

SANTA FE COUNTY

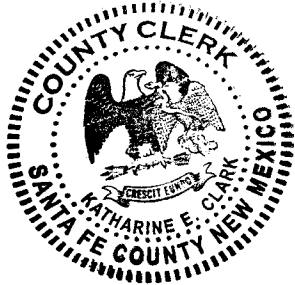
BOARD OF COUNTY COMMISSIONERS

SPECIAL MEETING

September 7, 2021

Anna T. Hamilton, Vice Chair - District 4
Rudy Garcia - District 3
Anna Hansen - District 2
Hank Hughes - District 5

Henry Roybal, Chair - District 1 [Excused]



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 8

I Hereby Certify That This Instrument Was Filed for
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Deputy *Katharine E. Clark* Witness My Hand And Seal Of Office
County Clerk, Santa Fe, NM Katharine E. Clark

SANTA FE COUNTY

SPECIAL MEETING

BOARD OF COUNTY COMMISSIONERS

September 7, 2021

1. A. This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 10:05 a.m. by Vice Chair Anna Hamilton.

This meeting was conducted on a platform for video and audio meetings. All votes were taken by roll call.

[For clarity purposes, repetitive identification and confirmations of those on the phone have been eliminated and/or condensed in this transcript.]

B. Roll Call

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

Members Present:

Commissioner Anna Hamilton, Vice Chair
Commissioner Rudy Garcia
Commissioner Anna Hansen
Commissioner Hank Hughes

Members Excused:

Commissioner Henry Roybal

C. Approval of Agenda

COMMISSIONER HAMILTON: Are there any change to the very brief agenda?

KATHERINE MILLER (County Manager): Madam Chair, we only have one action item, which is the whole purpose of this meeting, and so I don't think that we have any changes to the agenda. Thank you very much for all of you making time for this meeting. I appreciate it.

COMMISSIONER HANSEN: Madam Chair.

COMMISSIONER HAMILTON: Yes, Commissioner Hansen.

COMMISSIONER HANSEN: I will move to approve the agenda as

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presented.

COMMISSIONER GARCIA: Second.

COMMISSIONER HAMILTON: Thank you. So we have a motion and a second.

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

2. MISCELLANEOUS ACTION ITEM

A. Request Approval of an Order Imposing Tax Rates on the Net Taxable Value of Property Allocated to the Appropriate Governmental Units within Santa Fe County for the 2021 Tax Year

COMMISSIONER HAMILTON: Yvonne Herrera, are we going to you?

YVONNE HERRERA (Finance Director): Thank you, Madam Chair.

Good morning, Madam Chair and Commissioners. The order before you as read by Madam Chair is approval of an order imposing tax rates for tax year 21. Pursuant to Section 7-38-33 NMSA 1978, the Secretary of the Department of Finance and Administration is required to issue a written order to set the property tax mill rates by September 1st. Then they have a statute, Section 7-38-34, which requires the Board of County Commissioners to issue its own order imposing said tax rates within five days of receipt of the DFA written order.

For tax year 21 DFA issued its order on September 1st which included two certificates of property tax rates. The purpose for the two certificates this year is because of the Election Year 50-Year Tune-Up Act, which is part of the laws of 2019, Chapter 212, which requires the delay of preparation of property tax bills for the tax year due to several school districts located wholly or partially within Santa Fe County that have property tax levy questions on the ballot of the November regular local election.

Due to these circumstances the act requires DFA by legal order to set two property tax rates, one set of rates which assumes that the property tax levy questions will be approved by the voters, whereas the second set of rates will assume that the property tax levy questions will not be approved by the voters. Likewise, the act also requires the Board to issue its written order imposing the tax rates under both circumstances.

The three school entities that have property tax mill levy questions on the November ballot include the Santa Fe Public Schools Board of Education, Moriarty-Edgewood School Board, and the Pojoaque Valley School Board. The two certificates that are attached to the BCC order are described as follows: Certificate #1 is status quo, which is Exhibit 1. These rates assume that no mill levy questions will be approved by the majority of the voters, whereas Certificate #2, all pass. This mill levy assumes – these rates assume that the mill levy questions will be approved by the majority of the voters.

