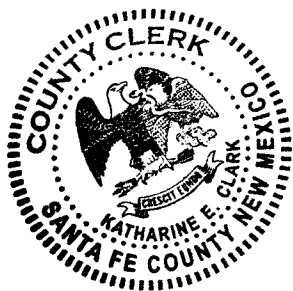


SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
SPECIAL MEETING

May 18, 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


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COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 46

I Hereby Certify That This Instrument Was Filed for
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Deputy  Witness My Hand And Seal Of Office
Katharine E. Clark
County Clerk, Santa Fe, NM

SANTA FE COUNTY
SPECIAL MEETING
BOARD OF COUNTY COMMISSIONERS

May 18, 2021

1. A. This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 10:04 a.m. by Chair Henry Roybal.

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
Commissioner Anna Hamilton, Vice Chair
Commissioner Rudy Garcia
Commissioner Anna Hansen
Commissioner Hank Hughes

Members Excused:

None

C. Approval of Agenda

CHAIR ROYBAL: Are there any changes or amendments to the agenda, Manager Miller?

KATHERINE MILLER (County Manager): Mr. Chair, I do not have any changes and I see that Assessor Martinez is there and if he doesn't have any requests on his items I think we're good to go.

CHAIR ROYBAL: Okay, Assessor Martinez?

GUS MARTINEZ (County Assessor): I'm good to go.

CHAIR ROYBAL: Okay. Thank you, sir. So with that being said, can I get a motion for approval of the agenda?

COMMISSIONER HAMILTON: Move to approve.

CHAIR ROYBAL: Okay, so we have a motion from Commissioner

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Hamilton. Do I hear a second?

COMMISSIONER HANSEN: Second.

COMMISSIONER HUGHES: Second.

CHAIR ROYBAL: Okay, multiple seconds from Commissioner Hughes and Commissioner Hansen. I'm going to go to a roll call vote.

The motion passed by unanimous [5-0] roll call vote.

2. ASSESSOR'S ANNUAL REPORT AND VALUATION MAINTENANCE PROGRAM

A. Presentation on Assessor's Annual Report and Valuation Maintenance Program

ASSESSOR GUS MARTINEZ: Thank you, Commissioners. Every year at this time I submit our annual report and our valuation and maintenance program. So I'd like to go through that and I'll start with the annual report. So if we go to the annual report, the first page, basically it's letting the County know that the net taxable valuation comparisons from 2020 to 2021. And it looks like we have a slight increase in taxable – we went from \$7.8 billion to \$7.9 billion and a net new taxable of \$94 million, so basically about a half a percent from last year of value. And then it breaks it down into total residential value. We went from \$6.1 billion in 2020 to \$6.5 billion in 2021, with an increase of 5.25 percent.

And then we go to non-residential which would include vacant and commercial properties, and so as you guys well know regarding COVID, we had to, just because of the business and stuff we had to lower commercial values and we had to lower values to right around about \$300 million, which we decreased the commercial for \$1.6 billion from 2020 to 2021, \$1.3 billion, basically, which was a 17.7 percent decrease in valuation on commercial. But overall, we went up around \$94 million combined.

If you go to the next page we have the permits from 2018 through 2019, just kind of a trend of what's happening within the county. Basically 2018 you have a total of 2,892, 2019 is 3,385, and 2020 is 2,666. And so there's a significant drop in county permits, so I kind of figured a couple of things. It could be the cost of construction is a lot higher now so people are probably pulling less permits to build. The median right now is about \$500,000, and then the permits are shifting to the city. There's a lot of building going on within the city limits of Santa Fe in subdivisions and that so that would result in the city permits kind of going up from last year. So that's kind of that one there, just kind of the trend from 2018 through 2020 with the city and county permits and then the total permits. Basically it kind of went down. 2019 was kind of weird in that we're in the pandemic but there's a lot of permits that were pulled and then we get to 2020 and it decreased, and like I said, that could have been the result of just the construction, the cost of construction is causing permit people to pull less permits because the cost of construction is a lot higher.

We go to the next page which is the affidavit of sales, trending from 2018 to 2020, and you could see in 2018, the County permits that – not permits but affidavits that sold were 1,495. The City was 1,636. In 2019, during the pandemic, you had the county

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with 1,604 and the city limits were 2,092. And then this year, for 2020, county was 1,640 and the city was 1,929. So you kind of just see that trend of what's happening within the city limits and the County of Santa Fe as a whole with what kind of – how much properties are being sold and transferred.

The next page is really the growth of the net taxable history. So you kind of see the net taxable, the history of – the value of 2017, we were at \$366 million, and then it dropped in 2018 to \$173 million. In 2019 it went back up to \$312 million. In 2020 it went to \$330 million and then back in 2021, \$44 million. And like I said, the changes would be the drop in commercial property, which caused that value to drop significantly.

And then the next page basically is the net new taxable added, and there's a history from 2016 to 2021. It's pretty much mimicking each other all the way through, kind of the value hovering around \$90 million, and that's combined residential and commercial.

The next page is basically the number of sales that we've valued, using IAAO standards, which would be appraisal standards. Our median ratio of values, or our mean ratio of values is 94 percent of how we're valuing. Our median is 95 percent. Our coefficient of dispersion is just letting you know how uniform our subdivisions are and how we're valuing as a whole, which, if you look at the range, it's five percent to 15 percent. We're at 6.4 percent so we're valuing our properties pretty good, pretty fair and equitable, because the lower number you are the better and the more efficient we are at valuing properties. And the PRD is the price related differential. The range is 98 to 103. We're at 101 percent. One is perfect. One is basically saying that the lower end properties when you're at 101 percent are valued a little high and the higher properties are valuing a little bit low. But it's pretty close to one, so it's pretty uniform.

And then the last one is itemized comparison from 2020 to 2021, basically the number of parcels compared 2020 to 2021, so we've dropped a little bit in residential, the residential land value. Then you go to residential improvements, you look at the value taxable from \$4.8 billion to \$5.1 billion, and then percentage difference there. And then you'll see that non-residential, commercial, and you see the drop in value there of the 15 percent.

This is personal property, just to let you know kind of basically the percentage and what's happening in that area there, and then you go to state assessed, agricultural, grazing, irrigated, and so it's kind of a snapshot from 2020 to 2021. And then the last, the bottom ones – we roughly have right around 90,000 parcels that were valued right now. So it's gone up through the years. I think when I first started we were probably about 80,000 85,000, 86,000. We're pretty close to 90,000 parcels right now that we're valuing.

And then personal exemptions, which is veterans' exemptions, 100 percent disabled veteran exemptions, head of household, and homeowner 65 value freeze, so you compare those numbers from 2020 to 2021, you look at the veterans, the count has gone down a little bit; 100 percent disabled veterans has gone up about two; head of household exemptions have gone up, and then the value freeze, which freezes the values of anybody that's 65 years or older, making I think it's \$35,400. And those have gone up significantly. And it's really due to a lot of outreach that we do to let people know what exemptions and benefits are available to them throughout the year. Also we push those at certain times of the year to let people know to come in and apply.

Our protests, our trending, really has gone down. This year I thought we would have more protests than we've had in a long time, but the opposite effect has taken place. We probably had the lowest that we've had in a long time, just because we were pro-active. We were pro-active in the commercial aspect of it of lowering commercial properties due to the pandemic and due to a great residential market, the protest that we've had for this year was probably just over 1,000, which is pretty good. So we're trending really about 1,000, 1,200 that we've been kind of having throughout the years, and I would put that due to a lot of outreach, a lot of technology. Our values are a lot better. They're more uniform, which people are trusting their values that we're putting out there for the constituents, so they're protesting less and so I think – I give all that credit to my staff for doing a good job regarding that.

So any questions on the annual report?

CHAIR ROYBAL: Do we have any questions from the Board? I'm looking for a show of hands. Seeing none, it looks like we can go on, Assessor Martinez.

ASSESSOR MARTINEZ: All right. So the last one is as mandated by statute to go over the property valuation maintenance program.

COMMISSIONER GARCIA: Mr. Chair, I have questions. I'm sorry. I'm on my phone.

CHAIR ROYBAL: Commissioner Garcia.

COMMISSIONER GARCIA: Thank you, Mr. Chair. Thank you, Assessor Martinez. First of all, thank you for your staff which you guys bringing in the valuations for the County. A couple of things you mentioned as into, you said that the lower income houses are valued higher than the most expensive homes? Can you explain that to me? And then also in regards to Las Solaris and all that stuff that's getting built out there, the apartment complexes, which are \$1,800 a month, as well as those homes, they start at \$500,000+. So when do we get that valuation determined for those homes?

ASSESSOR MARTINEZ: Okay, so regarding the PRD, the price related differences, what I went over, basically what that just tells us is how we value the homes equitably. What it is is one is perfect, so if you have the PRD at one, We're running 101, what this is showing is that the lower end homes are closer or at market value, and then the higher homes are probably a little below market value – not much. But that's all that number is telling us is that one is perfect. We're pretty close to that one. We're a little side on the over, but when you start going higher than one, the higher you get it affects the lower end; the lower you get it affects the higher end value as a whole.

So basically the values are pretty good because we're running – we're roughly around 95 percent of market value. So we're not right at 100 percent on most homes, but we're pretty darn close.

And then regarding the new construction that's happened. There's probably right around 12 apartment complexes that are going up around the city and the county. We would probably see a lot of that valuation, and also regarding the Bishop's Lodge and all that stuff, that's probably going to go on the tax roll for next year. So we'll see a big influx of probably commercial properties and some of those residential lots that are created on the south side of Santa Fe will probably go into the coffers next year as we're picking it up now on building permits.

COMMISSIONER GARCIA: Mr. Chair.

CHAIR ROYBAL: Commissioner Garcia.

COMMISSIONER GARCIA: [inaudible] Mr. Assessor, thank you for what your team does. They do an excellent job and you as well. I'm just concerned. I can see apartment complexes that are being built. We talked with Joseph, our Housing Director, the tax credit, they're going away and people are getting letters, even myself, saying your residence is going from \$700 to \$1,400. And so now those new rentals, all those new apartment complex, those are going for \$1,800 a month for a one-bedroom apartment. I'm like, whoa. Where are we going? So I'm just looking at the larger picture.

But once again, thank you, Mr. Assessor, for what you and your team do. Appreciate that. Thank you, Mr. Chair.

CHAIR ROYBAL: Thank you, Commissioner Garcia. Okay, back to you, Assessor Martinez.

ASSESSOR MARTINEZ: So statutorily we're required to produce this property valuation maintenance program for the Commissioners to let them know basically how we're doing. That's a whole – in our program of valuing the county in a timely manner. So basically, if we can look at the preface and the table of contents of what we're doing. I don't want to kind of bore you with all this stuff of the statutory requirements and that, but if we look at 7-38-1 NMSA 1978, Expenditures from these County property valuation funds shall be made pursuant to the property valuation program presented by the County Assessor and approved by the majority of the County Commissioners. So that's just our statutory requirement.

If we go to the table of contents, what it is is just going over what our office does as a cycle, a yearly cycle, and basically, it goes through every department in our office and our goals and what we're doing to produce a notice of value. So basically, if you go to the next page there, it's going to break down each department, basically. On page 4 it's going to start with our operating budget and basically it's going to give you the historical data of what our general budget is. So if you go to page 5, So basically it's going to tell you, in 16 and 17, our historical general budget, what it was and where it's migrated to from fiscal year 19 and 20.

If you go to the next one, it's going to have our Assessor's property valuation funding, and then it gives you kind of what we've done these past few years, and currently we're at \$2,069,338. And then both budgets combined for 19/20, we're at \$4,706,273. And so basically, the increase of budget is really a lot of technology that we've brought into the office – the aerial imagery, that sort of thing, to be able to work more efficiently – work a lot more accurately and faster without going out in the field a lot and taking a lot of time there to do that.

So basically, that's kind of our total budget for those two throughout the year, so we're basically at about \$4.7 million.

The next page is basically just our real estate property ownership transfers, just letting people know where we're transferring deeds on a daily basis. Our goal is to really transfer them within a two-week period, that our records are updated in a timely manner. The next one is our GIS mapping, maintenance, just letting you know basically what our mapping division is responsible for, really submitting property, creating new CADs. When a subdivision is created they're mapping those and they're putting the CAD numbers so that we can assess those.

And then if you go to page 9, it just kind of gives you the history of kind of the plats and stuff and mapping that we're doing. We're roughly hitting about in the 500 range as an average of what we're kind of looking at we're splitting property on a yearly basis.

The next one is just really valuation or appraisal of real estate and personal property, so this really tells you what we do, basically our statutory requirements. Page 11 just tells you just our cycle, our dates that we are required by statute to produce a notice of value, what things in any given months have to be done in order to produce that notice of value.

Page 12 is just talking about our special method of valuation, which would be our agricultural properties, manufactured homes valuation, tax releases, what we're doing. Our appraisals, it's just talking about the three approached to valuation – our cost approach, sales comparison approach, our income approach.

The next one is really a quality control and the preparation of valuation of data for the printing of NOVs. It's really our quality control department going through all our data, making sure the data is clean, making sure that we can produce a quality notice of value and that we're not sending them out with mistakes on there, so that's real time consuming but we really take pride in that and making sure that we produce an accurate notice of value and getting the information out to the public of what we're doing.

And then the other one is really just right now we're in this valuation protest so we're going through all these protests right now. We just took them in through the protest period. Now we're working them, talking to constituents, resolving the protests. We're about 30 percent complete right now so they're working really hard to get the majority of those done. And then the other page, our page 17 is really just talking about historical protests, which we talked about in the previous annual report. It's just kind of where the trend is going with these protests. It seems like we're getting less and less every year and like I said, I put that to our values are better. We're just having more information out there and to a great staff that's working these protests and getting information and really communicating to the constituent.

And then I would just kind of go through – if you go to page 20, we're required by statute to review every piece of property every one to five years. We just finished a year ago our five-year reappraisal plan, or I guess maybe two years ago. We're starting – we changed our five-year plan to a three-year plan so we are in the second year of our three-year plan, so we're reviewing the whole county in three years instead of five years. And that's to do with a lot of technology. Our processes are streamlined, a lot good policies and procedures now. We have all that implemented in there, so we're a lot more efficient in how we're valuing properties and looking at properties. So we just completed, in 2020, we completed the southern part of the county and part of the northern part of the county is completed. So we basically reviewed almost about 25,000 parcels.

