



Agenda

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**SPECIAL FINANCE COMMITTEE MEETING
FY 2014/2015 OPERATING BUDGET REVIEW
CITY COUNCIL CHAMBERS
MAY 5, 2014 – 1:00 PM – 5:00 PM**

ALL MEMBERS OF THE GOVERNING BODY ARE INVITED TO ATTEND THIS MEETING

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. QUESTIONS AND CLARIFICATION
5. CONTINUATION OF FISCAL YEAR 2014/2015 OPERATING BUDGET REVIEW:
 - Police/Fire Union Presentations
 - Wrap-Up
6. Request for Approval of Operating Budget and Organizational Chart for Fiscal Year 2014/2015. (Brian Snyder)
7. ADJOURN

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SUMMARY OF ACTION
SPECIAL FINANCE COMMITTEE
FY 2014/2015 OPERATING BUDGET REVIEW
Monday, May 5, 2014

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1-2
QUESTIONS AND CLARIFICATION	Information/discussion/votes	2-14
<u>CONTINUATION OF FISCAL YEAR 2014/2015 OPERATING BUDGET REVIEW:</u>		
POLICE/FIRE UNION PRESENTATIONS	Information/discussion	14-16
QUESTIONS AND CLARIFICATION	Information/discussion/votes	16-18
WRAP-UP	Information/discussion/votes	18
REQUEST FOR APPROVAL OF OPERATING BUDGET AND ORGANIZATIONAL CHART FOR FISCAL YEAR 2014/2015	No vote	48
ADJOURN		49

**MINUTES OF THE MEETING
CITY OF SANTA FE
SPECIAL FINANCE COMMITTEE
FY 2014/2015 OPERATING BUDGET REVIEW
Monday, May 5, 2014**

1. CALL TO ORDER

A Special Meeting of the City of Santa Fe Finance Committee, FY 2014/2015 Operating Budget Review, was called to order by Chair Carmichael A. Dominguez, at approximately 1:00 p.m., on Monday, May 5, 2014, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Ronald S. Trujillo
Councilor Joseph M. Maestas
Councilor Signe I. Lindell
Councilor Christopher M. Rivera

OTHERS ATTENDING:

Brian K. Snyder, City Manager
Marcos A. Tapia, Finance Department
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Chair Dominguez said the agenda is straightforward, and his hope is that we can get the budget submitted to Council after this meeting or tonight's meeting.

Councilor Maestas said he has a punch list of issues, and asked if that should be handled under wrap-up, instead of being on the Agenda.

Chair Dominguez said yes, that is intended to be a catch-all.

MOTION: Councilor Trujillo moved, seconded by Councilor Rivera, to approve the agenda, as presented.

DISCUSSION: Mr. Snyder said he looks at the Questions and Clarification as a catch-all to be an open dialogue. He said Mr. Tapia will start and run through the handouts and some of things we're still working on.

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

4. QUESTIONS AND CLARIFICATION

A copy of *City of Santa Fe FY 2014/15 Budget Review by Department/Division* [white book] dated April 25, 2014, is incorporated herewith to these minutes by reference as Exhibit "1." Copies are on file in, and may be obtained from, the Finance Department.

A copy of *City of Santa Fe FY 2014/15 Budget Review by fund* [green book] dated April 25, 2014 is incorporated herewith to these minutes by reference as Exhibit "2." Copies are on file in, and may be obtained from, the Finance Department.

A copy of *City of Santa Fe Pre-Budget Review Fiscal Year 2014/2015* is incorporated herewith to these minutes by reference as Exhibit "3." Copies are on file in, and may be obtained from, in the Finance Department.

A copy of *City of Santa Fe Organizational Chart FY 14/15*, is incorporated herewith to these minutes as Exhibit "4."

A copy of *Expansion Requests – FY 2014/15 Budget Development* for the Public Works Department, is incorporated herewith to these minutes as Exhibit "5."

A copy of *Expansion Requests – FY 2014/15 Budget Development* for the Parks and Recreation Department, is incorporated herewith to these minutes as Exhibit "6."

A copy of the Organizational Chart for the Santa Fe Police Department, dated May 2014, is incorporated herewith to these minutes as Exhibit "7."

A copy of *Exhibit 3 City Council Chambers Remodeling: Probable Cost Estimate*, is incorporated herewith to these minutes as Exhibit "8."

A copy of *Police Property Tax Fund (2252)*, is incorporated herewith to these minutes as Exhibit "9."

A copy of Proposed Gross Receipts Unimposed GRT – 25% GRT Increase Beginning FY 14/15 with Hold Harmless Loss, is incorporated herewith to these minutes as Exhibit “10.”

A copy of Fiscal Year 2014/2015 Needs/Running Total, is incorporated herewith to these minutes as Exhibit “11.”

Mr. Tapia reviewed the handouts for the meeting.

Mr. Tapia reviewed Exhibit “13.” Please see Exhibit “13” for specifics of this presentation.

The Committee commented, made suggestions and asked questions as follows:

- Councilor Rivera asked what is the percentage of reserve required by the State.

Mr. Tapia said it is about 8.33%, or 1/12 of the operating budget, noting the City holds 10% in reserve which is much higher.

- Councilor Rivera said then the difference between the 1/12 and the 10% is just over \$1 million.

Mr. Tapia said it is approximately \$1.2 million for this fiscal year.

- Chair Dominguez said then using the \$1.2 million will keep our reserves at the 1/12 mandated by the State, and Mr. Tapia said yes, just a little above – \$200,000 to \$300,000 above.

- Councilor Lindell said Employee Health Insurance is at \$919,000 on Exhibit “13,” but on the original Gap Sheet there was a health insurance gap of \$1.2. She asked if these refer to the same thing.

Mr. Tapia said during the budget process he was able to reduce that to \$919,000 and it is regarding the same item..

- Councilor Maestas said we are going to plug the gap in the health insurance with Worker’s compensation funds on a one-time fix. He said, to be fair, we talked about sharing future increases *pro rata*, based on the existing 76% for the City and 24% for employees. He asked if we should consider this as a policy going forward, or if we are going to kick that can down the road and address the increase we will have again next year, when we won’t have that same revenue source. He asked what is recommended in terms of the Committee taking action to avoid the expected impact in another year.

Mr. Tapia said the \$750,000 comes from Worker’s Compensation, which will help the fund in the long run, noting it is Scenario No. 3 in the Pre-Budget Book [Exhibit “3.”] The assessments are based on usage and what is given to us by our actuaries and insurance company provide us, which still will be 76-24. This is just to help shore up the fund in the event of a catastrophic loss. He said negotiation with the union would be required to change this split. He said some changes

will have to made, because it isn't sustainable. He said we have great benefits that attract people to work for the City because of the benefits, but that cannot continue.

- Chair Dominguez said at some point we either continue the current policy in place which depletes the fund in 2-3 years, or we come up with significant policy which will change some of that.
- Councilor Maestas asked if the City is obligated, in the current union contract(s), to pick up 100% of any health increases.

Mr. Snyder said no, the contract is silent on how that is spread, but the ratio is set in the union contract at 76-24. He said the \$750,000 is a one-time influx of money from Worker's Compensation to the Health Fund, and is not sustainable in the future. He asked the Committee to keep this in mind as we move forward.

- Councilor Maestas said we are going to use the reserves in a discretionary manner to avoid any tax increases. He said there is an unwritten policy to set aside 10%, which is about 1.7% above the State mandated reserves. He said we had discussed the fiscal impacts associated with some of the Governing Body initiated policy. He asked if we were able to set aside money for policy implementation, perhaps in the Council budget, to ensure we're not on "pins and needles" when we have to dip into much smaller reserves – was that considered..

Mr. Tapia said, "No, we did not do that."

- Councilor Maestas said then if there are any unfunded mandates from the Governing Body, we are going to have to go through the same exercise with less reserves if funding can't be found in the existing budget.

Mr. Tapia said, "No funding source indicated. We will have to scrutinize that. Also, what I am challenged to do with staff is to look at the budget continuously to see if there is funding budgeted but may not have to be expensed, or something we can put off, or an expense that wasn't realized. This is continuous, starting at July 1st. We look at the budget and see what's there, and will have to continue doing that."

- Councilor Maestas said in the sheet [Exhibit "11"], under Revenue Opportunities Not Accounted for in Base Budget, you are still showing the General Fund cash balance above the State requirement of \$1 million. He thought he just said he is including 80% of the difference between the 10% and the State mandated.

Mr. Tapia said this is \$1 million to fill up the \$1.499, with your approval, and it will be in the base budget. This is what he would like to do.

- Chair Dominguez asked, if we use the \$1 million, does that impact the bond ratings.

Mr. Tapia said the bond rating is based on designated amounts coming into the City for debt service. He said the other is the amount of debt compared to what we can borrow, and our ratio is a positive ratio. He said we still will be above the State mandate, so he doesn't anticipate that impacting our bond rating. This is General Fund only.

- Chair Dominguez asked when the 10% was established.

Mr. Tapia said they looked at everything, and it was something done in Committee and we took forward. He said former Finance Director Kathryn Raveling established that as a fiscal policy. He said, at the direction of Councilor Dominguez, Councilor Maestas is going to review a policy on fund balances going forward, and that will be coming to you as "soon as I get a little more time."

- Chair Dominguez said, "I don't want to be overly critical of this, but in many ways, this is taking the easy way out, but it is something that is available to us and we should consider. In the past, we have not gone there. We've wanted to maintain the 10%, but it's open for discussion. It's up to the Governing Body."

Mr. Tapia said, "Let me put you a little bit at ease.... In 25 years of doing budgets, we've never expensed our total budget as an entity as a whole, whether at the State, federal, tribal or the City. We will not spend everything that we anticipate. Do I anticipate dipping to the \$1 million. Not to the tune of the \$1 million, no sir, I do not. But it's there just in case we need to do it with the authority of the Council."

- Chair Dominguez said he doesn't quite understand the Employee Health Insurance at \$919,000, and asked if some of that is coming from Workers' Compensation.

Mr. Tapia said, "No, that insurance did increase significantly in this operating budget, and I can look at that number."

- Chair Dominguez said then we still have the \$750,000 as a source of revenue, one-time, and Mr. Tapia said yes.
- Chair Dominguez said then we could use that to offset the employee health insurance, but only for this year. So that would be about \$400,000 we could use from the reserves. He said, "I'm just looking and asking the Committee to think about difference scenarios, because there is a one-time source of revenue for health insurance."

Mr. Tapia said, "I think we could use that amount for that purpose, but I would have to check to see if we can. I'm not clear on that. But that's one thing we can consider."

- Chair Dominguez asked if the purchase of gasoline, is something that is absorbed in each department budget.

Mr. Tapia said absolutely and it is budgeted and funded, but we had increases in fuel which we always anticipate. He can go back to budgets and strike \$117,000 off the request, but he wouldn't do that. The \$117,000 is above what we need in the General Fund.

- Chair Dominguez asked if the \$461,000 is also City-wide.

Mr. Tapia said no, it's for the General Fund portion, noting all of this is General Fund portion. This is to balance our General Fund.

- Chair Dominguez asked if that is a department assessment.

Mr. Tapia said we do a general liability assessment based on the experience, but there were some big increases in General Fund liability.

- Chair Dominguez said he is looking forward to working with Councilor Maestas on the vacancy savings policy.

- Councilor Trujillo asked, as it pertains to the \$117,000 for gasoline, if it includes both gasoline and diesel, and Mr. Tapia said yes.

- Councilor Trujillo said he wants to be clear, because we didn't have a harsh winter, and he wanted to clarify this in the event we have a hard winter in the next fiscal year and there are increases.

- Councilor Lindell, referring to the \$920,000 for health insurance, asked if this is typically separated out contractually, 76-24.

Mr. Snyder said that is correct.

- Councilor Lindell asked why we haven't discussed that.

Mr. Snyder said it is an option, said 100% of the \$920,000 is an overall increase.

- Councilor Lindell thinks the Committee should discuss this.

- Mr. Tapia said this is the employer portion of the 76%, and the employees will pay that on each pay period. This portion is what we anticipate as our 76% overall for the General Fund. He said if we go back and change the assessment, it would have to be negotiated.

- Responding to Councilor Lindell, Mr. Tapia said this is not the \$1.2 million. The \$1.2 million and the \$919,000 are the same. He was able to adjust the rate a little more by cleaning up the budget during the past week, and it is now \$919,000. This is the City's portion of the 100%.

- Responding to Chair Dominguez, Mr. Snyder said the 76-24 split is negotiated with each of the individual unions and management, and believes this is in every contract.

- Chair Dominguez said we just approved two contracts.

Mr. Snyder said this is correct, AFSCME and the Firefighters, and this split is in their contracts. It has been around for many years, and we haven't negotiated that in the past two negotiations.

- Chair Dominguez said, for clarity, if we were to change the share ratio, then that does something to our health fund.

Mr. Snyder said this is correct, and it would have to be negotiated, so it would be direction to management when we go back to the table to negotiate that percentage, and two, it would shift the amount the employees are paying and the City is paying toward the overall cost.

Mr. Tapia continued his review of Exhibit "11."

- Chair Dominguez said, the one-time costs, the two ITT items, SunGard and J.D. Edwards, are things ITT feels comfortable that spending the funds will allow us to go the next level. He asked, if the City approves the purchase of the Sungard system and in a year, or two years, we decide to spend significant funds on ITT upgrade, will Sungard no longer be usable.

Mr. Snyder said his understanding that the Land Use SunGard is a system that can be used with our current system, as is, as well as we would use it moving forward. We are not looking to replace it in upcoming years, and once it is up and running it will stay in use, no matter what kind of platform we would have or potentially move toward. The IT J.D. Edwards upgrade is, as Lisa Martinez said during the budget hearings, the band-aid. The problem is, we don't have the support service right now, and the \$480,000 or slightly less is here and now and it is not building for the future. It can get us through the next two years, but after that, we have some tough decisions on what kind of platform we really want in the City to move us forward.

Mr. Tapia said, to add to that, the platforms we're looking at, by getting this, the other platforms could be compatible to use that going forward also, and they're looking at that. So it wouldn't be a one-time shot just to get us through. He said Ms. Martinez should be here by 2:00 p.m., and can address this in more detail.

- Chair Dominguez said, "Did I hear you say the \$50,000 for the Council chamber renovation, you anticipate multiplying that by 2 or 3."

Mr. Tapia said, "Just looking at the numbers on the work sheet, it is very very basic. I built a house, so I have a little understanding of the costs. He said someone would have to look at it, ITT-wise, for some of the discussion I saw here, and maybe in-house with architectural consultation. So I do see it going up."

- Chair Dominguez said then it is more like \$150,000.

David Pfeifer said it is just basically to reorganize this, no bells and whistles. It was just a reorganization, so the \$50,000 didn't include permits and such. It is doing it all in-house as inexpensively as we could have done it. He said, "There's no bells and whistles to it, every bell and whistle you would add to it would increase the cost."

- Chair Dominguez said the \$50,000 just basically shifts it around.
- Councilor Rivera said, "I worked on that with staff, and I believe it also covered some ADA requirements and lighting fixtures to save energy. I think it's more than just moving this portion around. And again, my idea about bells and whistles for computers was just what councils have in other cities. I don't envision it being that high tech. So my guess would be \$50,000 to maybe \$80,000, I believe was the number tossed around. Maybe we can have staff clarify that."
- Councilor Lindell said, regarding the Council Liaison positions, in the spirit of trying to save money, she doesn't feel we need 4 positions. She is hopeful we could have 2 positions, rather than 4 with the idea we have none now. And perhaps we could start out with 2 rather than 4, so there's some cost savings there. She wasn't on the Council when the Council chambers renovation was discussed and is unsure of the purpose for that, and asked Councilor Rivera to speak to that.
- Councilor Rivera said, "I think most of it was to have access and interaction with the public. And I think, again sitting there for 2 years, unless you sit there and sort of understand what it's like. You're facing staff on this side. And in order to face the crowd or the people, you almost need to turn your body 90 degrees to do it. It is mainly, for access to the public, so we all have equal access. Some of it was to address ADA issues which David Rasch and others have brought up as well as going to LED lighting fixtures instead of fluorescent which would save energy as well. So those are just a few."
- Councilor Maestas said, "I do support Councilor Lindell's rationale for going with two liaisons just to see how things are going, because that is a large fiscal impact. But I do support Councilor Rivera's desire to change the orientation of the dias, because it is difficult to address the Governing Body and the audience as well. I think that's a nominal investment, even if it is \$100,000. If we could take that opportunity to add some automation, I say we should do it. So I would support that."
- Councilor Maestas asked if the negative cash balance, the carry over, is in the budget, the \$1.7 to \$1.8 million.

Mr. Tapia said, "Yes, that is anticipated. It just shows the total. Some of those can be handled in this fiscal year, but it is not in the base budget. It is something I would handle in-house. If I was going to move any money that was larger than \$50,000 to cover some costs, depending on how we finish this fiscal year, would come to the Council for approval. I'm working on a 3-year plan to cover that, and I will work with the auditors, but it has to be addressed. It's not addressed in the base budget, but it is something I would address for a 3-year plan to do that. It will depend on how much I can address that based on the actual numbers, probably in July or August right before we

do our financials for our CAFR Audit, and I'll work with our comptroller, Teresita, to get those numbers. But if we get some revenue source down the road, that is one of the things that we would have to do one time to address."

- Councilor Maestas said, "We need to enact policy regarding the negative carry-over balances, because he is concerned about propping up this budget too much, and counting on future revenues to address, I think a policy that is probably not in the best interest of the City's future. We didn't decide what to do with those carry-over balances, and I think the consensus was that's not a good financial practice, but we're not doing anything about it. I really think we need to make a decision, and if it's to phase them out over the course of the next fiscal year, then I think we should do that. But I'm getting worried again, that we're propping up this budget unnecessarily, and I don't want to build this house of cards, and then come mid-year, we're in a bind."

Mr. Tapia said, "Because of accounting policy requirements and State Statutes, it is not acceptable to have a negative balance of expenditures over revenues. That is not something that should be done. And so those have to be addressed. Anything that comes this fiscal that has a negative balance currently will be addressed. At the end of the year, we do make some movements from funds or operating transfers-in to cover certain costs, to fund those expenditures and we use cash balances from other funds, depending on whether it is an enterprise. We look at the City at the whole. But these were numbers that I came into this past year, found them and it hadn't been addressed. We're addressing them."

- Councilor Maestas asked, "How does the Department of Finance & Administration accept our budget with these negative carry-over cash balance without at least identifying some projected revenues to offset them. It was supposed to be a balanced budget. Right. And by virtue of carrying these negative cash balances over and not identifying projected revenues to pay for them, then are we not planning on submitting a budget that is not balanced."
- Mr. Tapia said, "I can balance it. We have \$2.3 million available, and I can use some of that money to clear that whole thing. And if I do that, anything on the expansion would have to come from another revenue source that I'm not away that we have. And those are just one time."
- Councilor Maestas asked, "The \$2.3 million you are referring to, what is that."

Mr. Tapia said, "When we looked at our vacancies, we were looking at the total vacancy savings in General Fund monies, positions that were funded and authorized by the Council last fiscal year, those are either from vacancy savings positions that were not filled, or were only filled the last two months, or were vacant for 3 months. That is the actual savings numbers. We are comfortable with \$800,000, that's one time. In addition to the enterprises, public utilities, there is about \$1.5 million that we could use on enterprises."

- Councilor Maestas asked if the carry-over is all from the General Fund, observing that we can't use enterprise funds to fund other departments..

Mr. Tapia said, "I can't use enterprise funds, not for General Fund coverage, but they can cover any enterprise they came from, like water, some of that, but the carry-over is on the General Fund side. Any gaps that I did have.... I have a worksheet that I look at any negative balances that are coming in, this is looked at constantly. The ones that were for enterprises, most of those, I already addressed, took care of them, through transfers-in. The one that you saw, the \$1.67 million is down to about \$1.5, that's anticipated at the end of the fiscal year, so it might come out at about \$1.4 million. But I could use the \$800,000 toward addressing that."

- Councilor Maestas said, "Then the base budget that you're going to recommend to us is going to keep the negative cash balances on the books, and you're just going to pay for them if revenues come available. And if not, we'll deal with them in a year."

Mr. Snyder said, "With a 3 year plan for reducing the negative cash balance. Those negative cash balances, my understanding, have been around for a number of years, and there has been no plan to address it. So the development of the plan, in conjunction with the budget as presented before you, is our plan for moving forward to chip away at the negative cash balance. Pay a portion of it off this year, a portion the following year and a portion the year following that, coordinate that with DFA and make sure they are on board with that approach. But, to date, over the past several years, we've submitted a budget that has had those negative cash balances. Now, we're going to submit a budget with negative cash balances, a little less than previously, but with a strategy and approach for getting rid of them."

- Councilor Maestas asked when we will see this 3-year plan.
- Chair Dominguez said we haven't been presented with a 3-year plan. Part of this is a carry-over of a discussion we had last year. He has asked Brian to articulate a little bit more on what he plans to do with the negative cash balance, because it doesn't necessarily go against our balanced budget. He said, "We can do it in a year. We can find \$1.7 million, whatever the amount, and fix those audit findings and remedy that situation. But it doesn't really count against our balanced budget. It's going to come from each department... each department I guess, right Brian, is going to have to pay some of that off, is going to contribute to that negative cash balance. That's one way to do it."

Mr. Tapia said, "These are just one fund of the many huge funds that we have within the City. So when you bring all the General Fund together I don't have a negative cash balance. So, when these reports go up to DFA to Local Government once approved, on June 1. I could, at one swap, I can wipe these out. That \$1.7 million is anticipated at June 30th or it might be \$1.2 or \$1.3, and I'll address that, depending on how the expenditures come in. And going forward, either I throw in that \$800,000 and possibly wipe the whole thing out at the of this fiscal year, if I'm allowed to use that amount, I might be able to wipe it out. Your 3-year plan just turned into 6 months."

- Councilor Maestas asked, with regard to the payment from the Water Division to the General Fund, the gradual payback process, if the \$2 million payback amount in the base budget, and Mr. Tapia said yes.

- Councilor Rivera during the budget hearings, the CVB Director said they already were advertising for a sales manager, and asked if he can confirm that.

Mr. Snyder said yes, we had advertised for the Sales Director. Right now, a Sales Director position has been vacant for the past 5-6 months, and two Sales Manager Positions. He said what is before you is a Sales Manager position which does not exist, and has not been advertised.

- Councilor Rivera said there is one Sales Manager position that is open, but he doesn't see a Sales Director on the organizational chart..

Mr. Snyder said there are two Sales Manager positions, both of which are filled at this time.

- Councilor Rivera said then he is requesting a third Sales Manager positions. Currently, with two Sales Manager they have to divide the country in half which makes it difficult to sell half the country. So the hope was to divide the country in half with the two Sales Manager, with a third sales manager would have more focused areas on some of the bigger market areas which have more impact on Santa Fe.

Responding to Councilor Rivera, Mr. Snyder said the Sales Director position is in the far left column, Sales Supervisor, which is highlighted in yellow, position number 888.

- Councilor Rivera asked if the Sales Supervisor will make as much as the Sales Director would.

Mr. Snyder said it is in the same range and the position is comparable to the Marketing Manager.

- Councilor Rivera said either ITT or the CVB said the internet service there was already being addressed and should be ready for the summer with the fixes currently being done. He asked what is the request for an dedicated internet service.

Mr. Snyder said, "The wireless has been increased, with a capacity to 800 or 1,000 users, which is more in line with what is being handled at the Convention Center which is underway in the current year's before. What is before you now is a recurring expense of \$1,800 per month to maintain the service, which is not in the current year's budget. So, moving forward, to maintain that service, we're going to have that as a recurring expense to provide the wireless internet service for our customers that use the Convention Center.

- Councilor Rivera asked the base salary we will be using for the 5 vacant Police Officer positions.

Mr. Snyder said he doesn't know the exact number off the top of his head. He said he knows we budget for them as a Police Officer III, so we don't budget everyone coming in as a cadet into Police Officer I, so we can balance those coming in as laterals.

- Chair Dominguez said it could be less, depending on whether they are laterals.

Mr. Snyder said it could be less if they come in through the cadet class and come in as a Police Officer I, so there would be cost savings there.

Nancy Jimenez, Police Department, said the salary is \$22 per hour, so if they come in as a cadet, then it would reduce to \$19.11 per hour.

- Councilor Rivera asked the annual salary at that rate.

Mr. Snyder said it would be \$46,000 for the salary, and Ms. Jimenez said benefits are another \$30,000 to \$36,000, for a total of approximately \$62,000 salary and benefits per officer.

- Councilor Rivera said that then that is closer to \$300,000 than \$750,000.

Ms. Jimenez said the \$750,000 contains the automobile, uniforms and all of the equipment which is required to hire a Police Officer.

- Councilor Rivera said, then all of the \$750,000 is not a recurring expense, noting some of it is a one-time cost.

Ms. Jimenez said it would recur after the 5th year for vehicle replacement.

- Councilor Rivera said on the front, it is 5 full time employees and about half of it is a one time expense.

Ms. Jimenez said about \$350,000 is equipment. She said, "You do have to remember the union contract allows a salary increase over time, uniforms, if they live in Santa Fe then it would be gasoline for their car, so there are other items."

- Councilor Rivera asked if it is safe to say that half would be recurring.

Ms. Jimenez said, "Correct. Yes."

- Councilor Rivera asked how much is for benefits.

Mr. Snyder said it is approximately 35%.

Ms. Jimenez said, "I would have a tendency to go a little higher, because of the overtime and the required training and such which turn into overtime. I usually calculate anywhere between 42 and 45% for benefits depending on what they come in as, whether it's a cadet or Police Officer III."

- Councilor Rivera asked the starting salary for the Library positions.

Pat Hodapp, Library Director, said it is \$19.41 per hour for a beginning Librarian, \$19.71, for a grand total of \$71,154, with benefits for a professional Librarian.

- Councilor Rivera asked if all 3 positions are coming on at the same rate or rank.

Ms. Hodapp said they all would be beginning Librarians.

- Councilor Rivera said if you divide that number by 4, we're looking at \$67,240 for each, and doesn't know if that was budgeted low, although it is in the ballpark.

Ms. Hodapp said part of the way this is figured will depend on benefits. We often bring them at mid-range, unless we know the person coming in is going to take the lowest benefits.

Ms. Hodapp said, "I would like to clarify there are only 2 librarians in the request, the other one is a Library Tech, and the other is a Library Supervisor. The Library Tech salary is \$48,552, and the Library Supervisory who also would be at the Main Library is \$78,103."

- Chair Dominguez said those are the 4 positions identified in this list, so it's not the same salary for all four positions.

Ms. Hodapp said there are different levels of positions and all are budgeted at minimum salary.

- Councilor Rivera said the total of \$78,103 is with benefits.

Ms. Hodapp said, "Yes, at the highest level. Yes."

- Councilor Lindell asked if we need to make a motion to change items on this list.

