one web administrator, three microcomputer specialists, and these are the three that run around after those 600+ PCs and devices that we have out there. And one systems analyst. The systems analyst was actually a position that was approved in May. Of these seven FTEs, we've had quite a high turnover in the last 18 months. We have had five of the seven turn over. So it's very difficult when you lose that expertise in-house. But they're in the processes of being trained right now.

County growth – this is showing since 2001 the County has grown significantly from 457 employees to 808 employees right now, which is an increase of 350 employees, or 43 percent increase. [sic] The IT staff has grown by one, and again, that was a systems analyst position that was hired to help us with our application support, not necessarily any of the devices that we have in the network.

FTE requirements – we do have a position that's slated in September. It's a systems administrator. A systems administrator would be at the same level as the network

administrator. Right now our network administrator was doing all of the hardware backbone and support for the ten sites, but he was also doing systems administration, which is all of the anti-virus – different applications that we have through the County. They support those, make sure those applications are up and running. This would help that position and help segregate those responsibilities.

Help desk technician is geared towards customer service. We've heard that customer service is an issue. We're hoping that a help desk position would help filter and send the technicians to the right areas and make sure that each of the requests that are coming in are taken care of. A microcomputer specialist, because we've grown so fast we need somebody else to help us with all the devices out there. In FY08 I'm requesting a database administrator, which is somebody who would help us with the new applications that we have slated for approval, which we know that we want GIS applications. It's going to require a database administrator and the Assessor is in high need of a CAMA system, which would also require the database administrator.

The systems analyst – because we are looking at all of our applications and hopefully finding a way to share systems, integrate systems. We need somebody to help us along with that, and a GIS analyst to move forward our GIS initiatives.

FY07 infrastructure enhancements – these are the things that we anticipate handling this year. We currently have two phone systems. We have an old PBX phone system and half of the phones are on this PBX system. The other half on a voice over IP phone system. Voice over IP phone system integrates the telephone system with the data network, so it provides a lot of efficiencies for us because it integrates those two networks. The communication cost, instead of needing a separate communications line for telephones and for data to each building, you can combine that into one. So it provides some efficiencies. It also provides efficiencies in staff. We don't have to have a dedicated person to take care of the phone network and one to take care of the data network because it's now combined.

Security enhancements – we plan to do data replication from here to the Public Safety Complex so that in case for disaster recovery. We're also looking at more network monitoring to ensure that we are proactive instead of reactive in trying to handle some of the issues that arise. Network analysis, we have contracted to look at our policies for anti-virus, remote access backup and a number of other policies that we need to have in place, and also look at wireless options for aging buildings. And then of course we have 100 PCs that we need to refresh throughout the County. We do get budget to refresh our PCs so that they don't get aged and so we do have to set up 100 PCs and replace them throughout the County.

Software enhancements and GIS enhancements – on September 18th we plan to summarize, have a summary of departments' current applications and future needs. We have kind of been meeting with all the department directors and some Commissioners. We are still trying to wrap that up, and we will summarize those and bring those forward in a report. Contract with HTE to help us evaluate our AS/400 applications and enhancement possibilities for those applications. And then also on September 18th we hope to have hired a GIS coordinator who will then also develop a GIS plan with phases and funding

requirements for that plan.

Because our applications are so tied with GIS they go hand in hand. So the two plans together will come forward and we'll make recommendations on how we can improve on our applications and GIS at the same time.

IT recommendations – an analysis of staffing requirements and salary analysis I believe needs to happen. We need to promote employee retention. I have lost a number of them for more money to other places, and we need to retain the training and knowledge of our current employees. We need to develop an IT procedure that will allow the prioritization of application systems and customer service needs. And that's part of our strategic plan. We have that as one of the needed prioritizations that will happen through the strategic plan, and development of annual budget that funds current operations and prioritize projects and relations to that strategic plan.

Also, an analysis of internal/external resources to achieve identified needs and goals. We understand that FTEs are hard to come by and we are looking at the benefit of using contractors to help us to support the growing network that we have and I think that some of the issues that we have had have been directly related to us not being able to support what we do currently have. So we plan to take a look at that to see the cost/benefit of getting contractors to help us with those. So with that, I stand for questions.

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: Thank you for that report.

CHAIRMAN MONTOYA: Commissioner Campos.

COMMISSIONER CAMPOS: I have no questions.

CHAIRMAN MONTOYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: No questions.

CHAIRMAN MONTOYA: Agnes, in terms of the impact, I know that we had this hiccup with the e-mail. What other potential hiccups may there be that may impact other services that are going on, or what other hiccups are there in the system right now that are occurring that may be affecting different departments?

MS. LOPEZ: We are going through this migration to Microsoft Exchange, which part of those hiccups were attributed to this migration. We are making every attempt not to have any part of that project affect users. But what will happen in the next two to three weeks is we do have to hit machines that are not using Outlook. We have a variety of e-mail applications out there and we need to convert them all over to Outlook, so that requires us converting their calendar contacts e-mail, making sure they don't lose any e-mail. Our contractor has been directed to make checklists of all the steps that need to be required for each application that needs to be migrated over. So we will do some tests before we actually go out and start hitting different machines. We'll also work closely with each employee to make sure that that gets converted over directly. So that's maybe some of the pains.

Then we will attempt – we'll have three training sessions for Exchange before we go live. We need to ensure that our employees attend those trainings so that they have some knowledge of how to use it. We do expect to have a high volume of questions after we do

go live on the Microsoft Exchange application.

CHAIRMAN MONTOYA: Regarding the studies that were done by Western Solutions and the implementation of that, is this part of your department?

MS. LOPEZ: Yes, it is.

CHAIRMAN MONTOYA: Okay. So where are we with the progress on that? I had requested and received an 18-month implementation plan and that was about two months ago, I guess. Where are we in terms of proceeding with that?

