

**SANTA FE COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
**SPECIAL MEETING**  
**May 15, 2023**

Anna Hansen, Chair - District 2  
Hank Hughes, Vice Chair - District 5  
Camilla Bustamante - District 3  
Justin Greene - District 1  
Anna T. Hamilton - District 4

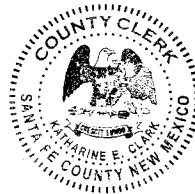
SFC CLERK RECORDED 06/21/2023  
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COUNTY OF SANTA FE            )  
STATE OF NEW MEXICO        ) ss

BCC MINUTES  
PAGES: 31

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Witness My Hand And Seal Of Office  
Katharine E. Clar  
Deputy *Dorothy Romero* County Clerk, Santa Fe, NM



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**May 15, 2023**

1. A. This special budget meeting of the Santa Fe Board of County Commissioners was called to order at approximately 2:09 p.m. by Chair Anna Hansen in the County Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico.

**B. Roll Call**

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

**Members Present:**

Commissioner Anna Hansen, Chair  
Commissioner Hank Hughes, Vice Chair  
Commissioner Anna Hamilton  
Commissioner Camilla Bustamante [Via Webex]  
Commissioner Justin Greene

**Members Excused:**

None

**C. Approval of the Agenda**

CHAIR HANSEN: Are there any changes to the agenda from Manager Shaffer?

GREG SHAFFER (County Manager): No, Madam Chair, Commissioners, there are no changes to the agenda from staff.

CHAIR HANSEN: Okay, thank you.

COMMISSIONER HUGHES: Madam Chair, move for approval of the agenda.

COMMISSIONER GREENE: Second.

CHAIR HANSEN: We have a motion by Commissioner Hughes, a second by Commissioner Greene.

**The motion passed by unanimous [5-0] voice vote.**

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**2. PRESENTATION AND POTENTIAL ACTION TO APPROVE FY 2024 INTERIM OPERATING BUDGET**

**A. Presentation of the Interim Budget for Fiscal Year 2023-2024 (FY 2024)**

*[Exhibit 1: FY24 Interim Operating Budget; Exhibit 2: Proposed Resolution 2023-45]*

CHAIR HANSEN: Manager Shaffer and Yvonne Herrera, welcome.

MANAGER SHAFFER: Thank you, Madam Chair and Commissioners.

Before we move on to the prepared presentation concerning the fiscal year 2024 interim operating budget, there are a few things that I personally wanted to say, and specifically acknowledge the yeoman's work of Yvonne Herrera relative to putting the budget together. If anyone has personally carried an additional burden due to the staffing crisis that is facing all governmental entities, including Santa Fe County, no one has personally shouldered a greater burden than Yvonne Herrera and by extension her staff. So I wanted to acknowledge up front the continuing efforts of the Finance Division to provide the Board of County Commissioners with complete and timely analysis and information. We wouldn't be here without Yvonne's personal efforts and those of her staff. So thank you Yvonne.

Secondly, I wanted to acknowledge and extend my gratitude to department directors as well as elected officials who worked hand in glove with the County Manager's Office in terms of evaluating their budget request, responding to things and feedback that we were providing to them, and generally, frankly, coming together as a team to sometimes sacrifice things that they wanted or would love to have as an individual department if we had unlimited resources so that they could put the greater needs of the County as an organization in front of the particular needs of their independent offices or departments. So I wanted to again, acknowledge their efforts and send my gratitude for the spirit of collaboration and greater good that brought to the work of preparing the budget. So thank you to all of them.

Next, I wanted to put into context the overall cycle for development of the budget and this is a reminder of things that have been said in the past and in previous years. What we have to submit to the Department of Finance and Administration by June 1<sup>st</sup> is a interim operating budget. The Department of Finance and Administration by state law is required to certify an interim operating budget to us by July 1<sup>st</sup> which we're then free, by state law, to work under until a final budget is submitted and approved. We have the period of time from when the Board adopts the interim operating budget until June 30<sup>th</sup> to finalize or to complete and submit our "final budget" which can include adjustments that are made from the interim to the final. Some of those may be policy related. We'd like to allocate some additional money to this purpose or that purpose. Some of them are going to be due to the fact that we've now filled positions and are making adjustments to our salary and benefits numbers, based upon current data. And there are a variety of reasons, again, as to why adjustments can be made.

But the biggest thing that gets rolled into the final budget that's not part of the interim operating budget is our capital, and again, those aren't fixed asset requests. Those are what I'll call the bricks and mortar projects that we fund throughout the County and the more specific districts. So again, this year we're dealing with the interim budget and even if the Board were to adopt the interim budget today, which is the County Manager's Office recommendation, that doesn't preclude revisions to the budget as we go forward to the end of June and we adopt the final budget.

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So with that by way of general acknowledgements and thank yous, an overview dive into the presentation that was emailed to you over the weekend and was uploaded to BoardDocs.

Just to start and remind everyone who we got here, generally departments and elected officials didn't have any restraints put on the budgets that were submitted. They were generally, again, unrestrained by top-down directions such as you have to have a flat budget, etc. We did as the Board knows, for the first time in the County's living memory, contract with an independent third party economist to help define what our recurring revenue picture looks like over the next two fiscal years and beyond.

In addition, as our budget came into focus and as our recurring revenue came into focus, the County Manager's Office focused on the paramount theme and goal which was to continue to invest in the County workforce. Recommended investments include a six percent COLA effective July 1, 2023, except for the NMCPSO Deputy Sheriffs bargaining until, for which we're recommending a comparable amount be set aside for collective bargaining agreement negotiations. And then we also recommended that the Board preserve some recurring funds for future potential investment in the workforce to meet future market conditions. Those include, as the Board is aware, we're going to go out into the market in the fall and winter of 2023 to reassess our salaries in light of current market conditions, and over and above any adjustments that might be warranted based upon that market analysis we may find ourselves in a position of adopting a market leadership strategy with respect to certain positions that are chronically hard to fill and have material levels of vacancies.

