

Harry B. Montoya  
*Commissioner, District 1*

Virginia Vigil  
*Commissioner, District 2*

Michael D. Anaya  
*Commissioner, District 3*



Paul Campos  
*Commissioner, District 4*

Jack Sullivan  
*Commissioner, District 5*

Roman Abeyta  
*County Manager*

Honorable Members of the Board of County Commissioners and Citizens of Santa Fe County:

It is my pleasure to present to you the Santa Fe County Fiscal Year 2008 (July 1, 2007 through June 30, 2008) Annual Budget. The preparation of an annual budget is an opportunity for County management and staff to strategize, plan and subsequently implement the priorities of the Santa Fe County Board of Commissioners and County Elected Officials. Development of the annual budget is a process of reviewing and revising wherever necessary, the Santa Fe County Commission's short and long-term goals of identifying and evaluating current and future resources and of balancing the allocation of these resources to address priorities on a financial level.



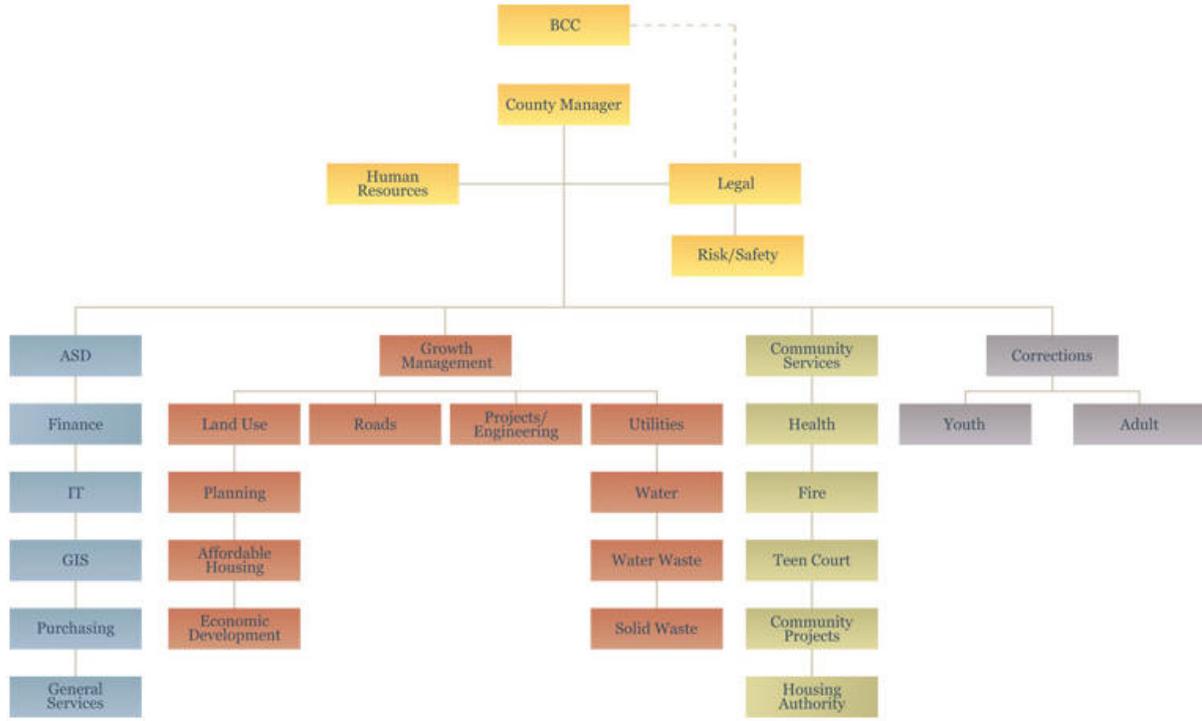
*Roman Abeyta, County Manager*

Much time and effort was spent in developing the County's Budget. In the early part of Fiscal Year 2007, a new County Manager, Roman Abeyta, was appointed by the Board of Commissioners. Significant reorganizations occurred during Fiscal Year 2007, resulting in changes in the organizational structure presented in the Fiscal Year 2008 Budget. To produce the Fiscal Year 2008 Budget, all organizations were active in presenting their operational and capital needs and were asked to define accomplishments, goals and objectives, and performance measures for Fiscal Year 2008.

Development of the Fiscal Year 2008 Budget was a challenge due to the many high priority issues facing Santa Fe County and the limited financial resources available to address these issues. For the first time in several years though, most non-recurring funding requests were addressed in the Fiscal Year 2008 Budget due to conservative revenue budgets that have resulted in a strong cash position in the General Fund.

The budget development process strove to more directly involve the County Board of Commissioners in budget decision-making. Baseline budgets according to the implicit policy of continuing existing levels of county services, were presented to the Board of Commissioners along with "Building Blocks" of expanded or new services which they considered and selected certain of to approve in budget working sessions. These sessions proved quite effective in establishing Board-directed annual budgets for new service initiatives.

## Santa Fe County Organizational Structure, Fiscal Year 2008



### Fiscal Year 2007 Events and Accomplishments

Fiscal Year 2007 was an exciting year in regard to managing the budget and responding to needs brought on through natural emergencies. During the past fiscal year, the County accomplished the following milestones and achievements as reflected by the following announcements:

September 29, 2006

#### **New Leadership Team Announced By Santa Fe County**

Santa Fe County Commission Chairman Harry Montoya announced a new leadership team for Santa Fe County. According to Chairman Montoya, the changes have grown out of a dialogue between the Commission and County Manager Gerald González related to the County's current strategic planning process. As a result of that initial dialogue, the County Commission is moving to adopt a realignment of the County's management structure." As part of the realignment, Gerald Gonzalez, the current County Manager will move laterally to the newly-created position of Provost and Policy Advisor. Roman Abeyta, former Deputy County Manager, and the current Deputy City Manager, will step into the position of County Manager.

January 1, 2007

### **Santa Fe County Opens Emergency Operations**

Blizzard and near blizzard conditions were common over northeast New Mexico on the night of December 29th and during the day on the 30th. A total of 22 inches of snow was recorded at the Santa Fe City plaza and snow totals across the County ranged upward to 27 inches with drifts to 6 feet. On January 1, the Emergency Operations Center (EOC) was opened to respond to citizens' calls for help and to direct Fire and Road crews to clear roads and help County residents dig out and supply food and medication to rural families who were stranded. A cold January with several storms maintained the snow depth throughout that month. The EOC was in operation during much of January.

In February, a warming trend finally caused the snow to melt which gave rise to a new challenge for those who live in Santa Fe County's rural areas— mud. The Emergency Operations Center (EOC) continued to be open to help County residents deal with hazardous situations because of the mud. "We have some families who are facing real challenges because of the mud" said Michael Anaya, Santa Fe County Commissioner. (Cost impact of the snow emergency to the County was \$700,000)

March 5, 2007

### **Santa Fe County Breaks Ground On New Fire Station in Edgewood**

Santa Fe – March 5, 2007 – Santa Fe County breaks ground on the Thunder Mountain Substation in Edgewood on March 10th at 10 AM. The Thunder Mountain Substation will serve the Thunder Mountain, Quiet Valley, Vista Montana, Tierra Vista, and surrounding communities. "We're very excited about Thunder Mountain" said Santa Fe County Commissioner Michael Anaya "This is another step to make sure that Santa Fe County is equipped to insure public safety in this area." Part of the Edgewood Fire District in the Southern Region of the Santa Fe County Fire Department (SFCFD), the 3,859 sq ft unmanned substation will have 3 bays to house one engine, one brush truck, and one tanker. It will have meeting space and can accommodate 2 volunteer firefighters.

