

City of Santa Fe, New Mexico

memo

Date: December 4, 2014

To: Governing Body

Via: Brian Snyder, City Manager *BLS*

From: Sevastian E. Gurule, Constituent Services Division Director *SEG*

Re: 311 Call Center Program History and Recommendations

ITEM AND ISSUE

311 Call Center Program History and Recommendations

BACKGROUND AND SUMMARY

The overall goal of a 311 program is to serve as a crucial link between the public and the local government by providing a “one-stop shop” for all city related non-emergency services. This is done with a 311 call center. Residents, businesses and visitors seeking information on city services, programs and events or wishing to check the status of a previous service request, can call 311 and be connected directly to a live customer service representative who is highly trained and knowledgeable of all city services and events. 311 operators use information from various resources (i.e. city website, CRM computer software, other online services and a wide variety of mobile applications) to provide callers with timely, accurate and consistent information.

Cities across the country face a broad range of policy and economic challenges that impact their ability to deliver quality services to residents. At the heart of these challenges, is a lack of engagement between residents and their civic leadership / employees, inefficient processes, and a lack of accountability. As many as 75 major cities in the United States and Canada have found varying degrees of resolution to these challenges by establishing 311 call center programs.

The three-digit telephone number 311 is a special telephone number which provides access to non-emergency municipal services; it is supported in many communities in the United States and Canada. This telephone number format follows the N11 Code for a group of short, special-purpose local numbers. 311 is intended to divert routine inquiries and non-emergency constituent concerns from the 911 number which is reserved for emergency service only. For example, to report a motor vehicle accident motorists should call 911; to inquire about what is causing the major traffic congestion motorists should call 311. In addition, 311 is an easy to remember citywide toll-free number that provides immediate access to information and assistance on all city services.

Constituents interested in doing business with the city no longer have to search through a phone book to find the correct phone number for their specific request or be transferred numerous times to various city employees; there is no need to decipher which department/division/section is responsible for handling their request.

With the use of a CRM software system, 311 operators are able to log and track all requests / complaints / feedback provided by callers in a centralized system. The data collected within this system is invaluable to elected officials, managers and supervisors as it tells a constituent-reported story and identifies the performance of staff in providing city services.

The data collected can be used to track work and its progress, identify trends, identify inefficiencies, measure performance, and address systemic problems within the organization. And, more than that, when elected officials and city managers are afforded with the data collected from the CRM system, they are better able to make educated decisions on services, policies and budgets.

More than just a call center, 311 is a strategy for removing roadblocks to organizational change that can have a transformative effect on how governments serve their citizens. After implementing a 311 program in Sacramento, Reina Schwarts, Director, Department of General Services said "The migration to 311 was the vehicle for change, as budget constraints forced departments to reassess their core competencies and migrate activities best delivered through an internal shared service." <http://www.oracle.com/us/corporate/insight/insight-report-sacramento-311-171702.pdf>

Success Stories

According to Wikipedia, 311 call centers have been established in as many as 60 major American cities, with the first established in Baltimore, Md., in October 1996.

<http://en.wikipedia.org/wiki/311>

The City of Albuquerque implemented a 311 citizen call center in July 2005. In the first month of deployment, the Albuquerque 311 system received more than 45,300 calls. Leveraging training material based on PeopleSoft User Productivity Kit, Albuquerque's 35 call center operators are now able to answer 99.34 percent of calls in less than seven seconds. Less than one year after deployment, a city-sponsored survey revealed that 85 percent of citizens using the system were extremely satisfied with their experience, and 97 percent would recommend using 311 to family and friends. http://www.oracle.com/us/corporate/press/017220_EN

In April 2010, Albuquerque city officials identified that only 2% of calls to the 311 line came in after 9 p.m. and reduced the operating hours from 24 / 7 to 6 a.m. to 9 p.m. Monday through Saturday and 9 a.m. to 6 p.m. Sundays.

<http://www.cabq.gov/311/311-Information>

According to their website, the County of Los Alamos reports that in fiscal year 2011 their Customer Care Center received 59,917 calls, 55,959 in FY 2012 and 54,000 in FY 2013. Of the customer surveyed, 48 percent had contacted the 311 Customer Care Center at least once; 92 percent of calls were answered before rolling into the queue or voicemail; 88 percent of residents rated their courtesy service as either good or excellent, while 90 percent of businesses rated their courtesy service as either good or excellent; and in regard to their knowledge of services rated as either good or excellent, they received an 83 percent from residents and 87 percent from businesses. https://www.losalamosnm.us/utilities/DPU/Documents/DPU_BR130215AnnualReport2012-LowRes.pdf#Page=68

City of Santa Fe History

City of Santa Fe officials have considered implementing a 311 program before.

On February 4, 2008, a 311 presentation was made to the Finance Committee highlighting the benefits of the 311 call center program. Michael Padilla, Albuquerque's 311 Division Director, gave a power point presentation to the committee regarding Albuquerque's 311 call center program. No action was taken; please see the attached Finance Committee minutes and power point presentation.

During final review of the FY 08/09 budget (Resolution 2008-42) at the May 28, 2008, City Council meeting, the City Manager was directed to submit a plan to implement a 311 complaint system using existing staff, along the lines of Albuquerque's 311 call center program within 90 days. Please see the attached City Council minutes.

On July 16, 2008, a proposal was submitted to the July 21, 2008, Finance Committee requesting \$72,000 for one-time expenses (e.g. computers, telephones and workstations) in support of the 311 call center program in response to the City Council's direction to staff to prepare a list of projects, for review and approval, to be funded by the unexpected revenues from the May 2008 distribution of GRT and proposed reallocation of funds from the 2008 CIP. In addition, this request

was also pursuant to the direction given to staff at the May 28, 2008, City Council meeting. Unfortunately, this request was not approved. Please see the attached July 21, 2008 Finance Committee minutes and the October 29, 2008 City Council meeting minutes and packet submittals.

On August 27, 2008, Councilor Bushee introduced a resolution directing staff to implement a 311 constituent non-emergency contact center. This resolution was co-sponsored by Mayor Coss and Councilors Ortiz, Wurzbarger and Dominquez. Please see the attached draft resolution.

On September 8, 2008, a presentation was made to the Public Works Committee highlighting the following statistics as a result of an internal study:

- 610,000 phone calls were received in 2008
- 65% were for requests for information, no additional services needed
- 35% were requests that required action from city staffers
- The city has 5 hotlines
- The city has one after hours answering service contract with NM Communications

In addition to the statistics presented, the following recommendations were also proposed:

- Hiring of 12 staff members
- 24/7 hours of operation
- \$135,000 annual budget for operations

The proposed recommendations were set forth without the assistance of a consulting agency and the proposed recommendations were made in an effort to ensure all calls were answered within 30 seconds and were not transferred to another department/division and/or voicemail, thus reducing non-emergency calls to 911 regarding snow removal, potholes, frozen water services calls. A major focus would be on training (both internal and external) and on public relations. This resolution was postponed. Please see the attached Public Works committee minutes, draft implementation strategy and 2008 internal staffing and call volume study results.

It was around this time that the national economic downturn became more severe. After conversations with City Manager Galen Buller and Councilor Bushee, we recognized that the 311 call center program was in fact an important initiative that requires a considerable amount of leadership, operational and fiscal investment and an overall change to the way the city does business in order to be implemented with the greatest levels of efficiency, effectiveness and success. However, given the current economic downturn, this initiative was postponed until the economy recovered.

A Plan for Success

In order to develop an effective 311 program, there must be full support and buy-in from all levels of our organization (from the Governing Body and the City Manager to all city administrators and employees). Prior to implementation, it will be necessary to conduct a thorough internal review and analysis of all city services. The results of this analysis will allow city officials and the implementation team to develop a comprehensive proposal for a 311 program based on our city's unique services and current demands.

Suggested data to analyze includes:

- Compile a comprehensive listing of all services provided by each department/division
- Conduct a thorough review of all the city's webpages and identify any weaknesses in accuracy or accessibility
- Calculate the total number of staff members required to provide each service
- Review all existing job functions for each employee and identify redundancies
- Calculate the total number of phone calls received by department/division
 - Calculate the number of calls that are requesting information versus calls that require services
- Calculate the total number of requests for each service
- Calculate the total amount of staff time and corresponding salary spent answering phone calls
- Identify how requests from the public are being addressed and tracked
- Identify how work is assigned, tracked and performance is measured

- Identify how this information is analyzed to improve on services
- Identify how departments/divisions are communicating with the public
- Review and analyze department/division webpages
- Review existing department / division policies / procedures (if they exist)
- Identify opportunities to increase efficiencies
- Work with Ken Martinez, Director of the Santa Fe RECC
 - Identify the total number of phone calls received through 911
 - Identify the total number of non-emergency calls received geographically
 - Identify the nature of the non-emergency calls
 - Identify the total number of calls that require additional city services

Once this information is collected and analyzed, a summary report will be prepared and presented to the Governing Body for review. Said report will include implementation options. This internal analysis should take approximately 8 – 10 weeks to complete.

Without completing the internal analysis it is difficult to determine exact staffing levels and hours of operation. However, there are some known facts that are needed regardless of staffing levels. An effective 311 call center program will require competent, dedicated staff, equipment (telephones, computers, etc.), hardware and possibly software. As we are all aware, personnel are always the greatest and most costly investment. And, in the case of a 311 call center program, their competence, commitment, and dedication is absolutely crucial to a successful program. Staff should be paid a competitive salary to ensure dedication and commitment, so that they remain invested and loyal to their positions. In addition, the program will need sufficient office space to accommodate several employees, a management team, work stations, and capable of handling a large amount of telecommunication and network demand.

Thinking proactively, below are some options in preparing for program development, implementation and staffing needs.

Option 1

Prepare an RFP and hire the best qualified company to provide consulting and implementation services and assistance. 311 personnel will be made up of new FTEs.

Option 2

Prepare an RFP and hire the best qualified company to provide consulting and implementation services and assistance. 311 personnel will be made up of existing vacant FTEs, e.g. the City Manager will work with each department to identify all vacant full-time positions that will be assigned to the 311 non-emergency call center.

Option 3

Prepare an RFP and hire the best qualified company to provide consulting and implementation services and assistance. 311 personnel will be made up of existing city personnel from each department, e.g. each department will identify the best qualified employees to be assigned to the 311 call center on a full-time basis.

Option 4

Prepare an RFP and hire the best qualified company to provide consulting and implementation services and assistance. 311 personnel will be made up of borrowed, existing city personnel e.g. each department/division will lend an employee to man the call center as part of their daily assigned tasks. These employees will work part-time in the 311 call center and part-time in their assigned department/division/section.

Option 5

Prepare an RFP and hire the best qualified company to provide consulting and implementation services and assistance. Amend the existing Joint Powers Agreement with the Regional Emergency Communications Center (RECC) to provide the City of Santa Fe 311 non-emergency services.

Option 6

Prepare an RFP and hire the best qualified company to provide consulting and implementation services and assistance. Develop a partnership with Santa Fe County to provide regional 311 non-emergency services throughout Santa Fe County. Amend the existing Joint Powers Agreement with the Regional Emergency Communications Center (RECC) accordingly.

Option 7

Prepare an RFP and hire the best qualified company to provide consulting and implementation services and assistance. Outsource our 311 non-emergency service needs to Albuquerque's 311 Non-emergency Citizen Contact Center with City of Santa Fe management oversight.

REQUESTED ACTION

Request for approval to commence a thorough internal review and analysis on all city services with respect to the suggested items noted above and request approval to prepare an RFP for consulting services.

although a few things slip through the cracks. He said the Purchasing Officer and Finance Director have been good about directing people to ITT before they procure certain technology.

Chair Heldmeyer noted there will be no more Strategic Budget planning before the election, said she believes Mr. Williams is getting the tenor of what will be expected in working on the new budget. She said the Council wants the equipment to fit the task, and to include different tasks now that the technology is available – such as moving to a more paperless office, or the ability to use some of the new etools which make us more efficient in dealing with the kinds of requests that City government gets.

7. PRESENTATION ON NON-EMERGENCY 311 CALL CENTER. (SEVASTIAN GURULE)

Mr. Gurule noted that the 311 is the concept of one telephone number for all City services, which would allow the City to provide exemplary customer service, to receive call directly, to identify emergencies more quickly, dispatch services more quickly and provide more factual information to customers. He introduced Michael Padilla, President and CEO, Altivus CRM Solutions, LLC, who implemented the Albuquerque 311, for a presentation.

Mr. Padilla reviewed the materials in the packet.

Councilor Dominguez asked the difference between a “contact center start up,” and a “managed client site.”

Mr. Padilla said a “start up,” is when they come in and start the site, and then hand it to the City. A “managed site” would be built by Altivus and manage it. He noted there are four options noted in the handout – An outsource solution, managed solution, hybrid solution and consulting arrangement.

Responding to the Chair, Mr. Padilla said Albuquerque now owns, operates and manages the system after three years, and it is functioning fully and complete at this point.

Councilor Calvert asked if the costs of the system in the handout are specific to Santa Fe.

Mr. Padilla said these are worst case scenarios until they could come into the City and start analyzing the City. These are ball park figures to give you an idea of what it would take to get this up and running in Santa Fe. He said these are phased-in expenses over about five years of operating in the worst case scenario. He said the costs are based on the population, the calling area, and the complexity of the City government.

Chair Heldmeyer asked if the people at 311 are giving orders to the people in field, or talking at a higher level to people who then give orders to employees.

Mr. Padilla said it is implemented in a phased approach. In the beginning, the website is enhanced to provide the contact center with first call resolution 60-75% of the time. He said you'll never get to 100% first call resolution, because a City asset or resource needs to be deployed to fix the issue.

He said the Center constantly becomes more intelligent. As the questions are coming in, his company works with departments and division to make the website more accurate, and to know where the service and the contact center starts and stops and where it goes from there to the division. They aren't giving orders to the division, they are logging electronic work orders in a consistent manner, and in an organized fashion and instantly dropping them into work lists so they can be worked first.

