

Santa Fe County FY 2012 Interim Budget



May 31, 2011

FY 2012 Budget Prep Calendar

Monday	Tuesday	Wednesday	Thursday	Friday	Sat	Sun
February 21	22	23 Budget Kick-off	24	25	26	27
28	March 1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18 Operating Budget Requests due	19	20
21	22	23	24	25	26	27
28	29	30	31	April 1	2	3
4	5	6	7	8 Budget Hearings	9	10
11 Budget Hearings	12 Budget Hearings	13 Budget Hearings	14 Budget Hearings	15 Budget Hearings	16	17
18	19 Budget Hearings	20	21	22	23	24
25	26	27	28	29 Capital Package Requests Due	30	May 1
2	3	4	5	6	7	8
9	10 Budget Study Session	11	12	13 Capital Project Requests Due	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31 BCC Approves Interim Budget	June 1 Interim Budget Due to DFA	2	3	4	5
6	7	8	9	10	11	12
13	14 Make Final Recommendations for FY12 Budget	15	16	17	18	19
20	21	22	23	24	25	26
27	28 BCC Approves Final Budget	29	30 Roll Final Budget to New Fiscal Year	1 New Fiscal Year Begins	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26 Formal Approval of Final FY 2012 Budget	27	28	29 Final FY 2012 Budget Forms Due to DFA	30	31

Changes can be made to the budget at any time up until the budget is "rolled" into the FY 2012 Budget Module on 6/30/11.

BUDGET PREPARATION CHECKLIST

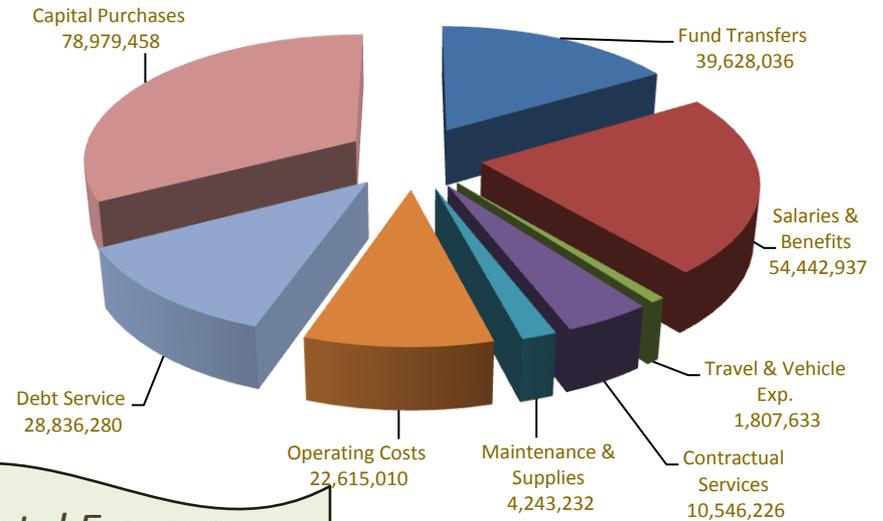
- ✓ Budget Kick-off
- ✓ Departments Turn In Operating Budget Requests
- ✓ Hold Budget Hearings
- ✓ Departments Turn In Capital Package Budget Requests
- ✓ Hold Budget Study Session
- ✓ Departments Turn In Capital Project Budget Requests
- BCC Approves FY 2012 Interim Budget
- FY 2012 Interim Budget Forms Submitted to DFA
- Final Recommendations for FY 2012 Budget
- BCC Approves Final Budget
- Final Budget is entered into accounting system and "rolled" into the FY 2012 Budget Module to enable financial transactions to take place on July 1
- Final FY 2012 Budget Forms Submitted to DFA.

