City of Santa Fe

Challenges to Financial Sustainability:
Perspectives on FY 2016-2017 Budget

CITY OF SANTA FE
CHALLENGES TO FINANCIAL SUSTAINABILITY BEGINING FY 2016-2017

APPROVED FY 2015-2016 BUDGET	GENERAL FUND BEGINNING CASH BALANCE	8,783,844	*Unaudited*
	Revenues		
	Gross Receipts Tax	53,130,499	
	Property Tax	3,464,594	
	Franchise Tax	3,145,000	
	Licenses & Permits	2,360,445	-
	Total Other Fee/Income	2,284,876	-
	Ambulance Fees	1,700,000	-
	Reimbursed Expenditures	6,247,587	*Administrative overhead distributed to utility funds, etc.*
	Transfers In	6,410,305	*Water Fund payment in lieu of taxes, Transit GRT, etc.*
	Subtotal - Revenues	78,743,306	-
	TOTAL GENERAL FUND RESOURCES AVAILABLE	87,527,150	-
	Operating Expenditures		-
	Total Department Expenditures	73,908,727	-
	Tranfers Out	4,824,579	*$2,205,361 to Sr. Svcs, $2,239,820 to Pol.&Fire Funds, etc.*
	TOTAL GENERAL FUND OPERATING EXPENDITURES	78,733,306	-
	REPORTED GENERAL FUND ENDING BALANCE	8,793,844	*$ 6,159,061 mandated $^{1}/_{12th}$, plus 13 days reserve*
EXTRA EXPENDITURES	*Bridged Expenditures*		-
	Costs Shifted to Other Funds		-
	Locals Workforce Account	1,350,000	*Paid from 2014 GRT Bonds*
	Non-related salaries in Enterprise Funds	1,196,383	*Public Info.Off., Multimedia Designer, River Coord., et al*
	Storm Water (2401)	1,556,459	*$238,767 accumulated deficit*
	Southside Library (2716)	971,728	*From Cap. GRT (3102); $31,949 accumulated deficit*
	Free Solid Waste Services	260,000	-
	Free Wastewater Services	900,000	-
	TOTAL COSTS SHIFTED	6,234,571	-
	Spending through Special Fund Operating Deficits		*Includes only funds in cash deficit by FY2016-2017*
	Municipal GRT (2116)	823,274	-
	Municipal GRT-Police (2210)	404,354	-
	DWI Forfeiture Program (2227)	99,364	
	Fire Property Tax/Safety (2250)	293,281	*$292,563 accumulated deficit*
	Economic Development (2117)	380,000	
	Historic Preservation Grant (2707)	31,764	
	½% Capital GRT Income Fund (3102)	840,418	*Main source for debt service for GRT-back Bonds*
	E1 ERP Software (3139)	70,535	*$583,846 accumulated deficit*
	Municipal Recreation Complex (5600)	5,470	*$784,408 accumulated deficit*
	TOTAL SPECIAL FUND OPERATING DEFICTS	2,948,460	-
	TOTAL BRIDGED EXPENDITURES	9,183,031	-
SHORT-FALLS	Anticipated Revenue Reductions		-
	Sunset of State Hold Harmless GRT	660,000	*2nd of 15-Year timeframe (6% of $11 million)*
	Sunset of Payment in Lieu of Taxes (Water Fund)	4,736,065	*12% of gross receipts*
	TOTAL ANTICIPATED REVENUE REDUCTIONS	5,396,065	-
DEFICIT	FY 2016-17 EFFECTIVE OPERATING DEFICIT	14,579,096	*Total of Bridged Expenditures, Special Fund Deficts, & Anticipated Revenue Reductions*
	MANDATED $^{1}/_{12}$th RESERVE	6,159,061	-
	EFFECTIVE ENDING BALANCE	(11,944,312)	*Reported Ending Balance less Effective Operating Deficit and Mandated Reserve*

OPTIONS FOR IMPROVING FINANCIAL SUSTAINABILITY

1. Continue drawing down reserves but with more control and a strategy to stop doing it in 2-3 years

2. Cut service levels

3. Raise taxes

4. Operate more efficiently

5. Adopt new modes of service delivery

6. Increase economic activity

7. Increase property valuation

8. Increase year-round GRT base