

# **Santa Fe County Board Of County Commissioners**

## **Fiscal Year 2016 Budget Preparation**

**BUDGET PLANNING SESSION**

**MAY 12, 2014**

# FY 2016 BUDGET CALENDAR

Fiscal Year 2016 Budget Preparation Calendar

SUN	MON	TUE	WED	THUR	FRI	SAT
22-Feb	23 Budget Kick-Off	24 BCC Meeting	25	26	27	28
1-Mar	2	3	4	5	6	7
8	9	10 BCC Meeting	11	12	13 FTE Requests Due to HR	14
15	16	17	18	19	20 Non-FTE Requests Due	21
22	23	24	25	26	27	28
29	30	31 BCC Meeting	1-Apr	2	3 Good Friday	4
5 Easter	6	7	8	9	10	11
12	13 Budget Hearings	14 BCC Meeting	15 Budget Hearings	16 Budget Hearings	17 Budget Hearings	18
19	20 Budget Hearings	21 Budget Hearings	22 Budget Hearings	23 Budget Hearings	24 Budget Hearings	25
26	27	28 BCC Meeting	29	30	1-May	2
3	4	5	6	7	8	9
10	11 BCC Meeting	12 Interim Budget due for packet	13	14	15	16
17	18	19	20	21	22	23
24 Memorial Day	25 BCC Approves Interim Budget	26	27	28	29	30
31	1-Jun Interim Budget Due to DFA	2	3	4	5	6
7	8	9 BCC Meeting	10 Final Budget due for packet	11	12	13
14	15	16	17	18	19	20
21	22	23 BCC Approves Final Budget	24	25	26	27
BUDGET INFO		BCC MEETINGS				

We are here.

## \*\*\* Reminder\*\*\*

- Statutorily an interim budget must be submitted to the Department of Finance and Administration (DFA) by June 1<sup>st</sup>. Therefore we will be requesting approval of the *FY 2016 Interim Budget* on May 26<sup>th</sup>.
- In order to begin processing financial transactions beginning July 1<sup>st</sup>, the final budget is “rolled” into the financial system and is submitted to DFA per statute for their approval. We will be requesting approval of the *FY 2016 Final Budget* by June 23<sup>rd</sup>.

# **FY 2016 BCC BUDGET PRIORITIES**

- **Open space and trails master planning and maintenance**
- **Facilities Maintenance**
  - Community centers
  - Public housing sites (landscaping and Boys & Girls Club facility at Santa Cruz)
- **Water planning**
- **Economic development initiatives**
- **Youth programs/Summer Interns**
- **Road Maintenance**

- **Wildland/urban interface programs**
- **Continued investment in employees and professional development**
- **Compensation package and union contracts**
- **Senior Services**
- **Energy Efficiency and Renewable Energy Programs**
- **Programming and operational funding for new facilities**

# **FISCAL YEAR 2015 RECURRING REVENUE/ RECURRING EXPENSE**

## **FY 2015 Budget**

**Recurring Revenue:  
\$106.1 Million**

**Recurring Expense:  
\$109.1 Million**

**Recurring Expense Budgeted  
from Cash:**

**\$3.0 Million (Budget Gap)** ←

## **FY 2015 Est. Actual**

**Recurring Revenue:  
\$110.0 Million**

**Recurring Expense:  
\$100.8 Million**

**Estimated “drop to Cash:”  
\$9.2 Million**

**Note: This is used to finance  
fixed asset replacements,  
capital and budget gap.**

# **FISCAL YEAR 2016 RECURRING REVENUE/ RECURRING EXPENSE**

## **FY 2016 Estimates vs. Requests**

**Revenue:  
\$105.1 Million**

**Expense:  
\$109.8 Million**

**Recurring Expense  
Budgeted from Cash:  
\$4.7 Million**

Before compensation & FTE  
requests of \$3.5 million.

Revenue declines are primarily the net result of increases in property tax revenue and gross receipts taxes versus loss of PILT and reductions in Care of Prisoners revenue.

Excluded from this amount are recurring sources which are associated with debt payment and those that are restricted to expenses considered to be non-recurring, i.e. capital and one-time large maintenance projects.