Fiscal Year 2011

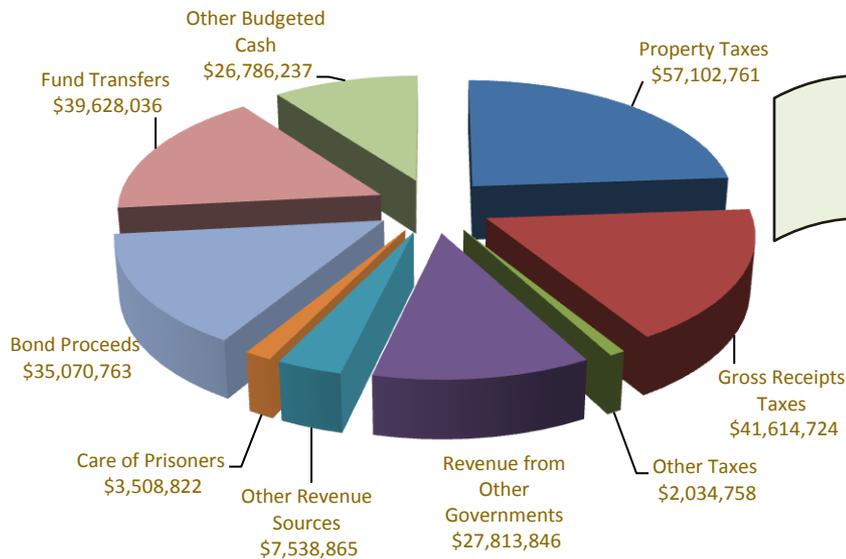
Est. Revenue as of June 30, 2011

- » Property Taxes - \$57.1M
- » Gross Receipts Taxes – \$41.6M
- » Care of Prisoners - \$3.5M
- » Other Revenue - \$37.4M
- » Bond Proceeds - \$35.1M
- » Other Budgeted Cash - \$26.8M
- » Fund Transfers - \$39.6M

FY 2011 Total Expense



FY 2011 Total Revenue



Total Expenses
\$241,098,812

Est. Expenses as of June 30, 2011

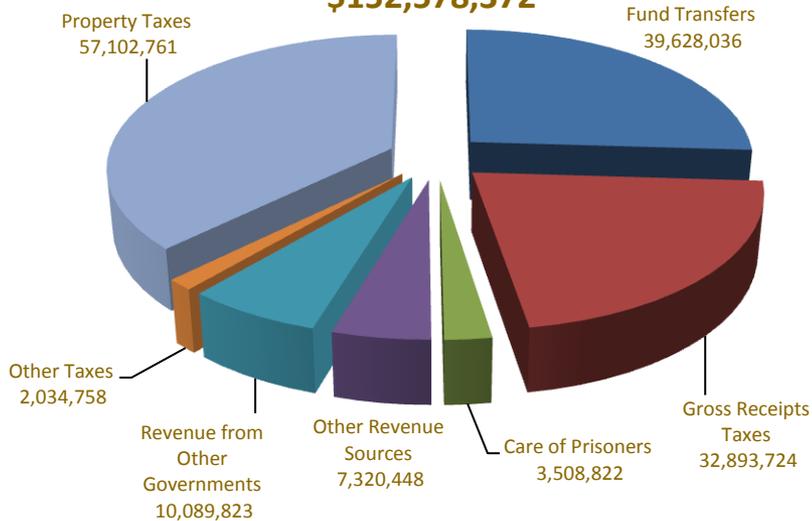
- « Salary and Benefits - \$54.5M
- « Operating Expenses - \$39.2M
- « Capital Purchases - \$79.0M
- « Fund Transfers - \$39.6M
- « Debt Service - \$28.8M

Fiscal Year 2011- Year End Estimates

Operating Budgets Only

FY 2011 REVENUE ESTIMATE (excl. Capital)

\$152,578,372



Est. Revenue as of June 30, 2011

- » Property Taxes - \$57.1M
- » Gross Receipts Taxes – \$32.9M
- » Care of Prisoners - \$3.5M
- » Other Revenue - \$19.5M
- » Budgeted Cash - \$9.5M
- » Fund Transfers - \$39.6M

