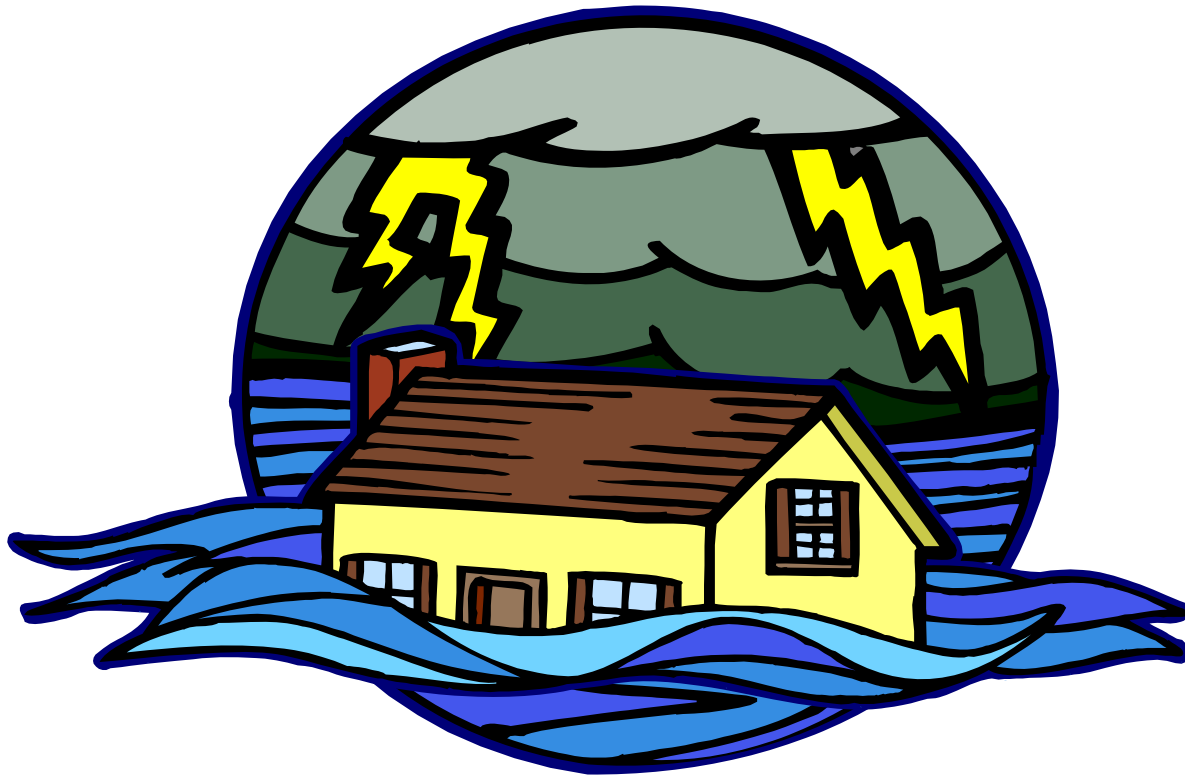


**Santa Fe County
Board of County Commissioners
Interim Budget Presentation
Fiscal Year 2011**

May 25, 2010



FY 2011 Budget Process



Budget Process Timeline

- Interim Budget due to DFA on June 1st. Submit as recommended by Finance based on Budget Hearings.
- Budget Study Session in June with final direction by BCC.
- Complete meetings with departments for final analysis.
- Make additional cuts.
- June 29th BCC approval of Final Budget.

