

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
SPECIAL BUDGET STUDY SESSION

April 30, 2021

Henry Roybal, Chair - District 1
Anna T. Hamilton, Vice Chair - District 4
Rudy Garcia - District 3
Anna Hansen - District 2
Hank Hughes - District 5

SFC CLERK RECORDED 05/26/2021

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1. **A.** This special budget study session of the Santa Fe Board of County Commissioners was called to order at approximately 1:06 p.m. by Vice Chair Anna Hamilton.

In accordance with the Public Health Emergency Order issued by the State of New Mexico, this meeting was conducted on a platform for video and audio meetings.

[For clarity purposes, repetitive identification and confirmations of those on the phone have been eliminated and/or condensed in this transcript.]

B. Roll Call

Roll was called by County Clerk Katharine Clark and indicated the presence of a quorum as follows:

Members Present:

Commissioner Henry Roybal, Chair [3:20 arrival]
Commissioner Anna Hamilton, Vice Chair
Commissioner Rudy Garcia
Commissioner Anna Hansen
Commissioner Hank Hughes

Members Excused:

None

C. Approval of the Agenda

COMMISSIONER HAMILTON: Manager Miller, are there any changes we need to note to the agenda?

KATHERINE MILLER (County Manager): If I may, I would like to switch the order so that we do item B. Budget Discussion, before the strategic planning updates, just to make sure that we have time to go through the budget since there is a statutory deadline.

COMMISSIONER HAMILTON: Are there other changes?

MANAGER MILLER: No, just to switch the order of the two, if that would be okay.

COMMISSIONER HAMILTON: No problem. If there are no other objections to that, what's the pleasure of the Board?

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COMMISSIONER GARCIA: Madam Chair, so moved.

COMMISSIONER HAMILTON: Thank you.

COMMISSIONER HANSEN: Second.

COMMISSIONER HAMILTON: Thank you. So I have a first and a second.

Madam Clerk, can you do the roll call?

The motion passed by unanimous [4-0] voice vote. [Commissioner Roybal was not present for this action.]

2. Presentation and FY 2022 Budget Development

B. FY 2022 Budget Preparation: Update and Request for Preliminary Direction on Specific Items

COMMISSIONER HAMILTON: Manager Miller, I'll just go right to you.

MANAGER MILLER: Thank you, Madam Chair, Commissioners. Some of this is a repeat of what we discussed – the introduction in the last budget study session, but I just want to always go back to how we prepare the budget and how we work with the departments and the elected officials. We start with looking at our strategic plan and our population goals: providing a safer community, promoting a sustainable community, supporting a healthy community and being a proficient, transparent and accessible government. So those underlie much of what is in the department and elected official budget requests.

Also, out of our April 8th and April 9th strategic planning discussions, while we did not by any means finish updating the strategic plan and actually now that we've accumulated a lot of the information from those two days, I think that we need to have more extensive meetings to get through kind of rewriting the plan and maybe making it a 2021 through 2026 plan, or 2022 through 2026 plan. So that's why I wanted to move that to the second item, but much of what came out of those conversations was a lot of focus on affordable housing opportunities, climate change concerns and sustainability efforts, economic and community development opportunities with more focus on broadband and recreational opportunities, employee training and development, and competitive employee compensation, fire prevention and risk mitigation.

In public safety, through crime prevention, improved response times, increase coverage and staff training and our facilities, expanded behavioral health services, drought mitigation, and water supply security, to name a few of the top priorities.

Overall, as we go through this budget presentation, I've lots of presentation to give you overall, projections for FY21 and FY22 in revenues, recurring revenues and non-recurring, and also what we see as estimated non-recurring cash balances out of the current fiscal year, and then expenditures, recurring operational, fixed assets, maintenance, projects and debt services. And then also I broke out the budget into recurring revenues versus recurring expenditures and then one-time capital purchases with cash funding, and then also debt services, revenues, sources and expenditures.

Just a note, I just wanted to point out that note at the bottom, once again, we're not going over capital projects and budgeting for capital projects. We did in July of 2020, prior to the November elections, we went through an exhaustive list of all of our capital projects

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that we had already some funding for. We completed the funding for those projects as well as we added \$20 million in GO bonds and another \$1.2 million in GRT funding and those other sources.

That said, we will bring back to you, before we finish submitting the budget to DFA where we stand on all those projects, what budget is remaining on those projects that needs to roll into the next fiscal year, as well as what was in that \$20 million of GO bond, just to remind you that we will be budgeting starting July 1.

This is the FY21 and FY22 overall revenue projections. And I say projections because we're still two months out finishing this fiscal year, and then we're trying to update that data as we go. If you notice, we actually updated FY21 at \$427,000 instead of \$331,000. 2017, 2018, 2019 and 2020, those are actuals; that's not budget but that's actuals, and then 21, this is what we project in the way of revenues. And then the preliminary projects for FY22. And you might be looking at why such a big difference. If you notice we don't have the capital GOB or GRT bond issues in the number for FY22.

Then FY21 and FY22 overall expenditure projections. So 17, 18, 19, and 20, those were our actual expenditures by category. So we budget by department and elected official office, as well as by category. This is all those rolled up into salaries and wages and benefits, our self-insurance, training, travel. So you can see this is our projected expenditures in FY21. You can see where we are definitely, to date, we are lower than we were in FY20 and projected to be lower than we were in FY20. FY20 expenditures were definitely up over 19, some of that being capital projects and debt service, but also just a reminder that we did have – that's when we fully implemented one of our GRT increments and got all the individuals hired. So we had brought some additional things into the budget in 19 that was not in 18 in those areas, in the area of salaries and what not.

We started the hiring freeze very late in FY20 so we had quite a bit of expenditures before we shut down spending in FY20. But in 21 you can see we had a significantly reduced budget and we've had significantly reduced expenditures. And if you look at FY22 preliminary budget we are estimating to be higher than in all previous years in salaries and benefits, and that's because we did budget to have everybody fully staffed, so we budgeted at actuals for any position that's filled and at the midpoint for any position that's vacant. They didn't push up those numbers but it does give the departments flexibility in making sure that they can fill their positions and hopefully keep them filled. And it also will give departments and elected officials' offices some wiggle room relative to being able to give merit increases next year. They utilize what we call salary savings so when they have somebody who leaves and they hire in at a lower salary they are able to use that difference to provide merit increases for their staff or to hire in another position, maybe higher than what they have budget for.

So this is FY21 where we are through 4/27, and this is right off of this system. As you can see, we're about 88 percent collected and we still have two months to go. The big difference, out of that \$14.7 million left to collect to meet budget, \$12 million of that is in property tax. We do anticipate being on target with property tax. We're in our second half of the year in collections. So April and May, which get distributed in May and June, are two of our highest months of property tax collection along with November/December, which get distributed in January and February. So we think that that is looking good.

We also see the GRT is better than originally projected and we still have two months

of GRT to collect. Also health premiums, we still have four million to collect on that but that's a matter of payroll. Those are premiums taken out during payroll. Also grants, our grants – quite often we get – we work on a reimbursement basis so we still have to bill for our grants. And then investment income, we already had anticipated, if you recall in the previous slides we were getting \$4.5, \$5 million a year for investment income. We knew coming into 2021 that was not going to be the case. The interest rate environment just wasn't there, so we had already anticipated that, so we do think we will hit our \$2 million and maybe have a little bit of buffer there.

The one area where I'm not sure that we will hit is the licenses, permits and fees. Partly, a good hunk of that is due to the fact that we did free trash for several months, so that probably accounts for about \$200,000 of that that we did not receive, versus the corresponding expenditure of having quite a bit more solid waste.

Then here is what we're looking at in the way of recurring expenditures year to date. You can see that salaries and benefits are not at 75 percent, which we would expect to see about now. That's due to the hiring freeze. We did lift the hiring freeze but it has taken a while for those positions to get filled. So we do anticipate having a favorable year-end as opposed to a deficit in any budget category. We anticipate we'll come out with less than our budget expended than we have budgeted.

Then this is debt service projections for FY21 and we'll show you the 21 versus 22. So this is where we have GRT bond issues and we have GOB. And we just issued the new GOB \$20 million so we will likely see a slight increase in that. But the big increase in that GOB debt won't really come into play until July 1st, calendar year 2022, but that's fiscal year 23. And then we're paying down our GRT debt and we have not issued any new GRT debt. So the transfers in are where we receive revenue, for instance in capital outlay GRT. So we get capital outlay GRT and about \$5 million of that goes to pay for BDD. And so then we transfer it out of the capital outlay GRT and transfer it in to the debt service. So when you see the transfers in, that's for payments for the bonds that we have for the jail, bonds we have for the courthouse, bonds we have for BDD and bonds we have for the two buildings downtown, plus the road settlement agreements.

So this is the recurring. The previous slides were kind of budget in total. Then we pull out those revenues that are made predominantly for capital purchases. That would be the capital outlay GRT, which is roughly \$10 million a year. That revenue, that can only be spent on capital projects, by law, and by our ordinance. We put it in place under the previous law. Also, we have the increment that was put in place to fund the first hold harmless increment, 1/8, that's about \$4.5 million or so, that goes to the debt service on these two buildings at 100 Catron and 102 Grants. So we take those revenues out as well and we take out other grants that are non-recurring grants.

So you see that line Grants in green. Those are the grants that we get like the DWI grant, housing, and grants that we get on a regular basis with the Sheriff's Office, our DOJ grant, but we pulled out those one-time grants that we don't know that we're going to get, not our recurring grants. And those are things like capital outlay grants from the state as well as the CARES Act. So these are recurring revenues that can be used for recurring expenditures. Just a reminder, we always have to build our budget where our recurring expenditures do not exceed our recurring revenues, and if they do we have to show to DFA, yes, we're using cash to plug that gap, but we also have our plan for how that's not going to

be carried out over time, because it's not sustainable.

So when you take off those revenues that I just spoke about we have about \$145 million estimated revenues next year. You can see the areas where we still think we may not be back up to pre-pandemic levels in property tax, in GRT, in hold harmless distributions, in investment income and care of prisoners are the main ones that we do not think those will be totally back until we're out of this economic environment.

Then we have – so these are the department requests. These are as submitted by the departments and as we went through the department hearings and elected official office hearings, if there was something we thought could be cut at that particular time we discussed it and with agreement took that out. So these are the ones – this is how they stand after those hearings with those discussions. And that's the recurring requests. So it does not have fixed assets or one-time requests, or a one-time capital request. And when I say capital request an example is the Clerk had a request which we'll talk about later but it's not a recurring request.

So these equal also about \$145 million. I think we're about \$70,000 off there, somewhere in that range. Also, this does not include any kind of cost of living adjustment, one-time payment, insurance premiums, or otherwise.

Now, I think – so at the bottom of this slide – so this is by category, and then this is by departments. So the first slide was department requests by category – so salaries, benefits, all rolled up. This is actually by department. So this is broken down by each department as well as the elected officials' offices. So you can see their total budget requests and that's recurring to recurring, and how they compare over the years, and we anticipate also – obviously these are higher across the board than FY20 actuals, and that's pretty typical, by the way. That's pretty typical in the County. The biggest difference is in salaries and benefits where we fund based upon actuals and vacancies, and then we don't hold a vacancy rate, as well as we fully fund benefits.

