



SUMMARY OF ACTION  
SPECIAL FINANCE COMMITTEE  
FY 2014/2015 OPERATING BUDGET REVIEW  
Monday, April 28, 2014

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**MINUTES OF THE MEETING  
CITY OF SANTA FE  
SPECIAL FINANCE COMMITTEE  
FY 2014/2015 OPERATING BUDGET REVIEW  
Monday, April 28, 2014**

**1. CALL TO ORDER**

A Special Meeting of the City of Santa Fe Finance Committee, FY 2014/2015 Operating Budget Review, was called to order by Chair Carmichael A. Dominguez, at approximately 8:30 a.m., on Monday, April 28, 2014, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

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

**OTHER GOVERNING BODY MEMBERS ATTENDING:**

Mayor Javier M. Gonzales  
Councilor Patti J. Bushee  
Councilor Peter N. Ives

**OTHERS ATTENDING:**

Brian K. Snyder, City Manager  
Marcos A. Tapia, Finance Department  
Yolanda Green, Finance Division  
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

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

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

### 4(A) OVERVIEW AND GROUND RULES

Chair Dominguez said he would like to go over the ground rules and a little of what is expected of the Committee, noting certain members of the Governing Body will be coming in and out as the day progresses. He wants to have an open dialogue. He will call on each one of them individually, noting the Committee members get the floor first. He said be mindful of your time, because he wants to try to keep as close to the agenda as possible. The agenda is flexible and we anticipate that some departments or items may take longer than others, and some not as long.

Chair Dominguez continued, "The expectation of the Committee is to ask questions. Don't be afraid to ask tough questions. And of course, the expectation of staff is to be truthful and concise, and in general, as we said at the budget study session, we want to be tough on the issues, but soft on people. As I said, the agenda is flexible. We want to be able to get this out of the Finance Committee at the May 4, 2014 Finance Committee meeting, for approval on the May 14, 2014 Council agenda. So, if we need to have more time between May 5<sup>th</sup> and May 14<sup>th</sup>, we do have a little bit of time, but I'm hoping we can use the time we have allocated for budget hearings on the agenda to get this thing approved."

Chair Dominguez continued, "We're probably going to go through each department and hopefully approve everything by department. And so we'll have that discussion as we go through. I just wanted to give a little bit of context in general to the Committee members. Of course, our biggest fiduciary duty is this budget, making sure we approve a balanced budget."

Chair Dominguez continued, "There is an immediate challenge, which I think is relatively simple – relatively easy compared to some of the challenges we've had in the past. And although our General Fund revenues are on the rise, they are still somewhat unstable. That is consistent with national trends and of course our State economy isn't the greatest. So there's a lot of factors that contribute to that, so keep that in mind."

Chair Dominguez continued, "There are larger challenges, there are 5-6 items. One is 'hold harmless' and the fact that we are going to be getting less revenue after the State decides to do what it's going to do. Anywhere above half million dollars is what is projected so far, and I think that's in the year 2016. Of course it all depends on what the Legislature gets done. There is our Health Fund where if we keep the same rate, we will be depleting those reserves here relatively quickly. CVB has some issues that of course we are going to need to address. Annexation is another large looming issue, of course we hope revenues come with the annexation to offset those costs. Of course, one of the things we can work on, I'm not sure if this budget cycle, but soon, is moving the Southside Library, the GCCC and the MRC out of CIP

so we can have a true CIP program. We'll have discussion about that as the day goes. So I guess in summary the GRTs have to grow exponentially over the next few years to sustain some of the things we have in the next few years. Of course, we can look at additional sources of revenue or we can continue to cut costs, but nonetheless, this is a large overview, 30,000 feet, of the budget and the challenges we have in front of us."

Chair Dominguez continued, "The Mayor, and I think there was a consensus that was available at the budget session, that we consider doing performance based budgeting. Of course we can have that discussion as we move along. One thing I think we need to have is a multi-year budget. As we move through these conversations, don't just think about today and this year's budget, but think about the future if you can."

#### **4. QUESTIONS AND CLARIFICATION**

A copy of *City of Santa Fe FY 2014/15 Budget Review by Department/Division* [white book] dated April 25, 2014, is incorporated herewith to these minutes by reference as Exhibit "1." Copies are on file in, and may be obtained from, the Finance Department.

A copy of *City of Santa Fe FY 2014/15 Budget Review by fund* [green book] dated April 25, 2014 is incorporated herewith to these minutes by reference as Exhibit "2." Copies are on file in, and may be obtained from, the Finance Department.

A copy of *City of Santa Fe Pre-Budget Review Fiscal Year 2014/2015* is incorporated herewith to these minutes by reference as Exhibit "3." Copies are on file in, and may be obtained from, in the Finance Department.

A copy of a Gap Sheet, dated April 13, 2014, is incorporated herewith these minutes as Exhibit "4."

A copy of the Organizational Chart, detailed by Department is incorporated herewith to these minutes as Exhibit "5."

A packet of information with supplemental information to the pre-budget book, is incorporated herewith collectively to these minutes as Exhibit "6."

A copy of a spread sheet showing actual expenditures for City Personnel and vacancy rate, by department, is incorporated herewith to these minutes as Exhibit "7."

A copy of *Expansion Requests – FY 20p14/15 Budget Development*, dated April 10, 2014, is incorporated herewith to these minutes as Exhibit "8."

A copy of *FY 2013-14 – 2014-15 Budget Comparison – Contractual Services*, dated April 25, 2014, is incorporated herewith to these minutes as Exhibit "9."

Mr. Snyder reviewed the various handouts before the Committee. He said he will advise the Committee, as we roll into each section, what book/page(s) we will be reviewing, noting we mostly will be using the white book [Exhibit "1"].

Mr. Snyder reviewed the contents of Exhibit "6." Please see Exhibit "6" for specifics of this presentation.

## **5. INTRODUCTION AND OVERVIEW OF FISCAL YEAR 2014/2015 OPERATING BUDGET REVIEW:**

Marcos Tapia, Finance Director, reviewed the Gap Sheet [Exhibit "4"]. Please see Exhibit 4 for specifics of this presentation.

### **A. GENERAL DISCUSSION – REVENUES AND EXPENDITURES:**

*The Committee commented and asked questions as follows:*

- *Councilor Lindell's question here is inaudible because her microphone was turned off.*

Mr. Tapia said the information requested by Councilor Lindell is under Tab 11 in the pre-budget book [Exhibit "3"]. He said the amount is projected at June 30<sup>th</sup> and we may be able to take care of some of the smaller ones – the 3<sup>rd</sup> and 5<sup>th</sup> – with savings in the current budget and with cash balances, rather than with new revenues, within the next 2-3 years. He said this requires going through the City Manager and the City Council.

- Councilor Lindell noted there is a Transfer Into the MRC of \$1.4 million. She asked if we were starting out with negative \$943,000.

Mr. Tapia said, yes. He said that fund was in the hole at the beginning of the fiscal year. There were not sufficient revenues or transfers in from other funds to address the operations, noting this was allowed to grow for a few years.

Mr. Snyder said, under Tab 11, the first column of the spread sheet is the beginning cash balance. He said to answer your question more directly, the Municipal Recreation Complex started this fiscal year with a negative cash balance of \$943,000, and based on current budgeted revenues which will be brought in throughout this fiscal there was a little more than \$1.2 million. He said there is a current budget transfer-in of \$1.4 million to help cover operational, with almost \$2.7 million in expenditures through this year. He said the loss is shown on the second to last column on the right, and we're dipping more into the negative, of \$160,000 this fiscal year, resulting a projected cash balance at the end of this fiscal year of \$1.1 million. We went from a negative cash balance of \$943,000 at the beginning of the fiscal year, to a negative cash balance of approximately \$1.1 million at the end of this fiscal year. He said the goal is to clean up some of

these funds that are this situation, noting these are 5 examples of funds we've identified as needing that type of fix. He said he is trying to clear up funds with which there have been problems in past years and set up them up so they succeed moving forward.

- Councilor Maestas said, with regard to new information on projected cash by fund, there are additional funds with projected negative cash balances that aren't included in Gap Sheet Total. He asked if there is a reason for that. He noted those funds are Airport funds, Railyard funds, Economic Development and Railyard/General.

Mr. Tapia said those will be adjusted before the end of the fiscal year, and he isn't worried about those – those are just part of the cleanup at the end of the fiscal year. He said these are either enterprise funded and/or we are waiting for reimbursement for a grant, such as the Airport.

- Councilor Maestas asked, as a matter of policy if we are going to pay the negative cash balance, and said he doesn't know what commitment we made to address the audit findings on negative cash balances. Another thing is that some of these departments are bleeding, and have deficit spending. Are we perhaps not going to entertain expansion requests for those, and if we should consider that during the hearings.

Mr. Tapia said, "Because we are a governmental body, there will be an audit finding that expenditures exceed budget authorization. So that needs to be addressed, that is an audit finding and it just hasn't been addressed. We are collectively trying to fix that." He said they found additional cash balances from the interest of sales bonds.

Mr. Tapia said to the second question, the City Manager and Finance Committee Chair can answer that.

Mr. Snyder said, "This is a good point. City-wide, the Councilors that have sat here a while realize that a lot of the programs we run that bringing in revenues, do not pay for themselves, and in some cases don't come close." He said, for example, the Summer Youth Program is extremely subsidized and doesn't come close to paying for itself. A similar but not as drastic an example is the DWI forfeiture, where they bring in a little less revenue than the cost of the program, but it's in the ballpark. He said it might be beneficial to go program-by-program to see which programs are self funding, those which don't, how and why the don't, and make some conscious decisions on that.

- Councilor Maestas said they have exceeded their budget, whether or not subsidized. He asked, where we project a negative cash balance for a department, if we need to incorporate policy to initiate BARs, appropriate transfers, to ensure there is not a negative cash balance.

Mr. Tapia said that shouldn't be happening. He said when a BAR comes to him, he looks at the exact balance or funding available that has been authorized and encumbered. He said an authorization is required by him and/or the City Manager to over-ride the system to expend. He said, especially the MRC, is something that continued on. He said they started next fiscal year

with an approved budget. He said, "If you didn't know what you were looking at or you weren't looking closely, there is authorization for the whole budget, not really looking at the negative balances at the beginning of the year. They weren't looking at that. We are. Do we have mechanisms in place to cover this now. Absolutely. They were in place before. They weren't addressed." Mr. Tapia said he is the "grim reaper" of budget and he has to address it. Will we stop this in the future. Under my watch, yes sir."

- Councilor Ives asked if the FIRs indicate the funds are in a negative status and the approved FIR will increase the negative status of that particular account.

Mr. Tapia said, yes, there is. He said he has to sign as Finance Director. There are places for two signatures. One, is whether a funding source has been identified, and then the first page he initials that he agrees. And if he has problems he will indicate "no funding source identified, or the current balance is this." He said hopefully you won't see that, because he should be able to take care of that prior to that coming to you.

- Councilor Ives said his question was slightly different, noting we do BARs quarterly, so they come 3-4 months after the fact, and wants to know if we can change the FIR process to include an indication that this expenditure will put this over the budget, so we can address it, so as not to generate bad audit findings for the City.

Mr. Tapia said he can look at doing something like that, but it is a very rare occasion when these kinds of things come to you. He said most of the time the BAR is done is because there are new items, or it is something the Council wants to, or for a grant. In these cases, he will indicate this is the case.

- Councilor Ives wants to do this to eliminate negative audit findings in the future.
- Chair Dominguez said the majority of the budget is personnel, and staff always is going to have personnel savings, and many times they may be using those funds. He said we need to have a better discussion tomorrow when we get to Parks, because the MRC is somewhat of an anomaly. He noted close to an addition \$1 million is needed to fund the MRC. He said in terms of the \$1.7 million, he would like Mr. Tapia's 3-year projection on that, so we can be assured it is covered without having to increase revenues by that much.

Mr. Tapia continued reviewing the Gap Sheet.

- Councilor Maestas said he likes the idea of the 1/16 GRT transfer from Wastewater. He said the PUC was briefed on that. He said the water conservation has significantly impacted the wastewater revenues, so this is a great idea. He said some of the enterprise funds, such as the Water Fund, are subsidized to some extent by General Fund revenues. He said we have had 4-5 consecutive increases in water, and people are tired of the high water rates. He said a five-year goal would be to completely eliminate General Fund subsidy of enterprise funds, Water included. He realizes we are heavily dependent on that right now, and doesn't want to get into the

discussion of any debt instruments associated with Water backed by General Fund revenues, although that should be a long term goal. He does support some reduction in the reserves for us to be able to use all options to avoid taxation. He said a one-time solution would be to lower reserves to 1/12, and work on a policy in the use of reserves. He said we need a specific policy outlining certain circumstances under which we would use reserves. This will force us to look at the policy to see if we can use it, and if not, to look for another source of revenue.

## 1) GENERAL FUND

Mr. Snyder said he has given instructions to staff to keep a flat budgets. He said he gave no direction for cuts, furloughs and such. He said the directors consulted with staff in creating their budget. He said when you look at the bottom line of the budget in the white book, but they may not look flat because of the salary increases for AFSCME & Fire personnel as well the insurance premiums.

## 2) HEALTH INSURANCE

A brochure prepared by United Healthcare, *Self-funded Employers Guide – Transitional Reinsurance Fee and Patient-Centered Outcomes Research Institute Fee*, is incorporated herewith to these minutes as Exhibit “10.”

A copy of *City of Santa Fe Medical Plan Performance* is incorporated herewith to these minutes as Exhibit “11.”

A copy of *City of Santa Fe Health Insurance Fund – Five Year Projection*, detailing the four options before the Committee is incorporated herewith to these minutes as Exhibit “12.”

Mr. Snyder said this is behind Tab 20 in the Pre-Budget Book [Exhibit “3”]. He said they have created several different scenarios for looking at the health fund. For the past several years, we have looked at it through a narrow window – here and now – for this year and next year to solve the problem we have, which is dipping into cash reserves at a pretty quick rate. He has worked with H.R. and AON our provider, to develop more long term view as to how to fix the problem. He said there are four options before you under Tab 20, which lay out options to consider, and how to distribute the ever-increasing insurance costs fairly, for example using our percentage split – 76% for the City and 24% for the employee and having the City to subsidize the health fund a little more, such as using funding from Workers’ Compensation reserves.

Chair Dominguez said we have a range of options. In the year 2016-2017, we will no longer have reserves. Scenario #2 keeps us whole through 2017-208, and is not as extreme. He said we need to come up with long term instructions.

Mr. Snyder noted we are in tab 20 of the pre-budget book, and each scenario has a big bold box around it which describes what the City is going to be doing, and what the employees are going to doing in each of these scenarios, the impact and the overall beginning cash balance and the impact of the scenario on the cash balances.

Chair Dominguez said these scenarios are based on what has been agreed-to, in terms of what the City pays versus what the employee pays.

Mr. Snyder said the scenarios have not been negotiated or agreed to. He said what has been agreed to, for example the percentage split of 76% paid by the City and 24% paid by the employee.

**Sandra Perez, Human Resources Director**, introduced Todd Burley, AON and Vicki Gage, Benefits and Operations Manager in H.R. She noted they handed out the sheets from the Pre-Budget Book [Exhibit "12"], the Medical Plan Performance Report [Exhibit "11"]. She said they also put together all of the information regarding the Affordable Health Care Fee, assisted by AON and United Health Care [Exhibit "10"] that will impact the budget. She said in the green budget book [Exhibit "2"], on page 91, at the bottom you will see the Health Administration Fee which is where this is built into the budget. The Transitional Reinsurance Fee is \$168,000 and \$3,200 for the PCORI Fee. She said the Transitional Insurance Fee could be passed on to employees as a shared cost, which is budget as if the City is picking up the entire cost to begin the conversation.

**Todd Burley, AON**, reviewed the information in Exhibit "11," the Medical Plan Performance. Please see Exhibit "11" for specifics of this presentation.

*The Committee commented, made suggestions and asked questions as follows:*

- Chair Dominguez asked, on page 2 of Exhibit "11," if the red are the current claims and the blue are the prior claims, and for the most part our current claims are up.

Mr. Burley said this is correct and most months the claim for the current year exceed the prior year, July through March, noting last year, April and May were fairly high claims months for the prior year.

- Chair Dominguez said in the past, we've had discussion about preventive health care, and we've changed some of our benefits programs, and "theoretically, it was reversed. That means that the City's contribution would be less than it is today. If we were to flip the scenario on that chart and our current claims are less than the prior year's claims, and we continue that trend for a number of years, what does that mean to the City.

Mr. Burley said it means that both the City's and the employee's share would grow at a slower rate

- Councilor Maestas asked, regarding the \$250,000 claims coverage, if we can realize any savings in premiums if we reduce claims coverage to \$200,000 or \$175,000. He asked if this is an option.

Mr. Burley said to reduce the premiums, you would increase the level, so the higher the level, the lower the premiums. He said the City had a \$200,000 level until 2010-2011, when they moved to a \$225,000 level, noting a lot of this is based on size of the group – the larger the group the more they can take on. The City increased that to \$250,000 in 2012-2013. He said stop loss isn't a predictable coverage, because high cost claimants are difficult to predict unless it's an ongoing high cost claim, which is more unusual than a one-time extremely high cost claim. A lot of these are premature infants, transplants, so it's typically a one-time high cost claimants. The ones that are high cost continually, are those on dialysis for kidney failure. He noted they look at this each year, and this year there are options for \$260,000 and \$275,000, which would reduce the premiums by about \$100,000. He indicated it's typically one bad year out of every five years.

- Councilor Maestas asked if there are recommendations for changes at this point.

Mr. Burley said at this point the \$250,000 for a group with 1,250 employees is pretty standard, noting they will look at it again, commenting you could fund 3 claims by moving from \$250,000 to \$275,000 so it's pretty much a wash.

- Chair Dominguez said, "Based on the recommendation in the Gap Sheet, Scenario No. 2... if we take the recommendation on the Gap Sheet that allocates \$750,000 from Workers Compensation, if I read this correctly, it means that in the year of 2017, we will have pretty much depleted that reserve."

Mr. Snyder said he believes on the Gap Sheet, the \$1.2 million that you show on the 5<sup>th</sup> line down from new expenses, is the \$1.2 million that is not reoccurring is the same as in your last scenario in your Pre-Budget Book. The \$750,000 is a one-time fee insertion of money into the next fiscal year.

- Chair Dominguez asked if that would move us back to 1/12 in terms of depleting our reserves.

Mr. Snyder said there is no specific scenario on that, but in looking at the numbers, the first scenario you have if you insert \$750,000 now in 2014/2015, he would project we will still have a \$3.5 million beginning cash balance deficit by 2017/2018. He said, "My point is, a one-time \$750,000 will reduce the overall deficit in the cash balance, but it won't solve the problem, so it's a help."

- Chair Dominguez asked what it would look like if we did \$750,000 every year.

Mr. Snyder said it would be similar to scenario 2, noting that scenario is done is \$1 million, so we would still be dipping into the cash balances, and by 2017-2018, we would still have \$1 million as a starting cash balance. It wouldn't be as high as projected here, because we're infusing it with \$1 million every year.

Chair Dominguez said the bottom line is we have to make sure our employees are healthy.

- Councilor Ives, referring to the summary of large claimants over \$75,000, said we're instituted the Wellness Program. It was anticipated it would be 2-3 years before we see a significant savings. He said the participation in that Program exceeded expectations in terms of numbers. In the Fall, in the first report, we heard that 300-400 people were participating. He asked if there is additional information you can share.

Ms. Perez said he is correct, and it's "beyond its infancy and we've moved into the toddlers stage." She said it is fast picking up pace and definitely making differences. We've noticed an increase in the Nurse Advice Line, rather than people heading to the ER, and waiting to see their primary care physician, possibly getting into urgent care. She said Ms. Perry and her team promote the Nurse Advice Line at their different biometric screenings, and such, noting they put in a kiosk upstairs from United Health Care to encourage people to get into and use the health plan, and to see all the tools that are available. She said the education has increased and is continuing to grow. As people understand that better, then interest in the Wellness Program is definitely there, and in terms of people feeling better, and using the Wellness checks.

Sue Perez, Wellness Coordinator, "There are a couple of things. The one thing that has changed radically in terms of dollars is the ER use. The Wellness Program is a lot more than the recreation benefit. Our job is to reach out and do a lot of marketing and education that comes from our benefits to our employees." She said the co-pay was increased, and in the first six months there was a drop in the amount of money because people had a higher co-pay, but there was no change in the rate of usage. She took on the responsibility of promoting it at that time. She said if people don't know what do in a crisis or emergency, then they go to the emergency. She has been a lot of outreach, noting there was a decrease in dollars and percentage of use as of the December Outcomes report. The ER costs were down by 19% and the visits are down by 17%, which means in that 6 month period, we saved \$127,490."

Ms. Perry continued, "As of last month, 41.3% of our employees have been engaged in the wellness program on some level." She said given there is no cash invested in the program, other than the salary of her and her assistance, there have been phenomenal results during the 1½ year they have been doing expanded programs.

Mr. Perry said in talking about very expensive high cost items, dialysis comes up – the number one cause of people going into kidney failure is diabetes. She noted the diabetes prevention program at the City and she is putting together some diabetes education programs for City employees.

- Councilor Ives asked what are the total numbers in the reduction of the ER use over that 6 months.

Ms. Perry said she doesn't have the actual number of ER visits.

Ms. Perez said that information is under a tab in another book. She said they are doing the assessment behind the scenes based on what they can know about the claims. She said they believe there is a direct correlation between some of the reduction, and the increase in the copay

certainly made a difference as well. She said part of the problem in Santa Fe is that a certain time, all of the urgent care centers are close. So even if they were to call the Nurses Advice line and they recommended urgent care, if none of those are open, they have no choice but to go to the Emergency Room. She said it is hard to make a direct correlation when they had no other place to go. So while there has been a decline in the number, she is unsure how well they can tract this in the future. She said they will send those numbers to him at a future time.

- Councilor Ives said some of his focus relates to the anticipated Health Care Study Group which is being formed slowly. He wants to be sure the policy folks understand what has direct impact on the City's bottom line, such as the necessity to go to the ER when all of the urgent care centers are closed. He wants to know more about the charts, noting it is a world of unintended consequences which we want to avoid. He strongly applauds the efforts of the Wellness Program.

Ms. Perez said they have reports from the Benefits Committee which has more details, and she will make sure those are sent to the Committee members.

- Councilor Lindell asked the number of calls to the Nurse Advice Hot Line.

Ms. Perez said she doesn't know, but she thinks there is a report from United HealthCare about the different areas in the benefit plan, use, where we get the most claims, the least claims. She hopes that will be in the reports which she will provide by tomorrow, and if not, she will make a phone call and find out.

- Councilor Lindell asked, regarding the sharable fee, if that is on page 191 of the white book, the \$171,000.

Ms. Perez said \$168,000 of the \$171,200 would be a sharable fee.

- Councilor Lindell said at presented, we aren't looking at it as a sharable fee, and asked if this is correct.

Ms. Perez said no, at this time it is presented as an expense, noting the next Benefit meeting is on Wednesday, where we will be discussing getting ready for the next fiscal year and we will pass on the information presented by United HealthCare and AON in premium increases and the Affordable Care Act Fees and so forth.

- Responding to Councilor Lindell, Ms. Perry said, "There was a slight drop in the first 6 months in terms of the dollar amount because of increased copay, but this second 6 months in which we added more promotion and hands-on education of employees is when we saw those 17% and 18% drops in cost and number of visits.

*Councilor Bushee arrived at the meeting*

- Councilor Maestas asked the reason we assumed a 12.5% straight line projection increase in claims, when the Plan Performance history doesn't lend itself to use that projection in the 5 year scenario, noting some of these projections are going to weigh into how we make this health fund solvent in the long term.

Mr. Burley said it increases by the percentages at the bottom of each page. He said we have seen increases over the most recent time periods that are close to those figures, and sometimes history isn't a good predictor of future performance as we are all away. He said this is Aon Actuary's best guess at what health care costs will increase by, over the next 5 years. He said this could change, noting he has updated this once and those numbers were different two years ago when he first did this. He said, "As we continue to update this projection, I will update those to reflect our actuary's most recent recommendations."

*Mayor Gonzales arrived at the meeting*

- Chair Dominguez said something was mentioned about the employee pool. He asked Mr. Snyder if he has spoken with people about the fact that we have less employees and how that has impacted our fund. He said in the past we moved a number of employees to temporary part time, and therefore the employee pool is less. He asked if this has been evaluated.

Mr. Snyder said for the past 5 years we have had about 300 less employees than we have 5 years ago. And you are correct, sometimes vacant positions become temporary. He said his understanding is, as it relates to health insurance, those number are utilized for the projections.

- Chair Dominguez asked if there is a correlation between that and the events that happened in 2011/2012, which seems to be when we started to go toward more temporary, part time employees without benefits.

Mr. Snyder said he doesn't know that number, but he doesn't think it's an overwhelming number of employees that went from full time with full benefits to temporary, but he can provide that information, and we can try to get a correlation to how that affects the Health Fund, if that would be useful.

- Chair Dominguez said it would be useful.

Chair Dominguez asked if Ms. Perry's salary is funded from H.R, or from this fund.

Ms. Perez said it is out of the Health Fund.

