

FY27 Proposed Budget Q and A (updated May 22, 2026)

Community Engagement Department

1. **Goals and KPIs for department and divisions? See above.**
2. **Is the decrease in this budget primarily because we do not have elections this year?**
Yes, \$600k was budgeted in FY25 for the election/public finance. This expense is not in the FY27 budget.
3. **\$75k contract for shopping cart management – is this still the right amount for this contract? How are we tracking the need/performance of this contract?** The shopping cart contract is set to expire at the end of this fiscal year. We have met with the City Manager to discuss alternative solutions moving forward. In the interim, we have requested that Nebula submit a quote for a six (6) month contract extension to allow sufficient time to evaluate long-term options, including bringing the service in-house or issuing a new competitive solicitation for contracted services. Regardless of the interim approach, a more sustainable long-term solution is needed. Currently, the City spends more than \$50,000 annually collecting shopping carts from surrounding businesses without any compensation or cost recovery from the retailers benefiting from the service.
4. **How has OpenGov for the CRM changed how the public experiences work orders? In the past we haven't had a good way for Councilors to independently track the work orders we've put in – is that now more possible with this change?** OpenGov will improve the public experience for work orders by providing status updates on long-term requests. Constituents will continue to submit work orders through the CRM Public Dashboard, maintaining the current public submission process. The primary change introduced by OpenGov is the internal workflow for processing work orders after they are received by our office through the CRM system. Public Works will serve as the primary user of OpenGov through its integration with ArcGIS and the current Survey123 CRM platform. This integration will allow departments to receive, manage, and track the progress of work orders more efficiently. As updates are entered into OpenGov by departments, Constituent Services will have access to current work order information and can communicate timely updates back to constituents. This process is intended to improve transparency, coordination between departments, and overall communication regarding the status of long-term work orders. The current CRM system does include a councilor dashboard that provides access to this information. However, according to Leonard Padilla, GIS Coordinator, no councilors have activated their accounts or requested training. The capability is nonetheless available for councilors to independently track work orders.
5. **Does the Clerk's Office still oversee website updates?** Yes, all website management and maintenance, including updates, are performed by our Communications & Marketing team, which fall under Community Engagement/Clerk's Office.

Interdepartmental webpage edits and updates are submitted by requests and processed by our team accordingly. For larger, more substantial updates, our Comms & Marketing team works with a contracted Web Developer (Consumer 51).

6. ***We've had money for upgrades to Council Chambers I believe in the Clerk's budget in past years. Is that money still there?*** Yes, unfortunately we have not been able to spend that money, and Public Works has assured us that the spending will start happening. The city has contracted with Woven Architecture for the Council Chambers renovation the process has started.
7. ***There is a 51% reduction in "Other operating costs" from FY26 to FY27 – what is included in that line item?*** Dues, Print/Publish, Advertising, Services of Other City Departments, Postage and Mail Services, Equipment/Machinery Rental, Campaign Funding Assistance and Stipends. The primary decrease was driven by the \$600k in Campaign Funding Assistance.
8. ***Any other large contracts we should be aware of?*** None at this time, but we will be seeking a Records Management System for Records and Archives.

Community Services-Libraries

1. ***With this budget will we be able to expand library hours and get at least one branch open on Sunday?*** – No, the proposed budget does not contemplate Sunday hours. Staff have prepared multiple scenarios on how to accomplish this for Santa Fe libraries and would welcome a work session on this for FY28. Adding another service day without negatively impacting services would require additional operating resources. Estimated costs to add Sunday hours are approx. \$200k for one branch.
2. ***County contributions – have we started discussions with County on this?*** – The city will continue to work on advocating for a more robust county partnership in FY27.
3. ***Contract Admin being moved to department administration – how will this impact operations?*** – This change was made in 2024 to centralize CHS/CSD Admin operations. The library processes approximately 18 contracts annually.

Community Services—Recreation

1. ***Goals for and KPIs for division?***
Goals and KPIs are completed in the dashboard and sent to GB. We are happy to provide more context for questions on any specific question.
2. ***Two new recreation supervisors – what will this mean for service delivery?***
Recreation supervisors plan, organize, and direct recreation programs, special events and facility operations while managing staff and volunteers. They will oversee daily activities, ensure safety standards, and act as a liaison between community members and

department management. These employees also coordinate with aquatic supervisors on activities and programs, work with Recreation Coordinators on programs and events, schedules and coordinate sports leagues and tournaments, reports to Recreation Managers and Facility Managers. These positions support 15 more spots for OOS youth programs.

- 3. Afterschool and summer programming – how many kids will we be able to serve in both programs? Increase, decrease, or same as FY26? What is the possibility of expanding the summer program to include an additional school site? Why are we not taking state funding for afterschool and summer programming and are we looking into starting that? I believe it would be more revenue for us and of course more affordable for the families we serve.**

We were able to serve 84 after-school participants this school year. There was an increase in FY26 as a new supervisor position was created, which allowed us to serve an additional 15 participants. Summer program numbers have remained consistent, and we are serving close to 500 youth participants. Although we do have a waiting list, we are serving as many children as possible while adhering to staff-to-child ratio requirements. We recommended close to 87 summer temporary staff positions this year were recommended for hire. More than in previous years. The staff we hire are typically high school or college students who often have vacations, school commitments, and other scheduling conflicts. On average, about 10 staff call out each day during the summer. Ensuring adequate coverage and maintaining proper staff-to-child ratios is extremely important. We also lost approximately 10 candidates after they backed out before the positions even began. We could easily expand by an additional program site if the Youth Programs budget was increased to support staffing positions and operational needs.

Youth Recreation programs are classified as recreation programs (not childcare programs) to meet current state requirements. Currently, we operate out of the GCCC, and the community room is utilized for many purposes, including rentals, meetings, and events, rather than solely for Youth Programs. In order to begin contracting with the state to capitalize on universal childcare funds, the city will need to have a facility for childcare that meets ECECD standards, adhere to the established ECECD wage and career ladder, and all the policies for safe and educational childcare therein. We would also need a dedicated space specifically for Youth Programs that meet childcare standards. This is an opportunity we hope to explore in the future.

- 4. County – how many users are county residents and have we talked to County about help with funding?**

Non-City of Santa Fe zip code use from 1/1/25 to 1/1/26: Fort Marcy, Sal P. and BC pool had 330 memberships, with 5,300 entries (uses). The GCCC had 1,300 memberships, 37,000 entries (uses). We hope to partner meaningfully with the county and state in the future, as City recreation facilities, specifically the GCCC, hold regional importance for athletes.

- 5. Pool hours – what is the goal for these to be for the summer and rest of the year? What is the plan with lifeguards?**

The goal for summer hours from 5/26/26 to 8/2/26 is to operate and staff the GCCC (3 pools) and the BC pool. (GCCC M-F 6:00am to 6:00pm, Sat/Sun 8:30am to 3:30pm) (BC Pool M-F 6:00am to 7:00pm, Sat/Sun 10:30am to 5:00pm). Pool staff are working to hire

enough staff to open all three operating pools, for at least partial day usage at Ft Marcy. Long term solutions for lifeguards is an ongoing conversation. Outsourcing lifeguard duties to a qualified service provider could be a solution for Fort, Sal P. and BC when open. All current guards would then work at the GCCC. Better coverage, less down time, sustainable lifeguard schedules, increased programming, extended hours, increased revenue.

Community Services-Senior Services

1. *What is meant by the goal to “expand equitable access and inclusion” and how does this budget get us there?*

The Senior Services will ensure that all individuals that we can recruit to volunteer in our volunteer programs: Foster Grandparent (FGP), Senior Companion (SCP), Care Companion (CCP), and Retired Senior Volunteer (RSVP) Programs are encouraged to apply. The funding that is awarded by the Corporation for National and Community Services (AmeriCorps) and State of New Mexico Aging and Long-Term Services Department (ALTSD) for this program is based on Volunteer Service Year “VSY” service hours for FGP, SCP, and CCP. A VSY is equivalent to 1044 hours and RSVP bases the volunteer hours on \$1 for one volunteer hour. The City of Santa Fe’s agreement with AmeriCorps and the ALTSD varies for each program based on awarded VSY’s. By increasing the number of volunteers and ensuring that everyone who is 60 and over is not excluded from taking part in the volunteer program regardless of their situations. We have experienced low numbers of volunteers after covid which limits our ability to meet the goals set by AmeriCorps and ALTSD.

Community Services-Youth and Family Services

1. *Goals and KPIs for the Division?*

Please see the Goals and KPIs worksheet for a full overview. If there are questions on any specific metric, priority, or target, I am happy to provide additional detail and context.

2. *Parking Lot – Are we still looking to rename this division to better reflect what they actually do?*

This is a possibility and will be discussed with the Mayor and City Manager.

3. *Two Program Managers and a Data, Reporting, and Policy Development Manager – How will these positions impact the division? What will they do?*

These are critical positions to strengthen the City’s homelessness response.

- Data, Reporting, and Policy Development Manager: This role ensures we can accurately track performance, measure outcomes, and make data-informed decisions. Without in-house expertise, we are overly reliant on outside data sources that may not fully capture local conditions or be easily validated.
- Program Managers: These roles will provide much needed additional capacity, improve program oversight, contract management, implementation, and accountability across homelessness initiatives. They will also help ensure City investments, projects, and initiatives are producing measurable results.

Historically, *the division had only one Program Manager overseeing all homelessness work citywide*. As a result, prior department leadership had to dedicate a substantial amount of time to filling operational gaps. Adding these positions helps right-size the work and align staffing levels with peer cities, many of which have full departments or larger teams dedicated to housing and homelessness because of the scale and urgency of these issues.

4. Richards Micro-Community – Seeing up to 35 families. I thought the original stated potentially up to 50. Why only 35?

The number refers to 35 units, not 35 people, and that has not changed. Each unit is approximately 120 square feet and can generally accommodate 2–3 people depending on family composition and needs. We also want to be intentional about maintaining an appropriate staff-to-client ratio and avoiding overcrowding. The goal is to provide a supportive, stable environment that leads to successful outcomes, not simply maximize density.