☀ ***DFA requires that reserves must be managed in such a manner as to keep the reserves at June 30th at the same level as they were approved on July 1st.***

DFA Recommendations

- ✓ Adopt a formal policy that will ***strictly disallow recurring expenditures from cash balances and non-recurring revenue.***
- ✓ Implement an immediate freeze on all current vacant county employee positions. Positions needed for public health and safety should be given preference as resources will allow.
- ✓ Implement an immediate freeze on all county employee salaries, except for those governed by a Union contract that is currently in place.
- ⌚ If the above is not sufficient to avoid budget overruns, seriously consider furloughs, salary reductions, 32 hour work-weeks or lay-offs.
- ? Implement an immediate freeze on contracts that affect the general fund.
- ? Discontinue the practice of providing funds to non-profit organizations.
- ... Have all department and program managers implement further reductions in operating budgets.
- ... Make every effort to maximize revenue.

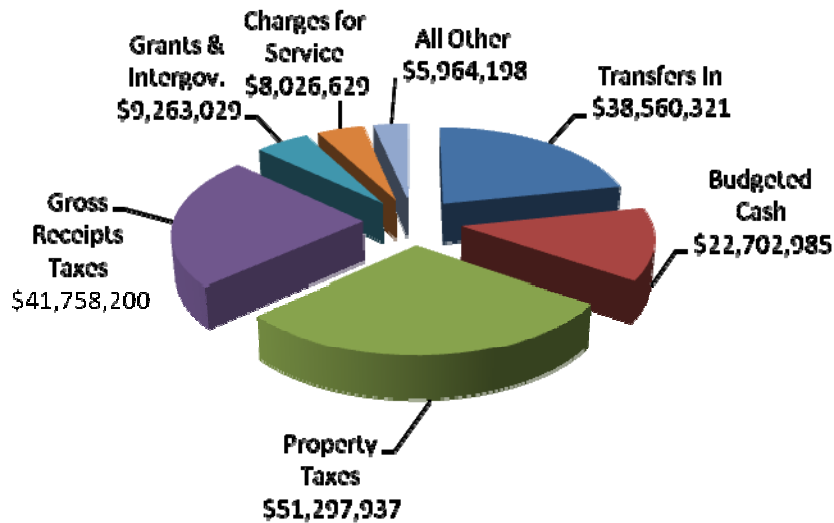
FY 2011 DO NOTHING...

FY 2012

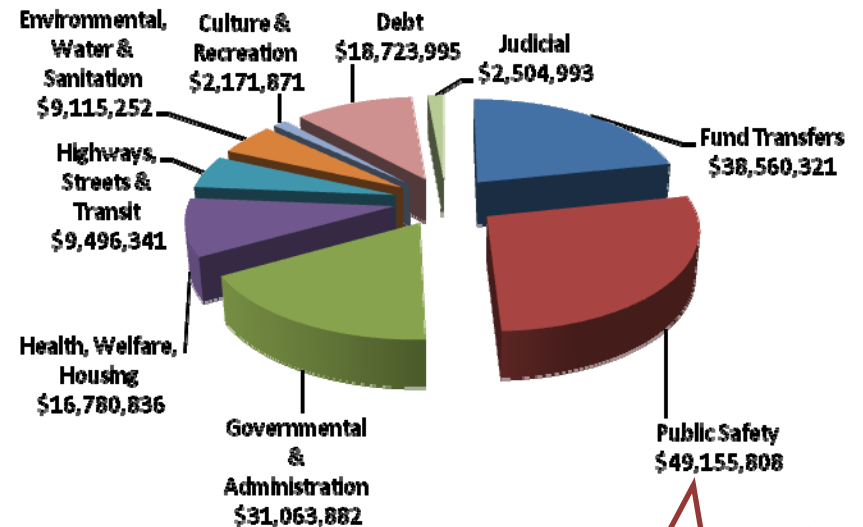
-\$12,798,209

Santa Fe County FY 2011 Interim Budget \$177,573,299*

SOURCES



USES

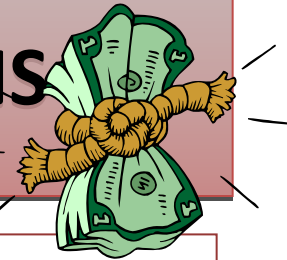
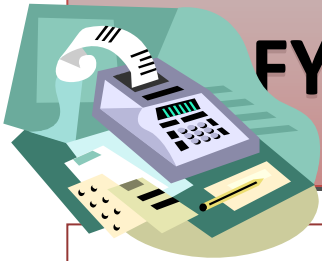