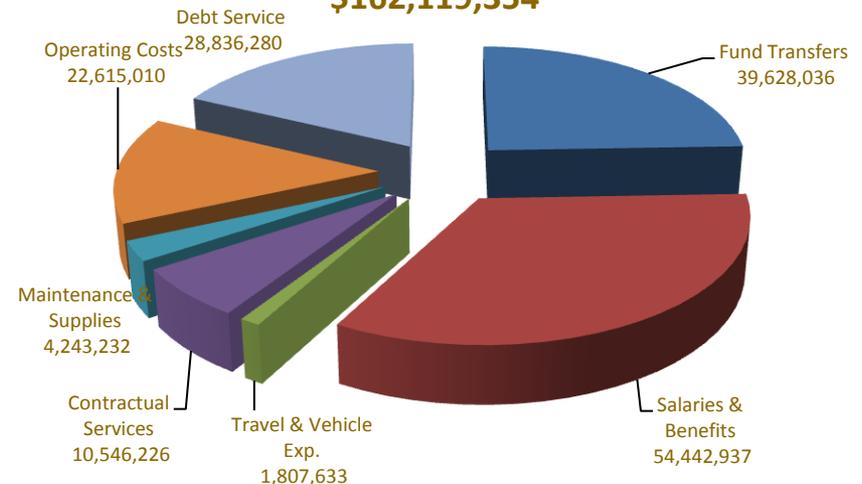
Estimated Use of Cash
\$9,540,983

Est. Expenses as of June 30, 2011

- « Salary and Benefits - \$54.5M
- « Operating Expenses - \$39.2M
- « Fund Transfers - \$39.6M
- « Debt Service - \$28.8M

FY 2011 EXPENSE ESTIMATE (excl. Capital)

\$162,119,354



Summary of Operational Cuts

REVENUE LOST

Gross Receipts Tax	\$8.0
Investment Income	\$6.4
Care of Prisoners	<u>\$5.3</u>
Total Revenue Lost	\$19.7

In FY 2009 the recession began and the County's revenue began to fall. Our revenue lost uses FY 2008 revenue (peak) and compares it to FY 2011 estimates.

CUTS

FY2009 Mid-Year	\$ 727,400
FY2010 Interim	\$ 8,595,500
October 2009, Transition of Health Services	\$ 3,493,500
FY2010 Mid-Year	\$ 1,094,300
Hard Freeze	\$ 1,830,000
March 2010 & FY2011 Interim	\$ 3,863,150
TOTAL	<u>\$19,603,850</u>

Summary of Operational Budget Increases

FY 2011 INCREASES

BDD Operational	\$ 1,315,000
Increase SCP Payment	\$ 1,486,700
Retiree Health Care	\$ 170,000
Transparency Initiative	\$ 120,000
New FTEs	\$ 128,700
Satellite Offices	\$ 13,000
Fire Division Overtime	\$ 140,000
Corrections Overtime	\$ <u>402,200</u>
Subtotal	\$ 3,775,600



FY 2012 RECOMMENDED INCREASES

Library	\$ 40,000
Satellite Offices	\$ 14,000
New FTEs (recommended)	\$ 2,310,050
Asset Replacement	\$ 2,098,483
Gas & Oil	\$ 75,000
Jail MD & Pharmacy	\$ <u>345,052</u>
Subtotal	\$ 4,882,585

TOTAL INCREASES FY 11 & FY 12 = \$8,658,185

MAINTAIN A RECESSIONARY CONTINGENCY OF \$5,000,000

Indirect Support of Education



Teen Court
\$185,500
3 FTEs

- Alternative sentencing program for 1st time juvenile offenders
- Run by teens for teens

DWI

\$787,489

- Devoted to educational activities
 - DWI Prevention Programs for elementary school age to adults

OTHER

- Senior Services – Classes (art, recreation & fitness)
- Maternal Child Health Program – outreach to pregnant women & mothers of infants
- Promotion of County Fair – 4H



Mobile Health Care Van
\$210,000
3 FTEs

- Conducts health screenings
- Provides health information
 - Offers flu shots

Only health care some rural residents receive



Libraries
\$40,000

- Information resources & technology
- Access to government information
- Classes for kids & adults
- Community goodwill & historical significance

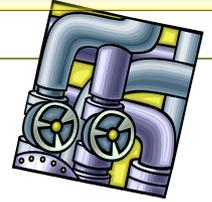


Utility Operational Budget with and without Rate Increase



Current Rates

	FY'11 Budget	FY'12 Budget	Difference
Revenue			
Water	\$ 1,669,057	\$ 2,605,583	\$ 936,526
Wastewater	\$ 138,910	\$ 362,424	\$ 223,514
GRT Transfer	\$ 305,231	\$ 346,100	\$ 40,869
TOTAL	\$ 2,113,198	\$ 3,314,107	\$ 1,200,909
Expense			
Water	\$ 3,057,652	\$ 3,383,983	\$ 326,331
Wastewater	\$ 490,141	\$ 821,439	\$ 331,298
TOTAL	\$ 3,547,793	\$ 4,205,422	\$ 657,629
Surplus/Shortfall	\$ (1,434,595)	\$ (891,315)	\$ 543,280