5. Is one of the goals for FY27 to open a Micro-Community in District 1 or District 3, based on the 2025 resolution committing to one per district?

Future micro-community expansion would depend on Council direction and partnership. We have several potential sites that could be evaluated, but moving forward would require Council support on preferred locations.

We currently have 35 units remaining after the Richards deployment. However, to activate additional sites across the city, we would need funding for site development, operations, staffing, and related infrastructure.

6. Parking Lot – Plan to deploy additional pallet shelters?

Yes. We are actively evaluating locations for a third site for our remaining Pallet units in stock, and considering how additional units could support future sheltering needs.

7. \$2.1M decrease in budget – why?

The budget decrease is tied to one-time funding changes and the completion or transition of certain initiatives that were previously supported with temporary resources. It does not necessarily reflect a reduction in priority, but rather a shift in funding sources and budget alignment. We can provide a detailed breakdown of the specific line items if helpful. Additionally, YFD’s FY26 Community Development Fund 240 budget (supporting Children & Youth, Human Services, including Homelessness and Veteran Programs) was originally budgeted with an approximate \$2.6 million General Fund transfer that exceeded the amount our department had requested at the time. To align the budget and correct this technical over-allocation, that transfer amount was removed in the FY27 proposed budget, resulting in a corresponding \$2.6 million reduction to YFD’s overall budget. Importantly, this adjustment does not represent a reduction in programs or services; rather, it reflects a back-end fund transfer correction between YFD accounts that was unnecessary to continue in FY27.

Department of Economic Development and Creative Industries

1. What is the Creative Hub?

The Creative Hub initiative began as a collaborative effort between Economic Development and Arts & Culture to strengthen Santa Fe's creative economy as a targeted industry sector. The City received grant funding through the State Creative Industries Division to help establish the initiative and support early planning, coordination, and ecosystem development efforts.

The initiative follows the Office of Economic Development's broader targeted industry development approach, which focuses on supporting and strengthening industry ecosystems through:

- Industry convenings and ongoing stakeholder engagement
- Relationship building and cross sector collaboration
- Business outreach and ecosystem coordination
- Asset mapping and identification of infrastructure gaps
- Workforce and education partnerships
- Technical assistance and resource navigation
- Communications, promotion, and visibility strategies
- Placemaking and district activation efforts
- Access to funding, grants, and support programs
- Long term strategic planning and industry growth opportunities

The Creative Hub is intended to help strengthen connections across Santa Fe's creative industries, including artists, makers, creative entrepreneurs, cultural organizations, educational institutions, and related businesses, while identifying long term opportunities for growth, collaboration, and economic impact within the sector.

The City intends to continue building this effort by strengthening connections between creative businesses and organizations, improving access to resources and support systems, and continuing to develop a more connected and resilient creative industry ecosystem over time and leveraging the support and efforts of the Small Business Navigator Program.

2. ARPA is ending – of the programs funded through OED, how many are being funded with a different funding source, how many are left unfunded, and how many were only designed to be one-time infusions?

ARPA

- Small Business Navigator Program
- Downsizing and considering contract with NMSU using OED funds
- UNM- Native Business Development Coordinator
- Partnering with County and using OED funds
- SFCC Workforce Coordinator
- Translation services for community programs
- Contract Administrator
- Extended 1 yr more with 1x funds
- Small Business Micro Grants
- Considering using OED funds

- Downtown Business Development Coordinator
- Considering using OED funds

One time funding:

- SFPS Work based Learning program
- South side Business Development Coordinator
- Workforce/Financial Literacy Coordinator
- Contracts Administrator
- SAFE grants
- Go Local Go Different
- Considering using OED funds
- SFCC support for Trades and Certification

3. *Is there funding to continue with APRENDE?*

The Aprende contract will expire 12.31.2026. SFCC has received Congressionally Directed Spending to support and expand the program in FY27. YFS staff will continue support collaboration on this valuable program and understand the Aprende program will need support in FY28.

Department of Economic Development and Creative Industries-*Economic Development*

1. *New positions – are they term or permanent? It says they are term on the chart on page 23?*

The proposed positions are intended to be permanent positions. The restructuring includes the creation of two project management/leadership support positions to help support coordination, implementation, and operations. There was a text error in the budget document showing that these are term positions-this will be fixed in the final adopted budget document.

2. *What will be accomplished with new positions? Also, how many are already here from ARPA funding?*

The positions are being created to help support a growing volume of projects, initiatives, grants, partnerships, and cross departmental coordination efforts across the department. The Office of Economic Development has grown significantly in both service and scope over the past several years, including expanded responsibilities related to workforce development, district activation, business support, communications, grants management, ecosystem building, strategic planning, and cross departmental initiatives. The positions utilize salary savings from the vacant Community Development Department Director position.

Much of the current staffing structure remains heavily weighted toward entry level operational positions, with limited internal leadership and project management support capacity. The intent of the new positions is to strengthen internal coordination, implementation, communications, operational management, and leadership support as

the department continues to grow and integrate new functions. These positions would serve as part of the division's leadership and project management structure supporting the Director.

Existing positions initially supported through ARPA funding include the Downtown Business Coordinator position and Contracts Administration support. In addition, the City has supported several partner-based positions connected to broader economic and workforce development efforts, including the Small Business Navigator through NMSU, a Workforce Coordinator partnership with SFCC, and Native Business Development support through UNM.

Department of Economic Development and Creative Industries-Arts and Culture

1. *What are the community events and nonprofits funded by A & C?*

Arts & Culture maintains partnership agreements and sponsorship support for a range of cultural events, nonprofit organizations, and community-based activations throughout the year. Major recurring partnerships currently include:

- Human Rights Alliance (Santa Fe Pride)
- Vital Spaces (Juneteenth)
- New Mexico Lowrider Arte y Cultura (Lowrider Day on the Plaza and Christmas Light Cruise)
- Santa Fe Indigenous Center (Honoring Native Nations Pow Wow on the Plaza)

In addition to larger annual partnerships, Arts & Culture also supports a rolling sponsorship and community funding program throughout the year. The specific organizations and events vary annually based on applications, funding availability, and community programming, but typically more than 30 organizations, events, and cultural initiatives receive support each year.

2. *New position – how will this impact operations and outcomes?*

The new FY26 position was recently filled and is expected to strengthen both internal operations and external engagement capacity within Arts & Culture. Anticipated outcomes include increased community outreach and partnership coordination, improved operational efficiency, expanded capacity to support programming and cultural initiatives, and additional support for the City's Art in Public Places efforts and related projects.

3. *District funding – highlight for new councilors*

Raised to 15K per district for FY27; will formalize with updated guidelines and assistance for all councilors

4. *How do we determine where new public art goes? Is there a plan we're following?*

Arts & Culture is currently working to redevelop and update both the Art in Public Places (AIPP) policies and the broader strategic framework guiding public art investments and placement throughout the city. The recently hired Assistant Arts & Culture Director brings extensive experience in public art management and will help support this work moving forward.

Public art locations are determined through several factors and processes, including:

- The City's 2% for Public Art ordinance and related project guidelines
- Geographic and equitable distribution considerations across the city
- Councilor and constituent requests and community identified opportunities
- Capital projects and City facility improvements
- Opportunities identified through partnerships, invitations, or site-specific needs

In many cases, public art opportunities emerge through efforts to improve and activate public facing City facilities and infrastructure, such as the Public Works complex on Siringo, the Convention Center parking garage, and other civic spaces throughout Santa Fe.

5. *Greer Garson Theater- what's the plan and how much City funding is proposed to be invested?*

A feasibility study for the Greer Garson Theater was recently completed and identified four potential operating and redevelopment scenarios for consideration. The project team is currently reviewing the study with the City Manager's Office and plans to brief the Governing Body as well.

The Midtown Redevelopment Authority (MRA) is serving as a key project partner in the effort. The city and project partners are also exploring potential capital outlay funding opportunities and other funding sources to support future redevelopment or operational investments. At this stage, the level of direct City financial contribution remains under discussion and has not yet been finalized.

Emergency Management

1. *EM Exercises debrief: how prepared are we, and where are the gaps?*

More than happy to meet about this at council's leisure to discuss in detail. Departments are individually strong within their respective domains, and throughout the organization there is a notable ability and willingness to develop and maintain situational awareness, use resources in novel ways when necessary, and coordinate with external partners during routine incidents.

Challenges arise when our normal systems become overwhelmed; real-time information sharing, tracking and managing resources being used outside of their normal scope, and rapidly planning for what might be needed in the next days or weeks. Those findings are the primary drivers for requested enhancements in this budget. The Virtual EOC buildout to facilitate improved coordination both steady state and during disasters (Q7), and the Assistant Director position budget enhancement to support continued focus on high-frequency citywide preparedness activities (Q4/5).

In short - there is work to do, but we're doing well.

2. *How do I find Ready Santa Fe?*

ready.santafenm.gov

During incidents, SFPD and Emergency Management link directly to the website in public notifications. It is most frequently used for day-to-day public safety notifications in parallel with Alert Santa Fe (i.e. major road closures, requests to avoid certain areas due to police activity). It is the same system we will utilize for providing improved information during major incidents requiring evacuations, opening shelters, or delivering other critical emergency information. This tool has built capacity within the organization steady state and avoids the need to create something similar in real time during a disaster (as was the case in other recent disasters in NM) or create a system that is only utilized during disasters. No other organization in NM has something comparable for both routine public safety and disaster use. In general, comparable capabilities only exist in much larger, better resourced jurisdictions.

3. *How is EM advertising resources to the public? Do we have them at events, like Economic Development or PD?*

Before Disasters:

Emergency Management provides connectivity to digital, technological, and in-person preparedness resources through both hazard-specific in-person events (like Wildfire Preparedness Day earlier this month, PNM/EMNRD wildfire town hall earlier this fiscal year), and by developing and managing content and systems that other departments with much larger public-facing presences push through their work, such as Ready Santa Fe (see Q3), and Alert Santa Fe. Additionally, this FY Emergency Management worked with Communications to develop an ongoing “evergreen” preparedness campaign which regularly runs on City-managed social media and listservs – with expanded outreach planned for FY27.