- Chair Dominguez said, "If you want to make a motion and start whittling down the list, it's fine. We can do that. We can have some debate if there's not agreement, of course, but sure."

- Councilor Lindell said we need funds to go into the City Manager's Office. She said, "In walking through and just hearing requests from people, somebody that needs business cards, and saying they need to hold off until a new budget to get business cards. If we take a couple positions from Council Liaison positions.... I know Councilor Rivera felt much more comfortable with the \$80,000 to \$100,000 on the Council room renovations. Is that true Councilor."

- Councilor Rivera said he thinks that's what it was. He needs to talk to the staff person from Engineering that did the actual work-up, "to bring those figures down."

- Councilor Rivera said, before we go on, we do have these requests, but we also have requests from the Public Works and Parks and Recreation Departments that we haven't looked at or even considered as maybe part of this. He said, "You had mentioned something about bringing the unions up prior.... can I make a change to the agenda that we bring them up now, and allow them to speak before we continue this discussion."

– Chair Dominguez said that would be best.

MOTION: Councilor Rivera moved, seconded by Councilor Lindell, to reconsider the approval of the previous agenda to hear Item #5 next, then continue the debate on Expansion, and to approve the agenda as amended.

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

5. CONTINUATION OF FISCAL YEAR 2014/2015 OPERATING BUDGET REVIEW:

A. POLICE/FIRE UNION PRESENTATIONS

Captain Gerard Sena, Vice President, Firefighters, Local 2059, said, "What we're looking at is the annexation process going forward, stabilizing our moneys so we can have that new station, the personnel. The trucks will have to be bought to actually start getting that station up and running. Also, their Community Health Initiative that we're going forward with. And I'm not sure if you guys have heard about it. It's really exciting and we're really happy to start doing this, it's a new program that we're starting in accordance with the Affordable Health Care Act, and some of the guidelines that go into that. And we're starting up the program right now where we're actually going to be going out into the community with a couple of paramedics and a truck, and going to homes and doing almost like home health care visits. So that is also is going to be another arm of our Department here in the future. And right now, we're starting to ramp that up and see where that goes. And that's going to be another thing we're going to look to in the future as well. And we're going to need funding for that because it's probably going to be a good program that we're going to be going to."

Captain Sena continued, "The other thing we're looking at is also our benefits, of course, and more personnel coming on board. Also, our insurance. That's another thing we're looking at, because it's always going up. We get a raise and then all of a sudden we get hit by insurance premiums going up. It kind of knocks out the raise as well. I know that's going to be a negotiation issues, but that's something else we need to talk about as well. Right now, we're getting to be a progressive department, trying to move forward with more truck companies and stuff. All of our trucks are older right, we have 12 year old quints, they're still on the streets. They weren't designed for that kind of abuse that we put them through, and they run. And another thing we need to start looking at, is getting more funding to start to provide us with newer vehicles. The Chief has come up with a really good idea, our administration, for purchasing \$400,000 engines. It's a really good program we're trying to go to, but there's a lot of cost associated with all that. And there always is the recurring costs of raises and stuff, and trying to attract more personnel to us. We're a growing City, especially on the south side which continues to grow. And you look out there right now, it is growing all the way to the outlets right now. And we're kind of behind right now, especially when we are going to be going through annexation, but I know you've already talked about that, and you are looking at that, and that's where we want to be."

Captain Serna said, "And one other thing, I know we've talked about in future is something we really talk about is stabilizing where our monies are coming from. Depending on gross receipts tax, that's just not helping us. I know it's something we don't want to talk about is property tax or a public safety tax, but it's something we have to look at in the future. And that would allow you to put the gross receipts tax to better use if we could actually get something like that on board. I know it's something we don't want to do, family members and stuff paying a little bit more, but it's something we've really got to look to in the future. I'm happy with where we're at with our administration, with the Councilors, and I know we're going to move forward in the future together, but this is our general concern. Especially, the most important part of this is the annexation, starting to get ready and get the personnel to do what you guys want us to do, is do our jobs. That's the insurance policy Santa Fe has. Any questions."

Responding to the Chair, Captain Serna said, "The first phase is to go out there and address the elderly people that have a slip and fall, and get out there and see why they are falling in their homes. We're trying to go into the hospital for the same issue all the time. One of the other things we're going to be doing is going and do home health visits and say, 'hey, how can we help you out.' So you're going to see a lot more smiling faces around the City and stuff like that. So we hope to keep our community a lot healthier and a lot safer."

Councilor Rivera said, as he said to AFSCME on Tuesday, the unions took a hit during the recession, and you did your part, not getting raises, giving up some other areas within your contract to save money and have a balanced budget. He said he wants to thank them for them, and for seeing the big picture, and really looking at what is best for the community. He is able we were able to give a little bit back.

Captain Serna said, "Thank you for that, too. We're in this together. It's our City."

David Jenkins, President, Santa Fe Firefighters Association, said, "I don't have a whole lot to add to what Gerard was just saying. I do want to say I think that right now this is a really exciting time for this Department and this City, and the partnership that we've created over the years. We still have some work to do. As Gerard was saying, we still need a solution to having a stable funding for public safety and making we have a source that isn't going to be interrupted if the economy takes a downturn, or tourism goes down. Not related to that, as Gerard was indicating, we have annexation coming up. Over the last 6 years, we were able to push the clock on that a little bit, but it is ticking again. We're getting down there. And, if we're going to have the station and the personnel, the trucks and equipment and all that stuff in time, we need to have that budgeted in the next cycle or two.

Mr. Jenkins continued, "Having said that, again, it's a really exciting time, particularly because of this Community Health Initiative. And there are two points I want to make on that. I've been around just long enough to know that it's really rare where you have an opportunity where absolutely everybody involved gets the benefit of a service. And this is one of those times. It's great for the Fire Department. It's great for the City and for the citizens. It's a really exciting initiative. I don't think it's an exaggeration to say, it is falling in place with the Affordable Health Care and all these big national things, and this is the kind of program that very well could put us on the national stage, being at the forefront in what really is the

future of health care. Again, I don't think it is an exaggeration to say so. It's an exciting time. Thanks for working with us, and we look forward to working with you guys in the future. We hope to meet with you guys individually if you want to talk about any of this stuff, but particularly the Community Health Initiative which I think is really important. Thank you very much."

Chair Dominguez thanked them for their work and for coming to the Committee and speaking to us. He said we look forward to working with you for a balanced budget and to provide the best quality of service to the taxpayers.

Mr. Snyder said there is a representative here again from Aon, and they spoke the last time about the health insurance, so at one point we could work them into the schedule to let them go as well. He said if there are no questions, then we would let them go.

4. QUESTIONS AND CLARIFICATION (CONTINUATION)

At this time, the Committee returned to Item 4 and the discussion on the expansion requests.

Chair Dominguez said Councilor Rivera suggested we have a discussion about Public Works and Parks & Recreation on this. And after that, we can start eliminating stuff from the expansion list that we're not going to do, or come up with some hard numbers on those so staff can begin to plug them in, however we need to.

The Committee commented, made suggestions and asked questions as follows:

- Councilor Maestas said he thought we should get some of the general questions out of the way first, before getting into some of the specific expansion requests, and he still has a few general questions about the budget.
- Chair Dominguez asked if anyone has questions about the Public Works and Parks & Recreation Departments expansion requests. He said then we will jump to Councilor Maestas's questions, and then try to bring it all together.
- Councilor Lindell said, from what she can see, this not different from what we had last week, it's just broken out into Public Works and separately, Parks & Recreation and asked if this is true.

Mr. Snyder said he believes this is generally true, yes.

- Councilor Lindell asked if there is anything from the original list that we originally had put on the narrowed-down list.

Mr. Snyder said there is nothing on the narrowed-down list, the talley sheet, that Mr. Tapia prepared, from Parks & Recreation or from Public Works at this time.

- Chair Dominguez said, “I think what we asked them to do is to reprioritize and then we could have a discussion if there is anything there we want to put on the list we’re looking at today.”

Mr. Pino said this is correct. He said we separated them into two different Departments and then prioritized them according to the way we originally prioritized.

- Councilor Lindell said she just wanted to make the point that there is nothing new, and she didn’t think last week we prioritized any of these to go on what is, for lack of a better term, the emergency funding list, the critical list, the triage list.
- Councilor Rivera said he didn’t put anything on the list because it was difficult to see what is important. He said if they were separated he probably would have replaced the zamboni and the exercise equipment for Ft. Marcy on the list for discussion.
- Chair Dominguez asked Mr. Tapia, “Are you going to keep track of our list and start striking stuff and adding stuff as we go through there.”

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to include on the tally list for end of year funding, the top two expansion emergency needs for Recreation, the zamboni in the amount of \$140,000 and the exercise equipment at Ft. Marcy in the amount of \$149,031, as shown on Exhibit “6.”

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

- Chair Dominguez said on the Public Works side, the first ranking, replacement dump trucks/spreader boxes/plows – snow removal, funded with the gasoline tax. He asked if this should be on the priority list, and asked Mr. Snyder how he proposes to deal with this request.

Mr. Snyder said back when he gave the real budget discussion, these are items that are outside the base budget, so these are funding expansion request. He said we have an additional revenue source which is the gasoline tax which can be applied toward this. He said staff proposal is to apply the gasoline tax for the \$611,000 to use toward the replacement of dump trucks, spreader boxes and plows.

Mr. Snyder said, “I would like to get that approved, even if it isn’t part of the expansion list, but approved for the base budget – the funding source being specific to the gasoline tax, so we get it as part of the approved overall budget.”

- Chair Dominguez said we could make that recommendation through this process so it is included in the overall base budget.

MOTION: Councilor Trujillo moved, seconded by Councilor Maestas, to approve the 4 trucks for Streets & Drainage Maintenance, to be funded in part with the Gasoline Tax, in the amount of \$610,590, as shown on Exhibit "5."

DISCUSSION: Chair Dominguez said, "And that's one time for how long, what is the life of the trucks."

Mr. Snyder said, "It depends. If you use our current life of our trucks, the trucks are about 20-25 years old. We don't recommend we go that long again."

Councilor Trujillo said, "I would recommend 7 years, and 125,000 miles."

Chair Dominguez said then we're adding the first ranked item on Public Works to the last and making sure we use the gasoline tax to offset the cost, and the City Manager would like to make sure this is part of the overall approved budget. He said, "I think it's fair enough that we have an expansion with a source of revenue to offset it."

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

5. CONTINUATION OF FISCAL YEAR 2014/2015 OPERATING BUDGET REVIEW:

B. WRAP-UP

Chair Dominguez said we have now moved off the expansion discussion and called on Councilor Maestas to ask questions or make whatever presentation he wanted to make.

- Councilor Maestas asked what revenues projected from annexation are included in the base budget, noting Mr. Tapia's estimate was \$2.5 million, a mix of General Fund and other Non-General Fund revenues.
- Mr. Tapia's said, "On the work sheet, based on the BBER report, yes, that's what we were looking at. We actually went conservative and reduced that because he doesn't have a good idea. He said, "Overall, remember there are some GRTs, property tax, or other funds which come to the City which go directly to the Police or the Public Safety Fund, and some others, which he can't use for general operations. So we anticipate \$1.5 million from the annexation."
- Councilor Maestas said then \$1.5 million projected as additional revenues from annexation is included in the base budget.

Mr. Tapia said, "Correct, but only about \$1.2 million goes directly to general fund operations I could use for anything. I'd have to break that out. I was counting on going through mid-year. And the reason I was being conservative is I wanted to find out at mid-year or during the year to identify the annexation funds whether it be property tax, GRT increases and other revenues – business licenses, Land Use Permits and other things. We can also look at the Police and Fire responses

at mid-year and make a decision to do additional, or maybe even reduce the anticipated revenues that I'm looking at."

- Councilor Maestas asked about the expenditure side. He said, "If I look at your original projections, there was anticipated expenditures over the revenues from annexation. Are you going to lower the anticipated expenditures."

Mr. Tapia said, "Absolutely. The expenditures totally went down. First of all, we took vehicles that we had in there, went down from 10 to 5, I think there was another FTE for Public Works, all part of annexation expenses we reduced."

- Councilor Maestas asked the revised amount.

Mr. Tapia said he will have to get back to him, because he doesn't have those figures with him.

- Councilor Maestas said the vacancy savings on salaries in the enterprise fund can't be used for the General Fund, and asked if that needs to be considered in this budget. He said, "For example, I know our needs are going to far exceed anticipated revenues in the CIP. What can we do with the vacancy savings on the enterprise fund side. What are our options, or have you already earmarked that in the base budget.

Mr. Snyder said it has not been earmarked in the base budget. He said any money not expended from an enterprise fund, rolls back into the enterprise fund. He said, "I'll speak to Public Utilities as an example. Each of the public utilities has a financial plan where they have purchases of capital equipment and such charted out for the next 5-7-10 years. So any money that is not spent during the budget just rolls back into the fund itself. Parking, although it may not have a true, formal financial plan, similarly it rolls back into the Parking Fund."

- Councilor Maestas asked the reason it is shown on the sheet – \$1.5 million of vacancy savings on the enterprise side – is it's really already spoke for by each respective enterprise fund, right, so we can't do anything with it.

Mr. Tapia said you can for some of the enterprises that are showed here.

- Councilor Maestas said, "What would have been helpful is to break out those savings by enterprise fund and then separate the list of expansion requests from those enterprise funds, so we can at least say, okay, we have money here. It's got to stay with the enterprise fund, and these are requests from these enterprise funds and maybe make some decisions in that regard."

Mr. Tapia said, "You're absolutely correct. The enterprise funds can only be used... and there's only one item I see here that could be used for the enterprise fund vacancy savings. And, as the City Manager alluded to, yes, these funds would go back into the cash balance. I cannot use those for General Fund operations."

- Chair Dominguez said, "Unless it's by ordinance, right. Well I guess there's the water pay-back."

Mr. Snyder said, "That's correct. The water pay-back, the different scenarios, there are ordinances in place that prohibit us from using enterprise funds to supplement the General Fund. But the water pay-back is a different scenario where the Water Division is paying back the General Fund for previous loans."

- Chair Dominguez said, "Utilities is the only enterprise that is flush, right, for lack of a better term."

Mr. Snyder said, "Water, Wastewater and Solid Waste, as I mentioned earlier, each have a financial plan with reserves and needs in the future, from the standpoint of bond increases and rate increases in the future. Parking this year is in the black, the first time in a number of years we've been in that boat. There are challenges in the other enterprise funds."

- Councilor Maestas said, with regard to the debt service transfer, "I know we looked at different scenarios. We're talking about the 30% debt service for the garage portion of the Convention Center, to get that off the Convention Center books and onto Parking. And we talked about the different scenarios, and I think you came up with a scenario where we would transition it over 3 years, and I like that. I think we should make a decision on that. It's not going to impact the Parking Division immediately. I think they still have a reserve that can handle the first two year. They are not anticipated to go into the red until, I think, FY 17. So, Mr. Chairman, I would like for us to make a decision on the debt service transfer transition from CVB to Parking Division. And I think we even talked about providing the Parking Division ample opportunity to come up with a strategic plan to plug that anticipated gap that we project that would hit in FY 17."
- Councilor Maestas continued, "We need to start making some decisions to really set this budget on the right path and we're really propping up this budget with a lot of one-time savings and it's really concerning me. So I would like to make some decisions that would be recurring on the positive side, instead of using these one-time, whether vacancy savings or what have you, to make do for now. I think we have to do it, because I'm not sure any one of us really wants to impose any kind of tax increase, and by all indications we're going to avoid that this year, but we could be magnifying the problem, in addition to kicking the can down the road. And that's my concern. I want to start making some decisions that are still revenue neutral that will set us on the right path toward sustainability, and I think the debt service issue on the CVB books would do that."
- Chair Dominguez said, "Right. So I think we decided, staff, the City Manager wanted to take a look at it before we made that decision, but I think that's the direction we're leaning in. Brian is there any new information on that."

Mr. Snyder said, "There is no new information on that. Just to summarize what Councilor Maestas said, looking at the summary table we presented last budget hearing, a ramp-up approach of basically dividing it into thirds for each of the next three years until we get to the debt service of \$1.035 million, in that range by fiscal year 16/17. The beginning cash balances don't go into the

red until 16/17, so we have two more fiscal years, and when they do go into the red in 16/17, these are just projects, they go into the red \$31,000. So \$31,000 on a \$5 million budget, there is some flexibility there. When you start going into the red on a more measurable level from a projection standpoint in fiscal year 17/18, with a starting cash balance of about \$1 million. My point is, we have a couple of years to look at our options for funding in this, whether it's increasing parking rates, shifting different types of funding sources around within the Parking Division. That being said, the flip side on the CVB, the problem is more, right here right now. And by shifting this around, it resolves the negative cash balance until the year 2022 or 2023, so you make a dramatic shift there. So we will be moving forward, assuming this is approved, we will be moving forward with evaluating and developing a strategic plan, and developing a funding plan for this approach."

- Chair Dominguez said, "So, is that your recommendation then Brian, that we go ahead and make that move."

Mr. Snyder said, "From an enterprise fund standpoint, I do believe the debt and revenue should reside in the same funds, and as I said last week, I believe the challenge moving forward is that we're going to have to revenues to support that. And that comes back to staff doing some heavy lifting and coming back to you with scenarios and options, that may have some challenges, that I'll be presenting to the Governing Body – rate increase, different structures and those kinds of things that will be some tough decisions. So, I do recommend moving forward and putting the debt and the revenues in the same fund, so where the revenues are being collected, we're putting it against the debt it's being collected for."

Chair Dominguez said, "So you really mean separate funds though. Right."

Mr. Snyder said, "I recommend shifting the debt from the CVB Parking Center to the Parking Fund and out of the CVB Fund."

- Chair Dominguez said Councilor Maestas can make a motion on that and we can resolve that issue.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, "that we transfer the debt service for garage portion of the Convention Center, transfer it from the CVB budget to the Parking Division in a three-year transition plan as recommended by staff, entitled Scenario No. 2."

DISCUSSION: Sevastian Gurule, Director, Parking Division, said he agrees. He said this will give an opportunity to come back to this body and present a strategic plan to "identify the funding sources and how we are going to be able to collect this additional revenue.... it will be helpful for us. In addition to that, we'll also include the possibility of some other options as far as purchasing equipment and such to help us be more efficient, effective and what it is we're operating."

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

- Chair Dominguez said, "So now, let's go ahead and start jumping on chopping away at this a little bit. Maybe there's something on this talley sheet we don't want to consider. I think the path of least resistance [*inaudible*]. So if there's something that we can all agree on not expanding, if we can take those off the list or we want to have one motion with the package, that's up to the Committee. So let's go ahead and open the discussion on this one."
- Councilor Lindell said she didn't finish talking about the Councilor Liaison positions. She said, "We have zero now, and this calls for 4. I said, in the spirit of compromise, let's try 2. I would even be willing to go ahead and try 1. But what I do think we need is to have some budget set aside, which I don't see on here, and perhaps the Committee would consider. I think we probably need another perhaps \$50,000 to go into the City Manager's budget for things like what I was saying. It's.... some people don't have business cards, I don't have a computer, things that seem like they are necessities. And it isn't a luxury for people to have a business card. So I think that I would like to see us cut the Council Liaison back to, perhaps position, and see how that works, so it would be at \$80,000, rather than \$320,000, and I would propose that we put \$50,000 into the City Manager's budget."

MOTION: Councilor Lindell moved, seconded by Councilor Maestas for purposes of discussion, to allocate \$80,000 for one Council Liaison position and increase the City Manager's budget for \$50,000 for Governing Body expenses – "that we just add it, instead of trying to balance, because I don't think we have any money to work with."

DISCUSSION: Councilor Maestas said it's all about finalizing the list. He said, "And then, I think as you suggested, we "can just go down from top to bottom and vote. And then I think we need to find the money, so.... I guess ya'll want to find the money after. I'll go with the flow. That's fine with me. I would prefer to identify it up front."

Councilor Rivera would like to do away with all 4 Council Liaison positions, because he doesn't think 1 position will be able to do much

FRIENDLY AMENDMENT: Councilor Rivera would like to amend the motion to do away with all 4 Legislative Liaison positions. **THE AMENDMENT WAS NOT FRIENDLY TO THE MAKER.**

MOTION TO AMEND: Councilor Rivera moved, seconded by Councilor Maestas, "to do away with all of the 4 Council Liaison positions and reconsider those funds for other purposes."

VOTE ON MOTION TO AMEND – DEFEATED: The motion was defeated on a voice vote, with Councilor Trujillo and Councilor Rivera voting in favor of the motion, Councilor Maestas and Councilor Lindell voting against and Chair Dominguez voting no to break the tie and to defeat the motion to amend.

Councilor Maestas said he is citing "the Celeste case study in point. I think she is one person handling quite a bit and if we just have one person handling 8 Councilors in 4 Districts, I see burnout, I see low morale."

FRIENDLY AMENDMENT TO MAIN MOTION: Councilor Maestas would like to amend the motion to propose funding two of the Council Liaison positions. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

CONTINUATION OF DISCUSSION ON THE MAIN MOTION, AS AMENDED: Chair Dominguez said he is much more in favor of this amendment instead of just having 1 Council Liaison, because 1 doesn't seem it would be enough, and would rather do zero than just one.

Councilor Rivera said Celeste was doing the job of 2-3 people by herself, but there are now multiple people between her office and the Mayor's office, and she doesn't have the load she had, and is back to the load she. He is unsure the additional position is needed, and there are many needs out there by each of the departments which really affects the customers and constituents. He thinks the Council Liaisons will do some of that. He said he would rather look for funding sources to give each of the departments what they need to do their job every day, and then "look for things that will make my job a little bit easier."

Councilor Trujillo said he has been on the Council for 8 years, and we haven't had liaisons. He said we have had staff which do an outstanding job and get us what we need. He said he understands the position of Councilors Lindell and Maestas. He said he is very satisfied with what staff has done. He said he agrees with Councilor Rivera, "If we're going to do this let's give the money to the departments where it is definitely needed. We talk about shortfalls and that is my whole concern. I've never needed a Liaison, and I don't know how much I would really would utilize a liaison, me, and the other Councilors would. I can tell you, me, I probably wouldn't utilize that person that much if he or she was hired. I have been able to do a decent job with it for the last 8 years on my own."

Councilor Maestas said, "I was thinking of you Councilor Trujillo. What I think we should do is totally redefine the Liaison Position. I know you're sponsoring a Resolution to have a full Council meeting throughout different Districts, throughout the City. We don't have the fiscal impact report yet, but I could just guestimate that it is going to be quite substantial relative to paying for a liaison position. And I think your desire for us to get out there in the field, maybe in more of like a town hall format, getting more pro-active getting out there with our constituent, I think having the Liaison, to add that field component would be invaluable and go far beyond. I think maybe the idea you had in having Council meetings throughout the City throughout the year, I was thinking about a new paradigm. Really, I'm serious, I'm dead serious. I realize all departments are hurting and if it is zero, I'm fine with that."

Councilor Maestas continued, "But I heard a lot of discussion, a lot of desire to have more support to the Council, but we're thinking of a traditional model. Somebody here, desk bound, but your vision is to get out there and engage with non-profit organizations in our Districts, with the merchants in our District, with all kinds of folks out there. And I think that Liaison can be key. Maybe think about having two. You have one liaison for two Districts covering four Councilors. And if we take that next step, create that new paradigm and Council relations and being pro-active with the public, those two positions could be fantastic. But, if it the will of this Committee, or the Governing Body that even two positions is excessive, then I'm fine with that. I thought there was full consensus that we needed some liaisons, and I agree, four is way too excessive. I think two would be very reasonable."

Councilor Maestas continued, "But with this new vision you to have to get us out there, have two Councilors have periodic town halls, maybe on a quarterly basis, present information germane to the Districts, engage, gather feedback. Have that civic engagement we're been talking about that drives the agenda, instead of us driving the agenda through our legislation and then having the public react. I'm not totally wedded to this, but I think if we're going to do it, let's do two. And I agree with Councilor Lindell, let's see how it goes, but let's expand those job duties to do what you want to do in the future."

Councilor Trujillo said he appreciates Councilor Maestas' words. He said, "As it pertains to my vision for us getting out there, holding Council meetings, it did pass and he appreciates it. I guess one of the ways that I want us also look at, because I know there's a cost impact on this, is maybe having, for example, a Public Works Committee in the District. I want to look at all aspects of it. Is it either a Council meeting, or can it be a Public Works Committee, or Finance Committee or Public Safety Committee meeting. These are the other options I want staff to look at as well. I do appreciate you thinking my vision is good. I do want us to be more active. Will the Liaison do that, I don't know. I can't answer that because, as I've said, I've never had a Liaison. The times I've had meetings in my District with my District, if it's Police, I invite the Police Department. If it deals with Public Works, I'll have Ike, Jon, Bobby or whoever will be there to answer questions I personally can't answer."

Councilor Trujillo continued, "In my opinion, staff does a fine job for those meetings to get the collaboration so we can have those discussions between Councilors and staff. And one thing I can say also too, I'll give an example, I won't speak for him, but Carmichael has his meetings all the time in District 3 by himself. He brings coffee too. Will this work, yes it possibly could work. I would like to see, if we hire these persons, I guess equality, meaning everybody has a fair use of the person, and won't have just one Councilor hoarding this person. I want this person working, doing good for us, not the personal servant of a City Councilor, doing odds and ends for them. That is not what this person is supposed to be hired for. So, I'm just making those comments."

Chair Dominguez said, "One thing I want to throw out there to the Committee, is we don't necessarily have to make this decision right now. We can always save it for mid-year. The other thing we need to consider is that the Mayor potentially may be looking at some reorganization at some point, I don't know. That might be a time when we have some of this debate, because as I understand it, Brian, we had this discussion about who is employed in the City Manager's Office. And you've got Noah and the other gentleman that's next to Celeste, but those are just temporary, although they are available to the entire Governing Body."

Mr. Snyder said, "They are in a temporary status, looking at what the needs are to help facilitate Celeste's work load and the work load of the Mayor's and the City Manager's Office. Correct."

Chair Dominguez said, "Part of the problem is, and this gets to Councilor Trujillo's point, is in many ways, it's almost like we get them all or we get nothing at all. To separate a Council Liaison's time between two different Districts, I'm not sure exactly how that works. It's almost as if a job description may need to be created to determine how that time is going to be separated, or how it is they are going to be able to

operate and serve the Council. And this is, in many ways, an expansion of government, and an expansion at the top. I will say though, that as efficient and effective as I am, I can't imagine how more effective and efficient I would be with a Liaison."

Councilor Rivera said, "One day, I hope to be as efficient as you are Councilor. I think four Liaisons, if we were going to consider it, would have been the way to go. When you have 4 distinct Districts that all require attention, often on weekends, you are going to take a 40 hour person and now assign them to two Districts and four Councilors, I think we're setting two people up for failure. I think there's too much work for just two people to do, too many places for two people to be, and too many Councilors for two people to have to address. My position on this is, four made a lot of sense to me, two, I think we're just setting two people up for failure, and I would hate to see that happen. If you look at this past Saturday, between Councilor Dominguez and I, there were probably 4-5 hours in the morning we had to be at 2-3 different places. And to expect a liaison to have to do that in our place, if we weren't able to do it, and include another District in that with potentially other things going on, I think it's too much work for two people. I'll just leave it at that Mr. Chair."