March 28, 2007

### **Eldorado Bus Service Begins**

Santa Fe – March 28, 2007 – Santa Fe County's first transportation project begins service Monday, April 2nd at 6:05 AM. The project, called the G-Line (The Greater Eldorado Express), will be providing bus transportation between Eldorado and Santa Fe. Made possible by a partnership of the NCRTD, Santa Fe County and the New Mexico Department of Transportation (NMDOT), the G-Line will be the first public transportation project to serve residents in Santa Fe County. Scheduled stops in Santa Fe will be St. Vincent's Hospital, NMDOT complex, and the Sheridan/Palace stop downtown. "We're excited to finally have this project up and running" says Santa Fe County Commissioner Jack Sullivan who represents the Eldorado/285 area "A lot of hard work and coordination has gone into bringing us to this point."

April 10, 2007

### **Santa Fe County Opens Satellite Office in Pojoaque**

Santa Fe – April 11, 2007 – Santa Fe County has opened a satellite office in Pojoaque. "This is the first of at least two more satellite offices we are planning" said Roman Abeyta, Santa Fe County Manager "Having a presence in Pojoaque as well the planned offices in the Eldorado and Stanley/Edgewood areas is part of an overall commitment to better customer service." The Pojoaque office is open Wednesday to Friday, 9:00 AM to 3:00 PM and will provide general constituent liaison services – answering general questions and helping solve resident problems. The County Clerk's Office will make voter registration possible during those times as well.

April 24, 2007

### **Santa Fe County Issues \$25 million General Obligation Bond**

Santa Fe County issued a Series 2007 General Obligation Bond in the amount of \$25 million to fund the construction of a new Judicial Center. In addition, \$2.5 million is available in the General Fund to budget expenses associated with the Judicial Center project.

May 3, 2007

### **Santa Fe County Ranks 6th In National Clean Air Rankings**

Santa Fe – May 2, 2007 – Santa Fe County's air is the 6th cleanest in America, according to a report released this week by the American Lung Association. At the other end of the spectrum, Los Angeles had the most polluted air. "Air pollution shortens lifespan, it lands our children and elderly in emergency rooms, and it can make children and teens more vulnerable to lung disease for the rest of their lives" said Dr. Terri E. Weaver, American Lung Association Chair.

May 3, 2007

### **Santa Fe County Breaks Ground on High Tech Energy Efficient Public Works Facility**

Santa Fe – May 3, 2007 – On Wednesday, May 16th at 8:30 AM, Santa Fe County will break ground on a new facility for their Public Works department. It is located on a 37-acre site along Highway 599 northwest of the intersection with Airport Road. The project consists of 3 major components: an office building (10,680 sq. ft.), a vehicle maintenance building (13,650 sq. ft.), and a material and equipment storage yard. A fuel station will be located outside of the secure yard fencing. The facility will take advantage of state-of-the-art technology and design to be energy and cost efficient. "This is a project that will save a great deal of energy and set the standard for other County buildings" said Santa Fe County Commissioner Paul Campos.

June 22, 2007

### **County Park Becomes NM's 36th State Park**

Santa Fe – June 22, 2007 – Santa Fe County announced this week that Cerrillos Hills Historic Park will be developed over the next 18 months and will eventually become New Mexico's 36<sup>th</sup> state park. "Santa Fe County is excited about this partnership with State Parks that results in a synergistic leveraging of our incredible natural resources to the benefit of our residents and visitors alike" said Santa Fe County Commissioner Mike Anaya.

A 1,116-acre open space property owned by Santa Fe County (now known as the Cerrillos Hills Historic Park) will form the first core of the state park. It will be managed as a day-use park under an agreement between the County and State Parks that will be developed during 2007. Other lands owned by Santa Fe County, the Bureau of Land Management and the State Land Office that are adjacent to the existing County open space in Cerrillos could be incorporated, bringing the park's total size to about 4,000 acres.



## General Fiscal Year 2008 Budget Priorities

The County Government works in unison with County residents and other governing bodies by creating and maintaining committees and authorities that include citizen members and policy makers to identify and respond in various ways to community needs and desires. These committees and authorities assist in developing budget priorities by making presentations and recommendations throughout the year to the Board of County Commissioners. Such issues and recommendations are reflected in the Fiscal Year 2008 Budget document.

### EC & EMS ¼ Cent Gross Receipts Tax -- Fire and RECC

The County Board of Commissioners enacted a County-wide Emergency Communications and Emergency Medical Services quarter-cent Gross Receipts Tax to assume financial responsibility for the operation of the Regional Emergency Communications Center (RECC) and to expand fire protection and emergency medical services in the County. This tax implemented as of July 1, 2007 (collection stream starting in September 2007) is budgeted to bring in \$7 million in Fiscal Year 2008, of which \$1 million will support RECC and the remainder to support the Fire Department. For Fire operations, the new Gross receipts tax replaces MOA health services sources. Added resources for Fire Department operations in Fiscal Year 2008 total about \$1.2 million, for a \$8.6 million total budget.

### Capital Projects

Sources for capital project funding have considerably expanded and Santa Fe County is involved in capital projects at an unprecedented level. These sources include a new \$25 million General Obligation bond for construction of a judicial center; the continuation of construction of a Public Works facility totaling \$10 million; continuing work on a \$11 million backlog of state-granted projects through special appropriations, plus significant new projects as yet unbudgeted; continued work on \$2 million in road projects plus a similar unbudgeted amount in new state-supported projects; plus \$4.5 million available for Open Space acquisitions and \$30 million for water projects in the Capital Outlay GRT fund. In all, funding available for capital purposes constitutes half of the total County budget, and water projects make up half of the capital sources. Significant expenditures will be made when the Buckman Water Diversion Project environmental impact statement (EIS) is approved and project construction has begun. The Final EIS for use of BLM lands for construction and operation of the Diversion Project was submitted in May.

### 2007 Series GOB for Judicial Center

A \$25 million General Obligation Bond (Series 2007) was issued for the construction of a new judicial center facility. The old Judicial Court complex has been overcrowded and in dire need of renovation to meet security issues. A 1/16 cent General Fund Gross Receipts Tax increment was enacted and implemented in January, 2006 to supplement judicial center costs, and receipts in Fiscal Year 2007 and 2008 are budgeted at \$5 million. The total estimated cost of the proposed courthouse and parking garage is \$55 million. The County has identified land on Sandoval Street at Montezuma Avenue as the location of the new courthouse in an effort to maintain a downtown location for the courthouse.

Sole Community Provider Program and St. Vincent's Hospital MOA

A previous concern in the Fiscal Year 2007 budget about the County's participation in the Sole Community Provider (SCP) program, which is a Federal program operated by the State for the purpose of supporting rural-area hospitals in the delivery of health services to County residents, was resolved with an amended agreement (MOA) with St. Vincent's Hospital, a beneficiary of the Sole Community Provider program, which returns funds to the County for the provision of services previously funded directly through the Health and Indigent fund gross receipts tax revenue. The amended agreement recognizes the tax limit of \$6.8 million in resources available in the Indigent and EMS Health Funds in Fiscal Year 2008 for the SCP program, plus a General Fund SCP payment supporting Corrections medical services otherwise funded directly from a General Fund transfer. Additional continued obligations to that program will be capped by available resources in those funds, and by the amount spent for inmate medical care.

