

ACTION SHEET
CITY COUNCIL COMMITTEE MEETING OF 04/09/14
ITEM FROM FINANCE COMMITTEE MEETING OF 03/31/14

ISSUE:

19. Request for Approval of a Resolution Directing Staff to Explore Potential City of Santa Fe Taxpayer Empowerment Policies Related to Outsourced City Services that Would Promote Transparency, Accountability, Shared Prosperity and Competition. (Councilor Dominguez) (Judith Amer)

Committee Review:

City Council (scheduled)

04/09/14

Fiscal Impact – No

FINANCE COMMITTEE ACTION: APPROVED AS CONSENT ITEM

SPECIAL CONDITIONS OR AMENDMENTS

Add Councilor Rivera as co-sponsor.

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

3-17/14/FCMissue

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2014-__ Taxpayer Empowerment Policies

SPONSOR(S): Councilors Dominguez and Rivera

SUMMARY: Taxpayer empowerment policies are put in place to keep taxpayers informed about privatized/outsourced services that their taxpayer dollars are paying for. Such policies promote transparency, accountability, shared prosperity and competition.

The proposed resolution directs staff to:

- Study the provisions of the attached *Taxpayer Empowerment Agenda* and make recommendations to the Governing Body on taxpayer empowerment policies;
- Determine whether the City has such policies, rules or laws in place and if so whether they need to be amended and if the City does not have such policies in place, then explore the feasibility for implementing such policies, rules or laws; and
- Report its findings, recommendations and proposed fiscal impact to the Governing Body within 90 days of the adoption of this resolution.

PREPARED BY: Melissa Byers, Legislative Liaison

FISCAL IMPACT: No

DATE: April 1, 2014

ATTACHMENTS: Resolution
FIR
Taxpayer Empowerment Agenda

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-____

3 INTRODUCED BY:

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5 Councilor Carmichael Dominguez

6 Councilor Chris Rivera

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10 A RESOLUTION

11 DIRECTING STAFF TO EXPLORE POTENTIAL CITY OF SANTA FE TAXPAYER
12 EMPOWERMENT POLICIES RELATED TO OUTSOURCED CITY SERVICES THAT
13 WOULD PROMOTE TRANSPARENCY, ACCOUNTABILITY, SHARED PROSPERITY
14 AND COMPETITION.

15
16 WHEREAS, state and local governments across America are handing over control of critical
17 public services and assets to corporations that promise to handle them better, faster and cheaper – this
18 is known as “privatization”; and

19 WHEREAS, in general, privatization involves handing over control of public functions to
20 private companies; and

21 WHEREAS, municipalities have historically provided basic services, from waste and
22 sanitation services to street repair to the maintenance of parks and libraries; and

23 WHEREAS, since the 1980s, the privatization or contracting out of public municipal
24 services has gained popularity; and

25 WHEREAS, many cities experiencing budget crises look to the private sector to take over

1 public services, theoretically at a lower cost; and

2 **WHEREAS**, in the City of Santa Fe, the City has privatized certain services such as
3 administration of the Alarm Ordinance, STOP Ordinance, security services throughout the City
4 buildings and also contracts out a large portion of information technology related software, hardware
5 and related maintenance; and

6 **WHEREAS**, on the whole, the City has not privatized the majority of its functions and/or
7 assets; and

8 **WHEREAS**, the City of Santa Fe, unlike other cities in the United States, owns, maintains
9 and operates its water system, library, recreation centers, parks and city buildings; and

10 **WHEREAS**, too often privatization and outsourcing not only fails to keep the promise of
11 handling public services and assets better, faster and cheaper, but undermines transparency,
12 accountability, shared prosperity and competition - the underpinnings of democracy itself; and

13 **WHEREAS**, privatization or outsourcing services may cause the following circumstances:

- 14 ○ A privatized industry is most concerned with profit, so while initial benefits to the
15 consumer may occur, the industry may not be induced to keep prices low;
- 16 ○ The competition fostered in privatized industries may result in questionable business
17 practices;
- 18 ○ Decrease in quality of service may result from private industry trying to cut costs to make
19 a profit;
- 20 ○ Taxpayers have very little say over how tax dollars are spent and no say on actions taken
21 by private companies that control our public services; and
- 22 ○ Taxpayers cannot vote out executives who make decisions that hurt public health and
23 safety; and
- 24 ○ Taxpayers are contractually stuck with a monopoly run by a single corporation -- often
25 for decades; and