Increased Rates

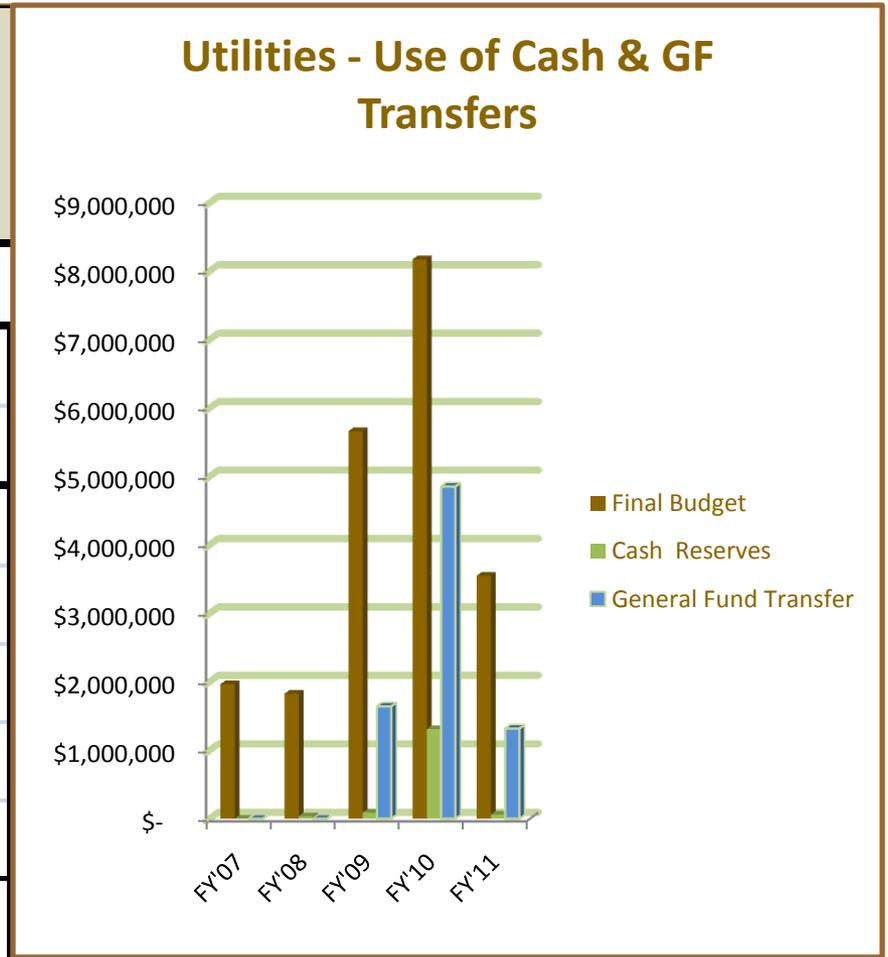
	FY'11 Budget	FY'12 Budget	Difference
Revenue			
Water	\$ 1,669,057	\$ 2,823,417	\$ 1,154,360
Wastewater	\$ 138,910	\$ 420,798	\$ 281,888
GRT Transfer	\$ 305,231	\$ 346,100	\$ 40,869
TOTAL	\$ 2,113,198	\$ 3,590,315	\$ 1,477,117
Expense			
Water	\$ 3,057,652	\$ 3,383,983	\$ 326,331
Wastewater	\$ 490,141	\$ 821,439	\$ 331,298
TOTAL	\$ 3,547,793	\$ 4,205,422	\$ 657,629
Surplus/Shortfall	\$ (1,434,595)	\$ (615,107)	\$ 819,488



