

Santa Fe County

Board of County Commissioners

FY 2018 Budget Preparation

BUDGET STUDY SESSION

APRIL 11, 2017

Budget Practices

A BALANCED BUDGET

The State of New Mexico requires a “balanced budget” for each fund.

Each fund must have cash balances at the end of the fiscal year that must not be less than zero or a reserve amount that meets State requirements.

A financial policy adopted by resolution 2015-84 of the County is that all other operational funds also have a reserve of at least 5%-15% above state requirements.

The percentage is designated by type of fund as designated by the resolution.

General Fund:

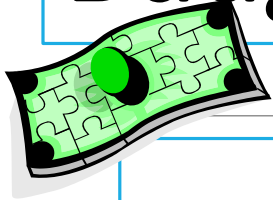
Contingency Fund-10%, Disaster Recovery-10%-15% Uninsured Loss- 5%-10%

Major Infrastructure Repair and Replacement 10%-15%

Special Revenue Funds - 10%

Enterprise Funds -50% of current year budget for utilities/ 10% all other funds

Budget – Revenue 101



Recurring Revenue

- Funds received, the source of which is considered to be reliable and on-going from one year to the next.

Examples:

- ✓ Property Tax
- ✓ Gross Receipts Tax
- ✓ Fees and charges for services of a continuing nature (water service, care of prisoners, etc.)
- ✓ Operating fund, Investment Income

Non-Recurring Revenue

- Funds received the source of which is temporary in nature and not expected to continue from one year to the next.

Examples:

- ✓ Insurance recoveries
- ✓ Capital Funds
- ✓ Investment income
- ✓ Sale of property and assets
- ✓ Excess cash balances

Revenue 101 (continued)

Unrestricted

➤ Money (income) received that can be used for any legitimate, legal governmental purpose. May be recurring or non-recurring.

➤ Examples:

- ✓ Property Tax
- ✓ 1st 1/8th GRT
- ✓ Some investment income
- ✓ Development permit fees

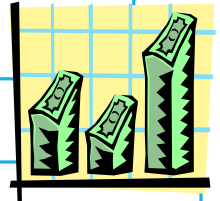
Restricted or Dedicated

➤ Money (income) received that must be used for specific purposes specified in statute, ordinance or contract. May be recurring or non-recurring.

➤ Examples:

- ✓ Correctional GRT (used for Corrections operations and debt service)
- ✓ Capital Outlay GRT (used for capital infrastructure only, no operational expense)
- ✓ Grant Funding
- ✓ Bond Proceeds
- ✓ Water and Wastewater fees for service

Budget – Expenses 101



Recurring

➤ Costs (expenditures) that support continuing, ongoing services and programs.

Examples:

- ✓ Personnel costs (Salaries & Benefits)
- ✓ Utilities
- ✓ Operations and maintenance (infrastructure, buildings and open space)
- ✓ Supplies
- ✓ Fuel
- ✓ Fixed asset renewal and replacement

Non-Recurring

➤ Costs (expenditures) that support one-time efforts or services that can reasonably be terminated at the end of the fiscal year or project.