1 o A race to the bottom for the local economy, as wages and benefits fall while corporate
2 profits rise; and

3 **WHEREAS**, in general, the arguments *for* privatization of government resources or functions
4 to private business are as follows:

- 5 o Government run industries cost more because they have larger bureaucracies;
- 6 o Government run industries leave people with little choice in the market place; and
- 7 o Privatizing an industry fosters competition in the market place, which usually results in
8 lower prices and greater choices for the consumer; and

9 **WHEREAS**, *In the Public Interest* (“IPI”) is a comprehensive resource center that focuses on
10 privatization and responsible contracting by state and local governments; and

11 **WHEREAS**, the *Taxpayer Empowerment Agenda* is a project of IPI and is crafted to help
12 taxpayers reclaim control of their democracy by proposing various policies related to transparency,
13 accountability, shared prosperity and competition; and

14 **WHEREAS**, IPI helps state and local lawmakers champion these proposals and policies that
15 will stand on the side of taxpayers; and

16 **WHEREAS**, the Governing Body desires for the City of Santa Fe to become a local
17 government with taxpayer empowerment policies in place in order to keep the taxpayers of the city of
18 Santa Fe informed about outsourced services that their taxpayer dollars are paying for.

19 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
20 **CITY OF SANTA FE** that staff is directed to:

- 21 1. Study the provisions of the *Taxpayer Empowerment Agenda* and make
22 recommendations to the Governing Body on the following taxpayer empowerment
23 policies:
 - 24 A. Transparency
 - 25 • Regularly post online how much taxpayers are spending on private

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contracts and how many workers are employed by those contracts -
the same way government must report these things for public work.

- Require any company being paid with tax dollars to open its books and meetings to the public, just as government does.

B. Accountability

- Ensure that every contract allows for regular audit and oversight, and agencies have sufficient staffing levels to adequately oversee contracts to make sure taxpayers are getting what they pay for.
- Ensure that every contract includes language that allows government to cancel the contract if the company doesn't live up to its promises of quality and cost savings.
- Prohibit any company that has evaded taxes or broken the law from taking over public services.
- Require a thorough cost analysis of all bids and guarantee taxpayers a minimum 10 percent savings before any service is privatized.

C. Shared Prosperity

- Require companies that privatize public services to pay their employees a living wage and provide reasonable benefits.
- Require a study to determine how privatization would affect the larger community and post the results online before any contract is signed.

D. Competition

- In accordance with state law, and City ordinances, require competitive bidding when a contract is up..
- Ban contract language that guarantees company profits.

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• Ensure that public service workers have the opportunity to submit their own plan to save money and provide quality services.

2. Determine whether the City has such policies, rules or laws in place and if so whether they need to be amended and if the City does not have such policies in place, then explore the feasibility for implementing such policies, rules or laws.

3. Report its findings, recommendations and proposed fiscal impact to the Governing Body within 90 days of the adoption of this resolution.

PASSED, APPROVED, and ADOPTED this ___ day of _____, 2014.

JAVIER M. GONZALES, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:



KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

**City of Santa Fe
Fiscal Impact Report (FIR)**

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X
(A single FIR may be used for related bills and/or resolutions)

Short Title(s): DIRECTING STAFF TO EXPLORE POTENTIAL CITY OF SANTA FE TAXPAYER EMPOWERMENT POLICIES RELATED TO OUTSOURCED CITY SERVICES THAT WOULD PROMOTE TRANSPARENCY, ACCOUNTABILITY, SHARED PROSPERITY AND COMPETITION.

Sponsor(s): Councilor Dominguez and Councilor Rivera

Reviewing Department(s): City Attorney's Office

Person Completing FIR: Rebecca Seligman Date: 3/27/14 Phone: 955-6501

Reviewed by City Attorney: *Valley A. Brunson* Date: 3/27/14
(Signature)

Reviewed by Finance Director: *[Signature]* Date: 3/27/14
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution.