But also, if you look by department, if you look back over the years to actuals most of the departments do not spend what they get budgeted. And if you look here you can see the categories where that typically happens, where the budget is higher than the actuals, and so if you just even looked at FY20's numbers, and then you can see that the requests are quite a bit higher than actuals. And the areas that we end up having probably our most wiggle room is salaries and benefits, and that's because once you do have a vacancy, we don't allow departments to then spend that money. We keep that to fall to cash to fund the fixed asset, long-time requests in the following year. And you'll see how that plays out further down in the budget.

If you could, Daniel, now go to Attachment #1 in the appendices. So I didn't put – the last study session we went through all of the department highlights. I didn't leave each one of those slides. I moved that for your reference as an appendix so that we wouldn't go through all of these but this is what's in their budgets that is of note. That isn't just typical supplies, or the regular maintenance, copier maintenance, utilities, electric, all of that. These were some of the initiatives that also tie back to the strategic plan.

One of the things that you might have noticed in the Manager's budget, there's quite a bit of a bigger number in the budget versus the actuals of previous years, that's always where the County's contingency funding is held is in Finance, in case we have a flood, a fire, a big snowstorm and we need a lot of overtime. There's always a contingency of

around \$2.5, \$3 million in the Manager's budget, but we don't use that unless there's an emergency. So that's why you always see that difference between actuals and budget. But as you can see, this is that same list that I went through in detail at the last study session, listing out all of the things that – right now, so if you can see under utilities, we are working with the City.

We have an agreement with the City. We had paid a one-time fee five years ago for wheeling water through the City's water system. They have given us a fee of I think it's \$1.39 per thousand or \$1.29 per thousand that they say, based on their rate study is the cost, but John Dupuis is working with the City on that issue because we believe that a good portion of the water that we wheel through the City's system is really just up to the tank and back. And so we're working with them, so I don't know if that will be the number or not. But it's a significant number because that is where most of our water is wheeled through that small portion of their system. And I don't know, John, I saw you on here. Do you want to add to that at all?

JOHN DUPUIS (Utilities Director): No, ma'am. I think that's correct. We're working on the portion. We may be able to obtain a lower cost. I think you explained that well.

MANAGER MILLER: Okay. And we will bring that back to the Board. That's obviously an agreement we have to have with the City.

And then I think, as I said we pointed out all the different initiatives we have going on, new grants that we're working on, the opioid grant that's between Fire and CSD. So those are the major things that are different than regular – like I said: salaries, benefits, utilities, fuel, all of that, that's built into the department budget by category, by line item, by category. And then these are the items that are particular, that are of note to the different departments.

Okay, thank you, Daniel. If you could go back to the presentation. But I just wanted to let the Board know, that's where those slides went. We didn't get rid of them, we just moved them out of the main presentation. And they are what make up the majority of what I'll call discretionary requests between the departments' and elected officials' budgets. The rest of the stuff I would call non-discretionary. It's just what it takes to operate to do what we do on a daily basis.

So what's not also in the individual department requests is any kind of a new compensation package. And in the last presentation I mentioned that if you look by what's already been submitted in estimated revenues to estimated expenditures, we're pretty much right on target, but that does not leave room for any kind of compensation package. Unfortunately – and I've arranged this presentation in a way that hopefully will be logical to you. It was logical to me, but that doesn't make it logical to everyone else, but we still do not have guidelines from the federal government on our direct distribution of the \$14 million that we're supposed to get next month. Actually in less than two weeks they said we would receive it, but we don't know how we can spend it yet.

So that's a little frustrating because I had confidence that we would have that before presenting a recommended interim budget to you. So what I've had to do now is try to separate an interim budget without those guidelines and without any federal money, and then start to piece in if we get the guidelines, what I would recommend we add to this budget. So at the moment, I believe this piece we can accomplish without the federal funds.

So what I'm going to present is a budget without any federal funds, and then when we get the guidelines what I think we could still do and how we would do it.

So this is one that all Commissioners indicated they were interested in seeing us bring our lowest category of salary ranges up. So we don't have any employees at the County that earn the County minimum wage of \$12.90 something, I think it is now, but we do have some at \$13. It's not many but we do. And then we have some between \$13 and \$15 and what I had heard from the Commission was a desire to get our employees up to \$15 an hour. I think that's something that we can do over the next two fiscal years pretty – I don't want to say easily, but systematically, and make that happen regardless of what happens with a state minimum wage or a federal minimum wage level, and do that by doing a 50 cent increase to anyone who is less than \$15 an hour, do a 50 cent increase effective July 1, 2021, so at the very beginning of the fiscal year, and then another one at the end of the fiscal year.

And I say that because you're actually, in approving this budget, you're approving both increases and they'd be built into the base before we even start doing fiscal year 23. So it'd be 50 cents on July 1, and then 50 cents on June 29, 2022. As you can see, the first 50 cents costs the County \$161,000 and the second 50 cents will be \$134,000 on a recurring basis.

Also, later on we would look at what would happen if we do COLAs. COLAs are across the whole County and they're much more costly. This on I think we can target the lowest paid employees and make sure we bring their salaries up.

Then what we can do for everybody, without any knowledge of the rescue plan guidelines is a one-time payment to all employees. Now, what we looked at on this one was doing no less than \$1,000, and a maximum of \$2,400. But in between that, employees would receive ten dollars for each month that they have been employed at the County. Now these are for non-probationary employees, so that's employees who have been at the County for a year or more, and we would do this as a one-time payment but distribute it between four to six pay periods. So we've done this before.

Now, you might be wondering why can't we just give them one lump sum. This is a statutory issue and it has to do with anti-donation. Anybody who works for the County has already agreed to work for the County at the salary they make. So they make \$15 an hour and they work and they've been paid to do that work. If you then give a one-time lump sum as a bonus, you're saying I'm now paying you more than \$15 an hour for the time you worked before. The reason we spread it out over multiple pay periods is we're saying over these four to six pay periods we're going to pay you more. And so that's why it's structured like that.

These would be based upon – the amounts would be based upon income level, so anybody who is equal to \$40,000, that would be Tier 1. They would get a minimum of \$1,200 plus the ten dollars per month. That's 223 employees that fall into that category. Tier 2 would be \$40,001 to \$75,000. That's 460, that's the bulk of our employees. They would get a minimum of \$1,100, plus ten dollar per month they're work the County. And then Tier 3, those who make over \$75,000, a minimum of \$1,000 and ten dollars per month, up to a maximum of \$2,400.

You can see what the average turns out to be per employee, but the idea was also to try to make sure that there was a minimum of \$1,200 per employee that was under \$40,000.

Also to note, collective bargaining, we have several collective bargaining agreements out right now and up for negotiation. Each bargaining unit has a right to negotiate the way that compensation would be paid, so while we can determine the amount per bargaining unit based on this formula, and the employees within that bargaining unit, we would actually just give that equivalent funding to the negotiating team to determine how they want to do it.

So for instance, maybe the Fire Department just wants it to be equal, and they had 100 employees, and there's \$200,000, they might just want \$2,000 per employee instead of some at \$2,400 and others at \$1,600. But just so you know, that's what that last bullet, collective bargaining units will negotiate distribution. They may be fine with the way we calculated it but they also may want to negotiate it differently.

If they wanted to negotiate it differently, here's how it breaks out by bargaining unit. AFSCME blue collar though does not have an economic re-opener in the near future, so we would likely just distribute to them based upon the formula. Same with non-union individuals. And the Corrections Medical, Firefighters, Dispatch and Sheriffs would have those amounts and have the opportunity to decide how they wanted that distributed, if they have an economic re-opener or a new contract.

Also, one of the things that I had mentioned we needed to look at within the budget is the health insurance. Two years ago – and I'll come back to slide 16, but if you could go to the next slide. Two years ago, in calendar year 19 we had a very bad year for claims. The first three years that we had the plan we had built up some reserves but last year, you can see here we had a total budget of \$8.2 million in premiums coming in through payroll that are County and employee contributions. Our next claims were \$7.3 million, significantly higher than usual, and \$1.5 million for our stop-loss insurance, and our administrative fees, bringing our fund balance down by \$700,000.

Also, if you recall, we did increase insurance as a result of that but we had not been increasing health insurance much at all since we started our self-insurance. The first three years I think maybe we had a one or two percent increase in one year. So we had – we had gotten behind on building up our reserves and we also have a reserve policy that the Board adopted to try to get to 50 percent of our claims, meaning in this scenario we would have wanted to have \$3.5 to \$4 million in reserves and we don't. As a matter of fact, if we were to stop our self-insurance plan today and just premiums – we start paying another insurer, we go back to the state plan and we stop being self-insured, and we pay all trailing claims, we would have to – we do not have enough funding in the fund to cover that. So that was 2019 calendar year.

So we did increase insurance premiums last year but we also did a COLA last year. This year, ending calendar year 2020 we broke even. There you can see we had \$8 million in total budget and accrued funding. We had claims of \$6.5 million and total expenses of \$1.4 million, leaving \$9,500, skin of our teeth.

And then the dental, actually dental did pretty well. And I say pretty well, dental's not the big scare. Dental for the first four years of dental we lost money. We did increase dental a little and it proved – so you can see last year dental about broke even. We raised the dental rate and we're where we should be on dental. We think that on dental, the reason we actually weren't closer to right on is because a lot of people didn't go to the dentist for several months because of COVID. They were closed. And so we think we will probably see more dental claims this calendar year as things have opened back up, but we think that

our rate is pretty comparable to what those claims will be.

So we feel pretty confident we don't need to touch dental but we do think that we're going to need to do something about medical. Medical costs, just by nature, the industry, the price of medical services goes up an average of ten percent per year. As I said during the study session, that's because technology advances. They have better and better ways to treat cancer, to treat different things, chronic illnesses, to deal with premature babies – you name it. But it's costly. And so the cost of service goes up. I debate this constantly with Gallagher and Company, our consultants, like when in the world will we ever see health/medical prices go down. But it's not a regulated industry and so health insurance premiums will likely always increase.

But we've tried through our wellness plan and having also the fact that Santa Fe County is a fairly healthy workforce, compared to when we were in the state pool. We've actually been shown to be on the whole a younger and healthier group of employees, so we found, other than the last year or two, that the County has done pretty well with claims. But we have had more large claims. We used to have an average of about six to seven claims a year that were over \$75,000, but now that number in the last two years has doubled and we've had about 13 to 14 claims per year that have been over \$175,000.

So, if you could go back to 6 now, Daniel. So Gallagher, our consultant provided us three proposals and that is a one percent increase, a two percent increase or a three percent increase to the employee/employer medical and dental. I didn't even bring the dental because as you could see I think the dental is probably at the moment priced right, but with increases in medical prices and increased cost in healthcare we are likely to fall behind on our healthcare, and that's just based on what's happened over the last two year. I could show you, I could go back, if the Board wants – I don't have them with me now, but to the beginning of the plan, but we're still doing better than if we had stayed with the state plan. And we did build up some reserves in the first three years. They just took a pretty big hit in 2019 and did not get built back up in 2020.