Mr. Snyder said her position is funded from the Health Fund as well the salary of a part time assistant.

- Chair Dominguez welcomed Mayor Gonzales and Councilor Bushee, and updated them on the status of the Committee's efforts to this point.

- Responding to Mr. Snyder, Chair Dominguez said the Committee can make a recommendation to maybe use the \$750,000 out of Workers Comp, unless you want to go with the \$1.2 million, or we can have that discussion toward the end when we wrap-up the budget.

Mr. Snyder said he will leave the \$750,000 and the \$1.2 million on the Gap Sheet for discussion purposes for the time being.

- Chair Dominguez asked Mr. Snyder to move the \$750,000 to the recommended and the Governing Body can have that discussion when we wrap-up the budget. It was the consensus among the Committee to proceed as recommended by Chair Dominguez.
- Councilor Lindell said we should keep on the table and have a discussion about the sharable \$168,000 expense as well.
- Councilor Maestas asked that the \$750,000 be worked into the preferred scenario so we can see that, between now and the time we wrap-up. That way we can consider any additional action if we feel we need to.

Mr. Snyder said he can have that by tomorrow when we discuss Human Resources and wrap this up.

### **3) ANNEXATION**

Mr. Snyder said the information is on page Tab 24 of the Pre-Budget book [Exhibit "3"]. Mr. Snyder reviewed the information behind Tab 24. He said this information is based on BBER, but they are real numbers as projected by each of the Departments. Please see Exhibit "3" for specifics of this presentation.

*The Committee commented, made suggestions and asked questions as follows:*

- Councilor Maestas asked if staff has a recommendation for a more conservative transition plan in terms of the ramp-up of appropriate FTEs to cover the annexed areas – are there any alternatives for coverage for Public Safety which are a little more conservative. He feels we have jumped ahead without having that discussion.

*Councilor Rivera arrived at the meeting*

Mr. Snyder said, "One of the reasons that we had 25 officers, as an example, is that this is what was approved by the Governing Body. It is what was discussed from the BBER Report, as well as the Sheriff's call volume, also complementing the level of service we provide within in the City. There are going to need 25 officers to serve those officers. That being said, I've had conversations with Deputy Chief Schaerfl about, we have 10 officers currently in the budget for the annexation area. In the upcoming budget we have another 10 as per the approved Annexation

Plan. We are considering possibly reducing the 10 to another number, say 5 or some other number, for budget approval request now. And then revisiting it when we have more metrics and data as we move toward mid-year, but right now, we don't have any true plans other than that."

Mr. Snyder continued, "But, as you said, we need to grow into this. We know what the call volumes are, so it's based on facts, it's based on past history, so we believe the numbers are good. But at the same time, we want to make sure that we're smart and moving forward in a smart manner. That, in addition to one of our other challenges is, we talked in this Committee previously, just maintaining staff levels at the Police Department. We always seem to have vacancies. Right now, we have about 23 vacancies in the Police Department. Of the 23, we have 18 in the pipeline whether they're in the academy.... I think there's 13 in the Academy getting ready to graduate in the next four weeks. And there's an addition 5 that we are considering for lateral. So, 18 of the 23 are filled. But it's a constant cycle. We know of about 6 or 7 that can retire in June 2014, and another 6-7 that can retire in January 2015. So, without even expanding positions, we constantly have a challenge of trying to maintain a full Police force."

Mr. Snyder continued, "So, with that in mind, the conversations I've had with Deputy Chief Schaeerfl around the topic of, 'can we reduce the number.' Since we can't, we have to at least struggle to maintain a full Police Force so we don't over-budget and have the numbers on the books. And track it and revisit it as we go throughout the year. And that's still up for consideration."

- Chair Dominguez said, "Under Tab 25 [Exhibit "3"], the General Fund GRTs aren't something we 'can hang our hat on.' We can't necessarily predict that as well as we can the General Fund property tax, correct."

Mr. Snyder said, "Yes. The General Fund property tax is a more stable revenue source, where the GRTs are variable, as you see at the Finance Committee on a monthly basis."

- Chair Dominguez said then the \$769,219 for FY 2014/2015, is for the entire. That area may generate more than that the entire year.

Mr. Snyder said, "That's correct. These are projections based on information we know about that area, and the businesses in that area. Those are just projections."

- Chair Dominguez asked what is "General Fund Other."

Mr. Tapia said on the BBER Report there is other, everything you could think of – businesses licenses, permits, some of which will go into the General Fund and some which will go to fund other areas of the departments. He did show the revenues we are able to use for operations and/or capital purchases.

- Chair Dominguez said, "On the same page, on the list, okay you've got Public Works in there."

Mr. Tapia said he concentrated on the big areas we needed to, but it doesn't include things such as the Courts had asked, and they're looking at that and other things from other departments, but these were the biggies.

- Chair Dominguez the year when the City completely takes over with the Police Department, and asked if that is 2016-2017 – when we are 100%.

Deputy Chief Schaerfl said it was a 3-year draw down, so technically it is the end of 2017 when the Sheriff's Department will hand it all over to us.

- Councilor Maestas said this is a great discussion because it caused him to look at the expansion requests for the Police Department. On page 2 of 3 of the Expansion Requests [Exhibit "8"], he noticed there is \$663,000 to cover Public Safety services in the annexed areas. He asked if those are for the 10 police vehicles for the 10 positions, or how many police vehicles.

Mr. Snyder said this is for equipment and vehicles, so it's everything that gets them ready to go on the street, as well as the vehicles – computers for cars, uniforms – everything that gets staff ready to get on the street.

- Councilor Maestas asked how many vehicles are included in the Annexation Expansion Request, priority number one.

Mr. Snyder said there are 10, commenting each officer gets a vehicle.

#### **4) HOLD HARMLESS**

Mr. Snyder said "Hold Harmless" is in the Pre-Budget Book under Tab 25 [Exhibit "3"] which has been discussed at various Finance Committee meetings over the past year, noting Mr. Tapia will get into our options moving forward. Several cities around the State have moved forward with implementing the GRT, most recently Las Cruces which implemented the full 3/8 GRT increment.

Chair Dominguez said, "Before we get to the revenue side, I just want the Committee to understand that when you look at the first chart, or the first table, when you look at the year 2016, that is \$630,000 in revenue that we will not be receiving from the State. I guess that is a pretty sizable gap and it gets bigger as each year progresses.

Chair Dominguez welcomed Councilor Rivera to the meeting.

Mr. Tapia reviewed the information behind Tab 25 in Exhibit "3". Please see Exhibit "3 for specifics of this presentation.

*The Committee commented, made suggestions and asked questions as follows:*

Councilor Bushee asked who is tracking the interim Taxation & Revenue Committees and finding out what the Legislature is considering. She said there are various options in terms of tax reform and are we tracing any of that other than this generation of new taxes option.

Mr. Snyder said we are working with the NMML, communicating with other municipalities around the State as well as looking to create our own tax force internal to the City of Santa Fe to move legislation forward as well as working with Mark Duran, the City's lobbyist.

Councilor Bushee said she tracked it during the last session and would follow just what the NMML is doing because they were kind of compromising and not on behest of the City. She is happy to follow this more closely, but believes it is very single minded in its approach she wants to see more options on the table.

Mr. Snyder said, "We are following the NMML, but we're not just following the NMML. We also are going to be setting up a Tax Reform Task Force. We may be aligned with NMML on that task force, or we may not, but we want to keep our options open for moving this forward. At this time, we don't have any legislation we're ready to move forward, but we are ready to being initiation of that tax reform committee.

Councilor Bushee said from her perspective, adding the food tax back is not an option as well. She is interested in seeing the other options as we move forward.

Mr. Snyder said we definitely will bring them to this Committee and keep this Committee in the loop.

- Chair Dominguez said so much of this depends on what the Legislature does, and he doesn't think they know what they want or are going to do. We need to be engaged in tax reform. It would behoove the administration to provide the Governing Body or at least the Finance Committee, some sort of update anytime there is action of discussion from the Legislature about this issue, whether it be at the Legislative Committee level, or anything else that is pertinent to this and important for us to hear. This really doesn't bump us until 2016-2017. I think we need the Governing Body or this municipality at least to voice itself very loud and clear to the Legislature about how this impacts us, and of course, we need to continue to work at making sure that we grow our economy so we do not have to rely on these sources of taxes to subsidize what the State's not giving us.

Councilor Bushee asked, "Can we have Mark directly interact with the City of Las Cruces if they have a lobbyist, or if it's the Mayor, the Council or staff, because I think we're in a similar mind set and similar size and similar concerns. I would just ask that we collaborate apart from the NMML, in particular with Las Cruces, or any other community we feel could be a collaborator on this."

Mr. Snyder said we can, noting he has been in conversations with the City Manager of Las Cruces, Robert Garza. He sits on the NMML Tax Reform Committee, but they are also interested at looking at other opportunities outside the NMML. He said Las Cruces already had implemented its 3/8% GRT, but that doesn't mean they're not looking at other options, and happy that we are interesting in partnering with them."

Responded to Councilor Bushee, Mr. Snyder said the tax was absconded and it is back on the books.

Councilor Bushee believes they are going to have issues in the future.

- Councilor Maestas said the NMML is having its policy committee meetings on June 20, 2014. He said, "I've asked to be appointed to the Tax Committee, and I invite my colleagues to go these. But it would be great if I could have a resolution from this Governing Body, at least outlining some broad principles about tax reform that could benefit not just our City but other municipalities over 10,000 in population. I realize it could take a long time to get a tax reform committee together. I think there are certain principles all of us can agree on, and if we can pass a resolution prior to these policy committees, to really prepare us, and arm us to be that catalyst for real, sustainable tax reform for cities, that would be great."
  - Chair Dominguez asked Ms. Byers how quickly she can draft a piece of legislation which Councilor Maestas can introduce that we can act on relatively quickly so we have a voice at the NMML. He said he doesn't know what comes out of there nor what the Resolution would say. He said, "I think that is something that would be important. I think it would be nice if the Mayor could also be a part of that so he can lend that voice to the rest of the State."
  - Councilor Maestas said there is standing NMML policy calling for diversification of revenues which isn't just about reforming GRTs, but it is also about swapping GRTs for a share of the income tax, and empowering cities to impose gasoline taxes to deal with road fund issues. He said we could send out the standing policy and some of the resolutions passed by the NMML to give an idea what they have been promoting for the past 10-15 years. That could be a good foundation for us to go forward and agree on certain principles in our own resolution prior to the policy committee meetings.
  - Councilor Maestas said there is a 1/4% GRT that the City did not pass. He asked, for purposes of discussion, to update the Hold Harmless sheet to reflect that – include the 1/4% that is available.
- Mr. Tapia said he can work it into the Gap Sheet, noting he did put a calculation and estimate on that. He said that can be used for General Fund operations.
- Responding to the Chair, Councilor Maestas said in the hold harmless, the only thing we looked at was enacting the 3/8% either all at one time, or 1/8% every 5 years or so. He would also like to see the 1/4% scenario against the hold harmless impacts to see what the cash flow would be like, and what kind of balance we would have over time, similar to what we did for the 3/8%.

Mr. Snyder said this can be done, noting the 1/4% would generate between \$7 million and \$7.3 million annually, but he can do that side by side comparison.

Mr. Tapia said that is also on the Gap Sheet.

**B. DEPARTMENT REVIEWS AND REQUEST FOR APPROVAL:**

**1) LAND USE**

Mr. Snyder said Land Use is on page 79 in the white budget book.

Mr. O'Reilly reviewed the proposed Land Use budget beginning on page 79 in the white book [Exhibit "1"]. He said There are 5 divisions, noting the budget is almost entirely personnel, and there are very little other expenses.

Chair Dominguez asked Mr. O'Reilly to talk a little about what his organization looks like today or what is being proposed relative to what is in place right now.

*The Committee commented, made suggestions and asked questions as follows:*

Councilor Bushee said on the expansion item, she doesn't know what the "SunGuard One Solution Community Development suite maintenance agreement is about."

Mr. O'Reilly said the Land Use Department currently has a program called HTE. This is a program where you will see a black screen with green numbers and letters. It looks a lot like what we saw in 1990-1991, when the City was using MS DOS. He said this is what they are using and what they have to work with. It is a software program. And the budget request would be to go to the current, most up to date iteration of that software which is several versions past what we are using now. It is for the purchase of the software, the transfer over of data from the current system to the new system. It is more of a windows based wiziwig system, where you can manipulate and create customized screens which would be helpful in terms of routing, tracking and reviewing permits and such.

Councilor Bushee asked if the software can be used by inspection staff in the field.

Mr. O'Reilly said he does think that capacity is there.

Councilor Bushee said she has watched the evolution or lack of evolution of modern day technology in the Land Use Department, noting inspectors didn't have cell phones or way to communicate. She wants to be sure he includes those people in the loop. She said previously we did buy software to try and make sure Land Use in particular could communicate with other departments, Legal included, and asked if that works. She has found in the past is that we would buy programs and software and nobody would know how to use it and often it would be discarded.

She wants to make sure that doesn't happen and that the people in the field get the ability to communicate and have the latest information. She doesn't want people calling her to find out the status of their permits.

Mr. O'Reilly said, "Let me say I'm a little confused at the statement about lack of evolution."

Councilor Bushee said she doesn't mean him, she is speaking over the decades, commenting we have been dinosaurs when it came to technology in Land Use.

- Chair Dominguez said this is probably true throughout the entire organization. He asked if she wants a discussion about his technology specifically.

Councilor Bushee said it's about making sure the training is there and we aren't investing in software programs nobody knows how to use, and that the people in the field are concluded. She doesn't know the status of the old software, "but it's always sold to us around budget time, and then I honestly never know what happens after the fact."

Mr. O'Reilly said, "The Land Use Department, at least in the four plus years I've been here, has never proposed upgrading our software. We've wanted to. Our budgetary situation has not allowed us to even bring that forward. It has only been under this current City Manager, that the City Manager has allowed us to say what we need and present it to you. We appreciate that. It is something that is long overdue, but we realize it's rather expensive. something, but budget wouldn't allow. Only under this CM say what we need but rather expensive. And you've been in these budget hearings, and you know how difficult that's been."

Mr. O'Reilly continued, "With regard to evolution of technology. About 3 years ago Councilor, we made sure that every inspector in the City has a laptop computer in their vehicle, so they are able to access the City's HTE system, such as it is, from the field. We didn't have money to do that, but we found some old, left over computers the Police Department had and we were able to get those. Anyone can call at any time to find out what the status of their permit is, but some years ago, we implemented something called 'click to gov.' And what happens with 'click to gov' is when you're issued your building permit, you're given a code.... actually even before you are issued your permit, when you submit your permit, the applicant gets a code. And they can go in, online, and find out what review comments are on their permit, whether their permit is ready to pick up or not, and they can contact that particular permit reviewer to find out what they need to do."

Councilor Bushee said, "I may have misspoken. I meant Inspections mostly. A lot of times, that's the critical thing, particularly for commercial. People are always wanting to know when they're going to get their CO, when they're going to open."

Mr. O'Reilly said he can recall 1 or 2 people contacting the Department who also contacted Councilor Bushee. He said that same 'click to gov' system works with the inspections – call in inspections using an automated phone line, or schedule inspections on line, and you can see the inspection results on line when the contractor picks up their permit.

Mr. O'Reilly said, with regard to actual inspections, the Land Use Department Policy is that we do a 24-hour turnaround on all building inspections. He said not all inspections pass, and we definitely had instances where a person hasn't installed their fire sprinkler systems and such, the inspectors, by State law have to enforce the Building Codes, Fire Codes and other things, and they won't let that business open until all life safety issues have been taken care of. They work with people all the time to issue temporary certificates of occupancy so they can open, so long as there are no life safety issues involved, and we work with people on a daily basis on that kind of time.

Mr. O'Reilly continued, saying in the last fiscal year, the Department conducted 15,437 inspections, and projecting to complete about 13,400 inspections this fiscal year which works out to about 56 inspections a day for each working day that staff is here. It means the supervisor inspectors are doing 4 inspections a day, and generally handle the more difficult and complicated ones, and the line inspectors are doing about 7-8 inspections per day. He said if permit activity were to ramp up, and we're all hoping it will, to the level of our maximum year 2005-2006, we would be looking at supervisors doing 5-6 inspections a day and line inspectors doing 10-11. That would be the maximum we could do under our current workload. All inspections in the field can be entered by computer or the inspectors in the field can enter it with their cell phones, and they don't have to drive back to City Hall to enter the inspections.

Mr. O'Reilly said when the Super Walmart was built, the City probably did over 90 inspections of that building alone. And there are other buildings where the electrical inspector may have to go out only twice, so it depends on the kind of project. He said in recent conversations with applicants and others looking to do work for the City, we are expecting a huge increase in revenue in the coming fiscal year. He said no one has applied for anything yet, but he has met with people on two projects alone were predicting somewhere between \$70 and \$80 million of additional construction, in addition to what we're already doing now. That will mean a lot more inspections and a lot more building permit review.

Councilor Bushee asked if they are going to train people with the software.

Mr. O'Reilly said, "Of course. We're not going to give people software and not show them how to use it."

Councilor Bushee said she meant as part of the contract.

Mr. O'Reilly said there would be training for the SunGuard HTE built in. He said one thing in the Department's expansion request is \$8,500 for NaviLine software upgrade contract services. He said this is a "front end to the HTE." The upgrade is free and being performed by our own HTE staff, and the \$8,500 would be from some training from the NaviLine HTE people. He said we are grateful the City Manager saw fit to put it in the budget.

Mr. Snyder said, for clarification, the budget expansion request is exactly that – a budget expansion request. He reiterated the budget is flat and this is not in the budget. The \$600,000 software upgrade is not in the current budget in front of you. And as you scroll to the bottom, we're talking about \$14 million in expansion needs for the various departments. He wants to be sure it is clear that these currently aren't in the budget. He said, "There is a ranking in the 3<sup>rd</sup> column, and each department/division ranked its needs to help them perform their job better. I misspoke, Matt, there is \$271,000 in software upgrade, but that is his second need from a ranking standpoint." He said his first need is to cover the annexation additional inspections in the field and nuisance and complaints and those kinds of things. He said each department did this over and above what is the base budget and shows a large need of \$140,000 which is substantial.

Mr. Snyder said, "I wanted to make sure that we had a running tab, not only from the City staff standpoint, but from your standpoint on what we believe some of the needs are within the City."

- Councilor Rivera complimented Mr. Snyder for the way "it all looks and for doing the budget a little bit differently, and for ranking the expansion items and putting them on a separate list for consideration which is something we haven't seen in a while.
- Councilor Rivera, referring to 82 of the Budget Book, said there is a whole section on the planning plat room that hasn't been funded, and asked if that was a section that was lost during the recession, and if so, if it has been absorbed into other places, is it something that is working.

Mr. O'Reilly said his understanding is that was done before his time, and the reason was because some of the funding for the plat room was coming from CIP funds. He said, honestly, we've absorbed that into our regular funding, so the items in the plat room are essentially unnecessary at this point.

- Councilor Rivera asked if it is working well, and Mr. O'Reilly said yes.
- Councilor Rivera, referring to page 83, under the Historic Preservation Division, Account 555250 General Liability Assessment, noted that fund has increased considerably from last fiscal year to this one. He asked the reason for that.

Mr. Tapia said those are some of the assessments that come from the actuaries. We go out and then we look at that as the City as a whole, and we assess it depending on departments.

Barbara Boltrek said the increase in planning was due to one claim that currently is in litigation and cost associated with that litigation, which caused them to have to raise their assessment.

- Councilor Rivera said then Ms. Boltrek's Division basically crosses every department in the City, and asked if we should plan on seeing increases in other departments as well.

Ms. Boltrek said it depends, commenting that Planning took the largest hit.

Mr. Snyder said in several of the budgets there is a substantial uptick, over \$10,000, the reason for the uptick is there are either pending claims or a settled claim.

Councilor Rivera, referring to page 83, 22720, under Historic Preservation, Consulting Services at \$25,000, asked if that is for something specific.

Mr. O'Reilly said the City is proposing to do a new Archaeological data base to help the current archaeologist find information and, most importantly, so once this data base is in place, people having to hire archaeologists to do work in the City won't have to spend so much time reinventing the wheel every time they do an archaeologist report. There will be a central data base that has all of our archaeological studies. He said we applied to the State for a grant to do that, and the State gave us \$20,999. This is money already in the City's Archaeological Fund, so in terms of a net increase it is money that will be coming out of the City's Archaeological Fund and going into Land Use to create this archaeological data base, but it is not new spending. The City has an Archaeological Fund, and collect \$10 from every building permit, and the fund has been growing for years, and the last money spent was \$3,000 in 2010. He said the Fund is close to \$130,000 and the purpose of the fund, part of the Archaeological Ordinance, and it is put there so if someone if doing some work and discovers something of archaeological significance, such as bones, and they didn't have the money to do a proper data treatment or recovery of that cultural resource, they could go to the Archaeological Committee and the Committee could award funds to do the work.

- Councilor Rivera, referring to page 84, Service Contracts, said it goes from a zero budget to a \$56,000 increase.

Mr. O'Reilly said this is just a matter of where budget has chosen to put some of these contracts, noting it is a different line item.

- Councilor Rivera asked what types of contracts do they have.

Mr. O'Reilly said the biggest chunk will be scanning services. He said they currently are in the process of scanning every building permit ever issued, noting they only have 2007 through 2010 left to scan. He said probably the Land Use Department receives the most Inspection of Public Records Act requests, and they almost always are for building permit information. He said previously people had to go to archives and dig out the paper plans and make copies.

- Councilor Rivera said he trusts they are doing what is going to be best for you. He just wanted a basic idea of the source of new funds, but this isn't new money, it's money being moved around.

Mr. Snyder said you will see, throughout the budget, that there have been some line item changes, and that was corrected from a finance and budget standpoint. He said professional contracts have been moved to service contracts, and as we go along, he will try to find others. He said, from a tracking standpoint there have been changes. He said when there isn't a department base, usually 1-2 lines down you will see a similar number, and it's just a tracking mechanism.

- Councilor Rivera said under Risk Management, the general liability increased by almost \$56,000, and it is being shown below last year's budget. He asked how does that get worked, since the \$61,800 wasn't in the budget the year before. Is Mr. O'Reilly having to make up the difference within his budget to have a flat budget.

Mr. Snyder said he didn't ask the department/division directors to worry about those kinds of things. He said he didn't ask the departments to consider salaries, health benefits, general liability and things which were out of their control in the flat budget. He said in this case, it is up, but that was largely because of the salaries, health benefits and general liability. He said the bottom line comparison last year to this fiscal year, his budget is up, but the portions Mr. O'Reilly can control have been flat or he reduced the Land Use budget.

- Councilor Rivera said the Land Use budget for this fiscal year, year to date is \$472,599 budget, and asked if that will increase over the rest of the fiscal year.

Mr. Snyder said there are still funds to be spent within the budget, and whether the full allotment will be spent will be seen, but he imagines they will spend something closer to the \$581,000.

- Councilor Rivera said this goes to his original question. If the budget was \$581,000 last year and expected to be \$593,000 for the next fiscal year, how was the \$61,000 for general liability balanced in the operating budget.

- Mr. Snyder said he would be willing to say it wasn't operational changes, it was more salaries, benefits and retirement offsetting a little bit. He is not aware of any major cuts in the department and the operational line items were flat across the board. There is an uptick in General Liability and in others there are ups and downs across the board which resulted in a total overall uptick of \$61,000..

- Councilor Rivera asked if every department has to cover its own liability issues.

Mr. Tapia said, "No. Those are some items they have no ability to control. So once they did the base budget, and/or complied with the director of the City Manager, we went ahead and were able to go in, once they figured the vacancy rates to be put in, we established those numbers, threw them into the budget and these came out. The general liability, you asked previously, yes, some of those numbers were based on litigation or open litigation, some we can't discuss..... I don't know the specifics of some of them, but I know that because of that there was an increase. Matt doesn't have control of that, nor does any department director."

- Councilor Rivera said, "So then just numbers, just numbers on paper, his budget should look \$56,000 higher to cover that general liability, but it doesn't."

Mr. Tapia said, "Correct. Actually Matt was conservative. Also, he looked at actual needs and what he did and he actually is one of the few coming in lower, saying, I didn't need \$15,000 here, I only needed \$10,000. So, yes, part of his makeup was doing this. If we went by each line item, we could tell you where they were absorbed from last year's budget."

- Councilor Rivera said, so then he is covering his own general liability problems, and Mr. Tapia said this is correct.
- Councilor Maestas said Mr. Snyder talked about the expansion requests and how those aren't included in the proposed budget, and then we have the Gap Sheet. He said we made one decision and that was to get the Worker's Compensation carry-over and add that to the Health fund.
- Chair Dominguez said this is correct.
- Councilor Maestas said, "But as we entertain expansion request, I don't know what we're working with. Do we have any money in the black, a working balance, because I know you're going to tally that, and I don't know which way to go. Should we entertain some of these prioritized expansion requests if we don't have a working balance. In other words, if we approve his FTE for Code Enforcement to cover the annexed areas, then does that mean somebody else has to take a hit, and we have to find a proportioned reduction in the budget. So how are we going to move forward Mr. Chairman in terms of entertaining request for expansion. Or should we really go through the Gap Sheet and make those broader policies, that way we know if we have any kind of working balances to entertain any requests for expansion.
- Chair Dominguez said, "I think the Gap Sheet in many ways is a wish list. I say that very carefully. Most of it is IT. So I think Brian wants to have a discussion about some of that when we get to the IT Department. I think it's okay to have that discussion now, but I think Brian's really just looking at this expansion in terms of us being in the black and above our revenue projections, and it's not necessarily as a way to balance the budget. Does that make sense."
- Councilor Maestas said, "It does. Okay, we'll see how this goes. And the only other question is if we could have some general information on the departments before they get started, like how many vacancies they have. And I also want a kind of an explanation on the vacancy credits for wages and benefits. Is that a standard assumption for each department. And what are the assumptions going in, in terms of vacancies, and what do these credits mean."