This year we are looking into valuing or looking at an additional 25,000 parcels which would be the districts up north, Pojoaque area, and part of the city limits of Santa Fe. And then next year, which will be my final year as Assessor, we'll finish our third year which will be the city limits of Santa Fe, so with that one there we will have completed the whole county in three years instead of five.

And so if you go to page 23, is really the map basically of the reappraisal, so it just kind of lets you know what year 2 we're going to be in, what year 1 was completed in the dark area, and then year 3 is around the city, the county and the city limits of Santa Fe.

So that's basically it, of kind of what we're doing in our office and kind of what we're working on, and so like I said, every year we go through this and so we have to by statute bring forth the resolution to your guys so that you guys can approve our protest valuation maintenance program. So if you guys have any questions, I'll stand for any questions that you may have regarding the property valuation maintenance program. If not then we can go forward.

CHAIR ROYBAL: Okay. Do we have any questions from the Board? Comments? I just want to make the comment, great presentation, Assessor Martinez. Thank you for your hard work. Any other questions?

COMMISSIONER GARCIA: Mr. Chair.

CHAIR ROYBAL: Okay, I'm going to go to Commissioner Garcia first and then I'm going to go to Manager Miller. Go ahead, Commissioner Garcia.

COMMISSIONER GARCIA: Thank you for a great presentation, Assessor Martinez. Thank you for you and your staff. I know you actually one of the individuals that actually works at the counter all day long. I see you there every day from 8:00 to 5:00 and I appreciate that. So does the taxpayer. A question I have is in regards to one of the things that the County Commission and Manager Miller we have done is actually approved the aerial photography, which allows you guys to look deep down into the property. So are the other departments working with you in regards to that aerial photography stuff? Do you know?

ASSESSOR MARTINEZ: Yes, so there are several departments that are using the aerial photography. We have I believe the Fire Department is using a portion of it. I believe that Land Use, GIS, and several other departments that are utilizing it. And so just for any department, if they want to utilize it it's out there. We'll help them get the license to it, but it's there for the whole County to use. Public Works, I believe Public Works is using it and so there's a lot of stuff that you can gather information from pictometry, gather information that is suitable for your department, but if you need help to utilize it, we're here to help and to kind of give instruction and so I'm here to help out in any way that I can so that people can utilize it.

COMMISSIONER GARCIA: Thank you, Assessor Martinez. Thank you, Mr. Chair.

CHAIR ROYBAL: Thank you, Commissioner Garcia. Manager Miller.

MANAGER MILLER: Thank you, Mr. Chair. Assessor, is there any change to the large ranch down in the southern part of the county in the valuation? Zorro Ranch, by chance?

ASSESSOR MARTINEZ: So last year, we were looking into agricultural property. They had a special method last year, but we did some research and we found out that they weren't utilizing it for agricultural purposes and grazing cattle anymore. So we took off the grazing portion of it, so the land, all of the land is at market value, so it increased in value, that portion of the land value, so they're no longer getting the special method. So it did increase on the land portion. But the capped value portion, after we

establish this year at a higher value, now it's capped due to the law, so the most we can go up is three percent a year on that. But like I said, it did go up because of the special method taken away on that property.

MANAGER MILLER: Thanks. I was also curious about this supposed sale to a non-profit.

ASSESSOR MARTINEZ: Yes, what was interesting is I didn't find out until when the property transferred, I didn't know it transferred until we looked into it and it was transferred to another ownership, and that provided a lot of questions. So we're working right now to remove that deed there and replace it back into the ownership of I think it's called – I can't even remember the name of it – Zorro, Inc. or something like that. So that's going to be put back into the correct ownership there.

So it's hard when you have the deed that looks – it looked like a real deed and so when we transfer properties, we don't really have the time to look at every single property out there. If they come in electronically we go and transfer them. In this case it was brought up, which doesn't happen very often.

MANAGER MILLER: Thank you. I was just curious if there were any changes to the valuation as a result of that, but you answered my question. Thanks.

ASSESSOR MARTINEZ: Well, the cap got lifted, but the end result in there that if it was not a good deed then it would have to go back to whatever that cap was.

CHAIR ROYBAL: Okay. Was that it, Manager Miller?

MANAGER MILLER: Yes, Mr. Chair. That was my question. Thank you.

2. B. Resolution No. 2021-040, a Resolution Approving the County Assessor's Property Valuation Program in Accordance with State Statute

CHAIR ROYBAL: Thank you. Thank you, Assessor Martinez. Are there any other questions? Okay. So Assessor Martinez, that will conclude your presentation, correct? So we're looking for a motion now?

ASSESSOR MARTINEZ: Yes. Correct.

CHAIR ROYBAL: Okay, so what's the pleasure of the Board.

COMMISSIONER GARCIA: Mr. Chair, I move for approval of the resolution for Assessor Martinez.

CHAIR ROYBAL: I'll second. So I'm going to go to a roll call vote.

The motion passed by unanimous [5-0] roll call vote.

CHAIR ROYBAL: Thank you, Assessor Martinez.

ASSESSOR MARTINEZ: Thank you, guys. Appreciate it.

[Clerk Clark provided the resolution numbers throughout the meeting.]

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3. FISCAL YEAR 2022 INTERIM BUDGET

A. Presentation of the Interim Budget for Fiscal Year 2021-2022 (FY 2022)

CHAIR ROYBAL: We have our County Manager, Ms. Katherine Miller and our Finance Director, Ms. Yvonne Herrera.

MANAGER MILLER: Thank you, Mr. Chair. So I want to start this out by saying we did finally receive some guidance on the federal funds which we'll refer to as the ARPA funds, not CARES Act, but the American Rescue Plan Act. So it seems that's become its acronym and nickname. We did receive some guidance about a week ago. Unfortunately it's 150 pages and they continue to clarify that guidance of cans and cannots. So this budget that we're putting in front of you today as the interim budget, varies only slightly from what we've been presenting at the last two budget study sessions and I'll point out where it varies, and then -- what we'll be asking for today is approval of an interim budget that does not use the ARPA funds in order to be balanced. However, there are other items that we want to talk about after that discussion that we want to talk about that we would respectfully request be included into the final budget utilizing ARPA funds for revenue replacement.

So I will make -- and it also gives an opportunity for the Board to give me some additional feedback and priorities relative to the ARPA funds. So what we'll be looking at is pretty much what we've looked at in the past two months in the budget study sessions in starting kind of at the end of March with our initial projections and then through April, our two study sessions and our strategic planning sessions, and then making a recommendation for the interim budget we would like to request, after the presentation, to adopt a resolution for the interim budget so that we can get that submitted, loaded into the state's system and submitted, in a timely fashion to the state, and then in June, come back with possible recommendations for additions, deletions or modifications to the interim budget for a final budget.

So with that I'll jump right in. The first few slides are the same ones that started every one of these budget discussions around, reminding the Board and the public that the way we build the budget is based upon our strategic plan and working on our population goals of a safe community, a sustainable community, a healthy community, and a proficient, transparent, accessible government.

Also, working on continuing priorities from the 2016 strategic plan and those conversations that we had on April 8th and 9th around affordable housing opportunities, climate change, sustainability efforts, economic and community development opportunities, with increased focus on broadband capacity and recreational opportunities, employee training and development, for a competitive employee compensation package to be a competitive workforce, fire prevention and risk mitigation and other public safety initiatives through crime prevention, improved response times, increased coverage and staff training, expanded behavioral health services, and drought mitigation and water supply security.

Obviously, this is not a comprehensive, all-inclusive or exhaustive list but rather those things that continue to come out of the strategic planning dialogue.

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This presentation will give you overall projections. We've updated the FY21 projections to date, so each time we've done one of these presentations we've added revenue and expenditures through the previous day or two, just to let you see where we are as we progress to the end of fiscal year 21, and anything that we have received relative to fiscal year 2022 where we're received maybe grant – confirmations on some grants where our estimated projections of those grants might be slightly different. You will see some small changes in revenue estimates for next year but nothing substantial. And then also we have given you projections broken out by what we see as recurring revenues and expenditures and non-recurring revenues and expenditures, and then also our debt service, revenue sources and expenditures.

And then also you're going to see a large increase in the budget because we did sell all \$20 million of the authorized bonding authority given by the voters in November of 2020. We sold those bonds and we'll be bringing the budget for all those projects into next year's budget, along with a refunding bond of \$5 million that we sold to save several hundred thousand dollars in debt service on outstanding debt.

So here we have the overall 21 and 22 projections, and when I say overall, that includes grants and some other non-recurring sources, but now our updated projections for fiscal year 21 through May 17th, yesterday, is \$154 million that we've received to date, and we are still projecting now \$223 million to the end of the year. You can see that that does include that \$26 million I just mentioned of new bonds and refunded bonds, and it also includes the CARES Act money, all \$14.3 million that we did draw down that we had not had in our original budget estimates. And then as you go into the preliminary budget for FY22 you can see that we have added the ARPA funds and adjusted that for the new estimate of about \$14.58 million. We have not received those funds yet. We're working on drawing those down from the federal government.

So this is our 21 and 22 overall expenditure projections. So to date what we have spent this fiscal year through May 17th is \$144, almost \$145 million, and we're projecting \$198 million. You can see that one of the big differences there will be in salaries and benefits as well as in capital outlay – big expenditures for construction projects – as well as a lot of our service contracts we pay towards the end of the year, and our debt service. We have about \$7 million of that that will be paid out. And then you can see next year's preliminary budget or FY22 and this is without the ARPA funds in it. We are at about \$193 million, almost \$194 million, but that does include capital projects and fixed assets. That is not just recurring expenditures. That has our capital projects built into it now, which on some of our previous presentations we had separated that out.

So this is where we are to date, FY2021, budget to actuals of recurring revenues. You can see we updated again to yesterday, so now we're about 40 days, 45 days out to the end of the fiscal year. We have realized \$113 million of our \$123 million and most revenue sources are in the positive. We still have \$11 million to collect on property tax, although I would note that April/May are some of our big – second half payments are due so we hope that we will realize that revenue. Also the \$3.3 million in health premiums, that comes out of payroll every pay period, so I believe we'll realize that. We may not hit our license, permits and fees target, but we – some of that is due to estimating at the beginning of the year that we would receive funding for solid waste permits, but we suspended that, so we probably received about \$200,000 less there than we had

estimated, or about \$185,000. And there are other fees for services, because we have not been providing – we've been providing services by appointment but you can see that some of our licenses, permits and fees, and as the Assessor had said, our permits are down as well. But I think overall we will hit, in total, we will hit our adjusted budget revenue number.

The area that we will actually see some savings though is going to be in our recurring expenditures year to date, because we had had a hiring freeze, because the departments were good about holding off in spending. We had budgeted an original adjusted budget of \$159 million. That included the grant. And we spent about \$100 million in total expenditures. As I said, we still have quite a bit. We will still quite a bit on salaries and benefits through the year, but we may not hit our total services amount. That's another one, like I said in the last slide, we end up having – we have a lot that we pay for at the end of the year, and also perhaps we will not have as many insurance deductibles as we budgeted for.

So we should have a positive variance at the end of the year of expenditures to revenues. We're estimating around \$14 million when we include the CARES Act reimbursement funding that we received for salaries for public safety salaries that we had budgeted as well.

Here's the debt service projections for fiscal year 2021 and 2022. These are pretty much set. It's kind of like your mortgage. It's not a variable rate. It's like having a fixed mortgage so we know what our debt service payments are for next year and we're estimating \$28.5 million in expenditures and about \$28.8 in revenues towards those debt service payments. And that, any excess that we have, particularly in GO bond debt service goes into a debt service reserve fund and can be used to pay off debt in future years, or pay down debt when we refund bonds. So those two numbers are built into the interim budget.

So then we go to the recurring revenue projections. We already talked about 2021, but for 2022 we are estimating about \$144 million in recurring revenue. Now, you might ask, well why are we estimating a slightly lower general property tax revenue, because you just listened to Assessor Martinez' presentation that we had a net increase of \$99 million, but I wanted to tell you that \$300 million drop in non-residential, just at the straight rate that residential is assessed at for our operating, it's 11.85 mills, if you were to take that \$300 million in taxable amounts, you're talking several million dollars in reduction of non-residential revenue, and it will be offset by an increase in the residential, but we're still estimating overall about a three percent drop.

After the protest period we do run a calculation, what we call yield control which helps us determine what the residential rate will be. It rarely affects the non-residential rate and this year it will not affect the non-residential rate because the value dropped. But what yield control does is if values increase at a rapid rate, so that governments don't get a windfall in property tax revenue by a large increase in the valuation, it actually controls the tax rate and pushes the rate down. So as values go up it will push the rate down, so we will probably see a lower residential operational mill levy because of the increase in the residential side.

So until we go through that formula and we also estimate a collection rate, we won't have a more accurate number but we wait till the protest period is over. But that

may change so that property tax number may go slightly up or it may go slightly down based upon that. But that's where we are right now, just estimating a slight decrease in revenue there. You can see, as when Assessor Martinez was showing you, we've had a steady increase over the last – actually since about 2016 I think, increase in property tax valuation and revenue on the whole, even though we've had some adjustments between non-residential and residential. But we may see a flattening this year. We have had, back when we had the last economic downturn and residential properties went down we did have a drop in property tax revenue and it took about two years and started to climb steadily. This is where we're saying we have been climbing steadily for several years. We think FY21 will be our plateau. We may drop off a little and then start to climb back up again with all the new construction.

You can look down that list of revenues. We are estimating an increase in GRT as we come out of the pandemic. We are estimating about a slight decrease in hold harmless distributions, just because they've been kind of all over the board. That should be a rather steady number but it hasn't been out of Tax & Rev. You can see it goes up and down. But we estimate somewhere between \$1.8, \$2 million for that.

Also ambulance billing, last year was high because the previous year was low. We changed to a contractor who now bills for that, so we think that \$1.5 million is probably a conservative estimate but we also know that this year's – FY21 – is exaggerated because of catch-up from the previous year.