So the three plans, this shows you what the cost is for a six-month period in FY2022, for the employer and the employee. So I just want to show you that but I'm going to give you – take you through the breakdown as well, as what do these mean. Because I know every one of the Commissioners has concerns when we increase our health insurance premiums and what effect that would have on an employee's take-home pay. So I just wanted to show you that's what the total costs are when you look at any one of these three.

Now if we could go, Daniel to slide 19. So here's how the options are. I'll actually go from Option 3 to Option 1. Option 3 is if you did the one percent increase. What that shows is that we have no margin for error in our claim fluctuation. They give us a 2 ½ percent claim fluctuation. So that says if our claims are exactly what they think, at \$7.77 million, and then we'd have our non-claim costs. That's the stop-loss insurance, the aggregate stop-loss insurance, and our administrative fee, that would be \$9.1 million, but we would not have any wiggle room. Anything that didn't go well there we would eat back into the reserves.

Option 2 was a two percent. What that gives is a 2 ½ percent margin for claim fluctuation, which is a \$194,000. And Option 1 with a three percent increase would give us the 2 ½ percent claim fluctuation of \$194,000, plus the potential cash reserve built up of \$194,000, about a third of what we lost in calendar year 2019.

And then this is how those break down. So if you look at the – this is the three percent illustration, and what you see across the top, it says employee contributions. We have four tiers. Our employees that make \$30,000 or less, the County pays 80 percent, the employee pays 20 percent. The next tier, which is \$30,000 to \$50,000, I think. The County pays 75 percent and the employee pays 25 percent. The next tier is I think \$50,000 to \$70,000. The County pays 70 percent and the employee pays 30 percent. And over \$70,000, the County pays 65 percent and the employee pays 35 percent.

And this is what it is broken down – so this is per pay period, what the premiums are, and in the very last – so the very last white column – the white columns are what is taken out of the paycheck from the employee. The bottom half is how much the County pays. The green column is if you did a three percent how much would come out of the employee's check, and then how much would the County have to pay. And the blue column at the end is the total impact, but it's also broken down by employee percentage and by type of plan – whether they're HMO-just employee HMO-employee plus spouse, HMO-employee plus family, and then PPO, the more expensive plan, and you can see on the more expensive – the most expensive plan on this one would be Presbyterian PPO-employee plus family, 20 percent paid by the employee, that would be \$5.96 more per check, and that comes out to a pre-tax number of about \$143 a year.

But in aggregate, that's \$77,600 in employee contributions in a full year, and \$206,000 in County contributions, for a total increase of \$284,000.

Exact same information, but that's with a two percent increase. That's \$3.97, if I go to that far column in the blue. The most expensive plan, lowest paid employee, employee plus family, \$3.90 per check, \$189,000 to the County in total, \$51,000 to employees in total. And then this is the one percent. So this is the one that does not give us any cushion for error in estimating our claims, nor any build-up on any reserves. That would have us at \$1.99 for the most expensive plan, employee plus family for somebody at \$30,000 or less and \$68,000 for the County in total.

Because I know that this is of concern to the Commissioners, I took an employee who's our lowest paid employee right now would be \$13 an hour. If you approve the 50 cent increase, the two increments of the 50 cent increase, they would get a 50 cent increase on July 1 and June 29th. The health insurance increase wouldn't go into place until January of 2022, but you can see that the most – so it shows you the monthly impact. If you single, HMO, \$4, family HMO, \$10, single PPO, \$4, family PPO, \$12. That's the monthly. But if they got both of those increases they would be going up \$160 per month in take-home pay. Plus, if you approve the one-time payment they would have a minimum of – I'm sorry, in this particular group they would have a minimum of \$1,200 and a maximum of \$2,400. Sorry about that, on that slide Yvonne and I were messing with these, but it's actually, in this particular category, they would have a minimum of \$1,200 one-time and a maximum of \$2,400.

To somebody who is in the next tier, it's \$14.42 an hour, and they would go up 50 cents on July 1 and eight cents to the \$15 an hour on June 29th. And so they would have an annual gross increase of \$1,206 with a maximum insurance increase of \$179, and they'd also have a one-time payment of a minimum of \$1,200 and a maximum of \$2,400. And you can see the monthly impact. So their monthly impact is \$2, \$6, \$3, or \$7, depending on which plan they have, but they would have an \$80 per month increase in pay.

I see also, I'm sorry – one-time payment not included. Yvonne was putting it's a minimum recurring of \$1,000 a year and a maximum of \$1,200 a year. But they also have the one-time payment. Sorry I misread that bullet. The bullet's not wrong. My brain was wrong. It's what I was reading. That's showing you that with that 50 cents they would have a minimum of \$1,000 or, depending on where they fit into the – between \$14 and \$15 they would have a net maximum of \$1,200.

And then on this on, \$24.04, somebody's at \$24.04 which is the bottom of the next tier, this is where they would not, without a COLA, they would not receive a cost of living increase, but they would get a minimum of \$1,400 or \$2,400, depending on their time of service with us. So they would still have – and the maximum monthly increase they would have is \$9, but they're going to have a minimum, no matter what, of \$1,000. Yes. They're going to be in the thousand dollar minimum/ \$2,400 maximum one-time payment.

So while they might have an annual insurance increase, a maximum of \$215, because they have the PPO with family, they're still going to have a one-time payment without any COLAs that would cover that increase in the first year. So that is my explanation on the impact of any health insurance increase.

So before I go on, maybe I should just ask you, do you have any questions specifically about any of the compensation or health insurance, because my proposal on this is all of those together, that we would do the lowest paid employees, the 50 cents, anybody who's under \$15 an hour, 50 cents and 50 cents, or up to \$15 if you are between \$14 and \$15, that you would move up to \$15 minimum. And then also we would do the one-time payments. That one-time payment is close to \$1.6 million, and then also we would do a three percent increase on our health insurance premiums at the same time. And that we would do those regardless of the federal money, because I just don't have the guidelines on the federal money.

But I do have proposals once we get the guidelines. I know it can be used for revenue replacement or essential public safety employee salaries, then I know that we could do COLAs as well. I just wondered, before I went on, because those are kind of complicated, if anybody had any questions about those.

COMMISSIONER HAMILTON: So Commissioners, are there any questions?

COMMISSIONER GARCIA: Madam Chair, I had a couple of question.

COMMISSIONER HAMILTON: Commissioner Garcia.

COMMISSIONER GARCIA: Katherine, thank you for letting us rewrite the plan and thank you for what you do, because you're probably – you are the smartest budgetary person since 20 years ago in the entire state. Thank you for what you do. You're almost like the superintendent. Great individual. And one of the other things I have is – just a couple questions because – the Assessor, have we talked to the Assessor in regards to – I understand the GRT, but there's so much building happening in this community, the valuation is just going up and up and up. So that's a question I have. You don't have to answer now. Thank you.

MANAGER MILLER: I can answer that. I would like to answer that, since you asked it. So what's happened, and I have talked to the Assessor about it. So we always do property taxes in arrears. So when you pay your property taxes this year you're paying for last year's value. So what it was valued at on April 1, 2020 is what you pay in December

of 2020 and May of 2021. So he finishes his valuation in the spring and he just finished for this last round and he told me, you are correct. We did really well in residential. However, non-residential went down.

So we went down in non-residential by \$200 million in value out of about \$1.5 or \$1.6 billion. And we went up, though, in non-residential about \$400 million. But problem for us budgetarily with that is that non-residential pays at 11.85 mills per thousand of value and residential pays at about half that or 5.9 mills per thousand in value. So we won't see the benefit of that big increase in residential because we're going to have such a big drop in our non-residential. In addition, when you have a big jump in value there is a formula called yield control and it's a factor that says if you have a big jump in values, then the rate goes down, so that the government doesn't get a big windfall of money just because property values spiked. Plus we have that three percent valuation cap.

So there are things that limit the funding we get out of the big boom in the residential side. For instance, we know that home prices have gone up, and home values have gone up, but unless a home changes hands they're still going to stay at the three percent cap. So I think we will see an increase in revenue on the residential side but we're going to see a decrease on the non-residential side. Plus we're not sure what the impact of people not paying is yet. I think we may know a little more by the end of the fiscal year as to whether or not we had a lot more delinquents of people who put off paying property tax to pay other bills, but we still are a little concerned about that issue and how that's going to play out, and whether our current year collection rate will stay as high as it's been in previous year.

COMMISSIONER GARCIA: Thank you, Madam Chair, really quick. Appreciate you, Katherine. You know that. You're the best in the state when it comes to the budget. Just in regards to the public safety GRT tax. I know a lot of that goes to the Fire Department. I'm just worried about the Public Safety Department for the expansion, whether we can change that tax instead of going to fire go to public safety and that way they can spend it for RECC. That's a question I have. And then a hiring freeze – what have we learned from the hiring freeze. That's a question I have. You don't have to answer now. For later or whenever.

The other concern I have is regards to I would like to help the employees as into what you just talked about, helping them out with their health insurance premiums and so on and so forth. So I would really like to definitely help them out. So those are some of the questions I have. But thank you, Katherine. Once again you did a great job on the budget. You do an excellent job. You know that. Santa Fe County and all the employees are great. It's a great place to work in. But thank you.

MANAGER MILLER: Thank you, Madam Chair. Thank you, Commissioner Garcia. As far as the hiring freeze, the reason we did the hiring freeze and then we lifted it was because we really didn't know how long this pandemic would go, and we knew we were going – and the governor shut the whole economy down, shut the whole state down, and shut it down twice during that time. What didn't want to do is what many other local governments did and that was furlough people or cut pay, but more that we could weather the storm without losing anybody but by attrition.

We also, the hiring freeze was not 100 percent freeze. Public Safety still continued and essential positions still continued to hire. They just didn't hire to full capacity. So for

instance, the Sheriff's Office was kept to a ten percent vacancy, similar to RECC. And Corrections, they also rearranged their staffing in a way to not use as much overtime, which was really beneficial. It helped us save money and helped us also to be in a point where I knew we could go back to full capacity, full hiring capacity, and budget into next year at full capacity, as well as meet 99 percent of department and elected officials' budget requests.

As far as the public safety funding, we passed ordinances on some of those GRTs, and then the law changed also, so I'm actually glad that Commissioner Garcia brought this up because Commissioner Hansen has had the question, did we still have the last hold harmless increment. Well, actually, last year, the 19 and 20 legislative sessions are blurred into one to me. But they did change the tax structure and they took away the designations on some of the increments. However, we put many of our increments except for the hold harmless, we put those in place by voter approval, so the 1/8 that helps fund the Fire Department, that one was done by voter referendum. Also, the Fire quarter cent was done by referendum and I think that needs to stay that way. And then the one that is split between Fire and RCC is not done by referendum – no, it was not done by referendum. However, by law it does have to be used for dispatch as well as EMS. But it has to be used for dispatch or a joint dispatch.

So that one really can't change its purpose. And then we put a hold harmless increment in place and we funded predominantly public safety with that. That was done by Commission action but it funded 18 firefighters as well as some other Fire staff, about four or five people at the jail. It funded three more deputies for the Sheriff, and it funded our crisis triage center which is going to be fully opening next fiscal year. So it's not done by statute; it was done by ordinance to fund those things. And so if the Board wanted to change any of those designations, you could but then you would have to look for how to fund those things. And then there's one other GRT that's very specific to public safety and that is in the Corrections, and that one has to go to Corrections. It goes to help fund staff as well as debt service on the jail and then there's a 1/8 that is split between health and EMS/Fire service.