Chair Heldmeyer said then 75% of the calls are for information rather than calls for service. Mr. Padilla said yes.

Responding to the Chair, Mr. Gurule said about 60% of the calls to Constituent Services in the City are for information.

Mr. Padilla said it would start at 60% when the contact center is launched, but will become greater over time. He said there are periods of the year where the first call resolution could be as high as 82%, with the balance requests for service.

Chair Heldmeyer said it is the tendency for constituents to pick up the phone and call their Councilor. She believes as the website becomes better, many will go on the website for information. She asked if this system, in a relatively short period of time, will become more obsolete because people will be using other ways to get information.

Mr. Padilla said you will be amazed at the types of calls which come through the call center. He said over time, they will implement a solution which logs requests for service on line as well. He said as the citizens become more comfortable with using web services and automated on-line tools, they will also log self service requests for assets and resources. The contact center doesn't become obsolete, because you continue to change, add, subtract and divide services over the course of the City. He said 75% will be the average once implemented.

Chair Heldmeyer said the call center reduces non-emergency calls to 911 by 17-24%, and she believes this has a safety as well as a monetary value.

Mr. Padilla said in many ways the "silly" calls don't go to 911 any more because citizens have an alternative 24/7. In addition, there are more eyes on the community, and people can report things, so crime actually decreases because there are more eyes watching what is going on, and people are more comfortable in being outside. It has been a phenomenal success in the City of Albuquerque for these two reasons.

Chair Heldmeyer said then Mr. Padilla's company offers a graded variety of services which helps cities do this, however you have a more technical presentation you can give to city managers, finance directors and such.

Mr. Padilla said he has been working with the City staff every two months for over a year on what 311 is and is not, and are at this point.

Chair Heldmeyer said she believes the Council will want to hear the pros and cons, and the relationship to current Constituent Services and the on-line services. She said the City generally likes to hire its own employees.

Mr. Padilla said the fourth option is to guide the City through the process to help to avoid mistakes.

Councilor Dominguez asked Mr. Padilla, in Albuquerque, if he saw a difference in City staff having to become more efficient because of the amount of information which was coming in.

Mr. Padilla said it completely eliminates the handoff, and it was a very painful process. He said it resulted in organizational change management, and this is another service which he can provide – to help staff understand the value of the system.

Responding to Councilor Dominguez, Mr. Padilla said, if the City decides to go with this service, he believes at the end of the day, people that work for the City will be providing real service rather than being on the phone all day, shuffling paper, and will find their position much more rewarding.

8. UPDATE ON ALTERNATIVE HOUSEHOLD HAZARDOUS WASTE PROGRAMS. (WILLIAM DeGRANDE)

Bill DeGrande presented information regarding this matter to the Committee from his Memorandum of February 4, 2008.

Chair Heldmeyer said this was requested by Councilors Wurzbarger and Calvert.

Councilor Heldmeyer asked if there are other facilities like the one in Alternative 1 in New Mexico.

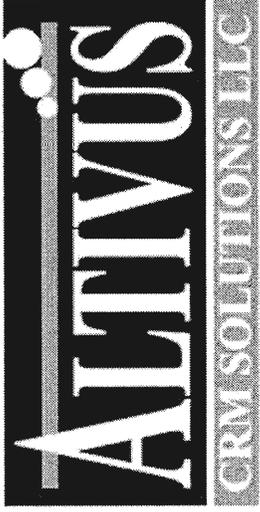
Mr. DeGrande said there are, but not on this level, reiterating that there are regulatory issues, noting that Mr. Kippenbrock would like to implement this in stages.

Councilor Calvert doesn't believe Alternative 1 is feasible because of the cost and other factors. He doesn't like Alternative 3 because it is less than what we're doing now. He said Alternative 2 seems to be the most reasonable alternative. He wants to know the cost to implement Alternative 2, versus what it costs now to do the once a year pickup.

Mr. DeGrande said last year the City spent about \$56,000, which was split according to the MOU, based on the formulas.

Councilor Calvert said the problem is when there is a once a year thing, everyone doesn't come that wants to, noting previously he had to wait in line for quite a while.

Mr. DeGrande said there was no line last year. He said if there is a permanent drop off for the major components – motor oil, paint and antifreeze – he would expect the periodic events and/or event to



World Class Contact Centers and Consulting Services

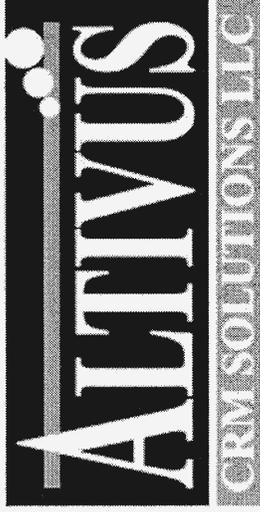
311 Citizen Contact Center presentation to City of Santa Fe Governing Body

Presented By
Altivus CRM Solutions LLC



Contents

- **About Altivus CRM Solutions LLC**
 - **311 Value Proposition**
 - **Our Solutions**
 - **Options**
 - Outsourced
 - Hybrid
 - Managed
 - Consulting
 - **Adjustable Strategic and Technical Startup Timelines**
 - **Recommended Marketing Plans**
 - **Quality of Service**
 - **Public Safety**
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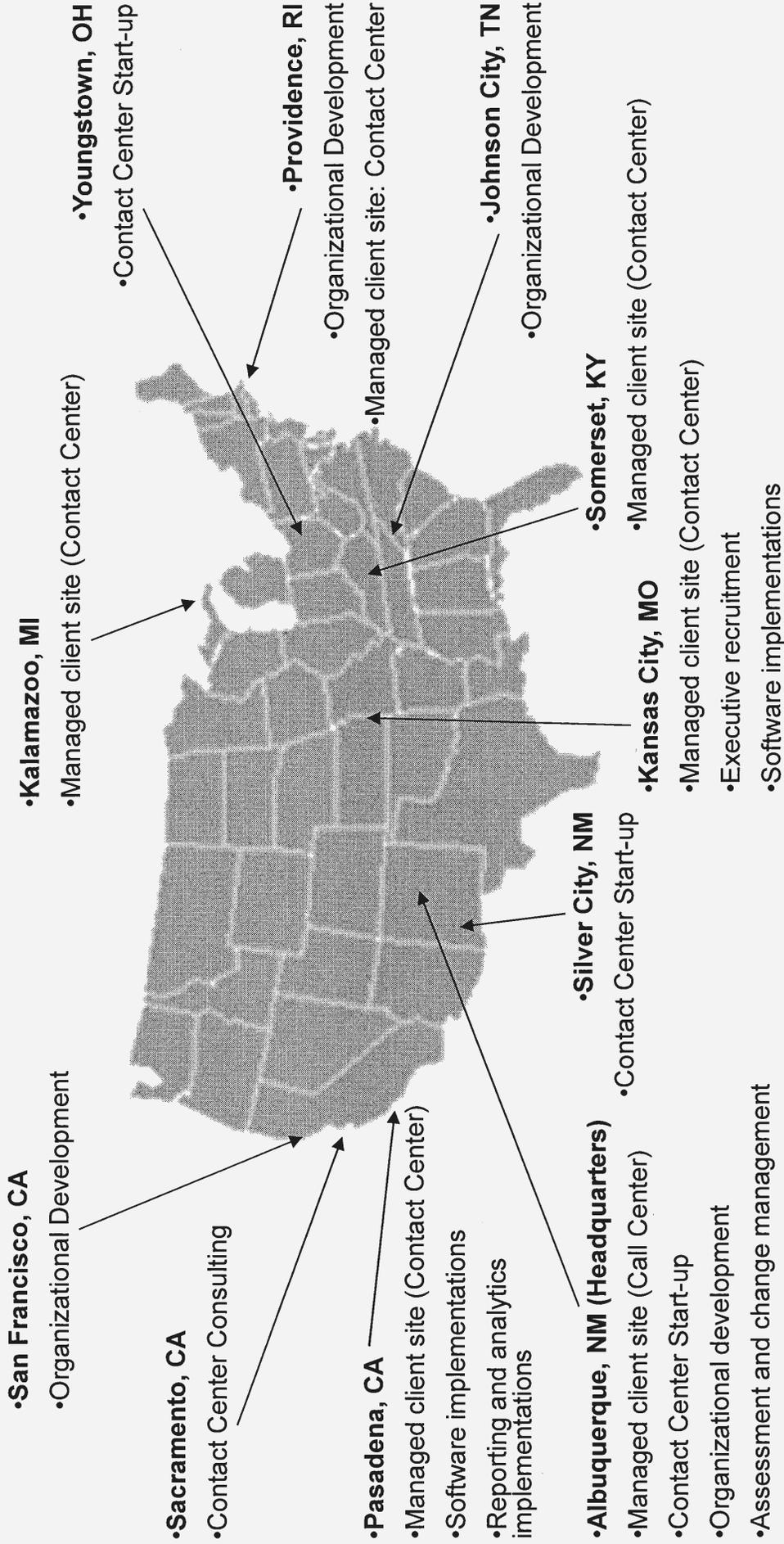


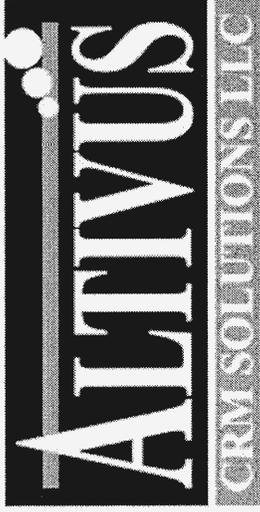
About Altivus...

- **Headquartered in Albuquerque, New Mexico.**
 - **Excellent location for higher education, airport and freeway access, and a plentiful work force.**
 - **Excellent access to bilingual work force.**
 - **Minority owned and operated.**
 - **Local colleges and technical schools provide a higher skilled labor force.**
 - **Pre-hire and initial training assessment requirements drive all hiring decisions.**
 - **Six Sigma quality tools drive process management.**
 - **Best in class technology for growing organizations.**
 - **The best and the brightest operational leadership.**
 - **Business plan includes expansion into international locations.**
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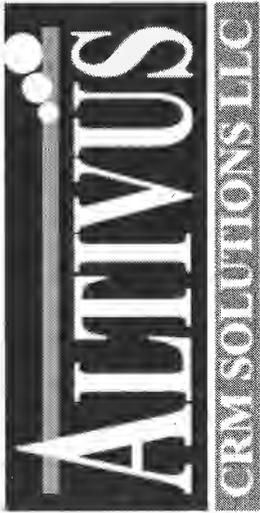
About Altivus Operations and Consulting Engagements...



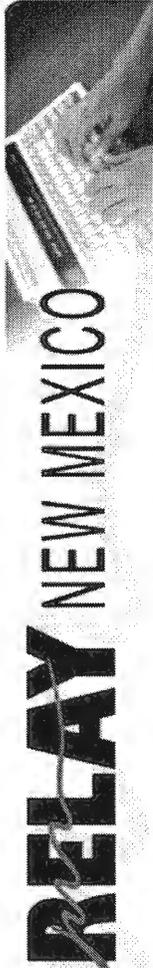


About Altivus Our Core Operating Values!

- **We will grow by partnering with organizations that believe in a quality solution for their customer care needs**
 - **Quality tools will drive all operations**
 - **Our organization will provide continuous employee development at all levels**
 - **We will always seek evolving technology solutions**
 - **We will value and recognize our employee's successes**
 - **We will build strong community relationships where we do business**
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About Altivus Some of our clients...



PERA
New Mexico
Public Employees Retirement
Association

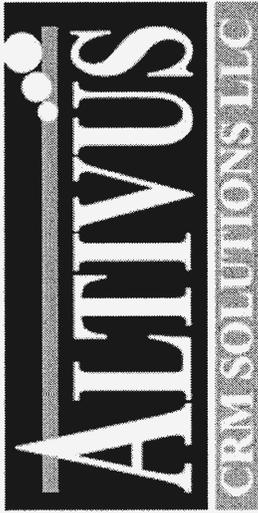




The Altivus Value Proposition

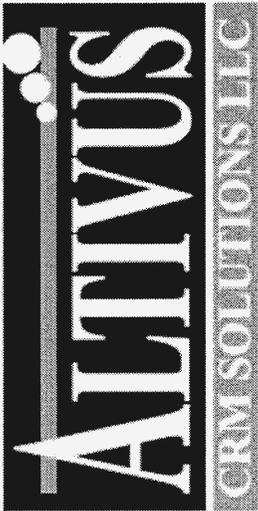
311 Citizen Contact Centers

- We have already built one of the most successful 311 Citizen Contact Centers in the nation, and consulted on five other highly successful 311 start-ups
 - Our services focus on balancing people, process, and technology
 - Our solution substantially reduces non-emergency calls to 911 by up to 24%
 - 24/7 access to city hall will reduce crime exponentially
 - We handle customer interactions so that city staff can focus on core departmental competencies
 - Our Six Sigma quality tools help drive sustainable organizational effectiveness
 - We provide an independent view of work done by departments/divisions/functions
 - Our solution delivers analytics to assist with budget and resource planning (human resources and non-human resources)
 - Our team supports your entire organization from an organizational change management perspective
 - The city will now have an improved time to launch new programs and processes
 - We provide you with unsurpassed analytics, executive summaries, and more
 - Our disaster recovery planning keeps the city functioning in tough times
 - Our multi-lingual capabilities (in most languages) makes city hall accessible to all
 - We provide customer service and soft skills training to departmental staff on an ongoing basis to help drive a branded and consistent experience for citizens
 - Our solution includes all major customer interaction channels (voice, email, chat, eCommerce, and U.S. mail response)
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The Altivus Solution A Full Suite of Services...