Gross Receipts Tax History

In the past five years, Santa Fe County has increasingly relied on gross receipts taxes as revenue sources to fund new and expanded services. History of the gross receipts tax structure is as follows:

TYPE OF TAX	LEVY DATE	DEDICATION	RATE	FY08 BUDGET
General	Jan 1984	General Fund	0.125%	\$4,800,000
Indigent	Jul 1988	Indigent Health Care	0.125%	\$4,800,000
EMS Health	Jul 1988	Emergency % Health Services	0.125%	\$4,800,000
Environmental	Jul 1991	Environmental – Solid Waste	0.125%	\$840,000
Fire Excise	Jan 1999	Fire Districts	0.250%	\$1,680,000
Infrastructure	Jul 1999	General – Solid Waste	0.125%	\$840,000
Capital Outlay	Jan 2003	Capital Projects (Water, OS)	0.250%	\$9,600,000
Correction Facilities	Jan 2005	Jail Enterprise Fund	0.125%	\$4,800,000
General	Jan 2006	(Judicial Center - informal)	0.0625%	\$2,400,000
Communications/Fire	Jul 2007	RECC, Fire Department	0.25%	\$7,000,000

Yellow – levied County-wide

Blue – levied in unincorporated portions of the County

Additional Personnel in Fiscal Year 2008

Departmental budget increases other than cost-of-living salary increases in Fiscal Year 2008 partially funded and deferred until a mid-year review of revenues and expense obligations. A list of staff additions was prepared and 7 of these were approved by the Board of County Commissioners (BCC) for hiring starting July 2007. These are:

- |                    |  |
|--------------------|--|
| County Clerk       | Recording Clerk                        |
| County Assessor    | Quality Control (IT) Specialist        |
| County Sheriff     | Deputy Sheriff                         |
| Admin Services     | Microcomputer Technician               |
| Growth Management  | Land Use Code Enforcement Officer      |
|                    | Solid Waste Transfer Station Caretaker |
| Community Services | Building Maintenance Specialist        |

Four positions were set-aside for activation of hiring in January, 2008, subject to BCC approval prior to the time of hire. In addition, 20 new Firefighter/EMT positions supported by the new EC&EMS GRT were approved by the BCC shortly after the beginning of the Fiscal Year, with 4 of these already in the Fiscal Year 2008 Fire Operations budget.

## Budget Highlights

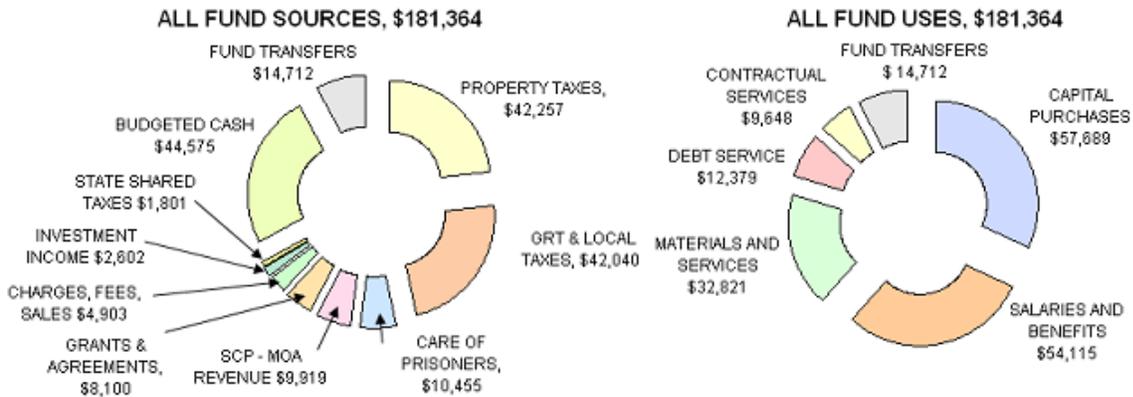
The Santa Fe County Fiscal Year 2008 Budget, totals \$181,363,826, or \$166,650,968 without transfers between funds, compared to the Fiscal Year 2007 budget of \$157,334,129, or \$142,215,176 without transfers between funds. The total budget includes general operating funds which are associated with the daily operation of County government, special revenue funds which are those funds legally restricted to specific uses such as road maintenance, lodgers tax, indigent health care, capital improvement funds for improvements to county facilities and county infrastructure, debt service funds which pay for principal and interest on outstanding bonds and enterprise funds where user fees primarily generate the fund revenues.

Differences between the Fiscal Year 2008 and the Fiscal Year 2007 budget stem from new inclusions in the Fiscal Year 2008 budget, such as Cash-supported expense in the General Fund for major projects such as the Judicial Center, \$2.6 million; land acquisition for the Santa Fe County business park, \$1.9 million, and fixtures and equipment for the new Public Works facility, \$1.6 million. The indigent and EMS Health funds are separated into Hospital and Services components which double-counts revenue, first as Gross Receipts Tax revenue and then as MOA revenue, and also double-counts expense, first as Sole Community Provider payments, then as direct health expenses from MOA revenue, thereby increasing the budget by \$6.5 million. The new Emergency Communications and Emergency Health Services Gross Receipts Tax also adds \$7 million to the budget. The \$25 million GOB Bond proceeds for the Judicial Center also increase the budget. The budget would easily top \$200 million except for budgets for housing and road projects, state special appropriations and road bond projects, which are not yet a part of the Fiscal Year 2008 budget. These have a negative comparative impact of \$25 million to the budget. The comparative total increase of \$24 million is the result of many individual fund positive and negative components.

FY 2007 TO FY 1999 CHANGES IN FUNDS	FY 08 BUD	FY 07 BUD	DIFFERENCE	NOTES
GENERAL FUND	\$ 56,854,746	\$ 56,361,434	\$10,493,311	P-tax increases, increased use of cash
ROAD FUND	2,891,936	2,480,903	411,033	Xfer from General Fund for road equipmt
CAPITAL OUTLAY GRT FUND	9,600,000	8,000,000	600,000	Increase in GRT revenue
CORRECTIONAL GRT FUND	4,800,000	4,500,000	300,000	Increase in GRT revenue – all to Jail
INDIGENT HOSPITAL AND SERV. FUNDS	6,850,000	6,415,120	434,800	Increase in GRT revenue
EMS HEALTH HSOPITAL AND SRV FUNDS	9,727,715	9,600,591	116,124	Increase in GRT revenue, no cash used
FIRE OPERATIONS FUND	8,055,962	0	8,055,982	New GRT supporting Fire
HOUSING, ROAD, AND STATE CAPITAL	112,213	12,757,895	(12,645,682)	Projects not budgeted at FY outset.
BOND PROCEEDS FUNDS	43,051,577	30,407,005	12,844,572	Judicial center, \$25M, roads no budget
JAIL OPERATIONS FUND	24,462,669	22,577,099	1,885,570	Increase in Jail Operations cost
ALL OTHER FUNDS	14,957,019	13,223,092	1,773,937	Property valuation, LDWI, sobering ctr.
<b>TOTAL ALL FUNDS</b>	<b>\$181,363,836</b>	<b>\$157,334,129</b>	<b>\$24,029,797</b>	

The cash position of the funds supporting County operations is quite strong, meeting state legal requirements of a 3-month and a 1-month reserve respectively. Implicit County financial policy would impose a 1-month reserve for funds that support daily operations of the County. These include the Indigent and EMS Health Services funds and the Enterprise funds which have sufficient end-of-year cash balances. Operating funds requiring additional cash to meet a 1-month reserve requirement are the Alcohol and Detox Funds requiring \$270 thousand, and the new Fire Operations Fund requiring \$578 thousand. The General Fund has sufficient cash to support these other requirements, as well as \$2.5 million to meet unbudgeted additional reserves designated by the County Board of Commissioners in 2003.

The following charts provide a condensed picture of the County revenues, funds, and expenses by County Departments and government function. Sources include tax receipts, all fees collected by the County, Federal and State grant receipts, cash transfers between funds, interest, incoming fund transfers, and budgeted cash carryover. Uses include the expenses of various County services, payment of interest, retirement of debt, and outgoing fund transfers.



