

SUMMARY OF ACTION
FINANCE COMMITTEE WORKSHOP
January 19, 2016

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**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE WORKSHOP
January 19, 2016**

1. CALL TO ORDER

A Workshop of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 4:00 p.m., on Monday, January 19, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Ronald S. Trujillo
Councilor Christopher M. Rivera

OTHER GOVERNING BODY MEMBERS IN ATTENDANCE:

Councilor Peter N. Ives

OTHERS ATTENDING:

Oscar S. Rodriguez, Director, Finance Department
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.

Chair Dominguez asked to let the record reflect that all members of the Governing Body were invited to attend, noting Councilor Ives is in attendance.

3. DISCUSS POLICY DIRECTION FOR FISCAL YEAR 2016/17 BUDGET. (OSCAR RODRIGUEZ)

A copy of the *Budget Process Kick-off: Setting the Strategy for closing the Deficit*, dated January 19, 2016, is incorporated herewith to these minutes as Exhibit "1."

A copy of a Legislative Summary with attached Resolution and FIR, in this matter, is incorporated herewith to these minutes as Exhibit "2."

A copy of *Ad Hoc Committee Recommendations re: City Budgetary Challenges*, submitted by the Santa Fe Chamber of Commerce, is incorporated herewith to these minutes as Exhibit "3."

Chair Dominguez said the presentation is in the Committee packet, and asked Mr. Rodriguez, when he gets to the Chair's and Councilor Ives' framework in the presentation, he would like him to pause for them to make remarks at that time.

Oscar Rodriguez, Finance Director, reviewed the information in Exhibit "1." Please see Exhibit "1," for specifics of this presentation. Mr. Rodriguez commented as follows:

- # There is a very short timeframe to consider any action for revenue increase such as GRT and/or action to amend, for example inter-fund transfers, so it is approved and can be a part of the new budget. These deadlines aren't included in this document because he didn't presume you would go there.
- # A plan for curing the deficit over the next 2-3 years is needed right now.
- # Cuts have to be considered and at some points cuts will affect services
- # Recommendation for consideration of borrowing from reserves to address the deficit with an associated plan of repayment.
- # Mr. Rodriguez is more concerned about the institutional behavior that led us to the deficit than he is about the deficit, and said it will take time to make these institutional behavior changes.
- # Vacancy savings means a cut to the department's personnel budget, and not programmed or held in other places.
- # Mr. Rodriguez's personal objective is to eliminate carry-forwards in the budget.

Chair Dominguez reviewed the information on page 7. Please see Page 7 of Exhibit "1," for specifics of this presentation.

Chair Dominguez commented as follows:

- ★ The Chair's proposal contains the pay-off for the Water Debt which will be paid in 2020, which is a significant piece of the entire puzzle.
- ★ The 1/8 cent GRT is intended to be an example, and not an indication it is relying on that, and it can be a combination of revenue generation.

Chair Dominguez said he hopes his proposed framework is something that would be practical, methodical, deliberate, and said it is intended to be strategic, but mostly it is intended to be a starting point for discussions by the Committee. He said he is open to whatever will make the City financially sound now and in the future. He said it will take time to change behaviors, such as carry-overs. He said we have to do a lot of work to deal with unfunded mandates.

Chair Dominguez said he has more questions when we get to the other slides. He asked Councilor Ives to address some of the points on his proposed Framework to close the deficit, commenting we can move forward with the presentation after that, and then turn it to the Committee for questions and discussion.

Councilor Ives reviewed the information on page 8. Please see Page 8 of Exhibit "1," for specifics of this presentation.

Councilor Ives commented as follows:

- ! The single page doesn't cover the scope of the budget guidance measure he circulated in December, covers ground already covered, and would result in a balanced budget in FY 2020.
- ! Ask staff, in preparing budget, to come forward with strategies to reduce the budget deficit over two years – a combination of cuts and revenue increases and one additional year of a bridging strategy – transfers from the Water Fund, or fee in lieu of services.
- ! Looks for revenue increases of \$2 to \$4 million, with transfers of \$5 to \$9 million in the next fiscal year, and in the FY following that, \$4 to \$6 million in cuts and \$1.5 to \$3.5 in increases, with a balanced budget beginning FY 2018/2019
- ! Consider the amount of excise taxes paid on the City's health plan – \$4 to \$5 million over the next 7-8 years.
- ! Paragraph 7 of the proposed Resolution talks about prioritizing core services, with additional guidance in terms of core services.

- ! Paragraph 9 of the Resolution deals with revenue enhancement.
- ! Councilor Ives said his fuller thinking on deficit closing framework is in the Resolution.
- ! He is unsure of the source of the numbers in the packet, because they weren't the numbers in the measure he suggested, but are in the ballpark he was suggesting, noting his proposed cuts were at \$4 to \$6 million, and the cuts in the packet are \$3.7 million.

Councilor Ives said he submitted his proposed deficit-closing framework in the hopes of getting a collaborative framework, in terms having a greater sense that we were on the same path. He said we're not quite there yet, but he is looking forward to the discussion and engaging in coming to the point where we are addressing the issues intelligently, although he still has 30 minutes to an hour's questions on the presentation which he won't go into at this time, because he has to leave at 5:00 p.m., to cover a City function.

Mr. Rodriguez continued his review of Exhibit "1," and the two Deficit-Closing Frameworks proposed by the Chair and Councilor Ives, saying he would be happy to recommend either framework.

The Committee commented and asked questions as follows:

Mr. Rodriguez presented information from a table indicating cuts that emanate from the various changes, such as to no longer use any money from the Water Fund will result in elimination of the funding for the 19 positions at the Southside Library. He said he presented the table to the Councilor earlier. He said with no other recommendation from the Committee to change that, this is what will go forward. He said, "There are a lot of options here, but you have to make those options available to you, and that would take place in the form of direction to staff. I'm just repeating the things that will be cut unless we get different instructions."

- ◆ Councilor Dominguez asked if the slide of this table is available to the Committee.

Mr. Rodriguez said it isn't in the packet and he's emphasizing the point with that slide.

- ◆ Chair Dominguez said the detail on that slide is important information for the Committee to have.
- ◆ Councilor Lindell asked, regarding the slide that says *Major Cuts Already Programmed*, what that means.

Mr. Rodriguez said this is what you have said to cut so far when, for example, you said don't take any more from the Water Fund, these are the things that are dependant on money from the Water Fund and those things get cut unless "we get some kind of other direction from you."

- ◆ Councilor Lindell said then those are items specifically funded from the Water Fund.

Mr. Rodriguez said it is funded from the Water Fund or the Bond Fund, noting the \$6 million in the CIP that funded operation and maintenance. He said, "If you look at the plan, starting next year, and from then on, it is just blank space. We're not going to do it again. That is how that is cut."

- ◆ Councilor Lindell said, "For the sake of clarity in the future, I know we've had this before, but we get handed literally thousands of pages of paper. If we could have everything in our packet that we are going to reference or talk about, that would be really helpful. I just think to go ahead and have that is helpful, because digging from the thousands of pages that pass our desks every month, I would like to be as prepared as possible for these communications."
- ◆ Chair Dominguez said, "If it's not on paper, or we don't have it available, don't put it on the screen."

Mr. Rodriguez asked if he can talk about it.

- ◆ Chair Dominguez said he can talk about it if he wants.

Mr. Rodriguez said he felt this was such an important point, he felt he needed to put it there as well as say it. He said he hopes it's still okay that "I give you more information."

- ◆ Councilor Ives said since April 2015, we have been talking about trying to right-size government. We have talked about comparative municipalities and staffing levels, but we don't have the result of that comparison and asked when that will be available and how does it become part of this process.

Mr. Rodriguez said this is something he has to do himself, and he hasn't made it a priority until he gets positive direction as to where you are going to cut. He doesn't want to divert staff time to go in one direction and then for you to say but you want to move in the other direction. He said, for example, the City has a world class recreation facility serving 80,000 people, and it costs money to do that. He said to take the approach that the average municipality has a lower level of staffing for its Parks and Recreation Programs, then we should make cuts to that level – this doesn't get us to our goals. He said he hopes to get that information out this week.

- ◆ Chair Dominguez said, "Don't look too surprised Councilor Ives, I think there are a number of us throughout the years that have asked for information and not gotten it. I'm not going to mention the Parks Bond as an example, but there are certainly times when things have been asked for where the information is not given to us. I've got to get this back to the Committee. I will say, though, that we need to get Councilor [Ives] as much information as we can get him that he asked for. Please share that with the rest of the Committee."

- ◆ Councilor Dominguez continued, "We have gone through this exercise in the past, Councilor Ives, and my experience, and this is just my experience, is that it is not so easy to compare apples to oranges, apples to apples or even apples to tangerines. There are many factors you have to consider, including the fact that Santa Fe is an historic city, a wonderful city and provide a lot of services to our constituency. I think they appreciate that, and the fact is that costs money. Other than that, if you have one final comment, go right ahead, and then I've got to get to the Committee, because we're already bumping against Finance."

Mr. Rodriguez said he will get the information to Councilor Ives this week, and asked how the Chair wants that distributed and public.

- ◆ Chair Dominguez said get it to Councilor Ives and then to the City Manager to get to the rest of the Committee.

Councilor Ives departed the meeting

Chair Dominguez said we are going to continue another ½ hours, although he knows that isn't enough time to get through and to the "meat and bones" of it all. He asked Committee members, if possible, to keep their comments brief to recognize two significant things. One is the structural deficit, and keep it separate from the operating budget. He said we need to decide if we want a 2 year plan, a 3-4 year plan, or a combination, and whether to entertain overarching themes such as borrowing money from the Water Fund and repaying it. He said there are details and direction on the specific operating budget – for example do we want management to look at overtime.

- ◆ Councilor Rivera asked Mr. Snyder, "Do you concur with everything that has been said here tonight, and obviously you've been working on the budget for 8 years, and longer than that in previous positions. Do you concur with where we are on the presentation that we made."

Mr. Snyder said, "I do."

- ◆ Councilor Rivera asked about the ERP.

Mr. Rodriguez said it is a new Financial and HR system.

- ◆ Councilor Rodriguez asked the cost.

Mr. Rodriguez said we are putting aside \$1 million next year in CIP.

Renee Martinez, IT Director, said there are estimated costs, and for the Financial and HR system, she estimates \$1.6 million for that project for the software and implementation services. And for Land Use, including Inspections, Permits and other development plan reviews, it is estimated at \$800,000, for a total of \$2.4 million. She said that has been phased in the Council approved CIP over the next 4 years, so those are the numbers they working with right now.

- ◆ Councilor Rivera said Mr. Rodriguez talked about spending money to make money, and asked how long it will take us to recoup this money on this program – how much will we save by “jumping over to this system.”

Mr. Rodriguez said there are two numbers. One is the out-of-pocket costs, on which he believes we can save \$200,000 annually, with a much better system, which costs less, noting we now are paying 3 different companies. He said there will be a savings in payroll, as well as give staff time to provide other work. This is a situation where you save staff time, get better information and hopefully be able to make better systems.

- ◆ Councilor Rivera asked how long it will be before we can put a number to the savings in staff time hours.

Mr. Rodriguez said there would be a savings of “2% of all personnel cost savings.”

- ◆ Councilor Rivera asked if anyone has looked at ways to use end-of-year revenues to help bridge the budget deficit – instead of using the revenues for one-time costs.

Mr. Rodriguez said yes, and it was included in the CIP – after reserves of 18% were achieved the intention was to put that into the CIP [*inaudible*]. He said if there are excess funds at the end of the year, the Governing Body can do what it wants, but he recommend it be considered one-time money and one-time expenditures, not to pay for ongoing operating.

- ◆ Councilor Rivera said he heard mostly budget cuts and cuts in personnel. He asked if departments can propose policies that might increase revenues based on their expertise, and avoid cuts altogether in their budgets if they can identify those.

Mr. Rodriguez said, “Sure, sure, if they can come up with \$3.8 million in increased revenues somehow, but that, of course, means fee increases, I mean, that’s how we increase revenue.

- ◆ Councilor Rivera said potentially they may identify creative ways to save money or come up with additional revenues, and wants to be sure that is on the table for each City department.

Mr. Rodriguez said yes.

- ◆ Councilor Rivera asked Mr. Rodriguez if he can provide us a way to diversity revenues, so we aren’t so reliant on GRTs, and what would be the process, for example Property Tax. He said everyone has avoided a property tax increase, but he would be okay with an increase to the Property Tax rather than the GRT if it was dedicated to the core departments identified by Councilor Ives in his Resolution.

Mr. Rodriguez said the big challenge in diversifying our revenues, is that for decades the policy has been to rely on GRTs that are paid primarily by tourists, people who don't live here who wouldn't complain as much. He said what happened is that as time went on, other things fell by the wayside and we're looking to having to increase them by magnitudes. He said property taxes generate about \$3.5 million for the General Fund, while the GRTs generate almost \$80 million to the General Fund. He said it would take huge increases in property taxes to make a difference.

Mr. Rodriguez said, "I would recommend that we tie a slowly increasing property tax to those specific source of resources. There are funds that are funded specifically by property taxes.

- ◆ Councilor Rivera would like to look at cuts based on needs, versus those that are a luxury for other places. He said the Southside Library was on a list used in this presentation, and he doesn't see we can cut there. He sees that as a need, because there are many people on his side of town who rely on the Library for computers and internet services. Where for other areas, keeping a pool open may just be a luxury. He hopes we view these items based on necessity and need in areas that rely on certain services in order to function.
- ◆ Councilor Maestas said the City Council adopted a Resolution asking the City Manager to evaluate efficiencies within City operations, with a menu including benchmarking, phasing all expansion positions, and such. He said before we adopt the Budget Development Calendar, he would like to ask the City Manager when he will complete the results from the Resolution on possible efficiencies within City operations.

Mr. Snyder said, for Resolution No. 2015-110, "I'm waiting for Council direction. As I read that, I'm going to need a framework from the Governing Body for areas to focus on. And from that, I will ask my staff to provide you with the information you describe."

- ◆ Councilor Maestas said, "The Resolution directs you *to conduct a City-wide needs assessment of staffing and service level for all core quality of life and other services classified as such and prioritized by the Governing Body in order to identify potential areas for cost savings, with the goal of eliminating 75 positions over the next 3 fiscal years, for a savings of \$3 million*. So what is it that you are waiting for."

Mr. Snyder said, "I am waiting for the priorities from the Governing Body as you just read."

- ◆ Councilor Maestas said, "I think the whole idea, Mr. Snyder, was to give you the discretion since you're the chief administrative officer and you have a better perspective than the City Council in terms of where we can find efficiencies. The 75 positions didn't come from me, although I did sponsor the bill. So you must have some idea of where we can eliminate 75 positions over the next 3 fiscal years. Do you have those, do you have that."

Mr. Snyder said, "I have lots of ideas, but as I read the Resolution, as you read it just now, and as I discussed during the conversation with Council, the language there is "as prioritized by the Governing Body." And I said the same thing at Council, I can propose cuts across the board, but it may not necessarily meet your needs or the Councilors needs or wishes of the community. So the priorities, as what I describe as framework, the Governing Body sets a framework and the priorities for myself and my staff to work within, I can definitely come back with a plan to reduce over 3 years, 75 positions, through attrition, and that's what I'm waiting for."