In light of those paramount goals and themes, departments were asked to refine their budget requests in a variety of ways. They were asked to separate their recurring and non-recurring expenditure requests so that we could make our best educated effort to match recurring expenditures, primarily salary and benefits, to recurring revenue. We also asked departments to critically review their expenditure requests in their budget to identify those that could be reduced without negatively impacting operations, based upon the reasonableness of their estimates, as well as the availability of contingency funds to meet the same purpose, and we also asked them to prioritize requests in light of the need to fill vacant positions as well as retain current existing staff so that we can continue to provide existing services as well as shore up those areas that have been negatively impacted due to the labor crisis.

We had three budget study sessions with the Board of County Commissioners at which we heard a variety of feedback from the Board and independently we did receive some feedback from individual Commissioners relative to the budget and it's development. What is before you today for consideration and potential approval is an interim budget based upon the presentations and recommendations that were made by the County Manager's Office during the budget study sessions, except as otherwise noted in the slides that follow.

First – and these are in no particular order – there was a request that \$50,000 in non-recurring revenue be budgeted for the Coalition of Sustainable Communities climate investment center. This falls into the category of a late request that we didn't have the opportunity to fully vet. For that reason we're recommending that that be revisited at the final budget after additional information is received from the Coalition of Sustainable Communities concerning its business plan, as well as what its initial budget is for the proposed center.

Another piece of feedback that was provided was to explore providing additional funding to the North Central Economic Development District for grant writing services. Staff reached out to NCEDD's executive director to confirm that such funding is not needed at this time, since grant writing services are currently funded by state appropriations. We did commit to the executive director that the County would support ongoing efforts by the NCEDD to secure continued funding for those much appreciated and needed services for the entire district.

There were two separate requests related to affordable housing. One was to budget \$50,000 to develop strategic workforce housing pilot project. From the CMO's perspective, we think that this is better considered when the Board actually approves the affordable housing plan but then further, actually identifies from the lengthy menu of potential programs and option, those that the Board actually wants to pursue in Years 1, 2, 3 – what have you, so that you're making a comprehensive decision as to how you want to allocate resources in terms of ramping up both existing programs, but potentially building out new programs.

Similarly, and this was not specific to any particular potential affordable housing program, there was a request or ask as to whether or not we should be pro-actively planning to set aside additional monies for affordable housing programs and initiative. Again, the CMO's recommendation is that we revisit that topic at the final budget in conjunction with our capital projects, because when you're talking about big slugs of money, that's really where the competition is happening in terms of money for capital projects that are existing with shortfalls as well as potentially new projects that could come on line versus money that could be bricks and mortar, it could be other things. It could also be set aside for affordable housing and so again, our view is that that conversation is better had as part of the final budget as we roll forward and get an even finer picture as to where things stand, but you're also looking at that time, at the various capital projects that are before you for potential funding.

There was a suggestion that additional contractual funds or potential temp worker funds be budgeted in order to prioritize community planning and comprehensive zoning for so-called Area 1B. Should the Board in its legislative discretion decide to move forward with the petition for expansion of the traditional historic community of Agua Fria, we do agree at the staff level that the prioritization of the community planning and comprehensive zoning would be in order, and so that's the basis for adding to the Growth Management Department's budget, \$150,000 in non-recurring expenditures.

There was also a mention of a potential effort to budget funds to, if we understood it correctly, provide technical and other assistance to acequias such as potentially doing work ourselves or contracting to do work to help acequias with ditch cleanout and repair and maintenance. From the County Manager's Office view, such assistance is really a state responsibility, and I think we're best positioned to support the acequias in their efforts to secure more support from the state to support these relatively small political subdivisions of the state.

In addition, if we were to use our own resources to provide cleanup, maintenance and construction support, that would further dilute the scarce resources we have from our core role responsibilities.

There was a suggestion that the non-recurring budget for professional services as well as for potential remediation projects be moved from the Growth Management Department to the Public Works Department. In our view where the money is budgeted in the first instance isn't material since both the Public Works Department and the Growth Management Department are funded by the general fund, it's easy enough to move money between those departments by an internal BAR, and so even if we ultimately decide that the work is better overseen by the Public Works Department on a particular project, and that they ought to have access to that money, it's easy enough to make that decision with regard to that particular project in that particular case without holding up any of the remediation work.

We also – there was a suggestion about budgeting money for the Rio Arriba County/City of Espanola dispatch center. Again, the suggestion is to revisit that when details of the proposal and potential JPA participation are presented to the Board of County Commissioners for consideration. While I would note that any recurring contribution will compete with the needs of the County Fire Department and our own RECC, the 911 center in Rio Arriba and for the City of Espanola as well as other governmental entities has recently approached the RECC board to get a potential recommendation from that board relative to support for their own dispatch operations. I believe where that was left by the board is that they wanted to hear more information as to what that would look like before the RECC board would weigh into any particular recommendation along those lines.

There was an additional request to budget \$50,000 for the study of the creation of a regional collaboration with the purpose of developing an applied science and technology collaboration institute. Again, from the CMO's perspective, we recommend that that be revisited when the Board of County Commissioners commits to such effort through adoption of a resolution surrounding that potential institute.

There was a general request to consider funding more requested FTEs. As I outlined at the beginning and in earlier presentations, we tried to strike a balance between critical needs in the departments as well as the paramount goal and theme of continuing to invest in the positions we currently have and in our current workforce. And that is why we recommend not budgeting approximately \$3.7 million in recurring revenue, which is what would ultimately fund any additional recurring FTE requests that might be funded at this time.

Again, the idea was to ensure that there was sufficient recurring funds that the Board of County Commissioners would have on hand when we go back out to look at the current market conditions in the fall and winter of 2023. And again, having those funds available would allow the Board to address any compensation related deficiencies that are identified through that comprehensive review and also preserve the ability of the County to adopt to a market leader position with regard to positions if we find that even after the six percent adjustment to our salaries that we're still not competing at the level that we would like to compete.

And what I would say here relative to this approach is that we're trying to do something that is systematic. As the Board knows in terms of looking at the County as a whole, as opposed to individual department needs and the want to ensure that there is sufficient recurring revenue that allows us again to be comprehensive in our approach, and that will allow the Board of County Commissioners to look at the entire situation from a

comprehensive perspective, rather than looking at individual departments in a piecemeal perspective as we look at classification and compensation needs based upon current market data in the fall.

