City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-___

Budget Policy Actions

SPONSOR(S): Councilor Maestas

SUMMARY: The proposed resolution acknowledges the City of Santa Fe's operating budget deficit and its outlook and commits to adopting policies that are consistent with best practices to address this deficit and its outlook.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: October 7, 2015

ATTACHMENTS: Resolution
FIR

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2015-__
Budget Policy Actions

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2015-__:

1. On page 2, line 9, ***delete*** ", before June 30, 2016".

Respectfully submitted,

_____
Councilor Joseph M. Maestas

ADOPTED: _____
NOT ADOPTED: _____
DATE: _____

_____
Yolanda Y. Vigil, City Clerk

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2015-__

INTRODUCED BY:

Councilor Joseph M. Maestas

A RESOLUTION

ACKNOWLEDGING THE CITY OF SANTA FE'S OPERATING BUDGET DEFICIT AND ITS OUTLOOK; AND COMMITTING TO ADOPT POLICIES CONSISTENT WITH BEST PRACTICES TO ADDRESS THIS DEFICIT AND ITS OUTLOOK.

WHEREAS, the City of Santa Fe is facing a fiscal year (FY) 2017 operating deficit of approximately $15 million that must be systematically addressed beginning before the end of the current fiscal year; and

WHEREAS, current city services and its workforce are not sustainable at current levels of revenue; and

WHEREAS, the City of Santa Fe revenues are 75% dependent on gross receipts taxes (GRT) that are unstable; and

WHEREAS, since the 2008 recession, the local economy has experienced a slow recovery and a shrinking tax base; and

WHEREAS, the 15-year phase out period of the hold harmless GRT started in the current fiscal year, with the City facing a $1.2 million GRT reduction in FY 2017 and an

estimated total of $11 million throughout the 15-year phase-out period; and

WHEREAS, the city must address, through policy changes, the financial policies and practices utilized historically, including those in the current fiscal year, to address changing conditions and standards in order to secure the sustainability of vital city government services and our community's overall quality of life.

NOW THEREFORE BE IT RESOLVED, the Governing Body of the City of Santa Fe, in coordination with the administration, key boards and commissions, employee unions, and other stakeholders; shall enact appropriate, balanced policy actions, with transparency and robust public involvement, before June 30, 2016 that will collectively eliminate the expected FY 2017 $15M+ budget deficit and place the City on a path to stability and sustainability.

PASSED, APPROVED AND ADOPTED this _____day of _____, 2015.

_____

JAVIER M. GONZALES, MAYOR

ATTEST:

_____

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Kelley A Brennan

KELLEY A. BRENNAN, CITY ATTORNEY

M/Legislation/Resolutions 2015/Budget Policy Actions

FIR No. 2724

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): **A RESOLUTION ACKNOWLEDGING THE CITY OF SANTA FE'S OPERATING BUDGET DEFICIT AND ITS OUTLOOK; AND COMMITTING TO ADOPT POLICIES CONSISTENT WITH BEST PRACTICES TO ADDRESS THIS DEFICIT AND ITS OUTLOOK.**

Sponsor(s): Councilor Maestas
Reviewing Department(s): City Attorney's Office / Finance
Persons Completing FIR: Rebecca Seligman/Oscar Rodriguez Date: 09/15/15 Phone: 955-6501 / 955-6530

Reviewed by City Attorney: Kelley A. Brennan (Signature) Date: 9/30/15

Reviewed by Finance Director: [signature] (Signature) Date: 9-30-2015

Section B. **Summary**
Briefly explain the purpose and major provisions of the bill/resolution:
The proposed resolution acknowledges the City of Santa Fe's financial deficit and commits the City to adopting policies that enact budget policy actions that will collectively eliminate the anticipated deficit for fiscal year 2017

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

Finance Director: [signature]

Column #: 1	2	3	4	5	6	7	8
Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"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 _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
_____	$_____	_____	$_____	_____	_____
_____	$_____	_____	$_____	_____	_____
_____	$_____	_____	$_____	_____	_____
Total:	$_____		$_____		

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.

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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 identified

2. Consequences of Not Enacting This Bill/Resolution:

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

Administration, key boards and commissions, employee unions, and other stakeholders would not enact appropriate policy actions, to collectively eliminate the expected $15M+ budget deficit and place the City on a path to progress and sustainability.

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 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, children and youth, social service providers and other institutions such as schools, churches, etc.

If approved, the City could potentially eliminate the budget deficit and place the City on a path to progress and sustainability.