- ◆ Councilor Maestas said, "I think someone asked if you agreed with the presentation that Mr. Rodriguez made, and you said yes. But in looking at the strategic questions for developing a budget, there are no questions here that pertain to the Resolution we passed asking you to investigate a whole number of operation efficiencies. I'm getting a little confused here, and it seems like we're going round and round. Why aren't there any strategic questions from the Finance Department that would answer your questions per this Resolution we passed asking for efficiencies that we would like you to identify. If you want us to prioritize services, it doesn't say here, identify all vital services and priorities. If that is something you need in this Resolution, we would be glad to do that in this Committee."
- ◆ Councilor Maestas continued, "There's another passage in this Resolution that says, " *The City Manager shall seek to identify cities, comparable in size, service levels and other variable such as demographic factors and in accordance with foregoing policies, classifying and prioritizing City services and guiding principles.... blah, blah, blah.* This is the whole benchmarking, right; so do you want us to identify the cities to benchmark."

Mr. Snyder said, "That's what I believe Councilor Ives was questioning earlier and Oscar said we'll pull that together by the end of this week."

- ◆ Councilor Maestas said we need response to the policy direction, saying we agreed unanimously that we first want to look at efficiencies for cost savings, before we do anything else, at least consider raising revenues. He said the clock is ticking and it is totally new to me that nothing in the Resolution can be done because we haven't given proper direction. He said it provides, ' *Mandate an appropriate reduction in overtime and travel,* and asked if that has been done.

Mr. Snyder said no.

- ◆ Councilor Maestas asked Mr. Snyder if he needs direction from us, noting it says very clearly in the Resolution, " *Evaluate the cost of the City providing services and proposed changes to fees for services that reflect such costs.* He believes we have identified all the franchises that are "bleeding money," and we're not going to carry forward the deficits, noting we know what those franchises are. He asked Mr. Snyder if he has identified a recommended fee structure(s) to make those franchises self-sufficient.

Mr. Snyder said, "We're working right now in various in departments looking at a fee structures in comparison to local agencies, counties and cities. We're looking at recreational fee structures and putting those together for a summary, and preparing to bring those forward to you – two examples of various fee structures across the board that we're going to be bringing forward."

- ◆ Councilor Maestas said, "It also says, '*Identify functions that can be automated for permanent, long term savings.*' It also asked for benchmarking on the benefits of other New Mexico local governments." He thinks we initiated the policy direction and sent a message to look at efficiencies first. We need to fully look at whatever the administration needs from us to implement this. He is also concerned about where to get recommendations so that fit into the budget calendar. He said he would imagine this might happen before the City Manager formulates the recommended budget, so he thinks it will be a February/March timeframe to get recommendations on efficiencies direction. He wants to focus on the policy for saving money through efficiencies, and get all direction to the administration to fully-implement the Resolution, ensure we get the right answers timely, so it makes sense in the Budget Calendar.
- ◆ Chair Dominguez said from his conversations, he thinks staff would like to consider the framework – are we going to do it in 1, 2, 3, 4, 5 years, noting there is specific timelines in the Resolution. However, staff is waiting for the framework .
- ◆ Councilor Maestas said we don't have enough time to cover all these topics. He has a lot of comment and questions on other things we should look at. He said when we talk about the structural deficit, we're talking about the accumulation of poor financial practices, which were noble, to try to prevent layoffs, balance the budget and avoid reducing services, which goes back 8years. He said there has been a lot of deferred maintenance, critical expansion requests which were declined. He said when he came on board, the department heads were asked to present their expansion requests, which was between \$5 million and \$10 million. He said we are taking a multi-year approach to address a legacy structural deficit, and throughout those 3 years, we're continuing to "kick the can down the road," on other critical needs.
- ◆ Councilor Maestas continued, saying Councilor Rivera brought up the ERP, and there is one critical need, but he believes there are other needs he considers to be critical and high risk and we're not going to hear those. He said our paradigm is looking at the accumulated structural deficit over the 8 years and then we're going to take a 3-year approach to plug that. He asked what happens in the interim to continued maintenance, deferred critical needs the departments have, commenting we've told those departments there will be no expansion requests. He said if we're not going to put in all the critical additional needs, including the needs in the annexation area, he isn't inclined to take such a long approach to this "legacy structural deficit." He wants to start considering the new critical needs, start moving the needle and get the City on the right track. Councilor Maestas said, "I've got a lot of comments on additions to the framework and I hope we can continue this, because we need a lot more time to discuss these things."

- ◆ Chair Dominguez said, "We can't expect to solve the problems in the limited amount we do have Councilor Maestas. I respect your comments and opinions. It didn't take us 3-4 years to get into this mess. It is not going to take us 3-4 years to get out of this mess. It's going to take us longer. We're not just talking about absolutes and numbers, we're talking about a change in behavior, really changing the behavior of this Governing Body and future Governing Bodies, but community behaviors as well. There is a lot of stuff that comes to it, and so we should not pressure ourselves to necessarily get it done too quickly, although we need to definitely move, so I heed your words.
- ◆ Councilor Trujillo said we had a discussion last week when Councilor Maestas added the \$1.6 million to the deficit.
- ◆ Chair Dominguez said Councilor Trujillo is asking if we increased the deficit by \$1.6 million because of the action we took in regard to Transit.
- ◆ Councilor Trujillo said so we now have a \$16.6 deficit right now.

Mr. Rodriguez said you could arrive at the conclusion, "on the other hand, you're the ones that made the decision on how that money is spent.

- ◆ Councilor Trujillo said he just wants to be clear, and asked if that will increase the time frame. He wants to be sure about that.
- ◆ Mr. Rodriguez said the is the thing we'll solve in the next fiscal year, but in managing \$15 million there are much bigger things that have to be done. He said if you're thinking is to expand and spend more in that area, then yes you would be adding \$1.6 million.
- ◆ Councilor Trujillo said we are faced with a \$15 million budget deficit. He said not hiring people is going to be on the table, and there will be no expansions. He there will be less workers in Parks, no interns, no temporary workers. He said that will have an impact on the lives of the people who rely on these jobs in the summer – students working in summer programs. He said we talk about employing youth and giving them the opportunity to work, and this will be impacted. He said he looks forward to the conversation.

Mr. Rodriguez said, "Well the time is now, Councilor."

- ◆ Councilor Lindell said it is clear that nobody wants to give anything up, but everybody will have to give. She said Councilor Dominguez said it well, that we have to have a change of behavior by the Council, staff, and the community – everybody has to give up something. One assumption in the budget is no expansion or new initiatives and it is incumbent on this Council to live with this and not continue to bring new initiatives forward. She said constituents are going to need to hear that, and they're going to have to hear "no" from people. She said the Council has to decide on the needs. She said we've heard Councilor Rivera and Councilor Dominguez say no cuts at the Southside Library, and Councilor Trujillo said no cuts on interns, and she believes Councilor Ives has something he doesn't want to see cut, and she also has those things. She said we are all

going to have the opportunity to give. She said we need a discussion that isn't hurried and takes as much time as it takes, and come to an agreement on our needs, and where the line in the sand is for things that we can and can't stand to see cut, whatever that might be. This is a long discussion and we need to take the time and have it.

- ◆ Councilor Lindell continued, asking if we had the exercise of asking staff for efficiencies and ways to increase revenue. She said we talked about determining the costs of services, because we don't know that in some area. We don't know if we're charging appropriately for services. She said we could be more efficient in Transportation, commenting she believes a van costs less than a bus. She sees buses up and down Alameda every day with one person or nobody on them. She said it would be cheaper to call a taxi for those people.
- ◆ Councilor Lindell continued, saying we need to decide what is our policy on filling positions, and do we let some positions go away when someone retires or resigns, and if we can reallocate those positions to places where they are needed more. She asked if it is possible to have some kind of retirement incentive. She said our costs are driven with salaries and benefits. She sees that we spend millions of dollars on design work on projects where we have absolutely no consideration of finishing the project, which makes no sense to her.
- ◆ Councilor Lindell continued, saying these conversations will take time, and she thinks we need to hunker down for the long haul some evening and go through some of these.
- ◆ Chair Dominguez said part of the problem is when we talk about cuts, we need to make sure the cuts are equitable. He said that doesn't mean things are equal. For example, the Southside Library. There aren't many books stores, not many museums, if any, and not many of quality of life amenities provided by the Southside Library on the south side, as there are amenities that exist on the north side. So you can't just say we going to cut services or hours of operation at one Library the same as another. These are tough discussions, tough conversations, this Governing Body and the community have to have.
- ◆ Chair Dominguez said, in terms of how we're going to move forward, if we shorten the period of time to fix the structural deficits, then we might as well just start laying-off people, because that's what it comes down to. He said we can't find efficiencies to keep people from being laid off, commenting, "that is not necessarily something I support." He said the longer timeframe we spend in implementing the structural deficit framework, then we can plan efficiencies strategically, and find the things Councilor Lindell wants and having those tough discussions we need to have.
- ◆ Chair Dominguez continued, saying Councilors Lindell and Rivera hit on something he would like to see the administration do more of, and that is to reach out to the rank and file for efficiencies within the rank and file, the ones that do the work who know better than anyone where these can be done, and send a report back to us.

- ◆ Chair Dominguez said if he was giving direction himself, the things he would have staff look at, if we are taking the long term to resolve the deficit, would be number one, to eliminate the position of Deputy City Manager, look to cut contracts by 10%, eliminate travel. These are things we can do little by little that can help us get through each year without having layoffs. He said what happens with the economy will dictate the direction in which we would go in the future. He said if we establish a framework that is for a longer period of time, we could really look at efficiencies, vacancy savings and all of the things involved in right-sizing government. He said there certainly is some low hanging fruit we should be able to do more quickly.

Chair Dominguez said at the next meeting, he will list decisions that need to be made regarding the structural deficit and move into specific direction on what the "sacred cows," are in looking at cuts. He said everything is on the table.

Mr. Rodriguez the reason he put calendar before you was to show the Committee how little time is left. He noted will be having budget workshops with the department directors in two weeks.

Chair Dominguez said he has been on the Finance Committee for 10 years and it doesn't get any easier, noting this Committee has been together for 1½ years, and with that, we still have lots of questions and decisions to be made.

Chair Dominguez said it has baffled him since the 1990's where we say we're going to increase the Police Department, create more positions, but we never fill those positions. He his point is there is a lot of discussion we still need to have. He will meet with Mr. Rodriguez and Mr. Snyder to see if we can formulate an agenda that moves us to the next step and give some clearer direction.

4. FISCAL YEAR 2016/17 BUDGET DEVELOPMENT CALENDAR (ANDY HOPKINS)

Chair Dominguez said, "For the record, can we just say Ms. Helberg that Item #4, the Fiscal Year 2016/17 Budget Development Calendar was discussed already in your presentation, right Oscar."

Mr. Rodriguez said action is needed on the calendar, or push approval back two weeks.

Councilor Maestas acknowledged the recommendations received from the Santa Fe Chamber of Commerce, noting the Chamber convened an *ad hoc* committee of people in the business community and provided a wide array of recommendations to help the City solve its budget problems.

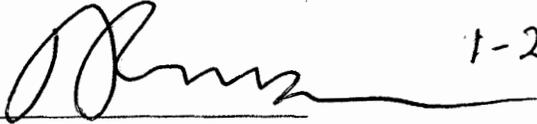
Chair Dominguez noted there are a lot of conflicts within that document.

5. ADJOURN

The Finance Committee Workshop was adjourned at approximately 5:45 p.m.

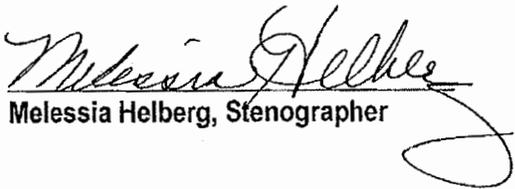
Carmichael A. Dominguez, Chair

Reviewed by:



1-28-2016

Oscar S. Rodriguez, Finance Director
Department of Finance



Melessia Helberg, Stenographer

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January 19, 2016

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**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Tuesday, January 19, 2016

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 6:00 p.m., on Tuesday, January 19, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Signe I. Lindell
Councilor Joseph M. Maestas
Councilor Ronald S. Trujillo
Councilor Christopher M. Rivera

OTHERS ATTENDING:

Oscar S. Rodriguez, Director, Finance Department
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Mr. Rodriguez said he would like to postpone Item #18 on the Consent Agenda to the next meeting of the Finance Committee on February 1, 2015. He said the staff person isn't here to present and it isn't a time sensitive item.

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve the agenda, as presented.

VOTE: The motion was approved unanimously on a voice vote.

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Trujillo moved, seconded by Councilor Maestas, to approve the following Consent Agenda, as amended.

VOTE: The motion was approved unanimously on a voice vote.

CONSENT AGENDA

6. *[Removed for discussion by Councilor Lindell]*
7. **REQUEST FOR APPROVAL OF BID NO. 16/18/B – ON-CALL ROADWAY & TRAILS CONSTRUCTION SERVICES AND CONSTRUCTION AGREEMENT. (JAMES MARTINEZ)**
 - GM EMULSION, LLC
 - EMCO, LLC
 - CENTURY CLUB CONSTRUCTION
8. *[Removed for discussion by Councilor Trujillo]*
9. **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – WATER RESOURCES AND CONSERVATION PUBLIC RELATIONS AND PUBLIC OUTREACH PROGRAM (RFP #16/13/P); PK PUBLIC RELATIONS AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$63,358. (RICK CARPENTER)**
10. **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$105,400 FOR STAFF OVERTIME AT UTILITY BILLING IN SUPPORT OF BADGER METERS AND ADVANCED BILLING SOFTWARE IMPLEMENTATION PROJECTS. (DIANA CATANACH)**
11. **REQUEST FOR APPROVAL OF DONATION OF CITY OF SANTA FE FIRE DEPARTMENT APPARATUS – FIRE ENGINE TO THE ENCINO FIRE DEPARTMENT. (JAN SNYDER)**
12. *[Removed for discussion by Councilor Maestas]*