Councilor Lindell said, "After hearing the discussion... I heard Chair Dominguez say we could look at this mid-year, but I think might be prudent at this point at time..... I think I'll withdraw my motion and ask staff, at this point in time, to come up with a job description on this. I think we need the time, because I don't think it is clear at this point, the break down of staff with Celeste, Mr. Burke and Mr. Cordero. It's not clear to me how that breakdown affects the Governing Body, or if we have access to that part of the staff, so I think clarifying that would help us tremendously, and I think we should revisit this probably mid-year, once we take a look at the budget."

WITHDRAWAL OF THE MOTION BY MAKER: Councilor Lindell withdrew her motion.

Chair Dominguez said, "Okay, so the motion has been withdrawn. And just for the record, with some direction to staff to start looking at job descriptions and organization and what Council Liaisons might look like.

AGREEMENT TO WITHDRAW THE MOTION BY THE SECOND: Councilor Maestas said, "As the person who made the second to the motion, I'll agree to that, but I think, but I think we just need a constituent relations plan."

- Councilor Maestas said, "We have gone from four to zero, to one, to two and then back to zero. But I agree with the discussion. We probably really should think this thing through because there other positions I guess, that do support constituent relations that relate to the Council. So I think maybe you all need to go back and say, okay, who was part of the constituent relations cadre. I know there's staff in Jodi's office. Technically, those folks that manage the complaint intake and tracking system are part of constituent relations. And so what relationship are they going to have with us. I don't really know what complaints come in through our formal tracking system that come from my District, and I would like to know that, and when it was resolved. So we really do need to think this whole thing through and I agree with that."

- Councilor Maestas continued, “Just a comment on the whole time-sharing, even if we had gone with four Liaisons, you’re still looking at one liaison that has to be shared between two Councilors for the same District. So you’re still going to have the issue of, ‘is this person devoting enough time to this Councilor and *vice versa* for the other Councilor in that District.’ So there is still going to be that. Enough of these hypotheticals, but I think maybe crafting an ideal job description for such a liaison would be good in the context of the whole constituent relations. What are we all doing collectively on behalf of the Governing Body. So I’ll agree to the withdrawal of the Motion. But I think, and you can talk to any Congressman, any Senator, constituent relations are their top priority and they should be ours.”
 - Chair Dominguez said we started with eight Liaisons at one time, but this is a good discussion because it’s something that floated around out there for a number of years and at least this takes it to a different level.
 - Councilor Trujillo said, “When you want to know the complaints in your district, something we stopped doing, and I remember Sevastian used to do it for us when he was overseeing that. We would get that list of all the complaints, and it would be put in our box. The way I remember it Sev, you had the complaint, the status of it and checked if it is done. And we knew that, and we had a telephone number so we could get hold of that constituent. I wish we could get those back, because they were very useful to me, and we haven’t had them since you left, Sev. So Brian, if we could possibly bring that back so we would know the status of complaints in our District.”
 - Chair Dominguez said that system was set up as part of the original organization that Mayor Coss had established. He said we will cross that one off the list. Chair Dominguez said we can look at the Council Chambers renovation, noting that was interesting.
 - Councilor Rivera said he thought we were waiting for staff to provide exact figures. He asked Mr. Pino if staff is available to bring exact figures.
 - Chair Dominguez said, at least, give us a range of cost will work. He said, “Councilor, just to be clear, you’re looking at the \$50,000 that would take care of ADA, the orientation of this and lighting. Is that what you wanted clarification on.”
 - Councilor Rivera said initially there were 3 different proposals, so I wanted the price difference on proposal 3.
- Isaac Pino said he spoke with Dave Pfeifer. He said, “It appears that what’s different from this proposal and the ones in the past are the computers, or the computer screens at each desk.”,
- Councilor Rivera said, “Let’s throw that out. There was a plan that was done with just 3 orientation differences with some plugs that were easily accessible, as well as just some real simple things that were being done.”

Mr. Pino said, "We're working on trying to squeeze those out now. One of the things we learned, unfortunately for us, when we did a little work on the conference room at Land Use, since we don't have a licensed electrician or architect, we had a problem getting a permit. So we're working through that to get a number."

- Chair Dominguez asked how quickly he can get that information.

Mr. Pino said they're working on it right now, Councilor.

- Chair Dominguez said, "..... We'll leave that one on the table until we get that information, that's just so that we can all look at it together, Councilor Rivera. Is that okay."
- Councilor Rivera said yes.
- Councilor Maestas asked, "Can we start from A and go all the way down to K, the City Manager's budget increase."
- Chair Dominguez said however you would like to proceed.
- Councilor Maestas said, "I realized when the Police Department made their presentation they wanted 10 additional FTE's to handle annexation. And the Interim Chief compromised, and said, let's work with 5 and do a mid-year assessment. And it is the highest priority associated with annexation. I realize we don't have money yet, but I would support the request for 5 FTE's in the Police Department."

MOTION: Councilor Maestas moved, seconded by Councilor Trujillo, to include the Police Department request for the 5 FTE's in the list of expansion requests.

DISCUSSION: Chair Dominguez said this will be absorbed by potential revenues from annexation.

Mr. Tapia said there is no funding identified for any of these, other than the gasoline tax for the trucks.

Councilor Rivera said, "Half of it was going to be for the officers, the other half was for vehicles and other equipment with, I believe, the 17 vacancies they currently have. It may take some time to get to those 5 FTE's, so do we want to include the entire \$750,000, or just do half for personnel and see how long it takes to hire. Or is your motion just to budget half of it."

Councilor Maestas said, "If we are going to do a mid-year review, we're not going to expend the entire amount by mid-year, right."

Mr. Tapia said, "That's correct."

- Councilor Maestas said, "If I can step back, Mr. Chair, I thought we were going to at least identify the top expansion priorities, short list them and then tally that up, and then get that total and look at all the possible additional revenue sources to consider, and see what our gap is. With each and every motion on these individual expansion requests, are we going to find the money in that same action as we go down."
- Chair Dominguez said we probably should, noting it would be better for staff. He said if there is anything on the list we don't want to consider, we can make a motion to get those off the list as well.

Mr. Snyder said, "I just wanted to comment on Councillor Rivera's question. One of the main driving forces behind reducing it from 10 positions as originally approved in the annexation plan, to 5 was exactly to your point Councilor Rivera. We have the existing vacancies and didn't feel it was realistic to hire 10 with the existing vacations, as well as we transition in, we have 10 new officers, plus these other 5, we have 15. We wanted to monitor it and ramp our way in it. That was the thinking behind the reduction that is already shown on your sheet, back to 5, just to point that out."

- Councilor Rivera said, "I just know that two months ago, we were fully staffed in the Police Department, and now here we are and we have 10 vacancies already. So it is your recommendation that we stay with the \$750,000."

Mr. Snyder said, "It is my recommendation. We've already scaled it back from 10 to 5, and I think this is realistic. We are going to be in the constant cycle of Police Officers retiring that we can do some predicting on, others, it's one of those unknowns. We have a strong team now, and we have had for about the last 2 years, and we're putting a lot of effort into recruiting. So continue to do that. And it paid off a couple of times. We've gotten down to zero, and then as soon as we turn around to zero, the vacancies recur from retirements."

- Councilor Maestas said, "My suggestion would be to just revise the revenue projections from \$1.5 to \$2 million, and as Councilor Rivera suggested, let's focus on the recurring portion of that and exclude the vehicles. I know if you can additional FTEs without vehicles. Can we revise the projected revenues from annexation, because I know the original project was \$2.5 million, but you scaled it all the way down to \$1.5 million."

Mr. Tapia said the revenue projection is based on the BBER report. He said, "I am uncomfortable going up to that, but if this body wants to go up another \$500,000 on General Fund to fund the \$750,000, if that is the wish, then we can do that and add that to the budget. But, well, like I said, I'm going to be monitoring annexation and that, but I could put that up, and we'll see. But I could increase it by \$500,000 to go into GRT, but I think that might be a little bit too optimistic."

- Councilor Maestas said, "Okay, before we go on, are we balanced right now before we approve any of those expansion requests. Are we balanced."

Mr. Tapia said, "I need the General Fund cash balance above State requirements of \$1 million and I need the cash balance due to vacancy savings of \$500,000 for the next fiscal year that we anticipate. That would balance the budget and then we could look at vacancies for this current fiscal year, one time."

- Councilor Maestas asked the difference between the cash balance due to vacancy savings of \$500,000, versus the current vacancy savings opportunities in the General Fund of \$800,000 – what is difference between the two.

Mr. Tapia said, "The \$500,000 is projected for the next fiscal year, a portion of the vacancy savings we anticipate. The \$800,000 is what we currently are experiencing this fiscal year ending June 20, 2014, that could be used for one time."

- Councilor Maestas said, "But you don't need the \$800,000 to balance the base budget."

Mr. Tapia said he could use it to balance and reduce the dependence on the difference of the State mandated cash balance.

Councilor Maestas said, "I believe it is fruitless for us to consider addition requests for expansion and go through this list when we haven't balanced the budget yet. And I think he needs \$1.5 million to balance the budget. Is that correct."

Mr. Tapia said, "Yes. In one of these combinations I do need to go forth with that."

- Councilor Maestas said, "I think it would be a waste of time for us to go through expansion requests."

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to use \$1 million of the General Fund cash balance, and the cash balance due to vacancy savings of \$500,000, for a total of \$1.5 million to balance the base budget.

DISCUSSION: Chair Dominguez said we have a motion which sounds like one way to do it and we can start at zero.

Councilor Rivera said, "Just for clarification Marcos, the sheet that we're looking at, the Needs/Running Total, down at the bottom it says, 'One time NET Available.' It was my understanding that is what was available at the end of the fiscal year for these additional Running Total projects. Am I mistaken in that assumption."

Mr. Tapia said the \$2.3 million is a total combination of general fund and enterprise. He said Councilor Maestas did allude that the \$1.5 million can only address a very small portion of the General Fund. So basically, you have that \$800,000 available, but the net available was the \$2.3 million, including the enterprise funds that we were counting on being on that."

Councilor Rivera said, "So that is a one-time net available, but that does not include what it is going to take to have a balanced budget."

Mr. Tapia said, "Absolutely that is correct. Many of these, or most of these are General Fund related."

Chair Dominguez said, "So the motion is to take \$1 million from our reserves."

Mr. Tapia said, "It is the \$1 million difference between the State required and what the City Council has."

Chair Dominguez said, "Then the \$1 million in the difference required versus what we have, the cash balance due to vacancy savings at \$500,000, that's \$1.5 million."

Councilor Maestas said, "If there's any reservations about reducing the General Fund, we could consider in a separate motion what to do with the current vacancy savings of \$800,000. Maybe that could go into General Fund reserves or for some other reason, if you are uncomfortable with the reduction in the reserves. So I think we could consider that. It's available, it's one time. Or we can use it for these expansion requests."

Chair Dominguez said, "There's lots of combinations we can use. I do have some reservation about taking more than.... I guess I have some reservation about taking so much out of reserves, but I'm comfortable with staff's assessment that we are meeting the State mandate, we're a little bit above that. I would like to create a policy when things get better, but I may not be here by that time, to start replenishing that even more. Because as the cost of liability goes up, and the cost of business goes up, those reserves are going to have to really increase instead of decrease, but I'm okay with that so far."

Councilor Maestas said, "I'm willing to amend my motion, if it's okay, to move the \$800,000 into the General Fund Reserves and that way, the net fiscal impact would be \$200,000. But again, that doesn't leave us anything. I'm willing to amend that."

Chair Dominguez said, "I don't think we need to, because we really need to get the entire Governing Body as part of this discussion at Council. But we should probably leave that and make note of that, so we can have that discussion when we get to Council."

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

- Chair Dominguez said, "Let's start looking at expansions. So we've got the top part of this taken care of. What are the Committee's recommendations or wishes on the potential expansions."
- Councilor Rivera asked if there is funding available.
- Chair Dominguez said, "There is money from Worker's Compensation. There are some one-time sources of Revenue, but that's about it."

- Councilor Rivera asked for a "run-down of that total."

Mr. Tapia said, "What running total. We have \$800,000 that is basically one-time, not really used for recurring. The \$750,000 coming from Worker's Compensation is one-time. And that was going to help the gap we anticipate in the health fund. Is there something else that I missed."

- Councilor Rivera said, "That's it for recurring costs. Do we have about \$1.5 million to consider some of these other requests."

Mr. Tapia said, "One time."

- Councilor Rivera said, "We only have three one-time projects on our list, Mr. Chair."

- Chair Dominguez said the one-time costs are about \$750,000.

Mr. Tapia said it is \$800,000.

Mr. Snyder said, "The one time expenses that I see on the list, just to help move this along, I guess, is the Land Use SunGard at \$271,300, the Council Room Renovation \$50,000, the J.D. Edwards Upgrade \$480,000, and then recently added during this discussion, the zamboni at \$140,000 and the exercise equipment at Ft. Marcy at \$149,000. These are the one-time expenditures I see."

- Councilor Lindell asked the total on those.

Mr. Tapia said it is approximately \$1,000,090.

- Councilor Maestas said, "To keep us moving, the ITT request, I think the word has been used is 'a band-aid.' It's almost \$500,000, and I know there is legislation coming forward, sponsored by Councilor Ives to discuss the totality in the proper context of the needs in ITT. And I, for one am not prepared to support such an expenditure in ITT without understanding the full context of their needs."

MOTION: Councilor Maestas moved, seconded by Chair Dominguez, to eliminate the request by Land Use, IT - the J.D. Edwards upgrade for \$480,000.

DISCUSSION: Councilor Maestas said, "That's not to say that we are going to really address the ITT needs in the middle of the year. I just can't support that at this point, and I could be all alone on this one."

Councilor Dominguez said, "It seems as though, with that piece of legislation, this may be a cleaner way to get this and look at the expansions. With that piece of legislation, we can ask Councilor Ives to identify funding sources through this to pay for those costs in ITT. So, just because we eliminate them here, we have this other Resolution that is in place that Councilor Ives has introduced that will allow him, or us really, to look at some of the other sources of revenue. It makes it a little bit cleaner. We still have a

balanced budget and expansion as it pertains to those ITT issues, revenue sources can be addressed through that Resolution, is what I'm trying to say."

Councilor Trujillo said, "I see Lisa there. I guess the question I have is dealing with this band-aid that you want to put on our system. Will this band-aid, I don't know what systems you want to buy, are we able to expand on this when we want that better system. That's the whole thing. What I heard Marcos saying earlier that there might be a possibility we can add to this, because as Councilor Maestas says, if we're going to spend this much on this thing and there's never a chance of expanding it, that's a lot of money for just a band-aid."

Lisa Martinez, Director, Information Technology and Telecommunications Department, said, "I realize it is extremely expensive. And one piece of information I wanted to pass on that I found out about a couple of hours ago, I haven't even talked to Brian about this. We've been doing some research and found out that this band-aid is a problem all over the place. Many cities and counties and other agencies that use J.D. Edwards are up against the same problem we have. Apparently, it's been brought forward by enough individuals that J.D. Edwards is contemplating, shall we call it, an extended service agreement that they hadn't contemplated previously. They put out this information apparently just last Friday. And what this extended service agreement would do is to provide us with the information we need to be able to run our end of year tax report. Now it's pricey. It's \$150,000, not as much as the \$480,000 that we were looking for, but it would be \$150,000. It would last us for a year, which would give us an opportunity to evaluate other systems that out there to determine if want to go with something different, or if there are things we could add to what we already have and build upon them. We would just need to take some time to evaluate those processes.

Councilor Trujillo asked how important is it to have this band-aid. He asked, "Are you telling me if we don't have this, the City is in trouble."

Ms. Martinez said, "Yes. Absolutely. We have to get this done. If this \$150,000 fix will get us what we need, in other words if this new thing they've just put out there will give us what we need, it's certainly something we need to evaluate and I can't say I enough information right now to give you all the specifics. I just learned about this just a short while ago."

Councilor Trujillo said, "You're saying J.D. Edwards just came out with it Friday, so is this a for sure thing that they are offering this to those entities that need this fix. They're guaranteeing that they will do what they need to do for at least a full year for \$150,000."

Ms. Martinez said, "Yes. That's my understanding. But like said, I do want to find out more about it and make sure that it covers everything that we need and what we're looking for, before we move forward with any commitment to spend the money."

Chair Dominguez said, "Remember, Councilor Trujillo, just supporting the motion doesn't necessarily eliminate that possibility, it just takes it off the table for right now as we consider the Resolution that is making its way through Committee. This allows staff to get better information, to dedicate a funding source at least for the short time."

Councilor Maestas said he is looking at Councilor Ives' Resolution regarding establishing funding priorities for ITT. The premise of the Resolution is that these budget needs are not incorporated in the budget. And the Resolution is meant to explore funding opportunities in the context of all the requests, and the J.D. Edwards upgrade is number one on the list in the FIR, and the total needs in just ITT alone are \$2.5 million, and City-wide it's over \$3 million. He thinks the Resolution will give us the necessary context to tackle this all at one time. He said, "I don't want you to think, Lisa, that I don't support ITT. I feel your pain, but I really like the context of this Resolution and the reason I made the motion today."

CLARIFICATION OF THE MOTION: Chair Dominguez said, "To clarify the motion, we're not looking at SunGard though as part of this, or were you anticipating anything related to ITT, because I think I heard staff say earlier that SunGard is somewhat separate from J.D. Edwards."

Councilor Maestas said it is not included, because this is something Councilor Lindell wanted and he thinks she should be heard when we get to it.

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

- Chair Dominguez asked if the Committee would like to discuss SunGard.
- Councilor Lindell said she asked for this to be put on with Land Use, noting Mr. O'Reilly isn't here to speak to this today. She said, "When he spoke about it the other day, the system they have does need upgrading, and I think upgrading with SunGard is the right thing to do."
- Chair Dominguez asked if there is a funding source.
- Councilor Maestas said it is in the FIR on Councilor Ives' resolution on ITT. It's their number 2 priority under Land Use.
- Councilor Lindell said it is included in that and asked if the cost is over \$3 million.

Mr. Tapia's remarks here are completely inaudible here because his microphone wasn't turned on.

- Chair Dominguez said, "I don't want to speak for Councilor Ives, but I think, if I remember, Councilor Ives wants to really take a good look at IT and not piecemeal it necessarily, but maybe make it part of a larger package so it's not just SunGard or J.D. Edwards, it's a little bit of everything, if I remember correctly." He reiterated he doesn't want to speak for Councilor Ives and feels it might be worth it to remove this from the table as well and have it as part of that discussion.
- Councilor Lindell said she is fine with that.

MOTION: Councilor Lindell moved, seconded by Councilor Maestas, to remove the Sungard request from the Needs/Running Total sheet, because it is being addressed by Councilor Ives' Resolution.

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

MOTION: Councilor Rivera moved, seconded by Councilor Trujillo, to approve the first two priorities on the expansion request on Parks & Recreation's list, totaling \$289,031, for one time purchases of the Zamboni at the GCCC and the exercise equipment at Ft. Marcy, with funding sources to be a combination of the \$800,000 and the combination of the \$800,000 and the \$750,000 from Workers' Compensation however the City Manager deems it appropriate.

DISCUSSION: Chair Dominguez asked if there is a funding source for these.

Mr. Snyder said the equipment at Ft. Marcy totaling \$149,000 is on the CIP list, and is going through the Committee process right now, and he wanted to call it to their attention as a possible other funding mechanism. He is looking into the Zamboni, and as soon as it gets information back he will provide it to the Committee.

Chair Dominguez asked, "So you want to take that off Councilor Rivera."

Councilor Rivera said, "I don't think there is any guarantee that it will stay on the CIP list, so I'd just as soon take care of it. And then if we need to adjust the CIP list, since that is not in front of us, we can do that."

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

- Chair Dominguez asked if we have information from staff on the Council Chambers remodeling.

Staff distributed a copy of the cost estimate for the City Council Chambers remodeling [Exhibit "8"]

- Chair Dominguez said Councilor Rivera was looking for 3 options.
- Councilor Rivera said, "I may have been thinking of the bottom where it says Option #1 Data Line to each Councilor & Staff and Option #2 Remodel lighting and associated. So I think what was looked at back in January 2013, was doing the entire amount. So I guess it was \$50,000, I assume it will go up a little bit since this was done over a year ago, but probably not by much, maybe 10% would be my guess. Do you agree Dave."

David Pfeifer, Facilities Division Director, Public Works Department, said, "I think it may go up a little more than that, because of negotiations. I've got to get with CID and figure out permits. And if we do have to pull permits, we will need an electrical contractor rather than being able to do it in-house, so things might go up just a little bit more than the 10%. I would add at least another \$20,000 to this, just to be safe, make it \$70,000."

- Chair Dominguez suggested going to \$80,000.

Mr. Pfeifer said he is sure carpet prices are comparable, and might have increased by 10% as well as a few other things. He said if we got to the desk changes, we'll have to really take a look at the entire thing, because what is currently being used as this furniture revamped. And if you go with the in-screen things they may have to widen just a little to allow glass, so it would be a total rebuild of brand new stuff, so it would change significantly to add to that.

- Councilor Rivera said, "Again, I'm not looking at doing computers as mentioned earlier. I think just the basic plan of what's here and having a computer connection or a data line for each Councilor that wants to connect."

Mr. Pfeifer said, "I believe that is all in this proposal."

- Councilor Rivera said so you think it will be \$70,000 to \$80,000 total, and Mr. Pfeifer said yes.
- Councilor Rivera said, "In light of such a small amount that we have, I almost hate to do this because there are so many needs out there, probably needs that, in some regard, are more important than this. So, unless we are to the end, I would like to have more discussion on some of those needs before we consider this expansion. I know it is only a one-time item, but there are a lot of items that we haven't considered."
- Councilor Maestas said he agrees with Councilor Rivera. He said, "Mr. Tapia. We have \$800,000 in current vacancy savings that have not been earmarked. We have \$750,000 from Workers' Compensation, for a total of \$1.55 million. Right. Okay, then we just obligated \$289,000 for the top two priorities for recreation, leaving us with a balance of \$1.261 million. Is that correct?"

Mr. Snyder said, "I just took it off, the \$800,000, because I'm not sure we can use the \$750,000 for these expenditures. So taking the zamboni and equipment for Ft. Marcy out, is \$511,000 remaining, is what I came up with. I'm not sure we can use the \$750,000 to buy equipment and a zamboni.

- Councilor Maestas said, "We have \$511,000. Do we want to earmark the remainder of that. I think, Mr. Chairman, you wanted to leave the Governing Body some latitude to make some changes. I don't know how you want to approach that, but if we're going to go back, I agree with Councilor Rivera that we should identify all of the annexation related expansion requests if it is a priority, or just all the expansion requests. The number one priority for each department and consider those. I realize we've already gone through all the budget hearings. I'm open to suggestions, but I do agree on the fairness on the equity issue, I do agree with Councilor Rivera that we should, if in fact we do have \$511,000 of one-time savings, we should consider other requests, if that's the desire of this Committee."
- Chair Dominguez said, regarding the Council Chambers remodeling. He said he is looking for the ADA work, and asked if it is the ramp handrails. He said if the Council remodel is still on the floor, and it looks like it is getting off pretty quickly, that we should at least consider the ADA improvements. He asked if that is all there is that pertains to ADA.

Mr. Pfeifer said, "I believe there is more to the actual barrier assessment. These were the minimum things with the changes up front that were being done for ADA accessibility. If you make changes to an area, you have to make them compliant with ADA. The ramp in the current situation is compliant. It's not the best scenario, but it's compliant, and there were changes to it. When this shifts around, we need to shift this a little bit as well. So it is keeping it in compliance. It's not doing the entire barrier assessment for City Council Chambers. It was to do what is needed with the changes that are made."

- Councilor Lindell thanked Councilor Rivera. She asked, "Is this off the floor at this point in time."
- Councilor Rivera said, "I think we're still discussing it."
- Councilor Lindell said, "I would like to see us not move forward on this. I'm happy to volunteer to sit in one of the seats where you have to turn your neck. I don't mind facing staff. I think it's a lot of money right now, in consideration of some of the other needs that we have."
- Councilor Rivera said Mr. Snyder said he is unsure how the \$750,000 could be spent, and asked if anyone knows how that money can be spent.

Mr. Tapia said, "Right now, we've indicated that will be used to help fill the deficits we anticipate in the Health Fund. \$750,000 one time from Workers' Compensation. I'm not sure, I did talk to the H.R. Director, but I think we need to get with Legal and look at it to see if I can use the \$750,000 from the Workers' Compensation if I want to throw it in to purchasing a zamboni or other equipment. I'm not sure that we couldn't do that, since we put the money there in the first place, but I would have to defer to Legal to tell me that we can do that."

- Councilor Rivera said if Workers' Compensation funds are going to be used for the Health Fund which he understands needs to happen, then that really limits what we still have left to the \$511,000.

Mr. Tapia said, "If you went with the 1 and 2 for the Recreation, and that's good, that's needed. The other thing is you're looking at \$70,000 or \$80,000 for the Council Chambers. If you did that, the remaining amount could go back to me to use as the General Fund balance above mandated, move that \$1 million down and bring that down. Then you could look at Councilor I've's proposal, because I agree with you. It's not just ITT, it's a lot of other stuff, and that's where you will consider some other funding sources of revenue. But to get back to the \$750,000, that's one-time and that still doesn't take away from addressing the negative balances that we anticipate in the health fund."

- Chair Dominguez said, "Councilor Rivera, the bottom line is we don't know if we can use the \$750,000 from Workers' Compensation for some of those earmarks and even for the Health Fund."

Mr. Tapia said we can use the \$750,000 from Workers' Compensation for the Health Fund.

- Chair Dominguez asked Mr. Snyder to talk about the Health Fund. He said Councilor Rivera has questions about the Workers' Compensation being used for the Health Fund and making sure that we're solvent.

Mr. Snyder said it is his understanding we can use the excess in the Workers' Compensation for the Health Fund. It will be a one-time influx of money. He said, "If you look at the Pre-Budget Book and we have representatives from Aon and Ms. Perez can speak to this as well, one of the things we talked about during the pre-budget discussions as well as on the first day of discussions, when we went through the Pre-Budget Book again, and looked specifically at the beginning cash balance in the Health Fund and what we want to do with that looking, not just at a one year picture time frame, at a longer time frame."

Mr. Snyder continued, "So, I call your attention to Tab 20 in the Pre-Budget Book [Exhibit "3"]. The first scenario you have there is basically looking at where we exist now, where we are depleting the cash reserves at the beginning of fiscal year 13/14, we are around \$6.5 million in cash reserves. And we keep on dipping into cash reserves, and projected by FY 17/18, we will have a deficit of almost \$4.5 million. So realizing that, and we realized that in probably the last handful of budget cycles, and we've had near term fixes, what I call the 1-2 year fixes. So we've kind of been fixing it for the here and now because we didn't have a lot of revenue sources to help make the fund whole."