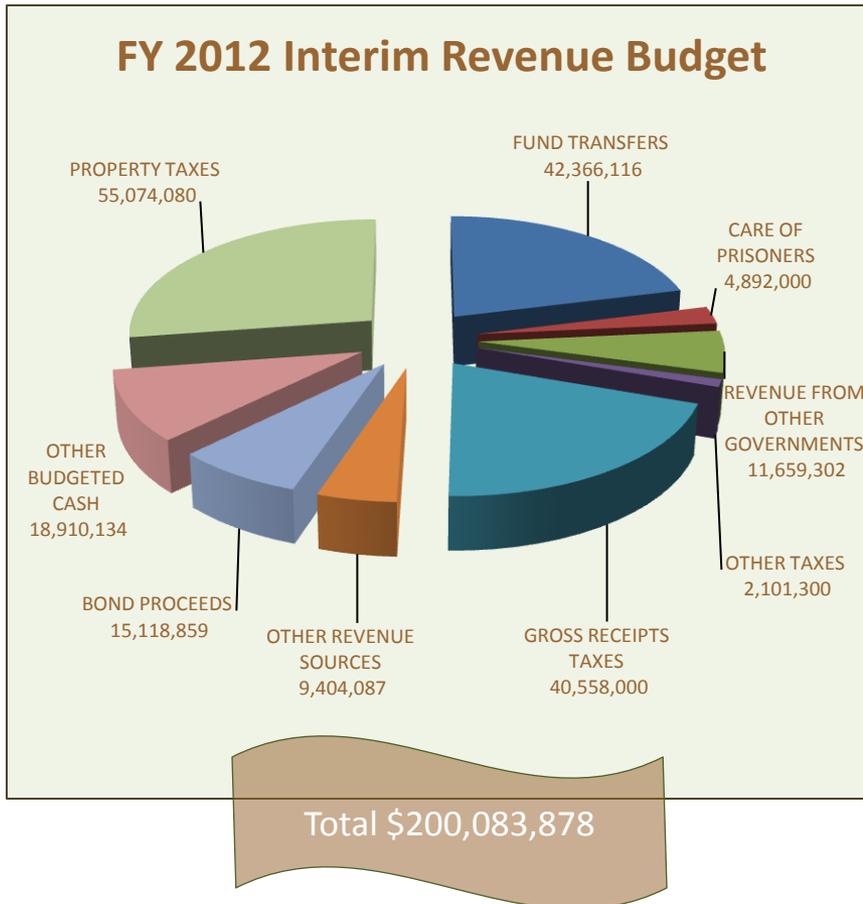
Utility Operations – Historical Use of Cash



Utility Operations Historical Use of Cash & General Fund Transfers FY 2007 - FY 2011			
Fiscal Year	Final Budget	Cash Reserves	General Fund Transfer
FY'07	\$ 1,964,090	\$ -	\$ -
FY'08	\$ 1,824,619	\$ 35,000	\$ -
FY'09	\$ 3,626,192	\$ 88,130	\$ 638,093
FY'10	\$ 3,361,850	\$ 1,308,452	\$ 2,446,143
FY'11	\$ 3,547,793	\$ 60,000	\$ 1,315,000
TOTAL	\$ 14,324,544	\$ 1,491,582	\$ 4,399,236