13. *[Removed for discussion by Councilor Maestas]*
14. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – CITY-WIDE EQUIPMENT, SOFTWARE AND SERVICES TO EXCEED \$50,000 FOR ITT COMMUNICATIONS; DELL MARKETING, L.P. (PAUL CAMPOS)
15. *[Removed for discussion by Councilor Maestas]*
16. *[Removed for discussion by Councilor Maestas]*
17. *[Removed for discussion by Councilor Maestas]*
18. REQUEST FOR APPROVAL OF AN ORDINANCE INCLUDING A DEFINITION FOR ALTERNATE MEANS OF COMPLIANCE, AND AMENDING THE DEFINITION OF EXTREME HARDSHIP; AMENDING THE REQUIREMENTS FOR SANTA FE HOMES PROGRAM RENTAL UNITS; AMENDING THE PROCESS BY WHICH A DEVELOPER OF RENTAL HOUSING IS ALLOWED TO PAY A FEE-IN-LIEU INSTEAD OF SEEKING AN ALTERNATE MEANS OF COMPLIANCE WITH THE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM; AND ESTABLISHING AN EFFECTIVE DATE FOR THE AMENDMENTS (MAYOR GONZALES). (ALEXANDRA LADD). Committee Review: Public Works Committee (approved) 01/11/16; City Business & Quality of Life Committee (scheduled) 01/13/16; City Council (request to publish) (scheduled) 01/13/16; Community Development Commission (scheduled) 01/20/16; and City Council (public hearing) (scheduled) 02/10/16. Fiscal Impact – No. Removed from the Agenda and Postponed to the Council meeting of February 10, 2016
19. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 7-1.1 SFCC 1987, TO ADOPT THE 2012 UNIFORM SWIMMING POOL, SPA AND HOT TUB CODE, THE 2012 UNIFORM MECHANICAL CODE AND THE 2012 UNIFORM SOLAR CODE; AMENDING SUBSECTION 7-1.1 SFCC 1987, TO ADOPT THE 2012 UNIFORM PLUMBING CODE, AS AMENDED BY THE STATE OF NEW MEXICO AND THE CITY OF SANTA FE (COUNCILORS BUSHEE, IVES AND RIVERA). (MICHAEL PURDY). Committee Review: Public Utilities Committee (approved) 01/06/16; Public Works Committee (approved) 01/11/16; City Council (request to publish) (scheduled) 01/13/16; and City Council (public hearing) (scheduled) 02/10/16. Fiscal Impact – No.
20. REQUEST FOR APPROVAL OF A RESOLUTION DESIGNATING THE GREATER SANTA FE FIRE SHED AS AN AREA THAT IS CRITICAL TO THE HEALTH AND SAFETY OF THE CITIZENS OF SANTA FE AND A PRIORITY IN REDUCING THE ECOLOGICAL AND ECONOMIC HAZARDS POSED BY WILDFIRES; INCLUDING THE GREATER SANTA FE FIRE SHED IN THE 25-YEAR SUSTAINABLE SANTA FE PLAN; AND DIRECTING STAFF TO IDENTIFY FUNDING SOURCES TO DEVELOP PROJECTS (MAYOR GONZALES, COUNCILORS IVES AND BUSHEE). (PORFIRIO CHAVARRIA) . Committee Review: Sustainable Santa Fe Commission (no quorum) 12/16/15; Public Utilities Committee (approved) 01/06/16; Public Safety Committee (scheduled) 01/26/16; and City Council (scheduled) 01/27/16. Fiscal Impact – No.

21. REQUEST FOR APPROVAL OF A RESOLUTION EXEMPTING CURRENT MERCHANTS IN THE SANBUSCO MARKET CENTER FROM BUILDING PERMIT, FIRE INSPECTION AND IMPACT FEES WHEN RELOCATING THEIR BUSINESS TO A NEW LOCATION WITHIN THE BOUNDARIES OF THE CITY OF SANTA FE; AND MAINTAINING THE REQUIREMENT TO SUBMIT CONSTRUCTION DOCUMENTS PREPARED BY A REGISTERED DESIGN PROFESSIONAL FOR APPROVAL BY THE LAND USE DEPARTMENT (MAYOR GONZALES). (LISA MARTINEZ) Committee Review: Public Works Committee (approved) 01/11/16; City Business & Quality of Life Committee (scheduled) 01/13/16; and City Council (scheduled) 01/27/16. Fiscal Impact – Yes. \$9,600 in FY 2015/16 – The revenue losses would be the result of waiving the fees for those businesses affected by relocation from the Sanbusco Center as a result of the New Mexico School for the Arts moving into the location.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES – DECEMBER 14, 2015

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to approve the minutes of the Finance Committee meeting of December 14, 2015, as presented.

VOTE: The motion was approved unanimously on a voice vote.

CONSENT CALENDAR DISCUSSION

6. REQUEST FOR APPROVAL OF BID NO. 16/03/B – WATER HISTORY PARK & MUSEUM PHASE II INTERIOR REHABILITATION PROJECT AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; SARCON CONSTRUCTION CORPORATION AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$309,863. (LeANN VALDEZ)

Councilor Lindell asked if this is an increase in the budget for this project.

Mr. Pfeifer said, "It's not an increase in the budget, it's approving the budget to do the work, as we do every project now. We need to have the budget allocated to the project. The funding is there already. We just need to have you approve the budget to be spent on this project.

Councilor Lindell asked when funds for this project were approved.

Mr. Pfeiffer said one of these was a G.O. Bond, and the other part of it is a grant. The G.O. Bond was a 2012 bond, and the grant was finally approved in 2013.

Councilor Lindell said then this is for interior rehabilitation, and asked if the exterior of the building is sound.

Mr. Pfeiffer said there is one item where we need to hire a structural engineer to do some remediation on the structural integrity of the building, but as a whole, the exterior was done with 2008 Bond funds and fixed up also with the grant. The interior is now being rehabilitated as part of that.

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

8. REQUEST FOR APPROVAL OF FIRST AMENDMENT TO COOPERATIVE PROJECT AGREEMENT – ST. FRANCIS CROSSING FROM ACEQUIA TRAIL TO RAILYARD; NEW MEXICO DEPARTMENT OF TRANSPORTATION. (LEROY PACHECO)

Disclosure: Councilor Trujillo said, "As with anything that pertains to the NMDOT, I always state I do work for the New Mexico Department of Transportation. I do not work in that bureau, therefore there is no conflict of interest."

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

12. REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – SERVICES FOR DAY REPORTING PROGRAM FOR JUVENILES FOR FY 2016; SANTA FE COUNTY. (RICHARD DeMELLA)

Councilor Maestas said the even pages of the MOU weren't in the packet, so he was unable to review the entire MOU. He asked staff to make sure the packets are complete in the future.

Councilor Maestas said on page 1 of the MOU under 1(A)(1)Duties of the Parties, it says, ' *The City shall transfer and make available to the County \$65,076 for expenditure by the County.* ' He said 1(A)(2) provides, ' *The City shall serve as the fiscal agent for the funds identified in this agreement.* '

Councilor Maestas asked why we would transfer the funds to the County, but act as the fiscal agent.

Richard DeMella said these funds originates from the NM CYFD. It is an annual grant, and many years CYFD did a direct contract with the County to do its reporting services, they "combined that agreement into the City's agreement, so basically we are the middle man between the County and CYFD." He said we have been using this procedure for the past 7 years.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

13. REQUEST FOR APPROVAL OF AGREEMENT – UPGRADE CITY OF SANTA FE INTERNET PORT BANDWITH AT 200 LINCOLN AVENUE FOR ALL SITES; QWEST COMMUNICATIONS COMPANY, LLC, D/B/A CENTURYLINK QCC. (RENEE MARTINEZ)

Councilor Maestas noted there is hypersensitivity on budget increases, and this definitely will cost \$1,070 more per month, but there is nothing in the Memorandum explaining or justifying the benefits for the increased costs. He asked how this addresses the need what are the benefits in addressing the need.

Renee Martinez, Director, ITT Department, said they have received a lot of complaints from departments on the internet performance. She said this is the one pipe that goes out of the City to the internet for internet services. She said, for example, the City attorney's office uses a web-based application to support its activities and reporting, but often the upload/download takes so much time that it times out and they have to restart the process, commenting the reproduction center uses the internet to transfer files back and forth and for the last several months it has been having performance issues as well. She said as we move more to cloud-based services and using web applications to do work in the departments, it will be a bigger and bigger problem. She said our saturation on our internet pipe is 100% of our capacity of internet. She said staff feels it is critical to do this so as not to impede daily operations.

Ms. Martinez said it is hoped to save this amount of money in the new telephone lease, noting she has been negotiating with Altura, our voice mail system, to get better pricing so we can save enough to cover this expense as well as other things. This is a very good price from CenturyLink and it was the most competitive price we can get today.

Councilor Maestas said it's been some time since the Presidio Report came out which he read, and he asked if she can refresh those findings, identify the critical needs and at a future meeting she could give us scaled-down version of Presidio Report.

Ms. Martinez said she will be glad to provide an update on what was reported and what they've done to start closing all the high risks, commenting they are making headway on that.

Councilor Maestas asked the Chair if we can make arrangements for the update at a future meeting, and Chair Dominguez said he will work to get something on the agenda.

MOTION: Councilor Maestas moved, seconded by Councilor Trujillo, to approve this request

VOTE: The motion was approved unanimously on a voice vote.

15. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – RATES AND CHARGES STUDY AND ON-CALL CONSULTING SERVICES AT SANTA FE MUNICIPAL AIRPORT; FRASCA & ASSOCIATES, LLC. (JON BULTHUIS)

Councilor Maestas asked if an Airport Manager has been hired.

Mr. Bulthuis said the new Airport Manager will be reporting for duty in March.

Councilor Maestas asked Mr. Bulthuis if he feels this contract is necessary to keep this program going, noting the Airport had a \$900,000 deficit in revenues versus projection. He asked if this consultant has helped us to improve the revenue picture.

Mr. Bulthuis said that is exactly the focus, noting the rates and fees work he is doing relates specifically to our contracts with the airlines, and what they pay for doing business with the City. He said we are working to get those fees to the level to allow us to staff-up to the place FAA is directing. He also has done quite a bit of working in assisting the City in bringing the new FBO to the Airport. He also is taking a general look at the leases, noting the existing FBO has now been acquired by another company, and he is assisting us with the assignment of leases from Landmark to Signature Aviation. He said the money is well spent and focused on generating new revenues for the Airport.

Councilor Maestas said on page 2 of the Amendment, Paragraph E says, '*Provide assistance to the Airport in the creation of a rate model and negotiation of lease, use and concession agreements that will position the Airport to become self-sustaining as soon as possible.*' He asked for a year specific.

Mr. Bulthuis said he is working on this with the City Manager, in terms of how quickly we can tighten the balance. He said rate model has a four-year timeline to break-even, but that is variable, depending on how much we want to push, noting this is part of the negotiation process.

Councilor Maestas said he believes there is an urgency for this franchise to be self sufficient. He asked the impact to the Airport of totally stopping the negative carry-overs.

Mr. Bulthuis said historically, the transfers-in are \$400,000 to \$500,000 each year. The current plan being discussed with the Airlines reduces it over the life of the 4 year lease, with a break-even period in 4 years. He said that can be addressed by this Committee.

Councilor Maestas asked if the consultant will help with some more realistic revenue projections.

Mr. Bulthuis said the airlines require a complex revenue model to be provided by the City, and that is all available for Committee review. He said once we get consensus from the Airlines, that will be brought forward for consideration and discussion.

MOTION: Councilor Maestas moved, seconded by Rivera, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

16. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF SECOND QUARTER (MIDYEAR) BUDGET ADJUSTMENTS FOR FISCAL YEAR 2015/2016 ENDING DECEMBER 31, 2015. (ANDY HOPKINS)

Councilor Maestas noted on packet page 5 there is an appropriation for Parks Bond Audit Services of \$160,603, and asked if this is an unanticipated General Fund expenditure.

Andy Hopkins said this is correct.

Councilor Maestas asked the source of funds to cover this expense.

Mr. Hopkins said it will come from the additional funds that is available in the General Fund at the end of the year, noting those funds also are being used for the ERP system and various other things.

Councilor Maestas asked about the appropriation for the Hospital and Healthcare Study Group facilitation of \$50,000. He said he when that was he approved, he thought funds were identified and asked the reason it would be on a BAR now.

Mr. Hopkins said the existing budget is in the General Fund, and will be paid from existing cash in the General Fund.

Mr. Rodriguez said what we're talking about here are appropriations. He said we are required to report to DFA any amendments or increases in appropriations in each quarter. He said the money is there, but until there is an approval, it is not available.

Mr. Rodriguez noted the length of the list previously and the current list which is a little less than half, so there is better budgeting, commenting we are getting better at this as we move forward.

Councilor Maestas asked on packet page 8, it says, '*Reappropriation of unspent prior year budget for an ongoing project.*' He asked for an explanation.

Mr. Rodriguez said that is a carry-forward – a prior year authorization that expired June 30, 2015. Those funds can no longer be spent without coming back to the City Council to ask for permission to carry the funds forward to spent those funds.

Councilor Maestas asked if it wouldn't be better to encumber it in the fiscal year where the funds are located, tally it as a PYE and carry it forward.

Mr. Rodriguez said that is how it used to be, but there was so much of that it was hard to maintain control of the funds. He said this method provides better oversight and is more transparent.

Councilor Maestas said then we shouldn't be seeing this in the 3rd and 4th quarter.

Mr. Rodriguez said his goal is to eliminate this completely, or for it to be a very very rare event, noting last year there was \$47 million.

Mr. Hopkins said in many cases this will reflect grant funding received late in the fiscal year and it's an use it or lose it scenario, so it has to be reappropriated/carried forward or we will lose those funds.

Councilor Maestas on packet page 9, Fund 5300 Water Operating Fund, there is *Adjustments to utilities administration/customer service charges based on system upgrades and other prior year increases* in the amount of \$4.3 million. He asked what is this.

Mr. Hopkins said this is one of the many allocations he does. He said in the past we set allocations based on budget, and at the end of the year, the Controller would go in and reassign all of the costs of the utilities administration and customer service functions to the various utilities based that spread. He said we have changed how we do that recently, and it is now intended there will be no cash sitting in these funds, and every year's allocation should be completely sufficient for the year's operations. He said the large increase is being paid by Water for the meter reading CIP project and expenses. He said he's making a change and will go through that allocation and adjust it as necessary to deal with any changes in utilities administration, which is where "Nick and his people are budgeted, and the Utility Customer Service for Utility Billing functions."

Councilor Rivera asked the reason we are approving SWMA's changes when we have no decision-making over how it spends its money.

Mr. Hopkins said there are two reasons. One, is it's an informational item, that this is part of your budget, the City is the fiscal agent. The main reason is for the format is to submit it to DFA along with other reports, saying this report includes everything that happened in our budget for the entire City including areas for which we are fiscal agent, including SWMA and Buckman.

Councilor Rivera asked if SWMA can submit the report on its own.

Mr. Hopkins said this is one of our jobs as its fiscal agent.

Councilor Rivera said you are asking us for approval, even though we had no say.

Mr. Hopkins said it is more informational in the case of Buckman and SWMA, and an issue of convenience in submitting one report.

Councilor Rodriguez said we're not just a pass-through, and they do have to comply with our procurement, financial and budget procedures, etc. He said since they comply, he recommends approval of the report.

MOTION: Councilor Trujillo moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

17. REQUEST FOR CONSIDERATION AND APPROVAL OF FISCAL YEAR 2015/16 BUDGET BY INCREASING THE COMMUNITY SERVICES DEPARTMENT BUDGET BY \$108,000 FOR THE LAW ENFORCEMENT ASSISTED DIVERSION (LEAD) PROGRAM. (PATRICK GALLACHER)

Councilor Maestas said although he supports this program, which is a great program, the City is in unusual financial times, and we have to ask the really tough questions of this and all programs. He noted they are requesting \$108,000. He said a year ago money was pouring in, and accumulating, and it was great, and it appeared we had at least two solid fiscal years. He said there was \$100,000 in FY2014, \$200,000 in FY 2015, for a total of \$300,000, with a balance of \$118,000.