MS. LOPEZ: Mr. Chairman, I received the 18-month consolidation plan maybe three weeks ago. I've reviewed it. Our plan is to hire a GIS coordinator, which is in the Western report as a high recommendation to do that. We've had a first round of interviews and we've narrowed it down to four applicants, which I hope to have hired by the middle of September. We're going to have to reschedule those. Erle Wright has a family emergency that he had to go out of town for, but my goal is to have that person on board by the middle of September. When he does come on board, his first priority will be to review that Western report, to define a phase one in conjunction with what we do on the HTE side, a phase one for what can be handled in phase one. Then we'll look at the funding requirements to do that, and then we'll go seek the funding to do the phase one and phase two or so on as we think we can accomplish it.

CHAIRMAN MONTOYA: Isn't that already outlined in the report?

MS. LOPEZ: It is outlined in the report. However, it doesn't indicate the funding that's there and the current resources that we have on staff. From what I saw, it didn't address that. So we are going to look at in conjunction with the resources that we have on board and how much money we need and the funding has not been budgeted at this point, so we'll look at those two issues.

CHAIRMAN MONTOYA: Okay. Maybe I would suggest that we look at what funding sources are out there in existence that we need to tap into or we need to make sure that we allocate those funds for. So when this person comes in he doesn't have to start defining and finding all the places where funding resources may be, so that they can maybe hit the ground running in terms of starting to implement the actual plan.

In terms of other departments, are there other departments that are experiencing any sort of difficulties because of the hiccups in the system?

MS. LOPEZ: Mr. Chairman, I believe the biggest concern was e-mail. As you're aware, everybody's very reliant on e-mail so I think when we had the issues that we were having it was of great concern to everybody. Right now we are short-staffed in the Treasurer's office. We have a software applications specialist position that the Treasurer and Assessor are highly reliant on. The person we were hoping to hire in that position I don't think will come on board. In order to train somebody to help them with the tax billing is going to take some time. In the meantime it's going to require my services to help them through that period so that is something that is on the radar right now. We will get somebody on. We'll be interviewing today and we'll get somebody on as soon as possible and I will sit with that person to continually try and train that person to help us in that situation. But it's going to require a lot of my services as well.

MS. ESPINOZA: Chairman Montoya, may I address Agnes to say that when the server is down, it not only impacts how I do business with our constituents but also the title companies. They purchase license agreements, so when they can't access the server, that creates a huge problem for them to conduct their business. So it has been a huge issue for our office as well.

CHAIRMAN MONTOYA: So it is effecting – and Mr. Assessor, you're here too. Is it impacting your office in terms of any glitches?

BENITO MARTINEZ (County Assessor): Mr. Chairman, it certainly has. We created several years ago a critical liaison position and retaining that liaison has been an issue. I think salary has been an issue. We had someone for six months who left to take a position at \$24 an hour. I think we need to stay with the trend economically in IT. We need to look at these position and stay competitive. There were also some issues with the e-mail. We need to be able to access the database or we're at a standstill. Thank you, Mr. Chairman.

MS. ESPINOZA: Mr. Chairman, we also had an issue at one point in time where the Governor did the bill signing for the new voting machines and becoming a paper trail state. His office simply requested that we provide Internet access, and I'm not sure exactly what happened, but I know they invested thousands of dollars to make sure that that got exposed nationally, and we didn't have the capability to permit that. So that was a huge disappointment for the fourth floor. They wanted to make the County look good. We supported the initiative, and the state as well. And for some reason I never got a clear answer as to why we couldn't provide that link so that they could have it televised nationally. That was just one thing.

And I'm not here to place blame on Agnes or Joseph or their staff. They've been incredibly helpful to me. It's just some of the issues that have occurred and that I think you need to be aware of.

CHAIRMAN MONTOYA: Okay.

MS. LOPEZ: Mr. Chairman, if I could address that. What was required was an external IP address, which we didn't have an extra one. And the only one who had that knowledge of getting that going was Gavin who was out sick that day. Because of the different applications and the knowledge required in each application in IT, we have people segregated to different knowledge basis. We have one network administrator, and when that network administrator is gone, that knowledge is also gone with him. We have one telecommunications specialist. When you have just one of each you're reliant on that person.

It's a very delicate place to be when you're reliant on one person, but that's what we have. We have one FTE in telecommunications. We have one network administrator. One web developer. We try to cross-train as much as possible, but we are very overloaded with work and when you're just trying to take care of the day-to-day issues it's difficult to cross-train.

CHAIRMAN MONTOYA: Okay. Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Chairman, Ms. Lopez, over the years I've heard that there's a major problem in the County IT because we have separate systems

that don't communicate. Is that true?

MS. LOPEZ: Mr. Chairman, Commissioner Campos, it is and it isn't. We do have, and everybody has an issue with databases talking to each other. The address database is one of those instances. It's critical that address databases talk to each other. We have HTE applications in a lot of the different areas within the County, and because we have one vendor, we are in a much better spot than many places, such as the City who has different applications in each department. It's very difficult to make different applications talk to each other. Because we do have HTE in the Assessor's office, in the Treasurer's office, upstairs in Land Use, they all share the same address database. So in that sense, we're ahead of the game. But in other instances they don't talk to each other. The Secretary of State's address database resides at the Secretary of State's office, because that's where the server resides.

So yes, there's always issues and that's always a problem. And that's part of what the application analysis will help us do, look at where our systems aren't talking to each other and how we can make that better and more efficient so that people don't have to be giving a change of address to different departments. So yes, and that's part of our objective to take a look at that.

COMMISSIONER CAMPOS: And you are going to evaluate that problem in the short term?