<p><u>CONTACT CENTERS</u></p> <ul style="list-style-type: none"> •Outsourced •Managed •Hybrid •Startup 	<p><u>CONSULTING SERVICES</u></p> <ul style="list-style-type: none"> •Assessment and Recommendation •Design and Development •Implementation and Operations •Quality Programs •Feasibility Studies •CRM (Customer Relationship Management) Implementations •Application Assessments •Requirements Facilitation •Process Improvements •Employee Development •Key Performance Indicator Enhancement •Disaster Recovery Planning •Reporting and Analytics Development
<p><u>SOLUTIONS</u></p> <ul style="list-style-type: none"> •Voice •Email •Chat •eCommerce •Inbound •Outbound •Blended 	



The Altivus Solution Contact Center Applications



Contact Center
Voice (Inbound/Outbound)
Email
Chat
eCommerce



Your Customer

<ul style="list-style-type: none"> •Self help (Web) •FAQs •Solutions 	<p>Service Requests directly to your departments with online tracking so we can report status to customer in real-time</p>
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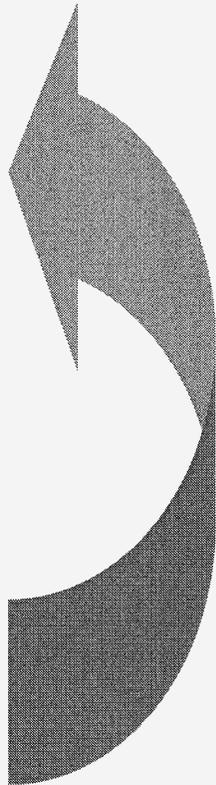
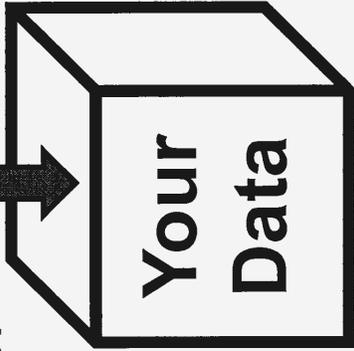
Altivus CRM Contact Manager

PeopleSoft CRM

Avaya CRM

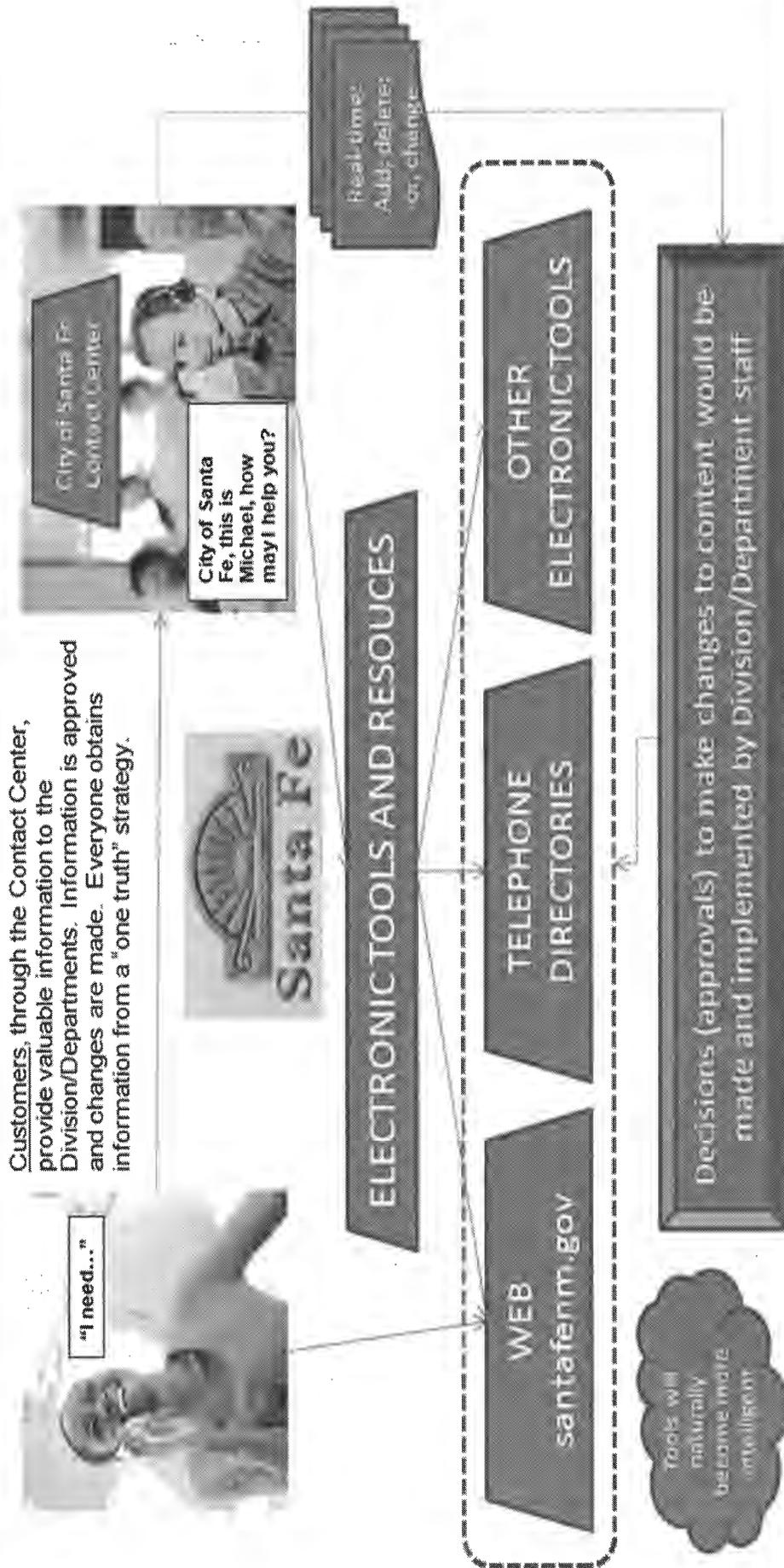
Siebel CRM

IBM CRM



CRM = Customer Relationship Management software

The Altivus Solution Designed to build customer satisfaction from every angle...





Option 1: Outsourced

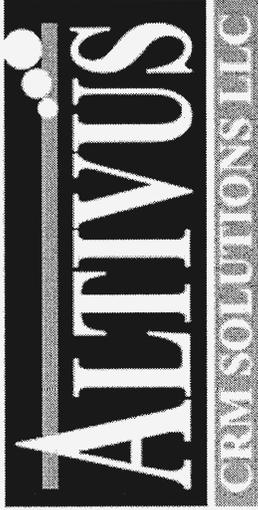
PREFERRED SOLUTION

People	14 (Management, support, and customer service agents). All employees are employed by Altivus CRM Solutions LLC.
Process	Start-up and ongoing operations in Altivus facility located in Santa Fe, New Mexico.
Technology	Voice, email, and on-line chat. All technology is Internet based (Information systems and telecommunications).
Hours of operation	Year 1: Monday – Saturday 7:00 AM – 11:00 PM Year 2-? Seven days per week 24 hours a day
Cost: Start-up	One-time start-up: \$90,000.00
Cost: Ongoing	Annual operating costs: \$895,000.00 - 1,275,000.00 Facilities, technology, and material costs are borne by Altivus CRM Solutions LLC
Terms	Net 30 (late fees of 2.5% on day 31, and every ten days there after on compounded amount). Annual increases equal to the CPI (Consumer Price Index for the preceding 12 months).
Other	Incremental increases as additional services are added. All costs are tentative until agreement is reached and ratified by both parties.



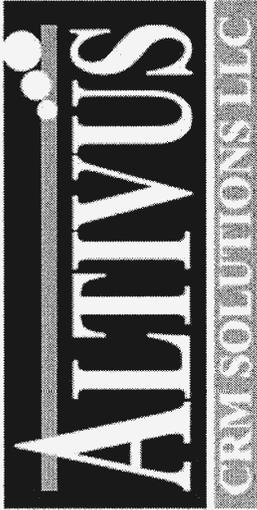
Option 2: Hybrid

People	8 (3 Consultants for start-up phase of 20 weeks; and, 5 ongoing site personnel including one site manager).
Process	Consulting services for start-up and ongoing on-site management of call center solution in Client site. Management and support employees are employed by Altivus CRM Solutions LLC. Call center agents are employed by City of Santa Fe, New Mexico.
Technology	Voice, email, and on-line chat. All technology is Internet based (Information systems and telecommunications).
Hours of operation	Year 1: Monday – Saturday 7:00 AM – 11:00 PM Year 2-? Seven days per week 24 hours a day
Cost: Start-up	One-time start-up: \$90,000.00
Cost: Ongoing	Annual operating costs: \$425,000.00 Facilities, technology, and material costs are borne by City of Santa Fe, New Mexico
Terms	Net 30 (late fees of 2.5% on day 31, and every ten days thereafter on compounded amount). Annual increases equal to the CPI (Consumer Price Index for the preceding 12 months).
Other	Incremental increases as additional services are added. All costs are tentative until agreement is reached and ratified by both parties.



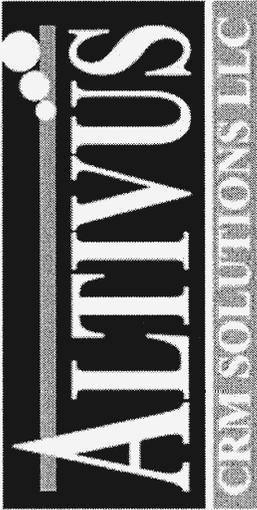
Option 3: Managed

People	14 (Management, support, and customer service agents). All employees are employed by Altivus CRM Solutions LLC.
Process	Start-up and ongoing operations in City of Santa Fe, New Mexico, facility.
Technology	Voice, email, and on-line chat. All technology is Internet based (Information systems and telecommunications).
Hours of operation	Year 1: Monday – Saturday 7:00 AM – 11:00 PM Year 2-? Seven days per week 24 hours a day
Cost: Start-up	One-time start-up: \$90,000.00
Cost: Ongoing	Annual operating costs: \$801,000.00 – \$975,000.00 Facilities, technology, and material costs are borne by City of Santa Fe, New Mexico
Terms	Net 30 (late fees of 2.5% on day 31, and every ten days there after on compounded amount). Annual increases equal to the CPI (Consumer Price Index for the preceding 12 months).



Option 4: Consulting

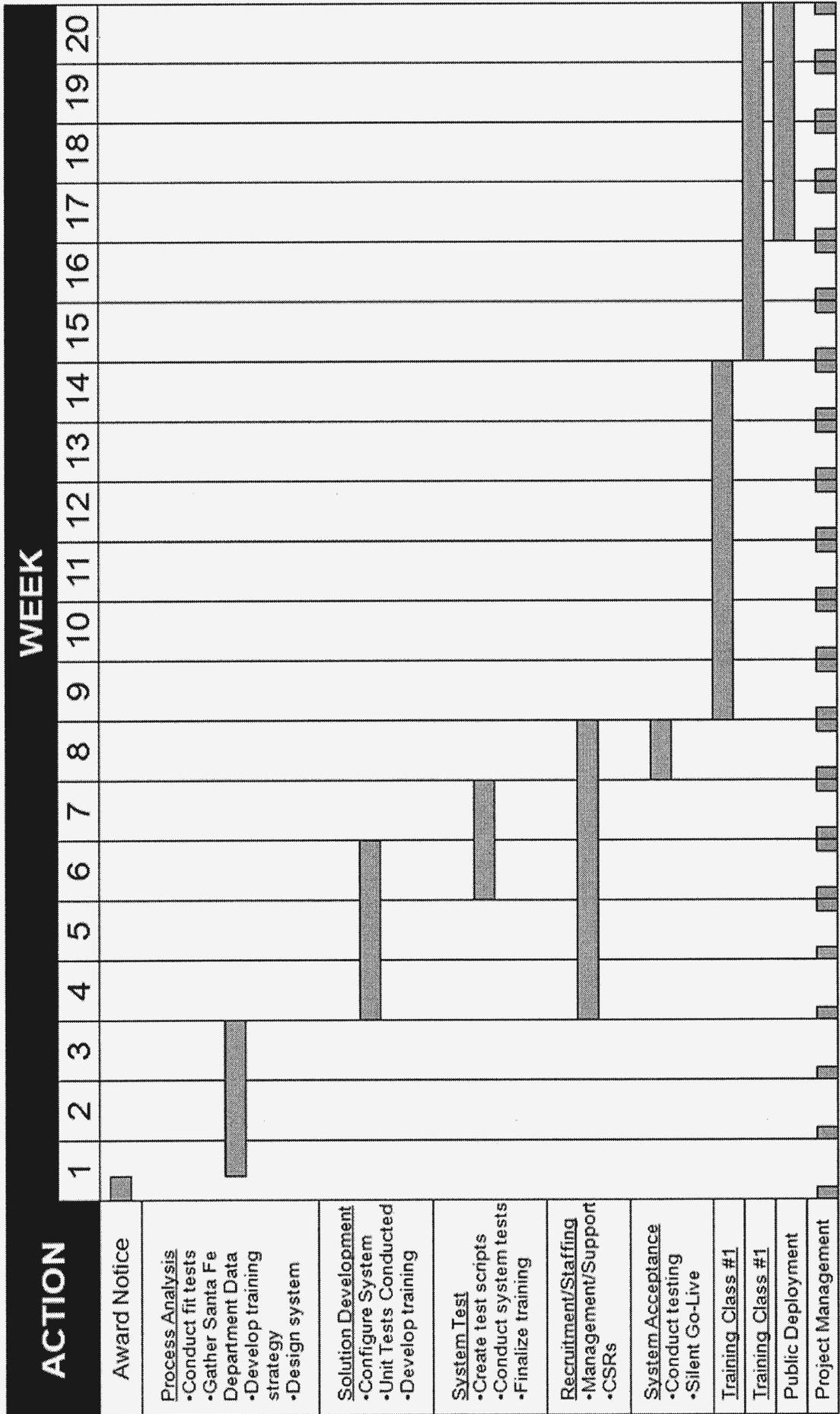
People	3 Consultants for start-up phase of 20 weeks.
Process	Consulting services for start-up of call center solution in client site. Ongoing support recommended for first 3-5 years to guide City of Santa Fe, NM through full deployment. All ongoing employees are employed and managed by City of Santa Fe, New Mexico.
Technology	Voice, email, and on-line chat. All technology is Internet based (Information systems and telecommunications).
Hours of operation	Year 1: Monday – Saturday 7:00 AM – 11:00 PM Year 2-? Seven days per week 24 hours a day
Cost: Start-up	One-time start-up: \$90,000.00 for first 20 weeks; and, \$90,000.00 for each twelve month contract extension (we recommend a 3-5 year contract for full deployment) Facilities, technology, and material costs are borne by City of Santa Fe, New Mexico
Terms	Net 30 (late fees of 2.5% on day 31, and every ten days there after on compounded amount). Annual increases equal to the CPI (Consumer Price Index for the preceding 12 months).
Other	Net 30 (late fees of 2.5% on day 31, and every ten days there after on compounded amount). Annual increases equal to the CPI (Consumer Price Index for the preceding 12 months).