After the November 2021 regular local election results are confirmed the County will receive another letter from DFA indicating one of the following outcomes: One, either confirming Certificate #1 or #2 is the final order to be imposed, or issue a Certificate #3 in the event that not all mill levy questions are approved by the voters.

Daniel, if you want to go to Certificate #1. So as previously indicated Certificate #1 is the status quo, meaning that no mill levy questions will be approved. This is

actually the computation that we prepared in the past to show the difference between the prior tax year, which is tax year 20, and tax year 21.

Scroll down for me, Daniel. As you can see there's either no changes or minor changes, most likely due to either the yield control or the valuation of property, specifically residential. Keep scrolling down, Daniel. Where we're going to see the difference in the mill levies is on page 2 and it's related to the three schools. So in this case the schools are highlighted or that are in red – the mill levy question related to the Santa Fe Public School Board is their capital improvement levy, which is under House Bill 33. As you can see in tax year 20 the mill levy was 1.5, 1.39 for residential due to yield control adjustments, but as you can see under tax year 21, there would be no mill levy if the voters decided not to approve that bond question.

We have – Pojoaque is the other school. This particular instance, Pojoaque's question is related to bond issuance. Per discussion with the Public Education Department there would be no change in the mill levy for the Pojoaque School District because they don't actually have a mill levy question countywide until the year 2025. So whether the voters approve the issuance of GO bonds or not there would be no changes as indicated here.

And then the other school, which is the Moriarty-Edgewood school – if you go down a little bit, Daniel, we'll see those nine items. They actually had Senate Bill 9, capital improvement mill levy that if the voters did not approve we would see no mill levy for those property tax owners.

So in the instance of Certificate #1, if the two mill levies for Santa Fe Public Schools and Moriarty-Edgewood schools did not get passed by the voters the homeowners would see between \$150 savings and \$200 savings on their property tax bill, under Certificate #1. And if you want to just briefly scroll down through the rest of the pages Daniel, you'll see again, just minor changes to the mill levies between two tax years, nothing significant for Certificate #1.

So Certificate #1 again assumes that no mill levy question will be approved by the voters, status quo. Property tax paying taxes for Santa Fe Public Schools and Moriarty-Edgewood Public Schools would see a \$150 to \$200 savings on their property tax bill for tax year 21.

If you want to go ahead and go to 06, Daniel, the next tab over to your right. Certificate #2, this is all pass, meaning all mill levy questions were to pass by the voters, which would basically indicate that for the two schools, that they're capital improvement mill levy would continue to be imposed for those homeowners. All other property tax rates would stay the same that we just saw under Certificate #1. So if you want to go ahead and just go to page 2, Daniel, we can show the difference.

The line items that are in blue are the mill levies that would be imposed if the voters did approve the questions in November. So for Santa Fe Public Schools we see the we see the House Bill 33 capital improvement mill levy of 1.5 for tax year 2021, and we see just a slight increase of property taxes of \$10.30 for every \$100,000 in property valuation.

Again, the Pojoaque School District, due to not being a countywide bond question would have no impact on the mill levy so their rates stay the same as we saw in Certificate #1 and if you scroll down a little bit more you the Moriarty tax rates. For

Moriarty, theirs is actually the Senate Bill 9 capital improvement mill levy, which would be two mills, so we would see a \$3.10 increase in the property tax if the voters decided to approve those questions in November.

In the event, as previously stated, in the event that one of these is not approved by the voters DFA would issue a Certificate #3 indicating which mill levy was approved thereby imposing that specific tax rate for those entities. The order in front of the Board today actually addresses all three scenarios so essentially after this BCC meeting no additional action would be needed by the Board, so if you want to bring up the BCC order, Daniel. If you go to page 2 for me. So under the order, we have item #1: In the event all property tax levy ballot questions are defeated the property tax rate set by DFA in Exhibit A, which is status quo, are hereby imposed for the 2021 property tax year on the net taxable value of property allocated to the appropriate government units within Santa Fe County.

