



FISCAL YEAR
ENDING 2017

BUDGET-IN-BRIEF



FY 2016/2017 CITY OF SANTA FE BUDGET-IN-BRIEF

INTRODUCTION

The following is a simplified presentation of the City of Santa Fe's Fiscal Year 2016/2017 Annual Budget. Using pie charts, this FY 2016/17 "Budget-in-Brief" presents a summarized view of the City's overall budget, as well as detail about the City's major fund categories: the General Fund, Special Revenue Funds, Capital Improvement Projects (CIP), Debt Service Funds, Enterprise Funds and Internal Service Funds. The purpose of this Budget-in-Brief is to provide "at-a-glance" budget information to community stakeholders and the public in an easily-understood and clear format.

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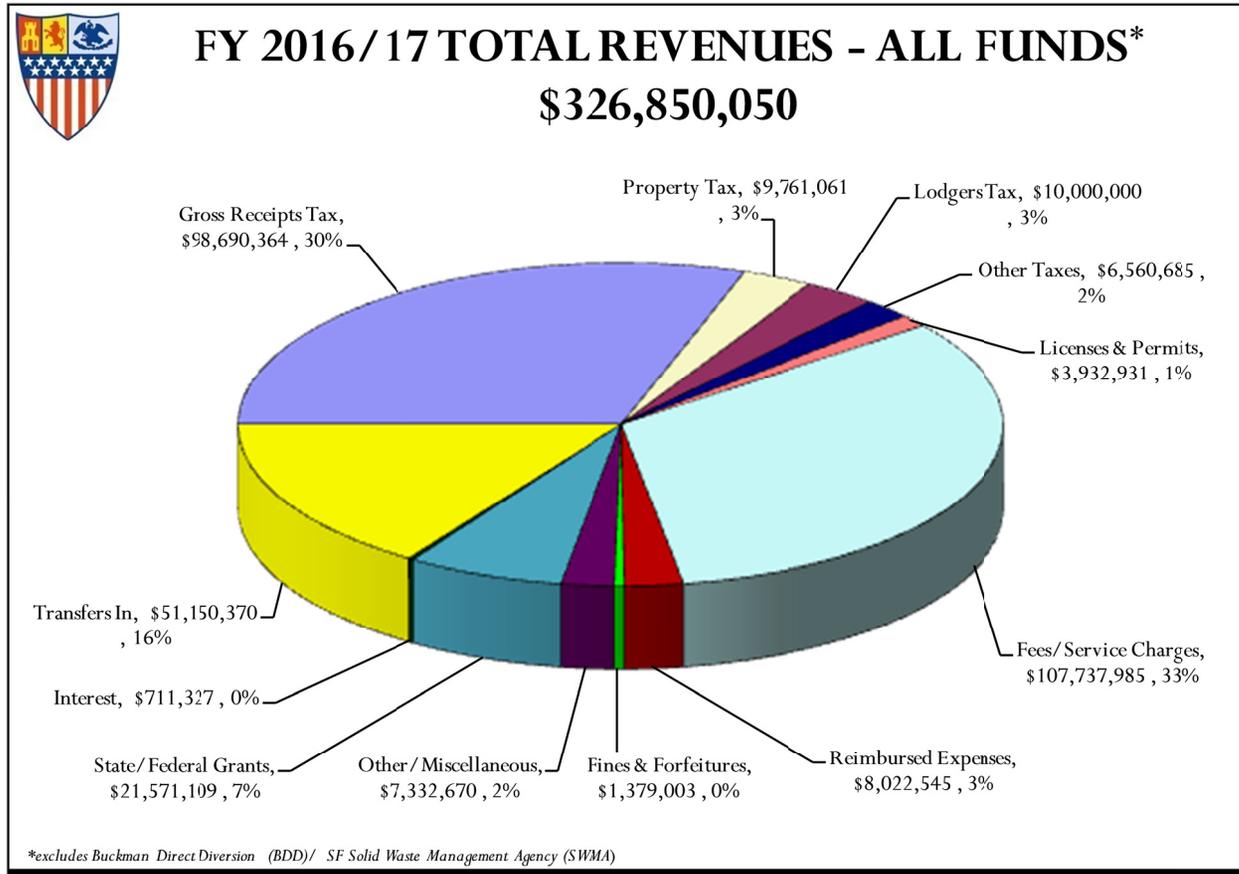
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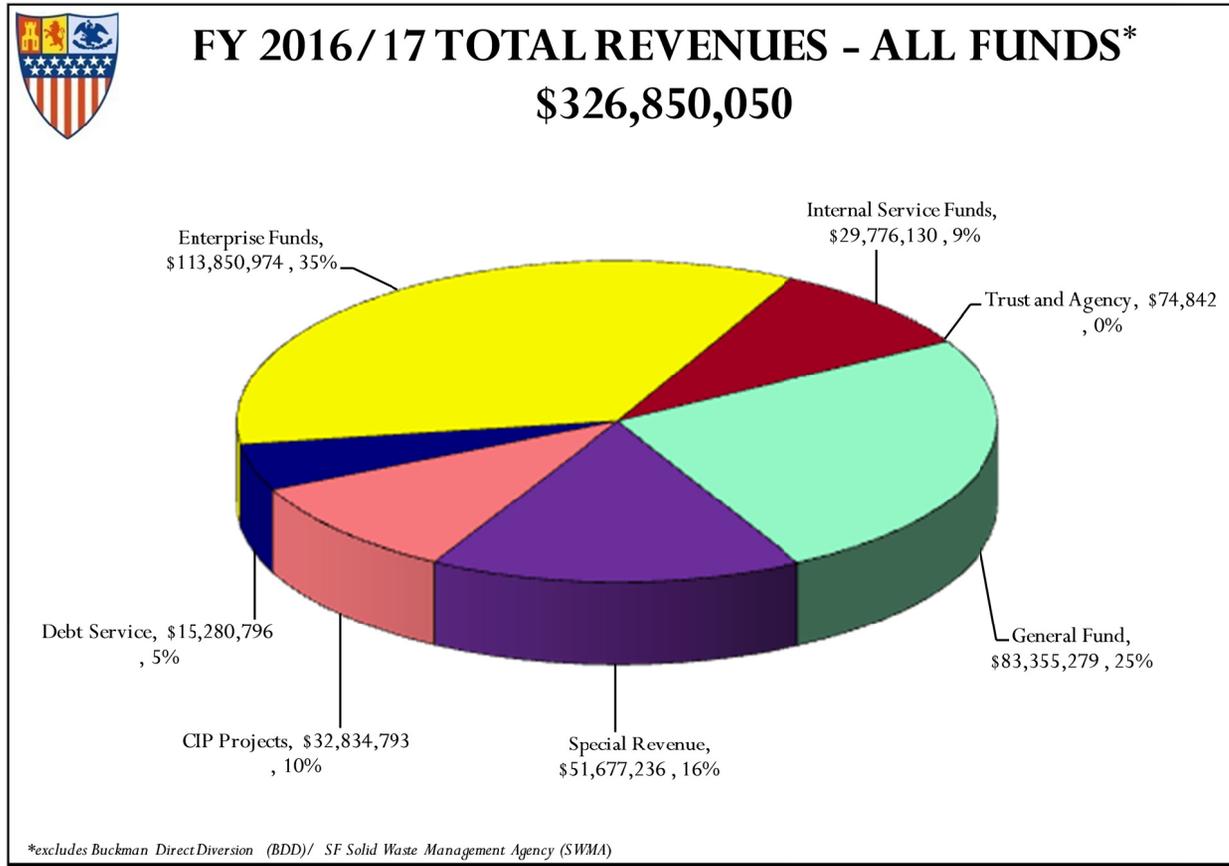
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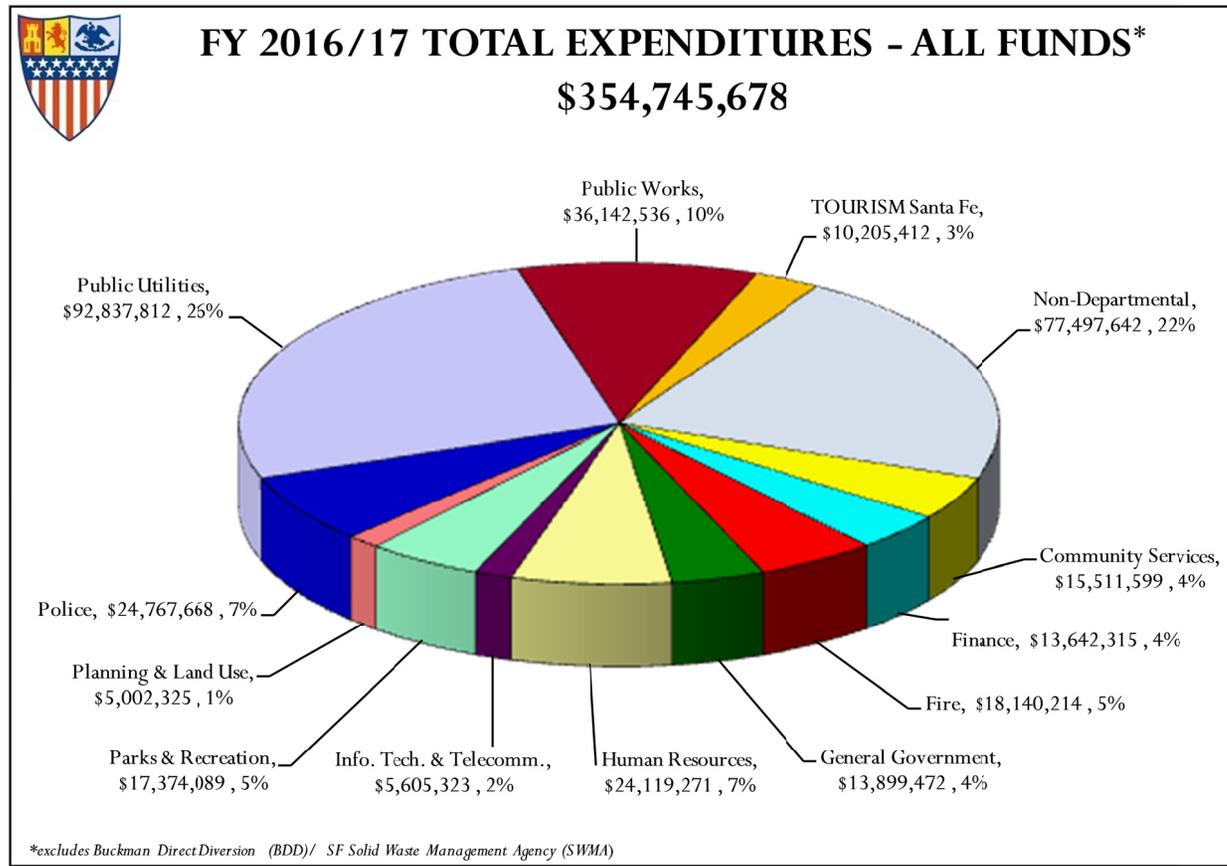
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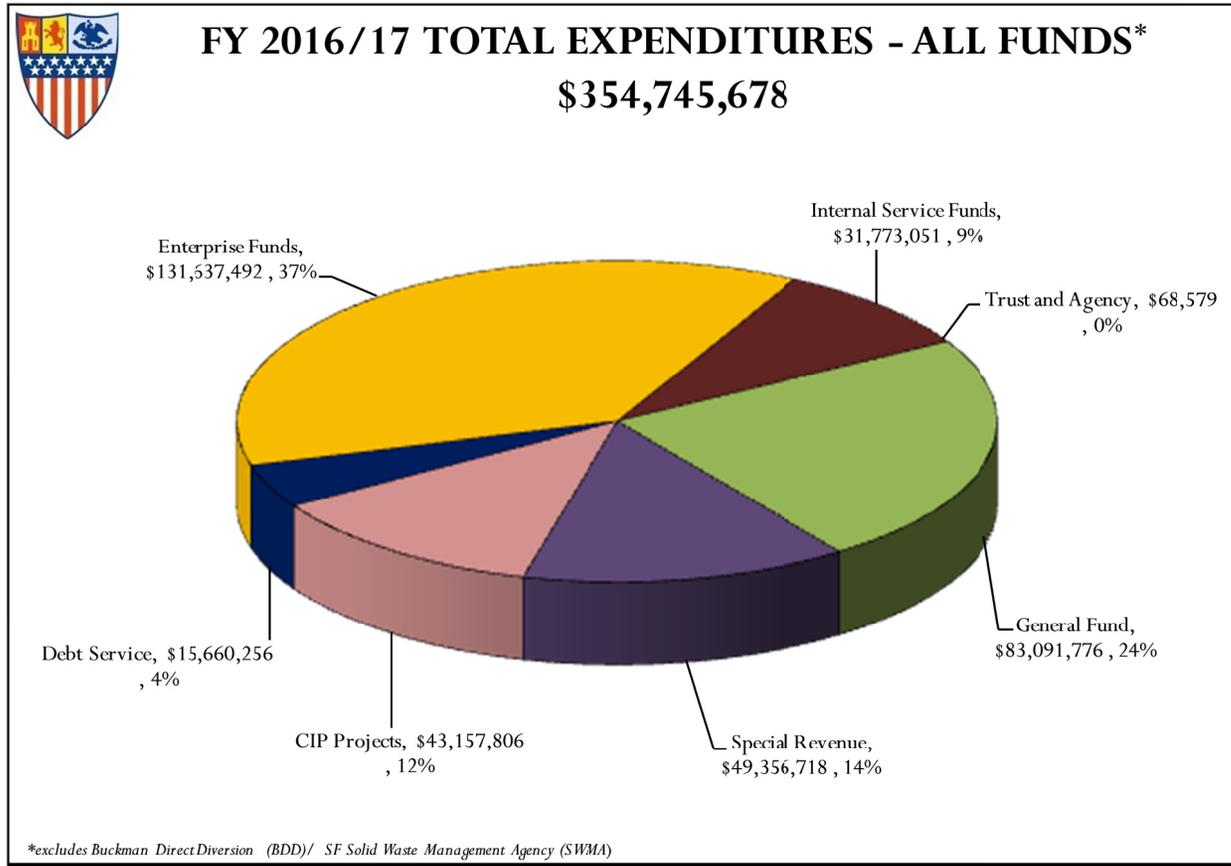
User fees/charges for services represent the largest share [33%] of overall budgeted City revenues; these fees are largely comprised of user charges for the City’s three major utilities (Water, Wastewater and Solid Waste/Environmental Services). The second-largest source of City revenue [30%] is composed of locally-imposed and state-shared Gross Receipts Tax (GRT, also known as sales tax or *ad valorem* tax); this source provides support for various City functions via the General Fund, and also provides dedicated funding support for Transit, Police, Economic Development, Children & Youth Services, Human Services, the Railyard, and quality of life activities including Recreation, Libraries and Seniors Services. The GRT also pays debt service for the majority of the City’s bonded debt for capital improvements. Other major revenue sources include State/Federal Grants [7%], Lodgers Tax [3%], (real) Property Tax [3%], and reimbursed expenses [3%].



