

ACTION SHEET
ITEM FROM FINANCE COMMITTEE MEETING OF 11/30/15
FOR CITY COUNCIL MEETING OF 12/09/15

ISSUE:

30. Request for Approval of a Resolution Requesting the City Manager Evaluate Possible Efficiencies Within City Operations That Might Help Close the Operating Deficit in Fiscal Year 2016/2017 Including Implementing a Conditional Hiring Freeze. (Councilor Maestas) (Jesse Guillen)

Committee Review:

Public Works Committee (approved with amendment) 11/09/15
 City Council (scheduled) 12/09/15

Fiscal Impact – The goal of the resolution is to reduce the estimated budget deficit, but at this point it is unclear what effect following the guidelines in this resolution would have on the deficit.

FINANCE COMMITTEE ACTION:

Approved as Discussion item.

FUNDING SOURCE:

SPECIAL CONDITIONS OR AMENDMENTS

Approved with amendments.

STAFF FOLLOW-UP:

Approved with direction to staff.

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

**ACTION SHEET
ITEM FROM THE
PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING
OF
MONDAY, NOVEMBER 9, 2015**

ITEM 11

REQUEST FOR APPROVAL OF A RESOLUTION REQUESTING THE CITY MANAGER EVALUATE POSSIBLE EFFICIENCIES WITHIN CITY OPERATIONS THAT MIGHT HELP CLOSE THE OPERATING DEFICIT IN FISCAL YEAR 2016/2017 INCLUDING IMPLEMENTING A CONDITIONAL HIRING FREEZE (**COUNCILOR MAESTAS**) (**JESSE GUILLEN**)

PUBLIC WORKS COMMITTEE ACTION: Approved with Amendments

FUNDING SOURCE:

SPECIAL CONDITIONS / AMENDMENTS / STAFF FOLLOW UP:

VOTE	FOR	AGAINST	ABSTAIN
CHAIRPERSON TRUJILLO			
COUNCILOR BUSHEE	X		
COUNCILOR DIMAS		X	
COUNCILOR DOMINGUEZ	X		
COUNCILOR IVES	X		

GUILLEN, JESSE B.

From: MARTINEZ, RENEE
Sent: Tuesday, December 01, 2015 13:19
To: RIVERA, CHRISTOPHER M.; TRUJILLO, RONALD S.; DOMINGUEZ, CARMICHAEL A.; MAESTAS, JOSEPH M.; LINDELL, SIGNE I.
Cc: SNYDER, BRIAN K.; GUILLEN, JESSE B.
Subject: FW: IT Expansion Positions

Councilors - The ITT Department's fiscal year 2015-16 operating budget includes an expansion of \$166,837 in the Salary-Wages-Benefits category to provide for five (5) critical new positions. The Department is on schedule to fill these new positions before the end of the fiscal year. The expansion budget approved supports a staggered schedule for filing these positions in contrast to the budget required to support all five (5) positions for an entire year (12 months). The following table indicates the hiring status of each of these new positions.

New ITT Position	FY15-16 Budget (Expansion)	Projected to Year End	Planned Start Date	Hiring Status
Network Engineer		\$36,458	01-Feb-16	Request to Advertise Approved
Information Security Officer		\$36,667	01-Mar-16	Request to Create Position Approved, Request to Advertise is Pending
Application Software Specialist – Public Safety		\$36,458	01-Feb-16	Request to Create Position is Under Review
Enterprise Application Services Manager		\$34,792	01-Mar-16	Job Description has been Finalized and Submitted for Approval
IT Business Liaison		\$22,500	01-Apr-16	Job Description has been Drafted for Review
ITT Department Budget Status		\$166,837	\$166,875	

Please let me know if you have any questions and would like any additional information.

Thank you,

Renée

Renée Martínez
ITT Department Director
City of Santa Fe
2651 Siringo Rd., Building F
Santa Fe, NM 87504
505 955-5565 office
505 699-9274 mobile

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-____ City Staffing Needs

SPONSOR(S): Councilor Maestas

SUMMARY: The proposed resolution requests the City Manager evaluate possible efficiencies within City operations that might help close the operating deficit in fiscal year 2016/2017 including implementing a conditional hiring freeze.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: December 1, 2015

ATTACHMENTS: Amendment (Finance Committee)
Amendment (Ives)
Resolution incorporating changes
Original Resolution
FIR

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2015-__
City Staffing Needs

Mayor and Members of the City Council:

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

1. On page 3, *delete* lines 2-3 and *insert* in lieu thereof:
 "1. Evaluate a hiring freeze and loss through attrition to reduce staffing to recommended levels."
2. On page 3, line 4 *delete* "Mandate an appropriate reduction" and *insert* in lieu thereof "Seeking reductions"
3. On page 3, after line 11 *insert* the following:
 "7. Review the need to fill any vacant position. If any one position remains vacant after a period of two years, it shall be removed from the list of available positions."