Also the other area where care of prisoners – we estimate \$3.1 million, which is slightly down from this year. But that's based on the contracts we have and the fact that we also have not had a lot of inmates booked into the facility from other entities besides the US Marshals. They've held that population steady but all of the other agencies that contract with us have dropped significantly.

And then the last one to point out would be investment income. You can see the effect of the lower interest rates down here on the bottom where our best year was FY20 but FY21 will be about \$2.7 million and we're estimating about \$2.5 million. And we don't see that coming back any time in the near future just because there's not a lot of short-term securities to invest in that are returning – or have a very good rate of return.

Then these are also the recurring department requests. I will note that they changed slightly but for the most part, if you recall, we were on about the exact same number. We are about a half a million dollars off at the last study session relative to revenues under recurring expenditures, and both were sitting right around \$144.5 to \$145 million.

And those are department requests broken out by category. This is department requests, same bottom number but this is department requests for FY 2022, plus the historic requests, but this is based by department. And I did not put in that breakdown that was in your previous presentations of what makes up all of those requests, as far as contractual services. That was all presented in the last two study sessions. If you need that detail again we can certainly provide that but I didn't want to belabor all of that detail since there were no questions about it the last two study sessions.

COMMISSIONER HANSEN: Mr. Chair.

CHAIR ROYBAL: Commissioner Hansen, go ahead.

COMMISSIONER HANSEN: Manager Miller, if we do have questions about that, those lists that were given to us, when is the time to ask about that?

MANAGER MILLER: Probably at the end because there's something – the department got a little cut happy. The Finance got a little cut happy and so I have to show you where we're headed.

COMMISSIONER HANSEN: Okay. Thank you. Because I have some questions.

MANAGER MILLER: Okay. So that brings us to a recurring estimated revenue of \$144.8 million, and then we did make some adjustments to that interim estimated revenue, primarily those were in the Clerk's Office. After the last study session I met with the Clerk concerning her request because there was some confusion of what was fixed assets and what was services. So we met and clarified that in her request for about \$420,000 that we had moved to looking at using the ARPA funds for, that actually some of that was for services for having individuals who are dealing with elections and poll workers have a phone bank where they would actually answer the calls instead of those going to all of her regular staff. And then also that she has a grant, and we just need to verify that that grant can be extended beyond June 30th, but there was about \$105,000 of that request to utilize the grant that the Clerk's Office received last year for, say, for elections.

So with that, what we did is we built into the revenues, those additional revenues plus there's some other grant money, about \$493,000. Oh, and the other piece was for ballots and some of her election costs will be reimbursed by the Secretary of State's Office, so we also built those into the expenditure side but we built it into the revenue side. So you're seeing a few hundred thousand there for grants from the Secretary of State's Office budgeting the grant that we have currently in this year, plus some refined numbers on our other grants that make up that \$493,000.

So that brings us to a total budget request for the departments of – and this is not capital projects; this is department operating budgets to include their fixed assets, of \$159,336,000. So what were the adjustments from when we had the previous session? Well, we added \$102,000 to the Clerk's services line item. This is for her to have those things that we discussed for the – it was the \$97,000 plus there was another \$5,000 in her request that we put in her overall request that we added to her services line item, professional services, to help with the primary and the general election for those phone bank services and training.

Then also the \$285,000 – that's the money for ballots as well as for the grant – expenditures that she wanted to do with the grant. So that's where you see for the most part, the majority – there's about a \$30,000 difference. We need to make sure – we did get with the Clerk to make sure that we had the right thing, but that was from her \$420,000 total request, the things that – Elias and I met with her that I think we did get built into the budget that she needs.

Then the hourly increase for those earning less than \$15. As we went back through the budget we think that we can actually bring everybody, instead of \$13.50, we think that we could bring everybody to a minimum of \$14 at the beginning of July, instead of July 1 and June 30. And the reason is we had some as we went through some of the bigger departments that had some salary savings. We were like, well, if we can put

that towards this effort then I think we can bring everybody up from \$13 to \$14, and closer from \$14 to \$15. So hopefully then that by the end of next year, the beginning of next fiscal year, we'd be able to have everybody at a minimum of \$15.

We did have to make some adjustments within departments so that people weren't bumping up against their supervisors, but that total cost did go up to \$286,000 – I'm sorry, went down to \$180,000 for the total year. So why we're saying it would be closer to \$300,000 for the total year but we used in their existing budget some money that they already have, so we only need \$180,000 of new money in order to make that happen Countywide, to get everybody to \$14 and \$15.

Then also we built into the interim budget the three percent increase to medical insurance premiums. Also, in that \$159 million would be the one-time payment to employees of \$1.562 million. I did have the request from one of the Commissioners, what does it look like if we just divided that by all the people eligible. I do have slides as to how that would look. And then we had that general fund request of almost \$6 million in fixed assets that we talked about.

Now, one thing that's always built into our budget and it's accounted for when we do our reserve requirements, but we build some of it into the budget, is about a \$4 to \$5 million contingency in case of emergencies. That's money that almost always falls back out of the budget, but I wanted to make sure you could see that it was there because we do fund it with cash. We don't use recurring revenues for that, and it is in the \$149 million. It's being used for things like when we've had major snowstorms and we have to pay overtime or hire contractors. It's been used when we had the flood and we needed to help La Cienega out, and the mutual domestics. When we have overtime beyond what's in their budgets, that type of thing. It's also used for deductibles and settlements if we have high insurance claims that aren't covered. But I always let you know when we access those funds.

Also, then we have fixed assets in other funding sources. This is predominantly the Fire Department and Utilities. As you know, Fire Department has separate funds for the fire funds and the fire excise tax that cannot be used for other operating costs. They have to go to fixed assets, can't be used for salaries and benefits. So we use those to cover buying equipment and supplies for the Fire Department. Also Utilities uses separate funding sources not supported by the general fund but by utility rates.

Now, here's the point where – I don't want everybody to panic, but there was a reason for this. As you know, at the end of the last study session the Board requested to find a way to fund the Yearout Energy Services contract. So what staff did is they went in to these categories within the departments: training and travel per diem, light and heavy duty vehicle maintenance services, supplies and other operating costs and cut – instead of cutting about \$400,000 they cut \$1.5 million, so that what we need is about \$14 million in cash in order to fund all of the items that would be covered by cash. The reason I don't want anyone to panic is because one of the things that I had explained in the previous study session is that we do know that we can use the ARPA funds for revenue replacement. So later in the presentation and for the final budget I would just request that you set aside this amount for revenue replacement so that if any of these things cannot be lived without, we can go to that ARPA fund to cover revenue replacement and put those items back in the budget.

But at the time that we were trying to create a balanced budget for the interim budget, we still needed to cut some things out in order to fund that Yearout contract, and I didn't want to wait on the Yearout contract. I cannot see yet in the ARPA funding that says you could use it for that. It's very specific about capital improvements being water, wastewater and broadband, so I didn't want to say, oh, we could use ARPA funds. But we can use ARPA funds for revenue replacement, so we can replace lost revenue, and we could cover some of these costs if they are – if the departments really need some of these items that were cut out by Finance in trying to balance the budget.

I don't personally have all the details of that, and we didn't list out the details. If you recall when we showed the maintenance and supply categories we typically end the year with quite a bit of positive variance, expenditures much less than the actual budget, and the reason for that is departments tend to build in buffer in case something breaks. Our thought was, well, we can use ARPA funds or contingency if we run into that issue, because we wanted to make sure that we did fund the Yearout contract.

So that leaves us with the items that we would look at funding or what did we have in the way of cash balance. As I said, we're estimating about \$7.7 million in general fund falling out of the budget for operations. That's out of salary savings and unspent budget. And then also about \$5.3 million in CARES Act funding that we used to reimburse for public safety salaries and benefits. And then what we're recommending that that cash be budgeted for is one-time payments to employees at the \$1.56 million, the fixed assets that I mentioned at about \$6 million. Camino Jacobo, in the budget request there was \$420,000 to start the contractual services for architectural and engineering service and consultants for the Camino Jacobo development, so that's the affordable housing initiative. That's a one-time expenditure for that development, so we recommend using cash for that. Also, the Clerk's election, the \$102,000, and also annual reserves and contingencies of the \$4.6 million. We're budgeting about \$12.6 million worth of general fund cash towards this budget.

So this is just showing you the estimated \$14 million in needed funds, then bringing in the cash as well as the budget cuts. That would leave us \$1.964 million to fund the Yearout Energy savings contract. I think we need about another \$60,000 which we would – in order to complete fund it but I think that we can find that either through the contingency fund or utilizing cash balance, but I just wanted to show you that we would be able in this interim budget to commit to funding that Yearout contract. And this is if we got nothing in the way of ARPA funds. So right there, all of those things can be done. That's bringing the lowest paid employees off the bottom of the pay scale. It's funding departments' fixed asset requests. It's funding the reserves. It's funding the other funding of fixed asset and the housing development, and the Yearout, plus everybody's operating budgets with some cuts in some areas of supplies, maintenance and some travel, for the most part.

Just to give you a little bit more detail about those recommendations, the minimum hourly rate, starting to bring people closer to the \$15 an hour – that's with a dollar each for those that are at \$13 or \$14, to move them up the pay scale in the first full pay period. Then also, a one-time payment for the non-probationary employees, and the medical prescription increase on the employer and employee side of three percent, and those fixed assets.

This just gives you that basically, we would bring anybody's who's less than \$14 an hour up to \$14 an hour, and anybody who's between \$14 and \$15 an hour up to \$15 an hour.

And then that would – and it shows you that the cost to do that is \$180,000 for the year. It's 56 employees for that – getting to the \$15. I don't think we've put the number but into the \$14. Oh, 109. So that's about – I'd say about 12 percent of our employees – I'm sorry. About 20 percent of our employees. Because it's 165 employees out of current employees of about – oh, and it would also mean we wouldn't hire anybody at \$13; the minimum we would hire at coming in is \$14. So we also adjusted vacant positions for that as well.

Then the one-time payment, this is the formula that we had presented and that was that employees making less than \$40,000 would get a minimum of \$1,200. Employees between \$40,000 and \$75,000 would get \$1,100. And employees greater than \$75,000 per year would get \$1,000. And then for every month that they had been at the County they would get an additional \$10, for a maximum payment of \$2,400. And that one-time payment would be distributed over four to six pay periods. And just a reminder, the collective bargaining units would negotiate their distribution. They may decide to do it differently. They may want to reward seniority. They may want to make it equal across bargaining units, but down below it shows you what the average would be, and the cost per groups of employees. So you have a total of 600, 770 employees that would receive it, and the average runs from \$1755 to \$1985, depending on their salary tier, but nobody less than \$1,000.

This is the breakdown by union group, how that would break out by each union.

And this one was Option 2. I did get asked, I believe it was Commissioner Hansen had asked what if it were divided up just evenly across the County, so you'd have those eligible employees, the 751 employees, divide that into the \$1,562,276, and that would be an individual payment across the County of \$2,080 for every employee who was not on probation. So the Board can make that decision how you want us to spread it out. The initial one was to acknowledge employees who had been here for a longer time, that they would receive a higher payment, but if the Board so chooses to do it this way, it would come out to about \$2,080 per employee.

And on the next slide, and then be broken down like this per bargaining unit. So that's just – it was some you asked for and it does not – that in my opinion that's a Board decision how you would like to allocate it, whether you want to do it by average or whether you want to do it by longevity and pay band.

Then also, as I had said before, we had proposed a three percent increase to the employee/employer medical prescriptions. It costs the County to do that \$103,000 for FY22 and it doesn't take effect until January, by the way. That's when our medical insurance contracts come up, and a total of \$38,000 across all employees. As I said, most of that, in all the examples I gave in the last study session also show that between the – lowest paid employees would not see a negative impact to their paycheck because they would be getting the one-time payment as well as the dollar increase, and it's only under the most expensive plan about \$5 per pay period where the maximum one was about \$145 a year increase, and all of the proposed payments would be significantly more than that to the lower end of the employees' pay scale.

This is the breakdown of the fixed asset requests. As you know, we gave the list of all of the fixed assets in the last two meetings as well that were recommended for funding. There were very few not recommended. There's \$156,000 that was not recommended by the VURB. And then some things were also taken care of this year, and then we had moved that \$417,000 into the other part of the budget, into the operating budget out of the fixed asset requests.

And then these are those items that are requested by category, predominantly, as you can see, it's fire equipment, equipment for Utilities and other equipment and machinery. These are predominantly Utilities, Public Works and the Fire Department that would use other funds.

And then the last thing built into the interim budget, as I mentioned the last time, there were seven of the FTE requests that were not funded with general fund, and that is in Public Works. Public Works requested a road construction crew that consisted of three heavy equipment operators and one surveyor/survey tech. We believe that we can account for their time based on the projects. We have \$11 million in new road projects in that \$20 million that was just sold in the GO bond. What they would do is account for their time based up road construction projects that they work on, and that's how we would help pay for them. It would be less than contracting out for those services and it equips us with our own construction crew. Because it would be funded by grant, these would be four term positions totaling about \$241,000, and then in Utilities, we have the three wastewater workers that would come on initially in the request. They were at \$13 an hour. We moved that up to \$14 an hour plus benefits, but their salaries – this is to run the Quill plant when we get the renovations done, and their salaries plus benefits would be \$167,000, but that would be covered by utilities revenues.

So those are recommended also in the interim budget. We wanted to discuss any other FTEs and organization changes for the final budget because it would require using ARPA funds for that. So that's why I tried to separate these so that you had plenty of time to think about what we would be asking for as well. I didn't want to just go, oh, by the way, we found out we could do this, this, and this with ARPA funds so would you please approve it today? So we have time to mull over those decisions over the next six weeks for the final budget.

So this just shows you then what we're estimating for interim budget, recurring revenues, including budgeted cash of \$20,287,000. That's not just general funds; that's all funds. It also shows transfers, so you like, oh, my god, how did we go from \$159 million to \$219 million? I just want to remind you that transfers count twice, because we transfer from the general fund. So for instance, to the general fund to Corrections. So it's shown as an expense. Its revenue comes in with property tax. So the revenue comes in here, and then it shows again when we transfer it into the Corrections fund. So transfers, that \$53 million – or typically when we transfer from the general fund to another fund the revenue is counted from its original source, whether that's property tax, GRT, hold harmless, whatever it is, and then it's counted again as it's transferred in.