**WITHOUT FUND TRANSFERS, \$139,012,978
SUPPORTED BY \$116,309,993 IN REVENUE
AND \$22,702,985 IN BUDGETED CASH**

**COMPARED TO A FY
2010 BUDGET OF
\$183,133,345***

*FY 2011 Interim Budget Does Not Include Capital Projects from Bond Proceeds, Cash or Grants Carried Forward, FY 2010 had \$43,086,584 from Bond Proceeds, Cash or Grants Carried Forward.

FY 11 TROUBLED FUNDS PROJECTIONS



Corrections

Revenue	\$ 4,125,000
Expenses	<u>\$ 19,025,085</u>
Net Activity	(\$ 14,900,085)

- Revenue information does not include operating transfers in. It reflects only grant funding and care of prisoners.
- The Inmate Medical and Administrative Divisions have no funding sources of their own. They rely exclusively on operational transfers in.

Health

Revenue	\$10,115,837
Expenses	<u>\$10,507,640</u>
Net Activity	(\$ 391,803)

- Revenue from the Indigent GRT and EMS GRT is being used to fund the Health Department expenses.
- Expense information does not include \$2,650,000 of transfer to the RECC which is being funded \$2,444,495 by cash.
- Expense information does not include \$2,000,000 of indigent cash used to balance the inmate medical budget.
- FY 11 expenses were reduced by \$903K due to the transition of the Senior Programs to the general fund.



FY 11 TROUBLED FUNDS PROJECTIONS



RECC

Revenue	\$	0
Expenses	\$	<u>3,455,558</u>
Net Activity	(\$	3,455,558)

- RECC is being funded by a transfer from EMS Health Fund cash and RECC cash. **Both funds will be depleted of cash in FY11.**
- The EC & EMS GRT can be used for the RECC but has historically been used exclusively to fund the Fire Department.

Fire Operations

Revenue	\$	8,650,186
Expenses	\$	<u>9,911,662</u>
Net Activity	(\$	1,261,476)

- 100% of EC & EMS GRT is currently being budgeted for Fire Department operations.
- In FY12, the EC & EMS GRT will need to help support the RECC.
- JPA with the Town of Edgewood (not currently budgeted) could **reduce** the deficit by \$200K or more.



Rainy Days



Potential FY 11 Use of Cash

Indigent GRT Fund	\$1,575,000	(depletes cash)
Indigent Primary Care Fund	\$1,335,548	(depletes cash)
EMS GRT Fund	\$ 250,000	(depletes cash)
EMS Health Care Fund	\$2,194,495	(depletes cash)
RECC Operations Fund	\$ 805,558	(depletes cash*)
Fire Operations Fund	\$1,261,476	(\$3.5m remaining)
Environmental GRT Fund	\$ 306,326	(\$.2m remaining)
Fire Excise GRT Fund	\$3,454,641	(\$.6m remaining)
Road Fund	\$1,423,691	(statutory reserve)
All Others	<u>\$3,619,331</u>	(varies)
TOTAL NON-GF CASH	\$16,226,066	



*Funds remaining are restricted to Capital Purchases, cash available for operating will be depleted.