MS. LOPEZ: Yes. That will be documented in the needs that we've been meeting with the different departments and with the Commission, and we'll put together a report. Our first step would be look at HTE –

COMMISSIONER CAMPOS: What is HTE?

MS. LOPEZ: HTE is our vendor right now for a lot of our applications. And because they are one vendor, like I say, they integrate well together. So we will look at them to bring them in and to help us look at our applications and see how we can enhance them to make them better and to see where they will not measure up to what we expect. And in certain places they won't measure up. But there are things that we can put in place that will help us enhance what we have and leverage our investment because we have quite an investment in HTE. I was told by the City IT staff that we are very fortunate that we have one application vendor for a lot of our applications. So there is a benefit to doing that. However, there are instances where we're not going to be able to do that, such as the CAMA system. We actually have a CAMA system from HTE that we purchased and the Assessor has tried to implement it. It just is not a very functional piece of what HTE offers.

So in that instance, right now our addresses are interlinking with the Treasurer and with Land Use but if we get another CAMA application we break that link. But it may be beneficial to do that if it benefits the Assessor to do what he needs to do on a daily basis. But then you need staff, analysts, to look at – okay, now how do we fix that link and make sure that that modification is in place and is working. You need an analyst, a programmer, to do that type of thing. So it's complex issues that we'll look at. We'll look at the benefits of staying with HTE versus looking for other applications and in some cases it's very beneficial to stay with our investment and in other instances it's beneficial to look at other

applications.

COMMISSIONER CAMPOS: Thank you.

CHAIRMAN MONTOYA: Thank you, Agnes.

COMMISSIONER SULLIVAN: I want to know what happened two years ago to an FTE we hired for water analysis. Seems to have disappeared. That's my question.

VII. Presentation on the Strategic Plan for Santa Fe County

MR. GONZALEZ: Thank you, Mr. Chairman, members of the Commission. As you know, we've been engaged in an ongoing strategic planning process that began this last spring and it grew out of the fact that for a number of years now we've been having annual strategic planning meetings. We've been coming up with objectives and trying to meet those objectives on an annual basis, but not in a consistent way. So although we had been reporting back to the Commission with respect to what we had developed during our strategic planning retreats in the fall of each year, nevertheless trying to stay on track with that was not getting us to where I was satisfied, anyway, as the County Manager.

And taking a look at how we'd move forward with strategic planning, in the past raised a number of other concerns for me. One is that we've been growing rapidly as a county. As you just heard, the County employee staff has grown, our team has grown by a total of almost 77 percent. That's a huge increase in number of employees. We also know that externally, the county is experiencing rapid growth and development which we're then attempting to address through a number of measures, such as affordable housing and so forth. But the concern for me was, and I know has been for some of the Commission as well, probably all the Commissioners, is in the future, does the County shape its development or do we let development shape the County. That was part of the reason for wanting to step forward with a more coherent strategic planning process.

The other concern that I had as County Manager was are we using our resources, County resources in the best way, and are we growing them in the best way, so that as we continue to grow we're able to provide the services that we need in order to meet the County's commitment to provide certain basic activities out in the county. So the strategic planning process that we are embarked on has first of all identified what the basic activities or the basic needs of the county citizens are that we need to address. We've attempted to come up with some short-term ways of addressing some of those but the long term of this, there are probably two key components. One is creating a strategic planning that would allow us to move forward with a unified growth management plan that would allow the County to shape the future of development rather than having development shape the future of the county, and second of all, prioritize budget resources to what we're doing in a coherent way so that we make sure that we have the basic County infrastructure we need in order to provide the services that citizens expect and that had been identified as basic services through the strategic planning process.

Shortly we'll be bringing forward a resolution that asks the County Commission to buy into the strategic planning process and formalize it in a way that allows us to continue

to move forward in a more formal way so that we don't lose the momentum that we've developed through the past strategic planning processes, as well as through all the other plans that County staff has prepared over the years to help us look forward and manage the growth of the development of the county. With that as background, I'll go ahead and turn it over to Carl Moore and to Jack Kolkmeier to just bring you up to speed on where we are, where we're moving forward and what are the next steps we have in front of us.

CARL MOORE: Thank you. The reason for this brief page is to remind us what has occurred over the last few months and what the point is where we're at right now. And as the Manager, Mr. Gonzalez, pointed out, when we met in February there was a very clear direction that came from the BCC and the senior staff that said in order for the County to strategic it's necessary to manage growth, make certain that the internal organization and operations of the County operate in a way that's professional and effective, and to provide the supporting resources that the County needs. That meant then that we created essentially five teams that met when the senior staff met on Monday morning, and those teams then met to set goals and develop action plans around five areas: information technology, that you just received a report on; unified growth management planning; internal operations; facilities; and workforce. And you see on this page the goals that each of them have been working towards. The plans are in various degrees of completion and they continue to work on the.

We then met in May to give an update on that work and at that time, presented the BCC and senior staff a refined outline of essential services, core services, service enhancement and internal support services, and there's an attachment here as to what came out of that meeting. We also identified at that meeting values that should guide unified growth management planning and a calendar for how strategic planning would be annually integrated with the Santa Fe County budget planning. The teams, as I just mentioned continue to work and a couple of preliminary meetings have taken place on how the County should begin to develop the unified growth management plan. That's the current status of the planning effort.

CHAIRMAN MONTROYA: Any questions? The question that I have, Gerald, is out of the – we had a recommendation from you for an Administrative Services Division. Did that come out of this process?

MR. GONZÁLEZ: It grew out of the dialogue at the staff level about how do we respond more effectively and efficiently to the County needs. And I say grew out of because in part, it was also a product of the thinking of the Manager's office. The thought there was that we've got a number of basic services that cross the entire County. For the past 3 ½ years, I, as County Manager have been working on increasing collaboration and cooperation across departmental boundaries and stretching the thinking of County staff so that rather than operating as independent separate departments we'd begin to try to marshal the resources across departmental and division boundaries that we'd need to better address County needs and to be more efficient with our use of County resources.