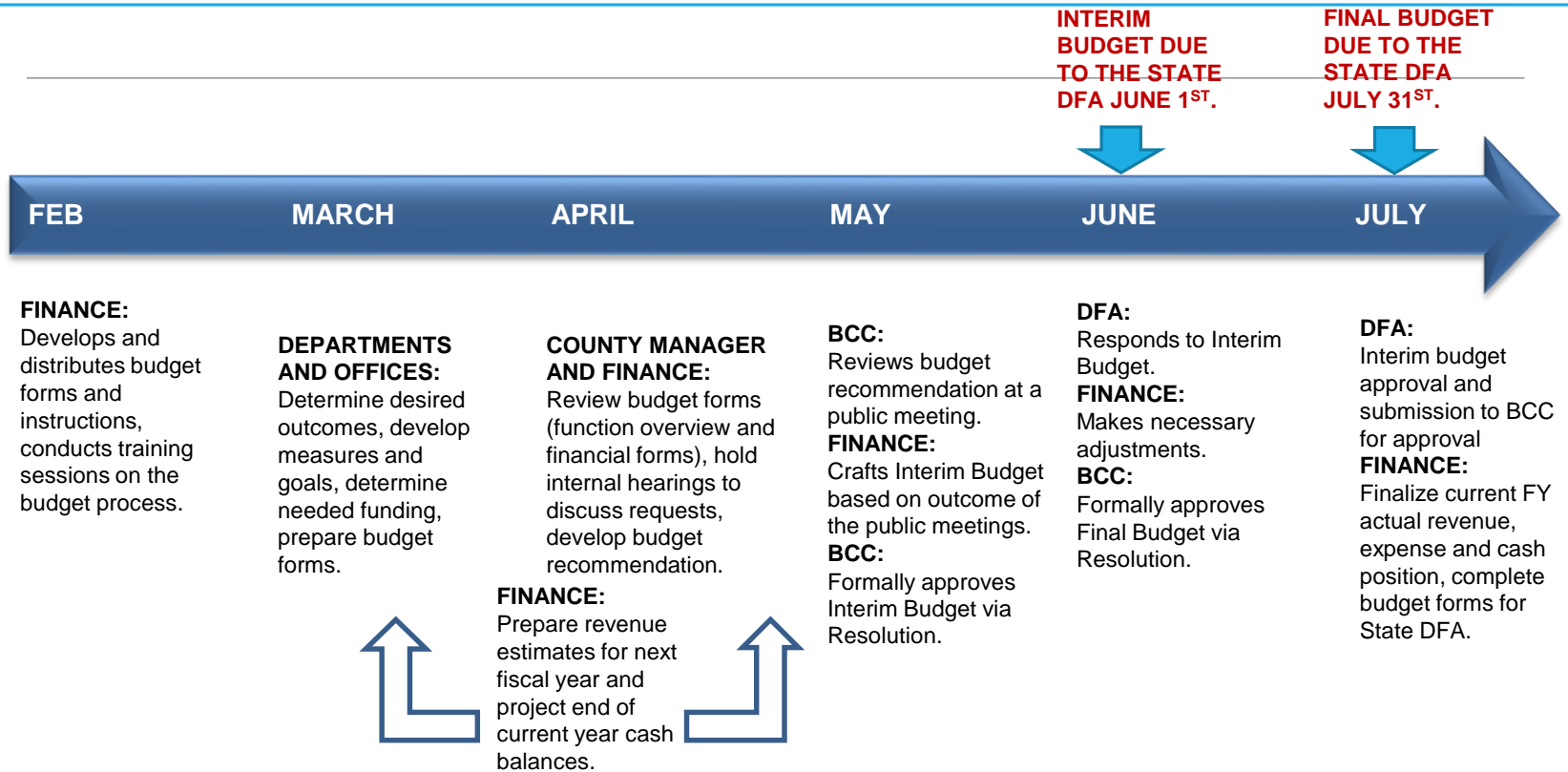
Examples:

- ✓ Building or land purchases
- ✓ Heavy equipment
- ✓ Vehicles
- ✓ Furniture, Fixtures & Equipment purchase
- ✓ Construction costs

Expenses 101 (continued)

- In March, 2008 the BCC adopted Resolution 2008-47, which established a formal Budget and Financial Policy that follows the Government Finance Officers Association (GFOA) recommended policies.
 - The policy dictates that **recurring** expenses be funded with **recurring** revenue.
 - The intent and effect of the policy is the **limit the use of CASH** (a non-recurring revenue source) for recurring/ongoing County operations.

Budget Timeline



Statutorily an interim budget must be submitted to the Department of Finance and Administration (DFA) by June 1st. Therefore we will be requesting approval of the FY 2018 Interim Budget on May 30th.

In order to begin processing financial transactions beginning July 1st, 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 FY2018 Final Budget on June 27th.

Budget Committees

- Continued the team approach that reviews and makes recommendations.
- Provides a forum for departments and offices to discuss their request with the review team.
- Meetings are conducted in a formal fashion.