# FY 2016 REVENUE ASSUMPTIONS

- ✧ Property Tax revenue increased by \$1.0 million or 2%.
- ✧ Gross Receipts Taxes increased by approximately \$1.1 million or 3% total for both Countywide and unincorporated taxes (2.43% after hold harmless distribution reduction).
- ✧ State shared taxes remain flat.
- ✧ Care of prisoners revenue decreased \$2.5 million or 36.3% based on actual contracts and trending population.
- ✧ Water/Wastewater charges increased by \$0.2 million or 5.2% based on estimated additional customers.
- ✧ Land Use permit fees decreased by \$0.2 million or 34% based on recommended permitting changes.
- ✧ No Payment in Lieu of Taxes is being budgeted resulting in a \$0.7 million reduction to general fund revenue.

# **PERFORMANCE BUDGETING TRANSITION**

**The Board of County Commissioners passed Resolution 2011-24 which requires County departments to transition to a results-accountable performance based budget. This transition was optional for Elected Offices.**

**The County Manager, Finance staff and other members of management attended training(s) on this methodology of budgeting and management.**

**The FY 2013 – FY 2015 budgets were early transitional phases which entailed defining division functions and then expanding to department-wide functions.**

**Performance tracking and reporting has been employed throughout FY 2013, FY 2014 and FY 2015.**

**For the FY 2016 budget, senior staff consolidated and retooled the seven countywide key areas of focus and developed four (4) countywide goals, each with three (3) to five (5) objectives. Building upon the 2011 resolution directing a transition to performance based budgeting, departments were tasked with developing strategies that they will use to accomplish their role in the retooled goals/objectives.**

# **BASIS OF BUDGET RECOMMENDATIONS**

- **Requested flat budgets from each department.**
- **Funded budget shortfalls with overages within the departments.**
- **Net department base increase/(decrease) is after reallocation of overages.**
- **Looked for funding of new FTE s by finding budget efficiencies, reallocating or reclassifying vacant positions, seeking contractual savings or new revenue sources.**
- **Expansion requests are broken out separately for discussion.**
- **Prioritized FTE requests / fixed assets requests.**



# BASE BUDGET INCREASES

## Increases to Base Include:

- ✓ 5% Increase to Health Insurance
- ✓ 25% Increase to Multi-Line, Other Liability and Workers' Comp
- ✓ 15% Increase to Low Income Property Tax Rebate
- ✓ Expanding Utilities Enterprise operation and BDD

# COUNTY MANAGER'S OFFICE

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>County Manager's Office</b>	<b>6,649,782</b>	<b>6,786,856</b>	
Manger's Office			
Commission			
Intergovernmental Summit/ Activities			
Human Resources			
Finance Division			
<b>Increases to Base</b>			137,074
Low Income Property Tax Rebate			
Employee Benefits			
Health Insurance			
<b>Requested Expansion</b>			
Wellness Program			100,000
Increased Meeting Broadcasting			30,000
Logo Re-design (1-time expense)			150,000
<b>Total Expansions</b>			<b>280,000</b>
<b>Net Increase/(Decrease)</b>			<b>417,074</b>

# DEPARTMENTS – ADMINISTRATIVE SERVICES

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>Administrative Services</b>	<b>5,907,607</b>	<b>5,936,796</b>	
Administration			
Legal			
Information Technology			
Purchasing			
Mailroom			
Risk Management			
<b>Increases to Base</b>			29,189
Multi-Line/WC Insurance			
Health Insurance			
<b>Requested Expansion</b>			
None			
<b>Net Increase/(Decrease)</b>			<b>29,189</b>

# DEPARTMENTS – COMMUNITY SERVICES

Department / Office	FY 2015 Base	FY 2016 Base Request	Increase (Decrease)
<b>Community Services Dept.</b>	<b>10,292,844</b>	<b>10,280,127</b>	
CSD Administration			
Satellite Offices			
County Fair / Extension Service			
Community Centers			
DWI Programs			
Detox Grant Program			
Teen Court			
Youth Programs			
Health Assistance Program			
Community Health			
Mobile Health Van			
Senior Services			
<b>Increases/(Decreases) to Base</b>			<b>(12,717)</b>
<b>Requested Expansion</b>			
Community Operations			
Max Coll			12,000
Pojoaque Rec. Fields			87,500
Stanley Cyclone			59,500
Community Safety			
Youth Programs (additional funding)			50,000
<b>Total Expansions</b>			<b>209,000</b>
<b>Net Increase/(Decrease)</b>			<b>196,283</b>