Thinking about that and taking a look at where we were, part of that process was the thought that we need to address some of those Wide-wide issues through a department

that would have the ability to think more broadly, to bring those resources to the table in a collaborative fashion without having to cross departmental boundaries or minimizing the crossing of departmental boundaries, and at the same time support the overall objectives of the Commission and the County as a whole.

So it was a product of both. It was a product of the discussions that we had at the strategic planning level and also internal discussions held in the Manager's office.

CHAIRMAN MONTOYA: Okay. Part of the discussion that I've had, at least with the County Manager and I'll bring it to the Commission's attention, I'm not sure that this is the type of structure that would efficiently run our County government. I see it kind of as another layer of a bureaucracy in terms of maybe slowing things down. Currently, we've been acting with an acting financial director for I don't know how long, but I think to me Finance needs to be its own department as opposed to under another department. I'd just like to get some feedback from the Commissioners, what you're thinking is on this so that either we move forward with this ASD or we move forward with hiring a financial director. I think Teresa is doing a great job in terms of what's she's doing but I also think there may be some undue pressures that she's also having to probably take under as a result of being short-staffed. Essentially, with an acting person you don't have a full-time person so I'd like to get some feedback from the Commissioners. Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Chairman, I think I like the concept of the Finance Department being a check and balance in following requests and requisitions and financial issues. Where we run into problems and where we've always gotten our audit exceptions has been where we've set up separate funds or separate enterprises that haven't been under the control of the Finance Department, whether it's the employees' fund or anything like that and there's been some issues in the Clerk's office and also in the Assessor's office and Treasurer's office where – not in the Assessor's office, because they don't handle money, but in the Treasurer's office, where there's just been a slush fund or a minor cash account fund that is used that the Finance Department has no input on or no control or monitoring over.

So from my standpoint I'd like to see the independence of the Finance Department. I think they look at issues only from a financial standpoint, not from a policy standpoint. The Manager's office looks at issues from a policy standpoint and makes recommendations to us on that. And that avoids that gray area where finance suddenly becomes policy and we either have them not being as candid as we would like or we have them not understanding what their role is, and that's to look after the purse strings. So I don't know if that's precisely what you had in mind but I do think there's value to having them separate.

CHAIRMAN MONTOYA: That's exactly my thinking. Commissioner Campos.

COMMISSIONER CAMPOS: I defer to Commissioner Anaya.

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: I'll defer back to him.

CHAIRMAN MONTOYA: Commissioner Vigil. Just in time.

[Commissioner Vigil rejoins the meeting.]

COMMISSIONER CAMPOS: I do like the plan submitted by staff. I think it's good. I think the idea makes sense as far as coordination and providing unified services to operations throughout the Wide. It makes a lot of sense. I think it works; I think it's the right thing to do. The only issue now, I'm assuming that we have consensus, that we do want an ASD Department, but we want Finance to be a separate, independent – is that right? Or not really? Am I reading too much.

CHAIRMAN MONTOYA: I don't think so. I think ASD includes Finance, PFMD and everything else. It's consolidating those departments, essentially. Is that correct, Gerald? Those two mainly?

Mr. González: Yes. It would put them under one roof for purposes of – well, for the purposes that I outlined earlier.

CHAIRMAN MONTOYA: What I'm suggesting and I think Commissioner Sullivan is suggesting is that the current structure is probably adequate.

COMMISSIONER CAMPOS: You're asking for the status quo.

CHAIRMAN MONTOYA: Yes.

COMMISSIONER CAMPOS: Totally. Well, then I didn't assume rightly. I think the status quo is a problem. I think it has to be administered in a more efficient way, more coordinated way. And I think that's what staff is doing. They've had an opportunity to look at this very carefully and they've made a recommendation after a lot of thought, and I think it makes sense and I would defer to their judgment. We hire a Manager to be our CEO and to make these decisions and we hire staff to do the same and it's their belief that ASD is the smart way to go. I think none of us here are experts in organization and I think we should defer to staff and move forward with ASD as proposed, even with Finance. I don't see a good argument for separating Finance. I haven't heard one that makes sense, that's really strong.

I think let's go with it and see how it works the next year. If it doesn't work, there's going to be some fine-tuning and adjustment and it will evolve so it works properly. But I think the status quo is the wrong system. I really do. I think we have so many departments it doesn't make sense. We have to consolidate. We probably have more departments than the State of New Mexico. We create departments because we need to accommodate someone individually for some reason. We have people all over the place and what we have is department sprawl. Really, we need consolidation. We need some – we need to bring certain departments under a small number of department heads. I think staff is going in the right direction and I would support that.

Finance, I just don't hear a good argument to separate it. Finance, logically, seems to fall within the parameters of ASD as set forth by our staff. And I defer to them.

CHAIRMAN MONTOYA: Correct me, and then I'll defer to you, Commissioner Vigil. But, Commissioner Campos, as I understand it, we are creating another department head for ASD. We would still have a director of Finance and we will still have a director for PFMD.

COMMISSIONER CAMPOS: Division director.

CHAIRMAN MONTTOYA: Division director, department – are they being demoted then?

COMMISSIONER CAMPOS: I would think, if they're not department heads they become a division director.

CHAIRMAN MONTTOYA: And I'm looking at it just from the standpoint of we're creating another administrative position is what we're doing, by creating this ASD director, department director. So that's the way I see it. Maybe I'm seeing it wrong.