Vehicle Utilization Review Board (VURB)

Purpose: Reviews requests for Vehicles

Chair – Deputy County Manager
Vice Chair – Director of Risk Management
Member – Captain, Adult Detention FAC Captain
Member – DWI Planning Council Coordinator
Member – Sheriff Major
Member - Assistant Fire Chief
Member - Planning Projects Manager
Member - Administrative Manager, County Assessor
Member- Capital and Grants Manager
Member- County Clerk
Ex Officio: Procurement Manager
Fleet Service Manager
Finance Director
Budget Administrator
Procurement Manager
Community Planner, Growth Mgmt.
Director, Public Works

Information Technology and Equipment Committee(ITEC)

Purpose: Review IT Related Requests

Chair – Director of Information Technology
Vice Chair – Systems Administrator, Supervisor
Member – Capital and Grants Manager
Member – Planning Projects Manager
Member – Deputy County Manager
Member – Deputy Chief, Bureau of Elections
Member - Sheriff Major
Member – Deputy Treasurer
Member-- Facility OPS Maintenance Manager
Ex Officio: Procurement Manager
Community Planner, Growth Mgmt.
Finance Director
Budget Administrator

Human Utilization Group (HUG)

Purpose: Review requests for FTE

Chair – Director of Human Resources
Vice Chair – Budget Administrator
Member – Assistant Fire Chief
Member – Deputy Treasurer
Member – Program Manager, Senior Services
Member – Undersheriff
Member – Deputy Director of Public Works
Member - Assistant Human Resources Director
Member- Deputy County Clerk
Ex Officio: Finance Director

Capital, Maintenance, and Fixed Asset Renewal

Purpose: Reviews requests for Capital, Maintenance and Fixed Assets

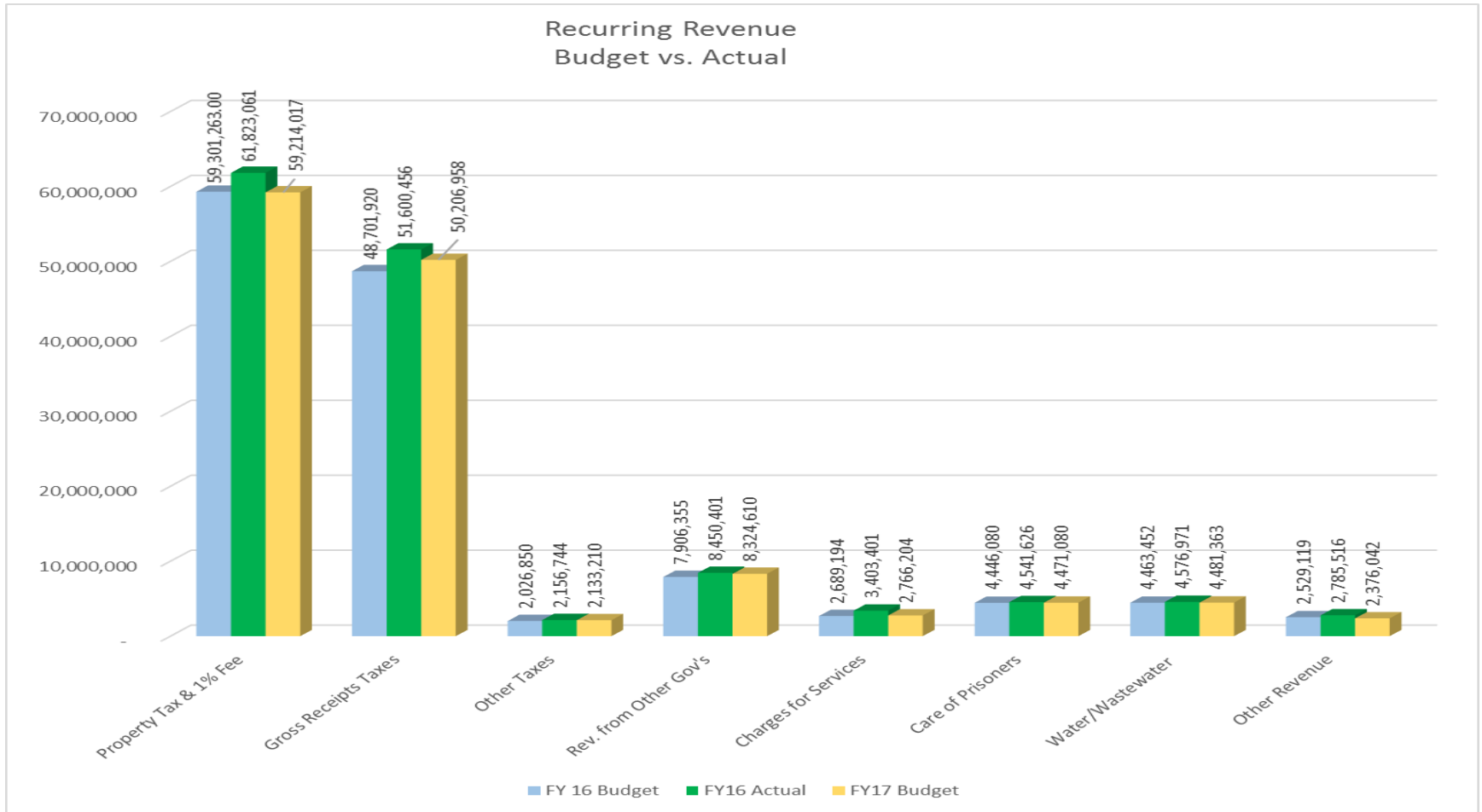
Chair – Facility OPS Maintenance Manager
Vice Chair – Director of Information Technology
Member – Deputy County Manager
Member – Office Manager, County Clerk
Member – Deputy Treasurer
Member – Administrative Manager, County Assessor
Member – Capital and Grants Manager
Member – Director, Growth Management
Member – Assistant Fire Chief
Member - Planning Projects Manager
Member – Sheriff Major
Member – Deputy Director of Public Works
Ex Officio: Finance Director
Procurement Manager
Community Planner, Growth Management
Budget Administrator