Also budgeted cash, that's as I said, any time the cash we're using. So that's like the \$14 million that we talked about using for general fund, plus that other \$4 million for fixed assets from other funds, and then it can be cash balances in some of the other funds as well as in debt service if we budget cash. So there you can see that most of all of those

revenues match what we showed you before. That health premium, the \$10.6 million does include the three percent increase on the employee and employer side, and this does not include other grants. It does not include the ARPA grant. We're not including the ARPA grant in the interim budget yet. We weren't going to include it at all in the interim budget to be submitted to DFA. We want to include it in the final budget.

And then here's how that plays out in the individual departments, in transfers, in contingencies, in capital outlay. And this is before, by the way, before we get to capital projects.

Then we go into capital projects. These are not new projects except for Yearout. So you have budgeted, we have capital projects in our GRTs, but we have debt service in those and hold harmless distributions, grants, budgeted cash, and then we also have our interim budget. So this is interim capital projects budget.

And here's all those wonderful projects. So what we did is we went – Finance met with Public Works and all the departments that have ongoing projects, and typically we don't even get this in until the final budget but we wanted to try to get it in and make sure we have it refined. But every project that we currently have on the books, we make an estimate of how much is going to be spent from today to the end of June. And whatever's remaining we build into the budget so that we don't have to stop working on projects for July and August. Because we cannot do budget adjustments in July and August per DFA rule. So we try to carry over all of these projects.

So this is the list of all the projects that are on our books that are either under contract or are in the works. There's about 3 ½ pages of this. You can see all of the ones that we – you've got Romero Park there to \$.1 million, plus there is an addition of funding that could be – oh, encumbrances that we're rolling forward. So that first column is unencumbered budget. Then the second column is encumbrances that will roll forward, and then that's the total that we would budget on the last column. So that's what the two columns add up to, so it means we currently have, like the one I picked up, Agua Fria Park, it means we have a total of \$2.3 million, \$183,000 is probably on the design contract, and the \$2.1 million is for construction. That would roll forward. We'd bid it out, and having that budget available in July allows Purchasing to award a contract. So that's how to read this chart. This is all budget that was already approved by the Board, but it's remaining budget that we're rolling forward. I didn't put the funding source. This can be grants. It can be general obligation bond money, or it can be capital outlay that the Board has already appropriated, most likely last July to these projects, July and September when we revised. Also the new projects that are coming out of the GO bond.

Here's some more. As I said, you can look through all these. These are what's in our reports every month. These are projects that are all ongoing; none of these are new projects. They're all projects that we have budgeted money to in the past that would be rolling forward, as well as again, the new projects.

One more list of them. As you can tell, staff has a lot to work on. There are 3 ½ pages of a spreadsheet of those for a total of \$93,188,368 built into the interim budget. This is so that we could get that loaded up and not have a delay in awarding contracts as we continue to move forward with all of these projects.

Now, the next slide though, there are some projects that did finish and they had some small balances remaining, and so what we are asking for in this interim budget

approval is to move those funds to these other projects. So La Barbaria Road was finished and there was about \$113,000. Public Works would like that moved to the northeast-southeast connector, because they're still estimating that we could be a little short on that project. Vista Aurora sewer system was completed. We want to move \$253,000 of that to the Agua Fria wastewater. That is gross receipts tax, but there is \$57,000 on general obligation bond funding that we need to get expended, so we wanted to move that one to a project that's already underway and that's the Eldorado-Cañoncito waterline. There was also money from the mutual domestic project, which I think was Phase 2, that we'd like to move that \$98,000 to Phase 1 and 3.

Racetrack Subdivision, that's \$90,000 we want to move to County Road 50A, along with \$36,000 from Camino Pacifico. Then also \$100,000 from Camino Pacifico to northeast-southeast. And then those other rather small ones, remainders to northeast-southeast connector. And then there was a little bit of the Agua Fria Gateway money left to help us finish out Leo Gurule Park. So those are ones – and we can go back to all these slides. I just want to lay out the things that we need decisions on for the interim budget, so this would be one that we would need to make sure that you knew we were building these changes into the interim budget in the capital project area.

Also, I say new funding, these are some of the things that make up some of that cash balance request, and these are using – all these fire departments are using fire funds to do these few things that are new. These would be adding money to those projects because they're short a little, and the departments have built them in using their specific funds. All of those that say fire are from fire funds. All those that say utility would be utility funds, except for Yearout. Yearout would be that \$2 million that I talked about earlier, and also except for Housing CFP, that's their new CFP grant, the \$848,000 for improvements to the housing units. So those are – and that would be the new grant. So that's what makes up the other requests for cash balances to fund projects. But none of these are new projects. Those are projects that have – those are small maintenance projects or that maybe need a small – or projects that were already underway that needed additional funding as requested by the departments.

And then this once again is the \$28.8 million in debt service for the interim budget. I don't anticipate that will change much in the final budget.

So that brings our total when we bring in capital projects and additional transfers to \$352,609,166 for interim budget, so that's all revenues, plus all cash rolling forward on all of our projects, and any new capital and our transfers, as well as all of our recurring revenues.

And there's the balanced budget, proposed budget of \$352,609 on the expenditure side. All of those tie back to the slides that I just went through. That's what makes up our total interim budget.

So I will stop there. So that's the interim budget. And that's what we are statutorily required to submit by the end of the month. If you would like, I could go into then what we would bring forward in the ARPA as far as COLA, and revenue, kind of holding some revenue aside for reorganization and new FTE requests. And then what some of the other possible things are. I could go through that, and then we could come back to this, or I could answer some questions about the interim budget, whichever you would prefer.

COMMISSIONER HUGHES: Mr. Chair, I have a couple questions.

COMMISSIONER HANSEN: Mr. Chair, I have a couple questions.

CHAIR ROYBAL: Okay, I'll go to Commissioner Hughes first and then to Commissioner Hansen.

COMMISSIONER HUGHES: Thank you. I guess maybe it's just one question. You mentioned all the way through this presentation that there's an amount of money – I think it was \$1.5 million that you were cutting from various things and that we should sort of save that out of the ARPA funds. Was that just \$1.5 million that you wanted us to keep in mind we might need ARPA funds for?

MANAGER MILLER: No. Mr. Chair, Commissioner Hughes, I have mentioned previously that our revenue loss, just in our three major general fund sources was something like \$6, \$6.5 million a year. Actually, if you go to – I'll just skip forward real quickly to slide 43. It's actually more like \$27.4 million. And just so you know, Yvonne has – I don't know if there's anybody who's worked harder to try to get this budget together. We couldn't even find this formula. Midnight on Sunday she was working on how do we even calculate the revenue loss? It's not incredibly clear, but just in general, if we were to use the base year of FY19 revenue, and then calculate growth adjustment, and then use your counterfactual, which is what you think you would have had had there never been a pandemic, the thing you would have another projection for your revenue, that we actually think that almost the entire \$29.5 million would qualify for revenue loss.

That's a good thing because what it means is that we can potentially avail ourselves of a whole bunch of reporting requirements if we just claimed to draw down based upon revenue loss, and then have some flexibility with where we put that funding. However, they're still taking comments on these rules through, I believe, July 8th, and they also keep refining these rules. So they came out with them and they said, oh, now we're taking questions. Oh, so I'll give you an example, they said. Well, we want – you can give hazard pay for essential workers. And they said, well, we deem all government workers essential but if you worked from home you're not essential because you weren't at risk. So then you don't qualify for it.

Then, to boot, on top of that, the New Mexico constitution doesn't let us do any kind of retroactive hazard pay, so there's all of these things that I have to keep making sure when we do something and we allocate and we actually spend those dollars that I am sure we do not have to pay them back.

So one of the first things I asked Yvonne to look at is what do you think we would qualify for relative to revenue loss? Well, luckily, almost all of it. So it does appear – but if you notice, they also tell you, well, you know, this is supposed to be for the long haul, not for just next fiscal year. So they want you to continue to calculate the extent of your revenue loss over points, and that's December of 2021, December of 2022 and December of 2023. So that's not the only amount I'm going to ask but what I was saying is also, if we don't end up having that much revenue loss, then I have actual general fund revenue to cover those things, and then that would free up the ARPA funds to use for something else.

And I need to remind you, we also only get \$14 million right now – we only get half. We won't get the other half until the next fiscal year. So I in no way would request

that the Board allocate all of it anyhow. And that we spend it all then we find ourselves next fiscal year in a world of hurt. But the amount that I would ask you to set aside is related to that number, Commissioner Hughes, as well as a compensation package, an additional compensation package because in the interim budget, if you'll notice, I didn't have any COLA and when we talked in both the study sessions I mentioned that we ought to at least look at a COLA this coming January of one to two percent, so I would ask that we fund it with ARPA funds and hold funding in out years to cover that until the revenues are back, as well as FTE requests as well as the department reorganization, but I'm not there yet. So that's why I didn't give that total amount yet.

What I was saying though is I'm pretty sure that whether we had ARPA funds or not, the budget that I just presented to you we could live within. Because we do have contingency built in there and while we did cut about \$1.6 million out of operating budgets, we cut it out of areas that typically have excess revenue at the end of every fiscal year. If you look historically, there's always leftover money there.

COMMISSIONER HUGHES: And I think I was asking about the \$1.6 million. You wanted to build that into the ARPA funds as a buffer in case we need some of that back. Is that what you were saying? Yes.

MANAGER MILLER: Yes. Yes.

COMMISSIONER HUGHES: Okay. And then so today you're just asking us to approve this interim budget, and then when are we going to talk about the ARPA funds?

MANAGER MILLER: I have a presentation to introduce that now. I wanted to make sure we had enough time to get through the interim budget and any questions you had on the interim. And then I was going to go into the ARPA funds. That was the next half. I've probably got – I don't know. Maybe ten, 12 slides on the ARPA funds.

COMMISSIONER HUGHES: Okay. Well, I'll stop asking questions so others can ask questions and then we can move on to the ARPA funds if we have time. Thank you, Mr. Chair. I'm done.

CHAIR ROYBAL: Thank you Commissioner Hughes. Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Manager Miller. Thank you, Mr. Chair. So I was kind of wondering where there was money for where we listed like our dues that we have to pay to like New Mexico Coalition for Sustainable Communities, or whatever, how we called it. I looked through things; I didn't see that, but I didn't know where that was located. So Sustainability – I assume it should be under Sustainability, but it looked like everything was just lumped under Public Works or maybe I missed it. So I'm just wondering if there's more money for Sustainability that we need to be concerned with.

MANAGER MILLER: So if Finance cut anything out of Sustainability I'll take it out of their budget, because I told them don't touch Sustainability. However, we put the funds for the Coalition in Sustainability. The money for NACo or NMC is in our budget, ICLEI – so depending on the organization that we belong to, it is either in the Manager's budget, if it's a Countywide thing, or if it's issue-specific it's in the

department budget. So some things are in Utilities, some things are in Sustainability and some things are in the Manager's Office, but that is budgeted.

COMMISSIONER HANSEN: Okay. And so we haven't really had time to finish the strategic plan, so we don't have, I know, a number of things. I'm wondering if there are things that have come up, like there was just this letter that was sent out and we just approved the San Juan Chama pipeline, and there is talk, or we have mentioned in our agreement on the San Juan Chama pipeline that we would hold community meetings. And so –

MANAGER MILLER: Do you mean the water reuse pipeline?

COMMISSIONER HANSEN: Yes. San Juan Chama pipeline, water reuse pipeline. I guess it has a number of meanings, but I'm concerned that a lot of those constituents who are concerned about this pipeline are our constituents and that in order for us to have the City-County meetings, that possibly we need to have some money set aside to possibly hire a facilitator. I know that it is a City project but I'm a little worried about people being sure to be able to have their voices heard and not feel like they're being pushed, this is being pushed through, so I know that is something new that just kind of came up and I wanted to just bring that to the attention – I don't think it's a huge sum of money but I do think that we need to be mindful of that.

MANAGER MILLER: I don't think I have anything specific for that. However, we can look at putting in something for the final budget, as well if it were necessary we could use contingency for that.

COMMISSIONER HANSEN: Okay. And then I kind of just wondered how many of the vehicles that we are buying are electric or hybrid vehicles.

MANAGER MILLER: So Mr. Chair, Commissioner Hansen, most of the vehicles that we're buying were heavy equipment, heavy fleet vehicles for Public Works and Fire, but I know they're buying an electric vehicle right now. They also – and if Gary's there they could probably let you know, but one of the very next things they're doing is trying to create a carpool so a lot of the vehicles that weren't recommended, we're trying to not buy vehicles when we don't need them, and to focus getting only new vehicles in a pool that where we can use more electric vehicles. But most of these were specialized vehicles. But Gary, do you have – if he's there –

GARY GIRON (Public Works Director): Yes, I am.

MANAGER MILLER: Can you answer that? Specifically?

MR. GIRON: Yes. So in the next few months in the summer, the VURB will be reconvened and we will be focusing on developing a fleet and in that fleet – a carpool. And in that we will be assessing what vehicles are underutilized and then we will develop a plan for the replacement of those vehicles that meets the standards that have been laid out in the policy, looking to more sustainable efforts by the County.

And so – I would say by early winter we should have a plan to bring forth about how we're going to be able to start that transition.

MANAGER MILLER: So Gary, none of the ones being recommended for purchase are just regular so-called commuting vehicles. They're all specialized work vehicles, right?

MR. GIRON: Mr. Chair, Manager Miller, it's true. There is one electric vehicle that we are recommending for purchase next year and we just purchased a light

vehicle right. All the other ones are work vehicles and are being used to carry out the business of the County.

MANAGER MILLER: And also they're purchasing hybrid where they can. If there's a truck that can be a hybrid versus gas. Correct?

MR. GIRON: That is true, Mr. Chair, Manager Miller. And you will see more flesh on that plan as the VURB is convened in the fall for us to move forward, so that we can start to develop a more strategic plan about how we're going to make this transition for the County.

COMMISSIONER HANSEN: As you know, it's not only just electric vehicles but it is the charging stations also need to be part of the plan, because we can't have electric vehicles without charging stations.

MANAGER MILLER: So, Mr. Chair, Commissioner Hansen, we have charging stations at all of our main sites now, so we have one at Public Safety. We have one at Public Works. We have multiple ones at Grant and Catron. I wish we had more vehicles plugged into them, because unfortunately they don't get used as much as I was hoping they would. But we definitely have – oh, we also have one over by Casa Solana. So we have installed quite a few over the last year and a half.