COMMISSIONER CAMPOS: Let me just, if I may respond. It seems to me that this is a first step. There will be other steps and I think the ultimate goal and objective would be to prune all these department heads, to have maybe three or four department heads, as opposed to the many that we have today, putting a lot of functions under some strong leadership. I think this would be easier to manage from the Manager's office if you have three or four department heads that move a lot of divisions. So I think the goal is going to be to minimize, and that's always been my goal, to minimize. I think the staff may – it does create a new position, but it doesn't add – does it add to the – it doesn't create any position since we're paying for someone else. The ASD director is already a department head, right?

CHAIRMAN MONTTOYA: Gerald, who is –

MR. GONZALEZ: That's correct. The proposal would be to move the PFMD department head over to head ASD because he combines the experience of not only having operated the PFMD functions but also has served in the past as deputy director of finance.

COMMISSIONER CAMPOS: If I may ask Gerald to give us his idea, or anyone on staff who wants to, to talk about the Finance, why Finance should stay within ASD. I'd like to hear that argument. It makes sense to me. I don't hear any good arguments to take it out, keep it as independent. Let's hear from staff.

MR. GONZALEZ: I'll ask Joseph to also address that, but from the Manager's standpoint, I don't think that bringing Finance under an ASD umbrella will in any way limit their independence or their ability to function as a Finance section of County operations. The concern that I have is in the past, Finance has actually erected, in a sense, organizational barriers around itself that have made it less sensitive to County operations. The difficulties that we've had with procurement over a number of years, to me is simply one example of that. I know we've had other instances where there has been an inability of Finance to think out of the larger box in terms of where we're headed for as a County and address those issues.

Some of you may recall that it took over a year to move forward with bonding because for some reason Finance couldn't get the picture, despite my continuous urging and the urging of this Commission that we needed to move forward with a bonding process, and it took the direct intervention of the County Manager's office to get us off the dime with respect to beginning to create an ongoing financing program for the County so that rather than randomly coming up with bond issues we now have the outlines of a coherent scheme to periodically, as we retire bonds, bring the additional bonds forward to the public.

The ability to take a look at the larger issues, not only in finance but in other areas were a major problem for me as County Manager in the past. I know it's plagued some of the other directors as well. I understand the concerns that people have with respect to audit exceptions and those kinds of things, but there's no reason why Finance under the umbrella of an ASD would not continue to have the same authority with respect to other offices in this County in terms of taking a look at those functions. I don't want to get into the issue of Commission discretionary funds but that's an issue that has raised, it's been raised to the level of DFA and perhaps had we had a different finance operation we might not be facing the same issues that we are currently with respect to scrutiny of not only those funds but other funds that the County may have oversight over.

That's just a management perspective. The other piece that I want to say is that from my standpoint, Finance ought to support the operations of this County rather than drive the operations of this County. And having an independent Finance Department in the past has actually placed other County Managers in a position of having policy decisions driven by finance, rather than the reverse. That's just my perspective as a Manager. I'll turn it over to Joseph because I think he has a slightly different perspective with respect to the integration of operations between PFMD and Finance.

MR. GUTIERREZ: Mr. Chairman, members of the Commission, I think Gerald hit the nail on the head when he talked about support services and my role as a division director with PFMD, every transaction that we encounter, there are a number of phases that we have to go through, and Finance is a critical piece of that. Purchasing, Legal, Personnel, IT, and in terms of the ASD support function, that really – at least my belief is – that will go a long way in terms of facilitating the needs of the County.

Right now, if a department director has to conduct a transaction, they may have to interact with IT, they'll probably have to interact with Purchasing, they're definitely going to have to go through Legal, they're definitely going to go to Finance, and possibly there might be a personnel action. These are all internal support functions. This – and they're only doing this to promote something that's going to happen outside of the County, the external customer, whether it's in my case, building a building or purchasing some computer equipment, all the directors within the County structure, they're faced with this on a day-to-day basis. And it happens more than once.

So my personal idea, and I've talked to the Manager about this, is just facilitate these processes. Unless the County looks to facilitate process and become more effective and efficient, I think as we grow and you all see the problems that we encounter in terms of large growth, we'll continue to do that. So it's a different scheme in terms of the way the County is looked at, but I think it's a very positive one. As Commissioner Campos said it's foreseeable that maybe some day there may be four or five department heads. Maybe a department head for infrastructure possibly, that involves buildings, it involves water, it involves roads. Those types of things.

Because we all face the same kind of obstacles in terms of we need to do an RFP. We need financing. We need to do those types of things. Because I worked in Finance and when I came over to PFMD in terms of building, I was able to work closely with Finance

and help facilitate the building of the Agua Fria Center, wherever there was a budget shortfall. The Eldorado Center where there were significant budget shortfalls. But that doesn't mean that's going to be the normal process. I think we were successful and I continue to believe that we will be successful. But that isn't ingrained in the process. That's not the way we do business right now.

It's all about process and Finance is a critical piece of that. I don't think you lose the integrity of a Finance head or even an ASD head, whether it's me or somebody else, in terms of audit functions, those types of things. But I think the ASD director has to have a bigger vision in terms of what your needs are and what the County Manager's needs are, and to consolidate that. It definitely can facilitate the needs of the directors. Because there isn't a director here that's not going to tell you that in terms of the issues they have to encounter with contracts, with procurement, with RFPs, budgets, those types of things. These are just baseline things that we all encounter on a day-to-day basis. I think the intention of ASD is to develop better processes within the County and if you don't have Finance in there it's difficult to really set that path, because Finance is so critical in terms of the budget needs.

Personally, I have a great relationship with Finance and we're able to facilitate a lot of that because of the building side of it, because just myself, we're faced with a lot of challenges in terms of the 45 to 50 projects we have. But there's no guarantee that's going to happen, because it's not baseline operation for the County.

CHAIRMAN MONTROYA: Okay, any other staff that would like to address the inclusion of Finance and ASD?

