



Agenda

CITY CLERK'S OFFICE

DATE 07/01/14 TIME 3:05

PREPARED BY Lisa M. Macdonald

RECEIVED BY M. Ortega

**PUBLIC WORKS/CIP & LAND USE
COMMITTEE MEETING
COUNCIL CHAMBERS
MONDAY, JULY 7, 2014
5:00 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM JUNE 9, 2014 PUBLIC WORKS COMMITTEE MEETING

CONSENT AGENDA

6. CIP PROJECT #669 DOWNTOWN TRANSIT CENTER – SHERIDAN IMPROVEMENTS
 - REQUEST FOR APPROVAL OF AWARD OF RFP #14/39/P AND AGREEMENT BETWEEN OWNER AND WILSON & COMPANY IN THE AMOUNT OF \$282,594.83 INCLUSIVE OF NMGR (MARY MACDONALD)

Committee Review:

Finance Committee (Scheduled)

07/14/14

Council (Scheduled)

07/30/14

7. REQUEST FOR APPROVAL OF PIGGYBACK PROCUREMENT OF SEVEN (7) HEAVY DUTY 35-FOOT LOW-FLOORING REPLACEMENT BUSES FROM THE LEXINGTON, KY CONTRACT WITH GILLIG LLC IN THE AMOUNT OF \$3,229,884
 - REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT REQUEST (KEN SMITHSON)

Committee Review:

Finance Committee (Scheduled)

07/14/14

Council (Scheduled)

07/30/14

8. REQUEST FOR FINAL APPROVAL OF EXCHANGE/PURCHASE OF REAL ESTATE CONTAINING 1,078 SQUARE FEET LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF JEFFERSON ST. AND STAAB ST. BY KINGS MAP 8 LLC AND KING MAP 9 LLC (EDWARD VIGIL)

Committee Review:

Finance Committee (Scheduled)

07/14/14

Council (Scheduled)

07/30/14

9. REQUEST FOR APPROVAL OF LEASE AGREEMENT FOR OUTDOOR SEATING WITHIN A PORTION OF THE LINCOLN AVENUE RIGHT OF WAY ADJOINING 130 LINCOLN AVENUE CONTAINING APPROXIMATELY 36 SQUARE FEET BY CHUCK HIGGINS DBA CHUCK'S NUTS **(EDWARD VIGIL)**

Committee Review:

Finance Committee (Scheduled)

07/14/14

Council (Scheduled)

07/30/14

10. REQUEST FOR APPROVAL OF A RESOLUTION TO A LOCAL GOVERNMENT ROAD FUND COOPERATIVE AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION FOR IMPROVEMENTS TO ALAMEDA STREET BETWEEN CAMINO ALIRE AND CALLE NOPAL; DIRECTING STAFF TO CAUSE SUCH COOPERATIVE AGREEMENT TO BE EXECUTED ON BEHALF OF THE CITY OF SANTA FE **(COUNCILORS BUSHEE AND LINDELL) (DAVID CATANACH)**

Committee Review:

Finance Committee (Scheduled)

07/14/14

Council (Scheduled)

07/30/14

11. REQUEST FOR APPROVAL OF A RESOLUTION ENDORSING THE CITY OF SANTA FE'S PARTNERSHIP WITH SANTA FE WINE & CHILE FIESTA IN FACILITATING PARTICIPANT TRANSPORTATION ASSOCIATED WITH THE SANTA FE WINE AND CHILE FIESTA'S GRAND TASTING EVENT ON SEPTEMBER 27, 2014 **(COUNCILOR LINDELL) (JON BULTHUIS)**

Committee Review:

Finance Committee (Scheduled)

07/14/14

Council (Scheduled)

07/30/14

DISCUSSION

12. REQUEST FOR APPROVAL OF RFP 14/08/P PERFORMANCE STUDY AND PROFESSIONAL SERVICES AGREEMENT WITH PUBLIC WORKS LLC FOR A TOTAL AMOUNT NOT TO EXCEED \$200,000 INCLUDING GROSS RECEIPTS TAX **(ROBERT RODARTE)**

Committee Review:

Finance Committee (Scheduled)

07/14/14

Council (Scheduled)

07/30/14

13. PRESENTATION AND APPROVAL OF PROJECT STUDY REPORT FOR THE RIVER TRAIL UNDERPASS AT ST. FRANCIS DRIVE/WEST ALAMEDA STREET **(ERIC MARTINEZ)**
- a) REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AN AMENDMENT TO THE *2012 GENERAL OBLIGATION (GO) BOND PARKS AND TRAILS IMPLEMENTATION PLAN* TO REALLOCATE 2 MILLION DOLLARS CURRENTLY DESIGNATED FOR THE RIVER TRAIL UNDERPASS AT ST. FRANCIS/WEST ALAMEDA, LESS CERTAIN COSTS ALREADY INCURRED, TO BIKE-PEDESTRIAN TRAILS AND RELATED SAFETY AND INFRASTRUCTURE PROJECTS **(COUNCILORS BUSHEE, LINDELL, DIMAS, AND IVES) (ERIC MARTINEZ)**

Committee Review:

Bicycle & Trails Advisory Committee (Approved)

06/18/14

Public Works (No quorum)

06/23/14

Council (Scheduled)

07/09/14

14. DISCUSSION AND RECOMMENDATIONS ON THE DRAFT 2016-2020 INFRASTRUCTURE CAPITAL IMPROVEMENTS PROGRAM – ICIP (ISAAC PINO)

Committee Review:

Finance Committee (Scheduled - Draft)	07/14/14
Public Works Committee (Scheduled – Final)	07/28/14
Finance Committee (Scheduled – Final)	08/04/14
Council (Scheduled)	08/13/14

15. MATTERS FROM STAFF

16. MATTERS FROM THE COMMITTEE

17. MATTERS FROM THE CHAIR

18. NEXT MEETING: MONDAY, JULY 28, 2014

19. ADJOURN

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520
five (5) working days prior to meeting date

SUMMARY OF ACTION
CITY OF SANTA FE
PUBLIC WORKS/CIP & LAND USE COMMITTEE
Monday, July 7, 2014

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1
APPROVAL OF CONSENT AGENDA	Approved	2
CONSENT AGENDA LISTING		2-3
APPROVAL OF MINUTES FROM THE JUNE 9, 2014 PUBLIC WORKS COMMITTEE MEETING	Approved	3
CONSENT CALENDAR DISCUSSION	None	3
<u>DISCUSSION AGENDA</u>		
REQUEST FOR APPROVAL OF RFP 14/08/P PERFORMANCE STUDY AND PROFESSIONAL SERVICES AGREEMENT WITH PUBLIC WORKS LLC, FOR A TOTAL AMOUNT NOT TO EXCEED \$200,000, INCLUDING GROSS RECEIPTS TAX	Forwarded to Finance w/o recommendation w/direction to staff	3-13
PRESENTATION AND APPROVAL OF PROJECT STUDY REPORT FOR THE RIVER TRAIL UNDERPASS AT ST. FRANCIS DRIVE/WEST ALAMEDA STREET	Postponed to 07/28/14	13
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AN AMENDMENT TO <i>THE 2012 GENERAL OBLIGATION (G.O.) BOND PARK AND TRAILS IMPLEMENTATION PLAN TO REALLOCATE 2 MILLION DOLLARS CURRENTLY DESIGNATED FOR THE RIVER TRAIL UNDERPASS AT ST. FRANCIS/WEST ALAMEDA, LESS CERTAIN COSTS ALREADY INCURRED, TO BIKE- PEDESTRIAN TRAILS AND RELATED SAFETY AND INFRASTRUCTURE PROJECTS</i>	Postponed to 07/28/14	13

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
DISCUSSION AND RECOMMENDATIONS ON THE DRAFT 2016/2020 INFRASTRUCTURE CAPITAL IMPROVEMENTS PROGRAM – ICIP	Information/discussion	13-15
MATTERS FROM STAFF	None	15
MATTERS FROM THE COMMITTEE	Information/discussion	15
MATTERS FROM THE CHAIR	None	15
NEXT MEETING: MONDAY, JULY 28, 2014		15
ADJOURN		16

**MINUTES OF THE
CITY OF SANTA FE
PUBLIC WORKS/CIP & LAND USE COMMITTEE
Monday, July 7, 2014**

1. CALL TO ORDER

A meeting of the Public Works/CIP & Land Use Committee was called to order by Councilor Ronald S. Trujillo, Chair, at approximately 5:00 p.m., on Monday, July 7, 2014, in the Council Chambers, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Ronald S. Trujillo, Chair
Councilor Bill Dimas
Councilor Christopher M. Rivera

MEMBERS EXCUSED:

Councilor Patti J. Bushee
Councilor Carmichael A. Dominguez

OTHERS ATTENDING:

Isaac Pino, Public Works Director
Bobbi Mossman, Public Works Department
Melessia Helberg, Stenographer

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

NOTE: All items in the Committee packet for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Public Works Department.

3. APPROVAL OF AGENDA

Mr. Pino recommended the Committee postpone Item #13 to the meeting of July 28, 2014, at which time there will be a public hearing on this item.

MOTION: Councilor Dimas moved, seconded by Councilor Trujillo, to approve the agenda as amended.

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

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Rivera moved, seconded by Councilor Dimas, to approve the following Consent Agenda, as published.

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

CONSENT AGENDA

A letter dated June 23, 2014, to the Public Works Committee, from Chuck Higgins, Owner, C.G. Higgins Confections, regarding Consent Agenda Item #9, is incorporated herewith to these minutes as Exhibit "1."

