



City of Santa Fe Proposed FY27 Annual Operating Budget

Budget Primer

- The City's annual budget serves as a program and policy 'roadmap' for a given fiscal year (the City's fiscal year runs from July 1 to June 30).
 - A budget is not meant to be merely a financial document; rather, it is better defined as a policy document with numbers. It outlines the City's goals for the year in question, and summarizes the resources that the City is dedicating to attain those goals.
 - A budget is forward-looking - it reflects projected costs and revenue sources, and synthesizes these with the goals of the Mayor, Governing Body and the community at large in order to form a plan for how City services will be delivered, and how they will be paid for.
- As part of the budget and other financial reporting, we often discuss "actuals", which detail revenues received and expenses spent. Actuals are summarized in the City's Annual Comprehensive Financial Report (ACFR).
 - Unlike the budget, the ACFR is backward-looking; meaning, it summarizes the previous fiscal year's activities in terms of actuals, and reflects adjustments and findings of the City's annual audit.
 - Quite often we also discuss encumbrances, which are monies committed to future purchases and payments for services. Encumbrances are approved by the Governing Body in the form of contracts and purchase orders, through which the City will receive and/or spend its financial resources.

Budget Primer (*continued*)

- The budget is divided into approximately 80 funds. Funds serve as the City's basic financial units; they separate resources and expenditures into distinct categories, each dedicated to specific purposes. This ensures that money is used only as intended and prevents inappropriate co-mingling of funding.
- Some funds—such as the General Fund and the ½% Capital Gross Receipts Tax (GRT) Fund—may support funds that are not fully self-sustaining. These subsidies are recorded as transfers between funds.
- During the annual budget process, the Budget Office works with departments and senior staff to ensure each fund is balanced, with revenues and other sources (including transfers and available balances) covering all planned expenditures.
- At the end of each fiscal year, a fund's revenues minus expenditures determine its ending balance. A surplus increases this balance; a deficit reduces it.
- Through the course of the fiscal year, available balances may be appropriated for one-time needs through a Budget Adjustment Request (BAR).
- Per state law, the City must maintain a General Fund reserve equal to 1/12 of current budgeted expenditures, which limits the amount available for such appropriations in the General Fund.
- Because BARs for prior year carry forwards and other purposes are approved throughout the fiscal year, the 1/12 minimum reserve varies as the budget changes; as the General Fund expenditure budget increases, the required reserve increases as well.

Fund Types

The City's fund structure includes seven fund types:

1. The General Fund is usually the City's largest fund, and is discretionary in nature, meaning it can be used for almost any purpose as long as that purpose doesn't conflict with applicable laws.
2. Special Revenue Funds are dedicated to specific purposes, such as revenues that are dedicated to certain uses and state/Federal grants.
3. Capital Improvement Funds (or CIP Funds) are used for multi-year capital projects, usually funded by bond issues or grants. The CIP budget is reviewed and approved via a separate process, thus it is not included in this operating budget.
4. Debt Service Funds are used to pay back the City's issuance of debt for CIP projects, and are supported by the City's tax and/or fee revenues.
5. Enterprise Funds are generally defined as self-supporting or "proprietary" funds, such as the Water Fund or Environmental Services Fund. Some City funds, however, like the Municipal Recreation Complex Fund, are not fully self-supporting and must be subsidized by other funds (usually the General Fund).
6. Internal Service Funds support other City functions; they generally do not provide services directly to the public, rather they support Departments like Police in their public service roles.
7. Trust and Agency Funds are generally considered as separate entities, and include functions like the Buckman Direct Diversion (BDD).

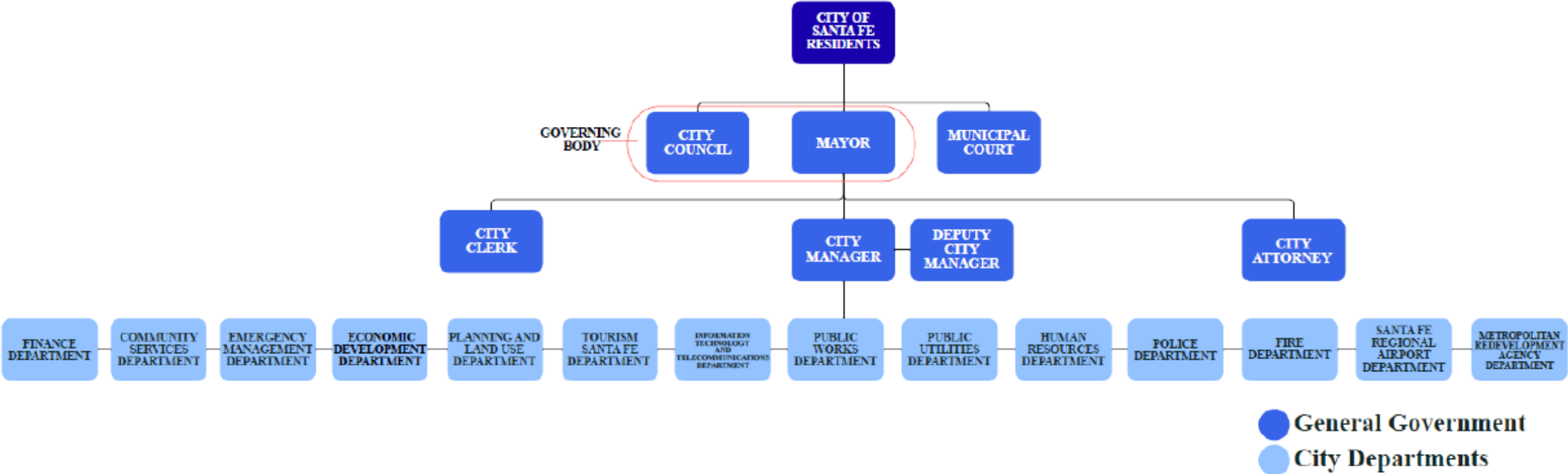
How is the City Organized?