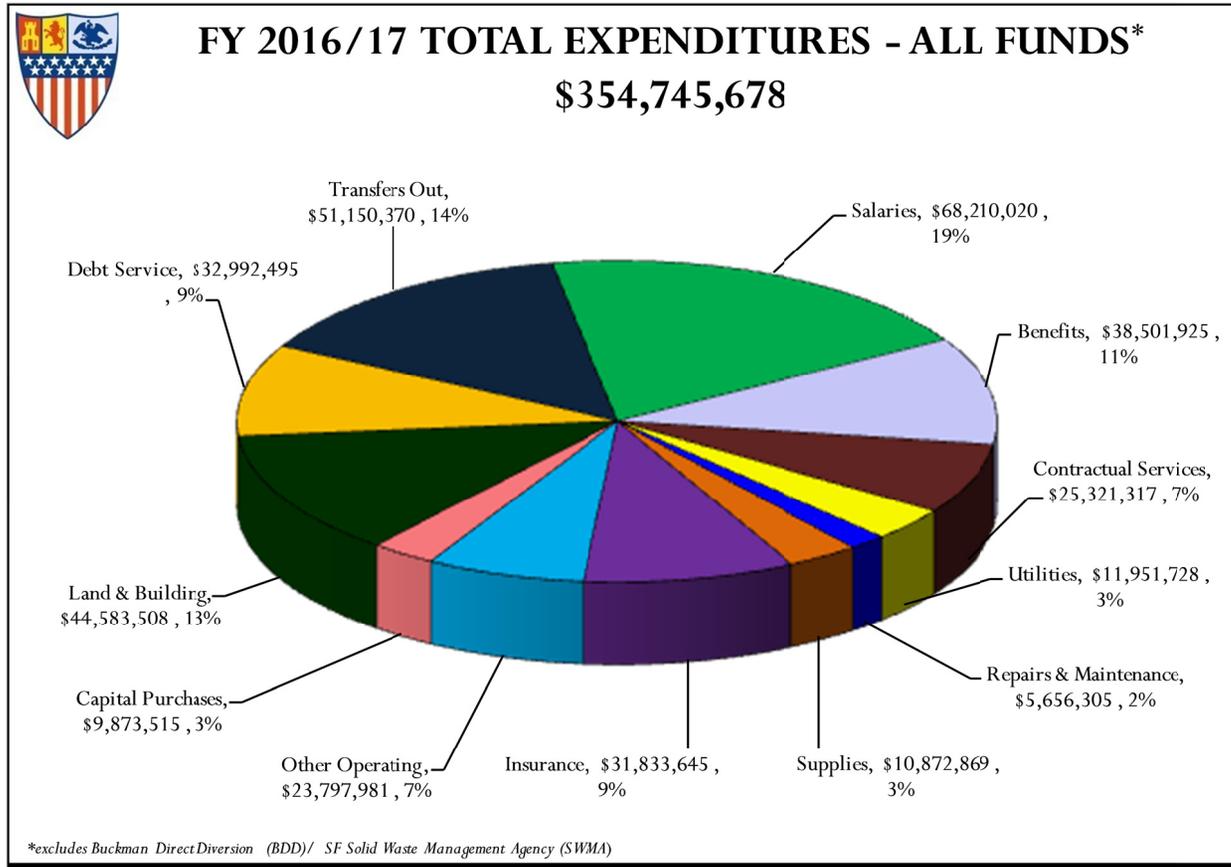
The largest share of overall City revenue is found in Enterprise Funds [35%], which include entities that are (substantially) self-supported through user fees and service charges (such as utilities). The second-largest share of revenue is budgeted in the General Fund [25%], which provides funding for citizen services in the areas of public safety, public works, and community welfare, as well as administrative oversight for those functions. Special Revenue Funds [16%] include Federal/State grant funds and other funds receiving revenues dedicated to specific purposes. Capital Improvements Projects (CIP) Funds [10%] provide funding for various multi-year improvement projects in the areas of infrastructure, facilities, parks & recreation, etc. Internal Service Funds [9%] are funded by and dedicated to administrative support functions such as the City's self-funded insurance coverage. Debt Service Funds [5%] are dedicated to repayment of the City's bonded debt.