Mr. Snyder continued, "Moving on to the second scenario that is in the book, if you look at lines 20-21 at the bottom, the bold box area, we have increasing the City Contribution as well as increasing the employee contribution, and that's that 76-24 split we talked about earlier. Looking at it, it's increasing about \$1.1 million a year, putting it into the Health Fund in each of the upcoming 5 fiscal years. That makes the fund whole. Whereas in the existing scenario where we have a projected deficit in FY 17/18 of \$4.5 million, this projected cash balance at the beginning FY 17/18 is about \$2.2 million."

Mr. Snyder continued, "Flipping to the next page, scenario #3 looks at putting a little bit more money into it on an annual basis. This is a little over \$1.3 million in each of the fiscal years. All it is doing is giving us a better beginning cash balance in the fiscal year 17/18 which is the end of the 5-year period we're looking at."

Mr. Snyder continued, "In summary, the first option was a deficit of \$4.5 million, the second scenario is a beginning cash balance of \$2.2 million and the third scenario is a beginning cash balance of \$3.4 million. And then the last scenario here, again, is just putting more money into the fund to make it more whole. One of the questions that came up is applying the \$750,000 from the Workers' Compensation Fund to the Health Fund. That's just a one year influx of money, as I mentioned. So if you look at what that would do, I would say that would be closest to scenario #2. It will prop up the fund for a little bit, but it's not going to change the fact that we have deficit in 17/18. We can run the specific numbers for that one-time, but we still have a deficit by FY 17/18."

- Chair Dominguez said in each scenario we're just buying one more year or \$1 million really. We're just basically buying another year as each scenario goes. It progresses by one year of a cost of a little bit more than \$1 million.

Todd Burley, Aon, said, "I believe you are correct. It is essentially a one-time influx of three-quarters of a million dollars which would help for this year, but the health care costs would continue to increase at a 7-8% rate, or roughly \$1.4 or \$1.5 million."

- Chair Dominguez said we have had a little bit of a discussion if we are going to adjust the ratio, or hopefully get our employees to reduce line 22, so instead of having it in the second scenario, instead of it increasing by 7.1%, 7.2%, 7.5% or 8.6 %, you anticipate those are conservative projections.

Mr. Burley said those are projections based on the most recent information from Aon's actuaries on the expected trend increases for health care costs through the 2017-2018 fiscal year.

- Chair Dominguez said, "Even if our employees were the most fit, healthy employees possible."

Mr. Burley said if that were the case, the trend rate would be significantly lower. He said, "There are really three ways that employer groups approach this to try to slow the trend from the City's perspective would be to, either (a) reduce benefits which shifts costs to the employees through higher copays, coinsurance, deductibles, etc., (b) shift a share of the premium to the employees away from that 76-24 split; or (c) as you just mentioned, to get your employees healthier, which is not an immediate return, it is a 3-5 year return. These essentially the 3 ways most employers try to mitigate those trend increases."

Mr. Snyder said our health plan will go out for RFP next year, to be effective July 1, 2015. There is an opportunity for us to look deeper into our health fund, not only from the fund standpoint, but what is covered, what's not, what the cost implications are, to shift some of those things around so we can adjust appropriately. Until then, we're pretty much locked into what our health plan is, but there is opportunity coming up in the near future and it won't go into effect until July 1, 2015.

- Chair Dominguez said then basically we're going to continue to kick the can down the road. "Other than having some significant policy reform on how the City of Santa Fe deals with health care, it's almost like we're forced to kick the can down the road, year after year after year. Again I say that without having any real significant policy or some reform in health care. It almost seems to be the case."
- Councilor Maestas said, regarding the collective bargaining agreements, "I would think the City is obligated to provide the current benefits with the current ratio. And I believe that contract is renewed on an annual basis. How does the cycle of the Collective Bargaining Agreements differ with the end of the current United Health Care Contract. Are they kind of off. You know what I'm

getting at is that I don't want to impact non-union employees if we try and pursue some kind of fix, while the Union employees are locked into the Collective Bargaining Contract terms. So can you clarify that for me."

Mr. Snyder said, "First of all, the bargaining unit terms for AFSCME, Police and Fire are fiscal year based. This new health plan would take effect in the following fiscal year. I believe each of the bargaining units has only the percentage in their contracts, the 76-24. And Police and Fire have co-pays listed in it. It doesn't get into the level of detail of what is included in the plan. Any changes to the plan I understand would go to the Employee Benefit Committee and Group Insurance which is made up of management and each of the union bargaining units for discussion on what is included and what is not. There is equal representation on that Committee where there can be discussion on how things do and don't move forward. But from a collective bargaining standpoint they are aligned with the fiscal year and their percentages are pretty much nailed down to 76-24. And for there are copays for the Police and Fire which are specific in each of the bargaining units, so if those were changed in future years, they would have to be negotiated."

- Councilor Maestas said then funding he has identified the level of funding needed to achieve a certain balance in five years, and there is no plan/option to create revenues to make the health fund solvent through the rash of anticipated increases in health care costs.

Mr. Snyder said the generalization is pretty true. In past years copays have been increased for the emergency room and done different things, and largely it has been the desire not to adjust the copays. Neither of the scenarios were laid out specifically for a cash influx, especially from the City and employees. No options were considered at this time to increase various co-pays or adjust different things.

- Councilor Maestas asked if it is under the purview of the Health Fund Committee to make some recommendations on the scenarios and options to achieve scenarios. He asked who will look at this objectively and provide realistic alternatives for consideration. He said we really need more thought on options and plans, and asked the process for that to come back to the Governing Body. He doesn't like kicking the can down the road, but he doesn't see viable options to pursue any of the scenarios, other than the *status quo*.

Mr. Snyder and Ms. Perez asked Mr. Burley to speak to this, noting he had that conversation with former City Manager Robert Romero.

Ms. Perez said, "To start it, the Group Insurance Advisory Committee actually meets and discusses much more what the benefit coverages are and what our plan details will be, much more than we talk about the funding. They do discuss when premiums have to go up, and we talk about claims, what we've taken hits on, what we're covering more of, and the expected premium increases and how we want to attack those costs, but nothing to the actual solvency of the fund, but Todd has more information."

Todd Burley, Aon, said, "Sandy is right. This process has been mainly with the City Manager. It was developed a couple of years ago when it became obvious that fund was being depleted pretty rapidly. And that's when the scenarios set up to show what if we depleted the fund entirely in 5 years, we'll have then we'll have \$2 million, \$4 million, kept it flat – what has to happen to the funding. Additionally, to the Benefits Committee, we don't recommend changes, but we present potential changes. For example, if you were to increase your office visit co-pay from \$10 to \$20, it would save \$150,000, for example. So those are presented prior to each renewal. We're actually in the process of going through that with that committee right now."

- Councilor Maestas said he wants to establish some kind of process to develop comprehensive, viable options to solve this problem. He likes the zero fund balance because we aren't over-capitalizing that fund, because we're basing a lot of this on anticipated projections. If I was to pursue a scenario, he would pursue the zero fund balance. But he still wants options to consider which will achieve that.

MOTION: Councilor Maestas moved, seconded by Councilor Lindell, to transfer \$750,000 from Workers' Compensation to the Health fund, Scenario No. 2, "and deal with it in a year."

DISCUSSION: Chair Dominguez asked if he is speaking of scenario no. 1.

Councilor Maestas said no, this is scenario 2.

Chair Dominguez said the motion is for a one-time fix and we're not addressing the larger issue, which is that doctors are expensive, medicine is expensive, health care in general is expensive, so there has to be some fundamental change in how we look at providing health care to our employees. We could, perhaps in the motion, give staff specific direction. There are moving pieces such as the RFP that is going out, negotiations that need to happen. He would like to find a way to buy us another year, but give strong recommendation, aside from legislation, a strong recommendation or direction to staff to have some of the discussions that need to be had.

FRIENDLY AMENDMENT: Councilor Maestas would like to direct the City Manager to convene an *ad hoc* advisory committee, and he can determine the final composition. He feels we should include appropriate representatives from the unions, one person from the Benefits Committee, two to represent the City Manager's Office. And we can use the one year period to study different changes in the benefits to achieve the savings we need to get this health fund on a sustainable track. He said, "I want to make sure it is inclusive and everyone buys-in to any changes regarding the benefits. We are all in this together and I think it's going to take everybody, and I would hate to exclude anyone that needs to be at the table if we do, in fact go in this direction." **THE AMENDMENT WAS FRIENDLY TO THE SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE..**

Ms. Perez said, "The makeup of the Group Insurance Advisory Committee is staff from the H.R., specifically the Benefits Administrator/Manager, Vicki Gage, her staff as needed for support, myself as available, and then representatives from all 3 unions. The makeup of the *ad hoc* Committee already exists with the addition of Aon. Our contract with Aon is about assisting us, because it has the knowledge in an area we don't and advising us in all of these different scenarios."

Ms. Perez continued, "We have used the Group Insurance Advisory Committee in the past mainly for plan benefits and some of the details in what we want to offer or not. The City Manager and I have been talking about preparing for the RFP next year, the sustainability of the fund and how we're going to shore up that fund in the continuing upswing in cost in the face of the Affordable Care Act." She said some of the reinsurance fees have to part of consideration. She likes the idea of finding a 5 year plan we can adopt, noting they started to go that route with the \$1.2 million. She said in talking with Mr. Burley and Ms. Gage, she thinks by September 2014, they can come back with the requested study, noting Aon's had done a lot of the work and the Group Insurance Advisory Committee will be meeting on Thursday. We can find a way to get through this next year, with an RFP to go out and go in with a plan starting the next year, noting it would be a four-year contract. They can address the various issues surrounding self-funding.

Chair Dominguez said then kicking the can down the road might be the best.

Ms. Perez said yes, but not very far down the road.

Councilor Maestas said, "Then you are saying the Group Insurance Advisory Committee would reconfigure the plan to make it sustainable, and then incorporate it into the scope of work for the RFP going forward. Or are you saying we could make that a part of the scope of work for the next provider, not only do they provide services and benefits, but they come up with options for a sustainable health fund. Which is it.

Ms. Perez said for this year, they would determine what we finish doing for this year, premium adjustments, any plan adjustments on coverage. We would then ask them to assist us with Aon Health in setting out what we want to go out for bid for the next four years moving forward. That gives them some input, but they need to be aware of the sustainability and cost and understand so they can support it with us. She said Aon really helps us to come up with all the different options and what we need to do in different areas and the anticipated impacts.

Councilor Maestas asked, as a member of the Advisory Committee if this is something she would recommend, and Ms. Perez said yes.

Councilor Maestas said it's kicking the can down the road, and he is okay with that. He asked Mr. Snyder, "You still want the \$750,000. We need, I guess some kind of security recharge for the reserves, at least for now."

Mr. Tapia said we can do it now, or at mid-year. If you can wait to see what happens down the road, but the \$750,000 would generate some interest in today's market. He reiterated it was a way to shore up the anticipated negative balance.

Ms. Perez said, "With all due respect, I disagree. It's not going to change. We came in at \$1.2 million. We were able to find some budget savings. We're down to \$919,000 in what we need to shore up the fund for this year. And so we know the \$750,000 is the one time overage we have to put a shot in the arm to help supplement that, we need to make a decision if we're going to use it for the [inaudible]. I also understand, and I may not have heard correctly, but when you made your decision specifically to do the \$1.5 million to balance the budget, that included the \$919,000 that the health fund is already over. I don't know from Robert's Rules of Order perspective if you have to modify that motion to now include the Workers' Compensation or if you can, somehow in your motion, make that change and make that modification. I respectfully understand what the Finance Director is saying about mid-year. But I can tell you, what it's starting at, the \$919,000 isn't going to get better, it's going to be the same story. So if you're talking about kicking cans down the road, pick which ones you want to kick, and then come back and do the study, and it will be easier for us to do the study knowing we went into the fiscal year with a shored up fund. That's just my opinion."

Councilor Maestas said, "In terms of the process I agree, the Advisory Committee could do some very good work in coming up with options to make the Health Fund sustainable and prepare the RFP for the next Health Fund contractor and then we can transfer the \$750,000 to cover some or most of the Health Insurance overage of \$919,893."

Chair Dominguez said, "In terms of mid-year, I think some of the specific direction is that mid-year we get some information back about what some of the options might look like."

Mr. Snyder said staff definitely can bring back scenarios at mid-year on the options, although he is unsure of the timing on the RFP process, and said we can initiate that sooner than later, so we can shoot for a target date of mid-year to have the discussion on whatever options are out there from the health fund perspective whatever that might be prior to the budget hearings in the next fiscal year..

Chair Dominguez said, "I think what members of the Governing Body should do, as the year progresses, is propose some specific policy or legislation is a little more direct, not in the sense of asking or directing staff to look at it, but if there are specific things we know other municipalities are doing, that we direct staff to look at those as well if staff doesn't know about it. I guess just try to make sure we cover all our bases and look way beyond the box."

Ms. Perez said, "We'll be back with our study, getting us ready for either mid-year or any other discussion, but the discussion we had about what the Group Advisory Committee can do and what Aon can help us do, we can bring that back to you for discussion purposes on October 1, 2014. That gives you two months until mid-year to start talking about that, because you've got holidays and all of that in the middle of that."

Chair Dominguez asked who is on the Group Advisory Committee.

Mr. Snyder said it is representatives from H.R., the Benefits Coordinator Vicki Gage, Sandy sits on it sometimes as well, a representative from Aon, representatives from Police, Fire and AFSCME, noting he does not sit on that Committee.

Chair Dominguez said, "I'm wondering if we shouldn't at least give staff some flexibility in diversifying that Committee a little bit. I don't know who that would be or what that looks like. Any ideas on that Sandy."

Ms. Perez said she doesn't have the enabling Ordinance or Resolution establishing that Committee. She thinks a non-union participant which could be a member from the Finance Department, and that's not been an unusual position that has been held in the past, depending on whether the Finance Director did or didn't want to sit on the Committee. She can speak to the Finance Director and have somebody else, commenting Teresita has sat in before which was of value to them as well from the finance perspective.

Chair Dominguez said he is looking to find ways to diversify, if possible, to get more input, and this could be the opportunity to do that.

Councilor Maestas said he would like to see two non-union employees, one from General Fund at large, and one Enterprise Fund at large employee, and they need not be from the actuarial field.

There was no vote on this item

- Councilor Maestas said he would support \$100,000 for the renovation, noting there is \$511,000 of one-time available budget, and maybe we can defer the actual work until the second half of the fiscal year to see how this budget plays out instead of committing it right away. If things don't turn out the way we thought they would, we can remove it from the budget. He said Councilor Rivera was very concerned about making these improvements, and he understands all the pressing needs. He said so much discussion, and he thinks \$100,000 is a nominal investment to make this room more public-friendly
 - Chair Dominguez said, "Before you make a motion, Councilor Lindell said she would trade with you if need be. I don't want to speak for the Committee, it seemed we were going in the direction to defer this one and give staff specific direction. What would be the next step, in terms of Council renovation."
- Mr. Snyder said, "I understand that draft drawings have been done. So it would be taking it to the next level to get hard quotes and come back. If we're talking \$100,000, you're going to see this before the Council and Committee review process, because I can't sign off on \$100,000."
- Chair Dominguez said if we were to get \$80,000 allocated to this, and I'm just thinking about timing, what would be the next step.
 - Mr. Pfeifer said we would need to hire an architect, and go out to RFQ for electrical, especially, and then get permits and move forward on that.

MOTION: Councilor Maestas moved, seconded by Councilor Rivera, to approve a set-aside of \$80,000 for City Council Chambers renovation from the balance available from vacancy savings.

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Maestas, Councilor Rivera and Councilor Trujillo.

Against: Councilor Lindell

Chair Dominguez asked the wishes of the Committee, commenting that we have a balanced budget, some expansion items one-time that have been approved, and asked if we want to move to recurring costs and expansions. He said we have annexation issues that need to be addressed.

- Councilor Maestas said, "We had a projected vacancy savings on the enterprise special revenue side of \$1.4 million. We agreed that whatever priorities already exist for one-time expenditures that is already in the budget for those respective enterprise funds. Is that what we decided. That way we could just put that to bed."

Mr. Snyder said that is correct.

- Chair Dominguez asked him to repeat what he said.
- Councilor Maestas said, "If you look at the latest gap sheet, there is an anticipated one-time savings on the enterprise special revenue side of the house at \$1.4 million. And I was wondering if it had been earmarked, but apparently, I guess, all the respective enterprise funds have potential expansion expenditures that they can use that with. I think it would be too much to work to break those out and identify from which enterprise fund the savings came from. I just wanted to rule that out as no longer on the table."
- Chair Dominguez said, "The big elephant in the room is annexation. I think we have to account for that. And we're looking at both P.D. staff and Land Use staff. And that's all that we have on this list."
- Councilor Maestas agreed. He said, "I do think we need to address the need for additional police officers in the annexation area. They already have reduced their request in half from 10 to 5, and we definitely don't have enough budget to fund all 5. We still have \$510,920 from current vacancy savings on the General Fund side, so I think we have that to work with. One time, correct. Yes, this is recurring, I understand that."
- Chair Dominguez said, "I almost want to say we should deal with it, I don't know if this is correct, in much the same way we dealt with our employee raises, and that is that we have to do everything we can to make sure we sustain at least \$2.4 million more in revenue. Because it was \$1.7 million it cost for employee salary increases, and then another \$750,000, at least for P.D., that's \$2.4

million. It's not the best way to look at closing that gap, but it is an optimistic way to look at closing the gap. I tend to want to believe that revenues are on the upswing and that we will continue to see an upward trend. Having said that, you never know what can happen, and we very easily could take a \$750,000 dip, which I guess ruins that potential scenario."

- Chair Dominguez continued, "I'm thinking about long term, and doing it like this, kind of the way we did it with employee raises. It almost forces the hand of the Governing Body to make sure we do everything we can to promote economic development and continue trying to increase the GRTs. If we just take little chunks of it away, we're not necessarily looking at it from the long term perspective. It's not the best way to balance a budget, but it forces our hand to do everything we can to continue to generate revenue without tax increases. So I'll just make those comments and leave it open to the rest of the Committee on that."
- Councilor Maestas asked when the 10 new police officers will be on the street.

Mr. Snyder said he understands they graduate from the Academy in the next two weeks, then they go into FTO, depending on where they are coming from, it is 8-10 week process until they are fully certified and by themselves on the street.

Ms. Jimenez said this is true. She said the Police Department has 24 vacancies. The 10 positions that had been authorized last November to be hired in January, with all of the retirements, technically have not been filled. She said as individuals leave, they can say they've hired the annexation positions, but when you look at the Department as a whole, there are 24 vacancies, and 9-10 of those could be annexation and the others are through the General Fund. Right now, they haven't hired any which were approved in November to start in January because the Department has lost so many due to retirement. She said with the PERA Rules and changes, we're anticipating there is another 8 to 10 that could retire before the PERA changes to 7 years to wait for the cost of living. This is one of the reasons it was suggested to reduce the request from 10 to 5 until they can fill all the vacancies. An Academy begins on Monday, so they hopefully will have to hire all 24 positions, depending on what happens with the Police Chief. However, they may not all be cadets, there could be a couple of Chiefs coming in.

- Councilor Maestas asked if it is possible to provide adequate coverage in the annexed areas if we would fill these vacancies plus the 10 approved in November. He wants to be sure we're not jeopardizing public safety in the annexed areas if we don't approve any additional expansion FTEs for the P.D.

Mr. Jimenez said with the current call volume for the first quarter shows that we still need the 10 additional officers by January 2015. She said we've always floated vacancies, and call response may or may not increase, depending on the vacancies. She said even though they have salary savings and vacant positions, the officers are coming in and working on overtime, so our salary savings go away, but we still provide that services. However, it is provided with officers that are

working overtime. She said, "So you are going to be looking at.... our minimum staffing doesn't change, it's just potential exhaustion when you start having officers to come in and work every day rather than having a couple of days off."

Mr. Snyder said, "Nancy is correct. We're hitting it hard with the recruiting effort and we will continue to do so. It is a cycle. And as I mentioned earlier, I recommend trying to find the funding for those 5 FTEs. I think it is important to see that we keep moving forward with the annexation projections. The numbers, as Nancy referenced, in talking with Deputy Chief Schaerfl, they are in line with what we're thinking, call volume wise. So projecting out, we are going to need these 5 officers as well as the 10 officers. At the same time, let's be realistic and realize we have struggled for years to maintain a full Police Force. That's a common problem around the State and the nation. We're doing our due diligence to be sure we are fully staffed. I am hopeful with the current class, as well as the handful of laterals we have coming over from various places, that we are moving in the right direction and we continue with our recruitment plan, fill the 5 positions, project that we know we'll be losing 8-10 positions due to retirement. Basically, we're going to lose that many staff on an annual basis."

- Councilor Maestas said he approves hiring the 5 FTEs, and said we've been conservative in projecting revenues associated with annexation and in gross receipts tax projections. He isn't advocating to inflate the budget. He suggested we modify the revenue projects to cover the 5 FTEs since they represent a recurring expenditure.

- Chair Dominguez asked the timing on hiring the Police Chief.

Mr. Snyder said they have had the first and second round of interviews, and he should have the recommendations for his review and consideration early next week.

- Chair Dominguez asked when the new Chief will be on board, first day on the job.

Mr. Snyder said he would hope at the latest at the beginning of the fiscal year, depending on where the person is coming from.

- Chair Dominguez said another option, and he is reluctant to do this, would be to reorganize the Police Department ourselves, and allow the new Chief to find out if there is an opportunity to find savings, or additional positions. He said the new Chief is going to have to take a very close look at this, especially if we go "your route Councilor Maestas" and just approve these positions and make it part of the general operating budget.

- Councilor Maestas asked Mr. Tapia to remind us again of his revenue projections for GRTs as a whole, and your revenue assumptions for the annexed area.

Mr. Tapia said, "Looking at what you want to propose. I think that between a combination of the annexation GRTs, property tax, and that I was conservative in the overall GRT, we still did a 3%. If that was your wishes to do these 5 officers I could adjust proportionately both projections, so I

can take \$750,000 and budget for this next fiscal year that would be recurring. Now saying that, the new Police Chief comes in and does a reorganization and finds \$200,000 or \$300,000, or whatever, that's fine. It just helps me with the projections, cash balances, but if that is the wish, I could proportionately do that to the annexation and GRT overall that we did this year."

- Councilor Maestas said, "Based on the revenue history for General Fund, if you were to forecast that, what would that curve look like, relative to 3%, with it 4½ % or 5%. Is that what the trends are showing."

Mr. Tapia said, "Right now, we anticipate 3%, that's what we put in the budget for GRT. The trend right now is actually a little over 5%. I haven't got the new one, but that's what it showed on the previous report. So yes, I was conservative on 3%."

- Councilor Maestas asked the estimated difference between the trend for our projections, relative to the 3%, how much money are we talking about, the difference between the trend line and your assumption of 3%. "We're talking millions, right."

Mr. Tapia said he would have to verify with Cal or Andy, but estimates at least \$1.8 million.

- Councilor Maestas said, "I say we budget them, and give the new Chief the discretion and latitude to do what he needs to do to right size his department. And if he realizes a savings, so be it. I think this is modest. This is half of the 10 they requested as a part of the transition plan. And I would have to think that the request for those FTEs was based on coverage, call volumes, reducing your response time. I just feel if we don't approve any additional FTEs, I think we're jeopardizing public safety."
- Chair Dominguez said he likes that idea, and next year, it will be part of the operating budget and, notwithstanding any decrease in revenues, it just automatically becomes something that is funded.
- Mr. Snyder said, "Just to revisit what was discussed during the budget sessions with Police, it was recommended we move toward approving 5 FTEs for this fiscal year, and revisit it at mid-year with the additional 5 originally planned for, with metrics and measure in place, call volumes. That was what the basis was behind the original 10, and also consideration of the reality of where we are staffing-wise, retirement-wise. What does the work force look like right now, and what does the candidate pool look like and what can we do to make sure we meet the call volumes and level of service that we need to provide this community."
- Councilor Trujillo asked how the recruiting of laterals is doing, and if we are getting a response, commenting it takes 10 weeks to train new officers and asked how long it takes for laterals.
- Mr. Snyder said it depends from where they are coming, but laterals definitely do take a lot less time. He said of the 23 vacancies, 13 are in the Academy and 5 are laterals. The laterals will be on the street within 1-4 weeks – actually by themselves and not partnered with someone else. He said there is a benefit to laterals, and because the individual has a history, the screening process

for laterals is more rigorous than for those going into the Academy. He commented all of the police operations state-wide are struggling the same way, and we all fighting for the same people. We are hearing they are coming here for the benefits from the laterals themselves.

- Councilor Trujillo wants to know the reasons for those who choose not to come to Santa Fe. He said the PERA change that people have to wait 7 years to get their COLA is going to hit us hard. He said right before the election, we were fully staffed, and now we have 24 vacancies. He said the officers have to look out for their future. He said he would really appreciate a presentation at the Public Safety Committee with regard to the reasons laterals don't want to come here, and what we, as a Council, can do to entice them to come here. He would like to hear we are fully staffed in 6 months.

Mr. Snyder said he will ask Lt. Strahan and his team to come to Public Safety and present this information.. He said although 24 vacancies is a large number, of the 24 vacancies, 18 are in the pipeline. He said, conversely, another 18 are in the pipeline to retire in the next fiscal year, commenting it is a constant evolution.

- Chair Dominguez said hopefully, the new Police Chief can address recruitment and re-forming our Police Department.

MOTION: Councilor Maestas moved, seconded by Councilor Trujillo, to approved the request from the Police Department to add 5 additional FTEs and all associated expenditures, for a total of \$750,000, and that the revenue projections be amended to cover this recurring expenditure.

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

6. REQUEST FOR APPROVAL OF OPERATING BUDGET AND ORGANIZATIONAL CHART FOR FISCAL YEAR 2014/2015. (BRIAN SNYDER)

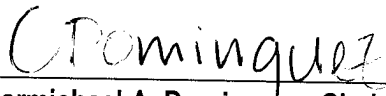
Chair Dominguez said this item also is on the Finance Committee agenda, and asked the Committee members if they would like to postpone approval to the Finance Committee meeting.

It was consensus among the Committee to defer approval of the Budget to the Regular Finance Committee meeting immediately following this Special Finance Committee meeting.


7. ADJOURN

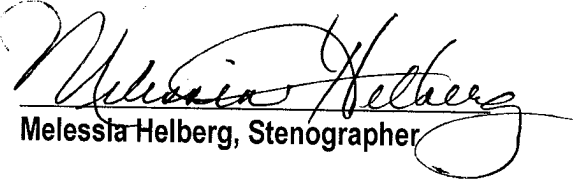
Chair Dominguez said the Committee will adjourn at 5:00 p.m., and we will be starting the Finance Committee at 5:15 p.m.

