

Harry B. Montoya
Commissioner, District 1

Virginia Vigil
Commissioner, District 2

Michael D. Anaya
Commissioner, District 3



Paul Campos
Commissioner, District 4

Jack Sullivan
Commissioner, District 5

Roman Abeyta
County Manager

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

It is my pleasure to present to you the Santa Fe County Fiscal Year 2009 (July 1, 2008 through June 30, 2009) Annual Budget totaling \$215.3 million, or \$187.7 million if double-counted expenses (fund transfers and Sole Community Provider payments) are eliminated. The preparation of an annual budget is an opportunity for County management and staff to strategize, plan and subsequently implement the priorities of the Santa Fe County Board of Commissioners and County Elected Officials. Development of the annual budget is a process of reviewing and revising wherever necessary, the Santa Fe County Commission's short and long-term goals of identifying and evaluating current and future resources and of balancing the allocation of these resources to address priorities on a financial level.



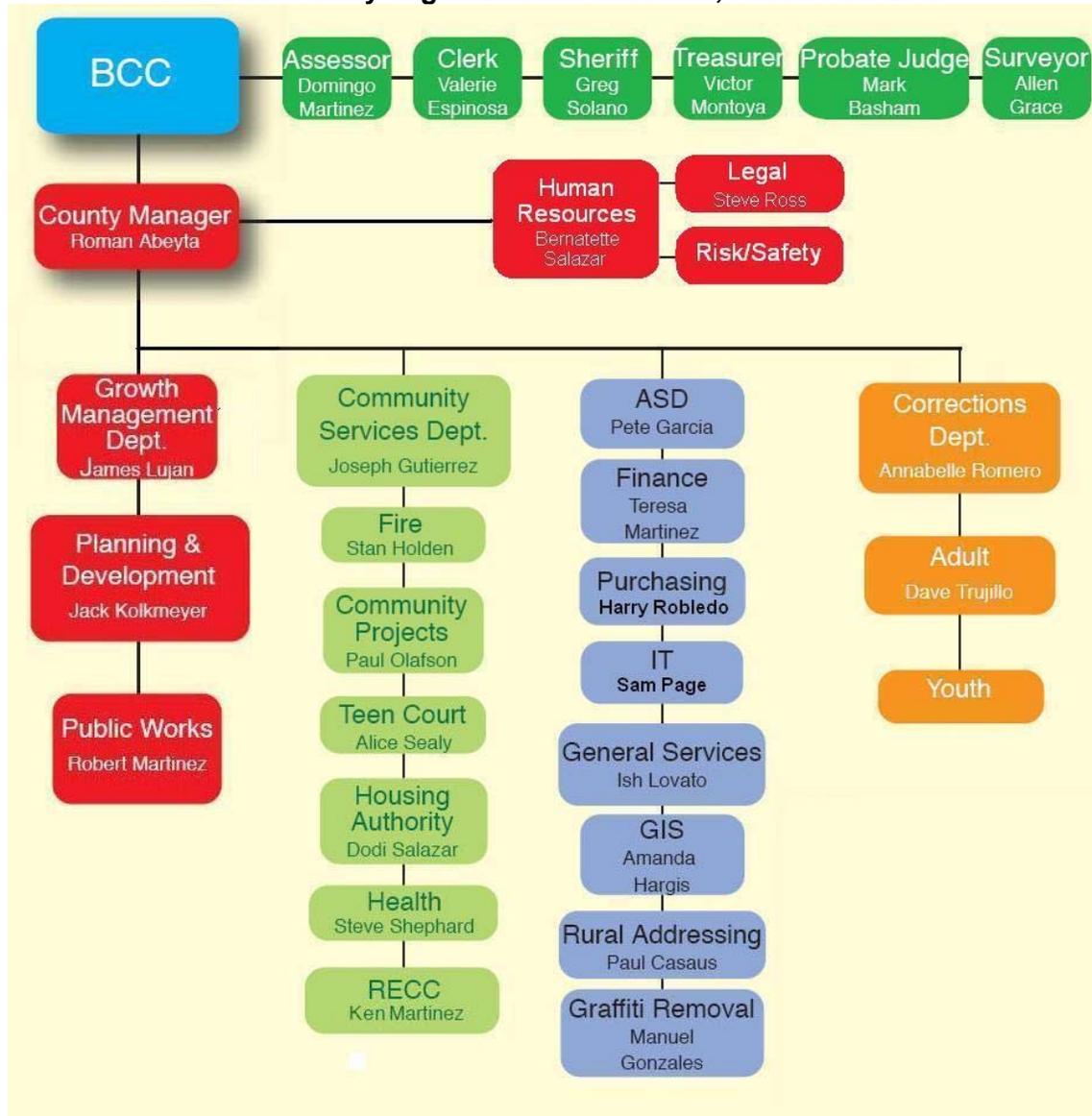
Roman Abeyta, County Manager

Much time and effort was spent in developing the County's Budget. In the early part of Fiscal Year 2007, I was appointed as County Manager by the Board of Commissioners. Fiscal Year 2008 was the first full fiscal year of county operations under my management with a new county organizational structure. To produce the Fiscal Year 2009 Budget, all organizations were active in presenting their operational and capital needs and were asked to define accomplishments, goals and objectives, and performance measures for Fiscal Year 2009.

Major County priorities involving large construction projects are the expansion of water resources for the County and the City of Santa Fe through the \$180 million Buckman Direct Diversion Project funded jointly by the City and County; provision of a \$60 million District courthouse in the downtown area of Santa Fe to replace an outmoded facility, and the completion of a new \$15 million Public Works building. All of these projects are or will be at least in part, funded through General Obligation Bonds. A \$30 million new General Obligation Bond series, not in this budget is planned for sale in November 2008.

Development of the Fiscal Year 2009 Budget was a challenge due to the many high priority issues facing Santa Fe County and the limited financial resources available to address these issues. While many non-recurring funding requests are addressed in this Budget due to conservative revenue budgets that have resulted in a strong cash position in the General Fund, there is very little programmatic expansion of recurring services in the budget, because of the utilization of recurring funding for salary increases in the public safety programmatic area which is in direct competition for staff resources with other nearby public safety entities. The exception is the Santa Fe County Fire Department which through a first-time full fiscal year utilization of a new dedicated gross receipts tax, responded to population growth by increasing the size of its field staff by one-third.

Santa Fe County Organizational Structure, Fiscal Year 2009



Fiscal Year 2008 Events and Accomplishments

Fiscal Year 2008 was a busy year in regard to managing the budget and responding to needs brought on during the fiscal year. During the past fiscal year, the County accomplished the following milestones and achievements as reflected by the following announcements:

July 31, 2007

Recycling Efforts Strengthened With New Facility

Santa Fe's long awaited and much needed new recycling facility is now in operation. The Material Recovery Facility (MRF) has been retrofitted into the Transfer Station at 1686 Paseo de Vista, now known as the Buckman Road Recycling and Transfer Station (BuRRT) (pronounced Burt). The MRF is a state of the art processing plant which sorts, packages, and prepares recyclable materials for market.

FISCAL YEAR 2009 BUDGET MESSAGE

August 20, 2007

County Opens New Community Center in Agua Fria Area

Santa Fe County invites the public to a ribbon-cutting ceremony opening the Nancy Rodriguez Community Center on August 23rd from 5:30 pm to 7:30 pm. The Center is located at #1 Prairie Dog Loop (Off County Rd. 62 between the Agua Fria Fire Station and La Familia Medical Center). The primary use of the facility is as a meeting space for community based groups. It contains an office, lobby, public restrooms and break room (kitchen) has been included to facilitate food preparation and service for events.

November 21, 2007

County Youth Development Program Achieves National Accreditation

The Santa Fe County Youth Development Program has completed a successful re-accreditation through the National Commission of Correctional Health Care (NCCHC). NCCHC assists correctional facilities improve the health of their inmates/residents and the communities to which they return. Through national standards, the NCCHC helps increase the efficiency of health services delivery and organizational effectiveness.

February 26, 2008

County Temporarily Suspends New Drilling

The Santa Fe County Board of County Commissioners has passed an emergency interim development ordinance that temporarily suspends the processing and granting of applications for permits to drill for oil and natural gas within the Galisteo Basin until February 28, 2009. The ordinance also empowers the Board to extend the prohibition for an additional 6 months, if necessary.

April 4, 2008

Rancho Viejo Recycling Center Comes on-Line

The Rancho Viejo Temporary Recycling Center was opened to the public on April 4, 2008. Hours of operation are Fridays and Saturday from 8:00 AM – 5:00 PM. Permits (permits expire June 30th 2008) and bag tags (no expiration on bag tags) can be purchased at The Santa Fe County Treasure's Office. Items accepted are clean corrugated cardboard, paper bags, office paper, newspaper, junk mail, catalogs and magazines, plastic #1 and #2, aluminum cans/foil, steel cans and glass (all colors).

February 28, 2008

Edgewood Grand Opening: County Celebrates New Office

Santa Fe County invites Edgewood residents to a party ... at the County's new Edgewood office, 1916 Old US 66 (Between the Edgewood Chamber of Commerce and State Police Office). This is the third satellite office opened in the past year (the others are in Eldorado and Pojoaque). All three satellite offices are open three days a week, Tuesdays through Thursdays from 12 noon until 5 pm.