- City services are provided by various organizations/offices, some of which report directly to the City Manager, others which are led by elected officials (such as the Municipal Court Judge). All of these, to some extent as prescribed by law and ordinance, are subject to the oversight of the Governing Body (City Council), the Mayor and/or the City Manager.
- A Department is the highest level within the City's organizational structure. It is led by a Department Director, who is usually supervised by the City Manager. Some areas have Directors that report directly to the Mayor and/or City Council, such as the City Attorney.
- Within a Department, there may be one or more Divisions; the Divisions are led by Directors that report directly to their assigned Department's Director. All City functions exist within the framework of Departments and Divisions; these are the most basic organizational entities within City government.
- Some (not all) Divisions are further divided into Sections, and some (not all) Sections are further divided into Units.

City of Santa Fe Organizational Chart

CITY OF SANTA FE ORGANIZATIONAL CHART, SUBSECTION 2-8.1(B)



Adopted April 29, 2026

Budget Calendar

- September 10, 2025: City Council adopts Resolution 2025-58, specifying improvements to the budget process
- January 2026: Budget memo released, budget training sessions held; Departments begin working on budget requests
- February: Budget Office reviews requests; budget review meetings held with Departments, Mayor and City Manager
- March-April: Proposed FY27 Budget finalized
- May 13: Proposed Budget Resolution introduced at Governing Body meeting
- May 14-15: Governing Body budget review hearings
- May 26: Finance Committee reviews budget and recommends approval by Governing Body
- May 27: Governing Body adopts the F27 Annual Operating Budget
- June 1: Deadline for submittal of the FY27 Annual Operating Budget to NM Department of Finance & Administration



Listening to Our Community

- On September 10, 2025, the Governing Body adopted a resolution outlining a new and improved budget process
- Civic Engagement meeting held January 8, 2026; report issued
- City Council study session held January 23, 2026
- Key services, pain points and critical service delivery goals identified
- All input from both meetings taken into account when the proposed FY27 budget was submitted and reviewed
- The proposed FY27 budget directs resources to areas rated highest in importance by the community



Four-Year Strategic Goals and Budget Priorities

adopted February 11, 2026

1. The City of Santa Fe will serve the whole community by supporting development of more housing across the continuum of needs, with a focus on affordable and attainable housing.
2. The City of Santa Fe will invest in improving city systems and infrastructure to ensure efficient and effective use of city resources, which will enhance service delivery and customer service. This may include streamlining internal processes and procedures, leveraging technology for better asset management, prioritizing data-driven decision making, and recruiting and retaining highly qualified city staff.
3. The City of Santa Fe will work to reduce crime and increase public safety. This may include ensuring safer streets, crosswalks and corridors, noise and speed enforcement to reduce traffic and pedestrian accidents and to enhance quality of life, and strategic policing efforts to reduce crime and ensure public safety.



Investing in Our Greatest Resource - Our Employees

- Completing phase 4 of the Classification & Compensation Study recommendations, including salary increases in various areas
- Providing a 2.5% cost of living increase (COLA)
- Absorbing employee health insurance increases within existing resources, without passing on additional costs to employees
- Initiating a multi-year transition from contracted services to in-house work, increasing efficiency in service delivery
- Adding 14 new positions and funding other personnel changes to enhance staffing in critical areas (*see next slide for details*)



FY27 Staffing Additions & Changes

- Two (2) new positions and associated equipment in the Constituent Services Division, including a Broadcast and Streaming Production Specialist to schedule, facilitate, and produce the public-facing online components of all meetings held in the Council Chambers, and a Translator that was converted from a part-time to a full-time position for FY27, which will support effective written and oral communication with Spanish-speaking constituents, vendors and community members
- Two (2) new Project Manager positions and associated equipment in the Economic Development Division, funded primarily by freezing the Community Development Director position
- Reclassification of one (1) Emergency Management Coordinator position to an Assistant Director position in the Emergency Management Department, funded in part by a reduction to the Department's contractual services budget
- An allocation of \$250,000, which was set aside for legislative support staff in the City Council's contractual services budget, pending a final determination of the positions' job duties, salary levels and budgetary impact
- One (1) new Information Systems Manager position and associated equipment in the Human Resources Department to enable the City to maximize the Tyler Human Capital Management (HCM) system's capabilities, enhance efficiency and reduce the Department's reliance on outside contractors

FY27 Staffing Additions & Changes (continued)

- Two (2) new positions in the Metropolitan Redevelopment Agency (MRA), including an Administrative Manager and a Project Manager and associated equipment, to assist with the MRA's growing responsibilities
- Two (2) new Project Manager positions and associated equipment in the Affordable Housing Division, and one (1) re-funded/unfrozen Engineer position in the Technical Review Division, to assist with the Planning & Land Use Department's service delivery efforts and ongoing initiatives
- One (1) new Public Information Officer position and associated equipment, plus one (1) Public Records Specialist that was transferred from the City Attorney's Office, to enhance the Police Department's ability to comply with Inspection of Public Records Act (IPRA) requirements, meet statutory deadlines, reduce backlog, and uphold the highest standards of transparency and accountability
- A new Parks crew, comprising seven (7) positions (one Parks Superintendent, two Parks Maintenance Worker Seniors, and four Parks Maintenance Workers) and associated equipment, which is intended to address the need for vegetation management, particularly in the city's medians, and homeless encampment cleanups; because much of this function is currently performed by contracted labor, the cost of the crew was partially offset by a reduction of \$200,000 in contractual services, which will allow the Division to transition from the current contracted service to in-house service delivery without significant disruption

FY27 Staffing Additions & Changes (*continued*)

- Reclassification of two (2) positions to better address changing personnel needs at the Santa Fe Regional Airport; this includes the reclassification of an Airport Shuttle Driver position to an Airport Security Officer position, and the reclassification of a Custodian position to a Mechanic Supervisor I position
- One (1) new Assistant Operations Manager and associated equipment in the Tourism Department to address critical operational needs at the Santa Fe Convention Center