During Disasters:

Emergency Management is authorized to send government alerts through the Integrated Public Alert and Warning System (like an Amber Alert), as well as Alert Santa Fe and Ready Santa Fe. During a disaster, all systems will be utilized: IPAWS for communicating life safety and emergency protective measures (ex. Evacuation orders), Ready Santa Fe in parallel for the visual display of the same information (areas under evacuation orders, evacuation routes, shelter locations), and Alert Santa Fe as both a redundancy and a way to provide ongoing situational awareness to constituents after initial protection measures have taken place.

At every opportunity, whether an in-person event, a media interview, or a constituent email, Emergency Management pushes the importance of ensuring government alerts are enabled on all devices, constituents are opted in to Alert Santa Fe, and that they are aware that Ready Santa Fe exists.

4. *Why reclassify to Assistant Director in a two-person department, and what contracts were cut to fund it?*

Budget/ HR Context:

When a director vacancy occurred in FY26, the department froze the now-open position and redirected those funds to consultant support to keep training, exercises, and planning on track while the (now) director led the program through the transition. This budget

restores FY26 staffing levels to baseline. The contractual reduction is the offset; no recurring or multi-year contracts were cut.

The reclass for the Assistant Director is an administrative change. The Coordinator job description referred to the role as a Deputy Director, and that position did perform duties consistent with an Assistant/Deputy, without commensurate pay or title. HR has reviewed and approved the reclassification. Without budget enhancements, the existing EM budget is adequate to pay for the reclassified position at the very low end of the classification range. The proposed budget enhancement allows for paying an equitable salary for a qualified candidate, ensuring competitive pay with NM Department of Homeland Security and Emergency Management as well as other metro-area EM programs supervisory positions. The net budget impact after contractual offsets is \$15,262.

Operational Context:

The structure mirrors Fire/Police department structures that provide clear ownership of certain mission areas and functions to individual assistant or deputy chiefs. It is a start to bringing the EM program in line with best practices observed throughout the US and provides for succession and program continuity during routine staffing turnover – the same as with Police and Fire (see: Interim Chiefs leading both departments currently, with no gaps in service).

The Assistant Director owns the preparedness mission day-to-day: response-oriented planning, training, exercises, corrective action tracking, and associated preparedness-related finances. During major incidents, they serve as EOC Director, coordinating roles among departments, while the EM Director coordinates with executive leadership, external partners, and mutual aid resources. The job description has been overhauled to provide clear ownership of these functions.

The Director owns all other aspects of the program: executive and interagency coordination, the hazard mitigation mission area, grants and finances, advanced technology adoption, continuity of operations planning, and overall program management.

Further, two people is not the end goal. To bring the department in line with comparable jurisdictions in the US, the program needs dedicated staff capacity in GIS and communications to support situational awareness and public information and warning capabilities; hazard mitigation and critical infrastructure protection expertise; and grant/program administration. This is step one of a deliberate build that will take several FYs.

5. *What's being cut in contractuels, and what's the impact?*

Targeted consultant support remains valuable and will continue to be pursued for specialized planning, training, and technology needs, but is not a major part of this budget within EM's request (*see Q6 for exception).

6. *What's driving the large increase in Other Operating Costs?*

Primarily non-recurring contractual fees for developing a virtual Emergency Operations Center, as well as moderate increases to software license tiers for specific users (Power Automate, ArcGIS). This will be a structured coordination environment built on Microsoft

Teams, integrating ArcGIS and other platforms the City already pays for. No new platform purchase is required. This is a direct corrective action to what trainings and exercises this FY documented (see Q1) and will improve the City's ability to facilitate a coordinated response to, and recovery from, no-notice incidents that routinely happen in the City - such as sudden monsoonal flooding, security incidents at special events, and aircraft incidents.

Finance Department

1. **Goals/KPIs:** Will be shared for FY26 in the dashboards and FY 27 goals.
2. **What is CM approval authority for contract amendments at this time?** It is currently \$200k for contracts and \$60k for Budget Adjustments. CM can sign for contract amendments that do not increase the scope.
3. **Do we have data on impact of changes to procurement processes?** It may be too early to tell. The city is in the middle of the procurement process internal audit project with Baker Tilly. We hope to have a report of recommendations by June/July. We have already implemented several improvements to help streamline this essential service and will have more to come. The recent "procurement modernization bill" approved by Governing Body is a great step in that direction. It clarified exemptions, increased the threshold for small purchases, and allowed for new types of procurement (Construction Manager at Risk-CMAR and call for applications).
4. **What is the split funded position and who is it split with?** It is an Accounting Financial Analyst, for which 40% is paid by Finance and 60% is paid by Public Utilities/Customer Service. This is because the position spends most of the time dealing with utility billing.
5. **Big decrease in overall budget – why?** It is in Budget Division, see question 9. Below.
6. **Two new FTE in FY26 – are they already there or being added before end of FY? Impact on operations and outcomes?** The Budget Analyst will likely not be hired until FY27. We are evaluating additional needs for financial reporting, budget management and capital planning/budgeting. The Financial Analyst was added in FY26.
7. **What is the timeline for Questica (budget software)?** We are looking at implementation for personnel budgeting this summer and will begin training Department users in full use of the program then as well. In the fall, we will begin rolling it out for full-time use for both personnel and other budgeting purposes. We are anticipating that we will use Questica for the full FY28 budget process in spring of 2027.
8. **Procurement process updates – very interested in this. Do we have what we need in place to make these changes? What is the goal timeline for different purchase and procurement processes?** We are working on the procurement process audit with Baker Tilly right now. This is an internal audit project, and we hope to have the recommendations report ready to share in June/July. See above for more info.

9. **What is the \$3.9M decrease in Budget division?** Budget is where the capital and debt subsidies from the ½% GRT Income Fund [365] is budgeted. The debt transfers went down by \$1.28M overall; while some payments went up according to the established schedules, overall debt service went down because in FY26 we will complete the payoff of the 2021 GRT Refunding Bonds, which were running just over \$2M per year. On the subsidies side, a combination of improved revenue and a reduction in debt service payments per scheduled amortization schedules led to a reduced need for subsidies to the Midtown property and Railyard funds. Though several factors were in play here, the biggest single factor was debt service for the Railyard, which went down by just over \$750K, again per the amortization schedule. Another significant factor was land rental income at the Railyard, which was previously unbudgeted, but we're seeing a consistent amount of just over \$316K here so it was budgeted for FY27.
10. **What is going on with contracts? Specifically contracts we had been using to assist with accounting and audits?** We are reducing the CLA contract for audit support now that we are caught up with audits.
11. **Big decreases in Lodgers Tax and ½% GRT Income Fund – why?** On 1/12% GRT – see above. As for Lodgers' Tax – the decrease was mostly attributable to a one-time FY26 appropriation for a receivables module and self-service lodgers' tax payment portal for the Tyler MUNIS system; being a one-time appropriation, this amount was no longer needed in FY27.

Fire Department

1. **Elephant in the room is obviously conversations around MIH, specifically ARU. I know this is a larger conversation and my opinion is the Governing Body is going to have to make a more explicit policy decision. However, for the budget I would like to understand:**
- **What is the current staffing level and staffing profile (i.e. how many case managers, EMTs, admins, etc.) assigned to ARU with this budget?** 9 positions are currently within that division: 6 Case Managers, 2 Case Manager Supervisors, 1 Behavioral Health Specialist. **How tied are those assignments to the budget?** They all fall within Fire's position listing.
 - **How does this compare to the original launch of the ARU?** Please see below. The staffing levels at Alternative Response Unit have fluctuated over time. Staff are analyzing the needs and will be discussing this program with city administration in the coming months.
 - **What does this mean for the operation of the ARU?** Operations have not changed. **What can the ARU do or not do independently?** They continue to do the same thing they have been doing the last few years. **And how is this different than the original ARU operations?** All positions have become fully funded compared to in the past when they were grant funded.
2. **The CHS Director funding stayed in Fire – where is it now?** This position is still within the Fire Department position listing. We hope to evaluate this in the coming months.

3. **What is included for a staff member to be “fully trained”?** This means receiving all continuing education hours required by ISO and within our own standards.
4. **Legislative facilities improvements funds – where are these going?** Funds are going to needed for fire facility improvements at the various stations. Nearly every fire facility will be improved in some way through these capital outlay funds. We are well on our way to having all this money spent.
5. **What is categorized as an “emergency” call? How many emergency vs. non-emergency calls does the department respond to annually?** The budget is not dependent on how many calls we run. If this question is in reference to our goal of Maintaining a First-Rate Emergency Response and Readiness along with its objectives and KPIs, we are tracking responses to critical incidents.
6. **Parking lot – would love to get presentations on: formalized quality assurance and improvement process for EMS; tactical paramedic program; joint Fire/PD drone program; wildfire preparedness (getting a lot of questions about this from residents right now)** We would be happy to give presentations on any of the topics listed.
7. **How much more funding is needed to expand Police/Fire drone program?** Several hundred thousand to just over a million. Is this one-time or reoccurring funds that are needed? It is both one-time and reoccurring.
8. **Large increase in contractals and utilities – why?** This is due to increases in service contracts with existing providers. These are obligated by the contracts that were entered into from previous years and we are still within those contract periods. Many services raise rates each year when a contract is in place. It is not uncommon to see a contract go up each year, and these escalations are typically known when the contract is signed and put in place the first year.
9. **Big increase in other operating costs – why and what is included here?** Increase in operating costs have significantly gone up from vendors we purchase from, such as the cost for oxygen tubing, IV supplies, other ambulance supplies, lifesaving medications, and even tires and filters for the ambulances and fire trucks have doubled in the last 8 months or so.