- 6. CIP PROJECT #699 DOWNTOWN TRANSIT CENTER – SHERIDAN IMPROVEMENTS. REQUEST FOR APPROVAL OF AWARD OF RFP #14/39/P AND AGREEMENT BETWEEN OWNER AND WILSON & COMPANY IN THE AMOUNT OF \$282,594.83, INCLUSIVE OF NMGR. (MARY MacDONALD) Committee Review: Finance Committee (Scheduled) 07/14/14 and Council (Scheduled) 07/30/14.**
- 7. REQUEST FOR APPROVAL OF PIGGYBACK PROCUREMENT OF SEVEN (7) HEAVY DUTY 35-FOOT LOW-FLOORING REPLACEMENT BUSES FROM THE LEXINGTON, KENTUCKY CONTRACT WITH GILLIG, LLC, IN THE AMOUNT OF \$3,229,884.
A. REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT REQUEST. (KEN SMITHSON) Committee Review: Finance Committee (Scheduled) 07/14/14 and Council (Scheduled) 07/30/14.**
- 8. REQUEST FOR APPROVAL OF EXCHANGE/PURCHASE OF REAL ESTATE CONTAINING 1,078 SQUARE FEET LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF JEFFERSON STREET AND STAAB STREET, BY KINGS MAP 8 LLC, and KINGS MAP 9 LLC. Committee Review: Finance Committee (Scheduled) 07/14/14 and Council (Scheduled) 07/30/14.**
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10. REQUEST FOR APPROVAL OF A RESOLUTION TO A LOCAL GOVERNMENT ROAD FUND COOPERATIVE AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION FOR IMPROVEMENTS TO ALAMEDA STREET BETWEEN CAMINO ALIRE AND CALLE NOPAL; DIRECTING STAFF TO CAUSE SUCH COOPERATIVE AGREEMENT TO BE EXECUTED ON BEHALF OF THE CITY OF SANTA FE (COUNCILORS BUSHEE AND LINDELL). (DAVID CATANACH) Committee Review: Finance Committee (Scheduled) 07/14/14 and Council (Scheduled) 07/30/14.
11. REQUEST FOR APPROVAL OF A RESOLUTION ENDORSING THE CITY OF SANTA FE'S PARTNERSHIP WITH SANTA FE WINE AND CHILE FIESTA IN FACILITATING PARTICIPANT TRANSPORTATION ASSOCIATED WITH THE SANTA FE WINE AND CHILE FIESTA'S GRAND TASTING EVENT ON SEPTEMBER 27, 2014 (COUNCILOR LINDELL). (JON BULTHUIS). Committee Review: Finance Committee (Scheduled) 07/14/14 and Council (Scheduled) 07/30/14.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES FROM THE JUNE 9, 2014 PUBLIC WORKS COMMITTEE MEETING.

MOTION: Councilor Rivera moved, seconded by Councilor Dimas, to approve the minutes of the meeting of June 9, 2014, as presented.

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

CONSENT CALENDAR DISCUSSION

No items were removed from consent for discussion.

DISCUSSION AGENDA

12. REQUEST FOR APPROVAL OF RFP 14/08/P PERFORMANCE STUDY AND PROFESSIONAL SERVICES AGREEMENT WITH PUBLIC WORKS LLC, FOR A TOTAL AMOUNT NOT TO EXCEED \$200,000, INCLUDING GROSS RECEIPTS TAX. (ROBERT RODARTE) Committee Review: Finance Committee (Scheduled) 07/14/14 and Council (Scheduled) 07/30/14.

Robert Rodarte presented information in regard to this matter, from his Memorandum of June 30, 2014, to the Public Works/Finance Committees, with attachments. Please see this Memorandum for specifics of this presentation.

The Committee commented and asked questions as follows:

- Councilor Rivera said there was some question about whether the language in the contract was what we had agreed to a year ago during the presentation and asked if that has been corrected.

Mr. Pino said Mr. Rodarte can provide the detail around the difference in the language. He recalled during the oral presentation made about a year ago, it was our understanding that this would be a percentage of savings type contract, reimbursement only upon proof of savings. He said there is language in the proposed PSA which suggested that the cost would be allocated differently than that. He said that is on page 12 of the packet.

Mr. Rodarte said this is correct. He said "If you follow page 5 of the packet which has a small number one on there, we can read this together and get a better idea as to where the company, Public Works, is headed, and they are present today to answer any questions. It says here, basically in the first paragraph, 'Per our conversation, here is the proposed approach. If this is acceptable, I can try reducing this to contract language, but here's the concept first. Basically, instead of what I proposed last week, there was to be nothing due when the report is tendered. Payments would come due only as the savings are actually implemented, so the City could pay us out of savings, and not have to find the money elsewhere in the budget. I am requesting that once the City has agreed that it will in fact accept these savings, it would pay off a rate of 50% of the savings actual achievement, rather than 10%, because otherwise the payments would take too long. But with the amount still capped at 10%, the \$200,000 level, this explanatory detail is attached'."

Mr. Rodarte continued, "So basically here, if we agree to identify an area of possible savings, we in turn would have to pay a large chunk up front before the savings are actually realized. For me, it's a little on the confusing side. I really can't understand that concept, but the President of the company is here to explain it better to us to get a better feel of actually where he's headed on this."

- Councilor Rivera said so they would get 50% of the savings, but cap out at \$200,000.

Mr. Rodarte said that would be the maximum for the entire contract, whether it be findings savings in one area or the entire City, to be no more than \$200,000.

- Councilor Rivera said in the following paragraph it says, "If the City doesn't agree to the recommendations what the likely savings are..... we don't get to count them, in return, the City has to deal with us in good faith." He asked who determines what is good faith, if we reject one of the recommendations.

Mr. Rodarte said it would be a joint decision between the contractor and the committee assigned by the City to oversee this contract.

- Councilor Rivera asked what happens if we don't agree to one of their recommendations, and they feel we aren't dealing in good faith.

Mr. Rodarte said, "I think both parties would step away. Obviously, that's just a contract decision. That if we can't come to a happy medium as to whether or not that is an identifiable savings.... then..."

Councilor Rivera asked if he means terminating the contract.

Mr. Rodarte said, "Correct. We might get something in there in that we understand already. We know that it's something that we're looking into, if they bring it up and we're already looking into it in advance. What good is it. Why do we have to pay them for something we've already been working on."

- Councilor Rivera said we looked at this over a year ago, and things have changed somewhat. He asked Mr. Pino if he thinks we still need to go through this exercise.

Mr. Pino said, "Before this came to the Committee with a presentation, I was involved in a couple of conference phone calls to discuss the concept and the approach and everything. And while all of that was understandable and it was clear what the consultant was proposing, we were in the middle of the 3rd year of budget cuts, the 4th year and now the 5th. And, as example, the Public Works budget had already been reduced 40% over 4 years, and I just wasn't seeing how, short of recommendations that we couldn't consider, for instance privatizing this or that servicing, which is always a way to save money, this is my own view, were not things, because of our labor situation here at the City that we could consider. So, I didn't see how \$2 million or more or less, in savings could be aggregated, so I never felt like this was an achievable goal."