Or we have #2: In the event that all property tax levy ballot questions are approved the property tax rate set by DFA in Exhibit B, which is all pass, are hereby imposed for the 2021 property tax year on the net taxable value of property allocated to the appropriate government units within Santa Fe County.

And #3: In the event only some of the property tax levy ballot questions are approved and DFA issues a third Certificate of Property Tax Rates in Mills reflecting the election results on those ballot questions, the BCC approves the imposition for the 2021 property tax year of the tax rates set forth in that third, as yet unissued, Certificate of Property Tax Rates in Mills on the net taxable value of property allocated to the appropriate government units within Santa Fe County.

So by including all three potential outcomes that will occur in the November election the Board will essentially cover every single tax rate, any of those three tax rates that would need to be imposed for the tax rate 2021. And with that, Madam Chair, I stand for any questions.

COMMISSIONER HAMILTON: Thank you.

COMMISSIONER GARCIA: I have a question.

COMMISSIONER HAMILTON: Okay, Commissioner Garcia.

COMMISSIONER GARCIA: Thank you for your presentation. I appreciate all the hard work that the Finance team does actually. So basically we have submitted – the Tax Assessor went and assessed property that we actually created out budget, submitted all of that to the Department of Finance and Administration, and now they're giving us what our tax rates are allowable. I just want to make sure when you go forward on the school districts to say no you can or cannot go after for so many dollars for a bond question.

MANAGER MILLER: Madam Chair, Commissioner Garcia, that's correct. So the election laws change so it's made the tax certificate issue a little more complex than usual because normally all the elections would already be done where they're scheduled in such a way by the school districts that they're done prior to us getting the statutory requirement to approve the tax certificate. But when the election laws changed two years ago it made schools have to do their elections in November, which is after we approve the tax certificate. So what we're actually in this order, we're saying, okay, here's how it is status quo, if nothing passed. But here's how it would be if

the school districts actually do pass mill levies or bond questions in November, and here's how it is if they go to the voters and they pass or they don't pass.

So by you approving this order today it allows any of those scenarios to happen in November and that the tax rates – oh, and by the way, we did actually have to allow – the last go around happened we actually had to allow for the school districts in the northern part of the county a longer time to pay their tax bill because what went out in the tax bill was different once the election happened. So we had to revise those and the state allows an extension on the payment of those bills if a bond passes and it was not in your original tax bill. So like I said, that change in the election law has complicated things but we have been able to accommodate the potential passage of bond questions that we did not anticipate when we sent out the tax bill. And the way this order is written it allows for any of those possibilities.

COMMISSIONER GARCIA: Thank you, Madam Chair. Thank you, Katherine. This also – this is a short meeting. This is a one-item agenda but in reality, the way I look at this is this affects our entire electorate, individuals throughout Santa Fe County. Where it all starts is Santa Fe County with our team of everybody from Finance, Assessor, everybody from Santa Fe County sets our tax rate. So I was wondering again just how money we budgeted for next year and how much the valuation has brought in. So this meeting will only be a one-item, one thing on the agenda but [inaudible] Mr. Chair, I thank the entire team and staff at the County for developing it. But if there's no other questions I'd like to make a motion for approval of this.

COMMISSIONER HAMILTON: Okay. I have a motion.

COMMISSIONER HUGHES: I'll make a second.

COMMISSIONER HAMILTON: So under discussion, do other Commissioners have questions? Commissioner Hughes.

COMMISSIONER HUGHES: I don't have a question I just wanted to say thank you for the explanation and thanks for all the work that went into this. It looks very, very complicated, so thank you for doing all that computation.

COMMISSIONER HAMILTON: Excellent. Commissioner Hansen, did you have something?