General Government-Governing Body

1. **\$37,500 – participatory budgeting, how will this be used? Is it for allocation or for the outreach processes or both?** Funds are budgeted for FY27 for a more robust process. This is TBD and could be used for software, planning/consulting, etc.
2. **What three positions are in Mayor’s office – Mayor, Admin Assistant, and Rod’s position (whatever it’s called)?** The Mayor’s Office staff includes the Mayor, Executive Assistant, Senior Advisor /Public Engagement Coordinator. The latter is currently vacant and is part of

the staffing analysis that city administration is conducting to respond to evolving needs and the recent citywide reorganization.

- 3. *Where are we with the Council staffing study?*** The study is wrapping up, and the draft report should be issued within the next few weeks. We plan to have the consultant present on this at the first or second Governing Body meeting in June. As position details or plans were not available when the budget was developed, \$250k was included in the proposed City Council budget in contract services. This can be moved to positions should council determine it would like to move in that direction.

General Government-City Manager

- 1. *5.27 FTE in CM's office – what is the position that is the split position and split with which other department?*** The full-time budgeted positions in CM office are: City Manager, Deputy City Manager, Executive Assistant, Communications Director, and the Diversity Equity and Inclusion Manager. The DEI manager is on hold pending analysis of needs and proper location in the city. The Equity and ADA Manager, Daniel Lopez, is partially funded at 0.27 FTE from CM and the remainder is budgeted within Public Works.
- 2. *\$200k for special projects – more information? I believe we had this last year as well – do we have information on how that was spent?*** At times the CM's budget is utilized for special projects or one-time items that arise that have not been captured or budgeted elsewhere. Aside from typical contracted services in the CM office such as internal audit projects, professional services are needed for lobbying/legislative liaison, special projects (e.g. soldier's monument feasibility report) and analysis. Small capital or other maintenance needs may also arise that require a quick response. For example, \$5k was drawn to use for bike racks around town. This had not been budgeted elsewhere. The Charter Commission needed \$10k for budget this year for stenography, supplies, etc. that had not been budgeted. At times, unforeseen items arise during the year, and this can serve as a contingency, if needed.
- 3. *What are the 5.27 positions? Is the CM's office going to get more support via this budget?*** Please see above. We are evaluating the needs of the CM and Mayor's Office within the proposed budget and may make some recommended adjustments in the coming months.

General Government-Risk Management and Safety

- 1. *Director Position vacant – is Andrea overseeing this department right now?*** Yes, Deputy City Manager Phillips oversees the Risk and Safety Division, which reports directly to the City Manager's Office, with assistance from Melanie Lovato, Risk Analyst, who manages the division's day-to-day and operational activities, including current safety duties and compliance efforts. A key priority within the division is evaluating staffing needs and reviewing job descriptions to ensure the organization is appropriately structured to support both risk management and safety functions. Six full-time equivalent (FTE) positions are budgeted for FY26. budgeted for FY26.

2. *What is the division of activities between Risk Management versus Safety?*

Risk Management and Safety functions are currently managed collaboratively by a small team consisting of a Risk Analyst, Administrative Assistant, and Worker's Compensation Manager. Staff have worked diligently to maintain continuity of both programs while supporting the city's operational needs. The city also partners with a third-party administrator to manage claims processing and workers' compensation administration, while our insurance broker, Arthur J. Gallagher & Co., assists in maintaining appropriate insurance coverage across the city's various lines of business.

At present, responsibilities for risk management and safety are shared among existing staff. Risk Management activities primarily focus on claims oversight, insurance coordination, workers' compensation administration, and organizational risk mitigation. Safety-related efforts include supporting compliance initiatives, promoting safe work practices, and addressing operational safety concerns across departments.

Ideally, the city would have dedicated safety specialists to provide more comprehensive and proactive safety support citywide. Staff are currently evaluating the organizational structure, job descriptions, and staffing needs to better define roles and determine how best to support both the Risk Management and Safety functions moving forward.

Human Resources

1. *What outside contracts are HR currently using that will be less necessary with full implementation of Tyler HCM? Will this help with making the hiring process more efficient?*

HR currently utilizes ITT's outside contract with CiberPathway to rely on contracted subject matter experts to execute essential HR functions such as mass employee salary change imports, mass position changes, benefit rate changes, and module expansions. Our goal with the requested Human Resources Information Systems (HRIS) Manager is for HR to become independent from contractors, have the freedom to work directly with Tyler to make necessary changes to our Human Capital Management (HCM) system, and reduce the overall amount of funds the City is currently allocating to contracted work. We anticipate this position assisting in making the hiring process more efficient by focusing on expanding modules such as Recruiting, Employee Tasks and Training, as well as improving the public-facing applications system.

2. *Like the idea of the mentorship program!* Thank you! We are excited to work with the collective bargaining units on this initiative.

3. *Do we not have a comprehensive city-wide training policy in place already?* As of May 1, 2026, Human Resources has implemented a comprehensive Training Policy which clearly outlines training requirements and expectations for all levels of City employees. Prior to the implementation of our new Training Administrative Policy, the city lacked procedures to support Rule 11 of the Rules and Regulations. The implementation of this policy is a huge step forward for holding employees and managers accountable with not only their Human Resources required trainings, but Safety Trainings as well.

ITT

1. **44.9 FTE – which position is split funded and with what department?** It is a IT Systems Administrator, the other 10% is paid by Public Utilities/Utility Customer Service

2. **What is the process for approving new platforms or programs requested by departments? What happens if there is a difference of opinion between ITT and a department?**
 - The process for approving new software or technology platforms begins with ITT’s e-review process. Departments submit requests to ITT for review, and vendors are asked to complete a questionnaire related to cybersecurity, compliance, and technical requirements.
 - The purpose of the review is to identify and reduce cybersecurity and compliance risks while ensuring the proposed solution can integrate and operate effectively within the City’s existing technology environment. ITT’s role is not to decide which software is “better,” but to ensure the solution meets the City’s security, interoperability, and operational standards
 - If concerns are identified during the review, ITT works with the department and vendor to address and mitigate those issues. If significant risks or concerns remain unresolved, they may be elevated to the City Manager’s Office for further review and direction.
 - ITT is also in the process of establishing a formal IT Governance structure to ensure key stakeholders are involved in technology procurement and enterprise application decisions. IT governance helps ensure the City’s technology systems are managed consistently, securely, and strategically. It also provides oversight for system changes, integrations, data management, security, compliance, and the prioritization of technology resources across the organization.

3. **Bike rack – are we developing AI policies for the City?** ITT has developed an AI usage policy. It needs to be approved by the City Manager.

4. **Page 73 “Division services are meticulously designed to align with the City’s strategic vision, ensuring harmonious integration of IT initiatives.” What is the City’s strategic vision. Bike rack again, but I think I need to better understand where we are with ITT and where we are trying to go.** To date, the strategic goal has been to improve process efficiency across departments. ITT is working with departments to identify operational challenges, review existing workflows, reduce duplicate efforts, and better leverage current technology solutions.

5. **How many of our platforms do we build in-house as opposed to purchasing software from outside companies?** ITT does not develop platforms or software internally. Software as a Service (SaaS) solutions, or cloud services provide a more scalable, faster deployment, lower infrastructure costs compared to on-prem platforms or internally developed solutions.

6. **Large increase in budgets for Enterprise Application Services and Infrastructure Services Divisions – what are those increased attributed to?** In EAS, it’s \$2.7M for

Microsoft 365 Licenses. In Infrastructure Svcs, it's mostly for ongoing Kronos/MUNIS project services moved to the operating budget because it's not really appropriate to charge the ERP capital project as done previously; also for data storage (~\$500K) and projects management (~\$780K)

7. ***Very large increase in Contractuals and Utilities – what is that attributed to? How does it impact department operations and services?*** See 6. above – those Infrastructure Services increases are in contractuals.
8. ***Large increases in supplies and capital purchases categories – what are these attributed to and what is the difference in this department? Is supplies the computer and network hardware purchases and replacements? Would this line item include the supplies needed for the new FTEs being added Citywide?*** The supplies increases are mostly for the Microsoft 365 licenses in EAS (software subscriptions are considered a supplies line item) – there are increases associated with software for new FTEs, but it's not a lot of \$. In capital, the increase is for the Mayor/CM-approved penetration testing and the anticipated increases for Broadcom system management software licensing and support

FY27 Proposed Budget Q and A (May 11, 2026)—sent out to GB on 05/11/2026

Councilors have posed the following questions to date. Answers are being provided for all. Please let us know if you have more questions as you review the document.

On pg 4 it says annual revenues not including transfers are \$433m, and the operating budget is \$521m. On page 12 it says total revenues are estimated at \$513m. My questions:

- **What are these transfers in and how are they \$80m?** Transfers include allocating funds for debt service, subsidies to non-self-supporting funds, and utilities administration, customer service and conservation and sustainability divisions. Full schedule of transfers can be made available.
- **If total revenue is \$513 and operating budgeted is \$521...aren't we \$8m short?** The proposed budget is a balanced budget. Among the resources used to fund the budget are available cash reserves from funds that are able to support it.

Pg 8 mentioned "citywide housing planning services." What is that?

Affordable Housing Division proposed budget includes funds to conduct a housing strategic plan. Faviola Chavez: Annually the OAH must complete an Annual Action Plan report to HUD outlining future initiatives for Community Development Block Grants (CDBG). Annually HUD requires OAH to complete Consolidated Annual Performance and Evaluation Report (CAPER). In addition to these annual reporting requirements, OAH must complete a Housing Strategy, and a Consolidated Plan which is completed for Community Development Block Grants (CDBG) every 5 years see link here: [OAH Five Year Strategy Plan - COSF.pdf](#) and [Report P1](#) These reports are created by HUD Planning service contract experts.

Pg 16 has a 26.5% increase in Contractual Services, but I thought we were decreasing contractors.

Contractual services were decreased in FY26 to fund the citywide class and compensation study recommended employee cost of living increases. That funding was restored in FY27. The city is targeting key areas (such as park maintenance) to transition away from contracted maintenance and bring work in-house through city employees. Most contracts are going up due to inflation. The city is seeing this in goods and services, gasoline, utilities and other needs. The city will always need some contractors for some services as these may be specialized or more efficient services.