In addition, to the extent that those monies are not needed for systematic, I guess, changes to where we are at from a compensation and classification perspective, what I would suggest to the Board is that you have some competing requests that were brought forward already as part of this budget cycle. In addition, there were some other requests or statements that the Board has made, either individually or collectively over the last couple of weeks that may ultimately be competing for any remainder money that might still be left over.

Some of those that come to mind in no particular order is when the Fire Chief presented his organizational chart there was significant discussion about the needs of the EMS Division and what that could look like in the short to midterm, as we continue to grow out that division. Focusing still on the Fire Department, there was also discussion about the future expansion of the Mobile Integrated Health or COOP program. In addition, there has been discussion as to how we might drastically increase the capacity of our Public Works Department to further get projects out the door more quickly and increase our capacity to handle even more capital, whether it's grant funded or through the legislature, and those are again, just a few that come to my mind relative to potential needs that would be under consideration at midyear or part of the fiscal year 2025 budget, assuming that the \$3.7 million that we're recommending not be budgeted at this time isn't needed for additional investment into our current workforce and our current FTEs.

Finally, one thing that was not put on this list, due to the fact that it came up late last week that I did want to address was the potential to have an electric vehicle pilot project in the Sheriff's Office to see what that might look like, either for patrol vehicles or potentially for detectives. We're recommending that that be considered as part of a final budget, because there's still some additional work that needs to be done as to where would we put such potential pilot vehicles for operation? Would it be patrol? Would it be within the Investigation Division? And then related to that threshold question, what capital infrastructure might we need to invest in order to have the infrastructure necessary to actually support that pilot project. So forgive me that that late-breaking development did find itself onto the list but I did want to acknowledge that up front and give you staff's recommendation that that be looked at as part of the final budget.

Other changes that were made to the recommendations that the County Manager's Office put forth at the budget study sessions, and these are in no particular order, but we did reduce the estimated cost for the additional incentive pay for the County Assessor's Office by a relatively small amount. As was mentioned at the budget study session for the Assessor's Office, there is a proposed reduction of \$50,000 for their parcel fabric mesh request in order to help fund the additional incentive pay and otherwise meet the global objectives that I mentioned earlier. We did mention at the hearing at the reclassification of the records clerk in the Sheriff's Office was not recommended at this time and we had discussed that with the Sheriff's Office, so that change was likewise made to the budget information or budgeted expenditures for the Sheriff's Office.

Finally, as we described in earlier presentation, when we try to present things to the Board at a macro level that hopefully is useful for conversational and policymaking



purposes, but our budget it built at the cost center or fund level, and so there is a variety of budgeted cash that is budgeted each year in our special, non-general fund funds in order to balance the revenue to the budgeted ask for those special funds, and that was done in the budget that it before the Board for consideration.

And then finally, there were a few instances where departments in essence duplicated a request by asking to roll forward a purchase order, but then also requesting the same amount in their operating budget, and simply put, that would result in the same amount of money for the same purpose being budgeted twice. So Yvonne and her team endeavored to catch those as we came forward with the budget.

So I've done a lot of talking. I'm happy to stop here. If not, I'd go forward and just kind of summarize where we're at in terms of the overall interim budget summary.

CHAIR HANSEN: Questions. Commissioner Hughes.

COMMISSIONER HUGHES: Thank you, Madam Chair and thank you, Manager Shaffer. So I like the idea of holding back money for the needs of the staff going forward. How quickly do you think we could allocate some of that funding. I'm a little bit worried about waiting till mid year because that's like nine months away and I think our needs are pretty urgent. But I guess the six percent will take place in July, but how soon after that do you think we would know if we need to allocate more money to a particular department or area?

MANAGER SHAFFER: Madam Chair, Commissioner Hughes, I believe that the contractor is slated to begin the work in September. That was chosen purposely so that any salary related actions that are being done by our competitors for the upcoming fiscal year is captured in the data that we're pulling from. I believe that they are then slated to complete that work, and Ms. Quintana may be present to provide a more specific timeframe, but I want to say it was in the order of magnitude of two months in order to update that market data, and then because it does impact, at least in part our AFSCME 1782 workforce, we would be negotiating a new collective bargaining agreement with AFSCME 1782 to go into effect on January 1<sup>st</sup>. So I think the timing is actually pretty good, both from a budgeting perspective as well as from necessary negotiations with AFSCME 1782, which is the exclusive representative for – I won't say a majority but a significant portion of the County workforce that is actually covered by the class and comp.

COMMISSIONER HUGHES: Okay. Well, a little longer than I would think ideal but it probably does take that long. Thank you. One other question. In terms of any new positions – I know in the past we have shied away from creating any new positions at midyear. Are you thinking that since we're holding back money that this year would be different? In regards to that we might actually add some EMS or other positions at midyear if we had money?

MANAGER SHAFFER: Madam Chair, Commissioner, I think the short answer is that's ultimately a decision for the Board of County Commissioners, whether you want to do that. Certainly I could understand the rationale for doing that, given the way we're trying to build this budget, which is to again alleviate some recurring revenue in abeyance so that we can assess what the needs are for our existing workforce as part of that effort working through midyear. But if that's ultimately a decision that the Board wants to take, then I think in fairness we would just have to communicate that to everybody so that they could put their needs into the hopper. But certainly it's within the realm of the possible,

given the potential for recurring revenue to be available as well as the fact that certain requests that were brought forward were specifically held in abeyance in part so that money could be reserved to meet the paramount goal of investing in our current workforce and our current positions. So that's a very long answer to your question, the short version of which is it's up to you.

COMMISSIONER HUGHES: Right. But I'm intimating from the long version that perhaps what you were thinking is that maybe a lot of the positions wouldn't happen till the next fiscal year.

MANAGER SHAFFER: Madam Chair and Commissioner Hughes, if you were asking my opinion, I would say it depends upon where we're at. If – just to use the numbers. If \$3.65 million was needed, and those are again completely made up on my part, there's not a whole lot to play with. So at that point it doesn't much matter. If instead \$1.7 million was needed such that you had approximately \$2 million in recurring revenue that you could do something with, then that might need to a different recommendation. So I'm not trying to be flip. I do think it does depend, however, on how events actually play out in the size of the pot of recurring money that you're potentially dealing with. I hope that gives you a little bit more insight into my thinking.