COMMISSIONER HANSEN: Madam Chair, no. I think this is perfectly fine. Thank you, Yvonne for your explanation and I'm ready to vote. Thank you.

COMMISSIONER HAMILTON: To be honest, I think for the record it would be useful just to get a very quick response that confirms that one of the things that we're doing, that staff did to get to today was confirm that the technical inputs that the state used to get to these rates were correct, and I assume that's what staff found. Manager Miller or Ms. Herrera, is that the case?

MS. HERRERA: Madam Chair, I'll give – part of the process does require that the County reconfirm the rates set within the schedule. The Treasurer's Office will go in and they will re-compute everything to make sure there are no errors, which is what we found in the past. No other taxing entity indicated that the rates presented on the schedule were not expected or were different, which we've also had in the past. I think Manager Miller mentioned in 2019 we actually did have a tax rate that was wrong in that schedule so it created a longer delay in the process.

I do know that DFA does work with our financial advisors in not only training

their staff on how to determine the rates but also ensuring that what rates they do issue for the different counties are correct. Our job is just to verify those rates and make sure that everything balances, works reasonably, which is where that computation spreadsheet came in. Anything that looks out of the ordinary – question that, either through DFA or through PED depending on if it's impacting – So yes, we do go through that process. We do verify the information, not the actual calculation of it but we do go through and make sure that if we have any questions related to it we do contact DFA or PED for any of those adjustments that we can't see why it's occurred.

COMMISSIONER HAMILTON: Excellent. Thank you, Director Herrera. Manager Miller.

MANAGER MILLER: Yes, Madam Chair, and the other thing is verifying also the valuations by type – residential, non-residential, within city limits, outside of city limits. So verifying with our Assessor that we actually have the proper – that they – so the whole process basically starts with the Assessor valuing all the properties. That goes to Property Tax Division and then across the top of the certificate is what the rates are based upon the valuation in the particular taxing zone, let's call it, or geographic area, where it's either in a city limit or in a school district or outside of a city limit and outside of a school district, or a community college district, etc.

And then the other piece of it, the things that drive your tax rate are total value of property and then what you need to generate in order to pay debt service, will drive your debt service rate, and valuation plus rate will generate your operating mills, which go up and down based upon what they call yield control. So all of those things are also – we run through all of those to make sure that what the state says those rates should be for Santa Fe County, are what we believe what the valuation should be for the county are correct to what our Assessor says they should be.

And then one last piece I want to make sure that it's on the record. Our debt service rate, we work with our financial advisors to keep a steady debt service rate of 2.12 mills, which is \$2.12 per thousand dollars of taxable value. And our rate is at 2.12, but that does assume that in the spring we will do our refunding for our 2013 general obligation bonds and expedite payments on those. So I did want to put that on the record. Otherwise if we don't do that then the rate drops and then it goes back up when we do our next bond issue. We work very hard to keep our rate flat so that we don't have a fluctuating rate to our homeowners and property owners in the county.

COMMISSIONER HAMILTON: Excellent. Thank you for getting all that on the record, both of you, Manager Miller and Director Herrera. So unless there are further questions, we have a motion and a second. Can I get a roll call vote?

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

3. Concluding Business

A. Announcements

COMMISSIONER HAMILTON: Are there any announcements?

B. Adjournment

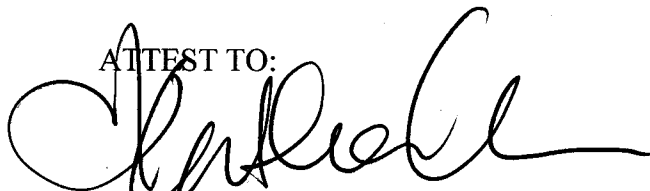
Upon motion by Commissioner Garcia and second by Commissioner Hughes, Chair Roybal declared this meeting adjourned at 10:32 a.m.

Approved by:




Henry Roybal, Chair
Board of County Commissioners

ATTEST TO:



KATHARINE E. CLARK
SANTA FE COUNTY CLERK

Respectfully submitted:


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



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