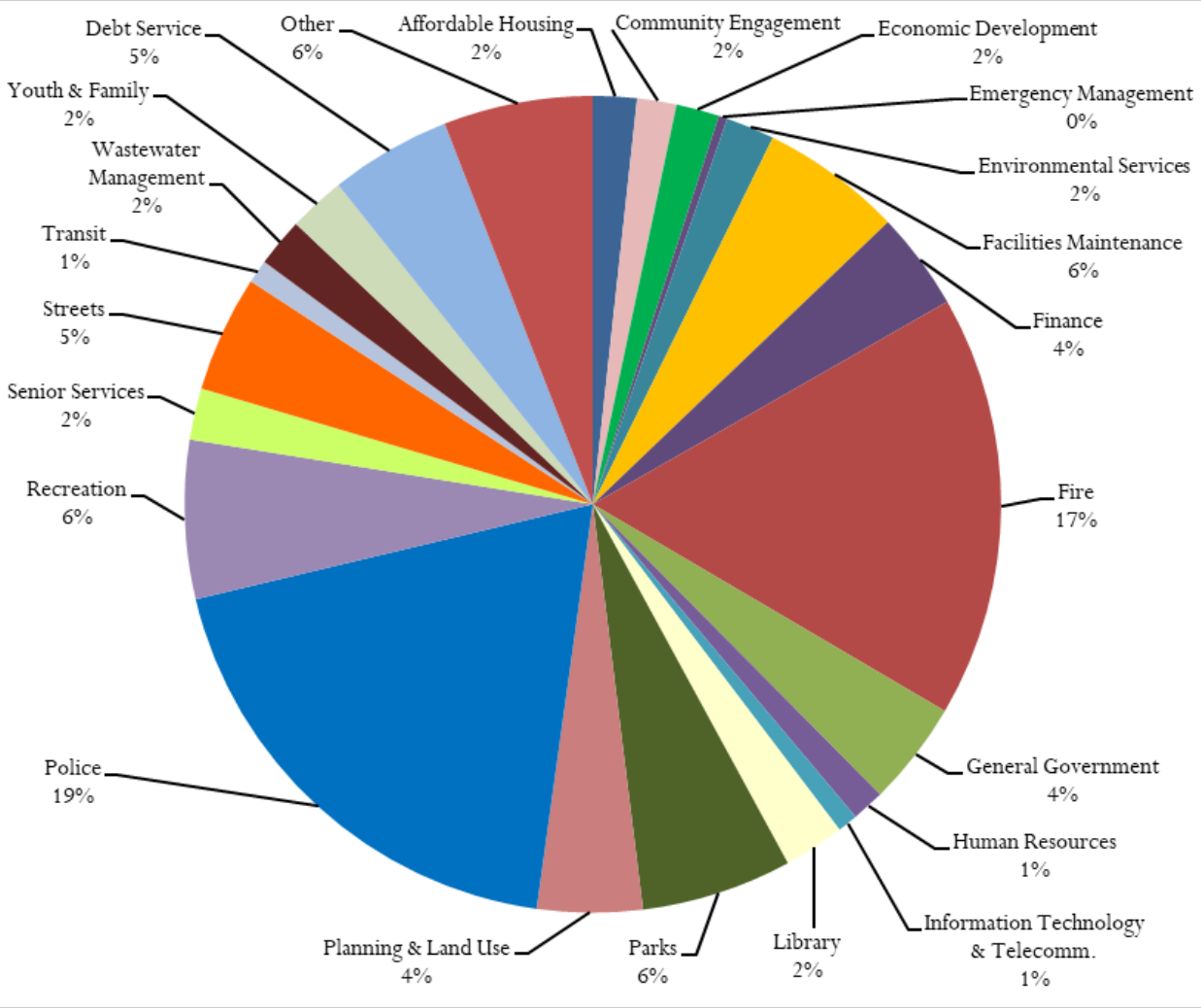


Planning for the Future: “Rainy Day Funds”

The proposed budget provides funding for:

- A strategic reserve of \$1.5M for critical repairs and maintenance as needed for the City’s vast and widely-dispersed facilities
- A strategic reserve of \$1.5M for future high-priority vehicle and equipment replacement needs
- A capital reserve of \$8.9M for new and ongoing capital improvement projects, including emergency projects

What Do My Taxes Pay For?