MR. GONZALEZ: Just one other comment, Mr. Chairman. When I had the opportunity, we had the departure of the HR head, what was then called the Administrative Services Department which to me was not of the stature of a County department, I deliberately parked the HR function under the Manager's office. And the reason for doing that was because my thought had been in the future, we would be able to move that function more readily over to a true Administrative Services Department so that we could have the kind of coordination and effectiveness that we needed out of HR and the other functions that I've listed as potentially being under an Administrative Services Department. An example that illustrates that was during the process of taking over the Corrections Department we had a major disconnect between Finance and HR for the hiring process. And it slowed down our process, made it much more difficult to staff up for the Corrections Department. A lot of issues were raised that could have been avoided had we had the HR function and the Finance functions sitting around the same table with the Administrative Services Director saying this is how we're going to coordinate the process.

Instead, it took the County Manager's office having to step in and create a special process in order to be able to streamline the hiring function to make sure we had it in place quickly and we were able to provide them with the appropriate compensation.

CHAIRMAN MONTROYA: Commissioner Vigil.

COMMISSIONER VIGIL: Mr. Chairman, I've heard Commissioner Campos' argument in favor of the ASD. I've heard that you are in favor of the status quo

and I haven't heard Commissioner Anaya or Commissioner Sullivan's position on that. I'd like to know that.

CHAIRMAN MONTOYA: Commissioner Vigil, Commissioner Sullivan essentially felt that the Finance Department should be separate. He felt that – I don't want to put any words in his mouth, but the Finance Department should look at the function and be kind of the checks and balances, as opposed to entering into the policy. So that was –

COMMISSIONER VIGIL: And Commissioner Anaya?

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: Thank you, Mr. Chairman and Commissioners. I'm not involved with the day-to-day operations of Santa Fe County. That's why I rely on our Manager and our staff to get things done. Now, they have looked into this more than I have, and they are trying to minimize the processes that it takes when we want to get something taken care of. And I think that by allowing the Manager to create the ASD, I think that they've looked at it and they've studied it and that this is something that is going to help us get our projects done faster and more efficiently.

I haven't studied exactly how they're going to structure it but it sounds to me that the ASD director, Finance would fall underneath it. Now, if that's something that is going to help this County move forward, then I am strongly for it. I think that they've studied it; I haven't studied it, but they're the experts in the field. I'm not. And I would strongly support the Commission on at least let's try it and look at it. I think it's time that we needed to maybe change some things so that this County can move forward faster and smoother. Thank you, Mr. Chairman.

COMMISSIONER VIGIL: Mr. Chairman, if I still have the floor – I disagree. I think Finance actually needs its own autonomy. And having worked at Santa Fe County was simultaneously a blessing and a curse because I worked in the Manager's office and now I'm having the bird's eye view of my County Commission responsibilities. I think the Finance Department is a critical department. I think they should be providing checks and balances for not only Administrative Services but for all divisions. I think it makes sense to consolidate departments if that promotes efficiency, but it doesn't make sense to me to include Finance and it certainly doesn't make sense to me to include Information Technology under Administrative Services. These are two critical responsibilities within the operations of County government that in my mind, by consolidating them will create more of a bureaucracy and more layers to get things done.

I don't think we're accomplishing the end of efficiency by consolidating these departments. I think we're just, as I said, creating more layers to get things done. I'm concerned particularly about Finance being included in this because I think we need Finance to be a department that has a leadership responsibility with Santa Fe County. It is through Finance that we actually are able to get the information to make decisions that drive policy. I don't know that I have experienced that they drive the policy decisions. Finance actually gives information to the Board of County Commissioners through the Manager's office, to the Legal Department, to the Land Use Department with regard to the budgeting. And we need to continue to maintain that budgeting, decision making and actual informational

exchange separate from a Finance Director reporting to a deputy, reporting to a division director, reporting to the County Manager.

I think if we put it in this consolidated kind of form, we're really taking away that efficiency of that Finance Department, reporting directly to us, the Board of County Commission and I don't want to see that opportunity lost. So I'm not in favor of including Finance under Administrative Service Department, and I'm certainly not in favor of including Information Technology under that. I think that's such a critical department at this point in time and I'm sorry I wasn't here for the report. I had been briefed a little. I know that we need to as the Board of County Commission take on a stronger leadership role in supporting Information Technology. It's a critical component of the operations of County government and I'd like to see them have some stronger sense of support and not be placed in another bureaucratic setting.

COMMISSIONER CAMPOS: Mr. Chairman.

CHAIRMAN MONTROYA: Commissioner Campos.

COMMISSIONER CAMPOS: Question for Commissioner Sullivan. Are you in favor of creating ASD as proposed by staff with the only exception of Finance?

COMMISSIONER SULLIVAN: No. I don't think so. I do agree, as you suggested, that we need some department consolidations and we need some department reorganizations. But I don't think ASD is the way to do it. And that's mainly because I'm not a proponent of the funnel approach of organizational management where everything starts here and it has to ultimately funnel up through entity A and the B and then finally to the County Manager. And the reason that is is that when one person is absent in the funnel, out on leave or whatever, the whole system shuts down. You can't get an answer. Nobody can get a decision at the lower levels when one building block is withdrawn from the pyramid.

I'm more a proponent of the board of directors approach where you have, I think fewer, I agree there, fewer department directors, each with an equal level and each with equal authority in getting their input to the Manager and to the Commission. So I do think we need to streamline, so I can't say that everything the way we're doing it now is perfectly okay. But I do agree with Commissioner Vigil that both IT and Finance are really critical, separate, operational functions and if they have to wait around for decisions until someone gets back off sick leave, it just shuts down the whole process, or they have to go around that person in the pyramid and go above him or her to get a decision made and that's not a good organizational strategy either. That's a long answer to your question. I apologize, but I guess the answer is no.