Chief Gallacher said that was spent, and the balance should have been roughly \$210,000.

Councilor Maestas said you are now projecting expenditure of \$19,000 per month, or \$171,000 which still leaves a balance of \$11,000 at the end of the FY. He asked the reason \$108,000 when they will break even at the end of the fiscal year.

Chief Gallacher said that would be correct, but his understanding in talking with Mr. Rodriguez is the funds were spent slowly and we were slow in bringing everything up to line. He said, "In your words the money was appropriated but not funded, I believe."

Mr. Rodriguez said we did not allow a carry-forward is what happened. In previous years, it was appropriated and they rolled it forward with all this cash. He said the institutional behavior we're trying to change now is that unless you can justify using it now, it is cut. And if you need it in the future, you will come back to the Council and request for the extra resources, and that's what we're doing here.

Councilor Maestas said it shouldn't have anything to do with the slow pace of expenditures, and more to do with whether it carries-forward into the next fiscal year.

Mr. Rodriguez said one caused the other, and when the budget was developed it seemed that the anticipated expenditures would be to the limit. He said we explained at the time if you need additional resources you would have to come to the Council and ask for the amendments.

Councilor Maestas asked what happened to the money.

Mr. Rodriguez said it went to the General Fund ending balance, so now you're bringing it back from there.

Councilor Maestas said the Governing Body specifically allocated the \$200,000.

Mr. Rodriguez said that was two years ago, and now that the subscription rate is up and the resources are going to be use we are recommending the budget be increased.

Councilor Maestas asked if we can be sure that the \$108,000 will stay there for this program.

Mr. Rodriguez said, "No. I promise you sir, if it's not used it will go to the General Fund ending balance, and they will have to come back to you again and explain the reason those funds aren't used."

Councilor Maestas asked the reason it isn't a PYE, like we just talked about, and why this wasn't reappropriated to the next year for this program.

Mr. Rodriguez said, "We didn't think they were going to use this level last year at this time when we were developing the budget, we didn't see the subscription rate, the participation rate that would justify this high a budget, so we cut the budget to what it seemed they were going to be using."

Councilor Maestas said it appears that the Chief was unaware that the funds had reverted to the General Fund. He wants insight into the process, to make sure our programs are protected. He said don't you get to the point that you ask if the money is going to be spent before cuts should be made, or what will be a PYE or what will revert to the General Fund.

Mr. Rodriguez said, "I give them my report every month. You are going to hear that report at the end of the meeting. So part of the behavior, I feel very strongly we need to instill here, is that you budget for what you need, only that, and not for the extra amount, and somehow expect it will roll forward if you don't use it. They've got to come to you to get that permission. By the way, the Chief can only say he didn't know about, because he wasn't Chief at that time. So it's accurate in every way."

Councilor Maestas said, "I just want to make sure we have a fair practice that, when we deliberate over these programs and appropriate money it some doesn't get reverted to the General Fund because it's not being spent."

Mr. Rodriguez said, "I promise you sir, that that will always happen. And you'll hear from this Finance Director if I don't think that money is going to be spent there [*inaudible*]. But my recommendation will always be budget for what you're going to use. And 30 seconds of why. Currently, the City spends anywhere to \$30 to \$45 million a month, and I've got to keep the cash on hand to make those payments. If it turns out I'm keeping more cash on hand than they're actually going to use, then that is costing us revenue through cash investments. I've been pushing the departments, I think it's fair to say, I've been pushing the departments to truly put in their budget only what they plan to spend."

Councilor Maestas asked what happens if there if a professional services agreement that will extend beyond the fiscal year – do you have them express those expenditures.

Mr. Rodriguez said yes, and they will be asked if they have contracts which will span the fiscal year, if year, that money is put in the budget with an explanation. He said, "We don't just assume that because it was approved last year or the year before that it rolls forward on its own without anybody having to explain or come and ask for the extra appropriation. We just don't do that any more. And we ask them why you need it, etc. I think over time that will get us to a better budget."

Councilor Rivera said this is a multi-jurisdictional program and involves more than the City.

Chief Gallacher said that is correct.

Councilor Rivera asked if all 49 participants are all within the City limits.

Chief Gallacher said all live within the City limits.

Councilor Rivera said the program appears to be working nicely, and said, "Keep up the good work. It looks like you're making great strides, so congratulations."

Chief Gallacher said this program speaks to efficiencies and having our officers freed up instead of re-arresting the same people over and over, while at the same time helping them.

MOTION: Councilor Maestas moved, seconded by Councilor Rivera, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

END OF CONSENT CALENDAR DISCUSSION

Councilor Lindell departed the meeting

DISCUSSION AGENDA

22. DISCUSSION ON MONTHLY FINANCIAL REPORT ENDING OCTOBER 31, 2015. (OSCAR RODRIGUEZ)

Mr. Rodriguez reviewed the *City of Santa Fe Fiscal Year-to-Date Financial Performance Report as of October 31, 2015*, dated January 19, 2016, which is in the Committee packet. Please see this document for specifics of this presentation.

Mr. Hopkins noted the data for the report is through October, and you will more changes for November, commenting that this is a living document. He said he speaks with department personnel about his assumptions about vacancies and considers those. He said projections are based on a budget actual variance and the trend projection or curve analysis, and explained how this is done. He said he doesn't want to get "crazy" and consider something as a trend when it really is an anomaly.

Mr. Rodriguez said the Committee will be receiving a report on the GRT, which shows the receipts dipped considerably, although it had been coming in considerably above projections, but we are still about 3% above the budgeted revenue, which we think will hold.

Chair Dominguez said aside from the predictors, the numbers for Land Use are consistent with what we're seeing in the industry in general, and that goes along with the economy.

Mr. Hopkins agreed, saying he tries to keep up with economic trends and factor those into his calculations as well.

Chair Dominguez asked Mr. Rodriguez what direction, if any, he has been given to do with funds in excess of expenditures.

Mr. Rodriguez said it goes to the reserves, and the difference to capital expenditures or to one time monies.

Responding to the Chair, Mr. Rodriguez said the 10% to capital will be codified when you approve the budget, commenting in any event he will bring it to the Committee with his recommendation. He would strongly recommended these funds not be used to increase operations which will continue.

Mr. Hopkins said it should be treated as the equivalent of a "Christmas bonus or an unexpected check from your grandmother," but don't use it for ongoing expenses which isn't fiscally prudent.

Councilor Rivera what is included in other taxes on the revenue side which is predicted to be 16% under anticipated.

Mr. Hopkins said that would be primarily automobile license fees, which is State shared revenue.

Councilor Rivera asked if that is an educated guess and Mr. Hopkins said yes.

Councilor Rivera noted the revenue from interest on investment, and asked if this is separate from what Helene reports on.

Mr. Hopkins said these are his projections. He said Ms. Hausman did the projections in March 2015, and a lot has happened since then.

Councilor Rivera said then Ms. Hausman's report should reflect the numbers given to us by Mr. Hopkins.

Mr. Rodriguez said we're updating everybody's numbers, noting the numbers given to us by Ms. Hausman in February 2015, we based on interest rate and market conditions at the time which was less than 0.3%, and they're up to 0.52%, so conditions have changes, and we' updating. He said the information Ms. Hausman had was the best available, and we now have better information.

Councilor Rivera's said we're showing a significant decrease in projected interest and investments.

Mr. Hopkins reiterated the process of calculating the proposed interest.

Mr. Rodriguez said he has asked Ms. Hausman to set aside much shorter term instruments, so we can make the June 1st call for the Water Bonds, so as a result, there is a lot less cash available to use to earn interest. This is another reason the estimate is being adjusted downward.

Councilor Rivera asked if the expenditures are reflective of department staff taking cost saving measures.

Mr. Hopkins said it is that and the traditional under-expenditures due to vacancies.

Councilor Rivera asked if there is anything in the report that "scares the bejeesus out of you."

Mr. Hopkins said no, just because it is too early in the fiscal year for concern, noting trends change and unexpected things happen.

Mr. Rodriguez said as we talk about temporary employees, if we don't fill these positions, a lot of people will file for unemployment and there will be a big cost to that. He said we're going to try to pre-fund that fund this year, as opposed to having each department pay as it comes. He said next year might be extraordinary in that sense, and he is concerned that could be very significant. He will keep an eye on that

Chair thanked staff for their excellent work and this report.

23. MATTERS FROM THE COMMITTEE

Chair Dominguez wished Councilor Rivera a very Happy 50th Birthday.

Councilor Maestas asked when we are going to discuss the CAFR.

Mr. Rodriguez said that was approved on consent and he can bring it back for discussion if the Committee would like.

Chair Dominguez said we should look at it, but he doesn't want to make it a part of the budget discussions.

Mr. Rodriguez said he can arrange a meeting with the auditor for Councilor Maestas.

Councilor Maestas said he will do so off line and inform the Chair.

Councilor Maestas said he is getting concerned about some elements of the budget deficit framework, noting some will require policies. He wants to avoid what happened last time with the Water Fund Transfer. He said we need to give direction to staff, and look at Resolution on efficiencies.

Chair Dominguez said he would presume a policy would run parallel with the budget, and we can discuss the mechanics of that.

Councilor Maestas said perhaps we can take extraordinary measures and pass policy in conjunction with budget development, since the budget hearings are a committee of the whole.

Councilor Maestas said he agrees with Councilor Ives that everything needs to be on the table, but everything isn't in the framework and we need more information on employee benefits, identify areas where we can save money, and consider curtailing some of those benefits – we need to give staff more direction to begin moving forward. He said benchmarking as very clear in the Resolution we adopted in early December. He asked staff to look at that Resolution and identify what further direction you need from the Committee, so we can start getting that information.

Mr. Rodriguez said he has been in this business for 25 years, and in the very best of circumstances it is hard to get information flowing and people talking in a meaningful fashion. He said a big part of the behavioral change we need to do will take at least 2 years to the point we will have meaningful benchmark information. He said it would serve no purpose if he put it out there and the departments disavow it, not understand it, not follow it and so forth. He wants to temper the expectation here that this is something that can be done quickly in a matter of months, and once you have it, it will be a meaningful conversation. He can produce the information, but you may not be satisfied with the conversation. It will take time to take the information and have meaningful conversations.

Councilor Maestas said the public wants us to identify the cuts before considering new revenues, but some of the frameworks include new revenues in the next fiscal year. He said for a multi-year strategy he thinks the cuts should be on the front end and revenues on the back end. He can't support having it all at once. The direction to staff needs to be crystal clear. He talked about his efforts, including a temporary hiring freeze, but nobody liked that idea. He wants to identify efficiencies and figure out how to implement them. He is a little put off, and feels time is getting away from us and we need to have that first, robust discussion about everything. He wants to move all of this forward in parallel tracks in solving these issues. He wants research and an abstract of how franchise fees would work and be assessed.

Chair Dominguez said he is open to suggestions, noting the point is, who is going to propose cuts and/or revenue increases. He said staff provided a memorandum regarding these fees including. He said we need to strike a balance, saying we each have our own ideas of how things should be done. He said there are things on which he won't sacrifice or compromise, but he is willing to listen and come up with a solution.

Chair Dominguez said, "For the record, I would suggest each of us... part of the problem we're all in an election mode at some point in some capacity. We need to remove politics as much as we can, and come up with a solution that will work in the short and long term. We don't have to tie the hands of future administrations, but we have gone through severe ups and downs financial, economically, staff-wise..... as much as I wish that we could do all these things quickly. I'm tired of having these discussions we've been having since 2008 when the economy went bad and having to make those tough decisions. If anybody wants things to happen more quickly, I am one of them."

Councilor Rivera said before do anything on new revenues, we should look at the value of the property on Siler Road to see the potential revenue if we sold that property, and how many years it would be before we move there after we get out of the hole. He asked if we can get Matthew O'Reilly to get an estimate on that for the Committee. He is unsure it makes sense to hold the property with the idea of moving there at some point, considering we have a deficit of \$15 million. He doesn't know how many

years it would take to move in that direction after we address the deficit. He is unsure that we would want to move there, commenting to have City Hall in its current location makes a lot of sense to him.

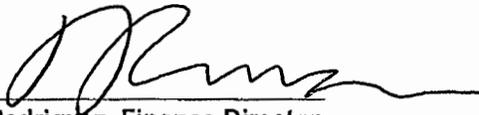
Mr. Rodriguez said he can provide that information which is already in hand. However, if this is done, he recommends we treat it as a one-time revenue and don't spend it on recurring expenses. He said selling the Siler property will not close the structural deficit which is ongoing costs against much lower ongoing revenues.

24. ADJOURN

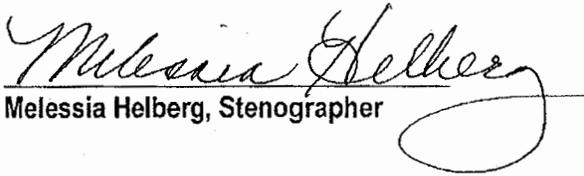
There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:15 p.m.

Carmichael A. Dominguez, Chair

Reviewed by:



Oscar S. Rodriguez, Finance Director
Department of Finance



Melessia Helberg, Stenographer

SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
January 4, 2016

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REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 2-3 SFCC 1987, TO HAVE THE GOVERNING BODY SET THE SALARY FOR THE MUNICIPAL JUDGE EVERY FOUR YEARS IN CONJUNCTION WITH THE PRESCRIBED TERM; AND PROVIDING GUIDANCE ON THE LEVEL AT WHICH THE SALARY SHALL BE SET	To Council w/o recommendation	3-7
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 1-7.7 SFCC 1987, TO PROHIBIT AN ELECTED OFFICIAL FROM ACCEPTING EMPLOYMENT WITH THE CITY OF SANTA FE WITHIN ONE (1) YEAR OF LEAVING OFFICE	Approved	7-9
REQUEST FOR APPROVAL OF A RESOLUTION TO REALLOCATE FUNDING FROM THE COMMUNITY HOSPITAL AND HEALTH CARE STUDY GROUP TO THE SUSTAINABLE SANTA FE COMMISSION TO PURSUE THE DEVELOPMENT OF PROGRAMS, POLICIES AND PROJECTS WITHIN THE 25-YEAR SUSTAINABILITY PLAN THAT WILL HELP IMPROVE THE HEALTH AND QUALITY OF LIFE OF THE PEOPLE OF SANTA FE; AND TO REEVALUATE THE COMMUNITY HOSPITAL AND HEALTH CARE STUDY GROUP'S PURPOSE AND SCOPE IN THE SPRING OF 2016	Approved	10-13

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION CREATING THE SANTA FE FILM COMMISSION; AND SUPPORTING ECONOMIC DEVELOPMENT AND JOB CREATION IN FILM AND DIGITAL MEDIA	Approved	13-16
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION AGENDA</u>		
PRESENTATION OF SANTA FE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDING JUNE 30, 2015, PURSUANT TO STATE AUDIT RULE 2012, 2.2.2. NMAC, BY ACCOUNTING & CONSULTING GROUP, LLP	Information/discussion	16-17
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REQUEST FOR APPROVAL OF FY 2015/16 – 2019/20 CAPITAL IMPROVEMENT PLAN FOR THE CITY OF SANTA FE	Approved	20-26
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**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, January 4, 2016**

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Acting Chair Christopher M. Rivera, at approximately 5:00 p.m., on Monday, January 4, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Christopher M. Rivera, Acting Chair
Councilor Signe I. Lindell
Councilor Joseph M. Maestas

MEMBERS EXCUSED:

Councilor Carmichael A. Dominguez, Chair
Councilor Ronald S. Trujillo

OTHER GOVERNING BODY MEMBERS IN ATTENDANCE:

Mayor Javier M. Gonzales

OTHERS ATTENDING:

Oscar S. Rodriguez, Director, Finance Department
Kelley Brennan, City Attorney
Zachary Shandler, Assistant City Attorney
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
Elizabeth Martin for Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Mr. Rodriguez noted he would like to discuss the proposed workshop under Matters from the Committee.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to approve the agenda, as amended.