COMMISSIONER HANSEN: Yes, I've noticed those and I am grateful.

MR. GIRON: Manager Miller, Mr. Chair, Commissioners, also, as new buildings are being contemplated by the County, those plans are being built in and in the new Public Safety Complex, anything else, we will have that consideration as well.

COMMISSIONER HANSEN: Then I know that we've had this section about Utility trucks to be able to get sewers put in the Village of Agua Fria and I know that's something that we have been discussing. Is that being contemplated or dialogue about – in order to get the sewers put in we need this utility truck to take out the vacs, so I wondered if we are contemplated that, or is that something we're relying on the City to buy, or are we buying it together, or how are we approaching that?

MANAGER MILLER: Mr. Chair, Commissioner Hansen, Public Works has a budget adjustment request in right now that can be about that, and one of the questions I'm asking of Gary and John is, okay, so we purchase this. A., is the City going to help us with it? And B, do you have a written agreement that is we purchase it, that they will approve these. So I actually ran out of time this morning but it was a question I wanted to ask John, because that's no small purchase and it better affect the desired outcome with the City of Santa Fe to help us move forward with the sewer project.

COMMISSIONER HANSEN: I understand that and I know it has a lot of moving parts. So I just wanted to bring that up. Thank you for your explanation about ARPA. I'm looking forward to hearing more about that because I wanted to know if we could – we could kind of wait on this. You can wait on the answer to this, but can we put \$6 million kind of in the interim budget so that if we need to spend it in the next three months for something that we have available before doing a budget adjustment.

And then I have been speaking with the outdoor recreation department and they do have some money that we could apply for for grants for recreational shooting and I wanted to make sure that I'm pushing that BLM of course be the lead on any kind of shooting ranges but I know that there will be a match somewhere along the way for Pittman Roberts. We might be able to use grant money from the State Outdoor

Recreation fund. They have over half a million for recreational shooting, but at the same time I wanted to just bring that to your attention so that we make sure that if and when BLM moves forward with a shooting range that we have our ten percent match that might be necessary for that. And maybe it could come from the state and that's what I'm hoping but I just want to bring that up.

And then the final item I have is on the Agua Fria Gateway, is that for the Torreon? Because at the moment they are a little short on some money for the Torreon. So if there's \$4,000 left, I'm wondering if that could go towards the Torreon, since they were requesting some additional money the other day to finish that. And I think that's all the questions I have at the moment. I'll probably have some more but I'll stop there.

MANAGER MILLER: So Mr. Chair, Gary, do you have an answer on the sewer project and an agreement with the City to move forward if we do get the proper equipment that we can share with the, or what? And then the other thing is the Gateway. That's news to me that we're short on that project.

COMMISSIONER HANSEN: Jake wrote a letter just the other day and I didn't know there was any additional funding that was still in the budget for that. And so I'm just bringing that up at the moment.

MR. GIRON: Mr. Chair, Manager Miller, Commissioner, with regard to Santa Fe, John has already started to have the conversation with them about what that partnership will look like in terms of the purchase, so yes, that is underway. We're looking for assurances on both sides about how that will look.

And then with regard to the Gateway, we are just finding out that there is a shortfall. We have not had any conversations directly with the contractor. That's a conversation we will have to have with them to understand what the cost overruns are. We do have a contract in place so we would have to sit and then kind of satisfy all the questions and figure out where the shortfall is coming from, Manager Miller and Mr. Chair.

MANAGER MILLER: So Mr. Chair, Commissioner Hansen, I would recommend we take that off that list then. We would just delete that item from our recommendation to move any funding.

COMMISSIONER HANSEN: Yes. Because I think it's important. I think it's very important we get the northeast connector finished. I totally support moving money to that and if from the Vista Aurora sewer system, I think the Eldorado-Cañoncito waterline is extremely important and if we could move a little money to that I don't have any issue with that because I know that that is extremely important to get it done, on the reallocations. So that was the only one that jumped out at me. So thank you.

MR. GIRON: And Manager Miller, Mr. Chair, Commissioner, if I could also add is that we have had no direct conversation yet with the contractor that he has a shortfall, so that is something we'll just have to sit with with him and figure that out and then make a recommendation back to you, Manager Miller.

COMMISSIONER HANSEN: Thank you, Gary.

COMMISSIONER GARCIA: Mr. Chair.

CHAIR ROYBAL: Go ahead, Commissioner Garcia.

COMMISSIONER GARCIA: Thank you. My fellow Commissioners, great questions. You guys had some great questions, because that's where we're at doing

the budget. The sewer project, one of the things is regarding that vac truck, do we need to buy one? Is it operated? I understand that, because right now from the old Agua Fria School down to San Ysidro Crossing, that's something that we have in this annexation agreement as into who [inaudible] that sewer line if it actually falls apart? I don't know, from one of our annexation agreements. But the vac truck, I understand that.

One of the things, Manager Miller, if you can help me out with this: Is there money set aside for maintenance of the roads? Because I just was going down the road and we need some money set aside for maintenance and if they [inaudible] some of the roads in my area, fine, great. A decent job. But anyhow, the roads are falling apart. So do we have money set aside in the budget to hire a contractor or have the County crew go maintain all these potholes and stuff that's falling apart?

MANAGER MILLER: Mr. Chair, Commissioner, we typically put aside a \$6 million transfer from the general fund over to the road maintenance fund, and then we have about \$11 million in road projects. Gary, do you have any additional comments?

MR. GIRON: Mr. Chair, Manager Miller, Commissioner, yes. Commissioner, if you can identify the roads that you have in your district that are having problems with potholes or any other kinds of situations that make the roads difficult to pass, if you would let us know. We also have a list of the projects that we have coming up over the next 18 months. We would be glad to discuss all of those. We now then start to approach bandwidth. But I will also say, Manager Miller, Mr. Chair, is that we are getting ready to do an assessment for all of the County roads so that maybe in the next year or so we won't be having these same kind of issues. The roads that are most in need of maintenance, repair or being rebuilt will be identified by that process and we won't have enough time to identify all those and get those in front of the body for consideration. That is our goal. So we're in the middle of that project as well.

COMMISSIONER GARCIA: So Mr. Chair, thank you. Appreciate that, Gary. So do we have money set aside in this budget for maintenance, because in the next year or two years some of these roads are falling apart, and just like when you go up Cerrillos Road by the new Wal-Mart, that's not our road; that's a state road. It's falling apart. And so that's a DOT problem, or a challenge. But my question is do we have money set aside if we have to go fix potholes and so on and so forth, on one of our County roads in Santa Fe County? Do we have money set aside, yes or no?

MR. GIRON: Mr. Chair, Manager Miller, Commissioner Garcia, yes, we do.

COMMISSIONER GARCIA: Thank you. Appreciate the straightforward answer. And then I think the County Clerk that was brought up, but I think she's real clear with her budget so if she has any comments or questions later on, please speak forward.

And one of the other things, I talked to Sheriff Mendoza probably about two months ago in regards to those things they have at Loewe's. They're actually cameras. The City of Santa Fe has them and you park them in the parking lot at the car wash or at Loewe's. That's private. I understand that. But I was just wondering if we could actually get that and I understand: Who's going to monitor that? Who's going to do that? But sometimes it's actually good to have that in one of our communities and put it up there for a weekend and it will stop a lot of stuff that's happening in some of our communities.

He didn't really get back to me on that but I was just wondering if we have budget to do that? I know, who's going to monitor and do all that stuff; it's a whole different story. But [inaudible], just go park it out there. So those are some of the questions I had but I appreciate you in regards to the maintenance issue, the sewer proposal in regards to the vacor trucks, so thank you, Mr. Chair and Manager Miller. Appreciate that. Thank you.

CHAIR ROYBAL: Thank you, Commissioner Garcia. Any other questions? Commissioner Hamilton.

COMMISSIONER HAMILTON: I didn't understand that last point from Commissioner Garcia. Is there any budget to purchase – what?

MANAGER MILLER: Mr. Chair, Commissioner Hamilton, I think what he's referring to is there are these – and I'll have to call the Sheriff about it, but there are these cameras that are up on posts. They're mobile and they take video of an area, sort of in the middle of a parking lot. You can put them in a variety of places and I think he was asking if we had money to buy them. I do not believe that the Sheriff requested any such thing, so I'll have to get with the Sheriff and see if that's something that they think could be utilized and what that costs and how they actually work, but that's something we can certainly look into. We've had problems with break-ins in some of our community centers and we are putting up additional cameras in some of our buildings for blind spots, at the Sheriff's request. Downtown, we're also looking at something. We've had trouble at El Rancho. We've put video in certain places but it usually just gets people after the fact, if we ever find them. So we have to be sure it's something that's useful.

CHAIR ROYBAL: Thank you, Manager Miller. Commissioner Hamilton, did you have something additional?

COMMISSIONER HANSEN: I'm sorry, Mr. Chair. Thank you. Commissioner Hamilton, I wasn't sure, were you asking about the cameras or were you asking about the truck? The vac truck?

COMMISSIONER HAMILTON: I just didn't understand about the cameras because I didn't actually catch the word camera.

COMMISSIONER HANSEN: Okay. Sorry.

CHAIR ROYBAL: Thank you, Commissioner Hansen. Any other additional questions? Okay, so we have an item that we need to consider approval, so what's the pleasure of the Board?

MANAGER MILLER: Mr. Chair, could I finish with the presentation?

CHAIR ROYBAL: Oh, yes. Absolutely.

MANAGER MILLER: Because it may trigger some things that the Board might want to say go ahead and do that or not, in the interim budget. So if we could, Daniel, go to slide 38. So as I said, we proposed the interim budget as a balanced budget without the American Rescue Plan funding but we did receive guidelines last week and as I showed what it looked like, we would be eligible for quite a bit of that funding to qualify as use or appropriately distributed it to us for revenue replacement.

And how that came about is that this particular plan was one of the only ones that had direct allocations to counties. As a matter of fact it was \$65.1 billion based upon population around the country. And every county is eligible for a direct allocation, and it will be distributed in two tranches – 50 percent within 60 days, which is this week, basically, that we'd be able to draw down our first 50 percent, and then 50 percent no

earlier than 12 months later. And I believe that no earlier is that they want to know that they actually utilized, you appropriately qualified your expenditures of the first 50 percent before they will allocate any additional funds. But also the funds may be used through 12/31/2024.

We did get some clarification on that date. They said they need to be obligated but they could be spent through 2026. That makes me a little nervous, but they need to be obligated by 12/31/2024 or 2 ½ years from now.

So Santa Fe County's estimated allocation changed slightly once the guidelines came out. It went up by about \$100,000, so it's \$29,205,279, and basically, it's distributed now but we don't have time to budget and spend any of it before the end of the year. We'd be just getting a budget adjustment approved and the year would be closing. So we're not asking to try to spend any between now and June, but we will be asking you to put some into the final budget which will be effective July 1 so that we can start – so that we know when we come into the new fiscal year that there are some funds allocated in next year's budget.

Now this is by far not the exhaustive list, but some of the stuff was so far from anything we do that I didn't even put it on there, but supporting – the primary areas that it can be used is supporting the public health response, so in answer to the questions asked at the last study session, can we buy those automatic temperature readers that as you walk in through a door. Yes. That would be something that actually helps mitigate the spread of COVID-19 by automatically taking your temperature as you walk into a building. But we also think that something like that could still be covered by FEMA funds so we would go first to FEMA and try to purchase – get reimbursed and then if we didn't then we would look at this.

Also it can be used to address behavioral healthcare needs exacerbated by the pandemic and cover benefits, expenses for public safety and help employees the extent duties were related to COVID-19. This is different than the CARES Act. The CARES Act, it just said public safety. Now it's much more specific. It says public safety related to COVID-19 services. So that narrows where we were able to get reimbursed for about \$5 million of public safety salaries during the shutdown and from the CARES Act, we would not be eligible in that same way. We have to tie that their work is directly related to the COVID-19 response. So then I can start to pick out people in the jail that work specifically a percentage of their time doing testing, doing vaccinations, doing isolating, that kind of thing.

Same with Martin and his staff working on vaccination clinics, Rachel and her staff, vaccination clinics and food delivery, but instead of it being the broad brush that we had before, much narrower.

It's much easier to qualify based on revenue replacement as you can see.

Addressing negative economic impacts caused by the public health emergency. So this is delivering assistance to workers and their families, much like what we do through CONNECT. So these would be we could utilize funds through CONNECT, supporting small businesses, so we would be speeding the recovery of tourism, travel and hospitality. So we can expand on what we do with lodgers tax. We also could look at small business grants. I would recommend where there's a gap, if there's a gap from where the state and the federal programs are already doing, because they put hundreds of

millions of dollars into those types of programs. We don't want to duplicate it just because they're easier, people come to us rather than the SBA or their bank.

Rebuilding public sector capacity – not exactly sure what that is, except possibly hiring more employees to deal with pandemic related things. One thing that comes to mind is we've had to allocate portions of people's work to screen people as they come into building. You might actually have an employee that's permanently assigned to doing that in a building. That would be rebuilding capacity idea that they have. Or where we possibly would have laid off people, but we didn't lay anybody off, but we would have laid off because of revenue loss yet we can qualify for revenue replacement. So some of these are duplicative.

As I said, we looked at our \$29 million we would get over two years. Other allowable uses, serving the hardest hit communities and families, addressing health disparities and social detriments of health, investments in housing and neighborhoods, addressing educational disparities, promoting healthy childhood environments, replacing lost public sector revenue, providing premium pay for essential workers. This one gets challenging because, as I've said, first they said that, and they then were encouraging retroactive as I looked into that. We can't do retroactive in the state of New Mexico because of constitutional reasons. In addition they then got very specific about essential workers had to be those people in contact with people with COVID. So now all of a sudden you're starting to pick and choose the type of worker, even though we deemed all of our County's employees essential and they all kept working.