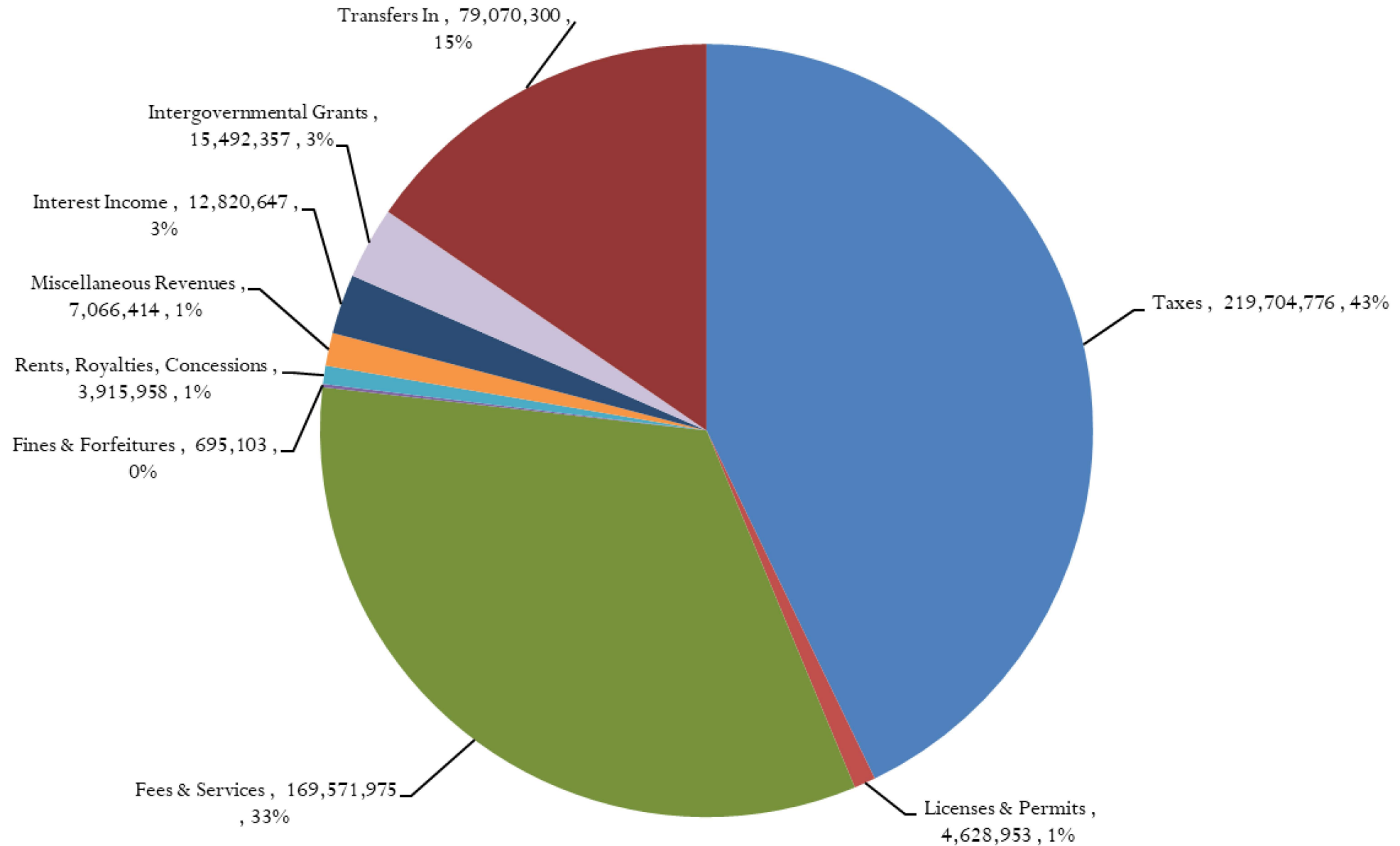
	<u>FY 27 Proposed Budget</u>
Affordable Housing	\$3,348,125
Community Engagement	3,013,794
Economic Development	3,289,739
Emergency Management	669,528
Environmental Services	3,717,044
Facilities Maintenance	10,799,365
Finance	7,491,747
Fire	32,272,653
General Government	7,969,497
Human Resources	2,500,402
Information Technology & Telecomm.	1,549,715
Library	4,637,904
Parks	11,516,356
Planning & Land Use	8,049,415
Police	36,806,415
Recreation	12,125,199
Senior Services	3,935,087
Streets	8,919,607
Transit	1,785,049
Wastewater Management	3,717,044
Youth & Family	4,334,024
Debt Service	9,275,539
Other	11,416,351
TOTAL	\$193,139,599

All Funds Summary

REVENUE

Type	FY26 Original Budget	FY27 Proposed Budget	Change (%)
Taxes	\$ 207,207,967	\$ 219,704,776	+6.0%
Licenses & Permits	\$ 4,126,300	\$ 4,628,953	+12.2%
Fees/Service Charges	\$ 154,077,918	\$ 169,571,975	+10.1%
Grants	\$ 10,036,224	\$ 15,492,357	+54.4%
Interest/Other	\$ 106,074,217	\$ 103,568,422	-2.4%
TOTAL	\$481,522,626	\$512,966,483	+6.5%