VOTE: The motion was approved unanimously on a voice vote.

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to approve the following Consent Agenda, as amended.

VOTE: The motion was approved unanimously on a voice vote.

CONSENT AGENDA

5. *[Removed for discussion by Councilor Maestas and Councilor Lindell]*

6. *[Removed for discussion by Councilor Maestas]*

7. *[Removed for discussion by Councilor Maestas]*

8. **REQUEST FOR APPROVAL OF A RESOLUTION CONTRIBUTING PROPERTY AND RESOURCES TO SANTA FE COMMUNITY HOUSING TRUST FOR THE DEVELOPMENT OF THE SOLERAS STATION LOW INCOME HOUSING TAX CREDIT PROJECT PURSUANT TO THE AFFORDABLE HOUSING ACT (COUNCILORS DIMAS, IVES, LINDELL AND BUSHEE). (ALEXANDRA LADD) Committee Review: Public Works Committee (approved) 12/07/15; City Business & Quality of Life Committee (no quorum) 12/09/15; City Business & Quality of Life Committee (scheduled) 01/13/16; and City Council (scheduled) 01/13/16. Fiscal Impact – No.**

9. **REQUEST FOR APPROVAL OF A RESOLUTION DONATING A LEASEHOLD INTEREST AND FEE WAIVERS TO THE SANTA FE CIVIC HOUSING AUTHORITY PURSUANT TO THE AFFORDABLE HOUSING ACT, FOR THE REHABILITATION OF THE PASA TIEMPO HOUSING SITE TO MAXIMIZE POINTS AWARDED UNDER THE LIHTC APPLICATION (COUNCILORS IVES, MAESTAS AND BUSHEE). (ALEXANDRA LADD)) Committee Review: Public Works Committee (approved) 12/07/15; City Business & Quality of Life Committee (no quorum) 12/09/15; City Business & Quality of Life Committee (scheduled) 01/13/16; and City Council (scheduled) 01/13/16. Fiscal Impact – No.**

10. REQUEST FOR APPROVAL OF A RESOLUTION DONATING A LEASEHOLD INTEREST AND FEE WAIVERS TO THE SANTA FE CIVIC HOUSING AUTHORITY PURSUANT TO THE AFFORDABLE HOUSING ACT, FOR THE REHABILITATION OF THE VILLA HERMOSA HOUSING SITE TO MAXIMIZE POINTS AWARDED UNDER THE LIHTC APPLICATION (COUNCILORS IVES, MAESTAS AND BUSHEE). (ALEXANDRA LADD)) Committee Review: Public Works Committee (approved) 12/07/15; City Business & Quality of Life Committee (no quorum) 12/09/15; City Business & Quality of Life Committee (scheduled) 01/13/16; and City Council (scheduled) 01/13/16. Fiscal Impact – No.
11. *[Removed for discussion by Councilor Maestas]*

END OF CONSENT AGENDA

Mayor Gonzales arrived at the meeting

CONSENT CALENDAR DISCUSSION

5. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 2-3 SFCC 1987, TO HAVE THE GOVERNING BODY SET THE SALARY FOR THE MUNICIPAL JUDGE EVERY FOUR YEARS IN CONJUNCTION WITH THE PRESCRIBED TERM; AND PROVIDING GUIDANCE ON THE LEVEL AT WHICH THE SALARY SHALL BE SET (COUNCILORS BUSHEE AND LINDELL). (OSCAR RODRIGUEZ) Committee Review: City Council (request to publish) (scheduled) 01/13/16; and City Council (public hearing) (scheduled) 02/10/16. Fiscal Impact – Yes.

Councilor Maestas asked the reason we are changing this, since the Council had agreed to remove itself from setting the salary for the Municipal Judge, with the intent being to de-politicize the issue, among other issues.

Kelley Brennan, City Attorney, said, "Judge Yalman is here and would like to speak to the point this evening, but I would say... we had brought forward and I have some tendency to not want to advocate here one way or the other, because essentially, the prosecutor works for me and is affected by the decisions of the Judge. But realistically, I asked Oscar to speak to it, but I think that at this point I can. We brought it forward for an increase as provided under Ordinance. As I understood at the time, after reading the minutes of the meeting where that decision was taken, that was exactly the goal: to remove it from discussion, particularly at a time when the budget was beginning to be discussed and elections were taking place, to sort of provide an objective standard for salary setting, which is what the current Ordinance provides. That was brought forward and was defeated at Council. It was brought forward as a Resolution because it did not change the Ordinance, it was merely salary setting, as you are required to do under the Charter every 4 years. The Resolution was voted down and Councilor Bushee asked for an amendment to the Ordinance and that's what this represents tonight. I think that Judge Yalman probably has some thoughts about it as well."

Councilor Maestas said he knows there is a budgetary firewall between the Governing Body and the Municipal Judge operation, in terms of interfering with operations to the extent of curtailing budgets. He asked why that wouldn't translate into setting the Judge's salary by the Governing Body, and wouldn't that breach that firewall between the autonomy of the Municipal Judge and the Governing Body.

Ms. Brennan said, "I think if it were an attempt to influence the Judge or punish the Judge in some way, it certainly would. I think that does have... is part of the rationale behind having an objective standard. And I also think it was just difficult for the Governing Body from what I've seen, every four years, to arrive at a salary that seemed reasonable under the circumstances. So I do think that is one consideration. Yes."

Councilor Maestas asked if this could be contested in Court by the Municipal Judge, if this goes forward and the Governing Body is setting the salary of the Municipality Judge, as a curtailment of her operations and autonomy.

Ms. Brennan said, "It sort of depends on what happens. For instance, I would certainly advise the Governing Body at that point not to reduce the salary of the Judge, and to make some findings indicating that it was a competitive or reasonable salary under the circumstances. Obviously, if the Judge reached a decision that was unacceptable for any number of reasons to Councilors, and they reduced her salary to \$45,000, I think that would be questionable. But as to whether a reasonable salary is reasonable and you stick to those parameters, I'm not sure it would be subject to that kind of challenge."

Councilor Maestas asked if she can speak to the basis for the 90% number, the salary setting basis for the Municipal Judge, and the reason it is 90% of the District Judge's salary.

Ms. Brennan said, "I think that just seemed a reasonable index, and again, Judge Yalman followed those discussions at the time, I assume, and can add to it more than I can. It seemed to me apparent in looking back at minutes of prior meetings, that it just was very hard to find a benchmark. And basically, the Municipal Judge is doing to a certain degree what District Court Judges do. And there was some discussion about 85% versus 90%. But 90% was the figure the Governing Body felt was fair at the time."

Councilor Maestas said his concern is it specifically says the salary cannot be reduced from its current level.

Ms. Brennan said, "That's why I put that in."

Councilor Maestas said we're talking about \$6,000 and the FIR anticipated just staff costs... has not exceeded that \$ 6,000, but it's anticipated that it will, just in studying this issue. He is concerned about the whole reason for a range of \$6,000, we'll spend that much just looking into this issue, plus, "I think, kind of take a step back in injecting ourselves and potentially politicizing the salary of the Municipal Judge." He doesn't know the nature of this change, and it may be a matter of equity. He said the increase proposed by staff was 5%, and the rank and file aren't getting 5%. He thinks this is a unique position in City government.

Ms. Brennan said, "It is a unique position, and it is unique in that District Court Judges got a salary increase. That's not a regular thing, and so that's what raised the issue this year. This is what they earn, this is 90% of it, and it was around \$5,000 as I recall."

Councilor Maestas asked Mr. Brennan if the City Charter requires the Municipal Judge to be an attorney.

Ms. Brennan said, "I believe it does."

Councilor Maestas said it's not a requirement across the State for municipal judges to be attorneys. He said to have an attorney serve as our Municipal Judge warrants an appropriate salary, maybe not at the District Judge level. He is questioning this initiative because our Home Rule Charter requires that our Municipal Judge be an attorney. He doesn't see the reason for this, and is concerned about the costs which will exceed the salary increase. He said, "I think the Governing Body should stay out of this. And whether the 90% of a District Judge's salary is appropriate, I could not make that call, unless there is some deeper insight into where that index came from." He asked Judge Yalman how much time she takes off.

Judge Yalman said, "Partly because of how the previous two, not counting, Judge Carasco-Trujillo... what happened when they ended their terms, there were issues about whether they were entitled to leave. So what I've done, with the idea that hopefully when I leave, there won't be issues about my leave. I have acted as though I am an exempt employee. I put in my leave request for sick leave and annual leave, I accumulate leave. So I accumulate sick leave and annual leave, with the idea that it's been documented so that, I'm hoping when I leave there won't be all sorts of negotiations about whether I'm entitled to any money for leave. I believe both Judge Gallegos and Judge Fiorina had big issues about whether they were entitled to be paid leave when they left. So I was hoping to avoid that, but I do take leave, and I take sick leave as well."

Councilor Maestas asked how the current salary setting methodology would compare to tying the Judge's salary to the consumer price index, which already is used as a guide for the minimum wage. He said at the very least he would want the Municipal Judge Salary to keep pace with the cost of living. He thinks the public understands it.

Judge Yalman said, "Let me speak to the 90%. You may recall that the citizens of Santa Fe voted to make this position a lawyer, so there are very few cities in the State where that is an actual requirement. And it's not just a lawyer, they have to be a member of the New Mexico bar. That changed a lot when that went in, and they did it, I believe, to professionalize the office. So at the start of every term, basically I was in the position of having to come to Council and request an increase. There were no guidelines, and I had hoped that I was done doing that, but I'm here tonight because I do oppose this proposal. So the last time around, Gino Zamora was the City Attorney, and he said we should do what the State Judiciary does, which is that the lower courts are all a percentage of the higher court, they just go down the line. The City of Las Cruces also requires that their Municipal Judge be an attorney and a member of the bar in New Mexico, and use 90%. So that was one key. And I believe the other, but I'm not as convinced of this, is that the hearing officers, like domestic violence and child support, I believe they are 90%, but I'm not

positive. Because I think the Metro Judges are at 95%. So every time you go lower, it gets lower. And so that's how they arrived at it. It seems to me that it makes the most sense, because theoretically, when the Supreme Court presents a salary proposal to the Legislature, they usually have done an extensive study, not only in New Mexico, but in the country."

Ms. Brennan said, "The only thing I would add to that, Judge Yalman has mentioned a study. And in fact there was a large study that took place in the last salary increase for judges. The other thing I would say, is that it's certainly a comparable wage for an attorney in a position at that degree of responsibility."

Councilor Maestas asked Ms. Brennan if there is case law in this regard.

Ms. Brennan said, "You have the authority. I'm not aware of any case law on that point. As I believe I mentioned in my Memorandum to Oscar at the time, when we brought forward the Resolution, there was litigation around the salary increase which found by the Supreme Court to be justified over the Governor's attempt to veto that."

Councilor Maestas, "I think it's a step back, and it's us politicizing the issue of salary setting. I think we're unnecessarily meddling in, not just with her salary, but indirectly her affairs. I think any Judge needs to be paid commensurate with her field. We mentioned the uniqueness of our requiring that our Municipal Judge be an attorney by Charter. So at this point, I can't support this and I don't see a real compelling need for it."

Councilor Lindell asked what is the current salary of the Municipal Judge.

Ms. Brennan said, "A little over \$100,000."

Councilor Lindell said, "I just want to be clear that one thing in this, is that this salary cannot be lowered, so going to \$25,000 wouldn't be possible. So lowering it isn't an option. However, it just doesn't seem fair to me that we would have one position with a guaranteed built in raise, considering that this is an elected position. And anyone running for that position, knows what the salary is. And it's not a poor salary, it's a little more than \$100,000, plus a nice benefits package. And I just think, at this point in time, it is not fair or fiscally responsible for us to guarantee that there is a built in raise. I don't know of other elected positions we've done that for, and I don't think that we would think that is the right thing to do. I don't know, maybe the Mayor should have 90% of the Governor's salary, and I should too, that seems unlikely to me. But it doesn't seem that far fetched in principle. So, it seems very unfair to take one position, an elected position, and a person knows what their salary is going to be, and to remove that from every other elected salary."

MOTION: Councilor Lindell moved, seconded by Acting Chair Rivera, to move this forward to the City Council without recommendation.

DISCUSSION: Councilor Maestas said in talking about a salary for an elected position, the people of Santa Fe spoke very clearly in wanting a stronger Mayor by establishing a full-time salary. He said he doesn't know if that salary is equitable relative to other mayorships of similar sized cities, commenting that

is another issue. He thinks the philosophical point is that people want commensurate compensation for positions. He said, "I think this goes against where I think where our community is going, in terms of recognizing the importance of having competent people, the need to attract qualified people to these elected positions. So, I think they just recently, I think, in 2018, the Mayor will begin drawing a full time salary. So I think this is even contrary to where we've moving as a community and our Charter."

VOTE: The motion was approved on a voice vote with Councilor Rivera and Councilor Lindell voting in favor of the motion and Councilor Maestas voting against.

Acting Chair Rivera thanked Judge Yalman for attending this evening.

- 6. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 1-7.7 SFCC 1987, TO PROHIBIT AN ELECTED OFFICIAL FROM ACCEPTING EMPLOYMENT WITH THE CITY OF SANTA FE WITHIN ONE (1) YEAR OF LEAVING OFFICE (COUNCILOR LINDELL). (ZACHARY SHANDLER) Committee Review: Ethics and Campaign Review Board (postponed) 09/24/15; Ethics and Campaign Review Board (approved) 12/17/15; City Council (request to publish) (scheduled) 01/13/16; and City Council (public hearing) (scheduled) 02/10/16. Fiscal Impact – No.**

Councilor Maestas said he has no problems with this, but he wants to know what we are correcting with this Ordinance. He asked if we are addressing an issue, and if there have been elected officials who have sought City employment, and if so, how many instances within the last 5 years.

Councilor Lindell said she doesn't think there has been a Councilor that has sought employment. She said it's one of those situations where we're not addressing a problem, we're trying to make sure a problem is not being created.

Councilor Maestas asked the reason the change is on Ordinance page 3 in Part B under Improper Transactions with the City. He said on Ordinance page 5, line 13, there is something that is comparable – City Employment as a Political Reward. He doesn't see this as an improper transaction. He thinks there is a better place to insert this change in the Ordinance. He asked Ms. Shandler to speak to this.