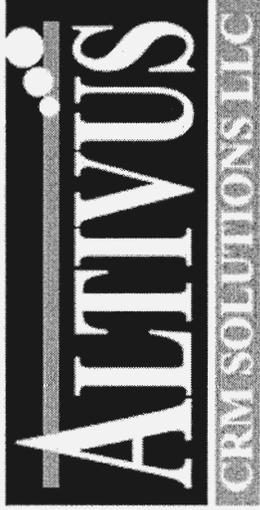


“Adjustable” Strategic Start-up timeline...

ACTION	YEAR				
	1	2	3	4	5
Launch Santa Fe 311	█				
Non-emergency city services roll-out	█				
Crime reduction initiatives	█				
Route 311 and major non-emergency numbers		█			
Route all non-emergency city telephone numbers			█		

“Adjustable” Technical Start-up timeline...





311 Marketing Plan

- Brand all materials
 - Altivus will design logo for you that is attached to all marketing material
 - Altivus will facilitate the development of a 10 Point Crime Reduction Plan
 - Contact Center pre-recorded messaging developed by Altivus.
 - “Thank you for calling the City of City of Santa Fe non-emergency service center, this is Mayor/Councilor/etc., your call is very important to us, a customer service professional will be with you momentarily”
- Grass roots public deployment
 - Community Centers, Churches, Schools, other community gathering places
 - Grand opening...First call by Mayor Coss to City Councilor, etc. to mark historic progress in City Hall
- Editorial Board hosted by Mayor/Councilors/etc. for all service launches
 - Print
 - Television
 - Radio
 - Signage
- Photo-ops for all service launches featuring Mayor/Councilors/etc., showing how easy it is to report service requests to City Hall
 - Mayor Coss and Councilor _____ stamp out graffiti (photo of Mayor Coss and Councilors painting over graffiti and asking citizens to report graffiti by calling 311)
 - Mayor Coss and Councilor _____ pull weeds to help keep neighborhoods clean and inviting, recommending that citizens report code violations by calling 311, etc.



311 Quality of Service

- Call handling
 - Branding of the City of Santa Fe
 - Soft skills usage (listening, speaking, use of regional diction, etc)
 - Checking for understanding
 - Use of empathy
 - Checking for satisfaction
 - Setting accurate expectations
- Accuracy
 - Daily audits conducted to ensure resolution accuracy
 - Feedback line available to provide feedback to 311 team
- Consistency
 - Utilization of "one truth" strategy (single source for content, information, and logging requests for service)
 - Processes built to constantly filter, update, revise, and ensure that content is current
- First call resolution
 - 75% of all calls will be resolved with one call to City Hall
 - 25% of all calls will be electronically dispatched to departments and divisions
 - For specialist resolution or to dispatch a city asset or resource to complete the request for service
- Issue tracking and resolution
 - Electronically track all requests for service through CRM (customer relationship management) application
 - Development of predefined service level agreement timelines in concert with departments and divisions
- Can add quality component to annual budgeting process
 - Documenting all requests for information and services helps track citizen and community conditions
 - Can assist city council and city staff determine needs of community, locations, and levels of services needed



311 Promotes Public Safety

311 will reduce non-emergency calls to 911 by 17-24%

- Will Improve emergency response times
- Will provide alternative communication avenues during nights/weekends when City Hall is normally closed, instead of calling 911 with non-emergency issues

311 will help keep community clean and promote out door activity

- Providing additional "eyes on the community"
- Additional "eyes on the community" will reduce crime

311 will make it easy for citizens to report activities that can lead to crime "anonymously"

- Graffiti
- Abandoned vehicles
- Weed and litter
- Suspected illegal drug activity
- Unsanitary living conditions
- Code violations
- Illegal auto sales

311 can help organize the community against crime

- "Call 311 to become crime fighting block captain"
 - Neighborhood clean up days "National Night Out Against Crime"
 - Movies in the park
 - Youth sport/activities contact center
-

Councilor Chavez moved, seconded by Councilor Romero, to approve this request.

Discussion: Councilor Chavez said, although the economic times do not look good, we do need to invest in the future of the City and in its infrastructure and facilities so we can continue to do the work we need to do.

The motion was approved on the following Roll Call vote:

For: Councilor Calvert, Councilor Chavez, Councilor Romero, Councilor Trujillo and Councilor Wurzburger.

Against: Councilor Bushee and Councilor Dominguez.

Explaining his vote: Councilor Trujillo said, although times are hard, we have to look toward the future and this is an ideal site. He said Public Works already is located there, and in time this will be the center of Santa Fe, and he believes the community will like this action.

END OF CONSENT CALENDAR DISCUSSION

10. CONSIDERATION OF RESOLUTION NO. 2008- 42. A RESOLUTION ADOPTING THE FISCAL YEAR 2008/2009 OPERATING BUDGET. (KATHRYN RAVELING)

Councilor Wurzburger thanked Galen Buller, Kathryn Raveling, and the other staff, noting this was a good process, and appreciated the way we moved forward in looking at efficiencies which provides a good basis for the future.

Councilor Wurzburger moved, seconded by Councilor Bushee, to adopt Resolution No. 2008-42.

Councilor Bushee said she has an email from Councilor Ortiz who would like to ensure two conditions of approval.

Friendly amendment: Councilor Bushee said Councilor Ortiz has asked that the budget is approved with the conditions of approval imposed by the Finance Committee. **The amendment was friendly to the maker.**

Friendly amendment: Councilor Bushee said Councilor Ortiz would like to amend the Police Department budget to provide that the Police Department positions will be funded only to mid-year, and that is contingent upon presentation and approval of a new organizational chart at Public Safety and Finance Committees within this month.

Discussion on the Friendly Amendment: Councilor Wurzburger said conceptually, the amendment sounds okay with her, and asked Mr. Buller to comment.

Mr. Buller recalls at Finance Committee, there was some discussion that we would continue to look at the issue, and as the vacancies were filled, we would compare it with the budget to be sure we didn't get ahead of ourselves because of how we were looking at funding those positions. He is unsure if the friendly amendment is saying the same thing, although it is close, but he is unsure. If it is, he has no problem.

Councilor Calvert said it is his recollection from the Finance Committee discussion, was that this was to be continually monitored, with which he has no problem. However, he said he didn't believe we wanted to make this to one point in the fiscal year, and thought we wanted to continue to monitor it throughout the year.

Councilor Wurzbarger said perhaps we could say that this is a way of continually monitoring, but there is a six month condition of approval, which she believes he mentioned to her last week.

The amendment was friendly to the maker and second.

Friendly amendment: Councilor Dominguez would like to amend the motion to include the \$223,000 allocated to the Children & Youth Division for after school care. **The amendment was friendly to the maker and second.**

Councilor Dominguez told Mr. Buller that he is looking forward to the anticipated efficiencies which he says he can produce within 30 days, specifically as those pertain to Recreation and Community Services, as well as in other departments.

Friendly amendment: Councilor Bushee said Councilor Ortiz has suggested that the staff and/or the City Manager, within 90 days, submit a plan to implement a 311 complaint system using existing staff, along the lines of the City of Albuquerque's 311 system. **The amendment was friendly to the maker and second.**

Councilor Chavez said he recalls, from the budget discussion, that the budget is being approved based on some unknowns, and because we are approving the budget with general fund position vacancy credits, we need to track that. We don't know what the impact will be to other services and programs in leaving these positions vacant. He said when we consider filling those positions, we then will need to find a source of funding those positions.

Councilor Chavez said \$150,000 was reallocated from the Deputy City Manager position, which probably has been eliminated. This is a one time reallocation. He said we will need to monitor the budget because these funds will have to be replaced in the next year.

Councilor Chavez quoting from the Memorandum, "While this plan potentially defers any property tax increase for Fiscal Year 08/09, recurring revenues of \$1.4 million would need to be identified for Fiscal Year 09/10." He said this is a pretty big gap.

Councilor Chavez said he had asked about O & M for the Southside Library, and it has gone from \$600,000 to \$849,000 annually. He asked the source of revenue for the operation and maintenance of that facility currently.

Ms. Raveling said we are using the ½% CIP increment of gross receipts tax.

Councilor Chavez said he wanted to point this out for the record, because this may not be a reliable source in the future and is competing for other revenue in other services and programs.

Councilor Chavez said he would like to highlight the budget for water in the parks – volume amount and dollar amount – to be sure we have water at the front end of the budget for the parks, especially if we are going to be investing in the Parks, Trails and other Open Space, because we need funds in place to maintain those as well as the water.

Councilor Chavez said the increase for After-School Programs is in addition to the \$1.5 million already budgeted.

Councilor Chavez sees a contradiction, because if we are depending on a vacancy credit and increasing programs and funding for programs, we need staff for these programs, otherwise they won't work. He said we can't produce the desired efficiencies if we expect staff to do double duty all of the time. He pointed out that Mr. Buller has been both City Manager and Public Utilities Director for 1½ years. He said we've approved budgets with vacancy credits and hiring freezes in the past, and it doesn't always get us where we need to go.

Councilor Chavez said we are discussing another reorganization attached to the budget, and he doesn't know how that will work. He said we should reorganize with some sort of criteria and strategic planning in mind, and not during the approval of a budget that is this critical, so he questions some of those aspects of the budget. He did support the budget at finance because we need to invest in our staff and the police department. He said Public Safety was one of top concerns during the past campaign cycle.

Councilor Chavez said Parks and Public Safety go hand-in-hand, commenting that you can't invest \$30 million in parks and then not invest in public safety and in equipment for both.

Councilor Chavez said we have other infrastructure needs which have not been met, and hopefully this will take us a step closer to where we need to go.

Councilor Bushee said, although she is not on the Finance Committee, she wants to ensure that the Red Light Program is removed from the budget, or considered separately, and that shouldn't be included in Mr. Buller's May 24th Memorandum which mentions an estimated \$50,000 for the Red Light Program. She presumes this wasn't counted as part of the budget, because this Council has not passed that program.

Mr. Buller said the money is in the budget because it is a proposed source of revenue which is now being reviewed by the Police Department to see whether this is something which can be implemented. However, they felt if the program was implemented that the \$50,000 could be found in the existing budget.

Councilor Bushee doesn't understand why he would include even an estimate for a program which has yet to be approved by the Governing Body. It is a matter of policy and process on how we do things, and she doesn't think that is appropriate. She would like that removed. The money isn't generated, nor has the program been approved by the Governing

Body. She said it is an extraordinary inclusion from her perspective.

Councilor Wurzbarger agrees on the policy point. She said any error in process was by the Committee, because the Committee gave direction to Mr. Buller to pursue all of the different ideas for funding.

Councilor Bushee noted the revenue stream could be increased by \$50,000 if the Police would strictly enforce the cell phone ordinance, which is a policy adopted by this Council.

Friendly amendment: Councilor Bushee would like to amend the motion to remove the \$50,000 for the Red Light Program from the budget.

Discussion on the friendly amendment. Councilor Wurzbarger asked Mr. Buller his guidance on removing this item from the budget.

Mr. Buller said, particularly with the gross receipts tax adjustment which is in the packet, he is more comfortable in making this a contingent source of funding, and if it comes through, then it will be part of the monitoring we discussed not to get the hiring in advance of funding. He said if the Red Light Program is adopted, it could be more than \$50,000, and it would be available and approved by this body.

Councilor Wurzbarger asked Ms. Raveling how, procedurally, this would be happening if we adopted a budget minus \$50,000.

Ms. Raveling she we do have to have a balanced budget, but the Police budget was estimated, and it can be offset.

Councilor Wurzbarger said, as a courtesy she accepts this as a friendly amendment, but in no way does this imply that we will not pursue that program as an option.

Clarification of motion with regard to Community Services: Councilor Calvert said the Finance Committee, in approving the budget, imposed a condition of approval that Community Services had to come back with a reorganization plan, and he wants to be clear that we're not saying that Community Services is being reorganized with the approval of this budget. This is a matter we can discuss, but we haven't made that decision and that decision isn't part of the budget.

Councilor Wurzbarger said this is her interpretation.

Councilor Bushee said, in his email to her, Councilor Ortiz said he will introduce a Resolution because of the lack of time to do an analysis of the recreation positions, so that isn't part of the budget.

Councilor Dominguez said part of that direction was given to address efficiencies, and not necessarily for the sake of "moving boxes around," and doing a reorganization, so more thought has to be given to any potential reorganization and there is no reorganization on the table.