The meeting was adjourned at approximately 5:00 p.m.


Carmichael A. Dominguez, Chair

Reviewed by:

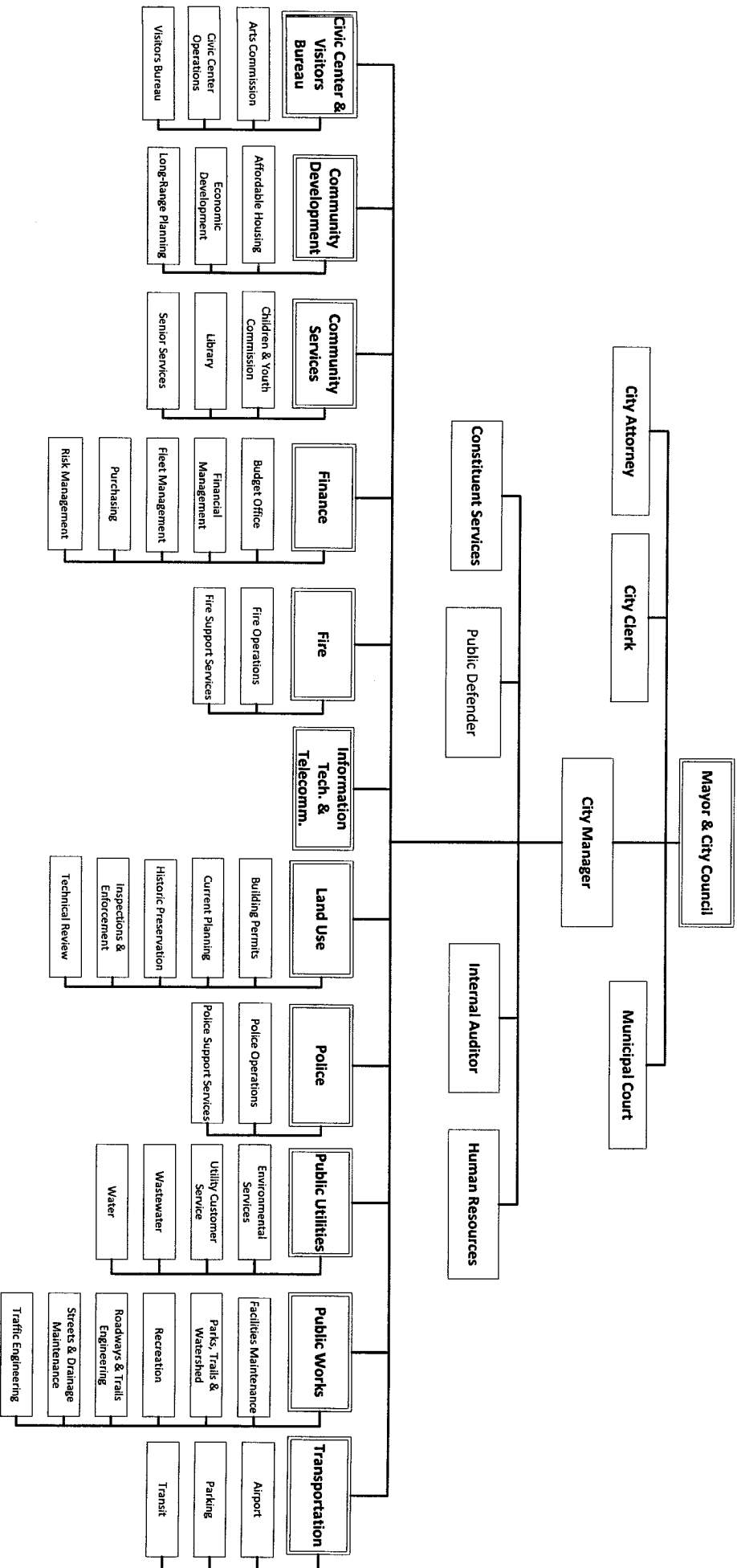

Marcos A. Tapia, Director
Department of Finance

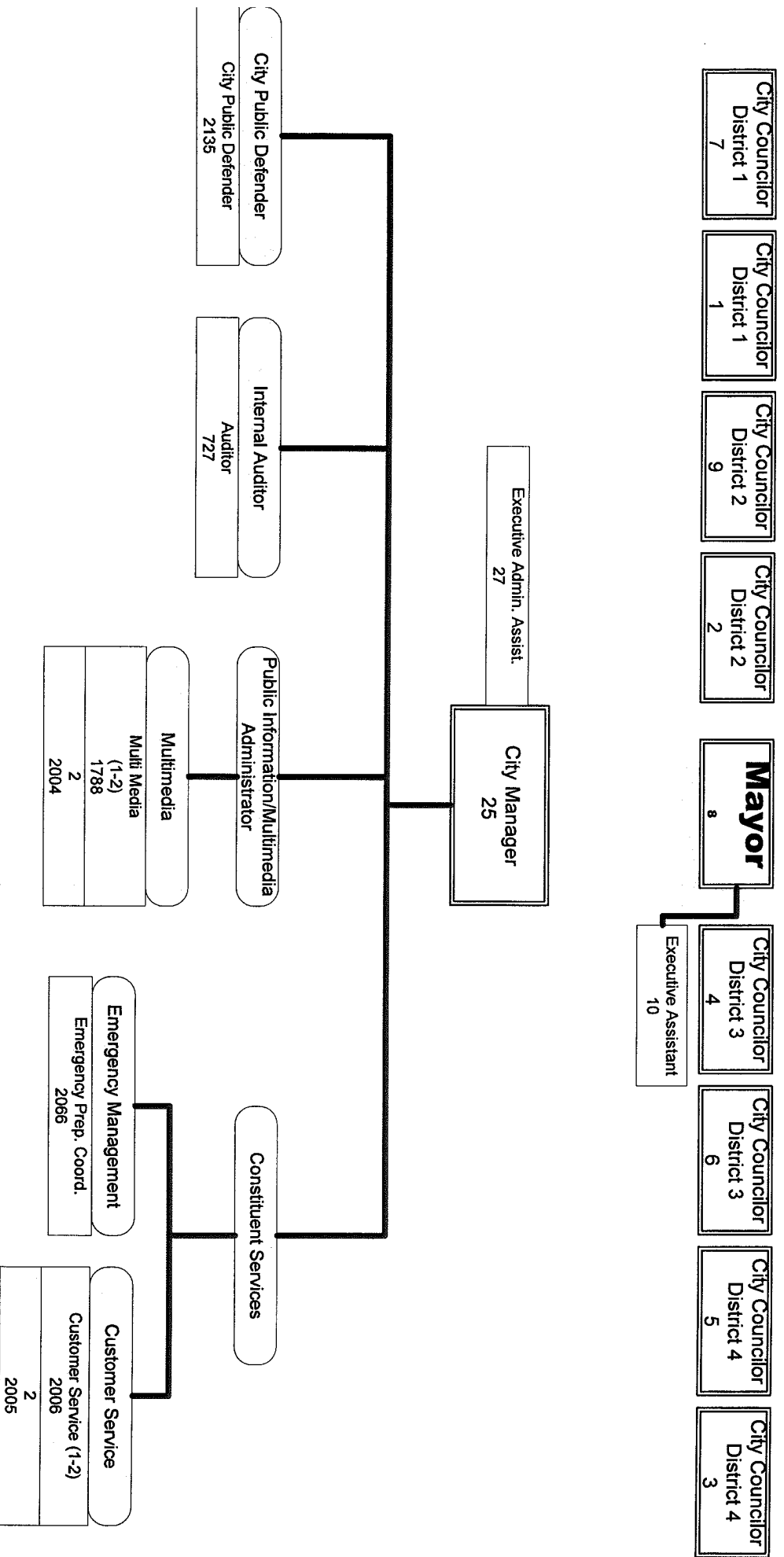

Melessia Helberg, Stenographer

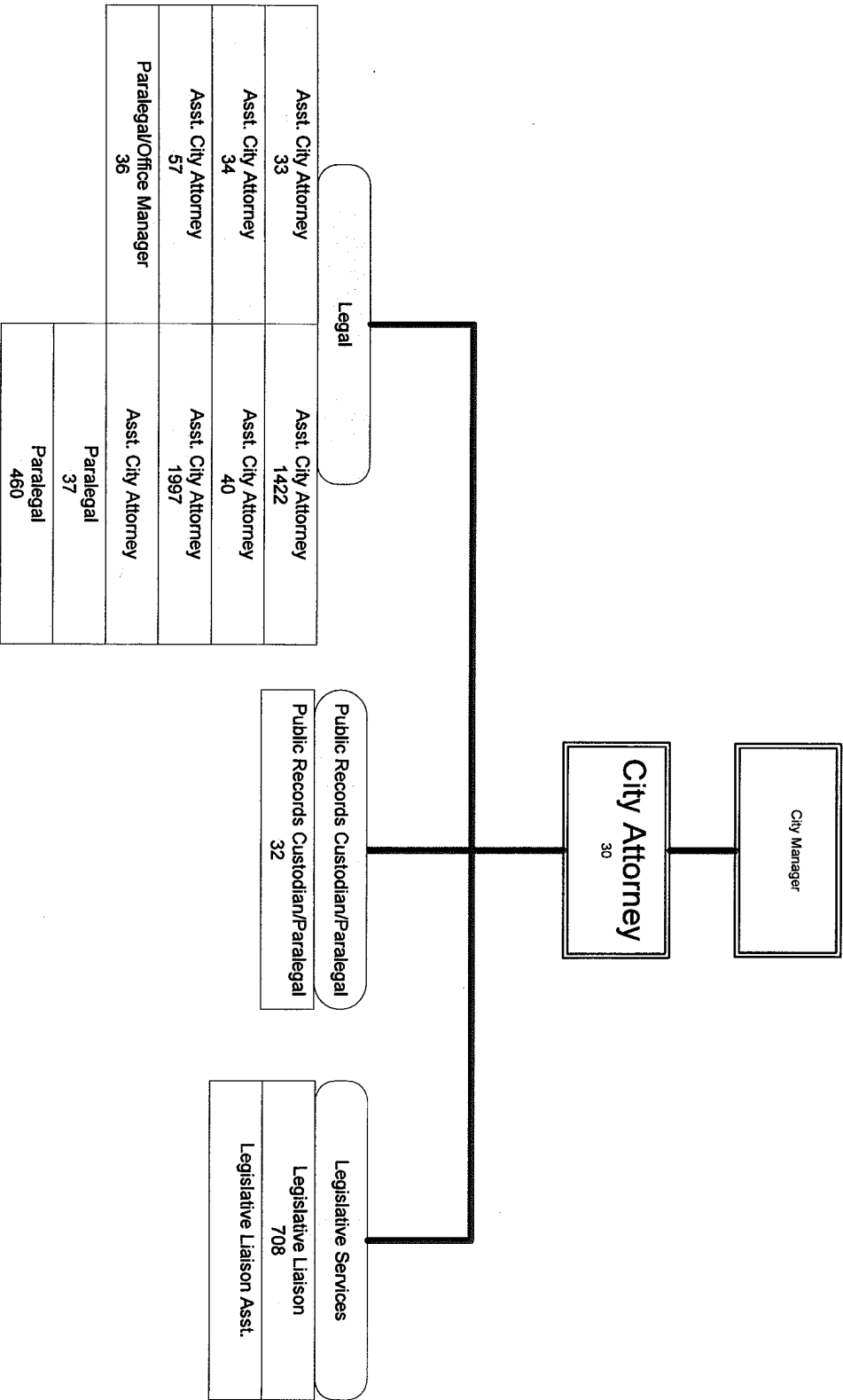


City of Santa Fe

Organizational Chart FY 14/15







City Councilor
District 1

City Councilor
District 1

City Councilor
District 2

City Councilor
District 2

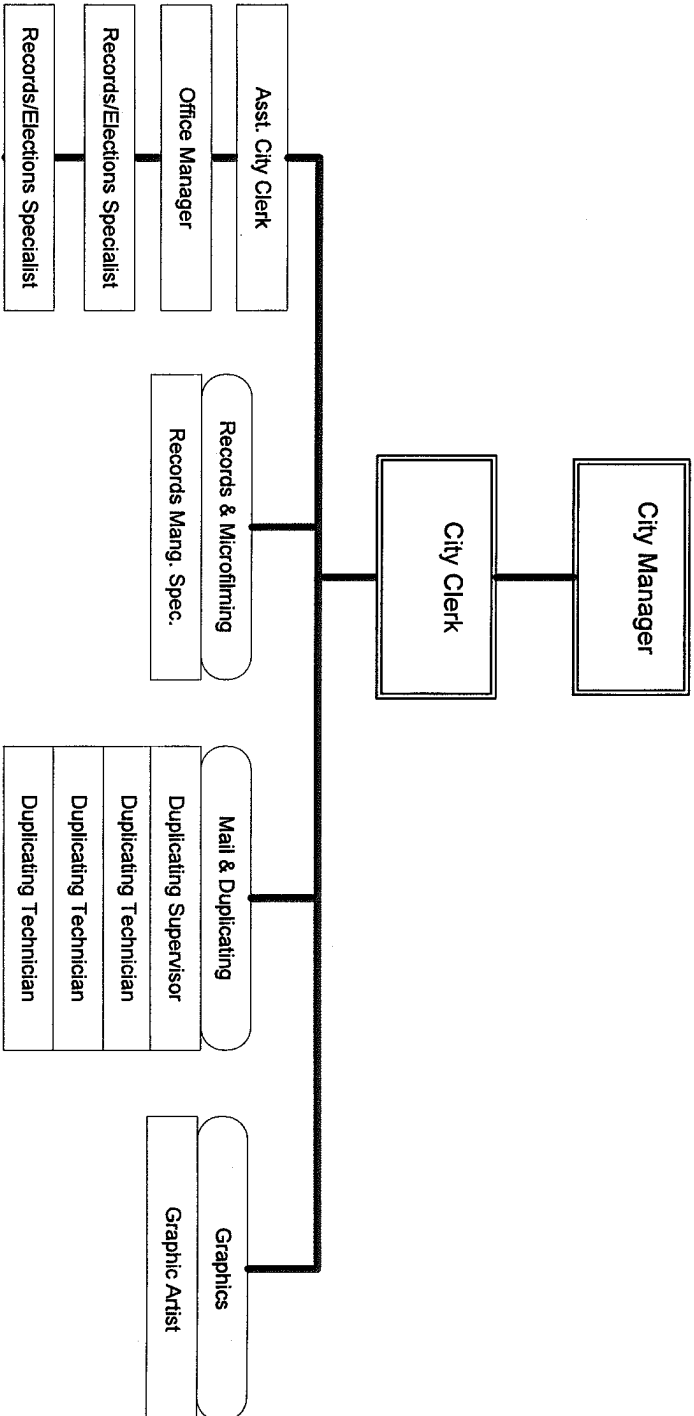
Mayor

City Councilor
District 3

City Councilor
District 3

City Councilor
District 4

City Councilor
District 4



City Councilor
District 1

City Councilor
District 1

City Councilor
District 2

City Councilor
District 2

Mayor

City Councilor
District 3

City Councilor
District 3

City Councilor
District 4

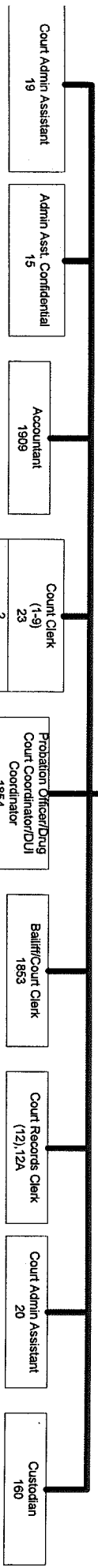
City Councilor
District 4

*Judicial
Branch*

Municipal
Court Judge
11

Court Administrator
14

Deputy Court
Administrator
13



Count Clerk (1-9) 23
2
1866
3
18
4
1579
5
16
6
17
7
21
8
22
9
24

City Councilor
District 1

City Councilor
District 1

City Councilor
District 2

City Councilor
District 2

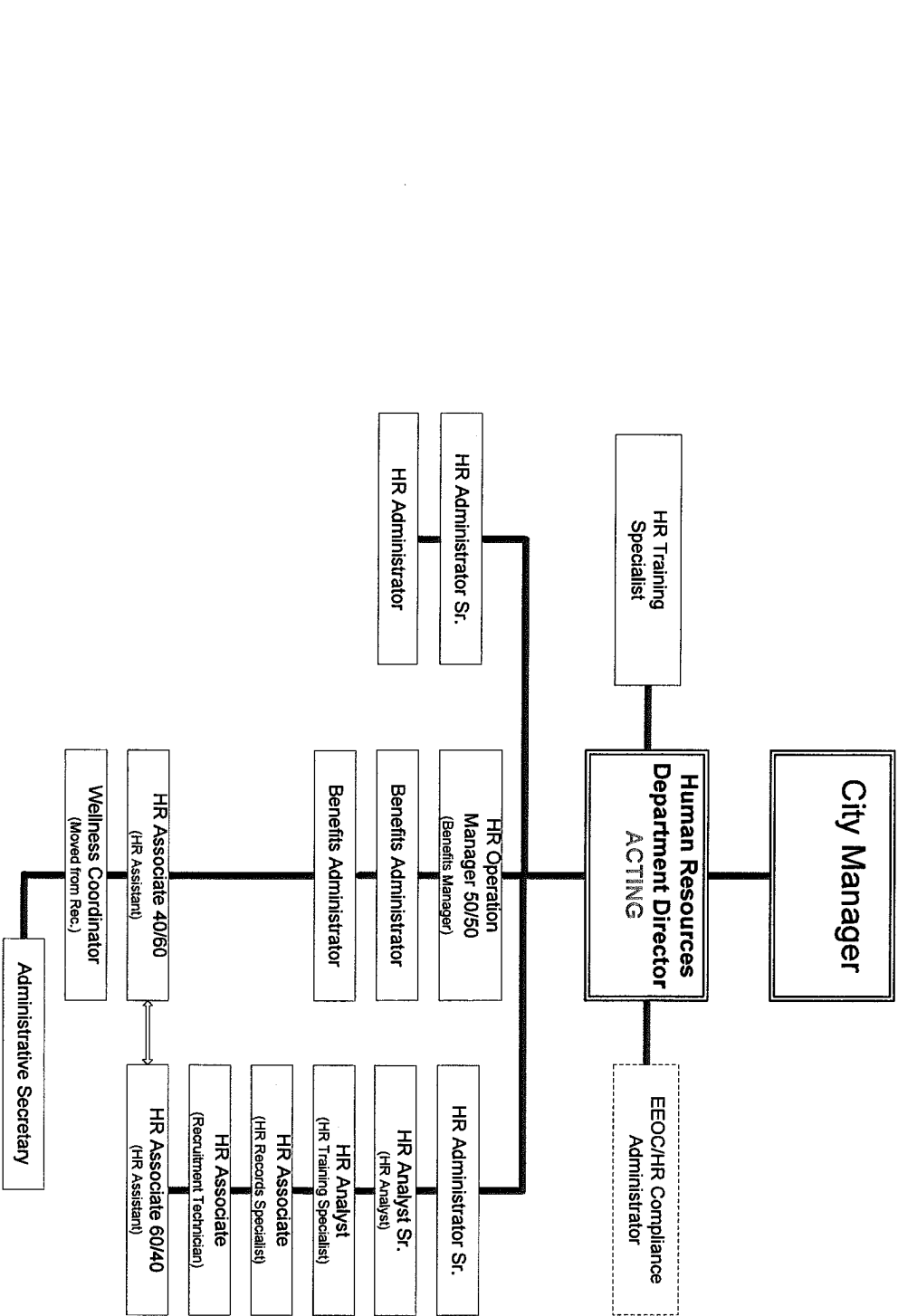
Mayor

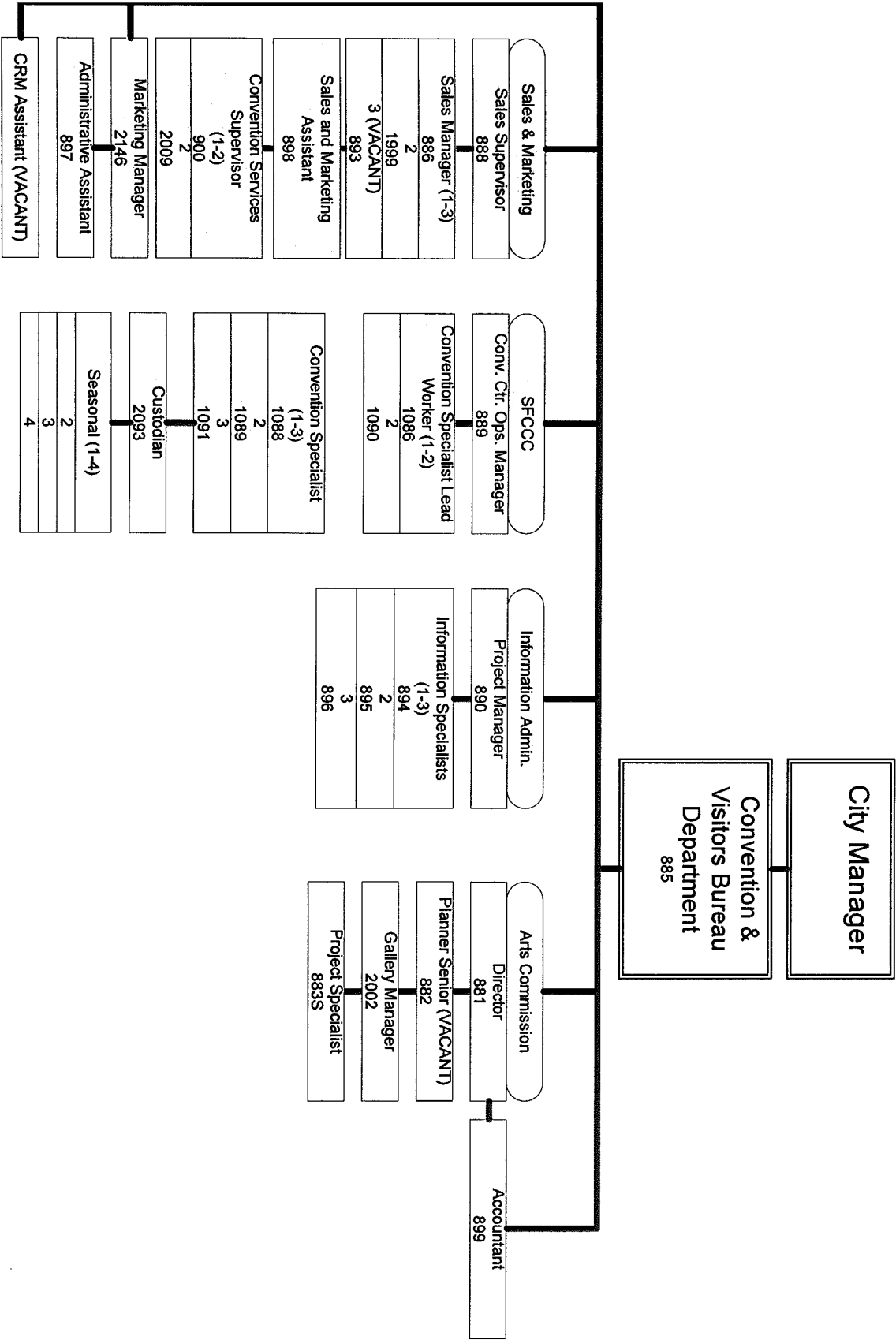
City Councilor
District 3

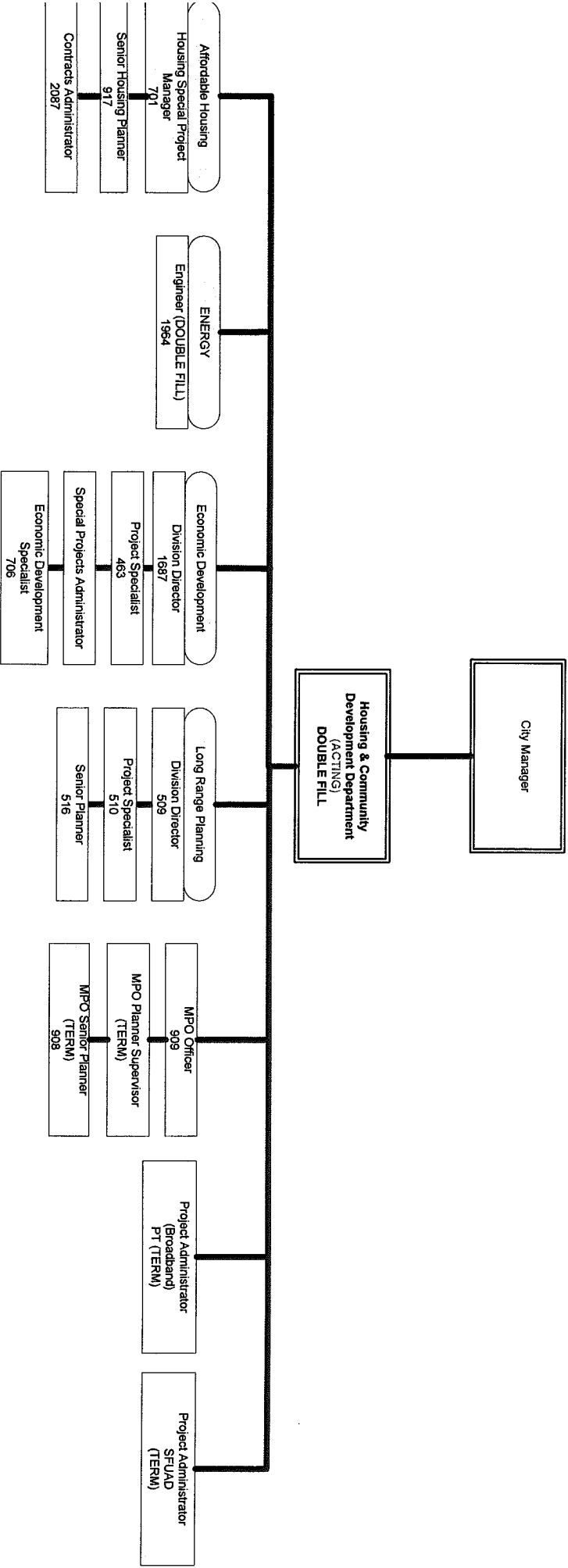
City Councilor
District 3

City Councilor
District 4

City Councilor
District 4







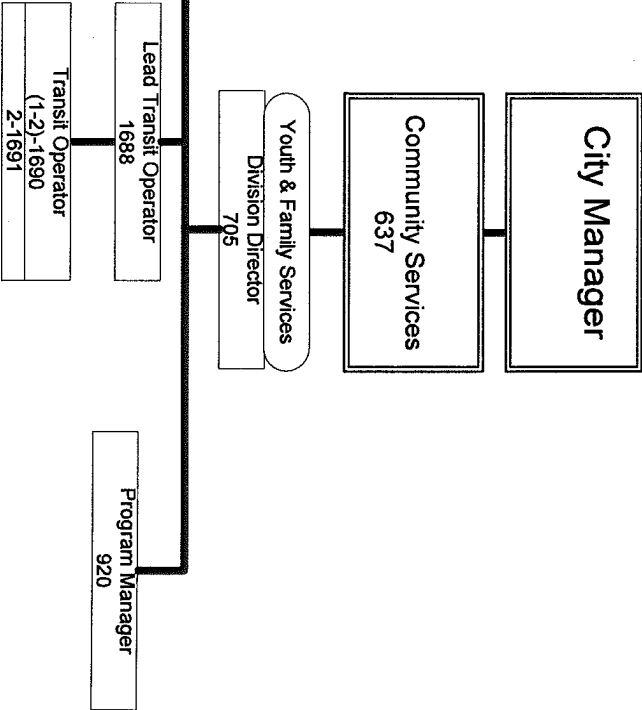
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2-985
3-1014
4-1054
5-1011
6-1061
7-1056
8-1047
9-997
10-1053
11-1041
12-1022
13-1029
14-1021
15-1055
16-1037
17-1026
18-998
19-999
20-1027
21-1032
22-1012
23-1035
24-1062
25-1051
26-1060
27-1058
28-1013
29-1039
30-1020
31-1019
32-1023
33-1024
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37-1031
38-1033
39-1034
40-1036
41-1038
42-1040
43-1042
44-1043
45-1044
46-1045
47-1046
48-1048
49-1049
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54-1591
55-1592
56-1593
57-1595
58-1009
59-1000