COMMISSIONER HUGHES: Yes. That helps and I think that probably we will – it's more likely – I think we will probably spend a lot of that money trying to beef up our current positions. But thank you. That's all I have for now.

CHAIR HANSEN: Thank you, Commissioner Hughes. I'm going to go to Commissioner Bustamante. Commissioner Bustamante, can you unmute yourself?

COMMISSIONER BUSTAMANTE: Yes, thank you, Madam Chair, Manager Shaffer. My question was similar to Commissioner Hughes' question regarding the funds that will be saved from the vacant positions. But I've yet to have some real clarification in those areas where there has been a shortage of support for basic community interaction, yes, but we only have three people in the office type of situation and I'm hoping that those issues or at least that the supervisors in those areas are in concurrence with where those dollars will be held, where the positions would be going away. Can you provide any information with regard to that? And how much – or what the process was for identifying the determination that there wouldn't be a need for additional – if there were vacancies, are these long numbers of years where they have already had three vacant seats, or are we just closing gaps where they might have opened in the past year or two, or three?

MANAGER SHAFFER: Commissioner Bustamante, if I understood your question correctly, and maybe I didn't understand your question correctly, and so I should start there. We are not recommending as part of the interim budget that any positions in the non-union realm, or in the AFSCME 1782 realm, would be frozen or eliminated. So if that's what you're asking then my answer would be that's not part of the interim budget recommendation. If your question is forward-looking as to where we might adopt a market leader strategy to address specific areas of the County that have chronic vacancies that are material, I think the answer is we're evaluating that and would evaluate that on a variety of factors including, as you said, Commissioner, what has the historic vacancy rate been? What has the impact been to operations? Has the department continuously been attempting to recruit and fill their vacant positions? Is there data in the exit surveys or otherwise that suggests that there might be other issues other than salary that could be contributing to

turnover? How have they been managing in light of their vacancies? So I think those would be among the considerations that come to mind, if your question was more forward looking at to how we might make that determination with respect to certain positions. So I hope I understood your question and if I didn't and if you have follow-up then please let me know.

COMMISSIONER BUSTAMANTE: No, I appreciate your clarification. And then my next question is about, Madam Chair, Manager Shaffer, there has been – although I haven't made any specific request for support for acequias, I'm wondering where the relationship between the County and acequias – yes, the state definitely supports acequias as well, but you did note that they are their own form of governance but there has been a long track record, unless something has come out in some type of legislation that removes support from either City, County or otherwise entities from supporting acequia systems within their jurisdictions, and your reference to that is in the state's authority. I don't know that I have seen when that happened and if so if I could know – that is something that the County no longer supports but that is a state responsibility. If there is support to be provided at that level, given that the County makes decisions and has impact on acequia systems.

MANAGER SHAFFER: Madam Chair, Commissioner Bustamante, I didn't mean to suggest, and I don't believe that I said that counties could not provide support to acequias as a political subdivision of the state. I was expressing the view at least from the County Manager's Office that we feel as if responsibility for such support really should fall back to the state rather than to local governments to support those small governmental entities. And so that's what I was attempting to clarify and to state, and then further articulate the impact to the County if we were to try and provide maintenance and construction support using our own resources. So I hope that clarifies what I was trying to communicate.

COMMISSIONER BUSTAMANTE: I understand and I appreciate that and I guess where I'm sort of getting wrapped around the chain a little bit is that the acequias are a political subdivision of the state and I can look into that. I know that there's clearly a different relationship there and I appreciate your clarification and I'll look forward to learning more on my own. Thank you.

CHAIR HANSEN: Thank you, Commissioner Bustamante. Commissioner Hamilton.

COMMISSIONER HAMILTON: Thanks. So first I want to get a brief clarification from Commissioner Hughes. Were you thinking about the addition of new positions as opposed to having to fill existing empty positions, so like new EMS positions, new Public Works positions, to expand capacity? That was your question; am I right?

CHAIR HANSEN: Commissioner Hughes.

COMMISSIONER HUGHES: Yes, because that was listed – because I had asked the Manager about expanding the Sustainability Office with an additional – and then he mentioned other areas where we might want to add additional positions. So yes. I wasn't asking about vacancies; I was asking about new FTEs. Yes.

COMMISSIONER HAMILTON: Great. Because then, Manager Shaffer, did that answer most of the rest or at least part of the rest of my question which is we haven't frozen any of those positions, and logically it makes sense to me that we're putting our emphasis now on things that have been holding us back from filling those vacant

positions. So I think that's a really good emphasis and it's a good focus, although I will say the departments that the Manager mentioned – Fire, EMS, Community Health and Public Works – if we got to where we could expand those and actually fill the positions, if we had the money to do it, that would be a fabulous use of those recurring funds if we didn't put additional components of that into the existing positions.

But in any case, I just was adding my three cents. Time is pretty critical and so I think your comment about sooner than later has some merit but I think I'd like the option of knowing we could put additional funds toward filling positions that are already vacant that we need to bolster that. But as a first priority and expanding is the second priority. Thank you, Madam Chair.

CHAIR HANSEN: Thank you, Commissioner Hamilton. Commissioner Greene.

COMMISSIONER GREENE: Thank you, Madam Chair. Thank you, Greg and Yvonne for considering some of the priorities that I put forward, most specifically I appreciate the time that was spent looking at the EVs for the Sheriff's Department last week. We dug deep into it for a few minutes and I think were able to allay many of the Sheriff's Department's and the Sheriff's fears and ambivalence towards and EV pilot project, but I think that if we can look at it in part of the budget process that would be great if that's the right place for it to be.

Again, for the expansion of staff for MIHO, I think that is necessary, but again we can work on that maybe in the near future. And then Public Works capacity, if Public Works finds a grant or a capital project, hopefully we don't feel like we're going to hold ourselves back for going after these because we don't have capacity and we say we've got some capacity in our back pocket if only we had the project. So let's not make chicken and egg problems for ourselves. We're pledging to come in behind this if we find the opportunity.