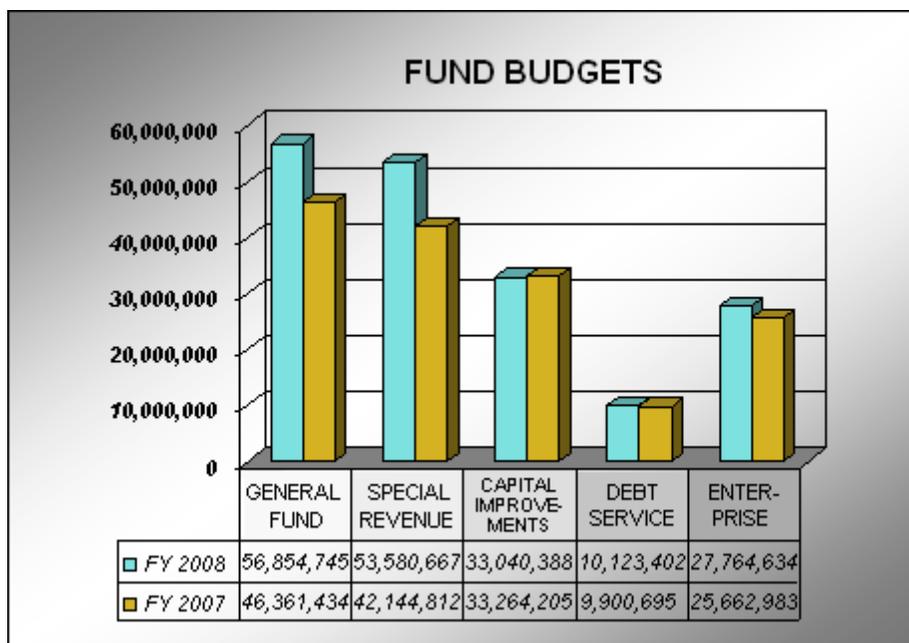
The General Fund operating budget for Fiscal Year 2008 expenditures totals \$56.8 million, up \$10.5 million from \$46.3 million budgeted in Fiscal Year 2007. The major increases in General Fund budgeted sources are \$2.8 million in property taxes, \$0.5 million in gross receipts taxes, and a \$7.0 million increase in the use of cash. As for General Fund expenditures there is a \$0.8 million increase in Fund Transfers, mainly to the Jail Operations Fund. Insurance and personnel costs in Risk Management have increased \$0.4 million. Considerable cash beyond the FY 2007 budget is being set aside; \$1.9 million for land acquisition for the County Business Park, and \$1.6 million for fixtures and equipment for the public works building, and \$5.0 million is budgeted for expenses associated with the construction of a new Judicial Complex. An unallocated set-aside and an increase in Contingency in Fiscal Year 2008 account for a \$0.6 million increase. New services include \$100K for Eldorado bus service and \$80K to subsidize local libraries.

The Special Revenue Funds budget for Fiscal Year 2008 totals \$53.6 million which is up \$11.5 million from the \$42.1 million budgeted in the prior fiscal year. This increase is principally due to the new Fire Operations Fund and associated GRT, with a budget of \$8.1 million, increases in the Local DWI program and sobering and assessment services, \$1.1 million, and Capital Outlay GRT which has increased \$0.6 million.

Capital Project Funds are budgeted in Fiscal Year 2008 at \$33.0 million compared to \$33.2 million in Fiscal Year 2007. The new Series 2007 GOB budget for the Judicial Complex, \$24.9 million is balanced by yet-unbudgeted capital budgets in the Road Project Fund, (\$1.3 million), and Series 2005 GOB road projects, (\$8.9 million), and Special Appropriations building projects, (\$10.5 million), plus budget spent in FY 2007 for the Public Works Facility, (\$2.3 million).

Debt Service Funds are budgeted at \$10.1 million in Fiscal Year 2008, compared to \$9.9 million in the prior fiscal year, due primarily to payments on the new Series 2007 General Obligation bond. The second of three \$300 thousand payments for the NMFA loan on the Paramount building is in the equipment/building loan fund.

Enterprise Fund budgets (water utilities, housing, and the county jail) total \$27.7 million in Fiscal Year 2008, up from \$25.6 million in Fiscal Year 2007. Nearly all of this increase is due to the increased costs of the operation of the Adult Detention Facility, and Youth Development Program (Juvenile Facility) in the Corrections Department

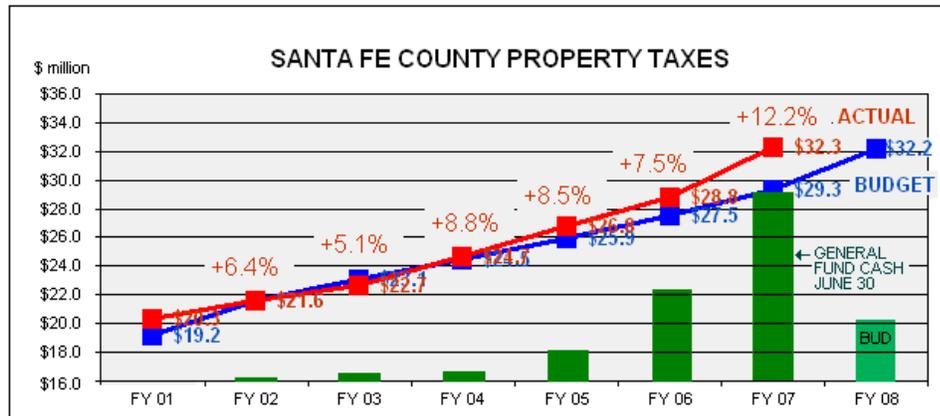


### The General Fund

The General Fund provides funding for the operations of the Elected Officials' Offices and the County Departments that deliver ongoing services to county residents. These are services such as law enforcement, land use, public works, operations and maintenance of County parks, community centers, and other County facilities, and reporting and recording of deeds and other public documents. Through the use of operating fund transfers, the General Fund also provides funding augmentation for County operations ordinarily supported through special revenue funds, capital project funds, and enterprise funds.

Property taxes supply 57% of the sources for expenditure in the General Fund in fiscal year 2008, while another sixth of General Fund revenue is derived from general and infrastructure gross receipts taxes. The remaining 20% of General Fund revenues are derived from state-shared gasoline and motor vehicle taxes, licenses and fees for services, and investment income. Budgeted property tax revenues increased by 9.7% over the previous Fiscal Year budget. Also in Fiscal Year 2008, 16% of the budget sources is budgeted cash for non-recurring expense.

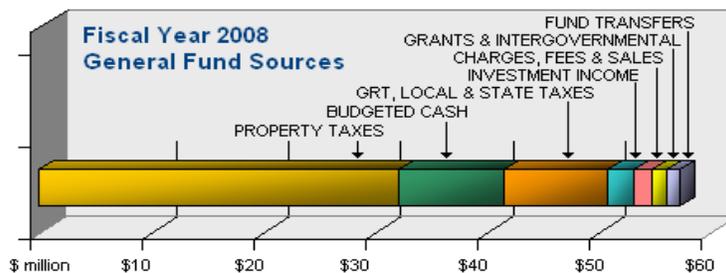
## THE GENERAL FUND



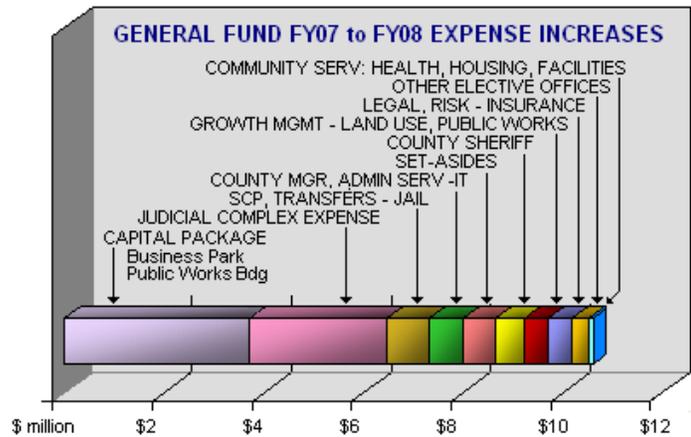
Property Tax Revenues have increased at a significant rate, reflecting new construction in the County. Budgeted revenue forecasts have assumed a 6.5% growth rate, whereas actual receipts nearly doubled this rate in Fiscal Year 2007. Actual receipts were fairly in line with the budget until that year. Property tax receipts and a significant increase in investment income contributed to a strong General Fund cash position at the outset of the new fiscal year. This has enabled a large General Fund budget from cash for non-recurring expense:

Capital Package (equipment)	\$ 2,620,130
Judicial Center carryover from 1/16 cent Gross Receipts Tax	2,600,000
Public Works Building fixtures and equipment	1,600,000
Santa Fe County Business Park land acquisition	1,900,000
BCC Non-recurring set-aside remainder	169,089
Salary & Benefit set-aside from compensation study	380,000
Sheriff Grant	1,152
Total cash utilization	\$ 9,270,371

The Fiscal Year 2008 property tax budget has proven to be quite conservative in light of actual Fiscal Year 2007 receipts. At the beginning of Fiscal Year 2008, \$1 million in additional funding for Sheriff personnel salaries and benefits not in this budget was designated in order to keep salaries in line with public safety salary rates in surrounding jurisdictions. The source of these expenditures will probably come from an increase in property tax budgeted revenue, bringing it more in line with FY 2008 receipts.