FISCAL YEAR 2009 BUDGET MESSAGE

March 19, 2008

County Commission Considers Water Management Plan

Today, the Santa Fe County Board of County Commissioners will be considering a long-awaited plan to manage water resources in Santa Fe County. The backbone of the plan is a conjunctive use strategy (use of both river water from the Rio Grande and underground water from the aquifer). The benefits of the plan are:

Protection of Local Water Resources: By using surface water from the Rio Grande as the primary source of supply, use of local ground water resources will be minimized and water in the local aquifer will be preserved.

Reliability of Supply: By establishing a back-up groundwater supply, water supplied by the County water utility will be made reliable even during those times when Rio Grande surface supplies may be inadequate, because of drought or other conditions affecting river flow, including the potential impact of climate change.

Optimization of Public Assets: By proposing a multi-year rolling average for groundwater use, the plan will dramatically reduce the number of local groundwater rights needed by the County and will optimize the rights already controlled by the County.

Benefits to Other Water Rights Holders: By shifting the predominant source of supply from local groundwater to Rio Grande surface supplies, the effects of depletion on area springs and surface water tributaries will be reduced.

Environmental Benefits: In addition to reducing depletions to springs and tributaries, the plan contains a specific proposal to increase flows in the Santa Fe River.

Regional Collaboration: A critical foundation of the plan is regional collaboration with other stakeholders, including acequia associations, the City of Santa Fe and the Pueblos of Nambe, Pojoaque, San Ildefonso and Tesuque.

April 28, 2008

Site Clearing Begins: Preparations For New Courthouse Commence

Beginning this week, crews will begin clearing out the building site at the corner of Montezuma St. and Sandoval St. as preparations for construction of the *Steve Herrera Judicial Complex* commence. The archaeological surveys of the building site are underway and are almost complete. The preparation process is scheduled for the next 45 days. The construction contract will be going out to bid at the end of July and groundbreaking is slated for sometime in the fall.

June 15, 2008

Growth Management Strategy

To better focus the use of resources and manage growth, Santa Fe County has been divided into four Growth Management Areas that have similar land and development patterns. Detailed assessments of existing conditions have been prepared and a draft Water and Wastewater Strategic Plan was presented to the Board in Feb. 2008. Completion of draft strategies for Environmentally Sensitive Areas, Transportation and Emergency Access, Health Services and Community Facilities are scheduled for early summer. A strategy for zoning will follow; this will consider the issues and strategies in the other elements and propose better ways to manage land development in each Growth Management Area

June 15, 2008

New Film Studio Coming to Santa Fe County

Santa Fe County and Santa Fe Studios, a production company, have come to terms on an agreement for a film studio to be built on 65 acres just north of the County Public Safety Complex - Montañas de Oro and SR 14. The studio will include full-service, Leadership in Energy and Environmental Design (LEED) -certified green production facilities, promising 500 jobs and an anticipated \$300 million annual impact on the local economy. The pueblo-style campus facility, expected to be operational by the end of 2009, will include 10 sound stages encompassing 500,000 square feet, built over phases, and will incorporate the entire pre-principal and postproduction cycle.

FISCAL YEAR 2009 BUDGET MESSAGE

General Fiscal Year 2009 County Priorities

The County Government works in unison with County residents and other governing bodies by creating and maintaining committees and authorities that include citizen members and policy makers to identify and respond in various ways to community needs and desires. These committees and authorities assist in developing budget priorities by making presentations and recommendations throughout the year to the Board of County Commissioners. Such issues and recommendations are reflected in the Fiscal Year 2009 Budget document.

PRINCIPAL ISSUES

WATER RESOURCES

Santa Fe County is a high altitude semi-arid region that depends on its water from winter mountain snow packs, and from summer “monsoon” rain that accounts for 40% of its annual precipitation. Areas of the Santa Fe County located away from the Sangre de Cristo Mountains (a southern extension of the Rocky Mountains) are usually quite dry, and droughts lasting several months can affect much of the County. For this reason, water availability is always a high-level concern of the citizens and government at all levels. The Buckman Direct Diversion Project is aimed at providing a long-term supply of water by pumping water that has been diverted from the mountains of southwest Colorado to the Rio Grande River, which through water rights, the County and City of Santa Fe may thereby obtain additional water. Otherwise, the County in order to support anticipated future population growth aggressively purchases available water rights as they come on to the marketplace. Considerable budget resources are earmarked for these purposes in the Fiscal Year 2009 budget.

ECONOMIC DEVELOPMENT

Other than state and local governments and commercial activity associated with the local infrastructure, the main source of economic activity in Santa Fe County is tourism, mainly in and around the City of Santa Fe. The development of other avenues of economic activity to provide employment for County citizens and to sustain population growth has been a long-term priority, made problematical by the close proximity of the Albuquerque metropolitan area that is the industrial center of the state. Since 2002 the state legislature enacted one of the most generous tax rebate programs for the film industry in the country, and the state also offers an interest-free loan of as much as \$15 million a project for productions that are shot primarily in New Mexico. Since 2004, film production activity has increased ten-fold in the state which now ranks in the top five states. Santa Fe County envisions this as an opportunity to encourage the film industry to locate in the County and has signed an initial agreement for a film studio to be constructed in a new business park purchased by the County in Fiscal Year 2008.

PROVIDING, UPGRADING AND REPLACING COUNTY SERVICE INFRASTRUCTURE

As Santa Fe County services grow to serve the increasing population, a significant priority is to establish county facilities in places outside the Santa Fe City, and to replace and upgrade existing but outmoded county facilities. To this purpose, the County opened three satellite county offices in Pojoaque, Eldorado, and Edgewood, whereby citizens can locally obtain basic county services without having to travel to the Santa Fe City area. Santa Fe County is also constructing new community centers; one was just opened in Agua Fria; new centers are planned for La Puebla and Cerrillos, and existing facilities are being renovated. Large projects include the construction of a District Courthouse near downtown Santa Fe, supported by General Obligation Bond revenue, to replace an old structure not originally built as a courthouse, and planned for completion in Fiscal Year 2010. A Public Works building, replacing a smaller inadequate structure is planned to be completed in Fiscal Year 2009.

FISCAL YEAR 2009 BUDGET MESSAGE

MANAGING POPULATION, ENVIRONMENT, AND COMMERCIAL GROWTH IN THE COUNTY
Santa Fe County is experiencing challenges from increasing growth pressures and unanticipated oil, gas and mineral extraction development proposals. The County has made the decision that a comprehensive, coordinated approach is appropriate, and will be adopting a growth management plan for the Galisteo Basin area, updating the long-range General Plan and updating Land Development Regulations. Key components of the Galisteo Growth Management Area Plan will be to preserve important environmental resources, identify future development patterns, establish 'how much' and 'what kind' of growth is desired and appropriate and incorporate a capital improvements plan (CIP) that allocates growth-related development costs to new development. A team of County staff, the Community Development Review Committee (CDRC) and nationally-renowned experts is being assembled to identify alternatives and provide recommendations to address these tough issues. Set-aside funding is provided in the Fiscal Year 2009 budget to address legal issues associated with the growth management plan.

MAINTAINING THE PUBLIC SAFETY INFRASTRUCTURE

Programmatically, Public Safety consists of law enforcement (the Sheriff's Office), the County Fire Department, Emergency Communications, and Corrections. Maintenance of the Public Safety staffs is a challenge in that nearby state and local government public safety services compete with Santa Fe County for staff resources. If Santa Fe County does not offer salaries and benefits equivalent to other public safety entities, maintaining effective staff levels becomes difficult. In each of the County public safety services, salary increases were necessary during Fiscal Year 2008 to maintain parity with competing cities, counties and the state. These increases had a substantial effect on resources, limiting growth of other recurring County services in Fiscal Year 2009 budget.

These principal issues are little changed from those which influenced budget priorities in Fiscal Year 2008.



FISCAL YEAR 2009 BUDGET MESSAGE

BUDGETARY PRIORITIES

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

The County Board of Commissioners enacted a County-wide Emergency Communications and Emergency Medical Services quarter-cent Gross Receipts Tax to be collected starting in September, 2007, to assume financial responsibility for the operation of the Regional Emergency Communications Center (RECC) and to expand fire protection and emergency medical services in the County. Revenue from this tax increased from the 10-month collection period in FY 2008 to a full year's collection in FY 2009, thereby making \$2 million more available for a planned expansion of fire services.

Fire ¼ cent Excise Tax Sunset

Ten years ago, voters in the unincorporated County approved the enactment of a ¼ cent gross receipts tax (GRT) for the Santa Fe County Fire Department capital needs. This was the only GRT that had a five-year sunset provision. Five years ago, voters continued this tax, but in view of the new EC & EMS gross receipts tax, this tax was not placed on the ballot for continuance beyond December 31, 2008. Fiscal Year 2009 will be the last year of this tax, with 8 months of receipts anticipated in the amount of \$1.25 million (down from a full-year \$1.82 million estimated receipt). The utilization of part of the EC&EMS gross receipts tax to sustain the Regional Emergency Communications Center (RECC), plus the expansion of the County Fire Department in Fiscal Year 2009, gives rise to a concern that the additional burden of capital purchases on the budget because of the demise of the ¼ cent GRT in Fiscal Year 2010 may not be easily satisfied by new revenue, and that this tax might have to be re-instated.