- Chair Trujillo asked if the consultant would like to speak to this.

Eric B. Schnurer, President, Public Works, LLC, said, "With all respect to Mr. Rodarte I give somewhat different answers to all the questions you asked than what he gave you. First of all, I would like to think it is very clear, but unfortunately the terms are very complicated so it may not be clear. It is clear to us that what the City wants is not to pay for anything unless and until it realizes actual savings. So, the way we have structured the payments, that is the case. That was the way you RFPed it, that was the way we proposed it, and that's what we're still proposing, and that's what has been reduced to the contract language that I've worked out with the City Attorney's office. The issue, in terms of the timing of it, we're going to work on this. It will take roughly 4-6 months before we ready the end of the recommendation stage for you. Some things, you'll realize savings right away, some things will take as long as a year to phase-in, so the net results of that is that not all savings will actually be realized, in terms of hard cash that you will have the actual savings, for as much as 18 months after we start work. Since we're a small firm, that's a long time to float the full cost of the contract. So what I've been discussing with the people in the City Attorney's office was how to structure this so that you're are never paying anything other savings you've actually realized, but so this isn't stretching out over a period of 18 months. There will be savings down the road as well, so it could potentially last for two years until the payments are coming in."

Mr. Schnurer continued, "The 50% figure is not 50% of savings. It is 50% of the total contract amount. In other words the total contract amount is capped at \$200,000. So let's assume for the moment, and I'd like to come back and address the gentleman's comments here about what kinds of savings are achievable. Let's assume that we hit the savings level that we believe is possible. We believe not just \$2 million, but \$4 million is possible out the entire City budget, \$2 million out of General Fund agencies. In either of those cases, whether it's \$2 million or \$4 million, the contract amount is capped at \$200,000. That would be the total consultant payment that would be due over the full period of time. We wanted to have 50% of that, in other words \$100,000, paid out as easily as possible, but only as the savings occur. So that, as you accrue the first \$100,000 of savings that the consultant payments would come out of this, but it's only once you're getting the actual savings, not an up front amount. You don't have to pay that upon contract signing. You don't have to pay that upon delivery of the report, it's only as the savings are realized, and that is half of the consultant amount. The rest of the consultant amount will be paid as a percentage that works out to slightly over 5% of the remaining savings over the period of the next 12, 18 months, however long it takes. So that's actually how that payment system is structured."

Mr. Schnurer continued, "It's a little complicated, but the idea was to try to strike a balance between our need to get paid for the up front expenses that we're going to be putting into the project, but stretching out the full amount of payments as long as takes for the City to recoup that money through the savings you're going to be realizing. So it's our hope and expectation that you're going to be seeing the \$2 to \$4 million over the course of the first year, and you would pay \$100,000 from the first \$100,000 of savings, \$100,000 out of the next \$1.9 to \$3.9 million worth of savings. I hope that clarifies that a little bit."

Mr. Schnurer continued, "In terms of the good faith question. The amount of savings is not going to be determined by us. We're not just going to come in and say, okay, hey, we think we saved you \$10 million, so we want a percentage of that. All dollar amounts, for every single item that we come up with, if we come with an idea that you could do whatever, and it's going to save you \$500,000, that's not going to be our say-so that it's going to save \$500,000. It's not going to be our say-so that it will save \$20,000 a month for the first 3 months and then \$60,000 a month thereafter, whatever. Those numbers are going to be worked through and approved by the City Budget office. They will ultimately have to be approved by whatever City officials are designated in the contract for signing off on this, so I'm not sure if that will include City Council or just the executive branch. But in any event, it's not going to our numbers, those are going to be the City's numbers."

Mr. Schnurer continued, "So all payments will be based on the City's projections of how much money it's going to get and on what kind of time frame. So if you look at something and we think it will save you \$500,000, but you think it's only going to save you \$50,000, that's the number that we're ending up with. We're being paid based on your projections, not our say-so. Which takes you to the good faith clause. Essentially, our entire compensation is going to be based on your belief that what we're coming up with is going to save you the money, and that it's a good idea and in fact, it's not something you're already doing, and we're not trying to sell you something that you've already thought of and we're profiting from it in any fashion. "

Mr. Schnurer continued, "So, we're bearing all the risk on this and we're ultimately reliant on your good faith in making those assessments. So, that's why there is a good faith provision in the contract. What happens if we don't believe you're not acting in good faith, well probably nothing, unfortunately. Under the realities of this, if we were to come to loggerheads, this is essentially going to be after we've done all the work and you say, sorry, we're rejecting 5 of the ideas and we're going to downgrade the amount of money on the other ones, and that's the way we think it is. If I don't think you're acting in good faith on that, I could sue the City. The reality is the legal fees will exceed the amount of fees I would get out of the contract. We're ultimately dependent on the City's good faith, however you slice it. So the good faith essentially just memorializes that in contract form."

Mr. Schnurer continued, "In terms of the projections of what you would get out of this, the worst case scenario is that we can't come up with anything and there are no savings. If that were the case, you're paying none of this for that, so there is no risk to the City if this turns out as the worst case scenario would suggest. As the materials demonstrate, we've done this sort of project in a dozen different states at the state, city, county and special district level. And we've always been able to find savings, and there hasn't been anywhere where they think we think we've done everything we can do, and you can't find more money. There are always savings that can be achieved, maybe not \$2 million, but based on our experience, we think \$2 million would be a conservative estimate for a city this size. If I'm wrong, that risk is on me, you'll be paying less or nothing for our work if we can't produce the dollars. But based on our experience, we are confident we can find \$2 million in savings, which would be to the City's benefit and they hopefully can be paid, if not the risk is on us."