Councilor Chavez said, with regard to the estimated \$50,000 for the Red Light Camera Program, this isn't the only hole in this budget. He said approving the budget on vacancy credits doesn't seem to make a lot of sense. He said the Finance Committee knew that the Red Light Program had not been finalized, but a pilot program is in place. This budget as proposed is an alternative to what the Mayor proposed. He said 1½ years ago, we began funding Public Safety with property tax. He reminded the public of a survey about two years ago asking the public if it would be comfortable with a G.O. bond which would increase property tax, and what would they be comfortable using the money for. There was general support in using it for parks and infrastructure. The third question on that survey asked if the public would support a real estate transfer tax which was also in the affirmative. He said we know we are going to have to track and monitor this budget, and \$50,000 is the estimated revenue for the Red Light Program for year one, but it could increase or decrease over time, depending on the efficiency of that program and whether it changes the driving habits of the public. The Police Department, as discussed at Public Safety, said it would do a blitz in enforcing the cell phone ban. He said this is a fallback position, and in the spirit of compromise, he believes we should leave it in the budget until we decide whether or not to do the Cell Phone program.

Councilor Wurzbarger said she already has accepted Councilor Bushee's amendment as friendly, and she wants to move this budget forward.

Councilor Chavez asked if the motion is to sever the \$50,000 from the budget.

Mayor Coss said Councilor Wurzbarger has accepted that as friendly, along with other friendly amendments, noting he has a question about one of the friendly amendments.

Councilor Chavez said then that eliminates the Red Light Program from the Police Department Budget.

Councilor Wurzbarger said yes, for the time being.

Responding to Councilor Chavez, Councilor Bushee summarized the current friendly amendments to the motion as follows: (1) approval with the conditions imposed by the Finance Committee, (2) that the Police Department positions are funded only to midyear and contingent upon presentation and approval of a new organization chart at Public Safety and Finance Committees within the month, (3) a plan for the implementation of a 311 call system with existing staff within 90 days, (4) the removal of the \$50,000 from the budget, and (5) adding the \$223,000 for the after school programs.

Councilor Chavez would like to include a 6th amendment which is the water budget and financial budget for the parks.

Councilor Wurzbarger understands this already is in the budget, as discussed previously and confirmed by Mr. Buller.

Councilor Chavez said this is part of the special conditions and amendments which are part of the amendments in the Council packet.

Councilor Chavez asked if the first amendment is a contradiction to the special conditions and amendments by the Finance Committee, because Community Services needs to come back with a reorganization.

Councilor Wurzburger said it is not, pointing out that we just spoke about that.

Councilor Chavez asked about the revised funding and hiring plan for the police positions, and the \$50,000 changes that, and if we are going to accept that condition from the Finance Committee.

Councilor Wurzburger said it has been modified and she would like to call the question on the motion as presented with the five amendments.

Councilor Wurzburger, seconded by Councilor Romero, called for the question on the motion as presented with the five friendly amendments.

Discussion: Mayor Coss said he has a question on the friendly amendment to limit the Police Department hiring to mid-year. He said he can give up the \$50,000 and a \$1.8 million program. However, what we have worked on is that we need more police in Santa Fe, and we would like for them to hire 15 more police officers this year. He said, to avoid a property tax increase of 8¢ a day, we agreed to stage this and stagger the vacancies over the whole fiscal year. He said he wants to make sure he is not hearing a condition that says that the whole 15 might go away at mid-year if we're not happy with the Chief's organizational chart. He said we have worked hard to fill the vacancies, and he wants to ensure we are going to continue to authorize our Police Department to fill vacancies. It will take all year to hire 15 officers under the current conditions and trends. He doesn't want to pass a budget that says we might just stop at mid year, commenting the Council can stop any time it wants.

Mayor Coss said he has agreed to a lot of compromises, as Councilor Ortiz said, trying to get approval to hire 15 more police officers in the next fiscal year, and he is not sure hears that language in that friendly amendment.

Revision to the previous friendly amendment: Councilor Wurzburger proposed to amend the friendly amendment that the Police Department positions are funded, and will be reviewed at mid-year with the presentation and approval of a new organization chart. She thought this was a six month review provision, rather than that they are hired for only six months. She recognizes the difficulty of hiring people only for six months. **The amendment was friendly to the second.**

Mayor Coss said they are willing to come and talk to Public Safety, Finance or the Council as often as they want, because he has a lot of confidence in this Police Department.

Councilor Bushee said Councilor Ortiz isn't here, but her understanding is that he wanted to ensure that the new officers would be put on the street and they are making a difference. She said this is the connection to an organization chart. She doesn't think anyone needs to read much more into this, and no one is trying for something different or to make less positions available. She hopes the positions can be filled within six months.

Mayor Coss said it will take about a year. He said one of the things which was adjusted was that the 15 officers would go to patrol directly on the street, but now 2 officers will be youth engagement officers which he believes will be valuable, but those won't necessarily be directly on the street and will be working with youth programs.

Councilor Bushee said the Council does have the prerogative to have a review at any time, and she believes Councilor Ortiz is emphasizing now that this is the direction that we're interested in pursuing and she agrees with that.

Councilor Wurzburger reminded the Mayor that she called for the question which was seconded, and asked how to proceed.

Mayor Coss said we can vote on the call, or she can withdraw her motion, and he will just call the question.

Councilor Wurzburger withdrew her call for the question, and Councilor Romero withdrew her second.

The motion, as amended, was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Romero, Councilor Trujillo and Councilor Wurzburger.

Against: None.

Explaining his vote: Councilor Chavez said yes, with all the amendments, especially the 6th and with further review.

Mayor Coss thanked Kathryn Raveling, Galen Buller, the Finance Committee, and City staff for a great job and a lot of work.

11. CONSIDERATION OF APPROVAL OF SECOND AMENDED AND RESTATED JOINT POWERS AGREEMENT FOR THE REGIONAL EMERGENCY CALL CENTER (RECC). (MARK BASHAM) (Postponed at the April 30, 2008 City Council Meeting). (Postponed at the May 28, 2008 City Council Meeting).

Ken Martinez, Director, Santa Fe Area RECC, said this was postponed on April 30, 2008, until it could be heard by the Public Safety Committee. It was heard by the Public Safety Committee on May 20, 2008, and with the changes proposed by Mr. Katz, the Committee approved it to be moved forward to the City Council for approval. He noted a copy of the Public Safety Committee meeting minutes of May 20th are included in the packet. He said those minutes note the change by Mr. Katz on page 5 of the agreement as follows: "A majority of the members of the Board of Directors should constitute a quorum, and majority vote of members present shall decide any issues, except capital expenditures over \$100,000, which shall require an affirmative vote of three-quarters of the full board." He said the portion which was removed by Mr. Katz, pertains to the release of any funds which were kept by the City to the County upon the approval this JPA. These changes come before this Council for approval.

- 27. REQUEST FOR APPROVAL OF PROCUREMENT UNDER FEDERAL PRICE AGREEMENT – DIGITAL VIDEO SYSTEMS FOR WASTEWATER AND STORM WATER DIVISIONS; COBRA TECHNOLOGIES. (COSTY KASSISIEH)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – PROJECT FUND.
- 28. REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT – SANTA FE BROWN BASE COURSE FOR STREETS & DRAINAGE DIVISION; SANTA FE CLASSIC ROCK. (DAVID CATANACH)
- 29. REQUEST FOR APPROVAL OF DONATION – TWO (2) STREET SWEEPERS TO NEW MEXICO ARMY NATIONAL GUARD. (ROBERT RODARTE)
- 30. REQUEST FOR APPROVAL OF 5-YEAR CONSOLIDATED PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG). (MELISA COLLETT)
- 31. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FOURTH QUARTER (YEAR-END) BUDGET ADJUSTMENTS FOR FISCAL YEAR 2007/2008. (CAL PROBASCO)
- 32. REQUEST FOR APPROVAL OF COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2007. (TERESITA GARCIA)

5. APPROVAL OF MINUTES: JUNE 30, 2008.

MOTION: Councilor Dominguez moved, seconded by Councilor Calvert, to approve the minutes of the meeting of June 30, 2008, as presented.

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

The Finance Committee Meeting was recessed at 5:30 p.m., to reconvene after the Special Study Session.

SPECIAL STUDY SESSION

The Special Study Session was called to order at approximately 5:30 p.m., with all Committee Members and City Councilors in attendance, as noted above.

- 6. **DISCUSSION OF POTENTIAL USES OF UNANTICIPATED REVENUES FROM MAY 2008 DISTRIBUTION OF GROSS RECEIPTS TAX AND PROPOSED REALLOCATION OF FUNDS FROM THE 2008 CIP. (DAVID MILLICAN)**

A copy of updated packet pages 2 and 3 "Non-Profit Requests for City GRT Allocation," is incorporated herewith to these minutes as Exhibit "1."

A copy of a forwarded email from Anji Estrellas dated July 21, 2008, to David N. Millican from Galen M. Buller, regarding Suggestion regarding City grant money, is incorporated herewith to these minutes as Exhibit "2."

A Memorandum dated July 21, 2008, to Rebecca Wurzburger, Councilor and Mayor Pro Tem, from Sabrina Pratt, Arts Commission Director, is incorporated herewith to these minutes as Exhibit "3."

Mr. Millican described the contents of the Committee packet. He noted the deadline for submission was extended by 3½ days to accommodate proposals from departments and non-profits. As a result, there hasn't been a lot of analysis of the information submitted.

Mr. Millican presented information from his Memorandum of July 17, 2008, which is in the Committee packet. He noted he has received about \$19 million in requests for these funds – \$12 million from staff departments and, roughly, \$7 million from nonprofit organizations.

Chair Ortiz asked Mr. Buller to describe the process used by the City departments to come up with \$12 million in requests, and asked if all departments were invited to submit a wish list, or was there some sort of ranking or prioritization.

Mr. Buller said the process was set out by the Finance Department. He said invitations were sent out, and there was a note that said they needed to tie the requests to prior policy decisions of this body, but generally they were given *carte blanche* within that context for requests. He asked Mr. Millican to speak about the email that went out.

Mr. Millican said, unfortunately, the structure of the study session was not finalized until late in the process, so as soon as they knew the process they made sure the departments knew there might be a chance to have proposals considered by the Council in establishing priorities for this funding. He said, given the short time frame, and that people had to put proposals together quickly, there was not much analysis. So, there has not been a staff level rating process, nor has there been an establishment of a set of priorities and criteria with which to create that process. He said the Council might want to provide direction to staff in this regard in the course of this study session.

Chair Ortiz said his goal for the study session is first to have discussion on some of the smaller funds and the allocations, and the Council's wishes for those. He believes it then would be prudent to have a discussion at a conceptual level as to how much, if any, of these funds we would like to release to the public and how much we want to keep for contingency. After that discussion, we could have a tiered ranking of some of the proposals, or select the top three proposals.

Councilor Wurzburger said she doesn't like it when we raise false expectations, and she feels this has happened. She said her personal opinion is to first deal with the broad issue of what we want to set aside, and then spend time determining the criteria for allocation of these funds, if any.

Responding to Councilor Chavez, Mr. Millican said there are \$2.8 million in discretionary funds – \$2.1 for any purpose and \$636,000 for capital projects from the ½ % CIP tax.

Councilor Chavez asked if the capital projects would be for one time funding.

Mr. Millican said it could be, noting the legal restriction is that it must be spent for capital projects or for the operation and maintenance of projects built with those funds.

Councilor Chavez said the Southside library still needs additional operation and maintenance funds, and asked about allocating funds for that purpose from CIP funds.

Mr. Millican said he hasn't completely analyzed all of the operating and maintenance costs charged to that fund.

Councilor Chavez believes we would have considered that as a priority to consider increasing the funding in that area.

Councilor Calvert agrees with the Chair – take care of the smaller items, set aside a reserve, see what we have left and then work on that with criteria we would establish.

Responding to Councilor Dominguez, Chair Ortiz said those items on page 3 which have a specific allocation and generally are of a smaller amount than the available funds are considered to be the smaller items.

Councilor Bushee said this is perhaps unorthodox. She said this is a “feeding frenzy” of sorts. She said when we do the CIP bond, we know the amount, what projects are in the pipeline, whether it is a *bona fide* nonprofit, or a project staff has been trying to get done and such. She said, faced with this, she is inclined to put the whole thing in reserve until we have a plan.

Chair Ortiz asked if the Councilors have questions or priorities to discuss on any of the smaller pots of money – any of the funds except for the CIP or general City operation line items on page 3.

Councilor Dominguez asked, in terms of next steps, if what comes from this meeting could be discussed at another Finance Committee meeting before going to Council.

Chair Ortiz said that can be done. If the Committee decided to take action tonight it could be done. However, if the Committee wanted to develop a process for developing a contingency plan for some or all of the funds, it could recommend that, or send it to staff for a winnowing process.

Councilor Dominguez asked if there are time constraints with regard to spending these funds.

Mr. Millican said no, there is no urgency to spend these funds.

Chair Ortiz said then this could be a long term process, or a short term process, or whatever we decide it will be.

Councilor Bushee asked if any portion of the \$2.8 million would be an ongoing revenue stream.

Chair Ortiz said none of these funds are ongoing.

Mr. Millican said the adjustments required by the errors have been made, and this is a one time transfer of money from the State to the City.

Councilor Bushee asked if that criterion was given to those requesting funds, noting there are many proposals which aren't for one-time funding.

Mr. Millican said he indicated that the staff recommendation would be to focus on one-time items because there is no recurring funding, and almost everything combines both one-time elements and ongoing operational support.

Councilor Bushee said there is a little restraint at budget time, but this is a wish list. This doesn't give her anything to go on with regard to what is considered an absolute priority. She said there are things which she would consider a priority or an emergency. She said she can't expect the economy to be "swinging along," and she is inclined to take very small bites from this money, if any, and then develop a plan as to how to proceed. She said there is a lot in the pipeline and we haven't decided how to pay for them. This seems like a difficult process to do tonight.