Pg 16 has funds for capital purchases and land & buildings. Do we have/can we use those funds to purchase new property? What are they used for?

These are "roll-up" categories of expenditures. Capital Purchases is budgeted at \$12.6 million and include vehicles, equipment and IT equipment, and some facility remodeling costs. Land and Buildings are budgeted at \$3,589,693. The city is working on a more robust capital planning and budgeting framework, that will include preventive maintenance, replacements and more. While the city is budgeting for some capital needs/equipment in the operating budget, this is not full representation of the capital needs or budget. The proposed budget includes funds for strategic reserves for fleet replacement, facilities and capital needs.

Pg 16 What are the \$78m of transfers outgoing to? It is close to but not equal to transfers in, is that a coincidence?

Please see response above for explanation of major transfer categories. Transfers are balanced but they are not equal. \$79,070,300 is the estimated transfers in and transfers out is \$78,759,460. We did not include Buckman or SWAMA expense but did include the transfer in for the debt service on the Buckman Direct Diversion solarization project because the debt service budget must be balanced.

Pg 19 what are the \$9m of reimbursed expenses?

These are general fund services assessments for Human resources, payroll, facilities, community engagement and Finance to non-general depts/other funds (e.g. utilities, tourism).

Pg 18 vs 22 – how is it decided which part of the budget for each department comes from all funds vs general fund?

This determination is based on how the service is provided, any restrictions on funding sources, and fund availability. For example, utilities are typically set up as enterprise funds where customer service charges/fees largely support the department's operations and capital needs. Many of the city's revenue sources are restricted by state (or more often local) laws/ordinances. Services that are not supported by direct charges (e.g. police, fire, economic development, affordable housing), etc. As the resource picture evolves over time, the Budget Office team rebalances the funds as appropriate.

General Question

- 1. In the “summary by fund” sections of the department summary pages, it lists all kinds of funds like community development and Santa Fe health/dental and lodgers’ tax. Is there somewhere we can see how big those funds are? I see revenues by category on pages 14-15 but that isn’t quite the same. Is there something I’m missing? Is that information somewhere else?***

Please see attached a summary of all funds that shows revenues in and expenditures by fund.

Police Department

1. *What is required for accreditation with the Municipal League? What is the benefit and impact for our department?*

- We will need funding to pay for accreditation process. Fees cover the cost of travel for the accreditation staff to conduct audit of policies and practices.
- May need to pay for PowerDMS subscription to develop and update policies. This would be a best practice because PowerDMS will flag changes in laws or practices and provides a recommendation on policy to be in compliance with the change. Also has audit capability to track changes over the years and document when policies were reviewed by staff to ensure compliance and understanding.
- We are now in a good position to begin this process; we have a Sergeant assigned to Planning and Accreditation Section so they can focus on completing this process. The Planning and Accreditation Section in 2004 had a Lieutenant, a Sergeant and an admin assistant when our policy went through the largest updating process. By 2006 the positions had been reassigned in the department due to other staffing needs. It is imperative that we maintain staff in this assignment to complete the necessary work that is assigned to the Planning and Accreditation Section.
- The benefit of achieving accreditation is the department demonstrates that an outside organization has validated that we have best practices and policies. This is helpful from a risk management perspective to minimize the potential for liability. It also builds trust and confidence in our community that our department is evolving and up to date with the manner we provide police services.
- The process may take 1-2 years once we get started.

2. *What is the cost to staff each of these 41 events? Does funding come from City or event organizers or both?*

- If these are our annual events that we provide dedicated law enforcement services, it will be dependent on a few things. Some city hosted events such as Zozobra, Fiestas, and Indigenous Peoples Day are not billed to the event organizer. For these events, the sheer number of attendees requires large staffing numbers by the police department to ensure public safety. This funding is derived from our overtime budget.
- Other events may be billed to the event organizer; some may have a lower rate if a councilor utilizes their waiver of fees for events requested by the event organizer. Some of the costs are recouped through billing of dedicated services. (Each councilor is permitted to request the waiver of fees for 1 event per councilor per year). Most event organizers opt to contract with a private security company to save costs.
- Unplanned events that require police resources are facilitated by our overtime budget and by using on-duty staff. This usually occurs when a First Amendment Assembly event or Protest event occurs.

3. *Amazing job on vacancy rates! What are the thoughts on the staffing levels of PD now that we are seeing lower vacancies? Do we have the right number of FTEs in the right areas?*

- We are seeing improvements in response times with the increased staff levels, and staff that have been selected for assignments to the Traffic Unit, DWI Unit, and

Criminal Investigations Section have been able to transfer to their new roles. These specialists help address workload our field personnel usually respond to, but these specialists have a higher level of skill and proficiency.

- Although we are nearly fully staffed with our budgeted positions, SFPD is at a point where we need to expand the number of FTEs throughout our organization. The City of Santa Fe has grown significantly since the number of current allocated police officers, a growth in population size of approximately 30,000 people and an increase in workload in the form of calls for service. Despite this growth and increased workload, our staffing numbers have remained unchanged. A workload assessment in 2022 reported that SFPD provides a higher level of service for a community our size vs. other cities across the county. An internal analysis was conducted in 2018, using 2017 call data, and found that we needed additional police officer and sergeant positions to account for the workload at that time. We are budgeted for 169 police officers, from cadet to Chief of Police, and we would need approximately 205-210 police officers to effectively handle the current workload and have the capability for officers in the field to also engage in proactive community policing efforts (relationship building, crime prevention, traffic enforcement and education, business and neighborhood patrols, etc.).

4. *Wonderful goals for response times and averages – what is the spread that we see for response times?*

- **Priority 1 Call Response Times – Is a 2-officer response, and may need additional resources**
 1. 7:13 minutes 1st Quarter FY26
 2. 7:26 minutes 2nd Quarter FY26
 3. 6:39 minutes 3rd Quarter FY26
- **Priority 2 Call Response Times – In most cases is a 2-officer response**
 1. 7:35 minutes 1st Quarter FY26
 2. 8:27 minutes 2nd Quarter FY26
 3. 6:23 minutes 3rd Quarter FY26
- **Priority 3 Call Response Times - In some cases, Priority 3 Calls can be handled by a single officer resource which can be more readily available vs. 2-officer resources**
 1. 8:39 minutes 1st Quarter FY26
 2. 7:20 minutes 2nd Quarter FY26
 3. 5:19 minutes 3rd Quarter FY26

***These improved response times in 3rd Quarter are directly connected to our increased staffing levels and reduction in vacant police officer positions.

5. *How can the City ensure dispatchers are evaluating calls in real-time and deploying officers in a timely manner as the RECC is under the County? What levers can we pull if this is not occurring to our standards?*

- A solution exists in expanding our Axon Ecosystem. **Prepared 911** is a module we have requested to include in our Drone as a First Responder package to send call data to a Real Time Operations Center where a crime analyst or drone pilot can see a real time narration of a call as it is coming in to triage a call, get critical information before it is data entered into the Computer Aided Dispatch system and an officer is

assigned the call. In an emergency or during a priority call, this allows the deployment of a DFR drone that could be on scene before the call is dispatch to an officer in the field. This also helps the workflow for dispatch staff, especially for calls where a community member is non-english speaking; it translates a number of languages instantly vs. several minutes through a “language line”. <https://www.prepared911.com/>

- We currently have monthly meetings to address concerns, when errors are identified we have clear lines of communication.
- The Santa Fe Chief of Police is a board member on the Regional Emergency Communications Center (RECC) Board. This is also an avenue to address any quality control issues and to ensure deliverables of the Joint Powers Agreement are being provided.

6. Do we currently have a 100% compliance rate for completing discovery requests in seven days? How long have we been at that level of compliance?

- 97% compliance for 1st quarter FY26
- 85% compliance in 2nd quarter FY26 *** Addition of 2 Discovery Positions in Records, have been undergoing training to take on responsibilities. The staff member assigned to handle discoveries has been both assisting with handling discoveries and training new staff in workflow.
- 57% compliance in 3rd quarter FY26 *** Addition of 2 Discovery Positions in Records, have been undergoing training to take on responsibilities. The staff member assigned to handle discoveries has been both assisting with handling discoveries and training new staff on workflow, but the new staff members have been taking on more responsibility leading the effort to complete this assignment. We anticipate seeing this improve as our new staff become more proficient.

7. Are there other technologies that the department is exploring at this time?

- Drone as a First Responder and expansion of technology solutions through Axon to enhance the productivity and safety of our field personnel. This includes integration of Smart911 to quickly get information to officers in the field as a community member contacts Dispatch **before** the call is entered into the CAD manually by the call taker, saving critical minutes and minimizing the chance of details being missed during the data entry process. <https://www.prepared911.com/>
 1. Also, a language translator that is integrated into their body worn camera to assist with communicating with people in need of assistance, including emergency situations. <https://www.axon.com/products/real-time-translation>
 2. We also want to integrate public and commercial video camera feeds to provide real time information to responding officers when responding to a report of a crime or to follow up during the investigation of the process. I am monitoring the development of a Public Records production platform that Axon is working on currently. <https://www.axon.com/products/axon-fusus>
 3. This may help the department with tracking and fulfilling IPRA requests. The majority of them are bodycam and dashcam footage.

- We are deploying Shotspotter technology, we will use data from pilot program to see the benefits of the technology. We will be evaluating funding to continue use after pilot program.
- The Regional Emergency Communications Center (RECC) Board has been researching and evaluating a Computer Aided Dispatch (CAD) system that will include modern features that can integrate with our Axon Ecosystem, Smart 911 platforms, and modern communications devices used by members of the community. This CAD system will be a cost sharing with the partner agencies (Santa Fe Police, Santa Fe Fire, Santa Fe County Sheriff's Office, Santa Fe County Fire, and Edgewood Police Department).
- As we launch automated speed and sound enforcement, we can evaluate if automated enforcement for red light and stop sign violations should also be considered (will need amendment of STOP Ordinance to include this ability).