Performance Budgeting Transition



- ✓ BCC resolution passed to memorialize population goals and include Elected Offices in the performance budgeting requirement.
- ✓ Results-based accountability training conducted.
- ✓ Program inventories conducted and documented.
- ❖ Performance measures refined and established for each department and office.
- ❖ Scorecard reporting mechanism being developed for each department and office.

FY 2018 Recurring Revenue Estimate

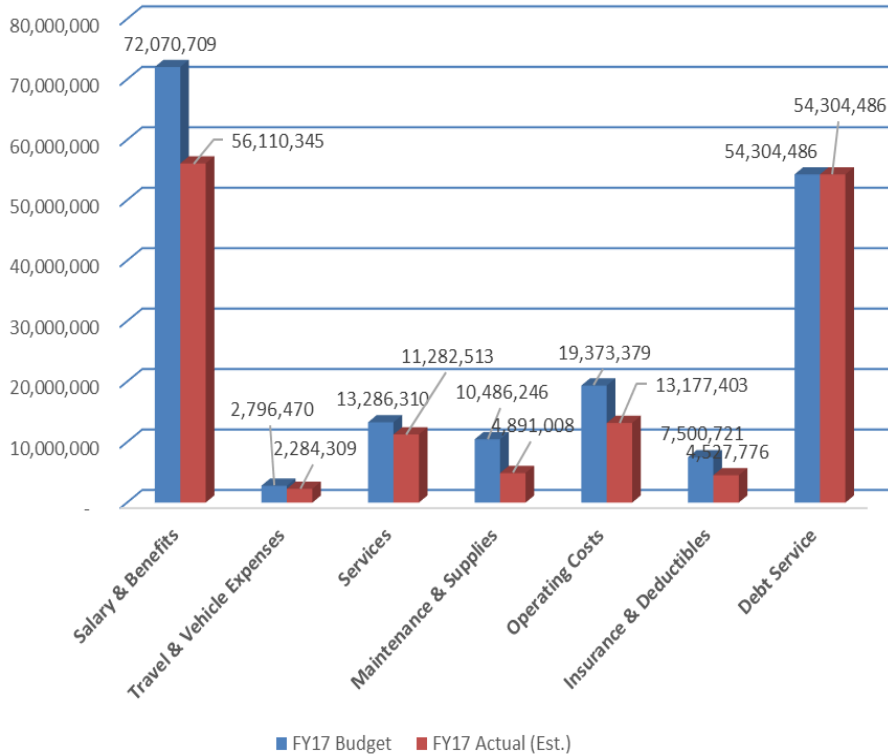


FY 2018 estimated recurring revenue total is estimated to be between FY 16 Actual Revenue and FY 17 Budgeted Revenue depending on Legislative Action.