Same thing for Emergency Management. I don't think it was mentioned in this sort of holding some reserve thought process to revisit, but specifically revisiting the Emergency Management organization for when those recommendations come along as well as for the County Clerk's budget for when those negotiations, for lack of a better term, or a reorganization solution comes along in the next few weeks or months and so on. So I'll keep you to the list of revisit. Let's revisit soon and some of them will be sooner than later for the budget, and I appreciate working with us for that. Thank you.

MANAGER SHAFFER: Madam Chair, unless you have any questions at this point I think some of the items that Commissioner Greene brought up will be addressed in the slides that are yet to be presented.

CHAIR HANSEN: I have a few comments. One of the things I recognized is we are asking Sustainability to do more work, and so that was one of the reasons to ask for additional funding there. And then we are also seemingly asking Open Space to be doing more work. And so those are two of the concerns that I have, but I know that Jacqueline, our Sustainability Manager has requested an FTE for the last couple of years. I'm happy that there's money there that we can look at as we move forward, because that is important to me, those two departments. We all have our priorities but if we're going to live up to our commitments we need staff to help do that. So that's really all I had, so I think we can move forward. Thank you, Manager Shaffer and I want to thank Yvonne also that you did from the beginning. I know that Yvonne started around the same time Commissioner Hamilton

and I did and we are extremely grateful for all your work, from all of us. I know that. So I just wanted to reiterate that from the Board. And all the directors for all their work also on this budget because it is hard work to do a budget and make sure that everything fits together and all the pieces fit. So thank you and please go ahead, Manager Shaffer.

MANAGER SHAFFER: Thank you, Madam Chair and Commissioners. So the next summary slide shows where we think we will be in terms of recurring revenue for fiscal year 2024 using either the data from our economist as to forward-looking projections as well as refining different areas of our special revenue funds. It shows potential recurring revenue for fiscal year 2024 of approximately \$276,895,000 and change. I would note that you'll see transfers both on the revenue and the expenditure side. That simply because we budget both sides of the transaction, so if we're transferring money from the general fund, that's booked as an expenditure. The fund that receives it, such as the Corrections operations fund books it as a revenue. That's why you end up seeing it in two places, which I would call your attention to.

In terms of management recommendations this probably should be titled differently, but we did keep the amounts that we started the process with in terms of things we felt we needed to set aside off the top. That included a compensation package of six percent for a Countywide COLA, effective July 1, 2023, an equivalent amount set aside for negotiations with the NMCPSO, Deputy Sheriffs, additional class and comp implementation and compaction adjustments all fall under that heading at about \$5.1 million. Again, employer PERA contributions as well as employee contributions are increasing effective July 1. This is the amount that is necessary to budget for the County's share and then looking forward to January 1, we anticipate and are recommending and the budget assume an 8.9 percent increase for employer and employee medical and prescription drug contribution increases, and then finally, we continue to show a set-aside of \$200,000 in order to address the Office of Emergency Management Task Force recommendations.

So this next portion more accurately would be titled County Manager's Office recommendations concerning department requests including FTE requests and when you look at those it's approximately \$172,708, 037 in terms of recurring requests. We did also want to show debt service payments as well as transfers out, and that shows total recurring expenditure request, or more accurately recommendations at this point from the County Manager's Office and that gets you your \$3.7 million in terms of recurring revenue in excess of recurring requests, which again, we're recommending not be budgeted at this time so that we can continue to see if we need those funds for a continued investment in our existing positions and our existing staff.

With regard to Commissioner Greene's other comment about the \$350,000 that was recommended be included in the budget in order to work with the County Clerk's Office on a reorganization. That is included in what's in front of the Board today. That was part of the CMO's recommendation. So that is included in what is in front of the Board for adoption today.

Moving forward to the non-recurring interim budget summary, we tried to capture here both vacancy savings in excess of what we're recommending be scored as recurring revenue for the next fiscal year. That's approximately \$8.7 million, and fiscal year 2023 projected excess revenue over expenditures of approximately \$33.2 million. It gives us an estimated non-recurring revenue bucket of \$42 million and change.

There were a few recommended budget contingencies and set-asides. First, the recession revenue replacement. Again, we're recommending that we budget \$12 million to be able to withstand a projected recession should it in fact come to pass, so that we can continue County operations and continue moving forward with recruitment and retention of staff. We are suggesting that we budget \$10 million for both temporary employees as well as matching requirements, and so this is to Commissioner Greene's point about having sort of interim search capacity in our back pocket so that we can go forward with grants. When I referenced an expansion of the Public Works Department in that context I was thinking about something that was more recurring, rather than something that was specific to a particular project. But we are recommending that \$10 million be set aside in non-recurring money so that we both have matching funds as well as the ability to potentially hire temporary employees wherever they're needed in order to move significant grant opportunities forward.

We are also recommending that we reserve about half a million in order to replenish the general budget contingency fund, which again we include in every year's budget so that we do have some contingency funds available to meet unexpected expenditures or expenditures that are in excess of what we budgeted for.

So then on the department requests, and again, more accurately, this should be recommendations, but in terms of the fixed assets, which we went over in each of the budget study sessions that the County Manager's Office is recommending as well as other non-recurring requests, which were also detailed in the budget study sessions, they sum to about \$40.8 million which leaves potential \$1.2 million in excess, non-recurring revenue over again recommended non-recurring requests and recommended fixed asset requests.

Those funds could potentially be used for a variety of things. Number one, there were a few items that were recommended be deferred until the final budget, so that would be the non-recurring pot of money that would most likely fund those items if the Board ultimately decided to do so, and then secondly, to the extent that they're not used as part of the operating budget, those funds could, depending upon the source of the revenue and the project could also be used to fund capital projects if it's not allowed to drop to cash and bolster fund balance.

In terms of next steps in the budget development, we do have an additional action meeting to adopt the interim budget at 2:00 pm on May 24, 2023, if needed. The deadline to submit our interim budget to DFA is June 1, 2023 and as I explained at the beginning we have the month of June to work on finalizing the operating budget and the total budget to include capital projects, and we're targeting June 27<sup>th</sup>, which is the second Board of County Commissioners meeting in June in order to approve the final budget. We'll evaluate with the Board whether or not you want to have a special meeting to talk about capital projects or whether you would prefer to have that as part of a regular Board meeting. But regardless, we have to now turn our attention to the capital part of the budget and we'll be asking for your time in June to do that.