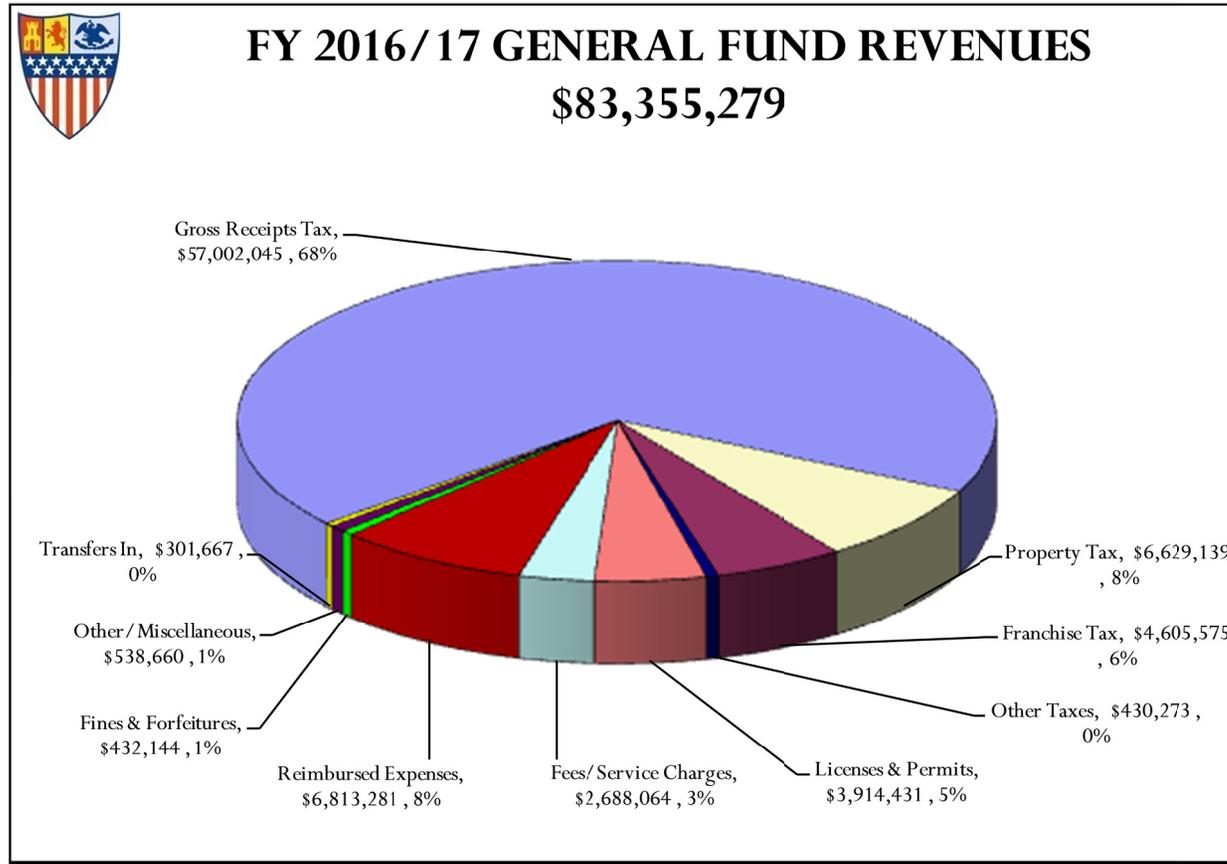
The Public Utilities Department (including the Water, Wastewater and Solid Waste utilities, plus the Utility Customer Service Division) has the largest share of the overall expenditure budget [26%]. Non-Departmental functions (comprised mostly of CIP projects and debt service) consume the second-largest share of the budget [22%]. The Public Works Department (including Airport, Engineering, Facilities, Parking, Streets/Drainage and Transit) comes in third [10%], with the Police Department [7%] and the Human Resources Department [7%] rounding out the top five City Departments in terms of expenditure budget. Other notable shares are taken by the Fire Department [5%]; Parks & Recreation [5%]; and Community Services (including the Library, Senior Services and Youth & Family Divisions) [4%].



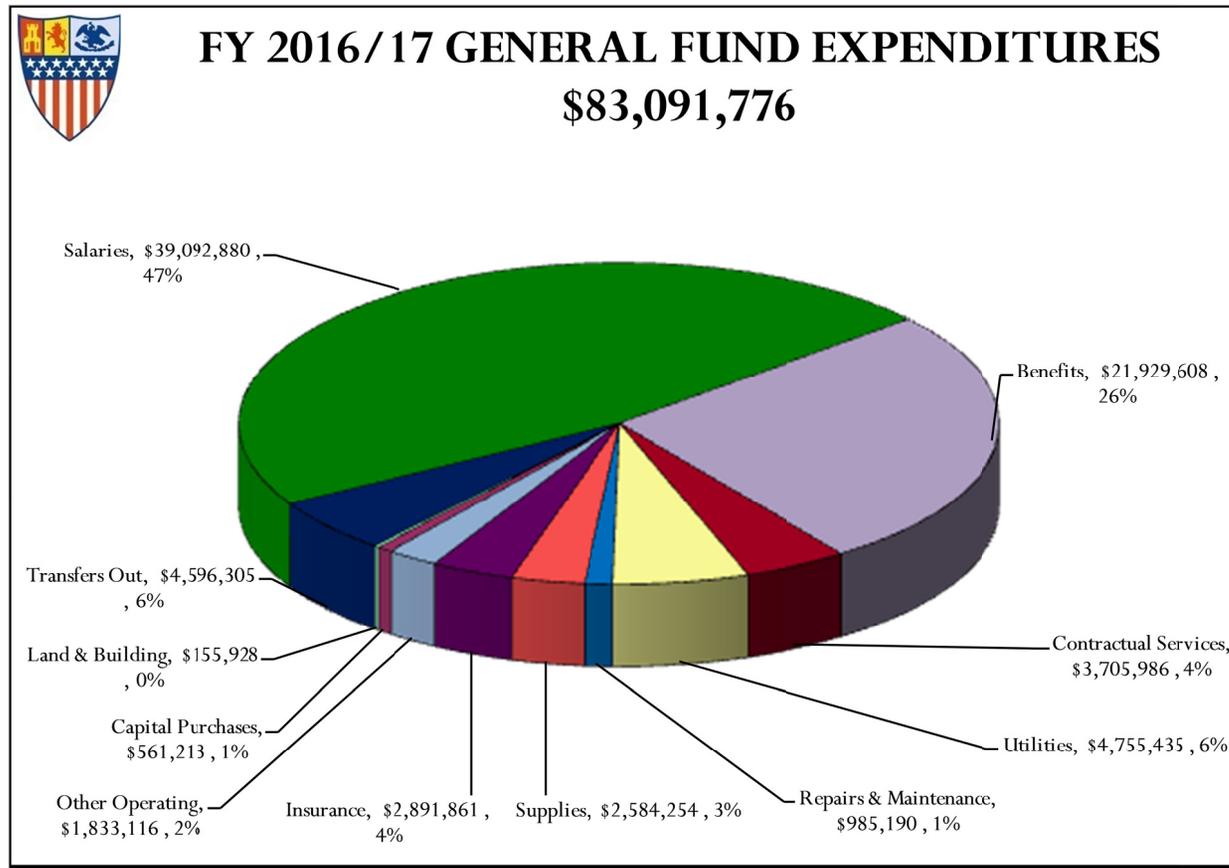
As is the case with overall revenue (see page 3), the largest share of budgeted overall City expenditures lies within Enterprise Funds [37%], which are mostly made up of the City’s utilities. Again, just as with revenue, the second-largest share of expenditures is found in the General Fund [24%], which in turn supports the largest share of all Departments’ activities (but excludes Public Utilities, TOURISM Santa Fe and the Non-Departmental category). Once again, Special Revenue Funds [14%] come next in the ranking by size, followed by CIP Funds [12%], Internal Service Funds [9%], Debt Service Funds [5%] and Trust & Agency Funds [< 0.5%], the latter of which are solely comprised of the City’s Special Recreation Leagues function.