- Councilor Rivera asked for example of where this has worked in a similar sized city, other than what is in the packet.

Mr. Schnurer said, "I don't think I can. I was talking to one of your colleagues earlier, and this would be, by far, the smallest jurisdiction in which we've done something like this, which is one of the things that complicates the payment arrangement. We're trying to make this work for the City. This has been in discussions for a long time as you know. I like Santa Fe. As I talked about before with some of the people here, we've been doing these kinds of projects for 12 years, and increasingly people have asked, can you do this on a contingent basis. And because of government's interest in doing it contingent, I've always said yes. We're never wound up doing that way, because in larger jurisdictions our fee relative to the savings produced is so low they wound off backing off a contingent arrangement, and paid a flat amount, because fee savings is so high the fees are paid for within a day or two at the State level. So we've never done a contingent contract before, but Santa Fe was very clear this is the only basis on which you could or would do it, so we've worked to structure this in a way... essentially it is an experiment because it is a small jurisdiction. So if this goes awry and there is nothing we can find to help you, we're going to be a good amount of out of pocket for doing the project, but it won't be the amount we would be out for doing a project in New York City. You're getting the same product we provide at higher prices to other jurisdictions. We're experimenting with whether, at the end of the day, when we produce recommendations for you, that you wind up saying, yes, we're satisfied with this and we'll pay you."

We're bearing risk we haven't borne before, but in this instance we're doing this because we want to see a contingent like this will work, and hopefully that's going to be finally worked out for the City."

Mr. Schnurer continued, "So, getting back to your question, can I tell you where this has been done in a similar size jurisdiction, unfortunately not. The smallest place might be Jefferson County, Kentucky, with a population of 200,000 to 300,000, so it's not a huge place. The main thing they wanted us to look at was the police, fire and EMS, which is a very large percentage of the budget at the municipal level."

- Councilor Rivera asked if he was able to find the requested savings in police, fire and EMS.

Mr. Schnurer said, "Yes."

- Councilor River asked him to elaborate.

Mr. Schnurer said he can send him the total report, saying he believes the savings were particular to the EMS, noting it was a different issue from what Santa Fe has, a lot of issues around the provision of emergency services and police and fire services, and the county had 70-80 jurisdictions which were exempt from County control. There was a proliferation of police and fire departments that needed to be consolidated to deliver services faster. That was a controversial issue and they had to work around the politics in a way that work for all of the municipalities and the County. He noted there is an example in the materials from Chicago, noting there were a dozen recommendations on the police department the most notable on the disposition of dead bodies which was particularly expensive and they could cut costs by 2/3.

- Councilor Rivera asked Mr. Schnurer if he avoids recommendations for privatization of certain services.

Mr. Schnurer said they don't avoid them, and it depends on the instructions from the government they are hired to serve. Most state governments, with 2 exceptions, told them explicitly they do not want reductions in force and want to maintain the work force at its current numbers, so we should find savings other than that. He is unsure if anyone explicitly told us to stay away from privatization He said, "When it comes to these kinds of reviews, I don't have an ideological position on privatization. There are some things that it makes sense to consider whether private sector provision of something is going to be cheaper and more efficient in providing services. When you're looking at that kind of issue, you can't just look at cost, because the cost savings from privatization don't materialize over time because you're looking at a difference at the quality or delivery of service, or some other factor which leads to the government having to de-privatize the service. Sometimes it makes sense and sometimes not. Our charge in doing this kind of project is not to come with an ideological agenda on anything. It is purely to find how you can save costs and improve service and customer satisfaction, how can you best provide your services. In most cases, the government is looking to safe money, but that is a long term proposition and poor service won't save money in the long term."

- Councilor Rivera said when you were talking about compensation, he mentioned it was on projected savings, so that is when you would be paid, based on projected savings or is it actual savings.

Mr. Schnurer said it's a combination of both, and he gave an example of changes in fleet operations in how you are buying, renting or compensating people for the use of vehicles. He said for example, a box could be put in the car to improve gas mileage to get 10% better gas mileage for all city vehicles, and you would project a reduction of gasoline costs. He said at the end of the year if the gasoline costs increased there are factors involved such as increase in gasoline prices and fluctuations in how much people are driving. There are some kinds of recommendations you can't, except with great difficulty and maybe even then at all, ascertain exactly what the savings were from a particular change when it is interactive with other changes.

Mr. Schnurer continued saying, there are other recommendations where you can tell where you saved money, such as a recommendation to reduce costs by laying off 3 staff in, for example, the city attorney's office. In most reviews there are a great deal of savings that have to be estimated because the data isn't available to drill down to a deeper level, or you're deal with things that haven't happened and it is necessary to do comparisons with other cities and then make projections as being a fair, conservative estimate of savings to the City. He said they have a detailed methodology in reaching the numbers, noting any methodology and numbers must be approved by the City's budget people.

Mr. Schnurer continued, saying they work hard to make conservative savings estimates, because it isn't in anybody's interest to "puff things up." He said when they look bad, in the long run it comes back to "bite you" when you look bad. He said a small consulting firm such as his can't do that so they try to be very active and conservative. He said there have been two instances where states came back and did their own audits of the results 1-2 years down the road, and found that the projections were low and they saved more money than we projected. He said, "This essentially is going to be something that's signed off on by the City, by City professional staff, City leadership using the best methodology we can come up with, where we have to, project and estimate numbers, or where a factual number can be nailed down."