# DEPARTMENTS – GROWTH MANAGEMENT

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>Growth Management</b>	<b>3,824,083</b>	<b>3,812,788</b>	
GMD Administration			
Planning			
SLDC			
GIS			
Building & Development			
Economic Development			
<b>Increases/(Decreases) to Base</b>			(11,295)
<b>Requested Expansion</b>			
Open Space Mgt. Plans (one-time expense)			150,000
Madrid OS			
Ortiz Mountain Educational Preserve			
Lamy OS			
<b>Net Increase/(Decrease)</b>			<b>138,705</b>

# DEPARTMENTS – HOUSING

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>Housing Programs</b>	<b>3,946,050</b>	<b>3,803,774</b>	
Housing Choice Vouchers			
Housing CFP Grant			
Housing Enterprise Fund			
<b>Increases/(Decrease) to Base</b>			(142,276)
Reduction in Housing Choice Vouchers			
Reduction in CFP Grant Budget (FY15 Grant unknown)			
<b>Requested Expansion</b>			
None			
<b>Net Increase/(Decrease)</b>			(142,276)

# DEPARTMENTS – PUBLIC SAFETY

Department / Office	FY 2015 Base	FY 2016 Base Request	Increase (Decrease)
<b>Public Safety Department</b>			
<b>Corrections</b>	22,864,436	22,889,486	25,050
<b>Fire &amp; EMS</b>	12,894,368	12,914,935	20,567
<b>RECC</b>	3,542,451	3,574,613	32,162
<b>Public Safety Department</b>	<b>39,301,255</b>	<b>39,379,034</b>	
<b>Increases/(Decreases) to Base</b>			77,779
Multi-Line and WC			
Reduction in Contract Nursing			
Corrections Food Service			
Contract			
EM Contracted Services			
Health Insurance			
<b>Requested Expansion</b>			
Wildland Winter Crew			141,284
Firefighter/EMT Cadets			
Requested (3)			145,854
<b>Total Expansions</b>			287,138
<b>Net Increase/(Decrease)</b>			<b>364,917</b>

Corrections request shown above includes \$100K reduction to offset new nurses. Fire & EMS request shown above includes \$56K in reductions to help fund new FF/EMT cadets.

# DEPARTMENTS – PUBLIC WORKS

Department / Office	FY 2015 Base	FY 2016 Base Request	Increase (Decrease)
<b>Public Works Department</b>			
<b>Transportation &amp; Solid Waste</b>	10,758,551	10,652,921	(105,631)
Public Works Admin			
Energy Programs			
Fleet Maintenance			
Traffic Engineering			
Solid Waste			
Road Maintenance			
<b>Facilities &amp; Open Space</b>	4,814,920	4,944,301	129,381
Property Control			
Building Services			
Project Development			
Open Space			
Building Space Needs			
<b>Utilities</b>	4,329,478	4,580,596	251,118
<b>Public Works Department</b>	<b>19,902,949</b>	<b>20,177,817</b>	
<b>Increases/(Decreases) to Base</b>			274,868
Multi-Line & WC			
Reductions to overall SW expenses			
BDD Budget			
Health Insurance			
<b>Requested Expansion</b>			
Rio Grande Water Fund Watershed Preservation			20,000
Solar Advertising Program			30,000
<b>Total Expansions</b>			50,000
<b>Net Increase/(Decrease)</b>			<b>324,868</b>



# ELECTED OFFICES - ASSESSOR

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>Assessor's Office</b>	3,308,456	3,355,217	
<b>Increases to Base</b>			46,761
Mailing Service Costs			
Health Insurance			
<b>Requested Expansion</b>			
None			
<b>Net Increase/(Decrease)</b>			<b>46,761</b>