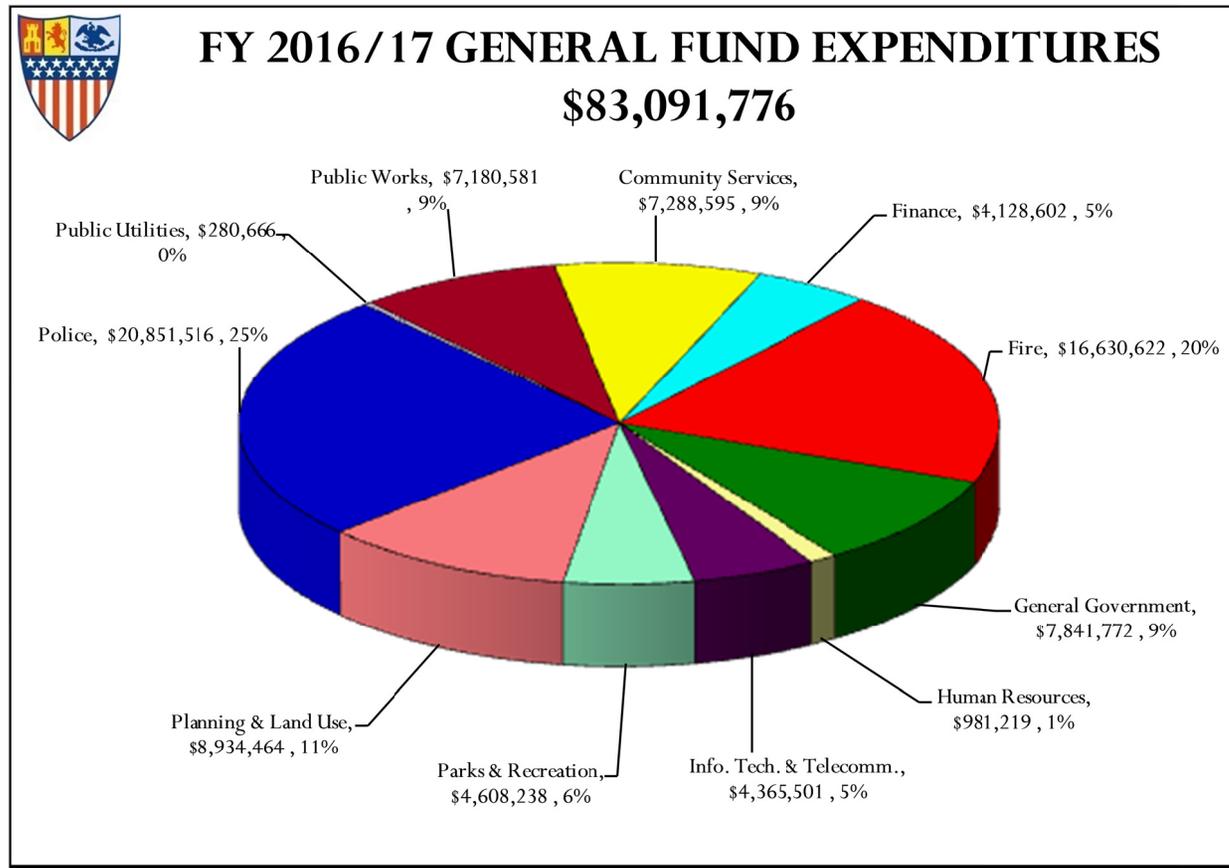
As can be seen above, staff salaries and employee benefits together represent a significant share (approximately one-fifth) of the City’s overall expenditure budget, and by category represent the largest [19%] and fourth-largest [11%] budget shares, respectively. Transfers among City funds take up the second-largest share [14%], followed in third place by land & building (composed of capital improvements and works in progress) [13%]. Other significant shares are taken by debt service [9%], insurance [9%], contracted services [7%] and other operating costs [7%], which include such items as travel/training, advertising, dues/subscriptions, small equipment purchases, and building/equipment rentals, as well as miscellaneous items such as fees and taxes.



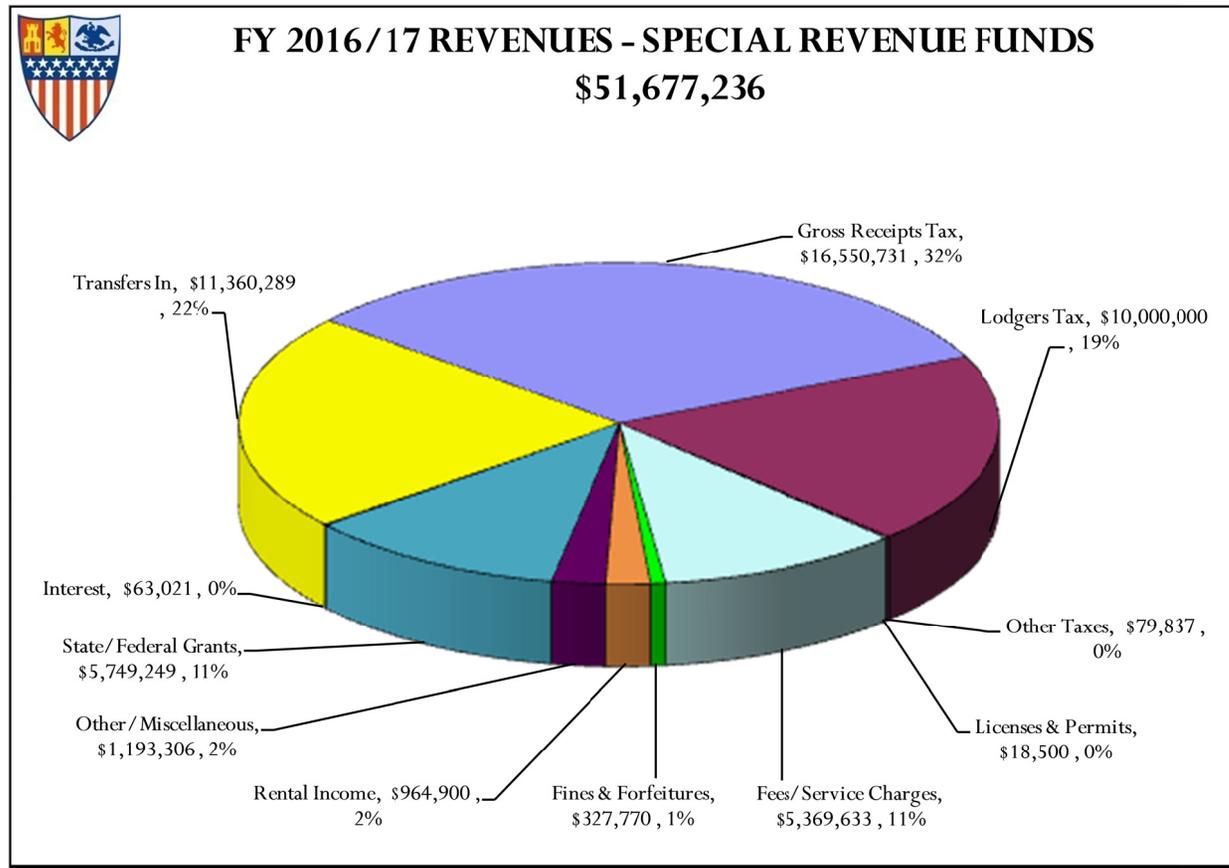
The largest source of budgeted General Fund revenue [68%] is composed of locally-imposed and state-shared GRT receipts. Other major funding sources include reimbursed expenditures (mostly administrative overhead charges) [8%]; (real) Property Tax [8%]; Franchise Tax [6%]; licenses and permits [5%]; and fees/service charges [3%]. Fines & forfeitures [1%], miscellaneous revenues [1%], other taxes [$< 0.5\%$] and transfers from other City funds [$< 0.5\%$] form the rest of the General Fund revenue budget. These General Fund revenues fund various Departments that provide services directly to citizens, as well as funding the administrative and oversight functions of the City, as shown on the following pages.