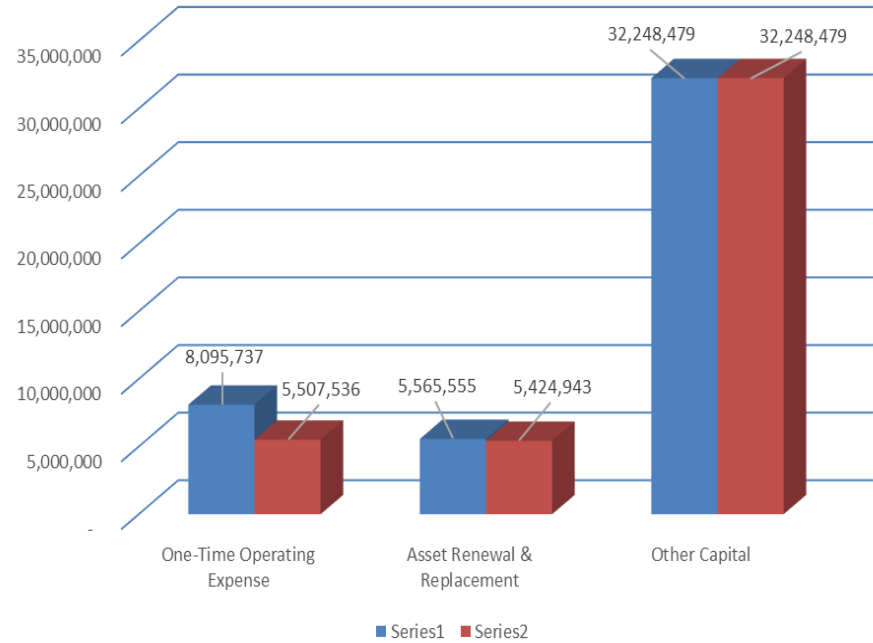
FY 2017 Expense Estimate

FY 2017 estimated recurring expenses total \$146.5 million. This does not include fund transfers.

FY17 Recurring Expense Budget vs. Actual (Estimate)



FY 17 Non-Recurring Expense Budget vs. Actual (Estimate)



FY 2017 estimated non-recurring expenses total \$43.1 million. This does not include fund transfers for non-recurring expenses.

Potential Factors Impacting Recurring Revenue Sources

- Property Taxes
 - Collection of prior year property taxes- past due collection efforts have been effective. Prior year balances have been much lower than prior years.
 - Projected Increase of Assessed Valuation 3%
- Gross Receipts Taxes
 - Possible legislation may affect the following
 - Indigent increment 1/12th- the state may still increase by 1/16th or an additional \$2.3 million obligation
 - **Hold harmless- approximately 3.5 million across all funds**
 - General Fund-receives approximately \$750 K in hold harmless distribution
 - 2- 1/8th increments additional revenue would equal \$9 Million
 - Indigent and Health Care EMS- receives approximately \$1 Million in hold harmless distribution
 - SFC has an option to implement an additional 1/8th or 1/16th before June 30, 2017
 - Corrections GRT- receives approximately \$500K in hold harmless distribution
 - Capital Outlay-non recurring uses only-receives approximately \$1 Million in hold harmless distribution
 - Unincorporated GRT-receives approximately \$250K in hold harmless distribution
 - Fire &EMS GRT- split between two programs, no limits, demands from both exceed revenue

Potential Factors Impacting Other Revenue Sources

- State Shared Taxes
 - 911 Fund, Fire Fund, DWI Fund
- Care of Prisoners revenue
 - US Marshall
- Water/Wastewater revenue
 - Re-Visit Water Rates
- Potential elimination of Payment in Lieu of Taxes (FY16 705K received)
- Change to fee structure for land use fees as approved in December 2016
- Solid Waste Fees

FY 2018 Expense Requests

Departments were instructed to maintain a flat operating budget.

Health Insurance expense budgeted increase 7-10% for reserve and premium

Multi-Line and Law Enforcement estimated increase \$266K

Workers Compensation estimated increase of \$50k-95K

No change to PERA contributions.