## THE GENERAL FUND



Increases in General Fund expenditures in Fiscal Year 2008 above those in Fiscal Year 2007 are driven by the availability of cash in the fund. Capital Package inclusions of \$1.6 million for Public Works building fixtures and \$1.9 million for acquisition of land for the Santa Fe County Business Park, carryover for Judicial Center expense and other Set-Asides increases, including a \$250 thousand increase in General Fund Contingency, are all supported by budgeted cash.

The current Memorandum of Agreement (MOA) between Santa Fe County and St. Vincent's Hospital specifies a Sole Community Provider (SCP) payment of \$9.2 million of which \$2.3 million is funded through the General Fund. In return, the MOA specifies St. Vincent's support of \$2.3 million to Corrections inmate health services. The SCP payment from the General Fund is an offset to a direct fund transfer to the Jail Operations Fund. The sum of the SCP payment and transfer to the Jail Operations Fund in Fiscal Year 2008 exceeds the transfer to the Jail Operations Fund in Fiscal Year 2007 by \$822 thousand in order to support increased operations cost of Corrections facilities.

Increases in Administrative Services and the Manager's office include \$406 thousand in Information Technology for a Microcomputer Tech position and completion costs for the County government VOIP telephone system. The Administrative Services Director position and office which was not in the original Fiscal Year 2007 budget accounts for a \$167 thousand increase. Salary and benefit increases in the County Manager's office comprise much of the \$144 thousand increase in that organization.

Salary and Benefit escalation, and a new Deputy and Sexual Predator Enforcement Officer position in the County Sheriff's office make up most of the \$295 thousand increase in the Sheriff's budget. There is also a new Impaired Driving Enforcement grant of \$331 thousand in the Sheriff's organization in the Fiscal Year 2008 budget.

A Transportation Planner and Land Use Code Enforcement Officer position, plus other salary increases compose most of the \$256 thousand increase in Land Use. A Transfer Station Caretaker position is part of the \$116 thousand increase in the Solid Waste budget for Fiscal Year 2008. Insurance increases and an additional Risk Manager position and supporting infrastructure make up most of the \$399 thousand increase in the Risk Management budget.

## Special Revenue Funds

SPECIAL REVENUE FUND	FY 2008	FY 2007	SOURCES	USES
CORRECTIONS FUND	150,000	250,000	Court Fines	Transfer to Jail Ops Fund
PROPERTY VALUATION FUND	1,261,779	1,026,311	1% of Property Tax	Assessor Valuation Operations
ROAD FUND	2,891,936	2,480,903	Motor Vehicle, Gas Tax, General Fund	Road Maintenance Operations
EMS FIRE DISTRICTS FUND	104,141	115,010	State Allocation	Fire Station EMS Budgets
FARM AND RANGE FUND	950	1,000	State / Taylor Grazing Fees	Water Conservation
FIRE PROTECTION FUND	1,342,233	1,046,521	State Allocation	Fire Station Budgets
LAW ENFORCEMENT PROTECTION FUND	68,400	68,400	State Allocation	Sheriff Materials & Training
ENVIRONMENTAL GRT FUND	840,000	800,000	1/8 cent GRT (unincorporated)	xfer to GF for Solid Waste
CAPITAL OUTLAY GRT	9,600,000	9,000,000	1/4 cent GRT	Water 75%, Open Space 15%
LODGERS TAX FACILITY & ADVERTISING	370,250	367,750	4% hotel tax	County Tourism
CLERK RECORDING FEES	212,320	221,040	\$4 Recording Fee	County Clerk recording equipmt.
CORRECTIONAL GRT	4,800,000	4,500,000	1/8 cent GRT	Transfer to Jail Ops Fund
INDIGENT HOSPITAL FUND	4,800,000	6,415,120	1/8 cent GRT	SCP, Medicaid payment to state
INDIGENT SERVICES FUND	2,050,000	0	St. Vincent's MOA	Indigent Health and Rehabilitation
FIRE TAX 1/4% FUND	1,744,500	1,697,785	1/4 cent GRT (unincorporated)	Fire Dept Equipment, Materials
FEDERAL FORFEITURE FUND	40,644	0	Court Fines and seizures	Sheriff's Materials
SECTION 8 VOUCHER FUND	1,801,091	1,838,284	Federal / HUD	Rental assistance
DEVELOPER FEES FUND	110,185	250,000	Development Fees	Affordable Housing Activities
EMS HEALTH SERVICES FUND	4,927,715	9,611,591	St. Vincent's MOA, Grants	RECC, Health Services
EMS HEALTH HOSPITAL FUND	4,800,000	0	1/4 cent GRT	Sole Community Provider (SCP)
WILDLIFE, MOUNTAINS, TRAILS FUND	71,621	29,379	Budgeted Cash / Federal carryover	Open Space salaries & benefits
ALCOHOL PROGRAMS FUND	1,607,056	923,799	State liquor taxes, Court fees	DWI Programs, Teen Court
DETOX PROGRAMS FUND	1,929,884	1,501,419	St. Vincent's MOA, Grants	Detox, Assessment & Rehab
FIRE OPERATIONS FUND	8,055,962	0	EC&EMS GRT, Ambulance fees, Grants	Fire Department operations

Major Fiscal Year 2008 changes in the Special Revenue Funds included separating the Indigent and EMS Health Care funds into two components; Hospital fund which recognizes the Gross Receipts Tax associated with the fund, and pays into the Sole Community Provider Program, and the Services fund which recognizes revenue from the St. Vincent's Hospital MOA, and pays for direct health services. And the establishment of the Fire Operations Fund which recognizes the Emergency Communication and Emergency Medical Services (EC&EMS) Gross Receipts Tax, and funds the Fire Department and contributes to the Regional Emergency Communications Center (RECC) operating budget. Other significant increases in the Fiscal Year 2008 budget are the result of normal escalation of Gross Receipts Tax (GRT), the most notable instance being a \$600,000 increase in the ¼ cent Capital Outlay Fund GRT, and a legislative increase in state support of the DWI program in the Alcohol Programs Fund, and full annual operation of the DETOX center, requiring additional resources from St. Vincent's MOA funding.

### County Capital Outlay Fund (Fund 213)

Of the major issues facing Santa Fe County and the region, a sustainable water supply is one of the Santa Fe County Commission's and the community's top priorities. In April 2002 the voters supported a ¼% county wide gross receipts tax of which 75% of generated revenues are principally dedicated to the acquisition of water rights and construction of regional water systems. This tax was collected by businesses starting in January 2003, and was distributed to the County starting March 2003. In Fiscal Year 2008 the County will realize another full year's collection and distribution of the tax for a total of \$9.6 million. Of this, 75% is dedicated to address regional water and wastewater projects; chief among them, the Buckman Diversion water project. There is considerable cas in the Capital Outlay GRT fund, awaiting a go-ahead on Buckman project construction.