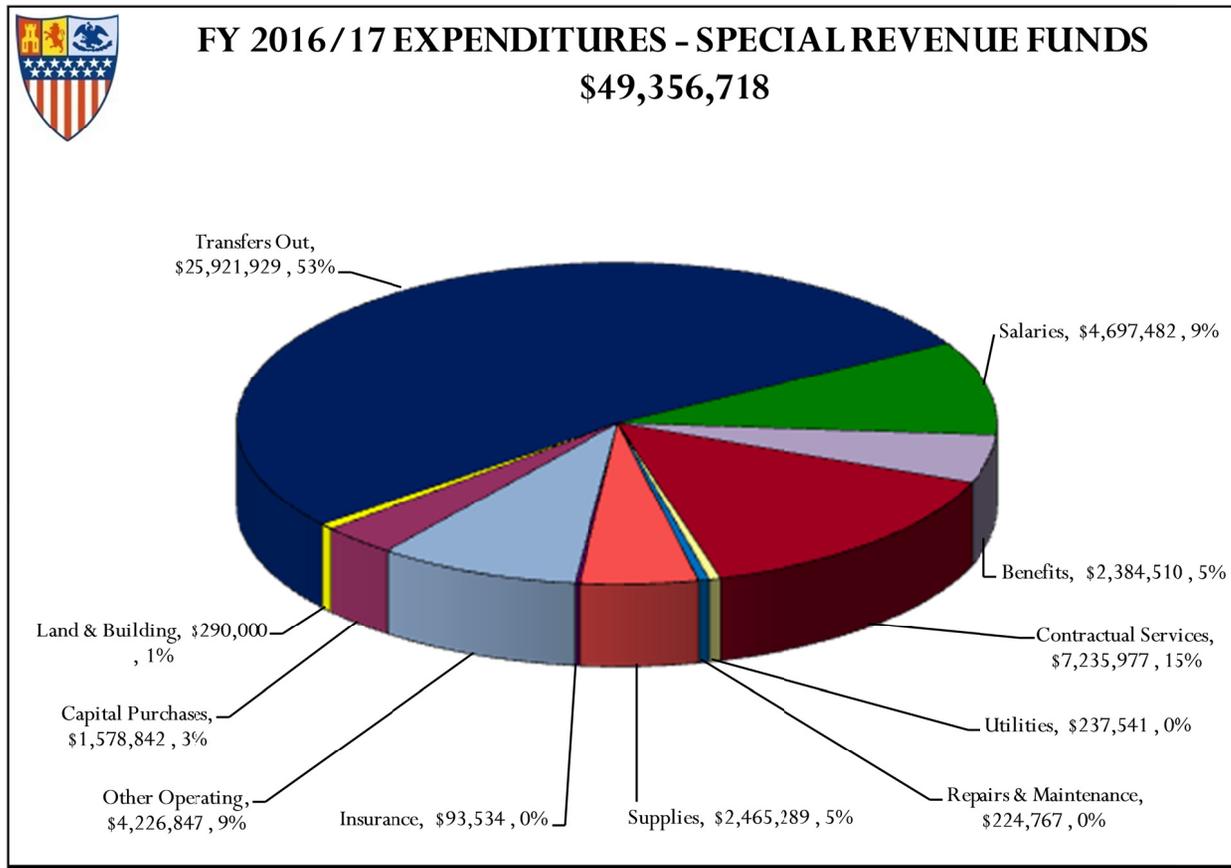
As is the case with overall City expenditures (see page 6), employee salaries [47%] and benefits [26%] constitute the largest portion of the General Fund expenditures budget as well, although in this case they represent a much greater share, amounting to nearly $\frac{3}{4}$ of budgeted General Fund spending [73%]. Utilities expenses [6%], transfers to other funds [6%] and contracted services [4%] represent the third-, fourth- and fifth-largest share of expenditures. The remainder of the General Fund expenditure budget is composed of insurance [4%], supplies [3%], other operating costs [2%], repairs & maintenance [1%], capital equipment & vehicles purchases [1%], and land & building costs [$< 0.5\%$].



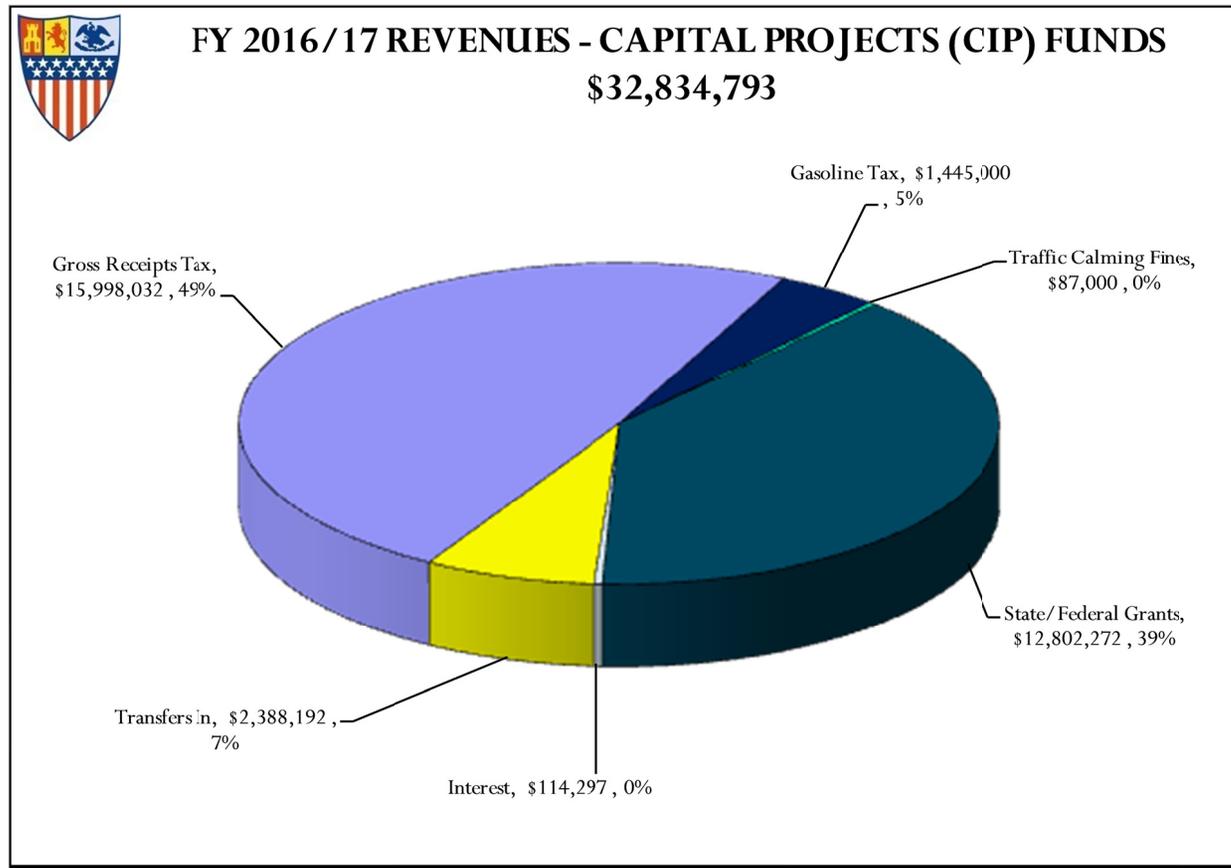
Public safety represents nearly half of the General Fund expenditure budget, including Police [25%] and Fire [20%]. Planning & Land Use [11%], General Government (including Mayor, City Council, City Manager, City Attorney, City Clerk, Internal Audit, Municipal Court, Affordable Housing and Economic Development Divisions) [9%] and Community Services [9%] constitute the third-, fourth- and fifth-highest shares of the expenditure budget, respectively. Public Works [9%], Information Technology & Telecommunications [5%], Finance [5%], Human Resources [1%] and Public Utilities (Environmental Services/Graffiti function) [$<0.5\%$] make up the remainder of the General Fund expenditure budget.



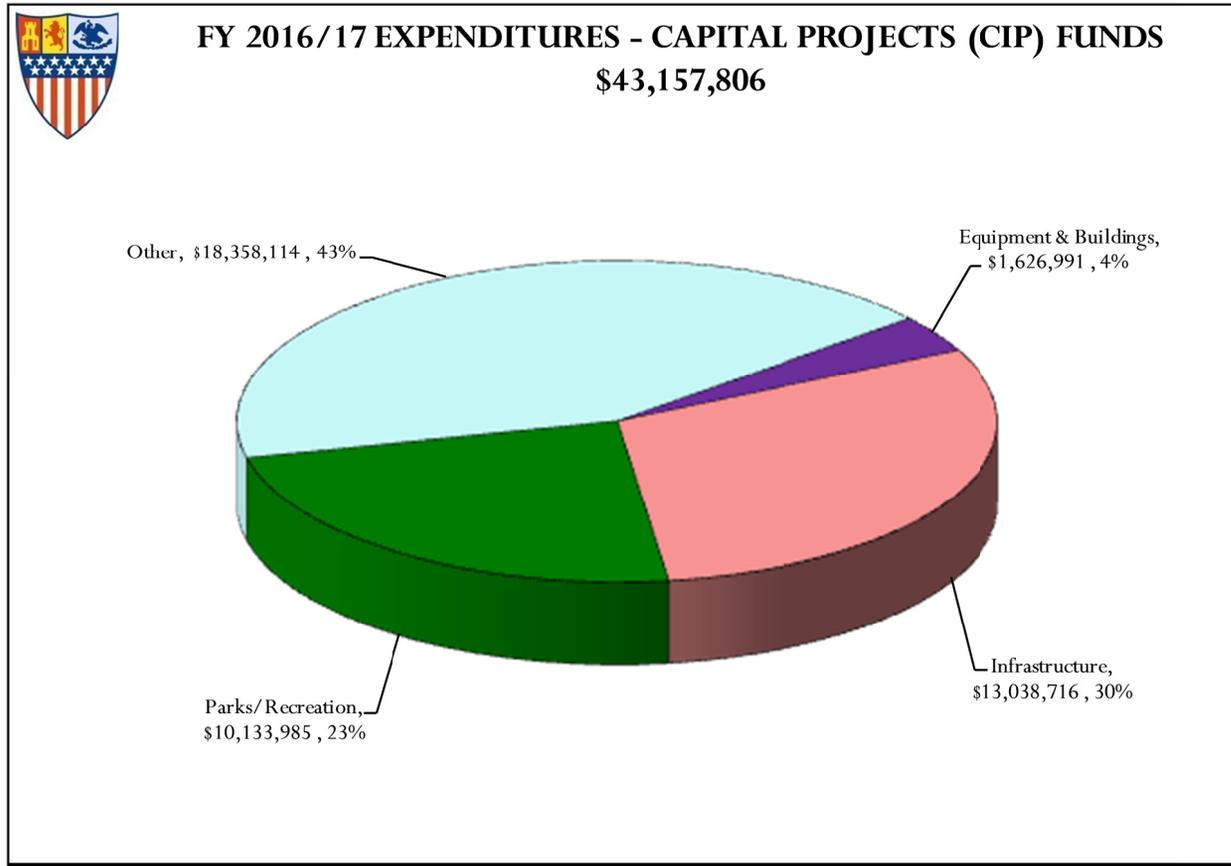
The largest source of budgeted revenue in the Special Revenue Funds [32%] is GRT dedicated to various purposes, including Transit, the Genoveva Chavez Community Center (GCCC), the Railyard project, and quality of life activities (including activities within the Libraries, Seniors Services, Youth & Family, Parks and Recreation Divisions). Other major funding sources include transfers from other funds [22%]; Lodgers Tax dedicated to tourism marketing/promotion, arts & culture activities and the Community Convention Center (CCC) [19%]; State & Federal grants [11%]; and fees/service charges [11%]. The remainder of the revenue budget in the Special Revenue Funds category is composed of miscellaneous revenues [2%]; rentals [2%]; fines & forfeitures [1%]; other taxes [<0.5%]; interest [<0.5%]; and licenses & permits [<0.5%].