The purpose of the resolution is to explore potential City of Santa Fe taxpayer empowerment policies related to outsourced City services that would promote transparency, accountability, shared prosperity and competition.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY 13/14	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY 14/15	"A" Costs Absorbed or "N" New Budget Required	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY 13/14	"R" Costs Recurring or "NR" Non-recurring	FY 14/15	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

_____	\$ 0	_____	\$ 0	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ 0	_____	\$ 0	_____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

None

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The taxpayers of Santa Fe would not be informed with regard to how their taxpayer dollars are being used for outsourced services.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None that staff is aware of.

4. Community Impact:

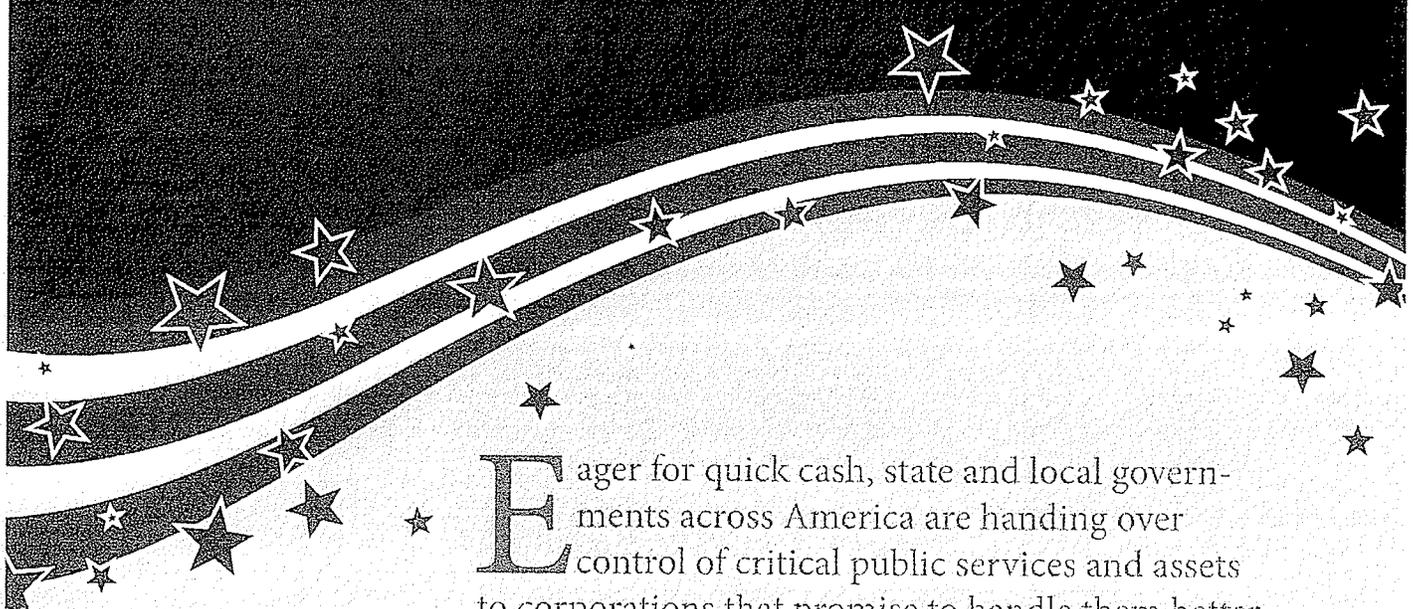
Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, social service providers and other institutions such as schools, churches, etc.

The City of Santa Fe would have taxpayer empowerment policies in place in order to keep the taxpayers of the city of Santa Fe informed about outsourced services that their taxpayer dollars are paying for.

