

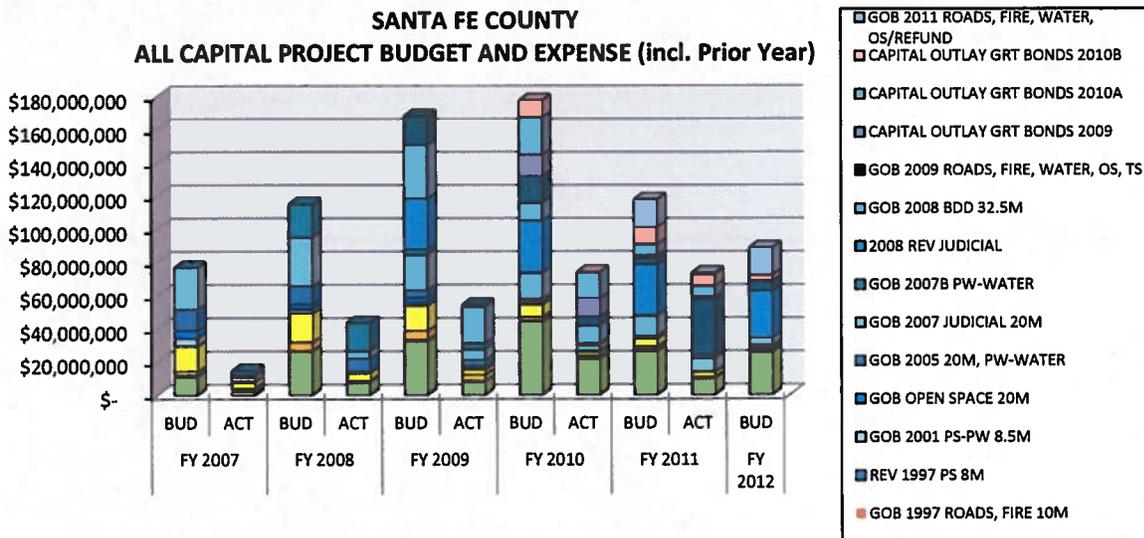
# SANTA FE COUNTY FISCAL YEAR 2012 BUDGET CAPITAL BUDGETS



Capital expenditures are the result of capital asset purchases, both tangible (i.e. land, buildings, building improvements, vehicles, equipment, machinery and infrastructure) and intangible (i.e. easements, water rights). The County defines capital assets as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased after construction. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital projects are through a variety of sources including General Obligation Bonds, Revenue Bonds, the Capital Outlay Gross Receipts Tax and State legislative action.

## GROWTH OF CAPITAL IMPROVEMENT PROJECTS

The completion of the Buckman Direct Diversion project led to a sharp decrease in the total budgeted for capital projects in FY 2012. Another significant decrease took place as a result of the movement forward of the Judicial Court Complex, the construction of which had been stalled. In FY 2011 the Judicial Court Complex project encumbered most of the funds available for the project which means that there was a large decrease in budgeted expenditures in FY 2012.



Incorporated in the chart above are large projects such as the \$60.0M Judicial Complex, the \$18.0M Public Works Building, and a total estimated \$104 million County commitment to the Buckman Direct Diversion project, shared with the City of Santa Fe and the Las Campanas subdivision. In Fiscal Year 2011, capital projects accounted for about 35% of the adjusted budget or \$117.7 of a \$339.1 million adjusted budget. However in FY 2012 this amount decreased to 31.4% or \$88.5 million of a \$281.6 million budget. Both the FY 2011 and FY 2012 figures noted include the budget for prior year encumbrance roll-overs. A majority of the bonds sold last fiscal year remain unspent at the beginning of Fiscal Year 2012. Smaller projects comprise the Capital Outlay (25% being dedicated to the Buckman project), Housing, Road and State Special Appropriations funds.

The Fiscal Year 2012 budget for State Special Appropriation Fund projects remains very conservative due to decreased revenues from the State of New Mexico. In Fiscal Year 2010 the State decreased the appropriations allocated to local governments and other entities to offset the State's budget deficit. In FY 2011 only a small allocation was made to projects that were already underway.

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Capital Projects are funded through several means; the most common being State of New Mexico legislative appropriations and General Obligation Bond revenues. Revenue from legislative appropriations is realized through reimbursements for work completed and cash expense incurred. Expense in this section is therefore expressed in the project detail on a cash (rather than cash and encumbrance) basis. Unrealized appropriation revenue budgets are re-budgeted each fiscal year, whereas unspent bond proceed revenues are handled as budgeted cash rather than being re-budgeted as bond proceeds

In recent years special appropriations have been somewhat of a construct by the state legislature during its session in January and February of the year. The budget document concentrates on the history and growth of capital projects which is a significant part of the County's annual budget. In past documents, projects with multiple sources were separated by source. In this document, multiple sourced projects are shown with all sources for the fiscal year 2007 through fiscal year 2011 expenditures and allocations with fiscal year 2012 budgets.



As the result of strengthened project management in the county, project budgets are shown in this document with a description of the project, an estimate of the total project cost and the amount funded. Also a current status of the project is shown and an estimate of the programmatic and maintenance cost of the completed facility or subject of the project is shown. In the case of state facility appropriations, each appropriation is shown. In most cases, the State Legislature appropriates the entire cost of a project over several fiscal years. With State-appropriated projects recovery of the cost of the project is on a reimbursement for work done basis so actual revenue is what has been recovered from the State appropriation, whereas Actual Expense is cash expense incurred by the County in constructing the project.



Again, if expenses are not incurred on a project, the unspent balance will be re-budgeted in successive fiscal years so the total cost of a project cannot be determined by adding up the budgets in all the fiscal years. Appropriation totals and actual cash expense are the best guides to total project cost.

The State of New Mexico has no requirement to report multi-year project budget/ costs nor basic project data such as start and end dates. The format here was developed by the County Budget Office to provide the users of this document with a clear picture of the cost of the County's many projects.

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The projects displayed in this section of the document are those which have Fiscal Year 2012 budgets through the first quarter of the year. Furthermore, in order to establish a more complete capital budget, all budget actions through the first quarter of Fiscal Year 2012 are shown to include current State appropriations so the project budgets or the sum thereof by fund may not match fund totals for fiscal year 2012 in regard to the official Fiscal Year 2012 budget as of July 1, 2011. Individual project budget figures displayed in this section are meant to be viewed only in regard to the project.

In addition to the above, projects are separated by Commission district to assist the public in finding projects of specific interest to them. The projects are further separated by type (i.e. facilities, open space, utilities, roads, etc.) within each district, again as a means of

organizing the projects in a more "user friendly" manner.

Finally, the County's capital package or Asset Renewal and Replacement Schedule appears at the end of this section. It is significantly larger than in fiscal year 2011 or fiscal year 2010 due to a decision to expend non-recurring revenue (cash) to make needed replacements or upgrades of equipment, vehicles, buildings, etc. This decision was not made easily as the recession continues, however, Santa Fe County has been conservative in its budget through this economic downturn and we are confident that these needed expenditures can be made at this time without jeopardizing the financial health of the County, and indeed will help preserve its assets in the long run.