8. Large increase in other operating costs – what does this include?

- This is phase 1 of the radio upgrade (\$800k). This will replace handheld radios used by field personnel that are nearing or are at end of life for use.
- The other factor is technology (laptops in vehicles, desktops, display screens, etc.), subscriptions and services (cellular phones, modems, etc.) that was funded in the ITT Department to provide support for PD's technology needs. The funding has now been placed in PD's budget. This is approximately \$1.2 million to maintain the current services.

Metropolitan Redevelopment Authority

1. Would like to hear more about the design team for Fogelson – what funding do we currently have for this project and how far will it get us?

We assembled a design-build team composed of world-renowned architect, Richard Kennedy, local architects - Autotroph Design, and General Contractor Jaynes Corp to work on the two-phase effort to reopening the Fogelson Library. The MRA allocated 2.8 million dollars from one-time funding as of fiscal year 2025 to this contract; this funding will allow us to establish fire code compliance along with early accessibility infrastructure. The secondary phase will include the modernization and intense community outreach to turn Fogelson Library into a branch of the Santa Fe Library division if not the main library.

2. What is the benefit to getting buildings on the National and State Historic Registers? I fully support doing so even if it's just a title, but would like to understand what protections/restrictions come with that, how that might impact plans for Midtown, and if there are any financial opportunities that may come with it?

The pursuit of a designation on the national register demonstrates the City's commitment to the iconic Phillippe Register buildings including the Fogelson Complex, the Greer Garson Theater, and Administration building. In addition, it will allow the City and potential, future developers to pursue Federal Historic Tax Credits during the renovation of these structures.

3. Do we have a timeline for the completion/implementation of the plans mentioned on page 75-76

There were quite a few plans and projects mentioned across pages 75-76; to name a couple with their affiliated completion date - infrastructure design is expected to be complete by

the end of October 2026, the Hopewell Mann Neighborhood Stabilization plan will be as of May 31st, 2026, while the Greer Garson Feasibility Study and Master Plan amendments are both complete.

4. ***Why are we freezing the MRA Director position? What would it mean for the budget to unfreeze the position?*** The Director position was last funded at \$174,512. See below.
5. ***I think this is an important position given where we are in this project. Why is an admin manager and a project manager being proposed instead of a director and maybe one of those positions?***

This agency has been underfunded since its creation, with over half of previous FY budgets dedicated to full-time staffing and further supplemented by temporary contractors. Across the various initiatives with the legacy buildings, infrastructure design, proposed development, and compliance tracking for existing development, this agency needs additional staff that can handle the day to day. As a standalone agency, we must be able to pursue contracts, process invoices and collaborate effectively with other City divisions and our proposed developers.

6. ***Infrastructure estimates seem to go up every year and I imagine this trend will continue – what will we be able to do this year to start making a dent in this?***

City staff are meeting with the Midtown infrastructure design team and Midtown development partners to chart a path forward to prioritize ongoing development and the continued disposition of land. The city is analyzing options to fund this going forward. A GRT bond could be considered for the implementation of the horizontal infrastructure, specifically Phase 1, which includes the right-of-way infrastructure and utilities necessary to begin vertical construction. Phasing of the project may be required.

7. ***What services will the general contractor perform and how is this contract different than our project management contract with WSP? Do we still have the contract with WSP?***

WSP is currently an owner's representative that helps the City interface with Midtown development interests including developers, utility companies, and intragovernmental agencies while designing Midtown infrastructure. General contractors are those who will help us build out the Midtown infrastructure and renovate or existing legacy buildings. The City of Santa Fe is currently a subcontractor development market that requires a General Contractor to coordinate specialized trades coordinate implementation.

Planning and Land Use

1. ***City Smart – this pulls data from multiple departments and projects from other departments yet is housed in Land Use – are there resources allocated to assist with keeping information up to date? Is there a process set for how to update information on there and ensure it's accurate?*** It's GIS, which I know is used in ITT, so is ITT providing any support? There are resources allocated to maintaining the platform going forward. Once we upload the data (which includes archives for permits, development approvals, and

others) we will be adding information in real time as we receive applications. There can be a direct connection to our OpenGov platform because it has GIS functionality. Our ITT GIS team has been involved in the development of the platform. City Smart is hosted as part of our current GIS platform: <https://city-of-santa-fe-nm-thecitydifferent.hub.arcgis.com/>.

Relative to initiatives from other departments outside of the data provided as part of the citywide GIS updates, we would rely on them to provide us with the information. Typically, it is as simple as adding a link on the homepage, as we have done with the Airport Master Plan process. Our staff will coordinate with other departments on their initiatives, and we as Land Use staff will be updating the website regularly, in coordination with our ITT team.

2. ***Green Code – still in legislative services and CAO – is July 2026 a reasonable expectation for passage at this point?*** The Governing Body may be able to pass this legislation by the end of the calendar year. Much will depend on issues that staff has identified being adequately addressed.
3. ***Remind me the projected additional taxes we expect to collect through STRs because of the Neumo implementation?*** We are receiving Lodger's taxes through Neumo. Based on an existing City practice, those STRs that are exclusively rented through AirBnB and VRBO use their platforms for payment of Lodger's Taxes to the City. To date we don't have specific data on the amount of Lodger's taxes that have been collected. Prior to the implementation of Neumo, there was no strong tracking mechanism for the collection of Lodger's taxes. By being part of one platform, there is direct tracking between the rental dates and revenue collected. This increases accountability for short-term rental owners for the reporting of income and payment of Lodger's taxes.
4. ***Budget only increased by \$1.6M but we moved an entire division (albeit a small division) – were there cuts to the original Planning and Land Use Department that are not as clearly outlined because of this move?***

Andy Hopkins: No. Both Affordable Housing and Land Use's separate budgets increased. Most of the increase was in Land Use, but it is after all a larger Department. PLU: The increases largely center around salary, some minor reclassifications with little budget impact, and operations budgets including contracts. There is no net increase to the budgeted contract amount.

The only additional staff approved was the unfreezing of the Engineer position. We still have a deficit of 3 other positions (which were frozen at the beginning of Fiscal Year 2026). No new positions were approved in response to requests for additional positions including an additional staff person in Code Enforcement for the short-term rental team (it is currently a team of 1) and a Department ombudsman, which would help usher people through the development processes (a concierge position which has been requested by the community for many years as recommended through our Development Manual project). The team recommended many more positions, but unfreezing the construction inspector, plumbing inspector, and Plans Examiner II positions would help with departmental operations. We have been able to reclassify several positions as we prepare for e-review. Several positions directly manage plan review – the management of paper plans – which can be retooled. We have received approval for reclassification of the

building permit technician positions to building permit specialist positions. Two current Land Use employees have already been promoted to the building permit specialist position, and another one was promoted from the Historic Preservation Division to building permit specialist to assist with the Building Division's plan intake.

Based on funding provided through grants and other affordable housing funds, including CDBG, an additional project manager position was created. This has no impact on the General Fund. Another affordable housing position was reclassified from Senior Planner to Contracts Administrator (which is in a lower pay range) due to the existence of Land Use's long range planning team and the ability to provide support on long-range planning efforts associated with affordable housing.

Contracts? In the department highlights, it would be helpful to see what highlights are the original Planning and Land Use and which are Affordable Housing.

For Planning and Land Use, the contracts are for technical assistance for our terrain management team, the General Plan Update, the Land Development Code Update, and the Development Manual and other smaller contracts to assist in managing permit and development review processes. If we are able to hire for the engineer position, the need for the Terrain Management contract would disappear.

As the department reorganization wasn't complete by the drafting of the budget, Affordable Housing information is presented separately this year. Please refer to that section for additional detail.

5. ***Previously frozen engineer position – if I am recalling correctly, this had been frozen because we couldn't fill it. What has changed to help us fill this position? I'm guessing the work was being performed by contracts – if so, will those contracts still be in place until we fill the position?*** The position was unfrozen as part of the budget review process. Hiring an engineer would ultimately save money on contracts. The reason for some Land Use contracts is that we cannot compete with private sector wages but still need to get the work done. While the comp and class study did a lot toward addressing salary needs, some positions are still underpaid.
6. ***How will Affordable Housing being in Planning and Land Use serve both those departments better?*** *Faviola Chavez:* The Affordable Housing Dept has already experienced significant benefits from this integration into Land Use. Coordination between departments has improved efficiency, particularly in streamlining Planning Commission requirements related to Affordable Housing Agreements.

Additionally, the Office of Affordable Housing (OAH) is now able to work more proactively with affordable housing developers to identify planning-approved design concepts early in the development process. This collaboration helps ensure projects align with planning expectations, reduces potential delays, and creates a clearer path forward for project approvals and development timelines.

7. **Have we allocated enough in this budget to complete Code Update and GP Update?** Sufficient budget has been allocated for the projects, but there will be no contingency in case there is a desire to further investigate specific issues. For instance, if the implementation plan identifies a need for additional research and engagement, there is no budget to do so.
8. **Really love seeing all the cross-departmental collaboration being done in all the various codes/guides/plans.** Thank you, we do too! It is critical that we work together to provide the best service to the community. Partnerships are important.

9. Timeline for full e-review implementation – any updates?

We have been working with Finance and ITT with the need to build out an application programming interface (API) with Wells Fargo for payment processing. This would be required if we were to continue taking in-person payments at the cashier’s office. We are working on implementation.

10. **Review of land development workflows – bike rack, but very much looking forward to hearing about this a, the past four years as either Assistant Director or this happen sooner rather than later.** At the last Governing Body meeting we presented in initial phase of the Development Manual project. Now the stakeholder portion of the project is complete, the consultant and staff will use the information to identify the common pinch points. Additionally, as we program and configure OpenGov permit and development review processes, we have identified efficiencies.

A case in point is the Civil Engineering review of construction documents for infrastructure. Currently the review is run through a traditional building permit process. The infrastructure permits are proposed to be issued directly from Civil Engineering at the completion of the review process. This would reduce the permit timeline by a minimum of 3 weeks.