Health 1/16 cent Gross Receipts Tax for Medicaid

A 1/16 cent gross receipts tax was enacted as of January 1, 2008 to be remitted to the State Health Department for the Santa Fe County share of Medicaid costs. As currently is the case, the receipts for this tax are intercepted by the State and redirected to the State Health Department. So far, the County has not received a report of actual collections of this tax, but since the 1/16 cent GRT was enacted by the Santa Fe County, it is a part of the County budget. The Medicaid payment to the State previously was sourced in the Indigent Fund. These monies are utilized in the Fiscal Year 2009 budget for the Sole Community Provider program which in turn, through a MOA with St. Vincent's Hospital, supports medical care for inmates in the Corrections facilities. In Fiscal Year 2008, the source for Sole Community Provider / Corrections inmate health, was the General Fund which is utilized Fiscal Year 2009 in part to support increased Corrections costs.

Gross Receipts Tax History

In the past five years, Santa Fe County has increasingly relied on gross receipts taxes as revenue sources to fund new and expanded services. History of the gross receipts tax structure is as follows: Budgeted property tax revenues for operations and debt service equal \$48,494,521.

TYPE OF TAX	LEVY DATE	DEDICATION	RATE	FY09 BUDGET
General	Jan 1984	General Fund	0.125%	\$5,000,000
Indigent	Jul 1988	Indigent Health Care	0.125%	\$5,000,000
EMS Health	Jul 1988	Emergency % Health Services	0.125%	\$5,000,000
Environmental	Jul 1991	Environmental – Solid Waste	0.125%	\$920,000
Fire Excise	Jan 1999	Fire Districts	0.250%	\$1,250,000
Infrastructure	Jul 1999	General – Solid Waste	0.125%	\$920,000
Capital Outlay	Jan 2003	Capital Projects (Water, OS)	0.250%	\$10,000,000
Correction Facilities	Jan 2005	Jail Enterprise Fund	0.125%	\$5,000,000
General	Jan 2006	(Judicial Center - informal)	0.0625%	\$2,500,000
Communications/Fire	Jul 2007	RECC, Fire Department	0.25%	\$10,000,000
Health	Jan 2008	County share of Medicaid	0.0625%	\$2,500,000
			Total	\$48,090,000

Yellow – levied County-wide Blue – levied in unincorporated portions of the County

FISCAL YEAR 2009 BUDGET MESSAGE

General Fund Cash and Capital Budgets

The combination of conservative property tax budgets and expenditures below budget in the last three years has resulted in a significant increase in General Fund cash which exceeds \$13 million after legal reserve requirements. This permitted the set-aside of \$8 million in General Fund cash for the purchase of water rights which are foreseen to become available during the fiscal year. Changes in all capital budgets from Fiscal Year 2008 reflect this factor as well as increases resulting from state road and facility appropriation budget carryovers which were not budgeted last year, and Fiscal Year 2009 decreases resulting from the Fiscal Year 2008 expenditure of General Obligation bond proceeds. The major changes in capital budgets in Fiscal Year 2009 from the initial Fiscal Year 2008 budget are as follows:

FUND	CHANGE	(\$million)
State Appropriations	Existing Facility Project carryovers vs. zero initial 2008 budget	\$ 11.4
General	Set-Aside for Water Rights	\$ 8.0
Road Projects	Existing Project carryovers vs. zero initial FY 2008 budget	\$ 2.4
General	Judicial Center carryover	\$ 2.2
Capital Outlay	Open Space Project carryovers	\$ 2.0
Fire Tax ¼ Cent	Fire Communications Project	\$ 1.6
GOB Series 2007B	Public Works building additional budget	\$ 1.1
Fire Impact Fees	Fire Station Improvements	\$ 0.6
Fire Tax ¼ Cent	Fire Training Center	\$ 0.4
Road	Heavy Equipment	\$ 0.3
GOB Series 2005	La Puebla Fire Station expenditures in FY 2008	\$ (0.4)
Fire Operations	FY 2008 capital budget diverted to operations	\$ (1.0)
General	FY 2008 budget expended for Business Park	\$ (1.9)
GOB Series 2005	Buckman Direct Diversion water project FY 2008 expense	\$ (3.0)
GOB Series 2007	Judicial Center property purchase and demolition in FY 2008	\$ (6.3)
	All Other	\$ (0.2)
Total		\$ 17.6

Commodity Increases in the Budget

Inflation in commodity prices has resulted in increases in the Fiscal Year 2009 budget for these commodities; medical supplies, motor fuel, food and utilities being the primary examples.

ACCOUNT	FY 2009 BUDGET	FY 2008 BUDGET	CHANGE (\$)	CHANGE (%)
Gas and Oil	\$ 1,739,720	\$ 1,265,822	\$ 473,898	35.5%
Food Services	\$ 1,210,000	\$ 988,000	\$ 222,000	22.4%
Drugs / Medical	\$ 427,663	\$ 282,763	\$ 144,900	51.2%
Utilities*	\$ 1,853,736	\$ 1,700,565	\$ 153,171	9.0%

* utilities = electricity, water, natural gas, sewer and garbage

Additional Personnel in Fiscal Year 2009

Other than in capital project management and in the Fire Department, there are no positions added to the budget in Fiscal Year 2009:

Fire Department

Firefighter Cadets (20)

Secretary

Administrative Assistant

Community Services

Project Manager (2)

Water Resource Specialist

Public Safety salary increases and inflationary impacts on the budget preclude staff and program expansion until revenue and expenses can be reviewed at mid-year.

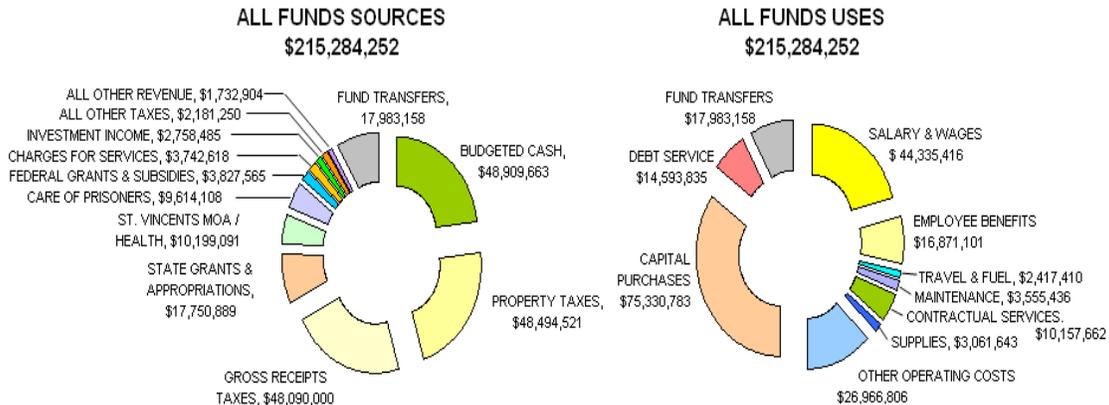
FISCAL YEAR 2009 BUDGET MESSAGE

Budget Highlights

The Santa Fe County Fiscal Year 2009 Budget totals \$215,284,252, or \$197,301,094 without transfers between funds, compared to the Fiscal Year 2008 budget of \$181,363,826, or \$166,650,968 without transfers between funds. The overall budget consolidated from all funds, expressed in terms of sources (taxes, fees and charges, grants, investment and other income, and fund transfers) and uses (personnel, materials and services, contractual services, capital, and debt service) is as follows:

FISCAL YEAR 2009 REVENUES	TOTAL ALL FUNDS
BUDGETED CASH	48,909,663
PROPERTY TAXES	48,494,521
GROSS RECEIPTS TAXES	48,090,000
STATE GRANTS & APPROPRIATIONS	17,750,889
ST. VINCENTS MOA / HEALTH	10,199,091
CARE OF PRISONERS	9,614,108
FEDERAL GRANTS & SUBSIDIES	3,827,565
CHARGES FOR SERVICES	3,742,618
INVESTMENT INCOME	2,758,485
ALL OTHER TAXES	2,181,250
FINES AND FORFEITURES	738,784
LICENSES, PERMITS, AND FEES	515,000
JOINT POWER AGREEMENTS	309,120
OTHER REVENUE	170,000
FUND TRANSFERS	17,983,158
TOTAL	215,284,252

FISCAL YEAR 2009 EXPENDITURES	TOTAL ALL FUNDS
SALARY & WAGES	44,335,416
EMPLOYEE BENEFITS	16,871,101
TRAVEL	2,417,410
MAINTENANCE	3,555,438
CONTRACTUAL SERVICES	10,157,662
SUPPLIES	3,061,643
OTHER OPERATING COSTS	26,977,806
CAPITAL PURCHASES	75,330,783
DEBT SERVICE	14,593,835
FUND TRANSFERS	17,983,158
TOTAL	215,284,252



FISCAL YEAR 2009 BUDGET MESSAGE

BUDGET CHANGES BEFORE FUND TRANSFERS

The absolute difference (before fund transfers) between the Fiscal Year 2009 and the Fiscal Year 2008 budget of \$30,650,126 stems mainly from the inclusion of carryover state appropriated road and facility projects in the Fiscal Year 2009; additional General Fund capital budgets sourced from cash, and an increase in the Fire Operations Fund budget as a result of a full year of revenue receipts for the associated GRT. The absolute total is used here because reckoning of the budget after fund transfers is double-counting sources first as transfers, then as expenditures. Budget changes for all funds before fund transfers are as follows:

ACCOUNT DESCRIPTION	FY 2009 BUDGET	FY 2008 BUDGET	FY 2009 LESS FY 2008 BUD	INCREASE / (DECREASE) EXPLANATION
* GENERAL FUND	59,770,031	49,498,703	10,271,328	water rights, \$8M, Judicial ctr, \$2.3m
* PROPERTY VALUATION FUND	1,163,425	1,261,779	(98,354)	
* ROAD FUND	3,556,481	2,891,936	664,545	road equipment
* EMERGENCY MED SVCS FUND	132,102	104,141	27,961	
* FARM & RANGE FUND	800	950	(150)	
* FIRE PROTECTION FUND	1,478,206	1,342,233	135,973	normal escalation
* LAW ENF. PROTECTION FUND	72,600	68,400	4,200	
* CAPITAL OUTLAY GRT	11,550,000	9,600,000	1,950,000	Open Space carryover projects
* LODGERS TAX FACILITY FUND	138,100	138,100	0	
* LODGERS TAX ADVERTISING	252,650	232,150	20,500	
* FIRE IMPACT FEES FUND	550,000	0	550,000	Fire Station projects
* CLERK RECORDING FEES FUND	213,600	212,320	1,280	
* INDIGENT FUND	7,342,450	4,800,000	2,542,450	Health Tax for Medicaid
* FIRE TAX 1/4% FUND	2,750,000	1,744,500	1,005,500	Fire Station Projects
* INDIGENT SERVICES FUND	2,132,000	2,050,000	82,000	
* ECONOMIC DEVELOPMENT	0	0	0	
* FEDERAL FORFEITURE FUND	47,655	40,644	7,011	
* LINKAGES	77,000	0	77,000	
* SECTION 8 VOUCHER FUND	2,099,149	1,632,226	466,923	increase in HUD support
* HOUSING ASST HOME SALES	0	0	0	
* DEVELOPER FEES FUND	180,809	110,185	70,624	Cash - Affordable Housing program
* EMS-HEALTH CARE	5,461,077	4,927,715	533,362	normal escalation
* WILDLIFE/MOUNTAINS/TRAILS	164,356	71,621	92,735	
* EMS-HEALTH HOSPITAL	4,842,450	4,800,000	42,450	
* ALCOHOL PROGRAMS FUND	1,219,019	1,328,556	(109,537)	
* DETOX PROGRAMS FUND	1,620,171	1,929,884	(309,713)	decrease in state rehab support
* FIRE OPERATIONS FUND	10,183,509	6,936,511	3,246,998	Fire Department expansion, full-yr tax
* HOUSING CAPITAL IMPROV	305,460	112,213	193,247	
* ROAD PROJECTS FUND	2,443,510	0	2,443,510	Budgeting carryover projects
* STATE SPEC. APPROPRIATION	11,560,252	0	11,560,252	Budgeting carryover projects
* GOB SERIES 2005	428,774	3,039,323	(2,610,549)	FY 2008 expenditures
* GOB SERIES 2007	18,556,335	24,895,279	(6,338,944)	FY 2008 expenditures
* GOB SERIES 2007B	1,131,881	0	1,131,881	New bond proceeds - Public Works
* GOB SERIES 2001	1,284,346	1,427,251	(142,905)	
* FACILITY BOND 97 PROCEEDS	313,774	293,343	20,431	
* GOB SERIES-OPEN SPACE	3,052,588	3,272,979	(220,391)	
* GEN OBLIG. BOND DEBT SVC	11,616,578	9,400,846	2,215,732	Debt service on GOB Series 2007B
* EQUIPMENT LOAN DEBT SVC	300,192	300,131	61	
* JAIL REV BOND DEBT SVC	2,251,890	0	2,251,890	New fund - brought from Jail Fund
* GRT REVENUE BOND DEBT SVC	425,175	422,425	2,750	
* REGIONAL PLANNING AUTHRTY	60,000	200,000	(140,000)	
* ENTERPRISE - WATER FUND	1,627,823	1,714,619	(86,796)	
* ENTERPRISE - HOUSING ADMN	1,062,637	1,387,346	(324,709)	Costs budgeted in other funds
* JAIL OPERATIONS FUND	23,882,239	24,462,669	(580,430)	Real increase of \$1.7M after debt
TOTAL BEFORE FUND TRANSFERS	197,301,094	166,650,978	30,650,116	

The cash position of the funds supporting County operations is quite strong, meeting state legal requirements of a 3-month and a 1-month reserve for the General and Road Fund respectively. County financial policy advises a 1-month reserve for funds that support daily operations of the County. These include the Indigent and EMS Health Services funds, the Fire Operations Fund and the Enterprise funds which have sufficient end-of-year cash balances. These funds have met that additional reserve requirement. Please consult the Budget Recap at the end of this section of the budget for cash position data.

FISCAL YEAR 2009 BUDGET MESSAGE

CONDITION OF FUND TYPES

The General Fund operating budget for Fiscal Year 2009 expenditures totals \$70.4 million, up \$13.5 million from \$56.9 million budgeted in Fiscal Year 2008. Major increases in General Fund revenue and expenditures are as follows:

Revenue

1. Property Taxes, \$3.9 million
2. Gross Receipts Taxes, \$0.4 million
3. Budgeted Cash, \$9.2 million

Expenditures

1. Set Aside for water rights purchase from cash, \$8.0 million
2. Judicial Center Carryover, \$2.3 million
3. Sheriff staff, gasoline, and materials cost, \$1.3 million
4. Human Resources and Insurance Costs, \$1.0 million
5. Increased Building Rent and maintenance, \$0.7 million
6. Transfer to EMS Health Fund for Regional Emergency Communications Center (RECC), \$0.7 million
7. Information Technology Staff Costs, \$0.5 million
8. Transfer to Road Fund for Heavy Equipment, \$0.4 million
9. Move County Fair / Extension Service from Housing to General Fund, \$0.2 million
10. FY 2008 Business Park Purchase, eliminating that budget, (\$1.9 million)

New services include \$180K for Summer Youth Recreation programs.

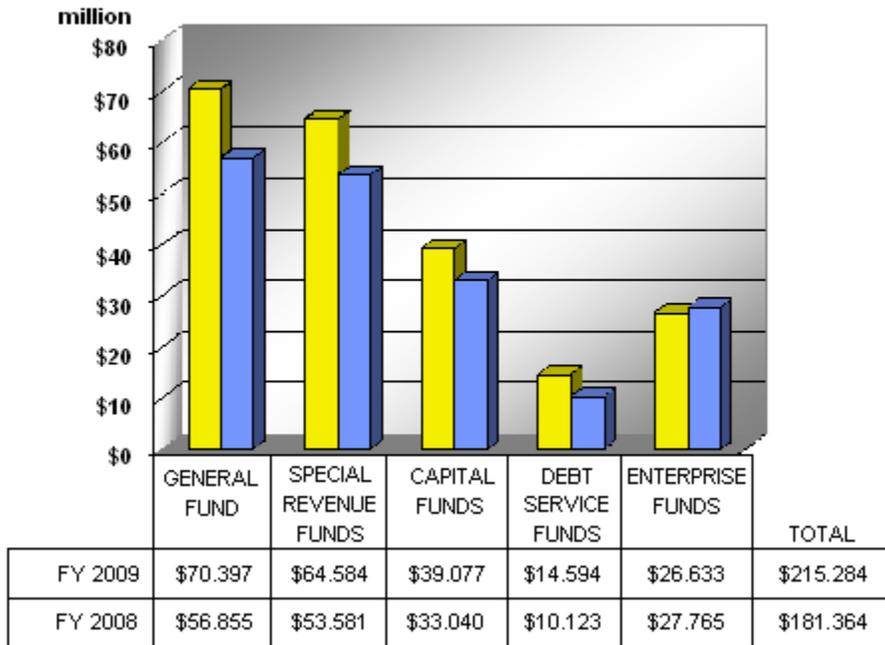
The Special Revenue Funds budget for Fiscal Year 2009 totals \$64.6 million which is up \$11.0 million from the \$53.6 million budgeted in the prior fiscal year. This increase is principally due to the new Health GRT for Medicaid contributions, \$2.5 million; Expansion of the Fire Department and support for RECC as a result of a full-year's collection of the EC&EMS GRT, \$3.0 million; carryover in Open Space projects, \$1.5 million, and use of cash for Fire capital projects, \$1.5 million; heavy equipment purchases in the Road Fund, utilizing a General Fund transfer, \$0.4 million, and increased RECC support from the General Fund, \$0.7 million.

Capital Funds budgets for Fiscal Year 2009 totals \$39 million, up \$6 million from the \$33 million budgeted in Fiscal Year 2008. A \$14 million increase in the budget as a result of budgeting carryover state-appropriated road and facility projects and a \$1 million GOB Series 2007B proceeds budget for Public Works, is counterbalanced by decreases in the GOB Series 2005 and 2007 budgets of \$9.3 million due to Fiscal Year 2008 expenditures for the Public Works facility and for the Buckman Direct Diversion Project.

Debt Service Funds are budgeted at \$14.6 million in Fiscal Year 2009, compared to \$10.1 million in the prior fiscal year, due primarily to the first debt payment of \$2.2 million on the GOB Series 2007B obligation, and a \$2.2 million Adult Detention Facility bond payment, paid previously directly from the Jail Enterprise Fund. A new Jail Debt Service Fund has been established to handle this debt service.