Mr. Snyder said each department director can speak to some of that and Mr. Tapia can talk about the vacancies. He said, "To answer what I think was your question, or to add to what Chair Dominguez mentioned, do we have funds to play with from the standpoint of funding these expansion requests. The simple answer right now is no. Right now we're looking pretty much at just a balanced budget. We don't have additional revenues that exceed expenditures at this time. That being said, I think what you're referring to about the Gap Sheet is the bottom half of the Gap Sheet, the potential revenues. If we increase revenues by whatever means, we would be moreso

in the black and we could entertain some of these budget expansion requests, but right now our revenues aren't exceeding expenditures to allow me to make a recommendation that this is what I recommend as City Manager to move forward to fill these positions and/or add to capital needs without affecting the overall budget, and/or somebody else's department have to cut something out of the department to balance the budget."

- Councilor Maestas asked if we are still at 10% reserves in the proposed budget, or did we reduce that.

Mr. Tapia said, "To answer your question, on that portion, I put in there also the difference, and that's up to the Finance Committee to recommend and to the Council. I can use that if you want me to use it to cover some of the deficiencies we have in the budget, but it's not included in my revenue calculations. That's something I can do. Like the recommendation for the \$750,000, I can throw that in. This difference between the 10% and what the State mandates, approximately \$1 million, I can throw that in. Is it in there, no, it's not."

- Councilor Maestas said then the 10% reserve is not in the budget, or it is.

Mr. Snyder said 12% is in the budget currently. He said what Mr. Tapia is saying is we could realize \$1 million in additional one-time revenue if we went to 10% .

- Mr. Tapia said, "Just to go to the expansion list, this year we entertained and the City Manager wanted to know what you've been asking for, or wanted to ask. We haven't done an expansion list, but this is something some of the directors have been requesting or needed for the last 3-5 years, but they haven't done. This year, the City Manager asked for this list to show what are the department's needs and ranking, and if we have additional monies, these are some of the things that they would like."

- Councilor Maestas asked him to address the vacancy credits for wages and minutes.

Mr. Snyder distributed a worksheet on vacancy credits [Exhibit "7"].

Mr. Tapia said, "Last year they went, across the board, about 4%. This means that every position that was approved by the Council was funded at 100%. We showed the budget at 100% and then we reduced them by 4%, so we only budgeted from the different revenue sources at 96%. We have been looking at this, and you can see on this sheet, this is what is currently out there. We looked at the actual vacancy rates which made some of the directors look at vacant positions. And you'll see that as the departments come up. But we adjusted the vacancy rate per department, not just in the City overall. We looked at the potential for them to increase staff in the next fiscal year and adjusted. I think IT was about 14%. We didn't budget it at 14%, and at a lower rate. We know they are going to be filling those positions. We went across the board and tried to be realistic with vacancy rates and credits. The departments were funded for all positions approved by the Council."

- Councilor Ives said in looking at expansion requests, it was indicated the department is anticipating potentially a significant increase in permitting based on projects which are somewhere in the pipeline across the City, but haven't made the way to City Hall. How necessary is the upgrade to the IT software to be able to effectively handle the increase.

Mr. O'Reilly said the staff is very good at adapting. He said when he came on board, the mandated was to improve levels of customer service, turn-around o permits and on inspections with a flat budget and decreasing personnel and staff figured out ways to do that and continue to do so. He is meeting with staff to continue to look at changes in how personnel do things to keep the level of customer service high. There will be a point when they've made every change possible, and the only way to make things go more quickly is to use technology. He said they could handle the possible very very large projects, but not as timely and efficiently as they could. He said we are at the point where we have to have technology updates. He said the are 49 positions in Land Use with 7 vacancies. The technology would allow them to issue permits on line without people having to come to the City, pay for permits on line and potentially to be able to give a guaranteed permit date, commenting that certainty is the most important thing in the construction industry. We can't go to the next level of achievement unless we invest in technology, particularly in the Land Use Department.

- Councilor Ives said, presuming the projects move forward, there would be additional revenues to the City and asked an approximate dollar amount.

Mr. O'Reilly's said for example, for an additional \$80 million in FY 14-15, with the City's GRT share to be 3.5%, there would be more than \$2 million in additional revenue, not including the Building Permit Fees and other things which would be in the hundreds of thousands of dollars. These fees don't go directly to Land Use, and go into the General Fund. He said he prepares his budget conservatively, as he did when he had his own business. He said it was difficult for him to rank the things they have been wanting for more than 4 years, but are unable to do.

- Councilor Ives asked how the revenue related to Land Use compares with the total budget for the Land Use Department.

Mr. O'Reilly said the best year for Land Use in the last 10 years was in 2005-2006 when we took in over \$3 million, and last year \$2.4 million, noting the budget is \$4.1 to \$4.2 million. He is projecting the total revenues in 2013-2014 will be \$1.7 to \$1.8 million, or about 40% of the costs. It hovers around 40-50%, and in a good year 50-60%. If Land Use was operated as an enterprise, would have no choice but to raise the costs of permits and such to meet the budget.

- Councilor Ives said it sounds as if the book of business in Land Use may be a thing we're seeing come to fruition which would be great for the Santa Fe economy. He said, "I'm going to be a strong proponent for trying to make sure we can get the requests in place, especially given the age of the systems. It sounds as if the increased efficiencies are going to be key to moving forward in your department in terms of accomplishing what you need to do. Just stating my position on that up front."

- Councilor Lindell asked when the moratorium on impact fees expires.

Mr. O'Reilly said the reduction in residential fees expires in February 2016. He said Impact Fees do not go into the General Fund so they are a limited source of revenue that can be used only for specific things. He said Building Permit Fees can be used on anything for the City.

- Councilor Trujillo said, personally, he is glad he wants to do the software update, because it is time the City comes into the twenty-first century. He said the trend has been to go to web based software, and asked if this will be a data base the company creates that it stores or will it be in-house.

Mr. O'Reilly said he is unsure exactly how it works, whether the information is stored in a cloud or on our own servers. This software is an upgrade to the existing software. He said he and the City manager have discussed for example, when someone comes into Land Use and applies for permit, wouldn't it be great if the Water Division knew immediately, so they can get everything in place to install the water can and water meter, and then send out a field order when the permit is issued. The new software takes advantage of technology generally available in the world today, and has the ability to customize itself as to how we do business. He said this City is famous for adopting lots of interesting ordinances, including the Green Building Code and the Residential Additions Green Building Code. The current system doesn't have the capability to do this without costing thousands and thousands of dollars.

- Councilor Trujillo said if we're going to purchase upgrades, he wants them to be able to grow with the City without being obsolete in 2-3 years. He knows he is doing due diligence, but he wants him to look at web based possibilities.
- Chair Dominguez said the City needs to come up with a long range IT plan for the entire City.

Councilor Bushee asked if we will incorporate the organizational chart for each department.

- Chair Dominguez said that is available.

Councilor Bushee would like to discuss them. She said there was talk in Land Use of elevating Historic Preservation to a department status.

- Chair Dominguez said it isn't something has been contemplated, noting Mr. O'Reilly presented us with a flat budget. He asked if this is something she would like to propose.
- Councilor Bushee said, "I'm not proposing it. During the election cycle, I think the Mayor proposed it, so I just wanted to know if there was any discussion of it, if there was a possibility. I think it just means one more additional position. I really don't know, in this particular case, as we go forward, I want to talk about each department and the organizational chart as we go through the budget, if that's possible. But on this one, I'm assuming that's not your recommendation and that's not Brian's recommendation."

Mr. O'Reilly said, "That's correct."

- Councilor Bushee said, "Elevating Historic Preservation to its own department, I guess it would be."

Mr. Snyder said, "That's correct."

- Chair Dominguez asked, "In this organizational chart that has been presented to us, these vacant positions. That is as of when."

Mr. Snyder said it would be as of a couple of months ago when I had this run, and combined with H.R. and our GIS department to update the maps. They got a listing from H.R. of the current vacancies and current status of positions, and they incorporated it. I would say it was probably February.

- Chair Dominguez asked if the vacant positions on the organizational chart correlate to what has been presented to us in terms of the salary savings.

Mr. Snyder said, "They should be pretty close, yes."

- Chair Dominguez said, "One of the things that I would like to see is the previously approved organizational chart for each department. As far as I understand, this is the proposed organizational chart based on a balance budget. I don't know. That's what I want to see is whether or not changes have been made."

Mr. Snyder said he can provide him with a copy of last year's budget or chart in similar format to this. He said, "I'm not aware of any major changes staffing wise. I'm just brainstorming right now. I'm not aware of any specific ones I can call to your attention as an example, but I can get you last year's approved organizational chart so you have a side by side comparison."

- Chair Dominguez said, "In the expansion request that has been presented, as I mentioned, the grand total for IT equipment and software is \$1.8 million, and that's not the largest expense in this expansion, but it's \$1.8 million. I imagine that each department, as they went through this, they talked with our ITT staff to determine whether or not what is being proposed is something that our current system will use, or is it anticipating some sort of IT expansion or upgrade."

Mr. Snyder said, "As much as possible, from a planning standpoint, IT was involved in those discussions. IT was involved, for example, in Land Use's discussion on SunGuard and some of the others. Lisa Martinez, the Department Director, has definitely taken that initiative to coordinate those efforts as much as possible. But here again, these are budgetary proposals and there was definitely a detailed look at what was compatible with what, and what the ripple effect was, without getting into all of the weeds on each product. My guess is there probably would be some outstanding items as well in the ripple effect. For the most part they are coordinated with the current system."

- Chair Dominguez said, “But for the most part these IT equipment/software expansions are something our current system could support throughout the City, not just Land Use.”

Mr. Snyder said, “That is correct. Now, on the first two items on the IT expansion request, those two items are basically some of our base systems. J.D. Edwards upgrade and the IBM i series upgrade, and we can talk more about those with Lisa during her budget hearing. But right there is \$1 million worth of basic upgrades. So, when a request comes in for the SunGuard upgrade, we’re making sure that is not only compatible with our existing system, but it would be compatible with a future upgrade of a new system.”

- Chair Dominguez said, “And then I guess, you don’t have to articulate this now, Matt, but for every department that comes in front of us, let’s just have a simple revenue/expenditure summary. This is how much money we generate, this is how much money we spend, and also, salary savings. Just a brief discussion about that, so each department would be able to come up with that. And \*I guess what I’m hoping is if we approve this, if it’s the Committee’s recommendation to approve this particular department, that we also include the organizational chart that has been present to us as part of that motion.”

**MOTION:** Councilor Rivera moved, seconded by Councilor Trujillo, to approve the Land Use Department budget, including the organizational chart, as submitted.

**DISCUSSION:** Councilor Lindell asked the procedure for looking at the expansion requests. What is the timing on that for the expansion requests.

Chair Dominguez said this is something we can discuss toward the end, when we start wrapping this budget up, because as each Department comes forward there will be requests. And so we want to make sure, if anything, we keep a running talley of what it is we might want, and in the end, we have to consider whether or not we want to take from Peter to pay for these requests. So that’s the process. Right now, the budget is being presented as flat. The motion and the recommendation support that flat recommendation based on our revenue and expenditures overall.

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

## 2) FINANCE

Mr. Snyder said the Finance budget starts on page 30 of the white book [Exhibit “1”].

Mr. Tapia presented the Finance Department budget. Please see page 30 of Exhibit “1” for specifics of this presentation.

Mr. Tapia said his expansion request is for a shredder and a color printer, while Fleet Maintenance needs some heavy equipment, and if he had to choose, he would go with Fleet Maintenance first.

*The Committee commented, made suggestions and asked questions as follows:*

- Councilor Trujillo asked what heavy equipment he proposes to purchase for fleet maintenance.

Mr. Tapia said the biggest thing, which is a safety issue, is the rim clip tire changer. He said if he has to squeeze and not get his shredder or color printer he would buy that. He reiterated that it is a safety issue.

- Councilor Trujillo said, “Just in reference to fleet management and Brian, I think you’ve looked at them, and I do want to thank you for sending me that list, because I went over some stuff. I guess my biggest concern with that is looking at some of the ages on the vehicles, some of the mileage that some of those vehicles have. There are a few, in my opinion that have gone past useful life and in my opinion, it’s a liability on the City. So I just want you, and I do not know who our Fleet Manager is, to truly look at these vehicles. If they’re past due, it’s time to get rid of them and send them to auction. That’s why we have the budget hearings, to see what we can do. I just want to see the City sending personnel out in vehicles that shouldn’t be on the road, and I’ve seen that a few times.... I did my own assessment a few years back, and that’s what I want you to be aware of.”

Mr. Snyder said, “Your point is well taken. We have a fixed assets manager that we hired within the last 6-9 months that is doing exactly what I believe your point is, Mr. Tennyson, looking at all vehicles City-wide. There were several vehicle requests in the budget that I did not put forward, the reason being there are a lot of vehicles that are not being used within the City. But before I can feel comfortable in putting something forward or not, I want to make sure that our fixed assets were in order. And if there are vehicles, based on mileage or whatever, that need to be retired, we do that, but also look internally first within our existing vehicles that aren’t being used and why they aren’t being used. This is the plan moving forward.

Mr. Snyder said yes. He wants to get an overall assessment of our vehicle inventory and get some criteria for when we retire vehicles and fill those same needs internally with vehicles we have internally, let’s do that.

- Councilor Trujillo said, “Feel free to pick my brain anytime. I know Mr. Tennyson. And I just want what’s best for the City.”
- Councilor Trujillo said, “For future reference, I do want to sit and talk with you Mr. Tennyson and you, Marcos. There is software out there that maybe in the future we can expand to the City.”
- Councilor Rivera said, “As we look at health costs and the effect of the Health and Wellness Program on health insurance, can we also take a look to see if it is affecting Workers Compensation in any way, to see if employees are generally in better shape or condition, as part of that. It looks like the budget is pretty much the same as last year, so it hasn’t been affected. But if we can keep track of that with the Wellness Program as well as looking at Health Insurance, I think that would be a good thing.”

Mr. Snyder we can do that.

Mr. Tapia said, "That's where we're looking to get the \$750,000, because Workers Compensation hasn't been used as much as we anticipated, so that's a good thing."

- Councilor Rivera asked that they keep a total and be able to include that anytime questions come up about the Wellness Program.

*Councilor Bushee's remarks here are inaudible.*

Mr. Snyder said, "We have, and the tire that was flat has been fixed and it's being used."

Councilor Bushee said on the org charts under Finance there are vacancies for two cashiers. She asked if it is in yellow if it is there because we used to have them, and are no longer going to fund them because the money isn't there, or do you plan on funding those.

Mr. Tapia said the positions will be filled, noting there is only one cashier position open, and there are other cashiers under the Water Division.

Councilor Bushee said then the yellow means somebody left and Mr. Tapia said yes.

Councilor Bushee said, "But none of those yellow ones mean that they've gone away. They've just gone away from budget cycle to budget cycle, they're not there unless they plan on being filled."

Mr. Snyder said, "That's correct. They are funded. In the case of the Cashiers that you picked up on, there was some turnover, largely internal turnover in cashiers in utility billing and trading of employees almost through the advertisement process. So one of those positions has been filled, and the other one is in the process of being filled right now."

Councilor Bushee said there were quite a few yellow or vacant positions, and she just presumed that was some kind of turnover.

Mr. Snyder said some of it is turnover. Those positions are funded and in the budget, but as Mr. O'Reilly alluded to, as programs grow or permits increase, Mr. O'Reilly is set up to fill those positions. There are several Ordinance changes that came through in recent years that had FIRs reports tied to it that had an additional or ½ FTE, those positions were established. Mr. O'Reilly is monitoring the growth and permits and will hire accordingly.

- Councilor Bushee said Mr. O'Reilly wanted an expansion position due to annexation, yet he has Building Permit Supervisor vacant. Is just that someone left and he didn't fill or is that he's not filled it for a few years. How does that work.

Mr. Snyder said the Building Permit Supervisor vacancy is due to a recent retirement and it will be filled.

- Councilor Bushee said then all of the vacant positions are temporarily not filled.

Mr. Snyder said Mr. O'Reilly has been advertising and trying to fill those positions.

- Chair Dominguez asked what green means on the organization charts.

Mr. Snyder said, "I'll have to look at when we get to it, to speak to it. Most of them are blue and yellow, and I'll have to look at the color on the specific org chart when we get to it."

**MOTION:** Councilor Rivera moved, seconded by Councilor Trujillo, to approve the Finance Department budget as presented by staff, including the organizational chart.

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

### 3) MUNICIPAL COURT

Mr. Snyder said the Municipal Court budget is on Page 60 in the white book [Exhibit "1"].

Judge Yalman presented information on the proposed budget, noting they put the requested expansion position on hold until mid-year, so they can see if there has been an expansion, because they haven't seen an increase in traffic which is the reason she requested the 3 additional clerks. So, they don't need those at the moment.

*The Committee commented, made comments and asked questions as follows:*

- Chair Dominguez asked if she knows what her expenditures and revenues are.

Judge Yalman said, "No, mainly because it's gone flat, but like last month, we brought in more money that we've ever brought in before. I think that had more to do with the IRS and the MVD than the Court. They did all their back suspensions, which we do every month, but they did it all at the end of the year, and I think when people got their refunds they came to pay. So it's not a direct relationship because it shouldn't have been out best month, based on the numbers that were actually filed. So, I think we're going to be about the same. We are about the same every year.

- Chair Dominguez asked about vacancies.

Judge Yalman said they have one vacancy, the accountant, and they are in the process of hiring. It has been advertised.

- Councilor Lindell said her question is to Brian Snyder. She said, "On the sheet that you handed out on the contractual services, on page 5, we have a \$30,000 reoccurring for Pro-Tem Judges to cover Municipal Court Judge absences, is that right, and is that reoccurring."

Mr. Snyder said is for when the Judge is absent from Court for vacation, sick leave, or any conferences or education she may need to do. He said he asked the same question. There is a pool of 5-7 judges will fill in to keep the Court system and the docket moving.

- Councilor Lindell asked if they are paid *per diem*.

Judge Yalman said they are paid per hour.

Councilor Bushee asked how the system is working, commenting it seems "like you always have lines."

Judge Yalman said, "I don't know when you're there. We do always have lines for the most part, but it's because there is a lot of information that goes into the system and a lot of information that is available to us. We are now imaging all the new cases, so that takes some time. But we've been with our new software system for 5-6 months, and is finally comfortable with it. We're still learning. We're still trying to take some advantage of it that we haven't in the past, but I think that we're actually doing much better. We're not losing things the way we were before, which is very nice. And the wonderful thing about imaging is that once it's in there, it's there, and you can find it. And some things take longer to get it up to speed, but once it's up to speed the cases I think are more manageable."

Councilor Bushee asked if there is an average wait time, or if each thing is different.

Judge Yalman said she doesn't know, and they haven't looked at it that way. She said they get "tons of walk-ins, and that tends to be what the lines are. Because when we know in advance who is going to be there, it's ready. But when you walk in and you have tickets from many years, we have to find all the tickets, get them into the system, and that's really what the delay is, that a lot of people come when they're supposed to come."

Councilor Bushee said she is only asking because Councilor Ives was working on doing something a little more administratively around parking.

Judge Yalman said she doesn't know about that, but Councilor Dimas trying to have some parking be adjudicated by hearing officers, and some parking will have to remain with the Courts, because it's in the statutes that way.

Councilor Bushee said if there is something we can help her with.

Judge Yalman said one of the expansion things she requested is a term employ to help us image. She said, "We have a wall like this of current files that need to be imaged in. It's a slow process, and then we have all of our DWI's which we have to keep in the system for 25 years that need to be imaged in. So there is a lot of imaging that needs to be done, and that's the one area you could really help on."

Councilor Bushee said she appreciates the organization Judge Yalman has brought to her job.

- Councilor Rivera said he heard Judge Yalman say she had a vacancy.

Judge Yalman yes, for an accountant, noting the vacancy occurred after the vacancy list was prepared, noting the accountant went over to the Convention Center. She said they just advertised for the accountant.

- Councilor Rivera said this isn't highlighted in the organizational chart.

Mr. Snyder said this happened within last month, and the organizational chart was prepared in February.

Chair Dominguez thanked Judge Yalman.

**MOTION:** Councilor Lindell moved, seconded by Councilor Rivera, to approve the Municipal Court budget, including the organizational chart, as submitted.

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

*Lunch break – 12:10 to 1:10 p.m.*

## 5) POLICE

Mr. Snyder said the Police Department budget is in the white book [Exhibit "1"] beginning on Page 127.

Deputy Chief Schaerfl presented the budget information. Please see Exhibit "1" for specifics of this presentation.

Deputy Chief Schaerfl said, "We are prepared to potentially spread out the request for the second phase of 10 officers, which we should get next January. And potentially break that in half, and then we can do a mid-year evaluation based on calls for service that the RECC is compiling to see if they meet the expected calls for service that the BBER report placed its recommendation on. I don't see that they would be off significantly, but we can make the request based on the actuals are that we're having to deal with. I did express concern on forfeiting and never ever getting back any expansion positions, but I don't really have any problem postponing 50% of us and knocking us down to 5 officer this next January and then

evaluating those calls for service and seeing we need to spread out the additional 5 for that fiscal year. Or if we're doing okay, or if the numbers show us that no, you're going to need them sooner and later."

Deputy Chief Schaerfl said, "I would like to just remind the Committee, with regard to the Police Department, it is rather unique in that it takes a while for new officers to be brought in. And one of the considerations was to make sure we did strategically plan ahead of time for whatever numbers we could rely on as being accurate, because of the time frame it takes. New cadet officers... fast-tracking them is still between 9-10 months to get the officers on the street, even on a fast track. The Sheriff is as eager as anyone to hand over the keys to the newly annexed areas to the City." He believes the Sheriff will continue to provide services for the 3 years, but believes he will want us to step up to the plate sooner rather than later.

*The Committee commented, made suggestions and asked questions as follows:*

- Chair Dominguez said the majority of Police Department funds come from the General Fund. He asked how many programs subsidize the PD expenses, such as the STOP Program.

Deputy Chief Schaerfl said there are several, noting some are self-funding so it is not a revenue generator for the City, but they do put money into cash reserved earmarked for specific criteria, such as the DWI Forfeiture Program which does make money, but what it is allowed to be spent on is extremely specific. It has to be for a traffic safety related item. Correction Fees can range between \$150,000 to \$190,000 annual. Federal Forfeiture funds depend on what kind of federal narcotics or drug cases we have, from as little as zero to \$150,000 per year. They don't bank on or budget these funds, and if realized are mandated to be expended very very specifically and usually has to do with anti-drug programs with regard to narcotics interdiction. DWI School is \$75,000 annually.

- Chair Dominguez asked if he has this information where they can look at it.

Deputy Chief said it is just a synopsis, and they can provide a memo to the Committee.

- Chair Dominguez said it would be helpful for the Committee and the Governing Body to see what programs we have, which ones generate revenue. He asked Mr. Snyder where we can find the overall subsidy from the General Fund for the Police Department.

Mr. Snyder said it is on page 134 in the white book [Exhibit "1"], Business Unit 21227, \$368,000 DWI Forfeiture.

- Chair Dominguez asked if we have this information in a different format than this list.

Mr. Snyder, no, but this is just one way to look at it. Page 139, 22772, \$295,000 expenditures in DWI Forfeiture. He said he can prepare it in a consolidated format if he would tell him what funds he is looking for.

- Chair Dominguez said he is looking at it in general. He supposes difference between revenues and expenditures goes to the General Fund Operations of the Police Department.

Mr. Snyder said Department General Fund revenues are about \$216,000, and the General Fund subsidy is about \$20 million, so the majority of the Police Department budget is subsidized by the General Fund.

- Chair Dominguez said the reason he would like the information in a different format is that we need to look at some of the programs to exist to determine whether or not they are costing more money than anticipated and/or evaluate the Public Safety impact it has on the public. The DWI Forfeiture law is a good one. It isn't costing us less to operate than it costs, and the social advantages are much better.

Mr. Snyder said he easily can do a summary table of expenditures and revenues, and any other topics/programs you would like in the table, and asked what programs he would like that information for.

- Chair Dominguez said the False Alarm Ordinance, STOP, DWI Forfeiture. He asked if all of the yellow positions on the organizational chart are currently vacant, and asked the number of vacancies.

Deputy Chief Schaerfl said there are 17 realized vacancies, noting some people are eligible for retirement in the next quarter, and whether they choose to retire is up to them.

- Chair Dominguez asked if the Training Administrator position is still vacant.

Deputy Chief Schaerfl said no.