I'll end simply by stating our recommendation is that we approve an interim budget today but obviously we have May 24<sup>th</sup> available to us if the Board feels as if additional time and study is required for the interim budget, and the basis for that recommendation is many. Number one, it does allow our attention to shift to the capital side of things. Number two, it makes sure that Yvonne and her team has ample time to enter the information into the DFA

system. But most importantly, if the interim budget were to be approved today, it allows us to announce to our existing workforce the fact that there is included in the interim budget adopted by the Board a six percent COLA to be effective July 1<sup>st</sup>, again except for the Deputy Sheriffs Association due to the need to negotiate with them over a placement CBA. But it also then allows us to start to market that increase as we continue to try and recruit new employees. That's in the budget.

Again, nothing's final until it's final, but it's really the potential impact that approving the interim budget would have on recruitment and retention that leads me to make that recommendation. But again, if additional time and study is needed then we do have May 24<sup>th</sup> scheduled as an additional special meeting. And with that, that ends our presentation and I'd be happy to answer any questions.

CHAIR HANSEN: Questions?

COMMISSIONER HAMILTON: Not a question; I have a comment.

CHAIR HANSEN: Okay. I'm going to go to Commissioner Hamilton first.

COMMISSIONER HAMILTON: I don't have any particular questions but an answer to one of the questions about the capital budget. I would actually think that it would be do it in a special – have a special session on it so we could focus on it, because I don't think we've had a meeting short enough that would allow us to do both at a regular meeting and get out before midnight. So I just wanted to put my vote in early on that.

CHAIR HANSEN: I actually agree with you on that. Commissioner Hughes.

COMMISSIONER HUGHES: Thank you, Madam Chair, and I'll agree with that as well. I think a separate afternoon or morning focused on the capital budget would allow us to put our brains to it without being inundated with everything else that comes with a regular meeting.

I just had one quick question, because I wasn't familiar with the general budget contingency fund. I wondered how that works and if we're adding \$500,000 to it, that's not very much for a contingency fund for a budget this size. How much total is in that fund already?

MANAGER SHAFFER: Thank you, Madam Chair and Commissioners, and I'll defer to Yvonne on the details. These are separate and apart from the committed fund balance that the Board makes for the fiscal year by June 30<sup>th</sup>, and Yvonne, what was the total amount that was budgeted for the prior fiscal year?

YVONNE HERRERA (Finance Director): Madam Chair, Commissioner Hughes, it's about \$7 million, and we break it out into different categories based upon the committed funds. So we have the emergency reserve. We have I think operational. So we kind of put it in areas where we believe that the County would need. It's areas where if anything would happen like a couple years back we had the floods, so we had money available for repairs and maintenance. So it's our way of budgeting excess funds instead of having to come to the Board at a later time to uncommit the reservations that we asked the Board to approve. So it's always available. We don't use it very often, but if we do use it it's there for us to use for those specific cases. So it's legal, contractual services, fixed asset requests, repairs and maintenance, and I believe operating supplies, because some of our repairs and maintenance don't exceed the threshold for capitalization.

COMMISSIONER HUGHES: Okay. Thank you.

MANAGER SHAFFER: And so if I could, Madam Chair and Commissioners, as we prepare the final budget, we'll bring those specific amounts forward. The \$500,000 was really to replenish amounts that were spent, and those were just estimates over the current fiscal year. We can give you an itemization of what those expenditures were, but it's a source of contingency that again is budgeted, and, as Yvonne said, allows us to meet unanticipated expenditures that come up during the course of the fiscal year. I know for example, we worked with the Clerk's Office to improve wifi in advance of an election in the current fiscal year or the previous one. That would be the source of funds for such unanticipated expenditures. If we had a lawsuit that resulted in a judgment in excess of what we specifically budget, that would be the first source. So we'll break that out for you, but again, the \$500,000 as I indicated was to replenish funds that were spent during the current fiscal year.

CHAIR HANSEN: Thank you, Commissioner Hughes. Commissioner Greene.

COMMISSIONER GREENE: Thank you, Madam Chair. Can you refresh my mind what transfers out are? \$63 million? Where do they go and who's getting those?

MS. HERRERA: Madam Chair, Commissioner Greene, transfers between funds is basically just moving resources between funds. So the general fund, we receipt or record most of the County's general revenues within the general fund, and from there they get transferred out to various funds to fund their operations. Manager Shaffer mentioned I think the Corrections operations fund. So between Fire, Sheriff, Corrections, we provide support – the general fund provides support for their operations because the revenue that they earn isn't sufficient for their budgets. So we call it a transfer. So the general fund may transfer a specific amount of money to those funds for them to then have funding available for basic operations.

And so for the general fund it's a transfer out, so we're taking resources from general fund and giving resources to those other funds. So a transfer in and if we do it right they'll balance out to zero.

COMMISSIONER GREENE: Okay, so that's an internal operation.

MS. HERRERA: Right.

COMMISSIONER GREENE: Okay. And a breakout of that is obviously somewhere in here but like \$4 million for the Sheriff's Office and \$3 million for Fire and so on. Do you keep a tally of one big number of \$63 million is a very big number and I'm sure it breaks down into lots of slightly smaller numbers, but still big numbers.

MS. HERRERA: Chair Hansen and Commissioner Greene, yes. We have details of all the different transfers that go. All the transfers that are recorded are reoccurring year to year. Not only between operations but also for debt service payments. We can provide it in detail to the Board, and we also disclose that information in the County's financial statements.

COMMISSIONER GREENE: That would be great to know.

MANAGER SHAFFER: Thank you, Madam Chair and Commissioners and Commissioner Greene, and we'll provide that detail to you moving forward as we prepare the final budget, so I appreciate the request and we'll get that detail to you.

COMMISSIONER GREENE: Thank you. And I'd also go for an extra meeting for capital, so thank you.



2. B. **Resolution No. 2023-045, a Resolution Adopting the Interim Budget for Fiscal Year 2023-2024 (FY 2023)**

CHAIR HANSEN: Okay, so do I have a motion to adopt the interim budget for fiscal year 2023-24?

COMMISSIONER HAMILTON: Madam Chair, I move to adopt the interim budget for fiscal year 2023-24.

COMMISSIONER GREENE: And I'll second that.