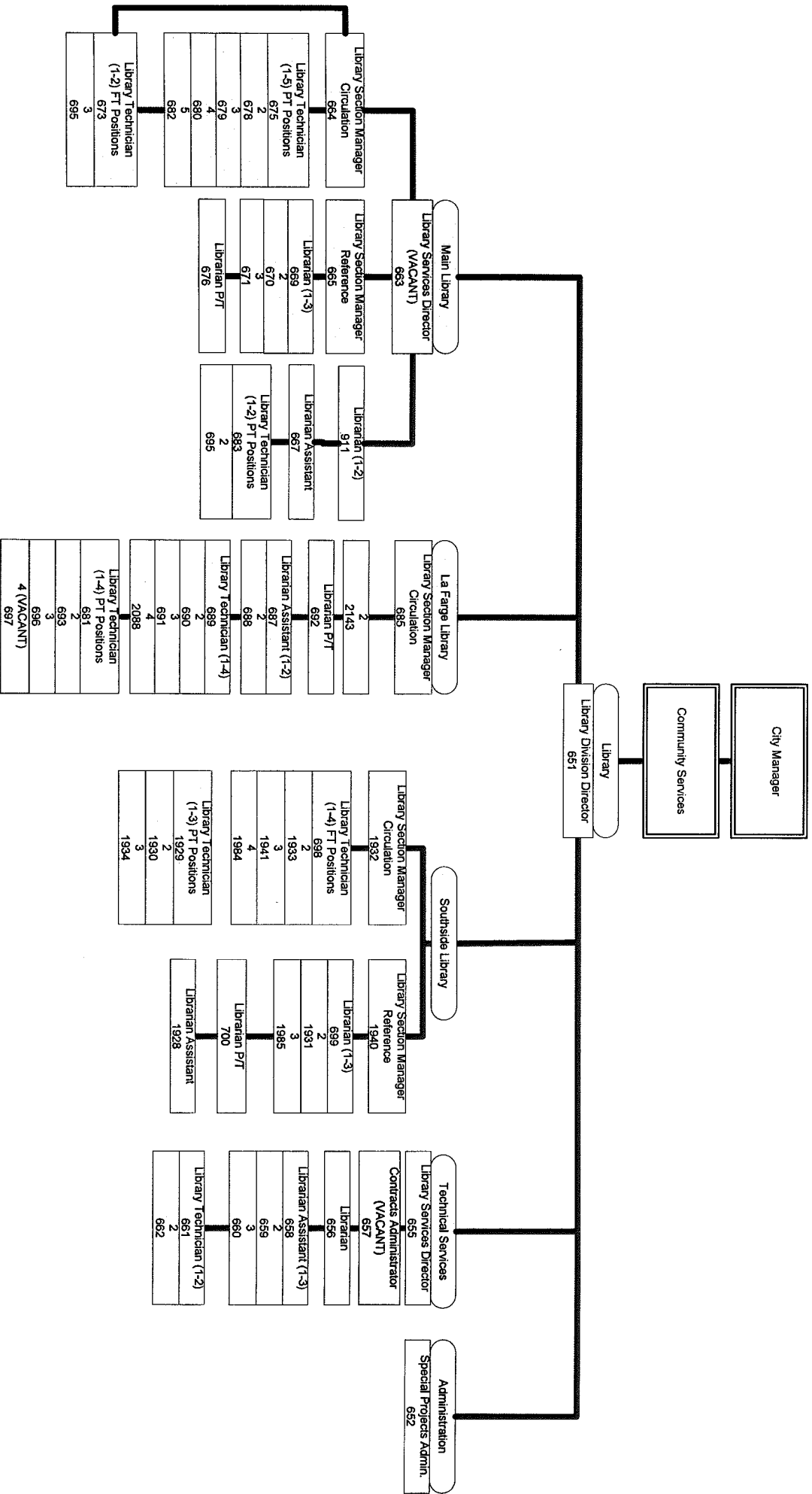
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2-964
3-969
4-970
5-971
6-972
7-973
8-974
9-975
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11-1584
12-1585
13-1586
14-1598
15-1596
16-1597

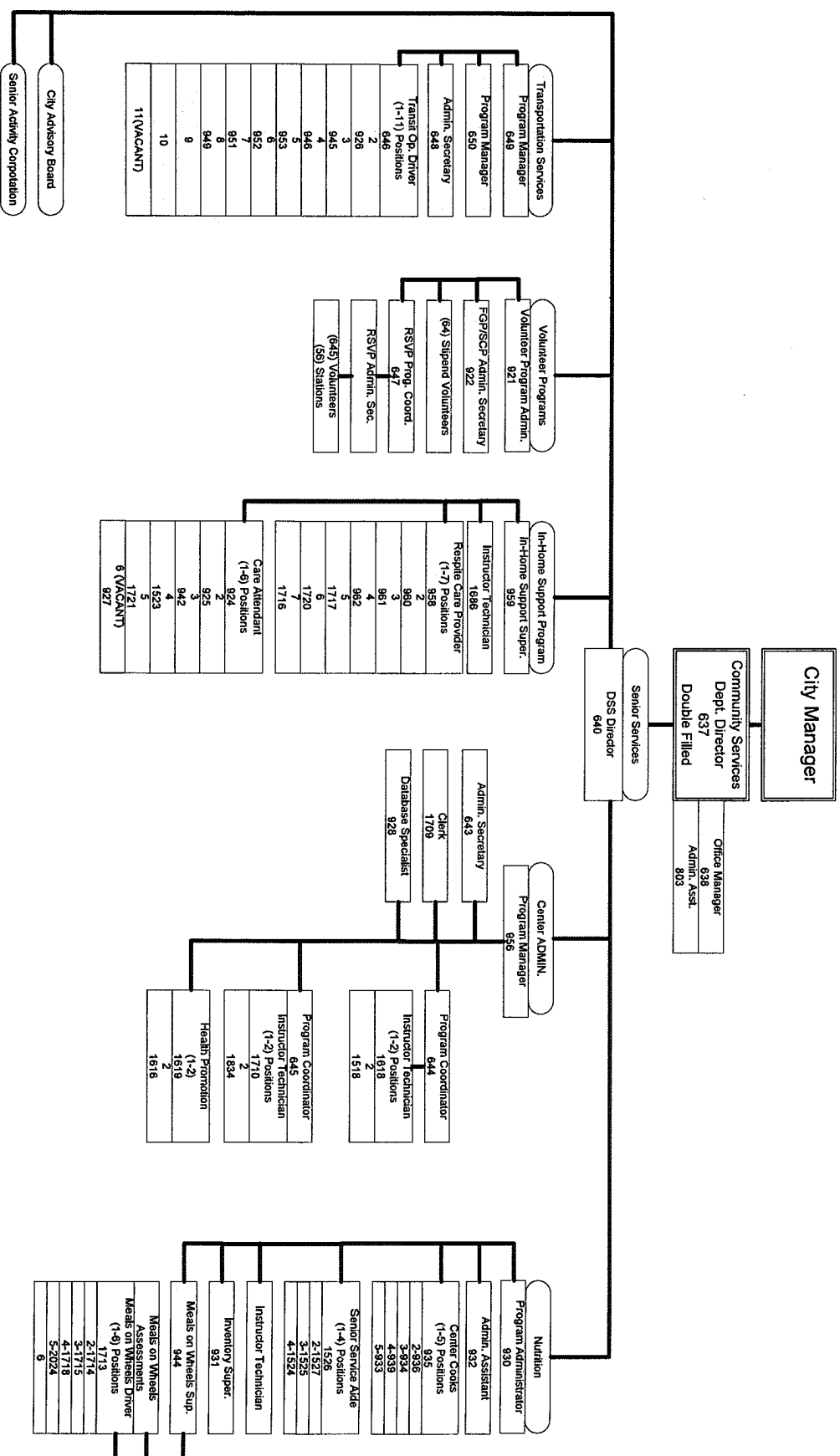
SYP Supervisor (TMP) 713

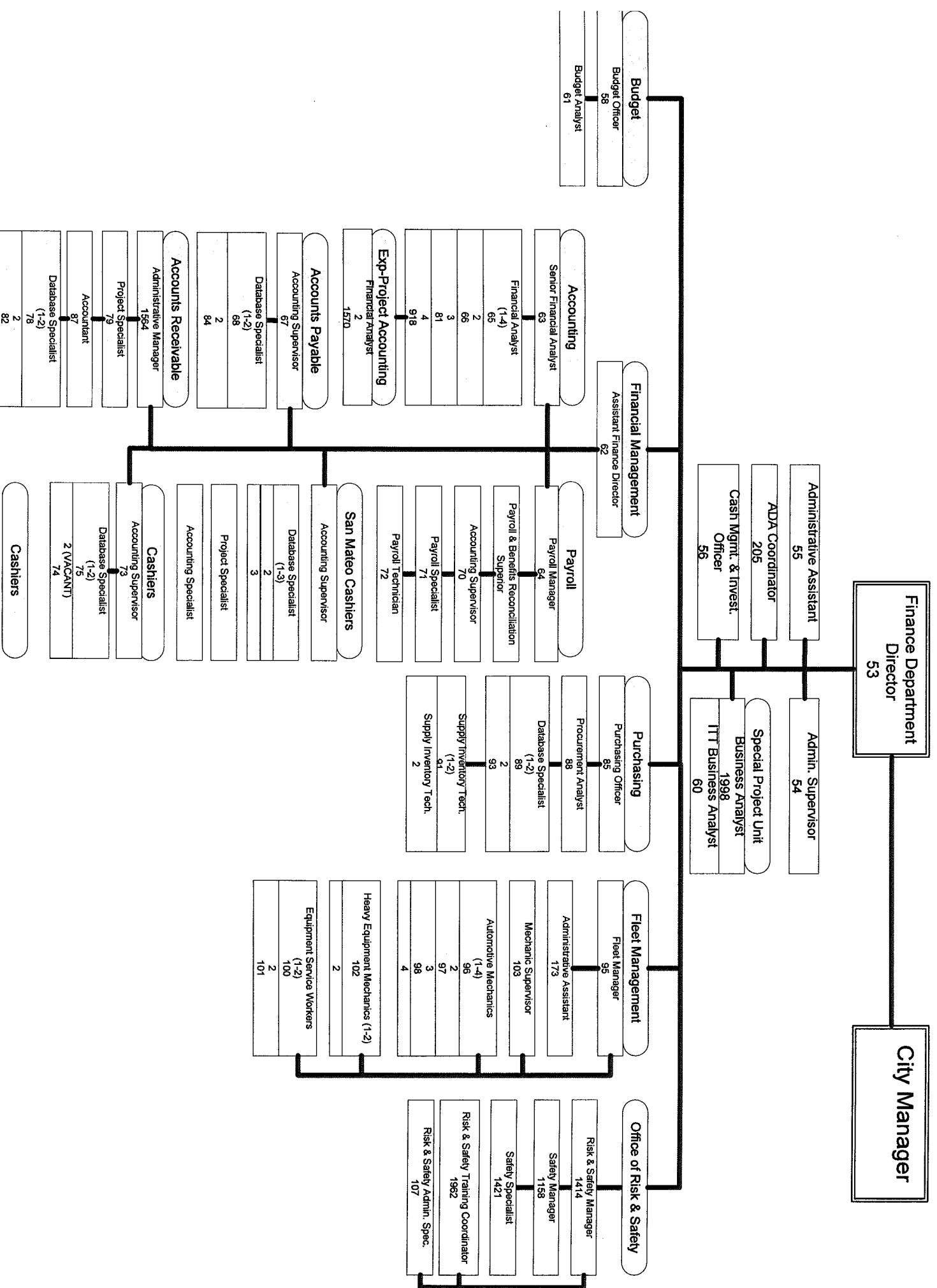
SYP Asst. Supervisor (1-16)-1588
2-1589
3-976
4-979
5-981
6-982
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11-989
12-990
13-991
14-992
15-993
16-994

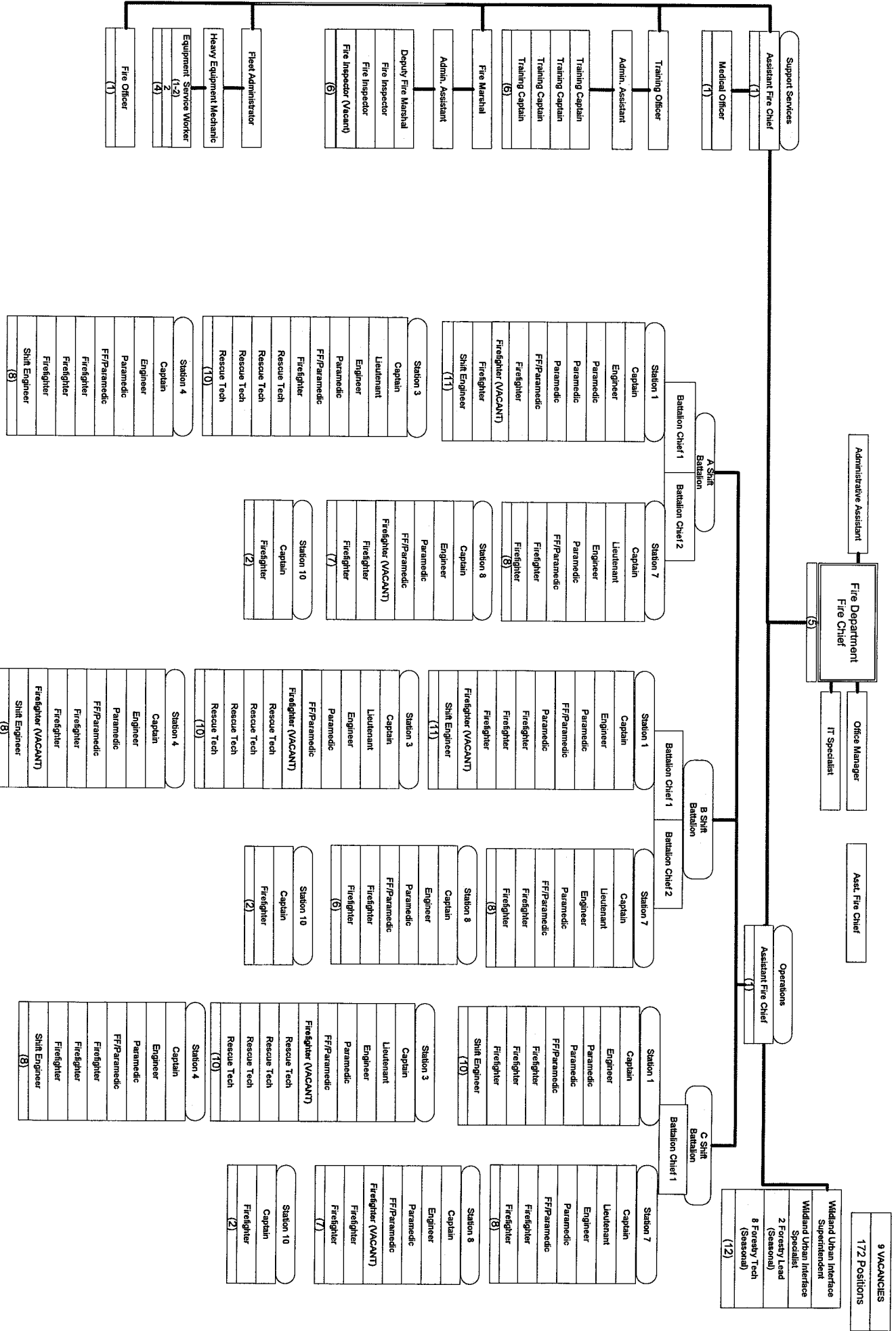
Recreation Supervisor (1-2) 711
2 714
Youth Specialist (1-8) 710
2 712
3 715
4 716
5 717
6 718
7
8