So those are our GRTs. That one I think was done by referendum and needs to stay. That last one is for health services as well as EMS services and that one was done by referendum. However, we do still have some GRT capacity but it's no longer called the third increment or third 1/8. I think we have just slightly more than an eighth available. I think it's like .1675 or something like that, and what also changed with the law is that you don't have to do a 1/16 or a 1/8. You can do a tenth now. You don't have to do – I think you can go as low as a tenth. But I just wanted to bring that up.

None of the budget proposal we have in front of you is asking to change any of our designations of existing GRTs, nor to impose any additional GRTs. I do believe that the federal funding will help us bridge the gap between our reduced revenues right now and getting back to pre-pandemic numbers. So, Madam Chair, any other questions about those couple of things?

COMMISSIONER HAMILTON: I don't know. Do other Commissioners have additional questions? I actually just wanted to confirm that all of the things that you mentioned including the one-time payments, you're proposing we take that out of the regular budget, because we just don't know what's happening with the Recovery Act funds at this point.

MANAGER MILLER: So far, yes. So everything that I've mentioned so far

I believe that we can fund with our existing funds and then also our fixed assets, and I'll show you how. And then I will show I think we can fund compensation packages for the employees as soon as I get some guidance from the federal government.

COMMISSIONER HAMILTON: Okay. Commissioner Garcia, do I hear your voice?

COMMISSIONER GARCIA: Madam Chair, just thank you for letting me talk and Katherine, nice job and thank you for taking care of our employees and Santa Fe County. You know that. So I just appreciate the hard work that you all do. But thank you, Madam Chair, for letting me talk.

COMMISSIONER HAMILTON: Thank you, Commissioner Garcia. Okay, it looks like, Manager Miller, we could proceed.

MANAGER MILLER: Okay. Thank you. So then, as you know, as we go through each budget presentation, how we fund our fixed asset replacement and our one-time requests, and that's by the fact that we do budget generously in salary and benefits by budgeting at 100 percent as opposed to like a 90 percent or something like that, which is what the state and many other governments do, but then we know that if there are vacancies that money will fall out of the budget. We will have some funding and we'll have money to then pay for vehicles, computers, hardware, peripherals, all our heavy equipment for solid waste, the other equipment and machinery, software purchases. We always are needing to update our software, and Sheriff's vehicles and other County vehicles.

So these are the requests that came in by type. It came to a total of \$6.5 million. We're recommending – and this is just general funds, so also, all of those revenues that I've showed you are all funds combined, recurring and all one-time funds combined. But this is just general funds. So road equipment, for instance, we do a transfer to the road fund. But there's not enough revenue in the road funds from the state's gas tax to pay for much of anything. We usually transfer something like \$5 to \$6 million or more from the general fund.

So when Public Works asks for equipment, that comes out of the general fund, even though we transfer the money into maybe the road fund or solid waste. Same with the Sheriff. Sheriff has their own funds but it's predominantly all supported by the general fund, which two primary sources of general fund are property tax and gross receipts tax. And so we always split out requests, particularly for capital, based on what fund is going to pay for it, even if the ultimate source is the general fund. So out of all of our – these were our general fund requests. We had a total of \$6.57 million, and we're not recommending \$573,000 of that. What's not recommended are a few vehicles and those vehicles are vehicles that are either not ready for replacement – we have a vehicle committee called the VURB. It's the – Gary, you'd have to help me with the actual acronym. It's like Vehicle Utilization and something –

GARY GIRON (Public Works Director): Vehicle Utilization Review Board.

MANAGER MILLER: Yes. The VURB, the Vehicle Utilization Review Board. So they meet, and they have people from the different departments, and they meet, and maybe, Gary, you could just give a little overview of what the committee did this year and what your recommendations were.

MR. GIRON: Yes, Manager Miller, Madam Chairperson, members of the Commission, the VURB met earlier last month and we made recommendations based on the

requests that had come in from each of the departments and divisions. And we weighed the need for new vehicles based on our mileage targets for replacement and the age of cars. And we came up with nine recommendations this year. I will add two things. One is this year we are purchasing a new electric vehicle we just ordered. It's a Chevy Volt. This next year for the County Assessor we will be adding another electric vehicle, a Nissan Leaf.

And then our next steps are on August 2nd we will meet again as a committee with the express purpose of establishing a fleet program with fleet procedures, because we believe in the County that there are several cars and vehicles that are under-utilized. We want to take a look at those establish a fleet, and then develop a long-term strategic plan reducing the number of cars in fleet, and then increasing the number of electric vehicles.

And with that, if you have any questions I'd be glad to answer those.

COMMISSIONER HAMILTON: Are there any questions?

COMMISSIONER HANSEN: Madam Chair.

CHAIR ROYBAL: Commissioner Hansen.

COMMISSIONER HANSEN: I just want to let you know how happy I am to hear that you're purchasing electric vehicles. Besides that, thank you very much.

COMMISSIONER HAMILTON: Thank you, Commissioner Hansen. So Manager Miller.

MANAGER MILLER: And that was specifically to let Commissioner Hansen know that they are purchasing electric vehicles and they're not letting them buy anything, just regular replacement vehicles without rigorous review. So while there are vehicles that are in that package that are not electric, what we have tried to do also is we get hybrids where we can, but a lot of the heavy utility vehicles, those are the ones that are recommended and we don't have a whole lot of options for those types of vehicles.

The other item, and Daniel, maybe you could go to Attachment 2 so that the Board can see what was in that request. So this is the request that we have provided previously but what we did is kind of sorted it sorry. It does say Attachment 3 on the top. That's because – and we can fix that, but for purposes of this presentation we changed it this morning. Yvonne and I were moving things around. What's in yellow on here, and I do want the County Clerk to speak to this, she doesn't know I was going to do this to her, but she does have a request in here for election notification enhancement system. We're not recommending this at the time because we think we need to do some more research as to exactly what this is, because it doesn't exist at the moment. And so utilizing the general fund for kind of R & D work is a little challenging. So I think that we need to actually have a little more definitive idea of what this is, and also, potentially we can use federal funding for it. Madam Clerk, did you want to speak to the Board about what this request is?

KATHARINE CLARK (County Clerk): Madam Manager, so the Bureau of Elections, election notification enhancement system? So this is something that we are looking at trying to pay for with some of our grant but essentially, what we heard from voters is that they want to have a better ability to track their ballots. So we have the ability to track ballots on the USPS side of things, but once we get to the County the ballot goes into a black hole. And so what we would like to do is be able to allow voters to, once they drop their ballot into a drop box they'll have a smart drop box that will check in that ballot and either send them a text or email acknowledging that we've received that ballot, and that every step of the process we can feed that information back into service, which is the

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Secretary of State's database, so that we will have much better ballot tracking, so that voters can feel much more secure about where their ballot is in the qualification adjudication and tallying process. So we can do that with smart drop boxes and sort of internal machinery that will automatically qualify ballots.

MANAGER MILLER: And Madam Clerk, this doesn't exist yet and it's something you're hoping could be developed. Correct?

CLERK CLARK: Yes. So, some of the things are actually just – so like for instance the smart drop box, that technology probably already exists. I just have to put it into – I have to get a vendor to put it together into one device, but the technology for it probably already exists. That's why I have a patent search out on it. And then the other thing that are sort of in negotiations with the Secretary of State around changing election law to accommodate some of the more automation features I want to have in elections. That would make elections a lot faster and a lot more where the data is having instant feedback to voters.

MANAGER MILLER: Okay. Thank you. So Madam Chair, Commissioners, so the reason we're not recommending funding at this time is we just don't think we're ready for that yet. In addition, we were hoping we would be able to use grant funding, current grant funding that we have to further refine what this would be as well as potentially use grant funding out of the Recovery or Rescue Plan funding. And could you just kind of scroll through this, Daniel?

So what we did is we separated by department and then we've separated by fund, and we've also ranked it, and I believe – also what's in yellow in here is what was not in here before. And what we mean by that is it was not specifically in the spreadsheets that you saw before, because it was in different places in the budget, but we moved them all into this. So these are arranged by department. The yellow is what was not in there before. They're also arranged by the funding source, and then we have whether it was the notes, like where it says exempted by VURB. It means that the VURB did not recommend funding it. And then so otherwise we're recommending funding on everything but those things exempted by the VURB and the voting equipment when we know better what we would be looking at, whether that's hardware, software, what type of asset and whether we could use grant funding for that.

Okay, Daniel, could you go back to the previous slide. Now slide 27. So that's general fund and this is other funds. So when I say other funds it's anything that's not general fund. Predominantly what's in here is heavy equipment, other equipment and machinery as fire funds. So it's all the different funding that the Fire Department gets in quarter cent excise tax or fire funds or other specific funds. Utilities is also in here. These are all non-general fund. And we did recommend all but \$75,000 of those and that – less, what's not recommended would have been a VURB – I can blame it on Gary; Gary said no.

So that brings us to – this is no American Rescue Plan money, no ARP money, no Bidencare or whatever it's called. Because it's been called everything under the sun, but no \$29 million yet. I believe that based on our revenue estimates and based upon cash balances, that we would be able to do these things. So this is total estimated revenue of \$144 million. This is recurring to recurring. We're off by \$74,000. But then add in the hourly increases for those earning less than \$15, that's \$295,000. Add in the three percent option for medical insurance premium increases, that's \$103,000, and then no change to our dental insurance premium, and then we would need the one-time payments for employees of \$1,562,000,

plus the fixed assets general fund of almost \$6 million, brings us to \$152,864,000.

So you're asking how do we pay that? Well, we would pay, as we said, we believe we will have at least \$5 million come out of the budget, or actually \$10 million, including the CARES Act funding that we got that we used for Public Safety salaries. So we'll have about \$10 million fall out of the budget in general fund. There'll be other money that falls out of the budget, but that's general fund, and that we would pay for the one-time payments to employees of \$1.5 million, and fixed assets of \$6 million or \$7.5 million, which gives us a little bit of wiggle room of \$2.5 million.

And one of the things that I wanted to talk to the Board about with that, and I just don't have the exact – I'm still waiting for the guidelines also on the federal money, but we have that \$2 million Yearout proposal for the energy savings. I had thought we could do a couple of different things. We could either just pay cash for it, or we could finance a million of it and pay cash for a million of it out of here. We would finance through the New Mexico Finance Authority and the financing would be below – the payments would be small, and below what the savings would be.

Or we could potentially use some of the funds from the Rescue Plan and then just pay cash and then the savings goes to our bottom line immediately. So I being that up here because it's one thing that's not in the budget but when they presented at the BCC a couple of meetings ago this is where I was hoping we would be able to just pay for it outright, either using any kind of federal relief funding we might get or using savings out of this year's budget.