Chair Ortiz said he believes it would be an impossible task, given the number and dollar amount of requests, if we had a deadline. However, he reminded the committee this is our first step, and this could be the first step in a multi-step process.

Responding to Councilor Romero, Chair Ortiz said all of these funds could be allocated through a process, because these are all non-recurring funds. He said it is up to the Governing Body to determine the process to establish priorities and level of funding.

Councilor Chavez asked again if operation and maintenance funds for the Southside library are factored into the \$636,000 for the CIP fund.

Mr. Millican again said no, those one-time funds are to be allocated by the Governing Body. Responding to Councilor Chavez, Mr. Millican said he doesn't know how much is allocated for O & M for the Southside library, and he will get back to him with that number.

Councilor Chavez would like to leave that discussion open, and leave a placeholder for the additional funds needed for the O & M for the Southside library.

Councilor Trujillo asked about the Resolution for the \$1.6 million and asked if that is included in these funds.

Mr. Millican said it was decided to put that Resolution into the discussion to broaden its perspective in allocating these funds, but those funds don't depend on these funds and is another pot of funding altogether.

Chair Ortiz said then the \$1.6 million, added to the \$636,000, gives about \$2.2 million in CIP funds to spend.

Mr. Millican said it does, if you substitute the funding from the park bonds and didn't spend it for streets, those funds would be available for other purposes.

Chair Ortiz said this went through Committee, and it was recommended to reallocate some of the parks funds for road and other improvements. That \$1.6 million is wholly independent of this additional increment.

Councilor Trujillo said he believes we need to put some of this windfall money away, because we don't know what is going to happen with the economy. He said we have started a lot of projects which need to be finished. We need to look at all of these issues. He sees a lot of proposals from nonprofits, noting the City already has given a lot of money to these people.

MOTION: Councilor Calvert moved, seconded by Councilor Chavez, to set aside \$1 million of the \$2.8 in reserve, in consideration, for example, that there might be a downturn in GRT or a further increase in fuel costs.

DISCUSSION: Chair Ortiz noted that would set aside about 35% of the total windfall in reserve.

Councilor Romero said she also is hearing there could be some criteria that the remaining funds are to be used for projects already started.

Councilor Chavez asked Mr. Millican if he did an across the board analysis on increased fuel costs for the City, as well as the cost to heat and cool City facilities, and asked Councilor Calvert what he had in mind.

Chair Ortiz said as he heard the proposal, we will be setting aside \$1 million for reserve, and no particular use was identified.

Councilor Chavez said then the motion didn't mention fuel costs.

Councilor Calvert said it was mentioned as a possibility, and doesn't have to be part of the motion. He said there could be any number of reasons for the reserve, some of which could be an economic downturn or increasing fuel costs which wouldn't be covered by some of the other requests already on the list.

Chair Ortiz said it is a true "rainy day" fund.

Responding to Councilor Chavez, Mr. Millican said his recommendation is on page 217 of the packet, noting it was discussed with the City Manager. He said his recommendation is conservative – that we hold

this amount in reserve and program it in connection with the annual budget process in the Spring. He noted a number of requests weren't submitted which are remodeling and capital projects which will need additional funds in the future. He said the Council and the Committee certainly can make other choices.

Councilor Chavez noted there is a Memorandum on fuel and energy costs.

Mr. Millican said it is estimated that the additional fuel and energy costs this year would be \$450,000, but that could be higher, depending on what happens by the end of the year. He said the heating and cooling costs are estimated to increase by about 30% and that is part of the \$450,000.

Responding to Councilor Chavez, Chair Ortiz said the figures on page 3 are the different increments which are dedicated to particular funds, but there are no projects or funding requests.

Responding to Councilor Chavez, Mr. Millican said the Railyard funds are being used for debt service at the Railyard and as supplement to parks maintenance for that facility.

FRIENDLY AMENDMENT: Councilor Bushee would like to amend the motion to place \$2 million in reserve. **The amendment was not friendly to the maker.**

MOTION TO AMEND: Councilor Bushee moved, seconded by Councilor Chavez for purposes of discussion, to amend the motion to place \$2 million in reserve.

DISCUSSION ON THE MOTION TO AMEND: Councilor Chavez would like to be more specific in some of the categories because we know where the impact will be the greatest. He would like to agree to identify a top tier to speak to fuel costs and other expenditures.

Councilor Bushee said her motion is that the money be placed in reserves until we have established priorities, depending on where the GRT is going.

Councilor Chavez would like to limit the funding in the "rainy day" fund to certain areas, but doesn't want to do that in this meeting, but would like to set some narrow parameters in the near future for the larger amount.

Councilor Bushee said some of the staff could have shown more restraint, and she would have hoped staff the City Manager and Finance Director would have had the chance to winnow out unrealistic requests. She sees some small requests which could be funded from CIP reallocation. She said, for example, there is a request for \$72,000 for a 311 system which could be done and which we have requested. She sees only a few nonprofit requests with an urgency due to time, but the majority seem to be for ongoing operations which have a need. She doesn't want to see the list broken out in "pet projects," and if it doesn't have traction, it shouldn't be on this list. She said this money doesn't have to be spent tomorrow, and we should restrain ourselves a little bit and look to the future. She said without a process, we're stuck here tonight. She suggests that we should have a really decent size reserve for the rainy day projects and/or needs we're unsure of right now.

EXPLANATION OF THE MOTION TO AMEND. Chair Ortiz said the motion is whether to increase the amount proposed for reserve from \$1 million to \$2 million from the \$2.8 million.

Councillor Trujillo asked the amount budgeted for fuel is underestimated in the FY 2008/2009 requests.

Mr. Millican said the pricing level was set in January/February 2008. He reiterated that it is estimated there will be a shortfall of \$450,000 for fuel and energy costs. He said a big spike in electricity is not anticipated because the electrical sources are powered by coal adjacent to the plant supplying most of the electricity.

Councilor Dominguez said the responsible thing would be to put part of the windfall in reserve, but he is concerned about the amount proposed. He is concerned about projects which haven't been started and need to be done from a safety perspective. He said we do have a process to some degree as to how to spend this money, and that is through the Committee process. He believes there is a need for some of the requests, specifically the Airport Road safety improvements. He hopes as we move forward that we don't jeopardize some of the safety issues which he believes are critical, especially along the Airport Road corridor. He said the request won't cover the complete cost of that project, and he admits it is a project in District 3, but it is an important project from his perspective. He said he will vote against this motion.

FRIENDLY AMENDMENT: Councilor Romero suggested, as a compromise, to amend the motion to put \$1.5 million in reserve. **The amendment was friendly to the maker and second.**

Councilor Wurzbarger said she is supportive of this, but in terms of process she doesn't believe that leaves the balance to be spent right now. She would like this Committee to thoughtfully develop the criteria this evening. She said in facing a recession you look at ways to either keep or enhance your capital. She believes we need to be doing things in the City we haven't done previously to try to get more money into the City. She said since we don't have to spend the money right away, we might prepare a list which we don't implement for six months until we see what really happens. She would like a criterion that funds allocated to a project would bring additional funds to the community or allocated to projects we haven't been able to do, which we think will make a difference. She said, given this, she would be supportive of a reserve of \$1.5 million.

Councilor Chavez believes an increase in fuel costs should be a part of the motion, observing it makes sense to have a reserve.

EXPLANATION OF THE MOTION ON THE FLOOR: Chair Ortiz explained that the motion on the floor is, out of the \$2.85 million available, to set aside \$1.5 million into a reserve fund for purposes and uses still to be defined and still to be identified.

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

Chair Ortiz said we can now talk about spending the balance, or we can talk about the priorities which would apply to all of the funds, or we can talk about the next largest chunk which is the CIP fund.

Councilor Bushee suggested that we first develop criteria for both sets of funding. She would like

to start by suggesting that staff take the time to do research to provide us with the status of nonprofits. She would like a criterion that nonprofit requests must be from a valid 501(c)(3) to be considered for this one-time funding, and for profits would not qualify for funding. She said another criterion is that it needs to be a request for one time funding, noting this is for City and non-profit requests as well. She would like the City Manager and the Finance Director to prioritize the list, such as what is done for budget, and if it can't be built and finished within two years, don't put it on the list.

Councilor Bushee said with regard to the \$1.6 million, we need to see that back in Committee, and it needs to follow the criteria we already use for CIP. She noted that this isn't a complete list because it doesn't contain all of the projects that have been in the works for a long time and those needed to be reviewed comprehensively.

Chair Ortiz said then staff is charged with a rigorous winnowing of all of the projects and bringing back a different list, not a wish list.

Councilor Wurzbarger said she doesn't want to see a project list at this point for these funds. She would like the Finance Committee and the City Council to have a substantive discussion on what criteria we want to apply to be eligible for the funding. She said, for example, we would prefer, as a criterion, something which possibly can produce income to the City in this year. Another criterion would be something for which \$10,000 to \$20,000 would make a marginal difference in trying something brand new and provides a new service. She said service is a secondary objective to trying to deal with the economic issues we face as a City.

Councilor Ortiz said he understands the criterion that any request must produce revenue. However, he would like her to define "marginal difference," noting every request could have a rationale or justification that it could make a "marginal difference."

Councilor Wurzbarger said "marginal difference," means providing funds, for example, to a 501(c)(3) where there is a gap in state, county and federal funding, and it would go out of business in the next two months.

Chair Ortiz said that is an extreme example of marginal difference, but he wants more clarity for this criterion.

Councilor Wurzbarger said she is brainstorming and it's not clear yet.

Chair Ortiz asked if it is stop gap funding.

Councilor Wurzbarger said it is, noting so far she's not hearing criteria which will help us make policy choices, except that we would use the priorities in terms of the Resolutions – if we've already decided we're going to do it, we're going to do it.

Councilor Dominguez said one of his priorities is public safety. He would like to look at the equity issue as well. He said every major road in every district has been worked on and improved to provide that

safety, and he wants to get some of the funds to do that along Airport Road. He wants to talk about the priorities and the criteria, saying these projects deserve some critique as to whether they should get some of the funds.

Councilor Romero said she hopes we don't go down the path of specific projects. She said ongoing projects could be a criterion, and leveragable projects could be a new criterion where the state or feds could provide funding.

Councilor Trujillo said a criterion would be that it would be something which benefits the community – fire, police, things of public safety.

Chair Ortiz asked Councilor Trujillo, in terms of benefit, if he is talking about a larger social benefit, or is the benefit in the context of safety to the community

Councilor Trujillo said in terms of safety to the community.

Councilor Calvert said, with regard to safety, he wants to make sure it isn't just public safety, and could be road improvements. He said we should have some criteria to approve things which help people in the community whether it is the downturn in the economy, or the increase in fuel costs.

Chair Ortiz said then you are broadening the definition of safety to include things other than police and fire, as well as saying it should have social benefit, some good Samaritan aspect.

Councilor Calvert said we need to keep in mind the criteria/value we placed in doing strategic planning. We need to look at priorities we have already established as a part of this process.

Councilor Wurzbarger said her position on safety and security is, if we're not economically secure in the City then we can't have all these other things. It goes together for her. She is very concerned about doing things carefully and doing things that can try to get money in the City.

Councilor Ortiz summarized the suggestions for criteria/priority for requests, as follows:

1. A Direction to staff for a ranking prioritization from staff on City projects which is similar to or follows the CIP process;
2. A strict rule that only legitimate 501(c)(3) nonprofit status can apply for funds;
3. The request must be for one-time, non-recurring funding;
4. The ideas that come forward must have some income producing effect and therefore must have some ability to generate gross receipts revenue within one year;
5. The request must be some sort of stopgap measure that has some kind of immediacy or emergency to the request for funding;
6. There must be a safety component to the criteria, and safety is defined in a large context and isn't just about police and fire, but must be for safety, either for the public or for the community at large;

7. There must be the ability to ascertain whether or not a request can leverage other kinds of dollars;
8. There must be some kind of social benefit to a proposal that comes forward; and
9. The request must incorporate the strategic planning ideas that we've recommended.

Chair Ortiz asked Councilors if this list is correct, and if there are items they would like removed from the list.

Councilor Bushee asked what is economic benefit, noting 1/4 of the economy is in creativity and arts, and almost everything has an economic benefit.

Councilor Wurzburger said the criterion is that it results in revenue which will bring gross receipts taxes back to the City within a year.

Councilor Bushee said she has heartburn in the narrowness of the criteria in that it must result in funds within one year. She doesn't want new nonprofits, and wants them to have some sort of track record, have received money from the City and have some sort of traction.

Chair Ortiz said the idea of limiting funding to legitimate 501(c)(3) organizations, is Councilor Bushee's idea, and asked if she wants to further clarify that.

Councilor Chavez said he wants to be sure that safety will include improved streets in Santa Fe on a City-wide basis.

Councilor Wurzburger said we should also consider a criterion that the City is the only one that can do it.

Chair Ortiz asked if she is limiting her focus only to City-initiated projects.

Councilor Wurzburger said no. She said all projects won't meet each and every criterion, so this is another screen we could look at which might be worthwhile.

Chair Ortiz said that dovetails with Councilor Bushee's suggestion for nonprofits, in terms of a track record with the City, and having gone through the City process.

[Councilor Dominguez's remarks here are inaudible.] Councilor Dominguez asked about relatively new 501(c)(3)'s, which are the result of a City Committee.

Chair Ortiz presumes these would be under the same screen.

Councilor Wurzburger said perhaps another criterion would be to fund something that just needs a little funding to get it completed.

Chair Ortiz said that is a subset of her idea on stopgap funding criteria.

Councilor Bushee said she hopes staff will come back with their idea of priorities based on our strategic planning efforts.

Chair Ortiz said this is definitely one of the first steps that has to happen, especially on the City projects.

Councilor Chavez noted a Memo in the packet which mentions two other proposals – allocating funds for public financing and some funding for solar.