PROPOSED FY27 REVENUE BUDGET - ALL FUNDS

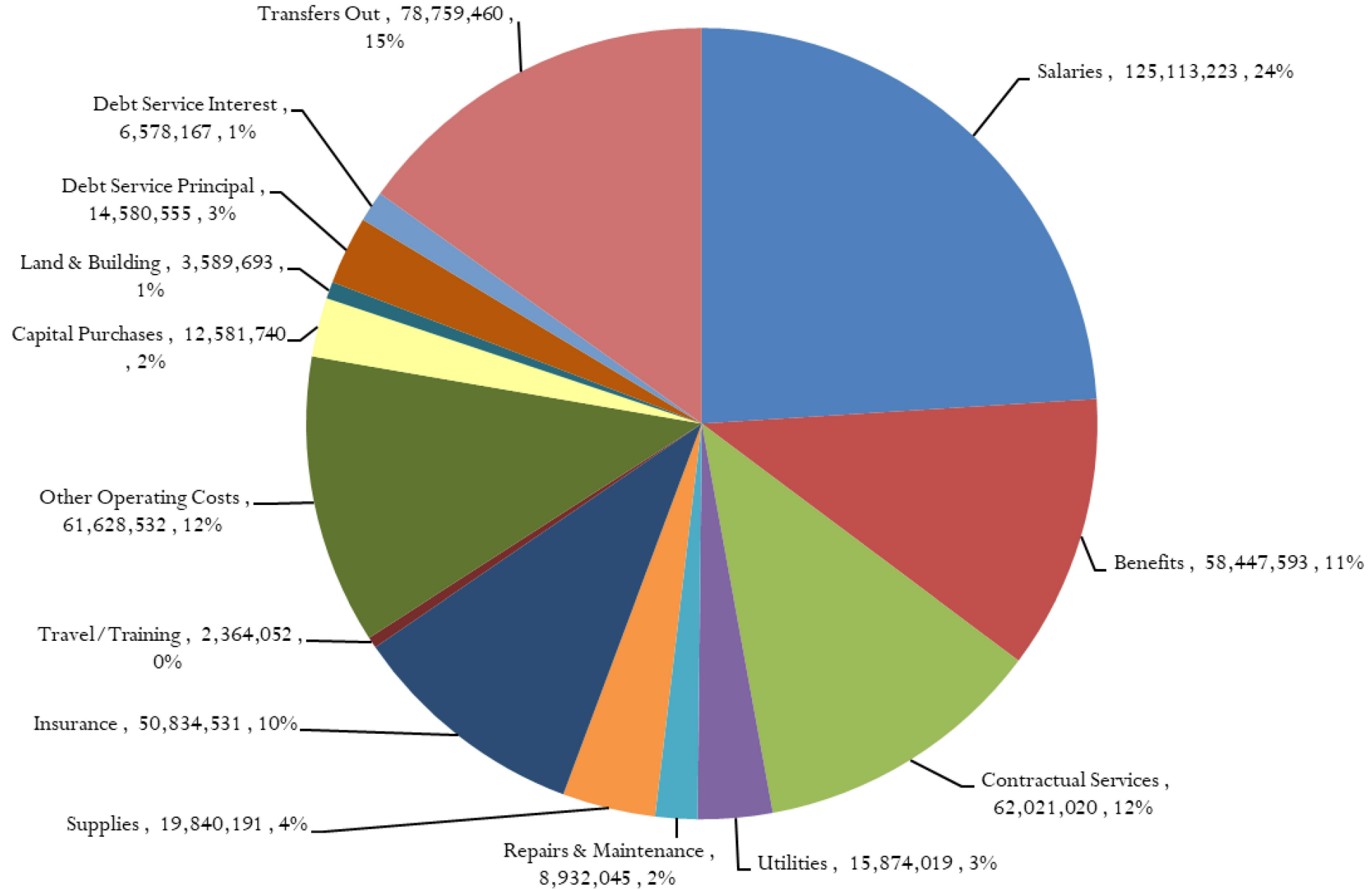


All Funds Summary

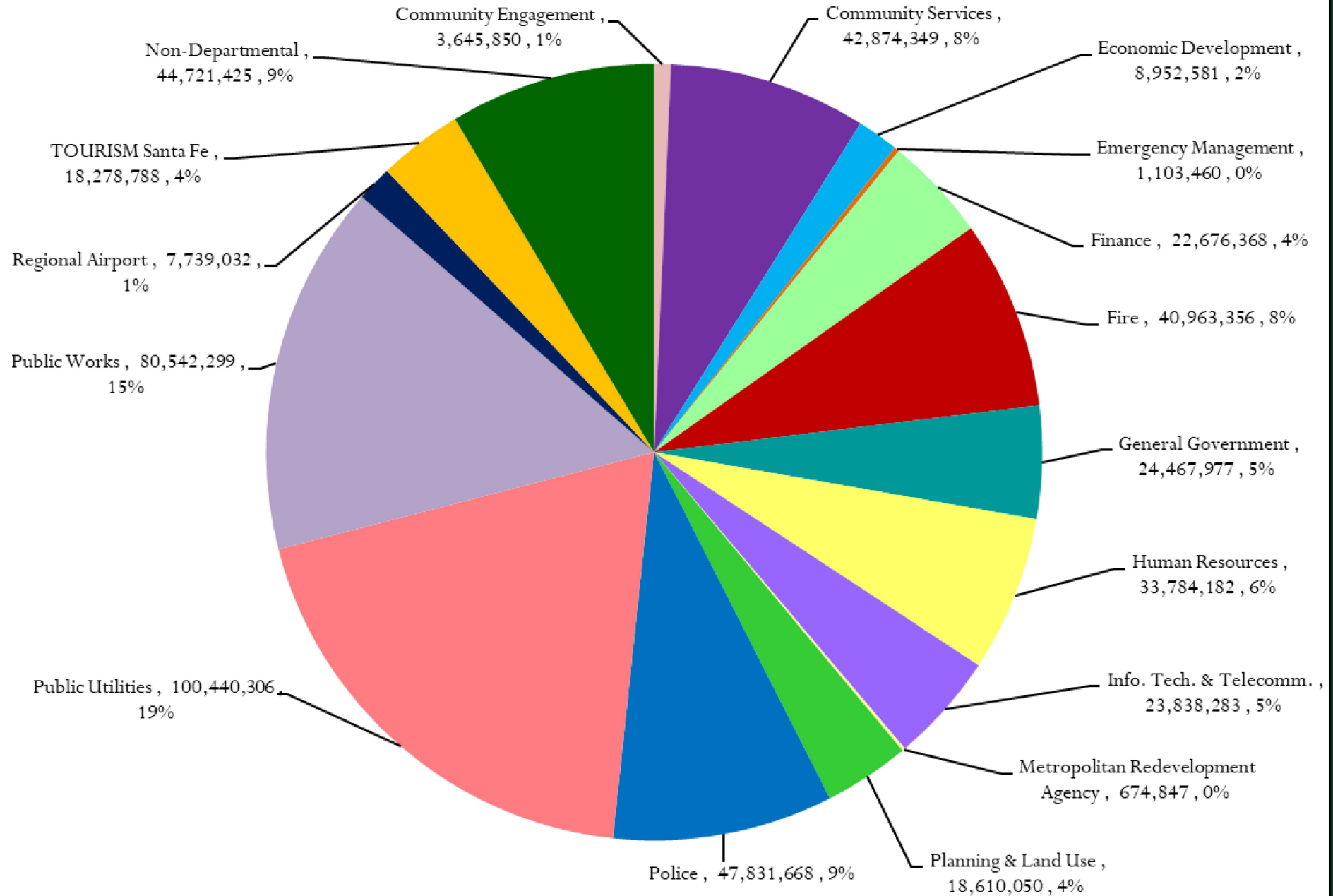
EXPENDITURES

Type	FY26 Original Budget	FY27 Proposed Budget	Change (%)
Personnel Services	\$ 170,291,019	\$ 183,560,816	+7.8%
Operating Expenses	\$ 193,208,028	\$ 221,494,390	+14.6%
Capital Outlay	\$ 14,196,511	\$ 16,171,433	+13.9%
Debt Service	\$ 22,561,097	\$ 21,158,722	-6.2%
Transfers to Other Funds	\$ 80,332,737	\$ 78,759,460	-2.0%
TOTAL	\$480,589,392	\$521,144,821	+8.4%