Then on the recurring side, recurring to recurring, we have the \$74,000 deficit, the \$295,000, or close to \$300,000 for those earning less than \$15 an hour, that's a recurring expenditure, and then the three percent for medical totals about \$473,000. In the budget, which I did not point out the last time because I wasn't 100 percent sure whether it was on the capital side or on the recurring side, we actually have \$500,000 for broadband. But I also believe we'll be able to use money – and that would be every year that we would have that \$500,000, if it's used on the recurring side. That's where it's sitting right now. I would recommend just taking that down to \$450,000, and then out of those other areas – training and travel per diem, light/heavy duty vehicle maintenance, supplies and other operating costs, these amounts, when we were going through our budget hearings these were areas across the County in the bigger departments, dominantly, in Public Safety and Public Works, not the smaller offices. These were areas we said, well, we probably have some wiggle room.

So we can come up with by cutting in those areas across those divisions and departments, about \$473,000, and right there you have a budget. You have a balanced operating budget. You do have a compensation package for the lowest paid, you do have a one-time compensation package for everybody, and you have funding for many of the priorities in the strategic plan at some level that we went through when we broke out everybody's department budgets.

So that would be my recommendation to the Board at this point, not knowing about the American Rescue Plan. But we know that the American Rescue Plan passed. We know that direct County allocations were made to the tune of \$65.1 billion, based on population, and that every county is eligible for a direct allocation. We'll get our allocations in two tranches, 50 percent within 60 days, which by the days 60 days I think is May 10th. Like I

said at the beginning, we'll get the money before we even know the rules, and they're good for – the funds can be used much longer than the CARES Act, which is nice, through December 31, 2024, and they will come to us directly. And then the US Treasury is working on the guidance.

There is an Attachment 3 to this presentation as well. Daniel, if you could go to that real quickly. One of the requests of the Board – I know that Commissioner Garcia asked for a graph of what's in that bill. The best we can tell this is what's in that bill in the American Rescue Plan and the different places to go get it. So we've made a chart, and it was the stuff that we had just listed out but we put that in chart form so that you all would have a copy of what we have been able to garner if in the Rescue Plan in the different types of funding that will be available. These two do not have guidelines yet, so many of these are not out and available yet, but these are the type of funds that in that Rescue Plan as well as New Mexico assistance programs. So we put American Rescue and New Mexico assistance, and we put that – it's three pages of this so that you would have this as a readily available resource for you and your liaisons and your constituents. If somebody asks, where do I go to get help with my PNM bill? Here's where you sent them. Or where do I go to get assistance for PPP? We put the SBA side. And how much is available in these different programs?

So any information we could find we put it into this chart for you. We will continue to do that. As things get up dated we will update this chart for your reference and the County's reference.

So what is Santa Fe County's distribution going to be? We've been told it's \$29.1 million and that we would receive our first distribution this fiscal year in ten days. We're ready to give them the information to deposit it into an account, into a specific fund. We have our DUNS number, our vendor number. We're ready to go. And then the other half no sooner than 12 months, which we estimate will be more like early fiscal year 2023, July, August timeframe of 2023. I think that depends on – I don't know. They didn't tell us what determines when you get your second allocation. So that's another thing we have to figure out as well.

The allowable uses that we can find as written in the act are to respond to the public health emergency, assistance to households, small businesses and non-profits, aid to impacted industry, such as tourism, travel and hospitality, so we could probably beef up our marketing. Providing grants to eligible employers that have eligible workers who perform essential work. That would be us. We have essential workers. So I believe that we can do that as well as provide grants to entities. Worker premium pay, so that to me would indicate that we could pay employees more. Public Safety salaries and benefits, like we did with the CARES Act money, where we got that \$5 million. We pushed as much out the door where we could but where we couldn't we used it for Public Safety salaries.

And then reduction in revenue. So this is the one we just aren't sure how that's going to work but I'm hoping, as you see when we get to the next slides that that's a big one I'm counting on. And then make necessary investments in water, sewer, or broadband infrastructure. Restrictions – these are specific restrictions in the act: pension contributions and lobbying activities, not allowable. Counties should be careful around capital infrastructure improvements. So I'd like to be able to make recommendations to you but I don't know what. I don't even know when they say broadband – they had a webinar as a matter of fact a week or two ago and they said and don't do broadband, even though we say

broadband, but don't do it because there's millions over here for broadband and use it. So I'm really looking forward to getting some more information.

And then anything, questionable items, we don't want to do anything that might cause repayment to the US Treasury.

So for us, as I was trying to show you, what we kind of hoped is we could say, well a portion of those funds could be used for projected revenue loss, and that we could hold some of those funds in our recurring revenues. I'm not worried about the one-time, but our recurring revenues, because I need a recurring source to provide compensation packages and increases in staffing.

So here's our major revenue sources. And I say general fund, general fund is basically what we use to cover everything except utilities and some of the grant programs. But Utilities is our only enterprise fund and they generate their revenues through fees and that's how they cover their expenditures. But everything else pretty much falls right back on GRT or our general fund property tax. So here's where we have from 2020, which was our high year, and the reason 2020 was high, even though the pandemic hit in 2020, we were on a record year in revenues in 2020 for GRT. We were up like seven percent and then we dropped by 25 percent, 30 percent I think was one of our worst months.

So the first part of the year did carry us through. But if I just looked at 2020 being our high year in property tax, our high year in GRT, our high year in investment income. It wasn't our high year in care of prisoners but you can see we're still concerned about our numbers because in 2021 our care of prisoners money is down significantly from 2020, and then our hold harmless distributions. That number mystifies me because it shouldn't bounce around like that. People eat groceries. I don't understand. But anyway, it's down. So when we project like that – and that number will continue to go down by the way. Hold harmless distributions are going away at seven percent per year statutorily. So the state has a phase-out of those. They were scheduled to go out over a 15-year period at seven percent for ten years and six percent for five years. So that revenue will ultimately go away completely for us. So I don't even like to consider it a recurring revenue because it is a declining recurring revenue.

But if you just took those major revenue sources – that \$6.6 million in revenue lost, and the Recovery Plan says that you can use it for revenue recovery, and it also says you could use it for public safety salaries and benefits, which are supported by property taxes and gross receipts. Most of ours are. So one of the things in my thought process is if we set aside \$6 million per year over those three fiscal years for revenue recovery, if our revenues come back before that, great. Then we can shirt and spend those funds for other allowable uses. But if we're going to provide compensation for employees we need to know that money is going to be there for the future years.

So this is a conservative approach to planning for a slow recovery. And that would be by setting aside some of that Rescue Plan money. Frankly, if by next year, by the end of fiscal year 2022 you didn't need to set that much aside, only enough to cover the increase for the following year, then allocate it to something else. But going into it thinking from the perspective of, well, at least in the first fiscal year we need to set aside funding to cover these proposed cost of living increases is a good approach, and you'd want to make sure you could cover them into the next year or two.

So then that's where we get to these potential costs. When we talked, the last time

we looked at cost of living increases of anywhere from one to two percent, so this would just give you, if you had a cost of living increase of two percent effective on January 1, 2022, that'd be \$675,000 for the half of the year. And then if you did another one in 2023, remember you have a full year of the first two percent, plus a half year of the next two percent. And then you're going to have in the third year a total of the first two percent and the second two percent for a whole year. So this is the way that we phase these in, but then also we have to look at \$295,000 to complete that hourly increase for those individuals under \$15, and we have FTE requests, and we have the full implementation because I had said that the medical insurance premium increase is only for six months, because it doesn't come into play until January of 2022, a full year of an increase is \$206,000. So you're looking at about \$6 million on a recurring basis for those things.

So this is just a recap of what it costs. If you did a 1 ½ and a 1 ½, that's a total annual recurring of \$2 million. A 1 ½ and a 2, is a total recurring of \$2.4 million, and a 2 and 2 is a total recurring annual cost of \$2.7 million.

If you want to see that – these were just additional slides to give you an idea if we broke it down by bargaining unit, and like I said, you see the full effect doesn't come in right away, but 1 ½ and 1 ½, that's how we arrive at the \$2 million per year going forward. And then that's what those dollar amounts are broken down by union. Once again, just a reminder that even though we might say a two percent increase, the bargaining units may allocate it differently through negotiations.

This is the cost of the 1 ½ and 2 percent broken out by fiscal year and by bargaining unit, which totals about \$2.4 million on a recurring basis when it gets fully implemented, and this is 2 percent and 2 percent at \$2.7 million.

And then we had all of our FTE requests. Because I haven't gotten the guidance, I haven't done a lot of analysis on all of these, particularly in the Public Safety area, although there are certain ones I would definitely recommend even without the Rescue funds.

So here's a breakdown of those positions. There was a project manager in IT, youth services administrative program manager. Now in this one, the reason I put this in purple, is I do believe that with very little money, not \$36 an hour plus benefits, we would actually be able to do this with existing positions, and I'm working with Rachel and HR to make that happen. So we think that we're going to be able to create this position within our existing budget request. So that one's in purple because I would like to, in the interim budget, request approval of that. There'd be more when I know what the federal funding rules are, but that one for sure, because I don't think there will be a need to come up with any additional funds with that.

Also, down in Road Maintenance, the three heavy equipment operator positions, if you notice, we changed these to term positions and what we would do is this is a road construction crew and we would utilize them and we'd utilize funding from – I'm sorry, and also the surveyor, surveyor tech position. I forgot to turn that one purple – but those four, that would be a road construction crew. But what we would use is the capital funds that we have for roads from predominantly the general obligation funds, we would use those funds in order to buy all the supplies and pay for all the staffing. You have to be very careful that they only work on those projects that they are funded with, but we think that we can do that, and then when they need to work on anything else using general fund we would use any vacant positions to cover that.

Then also Solid Waste. We believe that we have enough funding in the Solid Waste program. These are currently two part-time temp employees that they would like to turn to two permanent full-time employees so that we can properly staff the transfer stations. And then in Utilities, these are three employees that would be paid for out of Utilities revenues, and this is when we bring the new, renovated sewer treatment at the Quill plant up. And they need that staff in order to operate that new facility. So the ones in purple in addition to the survey tech surveyor, we would recommend those being approved.

When we find out about whether we can do what we said with the Rescue Plan money, we would also recommend the sheriff deputy I position. This is a position that the Sheriff already had but he needed to convert that position for his IPRA requests because he was inundated with them and it would just be funding that position again. And also we would recommend the Growth Management positions, and we would entertain a lengthy discussion about the Fire positions and those requests. Because the 12 fire cadets was not an original request within the Fire Department's budget. The reason I added that was it was how do you build in a relief factor, as opposed to everybody being on overtime anytime someone calls in sick, on sick leave for a shift or training or annual leave. We would need to actually build staffing levels differently with a relief factor. But I think that's something that would require much greater discussion with the Board. In addition, there may be other priorities that the Board thinks we need before we would fund all of these positions within the Fire department.

In addition, I know that the Board had expressed an interest to me in elevating the Community Development role in the County. It's currently a division within Growth Management but in discussions at the Housing Authority as well as discussions in strategic planning, much of the focus was how do we get increased focus on the economic development, housing development, etc. So I would also want to bring forward a proposal to meet that request as well. And what my thought is is that I would do that if – I can't believe we would not get some federal guidelines within the next few weeks, but what I would request is that if I don't have federal guidelines before I do the interim budget approval that we do everything that was above the line before it got to the Rescue Plan description, that we do that, and that we do these positions that are in purple, including the survey tech surveyor, and that when we get the guidelines on the federal funding then we look at the other FTE requests as well as the thoughts about Community Development and the COLAs.