- Councilor Rivera asked Zachary Shandler, Assistant City Attorney, if he agrees with the language in the contract regarding good faith and what would happen where there were issues as Mr. Rodarte said and what Mr. Schnurer said.

Mr. Shandler said he is sitting in for Judy Amer, and he hasn't seen the contract personally and can't give an answer right now.

- Responding to Councilor Rivera, Mr. Shandler said Ms. Amer has departed the City.
- Councilor Rivera asked who will take over for Ms. Amer to answer questions on this contract.

Mr. Shandler said he doesn't know, but he is sure it will be shared among the staff, and he is happy to help wherever he can do so.

- Councilor Dimas asked if the City has done anything like this previously.

Mr. Pino said no, this is the first time we've done this type of proposal.

- Councilor Dimas asked how this evolved, commenting he doesn't recall this coming before the Council previously.

Mr. Pino said, "I would characterize it, although it wasn't quite this, I would characterize it as a cold call to begin discussions between the company and the City Manager at the time. And then it was moving from the administrative level to a presentation here to the Committee, and finding subsequent life in an RFP."

- Councilor Dimas asked the number of personnel which would be brought into the City to do the agreed upon work to find cost savings and if he has personnel expertise to do this work in his firm.

Mr. Schnurer said, "Yes we do. We've done this sort of project all across the country for public safety issues. We've got two people who have been involved in public safety at the state and local level for 20-30 years each and have done similar reviews of county jails, city police departments, state corrections departments, top to bottom, in at least 30 jurisdictions. So they've got plenty of experience with doing this with city police and fire departments."

Mr. Schnurer continued, "As I mentioned, we did similar reviews, within the last couple of years in Chicago and in Jefferson County, which is Louisville, Kentucky, that involved the Chicago Police and Louisville Police, Fire and EMS. So, we have people with expertise in these areas. We actually have someone who has been a City Parks & Recreation Commissioner, so we have people with expertise in, I wouldn't say in every single area in City government, but who have worked in City government and who have worked in the specific areas that make up the bulk of what we would be looking at in review."

Mr. Schnurer continued, "In addition to that, we have a general staff knowledge of these sorts of processes, how you get at the savings, how you work this kind of a procedure to identify savings in an area where we don't necessarily have expertise. One of the examples I gave in those materials you have is the thing that's probably gotten the most attention out of any recommendation we ever made in any one of these reviews, which involves the salt spreaders on the snow plows in the State of West Virginia. We saved them \$3 million a year by getting them to properly calibrate the salt spreaders and the snowplow. I don't have anybody on staff that knows anything about snow plows or salt spreaders, at least as far as I know. We certainly didn't go into that project, but because of the way we structure these reviews, that was something that bubbled up through a series of structured focus groups with select employees from the Department of Highways in West Virginia."

Mr. Schnurer continued, "The conversation had initially started with the fact is that they stopped everything at the County line in West Virginia. If you have a 30 mile road that goes over the County line by 100 feet, the road crew will stop at the County line and somebody has to come from the other County seat out 20 miles to finish over the last 100 feet of paving the road. And that's obviously inefficient. That discussion, I wasn't there, but I'm told that the conversation proceeded from there to talk about the fact that this is the same way they plowed the roads when it snowed. I don't know, but it wound up getting into a conversation about the salt spreaders when it snowed, the fact these had never been calibrated. We wound up going out and having them run a test on how much salt could be saved by calibrating them. It was such a substantial amount, they didn't wait for us to finish the report, they just put this in action immediately."

Mr. Schnurer continued, "So, that is a two part answer to your question. Yes, we have people who have expertise in all the major areas of City operations, and particularly the ones where we are going to be looking to save money. But part of this comes, not from specific expertise in each of the subject matter areas, but an overall approach to budget, finance and how you find a fix."

- Councilor Dimas asked Mr. Schnurer if he has had the opportunity to study the City to get a basic idea of "what you're walking into."

Mr. Schnurer said, "It's been a while, but I looked over the City budget at the time we made our proposal and saw where the major areas of spending are. I had talked with the prior City Manager about what his major concerns were, and where he thought the need for the biggest look was, which largely corresponded to where most of your spending is going on, which is not surprising."

Mr. Schnurer continued, "I also looked, this past week, at the transition report that was done for the Mayor which touches on a lot of similar sorts of issues. And I thought it actually was a very impressive report, one of the best I've seen. In some places, it made recommendations that I was disappointed to see the report, like I assume cutting the 3 people from the City Attorney's Office, or whatever, because now we can't recommend them. But there are a lot of other areas that it suggested that are worth a further look. I think that report gives a pretty good idea of the current state of play and where there is potential for additional savings and for deeper dives on things. On the whole, my impression of the City of Santa Fe is that is a well run small city, but like anybody else in this day and age, there are constant financial pressures. And there is always the opportunity to find additional savings."

