

**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		

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 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: November 2, 2015

ATTACHMENTS: 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 2, line 10 *delete* "classified as such and prioritized by the Governing Body"
2. On page 2, *delete* lines 12-19 and *insert* in lieu thereof "to address the budget deficit."
3. On page 2, line 21 *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 1-2 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 2 *delete* "Mandate an appropriate reduction" and *insert* in lieu thereof "Seeking reductions"
6. On page 3, after line 10 *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

Respectfully submitted,

Peter N. Ives, Councilor

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2015-__

3 INTRODUCED BY:

4
5 Councilor Joseph M. Maestas
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9

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.

18 _____
19
20 JAVIER M. GONZALES, MAYOR

21
22 ATTEST:

23 _____
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25 YOLANDA Y. VIGIL, CITY CLERK

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APPROVED AS TO FORM:



KELLEY A. BRENNAN, 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): **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 Maestas

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)*

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)

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.