**SPECIAL REVENUE FUNDS**

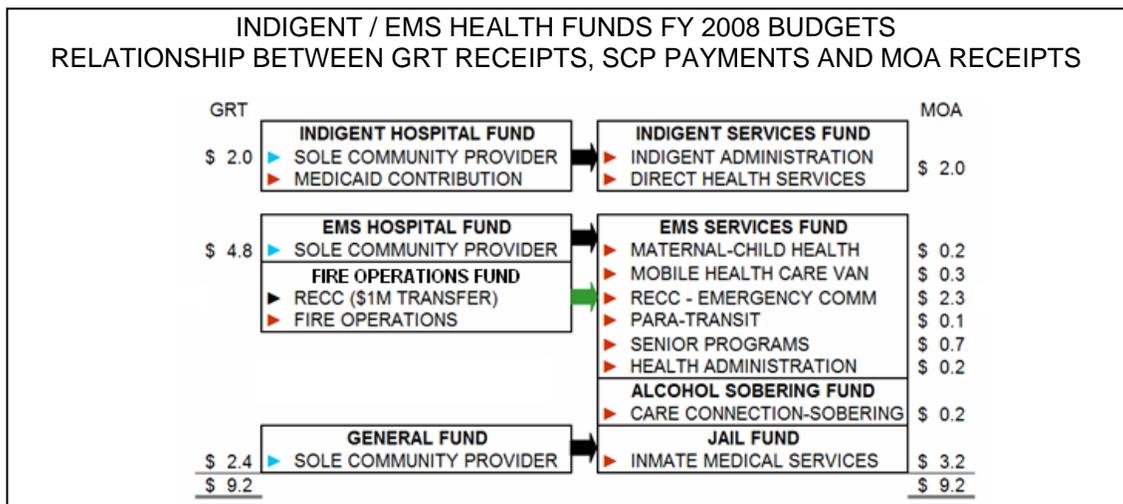
The remaining 25% of revenues in this Fund are principally dedicated to two other priorities of the County Commission: preservation and protection of open space and construction of and improvements to county roads and facilities. The expenditure of these funds is generically budgeted to the responsible organizations which will in the course of the Fiscal Year devise and approve specific capital outlay projects. Half of the budget for capital outlay expense is intended for regional projects which will be submitted to the Regional Planning Authority for approval before they can be amended into the budget. Ultimate authority for the expenditure of any County Capital Outlay funds rests with Santa Fe County.

<b>COUNTY CAPITAL OUTLAY FUND 213</b>			
<b>Department</b>	<b>Capital Outlay Purpose</b>	<b>County Projects</b>	<b>Regional Projects</b>
Utilities	Water Projects	3,600,000	3,600,000
Projects & Facilities Mgmt	Open Space Projects	720,000	720,000
Public Works	Road Projects	240,000	240,000
County Manager	Infrastructure Purposes	240,000	240,000
<b>TOTAL FY 2008 BUDGET \$9,600,000</b>		<b>4,800,000</b>	<b>4,800,000</b>

**Emergency Services Healthcare Fund (Fund 232) and Indigent Fund (Fund 220)**

The EMS Healthcare Fund receives a one-eighth cent gross receipts tax for and supports healthcare initiatives and emergency medical services rendered by the County. The fund also receives grant monies through a memorandum of agreement (MOA) with St. Vincents hospital to support health and emergency services. All available GRT is applied to the Sole Community Provider program from which the MOA is derived.

The Indigent Fund also receives revenue from a one-eighth cent gross receipts tax as well through a federal grant by means of the St. Vincent's Hospital MOA to support direct health and emergency services to indigent persons in the County. Half of the Indigent gross receipts revenue is paid to the State as a share of Medicaid services to indigent persons.



## Capital Improvement Funds

The \$25 million 2007 GOB Series Proceeds Fund designated for the construction of a new Judicial Complex is a new fund with a new budget. On the other hand, there are no budgets reflecting new funding and for the most part, carryover in the Housing Capital Improvements Fund, Road Projects Fund, and State Special Appropriations. These await budgeting during the Fiscal Year until state appropriations and project carryover become known. The 2005 GOB Series Proceeds Fund contains carryover for generic (non-specified) water projects, but does not include any road projects. Lower budgets in the remaining funds (2001 GOB, GRT Facilities, and Open Space funds) reflect the drawdown of resources for expenditures in Fiscal Year 2007.

<b>CHANGES IN BUDGETS OF CAPITAL IMPROVEMENT FUNDS FROM FY 2007 TO FY 2008</b>		
FUND	FY 2008 BUDGET	FY 2007 BUDGET
(301) Housing Capital Improvements Fund	\$ 112,213	\$ 969,006
(311) Road Projects Fund	\$ 0	\$ 1,259,836
(318) State Special Appropriations Fund	\$ 0	\$ 10,529,053
(330) 2005 GOB Series Proceeds Fund	\$ 3,039,323	\$ 11,902,903
(331) 2007 GOB Series Proceeds Fund	\$ 24,895,279	\$ 0
(353) 2001 GOB Series Proceeds Fund	\$ 1,427,251	\$ 3,782,974
(370) GRT Facilities Bond Proceeds Fund	\$ 293,343	\$ 400,973
(385) Open Spaces Bond Proceeds Fund	\$ 3,272,939	\$ 4,419,440

## Debt Service Funds

Debt Services payments are up somewhat because of the inclusion of the Series 2007 General Obligation Bond payment. In Fiscal Year 2009, the 2007 Series GOB payment will be 3.8 million. Other bonds continue to be paid down.

### FY 2008 DEBT SUMMARY

\$ million	FY 2008 PAYMENT	FY 2007 PAYMENT	REMAINING YEARS
<b>GENERAL OBLIGATION BONDS</b>			
Series 2007 GOB	\$ 1.3	\$ -	19
Series 2005 GOB	\$ 4.0	\$ 5.0	18
Series 2005 refunding 1997	\$ 0.8	\$ 0.4	9
Series 2003 refunding 1993	\$ 0.4	\$ 0.5	1
Series 2001 PW / PS	\$ 0.9	\$ 0.9	6
Series 2001 Open Space	\$ 0.7	\$ 0.7	9
Series 1999 Open Space	\$ 0.6	\$ 0.6	11
Series 1999 Refunding 1991	\$ 0.7	\$ 0.7	0
Subtotal	\$ 9.4	\$ 8.8	
<b>NMFA BUILDING AND EQUIPMENT LOAN</b>			
Paramount Building	\$ 0.3	\$ 0.3	1
Subtotal	\$ 0.3	\$ 0.3	
<b>GRT / REVENUE DEBT</b>			
GRT Revenue 1997 - Sheriff's Facility	\$ 0.4	\$ 0.4	19
GRT Revenue 1997 - Adult Facility	\$ 2.2	\$ 2.2	19
Subtotal	\$ 2.6	\$ 2.6	
<b>TOTAL FY 2008 DEBT PAYMENT</b>	<b>\$ 12.3</b>	<b>\$ 11.7</b>	

## Enterprise Funds

Enterprise funds are established for the operation of the Regional Planning Authority, Water and Wastewater utilities, the Public Housing Authority, and Corrections. The Regional Planning Authority is supported jointly by the City of Santa Fe and Santa Fe County. Water and sewer revenues support the operation of these utilities. The Public Housing Authority is self-sufficient by means of federal HUD grants and tenant rent. The main point of financial concern in the Enterprise Funds continues to be the Jail Operations Fund, which now supports the physical operation of the Adult Detention Facility, Youth Development Programs (Juvenile Detention) and Electronic Monitoring.

<b>CHANGES IN BUDGETS OF ENTERPRISE FUNDS FROM FY 2007 TO FY 2008</b>		
FUND	FY 2008 BUDGET	FY 2007 BUDGET
REGIONAL PLANNING AUTHORITY FUND	\$ 200,000	\$ 0
WATER ENTERPRISE FUND	\$ 1,714,619	\$ 1,784,277
HOUSING ENTERPRISE FUND	\$ 1,387,346	\$ 1,280,887
JAIL (CORRECTIONS) OPERATIONS FUND	\$ 24,462,669	\$ 22,577,099

A full budget was approved for the Regional Planning Authority, revitalized during Fiscal Year 2007, splitting costs between the County and the City of Santa Fe. The Water Enterprise Fund budget is about even with that in Fiscal Year 2007, due to a reduction in capital budgets. The Housing Enterprise Fund budget is increased through normal escalation of costs.