Chair Ortiz believes public financing would qualify under two criteria, but pointed out that recurring funding would be needed under the approved Charter Amendment, although staff does need to do some study and analysis on that.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to accept the criteria as summarized by Chair Ortiz as the basis of directing staff to develop a priority list for funding for the remaining funds, which would not be implemented until we are further in the fiscal year.

DISCUSSION: Councilor Bushee asked the proposed timeline, and how the Committee process will operate.

Councilor Wurzbarger would like the information within two months.

Councilor Bushee said if it is related to the Railyard, it might be too late.

Councilor Wurzbarger said then within one month.

[Someone] said that also would be too late.

Responding to the Chair, Mr. Buller said it will be necessary to assemble senior staff to go through the screening process because each one has an area of expertise in one or more of the criteria. He doesn't think that can happen in one month, and Mr. Millican has just agreed. He said they believe it will take 6-8 weeks.

Chair Ortiz said the Finance Director and the City Manager have known that we had this additional money since May, and this isn't a new thing for staff. He can understand the perplexity the Community may have for coming up with this in a shorter time.

Responding to the Chair, Mr. Millican said staff can come up with priorities in 2 months, but it is the recommended funding plan which may take more time, because they need to look at these in more detail.

Mr. Buller pointed out that the staff did not have the opportunity to look at the not-for profit proposal until Friday.

Chair Ortiz said staff has said they can't get this done any earlier than six weeks, and recommends two months.

Councilor Wurzburger said she is fine with six weeks, because her position is that the balance of funds necessarily won't be spent. She said what happens in the next four months will make a difference, and would like that to be part of the motion.

AMENDED MOTION: Councilor Wurzburger moved, seconded by Councilor Dominguez, to accept the criteria as summarized by Chair Ortiz as the basis of directing staff to develop a priority list for funding for the remaining funds, which would not be implemented until we are further in the fiscal year, to be presented at the first Committee meeting of the Finance Committee on September 15, 2008, which would be a special City Council meeting.

DISCUSSION: Mr. Millican noted the deadline for the agenda would be September 5, 2008, which is six weeks.

Responding to Councilor Bushee, Chair Ortiz said it would be a Special City Council meeting.

Councilor Chavez said there is a gray area on the list, because there are two which aren't nonprofits, which are City funded. He said once the TPL is done with the Railyard Park, the City will be responsible for the bulk of the maintenance on that Park. He suggested a separate list showing the City's responsibility once a project is completed.

Chair Ortiz said that sounds like a suggestion to reopen a criterion, which is that these are specifically for non-recurring items, and what he is suggesting is most definitely a recurring item.

Councilor Chavez said it would be a project that has been started and it is a City project, noting there seems to be some blurring of the list, and we could have a separate list.

Councilor Wurzburger said she wants to stay with the principle that this is a "windfall" and a one time opportunity to spend this money and we shouldn't commit ourselves to anything on a recurring basis with an income stream which is nonrecurring.

Chair Ortiz said he hears no further support for the separate list.

Councilor Dominguez asked if the City could provide a more complete list with all of the City projects, their funding, and perhaps a five-year analysis of funding to them.

Mr. Millican said they will do significantly more analysis of backgrounding and other funding sources and such.

Councilor Dominguez would like him to include other funding sources, other than City funding, from which the nonprofits have received funds.

Mr. Millican said he will send requests for additional information from those who submitted requests.

Councilor Bushee would like to sever the criteria to require a request to produce gross receipts tax within a year.

MOTION TO SEVER: Councilor Bushee moved, seconded by Councilor Trujillo to sever the criteria that the request must be able to produce gross receipts tax within one year.

VOTE: The motion to sever was defeated on a voice vote, with Councilors Bushee and Trujillo voting for the motion, and Councilors Calvert, Chavez, Dominguez, Romero and Wurzbarger voting against.

DISCUSSION ON AMENDED MOTION: Chair Ortiz said this information will go into the packet on September 5th to be considered at a special City Council meeting at the first meeting of the Finance Committee on September 15th.

Mr. Millican said the agenda for that meeting will be distributed on September 12th.

Councilor Bushee asked who is verifying that it is revenue producing within a year.

Chair Ortiz said staff will do this.

Councilor Bushee asked who is defining "income producing."

Chair Ortiz said as he understands "income producing," from Councilor Wurzbarger, is that it has to produce income that produces gross receipts tax to the City within the next year. He stressed that this is only one criterion among many. He said it is not a limiting criterion, and all projects will not meet all criteria, commenting that the only limiting criterion was proposed by Councilor Bushee. He said a project could, for example, meet two of ten criteria and be on the list.

VOTE ON AMENDED MOTION: The amended motion was approved unanimously on a voice vote.

Mr. Millican said he has a technical correction. He said Chief Rivera wanted to be sure that the item listed on his proposal was \$84,000 instead of \$64,000, because it didn't include [inaudible].

Chair Ortiz thanked the members of the public, especially the nonprofits, for developing proposals and going through this process. He said this Committee takes this proposal very seriously, but wants to do further work on it. He said if there are further questions about the process or submitting information to please contact Mr. Millican or Mr. Buller.

Chair Ortiz thanked the Governing Body members who are not members of the Finance Committee for a very fruitful discussion.

The Special Study Session was adjourned at 6:46 p.m.



Agenda REGULAR MEETING OF
THE GOVERNING BODY
OCTOBER 29, 2008
CITY COUNCIL CHAMBERS

- t) Request for Approval of Budget Adjustments for Carry Forward of Budget for Open/Paid FY 07/08 Purchase Orders. (Cal Probasco)
- u) Request for Approval of 2009 Legislative Priorities. (Robert Romero)
- v) Request for Approval of Budget Adjustments for Project Costs of Oracle/J.D. Edwards "Enterprise One" Enterprise Resource Planning System (E-1 ERP) Upgrade. (David Millican)
- w) Request for Approval of GRT Allocation Adjustment Staff Recommendation for Capital Projects and Convention and Visitors Bureau Budget. (David Millican)
- x) Request for Approval of Professional Services Agreements to Provide Alcoholic Beverages at the Santa Fe Community Convention Center: (Darlene Griego)
 - 1) Cowgirl BBQ
 - 2) La Fonda Hotel
 - 3) Eldorado Hotel & Spa
 - 4) Hotel Santa Fe
 - 5) Hilton Historic Plaza Santa Fe
 - 6) Rodeo Plaza Liquors
 - 7) La Casa Sena
 - 8) Liquor Barn
- y) Request for Approval to Publish Notice of Public Hearing on December 10, 2008:

Bill No. 2008-58: An Ordinance Amending Section 14-8.10(a) SFCC 1987 to Permit City Banners Commemorating the 400 Year Anniversary of the Founding of La Villa Real De La Santa Fe De San Francisco De Asis. (Councilor Trujillo, Councilor Bushee, Councilor Dominguez, Councilor Romero and Councilor Calvert) (Jeanne Price)

**SUMMARY INDEX
SANTA FE CITY COUNCIL MEETING
October 29, 2008**

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REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS – ADMINISTER AND SCHEDULE MEETINGS FOR AFFORDABLE HOUSING ROUNDTABLE; ENTERPRISE COMMUNITY PARTNERS	Approved	8-9
REQUEST FOR APPROVAL OF SIX AMENDED AND RESTATED REGIONAL PLANNING AUTHORITY, JOINT POWERS AGREEMENT ~ IMPLEMENTATION OF SANTA FE REGIONAL FUTURE LAND USE AND GROWTH MANAGEMENT PLAN AND MAP; CITY OF SANTA FE AND COUNTY OF SANTA FE	Approved as amended by County	9-10

**ACTION SHEET
CITY COUNCIL MEETING OF 10/29/08
ITEM FROM FINANCE COMMITTEE MEETING OF 10/20/08**

ISSUE:

34. REQUEST FOR APPROVAL OF GRT ALLOCATION ADJUSTMENT STAFF RECOMMENDATION FOR CAPITAL PROJECTS AND CONVENTION AND VISITORS BUREAU BUDGET (DAVID MILLICAN)

FINANCE COMMITTEE ACTION:

Requested approval of GRT allocation adjustment staff recommendation for capital projects and Convention and Visitors Bureau budget.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR WURZBURGER	excused		
COUNCILOR CALVERT	X		
COUNCILOR CHAVEZ	X		
COUNCILOR DOMINGUEZ	excused		
CHAIRPERSON ORTIZ	X		

DISK fc1/fcissue

City of Santa Fe, New Mexico

memo

Date: October 15, 2008

To: Finance Committee

From: David Millican
Finance Director

Subject: GRT Allocation Adjustment staff recommendation for capital projects and Convention and Visitors Bureau budget

Summary - The Committee has considered possible uses for one time uses of funds received in connection with a gross receipts tax (GRT) allocation adjustment by the state. It previously recommended approval of a \$60,000 appropriation to provide winter shelter for homeless people and set aside \$1,500,000 for economic contingencies due to the weak economy this year. Turmoil in the economy and in capital markets was of concern to Committee members and further consideration of allocations of GRT proceeds was postponed until more information was available about how the City was affected by the economy. Members expressed concern especially about funds that could be used to support operations in the event of a downturn in GRT growth during this fiscal year.

Funds committed to capital projects are less sensitive to timing of expenditure than funds that can be used in operations. Therefore staff recommends that the Committee consider and take action on capital project appropriations and reallocations related to City of Santa Fe projects that were recommended for approval and on appropriations needed to fund the Occupancy Tax Advisory Board (OTAB) grant budget and promotional expenses for the Santa Fe Community Convention Center (SFCCC). Funds are available for these appropriations and appropriation will not compromise the City's ability to respond to an economic downturn.

Discussion - When the Committee took up the issue of allocation of the GRT adjustment funds it also included consideration of a proposed reallocation of capital project appropriations made possible by voter approval of new park bonds. In a subsequent report on various budget issues staff also noted that appropriations to use GRT funds for a major software application upgrade for the Finance and Human Resources Departments was restricted by Council policy and could be instead used to correct underfunding of the SFCCC promotion budget and elimination of the OTAB budget. In addition, while preparing recommendations for capital projects staff identified viable funding sources for projects related to Railyard Park completion.

This report requests funding approval for CIP reallocation associated with bond proceeds, for use of GRT allocation adjustment revenues for the Municipal Court remodeling project that is in progress, for Railyard Park projects and to correct underfunded budgets for SFCCC and OTAB.

Street Projects - Staff recommendations for City projects include transferring appropriations for the following parks projects from the CIP GRT Fund to the Park Bond Fund:

Project 1 – Water Management	\$ 300,000
Project 2 – Turf Rehabilitation	\$ 300,000
Project 3 – Trails City-Wide	<u>\$1,000,000</u>
Total	\$1,600,000

This reallocation of CIP funds will allow \$ 1,600,000 in CIP GRT funds to be allocated to badly needed street and sidewalk rehabilitation and maintenance projects. The Public Works Director will propose specific project allocations for approval after funding is in place.

Railyard Park - Funding requests from the Trust for Public Lands Railyard Park for \$500,000 to complete the park and from Public Works for \$300,000 to construct a maintenance building for the park would be funded from regional park impact fee funds and joint City/County gross receipts tax rather than GRT allocation adjustment proceeds. The RPA has approved a \$200,000 allocation of joint funds for these two projects and the Impact Fee Advisory Board has endorsed appropriation of regional park funds totaling \$600,000 for the projects.

Municipal Court – The City Council approved funding totaling \$325,000 dollars for the Municipal Court earlier this year. The funding allowed the court to address functional and safety problems with the court. The building has not been remodeled or renovated since it was constructed 17 years ago. Following an initial set of improvements it became apparent to Judge Yalman and Mr. Lilienthal, the assigned project manager that the initial funding would be inadequate to complete the rehabilitation and remodeling needed to improve office spaces, the courtroom and public spaces. Staff identified that this project was a priority for funding from CIP GRT allocation adjustment proceeds. Funding to complete the court project would allow the project to proceed to completion. The ability to complete funding for a high priority public safety facility is consistent with criteria established by the City Council.

SFCCC and OTAB funding – Planned spending for SFCCC advertising and promotion totaling \$300,000 was cut from the proposed budget just prior to approval by the City Council. The \$70,000 annual budget for OTAB grants was also cut from the budget. These reductions apparently were not clearly communicated to the CVB Director, the City Council or OTAB. Discussions of these items in earlier Committee meetings indicate that the Council did not intend to reduce these appropriations when it adopted the budget.

In a separate report regarding implementation of the enterprise resource planning (ERP) system staff has recommended that Railyard GRT funding should not be used for the technology project because that use was not consistent with Council policy. The money in the Railyard GRT fund that is not required for debt service on land acquisition debt is restricted to economic development use by City Council policy. Staff recommends using the Railyard GRT Fund to finance a \$300,000 addition to the SFCCC opening year promotion budget and to restore the \$70,000 OTAB tourism development budget. Both of these expenditures are intended to promote economic development in the City's tourism sector.

Other adjustments regarding the ERP technology project are discussed in a separate report on this agenda.

Recommendations:

Recommend approval of the following appropriations to the City Council.

- Transfer of appropriations for the park projects totaling \$1,600,000 from CIP GRT to the Park Bond Fund and reallocate the CIP GRT appropriations to a master project for street and sidewalk maintenance and rehabilitation.
- Authorize transfers from regional impact fees totaling \$600,000 and from joint City/County GRT totaling \$200,000 to fund an appropriation of \$500,000 for completing improvements at Railyard Park and an appropriation of \$300,000 to construct a park maintenance building.