Elected Offices Budgets – A Brief History

ELECTED OFFICE	ACTUAL FY 2009	ESTIMATE FY 2010	REQUEST FY 2011	Inc./ (Dec.)	%
<p>BCC (including Community Funds)</p> <ul style="list-style-type: none"> In FY10, reduced travel, supplies, maintenance and community funds <i>In FY11, eliminated all travel, seminars and community funds.</i> 	\$686,547	\$708,563	\$562,994	(\$123,553)	(18%)
<p>County Assessor's Office</p> <ul style="list-style-type: none"> In FY10, increased FTEs , capital, and operating costs. In FY11, reduced travel and supplies. Requested 6 additional FTEs and equipment not included here. 	\$2,574,741	\$2,787,235	\$2,905,809	\$331,068	13%
<p>County Clerk's Office (excludes election related exp.)</p> <ul style="list-style-type: none"> In FY10, reduced travel , supplies, and capital expense In FY 11, further reduced travel and supplies 	\$1,979,821	\$1,796,774	\$1,923,523	(\$56,298)	(3%)
<p>Probate Judge</p> <ul style="list-style-type: none"> Increase is due to increased cost of health benefits. <i>In FY11, eliminated all travel and seminars.</i> 	\$48,613	\$47,157	\$49,921	\$1,308	3%
<p>County Surveyor</p> <ul style="list-style-type: none"> Increase due to statutorily mandated salary increase. In FY10, reduced operating costs. <i>In FY11, eliminated all travel, reduced supplies.</i> 	\$28,060	\$26,025	\$30,341	\$2,281	8%
<p>County Sheriff's Office (Non-Grant)</p> <ul style="list-style-type: none"> In FY10, increase due to increased insurance allocation, travel and fuel were reduced. In FY11, reduced supplies, subscriptions and printing. 	\$8,778,257	\$8,907,214	\$9,285,742	\$507,685	6%
<p>County Treasurer's Office</p> <ul style="list-style-type: none"> In FY10, increased FTEs, capital, and contractual. In FY11, requested additional FTE not included here. 	\$751,607	\$760,706	\$800,069	\$48,462	6%

Potential Sources of New Major Revenue

Indigent Mill Levy

- § One mill would generate approximately \$6.5M.
- § Revenue generated could fund indigent claims (\$1.35M in FY2009) and sole community provider payments (\$6.8M in FY11).
- § Requires one-time voter approval.
- § Does not expire.
- § Long term need for the levy unclear as a result of the Patient Protection and Affordable Care Act (aka Healthcare Reform).



Sustainable Land Dev. Plan

Revenue Options Listed Below Apply to Roads, Streets, Sewer, and other Infrastructure Improvements

Special Assessment Districts (SADs)

- § Often initiated by property owners.
- § Each property is assessed a portion of the improvement costs.
- § County can bond against revenue source.

Public Improvement Districts (PIDs)

- § Formation of district is usually initiated by a developer.
- § District must be established by 3/4th majority of property owners within district.
- § Special levy/district property tax revenue can secure PID bonds and can pay for operation and maintenance.
- § Improvements financed may directly or indirectly benefit the district.
- § Operating mill levy cannot exceed \$3.00/\$1000 assessed value unless approved via election.

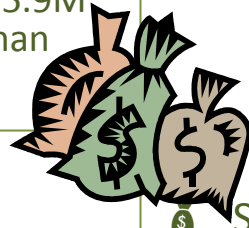
Impact Fees

- § One-time charges against new development.
- § Spreads financial responsibility of new development equitably.
- § Maintains plans levels of services.
- § Meets needs for public services.

Potential Sources of New Major Revenue

Budget “Net New”

- § DFA dictated a zero growth factor for the property tax yield control formula for FY11.
- § FY11 property tax revenue is budgeted at \$38M – an increase over FY10 based on actual collections.
- § FY11 budget of net new would be an additional \$500K over the interim budget.
- § FY10 property tax was budgeted at \$35.9M and is projected to be \$2.5M higher than budgeted.