Inmate medical care costs continue to be a major factor in the increase of Corrections facility costs. In Fiscal Year 2008, a Medical Services cost center was created to facilitate a more exact determination of medical costs.

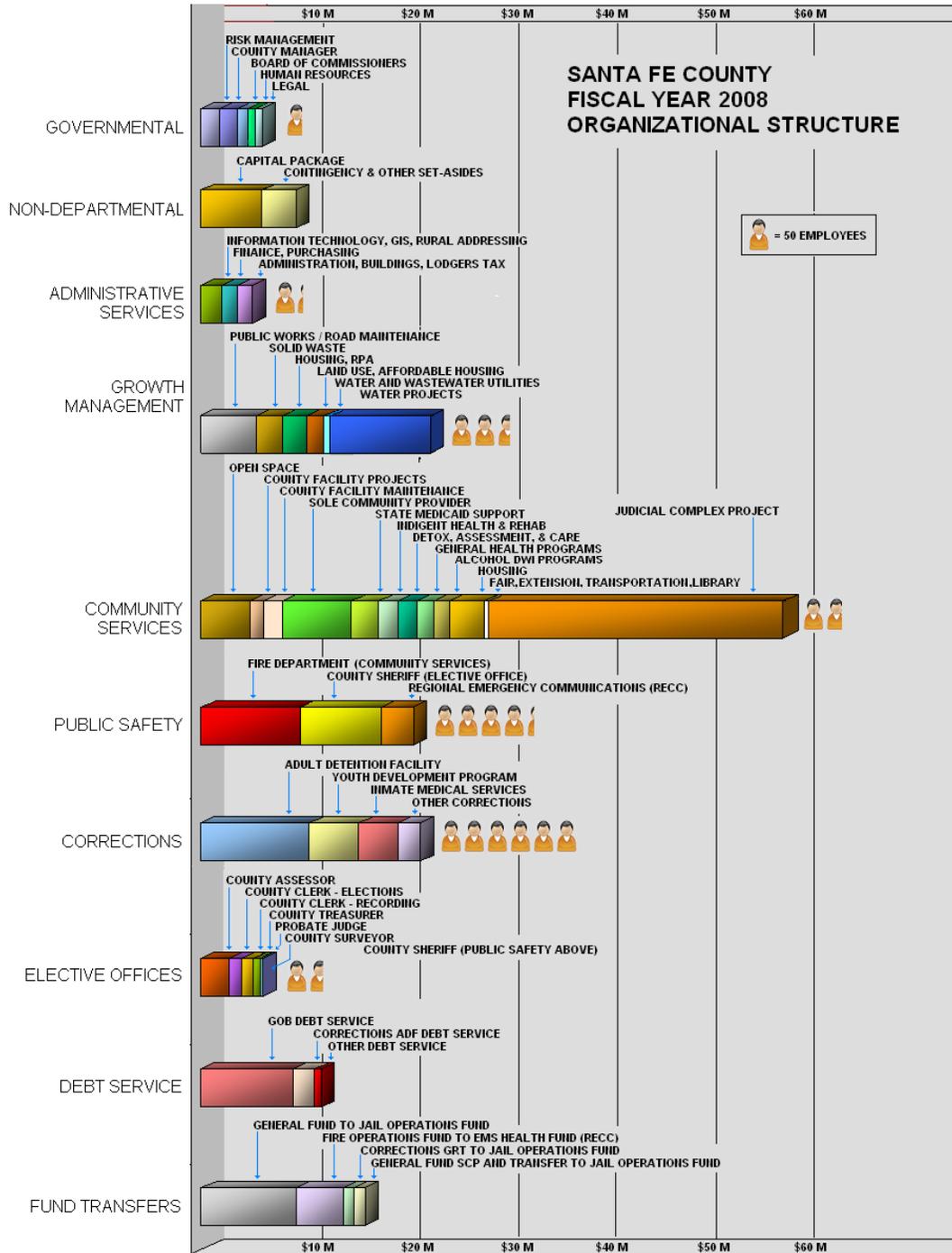
COST CENTER	FY 2008 BUDGET	FY 2007 BUDGET
JAIL ASSESSMENT STUDY	\$ 138,150	\$ 0
CORRECTIONS ADMINISTRATION	\$ 1,107,156	\$ 817,268
ADULT DETENTION FACILITY (ADF)	\$ 10,933,559	\$ 13,571,000
DEBT SERVICE FOR ADULT FACILITY	\$ 2,255,640	\$ 2,252,390
MEDICAL SERVICES	\$ 4,041,433	IN ADF AND YDP
ELECTRONIC MONITORING	\$ 648,808	\$ 601,546
YOUTH DEVELOPMENT PROGRAM	\$ 3,863,336	\$ 4,182,918
ADOLESCENT RESIDENCE CENTER	\$ 1,111,337	\$ 986,182
DAY REPORTING ASSESSMENT GRANT	\$ 0	\$ 27,800
CAPITAL PACKAGE	\$ 501,800	\$ 0
TOTAL CORRECTIONS	\$ 24,462,669	\$ 22,577,099

The General Fund total requirement for Corrections is now made up of a direct fund transfer to the Jail Operating Fund and a Sole Community Provider (SCP) payment which is returned through the St. Vincents MOA for inmate medical care. This increased from \$6.4 million in Fiscal Year 2007 to \$6.7 million in Fiscal Year 2008. The County looks to future relief for General Fund requirements for corrections through a possible increase in the Corrections gross receipts tax.

Growth of the Jail Enterprise Budget and General Fund Requirements (\$million)							
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Jail Operations Fund	\$ 12.0	\$ 10.4	\$ 12.7	\$ 15.9	\$ 20.8	\$ 22.6	\$ 24.5
General Fund Transfer	\$ 4.1	\$ 5.3	\$ 6.7	\$ 8.4	\$ 6.0	\$ 6.4	\$ 4.3
General Fund SCP							\$ 2.4
Corrections GRT Revenue					\$ 4.3	\$ 4.5	\$ 4.8

## Organizational Structure and Authorized Positions

The organizational structure of Santa Fe County underwent considerable change during Fiscal Year 2007, creating large departmental structures, such as Administrative Services, Community Services, and Growth Management. The structure shown in the budget and personnel charts below reflect this reorganization.



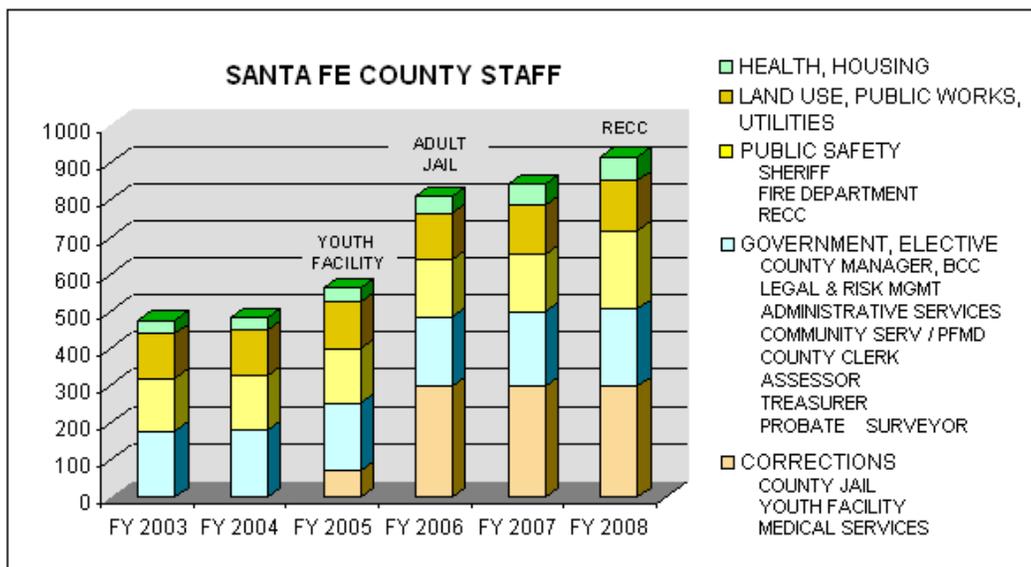
## ORGANIZATIONAL STRUCTURE AND AUTHORIZED POSITIONS

The Fiscal Year 2008 Budget includes 917 authorized positions. This is a total increase of 67.6 positions from the 2007 Fiscal Year Budget. Of these, 48 new positions are associated with the County's assumption of financial responsibility for the Regional Emergency Communications Center (RECC).