# ELECTED OFFICES – COUNTY CLERK

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
Clerk's Office	2,595,612	2,501,476	
<b>Increase/(Decreases) to Base</b>			(94,136)
Space rental in FY2015 budget not needed in FY 2016			
Health Insurance			
<b>Requested Expansion</b>			
None			
<b>Net Increase/(Decrease)</b>			(94,136)

# ELECTED OFFICES – PROBATE JUDGE

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
Probate Judge's Office	58,904	60,867	
Increases to Base			1,963
Requested Expansion None			
Net Increase/(Decrease)			1,963

# ELECTED OFFICES – COUNTY SHERIFF

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>Sheriff's Office</b> (includes Region III)	12,280,211	12,435,490	
<b>Increases to Base</b> Multi-Line & WC Health Insurance			155,279
<b>Requested Expansion</b> None			
<b>Net Increase/(Decrease)</b>			<b>155,279</b>

# ELECTED OFFICES – COUNTY TREASURER

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>Treasurer's Office</b>	1,069,850	1,084,647	
<b>Increases to Base</b>			14,797
Health Insurance			
Mail Services			
<b>Requested Expansion</b>			
None			
<b>Net Increase/(Decrease)</b>			<b>14,797</b>

# SUMMARY

Department / Office	FY 2015 Base	FY 2016 Base Request	Inc (dec)
<b>Total</b>	109,137,603	109,614,889	
<b>Increases to Base</b>			<b>477,286</b>
Low Income Property Tax Rebate			
Multi-Line & Workers' Comp			
Health Insurance			
Contractual Increases			
BDD Agreement			
<b>Requested Expansion</b>			
Wellness Program			100,000
Increased Meeting Broadcasting			30,000
Logo Redesign (1-time expense)			150,000
Max Coll			12,000
Pojoaque Rec. Fields			87,500
Stanley Cyclone			59,500
Add'l Funding for Youth Programs			50,000
Open Space Mgt. Plans (1-time expense)			150,000
Wildland Staff			141,284
Expanded FF/EMT Services in Northern Region			145,854
Rio Grande Water Fund Watershed Preservation (1-time expense)			20,000
Solar Advertising Program (1-time expense)			30,000
<b>Total Expansions</b>			<b>976,138</b>
<b>Net Increase/(Decrease)</b>			<b>1,453,424</b>

# INITIATIVES REQUIRING NEW FUNDING

- Additional Open Space management plans: \$150K (1-time)
- Employee Wellness Program: \$100K
- Logo Re-design: \$150K (1-time)
- Increased Meeting Broadcasting: \$30K
- Refunding the Wildland Winter Crew: \$141.3K

- Additional Youth Programs: \$50K
- Operations of New Facilities\*:
  - Max Coll Community Center – \$12K
  - Pojoaque Recreational Complex – \$87.5K
  - Stanley Cyclone -\$59.5K
- Watershed Restoration: \$20K (1-time)
- Solar Energy Advertising: \$30K (1-time)

\* Not a full year of operation.

# COMPENSATION PACKAGES

## Non-Union

2% COLA < \$50K eff. 1/1/16	\$54K
1% COLA => \$50K eff. 1/1/16	\$74K
1% Merit -	\$236K
<b>FY 2017 Cost:</b>	<b>\$493K</b>

## AFSCME

<b>Equivalent to Non-Union:</b>	<b>\$233K</b>
<b>FY 2017 Cost:</b>	<b>\$349K</b>

## AFSCME-Corrections Medical Unit

Previously negotiated. Built into Base.

## AFSCME - Corrections

Previously negotiated. Built into Base.