Investing in water and sewer infrastructure and investing in broadband infrastructure. I was on a call yesterday with New Mexico Counties and the other managers. They said to make sure – be very careful because these were the areas for capital that they focused that our direct allocation could be used for. We are applying, just so you know, for other avenues of infrastructure funding as we hear about them, trying to make sure that we're staying on top of it. We're still in the queue for some housing infrastructure through federal allocations, so keeping our fingers crossed. We haven't been tossed out of that list yet. Out of I think about 75 to 80 proposals we are one of ten still working our way through some potential funding for renovations at our housing sites.

So just so you know, we are actively, aside from the Rescue Plan money, looking for every opportunity that we can get some earmarks or other allocations from other funding sources.

Also, things that they were specific that you cannot use it for, and that's to directly or indirectly offset a reduction in net tax revenue due to a change in law. So if we had eliminated a GRT increment or something you couldn't use it to replace that loss of revenue. You can't use it to deposit into pension funds or pay down your pension liability. Can't use it for debt service, so we can't use it to pay off any of our debt. Can't use it for legal settlements or judgments, and can't just shove it in the bank to increase your financial reserves.

So this is the slide that I had showed you previously in just doing a rough calculation of what we could qualify for in calculated revenue loss based on today's date and what we are projecting from FY19 to FY21, but obviously this will change because property tax could go up by the end of the year and if it does we would actually not

qualify for that much, but just right now it does look like we could potentially – that's just on one calculation right now. But they let you continue to calculate year over year till the end of 2023, calendar year 2023.

So in the budget study sessions one of the things that I had said is what I hoped was if we could use that money for revenue replacement because we're about \$6 to \$8 million down in our primary general fund revenue sources, the ones that we count on like a solid funding stream to cover salaries and benefits is property tax, GRT, investment income, and hold harmless. And just some of our other fees and charges for services and permits. Those several sources have us down by about \$8 million and the top three of investment income, property tax and GRT have us down by about \$6 to \$6.5 million. So I said if we could just, say, set aside \$6 million a year, and I don't even think we need to do it a year. We could just start with the first year here and I don't even think we need – it wouldn't be being spent right away.

This would allow us to give a two percent COLA on January 1, 2022, which would cost us \$680,000 for the rest of the fiscal year, and then the \$680,000 for the first part of the next fiscal year, because we're splitting fiscal years, for a total of about \$1,361,000 for the first COLA increase, and if you set aside another \$1,388,000 it would allow you to also budget a two percent COLA in 2023 that would total \$1.388 million. And the other dollar for the hourly increase that I had mentioned, to get everybody to \$15 by fiscal year 2023, of \$238,000. So that's about \$3 million. So we set that aside.

Also, one of the things the Board had talked about was looking at a little bit of reorganization. When we did the strategic planning session on April 8th and 9th, what came out of those sessions while certainly not a rewritten strategic plan, what became very clear is that the Board had a big focus on population goal number two, a sustainable community. And a desire to elevate the needs of the individuals that work on the goals within that area, because that's where our economic development is, it's where our housing development is and it's where our sustainability initiatives from our sustainability group are. So I got thinking about it and talked to Penny, Joseph, Gary, Jacqueline, and others about how could we potentially reorganize the department in order to elevate those initiatives to a department level. And what it would mean is we would split out the Community Development Division and create a Community Development Department. So we'd split that out from Growth Management. We'd have a director and then kind of a second in charge program manager/deputy director.

We'd still have the Public Housing Division and a director there, and also make some adjustments within existing Housing budget to be sure there's enough administrative personnel and financial personnel to deal with the Public Housing Authority. Also, take the Economic Development Division with all of the economic development initiatives currently going, as well as the film and tourism related activities, lodgers tax. Combine all of that under Economic Development and affordable housing, and then also the Sustainability Division that's over in Public Works, to move that to be part of the Community Development Department because they do a lot of community development, as all of you know from the last five Saturdays working with the community to do our Earth Day celebrations, and also bring the volunteer coordinator position under Sustainability to really focus on getting community members involved in

cleaning up our communities, developing our trails, doing cleanup days, doing the Earth Days and the like.

So in doing that, if we were to do all of that, the new department, and then Growth Management would still consist of Growth Management, Development Review, Code Enforcement, Planning and GIS. So all of that would still be in Growth Management, those divisions, and we estimate the cost to do that – because we wouldn't have to create too many new positions. What we would do is take positions we currently have and where we could, we'd modify those, give them some additional duties and move some people around. We would need some administrative support and we'd need to probably create maybe two positions in order to make this happen, so for a total of around \$313,000 in general fund to do that.

But what you would then have is a more robust Sustainability Division, a more robust Economic Development Division with additional focus on housing development, and we would have our Housing Division no longer splitting their director between general fund and Public Housing but that director would be fully responsible for Public Housing and a department director covered by general fund.

So that's what that additional cost would be. So that was one of the other things that I was looking at, having a revenue set-aside for that particular initiative. And I'll go through all these and then when we get to the summary if you want to go back and ask about any of them.

Then if you recall there were additional FTE requests. The Sheriff had converted one of his deputies to a person to handle all the IPRA's that they receive. He's just requesting to have that deputy position funded again. Public Works had a request to fund – they had a part-time solid waste worker but they needed to increase that to a full-time. That's .4. And then they needed an additional solid waste worker so the staff aren't working overtime in order to cover the additional days that we added to two bigger transfer stations and Jacona and Eldorado.

Growth Management needed a quarter of an employee to reclassify one of their GIS people as a team leader, and then also an additional GIS person, for a total of 3.65 additional FTE. This does not include Fire. I didn't put Fire in there. Fire is going to take a whole lot more analysis to what their real critical needs are. Some of that request had been a carryover from prior years and I would like to just take that one on a whole separate discussion with the Board because I think it might not be the area that we need to have the most focus. I think there's a few other things. So I leave that on the table that there would still be additional requests relative to the Fire Department but I'm not ready to say what that should be yet. So I'd like to spend a little more time with the Fire Department and the Commission on that discussion.

So that essentially would be another \$232,000 in total for those FTE. And that would cover all but Fire's – the reorganization, at around \$313,000, and this \$232,000, gets the GIS technician, the analyst, the deputy, and it's actually – it's not three solid waste maintenance workers, it's taking one, making it from a part-time to a full-time and an additional one. And then there's the four that we funded in the interim budget with grants.

COMMISSIONER HANSEN: Mr. Chair, Manager Miller, does this come out of the ARPA funds?

MANAGER MILLER: This is what I would be asking to hold revenue replacement aside to cover this. Yes.

COMMISSIONER HANSEN: Okay. I just wanted to be clear. Thanks.

MANAGER MILLER: Yes. So all of those combined, those compensation packages –

COMMISSIONER GARCIA: Thank you, Mr. Chair. Thank you, Manager Miller. So these are from federal funds. Do these people that get hired know that they're temporary, right?

MANAGER MILLER: Mr. Chair, no. So Commissioner Garcia, the only ones – there would be the ones that we put in the interim budget, the term positions – that was the road construction crew. That was three heavy equipment operators and surveyor/survey tech. They would be term positions funded by grants and capital outlay as we do road construction projects. Their time would be attributed to whatever project they're working on. Then the other three positions, they were Public Works, wastewater positions, that would be funded – those would be permanent positions, and they would be funded with Utility revenue and those seven positions that are recommended in the interim budget, so if you approve the interim budget, those seven positions would be created but not funded with general fund.

What I'm talking about here, the cost of living, the reorganization between Growth Management and Community Development, and those FTE in solid waste, the Sheriff's, and in GIS, those would be funded with revenue replacement from the ARPA funds, until our revenue comes back. I believe that our revenue will come back within two years but we have three years for that revenue to come back and to use ARPA funds, and I told you where I believe it will come back, and that is in GRT – there was probably room for \$5 million in GRT to come back; probably about \$3 million in a couple of years to come back in property tax; and another one to two million in interest income. Just those alone, unless we stay in a completely deflated economy, those should be back at their pre-pandemic levels of FY19, and we can use the ARPA funds to replace that revenue for 2 ½ years.

So, yes, it's temporary funding but it's not one-time – it's one-time funding that can be used over a 2 ½ year period and actually, once it's put into our budget as revenue replacement, I don't have to keep justifying it to the federal government every year.

COMMISSIONER GARCIA: Thank you, Mr. Chair. Thank you, Manager Miller.

CHAIR ROYBAL: Thank you, Commissioner Garcia. Any other questions?

MANAGER MILLER: Oh, and then the last thing, Mr. Chair, on this slide, and then here's where that other 1 ½ to two million dollars that says we would use for Yearout, but not for Yearout but where we cut in order to afford Yearout. I would say use our ARPA for – just hold ARPA in case we need to buy any of those things that we cut out in order to fund Yearout. And it was that like \$1.6 million. Yvonne rounded it up to the \$2 million because that's what the actual Yearout contract is.

So in total, when you look across all of those it would be if we did that, yes, it'd be sitting on \$3.2 million this year, \$1.6 million next year, and \$700,000 just for revenue replacement. So that's about \$6.5 million that we would recommend we just kind of say,

hey, let's just set that aside. Well, claim it for revenue replacement and then we have, because you can then do those things and know we've got the money set aside for them.

So then what are some other things? Because we get \$29 million. So I've worked with Joseph, Rachel, Patricia, and some of the Public Works to come up with some of the things out of their departments that it would indicate we could spend the ARPA funds on. We have some things currently in our budget that could actually be supplanted but if we do revenue replacement I don't know that that's necessary but we could expand on those. We do the job training and a program like PROTEC that we do with the Community College. We could expand on that.

We could expand some funding and supplement our lodgers tax funding for tourism. There's going to be a lot of events coming back this summer. We probably want to help advertise and help those entities put those events on because people are dying to go somewhere and we want them to come to Santa Fe. Great article today that Santa Fe is one of the top ten cities in the state for vaccination rates. It makes it a safe place to come for a visit, if you're vaccinated and would feel safe. So I think that we're going to have a great year with all the events. We thought we could supplement some of that funding.

Software purchase for data analytics to improve understanding of negative economic impacts. That's a possible thing. We have some of that already in our request. That's something we could potentially draw down funds for. Business assistance with funds to increase direct technical assistance for businesses. We could do that through the small business incubator or other non-profits that help businesses come back from the pandemic. And also, we could do some funding for business grants. We know how to do it. We did it with the CARES Act funding if gaps exist in the other state and federal programs. If what we find are a lot of our local businesses in our small communities are not able to access any of those programs that were put out there by the federal government or the state then maybe that's a power where we would create some possibilities to assist businesses in Santa Fe County.

Also, as I said, broadband infrastructure. They specifically mentioned broadband. We took the money out of our – using general fund. We know that there's a big bucket of money at the state level for broadband and we may need to leverage some of that. We plan on applying and working with REDI Net at that but we might need to allocate some of the ARPA funds so that we have a match or we have a leverage to go after federal and state funding for broadband expansion.

Also, along that line of broadband expansion or communications infrastructure we may be able to use some of the ARPA funding for upgrading our telecommunication towers. That could also be co-used with our P25 radio project because we definitely need to start implementing the next phases of that.

Water infrastructure, we need, I believe, and I don't know if John Dupuis is on there but when we were reallocating funds in the capital projects, there's still a need for a little more money on the Cañoncito, around \$250,000 to \$300,000, because we have to do that chlorination system for Eldorado. That was not in our original budget, so I think that that would be one that I would come back and ask the Board. I've got to get with John and get the exact amount, but because we already have a contract for that it's shovel-ready and we do know we need to do that. That's probably a good one to make sure we finish out our funding on that project and get that done.

And then also, Commissioner Hansen, you mentioned it. I call it the reuse line but San Juan Chama. If through that planning process the Board decides to participate with the City that might be a very good infrastructure use. We don't have an identified funding source for that. Also, there's some other funding we're requesting through federal grants for the Eldorado-Cañoncito area, things that are beyond the scope of our existing contracts but are definitely future needs to keep that initiative and the upgrades to get the water out there flowing smoothly, so to speak. And then also we've had requests for bulk water stations that we've received some funding for but we don't have enough to actually do the projects. So those might be some good ones.

Then wastewater infrastructure, Agua Fria. If there's anything additional we need to do with the Quill plant, and then other connections to the County wastewater system.

And I did want to say, we don't have to decide all of this now. I'm just throwing these things out there for you guys to think about and let me know which ones are of interest to you because then we can come back with some specific dollar recommendations.

Housing, to continue to assist with shelter initiatives. I know there's still some individuals looking at hotels in Santa Fe and expanding the use of renovating hotels for shelter assistance. Comprehensive rehab program, maybe that could jump start something beyond our Happy Roofs program. It could possibly even help jump start a housing trust fund if we claim revenue replacement and then use some of those funds to jump start a housing trust fund.

CONNECT, obviously there's always need for CONNECT. So we could supplement or even supplant our funding to CONNECT for housing, food and financial assistance, including the Family Independence Initiative. This is for one that the City did with a contractor and Somos un Pueblo Unido. This is the one I believe some of you have been contacted about – could we do something like this? We did – Community Services staff, Patricia and Rachel have been working on how we might be able to do that, so we would request some funding for that.

And then obviously our mobile crisis – additional funding for the mobile crisis and the crisis triage facility for behavior health issues related to the pandemic. And for youth services, particularly for reintegration, going back to school and behavioral health needs of our youth.

And then we've been doing internal – where we got the CARES Act money we did do some things to try to improve our internal operations to have less contact with the public. We can look at ways to continue to do that with scanning, digitizing, electronic filing of records, to lessen public contact. Equipment and supplies needed to provide County services in a safe and cautious manner. That's things like temperature scanners, drop boxes, PPE, and other things not covered by FEMA, salaries and benefits for staff performing COVID-related work, hazard pay for COVID-related work, although with so many people in Santa Fe vaccinated, and with the dropping of the requirements at the state level, I don't know how much we can really justify hazard pay moving forward, and as I said, we can't do hazard pay going retroactive, unfortunately.

So then we would look at what other things we might want to do for additional revenue replacement. So those were the things that I wanted to put out there and put on your plate that we have looked at. I didn't put any dollar amounts to it, because I wanted

to see what the Board thought. The only ones I put dollar amounts to were the revenue replacement to make sure that we did take care of those two things that the Board had indicated an interest in and that was compensation increases to employees for union and non-union staff, a potential reorganization, compensation to the lowest paid employees to get them up to a minimum of \$15 an hour, and the Yearout contract that we funded with other County funds, that we could put revenue replacement in case any of those things that we cut out of the budget were ultimately needed by those departments.