Investment in Employees -

- Bargaining units per negotiated contracts.
- Continuation of Funding for NM Edge and Tuition Assistance
- Summer Intern Program

31 New FTEs were requested - \$1.8 million including benefits (outlined in next slide)

\$ 8.7 million for Asset Renewal and Replacement was requested as summarized below:

- Information Technology and Related – \$2.3 million
- Fixed Assets to included Heavy Equipment, Furniture and Fixtures, Equipment and Machinery and other Fixed Assets - \$1.7 Million
- Vehicles - \$ 4.7 million

FY 2018 FTE Requests – Detail

Department/ Elected Office	Position Requested	Number of Positions Requested	Hourly Salary Requested	Annual Salary Requested	Annual Cost plus Benefits	Funding Source
Corrections	Fire Safety and Sanitation Officer	1	\$18.0000	\$37,440.00	\$52,416.00	general
Corrections	Security Threat Intelligence Officer	2	\$18.0000	\$74,880.00	\$104,832.00	general
Corrections	Training Coordinator	1	\$18.0000	\$37,440.00	\$52,416.00	general
Corrections	Warehouse/Fixed Assets Sup.	1	\$17.0000	\$35,360.00	\$49,504.00	general
Corrections	Warehouse/Fleet Clerk	1	\$14.0000	\$29,120.00	\$40,768.00	general
CSD	Behavioral Health Manager	1	\$30.2048	\$62,825.98	\$87,956.38	indigent funding source
Fire	Fire Protection Specialist	1	\$19.5000	\$40,560.00	\$56,784.00	fund 244
Fire	Firefighter EMT-Basic	1	\$12.6414	\$36,811.76	\$51,536.46	fund 244
Fire	Firefighter/EMT-Intermediate	1	\$13.8673	\$40,381.58	\$56,534.21	fund 244
Fire	Firefighter/Paramedic	1	\$17.2326	\$50,181.33	\$70,253.86	fund 244
GMD	Economic Development Spec.	1	\$27.0000	\$56,160.00	\$78,624.00	general
GMD	Open Space Resource Mgt Spec.	1	\$35.0000	\$72,800.00	\$101,920.00	101-0502
IT	Desktop Support Supervisor	1	\$32.0000	\$66,560.00	\$93,184.00	general
IT	IT Security Administrator I	1	\$38.0000	\$79,040.00	\$110,656.00	general
PWD	Maintenance Technician	4	\$12.7500	\$106,080.00	\$148,512.00	general
PWD	Project Manager II	1	\$27.0000	\$56,160.00	\$78,624.00	505-1415 & 505-14-16
RECC	Emergency Communications Spec.	4	\$15.0000	\$131,040.00	\$183,456.00	general
Risk Mgt.	Safety Coordinator	1	\$22.0000	\$45,760.00	\$64,064.00	general
Sheriff's Office	Administrative Assistant	1	\$14.2514	\$29,642.91	\$41,500.08	gen. & poss. grant
Sheriff's Office	Crime Scene Technician	1	\$24.1600	\$50,252.80	\$70,353.92	general
Sheriff's Office	Records Clerk	1	\$14.0000	\$29,120.00	\$40,768.00	general
Sheriff's Office	Sheriff Deputy Cadet	1	\$17.5000	\$36,400.00	\$50,960.00	general
Sheriff's Office	Sheriff Deputy I	1	\$19.5850	\$40,736.80	\$57,031.52	general
Sheriff's Office	Sheriff Deputy II	1	\$21.1075	\$43,903.60	\$61,465.04	general
Total Annual Cost Including Benefits				\$1,288,657	\$1,804,119	

*please note that Open Space Interpretative Ranger is requested for FY2021 and the GIS Technician is requested for FY2020

FY 2018 Recognized Operating Budget Priorities

Open space and trails master planning and maintenance

Facilities Maintenance

- Community centers
- Public housing sites
- Fire Stations
- Senior Centers

Water planning/Utilities Expansion

Youth programs

- Summer Internships
- Other Summer Youth Programs

Senior Services

Sustainability Program

Public Safety Staffing

Programming and operational funding for new facilities

- Crisis Triage Center
- Stanley Cyclone Center
- Cerrillos Senior Center
- Senior Programming

Modification to Health Programming

- Behavioral Health
- Community Based Prevention and Welfare
- Navigation System
- State Requirements

OTHER:

Closing

- Santa Fe County has adopted budget policies to ensure Santa Fe County abides by state guidelines and stays fiscally responsible by following GFOA policies and conservative reserve policies.
- Budget Hearings and Committee meetings are in process and will conclude April 28th in order to proceed with completing the FY 2018 Budget.
- Second Budget Study Session will be held in May prior to the interim budget submission due to DFA on May 30th.