## NM Coalition of Public Safety Officers RECC

<b>Equivalent to Non-Union:</b>	<b>\$25K</b>
<b>FY 2017 Cost:</b>	<b>\$39K</b>

## NM Coalition of Public Safety Officers Sheriff's Office

<b>Equivalent to Non-Union:</b>	<b>\$84K</b>
<b>FY 2017 Cost:</b>	<b>\$120K</b>

## International Association of Firefighters

<b>Equivalent to Non-Union</b>	<b>\$83K</b>
<b>FY 2017 Cost:</b>	<b>\$119K</b>



# FTES REQUESTED & RECOMMENDATION

List of FTE Requests for FY2016

Department/Elected Office	Position Title Requested	Requested Salary	Request Salary including benefits	Recommended Salary Calculation	Recommended Salary including benefits	Last time position approved	Status Requested	Recommendation
ASD/IT	Desktop Support Supervisor	33.00/hr.	96,096	0	0	2014	PT/classified	Not recommended
ASD/Procurement	Procurement Specialist Senior	21.00/hr.	61,152	0	0	2010	PT/classified	Not recommended
CMD/HR	HR Administrator	23.00/hr.	66,976	23.00/hr.	66,976	2010	PT/classified	Recommended at requested rate.
CID/Seniors	Senior Services Site Manager	30.00/hr.	87,360	0	0	8 since 2012	PT/classified	Not recommended
CID	Administrative Manager	30.00/hr.	87,360	30.00/hr.	87,360	2 since 2012	PT/classified	Recommended at requested rate.
GMD/Economic Dev.	Economic Development Specialist	27.00/hr.	78,624	0	0	1 since 2009	PT/classified	not recommended at this time. Justification provided does not warrant a new position.
PSD/Admin.	Research and Dev. Program Manager	32.1425/hr.	93,998	0	0	0 in PSD Admin.	PT/classified	Not recommended
PSD/Corrections/ADF	PREA Compliance Manager	24.9178/hr.	72,619	0	0	0 since 2009	PT/classified	Not recommended.
PSD/Corrections/ADF	Secretary	11.9476/hr.	34,791	0	0	0 since 2009	PT/classified	Not recommended, can utilize current administrative staff
PSD/Corrections/ADF	Warehouse Specialist	14.48/hr.	42,166	0	0	0 since 2009	PT/classified	Not recommended. Conduct study of all specialty areas within ADF first.
PSD/Corrections/EM	EM/Bail Bonds Case Manager	14.28/hr.	45,742	0	0	1 since 2010	PT/classified	See Below.
PSD/Corrections/EM	EM/Bail Bonds Case Manager	14.28/hr.	45,742	0	0	1 since 2010	PT/classified	Not recommended
PSD/Corrections/Med	Registered Nurse	30.00/hr.	96,096	30.00/hr.	87,360	2 since 2010	PT/classified	Recommended if also responsible for PREA compliance.
PSD/Corrections/Med	Registered Nurse	30.00/hr.	96,096	30.00/hr.	87,360	3 since 2010	PT/classified	Recommended
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Technician	11.50/hr.	15,548	11.50/hr.	15,548	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Wild land Urban Interface Tech Lead	12.50/hr.	16,900	12.50/hr.	16,900	10 since 2014	PT/temporary	6 month temporary - Winter Crew
PSD/Fire	Regional Firefighter Cadet Basic EMT	11.1302/hr.	48,617	0	0	13 since 2009	PT/classified	See Below.
PSD/Fire	Regional Firefighter Cadet Basic EMT	11.1302/hr.	48,617	11.1302/hr.	48,618	13 since 2009	PT/classified	Recommended for one position to address increased call volume in the northern region. Need to re-evaluate project 48
PSD/Fire	Regional Firefighter Cadet Basic EMT	11.1302/hr.	48,617	0	0	13 since 2009	PT/classified	Not recommended
PSD/Fire	Secretary	12.50/hr.	36,400	0	0	1 since 2013	PT/classified	Not recommended. Research if the current "contractor" is really an employee and if yes, explore at midyear
PSD/Fire/Emerg. Mgt.	Administrative Assistant	15.00/hr.	43,680	0	0	1 since 2013	PT/classified	Not recommended
PSD/RECC	Systems Analyst Senior	25.00/hr.	72,800	0	0	1 since 2010	PT/classified	Not recommended. Centralize IT positions in RECC to IT division and evaluate the workload for 6 months to a year
PWD/Admin.	Real Property Specialist	23.00/hr.	66,976	0	0	1 since 2009	PT/classified	Not recommended.
PWD/Solid Waste	Solid Waste Maintenance Worker (24 hours per week)	10.86/hr.	18,976	10.86/hr.	18,976	0 since 2009	PT/classified (24 hours per week)	Recommended to have adequate coverage
PWD/Solid Waste	Solid Waste Maintenance Worker (24 hours per week)	10.86/hr.	18,976	10.86/hr.	18,976	1 since 2009	PT/classified (24 hours per week)	See Below.
Sheriff's Office	Administrative Assistant	16.50/hr.	48,048	16.50/hr.	48,048	1 since 2014	PT/classified	Recommended as a term position to be funded by the DOW forfeiture program and try to obtain grants
Treasurer's Office	Tax Cashier I (24 hours per week)	13.00/hr.	37,856	13.00/hr.	37,856	1 in 2013 and in 2014	PT/classified (24 hours per week)	Recommended
REQUESTED NEW FTE FUNDING			1,633,268	RECOMMENDED	604,862			