Enterprise Fund budgets (water utilities, housing, and the county jail) total \$26.6 million in Fiscal Year 2009, down from \$27.7 million in Fiscal Year 2007. Shifting debt from the Jail Enterprise fund to a separate debt service fund, decreased the budget by \$2.3 million, but other increases in Corrections operational budgets, particularly in Inmate Medical Services halved the total decrease in the fund. The Housing Enterprise budget decreased by \$0.3 million as support of rental assistance and housing capital programs was directly budgeted in the respective funds instead of being indirect costs housed in the Housing Enterprise fund.

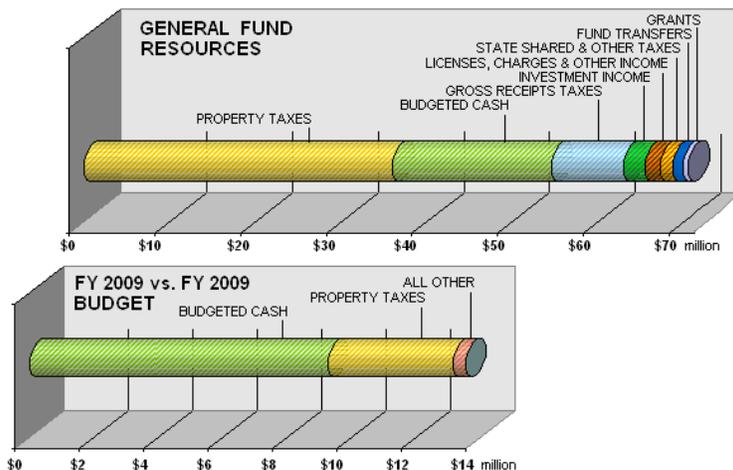
FUNDTYPE BUDGETS



The General Fund

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

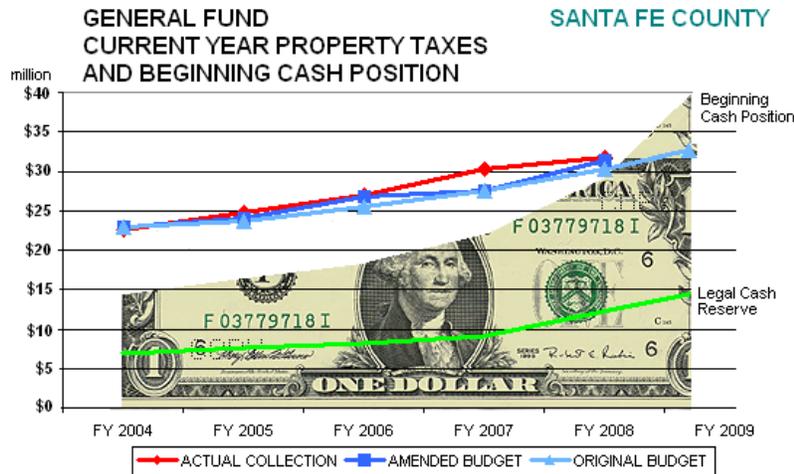
Property taxes supply 51% of the sources for all expenditures and 69% of recurring expenditures in the General Fund in fiscal year 2009, while another 12% of General Fund revenue is derived from gross receipts taxes. The remaining 37% of General Fund revenues are derived from state-shared gasoline and motor vehicle taxes, licenses and fees for services, investment income, fund transfers and cash on hand. Budgeted cash accounts for 26% of General Fund budget sources.



FISCAL YEAR 2009 BUDGET MESSAGE

Property tax revenues have increased at a significant rate, reflecting new construction in the County. Budgeted revenue forecasts had assumed a 6.5% growth rate over the years, whereas actual receipts increases averaged 9.85%. A high growth rate of 12.1% was used in Fiscal Year 2009 in order to “catch up” the budget to actual receipts. Property tax receipts over budget and a significant increase in investment income, as well as expenses below budget contributed to a strong General Fund cash position at the outset of the new fiscal year. This has enabled a large General Fund budget from cash for non-recurring expense:

General Fund Cash (non-recurring) Budget	
Set Aside for Water Rights Purchases	\$ 8,000,000
Judicial Center carryover from 1/16 cent Gross Receipts Tax	4,680,590
Capital Package (equipment)	2,762,020
Public Works Building fixtures and equipment	1,600,000
Legal – Attorney Fees for Oil and Gas Drilling Issues	600,000
Public Works Heavy Equipment (transfer to Road Fund)	549,800
BCC Discretionary	200,000
Set Aside – County Infrastructure	100,000
Other Departmental non-capital one-time expense	40,192
Total cash utilization	\$ 18,532,062

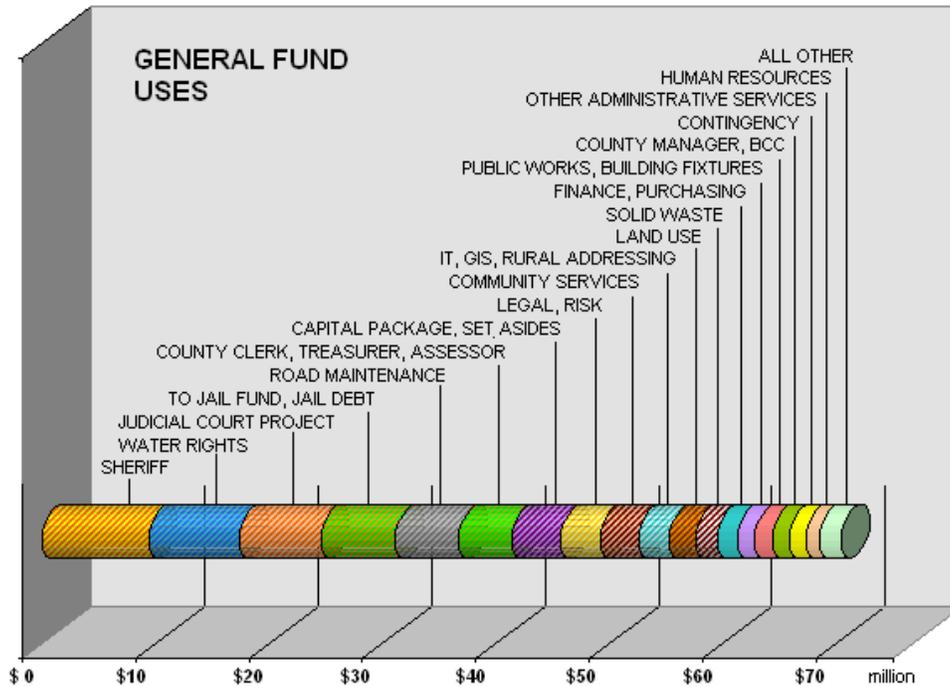


General Fund Expenditures

Increases in General Fund expenditures in Fiscal Year 2009 above those in Fiscal Year 2008 are driven primarily by the availability of cash in the fund. These include a set-aside of \$8 million for the purchase of water rights, \$2.2 million carryover for the Judicial Center expense and other set-aside increases, and \$600 thousand for legal fees associated with the decision to place a moratorium on gas and oil drilling in the Galisteo basin.

Increases in General Fund recurring expenditures include \$0.7 million for support of RECC; \$1.3 million for the Sheriff (driven by salary and gasoline cost increases); \$0.5 million for Information Technology, \$0.3 million in project management and administration of Community Services, and \$0.7 million in building rent and utilities. The total increase in the General Fund Fiscal Year 2009 budget over the Fiscal Year 2008 budget is \$13.5 million.

FISCAL YEAR 2009 BUDGET MESSAGE



A significant increase in General Fund support of the County Jail from \$4.3 million in Fiscal Year 2008 to \$6.6 million in Fiscal Year 2009 is masked by relieving the General Fund of a \$2.3 million payment to the Sole Community Provider program. The means of relieving the General Fund is the new Health GRT in the Indigent Fund. The Health GRT relieves the Indigent Fund from paying medicare costs of \$2.5 million from traditional revenue (a 1/8 cent Indigent GRT). The Indigent Fund in Fiscal Year 2009 is paying the Sole Community Provider payment of \$2.3 million, thereby relieving the General Fund from this expense. The General Fund in turn is utilizing that savings to make fund transfers to the Jail Debt and Jail Enterprise funds to cover increases in the Jail budget. The impact of increases in the Jail budget on the General Fund would otherwise be a major impact on General Fund expenses.

Otherwise 37.5 positions added to County staff and salary increases in the Sheriff’s Office, the Regional Emergency Communications Center (RECC), and Information Technology nearly absorbed all of additional property tax revenues. These were all the result of “emergency increases” purposed to maintain staff levels in the face of nearby jurisdictions competing for staff resources in these areas.

No new services were built into the General Fund budget in Fiscal Year 2009. The only staff increases were 2 project managers added to Community Services Project Development to strengthen management of the considerable scope of capital projects in the County, and a Resource Specialist to deal with water availability issues in the County. The only expanded services in the budget were summer youth recreation programs which increased from about \$30,000 funded implicitly in the Board of Commissioner discretionary budget, to \$180,000 in a formal program.