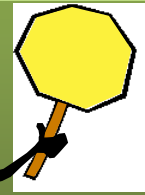
Sell County-Owned Real Estate

- § Selling County-owned real estate could yield significant amounts of revenue.
- § Revenue would be **non-recurring** and should not be used to support **recurring** operational expenses.
- § Possible property to be sold:
 - § Old Public Works Complex - \$2.0M
 - § Santa Fe Canyon Ranch - \$7.0M

WATCH



Immediate Issues for FY 2011



- ◇ Additional Costs for Senior Centers - Operate the Edgewood and Chimayo Centers for a total cost of \$293,510.
- ◇ Additional Costs for the Office of the County Surveyor – Increase Surveyor’s salary to statutory maximum including benefits for a total cost of \$3,742.
- ◇ Loss of MCH State Funding in FY2011 - Funded \$58,756 versus previous year’s \$180,000.
- ◇ Transition to Enhanced Retirement Plan for Detention Officers for a total cost of \$450K.
- ◇ Insufficient general fund capital resources to meet County needs overall, in FY 2011 funded \$450,000. Capital requests total \$1,085,355.
- ◇ No additional funding available for the SLDP and Code Re-write.
- ◇ Unable to fund \$4.0M in capital expenditures for the Fire Department.
- ◇ Potential continued decline of Gross Receipts Taxes may lead to additional cuts in the first quarter of FY2011.
- ◇ Services (Fire, Senior Services, BDD Operations) provided to other governmental entities within or adjacent to SF County limits including Town of Edgewood, City of Santa Fe, City of Espanola.

Any significant unanticipated expense or drop in revenue will lead to the need for immediate cuts.





How can we
stop the bleeding...



OR

Lay Off 100 people
Impact all Departments &
Offices Countywide
Save \$6.0M

Senior Staff Polled

(Ranked in Order)

7/1/2010

1. Terminate All Temp Positions Save \$127K - (excluding Fire PRNs & Election Workers)
2. Restructure Satellites Save \$50K – Cut 4 Temps
3. Eliminate Office Leases 3 sites Corrections, Fire, Assessor Save \$135K
4. Eliminate Cell Phones Save \$90K (excludes Law Enforcement, Fire Field Staff and Department Directors)
5. Eliminate Take Home Vehicles Save \$63K (excludes Law Enforcement & Fire Field Staff)
6. Eliminate ALL Travel & Seminars Save \$210K (includes for maintaining licenses & certifications)
7. Cut Assessor’s Legal Services Save \$85K
8. Hard Freeze All Positions Save \$1.5M (limited public safety hiring allowed with justification)
9. Terminate Telestaff Project Save \$50K
10. Reduce or Terminate Contract Services (including the SLDP and Code Re-Write contracts) Save \$100K
11. Eliminate Graffiti Program Save \$45K – 1 FTE \$45,000.00

\$2,455,000.00

1/1/2011

12. Reduce Transfer Station Hours Save \$25K
13. Cut Elected Offices’ Budgets* Save \$1.0M
14. Reduce Upper Management Land Use, PW, Fire, CSD Save \$749K – 5 FTEs
15. Cut Road Maintenance 5% * Save \$134K
16. Cut Indigent Primary Care 5% * Save \$90K
17. Eliminate Open Space Program Save \$335K - 3 FTEs
18. Cut Corrections DepT. 10% * Save \$2.0M

\$4,333,000

TOTAL FY2011 = \$6,788,000

Senior Staff Polled continued . . .

(Ranked in Order)

7/1/2011

19. Alternative – 1st Round Cut Salaries all employees 3,4,5% Save \$2.1M
20. Eliminate YDP Save \$1.3M– 30 FTEs
21. Reduce Size of Divisions HR, Finance, Purchasing, IT, Risk, Gen. Services, Prop. Control, Planning, CMO Save \$604K – 10 FTEs
22. Cut Salaries >\$80K by 2% Save \$86K
23. 1st Round -Cut Salaries all employees 1,2,3% Save \$1.2M

\$5,247,000

1/1/2012

24. Cut Fire Department 10% Save \$991K
25. Cut RECC 5% Save \$173K
26. 2nd Round - Cut Salaries all employees 1,2,3% Save \$1.1M
27. Eliminate Some Divisions CSD Projects, Road Projects Save \$1.6M - 21 FTEs
28. Reduce/Eliminate Health Programs MCH, Health Admin., Mobile Health Van, Indigent Save \$671K – 8.2 FTEs
29. Reduce At Will Employees Corrections, Fire, RECC Save \$546K – 4 FTEs
30. Reduce Size of Divisions Land Use, Solid Waste, PW, Affordable Housing, Teen Court, Open Space, CMO Save \$627K – 11 FTEs

\$5,708,000

TOTAL FY2012 = \$10,955,000

How can we stop the bleeding...