PROPOSED FY27 EXPENDITURE BUDGET - ALL FUNDS



PROPOSED FY27 EXPENDITURE BUDGET - ALL FUNDS

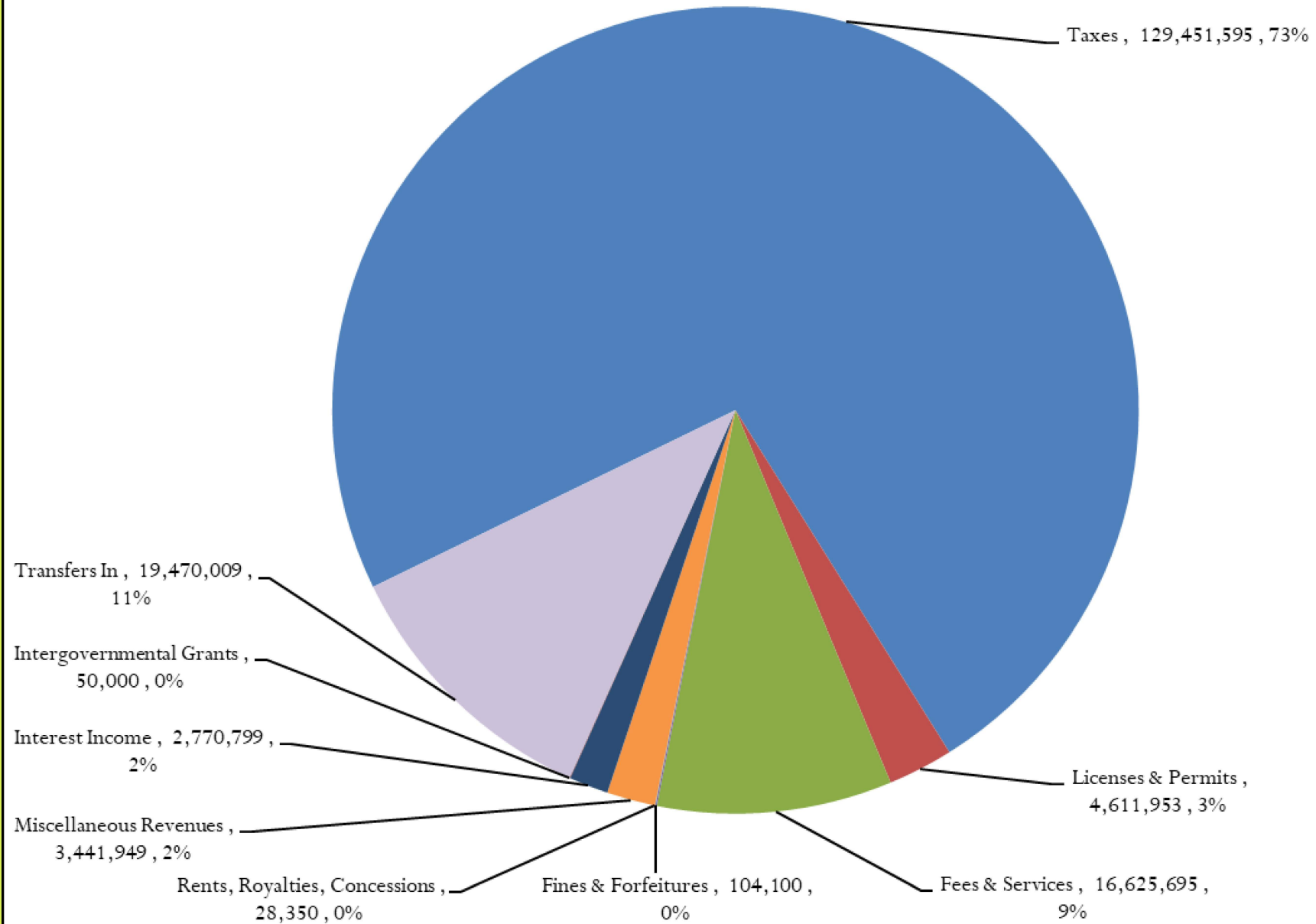


General Fund Summary

REVENUE

Type	FY26 Original Budget	FY27 Proposed Budget	Change (%)
Taxes	\$ 122,883,817	\$ 129,451,595	+5.3%
Fees/Service Charges	\$ 15,268,776	\$ 16,625,695	+8.9%
Miscellaneous/Other	\$ 5,370,308	\$ 8,236,352	+53.4%
Interest on Investments	\$ 3,134,105	\$ 2,770,799	-11.6%
Transfers from Other Funds	\$ 14,394,600	\$ 19,470,009	+35.3%
TOTAL	\$161,051,606	\$176,554,450	+9.6%