11. **Bike rack – looking forward to learning more about all these studies and projects – how will they be presented to us?** We are working with the Planning Commission and technical committees. As we have updates, we will make presentations to the Governing Body. Furthermore, we keep project statuses updated on the Santa Fe Forward and City Smart websites.
12. **New staff in Affordable Housing – what will this mean for department function and outcomes? As the department transitions from primarily single-family construction projects to more complex multifamily development and construction, staffing needs and responsibilities have evolved accordingly.** Faviola Chavez: To effectively manage these construction projects, staff will participate in monthly construction meetings, conduct onsite inspections, and provide ongoing project oversight throughout the development process.

This increased level of engagement will strengthen transparency, improve communication with project partners, and help identify potential delays or financing gaps early on reducing surprises and supporting more successful project outcomes.

13. **Affordable housing – I am very interested in the City developing a funding mechanism and process to aggressively go after available properties that are vacant or suitable for redevelopment, both for housing and commercial. I would like to work with staff this fiscal year to achieve this.** Faviola Chavez: Many municipalities utilize Community Development Block Grant (CDBG) funding to acquire and redevelop single-family properties. Under CDBG requirements, these projects are generally subject to an 8-year compliance period. Additionally, the Affordable Housing Trust Fund (AHTF) could potentially serve as a funding source for these acquisitions; however, doing so may limit our ability to provide assistance to non-partner organizations due to funding capacity constraints.
14. **Large increase in Enforcement Division – what is this attributed to?** Andy Hopkins: This will be the first year in which the Enforcement Division, recently split off from Inspections, was fully funded and ‘stood up’. Much of the increase is offset by the reduction in Inspections, because the funding was moved. If you look at FY26 original budget for Enforcement, it’s almost nothing, because none of the positions were moved until midyear FY26.
15. **Hard to compare the budgets of Land Use and Affordable Housing to what they were last year as they are combined now – can you please provide comparisons of them separately and note what’s changed?** Andy Hopkins: The Affordable Housing change can be clearly seen in Dept. Expenditure Summary on p. 84 – see the “Summary by Division” section at the top (AFH is the 2nd line in the table). As for the rest of PLU, it went from \$8,353,102 in original FY26 budget to \$9,834,221 in FY27 proposed, an increase of \$1,481,119 or 17.7%.
16. **More info on balances in AHTF – what has been granted out? What has been spent/not spent of those grants?** Faviola Chavez: Please note the expenditure for Civic Housing has been issued as of May 2026. Any unused funding at the end of the contract will be reverted back into the AHTF balance. The Estimated Excise Tax cannot be used until litigation is finalized.

Public Utilities

1. **How does KSFB operate now that it is part of the Conservation and Sustainability Division? Still a nonprofit arm?**
Same as before. Yes
2. **ESD Admin and Maintenance Facility – where is this going to be located?**
West of and adjacent to the existing Siler location, will access from Rufina.
3. **Bike rack – the recycling center on Agua Fria I hear is much more user friendly and contains waste much better. However, I have been told it is not safe when exiting and**

trying to turn onto Agua Fria due to not being able to see oncoming traffic until already out in the road. Can we add one of those convex mirrors to help people see oncoming traffic? Or do something else to improve visibility?

Yes, this is a good idea and is being evaluated with Streets Division and Risk and Safety Division.

4. How able to achieve “significant reductions” in non-personnel budget for Wastewater Division? (page 92 in FY26 achievements)

Reductions in emergency spending at the WWTP as we have stabilized the treatment process there. The big changes here which sum to almost \$7M in reductions are:

2.1M reduction in repair and maintenance of buildings/structures

1.8M reduction in repair and maintenance of system equipment

375k reduction in operating supplies

625k reduction in lease fees to airport

1.7M reduction in equipment and machinery >5k

175k reduction in vehicles

5. \$2.5M for contracted support related to UCS Billing system upgrade – please tell me this is the last year for this contract! Do we anticipate using all of it? Please remind me why we still need this at this time? Is it with the same vendor? I see a goal to implement new system by October 2026 – so will we need contract after that? If not, why \$2.5M in FY27?

We are on schedule to be transitioned to ADVANCED Billing by the fall, but we already have scoped as phase 2 to that transition for enhancements that have been identified as important but can't be implemented until after go-live (e.g. new water rate structure). Of the 2.5, 1.5 is for ADVANCED, down from 1.7M this year, and including annual licensing fees, and 1M is for ITT Connect, down from 2.5M this year, so we are winding this transition down, but need to assure that we budget enough to be successful.

6. Goal to completely eliminate all regulatory compliance violations – how many do we have at this point? What are they?

They remain mostly wastewater related, and although the e coli that we hear so much about is largely under control, we still get exceedances for nutrients and other parameters on some days. We are focused on addressing these with a comprehensive upgrade or replacement of the plant.

7. Goal to purify wastewater into safe drinking water source? Tell me more...

The goal is "turn" wastewater into potable water and the way to do it is indirect exchange with the San Juan Chama return flow project. Apologies for not catching this incorrect edit of our submitted content.

8. What is included in previous years of Conservation & Sustainability on the Expenditures Summary Chart if we are just creating this division? Are FY23/24 and FY25/26 showing a combo of water conservation and KSFB budgets?

They are historical expenses from Water Conservation and KSFB but include some personnel expenses in the Water Division outside of the new division, so not really apples

to apples. When summing up all activities across divisions, the new Division was created largely within the existing budget, however there are some startup costs and overhead costs associated with the new building being set up for this division that result in an expansion in budget to the overall PUD budget in 2027. This increase is estimated at \$500k one time and \$50k per year ongoing.

9. *(There is) a 50% decrease in repairs and maintenance-why?*

See answer to #4 above which identifies about \$4M in decreases to repairs and maintenance in wastewater. We invested heavily to stabilize the treatment process at the WWTP and are winding that back down as we prepare for a significant longer-term investment in a major overhaul or new plant.

10. *52% increase in insurance – what is that attributed to?*

This was due to large damage claims in ESD (\$502,876) and WW – (\$458,326). Claims incurred in the prior year are assessed to the Departments where the claim is attributed in the following year's budget. These can be quite variable so may go down next year.

PUBLIC WORKS

1. *Capital budgeting process – I know we've discussed this quite a bit, but will we be doing any semblance of a separate capital budget process this year?*

Yes. Public Works is currently in the planning and development phase of advancing a more formal citywide capital planning and budgeting process. We have already begun developing a framework intended to better connect long-range infrastructure needs, financial capacity, prioritization, and annual implementation and budgeting decisions. The goal is to move beyond a project-by-project approach and toward a more structured system that includes a long-range capital vision, financial planning, and a prioritized multi-year capital program. This work will require coordination with Finance, the City Manager's Office, departments citywide, and the Governing Body. While this effort is still being developed, we expect to begin laying the foundation for a more robust, transparent, and repeatable capital budgeting process this year.

2. *I would like to see a goal of this department to start the process towards creating an overall capital plan and implementing a more in-depth capital budgeting process with the Councilors*

Agreed. Public Works sees this as an important long-term goal and believes the City would benefit from a more coordinated and transparent capital planning process. Our intent is to move toward a framework that connects asset condition, service delivery needs, financial capacity, operational impacts, and Council priorities into one decision-making structure. That process should create clearer visibility into needs and tradeoffs while providing a stronger basis for prioritization and investment decisions. We also agree that Governing Body involvement should be built into the process rather than occurring only at the end of annual budget development. We will incorporate this concept into our FY27 Goals, Objectives, and Key Performance Indicators.

- 3. *Is there anywhere we can see a list of all the capital, facility, and infrastructure projects completed this year? I think it would be good for the community to see that there is progress being made here. I do not need this for budget hearings, this can be a request for the future. Maybe a presentation in a couple months?***

Not currently in a single public-facing format, although information exists across multiple systems and divisions. We agree that creating a consolidated and accessible view of completed and active projects would be valuable for the Governing Body, the public, funding agencies, and staff. Public Works is already moving in this direction through more centralized project tracking in tools such as Asana, AssetPlanner, OpenGov, and related systems. We are also advancing development of a more public-facing capital projects dashboard intended to provide clearer visibility into project locations, status, schedules, funding, asset conditions, and construction or maintenance activity. We will work with the team to develop a FY26 summary presentation for the Governing Body and then evaluate establishing a more regular reporting cadence and dashboard structure moving forward. This aligns with our broader goal of making Public Works more organized, transparent, and accountable.

- 4. **When will the asset management tools be fully implemented and what will it mean for operations and services? (Page 99)****

The asset management system within Facilities Management is currently implemented for Facilities-operated assets, and we are working to expand that portfolio to include additional City facilities. Complete Streets and Parks and Open Space are coordinating with Public Utilities to implement OpenGov/Cartegraph service request and asset management modules. Service request functionality is anticipated to be operational by the end of FY27, while asset management capabilities will continue maturing as inventory development, field data collection, and system integration progress. This work is not simply about deploying software; it is intended to create more disciplined work management, improve visibility into asset condition and maintenance needs, and support better operational and capital decision-making over time.

- 5. **Might be a bike rack, but want to hear more about the coordinated approach to infrastructure investment (last bullet page 100)****

Historically, infrastructure investments have often been planned and tracked independently within individual programs or divisions. Our goal is to move Public Works toward a more organized, systematic, and transparent operating model supported by stronger capital planning and better project visibility. Tools such as Asana, AssetPlanner, OpenGov, and related systems are part of that effort because they help us better track projects, asset condition, work activity, funding, timing, and delivery status. The broader goal is to connect these tools to a more robust capital planning approach so we can evaluate infrastructure needs and investments across streets, sidewalks, drainage, parks, facilities, parking, transit, and utilities as part of one larger interconnected system. Over time, this should improve coordination, reduce duplication, identify conflicts earlier, support better

investment decisions, and provide clearer information to leadership, Council, and the public.

6. What is the Resource Conservation Fund and why is there a 100% decrease this year in this budget?

The Resource Conservation Fund is associated with the Citywide Solar and Streetlight Program and is used to support streetlight-related maintenance and associated activities. During budget review, staff identified the proposed reduction as an error and have indicated that it will be corrected. This does not reflect a policy decision to eliminate the fund or reduce the underlying service. The issue is administrative in nature and does not represent a planned operational change.