And I do believe we will get those. And then in addition, any other things that the Board would like us to consider relative to staffing or relative to uses of the federal dollars.

And then this last piece is – there were some pieces of legislation that we know will have some impact directly on Santa Fe County but there's not enough information at the moment to know exactly what those rules might be. One is Per Diem and Mileage Act changes. The DFA will have to go through rule making for that one. We do know that certain overtime pay as salary in PERA, that's for firefighters, they have certain built in overtime in their schedules but it does not qualify for retirement contributions. That law changed so that it will, so we need to build that into our union negotiations as well as the budget.

The restaurant gross receipts tax, restaurants are given a four-month hiatus in submitting their GRT, but that one I think we will be fine because they did a \$300,000 appropriation with that bill that is supposed to make all of the local governments harmless,

that we would still get what would have been receipted by us in GRT from restaurants. And then obviously the Civil Rights Act. I don't know that we'll see anything huge right away, but we could see our insurance from New Mexico Counties is through December 31st. So we may see an impact in our insurance premiums mid-year from that. We just don't know what that might be. If the reinsurer decides to pull out then the whole insurance pool may change.

So those are the ones I think could have some specific budgetary impact this fiscal year that I just don't have enough information on yet.

So, next steps. Next steps would be right now to hear from the Board if there's anything in the budget as presented that you would like us to focus on, bring forward in the next session. We're proposing – we were originally going to try to do interim budget approval on May 11th, and we have held May 18th as a possible special session. Everybody said that that date was available, but because we don't have the guidelines yet we were kind of hoping to push another week, and then come back in another – in a special Board meeting for approval of the interim budget to include the rollover of our capital projects. So we don't have any new ones except what was in the \$20 million in bonds that we need to build the budgets for those, as well as every project that we currently have underway or have budget for, we need to roll that into the budget, and we'd like to present that to the Board. So I think we could get all of that done on May 18th and hopefully have the guidelines so that we could then look at those other few recommendations. And then do final budget by the end of June. And with that I am through presenting and stand for questions.

COMMISSIONER HAMILTON: So are there Commissioners that have questions at this juncture? Commissioner Hansen and then Commissioner Hughes.

COMMISSIONER HANSEN: Thank you, Manager Miller, Madam Chair. Where are – I did not see where SWMA might be, where we might increase that, where that increase might happen and how that would be in the budget.

COMMISSIONER HANSEN: Madam Chair, Commissioner Hansen, on that one we added another \$120,000 into the budget before we had presented the last time. I'm still not sure I agree with Randall's numbers the other day, and I did have a slide I was going to put in. I can tell you this: I believe that even with Randall's number, over a five-year period from 2022 to 2026, those increases will be a cumulative million dollar increase to us. But Randall thought – and it doesn't gibe with when we run the numbers, he said it would be about \$120,000 with Option 1, but then he said it would be almost nothing with the ten dollar decrease in the processing fee, and then it was to the good with a \$25 decrease. And that's not – when we run the numbers that's not how it comes out. So it's true that the \$25 reduction in the processing fee is less, is the best option for us by running the numbers, but I don't come up with the number he comes up with which was that it would be cheaper than what we're currently paying. We still come up with an increase no matter which option you use.

So I wanted to work with Public Works and make that we've got the right tonnages in each category with what Randall has, what we have, and then next week when I have individual meetings with the members who are on SWMA, show you what I think. But we did build in – I believe P.J. Montano added into the system an additional \$120,000 in tipping fees. Is that correct P.J.?

P.J. MONTANO (Public Works): Madam Chair, Commissioners, Manager

Miller, yes, that's correct.

MANAGER MILLER: And that's what Randall projected based on his numbers and his consultant projected. We're clearly calling different things, different numbers on our tonnages, but we do have that in no matter what. The largest number, and that was our most expensive scenario. That's if the SWMA board approved the \$150 processing fee and the \$42.50 for the increase. The big increase too, by the way, will come the following year, because it's a \$5 jump for refuse. If you didn't go \$42.50, \$45, \$47.50, you'd go \$42.50 to \$47.50. Gary, what was that?

MR. GIRON: Manager Miller, Chairperson and Commission members, I wanted to also add that we are setting up a meeting with Randall and with Mr. Yanke next Monday or Tuesday so that we can reconcile our differences with them and figure out how they're calculating tonnages differently, so that we can give an answer that lines up with their rate design study. [inaudible] We should have that by mid next week.

COMMISSIONER HANSEN: So Madam Chair, Public Works staff, Gary, Katherine, thank you for working on that because I don't see how we're going to get out of not raising those fees and I want to make sure that they're in the budget. Then I do like the idea of paying off the energy ESCO. I think that at least do a million. I think it's to our advantage to do something like that. I don't know where – I think we need to start thinking about more money for outdoor recreation development and maybe there'll be some money in the Recovery Plan guidelines, but I think there needs to be some development in that, especially with outdoor recreation and what has happened in the last year and what is with the new department with the state and how that's going to impact us.

The other issue that seems to keep coming up and I don't know how Public Works or Solid Waste or any of us are going to deal with this, but the litter and cleanup of litter is a huge problem throughout the county. And the off ramps and, Commissioner Hamilton, you won't be happy to hear this but 279 off ramp was brought up at the MPO as like a place that was getting just a tremendous amount of dumping litter and refuse.

COMMISSIONER HAMILTON: That's not me.

COMMISSIONER HANSEN: They all [inaudible] as the fees are going up, more littering on the road, I think it's a serious thing that we have to address that's not something that was completely on the radar before. I was wondering about a hydrologist, if John was still looking for that in Utilities. Anyhow, those are just a few of the short notes I have right at the moment off the top of my mind, but I just wanted to bring that up. So thank you, Madam Chair.

COMMISSIONER HAMILTON: Thank you, Commissioner Hansen.
Commissioner Hughes.

COMMISSIONER HUGHES: Thank you. I was just wondering if when we finally do get the rules for the American Rescue Plan money, if we find that one of the uses that we had planned for isn't allowed, can we at that point switch things around and pay for the unallowed things out of our own money and put something else in there?

MANAGER MILLER: So Madam Chair, Commissioner Hughes, that's exactly what I was thinking when I said – they indicated we could use it for those things similar to the CARES Act, which one of them was Public Safety salaries. And so what we did when we had some funding left is we got reimbursed by using our Public Safety salary costs that we already had. And then that's what then left us some money to be able to do that

one-time payment, because I had already budgeted for those Public Safety salaries and then we ended up getting to bill for those Public Safety salaries, freeing up the budget that we had. So that's the budget that I'm saying, okay, now we can use that to get the one-time payment for salaries to the employees. And so we could do that. I just – they haven't said, and so it's so hard. But that was one of the ways, plus also, assistance care, that's another area where like behavioral health, we could potentially bill for our crisis center and then free up the money that we had dedicated to us for the crisis center for something else.

That might be, depending on how the rules come down, that might be how we would have to do it. So that's what I was hoping to be able to tell you. Hey, we would bill for this and this, and then what we'd normally budget for that we could budget over here. So that was – I had hoped for some guidelines so I could give you more information along that line. But I do anticipate that that will be possible.

COMMISSIONER HUGHES: Okay. Good. Just wanted to make sure we would at least probably have that flexibility. Because I think the stuff we have proposed for that \$14 million is important and we want to make sure we can do it.

MANAGER MILLER: Yes. So I do think we will have – if not, I don't know why they gave it to us.

COMMISSIONER HUGHES: Right. Right. Thank you. That's all my questions.

MANAGER MILLER: Thanks.

COMMISSIONER HAMILTON: Okay. Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. Some of the other things that I was thinking about, and I don't know where this would fall into is possibly a deputy at Growth Management. I think that there is going to be some ordinance changes that we are going to have to deal with. So that was something that I didn't see on the FTE list and something that I have thought about as a way to help our Growth Management be able to make changes in the ordinances and move that along.

COMMISSIONER HAMILTON: Thank you, Commissioner Hansen. Is Commissioner Garcia still on? I don't know if you have questions.

COMMISSIONER GARCIA: Yes, I am, Commissioners.

COMMISSIONER HAMILTON: I don't know if you had any questions.

COMMISSIONER GARCIA: Commissioner Hansen, in regards to – well, all the Commissioners, obviously, in behavioral health, because we need it for the community. Public Works, some of the questions I have is regarding the adding chip seal to roads and stuff, actually redo the roads. Because several roads in my district are actually falling apart, and I don't want to have it on an emergency basis as to is there budget there, and if it's there, great. Let's get it done. But what's the larger plan? I know we have new project managers but I just wanted to know what we have budgeted to upgrade the roads. What's the actual plan?

Also, for the temporary positions, I understand the temporary positions but are these new positions? They've worked for a year, two years and once they're gone, they're done, they're out of there?

Regarding the hydrologist, I definitely agree with the hydrologist position. That's something that's definitely been needed for a while. And one of the other things is the Public Safety salaries, I just have a question on that. We could meet on that later, Katherine,

that stuff. And then the river, to see what we need to do with the entire river to clean up, the project managers and so on. Thank you, Manager Miller.

COMMISSIONER HAMILTON: Thank you, Commissioner Garcia. So I also – I actually agree with several of the comments made, including paying off at least some of the Yearout energy expenditures. That sounded like a really good idea. At one point when you were talking about possible uses of the Recovery money, it was for needed infrastructure that included water and sewer as well as broadband. And the comment was made that there's another pot of money for broadband. But there are several water and some sewer, but especially some water projects, particularly for rural areas. I have lots of examples that I've been trying to work on some strategic planning for water supply options for the more rural areas. I think this is a potential good opportunity for that. So I don't want that to get lost out of the possibilities.

Are there other questions at this point?

COMMISSIONER GARCIA: Madam Chair, I have a couple of thoughts.

COMMISSIONER HAMILTON: Okay. Go ahead.

COMMISSIONER GARCIA: Just really quick, I know there's federal money out there, there's tons of federal money out there, but I just want to caution us and my fellow Commissioners that we can go apply for a lot of money but I just want to make sure when we do go apply for federal money because, you know, Commissioners, that when you go for federal money it's hard to manage the money and if we could go apply for all the money in the world but if we don't have project managers – so let's just plan that out. So if you can just keep that in the background. Thank you.

COMMISSIONER HAMILTON: Thank you. So Manager Miller, is this the point where we would go on to the strategic planning or did you have some wrap-up comments or another component of budget summary?

MANAGER MILLER: No, what I guess I would just ask is if the Board is okay with us doing the special session on the 18th to complete the interim budget and in that meeting we would go over, and hopefully have something more definitive on the Rescue Plan funding, and we would include the carryover for capital project and the budget for the new capital projects in the GO bond so that we could request approval of the interim budget on the 18th, including all of that.

COMMISSIONER HAMILTON: So you're asking for availability on the 18th?

MANAGER MILLER: Correct.

COMMISSIONER HAMILTON: I am not available from 8:00 to 10: I have an EPA conference call, but I'm available any time after 10:00 am. Commissioner Hansen.

COMMISSIONER HANSEN: I am available from 10:00 to 3:00.