Respectfully submitted,

Finance Committee

ADOPTED: _____
NOT ADOPTED: _____
DATE: _____

Yolanda Y. Vigil, City Clerk

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2015-__
City Staffing Needs

Mayor and Members of the City Council:

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

1. On page 2, lines 11-12 *delete* "classified as such and prioritized by the Governing Body"
2. On page 2, *delete* lines 13-20 and *insert* in lieu thereof "to address the budget deficit."
3. On page 2, lines 22-24 *delete* "in accordance with the foregoing policies classifying and prioritizing City services and guiding principles established by the Governing Body, in order to identify"
4. On page 3, *delete* lines 2-3 and *insert* in lieu thereof:
 - "1. Evaluate a hiring freeze and loss through attrition to reduce staffing to recommended levels."
5. On page 3, line 4 *delete* "Mandate an appropriate reduction" and *insert* in lieu thereof "Seeking reductions"
6. On page 3, after line 11 *insert* the following:
 - "7. Review the need to fill any vacant position. If any one position remains vacant after a period of two years, it shall be removed from the list of available positions."

Respectfully submitted,

Peter N. Ives, Councilor

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

**REQUESTING THE CITY MANAGER EVALUATE POSSIBLE EFFICIENCIES
WITHIN CITY OPERATIONS THAT MIGHT HELP CLOSE THE OPERATING
DEFICIT IN FISCAL YEAR 2016/2017 INCLUDING IMPLEMENTING A
CONDITIONAL HIRING FREEZE.**

WHEREAS, the City of Santa Fe is facing a fiscal year (FY) 2016/2017 operating deficit of approximately \$15 million that must be systematically addressed beginning before the end of the current fiscal year; and

WHEREAS, existing city services and workforce levels are not sustainable at current rates of revenue, necessitating a comprehensive plan on prioritizing city functions and evaluating sources of revenue; and

WHEREAS, difficult decisions must be made as to how to cover this gap; and

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

WHEREAS, since the 2008 recession, the local economy has experienced a slow

1 recovery and a shrinking tax base; and

2 **WHEREAS**, the 15-year phase-out period of the hold harmless GRT started in the
3 current fiscal year, with the city facing a \$1.3 million GRT reduction in FY 2016/2017 and an
4 estimated total of \$11 million throughout the 15-year phase-out period; and

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

9 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
10 **CITY OF SANTA FE RESOLVED** that the City Manager shall conduct a city-wide needs
11 assessment of staffing and service levels for all core, quality of life, and other services [~~classified~~
12 ~~as such and prioritized by the Governing Body~~] in order to identify potential areas for cost
13 [~~savings with a goal of eliminating 75 positions over the next three fiscal years for a savings of~~
14 ~~\$3 million in accordance with the following guiding principles:~~

15 1. ~~Efforts shall be made to avoid layoffs.~~

16 2. ~~All vacant positions shall be evaluated at least quarterly to determine whether~~
17 ~~they should be eliminated.~~

18 3. ~~Consideration shall be given to a hiring freeze targeted to minimize negative~~
19 ~~impact on core and quality of life services.~~

20 4. ~~Efforts shall be made to optimize permanent savings through attrition.] to~~
21 ~~address the budget deficit.~~

22 **BE IT FURTHER RESOLVED** that The City Manager shall seek to identify cities
23 comparable in size, service levels and other variables, such as demographic factors and [~~in~~
24 ~~accordance with the foregoing policies classifying and prioritizing City services and guiding~~
25 ~~principles established by the Governing Body, in order to identify~~] potential areas to right-size

1 City government with a goal of achieving comparable staffing and service levels, including the
2 following actions:

3 1. ~~[Implement a hiring freeze on all positions that represent an expansion or~~
4 ~~addition of public services unless they are budget neutral.]~~ Evaluate a hiring freeze
5 and loss through attrition to reduce staffing to recommended levels.

6 2. ~~[Mandate an appropriate reduction]~~ Seeking reductions in overtime and
7 travel.

8 3. Identify and evaluate the impact on residents and visitors of any potential
9 reductions in service; and ensure that disadvantaged and poor residents are not disproportionately
10 impacted by such service reductions.

11 4. Evaluate the costs to the City of providing services and proposing changes to fees
12 for services that reflect such costs.

13 5. Identify functions that can be automated for permanent long-term savings.

14 6. Aggressively pursue delinquent taxes, fines, and fees.

15 7. **Review the need to fill any vacant position. If any one position remains**
16 **vacant after a period of two years, it shall be removed from the list of available positions.**

17 **BE IT FURTHER RESOLVED** that the City Manager evaluate the City benefits
18 structure as it compares to the benefits structures offered by other New Mexico local governments
19 and by the State of New Mexico in order to identify potential areas for cost savings, with a goal
20 of achieving a comparable level of benefits to those governments with equivalent employee
21 contribution levels.

22 PASSED, APPROVED AND ADOPTED this _____ day of _____, 2015.

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24 JAVIER M. GONZALES, MAYOR
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ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

KELLEY A. BRENNAN, CITY ATTORNEY

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2015-___

3 INTRODUCED BY:

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5 Councilor Joseph M. Maestas

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10 A RESOLUTION

11 REQUESTING THE CITY MANAGER EVALUATE POSSIBLE EFFICIENCIES
12 WITHIN CITY OPERATIONS THAT MIGHT HELP CLOSE THE OPERATING
13 DEFICIT IN FISCAL YEAR 2016/2017 INCLUDING IMPLEMENTING A
14 CONDITIONAL HIRING FREEZE.