Mr. Schnurer continued, "As I mentioned before, this issue always comes up of, we've been in tough times for years and made lots of cuts. We don't think anything more can be found. That's a common refrain. I have two general responses on that. One is I've heard that everywhere we've gone and there is always room for improvement. It's amazing how much that's true, and the second is, the best example of that is the State of Texas which was the first government to do one of these large scale, comprehensive look at the whole government for efficiency kinds of review, which it did twenty something years ago, 1991-1992. And they found, yes Texas obviously has a pretty large budget, they found about \$1 billion in savings the first year. They then institutionalized this kind of performance review process. In was in fact it was from people who did the original

Texas performance review that we picked up the methodology for doing this. We employee several people who had worked formerly for the Texas performance review and the TPR methodology is what we've taken and refined in the various states and cities we've done this around the country. But Texas, itself, started doing this 22-23 years ago. They institutionalized it in an Office of Performance Review within the State Controller's Office, and it still exists today. They've done a review like this every year for 22-23 years, and they're still finding hundreds of millions in savings every year, despite having found hundreds of millions of savings for 20 years before that."

Mr. Schnurer continued, "Even in the best run operation, you can always look harder and find ways to do things better and to find efficiencies. The main thing is that where the money tends to be is not in the budget line items. Everybody says we've gone over the budget, we've cut everything there is to cut. The savings are in the things that aren't in the budget line items, that's exactly where the savings are, because they aren't there, you don't look at them, you don't see them. Nobody really adds these numbers up. In a lot of places, the government couldn't tell you what their electricity bill is. It tends to be a place where they're spending lots of money. They've done better about this sort of thing. Cell phone usage was a huge sinkhole of money in most governments up until a couple of years ago, because nobody tracked their cell phone bill. Things like the road salt. Nobody had ever paid attention to that in West Virginia before, because there wasn't a budget line item for road salt. And if it doesn't get measured, it doesn't get done. So basically, we think there's always ways to find improvements by looking at things that haven't been looked at."

- Councilor Dimas said it appears to him, that he is very confident that you can find some cost savings here, or you don't get paid.

Mr. Schnurer said that's correct, "and the risk is on us and I wouldn't be here if I didn't think we could do you a service. And if I'm wrong, well that's my problem."

- Councilor Dimas said the only thing he would ask for, at this point, before he could vote on this, was to make sure the City Attorney and the City is fully comfortable with the contract that is being proposed and written at this point. He isn't ready to vote on this until he knows that is actually where we are with the contract and how it reads.

Mr. Schnurer said wouldn't expect the City to do otherwise. He said he didn't know Ms. Amer was no longer her, noting he and Ms. Amer spent a lot of time working on this and trying to come up with a way it would work and be acceptable to the City. He thinks we are at that point, but you need to take your attorney's word for that. He thinks we are to the point where hopefully it is acceptable to everyone and hopefully, you can get the okay from your attorneys.

- Chair Trujillo said, "That's the problem that I have, now that Judy is not taking care of that. I know, Zach you're not up to speed on this at all. I haven't talked to Kelly, so I don't know who she's going to give it out to. Until I have you guys... that's why we like to have our lawyers here is to walk us through some of these lines. I'm not a lawyer, and I don't understand a lot of the Whereas

and that's where I'm having the problem right now before I could even vote, and I don't vote on this Committee, but I would when it would go to the Finance Committee." He asked the wishes of the Committee."

MOTION: Councilor Rivera moved, seconded by Councilor Dimas, to forward this request to the Finance Committee without a recommendation from the Public Works Committee, with direction to the Attorney's Office to review the contract and be able to answer questions, and to include language in the contract about some of the recommendations about not dealing with personnel, and to not make recommendations about privatization of City services.

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

Councilor Rivera asked Mr. Shandler to pass these recommendations to whoever will be handling this in the future at such time when it comes back to this Committee.

Mr. Shandler said since it's going to Finance on Monday, it seems we need to focus on the answers right away.

13. PRESENTATION AND APPROVAL OF PROJECT STUDY REPORT FOR THE RIVER TRAIL UNDERPASS AT ST. FRANCIS DRIVE/WEST ALAMEDA STREET. (ERIC MARTINEZ)

- A. REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2012 GENERAL OBLIGATION (G.O.) BOND PARK AND TRAILS IMPLEMENTATION PLAN TO REALLOCATE 2 MILLION DOLLARS CURRENTLY DESIGNATED FOR THE RIVER TRAIL UNDERPASS AT ST. FRANCIS/WEST ALAMEDA, LESS CERTAIN COSTS ALREADY INCURRED, TO BIKE-PEDESTRIAN TRAILS AND RELATED SAFETY AND INFRASTRUCTURE PROJECTS. (COUNCILORS BUSHEE, LINDELL, DIMAS AND IVES). (ERIC MARTINEZ)**

Committee Review: Bicycle & Trails Advisory Committee (Approved) 06/18/14; Public Works (no quorum) 06/23/14; and Council (Scheduled) 07/30/14.

This item is postponed to the Public Works Committee meeting of July 28, 2014.

14. DISCUSSION AND RECOMMENDATIONS ON THE DRAFT 2016/2020 INFRASTRUCTURE CAPITAL IMPROVEMENTS PROGRAM – ICIP. (ISAAC PINO) Committee Review: Finance Committee (Scheduled – Draft) 07/14/14; Public Works Committee (Scheduled – Final) 07/28/14; Finance Committee (Scheduled – Final) 08/04/14; and Council (Scheduled) 08/13/14.