The remaining difference stems from staff additions during the fiscal year; 7.6 to Health and Human Services in the Detox programs and the mobile health care van which the County staffed during Fiscal Year 2007. Also, 6 additional positions were added to the Fire Department for the Agua Fria station. The remainder of additional positions include a Deputy Sheriff; an IT Quality Control person to the Assessor for implementation of property valuation software; a Recording Clerk in the County Clerk's office; a Land Use Code Enforcement Officer; a Building Maintenance specialist; and a Solid Waste transfer station Caretaker position.

Budget methodology continues to utilize a "rolling list" of positions to be approved during the fiscal year, according to the stability of the finances of the County. As a part of the fiscal year budget preparation, requests for additional positions are submitted by the departments. These are reviewed by the County Manager and the Board of Commissioners and the "rolling list" of positions to be considered for addition to the budget at the outset of the fiscal year and at various dates within the fiscal year, is preliminarily approved. At the list date of hire, the positions will be brought again to the Board of Commissioners for final approval. Outside of the "rolling list, up to 18 positions associated with a new dedicated Gross Receipts tax funding and expansion of the County Fire Department were approved after the beginning of the Fiscal Year. Also, the 48 existing RECC positions were directly brought into the budget, outside of the "rolling list"

From the standpoint of the number of County employees, this is quite a new county government. The adoption of the jail, the youth facility, and in the current fiscal year, the Regional Emergency Communications Center as agencies staffed and operated by the County has nearly doubled the number of County employees in the past five years.



## Challenges Ahead

In future years the County will be faced with the following challenges and objectives:

- ◆ The need for providing an adequate water supply within our drought-prone area will continue to be placed at the forefront of future challenges. The challenge to be met is to balance the availability of an adequate water supply with the demand for increased land development. A Fiscal Year 2008 objective of the County is to continue to acquire water rights while completing ongoing plans with the City for financing and constructing the Buckman Direct Diversion project, and to begin its construction.
- ◆ The Aamodt Settlement in regard to water rights in the Nambe-Pojoaque-Tesuque basin, will have a financial impact to Santa Fe County as well as an increase in the County water utility customer base. The County will have to double the current utilities staff to accommodate an increased number of customers. To this effort the County has already purchased the Top of the World ranch for \$5 million, acquiring 1,188 acre-feet of water rights.
- ◆ The County is involved in an aggressive capital program, ranging from the construction of a new Public Works Facility; the acquisition of land and construction of a downtown Judicial Complex Center; the continuation of many projects sponsored and funded by the State Legislature, to the water projects mentioned above, as well as road projects similarly funded and also sourced through a General Obligation Bond. Adequate project management staffing and control of these projects to ensure their efficient and timely completion continues to be a major challenge to the County.
- ◆ The Judicial Court complex has been overcrowded and in dire need of renovation to meet security issues. A 1/16 cent General Fund Gross Receipts Tax increment was enacted and implemented in January, 2006. Though there is no statutory dedication of this revenue other than for General Fund purposes, there is an informal Board of County Commissioners commitment of this revenue for the purpose of constructing a new judicial center. Receipts from this tax from its inception through Fiscal Year 2008 will total \$5 million. County voters approved a General Obligation Bond in November 2006 general election, specifically for the construction of a courthouse. Proceeds from this bond total \$25 million in Fiscal Year 2008. The estimated cost of the proposed courthouse and parking garage is \$55 million. The County has identified land on Sandoval Street at Montezuma Avenue as the location of the new courthouse in an effort to maintain a downtown location for the courthouse. A Fiscal Year 2008 objective of the County is to acquire land for that facility, and to commence construction.
- ◆ In October 2005 the County assumed full operation of the Adult Detention Facility which includes the security, medical and administrative components of running the facility. Fiscal Year 2007 marked the first full-year of jail operation controlled and staffed completely by the County. The implementation of a 1/8 cent gross receipts tax for correctional facilities, enabled by the 2004 New Mexico Legislative Session, assisted in the assumption of complete jail operations. This tax relieved the burden of jail costs on the General Fund, but the total General Fund contribution increased from \$5.7 million in Fiscal Year 2007 to \$6.4 million in Fiscal Year 2008.

Actual costs of Adult Detention Facility operation were well below budget in Fiscal Year 2007, \$14.2 million versus a \$16.7 million budget, due mainly to an inability to fill all of the budgeted jail positions. Attrition of detention officer staff caused in part by a salary disparity to surrounding facilities, was addressed in Fiscal Year 2007 by a pay increase to equalize salaries with other jurisdictions. Similar inability to fill nursing and medical staff positions necessitated the contracting rather than hiring of these personnel at a higher net cost than for in-house staffing. The County continues to aggressively search for qualified persons who can be added to the facility staff.

Since General Fund transfers to the Jail Operating Fund are predicated on budget rather than actual costs, the positive budget to actual expense variance over several years has contributed to a strong cash position in the Jail Operating Fund. This cash is required for ongoing capital needs at the adult and youth facilities to strengthen security and to meet capital replacement requirements of fixtures and equipment, and vehicles, and to make repairs to the building facilities.

- ◆ Santa Fe County participates in the “Sole Community Provider” (SCP) program wherein payment is made to the State Department of Health which pools receipts from all New Mexico counties and matches that with Federal funds to support local hospitals. St. Vincent's Hospital benefits from this grant and supports County health programs defined by a Memorandum of Agreement (MOA) between the Hospital and the County. The MOA has been expanded to partially cover jail medical costs and to fund the Assessment and Sobering Center. SCP payments by the County in FY 2008 are limited to available gross receipts tax revenue less a state Medicaid payment of \$2.3 million, or a total of \$7 million, plus an amount from the General Fund that offsets a direct transfer to the Jail Operations Fund for inmate medical services. A distinct Corrections Medical Services cost center was created in Fiscal Year 2008 to determine more exactly the costs of inmate medical services which were budgeted at just over \$4 million. SCP payments and corresponding MOA support for medical services is \$3.1 million. The total budgeted SCP payment out of the several funds in Fiscal Year 2008 is \$9.2 million.
- ◆ Santa Fe County is considering several program expansions, including senior services and a recreational program. The County currently has agreements with other entities that provide for these programs. The expansions would increase the number of days services are provided to the senior population as well as provide recreational programs that would serve the entire County youth populations.

Because of the increasing demands on its funds the County has imposed all Gross Receipts Taxes enabled by the State Legislature and early in the fiscal year, The Board of County Commissioners approved a 1/16 cent Health Gross Receipts Tax, to defray a Medicaid sharing payment of \$2.4 million made to the State. From the standpoint of property taxes, the calculated levy for residential property is \$4.58 and for non-residential property, \$10.52 per \$1,000 net taxable value, versus a statutory limit of \$11.85 per \$1,000 net taxable value. The residential mil rates are lower than in most New Mexico counties.

The County continues to seek innovative strategies for generating revenues and for reducing expenditures. Cooperative efforts between local governments to develop regional solutions, is one way the County seeks to decrease expenditures and maximize revenues. This administration is committed to continuing joint efforts for addressing regional issues and seeking innovative strategies for meeting the demands and needs of this community.

Respectfully Submitted,

Roman Abeyta  
Santa Fe County Manager

Teresa Martinez  
Finance Director, Santa Fe County

