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Commissioner, District 2

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Commissioner, District 3



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Commissioner, District 4

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Commissioner, District 5

Katherine Miller
County Manager

MEMORANDUM

DATE: Tuesday March 26, 2019

TO: Santa Fe County Board of County Commissioners

FROM: Yvonne Herrera, Accounting & Financial Reporting Manager

VIA: Katherine Miller, County Manager

RE: Finance and Purchasing Report for the Month Ending February 28, 2019

ISSUE

The following report summarizes the financial and purchasing activities of Santa Fe County (SFC) through the end of February 2019, Fiscal Year 2019 (July 1, 2018 through February 28, 2019).

BACKGROUND

This report presents purchasing and unaudited revenue and expenditure results across all funds, including details on gross receipts tax revenues and property tax revenues. The County's encumbrances were \$34.7 million higher over the same period in the previous fiscal year. Revenues and expenditures are presented exclusive of transfers. Overall, recurring revenues are up \$8.6 million, or 8.2%, over the same period in the previous fiscal year due primarily to growth in gross receipts, tax collections and charges for services. Recurring expenditures increased \$1.8 million over the prior year, an increase of 2.6%.

RECURRING REVENUES

Through February 28th of Fiscal Year 2019, revenue collections across all SFC funds totaled \$114.3 million. Total revenue is comprised of taxes, fees, fines, grants, joint powers agreement receipts, subsidies and miscellaneous revenue sources. Total revenue collected through February 28, 2019 exceeded Fiscal Year 2018 for the same period by \$8.6 million, an 8.2% increase.

See the table below for detailed comparison of year-over-year revenue results.

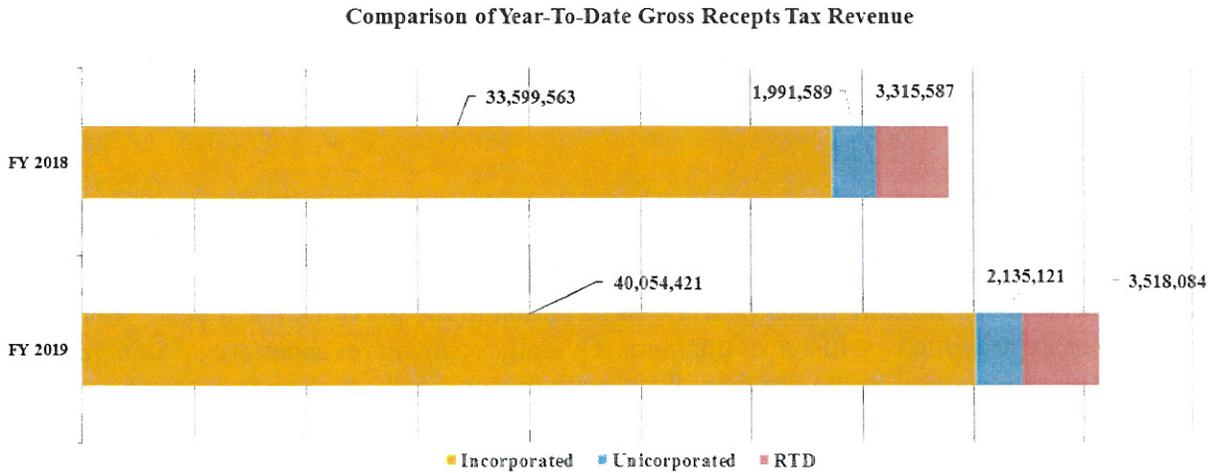
	FY18 YTD	FY19 YTD	Difference	Percent Change
SFC Property Tax Revenue	\$ 44,633,620	\$ 44,303,007	\$ (330,613)	-0.7%
Gross Receipts Tax	38,906,769	45,707,626	6,800,857	17.5%
Charges for Services	14,024,378	15,643,413	1,619,035	11.5%
Other Taxes Collected	2,652,318	2,725,242	72,924	2.7%
Intergovernmental and Subsidies	2,201,635	2,382,868	181,233	8.2%
Misc. Revenue	2,412,007	2,838,520	426,513	17.7%
Licenses, Permits & Fees	624,781	473,535	(151,246)	-24.2%
Fines & Forfeitures	202,309	219,642	17,333	8.6%
Total Recurring Revenue	\$ 105,657,817	\$ 114,293,853	\$ 8,636,036	8.2%

Gross Receipts Tax:

In Fiscal Year 2018, Santa Fe County enacted and began to realize income from the new gross receipts tax increment in the period ending March 31, 2018. Fiscal Year 2019 collections for the new tax increment totaled \$3.4 million.

Fiscal year-to-date collections include \$3.5 million collected as a “pass through” for the Regional Transit District (RTD).

The following chart presents year-over-year comparison of gross receipts tax collections for the incorporated area of SFC, the unincorporated area of SFC, and the RTD pass-through increment.