FISCAL YEAR 2009 BUDGET MESSAGE

Special Revenue Funds

SPECIAL REVENUE FUND	FY 2009 BUDGET	FY 2008 BUDGET	SOURCES	USES
CORRECTIONS FUND	200,000	150,000	Court Fines	Transfer to General Fund
PROPERTY VALUATION FUND	1,163,425	1,281,779	1% of all property tax collected	Assessor Valuation Operations
ROAD FUND	3,556,481	2,991,936	Motor Vehicle, Gas Tax, General Fund	Road Maintenance operations
EMS FIRE DISTRICT FUND	132,102	104,141	State Allocation	Fire Station EMS budgets
FARM AND RANGE FUND	800	950	State / Taylor Grazing Fees	Water Conservation
FIRE PROTECTION FUND	1,478,206	1,342,233	State Allocation	Fire Station budgets
LAW ENFORCEMENT PROTECTION FUND	72,600	68,400	State Allocation	Sheriff materials and training
ENVIRONMENTAL GRT FUND	920,000	840,000	1/8 cent GRT (unincorporated)	Xfer to General Fund - Solid Waste
CAPITAL OUTLAY GRT	11,550,000	8,600,000	1/4 cent GRT	Water 75%, Open Space 15%
LODGERS TAX FACILITY & ADVERTISING	390,750	370,250	4% hotel room tax	County Tourism
FIRE IMPACT FEES FUND	550,000	0	State Allocation, Development fees	Fire Station capital
CLERK RECORDING FEES FUND	213,500	212,320	\$4 recording fee	County Clerk recording equipment
CORRECTIONS GRT FUND	5,000,000	4,800,000	1/8 cent GRT	Transfer to Jail Fund
INDIGENT HOSPITAL FUND	7,500,000	4,800,000	18 cent GRT, 1/16 cent Health GRT	SCP, Medicaid payment to State
INDIGENT SERVICES FUND	2,132,000	2,050,000	St. Vincent's MOA	Indigent Health, Rehabilitation
FIRE TAX 1/4% FUND	2,750,000	1,744,500	1/8 cent GRT (unincorporated)	Fire Dept equipment, capital
FEDERAL FORFEITURE FUND	47,665	40,644	Court fines and seizures	Sheriff materials
LINKAGES FUND	77,000	0	NMFA affordable housing grant	Affordable Housing
SECTION 8 VOUCHER FUND	2,099,149	1,801,091	Federal (HUD)	Low income rental assistance
DEVELOPER FEES FUND	180,809	110,185	Development Fees	Affordable Housing
EMS HEALTH SERVICES FUND	5,461,077	4,927,715	St. Vincent's MOA, GF, Fire RECC spt	RECC, Health Services
EMS HEALTH HOSPITAL FUND	5,000,000	4,800,000	1/8 cent GRT	Sole Community Provider (SCP)
WILDLIFE, MOUNTAINS, TRAILS FUND	164,356	71,621	Budgeted Cash	Open Space salaries & benefits
ALCOHOL PROGRAMS FUND	1,452,919	1,607,056	State liquor taxes, Court fees	D/W Programs, Teen Court
DETOX PROGRAMS FUND	1,620,171	1,929,884	St. Vincent's MOA, Grants	Detox, Assessment & Rehabilitation
FIRE OPERATIONS FUND	10,871,509	8,055,962	1/4 cent GRT, Ambulance fees, grants	Fire Department operations, RECC

Major Fiscal Year 2009 changes in the Special Revenue Funds include the purchase of heavy equipment and a one-time purchase of basecourse millings in the Road Fund, enabled by a General Fund transfer to the Road Fund. The Capital Outlay Fund utilizes \$1.55 million in cash for Open Space projects, thereby increasing the total Fiscal Year 2009 budget. The Health Gross Receipts Tax funding the County's Medicaid payment to the State is budgeted for the first time this year in the Indigent Services Fund. The Fire Tax ¼ cent Excise Tax fund, which tax source will sunset on December 31, 2008, is budgeted with most of its carried over cash in Fiscal Year 2009. A new fund, the Linkages Fund contains a NMFA grant to the County for affordable housing. The EMS Health Services Fund has increased \$0.5 million in Fiscal Year 2009 because of increased costs of RECC, requiring transfers from both the General and The Fire Operations Funds. The Fire Operations Fund recognizes a full year collection of the Emergency Communications and Emergency Medical Services Gross Receipts tax (EC&EMS GRT), and has increased \$2.9 million in Fiscal Year 2009.

County Capital Outlay Fund (Fund 213)

Of the major issues facing Santa Fe County and the region, a sustainable water supply is one of the Santa Fe County Commission's and the community's top priorities. In April 2002 the voters supported a ¼% county wide gross receipts tax of which 75% of generated revenues are principally dedicated to the acquisition of water rights and construction of regional water systems. This tax was collected by businesses starting in January 2003, and was distributed to the County starting March 2003. In Fiscal Year 2009 the County will realize another full year's collection and distribution of the tax for a total of \$10 million. Of this, 75% is dedicated to address regional water and wastewater projects; chief among them, the Buckman Direct Diversion water project. There is considerable cash in the Capital Outlay GRT fund, dedicated this year to the Buckman project.

FISCAL YEAR 2009 BUDGET MESSAGE

The remaining 25% of revenues in the Capital Outlay Fund are principally dedicated to two other priorities of the County Commission: preservation and protection of open space and construction of and improvements to county roads and facilities. The expenditure of these funds is generically budgeted to the responsible organizations that will in the course of the Fiscal Year devise and approve specific capital outlay projects. \$1.55 million in carryover cash is budgeted here for specific Open Space carryover projects. Half of the budget for capital outlay expense is intended for regional projects which will be submitted to the Regional Planning Authority for approval before they can be amended into the budget. Ultimate authority for the expenditure of any County Capital Outlay funds rests with Santa Fe County.

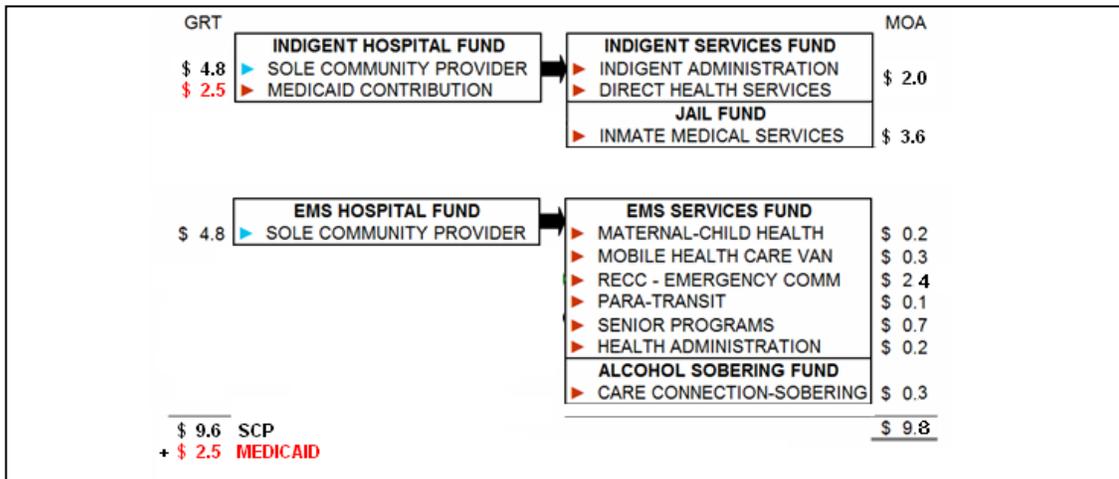
COUNTY CAPITAL OUTLAY FUND 213			
Department	Capital Outlay Purpose	County Projects	Regional Projects
Utilities	Water Projects	3,750,000	3,750,000
Community Services	Open Space Projects	750,000	750,000
		+1,500,000	
Public Works	Road Projects	250,000	250,000
County Manager	Infrastructure Purposes	250,000	250,000
TOTAL FY 2009 BUDGET \$11,500,000		5,000,000	5,000,000
		+ 1,500,000	

Emergency Services Healthcare Hospital and Services Funds (Fund 234 and 232) and Indigent Hospital Fund (Fund 220) and Indigent Services Fund (223)

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

The Indigent Fund also receives revenue for local use from a one-eighth cent gross receipts tax as well as through a federal grant by means of the St. Vincent’s Hospital MOA to support direct health and emergency services to indigent persons in the County. About half of the Indigent gross receipts revenue is utilized for Corrections inmate medical care.

INDIGENT / EMS HEALTH FUNDS - FY 2009 BUDGETS
RELATIONSHIP BETWEEN GRT RECEIPTS, SCP PAYMENTS AND MOA RECEIPTS



FISCAL YEAR 2009 BUDGET MESSAGE

Capital Improvement Funds

The inclusion of state-appropriated carryover road and facilities projects in the Road Projects Fund and the State Special Appropriations fund, whereas there were no initial carryovers in the Fiscal Year 2008, plus the depletion of bond proceeds for the Public Works building and the Buckman Direct Diversion project, mark the main changes in the Capital Improvements Funds.

A new 2007B GOB Series Proceeds fund (332) is in the Fiscal Year 2009 budget. Actually this fund started in mid-Fiscal Year 2008 with an initial \$20 million in funding, but expenditures of \$8.8 million on the Public Works Building and a \$8.5 million expenditure for the Buckman Direct Diversion Project in that year results in budgeted bond proceeds of only \$1.1 million in Fiscal Year 2009. There was no initial Fiscal Year 2008 budget for GOB Series 2007B bond proceeds, therefore the table below shows a zero budget for that year. Similarly, expenditures of \$2.6 million on land acquisition for the new Judicial Center in Fund 331 resulted in a \$22 million balance in this fund, \$16 million of which is budgeted in Fiscal Year 2009.