- **Appropriate \$300,000 from the CIP GRT fund to supplement the existing appropriation for completion of remodeling and rehabilitation of the Municipal Courthouse.**
- **Authorize transfer of \$370,000 from the Railyard GRT Fund to finance requested appropriations of \$300,000 for SFCCC promotion and advertising and of \$70,000 for OTAB projects.**
- **Authorize the City Manager to approve budget adjustment requests to allocate specific accounts consistent with the intent of these approvals.**

City of Santa Fe
 Finance Committee
 Capital project recommendations -- Exhibit A
 October 20, 2008

Project/Source	FY 2008 GRT CIP Bond Funds	FY 2008 Park GO Bonds	Regional Park Impact Fee and City/County GRT Funds	CIP GRT Allocation Adjustment	GRT CIP Fund Balance	Railyard GRT Fund	ITT Internal Service Fund	Increase or (decrease) in project funding.
Park Projects included in CIP bonds transferred to Park Bonds	(\$1,600,000)	\$1,600,000						\$0
Paved street and sidewalk rehabilitation	\$1,600,000							\$1,600,000
Finance/HR system implementation								
Implementation: Report and productivity					\$1,077,985	(\$647,600)		\$430,385
Delay and new features					\$223,563		(\$223,563)	\$0
Contingency					\$340,000			\$340,000
					\$100,000			\$100,000
ITT purchase of AS400					\$436,448			\$436,448
SFGCC Promotion budget and OTAB						\$370,000		\$370,000
Municipal Court Rehab and Remodel				\$300,000				\$300,000
Railyard Park			\$500,000					\$500,000
Railyard Park Maintenance Building			\$300,000					\$300,000
Net increase or (decrease) in use of funding source	\$0	\$1,600,000	\$800,000	\$300,000	\$2,178,266	(\$277,600)	(\$223,563)	\$4,376,883

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2008 - _____

INTRODUCED BY:

Councilor Patti Bushee

Mayor David Coss

Councilor Matthew Ortiz

Councilor Rebecca Wurzbarger

Councilor Carmichael Dominguez

A RESOLUTION

**DIRECTING THE CITY MANAGER TO IMPLEMENT A 311 (NON-EMERGENCY)
CONSTITUENT CONTACT CENTER.**

WHEREAS, increasingly, state, county, and municipal agencies are being driven by constituent pressure to provide universal access to non-emergency services; and

WHEREAS, the demand for non-emergency City services has increased in recent years because of the growth the City of Santa Fe has experienced in recent years; and

WHEREAS, non-emergency constituent concerns range from trash removal and abandoned building conditions to water and sewer breaks, potholes and traffic device malfunction; and

WHEREAS, constituents are sensitive to the impacts of City services on their quality of life and hold their elected officials and City departments accountable for these services; and

WHEREAS, constituents become frustrated because there is no uniform published number to access non-emergency services, obtain information or report concerns to the City; and

WHEREAS, access to the correct department often is the result of many calls to different

1 departments, with multiple transfers by individuals and with varying degrees of success in solving
2 the initial reason for calling; and

3 **WHEREAS**, although access to the city's website for information or the ability to submit
4 complaints, requests or compliments have greatly improved City services, there still remains the
5 need to provide a central call center for constituents who do not have access to the web or the
6 web is not readily accessible at the time that there is a need for City services; and

7 **WHEREAS**, a viable solution for constituent frustration is a non-emergency single
8 prefix for city services; and

9 **WHEREAS**, 311 is the new national standard for access to administrative, social, and
10 non-emergency physical services within a geographic area serviced by local governmental
11 authority; and

12 **WHEREAS**, according to statistics, 311 call centers have reduced non-emergency calls
13 to 911 by 17 to 24 percent; and

14 **WHEREAS**, a 311 constituent contact center would provide access to the City during
15 nights and weekends when City operations are normally closed; and

16 **WHEREAS**, a 311 constituent contact center staffed by City employees would allow the
17 City to address non police and fire matters for emergencies such as frozen water lines or snow
18 removal; and

19 **WHEREAS**, the governing body desires to establish a 311 constituent contact center as
20 an improvement in allowing constituents to find assistance from a single source.

21 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
22 **CITY OF SANTA FE** that the City Manager is directed to implement a City of Santa Fe 311
23 (non-emergency) Constituent Contact Center that would work to answer constituent questions as
24 quickly as possible with minimal transfers.

25 **PASSED, APPROVED, and ADOPTED** this ____ day of _____, 2008.

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DAVID COSS, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

FRANK KATZ, CITY ATTORNEY

Councilor Chávez felt there should be some rationale to prove it was justified and see if there would be any tangible effect.

Councilor Calvert thought it would not be a big marketing tool.

The motion passed by unanimous voice vote.

19. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO IMPLEMENT A 311 (NON-EMERGENCY) CONSTITUENT CONTACT CENTER (COUNCILOR BUSHEE, MAYOR COSS, COUNCILORS ORTÍZ, WURZBURGER AND DOMINGUEZ) (SEVASTIAN GURULÉ)

Mr. Gurulé apologized for not having the FIR ready. He described what the 311 call center would do. He said the City received about 610,000 phone calls/yr and 65% were FAQs that a 311 call center could answer. Only 35% actually request city services for staff to do. The City currently has 5 hotlines (listed) and one social services agreement (\$10,000 with New Mexico Communications) that provides answering after hours

He proposed having 12 staff and providing 24/7 service with the call center which would mean about \$135,000 for operations. He shared the benefits that would result that included making sure the calls were answered instead of getting voice mail, consistent and correct answers to questions, no matter who answered the call, answering within 30 seconds, reducing the 911 calls, and dealing with things like snow removal or frozen water meters..

He said that after his review, Albuquerque recommended a contract with a call center for the service. We would spend a lot of time training the staff and would no longer have to have people call back. It would also train the public as well. It would help us clean up our resources.

Councilor Romero said she had investigated the Albuquerque City Call Center and was not pleased with what she found. She felt this would be very costly for Santa Fe and didn't see much benefit, especially when she saw what people called 311 in Albuquerque about.

Councilor Chávez thought they should look at other city-owned facilities but wasn't sure how to handle some of the issues. He felt they should have more facts about it.

Councilor Calvert wanted to see more details on the costs. A one-time cost of setting it up, facilities, training.

Councilor Calvert moved that this be brought back to Public Works with some of the information discussed. Councilor Chávez seconded with a friendly amendment on possible locations for it. Councilor Calvert agreed.

Chair Bushee suggested going back to the drawing board. The effort was how to improve customer

service. This might not be the way.

Councilor Calvert asked if she was suggesting an evaluation of current customer service. Chair Bushee said they had not had time to talk about it.

Mr. Gurulé suggested they could operate with less staff. They could modify the scope and borrow some staff and monitor the needs.

Chair Bushee thought working with current staff would have to mean a cost savings.

Councilor Calvert modified the motion to postpone consideration until the Chair and Mr. Gurulé had time to look at it further. Councilor Chávez seconded for discussion.

Councilor Romero was not in favor of a pilot project. Albuquerque spent a lot of money. Santa Fe needed to evaluate it to determine how to get good customer services before they test out a pilot. Albuquerque was the only one she looked at. She wondered how efficient could they be if they consolidated and considered other options. She would like to see more information on the options.

The motion to postpone passed by unanimous voice vote.

20. REQUEST FOR APPROVAL OF GRT ALLOCATION ADJUSTMENT APPROPRIATIONS (ROBERT ROMERO)

Mr. Romero spoke from the packets that were placed on the desks. He said they were figuring out how to allocate the GRT adjustment and the CIP parks bond. He went through the priorities and described each of the projects involved.

A lengthy discussion ensued with staff explaining the fine items for the Committee and clarifying the funding sources for each project. The clarifications for the Rape Crisis Center were that the City money was for design services and the agency was responsible for raising the money for facility construction.

In the discussion about the Railyard Park, Mr. Romero said they wanted to do a resolution to make it eligible for Regional Park Impact Funds and would go to the RPA first to find funds.

During the discussion of the details for the Farmers' Market, Mr. Romero agreed to meet with Jenna Parks and Richard Czoski to figure out the details further regarding vendor spaces and bring back a report to the Committee.

Ms. Bowden noted she was working with Mr. Czoski on policies and procedures. She said they had seven areas with 138 stalls that could be rented to those with no affiliation with a group. It would be brought to Council at some time.

Councilor Chávez proposed they add another \$40,000 for the arts/creativity benefits at the new space

Draft Implementation Strategy

Purpose

Develop an as is view of current people, process, and technology resources available to the City of Santa Fe for the implementation of a 311 Citizen Contact Center. The current study will be used to develop a new communications strategy for the City of Santa Fe and its residents, businesses and visitors.

Resources

People

1. Identify the number of customer facing employees per department.
 - a. Identify the percent of time staff is customer facing.
 - b. Identify communication methods used:
 - i. Voice
 - ii. Email
 - iii. On-line chat
 - iv. Special communication options (Relay services, courier, etc)

Process

1. Training and development
 - a. Review training materials and process for new employees.
 - b. Identify on-line tools and resources available to customer facing employees.
 - c. Identify all hard copy tools and resources available to customer facing employees.
 - d. Observe workstations of customer facing employees to identify working lists, instructions, and other printed materials
 - i. Identify process for updating and keeping materials current.
2. Call Quality
 - a. Identify critical items and quality of customer interactions.
 - b. Identify call monitoring process.
 - c. Collect voice of the customer as is.
3. Identify established customer servicing goals.
 - a. Percent of calls answered in X seconds.
 - b. First call resolution rate.
 - c. Abandonment rate.
 - d. Average hold time.
 - e. Transfer rate.
 - f. Average call handling time.
4. Customer inquiries
 - a. Identify the number of customer inquiries by type (voice, email, online chat, hard copy correspondence and other) by department/division/section.
 - i. Identify the number of frequently asked questions.
 - ii. Identify the number of requests for service.
 - b. Analyze call arrival patterns by day of week and interval (15, 30, and 60 minute volume arrivals).
5. Collect all

Draft Implementation Strategy

- a. Frequently asked questions that answer 80% of all customer inquiries by department.
 - b. Identify all requests for service that require the deployment of a city asset or resource.
6. Test all customer facing resources to identify:
- a. Accessibility.
 - b. Ease of use.
 - c. Accuracy.
 - d. Procedure used to keep information current and accurate.

Technology

1. Identify all communication tools
 - a. Telecommunications and voice topology.
 - i. Location
 - ii. Capacity
 - iii. Status
 - iv. Current version
 - b. Email systems/databases
 - c. Chat tools
 - d. U.S. Mail handling
2. Identify current phone tree maps/IVRs/VRUs.
 - a. Test all tools.
3. Identify all electronic tools used to
 - a. Document and answer frequently asked questions.
 - b. Log requests for service (Customer Relationship/CRM tools).
 - i. Identify system administrators.
4. Review on-line tools and resources directly available to customers via web sites and other electronic media.
5. View documented process maps for all technology.
 - a. Information technology.
 - b. Telecommunications.
6. Identify ability of current systems to be upgraded and to what level.
7. Identify redundancy strategies for IT and Telecoms tools.
8. Identify disaster recovery plans.

Call Volumn Study

Public Utilities Department:

Solid Waste Division:

Vincent Salazar – Assessment Technician	150 per day	39,000
Eva Rael – Assessment Technician	150 per day	39,000

Wastewater Management Division:

Matilda Shamy		
Loni Martinez	70 per day	18,200

Water Division:

Vanessa Sandoval – Admin Secretary		
Leroy Roybal – Secretary	24 per day	6,240

Water Division Utility Billing Section

We have 8 Customer Service Reps. and 1 vacancy, the estimated amount of calls vary on a daily basis, 150 to 200 and these are only calls that go through the Customer Service Q-Call this does not include any call that come though the front desk and collections department.

52,000

We also get the walk-ins Customers about 60-90 per day, again this is only customer service and not collections or front desk We also have to take into consideration what cycle we are billing and if there are holidays, where customers come in before the holiday or after the holiday.

23,400

Community Services Department

SENIORS

5 Sections over 100 calls for each section 3 or more hours a day taking phone calls, 25-30 calls a day for administration staff.

YOUTH AND FAMILY SERVICES

50 calls a day and a total of 1 hour staff time on phone calls on 4 phone lines

RECREATION

All three Recreation site at total of 10 lines and over 150 calls and over two hours of call time at each facility a day.

LIBRARY

At the three library locations, 15 phones are used for the public. Most phones are at service desks; directors and supervisors handle calls also.

In 2007-08 the Libraries handled a total of 221,532 reference calls; we are open 60,840 hours a week. Circulation handled approx. 80,000 calls. Supervisors and directors handled approximately 30 a day x 350 days + 10,500 calls times 7 staff= 73,500 calls Total calls: 375,000

Call Volumn Study

Calls from the public to supervisors and directors come to approx. 3 hours a day 3 hrs. x 360 x 8 supervisors/directors =8640 hours

383,672

GCCC

We have at least 22 extensions that are answered by a staff over 75 employees. Of course this depends on the shifts being worked and does include rink attendants, custodians, lifeguards, account techs., supervisors and managers. Calls take anywhere from 10 seconds (what time does the pool or ice or fitness area open) to several minutes (15-30). Several calls require research and call backs are necessary this in particular would include booking the facility for an event/s.

We have never counted the calls received from the public however probably 95% of the calls we receive are from the public and I guess that we receive over 100 calls each day.

26,000

FINANCE – ACCOUNTS RECEIVABLE

Vince Daniels- Database Specialist-	20 calls per day	
David Tapia – Project Specialist -	20 calls per day	
Anita Medina- Database Specialist	20 calls per day	15,600

PUBLIC WORKS

Transit Division

Calls range from questions regarding routes, Schedules, assisting citizens to plan trips, Paratransit information, and general “how to ride” questions.

18,200

Parking Division

13,000

Streets & Drainage Division

7,800

Parks Trails/Watershed Division

Calls include Graffiti sightings, calls regarding the rental of Parks for functions, Many different “Trails” questions, Illegal dumping. We also receive many phone calls regarding the summer program and recreation activities going on throughout the city.

26,000

TOTAL

609,612