- Chair Dominguez asked about the Records Tech.

Deputy Chief Schaerfl said there is one Records Tech which is vacant, but they have a list of eligibles and the final vacancy is in background. The Training Adm has been hired, the DA Liaison has been hired, so the majority are officer vacancies. The Animal Services position has been filled.

- Chair Dominguez said there aren't 17 yellow boxes, but some of them are positions that are budgeted but not filled. He said the Organizational Chart to which Chair Dominguez is referring has the annexation expansions included.

- Chair Dominguez said there are 3 positions which have been temporarily assigned within the department.

Deputy Chief Schaerfl said this is correct. He said due to the cadets in the system currently, the full time training officer is on FMLA, it was necessary to do a temporary transfer to put another sworn person in there.

- Councilor Rivera said on page 128 [Exhibit "1"], a Crime Scene Tech was eliminated and asked how the program is working. He asked what he doing in lieu of having crime scene techs.

Mr. Schaerfl said there were 3 full time, funded, civilian Crime Scene Techs, and we rolled 2 of those into sworn positions. We still have one full time certified civilian Crime Scene Tech who is working full time at the Police Department. He said they have a very aggressive Auxiliary Crime Scene Team made up of sworn officers, and their auxiliary crime scene certification is a collateral duty, so they will be made up of some Detectives, but mostly patrol officers. He said they have been sent to training to be certified as Crime Scene Techs, noting they are listed as an auxiliary. So if we have a major scene that the resources at any given time aren't available, we can then call in the auxiliary team who have the same certification and training equipment, and they will come out and handle the crime scene process in part of the scene.

- Councilor Rivera said, then that works well for your department, and Deputy Chief Schaerfl said yes.

- Councilor Rivera said on page 130 [Exhibit "1"], regarding the Detention Center, the request was quite a bit more than the City Manager's, and based the additional funding we had to provide to help you cover, if the \$1.050 million is a more realistic cost for the Detention Center.

Nancy Jimenez said the \$1.050 million is more realistic. With the proposed annexation, we're probably looking at a 14-20% increase due to the annexation that starts in January 2015. She said we went low this fiscal year, so they had to increase the \$232,000. They are finding, instead of the \$232,000, noting it currently is \$177,000. They fluctuate between \$61,000 to \$95,000 per month at the jail. She said they are projecting a total cost of \$1,050,000 million. She said it is shown as an expansion item, and they will see it in the expansion sheet.

Mr. Snyder said he wants to be clear, as we move forward that an additional expenditure is needed in Police. He didn't want to roll it into the budget, having said it was going to be a flat budget, when it's not a flat budget. So there is a need for additional funding because Police Officers are doing their job and doing it well, and the reason it is portrayed this way..

- Councilor Rivera said it is more than doubling from actual which means it's not just annexation, it's the way we do business currently which probably closer to the \$1.050 million than including annexation. He asked if that should be part of the regular operating budget as we stand now, not including annexation.

Mr. Snyder said it should be part of the operating budget, but the budget wouldn't be flat if he put that in there, so he wanted to call it out on a specific expansion request. This is needed but it isn't included in the base budget.

- Councilor Rivera said then that's one of the expansion projects, whether we cover it or not, is going to have to be paid.

Mr. Snyder said this is correct.

- Councilor Rivera said on page 130, Uniform, Clothing and linen, the actual for 13-14 was \$4,000 and you're requesting \$20,000. He asked if he expects more changes in the uniforms and asked the reason for the increase..

Deputy Schaerfl said it is the initial purchase for the expansion officers, the initial set of equipment, gear, uniforms has to be purchased at the time that they are hired, and don't expect that the change like he is wearing today will impact the bottom line.

- Councilor Rivera, referring to page 137, Inventory Exempt, and asked if this is for items less than \$1,000, or "do I have inventory and operating mixed up."

Nancy Jimenez said he has them mixed up. She said Operating Supplies are for normal, day to day of \$500 and less, things that will work for 6 months to a year. Inventory exempt is actually anything above that, \$600 to \$5,000. Most of their items now fall under Inventory Exempt. She said light bars, sirens and all equipment officers need on a daily basis, usually comes from Inventory Exempt.

Councilor Bushee asked about the Domestic Violence Liaison position, and asked if it is funded again this year.

Deputy Chief Schaerfl said the original position filled by Carol Horowitz was grant funded, and that dissolved two years ago. Currently there is a grant with Solace and the Rape Crisis Center.

Councilor Bushee said apparently the position needs to be housed at Police Department under the grant standards rather than Solace. She said, "So essentially you have not put in for any additional money to make that position full time.

Deputy Chief Schaerfl said, "No ma'am. They did apply for a grant to turn one of their part time employees into a full time. Maria Jose at Solace said they didn't get the grant award.

Councilor Bushee said then the \$50,000 is in there and that's it, and Deputy Chief Schaerfl said yes.

Councilor Bushee said on contractual page 6, [Exhibit "9"], she thought the Red Light Camera Program, the Speed Van Camera Program paid for itself.

Deputy Chief Schaerfl said the STOP Program had made \$475,000 to \$650,000 annually. He said for the first 3 ½ months of 2014, we've been in contract negotiations, so that fund has generated nothing. However, there still is a cash reserve in STOP. He said they are paying for 3 civilians

and one sworn officer out of those 3 different programs, the DWI Forfeiture, the STOP and the Alarm enforcement. He said 3 personnel manage all 3 of the programs, along with the sworn officers, are fully funded from those 3 programs.

Ms. Jimenez said they contract with the hearing officers, noting it went down from \$47,000. She reiterated these aren't employees.

Councilor Bushee said the projected income for the program last year was \$400,000 to \$600,000.

Ms. Jimenez said last year we received \$650,000 and spent \$329,000. She said last year we didn't have to pay as many salaries out of the fund. In the current fiscal year, we were required to move individual employee salaries and benefits from General Fund into the STOP program for this fiscal year because we had extra cash and it helped the General Fund for the current fiscal year. The positions were 2 Police Program Coordinators and a Police Program Administrator along with a Police Officer – four individuals.

Councilor Bushee said there are political issues around Redflex being the only vendor and that Program is not in place, what positions would be impacted.

- Ms. Jimenez said a portion of the salaries would be impacted, noting we use some DWI funds and some STOP Program funds to pay these four salaries.

Councilor Bushee asked for a separate memorandum on what we take in, what we spend, what position it funds, what goes to Arizona to the Redflex people, and what positions are funded and what portion.

- Chair Dominguez asked that the entire Finance Committee and all members of the Governing Body get a copy of the Memorandum, and identify on the organizational charts which positions are funded from these programs as well.
- Councilor Trujillo would like the Memorandum to include how much goes to the State of New Mexico from these funds.
- Councilor Bushee said on page 136, Alarm Enforcement, she has a similar concern that money will go out of state. She said it "jumps all over the place from fiscal year to fiscal year in terms of the projected costs." She asked if funds still go out of state.

Ms. Jimenez said the current company with which we contract is out of state, and that contract is up in October, noting in July we will be going out for RFB. She said Councilor Bushee is looking at the expense lines, in 12/13, salaries and expenses were not charged against the funding, and reiterated they were asked to move one salary and they pay a portion of an Assistant City Attorney's salary out of this which has expenses.

- Councilor Bushee asked if these programs are steady in the revenue stream.

Ms. Jimenez said it varies on how the collections are doing.

Councilor Bushee said she is really uncomfortable with these things, and over the long haul she would like there to be actual funds if these programs are going to continue. She wants these to be companies in this community as well as to see dedicated funds for these positions.

- Chair Dominguez said these programs are in place for a particular reason. In the case of False Alarms, it was so Police wouldn't be responding to false alarms and could be catching the bad guys instead. And the same thing with the STOP program, and some sense that our citizens were safer. There has to be some way to determine whether or not it is just to make money and that there is a benefit to it. For example, our Police are not catching more bad guys because false alarms are down, or if there are just more bad guys.

Deputy Chief Schaerfl said, "You are exactly correct. In theory, all 3 of these programs, the False Alarm, the DWI Forfeiture and STOP would all go away, because the reasons they are instituted...."

- Chair Dominguez said if they all went away then we couldn't fill some of these positions, and Deputy Chief Schaerfl said this is correct. He said that makes it seem like we need for people to continue to have false alarms and the speed van to catch speeders so we basically can fund our Police Department.

Deputy Chief Schaerfl said when the programs were established, it was based on data that it is a reliable issue that needed specific attention by way of these programs. He said the false alarms, although they are reducing through streamlining, education and fee assessments, they will never go away because there are tens of thousands of them every year. But it has been shown that it is freeing up officer unencumbered time, so that I don't have to send as many officers repeatedly to as many false alarms.

- Chair Dominguez said we need that articulated in whatever memorandum is provided by the City Manager with regard to the False Alarm Program, but the DWI Forfeiture Program and everything else. It is important for us to recognize the realities of the revenues and expenditures and its potential positive impact on the public as well.

Councilor Bushee said she doesn't want people thinking we're setting up speed traps and things to generate some money.

Ms. Jimenez said these programs did not pay for employees salaries and benefits, noting that just started this current fiscal year to help with shortfalls in the General Fund and other areas. The potential funds coming in was to help buy additional equipment, and fund other Police Department needs, not necessarily to cover the employees' salaries and benefits.

- Chair Dominguez said it is consistent with the practice we've had for a number of years in using an enterprise to balance the general fund, such as the water payback. If it wasn't for these programs we have in place, our General Fund would be in even worse shape.

Councilor Bushee said if we don't sign another contract and the "vans go away for a period of time, then we're kind of SOL on these other positions. So it's not necessarily creative, it's detrimental."

- Councilor Trujillo said the Legislature split the money coming to the City from the STOP program and giving a portion to the State. He said the money which went to the State was to be spent for safety issues, DWI and such, and he wants to be sure the money from Santa is going for those purposes and not some \$80,000 crony being paid. He wants that information for his benefit.

Councilor Trujillo said he has asked Legal to look at this, because in the rule the State has for this that all of that money, or at least a portion, that is going to the State, currently could come to the City. There is a difference and if it is administrative he feels the money does not go to the State. He said, for clarification, when the City went out for bid several companies were interest. However, because we don't want the cameras and only want the speed vans, they were not willing to come up with the up front costs and the reason we had only one bid on this.

- Chair Dominguez said the organizational charts he has been provided for last year and this year are exactly the same, noting the Police Chief position is vacant and it isn't shown as being vacant.

Mr. Snyder said they are getting ready to interview next week and by next week there should be a candidate list of 5-7 for consideration.

- Chair Dominguez asked the amount of salary savings on this position.

Mr. Snyder said he doesn't know the salary savings off the top of his head. He said there was a payout option, and the previous Chief decided to go on a payout, so he doesn't believe there were any salary savings.

- Chair Dominguez said he has been asked if DWI cases are going to Municipal or Magistrate Court.

Deputy Chief Schaerfl said he and Captain Lettenberger have met twice with Judge Yalman, to try to streamline the protocols which would determine if one Court may hear one DWI or another, and based on what Judge Yalman has requested. He said based on Judge Yalman's request, the new protocols have gone out to the DWI officers. Those are, unless there are exceptional mitigating circumstances that would put something into the Felony range where Municipal Court can't hear it, all 1<sup>st</sup> and 2<sup>nd</sup> offenses shall attempt go to the Municipal court." He said Judge Yalman has the authority to do those and we're "going to everything in our power to get all 1<sup>st</sup> and 2<sup>nd</sup> offenses. He said 3<sup>rd</sup> and subsequent have to go to another Court, because of the higher punishments instituted under State law, some of which exceed the realm of the Municipal Court Judge for sentencing.

- Chair Dominguez asked if there were a lot of cases which were going to Magistrate Court instead of Municipal Court and Deputy Chief Schaerfl said yes.

- Chair Dominguez asked the reason.

Deputy Chief Schaerfl said, "I will tell you what my DWI officers told me. They were not comfortable with the conviction rate and sometimes it appeared that the City prosecutor had such a heavy case load that perhaps some things were pled down to a lower charge before they went to trial. So I think it is the culmination of some bad experiences and the officers making decisions to run things almost exclusively into Magistrate Court."

- Chair Dominguez asked Mr. Snyder if he is aware of this.

Mr. Snyder said he heard about this recently, and this is part of what initiated the conversations. He said to an earlier topic, that by having it go to Municipal Court it increases revenues as well as decreases the jail time and costs associated with the jail. They have to figure out how much of this was happening previously, and the \$1 million in jail fees should decrease and the revenues should increase from the Municipal Court. He said we are working through it and trying to get some set policies and procedures in place to move forward with having the first and second offenders going to the Municipal Court.

- Chair Dominguez said we've lost revenue from that practice and Mr. Snyder said that is his understanding.

- Chair Dominguez asked if Teen Court has been funding, noting there was a request from the Teen Court.

Ms. Jimenez said yes, \$40,000 for Teen Court and \$70,000 for Drug Court.

- Chair Dominguez asked, referring to the Gap Sheet on the LEAD program, if this is something we would have the Police Department absorb, whether through salary savings or some other operation for how the Police Department is operating.

Deputy Chief Schaerfl said the monies recognized in the Gap Sheet are for the treatment side and not the enforcement side. He said once the officer makes the LEAD referral, those monies will fund the doctors or psychologist or whomever for follow-up treatment with the individual.

- Chair Dominguez asked if we want to fund this from the Police Department or out of different departments, or even our health insurance.

Mr. Snyder said, "We funded it in the current fiscal year in the amount of \$100,000, so really the gap should only be \$100,000, because as I understand it was \$100,000 for year 1 and \$200,000 for year 2. So that \$200,000 should be \$100,000. I understood it was funded out of the Police Department for this fiscal year. Where it is funded out of, I'm not sure which is the best place off the top of my head."

- Chair Dominguez asked if the \$100,000 is part of their flat budget, and Mr. Snyder said yes.
- Chair Dominguez asked if that needs to be on the Gap Sheet.

Mr. Snyder said, "\$100,000 should appear on the Gap Sheet and \$100,000 should be in their budget to keep it flat."

- Chair Dominguez asked how it is on the Gap Sheet if the Police already are proposing it as part of their flat budget.

Mr. Snyder in FY 13/14 in the base budget there was \$100,000 for the LEAD Program. In FY 14/15, we're asking to fund it at \$200,000. So we put \$100,000 into the flat base budget and then \$100,000 would be unfunded.

- Chair Dominguez said then we need to find \$100,000.

Ms. Jimenez said in the current fiscal year, the \$100,000 for LEAD didn't come from the Police Department. She understands the \$100,000 came from somewhere else within the Finance Department.

Mr. Snyder said the LEAD Program was passed after last year's budget was approved, so it wasn't in the base budget. So perhaps it is correct to be shown as an additional \$200,000 on the Gap Sheet.

- Chair Dominguez said then we need to appropriate \$200,000 for the LEAD program in FY 14/15.

Mr. Snyder said this is correct, noting the \$100,000 for the current fiscal year came from cash reserves to fund the program, and now we need \$200,000 to continue the program as it was originally intended.

- Chair Dominguez asked if it can come from cash reserves.

Mr. Tapia said he can work it into wherever they want, "but if it hits the cash reserves it goes against that percentage between what we need to require in cash balance, and what we say we would like at 10% ." Instead of being \$1 million, it will then be \$800,000.

Mr. Snyder said he would prefer to find it in the budget somewhere, although it will be funded by cash reserves ultimately if it is in the General Fund. If it is the Police Department, or Community Services, or wherever, I would like to have it plotted into [inaudible] budget.

- Chair Dominguez said either way, the proposal is to have the Police Department fund the \$200,000.

Mr. Snyder said his proposal that the General Fund will fund the \$200,000, whether it resides in Community Services or the Police Department's general fund, we'll fund it.

- Councilor Bushee asked if we are okay with the County on the RECC.

Mr. Snyder said his understanding that is still a concern of the County, and we are budgeting as we have in year's past. The City is not incurring any additional expenses.

- Councilor Rivera asked if we are keeping track of what is being brought back into the Police and Fire budgets which is now being used to fund personnel and programs in both Police and Fire. He asked, if we were asked, could we say where those monies are being used.

Mr. Snyder will have to look at the details. His understanding is that whatever was passed to fund the RECC, a certain type of tax, the County is realizing all of that, it's all going to the County. And that is the reason behind the City saying we don't want to increase the amount the City has to pay because the County is realizing all of the revenues. He will get the details of what we receive, if anything, and where it goes.

- Councilor Rivera said the City used to pay a certain amount to the RECC, and when the County imposed the tax, it took full responsibility of the RECC, therefore the money we were spending now came back to the Police and Fire Budgets. He said when they ask to enter into some type of agreement to continue or to start paying the RECC again, we're already using the money which was saved for ongoing programs. We don't have that money any more, and it is being used for other things. He said this is what "I want to be able to show and say, is that the money that we were using for the RECC is now being used on a yearly basis as part of our budget, and the money is no longer there. So if we can sort of back-track and find where all of that is being spent, and make sure it is part of our recurring budget."

Mr. Snyder will look into that.

- Chair Dominguez said, in terms of annexation, we are looking at \$1.5 million one-time cost, but that is for Police, Fire and Public Works.

Mr. Snyder said this is in the expansion budget [Exhibit "5"], noting it is \$1.5 million for 10 additional Police Officers, vehicles and equipment. He said the current budget includes the additional officers, so if we do a phased-in approach as suggested by Deputy Chief Schaerfl, and budgeted for 5 officers in 14/15, and set up metrics to track properly, we could revisit it at mid-year

and possibly consider expanding those 5 positions to another additional 5 positions as original scheduled. But, only if we're comfortable that the call volumes and level of response dictates we need to do that.

- Chair Dominguez said then if we approve the Police Department budget, we have to account for that cost as well.

Mr. Snyder said it actually a reduction in cost, because the current budget includes the 10 positions.

Mr. Tapia said, "The base budget has the 10 positions you approved in January. The expansions are not in there."

- Chair Dominguez asked the cost of the expansion for the Police Department.

Mr. Snyder said based on the Expansion Sheet, it is \$1,548,990, divided by two, so \$770,000.

- Chair Dominguez asked how they propose to pay for that.

Mr. Snyder said they have options on the Gap Sheet that are options to pay for that.

- Councilor Maestas asked why we are even talking expansion, if the Chief is willing to fill only 5 of the 10 that already are included in the budget with a mid-year assessment.

Mr. Snyder said he mis-spoke. He said, "What is included in the budget is the first year of 10 positions, that we did during mid-year. What is on the Expansion Sheet is another 10 officers, year two. That is not in the base budget. Again, I mis-spoke. So there are 10 officers in the budget. What we are talking about is doing 5 additional officers and not the 10 that are on the Expansion Sheet."

- Councilor Maestas said he thinks this is an appropriate compromise. He said if we consider any expansion, we ought to at least consider expansion associated with annexation as a high, high priority. He asked if we are considering the 5 additional positions, noting he would support that request, pending the identification of recurring funds to pay for it.

Responding to the Chair, Mr. Snyder said Mr. Tapia will be keeping a talley.

Mr. Tapia said "I'm looking at different things, how we budgeted. For example, the BBER Report showed up to \$2.6 or \$2.7 million recurring revenues total – property taxes, GRT and business license. Everything that we do. About \$2.3 million that I was looking at for annexation this next fiscal year is not included as revenues in the base budget. \$1 million. I would throw that in. That's part of it, I'm looking at that. I'm looking at \$1 million, between the 1/12 required for cash balances and what we do, at 10%. That difference, one time. Throwing that in. I'm looking that, if you do a resolution, instead of taking one-quarter of the Wastewater, because I had a different one in an

earlier Gap Sheet, but once I reviewed that, there was some debt service, so I took that off the Gap Sheet and made it from one-quarter to one-sixteenth. If we did that, that would be about \$1.8 million recurring by Resolution. Instead of going to the Wastewater, it would go to General Fund Operations to help with that. So that's something."

Mr. Tapia continued, "In addition, I could do one time.... I've been looking at about a half-million dollars that I would recognize on the vacancy savings for the General Fund only that we would be able to use, that normally would just go into our cash balance. So on those alone, it would add up to about \$5.6 million. Not recurring. The recurring. If you did the one-sixteenth, that would be \$1.8 recurring. And then including in this, I'm counting on annexation. At mid-year I'm going to have to look at the actual numbers coming in, but it would be another \$2.3 million in annexation money. About \$1.7 million that could be used for operations and/or capital purchases. Recurring."

- Councilor Dominguez said, "But for Fiscal Year 14/15, you're looking at about \$750,000 with this reduction in the proposed expansion."

Mr. Tapia said, "Out of that yes, but you have to imagine that I still have a gap. This budget is not flat.... not necessarily flat, because it has the increases not only from AFSCME and Fire, it also includes the 10 additional positions, the benefits and increases to the health programs. This budget, as it sits, without the \$1.8 million from Wastewater, without the \$2.3 from the annexation, I'm still looking at almost \$5 million it is in the hole, because of the salaries, health benefits and little bit of other stuff. So, out of this total that I just told you this one time, I probably have about \$600,000 to \$700,000 available, and I could take care of the \$750,000 for the P.D. probably, and that's it. Now, we're looking at other things, to see what else we could do, but that's all I have right now that I've been working on. Other than that, I just have the \$2.3 million from annexation, the \$1.8 from wastewater that is recurring."

- Chair Dominguez asked the projected revenue from annexation.

Mr. Tapia said it varies, not noting his conservative estimate is about \$2.3, although he thinks it goes up to \$2.7. He believes it will be about \$2.3 million. He noted our February GRT puts us \$3.5 million above what we thought we would get.

- Councilor Maestas asked for an updated Gap sheet, so we don't have numbers flying around in our head.

Mr. Tapia said this is something he is working on already. He will formalize it and put it in an updated Gap Sheet and have it for you first thing in the morning.

Councilor Bushee said, "Just to clarify, your Wastewater money would be not to raise the rates on the customer base."

Mr. Tapia said it would not.

Councilor Bushee recalls that was done by Ordinance the last time.

Mr. Tapia said he unsure how it would work, but the Council could direct 1/16 to go to General Fund operation..

Councilor Bushee said if we do that, it wouldn't involve bond counsel and any issues.

Mr. Tapia said that portion is not tied to debt.

Councilor Bushee said she thought \$4.9 million is coming from water ultimately, and we are seeking \$2 million this time. She said, "There's lots of money sitting around in water as well and could we just take the full almost \$5 million that is left."

Mr. Snyder said, "In the Financial Plan in Water, we can't pay everything all up front, the repayment, but we've rescaled it, we've phased it in over a 3-5-7 year payback plan."

Responding to Councilor Bushee, Mr. Snyder said the money in Water and Wastewater is tied specifically to projects. It is tied to debt. It is all inter-twined. Without raising rates, we came up with a payback plan and it is \$2 million per year for the next several years, and we've been paying that back for the last several years.

Councilor Bushee said she thought they could accelerate it.

Mr. Snyder will ask the question again, but the last time we evaluated it, we set it up on as fast track as we would get it and it was a maximum of \$2 million a year.

*[Councilor Bushee's remarks here are inaudible, because she was talking at the same time as Mr. Snyder]*

Councilor Bushee said perhaps we change our reserve policy or create a reserve policy.

Mr. Snyder said last year, we aligned it with the MRC/Marty Sanchez debt. So the amount we're paying from Water to the General Fund went directly to pay the MRC/Marty Sanchez debt. He said the CVB is challenged with having the debt service in it, and MRC/Marty Sanchez has a similar challenge. So if we can get rid of the debt, then the revenues help pay for the actual expenses.

Councilor Bushee said, "You could make Marty Sanchez pay for the effluent they use, and then you could take some of that money and pay back the General Fund so we could fund the Police. I know, not this budget. No really, I want to know about the reserves as a possibility if we shift a little downward on what we hold back. But I just keep seeing piles of cash in both Wastewater and Water."

Mr. Snyder said, "There is money there. And in the Pre-Budget Book, we can get into that when we get into utilities, but those are tied to specific projects. And specifically in water, there is a need for a bond sale several years out. You will see the cash balances going down based on the completed projects, and then we need to have a bond sale as part of our finance plan."

- Councilor Rivera said he thought were just considering the base budget and looking at expansion items, maybe on the last day of these budget hearings.
- Chair Dominguez said we can do it either way. The challenge is that we potentially will get through only half of the departments, and every source of revenue could be depleted. He said, "I think we need to hear from the entire City, all the departments and then have a discussion about where our priorities lie and where we want to take revenue from, whether from Water or Wastewater or reserves or whatever the case may be. "This is just my thoughts on that."
- Councilor Rivera said that makes sense, so that should be decided after everybody has had the chance to pitch their expansion projects.

**MOTION:** Councilor Rivera moved, seconded by Councilor Trujillo, to approve the Police Department budget as presented by staff, with the Organizational Chart.

**DISCUSSION:** Councilor Maestas asked if there are members of the Finance Committee who are interested in supporting an expansion request, he thinks we should bring it up now since appropriate staff are here to answer questions.

Chair Dominguez said, "If we can articulate very clearly in this case, this expansion request is significant, and staff keep that amount, so that end of all the department hearings, we will know how much of an expansion we, as the Governing Body and the Committee think are significant enough to consider additional revenues for."