COMMISSIONER CAMPOS: Any other consensus? I don't know if the consensus is status quo.

COMMISSIONER SULLIVAN: I think more work needs to be done. I don't think the consensus is status quo.

CHAIRMAN MONTROYA: Status quo in terms of the Finance Department being separate.

COMMISSIONER CAMPOS: I thought you said status quo generally.

CHAIRMAN MONTROYA: Finance separate. I agree with Commissioners Vigil and Sullivan that IT – it's even in this strategic plan that Information Technology is one of the critical areas that's identified as a goal that needs to be addressed. In terms of looking at the other functions, I guess the way I'm looking at is in the instances that have been described by Gerald in terms of taking forever to get the bonding and the transition with the jail, is it a question of personnel versus process? I guess that's a question that I have in terms of the reason that things maybe happened the way they did happen or didn't happen the way they should have happened? Is it because the personnel or because of the process? That's the question that I have.

And if we look at things in terms of departmentally, the way we're talking about trying to integrate everything, should each department then have, instead of a central Finance location, have someone from Finance dispersed and become part of that department? Is that a way of creating some sort of integration where there's not just the concern that Finance is going to be doing their own thing. And the same thing with IT. Do we designate an IT person per department or is that the way it's done? I have no idea. Is that the way it's done now, Agnes? They have multiple departments?

MS. LOPEZ: Mr. Chairman, we have three PC technicians. One is dedicated to this building and the other two have ten remote sites that they divide between the two of them and have to go to those sites on a weekly basis. So it's not possible to dedicate one per department but we have multiple departments at this point. I know that the Clerk has expressed her interest in having her own IT person because there's just not enough room to go around, but that's the situation we have right now.

CHAIRMAN MONTROYA: Okay. So those are just some of my thoughts in terms of what we're looking at. Commissioner Campos.

COMMISSIONER CAMPOS: I think what we need to do is give staff some direction. They gave us some direction, some expert advise and even though we lack any expertise we have some opinions or ideas that go contrary to plan. It looks like we're not even willing to defer to our own staff that's been thinking about this for probably over a year, which is I think unfortunate. But what direction do you want to give. I think everybody should give some direction so we can get moving and stop stalling. We've been stalling now for a few months. The BCC doesn't understand or doesn't like the ASD idea which has been studied very carefully and proposed carefully. It's just not whimsical. It's not just here it is, guys. It's been over a year. We either accept our staff or not and apparently we're not, so let's get some ideas. Bring out some ideas.

CHAIRMAN MONTROYA: Commissioner Vigil.

COMMISSIONER VIGIL: I actually think we do have a sense of direction. I think I'm hearing at least three Commissioners say they're concerned over including IT and Finance in the ASD Department as something they're not in favor of and I think I have no opposition to forming an ASD Department, creating a department head and making it a logical, sensible department where services are actually provided. But I do think that we need to separate IT and Finance and I think three of us I think have expressed an interest in doing that and I think from that perspective we can move forward.

And I disagree that we don't have the expertise. I think that's why we're elected is to gain our own sense of expertise and my level of expertise probably comes from experiential stuff with the County, but also my level of expertise comes from being out there in the community and listening and learning what's going on with the County and what constituents experience when they come to the County and listening to County employees, County board members, and I gather my expertise from that kind of information. It may – well, I won't go any further with that. This isn't for me a decision that is pro or against staff; it's a decision that I think is in the best interest of the County. I think it would be a mistake to further separate Finance and IT from the Board of County Commission and that's exactly what we're doing here.

CHAIRMAN MONTOYA: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Chairman, to just add a specific.

Commissioner Campos asked for some specifics. One of the problems I have is adding another high-paid position into the bureaucratic mix and so my suggestion would be quite frankly that we don't need an ASD head and a deputy County Manager. That just isn't necessary. I think that if we go this model, that if we have an ASD head that has that function, which is plenty of work for any one person, I don't care how many hours of the day you work, of overseeing every single department except IT and Finance, you've got your hands full, believe me.

But you also need the authority to do that. And I think the deputy County Manager has always been a good expediter but it's always been unclear as to what the authority of that role is, and that's been the problem with that position. When Roman was there he was a great expediter and more like a constituent coordinator than really someone that had a specific scope of work and personnel who he was responsible for. So I think if we move forward with a modified ASD with perhaps a different departmental makeup and perhaps some consolidation of departments and we go for an ASD head and eliminate the deputy County Manager, and that this person – this is an important position that's being proposed. This is the number two person. This person has a job to do. And it's very clearly delineated what that job is. These departments report to that person and that's where you go. I think that's a more streamlined system than what we're being presented with here.

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: Just a point of clarification, Mr. Chairman.

Would the ASD director also be the PFMD director? Could you just clarify that, Gerald?

MR. GONZALEZ: Mr. Chairman, Commissioner Anaya, yes, that was the way it was structured.

COMMISSIONER ANAYA: And then the Finance director would fall underneath the ASD director.

MR. GONZALEZ: Right.

COMMISSIONER ANAYA: And the IT?

MR. GONZALEZ: Basically Finance would be a division of ASD.

COMMISSIONER ANAYA: A division under the ASD.

MR. GONZALEZ: Right.

COMMISSIONER ANAYA: And I hear IT now. So where was IT? What was IT going to do?

MR. GONZALEZ: IT would continue as a division of ASD.

COMMISSIONER ANAYA: A division of ASD. And what I'm hearing the Commission saying is they want to keep Finance under its own director and they want to keep IT under its own director? So we'd be adding another director? No or yes?

COMMISSIONER CAMPOS: That's how I see it.

MR. GONZALEZ: And not to muddy the waters –

COMMISSIONER ANAYA: Hold on. Is IT going to have its own director? Is that what we're talking about?