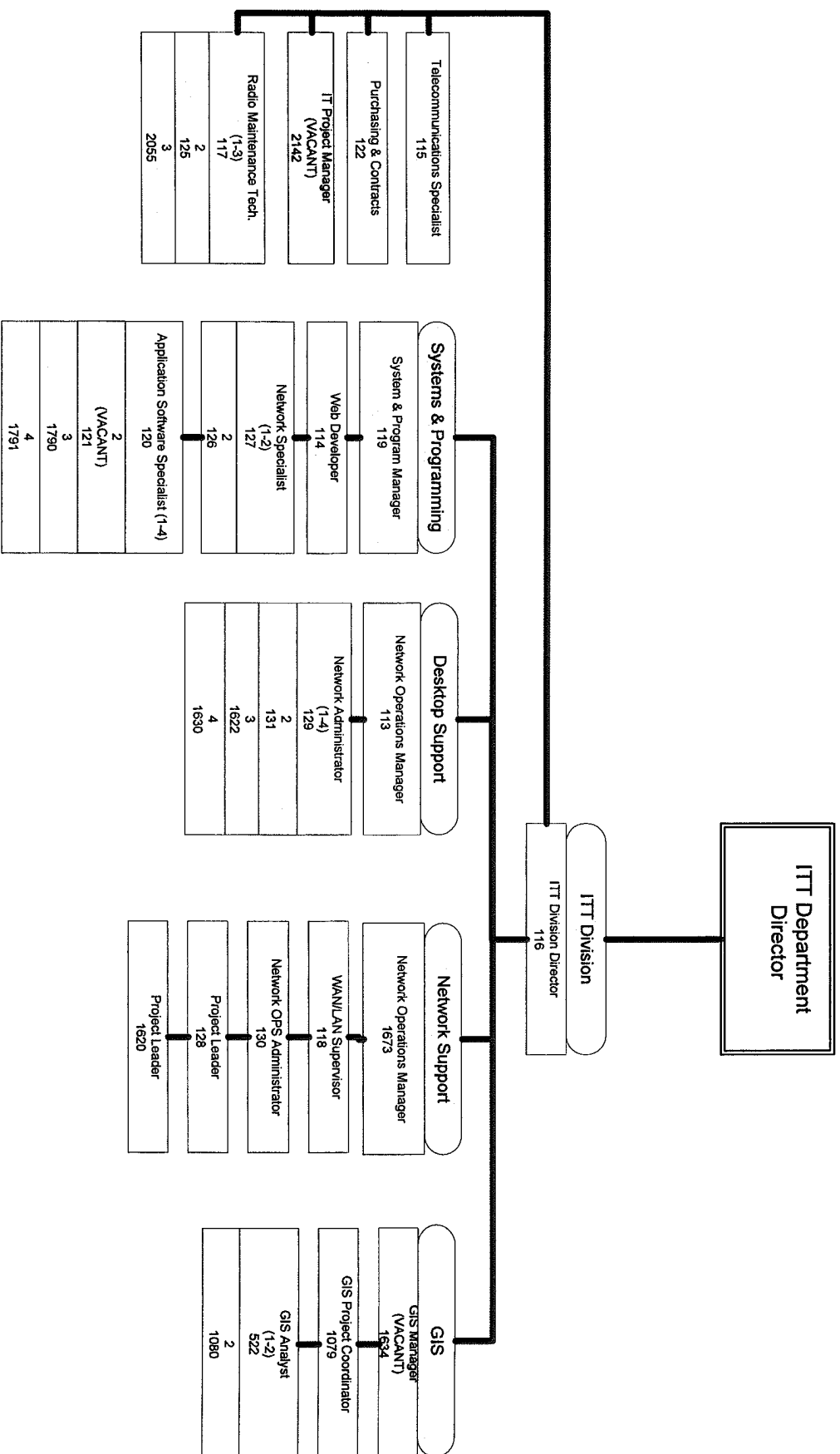


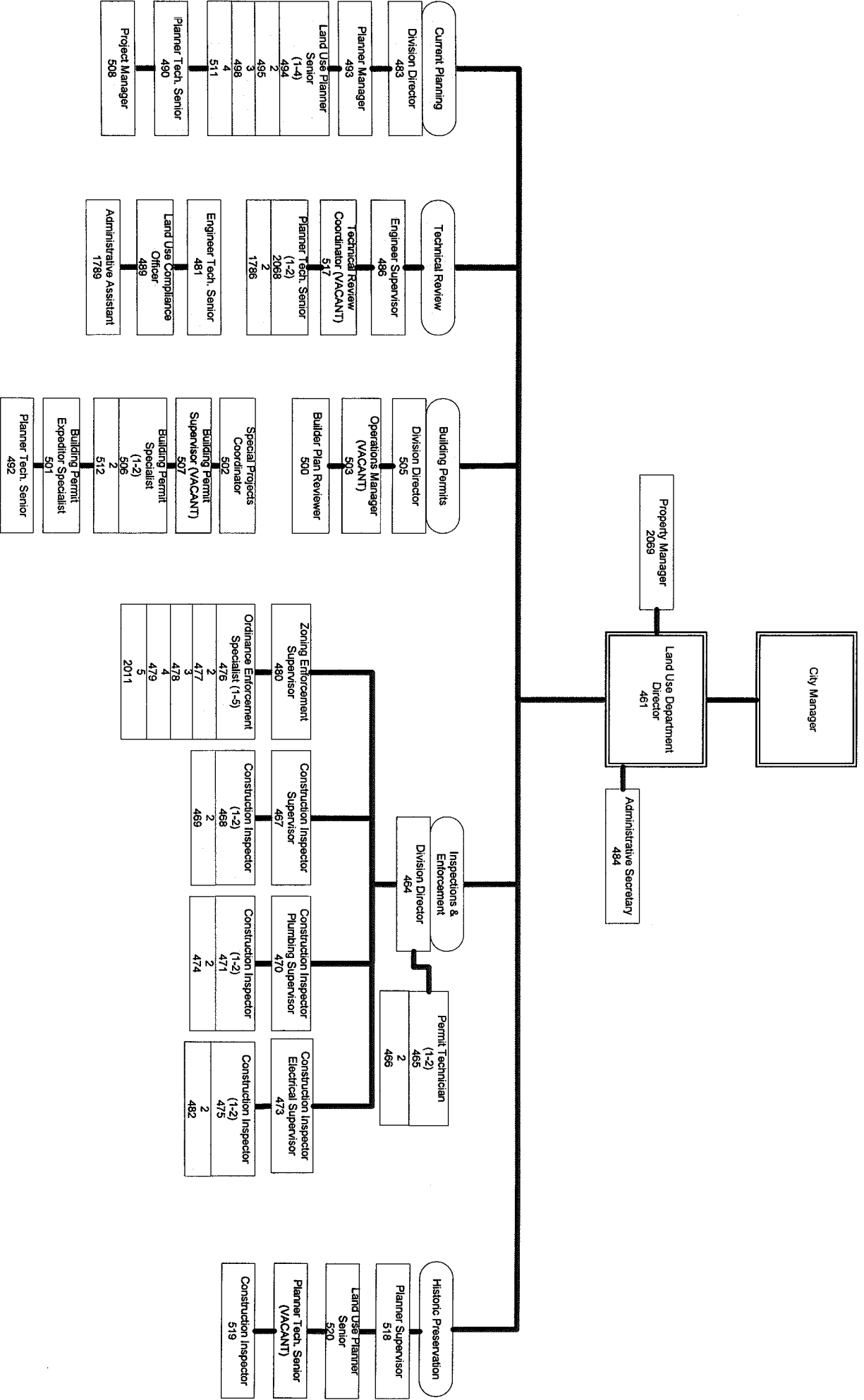




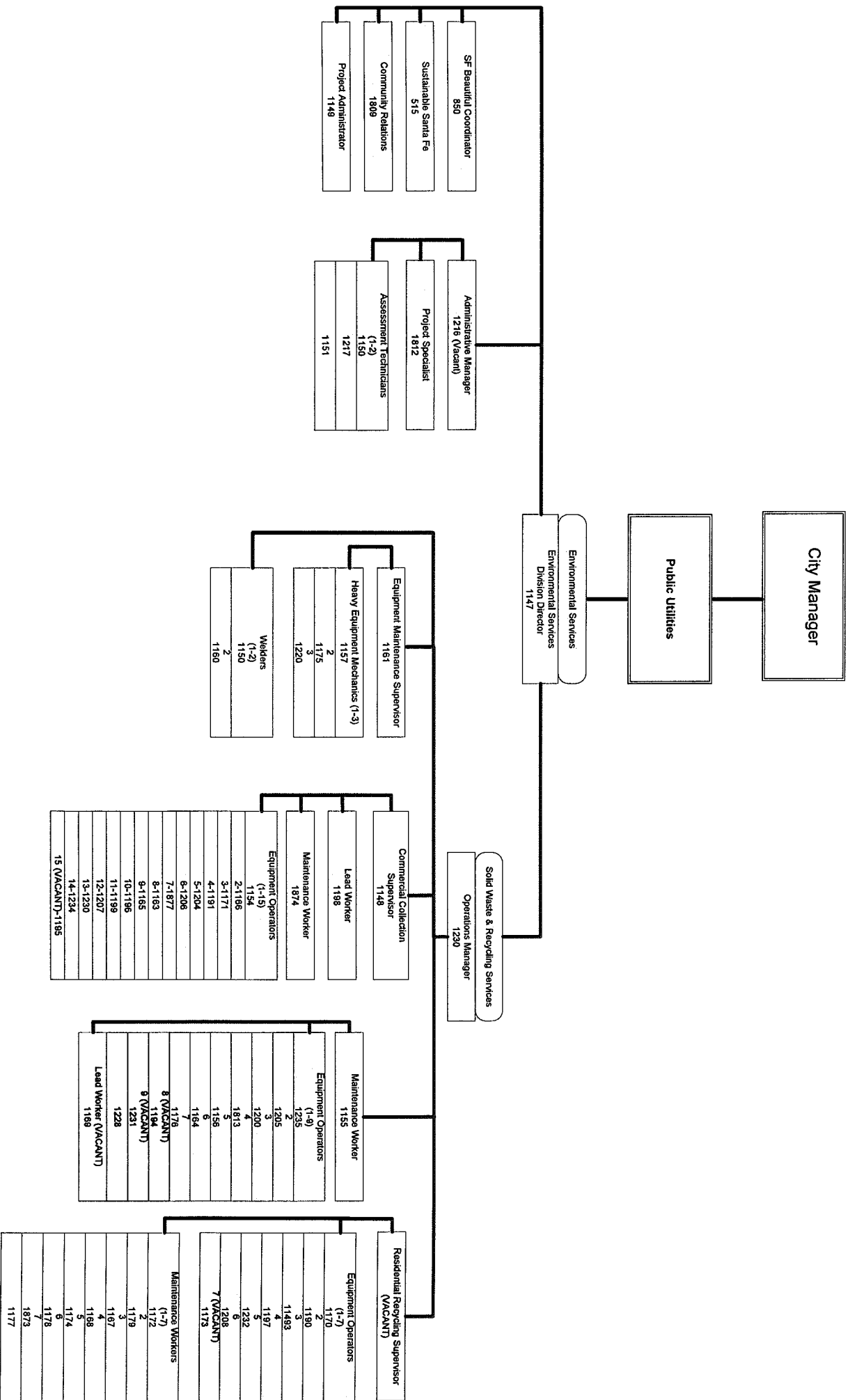


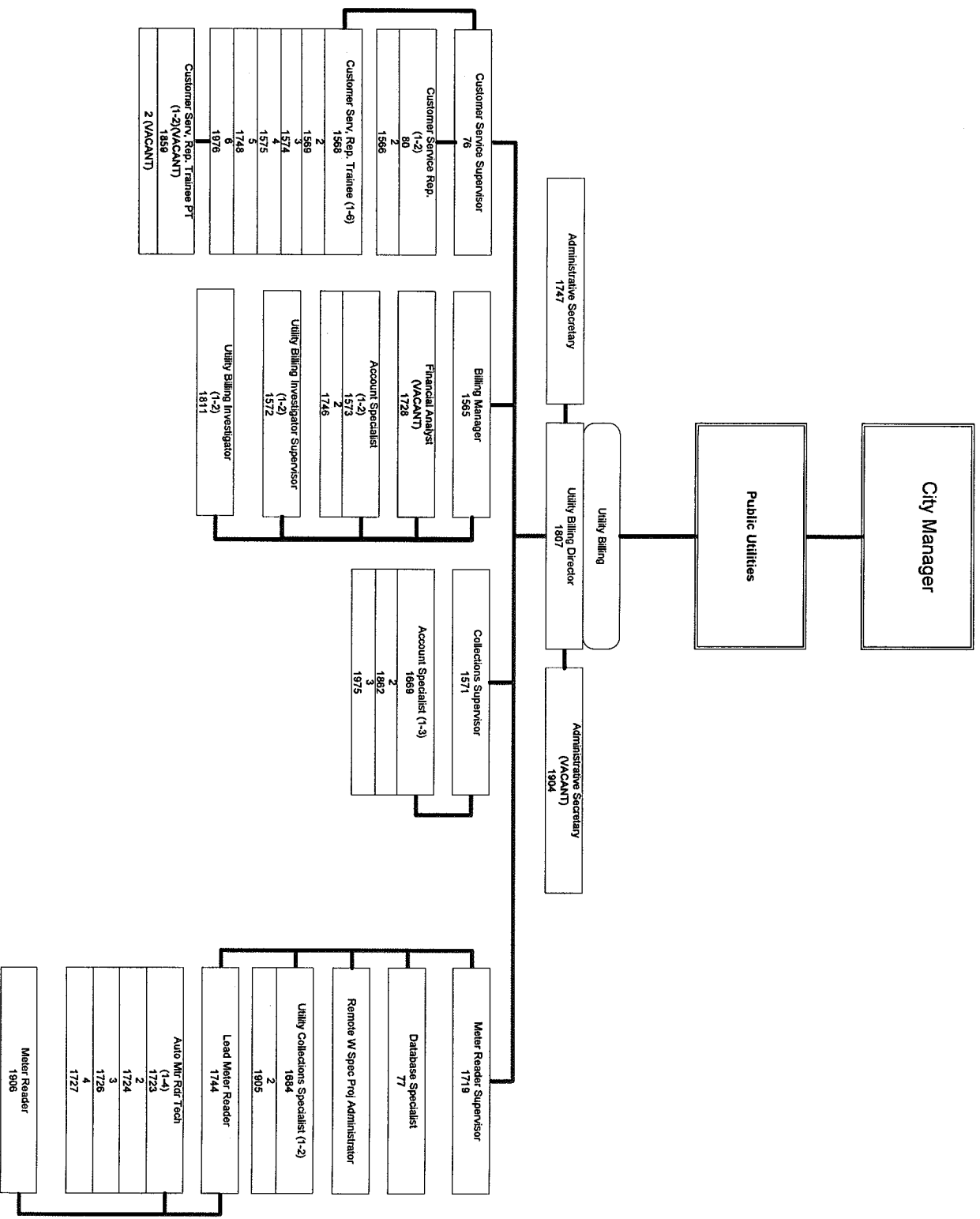




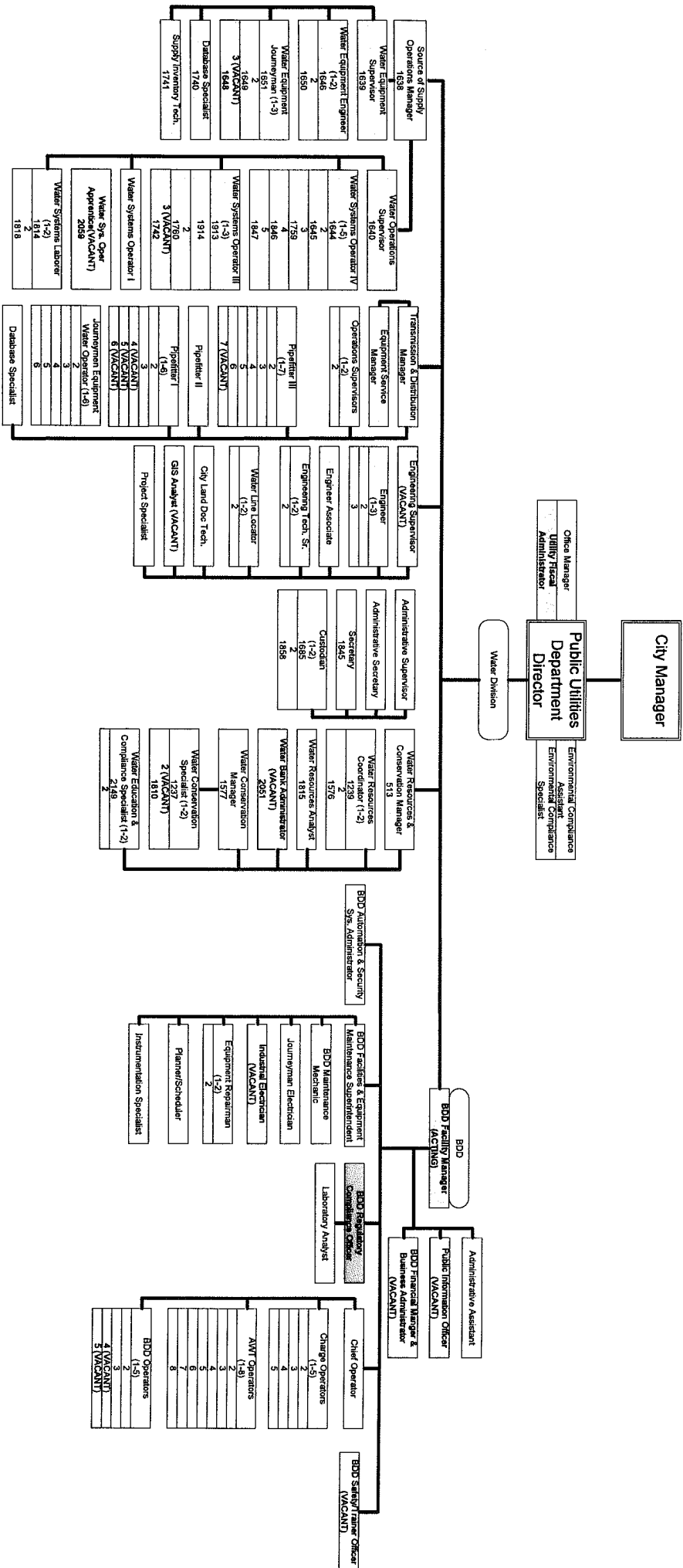


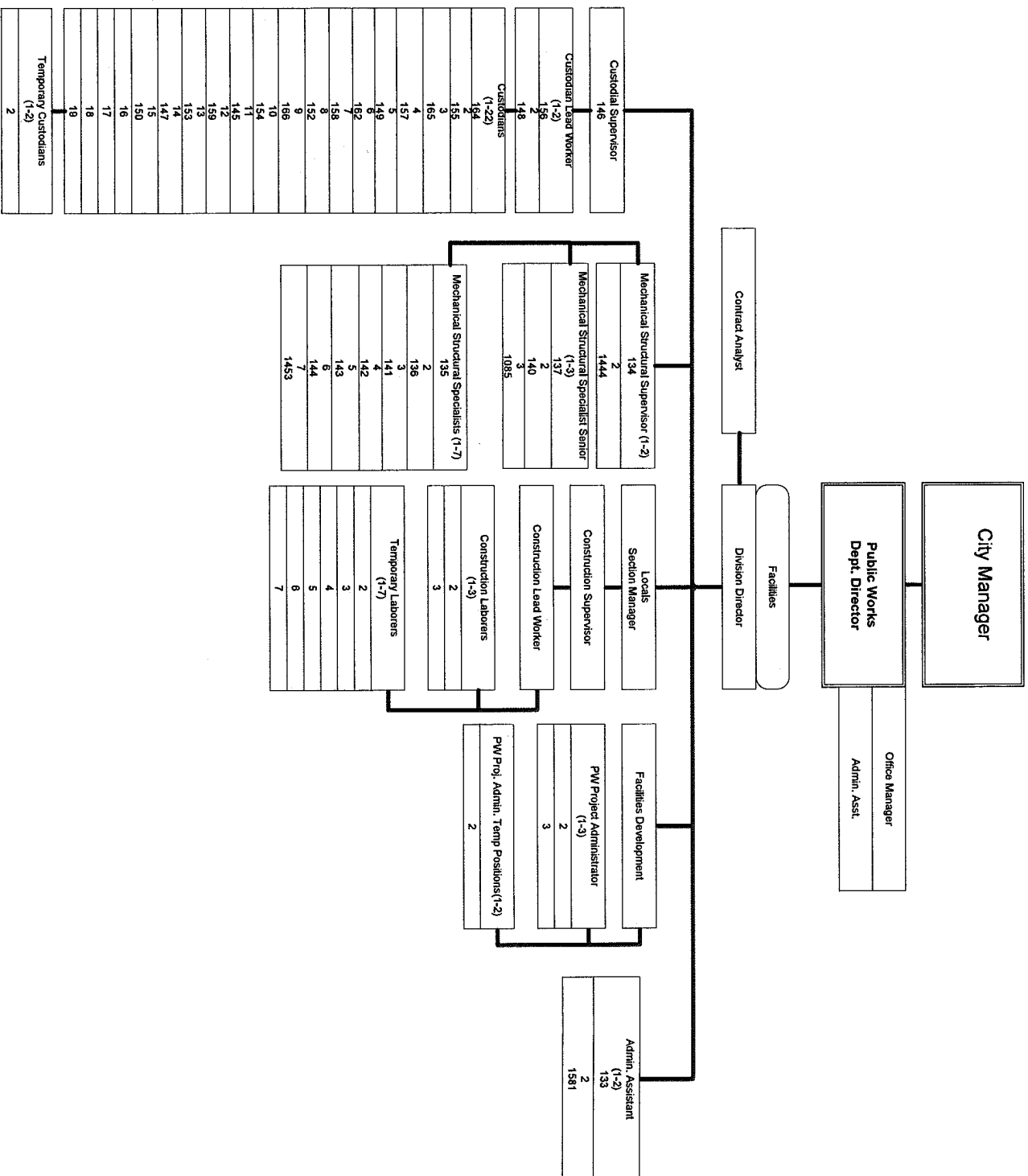
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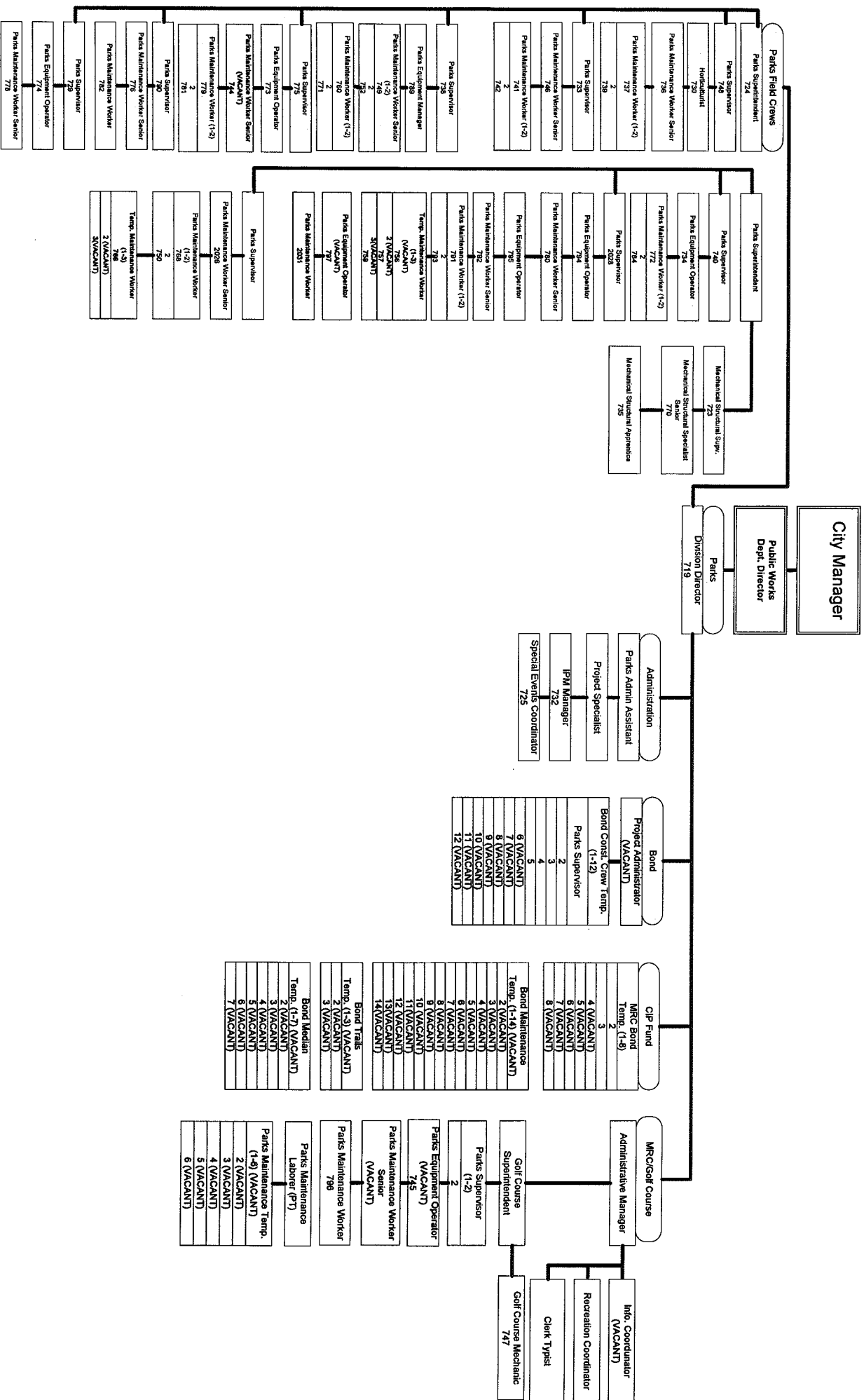