**FRIENDLY AMENDMENT:** Chair Dominguez would like to amend the motion to include direction to staff to include this proposed expansion in a running talley. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE..**

Councilor Lindell said when she asked about that earlier in terms of Land Use, once we've completed this vote, then can she bring that forward as part of our running total.

Chair Dominguez said we can do that. Chair Dominguez said, "As Chair, I'll just give direction to staff, after this vote, I'll just give them direction to include that in the running total. That's fine."

**VOTE:** The motion, as amended, was approved unanimously on a voice vote.

Chair Dominguez said, "So I'd like to go ahead and ask you, Brian, to include the expansion in Land Use that we talked about earlier and keep that in your running talley as well. It's in regard to the SunGuard expansion.

Mr. Snyder said there are two expansions we discussed, one was the SunGuard expansion, and the other was the FTE for annexation. He asked if we are discussing both, or only talking about just one or the other in Land Use.

Councilor Lindell said she is talking about both.

Chair Dominguez said, "So go ahead and put both of them on the expansion list.

## 6) FIRE

A copy of *Santa Fe Fire Department Finance Committee Budget Presentation*, entered for the record by Chief Erik Litzenberg, is incorporated herewith to these minutes as Exhibit "13."

Chief Litzenberg said he likes to create his own presentation because it helps you to make informed decisions about the Fire Department "if you can see what we think we are through our eyes." He said the numbers jive with those in the white and green books [Exhibits "1" and "2" respectively].

Chief Litzenberg reviewed the information in Exhibit "13." Please see Exhibit "13," for specifics of this presentation.

Mr. Snyder said the Fire Budget is on page 41 of the white book [Exhibit "1"].

*The Committee commented, made suggestions and asked questions as follows:*

- Councilor Maestas said the expansion position would be part of the C shift battalion.

Chief Litzenberg said that is where the opening is. He said six years ago they promoted a second Battalion Chief on each shift, and prior to that there was one Battalion Chief per shift. He said six years ago we promoted three people so we would have two Battalion Chiefs on each shift. He said, "Last year, as part of the concessions we made to have a balanced budget, we did not fill one of those positions. And so, in the meantime, we have been having a duty officer who has a pager and radio and is available for calls at all times. But the sixth person is to go back to a full complement, so it's really filling a vacancy that we think was created a year ago."

- Councilor Maestas said the number two priority in the expansion request is a ladder truck, and asked if this is to replace an existing truck, or is this in addition to the ladder trucks we have.

Chief Litzenberg said, "It's a little bit of both. But really, the more concise answer is it is in addition two. At present, we use a vehicle that is called a quint, which is an engine with a ladder on the top. As we move forward and change our staffing paradigm, we're trying to get our bigger, heavy vehicles and stop moving them as much. To that, we really have to take the ladder off an engine and make it its own vehicle. So we are asking for an engine truck that is in addition to the fleet that we currently have." He said there will be some awkward transition at one point to get there, but the end result will be a more effective workforce that is responding more efficiently to the higher volume of calls which are EMS calls, while not compromising our effectiveness in the higher risk calls.

- Councilor Rivera noted that Chief Salas had spoken about vacant property on South Meadows for a fire station, and asked if it is still available, and is it still an option for us.

Deputy Chief Litzenberg said they had spoken about that property a number of years ago when we first talked about annexation. It was a 3 acre parcel at 599 and South Meadows. He understands the 3 acres still exists. However, when they went into the 5 year delay for Fire, we stopped negotiations for the 3 acres because the State asked if we would be building the station next year. He said it exists now, and Land Use has been looking at acquiring it as part of an economic development portion of the parcel, at a significantly bigger size than 3 acres, because it is a pretty valuable spot in the City. If that happens, there would be 2 options for us to develop the south side station. One would be within the 30 acre parcel at 599 and South Meadows. If it is acquired, the second option would be where our current training center is, rebuilding a new response station there. We left ourselves open with two options in the event one is not there.

- Councilor Rivera asked if he has looked at additional sites, noting there are a lot of unknowns about the Agua Fria Station and whether it will remain there. It currently is staffed by the County. He said after 3 years, the County can decide to pull out at any time. He asked if there are better sites closer to the Airport Road that he looked at, are these the two sites of focus.

Chief Litzenberg those are the two we think are the best. There are other sites, but they aren't big enough and City-owned. He said there a balancing act between it being a good spot and us having good access to it. He said he speaks regular with Santa Fe County Fire Chief David Sperling about the Agua Fria Fire Station. He said Chief Sperling is more than happy to try to negotiate that being handed over to us in some form. There are two problems with that area, the first is that the Fire Station is in a condition that we would have to start from scratch in terms of living space. The second and bigger problem is that the Volunteers will need a place for their vehicles, so they can give up only a small portion. This isn't an ideal spot, but it is still on our radar.

- Councilor Rivera said then the Volunteers would continue to staff that station in order to respond to the Agua Fria Village.

Chief Litzenberg said yes, and across 599 as well.

- Councilor Rivera said it does make sense to look for our own spot of land, our own area where we could construct a Fire Station.

Chief Litzenberg said, "In looking at all of them, we think that's a pretty good summary. We prefer that."

Mr. Snyder said Chief Litzenberg is correct that we are in conversations with the State about that parcel of land, noted this was initiated recently to make sure as we move forward with annexation that is still an opportunity. It is in the range of a 28 acre parcel overall, and we are carving out a 3-4 acre chunk for the fire station.

Councilor Bushee said we are dealing with new officers needed for annexation, and this, to her is an annexation-related issue. She asked why this isn't part of the urgent discussion for this budget cycle as week.

Mr. Tapia said it is part of it, noting \$2.4 million was requested for the building, but he doesn't that is sufficient, but in 15-16 they are requesting funding for a building, but it's not part of next year's fiscal...."

Councilor Bushee said, "On their thing, it is 2016-2018. All they have is some vehicle replacement, ambulance stuff, and other things that aren't small items." She said the annexation preparation isn't slated until 2016-2016. Her concern is that there will be lower response if there is a lack of infrastructure and there will be higher insurance premiums for the people living there who are those who can least afford to do that.

Mr. Tapia said the information he put together on the annexation was previous documentation done by the Fire Department for him. It's in part of the Pre-Budget Book that he did, but it's not for FY 14-15.

Councilor Bushee said she is concerned that we don't lose track of this, and doesn't want to punt this too far off.

- Chair Dominguez said the fire station is in the Budget for \$2.1 million for 15-16.

**MOTION:** Councilor Rivera moved, seconded by Councilor Trujillo, to approve the Fire Department budget as presented by staff [Exhibit "13"], with the Organizational Chart.

**DISCUSSION:** Responding to a question from Councilor Rivera, Chief Litzenberg said the Organizational Chart is "more or less the same as before, yes."

Chair Dominguez asked what has changed.

Deputy Chief Litzenberg said it is where the vacancies are.

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

## 7) TRANSPORTATION

Jon Bulthuis, Director, presented budget information, beginning on page 224 of the white book [Exhibit "1"].

### a) PARKING

Mr. Bulthuis said in terms of the capital investment, the expansion, the recommendation is that the funds for that investment would come from the fund balance, so it is a one-time hit to our fund balance, rather than through any operating revenue.

*The Committee commented, made suggestions and asked questions as follows:*

- Chair Dominguez asked Mr. Bulthuis if he sees parking revenues increasing in general.

Mr. Bulthuis said yes, over time. He said that is partly based on the investment we make in the collection equipment, so we talked about that being one of our priorities, upgrading the system. He said we are seeing strong, positive results from the current project to put credit card meters on the street, in terms of revenue enhancement. He said as we make those investments, he does see revenues increases, and believes Sevastian Gurule, Director of Parking, would agree with that.

- Chair Dominguez asked if that is true in our garages as well.

Mr. Bulthuis said the revenue control equipment at the garages will help us to maintain better internal control and assure the policies we have in place, such as the new one with the theater at the Railyard, and those deals are all accounted for and the billings are happening as they should. And the accounting is done in such a way that we can reconcile what happens at each of those sites.

- Chair Dominguez asked if the parking garage is part of the debt for the CVB or is it separated.

Mr. Bulthuis said there is a debt component related to CVB and the Parking structure at the Community Convention Center. He asked Mr. Tapia to speak to this.

Mr. Tapia said about 30% of the total debt that is now part of CVB's operations that should be parking. He said that is about \$1 million. He said, "If we did this in the current fiscal year, looking at the anticipated cash balance in parking, it would wipe it out. We would have to move about \$1

million from the CVB to Parking to absorb that. I think eventually it will be there, but I'm not sure that we are there the next fiscal year. I think they could handle a portion of that debt and relieve some pressure on the CVB, but that's up to the City Manager and this Committee to decide."

Mr. Snyder said he did initiate the conversation, because in looking at the fund analysis for the CVB and expressing concerns about it at the past 2 Finance Committee meetings. The debt service for the CVB is \$3.5 million annually and 30% of that is \$1 million which is the parking component. Parking is realized in the fees. The revenues collected at the parking structure would not pay the debit on the facility. Some of the challenges come from waiving fees when convention come into town, and things like that. It is part of a bigger plan, and it helps solve some of the challenges within the CVB and looking at a real draft CVB projection with moving the \$1 million out, reducing the \$3.5 million annual debt service to \$2.5 million. He said, if you recall, by 2022-2023, we were \$8-\$9 million in the red. By doing this, we are in the red \$322,000. It doesn't solve the problem, we're still depleting the cash reserves, but now we're moving it to parking.

Mr. Snyder said he hasn't seen the Parking Fund analysis, but they're not used to seeing that debt service. He has to look at this from a big picture standpoint as well as what our policies and procedures are from running the facility. He said in doing this, he would want to make sure the Parking Division is made whole, but he doesn't want to hamstring the CVB in its rental of the rooms." He thinks there should be a parking discount for a convention of 500 people, not waived, but some flexibility. He said on the surface there is an opportunity.

- Chair Dominguez said it isn't a recommendation to do any of that in this fiscal year.

Mr. Snyder said he isn't ready to make that recommendation, although he is looking at it seriously to shore up some of the challenges we have at the CVB.

- Chair Dominguez asked the impact on Finance and the City if we decide to do this at a different date, or after the budget is approved.

Mr. Tapia said, "Like we did last year, the debt service will all be part of the CVB. If we want to take a portion of that and start phasing it into the Parking so they can get used to this debt service. Part of how they're making funds is because of the parking garage. Now we have to pay for the debt service. If you did something gradually, such as \$300,000 to \$500,000, then that is something he things Parking could absorb. I still have to wait, like Brian said, for the budget guys and Andy to run an analysis of Parking to see if it can absorb that, and how it will look in 2-5 years. We are trying to look, like you suggested, ahead, and that's what we've doing. But I think we need to start putting some of that debt there."

- Chair Dominguez asked if we can have some of this by tomorrow when we hear the CVB budget.

Mr. Snyder said he has asked for that analysis to be done, and believes they should be able to get the fund analysis done, fully thought out. He said, "I can't commit to that, but we will have looked at it." He said keep in mind we're dealing with two enterprise fund, and to him an enterprise fund

should operate as an enterprise fund – debt, revenues and making sure we're made whole. He can't comment without see the parking side, but we do have the ability to change the revenue structures for Parking, but he doesn't know what that would "look and feel like," and he's throwing it out for discussion. He thinks it's only fair to set both funds up to succeed. He said we're not setting up the CVB to succeed and we're dipping into the reserves at \$2.5 million a year, and that's depleting the cash reserves. Parking has done a good job in the last year trying to turn things around, and we still have additional opportunities from the standpoint of collections. If we can get a good collections policy to collect the fines we charge, or get more of a return. There are opportunities there.

- Councilor Trujillo said when we first built the Community Convention Center, we bought those machines, which were automated machines, but they never worked. He said we still have those downstairs, and asked what we are going to do with them. He's heard they're obsolete.

Mr. Bulthuis said that is the kind of equipment we're talking about replacing, so we would sell those for whatever the market value is, which isn't great.

- Councilor Trujillo would like to get those off our inventory and sell them as soon as possible, and Mr. Bulthuis agreed.

Councilor Bushee said she is interested in Brian's concept. She agrees that we should wave fees, but parking becomes an issue. We are doing this sporadically and it's not a policy we have created. She said the parking garages are attached to enterprises, but they aren't there just to support the CVB or the Railyard. In fact, at Public Works, we will be hearing the "People to the Plaza Resolution," which includes waiving fees, trying to lower fees or creating new ways to get people into the under utilized facilities. She doesn't know the fiscal impact of all of that. She views parking differently, noting she isn't a big fan of parking garages, although she knows we had to build them. She said parking should be free to get people downtown, or Parking at the Railyard. She said the live/work structures have 1 parking space and guests are supposed to pay.

Councilor Bushee said it doesn't appear we have a Parking Advisory Committee any more. It feels like there should be a review of parking overall, and that's on street parking. She said we have to pay off the debt on the facilities. She would love to find a way to encourage people. She doesn't go into dark parking garages underground if she doesn't have to.

Mr. Gurule said that was one of the Committees on the list to be reviewed and potentially eliminated, and they were in the process of working on the Resolution to reestablish the scope of the Committee. They were asked to hold off until the Council took action on the Committees to be eliminated. He said we didn't get rid of that Committee.

Councilor Bushee said she would ask that we re-empanel that Committee.

Mr. Bulthuis said he was told that the terms of the current Committee are expired, so new appoints would need to be made.

- Chair Dominguez said this can be included in any motion on this issue, and perhaps the first duty could be to look at the debt at the CVB.

Mr. Snyder said the Mayor currently is looking at all 60 plus Committees, the structure and purpose and is hoping to come to the Governing Body with recommendations to consolidate, eliminating, whatever. He said we seem to go through this every 3-6 years. He said at the same time, we need to be sure the needs of the community are being met, and parking probably is definitely one of those needs.

- Chair Dominguez said perhaps it will be a recommendation from the Committee to the Mayor to reinstate the committee, noting if the Governing Body decides it wants to do this, we can get that Committee reinstated either way.
- Councilor Maestas said to close discussion on the debt service transfer to parking, he would rather not wait and go through a committee process. He would like before the budget hearings are over, to look at the fiscal impact to parking. He asked Mr. Snyder if he can get some numbers so they can look at the financial impact and perhaps a determination as whether that might affect parking fees. He said we have a new CVB Director, and he thinks any person coming into a new position doesn't want to assume all of the baggage and liability for which somebody else was responsible. He thinks transferring the debt service to Parking is the right thing to do. He would like those numbers by May 5<sup>th</sup>, because he would like to entertain wrapping that into this budget instead of kicking that can down the road.
- Chair Dominguez said the City Manager is asking staff to prepare that analysis, so perhaps we can have that discussion tomorrow when we hear the CVB.

Mr. Snyder said that is his hope. He said isn't sure how it will break down into impacting fees and such, but we will have a handle on the big picture numbers, and have Mr. Gurule here to participate in that conversation as well.

## **b) TRANSIT**

A copy of Ordinance No. 23-1991, *Ordinance adopting a Municipal Gross Receipts Tax*, adopted by the City, dedicating a portion of the GRT for transportation, submitted for the record by Jon Bulthuis, is incorporated herewith to these minutes as Exhibit "14."

Mr. Bulthuis reviewed the Transit Budget, noting they are continuing to see reductions in federal allocation on the capital and, to some degree on the operating side, although operating is more a consolidation of funds and a reduction in the fund level. The result, on the capital side, led us to move forward with a loan agreement with the New Mexico Finance Authority in recent months, requesting \$3.5 million to be paid through a set aside in the GRT, as well as the service reductions he just spoke about which can save \$125,000 annually. The source is the dedicated Transit Tax. He noted he provided a copy of the Ordinance [Exhibit "14"] related to the NMFA request, which is self explanatory.

Mr. Bulthuis said there is an error under the Para-Transit, in the white book on page 236, under Para-Transit it shows a double counting of the fare box which will need to be corrected. The amount of \$268,000, Santa Fe Para-Transit Operations U.S. Department of Transportation, should have been subtracted from the U.S. DOT amount toward the top of the page.

*The Committee commented, made suggestions and asked questions as follows:*

- Councilor Lindell, referring to page 237, line 530710 Software Subscription, asked if that is new.

Mr. Bulthuis said yes, noting this is a new component added by Trails. It is an automatic vehicle locator, which will provide the exact location of the revenue vehicles when in service, so people can get real time bus arrival information and such. It will be an ongoing component going forward. In the current fiscal year, it was budgeted as a start-up project, so it wasn't included in the budget request shown on the sheets, but it is an ongoing cost that will be part of the budget going forward.

- Councilor Lindell asked about Other Consulting of \$20,000 on the same page.

Mr. Bulthuis said this is anticipated costs to bring someone in to assist once the service plan is in place, take the level of service decided by the Governing Body and cut them into pieces of work, and develop a schedule we can assign to the Operator.

- Councilor Rivera, referring to page 239, said it appears that we used \$10,000 over the past two years, but he continues to budget almost \$30,000 last year and this year, although he is consistent with the \$10,000 costs. He asked the reason these funds aren't allocated elsewhere.

Mr. Bulthuis said the \$10,000 was spent on the para-transit vehicles and now we are [inaudible because of noise overlay].

- Councilor Rivera said this is something that may need to be looked at.

- Councilor Maestas, referring to the 1991 Ordinance, said if you look at the dedication, Paragraph 3 on page asks for an evaluation of the set aside for Quality of Life. He asked if that ever has been done.

Mr. Bulthuis said that came up when they went to the Finance Authority, but he doesn't recall what the Finance Director's response, but thinks he was going to look at that to see if it had been delivered to Council. However, he can't recall that having been done during his years on staff..

- Councilor Maestas said clearly our priorities have changed since then. He said transit ridership is up, and you face some long term problems with your fare box recovery, noting he recalls Mr. Bulthuis saying at a previous meeting it is under 10%. He said that is below the average of most transit systems across the country. He said we really should look at some of these dedications that go back as far as 1991 and assess them. He said that will allow us to make more informed decisions to ensure we are meeting more contemporary priorities, instead of those from 1991. In

the end, it might help our transportation operations going forward to be sure it is sustainable, particularly on the transit side.

- Councilor Maestas said the number one priority in Transit is for a Heavy Equipment Mechanic, noting he already has 4, and asked if this would be number 5.

Mr. Bulthuis said yes, due primarily to the hours of operation. He said we have equipment on the road almost all the time – noting the service is shut down at 11:00 p.m. and open the doors again at 5:00 a.m. He said they want a heavy equipment on duty on all hours, daytime, evenings and weekend. He said the fleet size has increased in bringing the Santa Fe Ride Service, and now transferring the Santa Fe Pick Up Service to Transit.

### c) AIRPORT

Mr. Bulthuis said the budget is on page 234 of the white book [Exhibit "1"]. Mr. Bulthuis reviewed the budget. Please see page 234 for specifics on this presentation.

*The Committee commented, made suggestions and asked questions as follows:*

- Councilor Rivera said he doesn't see the Airport in the Organizational Chart and asked if there is a page missing on Transportation.

Mr. Bulthuis said he has a copy in his packet and can run a copy and distribute to the Committee.

- Councilor Rivera asked if has changed at all in the last few years.

Mr. Bulthuis said, "It has not. The only addition was the intern position, which was a temporary position, and we would like to see that carried over into the next fiscal year if we are able to afford that, but that's the only change personnel-wise. It is in the expansion request that you have."

Mr. Snyder said he will provide a copy of the full Organizational Chart for the Committee, noting the intern position is in the expansion request on page 3.

- Councilor Lindell asked, regarding Transit, on what is the big picture benefit of the software she was asking about.

Mr. Bulthuis said it allows for computer aided dispatching in real time for our Para-Transit system. So, we're required by federal law to take reservations and provide next day transportation, and this is for seniors and disabled. However, the Council has directed us also to accommodate same day request from that same population group. He said the software will allow us to fit trip in the daily roster. He said they print a daily roster based on the advanced day reservation, and it allows us to fit the trips between other trips which were previously scheduled.

- Councilor Lindell asked what we did before this.

Mr. Bulthuis said it was done manually, so there was less ability to respond in the moment and keep the wait times down for the same day trip requests. He said it happened, but it just didn't happen as efficiently.

- Councilor Lindell said, then we've tested this software for a year.

Mr. Bulthuis said yes, and it's not just the software. The contract talks about maintaining the way it's structure, so if we make changes to our system, there is a cost to the vendor to bring those changes into this software. So that kind of ongoing maintenance work is included as a part of that dollar amount as well.

**MOTION:** Councilor Maestas moved, seconded by Councilor Trujillo, to approve the Transportation budget as presented by staff, including the organizational chart and with direction to staff to reinstitute the Parking Advisory Committee.

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

*Recess – 3:15 to 3:30 p.m.*

## **8) UNION PRESENTATION**

Chair Dominguez asked Mr. Snyder if all the bargaining units were invited to today's session.

Mr. Snyder said that is his understanding.

Nick Lovato, President, AFSCME, thanked the Council for approving the contract. He said the members are very happy. He said we're telling them we're going to try to work on getting them some more money down the road. He hopes and they all are hoping the GRTs will increase. He said the employees are doing a great job with what they have. He said it is very hard for employees to catch up on all the stuff related to the new annexation. He said, however, they are going to take care of the public constituency. He reiterated his thanks for approving the contract, noting it is a 3 year contract. He said the only thing they will be opening will be the negotiation on the financials.

Councilor Rivera thanked AFSCME for doing its part to help the City during the recession, commenting they lost a lot from their union contract during the recession, and is glad you were able to negotiate some of that back into the contract for this fiscal year. He thanked all of the employees "for doing what I think is more than their fair share to help us balance the budget during those tough times." He said during the recession he was able to ride along with some of the crews, and the attitude always was positive, saying, 'We're making do, we could use some more stuff, but we'll make do with what we have.' And oftentimes repairing their own equipment, sharpening their tools and make sure whatever they had lasted as long as it possibly could. Just the attitude of the people I saw during my time participating

with the Parks Crews, the Recycling Crews and some of the other crews was amazing. So please extend my thanks to all of your membership and you for all of your hard work. Thanks.”

Councilor Bushee said while waiting for the raise, they also had to endure and continue to endure, the rising costs and impact of health care costs.

Mr. Lovato said, “I’m pretty sure they know that, but I’ve been letting them know. We actually will be meeting on Wednesday on the costs for health care. And we’ll let them know from now on.”

Responding to the Chair, Mr. Snyder said, “All of the unions and HR and Management are represented on the Employee Benefit Committee.”

Chair Dominguez said the representatives of the Police and Fire Unions were not here and maybe we can hear from them tomorrow.

Councilor Rivera said the Fire Union President was here during their budget hearing, and then he left, so he is unsure if he might have been confused about his role.

*Chair Dominguez’s remarks here are inaudible because he had his microphone turned off.*

Mr. Snyder said he will notify the unions and give the opportunity to come and speak on May 5, 2014.

Chair Dominguez reviewed the departments that will be presenting tomorrow.

Councilor Maestas he will be here tomorrow until about 11:00 a.m.

Councilor Dominguez thanked everyone for the good job today, commenting it appears we’re on the right track to a balanced budget.

## **6. ADJOURN**

The meeting was recessed at 3:45 p.m.

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**Carmichael A. Dominguez, Chair**

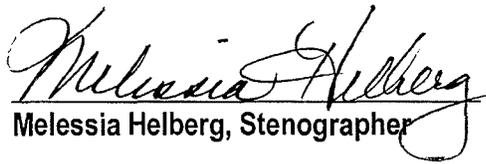
Reviewed by:

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Marcos A. Tapia, Director  
Department of Finance

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Melessia Helberg, Stenographer



Melessia Helberg, Stenographer

**SUMMARY INDEX FOR  
SANTA FÉ CITY FINANCE COMMITTEE**  
April 29, 2014

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2. ROLL CALL	Quorum Present	1
3. APPROVAL OF AGENDA	Approved as amended	1-2
5. CONTINUATION OF FISCAL YEAR 2014/2015		
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2. CVB	Approved as recommended	9-15
3. Community Development	Approved as recommended	15-17
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5. Public Utilities		
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4. QUESTIONS AND CLARIFICATIONS	Postponed to May 5	43
6. ADJOURN	Adjourned at 5:10 p.m.	43

**MINUTES OF THE**  
**CITY OF SANTA FÉ**  
**FINANCE COMMITTEE**  
**MONDAY, APRIL 29, 2012**

**1. CALL TO ORDER**

A special meeting of the City of Santa Fé Finance Committee was called to order by Chair, Councilor Dominguez on April 30, 2012 at approximately 8:40 a.m. in the City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé New Mexico.

**2. ROLL CALL**

Roll Call indicated the presence of a quorum as follows:

**MEMBERS PRESENT:**

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

**MEMBERS ABSENT:**

**STAFF PRESENT:**

Mr. Marcos Tapia, Finance Director  
Ms. Teresita Garcia, Finance Department Staff  
Ms. Yolanda Green, Finance Department Staff

**NOTE: All items in the Committee packet for all agenda items were incorporated herewith by reference. The original Committee packet is on file in the Finance Department.**

**3. APPROVAL OF AGENDA**

Chair Dominguez requested an amendment to the agenda to move item #4 to the end.

**Councilor Lindell moved to approve the agenda as amended. Councilor Maestas seconded the motion and it passed by unanimous voice vote.**

Councilor Maestas announced he would have to be excused at 11:30 a.m.