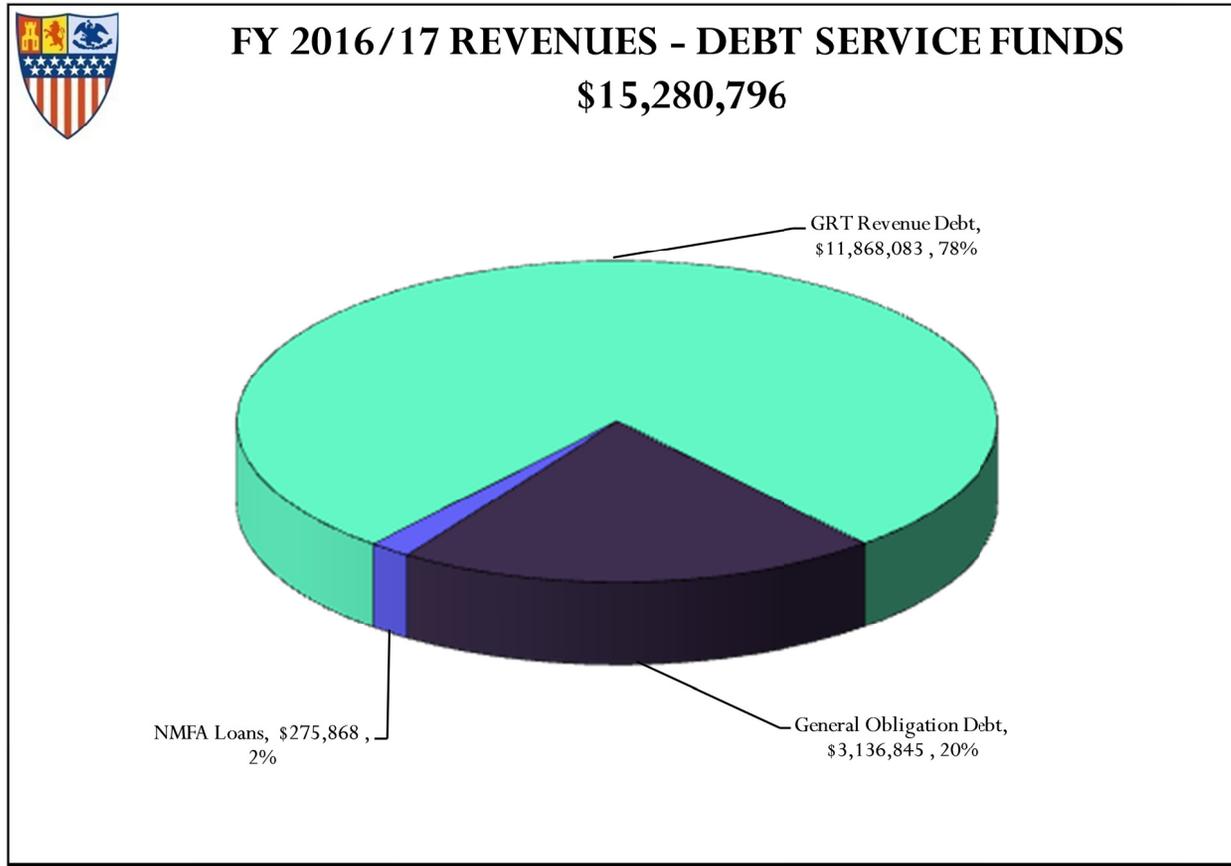
Transfers to other funds [53%] represent the largest share of budgeted expenditures in the Special Revenue Funds; this reflects the distribution of GRT and Lodgers’ Tax from the Special Revenue Funds (where the revenue is received) to the ‘user’ funds in TOURISM Santa Fe (where the tax proceeds are spent). Contracted services [15%] represents the next-largest share of the Special Revenue Funds’ expenditure budget, followed by salaries [9%]; other operating costs [9%]; supplies [5%]; employee benefits [5%]; capital purchases [3%]; and land & building [1%]. Utilities [< 0.5%], repairs & maintenance [< 0.5%] and insurance [< 0.5%] round out the expenditure budget in the Special Revenue Funds.



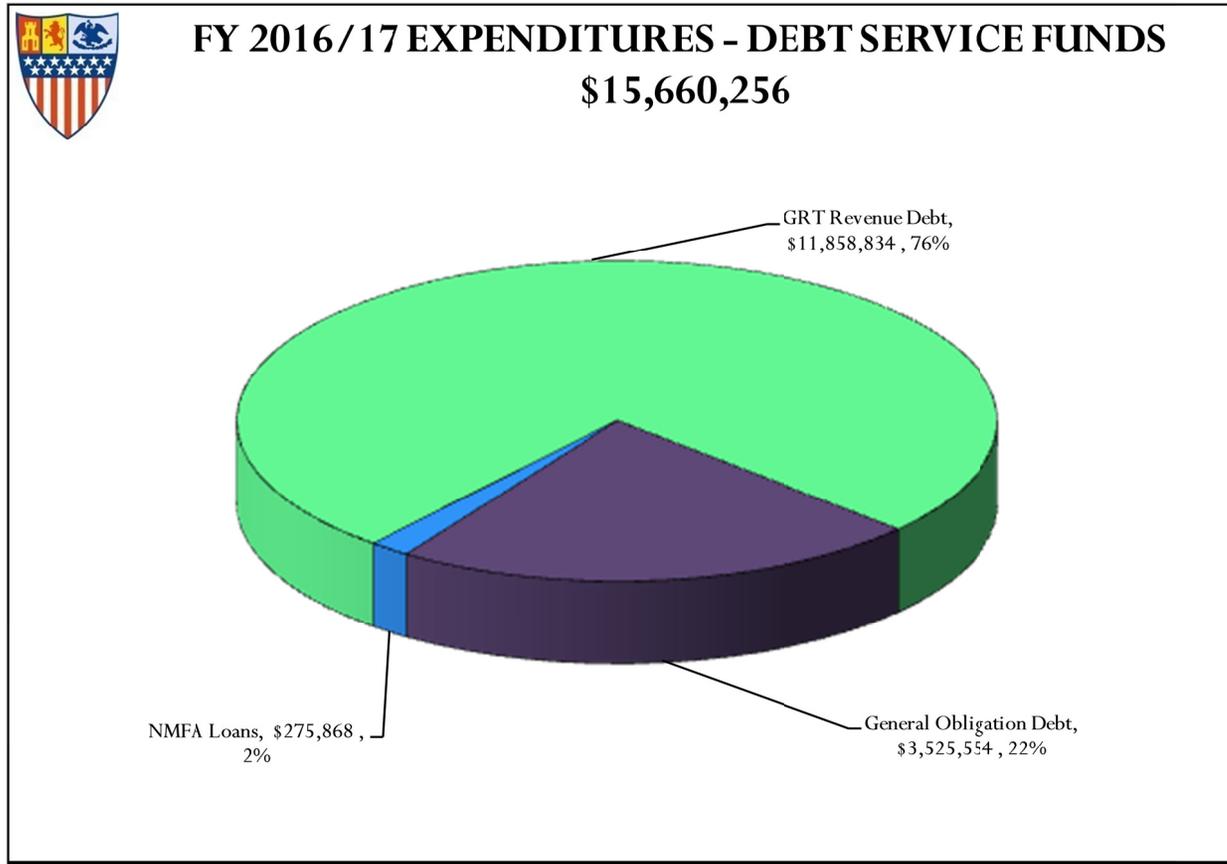
GRT dedicated to capital outlay and CIP projects represents just under half [49%] of the total revenue budget for Capital Projects (CIP) Funds. State & Federal grants [39%] forms the second-largest share, followed by transfers from other funds [7%], which are mostly comprised of bond allocations, local grant matching funds and project reallocations. Gasoline Tax [5%] makes up most of the rest of the CIP Funds' revenue budget, with small contributions from interest [$<0.5\%$]; and traffic calming fines [$<0.5\%$] completing the CIP revenue pie.