CHANGES IN BUDGETS OF CAPITAL IMPROVEMENT FUNDS FROM FY 2008 TO FY 2009		
FUND	FY 2009 BUDGET	FY 2008 BUDGET
(301) Housing Capital Improvements Fund	\$ 305,460	\$ 112,213
(311) Road Projects Fund	\$ 2,443,510	\$ 0
(318) State Special Appropriations Fund	\$ 11,560,262	\$ 0
(330) 2005 GOB Series Proceeds Fund	\$ 428,774	\$ 3,039,323
(331) 2007 GOB Series Proceeds Fund	\$ 18,556,335	\$ 24,895,270
(332) 2007B GOB Series Proceeds Fund	\$ 1,131,881	\$ 0
(353) 2001 GOB Series Proceeds Fund	\$ 1,284,346	\$ 1,427,251
(370) GRT Facilities Bond Proceeds Fund	\$ 313,774	\$ 293,343
(385) Open Spaces Bond Proceeds Fund	\$ 3,052,588	\$ 3,272,939

Debt Service Funds

Debt Services payments are up because of the inclusion of the Series 2007B General Obligation Bond payment, and because the revenue debt on the County Jail facility is now in a separate debt fund. In Fiscal Year 2009, the 2007B Series GOB payment will be \$2.7 million. Other bonds continue to be paid down.

FY 2009 DEBT SUMMARY

\$ million	FY 2009	FY 2008	REMAINING
GENERAL OBLIGATION BONDS	PAYMENT	PAYMENT	YEARS
Series 2007B GOB	\$ 2.7	-	19
Series 2007 GOB	\$ 3.8	\$ 1.3	18
Series 2005 GOB	\$ 1.0	\$ 4.0	17
Series 2005 refunding 1997	\$ 1.0	\$ 0.8	8
Series 2003 refunding 1993	\$ 0.3	\$ 0.4	0
Series 2001 PW / PS	\$ 1.0	\$ 0.9	5
Series 2001 Open Space	\$ 0.7	\$ 0.7	8
Series 1999 Open Space	\$ 1.1	\$ 0.6	10
Series 1999 Refunding 1991	-	\$ 0.7	matured
Subtotal	\$ 11.6	\$ 9.4	
NMFA BUILDING AND EQUIPMENT LOAN			
Paramount Building (land for Judicial Center)	\$ 0.3	\$ 0.3	0
GRT / REVENUE DEBT			
GRT Revenue 1997 - Sheriff's Facility	\$ 0.4	\$ 0.4	18
GRT Revenue 1997 - Adult Detention Facility	\$ 2.3	\$ 2.2	18
Subtotal	\$ 2.7	\$ 2.6	
TOTAL FY 2008 DEBT PAYMENT	\$ 14.6	\$ 12.3	

FISCAL YEAR 2009 BUDGET MESSAGE

Enterprise Funds

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

CHANGES IN BUDGETS OF ENTERPRISE FUNDS FROM FY 2008 TO FY 2009		
FUND	FY 2009 BUDGET	FY 2008 BUDGET
REGIONAL PLANNING AUTHORITY FUND	\$ 60,000	\$ 200,000
WATER ENTERPRISE FUND	\$ 1,627,823	\$ 1,714,619
HOUSING ENTERPRISE FUND	\$ 1,062,637	\$ 1,387,346
JAIL (CORRECTIONS) OPERATIONS FUND	\$ 23,882,239	\$ 24,462,669

A partial budget was approved for the Regional Planning Authority, splitting costs between the County and the City of Santa Fe; will be made a full budget (\$200,000) in the first quarter. The Water Enterprise Fund budget is about even with that in Fiscal Year 2008, due to a reduction in capital budgets. The Housing Enterprise Fund budget is increased through normal escalation of costs. The Jail Enterprise Budget in Fiscal Year 2009, unlike in the previous fiscal year, does not include Jail building debt service of \$2.3 million, so the real change in the operational budget is an increase of \$1.8 million due mainly to emergency pay increases to maintain staff, and an increase in the adult inmate population from the immediate area.

COST CENTER	FY 2009 BUDGET	FY 2008 BUDGET
CORRECTIONS ADMINISTRATION	\$ 1,190,722	\$ 1,107,156
ADULT DETENTION FACILITY (ADF)	\$ 11,717,063	\$ 10,933,559
DEBT SERVICE FOR ADULT FACILITY	In fund 405	\$ 2,255,640
MEDICAL SERVICES	\$ 4,818,800	\$ 4,041,433
ELECTRONIC MONITORING	\$ 712,006	\$ 648,808
YOUTH DEVELOPMENT PROGRAM	\$ 3,694,929	\$ 3,863,336
ADOLESCENT RESIDENCE CENTER	\$ 1,048,719	\$ 1,111,337
CAPITAL PACKAGE	\$ 600,000	\$ 501,800
TOTAL CORRECTIONS	\$ 24,462,669	\$ 24,462,669

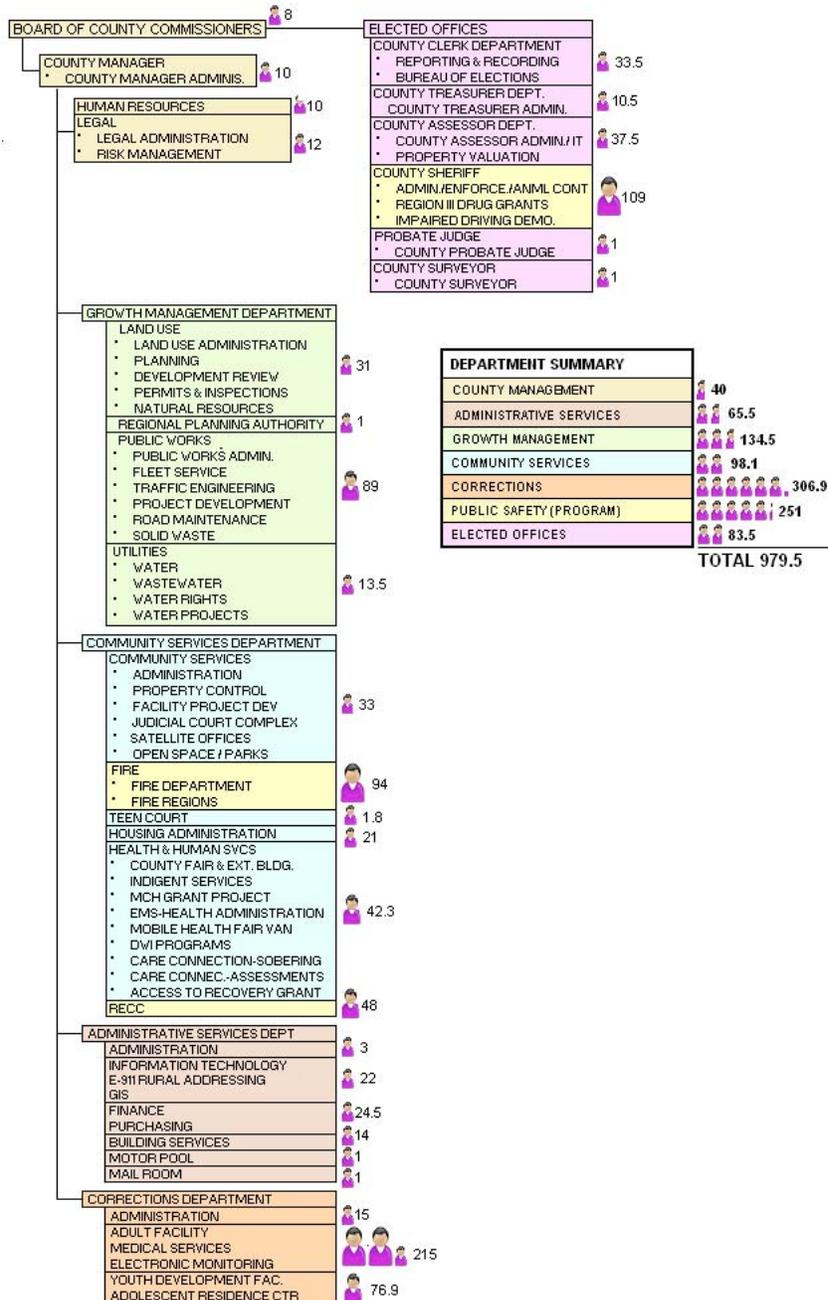
The General Fund total contribution to Corrections was similar to that in the Fiscal Year 2008 budget from \$6.7 million in Fiscal Year 2008 to \$6.5 million in Fiscal Year 2009. This is because the Indigent Fund took on the \$2.3 million burden of the Sole Community Provider payment that is returned to the County for inmate health through the St. Vincent's MOA. The County looks to future relief for General Fund requirements for corrections through a possible increase in the Corrections gross receipts tax.