Mr. Shandler said, "The State Governmental Conduct Act has similar type of language, and they talk about prohibited contract after employment, so it's modeled after the paragraphs in the State Governmental Conduct Act."

Councilor Maestas said this implies that an elected official whose term expires, and comes back would be a contractor and not a full time employee, commenting it isn't explicit.

Mr. Shandler said, "It should be explicit. It's two separate sentences. The first sentence talks about employment, and the second sentence should talk about contract status."

Councilor Maestas asked, in terms of PERA rules, are there restrictions, and does this conflict with any of the PERA rules "regarding post-employment for anyone, elected officials."

Mr. Shandler said, "I'm not aware of this being in conflict with the PERA 90 day rule."

Councilor Maestas said a likelihood would be a circumstance where this is an exempt employee who was appointed as a department director, and near the end of an administration might seek permanent employment, and asked if that has been a problem and is that expressly forbidden.

Mr. Shandler said, "I don't under the specific hypothetical. I know this is specific to Councilor conduct."

Councilor Maestas said since we're revisiting this, he would like to raise other issues. He said, regarding Ordinance age 4, lines 4 and 11, these are post employment restrictions regarding consulting. However they seem to be identical with public employee on line 4 and a governmental body member. He asked the difference between a governmental body member and a public employee.

Mr. Shandler said, "I think the Governing Body are the elected officials and the Mayor, and the public employee section deals with staff members, like myself. I think the intent was a simple, direct, targeted change to the Ordinance."

Councilor Maestas said on line 11, it says "a governmental body member," and asked if that means a governing body member.

Mr. Shandler said, "Again, the focus of this particular bill is for staff. We could have a further discussion, if you want to offer some amendments. I'm not prepared to talk about amendments today."

Councilor Maestas said he will come forward with amendments, but he wants a clarification on the existing language, and it's germane to a governing body. He said line 11, part 3 says, '*A governmental body member, including members of the governing body, shall not, during his or her term of office, or within one year after the termination thereof, except monetary compensation from a third party...*' and then goes on and on. He said he is trying to differentiate between part 2 and part 3 so he can work on an amendment since we will be revisiting this.

Mr. Shandler said, "I would have to look at that paragraph in greater detail, and I would be happy to work with you and Jesse on any amendment changes."

Councilor Lindell Acting Chair Rivera if she can ask Former Councilor Heldmeyer if she knows of any past situations.

Former Councilor Heldmeyer said the way this came about was when we were looking at all of the ethics and campaign law. She said everyone presumed that the existing language in the Ordinance prevented elected officials from taking a job with the City for a year after their term was over because of the contract language. She said when the attorneys looked at it, they said that would cover some jobs, but

not others. Since the intent of the law for a long time was for the City not to hire elected officials for a year after their term, so people wouldn't be setting up a job they could walk into after their term was over, at least a paid job. So, it was suggested this new language be added to clarify the original intent. She said, "I don't know of any Councilors here who did that. I know there have been some in the past, before this law was passed, who did get contracts with the City within a year of their tenure, and we won't go into that. And there have been exempt employees who have switched and taken a classified position after they were in an exempt position, so those two things have happened. The second one is not prohibited by the language that is being proposed."

Councilor Maestas said he doesn't know who is pushing this, Common Cause or someone else. He said he spoke earlier about the potential to have an exempt employee leave their position and take a classified position, and he thinks there should be a cooling off period consistent with this.

Former Councilor Heldmeyer said it has happened, sometimes as a negotiated settlement, and that wasn't discussed at the ECRB.

Councilor Maestas said he will look into an amendment to that effect.

Acting Chair Rivera said it sounds like some of the discussion around this is whether members of this Governing Body should be able to come back and work for the City within one year. He said, "But the way I read this, it's any elected official. So if someone was an elected official in Roswell and we wanted to hire them as the City Manager, they would be prohibited from doing that for one year."

Mr. Shandler said, "No. The intent of it was just to cover the Santa Fe elected officials."

Acting Chair Rivera said he knows the intent, and asked if it really says that anywhere, noting it says elected official, and doesn't say from the City of Santa Fe. He said it isn't that specific to him, and he doesn't know if that was the intent of the sponsor of the Resolution.

Mr. Shandler said, "I will double check that. I think this comes from the Ethics Ordinance, and I imagine there is some language in the very beginning that talks about City employees, elected officials. Otherwise, we would have the situation where an employee from Albuquerque would be under those same types of scenarios. So, I will look into that language; I'll look into Councilor Maestas' language. Whenever you have an Ethics Ordinance, I really don't want to open a can of worms while I'm standing here, because there are so many ramifications. But I understand both are valid points, and I will follow up on both of them."

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

7. **REQUEST FOR APPROVAL OF A RESOLUTION TO REALLOCATE FUNDING FROM THE COMMUNITY HOSPITAL AND HEALTH CARE STUDY GROUP TO THE SUSTAINABLE SANTA FE COMMISSION TO PURSUE THE DEVELOPMENT OF PROGRAMS, POLICIES AND PROJECTS WITHIN THE 25-YEAR SUSTAINABILITY PLAN THAT WILL HELP IMPROVE THE HEALTH AND QUALITY OF LIFE OF THE PEOPLE OF SANTA FE; AND TO REEVALUATE THE COMMUNITY HOSPITAL AND HEALTH CARE STUDY GROUP'S PURPOSE AND SCOPE IN THE SPRING OF 2016 (MAYOR GONZALES AND COUNCILOR IVES). (KATE NOBLE) Committee Review: Sustainable Santa Fe Commission (no quorum) 12/16/15; and City Council (scheduled) 01/13/16. Fiscal Impact – Yes. (\$50,000 – Funding allocated from the General Fund ending balance for the Hospital and Health Care Study Group would be reallocated to the Sustainable Santa Fe Commission for projects to promote community wellness)**

Acting Chair Rivera said the Resolution was brought forward by Mayor Gonzales and Councilor Ives, and asked Mayor Gonzales if he would like to speak on it.

Mayor Gonzales said the first thing is that the first meeting of the committee [Study Group] is scheduled for January 12, 2016. He said the challenge for Mayor Coss, who will be chairing the Committee, will be to bring a common focus to the desired outcomes. He said the Resolution authorization for the creation of the Committee was adopted two years ago. He said hopefully, the goal will be to bring people together from throughout the community on this committee to lay-out a set of goals and outcomes we are going to try to achieve going forward.

Mayor Gonzales continued, saying a \$50,000 price tag was put on the Resolution, but we had not found any type of funding other than what Kate Noble was going to try and pull together. He said the Governing Body organized the Sustainability Commission, and its program is to begin to develop a set of action plans to help us meet our 2040 goal of being carbon neutral. He said they will be more long term, so we are going to need resources.

Mayor Gonzales continued, "Given some of the budget issues, where the Health Study Group has 4 meetings, the Sustainability Commission is one of those regular, recurring commissions that have a lot of work to do as well, I am asking the Council to reallocate these funds to the Sustainability Commission. I have had conversations with Commissioner Holian who has indicated that the County will have an interest in matching the City's contribution, so that would grow the pot even more, and we could see some work go forward. If, out of these meetings, there is some financial need that comes forward, then I think that the Council could consider it, based on whatever that need is. But right now, this committee has yet to have its first meeting. They have to come around to a common set of goals. They are limited by the Resolution to have 4 meetings, and the \$50,000 could be better used, if we repurpose it, to the Sustainable Commission."

Councilor Maestas said he is okay with the action to repurposing the money. He said we had a Sustainability Commission and a Sustainability Plan, and we have an action plan, but yet it is being reorganized and it's still the Sustainable Santa Fe Commission. He said we have an existing plan, and obviously priorities change with administrations and governing bodies, which he understands that. He

asked if we really need \$50,000 for a Sustainability Plan update. He asked Kate Noble if she has come up with a budget for the \$50,000, and if it is going to be allocated primarily to updating the plan or if it will be a combination of supporting the new commission and then developing... He asked, "Because we are not going to start from scratch right, tell me we're not, with the Sustainability Plan. We're going to perhaps update it. Give us a sense in general what the \$50,000 will be used for."

Kate Noble, Interim Director, Housing & Community Development Department said, "I am not the expert to speak on that, as I'm not staff to the Sustainable Santa Fe Commission. However, having been there for consideration of this Resolution, they were discussing, and there were 2 tenets that the Commission discussed. One was to update the Plan solely, and the other was to update the plan while doing pilot projects – learning while doing. They did not arrive at a consensus as to what they would do with the money, but they certainly already were considering the options."

Acting Chair Rivera asked Mayor Gonzales if he would like to answer that question.

Mayor Gonzales said he has been working on this with John Alejandro on this. He said the Sustainability Commission is governed by the Governing Body, and its priorities have to be approved by the City Council. He said there is no request or effort to change or modify what the previous Sustainability Commission had approved. He said what the Council approved, was a much broader section of experts in water, food, energy, transportation, planning and such, who sit on the Commission. He said right now, we don't have a plan that says what we need to do to achieve our 2040 goal, and how that will be funded. He said something needs to be presented to the Governing Body so we know what we need to do over the next 5-10 years to make a dent. He said it will include things such as becoming an urban watershed, channeling stormwater so we are hanging onto more water as opposed to releasing more of it. He said right now, there are no resources available to them to seek consultants who have built sustainability plans that have been implemented. He said the discussion they have had with him is joining with the County's contribution, and going out and finding somebody in the field to come in and provide strategic expertise on how to meet goals. We have no way to measure it, we have no dashboard, nor a plan for things we want to achieve to get there. He said \$50,000 is not enough to get national people to help. This is the reason he went to the County and Commissioner Holian has agreed to take this to the County Commission to try and match this as a start.

Mayor Gonzales continued, saying what will happen with the Sustainability Commission without the resources is that it will suffer from what the previous Commission did, which is to spend a lot of time and effort by very credentialed people putting together a plan without funding to follow through. He said he thinks we need to address this as the Council, in general. He said part of what he's heard "you talk about with the stormwater fees and some of the others, hopefully could be channeled to meet some of those goals. He said we have to have something that shows the public and others that know what we're investing, the reason we're investing, and we have an ability to measure progress. He said this is the idea of trying to get some of these resources in.

Mayor Gonzales continued, saying we started some of that approval when Mayor Coss presented the first set of recommendations for energy independence and things we needed to do, which he outlined through the Climate Action Task Force that the Sustainability Commission would have to work on as well.

He said the Climate Adaptation Plan put into place by the Sustainability Commission is the foundation on which they are growing. However, we have no resources. We created this great Commission, set this big goal and we have to funds to help them at least get it kick-started.

Councilor Maestas said he supports all of that, and agrees that to implement the 2040 goal is going to be quite a chore, and doesn't think \$50,000 will be enough. He said this definitely will have implications into the next budget. He said just because \$50,000 is available doesn't mean that we should approve that *carte blanche*. He thinks we need some insight into some of the immediate needs. He said the current action plan is the low hanging fruit. There are a lot of works in progress not completed, which can be done by the Sustainability Commission, and then we work toward updating the plan to incorporate the 2040 goal. He said he feels blinded, because he doesn't have context on the overall budget plan. He said although he supports the Commission, he is reluctant to fund a new group like the Hospital Group unless we downsize it and make it more meaningful. He said the context of that was employee wages, disputes and other things. He said he supports the reallocation of funds, but he wants more information on the budget plan.

Councilor Maestas continued, saying with the \$50,000 if we're going to continue with the *status quo* action plan and then work up to developing the Plan update to incorporate the 2040 goal with an accurate budget plan would be much better. He will have other questions as we move forward. He said there is no reason to totally disregard what has been done and there is good work underway.

Mayor Gonzales said this is good direction from Councilor Maestas, to develop a 5 and 10 year capital plan for the City and the community, and how much of those investments will be used to address some of our goals. He said we don't have a template, from a sustainability standpoint, to filter the budget in ways that assure we are helping to meet those goals. He said part of the direction for the use of these funds is to come back and present a budget. He said if we do this right, then every year, the Sustainability Plan will be a critical component of the budget process. He said the volunteers can't do this by themselves, commenting we only have John Alejandro working with them. He thinks this is the reason the Commission is saying they need to access to funds to contract with folks. He said we can push the issue to assure there is a scope of services or a plan that shows a budget/dollar amount so we can plan that in the budget process.

Councilor Maestas said, "I will end by stating, I want to make sure this plan does not impose unnecessary burdens to the community. The Green Code is great, but it did represent a fiscal impact to people wanting to build a new home or remodel their existing home. I realize there are other technologies out there that will be incorporated into this plan. And I want to make sure people see us imposing these community-wide requirements and that they don't see our City buildings and facilities not meeting our own Green Code, and being inefficient. I just don't really want us to lose our credibility and make our own City government for compliance with a lit of these initiatives that are going to come from this updated Sustainability plan. So again, let's be mindful of unfunded mandates, and take a stab at trying to quantify them. Congress does that. As you know, if an unfunded mandate exceeds a certain total amount, they have to have hearings and look into whether or not to go forward. I want to make sure we don't disproportionately impact folks and lose our credibility by not ensuring that our own City government complies with this."

Acting Chair Rivera said we're approved quite a number of people for the Health Care Study Group, and asked how many people currently are approved for the Health Care Study Group.

Ms. Noble said she believes 24-25 people have been appointed.

Acting Chair Rivera asked if there is a reason they have had no meetings, and if it is because of the size of the group.

Ms. Noble said they have held off on scheduling a meeting because of the fiscal impact, noting we issued an RFQ for facilitation of the meetings.

Acting Chair Rivera asked, in Spring 2016 when we have this discussion again, if those 24 people still will be considered as part of this Study Group.

Ms. Noble said she would imagine they would be. She thinks the working plan developed by staff would be to have the first meeting to hear from the members and focus on its priorities. And then, as specified by the Resolution, relook at that in Spring 2016.

Acting Chair Rivera asked if Santa Fe County was a willing participant in this Study Group.

Ms. Noble said, "Yes, the County has been willing to participate."

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

11. **REQUEST FOR APPROVAL OF A RESOLUTION CREATING THE SANTA FE FILM COMMISSION; AND SUPPORTING ECONOMIC DEVELOPMENT AND JOB CREATION IN FILM AND DIGITAL MEDIA (MAYOR GONZALES AND COUNCILOR IVES AND LINDELL). (KATE NOBLE)) Committee Review: Economic Development Review Commission (approved) 12/03/15; City Business & Quality of Life Committee (no quorum) 12/09/15; City Business & Quality of Life Committee (scheduled) 01/13/16; and City Council (scheduled) 01/13/16. Fiscal Impact – Yes. (Total = \$52,400; professional services of \$2,400 and all other operating costs of \$50,000)**

Acting Chair Rivera asked Mayor Gonzales, as one of the sponsors, if he would like to offer comments.