Department/Elected Office	Position Title Requested	Requested Salary	Request Salary including benefits	Recommended Salary Calculation	Recommended Salary including benefits	Last time position approved	Status Requested	Recommendation
PSD/Corrections/EM	EM/Bail Bonds Case Manager	14.28/hr.	45,742	14.28/hr.	45,742	1 since 2010	PT/classified	Recommended reclassifying vacant Detention Officer.
PSD/Corrections/Med	Registered Nurse	30.00/hr.	96,096	30.00/hr.	87,360	2 since 2010	PT/classified	Recommended. Funded by \$100K reduction in contract nursing.
PSD/Fire	Regional Firefighter Cadet Basic EMT	11.1302/hr.	48,617	11.1302/hr.	48,617	13 since 2009	PT/classified	Recommended to be paid from expenses reduced in the Fire Administrative budget.
PWD/Solid Waste	Solid Waste Maintenance Worker (24 hours per week)	10.86/hr.	18,976	10.86/hr.	18,976	1 since 2009	PT/classified (24 hours per week)	Recommended reclassifying unfilled (1) FTE to p/t. Funding from (1) will fund this p/t and the p/t requested above.
REQUESTED NEW FTE FUNDING				RECOMMENDED	181,718			
GRAND TOTAL RECOMMENDATIONS					786,581			

Total Cost of All Requests  
**\$1,916,137**

Total Cost of All Recommendations  
**\$786,581 or  
\$584,839 after offsets**

General Fund: \$192,192  
Fire Fund: \$238,519  
(less offset) (\$56,000)  
Corrections: \$307,822  
(less offset) (\$145,742)  
Sheriff's Office: \$ 48,048  
**TOTAL COST: \$584,839**  
GF + GF xfers: \$402,320

# KNOWN FUTURE BUDGET CONCERNS

**A number of budget concerns exist for FY 2016 and beyond. Some, but not all, of these are the result of Legislation passed by the State of New Mexico.**

**Known future budget concerns including those resulting from legislation passed by the State of NM:**

- Phase out of hold harmless beginning in FY 2016 will result in an annual loss of revenue.
- Payments to the Safety Net Care Pool in an amount equal to a gross receipts tax of 1/12 of a percent (based on prior year collections).
- High cost/low utilization of Youth Development Program.
- 155 property value protests in just El Rancho.
- Slow growth in property values and concerns about values in the northern County.
- Unpredictability of Care of Prisoners revenue.

# **USES OF NEW HOLD HARMLESS GRT**

**The New Hold Harmless  
1/8<sup>th</sup> GRT (HHGRT) we  
begin to be assessed  
on July 1, 2015.**

**Revenue will begin to  
be recognized in  
September 2015.**

**HHGRT revenue is  
estimated to be \$3.3  
million in FY 2016.**

## **Uses of the HHGRT**

**Budget \$1.65 million to  
be used for one-time  
maintenance projects  
>\$25K.**

**Budget \$1.65 million  
towards revitalization of  
Catron and renovation  
of the County  
Administrative Building.**

# **FY 2016 ASSET RENEWAL AND REPLACEMENT**

## **FY 2016 Asset Renewal and Replacement**

**Requests Total:  
\$6.2 million (excluding vehicles  
subject to VURB  
recommendation)**

**Recommendation Totals:  
\$4.4 million (excluding vehicles  
subject to VURB  
recommendation)**

**(see list of recommended assets)**

**Asset Renewal and  
Replacement is, in general,  
funded by excess revenue  
over expenses from the  
prior year.**

**A large portion of this  
excess results from  
vacancy savings.**

# NEW VEHICLES REQUESTED

Vehicle requests were submitted to the Vehicle Utilization Review Board (VURB) per County policy.