Property Tax:

Through February 28th of Fiscal Year 2019, property tax revenue collections were \$44.3 million (excluding the Property Valuation Fund), \$0.3 million lower than the same period in the previous fiscal year, a decrease of 0.7%. The net taxable valuation for tax year 2018 is \$128.0 million higher than tax year 2017.

RECURRING EXPENDITURES

Total recurring expenditures through February 28th of Fiscal Year 2019 were \$72.1 million, an increase of \$1.8 million, or 2.6%, compared to the same period of the previous fiscal year.

The following table presents total recurring expenditures by expense category.

	<u>FY18 YTD</u>	<u>FY19 YTD</u>	<u>Difference</u>	<u>Percent Change</u>
Salaries & Benefits	\$ 47,634,807	\$ 50,326,177	\$ 2,691,370	5.7%
Services	8,238,560	8,052,358	(186,202)	-2.3%
Other Operating Costs	6,227,376	6,398,294	170,918	2.7%
Insurance & Deductibles	1,760,159	1,547,862	(212,297)	-12.1%
Healthcare Assistance Programs	1,845,230	1,908,042	62,812	3.4%
Supplies	1,582,584	1,326,763	(255,821)	-16.2%
Maintenance	1,501,874	1,055,615	(446,259)	-29.7%
Vehicle Fuel & Maintenance	1,066,036	1,125,182	59,146	5.5%
Public Safety Expenses	243,656	262,073	18,417	7.6%
Travel	223,477	137,155	(86,322)	-38.6%
Total Recurring Expenses	\$ 70,323,759	\$ 72,139,521	\$ 1,815,762	2.6%

Reported expenditures exclude the following non-recurring costs: subsidies through the down payment assistance program of \$60,000, election costs of \$33,962, capital purchases of \$18.0 million, and debt service on bonds totaling \$18.0 million.

PURCHASING DIVISION ACTIVITIES

The table below presents year-to-date purchasing activity in Fiscal Year 2019 compared to activity through the same period of Fiscal Year 2018. The volume of activity has decreased by 82 procurements, or 27.5%, from the previous fiscal year. The majority of the decrease in volume has occurred in letters of interest and agreements activities.

	<u>FY18 YTD</u>	<u>FY19 YTD</u>	<u>Difference</u>	<u>Percent Change</u>
Requests for Proposals	35	28	(7)	-20.0%
Invitations for Bids	30	31	1	3.3%
Letters of Interest	45	19	(26)	-57.8%
Leases	5	6	1	20.0%
Grants	29	25	(4)	-13.8%
Memorandums of Understanding	6	9	3	50.0%
Memorandums of Agreement	12	9	(3)	-25.0%
Property	10	11	1	10.0%
RFQ	-	2	2	N/A
PSA	8	4	(4)	-50.0%
Easements	7	2	(5)	-71.4%
Agreements	82	34	(48)	-58.5%
Other	29	36	7	24.1%
Total Procurments	298	216	(82)	-27.5%

The table below presents Fiscal Year 2019 year-to-date purchase orders issued, encumbered amounts, and invoiced/expended amounts, compared to the same period in the prior fiscal year. The number of purchase orders issued decreased by 121, or 2.7%, from the previous year, while the amount encumbered has increased by 73.7%, or by \$34.7 million. This large increase is attributed primarily to encumbering of \$27.9 million in August 2018 for the County Administration Complex construction and renovation project.

	FY18 YTD	FY19 YTD	Difference	Percent Change
Purchase Orders Issued	4,410	4,289	(121)	-2.7%
Amount Encumbered	47,125,414	81,867,558	34,742,144	73.7%
Amount Invoiced / Expended	35,099,518	23,995,850	(11,103,668)	-31.6%

OTHER FINANCIAL INFORMATION

The Finance Division began closing monthly periods in Fiscal Year 2019 during the month of February 2019 as each month is reconciled. The Finance Division is holding budget review hearings with departments and are continuing to prepare the Santa Fe County Fiscal Year 2020 budget. The Finance Division has distributed its annual year-end closing memo for Fiscal Year 2019 and is preparing to hold four year end meetings throughout County offices.

The Finance Division is working to document its procedures and business processes to provide for smoother staff transitions and to enhance internal controls. The Finance Division is also updating the Santa Fe County Accounting Manual, which was last updated in 2008.

The Payroll Specialist position has been filled, the new employee starts March 28, 2019.

The Purchasing Division is in the process of filling two vacant positions; one Procurement Specialist and one Procurement Quality Control Analyst.

The Purchasing Division has implemented a re-organization to better plan and track procurements to provide more assistance and keep our customer agencies better informed with the status of all procurements and routing of documents for approval. This re-organization established two new positions as re-classifications; the Procurement Quality Control Analyst and the Procurement Planner. The re-organization did not create or add any additional staff.

Staff also initiated encumbrance reporting to all County Departments in an effort to better manage their requisitions or pre-encumbrances, as well as pre-review of all encumbrances by the Departments for the fiscal year closing.

Purchasing and Finance staff are scheduling additional training programs in FY19. The Purchasing Manager has initiated monthly meetings with each Department to discuss status and planning of current and future projects.