Mr. Pino said the Department of Finance and Administration has changed its deadlines again, which makes it important to deal with this sooner, rather than later. He said this is a list that serves as the basis for our legislative requests. He noted in the Committee packet they have provided a list of last year's

projects, the status of on-going projects which are funded annually in the Legislative Capital Outlay bill. He said we need to engage the process of prioritizing this list. He said there has been a review with the Department to make sure the numbers and categories are correct, and they are. He said this is timely because we just did the CIP approval, and in that process there were a number of things that had to be left off this list that we might want to see on this list, if not already on here. He said that way staff can get all the background on new projects and put it on the list. The purpose for this evening is to make sure this list is distributed to the Councilors, first on this Committee, so you can start your review. He said they have the backup information here on the projects. He would encourage the members of the Committee to consider adding some of the CIP projects to this list that didn't make the CIP list. He said we have been fairly successful year to year in getting legislative appropriations for various projects and he would expect "none the less this year."

Chair Trujillo said this will go to the Finance Committee next week, and then it will come back to this Committee on July 28, 2014, and then back to Finance on August 4, 2014. He said the time frame is to submit this list by the middle of August. He said he is asking the Committee members to take this list with them and dissect it, and consider adding those which didn't get on the CIP list. He asked if the Committee will be making a recommendation this evening.

Mr. Pino said no. He said staff is requesting the Committee members to look at the list and rank the projects, noting there are about 67 projects which is what we usually work with. He said the top 5-6 ranked projects usually make the cut.

Councilor Rivera said there are some things on the list which were removed previously, and perhaps the work has been completed. For example, Item #1 the Main Police Station, which he believes is being completed or will be complete soon. He said according to Chief Schirfl there was no need for additional funding for the Police Station.

Mr. Pino checked the backup information which indicated, "This work is designated as Police Department renovation phase 2, and consists of renovation to office spaces on the first and second floor, mechanical upgrade. Professional standards." Mr. Pino said Professional Standards was the last area that needed upgrade, and this isn't part of the main Police Station and is part of police operations, but not the main building itself.

Councilor Rivera asked if the figures are up to date, and if this is the amount needed for a Professional Standards building, noting it says funding to date of \$900,000 and asked if this is correct.

Mr. Pino said on Police Main Station yes, but not for the Professional Standards building.

Councilor Rivera said perhaps it should be titled correctly, so he is clear it isn't for the Police Main Station and it is a completely different building.

Responding to Councilor Rivera, Mr. Pino said some recommendations were made for CIP funding for Item 17, Carlos Ortega Teen Center improvements. He said the backup information indicates, "In addition to work that is now in the CIP, ADA improvements, paint, stucco, new carpet and things like that."

Councilor Rivera said then this for additional needs in addition to everything on the list which may have been addressed on CIP.

Mr. Pino said he will ask the staff to make sure this list has been updated tightly with the CIP, so if we are carrying a description which might have been provided a few weeks ago, that we change or eliminate it if it is now completely covered.

Chair Trujillo asked Mr. Pino to do so, and to email a current list to the Committee members when that has been done, and from there we can whittle down the list.

Responding to Councilor Rivera, Mr. Pino said staff is requesting prioritization of Items 1-67, reiterating the top 5 usually are addressed by the Legislature.

15. MATTERS FROM STAFF

There were no matters from staff.

16. MATTERS FROM THE COMMITTEE

Chair Trujillo said he was contacted by a constituent with regard to the availability of water on the golf course. It is very hot and there is no water available, and asked staff to look at putting out water, Gatorade or some kinds of liquid. He said they do it at other golf courses, and asked staff to talk with the golf course to see what we can do.

Mr. Pino said the Igloo coolers were replaced with water fountains and they are strategically placed, commenting if you are on at least 3 holes you can get water.

Chair Trujillo said he will talk with the constituent and tell them about this, commenting he didn't know about this.

Mr. Pino said he will make sure all of the water fountains are working.

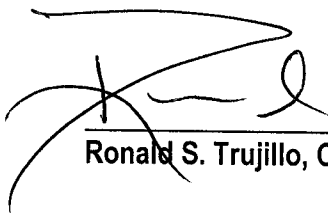
17. MATTERS FROM THE CHAIR

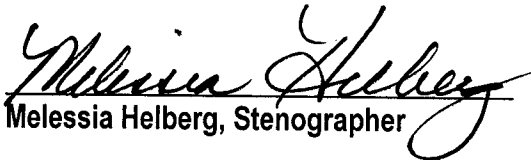
There were no matters from the Chair.

18. NEXT MEETING: MONDAY, JULY 28, 2014

19. ADJOURN

There being no further business to come before the Committee, and having completed its agenda, the meeting was adjourned at approximately 6:00 p.m.



Ronald S. Trujillo, Chair

Melessia Helberg, Stenographer

Hj

C.G. Higgins Confections, Santa Fe, New Mexico 87505

June 23, 2014

Public Works Committee
City of Santa Fe, New Mexico

Dear Public Works Committee:

Thank you for considering my proposal to lease space in front of my candy shop/coffee shop to accommodate two tables. The customers have been requesting this accommodation since we opened last July.

In the meantime, I have an additional request. I don't know exactly whom at City Hall I should approach on this matter, so I thought this evening might be a good start. That is, during both the Spanish Market and the Indian Market, Lincoln Avenue, where my store is located is blocked off for vendors. Due to the street closure, I am unable to service my retail store as I have no backdoor access as do the other retailers in my building.

My request is that the City of Santa Fe assist in whatever way possible to give me permission to service my store in the early hours of the festival days, before the festivals open and the street is typically void of any traffic. Perhaps a letter to show to the blockade monitors or something that will make them comfortable so they will slide the barricade aside and allow me a brief access to my store.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Chuck Higgins". The signature is fluid and cursive, with the first name "Chuck" being more prominent than the last name "Higgins".

Chuck Higgins
Owner, C.G. Higgins Confections

Exhibit "1"