The VURB reviewed requests and voted to recommend various vehicle acquisitions be added to the Asset Renewal and Replacement request.

Public Safety vehicles (excluding administrative vehicles) are not required to be reviewed by the VURB.

## Vehicles Requested:

CSD -	6
GMD -	1
PSD (Admin) -	4
PWD -	<u>8</u>

**Total Request 19**

**COST: \$397K**

## Recommended:

CSD	3
GMD	1
PSD (Admin)	2
PWD -	<u>6</u>

**Total Recommended: 12**

**COST: \$281K**

# SUMMARY OF BUDGET RECOMMENDATIONS

## Management Recommendation - Recurring

- FTEs – F/T 9 Classified + 9 Term, 3 P/T (24 hours/wk) - \$585K
- Compensation Package to include: - \$789K
  - 2% COLA <\$50K earners effective 1/1/16;
  - 1% =>\$50K earners 1/1/16;
  - 1% Merit
  - Equivalent for Bargaining Unit contract up for renewal.
- Expanded Programs - \$626K
- Increases to Base - \$477K

**TOTAL INCREASE TO RECURRING EXPENSE:                      \$2.5 million**

## Management Recommendation – Non-Recurring

- Renewal and replacement of fixed assets – \$4.4 million
- Vehicle requests in addition to the above renewal/replacement - \$281K
- One-time expenses for expansion of programs (logo re-design, open space management plans, etc.) - \$350K

**TOTAL ADDITIONAL NON-RECURRING:                      \$5.0 million**

*The FY 2016 Interim Budget will be brought forward for BCC approval on Tuesday, May 26, 2015 in order to meet the statutory June 1<sup>st</sup> deadline to submit it to the NM Department of Finance and Administration.*

# FUNDING “POOLS” RECOMMENDATION

**Recommendation to budget the following “pools” of money for specific uses. This is one-time funding and may or may not be replenished annually depending upon Commission priorities.**

## **General Fund –**

Renewable Energy/Energy Efficiency Program - \$500K.

Community Improvement District (CID) fund - \$3.0M.

## **Economic Development Fund –**

Local Economic Development Act (LEDA) Project Fund - \$1.0M.

# RESERVE POLICY

Best practices dictate that the County develop and implement a formal reserve policy wherein the types and amounts of reserves are outlined.

**GASB 54 requires that the fund balance be segregated by defined classifications:**

- **Non-spendable**
- **Restricted**
- **Committed**
- **Assigned**
- **Unassigned.**

During our recent bond sale process, S & P recommended that the County adopt a formal reserve policy to assist the county's efforts in improving its AA+ rating to a AAA.

## Summary of Reserve Classification:

**Non-spendable** - amounts not in a spendable form, cannot be spent or required for legal reasons (e.g. pre-paid insurance premiums).

**Restricted** – amounts that have been constrained by specific purposes stipulated by external entities, through the constitution or enabling legislation (e.g. State required 25% general fund reserve).

**Committed** – amounts that have been committed by formal action by the highest level of authority for specific purposes (e.g. recessionary contingency, reserves above State requirement).

**Assigned** – amounts intended to be used for specific purposes but do not meet the above definition. The County currently has no assigned reserves.

**Unassigned** – the residual classification for the general fund not contained in other classifications. Only the general fund can report a positive unassigned fund balance.



# **RESERVE POLICY RECOMMENDATIONS**

**Proposed Spendable/Unrestricted Reserve (below is General Fund information only):**

- **Contingency Reserve (economic downturn contingency)  
10% of fund budget approx. = \$8.1M**
- **Disaster Recovery – 13% - 15% of spendable/unrestricted  
reserve approx. = \$5.0M**
- **Major Infrastructure Repair/Replacement – 13%- 15% of  
spendable/unrestricted reserve approx. = \$5.0M**
- **Uninsured Losses – 7%-8% of spendable/unrestricted  
reserve approx. = \$3.0M**

**TOTAL COMMITTED FUND BALANCE - APROX. = \$21.1M**