## 5. CONTINUATION OF FISCAL YEAR 2014/2015 OPERATING BUDGET REVIEW

### A. Department Reviews and Request for Approval

#### 1) ITT

Ms. Lisa Martínez said this was first year they were before the Finance Committee as a full-fledged department. ITT had 29 or 30 FTEs and of those, they had three current vacancies. The budget request was focused on looking at present positions and basic items identified in several audit reports.

Most recently was an audit by Presidio, hired to assess the environment, overall strategies of the data center and their review of all IT initiatives. They identified a number of findings and most were critical and urgent as well as staffing needs. So her request looked at those two foci. Regarding staff they didn't have backup members cross trained. They had systems and programs, network and network support and they didn't have back up personnel for any of the functions.

The audit shoed also showed that half of the staff were scheduled to retire in 1-5 years so they needed succession planning to retain the critical knowledge and secondly how to infuse more youth and current technology, including the latest programs and services to run this department better. They were asking for 9 positions of which two would be for police and transit for cross pollination and tech-specific work through the new systems to be implemented in police vehicles and transit vehicles.

The base budget was pretty much flat as requested with an increase of \$114,000 that covered normal costs. The expansion request was for \$3.2 million. She pointed out that a number of requests categorized as expansion requests were really basic critical needs to maintain operations, such as the J D Edwards update without which they couldn't prepare employee tax forms. So they have identified those.

She prioritized the request, based on things that were end of life and other things that could happen later - PC replacements, staff training for IT certification over next few years. Also partnering with DOIT and training matched 50% by them. They wanted to move forward and use these necessary systems for the City. Without some of them, they would be in deep trouble.

They were actively working on the JD Edwards RFQ. They were looking to the Finance Committee to see these needs and take care of these critical items.

Councilor Ives thanked Ms. Martínez for bringing these critical needs forward. He was curious to understand the base zero sum budget vs. expansion and how those items were allocated between the two budgets. For things like communications and the JD Edwards expansion he wondered why that was not part of the base budget.

Mr. Snyder explained that the main reason was the zero budget requirement. Although those things

were critical, they had to be part of the expansion list. He had removed those from the base budget in order to have a flat budget. That was his direction to staff but he called their attention to the critical parts. Without putting it here the Committee would not know it was part of the upgrade.

Councilor Ives appreciated her calling it critical. Looking at the IT section and in the white book on page 77 middle of page, Communication had 731,876 in it. And on page 79 under ITT equipment had maintenance of fixtures at \$421,000 and another \$230,000 under equipment and machinery. He was trying to understand that. He asked what those amounts were directed to and why it was in the expansion part.

Ms. Martínez said those items were not necessarily expansion but ongoing maintenance for the databases on a city-wide level. The list of eleven were truly expansions.

Mr. Snyder agreed. It was largely dollar based. Upgrading software was in the base but expansion was by dollar basis. It was a budgetary expansion.

Councilor Ives said that was an important point for him because those systems were now old and they were continuing to use those systems but upgrading. Just preserving the system for the ability to use it in the future was preserving the status quo.

Mr. Snyder agreed. This was largely maintenance instead of expansion. This \$3.2 million list included some staffing to help move forward and plan for the future but the capital was largely maintaining what they had now. It would take more millions to move to the next level but these were things they needed to maintain on a daily basis. Staff have followed the report for critical life. They were large items. A switch could easily cost \$100,000 and lack of it could keep staff from doing their day-to-day work.

Councilor Ives said part of his own fear was how we do record retention, given all the software they have across the system. Could you highlight those items that relate to retaining records and now satisfying the record retention policy? That was a great liability exposure if they were not doing it properly.

Ms. Martínez said record retention was a different area. When they get IPRA requests and had to find certain emails, they couldn't go back in time as far as they would like but they were implementing a retention system to go as much as ten years back.

Also with disaster recovery, the data center had been identified in several audits that it was in critical need. They didn't have the finances or the physical area for that. They needed a data center to store the data and have backup.

They were talking to CenturyLink and DOIT to see what options were available. They needed to move the servers into a secure facility and use green technology. They needed a much better system in place to maintain backups. A couple of these were listed in the request.

It was possible they could move into an existing data center and might be able to forego a switch or routers to use it.

One of the other need that IT had asked for was a backup generator for IT. The primary systems

needed to have continuous power backup.

She hoped that helped answer the question. There were little pieces in the base budget but most were in expansion.

Councilor Ives said his questions were meant to identify the expansion request and from his perspective, wanted efficient operations nor waste what they had already spent on these systems to make sure the system was reliable every day.

Ms. Martínez said the upgrades to JD Edwards system were designed to continue operations throughout the City and the whole notion of backup was also critical. It not only would allow them to meet their own policy on retention but of transparency and reliability to back it up and retain it according to time frames in the law. They had failed miserably on that. So those beg for attention.

Councilor Trujillo agreed with Councilor Ives. In the expansion he asked if she was saying it didn't get them to the next level but did bring them into the 21<sup>st</sup> century.

Ms. Martínez said it actually did allow them to move to the next level and would allow them to save money. If they decided to move to the CenturyLink data center they could transfer to 57 other data centers so if something horrible happened here, they would still have the data.

Councilor Trujillo would like to get the best system they could get so they didn't face that again next year.

Ms. Martínez acknowledged that much of what they asked for was a band-aid for the next few months and then they could work for what they needed for the long term future. It was a huge band-aid.

Councilor Trujillo asked how long the band-aid would last.

Ms. Martínez thought about a year or a couple at most. They needed to think about investing in new systems. They were just not there yet. There were things that should have been done last year. JD Edwards support would expire tomorrow and that would be a full-blown problem.

Councilor Maestas said he was not familiar with IT systems and could see why it needed to be a separate department. Just based on the requests, this was a major decision for them during budget hearings. He asked how he could know which things would address the audit and which parts would take them to the next level. It lacked a context. He wondered how he could get up to speed on it. He wanted them to make a well informed decision instead of using a band-aid.

Mr. Snyder suggested they could have a study session on it. The Presidio Report was good reading for that. They were defining some of the history. From a staff standpoint, they could meet for a couple of hours either as one-to-one or with a group of councilors who wanted to learn more.

He would take responsibility for not providing background in the pre-budget book. There were many things that could have been in there.

Councilor Maestas said he couldn't help with making an informed decision on this.

Chair Dominguez added that it wasn't a one-time conversation. The point was that it would take an effort from all the Governing Body.

Councilor Rivera asked how much of the \$3.2 million was recurring cost.

Ms. Martínez said some items were recurring such as hand-held radios for police. That was a replacement plan for them at a cost of \$155,000. End of life for Presidio Report was not. PCs were recurring to replace them in a 3-5 year plan. They had been doing it sporadically. The switch replacement depends on whether they used a data center and would have a life of 5-10 years.

Replacing the AS 400 system would be a major expense. That would be one-time lasting for a long time to come.

Councilor Rivera estimated a little over \$2 million in recurring costs.

Ms. Martínez agreed.

Councilor Rivera noted regarding the radios that yesterday Land Use had requested a software upgrade. He asked when her department would take it over.

Ms. Martínez said IT worked with each department's request to make sure it was all compatible. All of the staff members were involved. It was a good opportunity for them to be involved and they planned to do much more with the IT Steering Committee in the future.

Councilor Rivera asked why Land Use didn't request that through IT.

Mr. Snyder said the radios were part of IT already but the Land Use software was not. The advice given to contractors was to work through IT. He assured Councilor Rivera that the radios were not double-counted.

Councilor Rivera asked where the fire department IT was in the organization.

Ms. Martínez explained that the position was under IT supervision but the salary was provided by the Fire or Police Department.

Councilor Rivera asked if that would be true for Transit also.

Ms. Martínez agreed it was the same. The police and fire positions were run as a pilot program and was a success. The only problem was there was too much work for one person to accomplish and was why they were requesting the two positions.

Mr. Snyder added that whether expansion or base budget, it would be a General Fund impact. There

would be cross training and they would report to IT but also to their department. There were staffed under IT to make cross training happen more efficiently. Where the budget resided didn't matter as much.

Councilor Rivera asked if she looked at backup generator for the Convention Center along with City Hall.

Mr. Snyder said they did and it would get funding from various sources including a Homeland Security grant through the Emergency Manager.

Councilor Rivera asked if the AS 400 was not as useful today.

Ms. Martínez said that was something they were trying to find out. There were big supporters of it but in her past work, she got rid of the AS 400 about eleven years ago as she felt it had outlived its usefulness. Depending on how they decided to move forward citywide with new programs and services they would have to evaluate and determine if the AS/400 would still work for them what they needed something new.

Councilor Rivera felt putting a Band-Aid over a gaping wound was a hard thing to continue to do. He believed IT should be leading the City in every aspect, and he felt like it was the Council's fault that it wasn't leading. They needed to find better ways. He understood what they were proposing but was not sure a band-aid would be the best way to go. Looking at new technology might be the better way to go to bring us up to par with the other cities of this country.

Mr. Snyder thought they were all on that same page. They just received quotes for the JD Edwards program and with that in mind, to determine what else was out there using current technology. The JD Edwards part was a band aid. They needed a new system for the City and to decide that from a system perspective.

Councilor Rivera pointed out that many constituents on the south side didn't own computers so they relied on the South side library to do job applications, homework, and anything else that needed a computer. If you go to the library on any given Saturday, all the computers were being used. They needed to find more space for them at the library. Having more computers there was much needed.

He noted there were a couple of vacancies on the IT organization chart and asked why those had not been filled.

Ms. Martínez said they currently had four vacancies and just filled one at the radio shop. They needed to fill all of them and were working on that now. One of them was recently advertised and they should have a list. That one was in systems and programming.

Councilor Lindell said the JD Edwards update was a cost of almost a half million dollars and in this budget that was a lot of money. If it was not the best system for them over time. She thought they should have an evaluation on it before spending that much money on another Band-Aid. She asked if any of the system had any salvage value. She wondered if they could put refurbished computers in the south side library.

Ms. Martínez said certainly there was salvage value and she would see what they could do to refurbish some of that equipment. Some of it was not that old but others were 8-10 years old and Windows 7 would not run on all of them.

Councilor Ives said it would behoove them to review the Presidio Report. Many of the departments had started taking on their own IT plans because their needs were not being fully addressed. That was one reason the Council moved to create the separate IT Department. He would like to see the capacity grow in that department so they could more proactively manage the whole IT system city-wide. There is the opportunity as capacity grows to work the functions back into IT in a strategic plan for the IT system.

Councilor Trujillo asked Ms. Martínez what the City currently did with the old computers now. He asked if they went to state surplus or to an auction here at the city.

Mr. Tapia said the City had an auction. There were specific requirements for the state but most go to our auctions and not state surplus. Most of it the city handled itself.

Councilor Trujillo pointed out that there were many in our City who didn't have a computer. If the City could give them the computers it would help. These auctions were being held all over the world. He was thinking they could get more money back into the General Fund.

Mr. Tapia thought it would be nice to provide extra computers but most of the ones they would send to auction were dogs - extremely old. If they followed a replacement policy it could change that.

These were new PCs and they now were getting them all on line. They were trying to do a lot of new things but the schedule was not in place yet.

Ms. Martínez said her #1 goal was to move beyond the place where they could only take care of critical needs. She hoped next year she could come and tell the Council how much they already fixed.

Chair Dominguez heard that the department submitted a flat base budget but thought he also heard that seven people would be added to the base budget.

Mr. Snyder said it was actually nine being added and were being added to the expansion request.

Chair Dominguez said in terms of expansion that this might speak to the challenge. They were both hardware and software expansions. He asked if those expansions were approved by the IT department.

Ms. Martínez agreed and they had reviewed all of them prior to this process.

Chair Dominguez asked, whether it was hardware or software, if IT approved them. Ms. Martínez agreed and said they had already reviewed the requests. She added that there had not been many requests for new hardware.

Chair Dominguez saw a few departments that had no hardware or software upgrades.

Ms. Martínez said IT only reviewed those requests that came to IT and really didn't go out to solicit those requests. HR wanted to buy a new copier. They had scanners at every desk and she proposed one networked copier/scanner/fax machine in order to consolidate resources. Those were the recommendations that they put forward.

Chair Dominguez asked if she had a pulse of every department need across the city.

Ms. Martínez said she didn't because there wasn't a plan moving forward. That was why she wanted to move forward on the IT plan citywide and not just randomly be buying equipment in other departments they thought they needed.

Chair Dominguez saw in her expansion budget request there were 75 police radios but the Police Department also had a request for cars and associated equipment. Some of that should be part of that CIP request.

Mr. Snyder agreed that could be done.

Councilor Trujillo said at Public Works last night they were given a list so he asked if he could work with Mr. Pino to convert that list to see what could be done under CIP. They possibly would only get \$18 million out of CIP. Then the Council could break that down to determine the priorities.

Mr. Snyder said of the \$18 million, \$12.5 million were encumbrances for operational expenses. So that would leave them with \$5.5 million for IT and other projects. That was actually a very small fraction of what was needed in the city. What was before the Finance Committee was essentially crisis management and they were working on that now. In the City, IT, Finance, and HR had run the city but he wanted to have IT, Finance and HR support the city. They have made strides. They were moving forward and some things they have worked on. They needed to know what was out there and determine what to do. They needed to have that overall system in place to move forward.

The City needed to meet the needs now and in the future. They needed to make sure they were moving forward but were not there yet. They were on the right track but in danger of bleeding if they didn't fix it now. He was not sure whether they needed to spend that \$500,000 or not for the J.D. Edwards upgrade.

Chair Dominguez said what it comes down to is that the Governing Body had to allocate significant resources beyond band-aids to get IT beyond first base and out of crisis management mode.

Councilor Trujillo agreed with everything Mr. Snyder said. He didn't want them to get a system that was not used elsewhere and tech support was away in Maine. They needed access to Tech Support to quickly fix things.

Ms. Martínez agreed that was exactly what they were looking for also.

Chair Dominguez commented that there were lots of priorities here. One priority they made was investing in broadband.

Ms. Martínez said IT was involved in those discussions and actively working with Sean Moody on that project and economic development.

Chair Dominguez noted the SFPS had promised every kid a computer in the district that many children didn't even have access to WiFi. Everyone needed access to the Internet. It was a community contextual issue.

Councilor Rivera said he spoke to some convention attendees who said their WiFi kept dropping at the convention center. He thought that had been a problem for some time. He asked if that was being addressed.

Ms. Martínez said they were working on that. During conventions many people needed to access it so they were working and upgrade to that system.

**Councilor Rivera moved to approve the budget as recommended by staff and the organization chart for the IT Department. Councilor Maestas seconded the motion.**

Councilor Maestas said he would look at the Presidio Report but would like to see the strategic plan report so they didn't have to hear the same thing next year. He perceived some kind of phased approach to get to the next level was in order. Hopefully at mid-year they could consider more of that strategic plan including a decision to begin investing in the ultimate system.

Mr. Snyder said they would commit to that and instead of a one-time midyear budget process he wanted to have more of a year-round budget process. Having periodic discussions on the budgets and be more consistent on that would be more effective.

Councilor Rivera wanted to ask the City Manager to include in the remodel of Council chambers to have actual computer hookups at our desks during that remodel. He knew some cities had computer screens sort of built into the desk. He was not sure what others were doing and how expensive it would be but they needed to look at that as part of the expansion list.

Chair Dominguez asked if they should include the first priority of the expansion budget of \$480,000. The committee agreed to include it.

**The motion passed by unanimous voice vote.**

## 2) CVB

Mr. Randy Randall said he was excited to be in this new role and go in some directions over the next few months or years. The budget had three departments: Arts Commission, Convention Center and Visitor's Bureau. Arts and CVB had flat and break even budgets. The Convention Center had a deficit of about \$1 million that would be funded by the fund balance that the convention center is carrying. The deficit was a little less than the principal payment the operation was making at the facility. It operates on a break

even basis but had to pay the debt service.

Rather than go line by line, his team was present to help answer questions.

Mr. Snyder pointed out that this budget was not flat. There was some miscommunication with transition from the past director. This specifically on page 27, there were several items that were increased, maintenance, software, tires and gasoline, employee training and tuition to name a few. They were not on the expansion list. On page 29, marketing and lodgers' tax had additional items that were not flat.

This budget didn't really provide for any buildup of any capital reserve for replacements and as they consumed the fund balance with the cost of keeping the doors open it would lead to problems. The building was six years old and the carpets and furnishings would start to show wear and tear and he wanted The Finance Committee to be aware that no fund was being built for later replacements.

Mr. Snyder echoed what Mr. Randall said. It was a facility where they build them and have enterprise funds so they needed to have a habit of providing a reserve fund for emergencies as well as replacements. The convention center is one of the first places that tourists see when they come to the city. So it needed to be kept as a showcase. He agreed to work with Mr. Randall and come up with something at midyear.

Chair Dominguez thought it looked like they wouldn't have reserve any left in 2016. Mr. Randall agreed.

Chair Dominguez asked if the facilities maintenance fund was an amount that was paid back to the General Fund.

Mr. Randall didn't know.

Chair Dominguez asked if the General Fund charged the Convention Center for city services.

Mr. Tapia agreed. It was part of the assessments that all departments paid.

Mayor Gonzales jointed the meeting at 10:07.

Chair Dominguez guessed it came down to having a reserve for maintenance of the building and went without saying.

Mr. Randall said it was not necessarily needed for this year but sometime soon and it was not maintenance but capital replacement needs that were not being considered. The request also had been made for considerably larger advertising and marketing budget and that had to be reduced and was put in expansion.

Mr. Snyder and said the maintenance items in there for the increase totaled about \$100,000.

Chair Dominguez thought the payback to the General Fund was not like a significant change. It was about \$137,000.

Councilor Rivera referred to page 23 - professional contracts, and asked if all those been separated out into different areas.

Mr. Snyder said that was a budget option and they were moving them into other line items for a better tracking mechanism rather than having them all rolled up into one line item for professional contracts.

Mr. Tapia explained that they did the same thing in IT because on some there was no prior history.

Councilor Rivera asked what grants and services were for. He asked if it was for matching funds.

Mr. Randall said that amount included \$50,000 for bandstand and \$35,000 was for the community arts and development program.

Councilor Rivera was concerned in that same line item for advertising. It was budgeted at \$708,000 last year and only spent \$226,000.

Mr. Randall said that was not advertising but contracts for services including funds to about 50 arts organizations for marketing those organizations were doing. It was simply a timing issue on the \$226,000 year to date. The funds had all been allocated and the organizations were slow to turn in requests for reimbursement. There might be a thousand not consumed but \$708,000 was the total of allocations.

Councilor Rivera said it should be in an appropriate line item.

Mr. Randall added that they were not purchased by the City but through RFP process for contracts and were on a reimbursement basis.

Councilor Rivera asked if CVB was not aware of the requirement for a flat budget.

Mr. Snyder said they were aware. They and others were advised that it had to be reduced.

Councilor Rivera asked if it was their intention to have a flat budget. Mr. Snyder agreed.

Councilor Maestas said regarding the AIPP program. It listed in contractual services that \$164,171 was approved but that couldn't be the entire part of this program. There were capital expenses. He asked how they coordinated that with CIP in Public Works. There was a 1% set aside also and he asked for more information on that. He had a conversation with galleries and understood they were hurting quite a bit. Representative Egoft said the State had set aside funds for the galleries. He just wanted to make sure that whatever they set aside they would utilize that fully to help those experiencing difficulties.

Ms. Garcia y Griego said it was actually a 2% set aside by ordinance for AIPP program. The Arts Commission could place the art in places that didn't normally receive grants. They were always city owned properties. The AIPP Committee carried it out. They could invest a lot in the Southside Library. At the same time, they helped artists get that on their resume with several small projects. So they coordinated with Public Works and yes they spend it all.

They didn't have a purchase program to buy existing art but managing those pieces placed in public places. It was very labor intensive to constantly check those placed art pieces. However, they did purchase and put some permanently in the Convention Center and trusted that they wouldn't move away. They also put privately owned art in public sites and some had been sold that way. They could also do smaller pieces a little more

With the transition with previous director leaving they had not been able to hire people to fill all vacancies. All of the \$708,000 was strictly from the 2% revenues.

Councilor Maestas asked if all the art had to be from local artists.

Mr. Garcia y Griego said larger pieces were opened to a larger area but most were local.

Councilor Trujillo referred to page 29 about postage and mail service and asked about the \$46,000 to \$58,000. He asked if mail had jumped that much.

Mr. Randall said the request had been \$58,000 but it was at \$15,000 on the base because the mail office was closed. That \$58,000 was now consumed by a contractor who produces the Visitors Guide and responsible for the distribution of it.

Councilor Trujillo felt the AIPP was a very good program. But it seemed like District 1 and District 2 got all the pretty stuff and District the 3 and 4 needed to have more of that. The committee just needed to spread it around.

Chair Dominguez asked about positions in the expansion request.

Mr. Snyder said there was one marketing position and one sales positions.

Chair Dominguez asked how the City placed a value on what those sales managers did.

Mr. Snyder said currently they didn't have a good metrics measure in place. Mr. Randall would be working on developing a good sales plan after hiring a sales director and possibly an incentive program also. Sales Managers in hotels have a base commission and incentives but the City didn't have that in place. There was a huge value to that. A lot was involved in that method.

Mr. Randall said sales had to have goals and it was not an expense but a revenue generator. Unlike what the state did, the City actually sells but he needed to strengthen it. They have two people undirected, although working hard. Increasing the sales program would increase revenue to the City.

Chair Dominguez asked if that person would generate more than \$73,000.

Mr. Randall said that person if successful would generate far more because they would sell not only the facility but also to the hotels. He committed to not keep someone who wasn't successful. If authorized, they could fill the position in 30 days. He wanted to fill the Sales Director first in order to be involved in hiring the sales manager. Without an incentive program they wouldn't get a sales person and he hoped

they would become the highest paid people in the City because if they were, they were very successful. And if they were, Council would see him here for several more years.

Mr. Snyder agreed with Mr. Randall in committing to hiring within 30 days and hoped to get the Sales Director first. These sales manager positions were on commission.

Councilor Rivera noted here too, that they have requested expansion positions yet have vacancies unfilled. So he asked if they were really needed. He wondered if they could use vacancy savings for the new position or expansion.

Mr. Snyder said for CVB all the vacancies needed to be filled. And they needed to determine the structure for what was needed. The sales position did need to be filled.

Councilor Rivera thought maybe they could use some of that salary money for the Director position.

Mr. Randall understood some of that was being used for the Marketing Manager. The person they hired as director had done very well and among other vacancies they have a person who would start May 12 and a couple of convention center workers who have been hired recently. Those in the organization chart were filled.

Councilor Rivera said his second question was about the expansion of internet availability. If IT was working on it, he asked why it was on this list.

Mr. Randall said one part was a hardware request that would be completed in the current budget. The ongoing maintenance contract was at \$1,800 per month and previously had been captured in IT. They were purchasing the hardware and this would keep it alive.

Councilor Rivera asked if the new hardware would work well to manage convention times.

Mr. Randall had been told it would handle 800 users at a time.

Councilor Rivera complimented him for what he had already accomplished in a very short time on the job.

Councilor Maestas congratulated Mr. Randall. He wanted to put him in a position to succeed. He knew the City had a policy that waived fees for nonprofit events. Conceivably that could be 9 free nonprofit events but he was hesitant, given the financial impact. It would be good for him to look at having that policy at a reduced fee instead of no fee. Maybe they could consider that in the tier structure. There had to be some incentives in that tier system. This had been a slow economic recovery and CVB needed to get on solid financial ground. He thought the sales would be much more business oriented and would like Mr. Randall to bring back some recommendations.

Mr. Randall said he would work on it.

Councilor Maestas knew some of the nonprofit events were quite variable in attendance. He wanted to

do his part in supporting CVB in this work.

Councilor Trujillo agreed. The way to do it was in a resolution. He wanted nonprofits who were doing well in the community but if they were just doing 50 people, the City wouldn't see any money coming back into the community. That was what councilors were looking at - that they were actually giving back to the community.

Mr. Randall agreed to do that.

Mr. Snyder said he and Mr. Randall talked about a formula to produce revenue, analyzing how they could move forward and have new policies to move them forward. It was a balance. They would bring it back to Council.

Right now, the Convention Center pays not only for the Convention Center but also for the parking facility. So they talked about shifting the debt for parking to the Parking Division. He provided a handout and on the top of page was an analysis for moving 30% of the debt to the Parking Division. It would move the projected deficit from 2016 out to 2023.

The second sheet was a different scenario for parking in which rather than shifting the full burden on Parking, it would move 1/3 per year for the next three years.

Chair Dominguez thought it provided a better way to manage it.

Mr. Snyder said he would prefer that the fund have debt and revenues in it but he wanted to make sure Parking was kept whole as well. They were both revenue generating. Parking also had the ability to raise rates. He didn't know what that impact would be. They talked yesterday about having a Parking Advisory Committee again.

Chair Dominguez agreed that Parking had things to juggle around too. In terms of parking and separating the two, he asked if there was any challenge for tracking in separating them.

Mr. Tapia said it was no problem to adjust for that. The challenge was trying to get Parking to say an increase of x amount would cover the debt service.