Fiscal Year 2012 Interim Revenue Budget

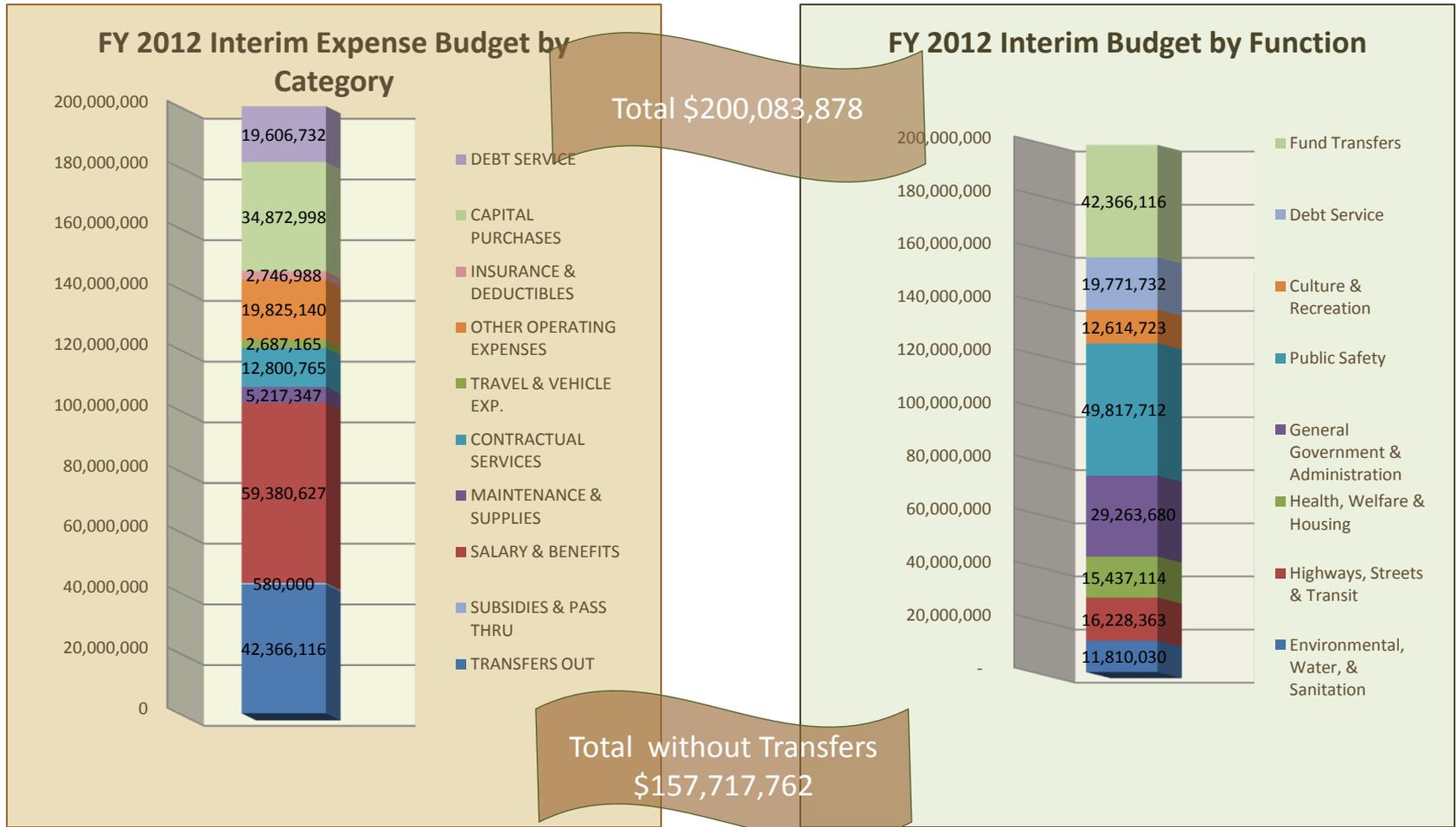


Notable Revenue Changes

- ▲ Property Tax collections will increase due to increased valuations and aggressive collection of delinquent taxes. **(\$1.6M)**
- ▲ Care of Prisoners revenue increase due aggressive pursuit of paying beds for the Adult Facility. **(\$1.1M)**
- ▲ Water & Wastewater rates will increase and the Utility will expand its service area. **(\$0.2M)**
- Countywide GRTs remain flat. **(\$-)**
- ▼ Unincorporated area GRTs decreased by 12%. **(\$0.2M)**
- ▼ Investment income decreased 25%. **(\$0.7M)**

Budgeted cash decreased for both recurring and non-recurring uses. (\$34.7M)

Fiscal Year 2012 Interim Expense Budget



Fiscal Year 2012-Requests for New FTEs

Positions requested are included in the budgeted expenses for the FY 2012 Interim Budget.

Utilities

POSITION	SALARY	BENEFITS	TOTAL
Water - Operator II	31,595	12,638	44,233
Wastewater - Operator I	29,120	11,648	40,768
Wastewater - Utility Worker	24,923	9,969	34,892
TOTAL COST OF NEW FTEs	85,638	34,255	119,893

The Utilities Department has requested three additional FTEs. The proposed personnel will be necessary for the planned expansion of utility services which will take place in Fiscal Year 2012. A new rate structure and expansion of service area is anticipated to offset the increased operating costs.

Sheriff's Office

POSITION	SALARY	BENEFITS	TOTAL
Property Control/Asst. Evidence Custodian	29,120	11,648	40,768
TOTAL COST OF NEW FTEs	29,120	11,648	40,768

The Sheriff's Office has requested one FTE. This additional position was recommended subsequent to an internal audit of the Sheriff's Office property control processes.

Assessor's Office

POSITION	SALARY	BENEFITS	TOTAL
2 - Assessment Specialist \$12.00/hour for each	49,920	20,467	70,387
TOTAL COST OF NEW FTEs	49,920	20,467	70,387

The Assessor's Office has requested two additional FTEs. The Assessment Specialists are proposed to be funded from the Assessor's Property Valuation Fund and will be used to scan data which allows for more efficiency within the office.