COMMISSIONER HAMILTON: Thank you. Commissioner Hughes.

COMMISSIONER HUGHES: Yes, I'm available after 10:00 on the 18th. Anytime.

COMMISSIONER HAMILTON: Anytime? Great. Thank you very much, Commissioner Hughes. Commissioner Garcia.

COMMISSIONER GARCIA: I'm available as well. And just one thing, on the Public Safety salaries, I'd like to know what the Sheriff's position is on that, if you have any thoughts on that or any opinions, but I would like to know what he's thinking about that,

if he's available. But I'm available on that day. Thank you.

COMMISSIONER HAMILTON: Okay. If that's going to be discussed at a later time, Manager Miller, we still have the whole strategic plan.

MANAGER MILLER: Madam Chair, Commissioner, if he's referring to the entire deputies, I'm fine if the Sheriff has anything he'd like to add, relative to Public Safety salaries in the Sheriff's Department.

COMMISSIONER HAMILTON: Sheriff Mendoza, are you –

ADAN MENDOZA (County Sheriff): I'm here but I'm afraid I have somebody in the office. Could you repeat the question?

MANAGER MILLER: Madam Chair, Sheriff, Commissioner Garcia asked if you had any comments or requests relative to salaries for Public Safety officers, deputies or otherwise.

SHERIFF MENDOZA: Madam Chair, Commissioners, and Manager, I don't really have any concerns right now with the salaries. I did see in the presentation that there was an ability for essential workers premium pay and I guess my question is is what is that? And is that a viable option? And would that refer to officers and staff. We've been working since day one over this pandemic, but I guess I'll put that out there but I don't have anything specific in reference to salaries for the Sheriff's Office right now. Thank you.

MANAGER MILLER: Okay. Thank you. And I'll make sure when we get the guidelines what that is in reference to and we can also look at how that was viewed in the CARES Act. There might be some guidance there.

COMMISSIONER HAMILTON: Excellent. Thank you, Manager Miller.

COMMISSIONER HAMILTON: So it sounds like if you have sufficient feedback on that, Manager Miller, we can move on to back to 2. A, the Strategic Planning Updates.

COMMISSIONER HUGHES: I wonder, could we set a time on the 18th.

MANAGER MILLER: Does 10:00 to 1:00 work? Okay. Thank you.

2. A. Strategic Planning Updates

MANAGER MILLER: So, Madam Chair, Commissioners, what we did from the two days that we did the group sessions is we took everything – what we did in the strategic planning, so we took the plan, objectives and strategies. We took out the actions for purposes of just making it an easier document to read, and in the packet here we have the original strategic plan and then with everything – the full works that the Board has seen before, and then we had the condensed version that we used in the two-day session. And then what we did is we took all the comments from the groups, as well as the facilitator's analysis and we put all this into one document. This is just for your information. This is not to adopt anything. This is just a compilation of all of the discussions that occurred during that time.

So as you can see there is kind of a fairly good consensus I think that many of the strategies or objectives – maybe not the objective itself, but some of the specific strategies, if they've been completed, then there's this idea, well, maybe we don't need this anymore, or we need to enhance the objectives. Maybe expand on the objectives. So where we have enhanced fire protection programs, well, we created the year-round wildland program. We

created a hazard mitigation strategy and program, so they're like, okay, well, we don't need that anymore. Well, maybe it's not get rid of it, but maybe it's working with the Fire Department to say, okay, well that's next? What would be next in this area? What would be some proposed – a proposed revision to this objective, or what additional strategies do we need in order to expand or enhance our fire protection services.

So now what we'd like to do is we'd like to get back with this document, and I just wanted to give you kind of the – here's what came out of those. And while I understand that it maybe didn't provide that day what the Board had hoped for in a rewritten strategic plan, what it did is really get everybody talking about it again, and talking about what should this look like. First of all, I want the Board to know that we did – we took Erik Aaboe's position that he had before he retired and we rewrote that job description so that that individual who's hired, and we're in the process of doing interviews for that position, that that position will be where the strategic plan resides, so it has a home. And that home is within the Manager's Office to really, really work on making this plan a more active and complete document, and updated regularly and presented to the Board regularly.

When we did it before we didn't really have a person that had it as part of their position. It just happened that the Finance Director said, well, hey, I'll write this up. And so that was when Stephanie Schardin Clark was here, and so she kind of created it, and then she left. And then I think Gary inherited it and so then at that time Gary and Erik worked on keeping it updated and then Gary went over to Public Works and then Erik left. And then Joey was working on it but she never – she was trying to learn her job as budget director. So what came out of all that is I think we really need it to be somebody's job, part of their job, in order for it to be managed properly.

So that's one thing. So when that position gets filled, which I hope to do very soon, their job will be to then take anything where it really looks like there was fairly good consensus to remove something, remove it but not make it disappear, but create an appendix of accomplishments. So that the strategic plan has an appendix of all the things that we've done and it keeps a list going. So as this things rolls and picks up more years, and we finish things, those finished things don't just disappear, they become part of a backup document as to where were we and where have we come and what did we complete? What did we finish? And then if we remove something completely, not because we finished it but because it just didn't make sense, that maybe goes into another area of lessons learned – things that didn't quite work out. So there's a document that keeps the history of what we tried to do that was successful and what we tried to do that maybe wasn't.

Additionally, so you see a lot of these – so the other thing would be to where it's pretty much consensus, it says retain, retain, and nobody had – none of the groups or anybody had an issue, those will probably stay the same. Things that we were thinking of removing because we finished it, we would put that into an appendix of finished. If we were thinking of removing it because it's not really a strategy – so study Fire Department organizational structure wasn't so much a strategy but it's something that needs to be done but maybe that needs to be refined a little bit different. And that would be to say, hey, where we're missing something, what would it take to get to doing that. Plus I'd like to work with the new Fire Chief with some additional objectives and strategies with some of her input, because she wasn't part of putting this together and neither was Chief Litzenberg, but I know that there's probably a lot more information that they could add, that the Fire

Department could add to the plan.

So one, I want to get so that I have one person who is responsible for helping us rework this, and then wherever we have things like maybe some new ones, those are the ones that were thrown in there, and they're in blue, and it says, maybe revise it and reword it and combine it. So for instance, we have the – I think there were some comments relative to the shooting range issue about that that also really is an outdoor recreational opportunity, and how do we – it's not just a public safety issue, it's also a sustainability issue in the litter, as Commissioner Hansen said. I think litter is a huge problem, not just in Santa Fe County. I was reading news clips from other counties that are having just a terrible time with litter right now.

But we would come back to the Board in another session, but hopefully this session would be in person, because we're getting to a point where we can be in person, where we come back with some recommendations on where it says revision, like revise it, reword it, whatever, that we actually have some recommendations to the Board on how we might add some of those new objectives and how we might word some of those, and have some very specific strategies on how we would accomplish those objectives.

So this is really – the update was to show you the format with everything, with all the comments from the group meetings and the facilitator. We won't leave it like this but this is just so you had all the information from all the groups, since we didn't have a lot of time to talk as a big group. So these are there for you. We will print – make sure you get a printed copy of this along with what the original strategic plan looked like, and we thought after we get the interim budget done then we would also plan another strategic planning session but in person and where we could go through ideas that came out of these sessions and some actual suggested objectives and strategies under those.

COMMISSIONER HAMILTON: So are there questions? I certainly have at least one, or comments?

COMMISSIONER GARCIA: Madam Chair, I have some questions if I may. Thank you, Manager Miller. Thank you to the staff for actually moving forward on this stuff. As regarding – I know we're in a budget session but what is the cost of all this – the rough cost for everything that's going on here, because we need to look at the cost of that stuff. The planning is great, however, thank you, Katherine, to you and your staff, but what does some of the stuff cost, because we need to know that. Thank you, Madam Chair.

MANAGER MILLER: Madam Chair, Commissioner Garcia, I think that's a really good point. The other thing that we want to do is we're not saying all of these things are just automatically added, because I don't think that we can do it like that. I think we have to go through and do it by steps. We're going to need phases and steps to decide, and some analysis of what does this mean. So if I were to just say implement the initiatives and goals from federal, state and partners on climate programs, I don't know what all of those initiatives and goals are and that's a really broad strategy. So that's a strategy where I think I understand what the idea of it is but it's not something definitive that I could say, oh, well, we can do that. Because I don't know what – so I want to make this more specific. Maybe there's a specific, but then we go to the next one where we talk about the Race to Zero of the SolSmart or Biden's climate plan. That's a lot of things, and I agree with Commissioner Garcia. That one thing alone – what does that mean? That's huge. But it doesn't mean there aren't things within those – Race to Zero, SolSmart, steps that we say, okay, we want to do

this in year one, this in year two, this in year three, that helps us get closer to net zero.

So that's the kind of stuff where we need to go do some work to take those ideas but that's going to take time, and that's going to take time with the staff to go, okay, under some of these, can we be more specific of what it is we're going to actually do. Because we can't do everything. It's clear we can't do everything. So we need to be – so some of the strategies need to be refined to be more specific and more actionable. And that's what we need to do. I think we have a good understanding of where the Board's trying to go, but we need to go do some work to come back with some ideas that go to the Board, have you vote on whether those are what you want us to do, or whether we missed the mark, and then come back again. I think this is going to take a few sessions to get to where I think the Board would like to see.

COMMISSIONER GARCIA: Thank you, Madam Chair. So in regards to just some of the stuff, the new FTEs for Fire. I think those are pretty identical, that we can identify how much it's actually going to cost for two or three FTEs for Fire. I know we can't give a recommendation for all these projects but there's a couple on there that we could. But I just want to know more or less what they're going to cost. But thank you, Manager Miller.

COMMISSIONER HAMILTON: Thank you. Commissioner Hughes, did I see your hand up?

COMMISSIONER HUGHES: No.

COMMISSIONER HAMILTON: Okay. Great. Commissioner Hansen, did you have anything at this point?

COMMISSIONER HANSEN: So I understand delineating the issues, especially something like the Race to Zero, SolSmart, like those really belong in separate categories. There's information that other Commissioners might not have about the fact that ICLEI in the Race to Zero, this organization, ICLEI, is willing to help Santa Fe County and provide us resources, because we joined the Race to Zero that we didn't have before by doing that.

And then with SolSmart – I'm just giving you a little explanation – SolSmart lasts for one more year. It's a federal government program. We got the bronze. Do we want to get the silver or the gold? It's not a heavy lift but they probably do need to be separated out as strategies under the climate plan. Anyhow, I don't need to get that specific right now, but so that we can all understand what each one really entails.

Because some things might be small and some things might be large, that take a lot more bandwidth than other things, even outdoor recreation. That's a huge comment but then breaking it down and how do we negotiate that and what can we do is part of the strategy to deal with that. I think it's helpful to have this document and I was on a NACo Resilience county meeting right before this meeting and they were talking about strategic plans and how important they are for counties. And I had the ability to be able to say, yes, Santa Fe County is working on a strategic plan, and we have been for the last number of years. And I think that that helps not only us to develop a better strategic plan, but counties throughout the state and throughout the United States need to work on their strategic plans to make movement happen. That's all I have to say at the moment.