MANAGER SHAFFER: Just to be clear, that's the proposed resolution.

COMMISSIONER HAMILTON: Yes.

MANAGER SHAFFER: Thank you so much.

CHAIR HANSEN: I'm sorry, Commissioner Bustamante. Do you have any more questions before – I have a motion and a second under discussion. Okay.

**The motion passed by unanimous [5-0] voice vote.**

CHAIR HANSEN: So that is taken care of and I do think it is a good move to be able to share with our workforce with what we are going to do and help with retention of Santa Fe County employees.

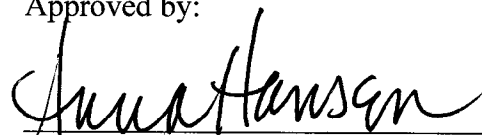
3. **CONCLUDING BUSINESS**

A. **Announcements**

B. **Adjournment**

Upon motion by Commissioner Greene and second by Commissioner Hamilton, Chair Hansen declared this meeting adjourned at 3:15 p.m.

Approved by:



Anna Hansen, Chair


Board of County Commissioners

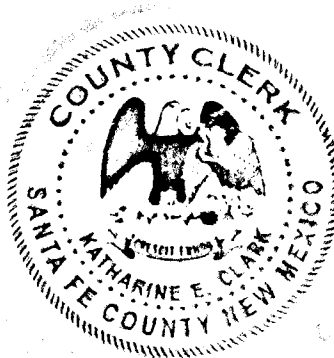
ATTEST TO:



KATHARINE E. CLARK  
SANTA FE COUNTY CLERK

Respectfully submitted:

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



SFC CLERK RECORDED 06/21/2023

# Board of County Commissioners

Fiscal Year 2024 Interim Operating Budget  
Gregory S. Shaffer, County Manager, and Yvonne S. Herrera, Finance  
Division Director  
May 13, 2023



SFC CLERK RECORDED 06/21/2023

# Overview of Budget Development to Date

- Department and Elected Official Submitted Unrestrained Requests
- Multi-Year Revenue Projections by Erebor, LLC Helped Define Recurring Revenue Over Next Two Years (and Beyond)
- CMO Further Focused on Recurring Investment in County Workforce, Such as:
  - 6% COLA effective July 1, 2023 (except for NMCPSO-Deputy Sheriffs); and
  - Preserving recurring funds for future potential investment in workforce to meet future market conditions, such as:
    - cost and classification refresh in winter, 2023; and
    - addressing individual situations requiring potential market leader strategy.

# Overview of Budget Development to Date, Cont.

- Departments Asked to Refine Budget Requests
- Separate recurring and non-recurring expenditure requests;
- Review expenditure requests that could be reduced without negatively impacting operations based upon reasonable estimates and availability of contingency funds; and
- Prioritize requests in light of need to fill current vacant positions to provide existing services.
- Three Budget Study Sessions with BCC
- Interim Budget Before the BCC Consists of the Recommendations Presented to the BCC During Budget Study Sessions Except as Otherwise Noted in Following Slides

# Response to Commissioner Feedback

- Budget \$50,000 for Coalition of Sustainable Communities Climate Investment Center
  - Revisit at final budget after additional information is received concerning business plan and initial budget for center.
- Provide Additional Funding to North Central Economic Development District (NCEDD) for Grant Writing Services
  - Not needed at this time, per NCEDD Executive Director, since grant writing services are currently funded by State appropriations.
  - County staff has committed to support NCEDD's efforts to secure continued funding.
- Budget \$50,000 to Develop Strategic Workforce Housing Pilot Project
  - Board of County Commissioners (BCC) has not yet selected Affordable Housing priorities.
  - If this pilot program is selected as a priority, resources can be allocated at that time.

# Response to Commissioner Feedback, Cont.

- Budget Additional Money for Affordable Housing Initiatives
  - Revisit at final budget in conjunction with capital projects.
- Budget Additional Funds to Prioritize Community Planning and Comprehensive Zoning for Area 1B
  - \$150,000 added to Growth Management Department's budget for this non-recurring expense.
- Budget Funds to Provide Technical and Other Assistance to Acequias
  - Such assistance is a State responsibility; Santa Fe County can support acequias' efforts to secure more support.
  - Using Public Works Department employees to assist in cleanup and construction would divert scarce resources from our core road responsibilities.

# Response to Commissioner Feedback, Cont.

- Move Clean & Lien Non-Recurring Budget to Public Works Department Budget
  - Not necessary.
  - Both Public Works Department and Growth Management Department are funded, in part, by general fund.
  - If necessary, money could be moved to Public Works Department for clean & lien projects through internal BAR.
- Budget Money for Rio Arriba County/City of Espanola Dispatch Center
  - Revisit when details of proposal and potential JPA participation are presented to the Board of County Commissioners.
  - Recurring contribution will compete with needs of County Fire Department and RECC.

# Response to Commissioner Feedback, Cont.

- Budget \$50,000 for Study of Creation of a Regional Collaboration with the Purpose of Developing an Applied Science and Technology Collaboration Institute
- Revisit when Board of County Commissioners commits to effort.
- Fund More Requested FTEs
- CMO does not recommend funding additional requested FTEs at this time. Instead, CMO recommends not budgeting approximately \$3,696,931 in recurring revenue, which is what would fund additional FTEs.
- County management committed to complete market analysis for non-union and AFSCME 1782 positions every two years.
  - \* Fall/Winter 2023 - Contractor to update Classification and Compensation Study for non-union and AFSCME 1782 positions based upon current market data.
  - \* Recommendation allows County to make necessary investment to respond to current market conditions.
- County may need to adopt market leader position with regard to positions with chronic, material vacancies notwithstanding past investment and ongoing recruitment efforts.