PROPOSED FY27 REVENUE BUDGET - GENERAL FUND

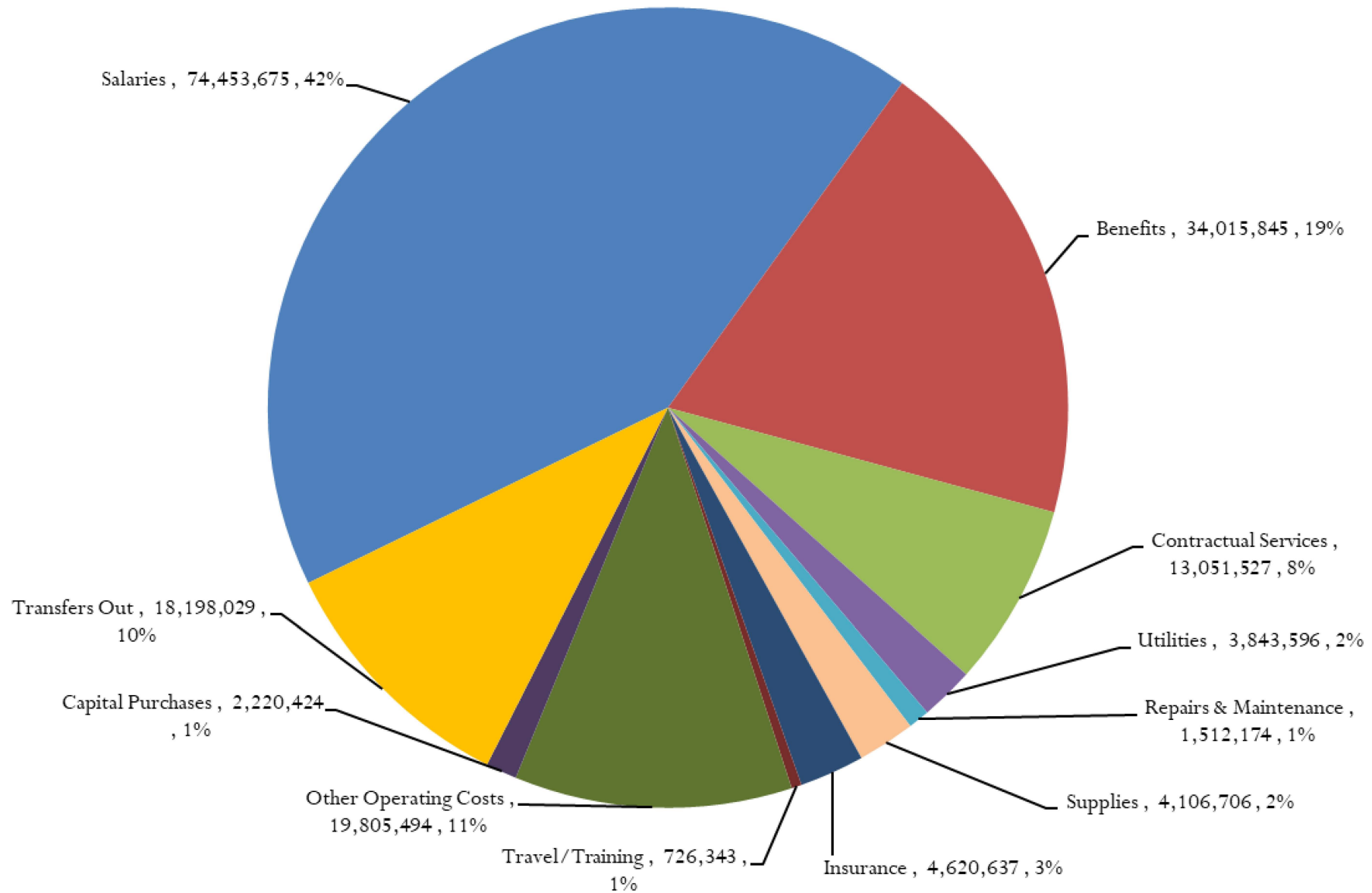


General Fund Summary

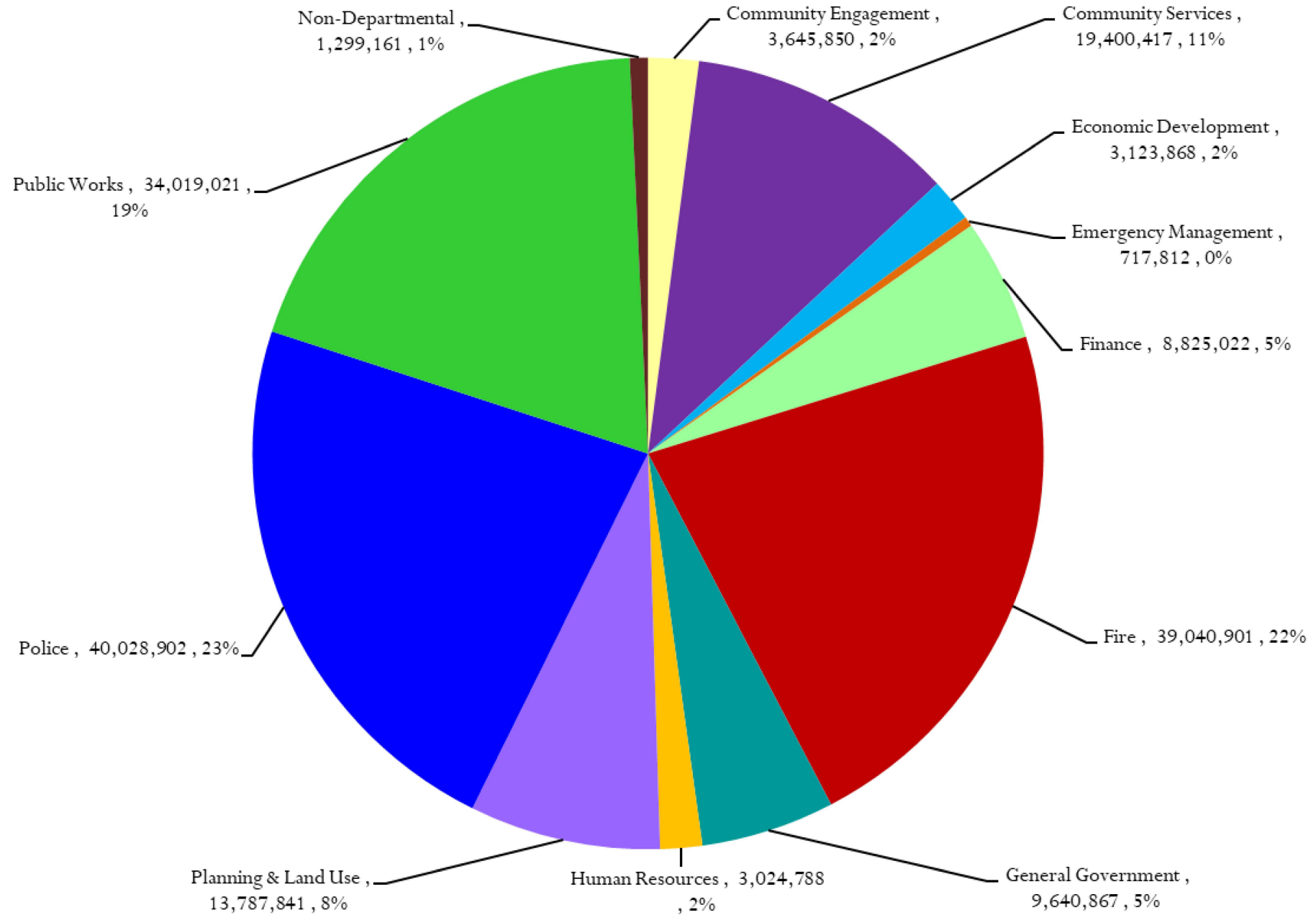
EXPENDITURES

Type	FY26 Original Budget	FY27 Proposed Budget	Change (%)
Personnel Services	\$ 100,908,771	\$ 108,469,520	+7.5%
Operating Expenses	\$ 39,332,773	\$ 47,666,477	+21.2%
Capital Outlay	\$ 1,742,201	\$ 2,220,424	+27.4%
Transfers to Other Funds	\$ 19,067,861	\$ 18,198,029	-4.6%
TOTAL	\$161,051,606	\$176,554,450	+9.6%

PROPOSED FY27 EXPENDITURE BUDGET - GENERAL FUND



PROPOSED FY27 EXPENDITURE BUDGET - GENERAL FUND



Community Engagement Department FY27 Budget Highlights

The Community Engagement Department's proposed FY27 budget of \$3,645,850 decreased by \$181,764, or 4.7%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$3,645,850 increased by \$418,236, or 13%, from the original FY26 budget.