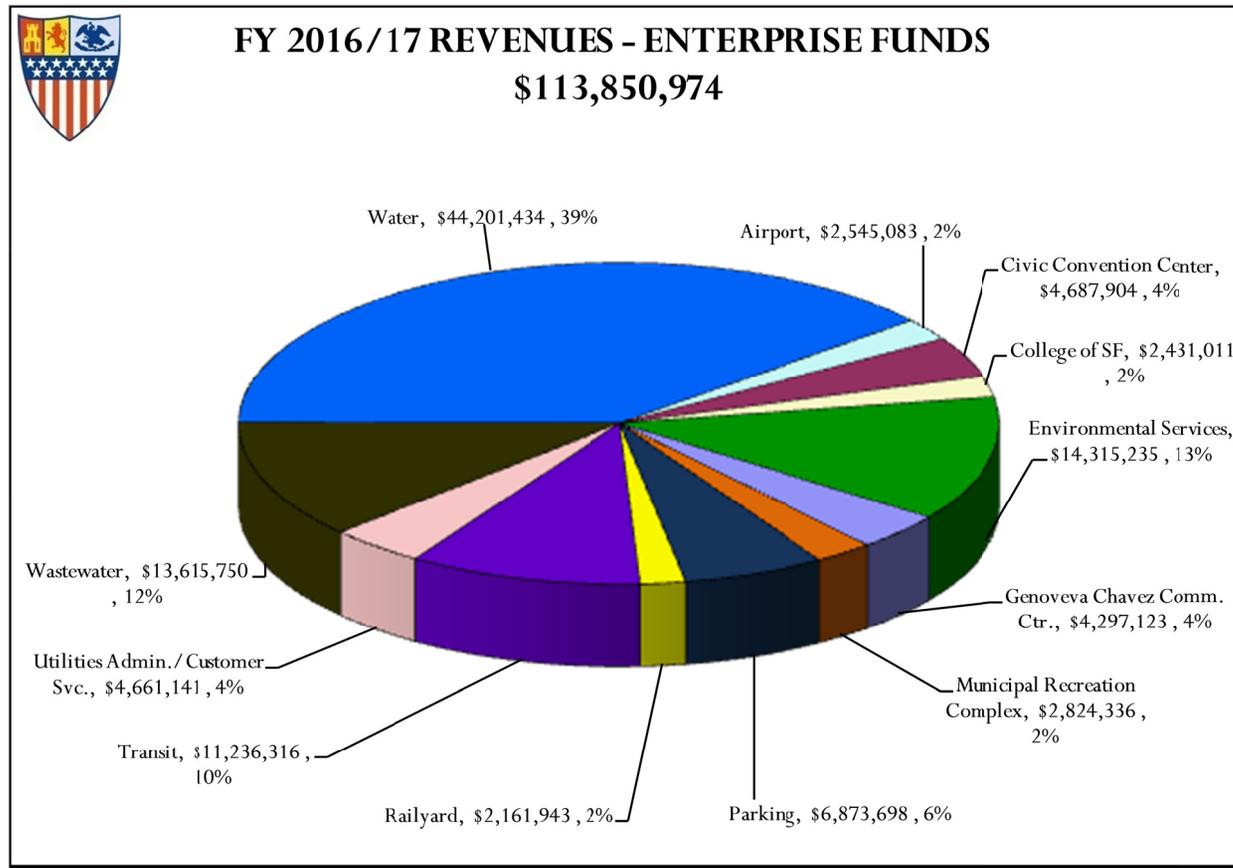
Given the wide variety of CIP projects undertaken by the City, running the gamut from broadband internet to senior center renovations, it is perhaps not surprising that the largest share of budgeted expenditures in the CIP Funds should fall into the ‘other’ category [43%]. Infrastructure, including streets, sidewalks and bridges, comes in second place [30%]. Parks & recreation [23%] and equipment & buildings [4%] round out the CIP Funds’ expenditure picture.



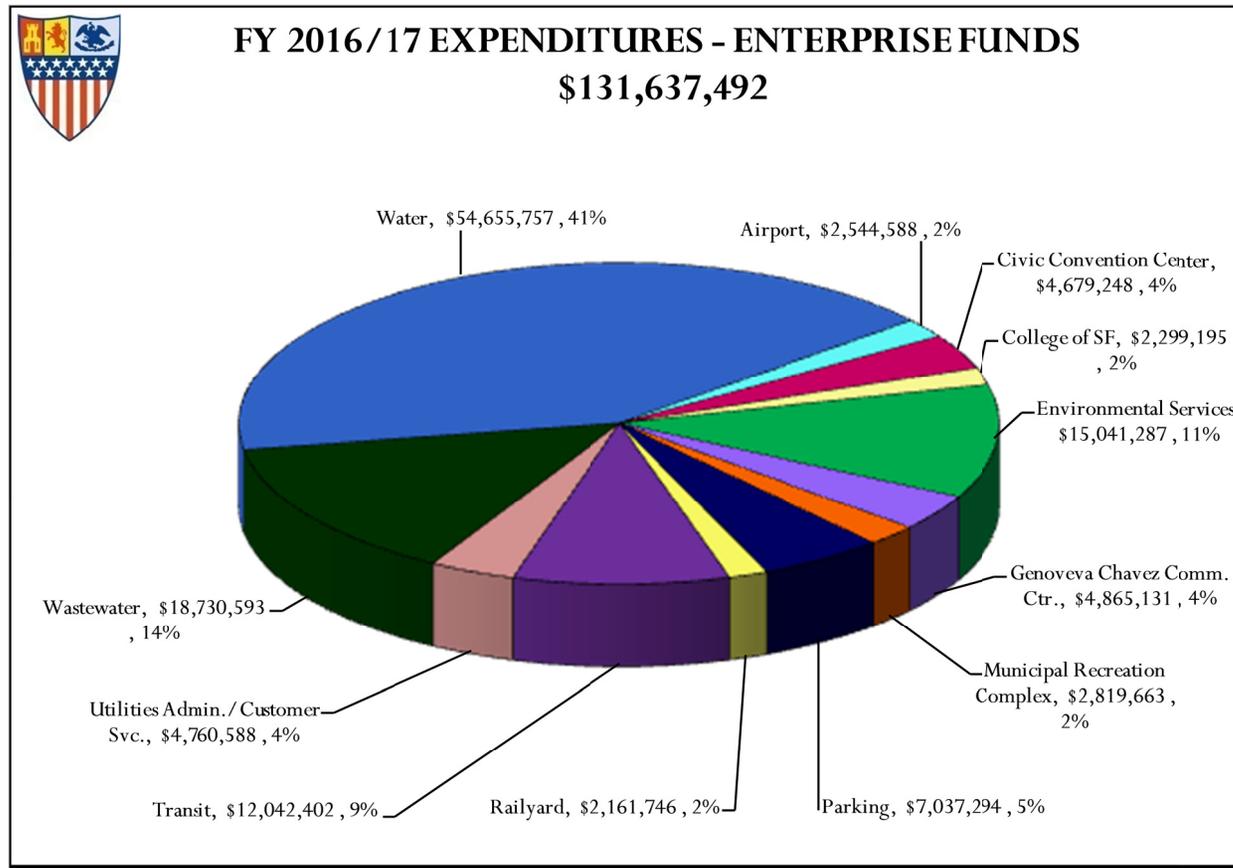
As noted above (see page 2), the majority of the City’s bonded debt is backed by GRT revenue; therefore, most (over $\frac{3}{4}$) of the budgeted revenue allocated to pay the City’s debt service is in the form of GRT revenue [78%]. General Obligation Debt is backed by Property Tax on real property (such as land and buildings), and pays for debt service on General Obligation bonds issued to pay for City parks and parks improvements; this Property Tax revenue accounts for approximately one-fifth of total Debt Service Fund revenues [20%]. The remainder of budgeted Debt Service Funds revenue [2%] goes to repay loans from the New Mexico Finance Authority (NMFA) that were issued for various City projects and improvements.