# Other Changes to Recommendations Made at Budget Study Sessions

- Reduced Estimated Costs for Additional Incentive Pay for County Assessor's Office by \$9,872
- Reduced by \$50,000 County Assessor's Parcel Fabric Mesh Request
- Removed Funding for Reclassification of Records Clerk in Sheriff's Office
- Budgeted Cash to Balance Special Funds (Consistent with Past Practice and Amounts)
- Removed Requests for Purchase Order Rollovers from Budget Requests

# Recurring Interim Budget Summary

**TOTAL BUDGETED RECURRING REVENUE FY 2023**

**TOTAL**  
**\$ 155,670,015**

**SIGNIFICANT CHANGES IN REVENUE ESTIMATES FOR FY 2024:**

Gross Receipts Tax & Hold Harmless Distributions

12,163,128

Property Tax

3,955,484

Lodgers' Tax

413,736

Care of Prisoners

(1,568,066)

Utilities Charges

(897,892)

Employee Health Premiums

(819,249)

Other Charges for Services

(518,132)

Grants

(2,427,566)

Other Revenues

650,403

Property Tax- Debt Service

20,289,607

Transfers

63,866,728

Budgeted Cash

17,017,466

Vacancy Savings From Previous FY

9,100,000

**TOTAL ESTIMATED RECURRING REVENUE FOR FY 2024**

**\$ 276,895,662**

# Recurring Interim Budget Summary

MANAGEMENT RECOMMENDATIONS & DEPARTMENT REQUESTS	<u>TOTAL</u>
<b>MANAGEMENT RECOMMENDATIONS &amp; SET-ASIDES:</b>	<b>\$ 6,149,043</b>
Compensation Package (6% Countywide COLA (Except NMCPSO-Deputy Sheriffs), effective July 1, 2023 (equivalent for negotiations with NMCPSO-Deputy Sheriffs, effective January 1, 2024), Additional Class & Comp Implementation, Compaction Adjustments)	5,128,017
Employer PERA Contribution Increase July 1, 2023	303,420
8.9% Medical/Rx Contribution Increase (Employer Share)	517,606
OEM Taskforce Recommendations	<u>200,000</u>
<b>TOTAL ESTIMATED DEPARTMENT REQUESTS (including FTE requests)</b>	<b>\$ 172,708,037</b>
Debt Service Payments	30,474,923
Transfers Out	<u>63,866,728</u>
<b>TOTAL RECURRING EXPENDITURE REQUESTS</b>	<b>\$ 273,198,731</b>
<b>RECURRING REVENUE IN EXCESS OF RECURRING REQUESTS*</b>	<b>\$ 3,696,931</b>

\* Unbudgeted Resources for Classification and Compensation Refresh

# Non-Recurring Interim Budget Summary

**TOTAL ESTIMATED NON-RECURRING REVENUE:**

Salary Savings (less amount allocated to recurring budget)	\$ 8,768,242
FY 2023 Projected Excess Revenue over Expenditures	<u>33,249,477</u>
<b>TOTAL NON-RECURRING REVENUE</b>	<b>\$ <u>42,017,719</u></b>

**MANAGEMENT RECOMMENDATIONS & DEPARTMENT REQUESTS**

**MANAGEMENT RECOMMENDED BUDGET CONTINGENCIES AND SET ASIDES**

Recession Revenue Replacement	\$ 12,000,000
Grants - Temporary Employees & Matching Requirements	10,000,000
Replenish General Budget Contingency Fund (Estimate)	500,000

**DEPARTMENT REQUESTS**

Fixed Asset Requests	13,329,920
Other Non-Recurring Requests	<u>4,979,350</u>

**TOTAL NON-RECURRING REQUESTS**

<b>\$</b>	<b><u>40,809,270</u></b>
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**EXCESS NON-RECURRING REVENUE OVER REQUESTS**

<b>\$</b>	<b><u>1,208,449</u></b>
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# Next Steps in Budget Development

- Additional Action Meeting to Adopt Interim Budget (If Needed)
  - May 24, 2023
- Submit Interim Budget to DFA – June 1, 2023
- Develop Final FY 2024 Budget – June, 2023
  - All subsequent changes/additions since Interim Budget, including additional budget contingencies
  - Capital projects
- Approval of Final Budget, including Capital Project Budgets – Jun 27, 2023.



THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

Resolution No. 2023- \_\_\_\_\_

A RESOLUTION ADOPTING THE INTERIM BUDGET FOR FISCAL YEAR 2023-2024 (FY 2024)

WHEREAS, the Board of County Commissioners (BCC) of Santa Fe County (County), the governing body in and for the County of Santa Fe, State of New Mexico, held a special meeting on May 15, 2023, for the study and review of the Interim Budget for Fiscal Year 2023-2024 (FY 2024), with the recognition of sources and uses of funds within said budget; and

WHEREAS, the meeting on May 15, 2023, was duly noticed in compliance with the Open Meetings Act, NMSA 1978, Chapter 10, Article 15, and County Resolution No. 2022-110; and

WHEREAS, the Interim Budget consists of budgeted revenue and cash (Exhibit A) and budgeted expenditures (Exhibit B); and

WHEREAS, the BCC determined that the Interim Budget should be adopted and submitted to the Local Government Division of the New Mexico Department of Finance and Administration for approval, on the understanding that County Finance Division staff shall adjust the budgeted expenditures in Exhibit B (1) by \$5,128,017 for (a) a 6% cost of living adjustment (COLA) for all County employees and positions (except members of the NMCPSO-Deputy Sheriffs bargaining unit), effective July 1, 2023; (b) an amount equivalent to a 6% COLA for negotiations with the NMCPSO-Deputy Sheriffs union; and (c) additional classification and compensation implementation and compaction adjustments and (2) \$517,606 for an 8.9% increase in employer contributions to group medical benefits (with a corresponding increase to employee contributions already reflected in the budgeted revenue for the County's Self-Insurance Fund).

NOW, THEREFORE, BE IT RESOLVED, that the BCC hereby (i) adopts the Interim Budget for Fiscal Year FY 2024, beginning on July 1, 2023, and ending on June 30, 2024, with direction to staff to make the adjustments described above and (ii) respectfully requests approval of the adopted Interim Budget by the Local Government Division of the New Mexico Department of Finance and Administration.

PASSED, APPROVED, AND ADOPTED this 15th day of May, 2023.

BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF SANTA FE COUNTY

By: \_\_\_\_\_

SFC CLERK RECORDED 06/21/2023

Anna C. Hansen, Chair  
**ATTESTATION:**

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Katharine E. Clark, Santa Fe County Clerk

**APPROVED AS TO FORM:**

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Jeff Young, Santa Fe County Attorney