Asset Replacement & Capital Package



Fund	Capital Pkg. Request	FY2012 Replacement Schedule	Consolidated Capital and Replacement	One-Time Operating Request	Grand Total	Funding Recommendation
General Fund	\$ 328,267	\$ 766,344	\$ 1,094,611	\$ 57,225	\$ 1,151,836	\$ 872,822
General Fund Transfer	\$ 520,000	\$ 1,363,110	\$ 1,883,110	\$ -	\$ 1,883,110	\$ 1,454,721
Total General Fund	\$ 848,267	\$ 2,129,454	\$ 2,977,721	\$ 57,225	\$ 3,034,946	\$ 2,327,543
Property Valuation	\$ -	\$ 46,000	\$ 46,000	\$ -	\$ 46,000	\$ 46,000
Clerk's Filing Fees	\$ 25,000	\$ -	\$ 25,000	\$ 18,000	\$ 43,000	\$ 43,000
EMS GRT	\$ 75,000	\$ 43,650	\$ 118,650	\$ -	\$ 118,650	\$ 35,700
EC & EMS GRT - Fire	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ 25,000
Utilities Enterprise	\$ 124,500	\$ 87,550	\$ 212,050	\$ -	\$ 212,050	\$ 212,050
Housing Enterprise	\$ -	\$ 2,216,060	\$ 2,216,060	\$ -	\$ 2,216,060	\$ -
Grand Total	\$ 1,072,767	\$ 4,547,714	\$ 5,620,481	\$ 75,225	\$ 5,695,706	\$ 2,689,293

Funding recommendation included in the Interim Budget.

Total Funding: Capital Pkg. \$590,810 Asset Replacement \$2,098,483

Fiscal Year 2012 Projected Use of Cash

Non-Recurring Uses

↳ Capital Package Requests	\$ 590,810
↳ Capital Replacement Schedule	\$ 2,098,483
↳ Affordable Housing Programs	\$ 580,000
↳ Foreclosure Program	\$ 1,008,485
↳ One-time Contracts/Other	\$ 524,211
↳ Capital Projects	<u>\$24,118,291</u>
TOTAL NON-RECURRING USES	\$28,920,280

Recurring Uses

☒ Operating Expenses	\$5,467,805
☒ Transfers Out for Operating	<u>\$ 272,928</u>
TOTAL RECURRING USES	\$5,740,733

Santa Fe County policy states:

“Santa Fe County will strive to pay for all recurring expenditures with recurring revenue.”

The use of cash to meet recurring expenses has been reduced to \$5.7M for FY 2012. This has been accomplished by a combination of increasing revenues and reducing expenses. The use of cash for capital projects and other one-time expenses totals \$28.9M.

The use of cash is recommended for fulfilling Capital Package requests and Capital Replacements as budget constraints of the past 3 fiscal years have created a backlog of critically needed capital purchases.

Fiscal Year 2012 Use of Cash

USE OF CASH FUND

Fund	Usable Cash (est.)	Non- Recurring	Recurring	Remaining Cash
General Fund	\$14,363,500	\$ 3,435,696	\$ 0	\$10,927,804
Fire Operations Fund	\$ 1,088,554	\$ 545,637	\$ 529,266	\$ 13,651
Corrections Operations Fund	\$ 4,320,499	\$ 227,072	\$ 3,729,904	\$ 363,523
Water Enterprise Fund	\$ 5,788,575	\$ 427,025	\$ 388,082	\$ 4,973,468
Wildlife/Mountains/Trails	\$ 222,482	\$ 100,000	\$ 118,673	\$ 3,809
Other Fire Funds	\$ 2,560,375	\$ 1,692,583	\$ 38,951	\$ 828,841
Section 8 & Housing Enterprise	\$ 2,284,166	\$ 0	\$ 147,537	\$ 2,136,629
Home Sales & Developers Fees	\$ 5,764,487	\$ 1,405,000	\$ 428,485	\$ 3,931,002
Property Valuation Fund	\$ 1,221,469	\$ 546,000	\$ 0	\$ 675,469
Road Fund	\$ 419,955	\$ 200,000	\$ 0	\$ 219,955
Other Operating Funds	\$ 1,905,479	\$ 327,982	\$ 359,835	\$ 1,217,662
CO GRT & Bond Proceeds	\$ 39,677,669	\$20,013,285	\$ 0	\$ 19,664,384
All Other Funds	<u>\$ 6,749,228</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,749,228</u>
TOTAL	\$ 86,366,438	\$28,920,280	\$ 5,740,733	\$51,705,425