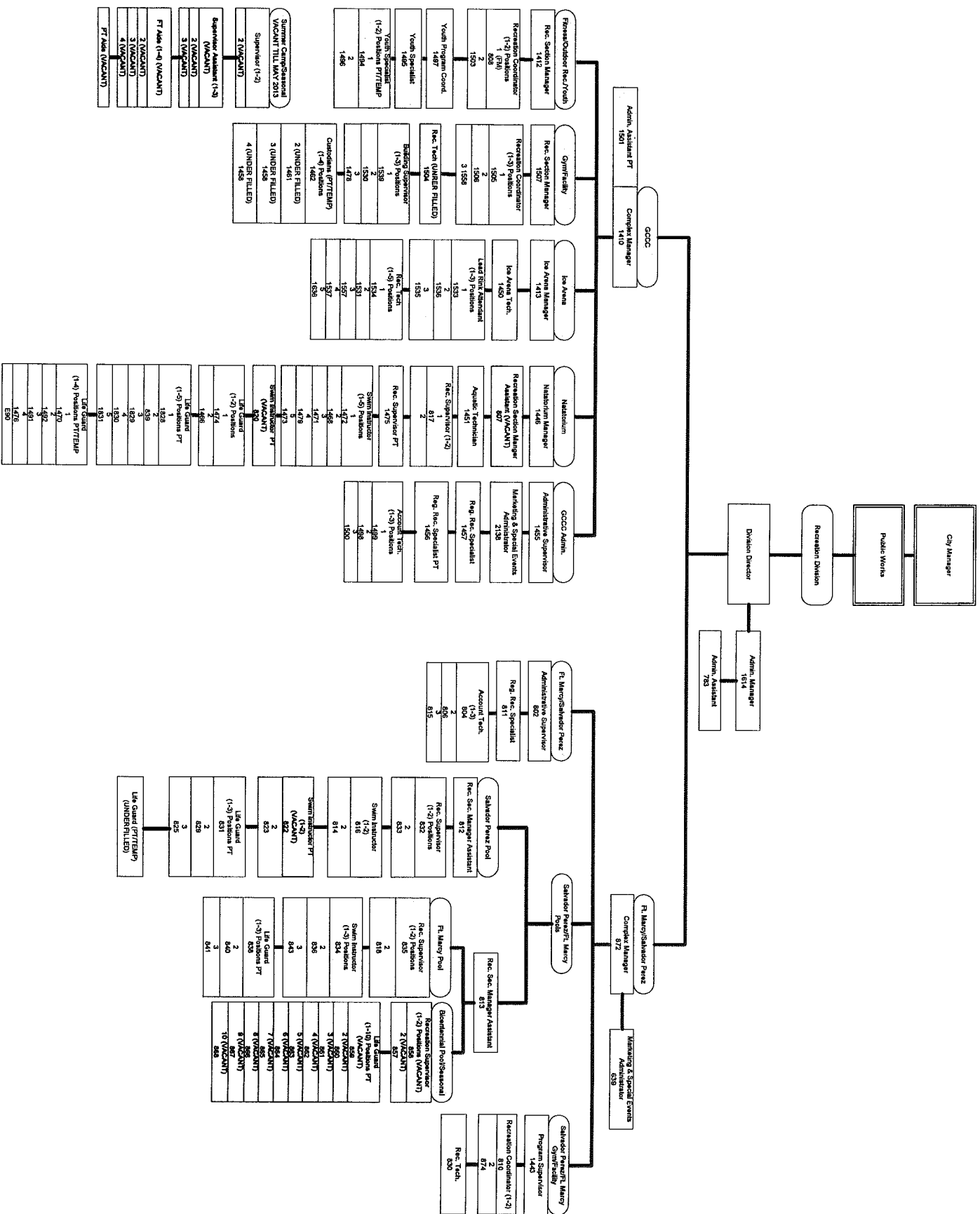


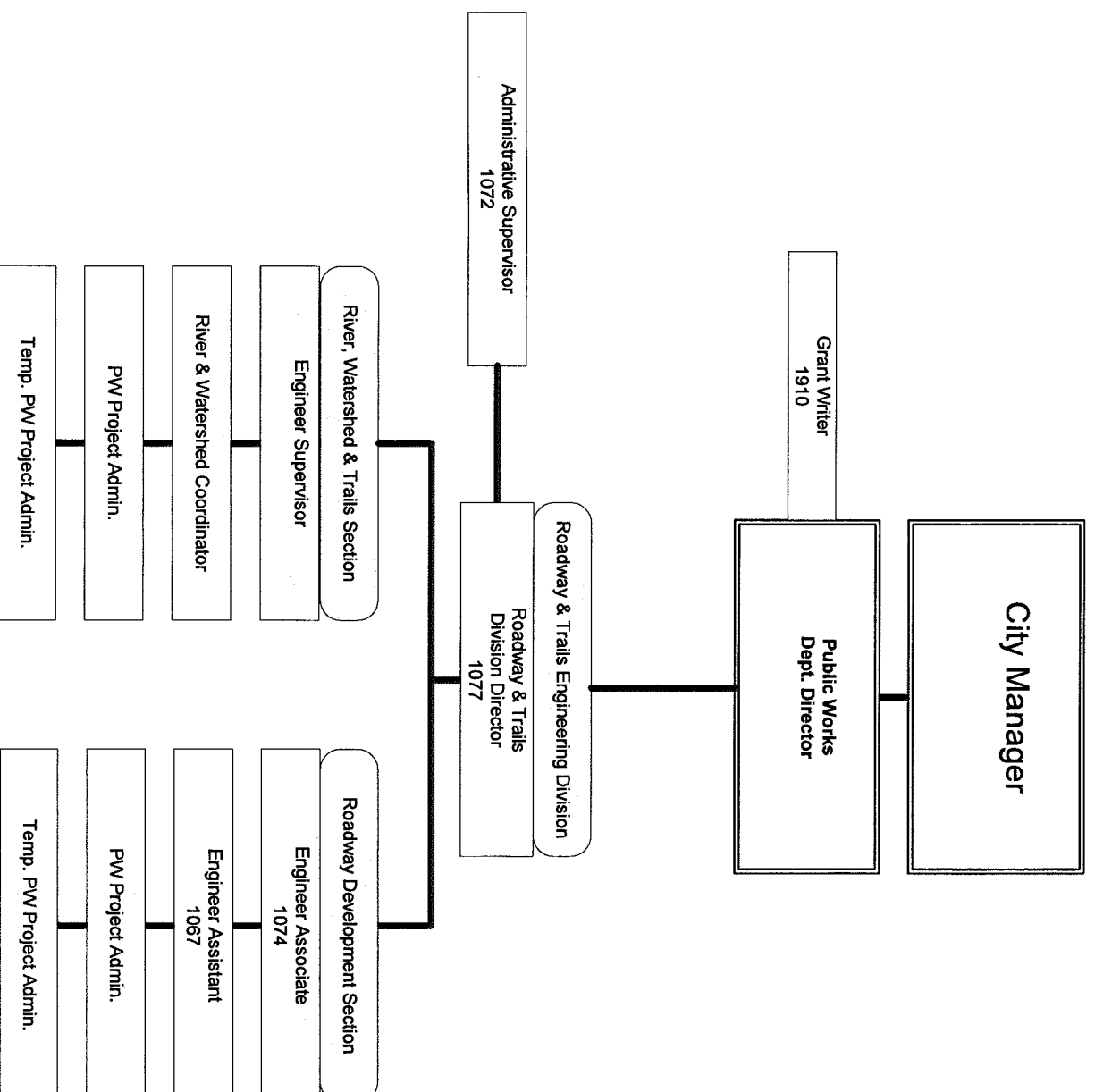


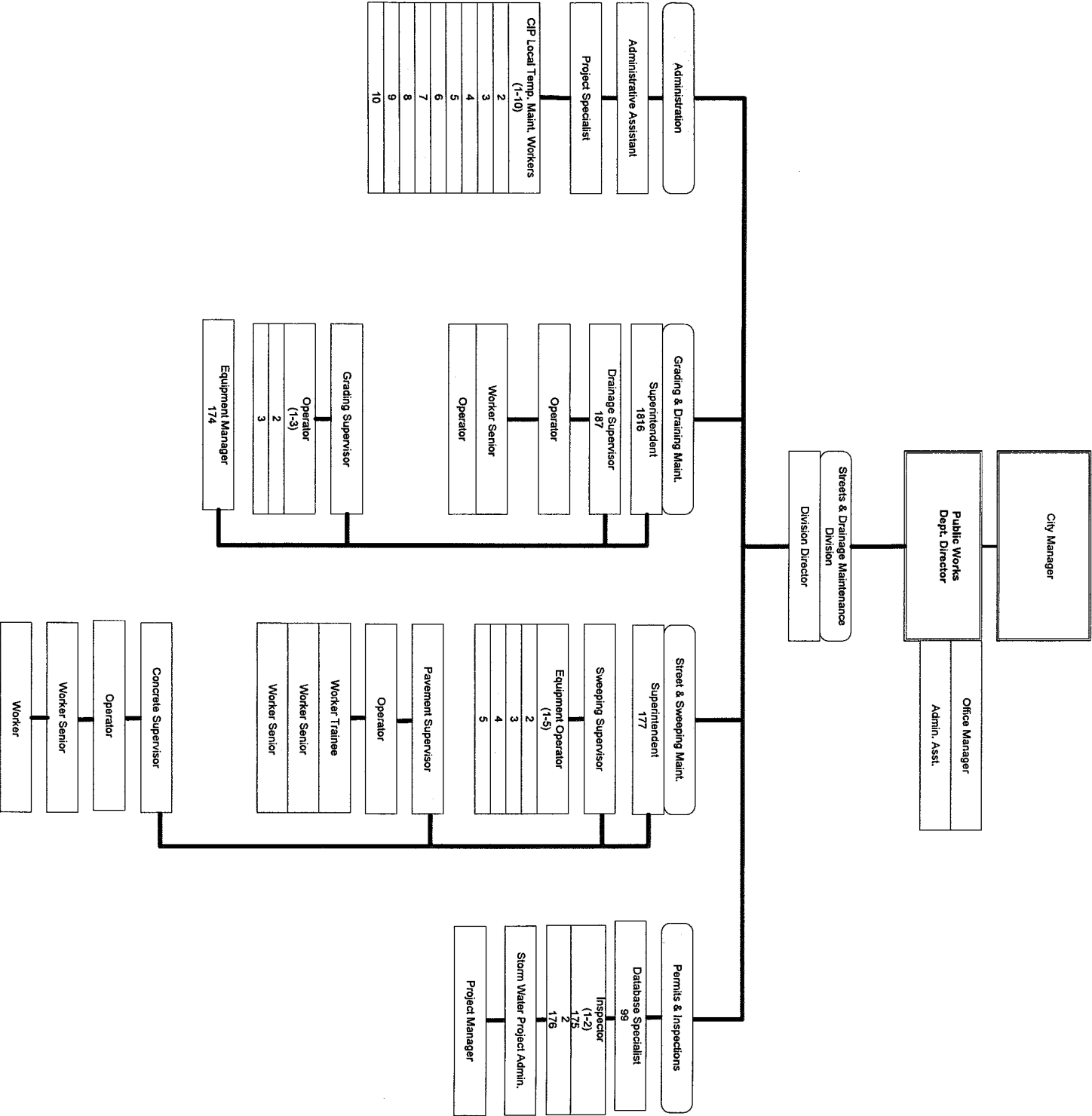


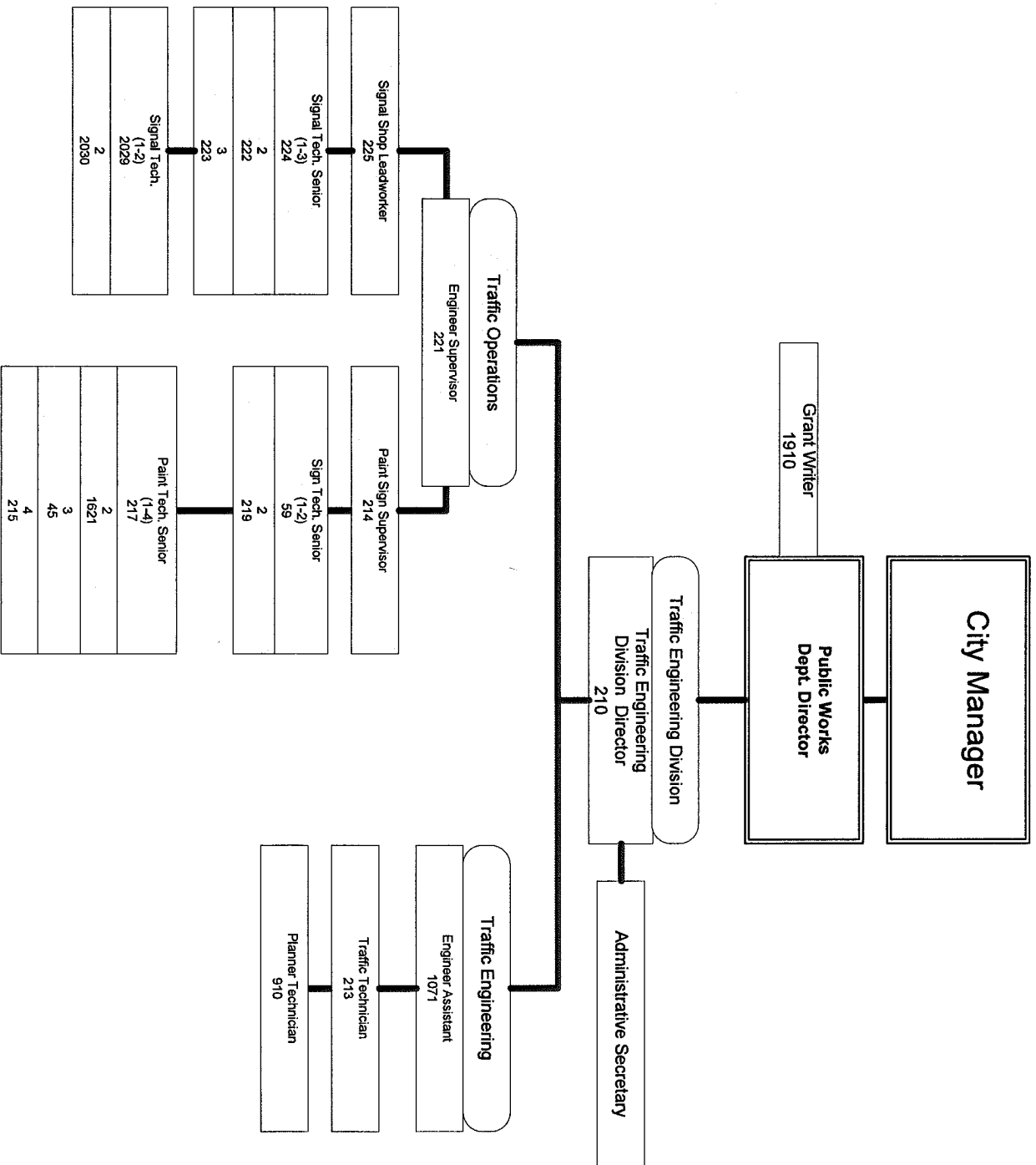


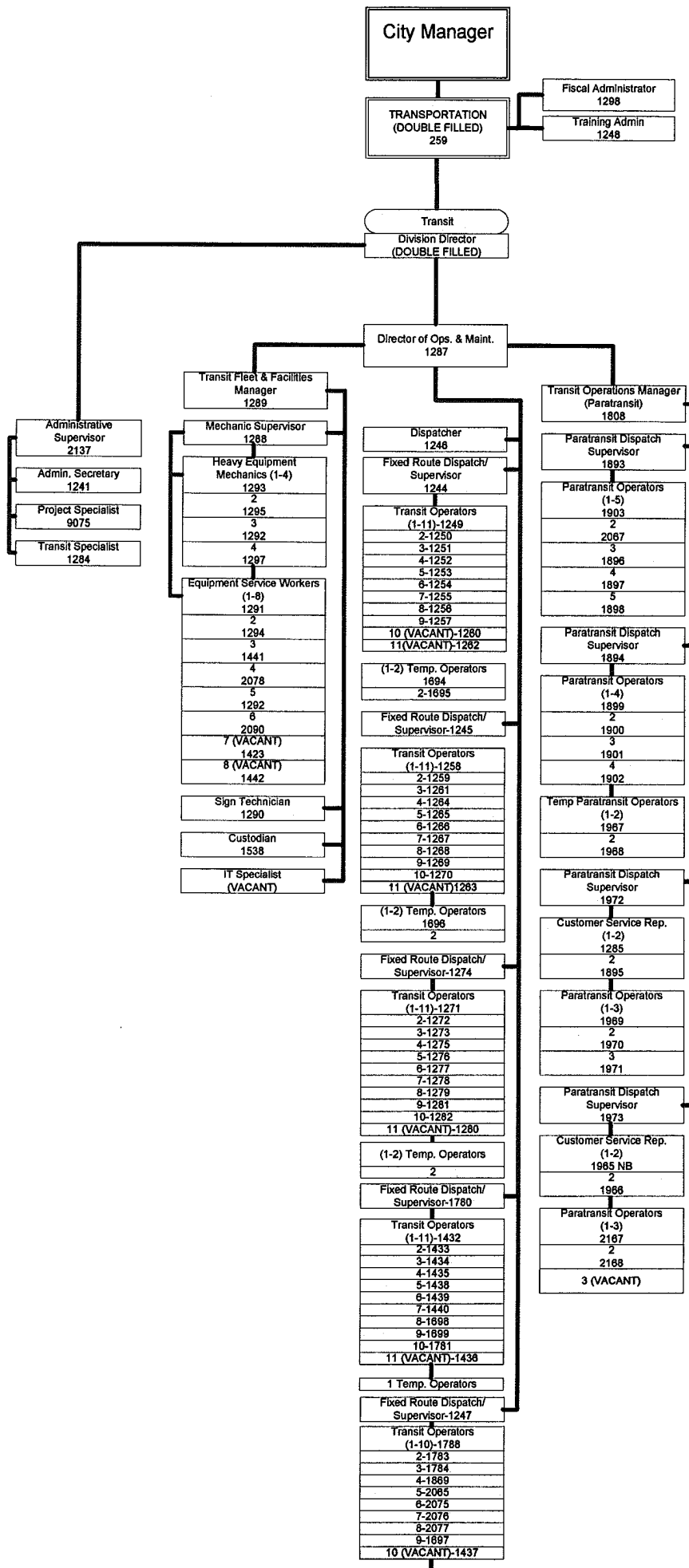


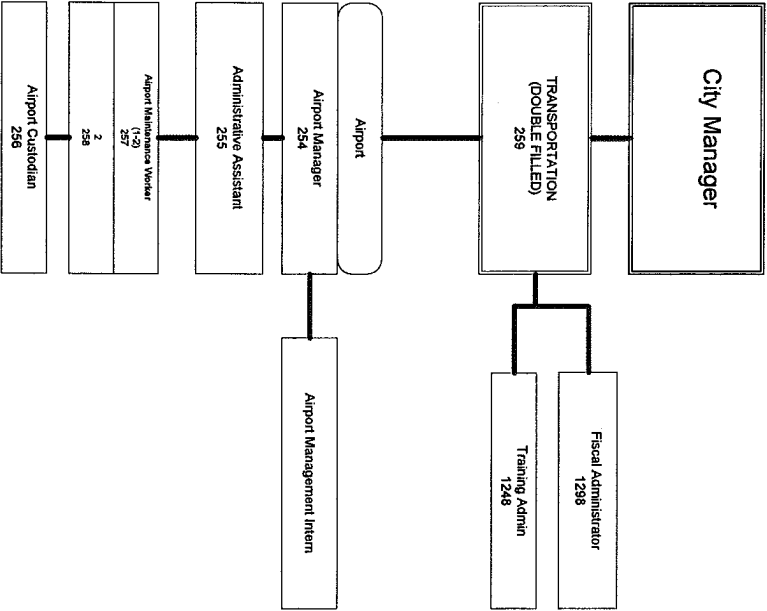


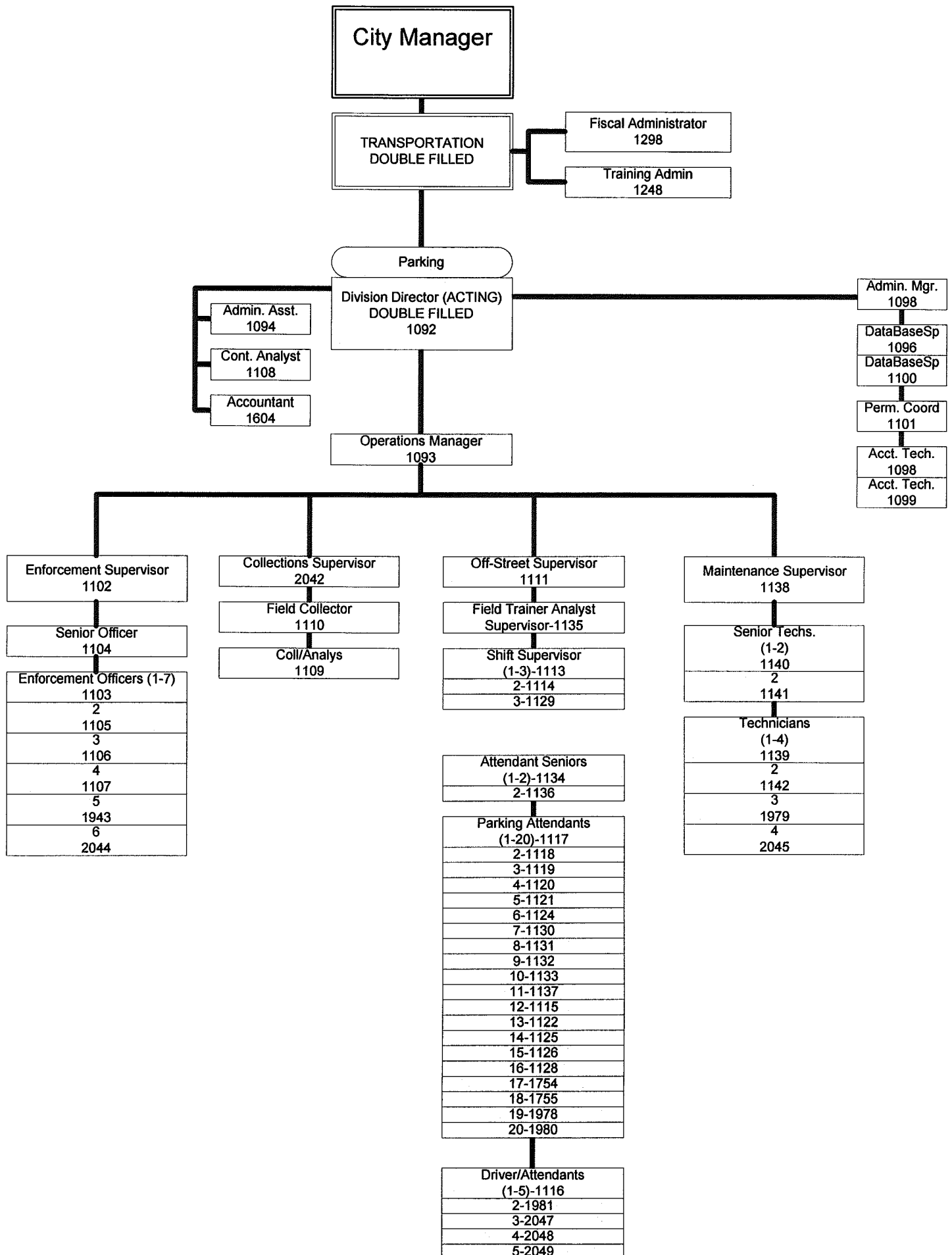












EXPANSION REQUESTS - FY 2014/15 BUDGET DEVELOPMENT

Department	Division	Ranking	Expansion Description	Fund	BU	Salaries/ Operating/ IT Equip./ Equipment/				TOTAL
						Benefits	Expenses	Software	Vehicles	
Public Works	Streets & Drainage Maintenance	1	Replacement dump trucks/spreader boxes/plows - snow removal	3326-Paved Street Rehab (Gas Tax)	32390				610,590	610,590
	Facilities Maintenance	2	4 Custodian position/associated uniforms - GCCC (4 FTE)	1001-General Fund	12036	194,191	2,800			196,991
	Facilities Maintenance	3	Custodian position/supplies/uniforms - Market Station (1 FTE)	1001-General Fund	12036	55,833	4,700			60,533
	Facilities Maintenance	4	Custodian position/supplies/uniforms - Fort Marcy (1 FTE)	1001-General Fund	12036	48,552	2,764			51,316
	Facilities Maintenance	5	Custodian position/supplies/uniforms - Salvador Perez (1 FTE)	1001-General Fund	12036	48,552	2,764			51,316
	Traffic Engineering	6	Signal Technician position - street/signal light maint. (1 FTE)	1001-General Fund	12053	66,302				66,302
	Traffic Engineering	7	Paint Technician position - annexation/maint. backup (1 FTE)	1001-General Fund	12051	53,908				53,908
Subtotal: Public Works						467,338	13,028	-	610,590	1,090,956

4/16/14

EXPANSION REQUESTS - FY 2014/15 BUDGET DEVELOPMENT

Department	Division	Ranking	Expansion Description	Fund	BU	Salaries/ Benefits	Operating Expenses (10,000)	IT Equip/ Software	Equipment/ Vehicles	TOTAL
Parks and Recreation	Recreation	1	Base increase replacement Zamoni - GCCC [5.10K R&M affect]	5700-Genoveva Chavez Comm. Cr.	52705				150,000	140,000
	Recreation	2	Base increase replacement vehicle/exercise equip. - Ft. Mary*	1001-General Fund	12119				149,031	149,031
	Recreation	3	Base increase replacement exercise equipment - Sal Perez*	1001-General Fund	12120				115,744	115,744
	Parks, Trails & Watershed	4	Base increase operating supplies/Mary Sanchez Golf Course*	5600-Municipal Recreation Complex	52600		68,000			68,000
	Recreation	5	Base increase replacement exercise equipment - GCCC*	5700-Genoveva Chavez Comm. Cr.	52703				58,304	58,304
	Recreation	6	Vacant/non-funded Account Technician position - Sal Perez [1 FTE]	1001-General Fund	12120	50,423				50,423
	Recreation	7	Recreation Technician position - Sal Perez [1 FTE]	1001-General Fund	12120	48,552				48,552
	Recreation	8	Temporary FT Account Technician position - Sal Perez [1 FTE]	1001-General Fund	12120	32,938				32,938
	Recreation	9	Registration Records Spec. position - upgrade from PT to FT [5 FTE]	5700-Genoveva Chavez Comm. Cr.	52701	17,295				17,295
	Recreation	10	Vacant/non-funded temp. PT Rec. Tech. position - GCCC [5 FTE]	5700-Genoveva Chavez Comm. Cr.	52703	15,682				15,682
	Parks, Trails & Watershed	11	Annexation - Parks positions/supplies/vehicles/equipment [9 FTE]	1001-General Fund	12112	675,191	109,940		525,219	1,310,350
Subtotal: Parks and Recreation						164,890	58,000		473,079	695,969

Exhibit "6"

Police Chief
(VACANT)



16 1/2 x 4 7/8"

EXHIBIT 3**CITY COUNCIL CHAMBERS REMODELING : PROBABLE COST ESTIMATE**

Project Administrator:

Jason M. Kluck

01/03/2013

ITEM	UNIT	UNIT PRICE \$	QUANTITY	TOTAL \$
DEMOLITION/REMOVAL/SALVAGE				
Locals crew labor - woodwork, carpet, framing, concrete	HR	18	80	1,440
Facilities Maintenance labor - Electrical removal	HR	25	24	600
ITT Labor - Data Removal	HR	30	8	240
WOODWORK				
Platform & ramps framing material	LS			800
Platform & ramps Locals crew labor	HR			1,250
Councilor & Staff bench refinishing labor & materials	LS			1,500
Bench reinstallation with modifications	HR	18	40	720
Misc. Materials & Hardware	LS			500
METAL WORK				
Ramp handrails & painting	LS			4,500
ELECTRICAL & DATA & AV				
Electrical rerouting & finish work labor	HR	25	32	800
Electrical rerouting & finish work materials	LS			350
Data rerouting & finish work labor	HR	30	16	480
Data rerouting & finish work materials	LS			200
Relocate existing AV wiring and components (by contractor)	LS			3,300
CARPET REPLACEMENT				
Locals crew labor	HR	18	40	720
Carpet material	LS			1000
Subtotal				18,400
Tax				1,600
SUBTOTAL				20,000
Option #1: Data Line to each Councilor & Staff	EA	\$500.00	12	6,000
Option #2: Remodel lighting (& associated HVAC ducting)	LS			11,000
ADA Transition Plan accessibility upgrades				10,000
Contingency				3,000
GRAND TOTAL				50,000

Exhibit "B"

Police Property Tax Fund (2252)

	2009-2010 Actuals	2010-2011 Actuals	2011-2012 Actuals	2012-2013 Actuals	2013-2014 Budget	2013-2014 Actuals
Starting Cash	\$0.00	\$497,001.05	\$214,159.30	\$510,148.77	\$0.00	\$123,957.54
Revenue (21252)						
Current Property Tax	1,149,993.76	1,237,817.69	1,316,953.86	1,384,493.87	1,368,275.00	978,762.86
Reimbursements/Refunds	-	10,613.75	(911.58)	9,647.00	7,910.00	-
Interest on Investment	13,001.87	14,879.35	9,416.63	8,150.87	6,113.00	2,950.49
Operating Transfers In	1,127,864.14	1,119,910.00	1,119,910.00	1,119,910.00	1,119,910.00	1,119,910.00
Unrealized Gains/Losses	(6,724.15)	(3,641.69)	(610.79)	(5,433.55)		
Total Revenue	\$2,284,135.62	\$2,876,580.15	\$2,658,917.42	\$3,026,916.96	\$2,502,208.00	\$2,225,580.89
Expenses (22252 & 22253)						
Salary and Benefits	66,317.11	59,825.16	59,535.56	61,521.22	198,994.00	153,495.33
Professional Contracts	9,978.55	1,281.90	35,477.44	64,622.64	60,292.00	22,988.90
Grants and Services	148,676.09	49,305.00	54,995.00	-	30,000.00	
Communications	13,555.00	5,250.63	36,738.62	37,347.29	42,835.00	3,572.39
Rep & Maint Furn/Fix/Equip	-	-	-	-	4,000.00	4,177.69
Rep & Maint Machinery & Equip					-	655.07
Rep & Maint Vehicles	-	-	2,248.77	40.00	-	-
Office Supplies	1,244.10	14,950.55	19,973.41	18,944.65	20,000.00	17,288.71
Operating Supplies	15,660.65	19,917.83	31,664.84	28,586.49	29,821.00	22,695.24
Food	222.56	531.67	1,692.95	609.14	3,000.00	507.15
Uniforms/Clothing/Linen	-	-	19,909.70	(2,871.80)	40,789.00	4,824.23
Software - Purchased	1,979.39	29,194.50		-	7,100.00	7,088.00
Auto Parts	591.12	4,578.71	4,663.15	7,506.47	-	15,099.07
Tires	305.72	3,002.06	4,728.11	4,433.40	-	7,720.90
Gasoline	-	-	9,963.48	-	-	-
Gen Liab	-	-	-	-	279,578.00	279,578.00
Travel	1,184.07	343.50	1,535.41	6,377.48	13,000.00	12,849.86
Registration	(350.00)		3,000.00		3,000.00	1,074.00
Buy Back Weapons Program				82,972.10		
Print/Publishing	7,460.00	4,360.00	3,135.58	13,213.46	33,751.00	21,631.52
Advertisement	1,590.00		3,873.39	2,029.00	40,525.00	10,282.40
Land/Building			12,860.00	14,360.00		
Data Processing	57,327.60		5,693.58			
Equipment & Machinery	-	-	15,316.35	73,694.30	9,498.00	7,900.00
Vehicles	484,265.00	87,022.00	545,251.00	820,288.95	763,236.00	354,332.00
Inventory Exempt	218,985.61	35,227.34	543,882.31	818,761.79	1,065,555.00	674,393.63
Operating Trasfers Out	758,142.00	2,347,630.00	732,630.00	850,522.84	1,008,654.00	1,008,654.00
Total Expenses	\$1,787,134.57	\$2,662,420.85	\$2,148,768.65	\$2,902,959.42	\$3,653,628.00	\$2,630,808.09
End of Year Cash	\$497,001.05	\$214,159.30	\$510,148.77	\$123,957.54		-\$405,227.20

Starting in Fiscal Year 13/14 23 1 Captain and 1 Paralegal's Salary and benefits charged to this account

Before Fiscal Year 13/14 1 Paralegal's Salary and benefits charged to this account

"a" 1/1/1

Sheet "10"

Proposed Gross Receipts Unimposed GRT								
25% GRT Increase Beginning FY 14 / 15 With Hold Harmless Loss								
	Potential Rate Increase Schedule (HB 641)	Beginning Cash Balance	Revenue	State Loss	State Hold Harmless	GRT Net Revenue	Net Revenue + Hold Harmless	Cash Balance (Net Rev + PY Net Cash Balance)
2015	GRT Issue 25%	\$0	\$7,000,000		\$10,500,000	\$7,000,000	\$17,500,000	\$17,500,000
2016		\$17,500,000	\$7,000,000	(\$630,000)	\$9,870,000	\$7,000,000	\$16,870,000	\$34,370,000
2017		\$34,370,000	\$7,000,000	(\$1,260,000)	\$9,240,000	\$7,000,000	\$16,240,000	\$41,370,000
2018		\$41,370,000	\$7,000,000	(\$1,890,000)	\$8,610,000	\$7,000,000	\$15,610,000	\$48,370,000
2019		\$48,370,000	\$7,000,000	(\$2,520,000)	\$7,980,000	\$7,000,000	\$14,980,000	\$55,370,000
2020		\$55,370,000	\$7,000,000	(\$3,150,000)	\$7,350,000	\$7,000,000	\$14,350,000	\$62,370,000
2021		\$62,370,000	\$7,000,000	(\$3,885,000)	\$6,615,000	\$7,000,000	\$13,615,000	\$69,370,000
2022		\$69,370,000	\$7,000,000	(\$4,620,000)	\$5,880,000	\$7,000,000	\$12,880,000	\$76,370,000
2023		\$76,370,000	\$7,000,000	(\$5,355,000)	\$5,145,000	\$7,000,000	\$12,145,000	\$83,370,000
2024		\$83,370,000	\$7,000,000	(\$6,090,000)	\$4,410,000	\$7,000,000	\$11,410,000	\$90,370,000
2025		\$90,370,000	\$7,000,000	(\$6,825,000)	\$3,675,000	\$7,000,000	\$10,675,000	\$97,370,000
2026		\$97,370,000	\$7,000,000	(\$7,560,000)	\$2,940,000	\$7,000,000	\$9,940,000	\$104,370,000
2027		\$104,370,000	\$7,000,000	(\$8,295,000)	\$2,205,000	\$7,000,000	\$9,205,000	\$111,370,000
2028		\$111,370,000	\$7,000,000	(\$9,030,000)	\$1,470,000	\$7,000,000	\$8,470,000	\$118,370,000
2029		\$118,370,000	\$7,000,000	(\$9,765,000)	\$735,000	\$7,000,000	\$7,735,000	\$125,370,000
2030		\$125,370,000	\$7,000,000	(\$10,500,000)	\$0	\$7,000,000	\$7,000,000	\$132,370,000
Totals		\$0	\$112,000,000	(\$81,375,000)	\$86,625,000	\$30,625,000	\$198,625,000	\$0

FISCAL YEAR 2014 / 2015 NEEDS / RUNNING TOTAL

May 1, 2014

Increases to Approved FY 13/14 Base Budget:	(\$1,499,225)
a. Employee Health Insurance	\$ 919,893
b. Gasoline	\$ 117,637
c. Gen Liab. Dept Assessment	<u>\$ 461,695</u>
	(\$1,499,225)

Revenue opportunities not accounted for in Base Budget:

a. GF cash balance above State Req.	\$1,000,000
b. Cash Balance Due to Vacancy Savings	<u>\$ 500,000</u>
	<u>\$1,500,000</u>

Current Vacancy Savings Opportunities:

a. General Fund	\$ 800,000
b. Enterprise: Public Utilities	<u>\$1,500,000</u>
	\$2,300,000

<u>One-Time NET Available</u>	<u>\$2,300,775</u>
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GF: \$ 800,775 Ent. / Special Rev: \$1,500,000

"Running Total" Potential Department Expansion:

	<u>General Fund:</u>	<u>Enterprise/Special Rev.:</u>
<u>One Time (totaling \$801,300)</u>		
a. Annexation PD 5 FTE	\$ 750,000	
b. Annexation Land Use 1 FTE	\$ 66,183	
c. Land Use "SunGard"	<u>\$ 271,300</u>	
d. SWM Maintenance Worker 1 FTE		\$ 35,645
e. Council Room Renovation	<u>\$ 50,000</u>	
f. ITT – JD Edwards upgrade	<u>\$ 480,000</u>	
g. CVB Sales Manager 1 FTE		\$ 73,620
h. Civic Center Dedicated Internet Service		\$ 23,000
i. Councilor Liaison Positions – 4 FTE	\$ 320,000	
j. Library Positions – 4 FTE	<u>\$ 268,960</u>	
	<u>\$2,206,443</u>	<u>\$ 132,265</u>
Recurring Requests General Fund (\$1,405,143)		
Revenues over (under) Expenditure Requests:	(\$1,405,668)	\$1,367,735