And then I will stop talking so you can ask me whatever questions you have.

CHAIR ROYBAL: Okay, do we have questions from Commissioners?
Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Manager Miller. I do think that it's really important we get some of the ARPA funds into our budget [technical difficulties] I appreciate the Family Initiative project that you talked about with Somos un Pueblo Unido. [inaudible] and well metering to the affordable housing project. We talked about that before so I would think that that would be a good use of that money and a good way to help the low income people with grinder pumps, and maybe Commissioner Hamilton, do I need to explain that? What I mean by grinder pumps?

COMMISSIONER HAMILTON: I'm there. It depends on, however, what you're suggesting. But I'm on board. I understand what's going on.

COMMISSIONER HANSEN: Okay. So additional funding for the CONNECT and the Family Independence Initiative, that was what I was talking about. Mostly I just think we need to – I think if we put at least \$6 million, \$6.5 million in the budget from ARPA funds to be spent over this next year will be kind of like the minimal that we could do. I think we're talking \$14 million in the first half so I think that that's important. I'm just cruising through.

I like the department reorganization. I'm wondering – I know maybe this is too far in the details but where are they going to be housed, physically. At the moment, because a couple of them are in different places, so maybe they'd all stay in different places. I just was wondering.

MANAGER MILLER: Mr. Chair, Commissioner Hansen, they'll probably be ultimately all be at 100 Catron but it will take some reconfiguration to make that work. Public Housing is going to be at Public Housing. They're not going to move, but Sustainability is one that would likely move down to – everybody else is already at 100 Catron.

COMMISSIONER HANSEN: Okay. And then I don't know if we want to go back to the interim budget. Are you asking for us to approve that today? Okay. So one of the things that was brought up that I asked you to look at, and this was just an idea of the Option 1 and the Option 2 of giving everyone the same amount or giving people a tiered amount. I just was interested in seeing what that would look like. I would be interested in hearing what other Commissioners think about that. I'm grateful that we're giving all of our employees a bonus or a one-time payment. I think that this is really important and helpful. I just wanted to kind of see what it would be like if we gave everybody the same amount across the board or if we did it in tiers as you explained, that people making the most would get the most, [sic] and who had been here the longest. So I was just asking to see that as an idea, and I'm interested to hear what my other

Commissioners think about that idea and I appreciate you taking the time to figure that out.

MANAGER MILLER: Daniel, could you go to – in the slide presentation, could you go to slide 18 through 21?

COMMISSIONER HANSEN: Okay.

MANAGER MILLER: So, Mr. Chair, Commissioner Hansen, and thank you for going back to that because this would be one of the decision points for the Board. It's still the same total cost of \$1.562 million, but here it is broken out by salary tier for anybody making less than \$40,000, a minimum of \$1,200. Anybody \$40,001 to \$75,000, \$1,100. And then \$75,001 and over, a minimum of \$1,000, and then \$10 per month for every month that you've been with the County, with a maximum of \$2,400. At the bottom you can see the breakdown.

When you go the other way, if you take that same number of employees and you go the other way it comes out to \$2,08 per employee. So we'll just leave that slide up because it obviously makes the average for everybody go slightly up, the average. Because some people, if they've only been here a year, under this scenario would get \$1,200, but under everybody gets the same amount, they would get double that. They'd get \$2,080.

COMMISSIONER HANSEN: I think Daniel might need to go to slide 20. Is that the one you're talking about?

MANAGER MILLER: He doesn't really need to change slides. It's either this breakdown or \$2,080 per employee. So that's what it comes out to. So you see the average employee on the side. Down in the bottom right-hand corner, that's what it kind of looks like with the lowest being \$1,000 and the highest being \$2,400. But if we do the one asked, which is take that \$1.562 million and divide it between the eligible number of employees it comes out to \$2.080 per person. So that means a person who's been here 13 months, under that scenario would get \$2,080, and under the other scenario might get \$1,210. Or \$1,010, if they've only been here a year. But then somebody who's been here ten years would get the \$2,400.

So it either just averages it out, that you've been here a year or more you're going to get \$2,080. That's the one option, or you'll get a minimum of \$1,000, up to \$2,400, depending on whether you've been here ten years – five, ten, fifteen years, whatever. So but the average is then around \$1,700, \$1,800 per employee at the bottom, \$1,900, \$1,985.

COMMISSIONER HANSEN: So Manager Miller, on that point, all of our employees who make less than \$40,000, are they people who have been here the shortest amount of time?

MANAGER MILLER: Well, not necessarily. Not necessarily. Some, yes. Some have been here 25 years and still are on the lower end of the salary range. Some of our custodians have been here for years and will get the \$2,400, versus \$2,080. I didn't go in and look by person who gets what. This particular – remember, everybody at the lower end is going to get a dollar more an hour anyway. So they're going to get a dollar more an hour, plus if you approve a COLA, they would get a COLA, plus they would get this.

So whatever you all want to do. This calculation was designed to reward people who've stayed with the County for a long time. That was the impetus behind this, not just – and make sure that the minimum was higher for those who are paid the least.

COMMISSIONER HANSEN: Okay. I see that and I appreciate you doing this exercise. I would like to hear from other people. I know that we don't have also any control over how the unions will divide the money up also, so that's another decision that is out of our hands. So I would be interested to hear what other Commissioners say.

COMMISSIONER HAMILTON: Mr. Chair.

CHAIR ROYBAL: Go ahead, Commissioner Hamilton.

COMMISSIONER HAMILTON: Thank you. Since we're on this subject, actually the graded system of Option 1 is one of the most elegant, sophisticated models I've seen done for this sort of thing because it has the balances of having the – the combination of having the tiered salaries where the low salaries have a higher minimum than the highest salaries and a minimum payment and a maximum payment that aren't that far apart. It forces everybody into getting what is a relatively fair payment.

So you're rewarding people who have been here for the longest time but not by so much that you're taking most of the money away from the lower paid people. So frankly, it's a really lovely system. And I guess for that reason – either one is a great way to do it, but this gives a small benefit to people who've been here for a very long time without giving very much of a detriment to people who've been here one month past their probation period. They still have a formula that gives them a really good one-time payment.

The explanation, unless I really misunderstood things for having whatever it was - \$6.6 million from the ARPA money – I forget which slide it was, but that we would have for use the first half of the fiscal year, I think was well thought out. And with respect to the additional – the last several slides, the additional monies, what other ideas should we be spending on? That was also really well thought out. It makes it very hard to choose, especially without knowing what some of the dollar amounts are. So how far could we supplement things?

The first slide we went to had to do with a lot of the tourism and economic development. That's clearly important. But I have to say, the second slide with the infrastructure, every one of those broadband, water and sewer things are critically important. I personally am viewing this money as a singular opportunity to upgrade our infrastructure in ways that, first of all, make us more resilient generally – the water and sewer things. Second, will make us more resilient to the next pandemic and other kinds of emergency situations. All three of those things go to that. I think they're the things – I don't think we should in any way overlook the economic development, the community services aspects of work we can do, but we've talked about many of those in several places in the budget, and several of those also have things where money is coming into the state to supplement those. So I guess I would speak most strongly to considering the infrastructure first and then the other projects. For the reasons I stated.

I think it's also a complex formula. So that's my input at the moment. I think the interim budget is well thought out. So, thank you, Mr. Chair.

CHAIR ROYBAL: Thank you, Commissioner Hamilton. I'm going to go to Commissioner Hughes.

COMMISSIONER HUGHES: Thank you, Mr. Chair. Yes, just in terms of the one-time payment, I think it's a great idea to do a one-time payment. I really do like the idea of rewarding people for longevity. I think that sends a really good message to the people who have stuck with it through probably good times and bad times and being able to survive through your job when things get tough and come out at the other end is a trait that we should really value. And people – I think it's unfortunate, when you look at the average it looks like the average for the people at the lowest end is a little less than at the upper end, but rather than tweak everything to make that come out differently, that probably is just because people at the lower end stay in those jobs for shorter periods of time. That's the only reason I could think of that that would be lower.

I agree with Commissioner Hamilton on infrastructure being a really good opportunity. I'd like to define infrastructure the way President Biden does, to be very broad and include housing, as far as the infrastructure, but I do think we have an opportunity. That was really nice to see that all laid out that we can look at. I'm sure that we probably could do about \$50 million worth of projects and we'll have to narrow it down to the ones we think are really important. That's all. I don't have any questions. Thank you. So that's it for me, Mr. Chair.

COMMISSIONER HAMILTON: Mr. Chair, are you there? If not, does anybody else have questions? Commissioner Garcia, do you have questions at this point?

COMMISSIONER GARCIA: Madam Chair. I don't have any questions. I follow my other colleagues as well as you but I have no more questions. This is the interim budget; it's not a full budget as we all know. So thank you, Madam Chair.

COMMISSIONER HAMILTON: Mr. Chair, break in when you return.
Commissioner Hansen.

COMMISSIONER HANSEN: So I'm going to make a motion that we support Option 1 for the one-time payout. So I don't know if we need a separate motion because we have two options before we approve the interim budget, so I would like to make that motion if I need to, to support Option 1.

CHAIR ROYBAL: Okay, so we have a motion. Do we have a second?

COMMISSIONER HAMILTON: I would second that.

CHAIR ROYBAL: Okay, so we have a motion from Commissioner Hansen, a second from Commissioner Hamilton. I'm going to go to a roll call.

The motion passed by unanimous [5-0] roll call vote.

COMMISSIONER HANSEN: Mr. Chair, then I believe we need – will we need a motion to approve the interim budget with suggestions? Manager Miller, do you want that before I make that motion?

MANAGER MILLER: I wanted to make one more correction too and that's that in the capital reallocation, that I delete the movement of funds from the Gateway to the Leo Gurule Park, because that's in question as to whether than money is actually available. And then I would like Yvonne, because I think she has the memo and the resolution for you. If she could just propose that. And I don't know if there were any other decision points for the interim.

COMMISSIONER HAMILTON: I just have a quick question on that point. Would a motion to approve the interim budget automatically include that movement of funds as you just amended it or does that also require a separate motion?

MANAGER MILLER: Mr. Chair, Commissioner, you could do that separately, or right now, it does include it, because that's what we built into the interim budget. And I would have to take it out if you are not okay with any of those things I presented for what I'll call above the line, before we talked about ARPA.

CHAIR ROYBAL: Thank you Manager Miller. Commissioner Hansen.

COMMISSIONER HANSEN: So I would like to make a motion to remove the transfer of funds from the Agua Fria Gateway monument to the Leo Gurule Park and just leave it with the Gateway fund.

COMMISSIONER HUGHES: And I'll second that.

CHAIR ROYBAL: Okay, so we have a motion from Commissioner Hansen and a second from Commissioner Hughes. Anything else under discussion?

COMMISSIONER GARCIA: Yes, Mr. Chair. I have a question.

CHAIR ROYBAL: Go ahead, Commissioner Garcia.

COMMISSIONER GARCIA: So we're going to move funds from the Agua Fria Gateway, which is the Agua Fria River we've been working on for many, many years. I understand – I know where Leo Gurule Park is. I built Leo Gurule Park and did additions to that. So how much money are we moving from the Agua Fria River that we've been working on for 20 years now, and we're moving into Leo Gurule Park.

COMMISSIONER HANSEN: It's like \$4,000, Commissioner, and I'm asking it to stay at the Agua Fria Gateway monument.

COMMISSIONER GARCIA: Okay. [inaudible] Leo Gurule Park. It's right there by the Allsup's, across the street from Route 14, by across the south side there. I built that park. I redid that park. But I'm okay rebuilding everything. So I'm just saying, let's [inaudible] I'm okay with the motion. Thank you. Mr. Chair.

CHAIR ROYBAL: Okay, so we have a motion from Commissioner Hansen and a second from Commissioner Hughes. Go ahead, Commissioner Hughes.

COMMISSIONER HUGHES: Yes, I just wanted to say I think the Leo Gurule Park needs a lot more than \$4,000 for the improvements there. We'll go for that later. We don't want to short-change Agua Fria if it needs that little bit of money.

COMMISSIONER HANSEN: Thank you.

CHAIR ROYBAL: Okay, so we have a motion from Commissioner Hansen and a second from Commissioner Hughes. Anything else under discussion? Okay, hearing none, I'm going to go to a roll call vote.

The motion passed by unanimous [5-0] roll call vote.

COMMISSIONER GARCIA: Mr. Chair, if I may, really quick. I would just like to thank Katherine, because Manager Miller, back in your days when you were the Finance Director you created this process for budget. Today, it's still moving very slowly because back when you were there, the Procurement Officer, the Finance Director you created this process for this budget to move very smoothly. And whoever steps into

there, you created a well greased machine. So I just want to thank you for that. Very well done. Thank you, Mr. Chair.

MANAGER MILLER: Thank you, Commissioner Garcia.

CHAIR ROYBAL: Thank you, Commissioner Garcia.

3. B. Resolution No. 2021-041, a Resolution Adopting the Interim Budget for Fiscal Year 2021-2022 (FY 2022)

YVONNE HERRERA (Finance Director): Chair Roybal, Commissioners, as Manager Miller mentioned, State law requires that we submit an interim budget to DFA/Local Government Division. Section 6-6-2 of the statutes requires that the interim budget be submitted on June 1st of each year. The proposed interim budget that Santa Fe County has prepared for fiscal year 22 totals \$352,609,167 across 51 separate funds.

Preliminary budget discussion sessions with the Board were conducted during special scheduled BCC meetings held on April 16th and the 30th. Due to the economic downturn of the pandemic it has continued to impact many of the revenue sources that we rely on to fund operations.

However, we have seen some improvements in some of those revenues as the state continues to rebound from the pandemic and the push that the state and the County continue to do in terms of the vaccination efforts to reopen the state. So as a result of that the fiscal year 2022 interim budget continues to include reduced recurring revenue projections for some of the County's major revenue resources, and also limiting the use of available cash balances for one-time initiatives and capital project budgets. Management will continue to review recurring expenditures with the goal of balancing the fiscal year 22 final budget without the use of cash balances or reserves.

As County Manager Miller mentioned, the essential change from the interim budget to the final budget could be anything related to capital or grants, or anything contractual or employee compensation changes. We will present those to the Board as part of the final budget for submission to DFA by July 31st.