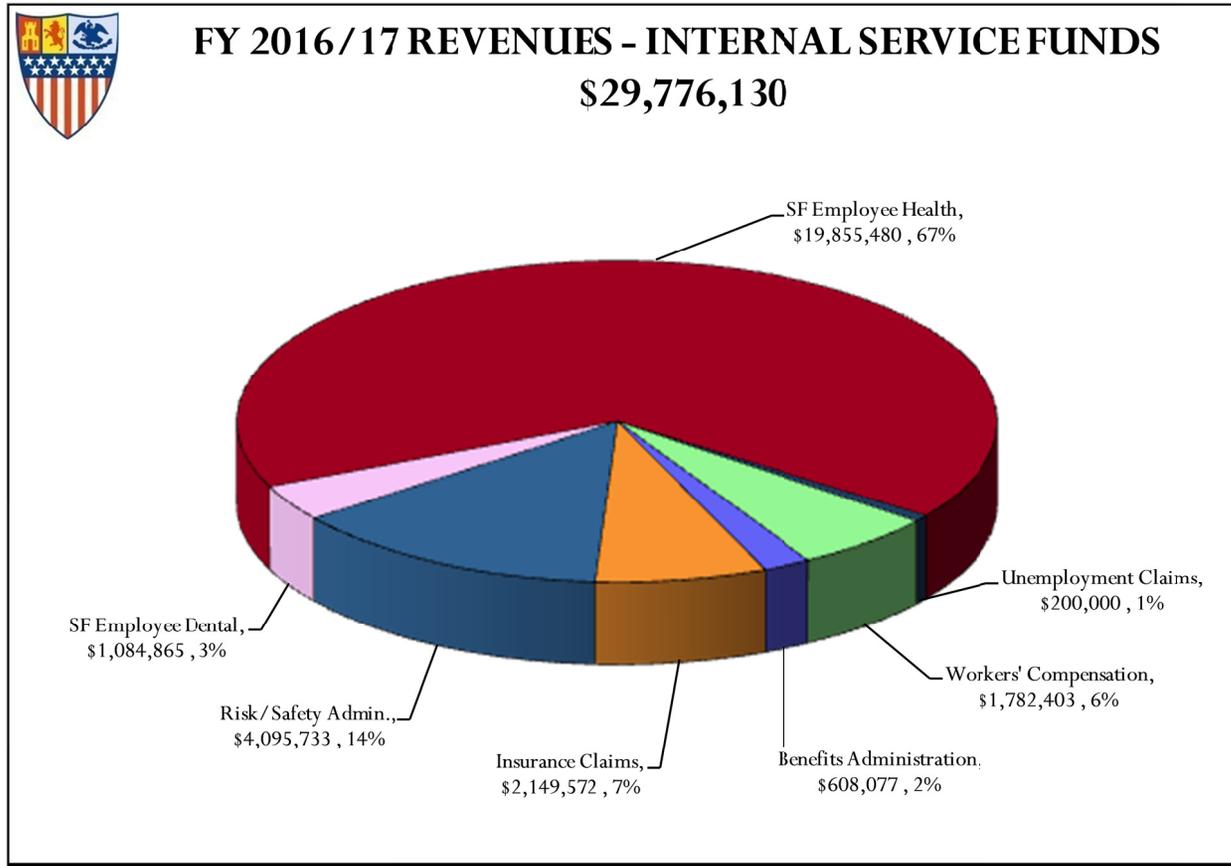
Once again, as was the case with Debt Service Fund revenues (see previous page), the majority (over $\frac{3}{4}$) of the budgeted expenditures in Debt Service Funds is allocated to pay debt service on the City's GRT Revenue Bonds [76%]. General Obligation debt service funded by Property Tax comes in second place again, in approximately the same one-fifth proportion [22%]. The remainder of Debt Service Funds expenditures is budgeted to repay NMFA loans, again in a similar proportion [2%] to their share of Debt Service Funds revenue.



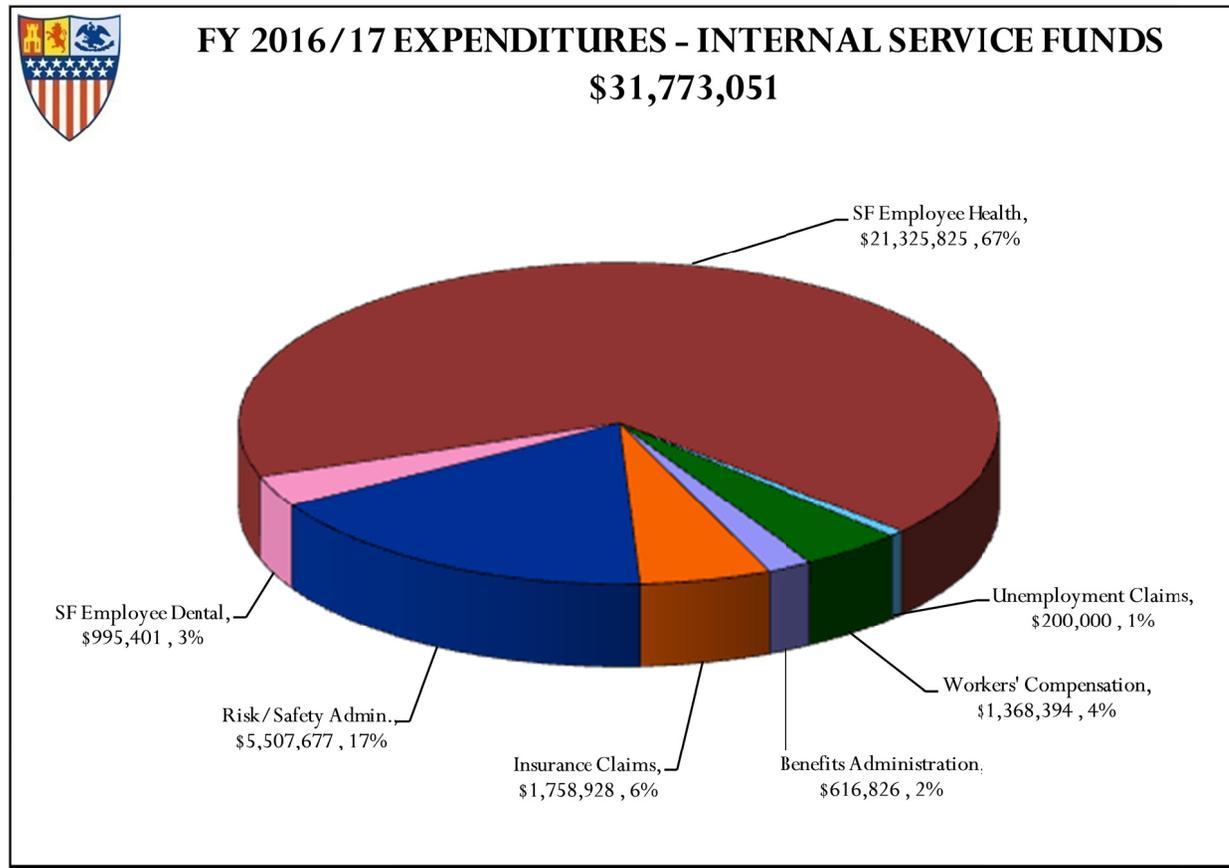
As mentioned above (see page 5), the City’s three utilities (Water, Wastewater and Solid Waste/Environmental Services, plus Utilities Administration/Customer Service) represent the largest share of the Enterprise Funds; the utilities’ share of budgeted Enterprise Funds revenue amounts to over two-thirds of the total [68%]. Specifically, Water comes in first [39%], followed by Environmental Services [13%] and Wastewater [12%], with Utilities Admin./Customer Service contributing a smaller share [4%] of revenues, in this case consisting of billing/service charges to the three utilities. After the utilities, Transit has the fourth-largest share of budgeted Enterprise Funds revenue [10%], followed by Parking [6%], the CCC [4%], the GCCC [4%], the Municipal Recreation Complex (MRC) [2%], Airport [2%], and College of Santa Fe [2%], with Railyard providing the smallest portion [2%].



Again, as was the case with Enterprise Fund revenues (see previous page), the majority (almost ¾) of the budgeted expenditures in the Enterprise Funds are within the City’s three utilities (Water, Wastewater and Solid Waste/Environmental Services, plus Utilities Administration/Customer Service) [70%]. As with revenue, in terms of the expenditure budget Water comes in first [41%], followed by Environmental Services [11%] and Wastewater [14%], with Utilities Admin./Customer Service again contributing a small share to utilities [4%]. The other rankings are much the same as seen in revenue, with Transit in fourth place [9%], followed by Parking [5%], and the GCCC [4%] beating out the CCC [4%] for sixth place this time. The MRC [2%], Airport [2%], College of Santa Fe [2%] and Railyard [2%] once again round out the budgeted Enterprise Funds expenditure pie.



As outlined above (see page 3), the City's Internal Service Funds are composed of functions that exist primarily to serve or provide support to other City Departments; as a result, these funds are entirely supported by internal charges to user Departments. The Employee Health (benefits) Fund represents over two-thirds of total budgeted revenue in the Internal Service Funds [67%] and is by far the largest of the Internal Service Funds in terms of both revenue and expenditures (see next page). The next-largest share is that of Risk & Safety Administration [14%], which handles the City's general liability, fleet liability and building & contents insurance coverage. The Insurance Claims Fund is in third place [7%]; this fund covers the City's self-insured liability claims. Workers' Compensation [6%], Employee Dental [3%], Benefits Administration [2%] and Unemployment Claims [1%], for which the City is also self-insured, complete the Internal Service Funds' revenue budget.



As with revenue (see previous page), the City's Internal Service Funds' expenditure budget is dominated by the Employee Health Fund, which again comprises over two-thirds of total budgeted Internal Service Funds expenditures [67%]. The other rankings are identical to those for Internal Service Fund revenue, with second place taken by Risk & Safety Administration [17%], followed by the Insurance Claims Fund [6%], Workers' Compensation [4%], Employee Dental [3%], Benefits Administration [2%] and Unemployment Claims [1%] to complete the Internal Service expenditures budget.