Councilor Lindell didn't see any of this as setting them up to fail. They've got hard working people in every division and for these folks to have always the debt service burden was not to make anyone look like they were failing. If part of the debt belonged to Parking, the budget should reflect that. Doing collections could be done better.

**Councilor Lindell moved to approve the CVB budget as a flat budget with direction to have the City Manager work with Mr. Randall to reduce the items now shown as increased presented with the organization chart as amended and split out parking. Councilor Rivera seconded the motion.**

Councilor Maestas said on reconsidering the phasing approach, it would give parking two years to have a deficit. Parking needed time to come up with that plan. Finance just did that for IT. He thought the phased

approach made a lot of sense.

**The motion passed by unanimous voice vote.**

The Sales Manager position and the enhanced internet service were included in the tally sheet.

### **3) Community Development**

Ms. Noble said this budget was flat as compared to last year. Housing and Community Department included Affordable Housing and CDBG. They also had a contract budget to support home ownership as well as Long Range Planning and Economic Development. Economic Development has the largest cash budget on an ongoing annual basis. Long Range Planning had a small budget for contracting geared primarily around St. Michael's Drive for FY 2014-2015.

Councilor Rivera referred to page 63 and noted that last year's budget for health insurance went from \$115,950 and was down to \$6,000. He asked if positions were lost there. It didn't look like much was ever used.

Mr. Tapia said that was entered incorrectly. There showed no expenditures and that was corrected.

Councilor Rivera said on page 66 on professional contracts for FY 13-14 it had a budget of \$836,000 and less than half was used. He asked if it was being used.

Ms. Noble said there were two primary reasons. There was \$100,000 budgeted for a community proposal process that was halted by CBQL with a lot of questions so it was left in the fund. The Economic Development money was never worried about because it was like a savings account coming out of distinct reserves and gives money for another day. The other difference was that the Youth Works Contract placing youth in business mentored internships but was off cycle so they extended it to get it back on cycle for \$30,000 on the \$185,000 contract and it was not actually hitting this fiscal year. It would hit in full renewal next year.

Councilor Rivera felt with all the needs that a savings account was a luxury this year. He asked if they truly needed \$836,000 for the next fiscal year or if perhaps it could be peered down by hundred thousand dollars or \$200,000 this year.

Ms. Noble said at this point it was all allocated. She handed out a review on that item.

Mr. Snyder pointed out that this was not part of the General Fund so any money not used would go back into the economic development savings account. He recommended this be kept the same. They would either utilize it or it would roll back into that account. He believed there were economic opportunities this year for which they would use this money.

Councilor Rivera went to page 72 about increase in out-of-state travel budget by about \$7,000. He was off for training but wondered what she anticipated using that \$10,000 for.

Ms. Noble said she had nothing specific in mind. They would be going on recruitment trips to various trade shows. They had to staff members going to the Outdoor gear tradeshow this spring. They were looking at doing one in August. It was a cooperative initiative with the County and the RDC. It was built around BTI, Bicycles Technology International which is the third-largest bicycle parts distributor in the country. They are located across from the Santa Fe community college. It would bring in complementing businesses.

Councilor Rivera asked if the vehicle was an expansion vehicle.

Ms. Noble agreed. The MPO was looking at buying a vehicle. They didn't have one now.

Councilor Rivera noted they spent \$942 out of a budget of \$16,000. He asked if part of that was from General Fund monies.

Mr. Snyder said this was money that rolls back into the MPO budget.

Councilor Trujillo asked her to talk about recruitment and what the plan or hopes were to attract other businesses.

Ms. Noble said all ED recruitment was geared as economic-based jobs because, that in economic development theory, would bring in new money. She thought they were talking about kid-friendly businesses as being considered more as services within the community. They had not targeted them for recruitment.

Councilor Trujillo said the people of Santa Fe were putting GRT into Albuquerque too. He wanted to reverse that trend.

Mr. Snyder said they were discussing SFUAD, SFCC, and SFPS as local partners to complement some of the programs and bring them into the economic development side. They expected some to come to fruition.

Chair Dominguez strongly believed in work force training. Santa Fe needed to get young people trained so they could get jobs.

Ms. Noble said workforce training was one of their three key areas. Business development and infrastructure were the other two.

They were looking to expand work force training portfolio in the new fiscal year with placement of at-risk youth and disconnected youth who could learn by doing and complement the job experience with some classroom learning. They wanted to expand work force development and the sponsored mentorship program this year so that it could be scaled up. It would be interesting to think about the next program. The work force was done primarily by SFCC under an apprenticeship resolution that passed last year.

Youth Works continued to evolve with culinary training and an entrepreneurial program as well.

Chair Dominguez asked what the community proposals were.

Ms. Noble said it was a catch-all. A seed fund for startups would take part of that funding to fill a gap. A number of years ago they ran the proposal process themselves and was vetted by the EDRC and only funded two and that was halted this year at CBQL with a lot of questions. This year they piloted they \$30,000 investment the Ventric Acceleration Fund which was run by LANL Community Programs office. In the results, 50% of the companies funded were Santa Fé companies and we disproportionately benefit from that money because Santa Fe is in the LANL region.

Chair Dominguez assumed that \$30,000 was for St. Michael's Drive and asked if that was approved by the Governing Body.

Ms. Noble said this would be additional money. The traffic study approved through legislation was in the long range planning budget.

She clarified that the numbers the committee was looking at was not a hard and fast breakdown. It existed in a single line item and was done that way every year. St. Michaels Drive had been budgeted at \$30,000 in the last few years but was not spent this year.

**Councilor Maestas moved for approval of the Community Development budget and the organization chart. Councilor Trujillo seconded the motion and it passed by unanimous voice vote.**

#### **4) Community Services**

Mr. Pino presented a brief overview and said that people were here for questions. He introduced staff members who were present. He explained that Community Services had a budget of \$7.3 million in three divisions: Senior Citizens, Libraries, and Youth and Family Services This year there was an increase in the base of \$200,000 for LEED program and \$220,000 was for Children and Youth, based on 3% of the gross receipts tax, and \$150,000, which was 2% of the gross receipts tax for Human Services. Other than that the budget as submitted was relatively flat relative to last year.

On the expansion list for Seniors for an additional van driver and Meals on Wheels operator and at the library. The Senior Citizens needs were because of continued increase in numbers. They were adding about 1,000 seniors per year and now served over 11,000 now. The Area Aging Agency and federal agencies provided them extra funding for those extra units of service. They wanted to keep that additional revenue coming in to meet the expansions. The expansion was relatively small in this department.

Chair Dominguez explained that for expansions they were just running a tally. Then the committee would rank them.

Chair Dominguez thought the Committee indicated they wanted to see the South Side Library to be open on Sundays so he did not see that as part of the expansion and asked if it was not part of their budget.

Mr. Pino said they didn't anticipate that in the budget but he asked Pat Hodak to do an analysis to see if they could cover their basic needs if the expansion was approved. Those expansion personnel would cover the Sunday opening at South Side.

Mr. Snyder said those were ranked five through eight on their expansion list

Chair Dominguez asked if when the expansion was created if maybe the South Side was not considered a priority.

Mr. Pino said they did not consider the Sunday opening but the expansion included all three branches.

Mr. Snyder said it was submitted March 4 prior to the South Side discussion. The expansion conditions were listed in the sheet and also the union contract for 4 hours on Sundays.

Ms. Hodak agreed. Ever since they opened they had asked for funding for Sunday opening. The expansion was all personnel to keep the library open at the hours they had. At the present time all staff worked evenings and weekends, including managers. They had no overtime budget nor any pool of librarians to draw from. They figured out what it would take to operate on Sundays. They knew they would need more personnel from someplace. By moving the staff around, they could open on Sunday but had to have those expansion positions to be able to do it.

The handout for library dealt with the suggestion for hiring temps for the South Side. The union had rules that staff had to have breaks and lunch and they had to have two days off in a row. They expected the same amount of business on four hours open on Sundays as happened in a regular ten hour day. Unless they had a supervisor present, they could not use temps. The librarians needed to have the right skills.

If they were approved at the requested budget level, it would allow Sundays to be open at South Side.

At 11:30, Councilor Maestas excused himself from the meeting.

Councilor Lindell said these positions would be specific on the expansion request. She asked if these would be shuffled around. Ms. Hodak agreed.

Councilor Lindell noted on the organization chart it showed that right now. South Side had no vacancy.

Ms. Hodak said actually they had one current vacancy but were in the process of filling it.

The main branch had one vacancy for a service director and a Library Supervisor and a full-time technician. La Farge had one vacancy for a librarian.

Councilor Rivera asked if filling them would not take away from the positions and services at Main and La Farge.

Ms. Hodak agreed. She explained how they would disperse staff.

Chair Dominguez said they would ask that opening on Sundays would work. South Side was as important as any other library. It was heart breaking to see kids sitting on the sidewalk trying to connect with the Internet to get homework done.

Councilor Rivera asked on page 8 and 9 of Community Services budget about the \$163,000 in stipends and what were those used for. It was labeled as Senior Companions.

Mr. Pino said those were for the volunteer programs to be compensated at \$2.60/hour for those volunteers and Foster Grandparents. The budget was based on numbers they had. The RSVP volunteers didn't get stipends.

Councilor Rivera went to page 22 - after school program, which had a \$44,000 budget and actual was at \$4,497.

The Administrator said they had actually expended about \$20,000 but the majority of that line item was used for the summer youth program and that program would start in June so most of the costs were spent in that month.

Chair Dominguez thanked them for telling him about the scholarship program.

Councilor Rivera thanked staff for helping with the Amy Biehl School.

**Councilor Rivera moved to approve the Community Services budget recommended by staff and also the organization charts for the division including the Sunday four-hour operations at the South side library and expansion of staff to be considered at some point. Councilor Lindell seconded the motion and it passed by unanimous voice vote. Councilor Maestas was not present for the vote.**

Councilor Trujillo asked about the negotiations with the school district on the property exchange at La Farge.

Mr. Pino said the schools took the position that Council and School Board would agree on the property exchange and were waiting on the details with appraisals, surveys, etc.

## **5) Public Utilities**

- **Water**

Mr. Snyder referred to page 146. Ms. Martinez would start with Water. Here again, they were flat budgets but these were enterprise funds so the Committee would see an expansion here and there for purchase of vehicles among the departments.

Ms. Maya Martinez said the budge was a flat budget. Water Division was asking or three vehicle purchases as replacements. Otherwise, there was no expansion. There were line items that looked like nothing in previous years but it was due to moving around the contracts into the correct line items.

Councilor Rivera asked if this was just on Water that started on page 162.  
Mr. Snyder agreed.

Councilor Rivera said those were lengthy pages and asked for a recess to look it over.

The Finance Committee recessed from 11:45 to 11:53 a.m.

Councilor Rivera was looking at the items that had significant changes in them starting on page 166 and trying to figure them out. Water spent \$31,000 this year but budgeted \$100,000 every year and asked why they budgeted so much.

Ms. Martinez said they budgeted on natural gas for all of their wells and although they might not spend so much, they couldn't tell how much they would need to use for the well pumps.

Mr. Snyder pointed out that in years past it had been higher. They also had gas generators too. As an enterprise fund and not General Fund any unspent amounts would be rolled back into that fund.

Ms. Martinez said she was the one that did the BARs for the whole division and never looked at these.

Councilor Rivera asked what the end balance was then. If they would carry over \$70,000 then it looked like the \$100,000 would become \$170,000.

Mr. Snyder said the balance didn't roll over. The budget would be \$100,000 and the \$70,000 balance would just be part of the total budget.

Councilor Rivera went to the land fill line item and tipping had expenses of \$58,000 and \$61,000 but the budget amount was about \$90,000. He asked if that ever got spent out.

Mr. Snyder said it had the potential to. The tip fees were how they disposed of solids from Canyon Road treatment plant. They had a lot of runoff right now and that dictated the amount of solids in the water in process that must remove material from the water. It was then taken to the land fill.

Ms. Martinez added that transmission and distribution was part of the budget so there was a lot of construction and a lot of debris removal was budgeted here.

Councilor Rivera asked about the money for software subscription which looked like new money.

Ms. Martinez said it was part of the restructuring of contracts and had been in professional services and would now be in software services. So it was not a new item.

Mr. Snyder showed where the reduction appeared on page 165.

Councilor Rivera said on page 169 under water conservation that the total of the three lines spent was \$5,000 and budget was \$75,000. So it was a huge discrepancy. He asked if that money could be used

somewhere else.

Ms. Martinez says that was the conservation levy so this was the charge made to customers and that money had to be used for water conservation programs because customers were billed for that purpose. Spending varied from year to year. It was used for the annual Water Festival, the rebate program and at the end of the year they would be spending more. When not used, it goes back into the conservation fund and used only for water conservation projects.

Councilor Rivera said last year for printing and publishing the department requested \$25,000 and spent nothing last year. Now they requested \$25,000 again.

Ms. Martinez said it was being used right now in recent Purchase Orders that would be charged there. Although they had not used it in the past, Water Conservation was now fully staffed and programs would be offered more this year.

Councilor Rivera asked if advertising was the same reason.

Ms. Martinez said they would be spending more toward programs next year. She said she could go back and look at how they were spending it.

Councilor Rivera went to page 171 at the top. Water CIP project had a WIP design that was bumped from \$40,000 to \$300,000.

Ms. Martinez said they had several projects in CIP but she didn't have her CIP folder with her.

Councilor Rivera asked if money could be moved around among the three utility categories.

Mr. Tapia said no.

Ms. Martinez said that water CIP had to do with equipment replacements, Canyon Road renovations, facilities work and watershed management. That was specifically for watershed management. The city was required to provide high-quality water, forest risk reduction and ecological health and spending was for design purposes.

Councilor Rivera noted another one on Page 171 for supplies.

Ms. Martinez said that was part of the Canyon Road water treatment unit. As part of the restructuring, this was the water treatment unit and in the past it was in professional services and now it was moved to supplies or other line items. A lot of the chemicals they used were in that line item.

Councilor Lindell referred to page 166 and asked for an explanation of what taxes were.

Ms. Martinez said that was given to them by Finance. It was their franchise tax – (in lieu of).

Councilor Lindell went to page 169 under grants and services and asked what that was for.

Ms. Martinez said that was money that was put in there for rebates.

Chair Dominguez asked if all of the commitments to BDD were accounted for. BDD was considering some organizational changes. Ms. Martinez agreed. She was working closely with BDD and including them in the budget.

Mr. Tapia said the BDD budget was approved.

**Councilor Rivera moved to approve the water budget as proposed by staff with the organizational chart. Councilor Trujillo seconded the motion.**

Councilor Rivera asked if there were any vacancies now.

Ms. Martinez said they had 16 vacancies including the marketing person and they would like to fill those - maybe not all 16.

Mr. Tapia explained they were looking to see if they really needed all 16 of those. The Organization chart was the same as last year.

Chair Dominguez wanted to make sure that plenty of these vacant positions were going to get filled.

Ms. Martinez said if they approved this budget with the contingency on filling positions that she could bring a more accurate depiction on May 5 at the Finance meeting.

Councilor Lindell said they needed to know how long these vacancies had been vacant. That would help.

**The motion passed by unanimous voice vote.**

- **Solid Waste**

Mr. Garcia said Solid Waste included Santa Fé Beautiful and Sustainable Santa Fe and they began the budget planning last July. They also met with each supervisor and provided their part of the budget to review and come back with requests for coverage. Also they looked at their rolling stock to consider replacement of trucks, dumpsters, containers and carts. Gilda Montano, the Santa Fe Beautiful Coordinator, worked with them to prepare their budget as well as the graffiti budget that was new to their division. The graffiti program was from General Fund and the rest was enterprise fund.

They reviewed the major costs in their budget like fuel, tipping and disposal, maintenance of equipment and he believed they had put together a comprehensive budget request. They were almost \$800,000 under last year's base budget. That did not include \$110,000 earmarked for a loan that Water was going to do from their cash reserves at no interest to build a facility that would be brought later for approval. Also it did not include \$150,000 earmarked for a CNG slow fill station.

They showed a cash balance at July 1, 2013 of about \$6.5 million. Based on regulations, they were supposed to keep 1.2% of the 90 days' revenue. They also had post-closing in hold of about \$721,000.

Their budget was shown starting on page 146.

Councilor Rivera said it appeared they had to create the graffiti budget from scratch and asked if the Police Department hadn't budgeted for the new things Solid Waste was doing. The budget should have rolled over with the graffiti program.

Mr. Garcia said the only funding they received from the rollover was personnel from Parks Division. So when the resolution came forward to move the program, it was strictly personnel costs from Parks. There were only two positions marked for roll over. The budget for 2013-2014 was \$187,764. He was requesting \$323,439 for the budget. They would actually have to start providing mobile radios, TPS units, equipment – a log of the pieces that didn't come over from the Parks or Police Department.

Councilor Rivera questioned why the entire budget did not move over.

Mr. Snyder didn't have an answer for that. He circled it and would work with Finance to look at it. Some of those items definitely didn't appear in the Parks budget.

**Councilor Rivera moved to approve the Environmental Services Division budget as proposed by staff and with direction for the City Manager to look at the graffiti crew budget to determine why not all money from the previous departments was not transferred over to ESD and also approve the organization chart. Councilor Trujillo seconded the motion.**

Mr. Garcia said he actually wanted to review the organization chart. They had two operator positions vacant. And the Division Director position was also vacant. The org chart did not reflect on maintenance worker that was approved for annexation. They intended to fill and recognized that it wasn't on the org chart. He thought it was just a clerical error. The funding was not in the budget, itself. The position was a low entry position so the cost was not huge but neither was it within the budget itself. It was an expansion. That position would be in recycling as shown on page 154 and they would be looking at increasing the salary range. It would be classified as a maintenance worker for recycling in the org chart. They currently had five maintenance works and looking at expanding that by 1-6 maintenance workers.

Councilor Rivera said he was showing that they had eight on his organization chart and that they were all filled positions.

Ms. Perez said they didn't get it on their positions list either.

Councilor Rivera included in his motion a direction to staff to include that in the expansion items. Councilor Trujillo said the amendment was friendly.

Mr. Garcia explained that the graffiti program was moved under Waste Water but was still funded from the General Fund. So the increases was all General Fund.

Councilor Rivera explained his statement that the graffiti budget from last year should have been transferred over.

Mr. Tapia said some of it was transferred over.

A BAR was approved for the graffiti program reorganization and moved from Parks to Solid Waste.

**The motion passed by unanimous (3-0). Councilor Lindell and Councilor Maestas were not present for the vote.**

- **Wastewater**

Mr. Bryan Romero said the budget for Wastewater was flat with revenues at \$12.4 million.

The Department currently has 51 staff currently in an org chart of 58 positions. They plan to hire 8 of the 17 vacancies right now: three as treatment plant operators. In the past they had three 8-hour shifts. One shift was eliminated but they still had the same amount of hours with 12-hour shifts. He explained the shift schedule for operators.

Sewer line cleaning had 7 vacancies. Staffing was difficult and they had some turn over. He believed 5 vacancies could be reduced. Those positions might not be filled but were a placeholder for the budget. Hiring all of them would make the cost of service go up but keeping them filled would help our bond rating.

On July 1, 2013 they had \$19.7 million in cash reserves and the minimum was \$7.5 million. In the reserves, part was operating reserves and the other was capital reserves in case a sewer line broke or something similar. Then there was a restricted cash account for the compost facility for use to close down the facility if that ever had to happen. He shared previous cash balances and how they used it in the past.

Mr. Romero said they needed to expend about \$3.2 million on projects this coming year and \$4.5 million the next year. If they used only cash reserves, that fund would be fully exhausted by FY 16-17. They had to schedule repairs to meet state and federal government standards.

Councilor Trujillo asked if the equipment in the facility was sufficient for operations.

Mr. Romero shared a spread sheet and had made corrections on it.

Councilor Trujillo just wanted to make sure there was enough in the budget.

Mr. Romero said a new server was recommended for the facility.

Councilor Rivera said they had the list of requirements in the expansion and it appeared the only thing he requested was a half-ton extended cab.

Mr. Snyder said it was on the expansion list.

Mr. Romero said they were looking at larger vehicles for the future to replace existing vehicles. It was hard to estimate their costs. And putting them into operating budget would skew operations costs. He felt it should be under capital improvements and not operating.

Mr. Snyder said the requests were important.

Mr. Romero noted that one vacant position had been vacant for several years. He thought they could get by without filling it. It was a required position as part of the permit requirements and if they enforced that more, then they would need to hire someone for that position.

**Councilor Rivera moved to approve the Wastewater budget as presented by staff with one expansion item as listed and with the organization chart also approved. Councilor Trujillo seconded the motion and it passed by unanimous (3-0) voice vote. Councilor Lindell and Councilor Maestas were not present for the vote.**

#### **Lunch Break 12:52 - 2:01**

Upon reconvening after lunch, Chair Dominguez, Councilor Lindell, Councilor Trujillo and Councilor Rivera were present.

#### **6) Public Works**

Mr. Snyder referred the Committee to page 201 for the Public Works budget.

Mr. Pino said Public Works had six operating divisions and he introduced the department heads who were present: Eric Martinez, Bobbi Mossman, Dave Catanach, John Romero, Jason Kluck, David Pfeiffer, Ben Gurulé, and Jen Romero, Liza Suzanne, Liz Roybal, Ivie and Debbie Jo.

Chair Dominguez said they were mostly focused on recreation facilities during the pre-budget discussions. He thanked everyone for the hard work they did to provide recreation for the City. It was important although not the sexiest thing like the Plaza. But he was interested because it was a determinant of community health. It was prevention of diabetes and obesity. That was why there were private facilities here too. There also was some competition between Ft. Marcy and GCCC. The GCCC was absolutely critical and an enterprise fund so they were supposed to have autonomy but that had been limited by City. He asked if Council should give them the autonomy they needed to operate as an enterprise center or let them operate out of the General Fund. The Parks and Recreation Department creates better coordination between parks and recreation. GCCC could be a high altitude training center or just a social center.

Chair Dominguez said he was looking for a motion that would eliminate the Recreation Director position and use that salary for a new Parks and Recreation Department Director position and directly under that person have the GCCC Director, Fort Marcy/Perez Director, Parks, and the MRC as four section leaders.

**Councilor Rivera moved to approve that concept. Councilor Trujillo seconded the motion.**

Councilor Rivera agreed that it made sense to separate Recreation out from Public Works and it would give them a chance to focus on what was important to them. The expansion descriptions were amazing.

Chair Dominguez thought they owed it to the Division Director to establish that plan and the vision it could have. When looking at Parks and Recreation throughout the country, there were national standards lots of communities complied with. We don't have to conform to everything but there was not really a distinction between parks and recreation. In a broad sense we do an injustice to our visitors and our economy not to have a parks and recreation division to provide activities that promote our community.

Councilor Lindell pointed out they were really not talking about the budget at this time.

Chair Dominguez said it was budget neutral but still was the budget and the operations.

Councilor Lindell asked if the City collected any information on things. She asked what the hours of operation of these facilities were.

Mr. Pino said GCCC operated from 5:30 a.m. to 10 p.m. Fort Marcy and Perez were from 6:30 – 8:30 six days a week. GCCC was open seven days each week.

Councilor Lindell asked if they kept tracking the hourly use for example on a Sunday night from 6-10 how many average users they had.

Ms. Suzanne said they did track it and could report on how many were there at any given time

Councilor Lindell asked if they knew specific times when they didn't have much use.

Ms. Romero said that was a very interesting question and had been brought up in the past by Karen Heldmeyer. Particularly on holidays they found they were losing revenue and decided to close on holidays. At Fort Marcy and Perez there were non-peak hours with low attendance and their system could track that. A lot was seasonal. Fort Marcy might have a basketball tournament when it was packed. Usually the low times were short. Noon time people were there and then slowed down from 3-5 p.m. She could remember a weekend at GCCC where there was no parking because of special events.

Councilor Lindell said her experience was that after 8 pm they didn't seem busy.

Ms. Romero agreed. They closed at 8:30 at Ft. Marcy for that reason. Most activities were during the day.

Ms. Suzanne said the main difference at GCCC was that they had hockey and sports events. They recorded attendance when someone checked in but sometimes they also had to do manual head counts. Sometimes they were open until 11:00 or 11:30 with hockey. Their slow time was 2:00 – 4:00 p.m.

Councilor Lindell wanted to see a breakdown at some time. They needed to make the most of the resources.

Councilor Trujillo noted that the credit card machines had been down and asked Ms. Suzanne if they were getting fixed.

Ms. Suzanne said they had been working very actively with ITT on the credit card program. They took the front desk computers off the city network to make them work better. It was working much better now. Java was interfering while those credit card readers were connected to the network.

Chair Dominguez said in the expansion request, he didn't see anything from IT regarding those challenges.

Mr. Snyder said there was no additional funding needed for that network. He understood it had been resolved.

Chair Dominguez acknowledge that the GCCC facility was a challenge. There was always a challenge with it. He asked if some employees were not working just for that facility.

Mr. Pino said in 2010, the staffs were tied to a local facility. There were three positions specific to the GCCC – a project manager, a structural specialist and an electrician. But at present there was no facility specific staff and any of them in the division could be called on to help at any of the locations.

Chair Dominguez went through the organization chart and the Committee discussed the advantages and disadvantages of having staff serve all facilities instead of only one location.