Fiscal Year 2012 Budget Considerations

INCREASES:

- ✓ **New FTE requests**

Utility	3 FTEs	\$119,893	Enterprise
Sheriff's	1 FTE	\$ 40,768	GF Transfer
Assessor	2 FTEs	\$ 70,387	Valuation

- ✓ **Capital package and asset replacement requests are including in the budget.**

- ✓ **The method for budgeting salaries for the Corrections Department was revised. The budget was updated to the actual hourly rate paid for currently filled positions. All unfrozen vacant positions were budgeted at an average hourly rate between minimum and mid-range.**

- ✓ **Budgeted for contractual services in the Assessor's Property Valuation Fund to begin door to door approach for re-appraisal and data collection.**

- ✓ **Reduced the GF transfer to Corrections Ops Fund by increasing the Care of Prisoner revenue by \$1.0 M and reducing expenditures by \$1.0 M.**

WHY:

- ❖ **Growing utility operations, additional need for Sheriff's evidence and inventory control, and increased staff for the Assessor equates to growth in property valuations and property tax revenue.**

- ❖ **Capital package and capital asset replacements are one-time expenditures. Budget constraints of the past 3 fiscal years have created a backlog of critically needed capital purchases.**

- ❖ **Results in an increase of \$400K for FY 2012. The increase can be managed by use of cash and will be easier to manage the hourly budget. With the freezing of positions, the past practice of relying on vacancy savings is no longer an option.**

- ❖ **Investment of \$500K will optimize the Assessor's ability to add value to the tax rolls resulting in additional property tax revenues for the County and other taxing authorities.**

- ❖ **Begins the transition process of tying recurring revenue to recurring expenditures and minimizes the use of cash reserves and reduces the reliance on General Fund support.**



Fiscal Year 2012 Recommended Budget Reductions

To be implemented if deemed necessary



ADDITIONAL CUTS:

- Implement change in method for budgeting salaries countywide. Budget all currently filled positions at actual hourly rates and unfrozen vacant positions at an average hourly between minimum and mid-range.

- “Sanding” of budgets across all funds by different percentages (ranging from 1% to 3%) based on budget threshold levels. Larger budgets would have higher percentage of cuts and smaller budgets would have lower percentage of cuts.

WHY:

- Results in additional cost savings of \$328K across all funds (excluding Corrections). This method will be easier to manage the salary budget. With the freezing of positions, the past practice of relying on vacancy savings is no longer an option. *This effort would eliminate vacancy savings countywide.*

- Results in a cost savings of \$239K requiring less use of cash and moving the County towards the ultimate goal using only recurring revenue to fund recurring expenses.

- Contingency will address any problems that will arise due to these cuts, or we will come before the BCC at mid-year with budget actions from cash.
- The majority of funds are operationally balanced without the use of cash reserves. Countywide \$5.7 million in cash reserves will be used to support operational expenditures in FY 2012.
- Continue monitoring Corrections, Health, RECC and Fire to ensure that recurring expenditures are balanced to recurring revenues. These funds are reliant on funding sources that have been significantly impacted by the recession.

Fiscal Year 2012 Organizational Chart

Click on the link below

[2011 Organizational Chart](#)



Strategy for Fiscal Year 2012



So Far So Good:

- Cost saving and revenue generating efforts of past fiscal years are beginning to materialize and are measurable by less use of cash reserves for operational expenditures.
- Budget is balanced with use of only \$5.6 million of cash reserves countywide, or \$5.1 million with recommended cuts. (Goal was to remain under \$7.0 million).
- No fiscal impact to employees; employee pay and hours remain intact.
- Ability to fund necessary asset replacements and recommended capital package items.

Where Do We Go From Here?

- Continue cost saving measures and explore revenue generating ideas.
- Continue with progression of tying recurring revenues to recurring expenditures to eliminate use of cash reserves to support operational expenditures.
- Continue to monitor funds reliant on gross receipt taxes for potential cuts if necessary.
- Continue to work with Corrections Director for increased Care of Prisoner revenue and reduced operational expenditures.

The approved FY 2012 Interim Budget must be submitted to DFA on June 1 to allow for the transaction of business on July 1.