COMMISSIONER HAMILTON: Thank you. One thing – a couple of things, I think. We had a lot less time and certainly we're doing this strategic plan review. So there was a lot less time for back and forth among Commissioners and staff and what

not. And it also meant that we really had a focus on the upper levels. So you can't forget, and Commissioner Hansen in a way was just alluding to this, that there are actions under the strategies, and it occurred to me when Manager Miller you were starting the conversation on this and you were up and used emergency planning and mitigation is one of the examples. There are some strategies like that that would probably be retained for numerous strategic plans, right? But the actions under them might well change.

And I think conceptually we're kind of covering that by saying there's more work to do that. The climate change things and the resilience things. Some of the actions might move along but the general strategy is likely to be persistent for a while because there are a number of things to be done. And so I'm very happy with a lot of things that we were able to capture and just with the fact that we are actively reviewing and updating this plan, but it's a little bit dissatisfying to not have more time to talk about some of the actions.

Recognizing that that's the way it is and I think I want to emphasize how important it is that you said that there's more work to be done under this. So I just really wanted to agree with that.

And the other thing is these plans, the development that's needed for some of the actions under these plans is where the strategic plan intersects with some of the other existing County procedures, project development and what not. Maybe that's all that has to be said. We still have a capital planning process and then budget planning annually usually takes care of the O&M things that fit under that, and that's where the intersection of some of this, the action development, that would fall under these strategic categories, because I just think especially under the limitations we had in this planning cycle that those to me are very, very important because it's places where we can look to the strategic plan and then develop the projects and the capital outlay further with this as a guideline.

MANAGER MILLER: And Madam Chair, I want to speak to your comment about the actions. I agree with you. This Board or at least three of you were actively involved in helping us build this strategic plan from a blank piece of paper. You didn't come in with something already there, so you actually were involved all the way into the discussions developing actions. Some people would say, a Board of Commissioners shouldn't be involved in the detail of the actions but you were. And you're right; it intersects with what we do on a regular basis too, and it intersects with our capital planning.

So to some degree you need to be involved in those discussions about the specific actions because there's so many work hours in a day and only so many work hours in a year. And every one of these ideas takes time, takes staff time. So we have to actually get to the, well, how many things can we – there's objectives and ideas; those are great. But when you take them down to an actual action that time out of a staff member's day. We need to know, when we put this together, you're kind of thinking, I'm putting a strategic plan together with a human resource budget in mind. Not just dollars for infrastructure in mind, but a human resource.

And Commissioner Garcia touched on it. Just remember, if you go get federal money for this you still need to have somebody who can manage the project. And Commissioner Hansen, you and I have had conversations like, I'd love to get more of that but I've got to make sure that we could implement it. So I think that's where the actions do come into play so that the Board can see, okay, we can only do this many things in a given work week, or in a given year, or in a given quarter, or a five-year. It's unrealistic to think,

with human resources and financial resources that we have that we could do all of this.

So that's where I do believe we need to have quite a bit more work on staff working on these objectives and strategies, getting them put into language that fits an objective. So for instance, if I were to just say, create an Arts and Culture Commission, that's not necessarily an objective; that's a strategy. And we would have, above that, it would be more like promoting and developing local artist talent, or something like that. Or opportunities for local artists. You might be saying that might be your objective is to grow our local art community, and then there might be some strategies. Maybe it's have a commission. Maybe it's have a – I don't know, provide grants. Maybe it's: create a display space. Those might be some strategies or actions.

But I think that's on County staff to go rework those and come back to you with these ideas in a framework that you can then see how we would fit that into our work schedule, and vote on whether you want those things or not added to our plan. So – and I think that will also take a good deal more staff time. And it's going to take more quality time with the Board going through it and getting feedback.

COMMISSIONER HAMILTON: I agree with that completely and really appreciate those comments. And I also wanted to point out that in a relationship between several of the components with the strategic plan – so for example, things have to be listed separately to be able to be dealt with. When you think about even the priorities listed taken from the planning we did, climate change and making a resilient County and water supply and drought management – those things are very strongly interrelated. But managing water is one of the big things the County can do to make itself resilient to climate change because it's one of the biggest impacts, especially here in the Southwest, right?

So when you're interpreting this plan there are relationships back and forth between the climate change things and utilities and electric vehicles and that approach. There's a big relationship between – you see the point. So just in terms of interpreting the plan, the emphasis that's put in these different areas, some of them are quite related and those relationships also show the direction of what people consider important. So fire management and climate change, that sort of thing. Emergency management.

So are there other comments at this point? Yes, Commissioner Hansen.

COMMISSIONER HANSEN: So just as we were thinking about this and looking at this plan, I realize that maybe there's a possibility that we need a strategy or somewhere where it says City-County relations, or City-County interaction or City-County – I don't know. I don't know if that belongs in this strategic plan, because they are somebody we have to deal with no matter what. But do we have certain strategies for moving forward with certain issues that we are negotiating. I don't know if that belongs in the strategic plan, but I just thought about it, so I just wanted to share it. Thank you.

MANAGER MILLER: Madam Chair, Commissioner Hansen, you just made me think back. As frustrating at times as the RPA was, the Regional Planning Authority, and I think because it kind of had some breakdowns in what its purpose was, but we did have a lot of staff committees on that where affordable housing, renewable energy – the subcommittees actually there was a lot of good dialogue between two Commissioners and two or three Councilors in these subcommittees of the RPA, and even the RPA, at least you had four and four getting together once in a while and talking about regional infrastructure. Granted, most of it was paid for by Santa Fe County because at that particular time – I

shouldn't say it was all paid for. What was up for discussion was what to do with the County's GRT, not what do we do together, but there was some merit in that because we were talking as governing body to governing body.

And I remember at one point there was a request from I think Commissioner Anaya at the time and Commissioner Mayfield, well, what about something that was even more regional that included the tribes and included Espanola and Edgewood. Not necessarily all on the same board per se, but maybe something around intergovernmental collaboration. I don't know. Between all of the entities that are within our boundaries.

COMMISSIONER HANSEN: Madam Chair, that's kind of – there's the City-County, there's the County-tribes, and I did think that – I know you have heard me support a regional planning office, a regional planning idea many times, so I just wanted to throw that out at the moment as something for us to think about again to see where and what we might be able to talk – come up with. Thank you, Manager.

COMMISSIONER GARCIA: Madam Chair, just to add to that. I think it should be on the plan. All regional governments that are near, in Santa Fe County, Bernalillo, Cochiti, Santo Domingo, you have Edgewood, you have Moriarty, you have Espanola, you have all our pueblos. If we could just put a note on there saying let's try to work with all these entities and we'll figure it out when we get there.

COMMISSIONER HAMILTON: Thank you, Commissioner Hansen. Thank you, Commissioner Garcia. And also I just want to take a moment to acknowledge that Commissioner Roybal, our Chair, has been on for about 45 minutes. He had been excused because he had to go up to the labs but he's finally been able to join so I think I might – it seems trivial toward the end to turn it over to him. Chair Roybal.

CHAIR ROYBAL: Thank you, Commissioner Hamilton, and you've been doing a great job and I just want you to go ahead and continue and finish out the meeting. I just wanted to thank staff for putting this together. I do want to review the actual meeting later and I probably will have some questions, but it's been a great conversation and I think that we're heading in the right direction, but I do appreciate you acknowledging that I joined, so thank you, Commissioner Hamilton. And continue on.

COMMISSIONER HAMILTON: Of course. Will do. And thank you very much, Chair Roybal. So Manager Miller, does that cover about what we were hoping to in these items?

MANAGER MILLER: Madam Chair, yes it does. I think and I hope we're on target with what the Board would approve as an interim budget. As I said, the minute I have some guidelines then I can make additional recommendations, but if there's anything that we missed or anything you have concerns about, please let me know. Also, we have an agenda item on on the 11th and I can put an agenda item just for discussion so we can get any additional direction if there's anything else that comes up that you think we need to include in the budget.

And then also we'll send out the invite for the 18th, and we will go to work on getting the rest of the information, and also, like I said, work on refining some proposals on the strategic plan, and then we'll come back to you to request maybe a day that we can just spend a day on, but in person in the chambers or something like that. Plan sometime in June.

COMMISSIONER HAMILTON: That sounds fabulous.

MANAGER MILLER: Thank you. And then I just really want to give a big

thanks and kudos to Yvonne and her staff for how much work they've done to get this budget together. I told her I'd take the burden of yakking the whole time if she'd just get all the slides together. So she has done an excellent job. And Daniel for keeping the presentation going, and everybody who's worked behind the scenes to put all this together – Tessa Jo and Hvtce on the strategic plan and all the note-takers. So thank you very much to the staff, and Elias who helped shepherd all that. So thank you very much to them.

COMMISSIONER HAMILTON: I certainly want to support that. Thank you so much, Manager Miller, and Yvonne and the entire staff for what I thought was a fabulous analysis, very informative, very detailed but understandable, a great follow-on from the first study session which was really useful for understanding. I really want to thank you for that.

3. CONCLUDING BUSINESS

A. Announcements

COMMISSIONER HAMILTON: Does anybody have any additional announcements? Commissioner Hansen.

COMMISSIONER HANSEN: I want to wish you a wonderful day tomorrow on your Earth Day planning out at the Hondo Fire Station and good luck. I'm sorry I won't be there to join you but I'm sure you'll have a great day.

COMMISSIONER HAMILTON: Well, thank you. I think we're going to be planting a smaller area than you did but every place we can get stuff in and everybody seems to be very excited about it. Thank you for that. Are there other announcements? Yes, Commissioner Hughes.

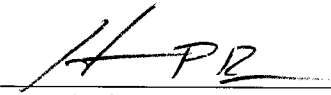
COMMISSIONER HUGHES: I just wanted to thank the staff for putting all this together. I know I didn't have that much to say today because I'm still learning this whole process but it's very informative. Thank you.

COMMISSIONER HAMILTON: Excellent. Thank you very much. So if there's nothing else, we had all the follow-up for next steps from Manager Miller, so I would entertain a motion to adjourn.



B. Adjournment

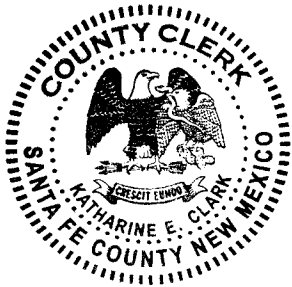
Upon motion by Commissioner Hansen and second by Commissioner Hughes, and with no further business to come before this body, Vice Chair Hamilton declared this meeting adjourned at 4:10 p.m.

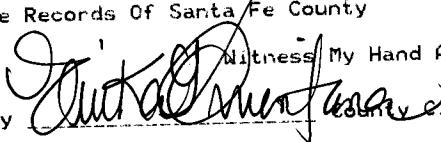
Approved by:


Board of County Commissioners
Henry Roybal, Chair

ATTEST TO:

KATHARINE E. CLARK
SANTA FE COUNTY CLERK

Respectfully submitted:

Karen Farrell, Wordswork
453 Cerrillos Road
Santa Fe, NM 87501



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
BCC MINUTES
PAGES: 35
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Witness My Hand And Seal Of Office
Katharine E. Clark
Deputy County Clerk, Santa Fe, NM


SFC CLERK RECORDED 05/26/2021