Public Works-Parks

Regarding the reduction in contracts/addition of one more parks crew:

1. What contracts are being phased out in order to fund this crew?

Currently, this transition focuses on the medians crew and encampment cleanup crews. It does not eliminate all contracts, planned reduction is \$200K in contracted services at this time. The goal is to ensure this initial transition is successful and then gradually convert additional contracted crews to internal staff over time.

2. How much is left in contracts for Parks, and what will these contracts be used for?

The total remaining contract budget is \$1,537,475. This covers porta-potty rentals, large tree removal, plumbing, traffic control, fireworks, and other professional and specialty services. Of that amount, \$788,750 is currently allocated for median maintenance and encampment cleanup, which is targeted for future transition to internal crews.

3. How will this impact level-of-service scores?

We have set our target for Parks and Medians to remain at 50% of assets achieving a Level of Service rating of 2.5 during this transition period.

4. How will this impact the Parks SWAT team (I believe they call it PAC)?

We will maintain the PAC crew but not expand it. The PAC crew has been very successful in improving our level of service.

5. We have traditionally had a challenging time hiring staff. Will contracts be kept in place until we are sufficiently staffed to actually transition?

Yes, this has been the case in the past, but economic conditions have shifted. We will continue to monitor the situation and report to leadership if we encounter difficulties.

6. I would like to propose that we fund a new parks crew, but also keep contracts whole for this fiscal year. How much would we need to find to do that (looking at the budget book, I believe \$200K), and where are potential places we can get that money?

Generally, a new labor crew currently costs approximately \$615K for a 7-person crew and \$465K for a 5-person crew. This does not include equipment costs, which typically range from \$200K to \$250K.

7. What park improvement projects/upgrades are scheduled for this year? Specifically interested in:

Please note most of these are capital funding not part of the operational budget.

- SWAN (specifically the water feature) Staff is recommending that we begin with infrastructure improvements, which will utilize all currently available funding. Based on community demand, staff is recommending the water feature as the first priority.
- Herb Martinez Park —Capital funding is anticipated in Fall 2027, at which time design work will begin. The tot lot is expected to be completed by the end of this fiscal year.
- Additional phases for Pueblos del Sol Park – The swings are expected to be installed and the project completed by the end of this fiscal year.
- Upgrades to Franklin E. Miles Park in preparation for the Fourth of July – Extra watering, site clearing, and increased maintenance to support event services.
- Ragle Park ball fields – We received \$750,000 for the conversion of an additional smaller field to artificial turf.
- MRC Soccer Valley – Design is progressing well. We are currently at the 30% design phase and anticipate bringing the championship field recommendation to the Governing Body for approval by July.

Santa Fe Airport

- 1. What is the Passenger Facility Charge and how will it generate more revenue.** The fee is added to the price of the airline ticket and can be used for projects such as: Building or improving terminals, adding gates, improving baggage systems, reducing noise around airports, and enhancing safety or security infrastructure.
- 2. Excited about updates to parking. Is there a shuttle for late night so individuals can safely get to their cars?** Shuttle is running when aircraft are coming in and arriving no matter what time.
- 3. What are the baggage handling improvements?** Not sure what this is referring to but with Phase two there will be carousels for bags next to arrivals, as well as an inline baggage system to handle and sort.

- 4. Reason for reclass of shuttle driver to security?** Budget decrease and federal requirements for more security. We have enough shuttle drivers for our plane loads and the security team has been acting as shuttle drivers as we need more and this is adding to their patrols.

Tourism

(Typo in budget book – Randy is permanent director for tourism, not interim for airport-noted thank you!)

- 1. Bullet points on lodger tax on bottom of 108 and top of 109 contradict each other – which is accurate?** The bullet point on page 108 indicating over \$17.5 million in lodger's tax is the correct statement. Andy Hopkins – I apologize, this was an oversight, and will be removed from the final Adopted Budget Book.
- 2. What is the marketing strategy this year given uncertainty in economy, cost of airfare, and cost of gas? Have we seen shifts in where people are visiting from? Do we shift our marketing to more heavily target those areas or continue to broaden and why?** We are not adjusting our strategy at this point as it already focuses primarily on the regional market where we have the most success. Unlike some other destinations, for the first 4 months of calendar year 2026, we have not seen any decrease in visitation and feel that the response to our current plan shows that it is effective. We will closely monitor this and pivot to other strategies if necessary. The FY27 plan includes an additional \$1 million dollars that will go a long way in helping avoid any decline in visitation caused by the economy or spending concerns out of our control.
- 3. Do we always provide funding for the 4th?** Lodger's Tax does not. This is a one-time expenditure in support of the 250th celebration. We have been successful in getting \$50,000 in support from the County and are hopeful that the state will also participate with funding, reducing the obligation on Lodger's Tax.
- 4. What will the Assistant Operations Manager bring to the Convention Center operations and users?** Additional coverage during events that often require changes and decisions that are beyond the scope of responsibility of our excellent convention specialist team. It will allow us to be more responsive to immediate client needs and provide better support to the team.

5. **More info on second floor terrace renovation:** We are completing design of a plan to remove several planters on a portion of the terrace and cover over 2,000 square feet to make it more usable. We will also install an exterior stairway to properly connect the second floor space to the courtyard, allowing them to be used concurrently by the same group. Design is currently in review by the Historic Land Use team.

6. **How is the Tourism department supporting homelessness efforts? What is considered highly touristed area – only downtown or the growing area around Meow Wolf, which brings in a lot of tourists?** We have \$500k budgeted to continue a reduced scope of private security, planned on the basis of increased police presence in the historic district. There is no plan for support outside of this area. While hotels are located in this area, it is not a primary tourism destination outside of the Meow Wolf area.

7. **Why 288.3% increase in supplies?** Supplies includes software subscriptions. Lodger's Tax is paying the added annual cost of \$515k for the NEUMO software being used by Land Use and Finance for the management, enforcement and lodger's tax collections related to short term rentals. We also have two new pieces of software (Mindtrip) budgeted to provide AI capabilities to our visitor website and expanded on visitation to the city with Placer AI.

Executive Summary/General Questions and Comments

1. **Projected revenues are less than proposed expenditures – where are we making up the gap? How much are we taking out of reserves and what will be in reserves for FY27 – will it be more than what we require of ourselves or equal to what we require?**
Please see response to similar question above.

2. **Eager to learn more about proposals for more revenue streams – when will we get this information?** Staff have been working with departments identifying opportunities for new and additional revenue streams. We hope to present this information to Governing Body in a study session in July/August.

3. **I would love to see how this budget aligns with goals and specific KPIs per department – I know this is new for the City but I think it is important we continue to highlight it and be specific so we can continue to grow this practice.** We will send the dashboard with data through Q3 2026. Departments have identified goals, objectives and KPIs.

4. **\$40.6M proposed over FY26 original budget – how far over the FY26 actual (or projected actual) is this? Where is all this additional money coming from? We've been warned about revenues leveling off for the last few years. Thankfully, we've been doing well overall, but I still want to be cautious. How much of this additional money is in theory reoccurring?** Expenditures are driven by salary increases, new positions and position changes and inflation. Contractual services include major projects and core services such as housing inmates at the jail, Fire ASPP program, and the land use code update and General Plan. On the revenue side, the proposed budget assumes a \$31 million increase

from all funds. Projections for GRT and lodging tax were developed in collaboration with Dr. Reilly White, a local economist. We will continue to monitor GRT and other major revenue sources monthly. We anticipate GRT increasing by roughly 6.7% in FY27 over this year.

5. ***More information about the strategic reserves and capital reserve please. This is the operating budget, but I would expect these to be more part of a capital budgeting process – is that what would happen in other communities that have a more established capital budget? What are we going to be able to do this year to move us closer to that?*** City Manager’s Office and Public Works Director, Capital Projects Manager and other staff are developing a more holistic framework for a planning process that addresses preventive maintenance. More information on this is forthcoming. Staff hope to develop a more comprehensive, longer-term capital plan that is more inclusive of needs citywide and contemplates regular inventory. Most communities have a multi-year capital plan, and each year adopt a Capital Budget that identifies the projects to be addressed that year along with identified resources to pay for them. The ICIP is a subset of the citywide capital plan. The proposed budget includes strategic reserves for key capital needs, fleet replacement and facilities reserves.

6. ***I think it would be helpful for new and old councilors and public to understand some of our different revenue streams, where they come from and how much of the percentages we receive (ie GRT vs. property, etc.) and how those are or are not restricted.*** Staff will be prepared to speak to this. The Gross Receipts Tax is our biggest revenue source for the General Fund. This may be a good topic for the July/August study session on revenue options as it may be larger topic than we have time for in the budget hearings.

7. ***Transfers In/Transfers Out – what do these include?***
Please see responses above.

8. ***I’m trying to understand the Position Count chart – if I add up the new FTEs in FY26 and FY27 I am seeing 43 new FTEs that have been created since FY26 original budget. Are the FY26 new FTEs being created right now or were they created earlier in the FY26 year? How are they being funded?***
At times changes in FTEs/positions do occur throughout the fiscal year as conditions shift. Some positions were reclassifications, others were transfers, and some were “unfrozen” throughout the year as vacancy savings were realized. The net increase between the original FTE count in FY26 was 15 positions (FY26-- 1,628.5 FTE in FY26 compared to the FTE count of 1,643.5 in FY27). Budget office staff will be available at the hearings to discuss this in more detail as needed.

9. ***Some of the new FTEs being proposed are for positions we have historically had a hard time filling. Have we seen a shift in employment trends that make us believe this will no longer be the case? Park maintenance workers we historically had a challenge filling. If we are funding some these positions by cutting contracts that typically did this work, will we still have the contracts in place until the positions are filled to ensure the work is still being completed in the interim? For frozen but unfunded positions, will we be advertising for them and finding funding if we find the right candidate? I’ll put specific position questions in with their departments.***

Noted. Some positions have been challenging to fill for a wide variety of reasons. We will be prepared to discuss this in department budget hearings.