Mayor Gonzales said this Resolution would create a permanent film commission in Santa Fe to achieve several objectives, but at the broadest level it is to map our way into growing a full film economy in our community. He said short term, we can pursue more production in the City. He said we have not directly marketed Santa Fe, noting Albuquerque has a full time film office. He said Santa Fe has received only 20% of the film projects. He wants to focus on how to increase production here. He said there are

challenges such as studio infrastructure, noting the challenges between the County and Santa Fe Studios Studio and he doesn't know what kind of message that is sending to Hollywood. He said to grow a film economy, it is everything from film makers, writers, editors, post-production editors, actors and others. He said if we are looking only to grow our economy because the incentive exists then our economy will sustain itself only so long as the incentive is in place. He said that can change with any administration and the Legislature. He said the hope is to appoint people from the industry that really understand Santa Fe's strengths in growing a film economy and creating opportunities for people to have exciting jobs in our community. He said Santa Fe is a creative town where George R. Martin has produced the number one HBO film since it's been in existence. He did that by being a member of our community. He said we have other writers here. He said because the barriers are being lowered in producing film and technology, film makers can get film more readily available and to market, but they have to be nurtured in the way entrepreneurs do.

Mayor Gonzales talked about the opportunity for production editing and post-production edition and the technology involved, commenting that a lot of that work is being done behind computers and in green rooms. He said there is no reason why Santa Fe can't become a major player in this regard. This means you don't have to have a film production in Santa Fe to get the benefit. You could have a film production in Los Angeles, London or wherever, and they can transmit data files into Santa Fe in real time, with editors working here on a daily basis and transporting the film back.

Mayor Gonzales said the recent announcement of gigabyte technology in the Railyard is Santa Fe's first step in having the pipes big enough to get those size media files into Santa Fe. He said if we had a post production editing studio, or production editing studio, it can now be done. There is a huge opportunity for us to grow a real industry that is sustainable with exciting jobs with good wages and people can be excited about staying in Santa Fe. He said the top 3 schools at the University of Art and Design are film, media arts and performance, so we have an engine in Santa Fe that is delivering a work force who could stay here and work here if we had this industry.

Mayor Gonzales said this is being set up so the Council can get a blueprint of how to grow a real film industry that is meaningful and hopefully will generate long term revenues for Santa Fe. He said it's the lowest hanging fruit, outside of tourism, that we have and we don't do a thing to market Santa Fe when it comes to film production. He believes any investment will go a long way to helping us build our film economy.

Councilor Maestas said he thinks the vision is there, and we all understand and appreciate the contribution the film industry has on our economy, and we know our City has great potential to capture more of that market. His concern is that we already have a film liaison. He is unsure if this person has ever come before us to give us updates. He said he doesn't have an appreciation of how effective our current film liaison has been. He wants to see how that position is working, is it effective, is it full time, and is the position nimble enough to respond to active film production. He wants to know how well our initial investment is going in the form of the liaison. He said the Mayor would like the Economic Development Director to be the staff liaison, but that position is still being advertised. He would like that person to be hired before we embark on creating a brand new body to start mapping this plan.

Councilor Maestas continued, saying there is the issue of the state of the industry here in Santa Fe, commenting we've heard about the lease dispute between Santa Fe studios and their contractor in Santa Fe County. They're saying the studios aren't big enough, but they can't make the payments. He said there already is a source of concern in terms of the limitations of the studio. It's not big enough to attract quality productions. He would feel better going forward if the fate of the studio was more certain than it is now, which impacts the industry. He said he would support staff expansion of the film office if he could be convinced that the liaison has potential. He said the City of Albuquerque does not have a commission, it has staff. He said that is what we need. We need people who are going to be available and responsive to the film companies when they are in town. He said we need people who will cultivate relations with production companies to attract them to the City, and doesn't see a commission doing that. He would rather invest our limited resources in staff. He still see our needs as much more fundamental. He agrees with the Mayor's vision, but believes the mechanism should be investing in more staff through the film office, and then consider a commission, perhaps a joint City/County Film commission in the future when the studio issue is resolved.

Mayor Gonzales said one thing Santa Fe is known for is how easy it is to film in Santa Fe. He said his office never hears about people who are frustrated with our liaison. He said the liaison position is relatively reactionary, wait and serve, as opposed to pro-active. It is a part time position. He said it is paid from Tourism Santa Fe, noting it is \$17,000. He said this is handling 20% of the State's film permits – she's doing a lot with very little. He doesn't argue with expanding that help. He said we our eggs in the County and the studio solving their problem. He said the County has to solve it, noting the facility can be used only for one thing which is film, the two 25,000 sq. ft. facilities.

Mayor Gonzales continued, saying what he is talking about here and the point of a film commission is to build a film economy and get experts to tell us how to grow this industry to attract these jobs. He said Albuquerque's purpose is to bring in films on a daily basis, and they have 11 studios plus I-25 Studios and others with capacity to handle a lot of film. He said if Santa Fe Studios could grow to 6-7 major stages, it makes sense to get recruitments moving out to keep them filled. He wants a film commission to help us create a roadmap to broaden our participation in the film industry beyond the production. He said we don't have staff or experience at the City to be able to determine what is needed to grow a healthy economy in post-production or production editing.

Mayor Gonzales said one of the things the Council can ask and makes sense, is that before money is spent that a budget is brought to the Council for approval on the allocation of dollars. He said if it is allowed to go forward, the nominations won't come to Council until mid-to-end February. He said the Commission won't constitute itself until March and by then a permanent Economic Development Director will be in place, who should have a firm understanding of the film economy. He said his request of the Film Commission is to not just "put our eggs in the basket," of just production, commenting the County should fund a full time person to get people to fill those studios. He said our opportunity is to seed and create a roadmap for growing new industry in Santa Fe beyond the government, real estate, tourism, and we become known a great, healthy film economy. He reiterated he supports a plan being brought back to the Governing Body for review on how we will spend those funds, how it will meet the goals, where can we do it.

Councilor Maestas said he would like to see us assess whether it would be more effective for staff at the film office versus creating a commission. He said regardless of how well the film industry is doing and the positive financial impact it has on our community and the State, we are establishing a recurring expenditure. He thinks we may be violating our own principle of funding recurring expense with one-time revenues, because Economic Development does not have dedicated funds. He said this still represents expansion, regardless of the purpose and we're violating our own principle of using one-time revenues for recurring expenditures. He would like to take a step back and assess what would be more effective use of the funds.

Councilor Maestas said he feels it is time that we have a collective discussion on what the City's Economic Development Plan will be, noting previously it has been a "grab bag" for a lot of these miscellaneous projects which are good. However, we need context as to how it fit into the overall City plan and vision for economic development in the City. He said he is "tired of piecemealing these actions and not having context on economic development."

MOTION: Councilor Lindell moved, seconded by Councilor Rivera, to approve this request.

VOTE: The motion was approved on a voice vote with Councilor Rivera and Councilor Lindell voting in favor of the motion and Councilor Maestas voting against.

END OF CONSENT CALENDAR DISCUSSION

Mayor Gonzales departed the meeting

DISCUSSION AGENDA

- 12. **PRESENTATION OF SANTA FE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDING JUNE 30, 2015, PURSUANT TO STATE AUDIT RULE 2012, 2.2.2. NMAC, BY ACCOUNTING & CONSULTING GROUP, LLP. (TERESITA GARCIA)**

Oscar Rodriguez said the audit was completed a month ago, and we're not allowed to circulate it publicly until we are authorized to do so by the State Auditor, which was done last week. He didn't hesitate to give it to the Committee, and it will go before the Audit Committee on Wednesday with the idea of making a grander presentation to you at the Council meeting next week.

Ms. Teresita said there were two findings listed on page 232, noting there were no exceptions on the internal control. She said the audit was submitted to GFOA to get our Certificate of Excellence.

Mr. Rodriguez said there is no presentation for this meeting, noting the grander presentation will be done at the City Council meeting next week.

Ms. Garcia said the report issued was an unmodified report and there were no exceptions on internal control for financial reporting, no material weakness.

Mr. Rodriguez said the State Auditor's direction was to look closely at the 2012 Parks Bond Program, so they did extra testing there, and that did not yield any findings.

Ms. Garcia said there was a repeated finding on IT, on page 235, a repeated finding on budget compliance and a new finding on not classifying the construction in progress. There was a finding that the Parking Permits Receivable Reconciliation was not done at June 30th.

Councilor Lindell said then there will be a report at Council on this.

Mr. Rodriguez said yes, there will be a grander report, and he would be happy to provide one-on-one briefings if you would like.

Councilor Maestas said he will comment when this is presented at the City Council meeting.

Acting Chair Rivera asked if the departments with repeat findings have done anything to address the issues in the CAFR.

Ms. Garcia said in the budgetary, there always is budgetary level of compliance. She said one of Mr. Rodriguez's goals is to not have any budgetary findings. She said in the corrective action there is a more explicit explanation as to how they are going to address the findings. She said Parking is trying to hire some financial analysts to be able to do the reconciliation. She said the finding on construction in progress hasn't been addressed, due to staffing changes. She said those will be done end of June 30, 2016.

Acting Chair Rivera said on page 235 one of the findings was "Evaluation of outside contractors." He asked if that is just an IT issue, or is it also an issue with the Purchasing Division as well.

Ms. Garcia said it is mostly IT. There is no control on our contractor's logging into our IT system, so it's more restricted to an IT function. She said the IT Department has said they are hiring a security officer to enable tightness within that IT operation.

Acting Chair Rivera said he is sure there will be more questions at the City Council meeting, and thanked her for her presentation.

13. PRESENTATION ON CITY OF SANTA FE PROPOSED NEW DELINQUENT ACCOUNT COLLECTION PROCESS. (OSCAR RODRIGUEZ)

Mr. Rodriguez presented information from the *City of Santa Fe Proposed New Delinquent Account Collection Process*, which is in the Committee packet. Please see this document for specifics of this presentation. He noted with approval, staff will further refine the process.

- Councilor Lindell how long it will take to get the further details.

Mr. Rodriguez said he can bring them back to them next month.

- Councilor Lindell said she would like the details sooner rather than later.

Mr. Rodriguez said the goal is to get this crystalized so that it can appear in the budget. He said it does make for a more clear budget.

- Councilor Maestas thanked Mr. Rodriguez for bringing this forward. He said he got an ear-full over the holidays from constituents, in terms of the City's inability to collect on delinquent utility accounts. He said the amounts of \$9.8 million in 13/14 and \$9.1 in 14/15 are unacceptable and we really need to reduce these amounts. He concurs with bringing forward procedures. He said if we are to have a safety net, there have to be responsibility measures as well. He said we need to make sure we don't create a dependency on the safety net. He wants balanced procedures to be proposed for this. He wants to make sure the procedures complement what we have in place, in terms of providing assistance to those who are unable to pay or have difficulty paying.

- Councilor Maestas continued, saying he wants a sense of how effective the collection agencies are, the collection rate and their share, commenting that he does support this effort.

Mr. Rodriguez said you will see that information in great detail, because it is a contract that will have to be bid, and it will come to this Committee and they can weigh-in on the contract winner.

- Councilor Maestas said he likes the theme of start soft and end tough.

- Councilor Lindell said we have been talking about this for some time, reiterating she wants to move rather than later on this. It also would be helpful to see this put together so we can see how it works, so we can see the current delinquencies, as well as a little bit of history for the last 2-3 years. She also would like to see the parking numbers as well.

- Councilor Maestas said we need to look at our fee structure, noting after 30 days there should be late fees.

Mr. Rodriguez said late fees are charged, depending on the account. He said once in place, he would like to bring forward the False Alarm Ordinance, noting a previous audit recommendation is that we re-write the Ordinance regarding fees, fines and interest. He said the Attorney said these aren't the greatest cases to take to Court, so there needs to be a lot of clean-up.

- Councilor Maestas said there is no reason to leave the 60 day process untouched, and we should look at what we can do – revisit the fees and strengthen the 60-day period. He would like to do some benchmarking to look at other communities who have been successful in improving collections.

Mr. Rodriguez said it is below 1 %.

- Councilor Maestas reiterated that he wants to look at information from other cities and see what works, and asked Mr. Rodriguez to provide that information.

Mr. Rodriguez said he would do so.

- Acting Chair Rivera asked Mr. Schiavo if this program would help him to run the Water Division.
- Nick Schiavo, Public Utilities Director, said he and Mr. Rodriguez have been talking about this. He said there currently is a program for people below a certain income level, and we waive the \$18 monthly customer fee, but they still have to pay for the water. He said the City has a fairly complex set up in place for collections, noting if the person owns the home, the City can impose a lien on their property. We also can pull water meters, which brings a fairly quick response once that is done.
- Acting Chair Rivera asked Mr. Schiavo if he has flexibility to work with people on a pay plan.

Mr. Schiavo said yes. He said once someone has gotten behind, we can waive the 1½ % interest per month and put them on a payment plan, typically over 6 to 12 months.

- Acting Chair Rivera asked how many people would be without water if we have some kind of hard collection, such as the one being proposed.

Mr. Schiavo said he can pull that information and have it at PUC. He said previously there was an issue that renters only had to pay a \$100 deposit for residential, and it is easy to go past \$100. He said some people figured out quickly they could stop paying for 2-3 months before leaving their rental, and by the time we got around to doing anything about it, they were long gone. He said a fair amount of debt that has been written off which we won't collect, is for renters who knew the system and moved on. He said we increased the amount of the deposit, which is linked to past use of the rental property for both commercial and residential. He said he can get the requested information by the time this goes to the PUC.

- Acting Chair Rivera said he assumes that once a customer is sent to collection agency the collection agency is aggressive about its collections. He asked if there are any collection agencies out there that allow city interaction in working with its customers.

Mr. Schiavo said his understanding is that once we turned that bill over for collection, the City would no longer be involved.

Mr. Rodriguez that is correct, noting that we work with them until there are no further steps, and then we turn it to the collection agency. He said the first big step is they report the person to the credit bureau, which usually gets people to pay. He said the collection agency will work with them, but they have to pay something. He said there is a trade-off, that the longer the soft process is the more staff is involved, versus going straight to a hard collection agency.

- Acting Chair Rivera said he agrees with this, but it is difficult for him, because he represents the community that will be the most affected. He said he looks forward to receiving more information.
- Councilor Maestas talked about PNM's plan for people on fixed incomes, and asked if we can look into what other cities do in terms of a fixed billing amount each month based on the average use, with an annual correction.

Mr. Rodriguez said he will look at that. He said, however, he can't recommend a policy that will encourage people to use more water. He said if people don't want to pay, they should consume less, which is a basic principle of conservation. He said he will bring back what he has from other communities.

14. REQUEST FOR APPROVAL OF FY 2015/16 – 2019/20 CAPITAL IMPROVEMENT PLAN FOR THE CITY OF SANTA FE. (OSCAR RODRIGUEZ)

A copy of *City of Santa Fe 5-Year Capital Improvements Plan FY 2015/16 - 2019/20*, is incorporated herewith to these minutes as Exhibit "1."

Mr. Rodriguez reviewed the information in Exhibit "1." Please see Exhibit "1," for specifics of this presentation.

Mr. Rodriguez noted two projects are not in IT right now because the Director got better information, and we filled those with other projects. There are two new projects which are for projects on Agua Fria noted on page 29.

The Committee commented and asked questions as follows:

- Councilor Lindell said she hates to get into the weeds, so will ask just one question. She said on page 15, FY 2016/2017, she sees an item for \$250,000 for removal of planters from the terrace of the Convention Center, and asked staff to comment.