The County Manager and the Finance Division have prepared the FY22 interim budget based on the following assumptions and recommendations as follows: minimum hourly rate increase for employees earning less than \$15.00 an hour costing \$180,357; no COLA, no merit increases; employer and employee medical/Rx bimonthly contribution increase by three percent across all four tiers for calendar year 2022. The County's contribution will equal \$103,260 or 72.67 percent, and employees, as a group will be contributing \$38,841 or 27.33 percent. The total impact of the three percent increase is \$142,101 and that would be necessary only for the first six months of calendar year 2022, which falls in fiscal year 2022.

We did include a 15 percent decrease in GRT, gross receipts tax revenue, a decrease go 33 percent in hold harmless revenues, and then a slight decrease in general property tax revenue of about three percent.

We have included ongoing projects continuation of \$104.5 million, and we have fixed asset, renewal and replacement maximum funding across all funds equaling \$9.4 million. And with that, the County Manager and the Finance Division request approval of the resolution adopting the fiscal year 2022 interim budget. And if you'd like, Chair Roybal, I can read that resolution.

SFC CLERK RECORDED 06/30/2021

CHAIR ROYBAL: Yes. Go ahead and read it if you wouldn't mind.

MS. HERRERA: Okay. A resolution adopting the interim budget for fiscal year 2021 to 2022.

Whereas, the Board of County Commissioners of Santa Fe County, the governing body, in and for the County of Santa Fe, State of New Mexico, held a special meeting on May 18, 2021 for the study and review of the interim budget for fiscal year 2021 to 2022 with the recognition of resources and uses of funds within said budget; and

Whereas, the meeting on May 18, 2021 was duly noted in compliance with the Open Meetings Act, NMSA 1978, Chapter 10, Article 15, and County Resolution No. 2020-99; and

Whereas, the BCC determined that the interim budget should be adopted and submitted to Local Government Division of the New Mexico Department of Finance and Administration for approval;

Now, therefore, be it resolved that the BCC hereby 1) adopts the interim budget for fiscal year 2021-2022 beginning on July 1, 2021 and ending on June 30, 2022; and 2) Respectfully requests approval of the adopted interim budget by the Local Government Division of the New Mexico Department of Finance and Administration.

And with that, Chair Roybal, Commissioners, I stand for any additional questions you may have.

CHAIR ROYBAL: Okay. Thank you. Great job. Do we have any questions from the Board? Commissioner Hansen. I'm going to go to Manager Miller because I'd like to hear from her before any motions are made. Manager Miller.

MANAGER MILLER: Mr. Chair, I don't know if you want to take a motion but it's my understanding that the person who's registered on the "I just work here" meme said that they want to make a public comment. So I don't know if you would like – I think under the discussion of the resolution you could certainly ask if there's anyone who has comments.

CHAIR ROYBAL: Yes, I brought up if there's anybody from the public that would like to address the Board, you can just state your name for the record.

NICK JONES: Yes. Sorry I didn't know how to change that on the computer here. My name is Nick Jones.

CHAIR ROYBAL: Go ahead, Mr. Jones.

MR. JONES: Hi. So I just wanted to talk about an issue that has been in numerous budgets over the past. I believe it's in this budget as well, which is the pavement project on Camino San Jose, also known as County Road 50A. It's been a long time coming. I would really like to see the project get done. I know there was a discussion or there were motions made back in December to move this project along with some variances. I just wanted to let all of the Commissioners know that as a property owner here who has property that has been damaged by the water coming off the roadway, I've been in communication with the County for years and years now about what we can do together to address that

I'm a little disappointed with the Public Works and what they have done to work with us to get this taken care of. I do understand that they had a challenging time dealing with my neighbor who was in negotiation with them for quite some time to try to get a drainage easement through her property to handle the drainage from the road and when that all fell through my neighbor Jose and I approached the County and said, well, given that that has fallen through, we are here, we are 100 percent willing to get a drainage

easement taken care of on this road so that we can make sure that this flooding and spilling into the acequia and all these other things that have been a problem in the past don't continue to happen in the future. I understand that there's a budget. I understand there's a schedule, but if I could read just a section of a response that I got from the County regarding our willingness to work with them on this I think it would be clear what I am talking about in terms of it really doesn't feel like they're negotiating with us here in good faith if you don't mind.

CHAIR ROYBAL: Okay. Thank you, Mr. Jones.

MR. JONES: The letter from Gary Giron said that the intent will be to secure a permanent easement approximately 450 feet by 15 feet totaling approximately 1.55 acres. This easement is to be unobstructed. No wall will be permitted in the easement and will also require that the right retaining wall at the back of Mr. Jose La Cruz Crawford's property be removed for construction and will not be rebuilt. And then it goes on to say, Please review these items and respond by Friday, May 14th. By the way, this email is addressed Thursday, May 13th – to continue this effort forward. Should these terms not be agreeable then the County will move forward with the Board of County Commissioners' directive which is to pave Camino San Jose, not making any drainage improvements.

To me, it seems not like it's a good faith effort at negotiation. Again, I understand that we all want to see this project get done. I understand there's a budget and that there are timelines at stake here. But here I am, as willing to get this done as I have ever been. At our first meeting about getting this easement done on my property and my other neighbor's property, and after that first meeting we get this communication saying, okay. Here's our final offer; take it or leave. Answer by tomorrow. And I just don't think that's a good way to use these funds, and if there isn't sufficient budget to get this project done correctly I would imagine there are other roads in the county that are in dire need of these funds. I'd rather see this done right the first time so it doesn't have to get redone than to see this project get done incorrectly, only to have to come back and get redone because we tried to rush it through without enough resources.

Thank you, Commissioners, very much, for listening to me.

COMMISSIONER GARCIA: Mr. Chair, I know we may or may not reply to the applicant, but if I could speak to that.

MANAGER MILLER: Mr. Chair, actually, Director Giron does have an answer to what we are doing there, and so I don't know if that would be the appropriate time, because I'm not sure, Commissioner Garcia, if you know what the latest is on that but it might be helpful for you to hear Director Giron's – their latest proposed solution to the drainage. We have the money to do the project. We've had difficulty getting anybody to agree where the drainage would be located. But if that would be okay, to allow Mr. Giron to speak and then Commissioner Garcia.

COMMISSIONER GARCIA: Yes, Mr. Chair, just really quick. Manager Miller, I appreciate that. Thank you to the gentleman. I met with him about six, eight months ago before it got cold and before we were allowed to put asphalt down on the ground, and he had actually talked to one of our previous project managers as into we want a little concrete step there on the north side. That way it doesn't go into our ditch. Understandable. And one of our previous project managers actually said, okay, we can do

that. But yes, we do have the money there and I appreciate you listening to the meeting and appreciate you coming back and speaking to that and we've had a little bit of challenges with where we're going to have those drainage easements and Manager Miller, we've been working on it, and Gary Giron, who is our Public Works Director – just for the record, so we all know who's talking – is we are going to work on that and we're going to get that done as Manager Miller said. But it's taken a little while, and I apologize now because that is money that was approved by the bond a while back. So yes, the money is set aside for that road. It's taken a little while. We've gone through some project managers. So, yes, we're going to get it done, and Gary, if you could speak up on that I'd appreciate that. And thank you, Manager Miller. Thank you, Mr. Chair.

MR. GIRON: Mr. Chair, if it's okay for me to respond.

COMMISSIONER HAMILTON: Yes. The Chair had to leave for another meeting, so yes. Go ahead. I think, assuming that this is not a problem with further discussion on something that wasn't on the agenda, although it is generally a budget related item.

MR. GIRON: Madam Chair, I think it will be a brief answer that will give some clarity.

COMMISSIONER HAMILTON: Yes. Thank you.

MR. GIRON: Public Works is planning on installing a drainage structure/filtration system in the road. Right now we are working on the geotechnical tests and environmental assessments in the next few weeks and then we will construct it. We believe that that will handle the water. There will be a couple of structures in the road and will handle the water that will be running off from the road, and will be able to protect the acequia from having runoff from the road.

We believe this is a viable option and it also fits within our budgets.

COMMISSIONER HAMILTON: Great. Thank you very much. I apologize for having lost track. Do we actually have a motion on the table, on the budget resolution? Or we hadn't gotten there? Thank you. Commissioner Hansen, go ahead.

COMMISSIONER HANSEN: I had the floor at one point and I was going to make a motion but then I waited until – So I would like to make a motion to adopt the interim budget for the fiscal year 2021 to 2022.

COMMISSIONER GARCIA: And I'd like to second that motion for discussion, I want to thank staff, thank Manager Miller. Thank you to staff for what you do, because Santa Fe County is very good. We're number one, two in the state. But yes, I second that motion, Madam Chair. Thank you.

COMMISSIONER HAMILTON: Thank you. So I have a motion and a second. So under further discussion, Commissioner Hansen.

COMMISSIONER HANSEN: I want to recognize Yvonne for her outstanding work on this interim budget and everything that she has done. So thank you, thank you, Yvonne, for all your work. Thank you, Madam Chair.

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

COMMISSIONER HUGHES: Yes. I want to thank Manager Miller and Yvonne for their great work on the budget. I particularly appreciate the effort to bring the salaries up for our lowest paid workers. That's really great that we can do that in the

interim budget.

COMMISSIONER HAMILTON: I definitely concur with that. So on this resolution we have a motion and a second. Clerk Clark, would you please do the roll call?

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

4. CONCLUDING BUSINESS

A. Announcements

MANAGER MILLER: So Madam Chair, just wanted to let you know, the next steps are obviously, Yvonne and her staff will be entering the budget into the system and uploading it to the State with the interim budget approval, and then we will come back to you over the next six weeks with recommendations for the final budget, because the final budget will include the interim budget plus all subsequent changes, additions, any adjustments to capital projects, and then some ARPA priorities. And thank you very much for your feedback on this. I already have some ideas on how to present some possible initiatives to include into the final budget.

And then I too want to recognize Yvonne. She has worked tirelessly. Actually, she's probably exhausted, on getting this together. As you know, we do not have a budget director; we're short-staffed, and this is really her first go at a budget, and I probably drove her crazy: What about this? What about that? So she was great, and thank you, Yvonne. I can't tell you how much I appreciate it.

COMMISSIONER HAMILTON: Very well said. Thank you so much. Are there any other announcements? That recognition on both of your parts is so well deserved. If there are no other announcements –

COMMISSIONER GARCIA: Madam Chair.

COMMISSIONER HAMILTON: Commissioner Garcia.

COMMISSIONER GARCIA: Just really quick. As you said, Katherine. Thank you for Yvonne and her entire staff, and great job. We're Santa Fe County. We're number one, I think, or number two.

COMMISSIONER HAMILTON: Thank you. Manager Miller, you had one more thing?

MANAGER MILLER: I did have one more. I can't believe I forgot it. So, our chambers are complete as far as being able to conduct a hybrid meeting, meaning we can have people in person in the chambers and also connect to Webex where the individuals – so the public can participate or presenters can participate via Webex. So we can conduct a hybrid meeting. That said, the mask requirement for the state was lifted but that does not lift the mask requirement for County facilities. I am working with Legal and HR and the unions to modify our mask requirement but approximately a year ago you had put a policy in place based upon CDC guidelines. Based upon the City's mask mandate and the state public health order and mask mandate, that every employee or anybody who enters a County building must have a mask – vaccinated or not vaccinated. So that is still in place. Lifting that mandate requires work with our six unions on what a new mask policy would look like.

As you know, we don't know who's vaccinated, who's not vaccinated. And relying on people to self-disclose that may be problematic for workplace safety. So I just wanted to let the Board know we are working on it, going to try to have some modifications before next Tuesday, but if the Board would like to have the Tuesday regular BCC meeting scheduled for May 25th in person for the Commissioners at the chambers, we can do so. I would just state that at the moment you would need to wear masks for that meeting, as would all of the staff and anybody attending, because that is our policy in place at the moment. But depending on how quickly we can turn that around we would also try to modify that for those who are vaccinated.

COMMISSIONER HAMILTON: Thank you, Manager Miller. So is that the preference of the Board? Commissioner Hansen.

COMMISSIONER HANSEN: Yes, I prefer to meet in person at the chambers. Could we – I know this might be a little iffy, but could we suspend the mask mandate for just the Commissioners? For the meeting? I don't know if that's even possible but I'm just asking.

MANAGER MILLER: I don't know that you want to do that.

COMMISSIONER HANSEN: Okay.

MANAGER MILLER: I think that's awkward, because you're going to also have the Clerk, the Attorney, the recorder, myself – all of us in there as well. So I just wouldn't feel comfortable making – I'd like to make sure we get the policy changed so that nobody can actually make accusations against somebody for causing a threat to workplace safety.

COMMISSIONER HAMILTON: Right.

COMMISSIONER HANSEN: I understand.

COMMISSIONER HAMILTON: Commissioner Hughes.

COMMISSIONER HUGHES: Yes, I like the idea of meeting in person and if we have to wear a mask I guess we can wear a mask and if the policy gets changed that's even better.

COMMISSIONER HAMILTON: Commissioner Hansen, were you finished? Did you have something additional?

COMMISSIONER HANSEN: No. I'm happy to meet in person. I look forward to seeing all of you with a mask or without.

COMMISSIONER HAMILTON: And thank you, Commissioner Hughes. And Commissioner Garcia, did you have an opinion?

COMMISSIONER GARCIA: I'm okay going to a meeting. I actually [inaudible] I miss my colleagues. I miss staff. I miss everybody. This thing is taking a toll on me, so [inaudible] whether we have to wear masks or not. I go to the grocery store. I have to wear a mask. Go to the bank – have to wear a mask. I'm okay having the meeting live. I miss all my colleagues and I miss all my staff. So, yes, I'm good with it.

COMMISSIONER HAMILTON: Okay. Great. Thank you. And I certainly am fine, good with meeting in person, however the mask mandate stands at the time we meet, that we all participate the same way. So thank you. Is that good feedback, Manager Miller?


MANAGER MILLER: Sounds like we'll see you in chambers next Tuesday.

COMMISSIONER HAMILTON: Excellent. That's crazy.

5. 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 1:36 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
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SFC CLERK RECORDED 06/30/2021