15
16 WHEREAS, the City of Santa Fe is facing a fiscal year (FY) 2016/2017 operating deficit
17 of approximately \$15 million that must be systematically addressed beginning before the end of
18 the current fiscal year; and

19 WHEREAS, existing city services and workforce levels are not sustainable at current
20 rates of revenue, necessitating a comprehensive plan on prioritizing city functions and evaluating
21 sources of revenue; and

22 WHEREAS, difficult decisions must be made as to how to cover this gap; and

23 WHEREAS, City of Santa Fe revenues are 75% dependent on gross receipts taxes
24 (GRT) that are variable and unpredictable; and

25 WHEREAS, since the 2008 recession, the local economy has experienced a slow

1 recovery and a shrinking tax base; and

2 **WHEREAS**, the 15-year phase-out period of the hold harmless GRT started in the
3 current fiscal year, with the city facing a \$1.3 million GRT reduction in FY 2016/2017 and an
4 estimated total of \$11 million throughout the 15-year phase-out period; and

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

9 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
10 **CITY OF SANTA FE RESOLVED** that the City Manager shall conduct a city-wide needs
11 assessment of staffing and service levels for all core, quality of life, and other services classified
12 as such and prioritized by the Governing Body in order to identify potential areas for cost savings
13 with a goal of eliminating 75 positions over the next three fiscal years for a savings of \$3 million
14 in accordance with the following guiding principles:

- 15 1. Efforts shall be made to avoid layoffs.
- 16 2. All vacant positions shall be evaluated at least quarterly to determine whether
17 they should be eliminated.
- 18 3. Consideration shall be given to a hiring freeze targeted to minimize negative
19 impact on core and quality of life services.
- 20 4. Efforts shall be made to optimize permanent savings through attrition.

21 **BE IT FURTHER RESOLVED** that The City Manager shall seek to identify cities
22 comparable in size, service levels and other variables, such as demographic factors and, in
23 accordance with the foregoing policies classifying and prioritizing City services and guiding
24 principles established by the Governing Body, in order to identify potential areas to right-size
25 City government with a goal of achieving comparable staffing and service levels, including the

1 following actions:

- 2 1. Implement a hiring freeze on all positions that represent an expansion or addition
- 3 of public services unless they are budget-neutral.
- 4 2. Mandate an appropriate reduction in overtime and travel.
- 5 3. Identify and evaluate the impact on residents and visitors of any potential
- 6 reductions in service; and ensure that disadvantaged and poor residents are not disproportionately
- 7 impacted by such service reductions.
- 8 4. Evaluate the costs to the City of providing services and proposing changes to fees
- 9 for services that reflect such costs.
- 10 5. Identify functions that can be automated for permanent long-term savings.
- 11 6. Aggressively pursue delinquent taxes, fines, and fees.

12 **BE IT FURTHER RESOLVED** that the City Manager evaluate the City benefits
13 structure as it compares to the benefits structures offered by other New Mexico local governments
14 and by the State of New Mexico in order to identify potential areas for cost savings, with a goal
15 of achieving a comparable level of benefits to those governments with equivalent employee
16 contribution levels.

17 PASSED, APPROVED AND ADOPTED this _____ day of _____, 2015.

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19 _____
20 JAVIER M. GONZALES, MAYOR

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22 ATTEST:

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24 _____
25 YOLANDA Y. VIGIL, CITY CLERK

1 APPROVED AS TO FORM:

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4 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2015/City Staffing Needs v2*

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 REQUESTING THE CITY MANAGER EVALUATE POSSIBLE EFFICIENCIES WITHIN CITY THAT MIGHT HELP CLOSE THE OPERATING DEFICIT IN FISCAL YEAR 2016/2017 INCLUDING IMPLEMENTING A CONDITIONAL HIRING FREEZE.**

Sponsor(s): Councilor Macstas

Reviewing Department(s): Legislative Services

Persons Completing FIR: Jesse Guillen Date: 10/22/15 Phone: 955-6848

Reviewed by City Attorney: *Kelley A. Brennan* Date: 11/2/15
(Signature)

Reviewed by Finance Director: *[Signature]* Date: 11-2-2015
(Signature)

Section B. Summary

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

This resolution requests that the City Manager seek out efficiencies within the City government that would help close the deficit for the next fiscal year budget.

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)*

I. 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)

Finance Director: *[Signature]*

✓ Check here if no fiscal impact

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.)

The goal of the resolution is to reduce the estimated budget deficit, but at this point it is unclear what effect following the guidelines in this resolution would have on the deficit.

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.

Staff would not be directed to explore possible efficiencies within City government.

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 identified.

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.

By implementing the policies as prescribed by the resolution, the City will have the information needed to streamline services and staff levels and shrink the expected deficit for FY16/17. While it will not cover the entire gap, it will help establish the City with a level of staff and services comparable to other municipalities of the same size and equal availability of services.