Mr. Rodriguez said that is at the Convention Center and it is paid from Lodgers' Tax, and he can ask Mr. Randall to follow up with her in this regard. He said this is the extent of the CIP for the Convention Center for next year.

- Councilor Lindell questioned spending \$250,000 to remove planters, and asked where are they going.

Mr. Rodriguez said he doesn't have more detail on that, and reiterated he will ask Mr. Randall to follow up with her in this regard.

- Councilor Maestas asked the reason the payroll for ITT is paid from ICIP, the high speed broadband.

Mr. Rodriguez that is something that is already behind us, and something the Council approved in September 2015.

- Councilor Maestas asked if this will be a recurring expenditure.

Mr. Rodriguez said no, except for what is in Operations and Maintenance, so you can see how much has been moved into capital from Operations. He said, "There should be nothing that is recurring. Everything is a project that begins and ends. You're talking about IT."

- Councilor Maestas said no, it wasn't IT, it was the CIP broadband, commenting he is looking at the "old version," and he had comments from the last time we talked about this.

Mr. Rodriguez said in this case it is a one time expenditure and they capitalized the cost of the person doing the work.

- Councilor Maestas said the Downtown Transit Center was partially paid with a grant. There was \$2.6 million in 2017/2018. He asked how we know what the City's *pro rata* share is, and asked if that really matters, commenting he would like to know since it impacts the CIP.

Mr. Rodriguez said yes, it does matter. He said this is the best information we have at this time, noting this allows you to see years ahead, and as we get more information we will update the plan.

- Councilor Maestas said, for purposes of budget development for the next fiscal year, he would like to know the local match required for purposes of budgeting.

Mr. Rodriguez said he will expand the column that gives a description. He said this is the first time the City has done this, noting this should have been approved last June. He said we will be doing this again April, so for the first time in the City's history you can approve an operating budget and a capital budget at the same time. He said we will get better and better at this as time goes by.

- Councilor Maestas asked if we add new projects, are we throwing them into the ICIP for the next approval cycle.

Mr. Rodriguez said that is something for the Committee to decide.

- Councilor Maestas said he thinks we should.

Mr. Rodriguez said in the ICIP you are asking for funding from the Legislature for projects that otherwise have no funding. He said in the meanwhile this project for this CIP is an effort to do planning and include projects that will get funded with a balanced budget.

- Councilor Maestas said he is really thinking of the out-years in the CIP, commenting he doesn't want to wait until FY 20 to get the improvements at Montezuma and Sandoval. He would like to move that, and the option to move it up through the ICIP process and a Legislative Capital Outlay request.

Mr. Rodriguez said so this becomes part of the ICIP, and you can say there is funding but it's 3 years away and it's needed now.

- Councilor Maestas said there is a Buckman Booster Replacement and Expansion, uranium remediation and arsenic treatment, noting Buckman is a 50/50 arrangement, and asked how we break that out for the purposes of accounting.

Mr. Schiavo said this is for the Buckman Well Field, and he can make that clearer in the next document.

- Councilor Maestas asked what is the Booster Replacement and Expansion.

Mr. Schiavo said it is to bring the water from the Well Field. He said also included is a parallel pipeline. He said if we have to pump from the Buckman Direct Diversion and the Buckman Well Field we can get only a limited amount of water a day. So if we can do parallel line, it allows to pull the needed water on peak demand days. It also helps with energy conservation as well.

- Councilor Maestas said the State Engineer has taken an adverse interpretation on water rights we have that have not been put to beneficial use. He said we've been talking about incorporating that into our capital improvement strategy to maximize our groundwater to establish a history of fully utilizing our groundwater/water rights. He asked if this CIP reflects that.

Mr. Schiavo said yes.

- Councilor Maestas said, regarding unfunded needs, he threw out numbers he got from staff a while back, noting the latest report had a \$12 million funding gap, and there is a \$237 million deficit for Streets & Sidewalks, which is beyond the 5 years of the CIP period. He said it seems that the facilities, streets and drainage system are the 3 infrastructure systems with the largest gaps. He thinks people really need to see what the real infrastructure funding gap is, and the associated unfunded needs.

Mr. Rodriguez said they can be included with a caveat as to when those would come in, which also requires a prioritization of those projects, commenting "but we're not there yet." He said in the CIP, a number of studies are being proposed to help us get to that. He said when you see the next iteration of this document, he hopes to have a better prioritization. He said normally in a CIP

Plan you don't want to show the unfunded need because it is like infinity, it will never end. He said the only reason they are putting this in here is because it is our first plan, so we can show you that the long list of things we wanted to include has been shortened. These are projects we wanted to bring to you for discussion. He said the document you get in April will not include this section.

- Councilor Maestas said it would be good for us, in the future, to have a consolidated state of the infrastructure for context. He said the City needs to do that like the country and State have done. He thinks this will help us make more informed decisions on CIP. He thinks it is important for us to we start focusing on our aging infrastructure.

Mr. Rodriguez said there will be some minor changes to the document, but what you have here is a document that is 99% complete which will go forward to the Governing Body, noting those changes for the record.

- Acting Chair Rivera asked Chief Litzenberg about the Southwest Fire Station on page 2, noting we talked about this at the last meeting. He asked what the delay in the time frame will do to the Fire operations the City provides to the community.

Chief Litzenberg said the adjustment to the Annexation Agreement we made with the County Fire Department has us taking full responsibility in FY 18/19. He said we aren't building a fire station to properly staff and cover the area until 2020 per this Plan. He said at this time he can't say what it will do to their operations. He said we will have to negotiate with the County and perhaps enter into an agreement with them for borrowing facilities. He said it will not give us the proper response station that we generally expect and operate from and like we have in other parts of the City.

- Acting Chair Rivera said we recently approved a document that Chief Litzenberg put together with certain benchmarks and timeframes to provide services to the citizens. He said he assumes that without a station in that area, there will be a negative effect.

Chief Litzenberg said that is correct, and it will hard to meet the standards, commenting we do that out of operational fire stations. He said it will necessitate some creative staffing for sure.

- Acting Chair Rivera asked Chief Litzenberg, for example, if something happens at the Tierra Real Community School right now, assuming the County decides to vacate the fire station in close proximity at the end of 2018/2019, what is his estimated response time for the closest fire station to that school.

Chief Litzenberg said he thinks the primary response would come from Fire Station #7 near the Chavez Center at about 8-10 minutes, and probably two more minutes from Station #8 because it's a neighborhood fire stations and "the travel outs aren't very fast." He said for a full response, it would be a similar 8-12 minutes.

- Councilor Rivera asked the response time to areas that currently are well serviced.

Chief Litzenberg said currently most of our community is well serviced; it's the standard we try to meet and to have everything under 8 minutes.

- Acting Chair Rivera said most of our insurance rates for homes are based on services provided by the Fire Department and asked the current rating.

Chief Litzenberg said the current rating is an ISO-4, and with the modifications we've made over the past few years, we hope to drop that to an ISO-2 which won't have significant impact on residential, but would have an impact on commercial properties. He said bear in mind it is a community-wide evaluation. So assessments that are made to underserved areas, conceivably would have an impact on the whole City.

- Chair Rivera said then under current conditions, you are anticipating going to an ISO-2, which is better than ISO-4.

Chair Litzenberg said that is correct, commenting the best you can do is an ISO-1, and that is based on a lot of indicators that aren't controllable by us, so and ISO-2 would be quite an achievement. He said it is anticipated without the annexation they will go from ISO-4 to an ISO-2 this year.

- Acting Chair Rivera said then if the County decided to vacate that fire station in FY 18/19 the ISO rating based on current measurements also would be negatively effected.

Chief Litzenberg said, "That is a cascade I'm not necessarily sure I can predict, but it is conceivable that would have a negative impact on the City's evaluation as a whole.

Mr. Rodriguez said, referring to pages 15 and 31, if you want the project listed on page 15 to advance, the Southwest Fire Station, another project has to be moved back. He said you have that option, noting that on page 31 there are projects listed that we can move back. If the Committee directs staff to make that change we have to move something back. He said the reason road projects appear further ahead than the fire station, is because the fire station, apart from it being a big price tag, also comes with a big O&M pricetag. He said all the information is there, and if the Committee wants that moved around, then now is the time to tell us to do that. He said perhaps we could advance it one-year by pushing back the Zia Road Construction Project or the Agua Fria/Cottonwood Intersection.

- Acting Chair Rivera said the construction of Zia Road is an estimate, and asked if it is a conservative estimate.

Isaac Pino, Public Works Director, said it is a pretty close estimate. He said it is 4 lanes of roadway all the way between the two terminuses. He said, additionally, the Cottonwood intersection project is in the STIP at the MPO, so we have to go forward with it or change the STIP. He said, "That's some brain surgery I'm not sure you want to engage in."

- Acting Chair Rivera said we are talking about life saving things here when we are talking about a fire station, response time, and having equity throughout the City of Santa Fe for access to emergency medical services as quickly as possible. He said, however, he is not sure where the money should come from. He said, "And again, we could play this game. I hate to delay this because I think we could probably find a project here and there that we could all decide we would want to fund or move up, or move back, or do something with. I don't think I'm going to delay it, but I think by the time this comes to Council I may have some recommendations."

Mr. Rodriguez said he will be glad to work with him come up with a plan he can propose as an amendment.

- Acting Chair Rivera said, "I had some funds that I thought would work, but then Jon Bulthuis moved his project up, so he beat me to the punch there. So, let me take a look at it and we'll see what we can come up with, and hopefully I can meet with you and come up with some other ideas."
- Councilor Maestas said perhaps Mr. Rodriguez can identify some of these extremely high ticket projects that could be potential GO bond projects, which he thinks would be compelling. He asked when we can go forward with another GO bond.

Mr. Rodriguez said, "I am recommending that we, like in the next 4-5 years, should not issue more than \$34 to \$35 million in bonds. I'm showing them here as bonds. They could be GRT or GO bonds."

Mr. Rodriguez said we identify the funding sources on page 5 – \$10.8 million, \$12.6 million and \$10.5 million are the 3 bond issuances, and it would be our call as to whether they are GO or GRT Bonds. He said, "My advice to you is that is the most we can afford at this time, and that also assumes we have put our financial house in order such that we have liberated enough cash flowing through those funds to afford those. Another possibility is that you would borrow these funds from internal sources, with interest – we would bond to ourselves. You heard from the Public Banking people that this is a possibility. He said this is a discussion you will have, and said he will be bringing to them as the time is appropriate.

- Councilor Maestas thinks we should have had a broader discussion on the funding assumptions that go into this CIP Plan. He said he has an issue with regard to Impact Fees. The partial waiver will expire in mid-February 2016. He asked Mr. Rodriguez if he considered the current impact fee revenues, commenting there is a recommendation from the Impact Fee Committee to go back to the full waiver, so we are looking at a swing between \$800,000 and \$1 million.

Mr. Rodriguez said he assumes the impact fees resources will pay for projects related to those developments. At this point, the only project for which we were considering using Impact Fees is the Southside Transit Center. He said this decision has not been made, and the reason it appears

as part of the unfunded need. He said he also made no assumptions regarding the increase in the gasoline tax, so if that revenue comes in, that would add new projects which would free up cash for other projects.

- Councilor Maestas asked Mr. Rodriguez to add a section on funding assumptions and give him the full page showing revenue sources. He reiterated that he will be working on some amendments to this between now and when it goes to Council.
- Mr. Rodriguez said it is going to the Council on January 13th, noting it was approved by Public Works in November 2015.
- Councilor Maestas said he will work with Mr. Rodriguez to make sure there is no net impact that a certain change will create another change.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

15. MATTERS FROM THE COMMITTEE

A copy of Bills and Resolutions scheduled for introduction by members of the Governing Body at the Finance Committee meeting of January 4, 2016, is incorporated herewith to these minutes as Exhibit "2."

Councilor Lindell introduced the following Resolution on behalf of Mayor Gonzales: A Resolution exempting current merchants in the Sanbusco Market Center from Building Permit, Fire Inspection and Impact Fees when relocating their business to a new location within the boundaries of the City of Santa Fe; and maintaining the requirement to submit construction documents prepared by a registered design professional for approval by the Land Use Department. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "3."

Councilor Lindell introduced the following Resolution on behalf of Councilor Bushee: A Resolution in support of the "New Mexico grown fresh fruits and fresh vegetables for School Meals Program" State legislation. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "4."

Councilor Lindell introduced a Resolution opposing proposed legislation, House Bill 55 – amending New Mexico's Human Rights Act to permit discrimination against persons based on sexual orientation or gender identity. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "5."

Councilor Maestas said he would like to cosponsor the Resolution.

Proposed Workshop

Mr. Rodriguez said there was a request at the last meeting to have a workshop. He said it would help staff to get clarity on how to move forward, noting we are only weeks away from giving instructions to the department directors on budget preparation. He would welcome any input you have, commenting it will be very helpful. He said he would like to have the workshop sooner, better than later. He can canvas the Committee members individually about what should be on that agenda. He asked for proposed dates for the workshop.

Acting Chair Rivera said we definitely need the Chair involved in selecting the date. He said, however, if we can come up with 3 proposals for a date, and send that to the Committee, hopefully we can agree on a date.

Mr. Rodriguez said he will canvas the Committee starting tomorrow morning.

Councilor Maestas said there is a philosophy that we can take 2-3 years to erase the annual budget deficit of \$15 to \$20 million plus. He thinks whoever is saying that should bring a roadmap of the general strategy, a multi-year strategy. He said if the 2-3 year plan includes mandatory use of reserves, he wants to know how that will work, and what assumptions were made in terms of how much we can use those reserves in the absence of the Water Fund transfer, and what cost savings need to come out of the recurring budget over the 2-3 year period. He isn't convinced this can be done in 2-3 years. He is concerned we will continue to use the bridging strategies as a temporary stop-gap.

Mr. Rodriguez asked, "How about the workshop be precisely that, to talk specifically about that, so when we come together, I can lay out the range of possibilities for a plan." He said from his standpoint, he is far less concerned about a \$15 million deficit than the behavior that got us there, so we aren't in the same situation a couple of years down the road. He said his recommendation to the Committee is that there be a plan for changing that culture and the basic structures permanently over time. He said if that is your direction for the workshop, he can present the range of possibilities for a phased-in strategy for closing the deficit. He is happy to provide individual briefings to the Committee members.

Mr. Rodriguez said he does intend to invite all of the current Council candidates for a briefing on the City's financial situation at some point.

Acting Chair Rivera asked Mr. Rodriguez to advise the Chair about Councilor Maestas's idea, and to include it as part of the Workshop.

16. ADJOURN

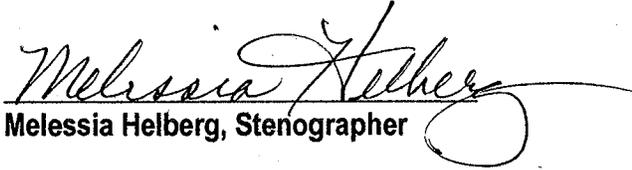
There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:35 p.m.

Carmichael A. Dominguez, Chair

Reviewed by:



Oscar S. Rodriguez, Finance Director
Department of Finance



Melessia Helberg, Stenographer