Form adopted: 01/12/05; revised 8/24/05

The Taxpayer Empowerment Agenda

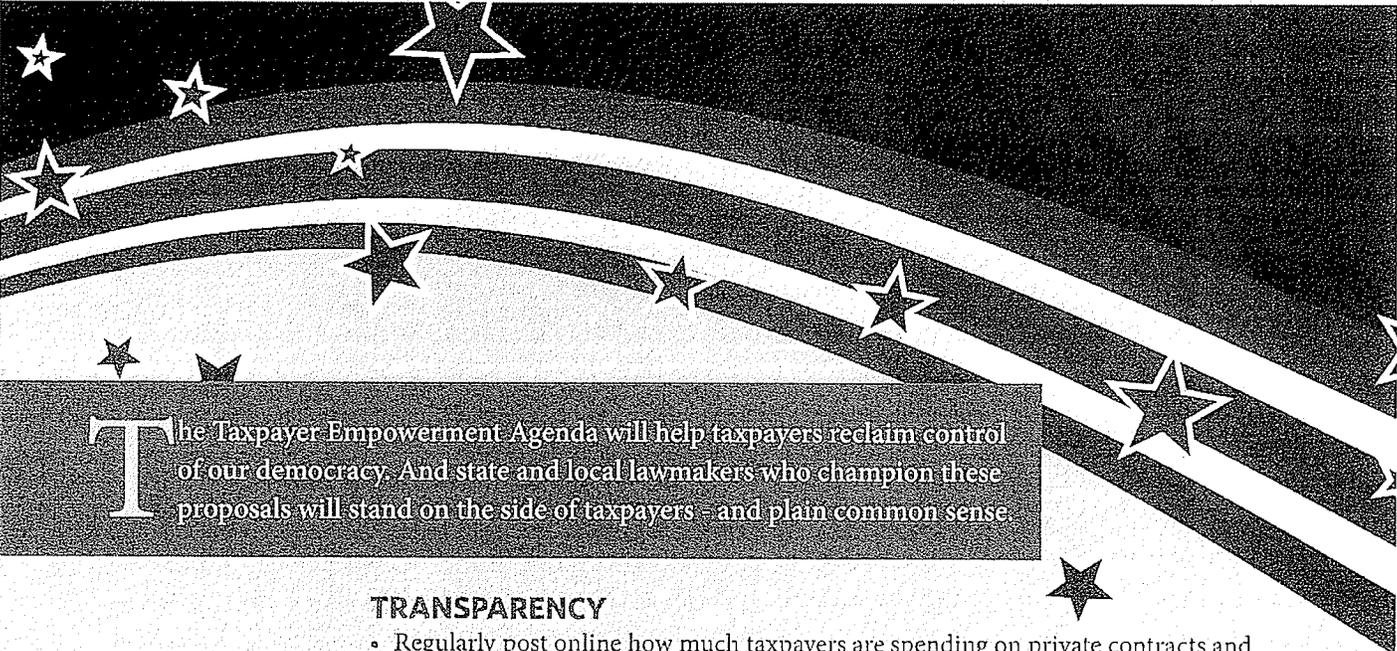
A Project of In the Public Interest



★ **E**ager for quick cash, state and local governments across America are handing over control of critical public services and assets to corporations that promise to handle them better, faster and cheaper. Unfortunately for taxpayers, not only has outsourcing these services failed to keep this promise, but too often it undermines transparency, accountability, shared prosperity and competition – the underpinnings of democracy itself.

Outsourcing means taxpayers have very little say over how tax dollars are spent and no say on actions taken by private companies that control our public services. Outsourcing means taxpayers cannot vote out executives who make decisions that hurt public health and safety. Outsourcing means taxpayers are contractually stuck with a monopoly run by a single corporation – and those contracts often last decades. And outsourcing too often means a race to the bottom for the local economy, as wages and benefits fall while corporate profits rise.

In the **Public Interest**



The Taxpayer Empowerment Agenda will help taxpayers reclaim control of our democracy. And state and local lawmakers who champion these proposals will stand on the side of taxpayers – and plain common sense.

TRANSPARENCY

- Regularly post online how much taxpayers are spending on private contracts and how many workers are employed by those contracts - the same way government must report these things for public work.
- Require any company being paid with tax dollars to open its books and meetings to the public, just as government does.

ACCOUNTABILITY

- Ensure that every contract allows for regular audit and oversight, and agencies have sufficient staffing levels to adequately oversee contracts to make sure taxpayers are getting what they pay for.
- Ensure that every contract includes language that allows government to cancel the contract if the company doesn't live up to its promises of quality and cost savings.
- Prohibit any company that has evaded taxes or broken the law from taking over public services.
- Require a thorough cost analysis of all bids and guarantee taxpayers a minimum 10 percent savings before any service is privatized.

SHARED PROSPERITY

- Require companies that privatize public services to pay their employees a living wage and provide reasonable benefits.
- Require a study to determine how privatization would affect the larger community and post the results online before any contract is signed.

COMPETITION

- Require competitive bidding when a contract is up, rather than automatically renewing it.
- Ban contract language that guarantees company profits.
- Ensure that public service workers have the opportunity to submit their own plan to save money and provide quality services.