Growth of the Jail Enterprise Budget and General Fund Requirements (\$million)								
	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Jail Operations Fund	\$ 12.0	\$ 10.4	\$ 12.7	\$ 15.9	\$ 20.8	\$ 22.6	\$ 24.5	\$ 23.9
Jail Debt Fund								\$ 2.2
General Fund Transfer	\$ 4.1	\$ 5.3	\$ 6.7	\$ 8.4	\$ 6.0	\$ 6.4	\$ 4.3	\$ 4.3
General Fund Transfer- debt								\$ 2.2
General Fund SCP							\$ 2.4	\$ 0
Corrections GRT Revenue					\$ 4.3	\$ 4.5	\$ 4.8	\$ 5.0

FISCAL YEAR 2009 BUDGET MESSAGE

Organizational Structure and Authorized Positions

The organizational structure of Santa Fe County underwent considerable change during Fiscal Year 2007 and 2008, creating large departmental structures, such as Administrative Services, Community Services, and Growth Management. The structure shown in the budget and personnel charts below reflect this reorganization. A programmatic structure is also shown, demonstrating that most County employees are in Corrections and Public Safety services.



FISCAL YEAR 2009 BUDGET MESSAGE

ORGANIZATIONAL STRUCTURE AND AUTHORIZED POSITIONS

The Fiscal Year 2009 Budget includes 979 authorized positions. This is a total increase of 62.5 positions from the 2008 Fiscal Year Budget. Of these, 37.5 positions were added to the budget in Fiscal Year 2008 and 25 additional positions are built into the Fiscal Year 2009 budget.

During Fiscal Year 2008, the following positions were added to the budget:

- Human Resources – Classification and Compensation Administrator
- Information Technology – Database Administrator,
Systems Administrator,
Telecommunications Specialist
- Open Space – Field Coordinator
- Fire Department – 14 Firefighter Cadets
1 Administrative Assistant
- County Clerk / Elections -- Voting Machine Technician
- County Sheriff -- 4 Deputy's (Grant-associated)
- Utilities -- Utilities Maintenance Technician
0.5 Water Review Specialist
- Health -- Program Manager
Driver / Cook's Assistant
- Corrections -- 2 Therapists
1 Nurse Practitioner
2 Sr. Secretaries
1 Psychiatrist
1 Social Worker
1 Compliance Assistant Manager
1 Electronic Monitoring Manager

During Fiscal Year 2009, the following positions were added in the budget:

- Community Services – 2 Project Managers
1 Resource Specialist
- Fire Department -- 20 Firefighter Cadets
1 Secretary
1 Administrative Assistant

The inclusion of 37.5 additional positions in the budget during Fiscal Year 2008 placed a considerable burden on the Fiscal Year 2009 budget and other than in the Fire Department, nearly precluded staff growth in Fiscal Year 2009. Additional increases in Fiscal Year 2009 of 22 persons to the Fire Department staff will result in a similar effect on the Fiscal Year 2010 budget, where staff growth, salary increases, and capital needs will burden the supporting gross receipts tax revenue supporting expenses in that organization.

Aside from the positions added to the Fiscal Year 2009 budget were requests for 26 other positions. These will be reviewed at mid-year for possible inclusion in the budget, once revenue trends are clearer, though it is unlikely that additional positions will be added to the budget this year.



FISCAL YEAR 2009 BUDGET MESSAGE

Challenges Ahead

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

- ◆ The need for providing an adequate water supply within our drought-prone area will continue to be placed at the forefront of future challenges. A Fiscal Year 2009 objective of the County is to continue to acquire water rights while completing ongoing plans with the City for financing and constructing the Buckman Direct Diversion project.
- ◆ The Aamodt Settlement in regard to water rights in the Nambe-Pojoaque-Tesuque basin, will have a financial impact to Santa Fe County as well as an increase in the County water utility customer base. The County will have to double the current utilities staff to accommodate an increased number of customers. To this effort the County has already purchased the Top of the World ranch for \$5 million, acquiring 1,188 acre-feet of water rights.
- ◆ The County is involved in an aggressive capital program, ranging from the construction of a new Public Works Facility; the construction of a downtown Judicial Complex Center; the continuation of many projects sponsored and funded by the State Legislature, to the water projects mentioned above, as well as road projects similarly funded and also sourced through a General Obligation Bond. The County has hired additional project management staffing to control these projects to ensure their efficient and timely completion, and the benefits of strengthened project management are already evident.
- ◆ The Judicial Court complex has been overcrowded and in dire need of renovation to meet security issues. A 1/16 cent General Fund Gross Receipts Tax increment was enacted and implemented in January, 2006. Though there is no statutory dedication of this revenue other than for General Fund purposes, there is an informal Board of County Commissioners commitment of this revenue for the purpose of constructing a new judicial center. Receipts from this tax from its inception through Fiscal Year 2008 will total \$5 million. County voters approved a General Obligation Bond in November 2006 general election, specifically for the construction of a courthouse. Proceeds from this bond totaled \$25 million in Fiscal Year 2008. The estimated cost of the proposed courthouse and parking garage is \$55 million. The County has identified land on Sandoval Street at Montezuma Avenue as the location of the new courthouse in an effort to maintain a downtown location for the courthouse. Included as an amended part of the Fiscal Year 2009 budget is a \$30 million Gross Receipts Tax Bond Series 2008 for the completion of the Judicial Center.
- ◆ In October 2005 the County assumed full operation of the Adult Detention Facility which includes the security, medical and administrative components of running the facility. Fiscal Year 2007 marked the first full-year of jail operation controlled and staffed completely by the County. The implementation of a 1/8 cent gross receipts tax for correctional facilities, enabled by the 2004 New Mexico Legislative Session, assisted in the assumption of complete jail operations. This tax relieved the burden of jail costs on the General Fund, but the non-tax subsidy of the Jail Enterprise Fund from other funds (General and the Indigent Fund) increased from \$6.7 million in Fiscal Year 2008 to \$9.4 million in Fiscal Year 2009:

Fund	FY 2009	Coverage	FY 2008	Coverage
General	\$4,320,320	Jail Operations	\$4,369,550	Jail Operations & Debt
General	\$2,251,890	Jail Debt		
General			\$2,385,435	SCP – Inmate Health
Indigent	\$2,868,000	SCP – Inmate Health		

FISCAL YEAR 2009 BUDGET MESSAGE

Actual costs of Adult Detention Facility operation were well below budget in Fiscal Year 2008, \$11.8 million actual expense versus a \$13.5 million budget, due mainly to an inability to fill all of the budgeted jail positions. Expense of the Adult Detention Facility plus Inmate Medical Care was \$16 million versus \$12 million in Fiscal Year 2007. Care of Prisoner revenues similarly missed the budget, bringing in \$4.5 million versus a budget of \$5.6 million. Inmate population trends reveal an increase of 300 to 400 local inmates from the beginning to the end of the fiscal year; these being inmates which do not bring in care of prisoner revenue. Since the capacity of the adult facility is 650 persons, a rise in local inmates has a significant potential impact of such revenue. The steep increase in overall Jail costs plus the shortfall in care of prisoner revenue points to the necessity of increased Corrections GRT. An increase in that GRT from 1/8 cent to ¼ cent is highly recommended.

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

- ◆ Santa Fe County participates in the “Sole Community Provider” (SCP) program wherein payment is made to the State Department of Health which pools receipts from all New Mexico counties and matches that with Federal funds to support local hospitals. St. Vincent’s Hospital benefits from this grant and supports County health programs defined by a Memorandum of Agreement (MOA) between the Hospital and the County. The MOA has been expanded to partially cover jail medical costs and to fund the Assessment and Sobering Center. The total budgeted SCP payment out of the several funds in Fiscal Year 2009 is \$9.6 million.
- ◆ Santa Fe County is considering several program expansions, including senior services and has expanded youth recreational programs in Fiscal Year 2009. The County currently has agreements with other entities that provide for these programs. The expansions would increase the number of days services are provided to the senior population as well as provide recreational programs that would serve the entire County youth populations.
- ◆ In 2007, the County opened a Sobering Center for detoxification of inebriates referred to the Center from the St. Vincent’s Hospital emergency room and by law enforcement. Budgetary support of the Sobering center has largely been from St. Vincent’s MOA “carryover money” from prior agreements to fund the sobering services. Revenue and expenses have been (in \$thousands) as follows:

Revenue	FY 2007	FY 2008	FY 2009 Budget
MOA	-	\$279	\$106
MOA carryover	\$422	\$314	\$435
State Grant	-	-	\$300
 Expense	 \$450	 \$721	 \$841

The balance of “carryover money” from previous St. Vincent’s agreements is nearly expended and future funding of the Sobering Center from current MOA agreements will have to displace other health services being funded through those agreements. Continued operation of the Sobering Center in the future through non-General Fund revenue is a significant budget challenge.

FISCAL YEAR 2009 BUDGET MESSAGE

Because of the increasing demands on its funds the County has imposed all Gross Receipts Taxes enabled by the State Legislature. Early in the fiscal year, the Board of County Commissioners approved a 1/16 cent Health Gross Receipts Tax to be collected starting in January, 2008, to defray a Medicaid sharing payment of \$2.5 million made to the State. From the standpoint of property taxes, the calculated levy for residential property is \$4.625 and for non-residential property, \$10.46 per \$1,000 net taxable value, versus a statutory limit of \$11.85 per \$1,000 net taxable value for residential and non-residential property. The residential mil rates are much lower than in most New Mexico counties.

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

Respectfully Submitted,

Roman Abeyta
Santa Fe County Manager

Teresa Martinez
Finance Director, Santa Fe County