Effective on July 1, 2010

Effective by January 1, 2011

Discuss possible reductions in programs, services, staff (RIF), and / or salary decreases with all bargaining units

Cut Salaries >\$80K by 2%
Save \$86K

Restructure Satellites
Save \$50K – Cut 4 Temps

Reduce or Terminate Contract Services (*including the SLDP and Code Re-Write contracts*)
Save \$100K

Cut Road Maintenance 5%
Save \$134K

Cut Indigent Primary Care 5%
Save \$90K

Cut Assessor's Legal Services
Save \$85K

Reduce Transfer Station Hours
Save \$25K

Hard Freeze All Positions
Save \$ 1.5M
(limited public safety hiring allowed with justification)

Reduce/Eliminate Health Programs
MCH, Health Admin., Mobile Health Van, Indigent
Save \$671K – 8.2 FTEs

Eliminate **ALL** Travel & Seminars
Save \$210K
(includes for maintaining licenses & certifications)

Eliminate Take Home Vehicles
Save \$63K
(excludes Law Enforcement & Fire Field Staff)

Eliminate Cell Phones
Save \$90K
(excludes Law Enforcement, Fire Field Staff and Department Directors)

Terminate Telestaff Project
Save \$50K

Terminate All Temp Positions
Save \$138K -
(excluding Fire PRNs & Election Workers)

Eliminate Office Leases 3 sites
Corrections, Fire, Assessor
Save \$135K

Eliminate Some Divisions
CSD Projects, Road Projects
Save \$1.3M - 21 FTEs

Cut RECC 5%
Save \$173K

Cut Elected Offices' Budgets
Save \$1.0M

Cut Corrections Dept. 10%
Save \$2.0M

Cut Fire Department 10%
Save \$991K

Reduce At Will Employees
Corrections, Fire, RECC
Save \$546K – 4 FTEs

Reduce Upper Management
Land Use, PW, Fire, CSD
Save \$749K – 5 FTEs

Reduce Size of Divisions
Land Use, Solid Waste, PW,
Affordable Housing, Teen Court,
Open Space, CMO
Save \$627K – 11 FTEs

1st Round -Cut Salaries all employees
1,2,3%
Save \$1.2M

Alternative –
1st Round Cut Salaries all employees
3,4,5%
Save \$2.1M

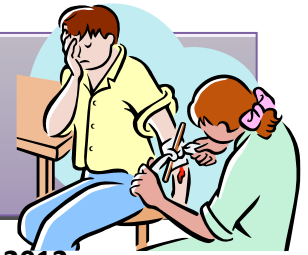
TOTAL: \$3,292,000

TOTAL: \$8,721,000

All actions related to union employees will adhere to current agreements with collective bargaining units.