Chair Dominguez clarified the motion was to eliminate the Recreation Division Director position and use that salary for the new Parks and Recreation Department Director position and directly under the Department Director would be the GCCC, Fort Marcy/Perez, Parks and MRC.

Councilor Lindell understood it was budget neutral. Chair Dominguez agreed.

**Councilor Rivera agreed to include “budget neutral” in the motion.**

**Councilor Lindell seconded the motion and it passed by unanimous voice vote.**

- **Recreation**

**Councilor Rivera moved to approve the Recreation budget as presented along with direction from staff and the organization chart with changes as recommended for Recreation. Councilor Lindell seconded the motion and it passed by unanimous voice vote.**

It was clarified that this budget would be combined with Parks after it was considered.

- **Parks**

Mr. Gurulé said the Parks budget began on page 188. Parks had 7 vacant positions and were in process of filling them. They were seasonal employees staffed with temps. This organization chart was not accurate. The vacancies for full time included one for IPM Coordinator, one supervisor, seven CIP temps, one golf course superintendent, and one worker senior. They were all announced and he just received the list of eligible for the IPM Coordinator.

Chair Dominguez saw an expansion to two parks superintendents this year.

Ben said that was changed last year.

Chair Dominguez asked if seasonal staff didn't received benefits.

Mr. Gurulé agreed. They had been asked to do more with less and this was our best effort.

Chair Dominguez asked if the second superintendent was for SWAN Park.

Mr. Gurulé said the additional superintendent was to increase accountability. They split the city geographically in two, giving half to each of them.

Mr. Pino said it made more sense to have two superintendents. They upgraded a position that was already filled. He was making \$24 per hour and increased it to \$30 per hour. That extra money came from vacancy savings.

Chair Dominguez said this was just like the library.

Mr. Pino disagreed because the Library had no position to start with and Parks had resources and would end up with a savings.

Councilor Rivera asked Ms. Perez what the regulations and rules said about temporary employees.

Ms. Perez said once they had been employed for six months they started the PERA benefits but no eligibility for leave or health benefits at all.

Councilor Rivera understood that for the last three months of their nine-month tenure they contributed to PERA and then were let go.

Ms. Perez agreed. They started that in the last few months because they realized the City's own rule required the start of PERA benefits at six months. The PERA rules actually didn't require until nine months. So HR now asked if they were anticipated to be on payroll longer than six months. If that was the case, PERA benefits would begin immediately. If that wasn't determined, they did a double-check at six months and if they were still working, would start PERA at that time.

Councilor Rivera saw that as a pay cut after six months.

Ms. Perez said an account in their name was begun at that time.

Councilor Rivera asked if the employee later could pull out that money.

Ms. Perez said the PERA rule said non-vested employees were refunded their contributions with interest at termination. Vested members could choose to leave it in.

Councilor Trujillo asked about storage fee revenues.

Mr. Gurulé said there were no storage fees. He offered to do an inventory and who were using the storage at facilities. YAFL had used ball field at Ashbaugh for many years and he could provide the list.

**Councilor Rivera moved to approve the Parks budget and as in the previous motion to separate that budget out from Public Works to create a separate Parks and Recreation budget and with the new organization chart. Councilor Trujillo seconded the motion.**

Chair Dominguez noted last year's organization chart had an Information Coordinator position funded that was coded green, meaning it was going to be cut and not funded.

Mr. Snyder said green meant it was double-filled.

Mr. Pino explained that the MRC Manager was promoted and took her old position with her.

Chair Dominguez said he was just asking what happened to those positions.

Mr. Snyder explained it further.

**The motion passed by unanimous 3-0 vote. Councilor Rivera was not present for the vote.**

- **Facilities**

The facilities budget was presented on page 183.

Chair Dominguez had no questions except that the positions colors were wrong on the org chart.

Mr. Pino's organization chart was different than Chair Dominguez's.

Mr. Tapia apologized that the wrong ones were printed out. The organization charts during the year had not changed.

Mr. Pino agreed. They did have four custodian positions at GCCC, one at Market Station, one at Fort Marcy and one at Salvador Perez that were part of the expansion.

Councilor Rivera asked on page 184 about the operating supplies budget bump up to \$60,000.

Mr. Catanach said \$60,000 was being put back in there that previously was broken up into BARs. It at one time had been \$75,000 and now was \$60,000. It was moved from contracts or other places but we put it back every year.

It depends on what the contractors were doing that would change it.

Councilor Lindell went to page 186, for the line on salaries. It was at \$364,000 and now was at \$612,000.

Mr. Catanach couldn't answer it.

Mr. Pino didn't know what the correct numbers were.

Mr. Tapia said he would have to look at individuals and it would take some time. He offered to look at vacancies and see if that made the difference. There was a lot more salary than was being expended. The anticipated savings went down.

Mr. Snyder said the way the staff used them was not just for salaries but for other things.

**Councilor Trujillo moved to approve the Facilities budget as presented. Councilor Rivera seconded the motion including the organization chart as changed from last year and the motion passed by unanimous voice vote.**

- **Streets**

Mr. Pino said the Streets Department had a flat budget and an expansion list for replacement of things that were very old.

Chair Dominguez asked if the replacement of trucks, etc. was to cover the annexation area.

Mr. Pino said it wasn't included originally but it was to replace old vehicles. They did buy some small pickups in 2008 but needed to replace the bigger ones. During the one winter storm, six of the ten trucks were down. Because they were old, it often took about three weeks to replace parts. They hadn't purchased trucks for quite a while and needed to start doing it.

Councilor Trujillo added that the down time cost the City too.

Mr. Pino said they were talking about a fleet that was 20 to 30 years old.

Mr. Snyder agreed that was a concern of everyone. It came to mind when they were needed in the winter and then forgot about it the rest of the year. He pointed out the "no gas tax" line item and said gas

without taxes could be used for street maintenance and believed they could also use that for dump trucks and snow plow purposes. That fund now had about \$2.5 million.

Councilor Trujillo said at the Public Works Committee meeting he would like to see an assessment of what would be needed to bring them up to par.

Chair Dominguez said the gas tax was not shown on the gap sheet.

Mr. Snyder said the restrictions were quite specific.

Chair Dominguez asked if it was just for dump trucks.

Mr. Snyder said it was for anything they used for the street maintenance would qualify so that was why it didn't appear on the gap sheet.

**Councilor Rivera moved for approval of the Streets and Drainage budget as presented along with the organization chart. Councilor Lindell seconded the motion and it passed by unanimous voice vote.**

- **Traffic**

Mr. John Romero was the presenter for the Traffic budget starting on page 220.

Mr. Pino said there was nothing remarkable here but they did have an expansion request on it.

Mr. Snyder handed out new organization charts as corrected.

Chair Dominguez said he heard often from constituents about pedestrian enhancement needs. He asked how the budget equated with that operation

Mr. Romero said on their request list was a Paint Technician who could beef up crosswalks around the city.

Chair Dominguez clarified that there was no room for expanding them but were doing the best they could with what they had.

Mr. Romero agreed. According to the guidelines intersections experiencing at least 20 pedestrians per hour needed to have crosswalks as well as in school zones. Their budget allowed them to meet those federal requirements.

Councilor Trujillo said there were lots of intersections that needed to have ADA compliance and could provide a list of them for staff.

Councilor Rivera referred to page 223 and wondered why PERA contributions were almost double in

this budget.

Mr. Tapia said he would have to research that to be able to answer.

Councilor Rivera asked what kind of software they could purchase for \$500.

Mr. Romero said it was software to help their modeling at intersections. The cost was a moving target and as the year goes on, they might use it in one location. Some were easy - just put them on a spreadsheet and they were done.

Mr. Snyder said regarding his question on PERA, they already had spent \$28,000 last year

**Councilor Rivera moved to approve the Traffic budget as presented by staff including the expansion request and also the corrected organization chart. Councilor Lindell seconded the motion and it passed by unanimous voice vote.**

Regarding the expansion list, Councilor Rivera suggested a revised expansion list with revised priorities be prepared and submitted to Mr. Pino. Chair Dominguez agreed and have it prioritized by division.

- **Roadways**

Mr. Pino reported that Roadways was a flat budget as shown on page 213.

Chair Dominguez asked about expansion.

Mr. Pino said there was none.

Mr. Eric Martinez said they were doing fine. They had a little budget to update auto cad software each year. IT was done for 2012-2013 and just needed to be updated each year.

Chair Dominguez asked if they worked with IT.

Mr. Martinez agreed. They also had a little money for computer upgrades as well.

Councilor Rivera said again there was a considerably higher PERA budget. He thought it must be the same answer.

Mr. Snyder agreed.

**Councilor Rivera moved to approve the Roadways and Trails Engineering budget as presented by staff and also the organization chart. Councilor Trujillo seconded the motion and it passed by unanimous voice vote.**

## **Public Works Administration**

Mr. Pino said they had an increase for the office manager. The budget was presented on page 198.

Chair Dominguez asked if ITT was part of the Public Works budget in general.

Mr. Snyder said administration was a separate business unit.

**Councilor Trujillo moved to approve Public Works administration budget along with the organizational chart. Councilor Lindell seconded the motion and it passed by unanimous voice vote.**

## **7) Mayor's Office, City Council**

Mr. Snyder said the Mayor's Office/City Council budget was shown on page 55.

Chair Dominguez said this covered operations of Council. He asked if they had money for IT equipment because some of the Councilors didn't have laptops.

Mr. Snyder said they had \$2,000 in there would probably get one laptop. This was a pretty new budget. The mayor's office was included and anything not paid for otherwise were charged here.

There was not much there. Most of it was for salaries and supplies.

Councilor Lindell recalled Council had talked about a liaison position for Council. She wanted to see it on the expansion list.

Mr. Snyder asked if that would be four full time staff.

Chair Dominguez agreed

Chair Dominguez asked about space.

Mr. Snyder agreed that was an issue and wondered where they could find the space.

Councilor Rivera noted there was a lot of space at Market Station unutilized. I would be large enough and it would free up space here too.

Mr. Snyder said they were looking at that option.

Councilor Rivera said they might also move other departments to Market Station and free up space at City Hall.

Councilor Rivera went to the bottom of page 57 on contracts for Public Access Contract. They had a budget of \$50,000 last year but only used \$13,000. They were asking for \$88,000 and spent only \$42,000 last year.

Mr. Snyder said Mr. Tapia reported an increase in the contract. He offered to get the details on it. It could be encumbered but Tapia would report back on it. As for the Council expansion, they would have to get it from somewhere else and do it in-house. It might be funded out of CIP.

Councilor Lindell asked on page 55 what the dues for \$75,000 was for.

Ms. Valentine said some of them were for the New Mexico Municipal League. It included the Mayors' League and the League of Cities. It did not cover any conference expenses.

Councilors were surprised how high the dues were.

Councilor Rivera asked if the fraud & abuse hotline would require about \$6,000.

Mr. Snyder said it was a one-time cost and he would try to get it paid for outside of the regular budget.

**Councilor Rivera moved to approve the Mayor's Office/Council budget as presented by staff and the associated organization chart. Councilor Trujillo seconded the motion.**

Councilor Rivera asked if the new positions had been included in the org chart and what the title was of the individual in the Mayor's office.

Mr. Snyder believed the org chart had not been updated. The title of that position was Planning and Policy Administrator. It was transferred from Land Use and was reclassified.

Councilor Rivera asked if the budget came with it from Land Use.

Mr. Snyder agreed.

Councilor Lindell asked if Land Use lost a position then. Mr. Snyder agreed.

Councilor Rivera asked what the title of the new person in the City Manager's office was.

Mr. Snyder said that was the Executive Assistant and his name was Frank Cordova.

Councilor Rivera asked if that person would remain there across from Celeste. Mr. Snyder agreed for now.

Councilor Lindell, on the same point, understood the position was no longer a vacancy in Land Use.

Mr. Snyder agreed. There were other vacancies within Land Use and he was working with the Land Use Director on those vacancies.

Councilor Trujillo asked how critical that position was to Land Use.

Mr. Snyder said the functions were taken over by others.

Councilor Trujillo asked if that function would go back to Land Use.

Mr. Snyder said no.

Chair Dominguez said that meant it went from one position in the Mayor's Office to three positions.

Mr. Snyder said they went from two positions in the Mayor's Office and City Manager to three positions.

Chair Dominguez recalled Mr. Snyder had wanted to see if there could be one assistant between Mayor and City Manager but now had three people. Mr. Snyder agreed.

Councilor Rivera asked if that position was it still funded out of Land Use. Mr. Snyder agreed.

**The motion and it passed by unanimous voice vote.**

## **8) City Manager**

- **City Clerk**

Ms. Vigil stood for questions.

Chair Dominguez asked if she was comfortable with the budget.

Ms. Vigil said she did put \$85,000 into public financing in order to keep building up that fund. At present they had about \$424,000 in it. They had \$119,000 prior to election and then 600,000 by the next election so they would not be pushing at the end to put the whole amount into it.

Chair Dominguez - any reason why the fund was not in the City Attorney's office.

Mr. Snyder said it had never resided anywhere else.

Ms. Vigil said she didn't have a preference but it made sense for it to be in the City Clerk's office because she took in the contributions and she made the payouts.

Chair Dominguez asked if this money she was using for public financing was not an amount against her budget.

Ms. Vigil agreed.

Mr. Snyder also agreed. It was increased because it was being used as was required.

Councilor Lindell commented that the Clerk's staff had been very helpful to her as a new councilor to make sure that nothing fell through the cracks.

Councilor Rivera referred to page 52 regarding printing and publishing where she only used \$400 year to date but requested \$26,550 each time. He asked if that fluctuated.

Ms. Vigil said that was for microfilming and sending things like oversized documents out. She didn't believe \$400 was accurate.

Councilor Rivera said Repair of furnishing and Equipment accounted for \$20,000 spent year to date and each year they were requesting \$64,000.

Ms. Vigil believed they were behind on payments right now and the full amount would be used by year end.

Councilor Rivera the account for office supplies was for \$30,000 in the budget and only \$15,000 had been used.

Ms. Vigil said their paper, toner and other supplies were ordered up to the amount they could store and all would be used by end of the fiscal year.

Councilor Rivera went to page 54 for Mail Service at \$56,100 and year to date had used \$55,000 and bumped next year's request up to \$90,000. He asked why.

Ms. Vigil noted that postage went up by 6% this year. We have to cut purchase orders to put money in their postage meters.

Councilor Rivera asked if it couldn't be reduced because of email and computers.

Ms. Vigil said no. They did try, when staff had to send things overnight, that it was monitored and if not critical, three day ground service was chosen instead. They tried to watch that budget as much as possible.

Councilor Rivera asked if overnight postage came out of her budget.

Ms. Vigil said they used to charge it back to the requesting department but now the budget was given to her office to handle.

Councilor Rivera asked how much overnight the Clerk's office did.

Stewart said they had cut down a lot on the overnight and express deliveries and used only ground deliveries for the most part. He always made sure that had to be done that rapidly. He didn't know how many they did last year.

Councilor Rivera suggested keeping track of it.

Stewart said he was also researching last year.

Chair Dominguez left the chambers.

**Councilor Lindell moved to approve the City Clerk's budget and associated organization chart. Councilor Rivera seconded the motion and it passed by unanimous 3-0 voice vote. Chair Dominguez was not present for the vote.**

- **Internal Audit**

Mr. Snyder said the Internal Audit budget was shown on page 50. Ms. Kerr had to leave so Mr. Tapia could speak to it.

Mr. Tapia said this was the first year Internal Audit had been broken out but because of the significance of internal auditing, it was appropriate to separate it out and show added funding there. He stood for questions.

Chair Dominguez asked if that meant they were doing away with all external audits or accounted for in the budget.

Mr. Tapia said they should be making a decision on the CAFR contract this week. Lodgers' Tax paid for the Lodgers' audit and money was set aside for the Parks audit. Anything else that the City oversaw like the BDD was also included. He explained that the Lodgers' audit had not been done for several years and he expected some information on that in the findings. A lot of the ledgers were surprised by that.

Chair Dominguez asked if the audits actually produced cost savings for the City in each of these departments. There was always a question about having the findings.

Mr. Tapia appreciated that question. He thought the public deserved to know the City was doing this. The Lodgers' audit did produce revenue and all of them kept people honest.

Chair Dominguez hoped they could utilize that function.

Councilor Rivera asked if the- service contract of \$6,000 would be used. Mr. Tapia agreed.

**Councilor Rivera moved to approve the Internal Auditor budget as recommended by staff as well as the organizational chart. Councilor Trujillo seconded the motion and it passed by unanimous voice vote.**

Councilor Rivera noted Ms. Kerr was just one person and would need help. He asked Mr. Snyder when the division staff would be increased. The City kept asking her to do more and more.

Mr. Snyder agreed. Within the last month at Council she reported on a three-year plan for that. The plan was being worked on and might be monitored. Lots of work was being thrown at her so Council could add one or two positions. She had requested that or initiated a conversation. It was not on the expansion request list but we would monitor it.

Councilor Rivera thought maybe it would not be an auditor but someone to help her.

Mr. Snyder agreed. It could be an assistant or someone like that.

- **Human Resources.**

Mr. Snyder said their budget began on page 73.

Ms. Sandy Perez said several members of were staff with her as part of the process. For a quick summary, HR had 14 FTE positions and all were filled and also a Full-Time temporary employee and were expecting a part-time temp for the summer with data qualifications and work on E-1 system to make that system easier. There were about 100 city employees per HR staff member but they had two of them dedicated solely to benefits. The HR Director role also carried a case load. They had processed 233 recruitments this year on 6,467 applicants. They processed 1,316 personnel actions not including the summer actions. The focus tended to be reactive HR administration rather than proactive human capital management and they hadn't partnered as much as they would like. They would rather help keep people out of potholes rather than pulling them out. They spent lots of time re-establishing the mission and focus on the values.

She believed they were a high quality team and operating at B- and not happy with IT. Have done some minor reorg to increase flow. Pulling ourselves together as a team. We were anxious to do more and welcome opportunity to advance. With the new Mayor, they would be providing new training on personnel management.

Chair Dominguez said as a cartographer, he appreciated her arrows and symbols on the chart. He asked if EEOC was a new position.

Ms. Perez said she left that with a dotted line and it would come off. That was the position that Ray Rael held before. And when he moved over to Police Chief the personnel action left him a place to return to if he chose. At the time it was created, Mr. Rael had not yet chosen if he would retire or not.

Mr. Snyder said Ray Rael was now retired and was no longer on the books (chart).

Chair Dominguez asked if the wellness position was in Recreation and got transferred over.

Ms. Perez said the benefits program had always had the Wellness Coordinator position and its assistant. It had been located in Recreation and reported to the Division Director. After she took over as interim director, she had a conversation with the City Manager and proposed to move that position back to the benefits program because it complemented benefits. Their office was in GCCC and the Coordinator

reported to HR Benefits program.

Councilor Rivera asked if she was holding one other position.

Ms. Perez agreed. It was HR Administrator Senior on the right above the tactical transactional team. She handed out new organization charts.

Councilor Rivera asked if any of these positions were held by temporary employees.

Ms. Perez said the temp employee was an unfunded position and not shown on the org chart. The position was seated at the front desk for support of the tactical team, receiving incoming documentation, helping with the summer youth program by assembling the employee packets. (They hired about 200-300 youth for summer help.) She assisted with the recruitment, changes to Article XX for union contract. The permanent position would be an associate, not an assistant. They needed to develop a succession plan to use for the future.

Councilor Rivera asked if they were not going to hire an EEOC officer.

Ms. Perez said she was responsible for EEOC and four staff were capable of doing the investigation. And they contracted for it also. They had 3 in process right now.

Councilor Rivera asked if they could say they used the money saved from the EEOC position to fund the front desk temp as a permanent full time employee.

Ms. Perez agreed that was one possibility.

Councilor Rivera thought most departments seemed to have their own training and tuition budget.

Ms. Perez said most of the requests were very specific requests for funding of a specific educational plan. They had a policy of first come- first served. These dollars in her budget followed the requests that came in. She understood the other departments did continuing education, etc. or they come to HR first to ask for funds.

Councilor Rivera asked if on page 76 at the top about the admin fee. It appeared to be a new area being created for this FY.

Ms. Perez said the ACA had reassurance fees of \$168,000 for this fiscal year and picori fees of \$3,200. So the \$168,000 was being shown as an expense to the City although the federal law allowed ti to be shared or passed on to the employees. It was on the tally sheet for how they would fund it.

Councilor Ives said they had talked in the past about some of the challenges staff had experienced in hiring for temp positions when HR had what he would describe as 6-7 qualified individuals that HR determined had no relevant experience. He asked what she was doing to make sure those didn't occur.

Ms. Perez said over the last 8 months and in the year before that, they took a step back and looking at

the manner they were evaluating their applications. They advertised the job with predetermined qualifications that were approved and established in the job descriptions or the classification description. They received the applications on line, they were printed and in person and assembled them and then hand-ranked them by education and experience. They had industry tools to guide them and score against those requirements. Sometimes a substitution was allowed. Each section had a scoring section and a summary part.

Councilor Ives asked if they had a review process if a department objected.

Ms. Perez agreed. With a challenge the applications were assigned to a different evaluator who couldn't see the first evaluation. If they were different, the two evaluators got together to work out the differences. She was able to look up who evaluated the applicant in the past. They were also not afraid to have everyone sit around the table to talk it out. She had the final decision.

Councilor Ives asked, once a request for a position came in or an application, what metrics they used for turnaround time.

Ms. Perez said they created a tracking system and had logs and feedback loops built in every step of the way. Rosemary Mendoca made sure everyone stayed on track and if not, Ms. Mendoca would let her know. There were times to complement their time by bringing in experts from the field and if highly technical, they were not afraid to ask for help from an expert.

Councilor Ives thanked her and would meet later to learn more.

He next asked what they had in the budget for annual performance evaluations to talk about success and career path to bring them to next level.

Ms. Perez said they had some funds to manage the training for those who did the evaluation. It was a big program and an expansion. They had nothing in place to show them how to do that successfully. She thought those should be regularly reported to the City Manager and used as a standard.

Councilor Rivera moved to approve the HR budget as presented and request that on the organization chart they remove EEOC and use that salary to pay for the temp position and how much could be used for expansion request. Councilor Lindell seconded the motion and it passed by unanimous voice vote.

- **City Attorney**

Ms. Brennan presented the budget.

Chair Dominguez asked on the organization chart which attorneys were exempt.

Ms. Brennan said all of them were exempt except Mark Allen who was a senior but names didn't show on the chart. This chart was new to her.

Chair Dominguez thought he had some special title but didn't see it on here.

Ms. Brennan said his title was senior assistant city attorney and it was a classified position. It had to do with a former classified employee in HR as an assistant HR Director.

Ms. Perez explained that he left the City Attorney Office to transfer to HR to become the Assistant HR Director. Mike Carrillo was the HR Director there when Mr. Allen was the Assistant HR Director. Mr. Allen served under several different City Managers and held that position for about four years and then he was asked to go back to the City Attorney Office. He agreed but retained his classified status.

Chair Dominguez understood.

Ms. Perez said at the end of last year, City Manager Romero asked her to do the organization chart and to see if the classification structure looked sound. She compared it with other cities and Santa Fe had a one-tier structure, if not a two tier. Ms. Kelley Brennan, as the interim City Attorney was exempt either way.

Chair Dominguez said all classifications needed to be reviewed.

Ms. Perez said she and Mr. Snyder were working on that. She reviewed all city attorney staff and came up with a two tier system.

Councilor Ives went to the expansion sheet regarding the assistant city attorney position and prosecutor asked for some explanation.

Ms. Brennan said the line item was on page 49 - legal contract. They were currently contracted with an outside attorney to back up the current prosecutor for a couple of days' work per week. The current prosecutor had reached saturation in part because they hired a full-time public defender. She was doing an excellent job which meant more work for the prosecutor. Also, they expected that annexation and increased DWI enforcement to result in more cases. In the analysis, it seemed to justify a full time permanent position and terminating or allowing the contract to expire at the end of the budget year. They would use the contracts funds to help cover the cost of a full-time prosecutor position.

Councilor Rivera understood that when the Assistant City Attorney transferred he had to take a salary decrease.

Ms. Perez knew that happened that way and he agreed to it.

Councilor Rivera asked if as an Assistant City Attorney Senior, he was making less than the other Assistant City Attorney Seniors.

Ms. Perez said when she did the pay analysis at the time, she made a recommendation based on experience, tenure, quantity of work, past performance, comparison of job size and then a determination on the pay scale that had contributor zones. He was in the principal contributor zone and had a set salary in that zone. A similar analysis was done on the other Senior staff.

for it. He explained that a camera with an SD chip had to be used instead of one with videotape.

Councilor Rivera asked if they could carry over the funding again, if needed.

**Councilor Rivera moved to approve the City Manager budget as requested by staff and associated organizational chart. Councilor Trujillo seconded the motion and it passed by unanimous voice vote.**

**6. ADJOURN**

Chair Dominguez announced the Finance Committee meeting was adjourned at 5:10 p.m.

Approved by:

\_\_\_\_\_  
Carmichael Dominguez, Chair

Submitted by:

  
\_\_\_\_\_  
Carl Boaz for Carl G. Boaz, Inc.