MR. GONZALEZ: I'm assuming that that's – that's the tenor of the discussion I've had. I'm hearing is that we'll have an additional IT Department. What I started to say is not to muddy the waters but we could have a Senior Services Department if we're going to start carving out departments possibly by the end of next year. So we're currently, I think 11 or 10 County departments so we could be 12 or 13 I guess.

COMMISSIONER ANAYA: I just wanted to clarify my – so what Gerald is asking for is an ASD director, PFMD would be the ASD director too, Finance would fall under it and IT would still be under the ASD as a director.

The way the Commission is talking is they want to keep Finance the same, keep PFMD the same, and have an IT director. Right? That's what I'm hearing, I think.

COMMISSIONER VIGIL: What are the other departments proposed under ASD besides IT and Finance, Gerald?

MR. GONZALEZ: Excuse me. HR would be a function moved under there and we would also create a motor pool. And those would all be divisions as opposed to departments.

CHAIRMAN MONTOYA: HR and what was the other one?

MR. GONZALEZ: Motor pool.

CHAIRMAN MONTOYA: What's motor pool under now?

MR. GONZALEZ: There is no motor pool.

CHAIRMAN MONTOYA: So we'd be creating a motor pool?

MR. GONZALEZ: That's correct.

COMMISSIONER VIGIL: And Senior Services, if we take over Senior Services is proposed to be under this department?

MR. GONZALEZ: No, there is no current location identified for a Senior Services Department other than a Senior Services Department. Theoretically, it would fall under either Housing or Health and Human Services the way we currently have our structure.

COMMISSIONER VIGIL: And Mr. Chairman, if I might.

CHAIRMAN MONTOYA: Commissioner Vigil.

COMMISSIONER VIGIL: I don't know why Projects and Facilities are not Public Works or even Land Use. Public Works has to go through Finance. Public Works has to get their procurement process going. They have similar procedures that Projects and

Facilities does so the teaming of Projects and Facilities with Finance, I don't see the distinction between that and Public Works. I think if we do a General Services Department we should generalize those services and not identify such specific areas of responsibility as infrastructure buildup. If we're going to do infrastructure buildup, why aren't we including Public Works in an ASD Department?

My sense is I think that Finance again needs to report directly the Manager and I also think that IT needs to report directly to the Manager and I still do not want to see an IT director, a Finance director having to report to a deputy or whatever and then a Projects and Facilities Manager/ASD Manager, and then that be reported to a deputy, be reported to the County Manger. I think we're just creating too many layers of bureaucracy and it's not making sense to me, Mr. Chairman.

CHAIRMAN MONTOYA: Okay, any other discussion on this? I'm already told you what I think. I do have some background, by the way, being involved with state government myself and sometimes I think government is created so that it can reorganize every year. I went through three in three years and you try and see what are the functions. And again, that's why it gets down to me of the question, is it personnel versus process?

COMMISSIONER CAMPOS: They're both issues.

CHAIRMAN MONTOYA: They are both issues.

COMMISSIONER CAMPOS: They're always not either/or but –

CHAIRMAN MONTOYA: They could be either/or. They could be, depending on the job function or the match of the individual or whoever may be running it. So my feeling still is the same. Finance should be separate. If it's seen that IT needs to remain under PFMD, well then maybe that's something that's appropriate but I agree with what Commissioner Sullivan and Commissioner Vigil have stated in terms of the direction that we need to go in. I think that would make the most sense and I do agree also, by the way, if we go with an ASD it would streamline pulling out Finance, that I would really question the need for a deputy County Manager at that point as well.

So absent Finance from that ASD structure and probably IT, that's what I would consider in terms of – and you? What's your direction?

COMMISSIONER CAMPOS: I would say let's go with ASD but there's not a consensus on the BCC as proposed by staff. I think we're going backwards instead of forward with some of the ideas that I hear from Commissioner Vigil and you Mr. Chairman. I think we're going back. We're not consolidating; we're not cleaning up; we're not improving communications. We're just moving back and we're adding more bureaucracy. That's what we're trying to get away from. So I don't see much direction from the BCC on this.

COMMISSIONER ANAYA: Mr. Chairman.

CHAIRMAN MONTOYA: Commissioner Anaya.

COMMISSIONER ANAYA: I think we see clear direction so let's move forward and get things done.

CHAIRMAN MONTOYA: Okay. That's the new plan.

COMMISSIONER SULLIVAN: Plan B.

CHAIRMAN MONTOYA: Okay. Any other discussion? Questions?

COMMISSIONER CAMPOS: Are we done, as far as Jack Kolkmeier and their presentation?

CHAIRMAN MONTOYA: Yes. I think we are, aren't we?

MR. MOORE: Our purpose was just to bring you up to date on what was coming out of the plan and that you're going to be getting a resolution and that there's preliminary steps being taken to move forward on unified growth management planning.

CHAIRMAN MONTOYA: Okay.

COMMISSIONER CAMPOS: Question. Do you have any specific questions you have for the BCC? Any input you need from the BCC at this point, or Mr. Kolkmeier or are you fine right now?

MR. MOORE: So long as you're comfortable that we continue to move forward with the goal of making that progress with the unified growth management planning and going forward with the calendar of integrating strategic planning with the budget in some kind of way that meets your needs with proceeding in that way. Thank you.

CHAIRMAN MONTOYA: Thank you, Carl.

VIII. ADJOURNMENT

Chairman Montoya declared this meeting adjourned at approximately 1:30 p.m.

Approved by:

Board of County Commissioners
Harry Montoya, Chairman

Respectfully submitted:

Santa Fe County
Board of County Commissioners
Special Meeting of August 16, 2006
Page 33

Karen Farrell, Wordswork
227 E. Palace Avenue
Santa Fe, NM 87501

ATTEST TO:

VALERIE ESPINOZA
SANTA FE COUNTY CLERK