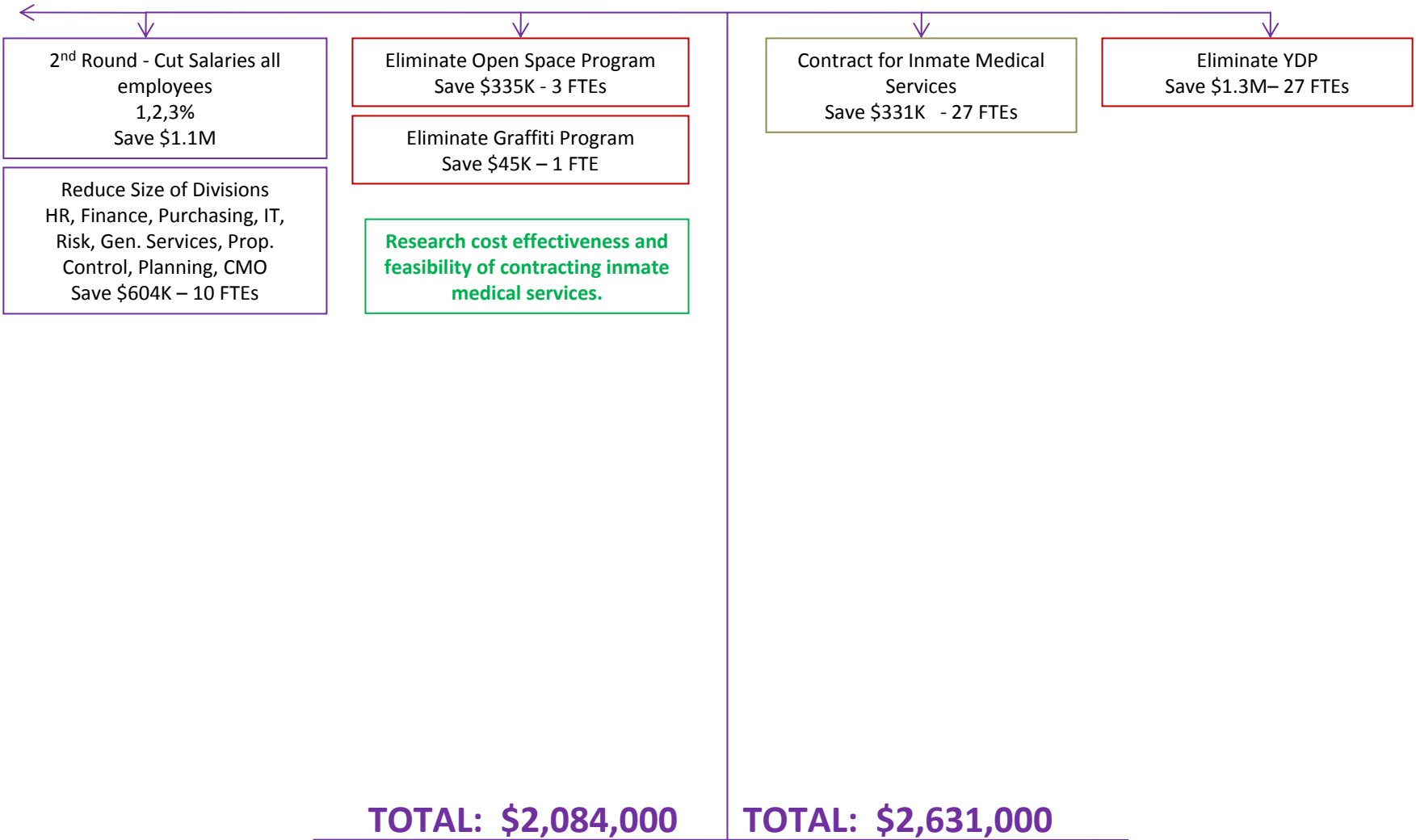


How can we stop the bleeding...



Effective by July 1, 2011

Effective by January 1, 2012



Avoidable Storm

Potential FY 12 Cash Deficit

GENERAL FUND **\$6,476,919**

FUNDS DEPLETED IN FY 11

Indigent GRT Fund \$1,575,000

Indigent Primary Care \$1,335,548

EMS GRT Fund \$ 250,000

EMS Health Care Fund \$2,194,495

Road Fund \$1,423,691

RECC Operations Fund \$ 805,558

TOTAL **\$7,584,292**

TOTAL USE OF CASH: \$14,061,211

FY12 GENERAL FUND

Beginning Cash: \$1,263,002
General Fund: (\$6,476,919)
Support of
Depleted Funds: (\$7,584,292)
FY 12 DEFICIT (\$12,798,209)

FY 2011 DO NOTHING...

FY 2012

-\$12,798,209