The Community Engagement Department's proposed FY27 budget includes funding for 23 positions (reflecting 23 full-time equivalents or FTEs).

Community Services Department FY27 Budget Highlights

The Community Services Department's proposed FY27 budget of \$42,874,349 increased by \$2,566,203, or 6.4%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$19,400,417 decreased by \$476,451, or 2.4%, from the original FY26 budget.

The proposed FY27 Community Services Department budget includes funding for 227 positions (202.5 FTE).

Department of Economic Development and Creative Industries FY27 Budget Highlights

The Department of Economic Development & Creative Industries proposed FY27 budget of \$8,952,581 increased by \$968,394, or 12.1%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$3,123,868 increased by \$274,877, or 9.6%, from the original FY26 budget. In FY26, the former Arts & Culture Department and Santa Fe Film Office were reorganized as Divisions within the Department of Economic Development & Creative Industries.

The proposed FY27 budget for the Department of Economic Development & Creative Industries includes funding for 22 positions (22 FTE).

Emergency Management Department FY27 Budget Highlights

The Emergency Management Department's proposed FY27 budget of \$1,103,460 increased by \$155,362, or 16.4%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$717,812 increased by \$381,888, or 113.7%, from the original FY26 budget.

The proposed FY27 Emergency Management Department budget includes funding for 2 positions (2 FTE).

Finance Department FY27 Budget Highlights

The Finance Department's proposed FY27 budget of \$22,676,368 decreased by \$3.7 million, or 13.9%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$8,825,022 increased by \$73,814, or 0.8%, from the original FY26 budget.

The proposed FY27 Finance Department budget includes funding for 58.4 positions* (58.4 FTE).

**The position count is not a whole number due to a split-funded position*

Fire Department FY27 Budget Highlights

The Fire Department's proposed FY27 budget of \$40,963,356 increased by \$5.1 million, or 14.1%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$39,040,901 increased by \$4.3 million, or 12.4%, from the original FY26 budget.

The proposed FY27 Fire Department budget provides funding for 210 positions (210 FTE).

General Government FY27 Budget Highlights

The proposed FY27 General Government budget of \$24,467,977 increased by \$3.3 million, or 15.3%, from the original FY26 budget. The Department's proposed FY25 General Fund budget of \$9,640,867 increased by \$1.5 million, or 17.9%, from the original FY26 budget.

The proposed FY27 budget for General Government includes funding for 62.27 positions* (62.27 FTE).

**The position count is not a whole number due to a split-funded position*

Human Resources Department FY27 Budget Highlights

The Human Resources Department's proposed FY27 budget of \$33,784,182 increased by \$1.4 million, or 4.4%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$3,024,788 increased by \$428,891, or 16.5%, from the original FY26 budget.

The proposed FY27 Human Resources Department budget includes funding for 18 positions (18 FTE).

Information Technology & Telecommunications Department FY27 Budget Highlights

The Information Technology & Telecommunications (ITT) Department's proposed FY27 budget of \$23,838,283 increased by \$8.8 million, or 58.7%, from the original FY26 budget.

The proposed FY27 ITT budget includes funding for 44.9 positions* (44.9 FTE).

**The position count is not a whole number due to a split-funded position*

Metropolitan Redevelopment Agency FY27 Budget Highlights

The Metropolitan Redevelopment Agency's proposed FY27 budget of \$674,847 increased by \$80,262, or 13.5%, from the original FY26 budget.

The proposed FY27 budget for the Metropolitan Redevelopment Agency provides funding support for 3 positions (3 FTE).

Planning & Land Use Department FY27 Budget Highlights

The Planning & Land Use Department's proposed FY27 budget of \$18,610,050 increased by \$1.6 million, or 9.6%, from the original FY26 budget. The Department's FY26 General Fund budget of \$13,787,841 increased by \$1.7 million, or 13.9%, from the original FY26 budget. In FY26, the former Affordable Housing Department was reorganized as a Division within the Planning & Land Use Department.

The proposed FY27 Planning & Land Use Department budget includes funding for 69 positions (69 FTE).

Police Department FY27 Budget Highlights

The Police Department's proposed FY27 budget of \$47,831,668 increased by \$5.7 million, or 13.6%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$40,028,902 increased by \$3.2 million, or 8.7%, from the original FY26 budget.

The proposed FY27 Police Department budget includes funding for 242 positions (242 FTE).

Public Utilities Department FY27 Budget Highlights

The Public Utilities Department's proposed FY27 budget of \$100,440,306 decreased by \$276,958, or 0.3%, from the original FY26 budget. The newly-created Conservation and Sustainability Division was established in FY26 within the Public Utilities Department, and is focused on water conservation and reuse, environmental sustainability and the work of Keep Santa Fe Beautiful.

The proposed FY27 Public Utilities Department budget includes funding for 259.7 positions* (259.7 FTE).

**The position count is not a whole number due to split-funded positions*

Public Works Department FY27 Budget Highlights

The Public Works Department's proposed FY27 budget of \$80,542,299 increased by \$8.8 million, or 12.3%, from the original FY26 budget. The Department's proposed FY27 General Fund budget of \$34,019,021 increased by \$3.8 million, or 12.5%, from the original FY26 budget.

The proposed FY27 Public Works Department budget includes funding for 341.7 positions* (340.7 FTE).

**The position count is not a whole number due to split-funded positions*

Regional Airport Department FY27 Budget Highlights

The Regional Airport Department's proposed FY27 budget of \$7,739,032 increased by \$2.4 million, or 43.8%, from the original FY26 budget.

The proposed FY27 Regional Airport Department budget includes funding for 37 positions (37 FTE).

Tourism Santa Fe FY27 Budget Highlights

The Tourism Department's proposed FY27 budget of \$18,278,788 increased by \$2 million, or 12.4%, from the original FY26 budget.

The proposed FY27 Tourism Department budget includes funding for 49 positions (49 FTE).

QUESTIONS?

